

THE BUSINESS REVIEW

THIRD FEDERAL
PHILADELPHIA



RESERVE DISTRICT
MAY 1, 1924

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SUMMARY OF BUSINESS CONDITIONS IN THE UNITED STATES

Production of basic commodities decreased during March, and there was a recession in wholesale prices. Distribution, both at wholesale and retail, showed less than the usual seasonal increase and was smaller than a year ago.

The Federal Reserve Board's index of production in basic industries, adjusted to allow for length of month and other seasonal variations, declined 3 per cent in March. Output was reduced by industries and the decreases were particularly large in mill consumption of cotton and production of bituminous coal and copper. Daily average production of steel ingots, however, was larger than in any previous month. The level of factory employment was unchanged but some curtailment in working hours was evidenced by a decline

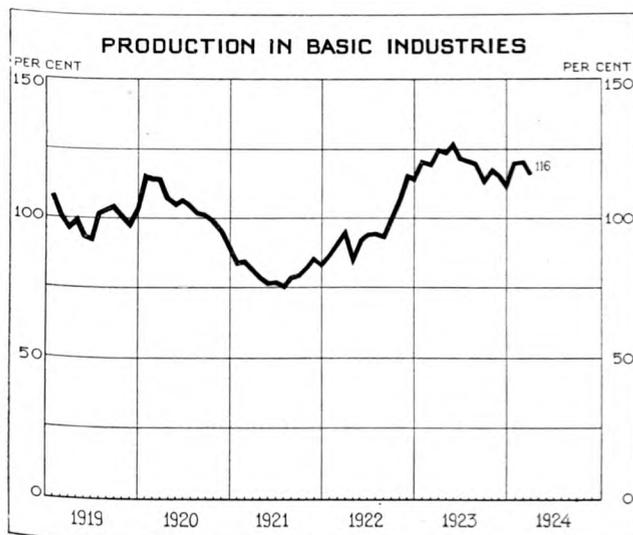
Production

of one per cent in average weekly earnings. Contract awards for new buildings in March reached the highest total value on record, owing chiefly to a large increase in the New York district.

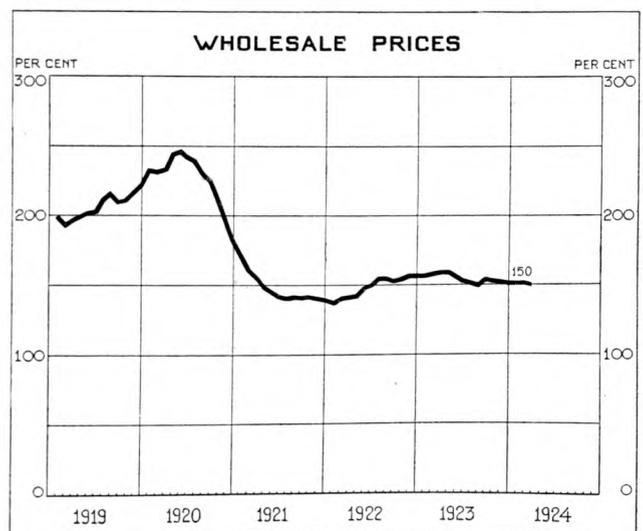
Estimates by the Department of Agriculture on the basis of condition on April 1 indicate a reduction of 4 per cent in the yield of winter wheat and of 6 per cent in the production of rye as compared with the final harvests in 1923.

Shipments of commodities by railroads declined each week in March and car loadings were 4 per cent less than a year ago. Wholesale trade increased slightly during March but was 8 per cent less than a year ago owing to decreases in sales of drygoods, shoes and hardware. March sales of department stores were 8

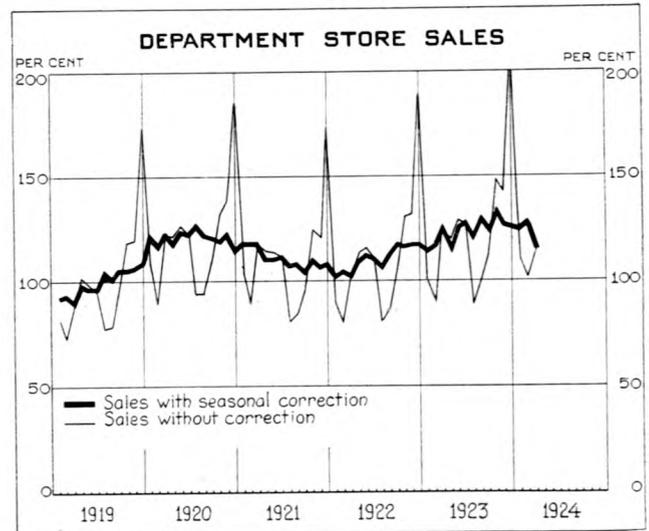
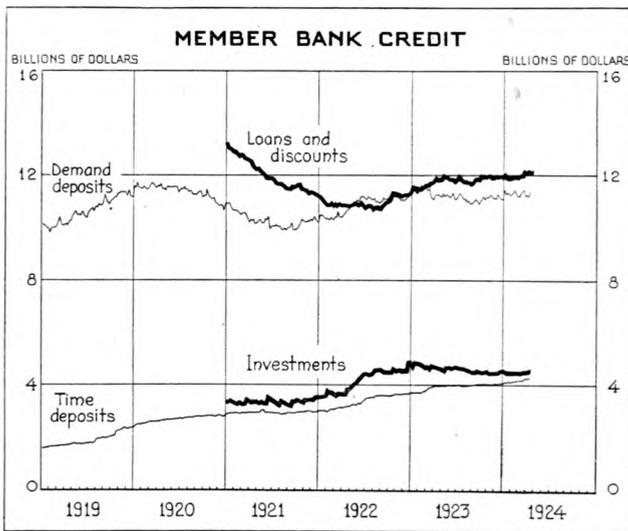
Trade



Index of 22 basic commodities corrected for seasonal variations. (1919=100.) Latest figure—March, 116



Index of United States Bureau of Labor Statistics. (1913=100, base adopted by Bureau.) Latest figure—March, 150.



Weekly figures for member banks in 101 leading cities. Latest figure—April 16.

Index of sales of 333 stores in 117 cities. (1919 = 100.) Latest figures March, 115

per cent less than in March, 1923, and merchandise stocks at the end of the month were 8 per cent larger than a year ago. Sales of mail order houses also showed less than the usual seasonal increase in March. Decrease in the volume of purchases at retail compared with last year is partly accounted for by the late Easter and the generally unfavorable weather conditions.

Wholesale prices as measured by the Bureau of Labor Statistics index, decreased slightly more than one per cent in March and were 6 per cent lower than a year ago. Prices

Prices

of farm products, foods, clothing, chemicals, and house furnishings declined, building materials remained unchanged, while fuel and metals were slightly higher than in February. During the first three weeks of April quotations on pig iron, lead, coal, silk, and sugar declined, while prices of wheat, corn, and cotton advanced.

Volume of borrowing for commercial purposes at

member banks in leading cities, after increasing during

the early part of the year, remained constant at a high level between the middle of March and the middle of April. During the four week period total loans of these banks were in larger volume than at any time in more than two years.

Discounts and investments of the Federal reserve banks, which on April 2 were slightly above \$1,000,000,000 declined by about \$125,000,000 during the first three weeks in April to the lowest point for the year. This decline represents a reduction in discounts and in the holdings of acceptances, while the volume of Government securities increased somewhat. Money rates in the New York market during the first three weeks in April were at about the same level as in the latter part of March. Prime commercial paper was quoted at 4½ per cent and 90 days bankers' acceptances at 4 per cent throughout the period.

Bank credit

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SUMMARY OF BUSINESS CONDITIONS IN THE THIRD FEDERAL RESERVE DISTRICT

Business has fallen off slightly during the past few weeks, as is evidenced by reduced production schedules in several industries, by decreases in the loadings of freight cars, and by declines in wholesale commodity prices. Moreover, in six of the eight wholesale lines reporting to this bank sales were smaller in March than in March, 1923, but for this the late Easter was partly responsible. It must be remembered also that a year ago business was entering upon a period of great activity, so that in spite of a smaller volume at present, the total is still large. Employment at industrial establishments in Pennsylvania, New Jersey, and Delaware increased slightly in March, but average weekly earnings declined, probably as a result of shorter working hours.

The value of building permits issued in fifteen cities of the Third Federal Reserve District during March totaled \$23,464,044, which, though considerably above the February total, was well below the record figure of \$31,844,831 in March, 1923. The call for building materials is fair, and as was to be expected, shows some improvement since last month. Manufacturers, in most lines, report that demand is rather quiet and that the majority of orders call for prompt delivery. Iron and steel has been in light request, and the tendency to purchase only for immediate requirements has continued. Unfilled orders of the United States Steel Corporation declined in March for the first time since last November. Production of both pig iron and steel during March was at a high rate, but during the past few weeks operations have been curtailed. The situation in the textile industries fails to improve, and practically all textile lines report a sluggish demand and weak prices. As a result, operations have been reduced at several mills producing cotton and woolen and worsted goods. Other manufacturers, especially in the paper box, cigar, flour, and leather industries, report only a moderate demand for goods and less activity than last year. Sales of automobiles in this district, however, continue to be good, and most dealers report increases over the first quarter of 1923.

The agricultural situation is on the whole favorable, although lack of snow protection during the winter affected the wheat and rye crops. Fruit trees are in excellent condition, and farmers have purchased more

fertilizers than they did a year ago, which augurs well for the coming crops. The supply of farm labor, though larger than it was a year ago, is still inadequate.

According to the latest reports, retail trade in April will run ahead of that of last year, chiefly because of the late Easter. The same factor is probably responsible for a decline in retail sales in March. Wholesale trade in April was somewhat better than in March, during which month sales ran behind those of March, 1923, in all but two of the lines reporting to this bank. As was to be expected, sales in March were larger than in February.

Wholesale commodity prices declined during March, the index of the Bureau of Labor Statistics falling from 152 to 150. The decrease was mostly due to lower prices for farm products and for cloths and clothing. Prices of some important commodities, such as pig iron, silk, and copper, have declined further since April 1.

Reporting member banks in this district have continued to extend accommodation in substantial volume for commercial purposes, and credit conditions are easy. Money rates are lower than they were a month ago, the bulk of sales of commercial paper being at $4\frac{1}{2}$ and $4\frac{3}{4}$ per cent, with only a small amount offered at 5 per cent.

EMPLOYMENT AND WAGES

Employment and wages in the manufacturing industries of Pennsylvania, New Jersey, and Delaware changed but little from February to March. An increase of .3 per cent occurred in the number of wage earners at 1,041 reporting establishments, and total wages paid decreased .5 per cent, causing a decline of .8 per cent in average per capita earnings. Employment increased in 32 of the 48 industries included in our survey, and average weekly earnings were smaller in the same number of industries.

With few exceptions, however, the changes recorded were quite small. The largest gain—8.1 per cent—was reported by canneries, and only six other industries—foundries and machine shops, blast furnaces, carpet and rug factories, chemical, coke, and jewelry establishments—reported increases in employment of three per cent or more. In all of these industries, moreover, average earnings declined, indicating either shorter

EMPLOYMENT AND WAGES
IN PENNSYLVANIA, NEW JERSEY AND DELAWARE

Group and Industry	Number of plants reporting	Number of wage earners— week ended			Total weekly wages— week ended			Average weekly earnings— week ended		
		March 15, 1924	February 15, 1924	Per cent change	March 15, 1924	February 15, 1924	Per cent change	March 15, 1924	February 15, 1924	Per cent change
All industries (48)	1,041	397,406	396,200	+ 0.3	\$10,580,599	\$10,633,045	- 0.5	\$26.62	\$26.84	- 0.8
Metal manufactures:	352	193,297	191,902	+ 0.7	5,473,730	5,470,907	+ 0.1	28.32	28.51	- 0.7
Automobiles, bodies, and parts	24	7,586	7,402	+ 2.5	221,723	214,772	+ 3.2	29.23	29.02	+ 0.7
Car construction and repair...	14	14,541	14,826	- 1.9	384,896	368,573	+ 4.4	26.47	24.86	+ 6.5
Electrical machinery and apparatus.....	38	18,800	19,007	- 1.1	459,535	481,440	- 4.5	24.44	25.33	- 3.5
Engines, machines, and machine tools.....	39	13,695	13,699	- 0	392,166	386,693	+ 1.4	28.64	28.23	+ 1.5
Foundries and machine shops.	74	14,997	14,430	+ 3.9	419,851	411,527	+ 2.0	28.00	28.52	- 1.8
Heating appliances and apparatus.....	19	6,229	6,145	+ 1.4	198,332	190,353	+ 4.2	31.84	30.98	+ 2.8
Iron and steel blast furnaces..	11	14,948	14,394	+ 3.8	426,422	413,468	+ 3.1	28.53	28.73	- 0.7
Iron and steel forgings.....	12	4,803	4,735	+ 1.4	123,831	124,496	- 0.5	25.78	26.29	- 1.9
Steel works and rolling mills..	47	52,201	52,044	+ 0.3	1,516,730	1,540,666	- 1.6	29.06	29.60	- 1.8
Structural iron works.....	11	2,766	2,721	+ 1.7	70,517	72,655	- 2.9	25.49	26.70	- 4.5
Miscellaneous iron and steel products.....	48	29,360	29,188	+ 0.6	867,246	885,055	- 2.0	29.54	30.32	- 2.6
Shipbuilding.....	8	9,272	9,206	+ 0.7	273,214	260,462	+ 4.9	29.47	28.29	+ 4.2
Non-ferrous metals.....	7	4,099	4,105	- 0.1	119,267	120,747	- 1.2	29.10	29.41	- 1.1
Textile products:	249	72,574	72,540	+ 0	1,609,344	1,636,416	- 1.7	22.18	22.56	- 1.7
Carpets and rugs.....	15	4,462	4,311	+ 3.5	123,457	122,552	+ 0.7	27.67	28.43	- 2.7
Clothing.....	36	6,118	6,072	+ 0.8	114,639	115,565	- 0.8	18.74	19.03	- 1.5
Hats, felt and other.....	8	5,333	5,234	+ 2.3	121,449	128,342	- 5.4	22.69	24.52	- 7.5
Cotton goods.....	23	7,308	7,556	- 3.3	173,943	176,876	- 1.7	23.80	23.41	+ 1.7
Silk goods.....	65	17,360	17,586	- 1.3	349,602	354,921	- 1.5	20.14	20.18	- 0.2
Woolens and worsteds.....	31	12,913	12,763	+ 1.2	281,252	289,229	- 2.8	21.78	22.66	- 3.9
Knit goods and hosiery.....	46	10,648	10,635	+ 0.1	215,025	221,434	- 2.9	20.19	20.82	- 3.0
Dyeing and finishing textiles..	17	6,311	6,308	+ 0	182,196	181,324	+ 0.5	28.87	28.75	+ 0.4
Miscellaneous textile products.	8	2,121	2,075	+ 2.2	47,781	46,173	+ 3.5	22.53	22.25	+ 1.3
Foods and tobacco:	90	27,290	27,578	- 1.0	618,268	630,474	- 1.9	22.66	22.86	- 0.9
Bakeries.....	22	4,837	4,756	+ 1.7	126,188	124,282	+ 1.5	26.09	26.13	- 0.2
Canneries.....	7	2,802	2,591	+ 8.1	59,206	57,670	+ 2.7	21.13	22.26	- 5.1
Confectionery and ice cream..	22	5,609	5,776	- 2.9	112,050	115,780	- 3.2	19.98	20.05	- 0.3
Slaughtering and meat packing	12	2,741	2,835	- 3.3	70,308	76,273	- 7.8	25.65	26.90	- 4.6
Sugar refining.....	4	4,424	4,423	+ 0	142,398	140,758	+ 1.2	32.19	31.82	+ 1.2
Cigars and tobacco.....	23	6,877	7,197	- 4.4	108,118	115,711	- 6.6	15.72	16.08	- 2.2
Building materials:	78	23,714	23,359	+ 1.5	683,992	671,035	+ 1.9	28.84	28.73	+ 0.4
Brick, tile, and terra cotta products.....	20	3,325	3,246	+ 2.4	88,252	85,541	+ 3.2	26.54	26.35	+ 0.7
Cement.....	15	7,682	7,586	+ 1.3	216,232	217,204	- 0.4	28.15	28.63	- 1.7
Glass.....	28	7,775	7,713	+ 0.8	214,148	211,641	+ 1.2	27.54	27.44	+ 0.4
Pottery.....	15	4,932	4,814	+ 2.5	165,360	156,649	+ 5.6	33.53	32.54	+ 3.0
Chemicals and allied products:	75	30,242	29,991	+ 0.8	900,190	907,608	- 0.8	29.77	30.26	- 1.6
Chemicals and drugs.....	41	8,359	8,113	+ 3.0	222,293	216,401	+ 2.7	26.59	26.67	- 0.3
Explosives.....	10	2,473	2,452	+ 0.9	67,352	67,761	- 0.6	27.23	27.63	- 1.4
Paints and varnishes.....	12	1,404	1,486	- 5.5	37,448	39,762	- 5.8	26.67	26.76	- 0.3
Petroleum refining.....	8	16,568	16,547	+ 0.1	527,636	538,614	- 2.0	31.85	32.55	- 2.2
Coke.....	4	1,438	1,393	+ 3.2	45,461	45,070	+ 0.9	31.61	32.35	- 2.3
Miscellaneous industries:	197	50,289	50,830	- 1.1	1,295,075	1,316,605	- 1.6	25.75	25.90	- 0.6
Lumber and planing mill products.....	8	2,245	2,341	- 4.1	51,074	53,000	- 3.6	22.75	22.64	+ 0.5
Furniture.....	21	3,141	3,206	- 2.0	78,004	80,012	- 2.5	24.83	24.96	- 0.5
Musical instruments.....	6	9,838	10,319	- 4.7	277,714	301,792	- 8.0	28.23	29.25	- 3.5
Leather tanning.....	34	7,788	8,109	- 4.0	202,694	213,749	- 5.2	26.03	26.36	- 1.3
Leather products.....	8	723	718	+ 0.7	14,811	14,771	+ 0.3	20.49	20.57	- 0.4
Boots and shoes.....	29	5,655	5,576	+ 1.4	106,586	107,264	- 0.6	18.85	19.24	- 2.0
Paper and pulp products.....	24	5,726	5,761	- 0.6	149,216	147,046	+ 1.5	26.06	25.52	+ 2.1
Printing and publishing.....	23	3,292	3,250	+ 1.3	103,847	104,490	- 0.6	31.55	32.15	- 1.9
Rubber tires and goods.....	20	5,695	5,776	- 1.4	153,622	154,140	- 0.3	26.97	26.69	+ 1.0
Novelties and jewelry.....	11	2,959	2,873	+ 3.0	71,866	71,023	+ 1.2	24.29	24.72	- 1.7
All other industries.....	13	3,227	2,901	+ 11.2	85,641	69,318	+ 23.5	26.54	23.89	+ 11.1

working hours or the hiring of lower-paid workmen. Cotton mills, meat packing establishments, cigar factories, paint and varnish factories, lumber and planing mills, musical instrument factories, and leather tanneries were the only industries which reported decreases of more than three per cent in the number employed.

The average decline of nearly one per cent in weekly per capita earnings probably indicates shorter working hours rather than reductions in wage rates, as very few firms reported either decreases or increases in the latter. The number of workers affected by these changes in wage rates was only 2,204, or less than one per cent of the total number employed at reporting establishments. The table on page 4 shows the detailed changes in employment and wages in the leading industries of Pennsylvania, New Jersey, and Delaware.

FINANCIAL CONDITIONS

Payments by check, as indicated by debits to individual accounts at banks in eighteen cities of this district, totaled \$1,960,000,000 in the four weeks ending April 16. This figure is slightly in excess of that in the corresponding period last year, when business was exceedingly brisk, and it gives ample evidence of the high degree of business activity during the months just past. As compared with the corresponding period in 1922, a gain of 20 per cent in debits is to be noted.

Loans and discounts at reporting member banks in Philadelphia, Camden, Scranton, and Wilmington in-

creased heavily during the four weeks ended April 9 and now stand well above the low point reached on January 23. Investments and deposits, too, have increased. This added accommodation has been extended to business with little additional borrowing from the reserve bank. These banks were borrowing 13 millions on April 9, as against 11 millions on January 23. "All other" loans, largely commercial, are now higher than they were at any time during 1923.

A decline of 8 millions in the earning assets of the Federal Reserve Bank of Philadelphia took place in the period from March 19 to April 16. The greater part of this decline was in purchased paper and United States securities, as holdings of bills discounted decreased less than one million. Total deposits changed only slightly, but the circulation of Federal reserve notes increased 8 millions, and cash reserves 10 millions. The reserve ratio moved up from 81.7 to 82.7 per cent.

The position of the reserve bank to-day affords some striking contrasts with that of a year ago. Bills discounted have declined from 50 to 40 millions, and other earning assets from 50 to 34 millions. Federal reserve note circulation is only 10 millions higher, but cash reserves have increased 34 millions. The reserve ratio has risen 8.5 per cent. This condition of light borrowing and increased liquidity is the more notable in view of concurrent changes in the statements of reporting member banks in four cities of this district. Total loans, discounts, and investments, and total deposits at these banks have increased in the course of the year, and yet they have found it possible to reduce their borrowings from the reserve bank from 31 to 13 millions. Apparently banks outside of these four cities have been able to do little in paying off rediscounts.

Saving deposits as reported by 79 banks in this dis-

FINANCIAL STATISTICS Third Federal Reserve District

(All dollar figures in millions)	April 9, 1924	Mar. 12, 1924	Jan. 23, 1924	April 11, 1923
Reporting Member Banks:				
Loans and discounts—				
Secured.....	\$283	\$278	\$280	\$295
All other.....	364	353	340	333
Total.....	\$647	\$631	\$620	\$628
Total investments.....	291	289	284	305
Total deposits.....	827	812	799	822
Borrowings from Federal Reserve Bank.....	13	14	11	31
(All dollar figures in millions)	April 16, 1924	Mar. 19, 1924	Jan. 23, 1924	April 18, 1923
Federal Reserve Bank:				
Earning assets—				
Bills discounted.....	\$40.0	\$40.5	\$39.7	\$49.9
Other.....	34.3	41.4	54.8	50.4
Total.....	\$74.3	\$81.9	\$94.5	\$100.3
Federal Reserve note circulation	207.3	199.3	191.0	197.8
Total deposits.....	118.7	118.6	120.3	120.2
Cash reserves.....	269.7	259.7	237.6	235.8
Reserve ratio.....	82.7%	81.7%	76.3%	74.2%

SAVINGS DEPOSITS Third Federal Reserve District

	Number of reporting banks	Per cent increase or decrease April 1, 1924, compared with		
		March 1, 1924	April 1, 1923	April 1, 1922
Altoona.....	5	+1.6	+16.5	+32.1
Chester.....	5	-1.1	+7.8	+15.1
Harrisburg.....	4	- .4	+13.8	+51.0
Johnstown.....	5	+ .3	+10.0	+17.0
Lancaster.....	3	-1.1	+19.5	+63.7
Philadelphia.....	9	- .4	+6.1	+10.9
Reading.....	3	+ .01	+16.0	+25.8
Scranton.....	6	+1.7	+15.4	+18.2
Trenton.....	6	+3.9	+5.6	+15.6
Wilkes-Barre.....	5	- .4	+19.1	+14.3
Williamsport.....	4	-1.3	+1.7	+11.1
Wilmington.....	5	+ .3	+8.7	+27.6
York.....	5	- .5	+12.2	+28.4
Others.....	14	+ .4	+10.4	+14.3
Totals.....	79	+ .1	+ 8.2	+14.0

district increased 0.1 per cent during March, but this increase was measurably less than that of the same month in 1923, when the percentage was 0.6. In March of this year seven cities out of thirteen reported decreases. Percentages of change in the totals and in individual cities are shown in the table on page 5.

Industrial stocks fell considerably during the month past, the average of twenty of these having dropped from \$96.89 on March 19 to \$91.13 on April 19. The latter figure is to be compared with \$101.10 a year ago. Railroad stocks and the various kind of bonds advanced within the month. That activity in the stock market thus far this year has not been as great as it was in the same period last year is indicated by a decrease in the number of shares sold from 87,079,600 to 78,705,900. Sales of bonds (as measured by their par values) increased from \$973,975,000 to \$1,033,761,000. The low rates at which call money was loaned in the few days following March 18 were incidental to the plethora of money attending the payment of income taxes. In the past few weeks call money has been loaned for the most part at from 4 to 4¼ per cent. Average prices of groups of securities are given below:

	April 19, 1924	Month ago	Year ago
Average of—			
20 industrial stocks	\$91.13	\$96.89	\$101.10
20 railroad stocks	81.55	81.50	86.75
40 bonds	87.98	87.77	86.78
4 Liberty bonds	99.77	99.37	97.41

During the early part of April, sales of commercial paper to both city and country banks were smaller than in March, but later in the month somewhat better buying developed in the country, and the total of sales in this district promises to be fairly large. Most of the transactions have been at 4½ and 4¾ per cent, the former being the rate on most of the city sales and the latter that on out-of-town transactions. Some names are held at 4¼ per cent, but though sales at that rate are reported to have been made in Chicago and on the Pacific Coast, none have been closed in the Eastern markets. The supply of paper has increased, and dealers report that they have lists of moderate size.

In March, five reporting firms in the Third Federal Reserve District sold paper to the amount of \$10,363,900. Of this sum, \$6,607,500 was purchased by city institutions and \$3,756,400 by outside institutions. In March, 1923, the same firms sold \$5,192,500, so that this year's business is almost double that of a year ago. Less than 10 per cent of the total was sold at 5 per cent, and the balance was almost equally divided between sales at 4½ per cent and those at 4¾ per cent.

From March 13 to April 9 purchases by the Federal Reserve Bank from five dealers operating in this district averaged \$56,000 weekly, a smaller amount than was reported at any time since the initiation of dealers' reports in this form early in 1922. On the other hand, other purchasers bought a larger amount than in the preceding period. Offering rates are 3¾ per cent for 30 day maturities, 4 per cent for maturities from 31 to 120 days, and 4⅞ per cent for paper running from 121 to 180 days. Reports of the dealers are given below:

TRANSACTIONS IN BANKERS' ACCEPTANCES

Weekly average for period	Sales in Third District		Purchases Third District
	To Federal Reserve Bank	To others	
1924:			
March 13 to April 9.	\$56,000	\$463,000	\$581,000
February 14 to March 12.	2,863,000	366,000	622,000
January 10 to February 13.	1,408,000	329,000	791,000
1923:			
March 12 to April 15.	1,208,000	116,000	525,000
1922:			
March 13 to April 16.	2,548,000	439,000	530,000

Twelve banks in the district report \$3,596,000 of acceptances executed during the month ending April 10, as compared with \$4,569,000 in the preceding month, \$4,240,000 a year ago, \$3,097,000 two years ago, and \$4,558,000 three years ago.

None of the sensational developments that marked the foreign exchange market in March have occurred so far this month, but there has been a steady rise in the value of English sterling and of French francs, and the market as a whole appears to be in a much more stable condition than it was a month ago. Sterling, after gaining strength almost daily since the last of March, was quoted on April 22 at \$4.3896, and French francs, owing in a great measure to the optimism resulting from the acceptance of the Dawes Reparation Plan, touched a higher level at \$.0671 on April 22 than at any time since last July. In sympathy with French francs, Belgian currency also rose, and on April 19 was quoted at \$.0536, a gain of over 1 cent in less than four weeks. Spanish pesetas and Dutch guilders are likewise stronger than they were a month ago, and on April 22 were listed at \$.1411 and \$.3722 respectively. Swiss francs, not being subject to the conditions that cause fluctuations in the value of other European currencies, have been relatively stable and were quoted at \$.1760 on April 19. The apparent satisfaction of the Italian people with the Fascisti Government, as demon-

SYNOPSIS OF BUSINESS CONDITIONS

Compiled as of April 22, 1924

Third Federal Reserve District

Business	Demand	Prices	Finished stocks	Labor		Collections
				Supply	Wages	
Automobiles	Fair to good	Firm to higher	Moderate to heavy			Fair to good
Cement	Good	Unchanged	Moderate to heavy	Sufficient	Unchanged	Fair to good
Cigars	Fair	Unchanged	Moderate	Sufficient	Some reductions	Fair to good
Clothing	Irregular	Generally unchanged	Moderate	Sufficient or plentiful	Few increases; generally same	Unsatisfactory
Coal, anthracite	Fair	Lower	Moderate	Sufficient	Unchanged	Fair
Coal, bituminous	Poor	Lower	Heavy	Sufficient	Unchanged	Fair
Coke	Fair	Unchanged	Moderate	Sufficient	Unchanged	
Cotton goods	Poor to fair	Unchanged to lower	Light to moderate	Sufficient	Unchanged	Fair to good
Cotton yarns	Poor	Slightly higher	Fairly light			Fair
Drugs, wholesale	Good	Higher	Moderate			Fair to good
Drygoods, wholesale	Fair	Unchanged to lower	Moderate			Fair
Electrical supplies, wholesale	Fair	Firm	Moderate			Poor to fair
Floor coverings	Fair	Unchanged to lower	Moderate	Sufficient	Unchanged	Fair
Flour	Poor to fair	Unchanged	Light	Sufficient	Unchanged	Fair
Groceries, wholesale	Fair to good	Firm to higher	Moderate			Fair to good
Hardware, wholesale	Fair	Unchanged	Moderate			Fair
Hosiery, full-fashioned	Fair to good	Lower	Moderate	Sufficient	Unchanged	Fair
Hosiery, seamless	Poor to fair	Lower	Moderate to heavy	Sufficient	Unchanged	Fair
Iron and steel	Fair	Lower	Moderate to heavy	Sufficient	Unchanged	Fair
Jewelry, wholesale	Poor to fair	Unchanged	Moderate			Slow to fair
Leather belting	Fair	Unchanged to lower	Moderate	Sufficient	Unchanged	Good
Leather, heavy	Poor	Unchanged to lower	Heavy	Sufficient	Unchanged	Good
Leather, upper	Poor to fair	Unchanged to lower	Moderate to heavy	Sufficient	Unchanged	Fair to good
Lumber	Fair	Some advances, some declines	Moderate to heavy	Sufficient	Unchanged	Fair to good
Paint	Fair	Unchanged	Moderate to heavy	Sufficient	Unchanged	Fair
Paper	Fair	Firm	Moderate	Plentiful	Unchanged	Fair to good
Paper, wholesale	Fair	Firm	Moderate			Fair to good
Paper boxes	Poor to fair	Unchanged to lower	Moderate	Sufficient	Unchanged	Fair
Shipbuilding	Poor	Lower		Sufficient	Unchanged	Fair
Shoes, manufacture	Poor to fair	Unchanged	Moderate	Sufficient	Unchanged	Fair to good
Shoes, retail	Fair to good	Unchanged	Moderate			Fair to good
Shoes, wholesale	Fair to good	Unchanged	Moderate			Fair
Silk goods	Poor	Lower	Fairly heavy	Sufficient	Unchanged	Fair
Underwear, heavy weight	Poor	Generally unchanged	Fairly light	Sufficient or plentiful	Unchanged	Fair to good
Underwear, light weight	Poor	Unchanged to lower	Fairly light	Sufficient or plentiful	Unchanged	Fair to good
Woolen and worsted goods	Poor to fair	Generally unchanged	Moderate	Sufficient or plentiful	Unchanged	Fair
Woolen and worsted yarns	Poor	Generally unchanged	Moderate	Sufficient or plentiful	Unchanged	Fair

strated in the recent elections, has exerted a favorable influence on the currency of that country, and on April 22, lire were quoted at \$.0450, the highest in several months. Since the return of Swedish currency to the gold basis on April 1, quotations on kroner have been fairly steady. On April 19, however, an unexplained selling movement forced them down to \$.2634, or 15 points below the quotations at the last of March. Quotations on Norwegian kroner, at \$.1388, compare favorably with those during February and March of this year.

With the exception of Argentine pesos, South American currencies have substantially appreciated during the month. On April 19, Brazilian milreis were listed at \$.1117, a gain of 67 points over the quotation on March 19, and Chilean pesos at \$.1071 on the former date had risen more than 1 cent in the same period. On the other hand, Argentine pesos declined several points to \$.7646. The outstanding depreciation in foreign money occurred in Japanese yen. On April 9, Canadian dollars were quoted at \$.982926, but they failed to hold their position and ten days later fell to \$.979316.

FOREIGN EXCHANGE RATES*

Noon cables	Par value	April 21, 1924	March 21, 1924	April 21, 1923
London.....	\$4.8665	\$4.3823	\$4.3036	\$4.6552
Paris.....	.1930	.0635	.0523	.0666
Antwerp.....	.1930	.0542	.0419	.0575
Milan.....	.1930	.0444	.0429	.0495
Vienna.....	.2026	.000014	.000014	.000014
Amsterdam.....	.4020	.3728	.3701	.3914
Copenhagen.....	.2680	.1666	.1558	.1888
Stockholm.....	.2680	.2639	.2636	.2674
Madrid.....	.1930	.1410	.1297	.1534
Berne.....	.1930	.1763	.1729	.1814
Buenos Aires.....	.9648	.7522	.7635	.8300
Shanghai.....	.7745	.6998	.7003	.7407
Tokio.....	.4985	.4025	.4203	.4869

*Compiled by the Federal Reserve Bank of New York.

RETAIL TRADE

Reports from department and women's apparel stores indicate that April sales thus far are larger than they were last year. On account of the late Easter, most of the holiday trade this year has been transacted in April. The Easter trade, particularly in women's apparel, was heavier than that of a year ago, but several of the managers of women's departments state that sales were not equal to their expectations. A late Easter, they claim, should naturally be a better business period than an early one, as many spring purchases are then made along with the holiday buying. Men's apparel stores note only a small increase in sales for this month, as compared with those of a year ago. Easter trade has practically ceased to be an important factor in men's apparel lines, because men have developed the habit of buying clothing only as they need it.

Prices on many items have assumed a downward trend. The lower grades of silks have declined about 10 per cent, and concessions can be secured on the better grades. Silk gloves, silk hosiery (both pure and artificial), carpets and rugs, the cheaper grades of shoes, and most lines of cotton goods are cheaper in price than they were a month ago. The poorer grades of furniture and of aluminum ware are also lower. Nearly all other items, however, are firm.

During March, retail sales in this district were 12.2 per cent smaller than those of March, 1923. But because of differences in the date of Easter in 1924 and 1923, the March and April sales should be combined for each year and then compared, in order to arrive at a fair comparison. This would eliminate seasonal differences and would probably show that retail trade in March and April, 1924 has been larger than was that for the same period of 1923. The showing made by department stores in March was better than that of women's apparel and men's apparel stores.

WHOLESALE TRADE

Advance reports of wholesale trade during April indicate that the lines most affected by the change in the date of Easter—boots and shoes, drygoods, and jewelry—are more active than they were a month ago and that sales will compare favorably with those of last April. But in other lines trade is only fair or dull, and, except in drugs, will probably be no larger than it was a year ago. The prices of botanical drugs advanced sharply, and drugs and fine chemicals also are higher. In grocery prices, too, there were more gains than losses. But drygoods were lower, and only slight changes have occurred in the other wholesale lines.

During March the sales of all the eight reporting lines were heavier than they were in February, with the exception of electrical supplies. But only in drugs and groceries were sales larger than those of March, 1923. As explained above, however, the late Easter is responsible for the loss in several of the trades. Stocks are heavier than they were last year, except those of drugs and electrical supplies; and collections, as shown by the ratio of accounts outstanding to sales, are slower than they were at the end of March, 1923, in all the reporting businesses except in drugs and paper.

Sales of shoes at wholesale have improved considerably since April 1, and it is likely that business during the month will be better than it was last April. It is improbable, however, that the gain will be sufficient to offset the decrease in March sales. Owing to the variation in the date of Easter these two months should really be considered together.

For women, black satin and patent leather are in heaviest demand, but white leathers are also in request. For men, tans in light shades are selling better than

RETAIL TRADE

Third Federal Reserve District

	Index number (Per cent of 1923 monthly average)	Comparison of net sales		Comparison of stocks		Rate of turnover*	
		Mar. 1924 with Mar. 1923	Jan. 1 to Mar. 31, 1924 with Jan. 1 to Mar. 31, 1923	Mar. 31, 1924 with Mar. 31, 1923	Mar. 31, 1924 with Feb. 29, 1924	Jan. 1 to Mar. 31, 1924	Jan. 1 to Mar. 31, 1923
All reporting firms	96	-12.2%	- 0.5%	+ 7.3%	+11.0%	3.1	3.4
Firms in—Philadelphia	96	-10.5 "	+ 0.3 "	+ 7.6 "	+12.2 "	3.6	3.8
—Allentown, Bethlehem and Easton	103	- 8.2 "	+ 0.9 "	+10.9 "	+11.4 "	2.0	2.3
—Altoona	94	-11.8 "	- 6.0 "	+ 7.6 "	+ 6.6 "	2.4	2.8
—Chester	75	-32.0 "	.....	+ 4.0 "	+12.1 "	.....	.....
—Harrisburg	94	-11.7 "	- 3.1 "	+10.1 "	+10.4 "	2.2	2.5
—Johnstown	76	-25.8 "	-10.9 "	+16.2 "	+17.9 "	2.8	3.4
—Lancaster	96	-16.9 "	- 0.8 "	+ 2.4 "	+ 6.4 "	2.5	2.6
—Reading	88	-18.2 "	- 0.9 "	+ 3.9 "	+ 5.4 "	2.0	2.1
—Scranton	97	-20.7 "	- 2.1 "	+16.6 "	+ 8.5 "	2.5	3.1
—Trenton	90	-15.1 "	- 0.2 "	+ 2.9 "	+ 9.4 "	2.8	2.8
—Wilkes-Barre	101	-18.0 "	- 0.4 "	+ 2.2 "	+ 7.9 "	2.9	3.0
—Williamsport	88	-16.9 "	- 3.2 "	+ 4.5 "	+ 4.9 "	1.9	2.1
—Wilmington	85	-20.1 "	- 4.5 "	+ 1.9 "	+ 5.7 "	1.8	1.8
—York	95	-19.3 "	- 5.0 "	+ 3.5 "	+ 8.7 "	2.3	2.5
—All other cities	91	-11.1 "	+ 0.8 "	+ 6.2 "	+ 9.6 "	2.0	2.1
All department stores	94	- 9.6 "	- 0.2 "	+ 6.0 "	+12.1 "	3.1	3.3
Department stores in Philadelphia . . . . .	.....	- 8.4 "	+ 0.7 "	+ 6.5 "	+13.1 "	3.5	3.7
Department stores outside Philadelphia . . . . .	.....	-16.2 "	- 2.9 "	+ 6.4 "	+ 8.1 "	2.4	2.6
All apparel stores	92	-20.7 "	- 2.0 "	+13.1 "	+ 9.2 "	3.8	4.4
Men's apparel stores	89	-21.9 "	- 4.5 "	+ 7.7 "	+ 2.6 "	2.2	2.5
—in Philadelphia . . . . .	.....	-20.1 "	- 4.4 "	+ 6.0 "	- 1.1 "	2.5	3.0
—outside Philadelphia . . . . .	.....	-25.4 "	- 4.5 "	+14.7 "	+11.3 "	1.8	2.2
Women's apparel stores	95	-17.0 "	+ 0.9 "	+ 9.9 "	+13.8 "	5.5	5.9
—in Philadelphia . . . . .	.....	-15.5 "	+ 2.1 "	+13.1 "	+12.2 "	6.3	6.6
—outside Philadelphia . . . . .	.....	-23.3 "	- 5.4 "	+ 1.5 "	+19.0 "	3.3	3.6
Credit houses	85	- 4.8 "	+ 0.1 "	+ 9.6 "	+ 6.2 "	2.2	2.4
Shoe stores	93	-24.9 "	- 1.4 "	+11.2 "	+14.7 "	3.1	3.3

*Times per year based on cumulative period.

blacks, and for boys, tan oxfords are popular. Prices in a majority of cases are unchanged, but some reductions are reported.

Sales during March were 26.9 per cent larger than those of February, but 32.2 per cent smaller than those of March, 1923. The ratio of accounts outstanding to sales was 244.9 on March 31, 284.3 on February 29, and 194.4 on March 31, 1923.

The wholesale drug market is slightly more active than it was in March, and distributors state that demand is good. Insecticides, spraying materials, and patent medicines are in heavy request, but staple goods also are selling well. The botanical drug market has been more active than it was last month, and prices have risen sharply, although they are still much lower than they were a year ago. The demand for fine drugs and chemicals, too, is good, and quotations have advanced. The price indexes of 40 botanical drugs and

35 drugs and fine chemicals, as compiled by the "Oil, Paint and Drug Reporter," are given below.

Reports from distributors show that wholesale drug sales in March were 9.7 per cent greater than in February and 6.0 per cent larger than in March, 1923. Stocks at the close of March were much smaller than at the end of February. The ratio of accounts outstanding to sales was 136.5 in March, as compared with 141.9 in February, and 140.0 in March, 1923.

	Price index of 40 botanical drugs		Price index of 35 drugs and fine chemicals	
	1924	1923	1924	1923
March 24	106.7	151.8	200.5	172.8
March 31	107.9	151.6	200.	172.8
April 7	114.2	151.5	200.4	171.9
April 14	128.0	151.4	207.7	171.9
April 21	129.2	151.8	207.1	171.6

WHOLESALE TRADE

Third Federal Reserve District

	Index number (Per cent of 1923 monthly average)	Percentage of increase or decrease in								
		Net sales March 1924 compared with		Stocks March 1924 compared with		Accounts outstanding March 1924 compared with		Ratio of accounts outstanding to sales		
		Feb. 1924	Mar. 1923	Feb. 1924	Mar. 1923	Feb. 1924	Mar. 1923	Mar. 1924	Feb. 1924	Mar. 1923
Boots and Shoes.....	102	+26.9%	-32.2%	-1.2%	+5.3%	+12.9%	-14.9%	244.9%	284.3%	194.4%
Drugs.....	109	+9.7%	+6.0%	-14.6%	-21.2%	+1.3%	+0.3%	136.5%	141.9%	140.0%
Dry Goods.....	91	+2.4%	-21.5%	-3.5%	+12.9%	+10.6%	+1.3%	269.0%	249.2%	208.4%
Groceries.....	95	+5.0%	+1.2%	-2.2%	+0.5%	-0.7%	+5.9%	112.7%	116.0%	106.1%
Hardware.....	97	+19.6%	-4.3%	+6.5%	+5.6%	+8.4%	+5.5%	173.2%	191.7%	157.4%
Jewelry.....		+0.3%	-7.1%	+2.5%	+7.4%	+0.9%	+6.7%	325.5%	323.3%	290.0%
Paper.....		+13.6%	-0.5%	+2.5%	+2.6%	+2.5%	-1.3%	134.4%	148.9%	135.4%
Electrical Supplies....		-7.7%	-23.3%	+7.5%	-13.4%	-6.6%	+1.6%	133.4%	131.7%	105.6%

The improvement in retail trade during April has been reflected in a better wholesale demand for dry-goods, as many retail stores found that their stocks were being rapidly depleted. Silk hosiery, neckwear, laces, wash goods, and shirts have all been called for in such a large number of comparatively small orders as to make a good total. Prices of most cotton goods continue to weaken, and silks also have fallen in value; but quotations on linens are strong and higher. Although the great bulk of the business is for prompt delivery, some firms report sales of merchandise for fall delivery. The accompanying chart depicts the course of collections during the past three years. Outstanding accounts have varied from about 200 to 300 per cent of sales.

Drygoods

During March, sales increased 2.4 per cent over those of February, but were 21.5 per cent smaller than in March, 1923. Collections are slower than they were, the ratio of accounts outstanding to sales being 269.0 on March 31, 249.2 on February 29, and 208.4 on March 31, 1923. Stocks decreased during March and were 3.5 per cent smaller at the end of that month than on February 29, but 12.9 per cent larger than on March 31, 1923.

The net sales of 32 hardware firms in the Third Federal Reserve District were 19.6 per cent greater in March than they were in February, but 4.3 per cent smaller than during March of last year.

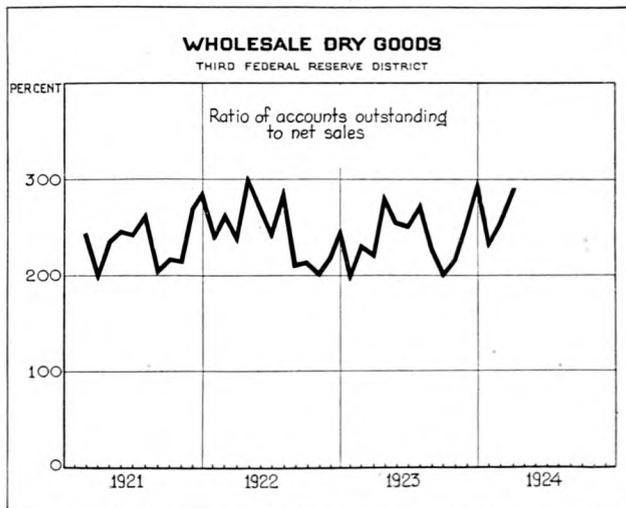
Hardware

Our wholesale hardware index, compiled from the reports of representative firms, bears out this calculation rather closely. In March, the number stood at 97, representing a gain of 16 points over the figure for February, but a loss of 10 points from that of March, 1923.

Industrial plants, builders, and dealers in agricultural implements were responsible for a fair demand. The call for farming and gardening apparatus noticeably improved, as it usually does at this season, and sales of builders' supplies were also in greater volume.

Present prices are very near the levels quoted a month ago, but in several instances they are reported to be higher than the quotations listed in April, 1923. This is especially true of prices of some seasonal goods, particularly sporting goods. Collections are only fair. The ratio of accounts outstanding to sales was 173.2 in March, as compared with 191.7 in February, and 157.4 in March of last year.

Distributors report that sales of paper at wholesale have fallen off slightly and are somewhat smaller than they were last month. In general, the demand is fair. Book and fine papers continue to sell in good volume, and tissues are in request. The call for wrap-



In December, 1923, and March, 1924, collections were slower than at any time since the spring of 1922.

Source—Federal Reserve Bank of Philadelphia

Paper

ping and kraft papers is sustained, and building papers are selling well. Newsprint is in good demand. Prices are firm, and the only change was in kraft paper, which advanced about a quarter of a cent per pound. Jobbers' stocks are moderate and slightly larger than they were in March. Collections are fair, being somewhat more prompt than they were last month.

Sales in March were 13.6 per cent greater than in February, but .5 per cent smaller than in March, 1923. The ratio of accounts outstanding to sales was 134.4 in March, as compared with 148.9 in February and 135.4 in March, 1923.

Sales of jewelry for delivery before Easter caused some activity in the wholesale trade during the first half of April, but business as a whole is reported as dull. Diamonds and mountings are in fair request, and the usual demand is noted for watches, clocks, and silverware. Price changes are insignificant.

Sales during March were 0.3 per cent larger than in February, but 7.1 per cent smaller than in March, 1923, since in 1923 Easter buying came earlier than it did this year. Stocks are somewhat heavier; on March 31 they were 2.5 per cent larger than on February 29, and 7.4 per cent greater than on March 31, 1923. Collections have become slower, as is shown by the increase in the ratio of accounts outstanding to sales, which was 325.5 on March 31, 323.3 on February 29, and 290.0 on March 31, 1923.

The net sales of six wholesale electrical firms in Philadelphia were 7.7 per cent less in March than they were during February and 23.3 per cent smaller than in March, 1923. The demand for electrical supplies in the entire district is somewhat better than fair, but it is a question whether or not it is as good as it was a month ago. Most of the retail dealers reporting to us state that orders are being received in larger volume than was the case at this time last year, but that buying at present is for the most part in small quantities. Some fair-sized sales, however, have been made to builders, and sales of radio equipment are improving in spite of the approach of spring weather. Nearly all of the orders already taken are for delivery within 60 days.

Though prices in most instances are firm, some concessions are being granted and slight reductions are not uncommon. One dealer states that there is a growing tendency to grant substantial discounts in order to attract business and that in an effort to counteract the effect of this in the electrical market, he is adhering steadfastly to regular quotations. What losses he has suffered from this policy, he says, have been compensated for by orders carrying increased profits.

Stocks are moderate and are slightly heavier than they were at this time in March. Collections are scarcely fair and are not as satisfactory as they were

a month ago or in April, 1923. The ratio of accounts outstanding to sales was 133.4 in March as compared with 131.7 during the preceding month and 105.6 in March of last year.

Advance reports from wholesale grocers indicate that their sales are slightly smaller than they were last month, but greater than in April, 1923.

Groceries

On the whole the demand is fair. Canned vegetables, particularly peas and corn, canned fruits, dried fruits, coffee, and sugar are selling well. The trend of prices is slightly upward, as more items have advanced than have declined. Dried fruits, coffee, canned peas, dried lima beans, lard, rice, and vanilla extract have advanced; sugar, soap, cheese, butter, and eggs have declined. The stocks held by jobbers are moderate, and smaller than they were a month ago.

Wholesale grocery sales in March were 5.0 per cent larger than in February and 1.2 per cent greater than in March, 1923. The ratio of accounts outstanding to sales declined from 116.0 in February to 112.7 in March.

FLOUR

Millers report that business is dull and that the domestic market has been practically unchanged since the beginning of the year. The recent decline in wheat prices has made buyers more cautious even than in the early months of the year, and their purchases are only for their barest immediate requirements. However, mill quotations on wheat flour have held firm, and spring patents for prompt shipment are still quoted at from \$6.00 to \$6.50 per barrel in car lots, the same as in January. Some offerings by second-hands at from 10 to 25 cents per barrel below mill prices have been made during the month, but these have been limited in size. Spot wheat has dropped slightly, and number 2 red is now selling at \$1.22½ per bushel, as compared with \$1.26 at the end of January. Millers state that bran, middlings, and other by-product feeds are not in as heavy demand as they were during the first three months of the year, and that prices are now about \$2.50 per ton lower than on January 1.

Grinding at the mills is still far below capacity, and it may safely be estimated that only 65 per cent of the country's milling capacity is being utilized. Consequently stocks at the mills are being held at a low

PUBLIC WAREHOUSE STOCKS AT PHILADELPHIA*

Date	Flour barrels	Wheat bushels	Corn bushels	Oats bushels	Rye bushels
April 1, 1924.....	144,200	1,394,906	352,277	65,544	169,217
March 1, 1924.....	136,301	1,486,876	252,094	120,121	60,965
April 1, 1923.....	211,072	2,153,108	198,288	788,556	51,102

*Compiled by the Commercial Exchange of Philadelphia.

point. Warehouse stocks are much smaller than they were a year ago. On April 1, the supply of flour held at public warehouses in Philadelphia was about 6 per cent greater than on March 1, but 32 per cent smaller than on April 1, 1923. The supplies of wheat and oats were smaller, but those of corn, rye, and barley were considerably larger, than those of a year ago.

Exports of flour from the port of Philadelphia during the first quarter of 1924 were 10 per cent greater than in the same period of 1923. But in the month of March flour exports fell off sharply and were 36 per cent smaller than those of February and 19 per cent less than in March, 1923. Grain exports from this port for the first quarter, with the exception of barley, were smaller than in the corresponding quarter of last year. Wheat exports fell off 30 per cent, corn 56 per cent, oats 48 per cent, and rye 90 per cent; but barley exports increased 80 per cent.

EXPORT OF FLOUR AND GRAINS FROM PHILADELPHIA*

Commodity	First three months of 1924	First three months of 1923	March, 1924	March, 1923
Flour (barrels)....	104,118	94,614	26,366	33,002
Wheat (bushels) ..	8,604,961	13,015,620	2,562,483	4,231,275
Corn (bushels)....	1,303,083	3,030,957	514,503	561,711
Oats (bushels)....	49,893	96,789	39,893	.....
Rye (bushels)....	19,286	282,620	.....	64,786
Barley (bushels)..	44,372	24,935	.....	.....

*Compiled by the Commercial Exchange of Philadelphia.

Export sales of flour during this month have not been large, and though several sales of moderate size have been closed, the volume of business does not equal that of April, 1923. The British Isles, Germany, and Holland have been the principal buyers in the Philadelphia market.

RECEIPTS OF FLOUR AND GRAINS AT PHILADELPHIA*

Commodity	First three months of 1924	First three months of 1923	Increase	Decrease
Flour (barrels)....	636,807	900,005	.....	263,198
Wheat (bushels) ..	7,951,701	13,848,402	.....	5,896,701
Corn (bushels)....	1,928,305	4,078,644	.....	2,150,339
Oats (bushels)....	363,265	1,036,689	.....	673,424
Rye (bushels)....	127,875	301,431	.....	173,556
Barley (bushels)..	77,104	30,956	46,148	.....

*Compiled by the Commercial Exchange of Philadelphia.

Receipts of flour, wheat, oats, corn, and rye at Philadelphia during the first quarter of 1924 were much

smaller than during the first three months of last year, but receipts of barley were larger. The decline in flour receipts must be attributed to a smaller domestic demand, since the export trade was greater than in 1923. However, the drop in receipts of all grains, except barley, is due chiefly to the decline in foreign buying.

BUILDING

Fifteen cities in the Third Federal Reserve District report that 3,738 permits were issued in March, the estimated cost of which totaled \$23,464,044. These figures represent an increase of 1,846 permits and of \$13,474,638 in estimated cost over those reported during February. Though this improvement is considerable, it is nevertheless largely seasonal and the rate of increase is not as high as it was during March, 1923, when the total estimated cost rose from \$9,877,412 in February to \$31,844,831 in March. In the last two years, however, building has been carried on at a greater pace than in any similar period on record in this district. In every reporting city both the number of permits and the total cost were almost twice as large as they were in February, and in several cases three times as large. In Bethlehem in particular the gain was over 500 per cent.

In Philadelphia, 1,610 permits were issued, at an estimated cost of \$15,756,560, as compared with 956 permits granted in February totaling \$7,173,885. During March the index of building costs, compiled by the Aberthaw Company from prices of various materials, labor, and transportation, remained unchanged.

Though manufacturers report that demand for lumber is better than it was a month ago, little improvement has been noted by dealers.

Lumber In many cases, the latter state, building interests are not yet ready for the lumber they have ordered, and therefore, though the volume of business on hand is substantial, actual demand is little better than fair. Heavy buying was a feature of the lumber market at this time last year, but neither manufacturers nor dealers are at present finding the call to be as good as it was then.

Prices are comparatively firm. Some advances, it is true, have been made on quotations for dry hardwoods of the better grades, but concessions have been made on a few of the poorer grades of pine and other soft woods. Laths and shingles are bringing good prices, but floorings are selling slowly. Quotations for hemlock and spruce are steady as usual, and cypress prices are strong.

Stocks of finished lumber at the mills are from moderate to heavy and are increasing, but supplies of raw materials, though they too are either moderate or heavy, are stationary. Most dealers reporting to us state that stocks in their yards are from moderate to light and are relatively stationary, but in one instance heavy

BUILDING PERMITS

Third Federal Reserve District

	March, 1924			March, 1923			January to March, inclusive			
	Permits	Operations	Estimated cost	Permits	Operations	Estimated cost	1924		1923	
							Number	Estimated cost	Number	Estimated cost
Allentown.....	136	184	\$711,725	122	215	\$1,265,120	200	\$1,252,425	175	\$1,464,345
Altoona.....	173	175	345,175	170	175	285,021	297	492,031	263	454,006
Atlantic City...	197	197*	592,872	335	335*	1,087,605	482	1,617,289	726	2,951,069
Bethlehem.....	59	59*	128,918	34	34*	89,392	97	229,299	57	137,242
Camden.....	149	167	401,817	110	184	737,400	288	1,173,994	205	1,395,861
Harrisburg.....	121	157	889,930	120	272	2,961,355	198	1,222,530	186	3,188,105
Lancaster.....	116	127	1,012,385	121	121	386,670	196	1,905,690	174	748,195
Philadelphia....	1,610	3,322	15,756,560	1,359	2,615	21,064,685	3,450	31,572,970	2,874	34,368,745
Reading.....	293	293	666,825	304	324	878,525	544	1,133,175	552	1,434,055
Scranton.....	141	141*	372,100	122	122*	586,503	306	845,265	202	894,713
Trenton.....	220	301	846,825	168	216	1,171,084	404	1,345,760	276	1,978,616
Wilkes-Barre....	150	150*	314,597	94	94*	235,256	279	706,272	173	451,901
Williamsport....	108	108*	129,273	45	45*	478,440	144	196,513	82	523,125
Wilmington.....	112	112	972,526	107	107	235,922	240	1,257,383	230	930,956
York.....	156	156	322,516	131	131	471,245	288	531,581	249	705,695
Total.....	3,738	5,649	\$23,464,044	3,308	4,956	\$31,844,831	7,413	\$45,482,177	6,424	\$51,626,629

* Operations not reported.

NEW BUILDINGS AND ALTERATIONS

	1924						1923					
	New buildings			Alterations			New buildings			Alterations		
	Permits	Operations	Estimated cost	Permits	Operations	Estimated cost	Permits	Operations	Estimated cost	Permits	Operations	Estimated cost
Allentown.....	97	145	\$658,675	39	39	\$53,050	90	183	\$1,213,870	32	32	\$51,250
Altoona.....	56	58	311,496	117	117	33,679	57	62	251,775	113	113	33,246
Camden.....	74	91	326,645	75	76	75,172	61	134	653,225	49	50	84,175
Harrisburg.....	108	143	768,705	13	14	121,225	104	254	2,923,130	16	18	38,225
Lancaster.....	73	84	978,745	43	43	33,640	64	64	359,350	57	57	27,320
Philadelphia....	921	2,611	14,965,780	689	711	790,780	747	1,993	20,493,325	612	622	571,360
Reading.....	68	68	501,975	225	225	164,850	90	110	791,150	214	214	87,375
Trenton.....	194	275	825,901	26	26	20,924	142	187	1,130,173	26	29	40,911
Williamsport....	55	55	110,820	53	53	18,453	23	23	465,675	22	22	12,765
Wilmington.....	83	83	931,572	29	29	40,954	78	78	218,147	29	29	17,775
York.....	75	75	215,000	81	81	107,516	71	71	444,635	60	60	26,610

stocks are being held awaiting permission to deliver. The majority of orders are for shipment in from 60 to 90 days. Shipments of lumber into the port of Philadelphia during February totalled 8,306,518 feet, as compared with 7,550,940 feet in February of last year, a gain of 755,578 feet.

The supply of skilled labor is plentiful, and in only one instance is any scarcity of unskilled workmen reported. Collections range from fair to good and are about the same as they were a month ago; but as compared with those at this time last year, are not as satisfactory.

As was expected, the call for cement has improved considerably this month, and the majority of manufacturers report that it is not only good but better than it was a year ago. Delivery dates on orders already taken are spread over the entire spring and summer season, and though shipments on many orders are specified for within 60 days, most of them are for beyond 90 days.

Prices are firm and practically the same as those quoted at this time last month. Very little resistance is being met with, as it appears to be generally accepted

PRODUCTION OF PORTLAND CEMENT*

Month	Production 1923-1924	Production 1922-1923	Stocks 1923-1924	Stocks 1922-1923
December.....	9,997,000 bbls.	8,671,000 bbls.	10,575,000 bbls.	9,108,000 bbls.
January.....	8,788,000 "	7,990,000 "	14,155,000 "	11,477,000 "
February.....	8,588,000 "	8,210,000 "	16,815,000 "	13,596,000 "
March.....	10,370,000 "	9,880,000 "	18,190,000 "	13,045,000 "

*Compiled by the Geological Survey.

that quotations are in accord with manufacturing costs. Stocks of finished cement are from moderate to heavy and are increasing to some extent, owing to the fact that production has been and is heavy, while consumption has quickened but recently. Supplies of raw materials are mostly moderate, and these too are tending to increase, as is usual at this season.

Manufacturers reporting to us are operating at an average of close to 96 per cent of capacity, a higher rate than that maintained a month ago. Unfilled orders, which are larger than they were at this time in March, will insure the continuance of this rate for from three months to the balance of the year.

Production of Portland cement during March was greater than in the same month of any previous year, and mill stocks were the highest ever recorded. In the table above figures are given for both output and stocks for the past four months and for the same months of the previous year.

Fifteen manufacturers in this district reported an increase of 1.3 per cent in the number of wage earners on their payrolls between February 15 and March 15. In isolated cases some shortage exists in the supply of skilled and unskilled workers, but in general a sufficient number of both classes is available. Collections are fairly good and are the same as they were a month ago and in April, 1923.

Since it is too early yet for conditions in the paint industry to reflect the greatly increased building program outlined in March, the call for paints is only fair and is about the same as it was at this time last year, though somewhat better than that of a month ago. Practically all of the orders now on the books are for delivery within 60 days, which indicates that little buying is being done for other than immediate requirements. The market for dry colors has been quiet, but colors in oil have been moving at a better rate than they did last month.

During the first part of the month prices of pig lead were reduced, but no weakness resulted in quotations on lead pigments, which are practically the same as they were in March. A few prices have been shaded,

especially those of iron blues, but quotations for lithophone and litharge are steady and unchanged. On April 21 linseed oil in tank-car lots was quoted at 90 cents per gallon.

Stocks of finished goods are from moderate to heavy, as are those of raw materials; but while the former are decreasing, the latter are stationary. Some manufacturers are operating at capacity, but others are utilizing only from 30 to 75 per cent of their equipment, so that the average rate of operations of firms reporting to us is not over 60 per cent. As in many other markets, buying in the paint industry seems to have been reduced to a matter of immediate needs, and for that reason orders for future delivery will not insure the maintenance of the present rate of operation beyond an average of from two to three weeks.

The supply of both skilled and unskilled workers is sufficient and even plentiful. No wage changes have been reported during the month. Collections are only fair and are not quite as satisfactory as they were at this time either last month or last year.

IRON AND STEEL

As a result of the present general tendency among buyers to restrict purchases to moderate quantities for immediate needs, the demand for iron and steel so far this month has been quiet. Steel interests, which confidently expected market conditions to change for the better in April, are now looking toward May for the resumption of activity among buyers. The call for pig iron is barely fair, and is not as strong as it was a month ago; and but few sales of anything approaching substantial tonnages have been reported in this district. The demand for iron and steel castings in several instances is classed as poor, and in no case is it regarded as better than fair. Most of the sales made have been to railroads, automobile manufacturers, and electrical power plants. Crude steel, sheets, and scrap have been moving fairly well, and the call for these is about the same as it was a month ago; but the demand for iron bars, plates, and structural shapes is poor and compares unfavorably with that of this time in March. With the present large volume of building being planned

for this spring, however, manufacturers of structural steel expect a substantial increase of new business in the near future. Requests for both light and heavy hardware, on the other hand, are somewhat more numerous, but it is difficult to say which class of consumers are the most active, as most of the deliveries have been made to dealers. No improvement is reported in the demand for machinery and tools, supplies of which have been moving in only fair volume to coal mines, railroads, automobile manufacturers, and oil-well supply houses. Miscellaneous articles, such as wire and wire rods, rails, welded chain, nails, and staples, are moving at a slower rate than they were last month; but the call for gas ranges, boilers, and radiators is better.

Prices are lower than they were during the last week in March, and though they are mostly unchanged from those prevailing two weeks ago, quotations on several iron and steel products are weaker. On April 22, the "Iron Age's" composite price of finished steel was 2.696 cents per pound, a loss of 35 points from the composite price on March 25. A similar computation of prices for pig iron showed that from \$22.73 per gross ton on March 25, quotations fell 77 cents to \$21.96 per gross ton on April 22. On the latter date Philadelphia 2X pig iron was quoted at \$22.76 per ton, a decline of \$1.37 from the price prevailing a month ago.

As a result of the quiet market, there has been some curtailment of operations, and as nearly as can be determined, the industry is producing at approximately 87 per cent of capacity, as compared with 91 per cent during March. The output of steel ingots in that month totalled 4,145,829 gross tons, an increase of 365,166

gross tons over the total in the preceding month. The average daily rate was 159,455 gross tons, the highest ever recorded. Pig iron production also increased, the gain being 386,375 tons over the February total of 3,074,757 tons. On March 31, orders of the United States Steel Corporation aggregated 4,782,807 tons, a decrease of 130,094 from the total of 4,912,901 tons reported on February 29.

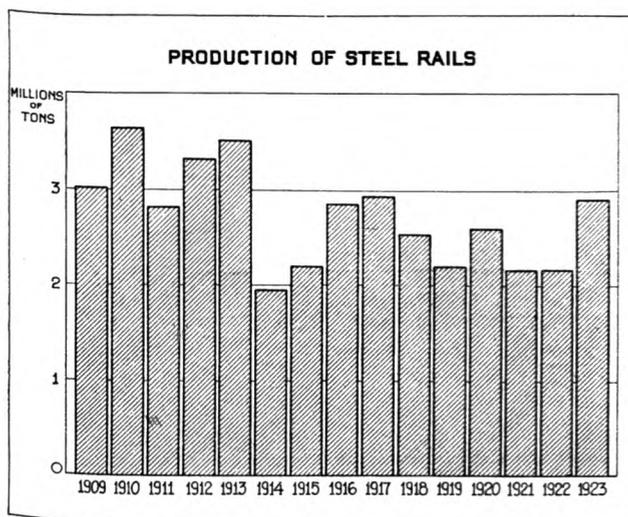
According to figures gathered by the American Iron and Steel Institute, production of steel rails in 1923 totalled 2,904,516 gross tons, as compared with 2,171,776 gross tons during the preceding year. As a matter of fact, this figure has been exceeded but twice in the past 15 years, as will be seen in the accompanying chart depicting the total output of steel rails by years since 1909.

In a few instances, some scarcity of skilled workers is recorded, but all manufacturers reporting to us agree that the supply of unskilled labor is ample. On March 15, there were 52,201 workmen on the payrolls of 47 steel works and rolling mills in Pennsylvania, New Jersey, and Delaware, earning average wages of \$29.06. This represents an increase of 0.3 per cent over the number of workers employed on February 15, but a decline of 1.8 per cent in average weekly earnings.

Collections are in general fair and have changed very little since this time last month.

The accompanying table shows the results of our first month's survey of the iron foundry industry in the Third Federal Reserve District. Reports were received from 33 foundries in the district, giving operations during the month of March. These first returns cover only one month's operations, but in future issues of "The Business Review" a tabulation will be published showing month to month comparisons in the activity of identical firms.

The foundries included in this list reported equipment consisting of 46 cupolas and 5 air furnaces, with



Production of steel rails during 1923 was almost as great as in 1917, but even the high output of these two years was considerably less than the average before the war.

Source—American Iron and Steel Institute

IRON FOUNDRY OPERATIONS

Third Federal Reserve District

March, 1924

Capacity of furnaces.....	13,430 tons
Production of castings.....	5,911 "
Malleable iron.....	1,235 "
Grey iron.....	4,676 "
Jobbing.....	3,174 "
For further manufacture.....	1,502 "
Shipments.....	3,610 "
Value of Shipments.....	\$625,263
Unfilled orders.....	2,830 "
Value of unfilled orders.....	\$561,016
Raw stock.....	10,776 "
Pig iron.....	8,180 "
Scrap.....	2,596 "

a total monthly capacity of 13,430 tons of castings. Total production during the month was 5,911 tons, which indicates an average rate of 44 per cent of capacity. Operating rates varied considerably, however, in individual cases. A few firms average from 70 to 80 per cent of capacity, but many of the smaller foundries utilized considerably less than half their equipment. Shipments of finished castings during the month amounted to 3,610 tons, valued at \$625,263; and on March 31 there were on the books unfilled orders for 2,830 tons of castings, valued at \$561,016. At the end of March reporting firms had on hand 10,776 tons of pig iron and scrap, an amount sufficient for nearly one month's capacity operation.

SHIPBUILDING

There has been practically no improvement in the shipbuilding industry for the past three months, and the extreme quiet that characterized it during the latter part of 1923 has continued uninterruptedly. It is true that shipyards in this district have occasionally received orders for new tonnages, but these have been sporadic and in no case point to a general revival of the industry. Though some conversion of steam ships into motor ships is being undertaken, the anticipated program of the Government to transform fifty of these into the latter type has so far failed to materialize.

Those yards which have ships under construction report that prices are somewhat lower than they were a year ago. One large shipbuilder states that though general construction costs are less than they were even six months ago, contracts are taken at so near to actual cost that the margin of profit is almost negligible.

With one company, ship repairs constitute a fairly large proportion of total operations, but the majority of plants are engaged in the manufacture of various commercial machinery, especially laundry and refrigerating apparatus, hydraulic turbines, and airplane engines. The supply of both skilled and unskilled labor in the yards is ample; in fact, in some instances it is plentiful. According to figures compiled by this bank, the number of workmen employed by eight shipbuilding companies totalled 9,272 on March 15, as compared with 9,206 on February 15, an increase of 0.7 per cent. Average weekly wages increased from \$28.29 to \$29.47 during the same period.

AUTOMOBILES

The majority of dealers reporting to this bank have experienced an encouraging demand for both passenger cars and trucks so far this year, and state that sales during the first quarter of the year were greater than those during both the preceding quarter and the corresponding period of last year. One dealer in com-

menting on the present situation says that demand is not only stronger but of better quality than it was a year ago.

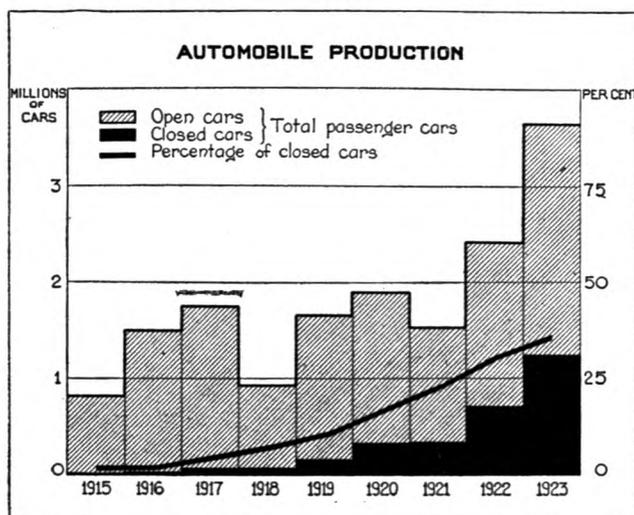
PRODUCTION OF AUTOMOBILES*

Month	1924		1923	
	Passenger cars	Trucks	Passenger cars	Trucks
January.....	287,211	28,247	233,653	18,773
February.....	336,284	30,399	258,719	21,244
March.....	348,287	33,061	319,527	34,063

*Compiled by the Federal Reserve Bank of Chicago.

Prices for various models of several makes of automobiles have been advanced since January 1, but in no case has the increase been great. Quotations for one medium-priced car are about 5 per cent less than they were a year ago. But prices of most makes, including two of the more expensive, are the same as they were on January 1.

Practically no difficulty is being encountered in securing deliveries, and stocks in the salesroom range from heavy to light, the average being close to normal for this season. According to figures collected by the Federal Reserve Bank of Chicago, 348,287 passenger cars and 33,061 trucks were produced in March, an increase of 12,003 passenger vehicles and 2,662 trucks over the totals during February. This increase in production is significant in view of the fact that during February, output was unusually heavy. Output in



During the last two years production of closed cars has greatly increased. Of all cars manufactured in 1923, over 35 per cent were closed types.

Sources—National Automobile Chamber of Commerce and Department of Commerce

March was also greater than March, 1923, as is shown in the preceding table of production figures for each of the first three months of the present year and of 1923.

The rate at which the manufacture of closed cars has been increasing in recent years is one of the interesting features of the industry. A chart is presented on page 16 showing output of closed cars in comparison with that of open vehicles during each year since 1915

Collections are said to be satisfactory.

COAL

During the latter part of March, buyers of anthracite were practically out of the market while waiting for the annual announcement of prices on April 1. On that date several reductions were made on domestic and steam sizes, with the result that the demand since then has been better than it was a month ago. Domestic sizes were reduced on an average of 50 cents per ton, and steam sizes by from 25 to 50 cents. On April 22 stove coal was quoted at from \$8.25 to \$8.65 per ton and buckwheat at \$3.00 per ton, as compared with from \$8.90 to \$9.25 and \$3.50 respectively on March 31. Retail dealers in Philadelphia granted even greater reductions, and prices now range from 50 cents to \$1 lower than they were a month ago. The retail price of stove coal is now \$14.75 per ton, and of pea coal from \$9.50 to \$10.75 per ton.

Production is at a fairly high rate, though it is not as great as it was at this time last year. The following table shows the output of anthracite for each of the past four weeks and for the corresponding four weeks during 1923.

PRODUCTION OF ANTHRACITE *		
Week ending	1924	1923
March 22.....	1,804,000 net tons	2,126,000 net tons
March 29.....	1,942,000 " "	2,008,000 " "
April 5.....	1,548,000 " "	1,602,000 " "
April 12.....	1,856,000 " "	2,067,000 " "

*Compiled by the Geological Survey.

Most of the collieries reporting to us are operating at close to capacity. There appears to be no shortage of miners or miners' helpers in this district, and no labor disturbances have been reported.

After April 1, on which date a large per cent of the yearly bituminous contracts expire, it was expected that public utility and railroad interests would enter the market for their future needs. But though

Bituminous

the condition of the industry is such that attractive concessions might be granted to those ready to make definite commitments, these interests have as yet refrained

from buying, with the result that the demand for bituminous is even poorer than it was in the middle of March. Consumers are unquestionably using up all available stocks, partly for the purpose of reducing fire hazards, but mainly because many of them had taken heavy shipments when the outcome of the bituminous miners' wage dispute was in doubt, and are now mainly interested in liquidating the money thus invested.

Contract prices are fairly steady, but spot quotations are weak and in many cases from 50 cents to \$1 lower than the former. Operators declare that spot prices are below production costs and that this situation cannot continue indefinitely without causing serious unemployment among bituminous miners as production is curtailed. On April 21, the spot price of Pool 10 bituminous averaged \$1.85 per ton.

Output has been considerably reduced, as will be noted in the accompanying table giving production in tons for each of the past four weeks and for the same weeks of last year.

PRODUCTION OF BITUMINOUS *		
Week ending	1924	1923
March 22.....	9,261,000 net tons	10,424,000 net tons
March 29.....	8,837,000 " "	10,430,000 " "
April 5.....	6,286,000 " "	9,629,000 " "
April 12.....	6,742,000 " "	10,401,000 " "

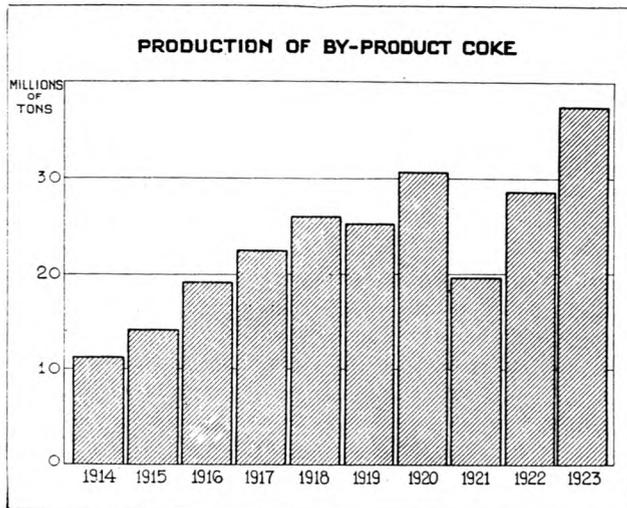
*Compiled by the Geological Survey.

Many mines in this district are shut down entirely, and others are operating on greatly reduced schedules. Only one of those reporting to us is running at the rate maintained a month ago, and this is the only case in which the rate exceeds 50 per cent of capacity. Many miners are either idle or are turning to other industries for their livelihood.

Reflecting closely the fairly quiet condition that prevails in the iron and steel market, the demand for coke has been comparatively light. Consequently, there has been no change in prices during the month, spot quotations for furnace and foundry grades continuing to be from \$3.75 to \$4.00 and from \$4.75 to \$5.50 per net ton at the ovens, respectively.

In recent years production of by-product coke has become increasingly important throughout the industry, and it is estimated that of all coke produced during 1923, over 67 per cent was of this variety. When it is considered that this represents the results of efficiency in utilizing coal tar products which were formerly wasted, the economic significance of this development becomes apparent. During 1923, output of all coke in the entire country totalled about 55,487,000 tons, of which 37,527,000 tons came from by-product ovens. In March of this year 3,220,000 tons of by-product

coke were produced, representing about 70.5 per cent of the entire output during that month. With the exception of 1920, every year since 1914 has been marked by an increase in production of by-product coke, as is shown in the accompanying chart depicting output during each of the past ten years.



Production of by-product coke, which has been displacing beehive coke, has more than trebled in the last decade.

Source—Department of Interior

During the last four weeks, production of beehive coke has been decreasing, largely on account of the falling off in orders from steel furnaces. In the table below, figures are given showing the output during each of the last four weeks. It will be noted that production figures for each of the corresponding weeks of 1923 are substantially greater than those for the present year.

PRODUCTION OF BEEHIVE COKE *

Week ending	1924	1923
March 22	316,000 net tons	384,000 net tons
March 29	296,000 " "	388,000 " "
April 5	281,000 " "	428,000 " "
April 12	266,000 " "	421,000 " "

*Compiled by the Geological Survey.

COTTON

The statistical position of raw cotton is undoubtedly a strong one, because the world's visible supply is small.

Raw cotton

Indeed, on April 1 it was less than 4,000,000 bales, the smallest total on that date for many years.

The demand for cotton, however, is an uncertain quantity, for the position of the manufacturer is at present

an embarrassing one. The call for his products for early delivery is poor, and stocks of them are at least moderate. Moreover, much of the merchandise he makes from now on is for fall consumption, and with the October option selling at nearly 5 cents per pound less than the May contract, buyers hesitate to make commitments for the future.

Domestic consumption during March showed, as expected, a considerable decrease from that during March, 1923, and was also lower than in February, 1924, as can be seen from the following figures.

DOMESTIC CONSUMPTION OF COTTON*

	Cotton	Linters
March, 1923	624,264 bales	54,509 bales
February, 1924	507,786 " "	41,698 " "
March, 1924	483,928 " "	41,030 " "

*Compiled by Bureau of the Census.

Exports during March, though smaller than in February, were larger than in March, 1923, and for the season to date are more than 650,000 bales greater than they were in the previous year.

The following table compares the position of 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 April 18	10,344,512	10,293,033	9,133,532
Total	11,214,480	12,261,192	13,246,183
Visible supply, American, on April 18	2,074,404	1,978,256	3,518,212
World's takings of American to April 18	9,140,076	10,282,936	9,727,971

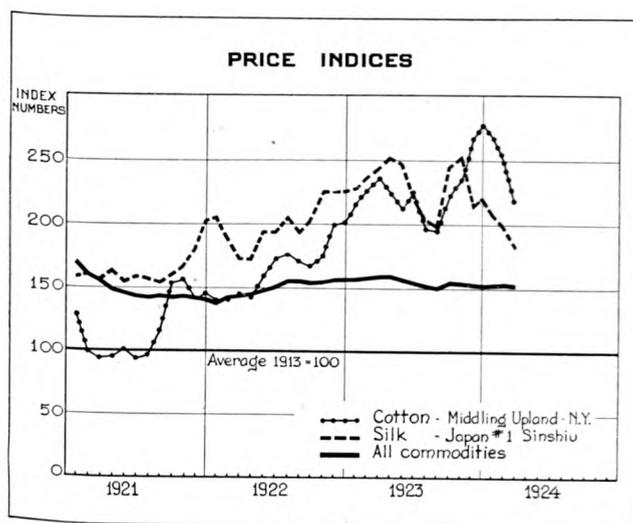
*Figures compiled by the New York Cotton Exchange.

During the past month the market has continued to fluctuate violently. On March 22 spot cotton in New York was quoted at 28.85 cents and by March 27 it had fallen to 26.80 cents; but from that date until April 10 it advanced almost continuously to 31.65 cents—a gain of almost \$25 per bale within two weeks. Since then, however, it has had a set-back, and the price on April 22 was 29.20 cents. These sudden changes have been upsetting to business.

News of the growing crop has been fairly good. The condition of the ground is excellent, work has

progressed well in most localities, and nowhere is the growth more than two weeks late. The average lateness is probably between a week and ten days. The supply of labor is in general sufficient. Early reports on the acreage planted vary, but the majority opinion appears to be that it will be slightly greater than it was in 1923-1924. Moreover, fertilizer is being used more generously than it was last year.

The accompanying chart depicts the fact that the index of cotton prices is not only far above the whole-sale commodity figures, but is about 220 as compared with 180 for silk. This is largely due to the short crops of cotton during the last three years.



From the beginning of 1921 to the middle of 1923, the price of silk as compared with what it was in 1913, was relatively higher than that of cotton. During recent months, however, just the reverse has been true.

Sources—Cotton Facts, Journal of Commerce, and Bureau of Labor Statistics

Demand for cotton yarn has failed to improve, but in view of the continued slow movement of finished fabrics and the fluctuations in raw cotton, this is not remarkable. Dealers in the Philadelphia market report that manufacturers are buying yarn in small quantities mainly to cover the limited amount of business on hand. Most of the orders received are for prompt delivery, though a few are for shipment in May and June. Business is likewise dull with spinners, who as a rule are relying on spot demand to keep their plants running. The call for knitting yarns is particularly quiet. Makers of underwear have received few duplicate orders for spring goods, and advance business in heavy weights is small. Weaving yarns also are for the most part in dull request, reflecting conditions in the market for finished goods. Dealers state that producers of towels, tapes and narrow fabrics, carpets, and tapestries are buying little, and sales of yarn to

Cotton yarns

plush mills have recently decreased. Although yarns for cheap dress goods are selling fairly well, those for the more expensive grades are moving slowly.

Because of weakness in raw cotton and poor demand for yarns, prices have declined sharply since January 1. Fairchild's index number, which on January 5 was 55.65, dropped to 44.81 on April 5, a decrease of 19.5 per cent. But as a result of higher prices for raw cotton during the first half of April, quotations on yarn strengthened somewhat. Subsequently, however, they again weakened, and as a result of numerous concessions, are at present rather irregular. Collections are satisfactory.

During the first part of April, when cotton was advancing rapidly, the demand for print cloths, lightweight sheeting, and some other cotton goods increased, but the gain in business was only temporary, and since then sales have fallen off, and orders are for the most part small and for early delivery. Comparatively few orders for future shipment are now on the books of the mills. Prices, too, are tending downwards, and mill production is again slackening.

From the automobile trade, orders have come in fair volume for rubberized fabric for covers for spare tires, but manufacturers of plush state that though orders are still being received from that trade, they are smaller and for earlier delivery than heretofore. Manufacturers of automobile robes report that business has improved somewhat. Mohair plush for furniture is less active, though some plants are still working on full time. Decreasing business is reported by manufacturers of Turkish towels, tapestries, curtain materials, narrow fabrics, blankets, and household muslins.

Stocks of finished goods are said by most manufacturers to be either moderate or heavy, and to be increasing even in the face of lessened production. But stocks of raw materials in the hands of manufacturers, though moderate, are decreasing. The survey of employment and wages made by this bank shows that in 23 plants making cotton goods the number of employees decreased 3.3 per cent in the period from February 15 to March 15 and that total weekly wages paid were 1.7 per cent less during that period; but average weekly earnings advanced 1.7 per cent.

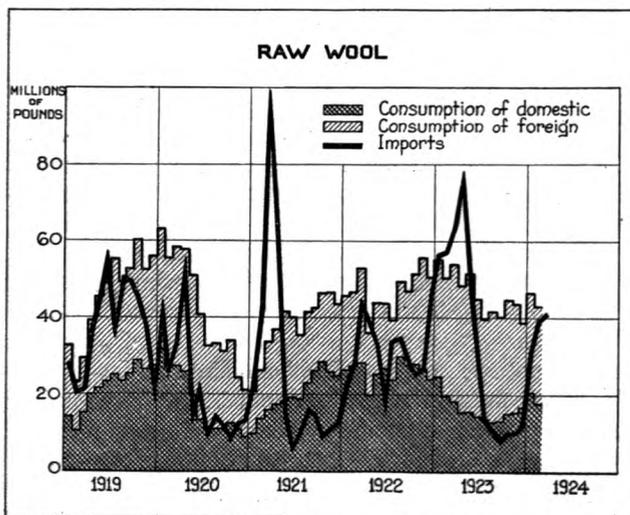
Collections remain fairly satisfactory, but some reports state that small dealers are slower in making payments than they have been.

WOOL

Except for the fact that prices are less firm, conditions in the Philadelphia market for raw wool have changed relatively little since last month. The amount of future business taken by manufacturers of yarns and of piece goods is limited, and largely on this account mill owners hesitate to buy much wool

Raw wool

beyond their current requirements. Spot demand for yarns and fabrics of wool is also dull, and since producers do not care to accumulate heavy stocks, operations are as a rule greatly curtailed. Wool consumption in this district, as shown by returns from 77 establishments, was 7.1 per cent smaller in March than in February and was considerably less than that of a year ago. That the latter is also true of the country as a whole is indicated by the accompanying chart which shows that during the first two months of this year total domestic consumption of wool was 15.1 per cent smaller than during a similar period in 1923. In consequence, sales of raw wool are relatively small, and few contracts for the new clip wools in the West are being placed. Mills making woolens are more active than those producing worsteds, and therefore clothing wools, noils, and wastes are in better request than other grades. Demand for fleece and territory wools is poor. Some dealers report a steady call for carpet wools, but others find that business in these is dull.



From January 1 to March 1, 1924, both domestic consumption and imports of wool were considerably lower than they were in the same period of 1923. But as compared with 1922, imports were larger, though consumption was smaller.

Source—Department of Commerce

Although, as indicated above, factors relating to demand for raw wool have tended toward weakness, factors affecting supplies have been conducive to strength. Foreign markets for raw wool remain firm, and prices abroad are considerably higher than domestic quotations. In consequence, though imports of wool have increased considerably since last December, as is shown by the following chart, they are much smaller than they were a year ago. During the first three months of this year imports aggregated only about 111 million pounds, in contrast with 177 million pounds during a similar period in 1923. Moreover, because of the steady advance in prices abroad, it has in many instances been found more profitable to re-export bonded foreign

wools to Europe than to pay the duty and market them here. Such shipments have recently been large. As a result, stocks of wool in this country have decreased and are now limited. In fact, supplies of some varieties, such as carpet wools, have approached depletion.

But notwithstanding the strong statistical position of raw wool, quiet conditions in the local market have led to the granting of some concessions during the past month. No marked weakness in domestic quotations, however, is apparent, and such reductions were not large. Collections are for the most part satisfactory.

Pronounced dulness in the demand for worsted yarns is reported by spinners in this district. Sales are not only considerably smaller than they were a year ago, but in most instances smaller than they were last month. Lack of demand for finished goods continues to be the principal reason for inactivity in yarns. With few exceptions neither weavers nor knitters have received a satisfactory volume of business, and as a rule both are purchasing little yarn in excess of what they need to fill orders on hand. Improvement, however, is not totally lacking. Some spinners have recently noticed an increase in withdrawals of woolen carpet yarns on existing contracts, while others report a somewhat better movement of yarns for men's wear.

Demand for yarns has not kept pace with production, and a number of spinners have reduced operations during the month. Many mills in this district are running only three or four days a week, and at this rate orders on hand will insure production for but a few weeks. Labor is in plentiful supply. Some spinners report heavy accumulations of yarn, but the majority indicate that stocks are moderate.

Resistance to prices on the part of buyers is decided, and though concessions are not general, they are obtainable, especially in cases where supplies of yarn are burdensome. Owing to the higher cost of carpet wool, however, quotations on woolen carpet yarns for the fall season have been increased slightly. Spinners of worsted yarn complain that at present prices for raw wool and yarn, it is very difficult for them to make a profit.

In some cases, collections are reported to be slow, but on the whole they are satisfactory.

Business in woolen and worsted piece goods is for the most part unsatisfactory. Producers of both men's and women's cloths have opened their heavy-weight lines, but though orders are fairly numerous, they are small in size, and initial business compares very unfavorably with that of a year ago. Manufacturers are hopeful, however, that makers of clothing, who are now booking orders for fall apparel, will place considerable duplicate business later in the season. Reports from producers of fabrics for men's wear indicate that for fall sales of fine worsteds and of the cheaper grades.

of goods such as woollens and mixtures have exceeded those of other varieties. Demand has also favored women's coatings of the velour type.

Light-weight goods for spring are likewise in rather dull request. Sales of women's fabrics have shown a marked decrease since March, and goods with hair-line stripes are now selling poorly. Such a decline was expected about the middle of April because of seasonal reasons, but it occurred earlier than usual. For the most part, men's wear goods for spring are also moving slowly, but in some cases the call for worsted fabrics in light colors is fairly good, reflecting activity in finished clothing of this variety. Woolen cassimeres are in from poor to fair request.

As has been the case for some time, restriction of output in this district is considerable, and in some instances it has increased during the past month. Many producers are running at from 50 to 75 per cent of capacity, but a few are operating at close to 100 per cent. Mills making woolen cassimeres and cotton worsteds for men's wear are running at a higher rate than other plants. While some manufacturers report heavy accumulations of finished goods, many state that stocks are either moderate or light. But the present tendency is for them to increase in spite of reduced production. Stocks of raw material are of medium size and are fairly stationary. Reports indicate that the supply of labor exceeds the demand but that wages remain unchanged.

Quotations on heavy-weight goods, which are about the same or slightly lower than those of a year ago, show little change as compared with those of last month. Resistance to prices, however, is strong, and concessions on spring goods are obtainable, especially when orders are large. Collections are fair. They have changed little since March but are somewhat slower than they were a year ago.

CLOTHING

Varying reports as to the condition of the men's clothing industry in this district have been received. A number of manufacturers have enjoyed a fairly good business, while others indicate that demand is

Men's wear

quiet. On the whole, advance orders for spring goods were not up to expectations, but during the past few weeks, retailers have been in the market for more light-weight clothing, and as compared with last month, sales have increased. One large producer states that though during March sales fell below those of a year ago, during the first three weeks of April they were greater than in the like period of 1923. Top-coats and light-colored suits in various shades of blue, brown, and gray have sold particularly well, and in some quarters such goods are said to be scarce. Suits of powder blue are especially favored. On the other hand several firms

find that spring business has been unsatisfactory. At present few producers have orders on their books for shipment after the next 60 days, and the bulk of the business is for delivery in the near future.

Many of the larger manufacturers have recently opened their heavy-weight lines, and their salesmen are now on the road booking orders for fall and winter clothing. Openings were held somewhat later than usual this year, because of the late Easter season and the conservatism displayed by retailers with regard to ordering for the future. Though wages are considerably higher than they were a year ago and the cost of piece-goods is substantially the same, makers of men's suits have named quotations that are on a par with those of the previous fall season. It is still too early to form a reliable estimate of the amount of business that will develop, but makers of standard clothing report that the outlook is favorable. Retailers are cautious and unusually critical as regards both quality and price, and many have preferred to wait until after Easter before placing large orders; but the volume of business received to date has with some producers been satisfactory. It must be remembered, however, that mainly because of unfavorable weather during the past season, many retailers have failed to dispose of their stocks of heavy-weight clothing.

Though a few of the larger producers have operated on full time, many manufacturers are using only from 60 to 80 per cent of their equipment. During the past month the average for this district was 75 per cent, which is about 15 per cent higher than it was in January and 10 per cent lower than during April, 1923. Operations have been increased since January, largely for seasonal reasons. Orders have been filled more rapidly than new ones have arrived, and at the present rate of production the business on hand will insure production in most plants for only one or two months.

Stocks of finished goods are of medium size, while those of piece-goods are fairly light, and both have tended to decrease. Producers report no difficulty in securing either experienced or unskilled help. Wages in general, remain unchanged, but in one or two cases they have been raised 10 per cent.

Quotations on men's clothing for spring are firm, and though as a rule they have changed but little since last month, a few manufacturers have advanced prices on desirable goods. On the whole, collections are not satisfactory. Half of the firms reporting to this bank state that they are either fair or good, but the rest indicate that they are poor. This is mainly because, as noted above, stocks of fall clothing in the hands of retailers were not liquidated as well as desired. Collections are somewhat slower than they were in April, 1923, but they have improved since last month, probably because of larger sales of clothing by retailers during the past few weeks.

Business in shirts has on the whole been unsatisfactory. Retailers have not only been slow in meeting

Shirts

their accounts, but have bought less actively and more cautiously than usual. One or two shirt makers have received numerous filling-in orders, but others find that such business has been relatively poor except in certain novelties like plain blue shirts. Buyers have shown a marked preference for white shirts, particularly with collars attached. It is reported that retailers have not disposed of their stocks of men's clothing as well as was anticipated and in consequence have had less money with which to pay their bills and to purchase other goods. Recently, however, sales of clothing at retail have increased, and producers of shirts report a noticeable improvement in collections.

Manufacturers have about completed deliveries of orders for spring, and their salesmen are starting out for additional spring and summer business and for initial orders for fall. Recognizing the conservatism of retailers as regards the placing of future business, one large producer in this district has increased both the selling force and the territory to be covered in an effort to maintain sales. Some manufacturers have delayed the opening of their lines. With the exception of a few numbers on which slight reductions were made, quotations on shirts for fall show relatively little change from those of a year ago. Mainly because of cancellations by retailers, stocks of shirts in the hands of producers are in some instances large. But in other cases they are fairly light.

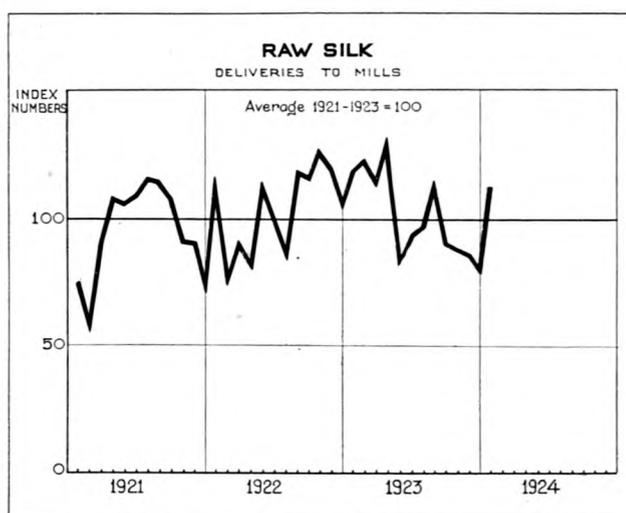
SILK

The domestic market for raw silk during the past month has continued to be sluggish, and prices have weakened. On April 22 Kansai double-extra cranks were quoted at \$6.10-\$6.15 per pound, as against \$7.00-\$7.05 on March 22 and \$11.50-\$12.00 immediately after the earthquake last September. Except for a few temporary recoveries, the decrease in raw silk prices has been continuous since the latter part of 1923, and present quotations are lower than they have been for about two years and a half.

The decline in prices for raw silk during the past several months has been partially due to the accumulation of supplies and to lower yen exchange, weakness in which has been especially noticeable since the middle of April. But the principal reason has been the slow movement of raw silk to consumers, which in turn has been due to inactivity in finished goods. Not only is future business in silk fabrics negligible, but spot sales also are poor, and quotations on finished goods, like those on raw silk, have steadily weakened. In consequence, producers lack confidence in the future as regards both volume of business and stability of prices,

and are purchasing little more raw silk than they need to cover orders on hand.

This is indicated by the accompanying chart. Attention is called to the fact that the ratio between actual deliveries of silk to mills each month and average monthly deliveries during the period from 1921 to 1923 inclusive, has been below 100 in 8 of the 12 preceding months. Owing to the sharp decline in imports of raw silk during the past two months, however, deliveries to mills have exceeded receipts at warehouses, with the result that stocks of raw silk at New York fell from 44,398 bales on January 31 to 30,375 on March 31. But this has not stimulated demand, even though supplies of raw silk at mills are moderately light.



Deliveries of raw silk to mills have been below average during the greater part of the past year, because of reduced operations in plants making silk goods.

Source—Silk Association of America

Since the bulk of the raw silk exported from Yokohama is marketed in this country, dullness at New York is reflected in Japan, where filatures have curtailed production in order to prevent the increase of stocks.

Most makers of silk goods complain that business is very dull. The spring season with manufacturers

is now practically over, and in the majority of cases sales compare unfavorably with those of a year ago. Buyers have restricted their purchases mainly to current needs, and except with a few large producers, orders for future delivery are limited. Indeed, some mills report that they have almost none. But business in silk fabrics is dull in other districts than this, and manufacturers having branch houses in various large cities in the United States find that sales are generally poor. Crepes still retain their popularity, but attention has not centered on any particular fabric. Some producers have recently noticed a better call for charmeuse, satin-crepes, and wash silks

Silk goods

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in checks and plaids. Ribbons are in poor request. Prints have not sold as well as was anticipated, as demand has lately favored the plain goods.

In consequence, prices for prints are weak, especially since some manufacturers who accumulated heavy stocks are reported to have made concessions in order to liquidate them. As a matter of fact, owing to sluggish demand, keen resistance on the part of buyers, and weakness in raw silk, reductions have been made on most silk fabrics. According to the "Textile World," prices have declined from 15 to 35 per cent since January 1. Nevertheless, a number of mills are manufacturing partly for stock, and supplies of finished goods are fairly large. During the past month, however, curtailment has increased, and the majority of producers are operating only from 50 to 75 per cent of their equipment.

Collections are in some cases slow, but though not as prompt as they were a year ago, are on the whole satisfactory.

HOSIERY

Lower prices have been named for nearly all classes of hosiery, and though these quotations appear to have stimulated the demand for full-fashioned silk hosiery for women, especially in medium and light weights, they have had little effect on other kinds. Seamless hosiery of silk and fibre mixtures for women continues to be in fair demand, and some mills are busy producing

novelties for children and for men; but the rest of the market is inactive.

Operations during January and February of 345 identical establishments, representing 435 mills in the United States, are summarized in the accompanying table. The decrease in most of the items during February was largely because of the fewer working days in that month; but it is to be noted that production of full-fashioned hosiery for women increased.

In the Third Federal Reserve District the operations

HOSIERY INDUSTRY IN THE UNITED STATES*

In dozen pairs	January	February
Full-fashioned, men.....	83,172	81,894
Seamless, men.....	2,019,358	1,956,326
Full-fashioned, women.....	536,712	562,172
Seamless, women.....	1,197,092	1,112,838
Boys' and misses', all styles.....	582,238	616,397
Children's and infants', all styles.....	434,098	419,556
Athletic and sport, all styles.....	24,458	19,965
Total production.....	4,877,128	4,769,148
Total shipments during month.....	4,214,930	4,436,631
Total finished product on hand, end of month.....	8,605,765	8,789,856
Total orders booked during month.....	3,863,824	3,712,746
Total cancellations received during month.....	196,038	240,793
Total unfilled orders on hand, end of month.....	9,357,318	8,465,718

*Compiled by the Bureau of the Census.

HOSIERY INDUSTRY*

Third Federal Reserve District

In dozens of pairs	Men's				Women's			
	Full-fashioned		Seamless		Full-fashioned		Seamless	
	February	March	February	March	February	March	February	March
Production.....	51,929	52,557	332,466	322,698	255,121	286,694	196,277	196,802
Shipments during month.....	35,787	49,027	284,665	292,359	255,850	317,500	193,877	225,331
Finished product on hand at end of month.....	44,832	48,827	486,710	508,912	491,089	435,370	249,878	220,202
Orders booked during month.....	32,502	28,081	231,979	252,382	227,443	169,732	160,399	209,960
Cancellations received during month.....	877	1,392	26,065	18,144	3,696	6,123	7,125	9,905
Unfilled orders on hand at end of month.....	73,865	52,279	549,911	489,043	827,673	658,903	320,565	292,197
	Boys' and Misses'		Children's and Infants'		Athletic and Sport		Total	
	February	March	February	March	February	March	February	March
	Production.....	27,468	25,965	108,717	114,365	4,740	6,127	976,718	1,005,478
Shipments during month.....	33,059	27,739	150,334	149,999	3,893	7,878	957,465	1,069,833
Finished product on hand at end of month.....	76,921	76,767	365,991	335,090	19,507	17,306	1,734,928	1,642,474
Orders booked during month.....	22,025	25,029	65,233	81,758	4,558	3,547	744,079	770,219
Cancellations received during month.....	352	1,331	5,348	4,840	.....	360	43,463	42,095
Unfilled orders on hand at end of month.....	25,141	20,880	374,925	314,203	10,705	6,114	2,182,785	1,833,619

* Preliminary report compiled by the Bureau of the Census.

of the same 148 mills during February and March, itemized in the table on page 23, increased in a number of lines.

Prices of raw and thrown silk decreased during the past month, but quotations for cotton and mercerized yarns strengthened in sympathy with the advance in cotton. These yarns, however, are inactive, and the gain in mercerized yarns is slight. Artificial silk continued to sell at the figures named in February, at which time they were sharply reduced. Since then the hosiery trade is reported to have used a considerably larger quantity than previously.

Some mills have opened their lines for autumn delivery, and a fair business has been booked by them for women's full-fashioned silk hosiery. A few orders also are reported for autumn for men's half hose of wool and fibre mixtures. Stocks of unsold hosiery are stated in a majority of the reports to this bank to be either moderate or light and are said to be decreasing. Collections are fair and are about the same as they were a month ago.

UNDERWEAR

Like most other textile products, underwear is in poor request. Generally speaking, neither men's, women's, nor children's garments are selling well, and though some small duplicate orders for light-weights are reported, business in both spring and fall goods has been equally quiet. Confidence in the future as regards volume of business and stability of prices is lacking. Jobbers doubt their ability to sell heavy-weight underwear at existing quotations, which are considerably higher than those of the previous fall season. This is not to be wondered at in view of present unsatisfactory business, of unsettled prices for raw cotton, and of the fact that yarns are now cheaper than they were a year ago. In consequence, jobbers have for the most part ordered only a small percentage of their probable requirements of heavy-weight underwear. Moreover, retailers have found it unnecessary to place a large amount of duplicate business in spring goods and are covering little more than their immediate needs. Jobbers have pursued a similar policy in their dealings with manufacturers.

Present conditions are in decided contrast with those in April, 1923, when buyers had placed a large amount of future business and mills were unusually busy. Last month few plants were operated at more than 75 per cent of capacity, and the majority ran only from one-half to two-thirds of the available equipment.

Curtailement has increased somewhat during the past month, and the average rate of production for this district is about 60 per cent, in contrast with 70 per cent during March. Many producers report that most of the orders booked are for delivery within the next 60 days, but some firms making heavy-weight underwear indicate that a large percentage is for shipment after that period.

Orders are being filled much more rapidly than they have been received, and at the present rate of production, unfilled orders will insure operations for only 30 or 60 days. As a rule, manufacturers are not accumulating stocks, which are moderately light and are tending to decrease. Supplies of raw materials, likewise, are fairly light, since producers have purchased yarns very conservatively. Both skilled and unskilled labor is in sufficient or plentiful supply, and wages remain unchanged.

Few revisions in opening quotations on fall underwear have been made, since it is generally believed that reductions would improve the situation but little and would probably tend to increase the caution of buyers. As in other branches of the textile industry, however, resistance to quotations on underwear is keen, particularly on medium and light-weight goods. According to one producer, buyers desire to purchase spring underwear at opening quotations named last fall, which were based on yarns considerably lower than they can be bought at present. Some concessions on spring goods are reported, but in general, quotations show little change from those of last month. Collections are satisfactory.

FLOOR COVERINGS

April has been a month of comparative inactivity in carpet and rug mills. Production at the end of a season is usually smaller than at other periods, and the total output is now probably lower than it has been for several years. Although the amount of new business received has been small in the aggregate, some manufacturers report that orders taken from day to day have nearly equalled their somewhat reduced output. All are busy preparing the new lines for the opening of fall goods, which will take place early in May. Announcement has been made by the largest manufacturer that his line of carpets and rugs for the fall season will be shown on May 1 and that prices will be quoted guaranteed to September 1. This sets at rest the rumor that this interest would again hold an auction. Prices for present stocks, except in the case of some makes of Axminsters, have been well maintained, but reports differ considerably regarding quotations to be named for next season. A number of manufacturers think that they will be the same as those of last October, but others expect them to be slightly lower.

Raw materials, especially wool, are firm, and the supply of carpet wools is said to be small. Both skilled and unskilled labor is in plentiful supply, and wages are unchanged.

Manufacturers of linoleums and felt-base goods have been busy finishing their spring orders and preparing new patterns for their openings, which will take place simultaneously with those of carpets and rugs. New prices, showing some reductions, have been named by one of the large manufacturers and other makers are expected to follow his lead. Plants continue to operate

at capacity. Collections in all branches of the floor covering industry are fair and have not changed during the past month.

LEATHER

The markets for all hides and skins, with the exception of sheep skins, have been weak and only fairly active, and prices have again declined considerably. As can be seen in the following table, prices for hides in Chicago have fallen and in many cases are below those of the low market of last November. It must be considered, however, that the hides sold in November were of better quality than those now dealt in. Moreover, some foreign inquiry is again reported, and if sufficient of this business develops, it may again turn the market upward as it did last November.

PRICES OF CHICAGO PACKER HIDES*

	Week ending Nov. 24, 1923	Week ending March 22, 1924	Week ending April 19, 1924
Heavy native steers....	13½ cents	13-14 cents	11½ cents
Heavy Texas steers....	11 "	12½-13 "	12 "
Butt brands.....	11 "	12½-13 "	11½-12 "
Branded cows.....	7½ "	9 "	8 "
Heavy native cows....	12 "	11 "	9½ "
Light native cows....	9½ "	10 "	9 "
Branded bulls.....	7 "	7½-8 "	7 "

*Compiled by "Hide and Leather."

Calf skin prices were also reduced by the packers, and sales have been made at 18¼ cents, in contrast with an asking price of 22 cents a month ago. Goat skins have sold at as much as 10 per cent below March quotations, but even so, tanners are showing little interest. The buying of fine quality skins for the making of fancy colored kid leathers has almost ceased, and about the largest demand now noted is for cheap skins from which lining leather for shoes can be profitably manufactured. Sheep skins are in good demand, in fact, a shortage of some kinds is reported. On February 29, stocks of raw skins and hides in the country, as shown by the accompanying table, had decreased, and stocks of cattle hides and of calf and sheep skins were lower than at any period since figures were collected—September, 1920.

STOCKS OF RAW HIDES AND SKINS*

	Cattle	Sheep and lamb	Calf and kip	Goat and kid
Dec. 31, 1923....	5,086,286	7,400,296	2,935,094	9,926,128
Jan. 31, 1924....	4,938,926	6,348,865	2,568,605	8,903,835
Feb. 29, 1924....	4,832,428	5,866,313	2,436,488	8,428,738

*Compiled by Bureau of the Census.

Conditions in the leather markets show little if any improvement over those of March. Tanners express disappointment at the prevailing dullness, as they had hoped that shoe manufacturers would have entered the market for fair quantities of leather for shoes to be delivered in May and June; but shoe orders have not come up to expectations, and therefore manufacturers have bought but sparingly. Despite continued curtailment in production, it is considered probable that stocks of most leathers have been accumulating during March and April. As shown in the accompanying table, production of the principal leathers, with the exception of belting butts, decreased in February, and stocks also were lower, except those of belting butts and of cattle side upper leather.

LEATHER*

February, 1924, compared with January, 1924	Production during month	Stocks at end of month
Backs, bends and sides.....	-11.7%	-2.9%
Belting butts.....	+19.8%	+8.0%
Offal, sole and belting.....	-4.7%	-3.7%
Cattle side, upper.....	-2.1%	+1.2%
Calf and kid.....	-1.3%	-2.1%
Goat and kid.....	} -6.9% {	- .1%
Cabretta.....		-1.3%

*Compiled from figures furnished by Bureau of the Census.

Our survey of employment and wages discloses the fact that in 34 tanneries reporting to this bank the number of employees was 4.0 per cent less during the week of March 15 than in that of February 15. Also, that total weekly wages fell 5.2 per cent and that the average weekly individual earnings were 1.3 per cent smaller during the same period.

It is a buyers' market, and reasonable bids in most cases are being accepted, though quotations are nominally unchanged. Among upper leathers, the best demand is for patent leather, and grain calf is in fair request. In kid leathers, cheap stock in the light colors for lining is finding a ready market, but other grades are dull and in most instances are accumulating despite further curtailment in production.

The sales of leather belting continue on about the same level as during recent months and are about 15 per cent smaller than they were a year ago. Anxiety to increase sales has led to an increase in price cutting by some interests. Collections, though still good, are somewhat slower.

The shoe business in this locality had a poor and late start this year, as cool weather and the late Easter season resulted in considerably reduced sales during March by both wholesale and retail distributors.

As a consequence many of the factories lacked the usual rush orders for Easter. Since the opening of April,

Shoes

however, shoes have moved to the consumer in better volume, and some factories report that incoming orders reflect this improvement. But considered as a whole this spring has been a disappointing one in the local factories, and production is considerably smaller than it was a year ago.

Prices are practically unchanged, although some manufacturers of medium and low priced shoes have brought out new lines which, though they resemble earlier products, have by the use of somewhat inferior materials been slightly cheapened, and these new lines are offered at lower quotations.

For women's shoes patent leather, satin, black suede, and white leather—buck or kid—are the most desired materials. Some light colors such as champagne are also selling, but the bright colors used last year have not been called for.

Production of shoes in the United States in February amounted to 26,590,801 pairs. This was almost the same as in January, when 26,451,218 pairs were made, but was considerably smaller than the production of 30,300,606 pairs in February, 1923. Preliminary figures indicate an increase in production of 4.8 per cent in March as compared with February. In the Third Federal Reserve District 103 identical factories made 6.7 per cent more shoes in March than in February. This and other details of production are shown in the accompanying table.

BOOT AND SHOE PRODUCTION*
Third Federal Reserve District

	Number of pairs	
	March, 1924	Feb., 1924
Boots and shoes, total	1,815,661	1,700,504
High and low cut (leather) total	1,681,756	1,588,104
Men's	126,302	135,895
Boys' and youths'	160,585	139,806
Women's	323,835	252,310
Misses' and children's	574,890	592,124
Infants'	496,144	467,969
All other leather or part leather footwear**	133,905	112,400

*Preliminary report compiled by the Bureau of the Census.
**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.

Stocks of shoes are reported to be moderate and decreasing. Labor is sufficient and wages are unchanged. Collections are either fair or good and are about the same as they were a month ago.

At wholesale, sales during March were larger than in February but smaller than in March, 1923, as is shown by the table on page 10. During April a considerable improvement has been noticeable.

At retail, since the beginning of April, business has improved considerably, aided by the buying for Easter

and by the good weather. The first two Saturdays of this month were reported to be unusually large days. Sales in March increased 14.0 per cent over those of February, but were 24.9 per cent smaller than in March, 1923. For women, black shoes made of suede, satin, or patent leather are in good request. And white shoes promise to be called for in large quantities later in the season.

RETAIL SHOE TRADE

Third Federal Reserve District

1. **NET SALES (in terms of dollars):**
 - (a) March, 1924, as compared with February, 1924. +14.0%
 - (b) March, 1924, as compared with March, 1923. . -24.9%
 2. **STOCKS (selling price):**
 - (a) March, 1924, as compared with February, 1924. +14.7%
 - (b) March, 1924, as compared with March, 1923. . +11.2%
 3. **RATE OF TURNOVER (times per year based on cumulative period):**
 - (a) January 1 to March 31, 1924. 3.1
 - (b) January 1 to March 31, 1923. 3.3
- Number of stores reporting above items:
- | | | | | | |
|---|----|---|----|---|----|
| 1 | 20 | 2 | 18 | 3 | 18 |
|---|----|---|----|---|----|

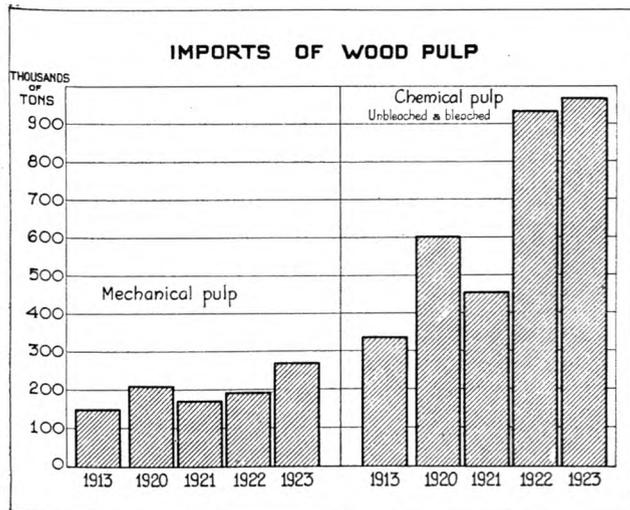
PAPER

Some branches of the paper industry are less active than they were a month ago, but on the whole conditions in the industry show little change. Most manufacturers report that business is not as good as it was in April, 1923. The call for book and fine papers is well maintained, and most mills are operating at 85 or 90 per cent of capacity. Production of wrapping and kraft papers has declined slightly, with the result that few plants are working more than 5 days per week. Glazed paper and glassine are in better request than they were last month, and output has increased. Building papers and building boards are in fair demand; and production continues at about 80 per cent of capacity. Fine tissues, toilet tissues, and crepe towels are still selling well. The call for boxboards has lessened, and production is smaller than that of last month. As there has been no falling off in the buying of wall papers, most factories making these are operating at capacity. Envelopes are not selling as well as they did in March, and the average of factory operations has declined to 75 per cent.

Hand-to-mouth buying still prevails, and an average of our reports shows that mills have about 22 days' business on hand. Jobbers state that their sales are approximately of the same volume as they were last month. As shown in the table on page 10, wholesale paper sales in March were slightly smaller than in March, 1923.

Paper prices are fairly stable and practically the same as they were a month ago. Kraft paper quotations have

been more firm than in any of the six preceding months, because of smaller importations from Scandinavia and a more strict classification of duty rates by our customs officials. Mechanical pulp is unchanged in price, and chemical pulps are firm or slightly higher.



Imports of paper pulp in 1923 were the greatest on record. Mechanical pulp imports were nearly twice as large, and chemical pulp imports about three times as large, as in 1913.

Source—Department of Commerce

Imports of mechanical and chemical pulps during 1923 were the largest of any year on record. As is shown in the accompanying chart the amount of mechanical pulp imported in 1923 was nearly twice as great as in 1913. The quantity of chemical pulp imported was nearly three times as large as in 1913.

Finished stocks at the mills are moderate and stationary, as are supplies of raw materials. Both skilled and unskilled labor is in sufficient supply at all mills, and wages are unchanged. Collections range from fair to good and are much the same as they were in March.

PAPER BOXES

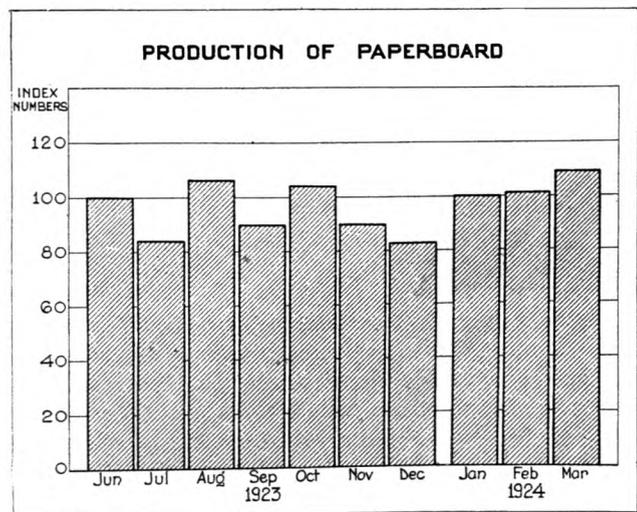
The number of new orders received by the majority of box manufacturers during the month is decidedly smaller than that received last month, and consequently production has fallen off at most factories. Our reports from box makers characterize the present demand as fair or poor. The knitted goods lines, particularly the underwear trade, and the candy trade are buying sparingly. The shirt, foodstuffs, hardware, electrical supplies, and perfume industries are purchasing in good amount, but only for spot requirements. As a result, a few factories making set-up boxes have sufficient orders to operate at capacity, but the majority are working at about 60 per cent. Corrugated boxes are in only fair request, but the call for fibre shipping containers

is good, since the canned foods industries are buying quite heavily. Most corrugated box factories are operating at about 60 per cent, but fibre box plants are working at close to capacity. Although a few factories have sufficient business to maintain present operations for from 6 weeks to 2 months, the majority have less than 30 days' business on hand. On the whole, the industry is not active as it was in April, 1923.

Paperboard production did not fluctuate greatly during the first three months of this year. As is illustrated in the following chart, the monthly rate of production was higher than the monthly average output during the last half of 1923.

Considerable weakness is displayed in box prices, and several manufacturers report that they have lowered their quotations since the middle of March. News and chip board boxes show the greatest weakness, but corrugated boxes and fibre containers, too, have been cut in price. Chipboard is at present selling at \$42.50 per ton, and newsboard at \$45.00 in the Philadelphia market, although some offers as low as \$35.00 have been made. Strawboard, jute liner, and container boards are by no means firm in price, and concessions ranging from \$3.00 to \$9.00 per ton are offered by different mills.

Stocks of finished boxes at the factories are moderate and are increasing slightly, but supplies of raw materials, though also moderate, are about the same as they were last month. Both skilled and unskilled labor is in adequate supply, and at many factories there are more applicants for work than can be employed. In general, wages are unchanged. One manufacturer, however, reports that wages for skilled labor have been reduced at his plant by from 10 to 20 per cent. Collections vary from fair to good and are much the same as they were a month ago.



Production in March was greater than in any month since last June.

Source—American Paper and Pulp Association

TOBACCO

Leaf dealers report that some increase in buying has been noticeable during the month, but on the whole the cigar tobacco market is quiet.

Tobacco leaf Most orders that are being received are for small lots, which indicates that manufacturers of cigars are buying tobacco only as they need it. Most dealers agree that although business is slightly better than it was last month, it is not as active as it was in April, 1923.

The demand for Pennsylvania wrappers is light, but the Lancaster market has enjoyed a good export request for fillers, and as a result these are rapidly disappearing from the market. Dealers state that the call for 1922 packed wrappers is very poor and that in many cases that grade is selling at less than it did a year ago. Small manufacturers have been almost entirely absent from the market, and the larger factors are buying only small quantities. The 1922 packed wrappers are selling at from 26 to 30 cents per pound, actual weight; and from 27½ to 30 cents per pound, August or September weights, is being asked for the 1923 packed wrappers. However, few sales of the 1923 packings have been consummated, and the market price is not yet established. Quotations on 1923 fillers range from 4 to 9 cents. Packers of Pennsylvania tobacco estimate that the amount of 1922 packed wrappers still on the market ranges from 6,000 to 10,000 cases. Approximately 95 per cent of the 1923 Pennsylvania crop has been sold by the growers, and dealers state that the tobacco remaining unsold on the farms is of rather inferior quality.

The tobacco pools in Connecticut, Wisconsin, and Ohio are moving considerable quantities of their packings at favorable prices. Havana seed and broadleaf grades are the most active sellers of the Connecticut pool, non-frozen Dutch of the Ohio pool, and northern grown of the Wisconsin pool. During the month, independent packers have bought up large quantities of the Seed and Spanish types from Ohio growers at an approximate price of 15 cents to the farmer. Practically all of the 1923 Dutch tobacco (of Ohio) is now in the packers' and dealers' hands. The prices paid to the farmer for this variety ranged from 16 to 22 cents per pound.

American buyers have taken about 16,000 bales of Sumatra thus far at the Amsterdam sales, and little of that tobacco which is desirable for the American market is reported as remaining unsold. The quality of this year's crop is not as good as of that offered at the 1923 sales, but the price paid by the buyers is practically the same as last year's. The Sumatra crop, too, is short, and spirited bidding has kept quotations up. In fact, the prices obtained on the opening date were lower than those of the following sales.

The Porto Rican crop has been considerably damaged by adverse weather conditions, and as a result the quality of the tobacco is below normal and the yield is much smaller than the average. Official reports from Cuba, however, are very optimistic concerning the outlook for Havana tobacco. A bumper crop of excellent quality is being harvested, and prices are expected to be favorable to the cigar manufacturer.

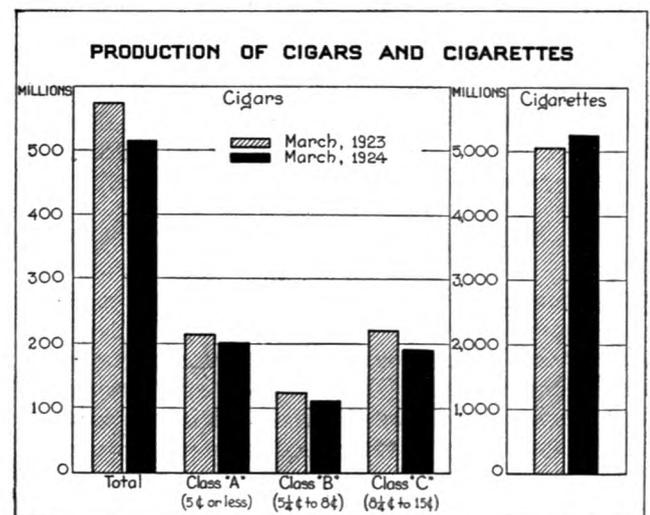
As was expected, the call for cigars is better than it was in March, and though not as good as it was a year ago, may be classified as fair.

Cigars

Practically all orders taken are for delivery within 60 days, and in these, Class C cigars are the grade most frequently specified, though Classes A and B are in almost as great demand.

Cigar prices, with few exceptions, are firm, and in no instances have they changed from those prevailing in March. Stocks of finished goods are in general moderate and on account of seasonal reasons are decreasing. Supplies of raw materials are likewise moderate and decreasing.

Manufacturers reporting to us are operating at a slightly higher rate than they were during March, and the average is close to 61 per cent of capacity. Unfilled orders now on the books will insure the continuance of this rate for about 30 days. The accompanying chart depicts output of both cigars and cigarettes during March. As compared with March, 1923, output of the former declined 10.2 per cent, but that of the latter increased 4.5 per cent.



Source—Commissioner of Internal Revenue

The supply of both skilled and unskilled labor is either sufficient or plentiful, and though a few reductions have been made, the majority of manufacturers

state that wages are unchanged. Collections are somewhat better than fair but are not as prompt as they were a month ago or at this time last year.

AGRICULTURE

The cold and rainy weather this spring has greatly retarded plowing, particularly on the heavy soils, in many parts of the district. Except on the light sandy and sandy loam soils of New Jersey, the amount that will be completed at the close of this month will be much smaller than normally, and present conditions point to a late season. The outlook for the fruit crops was never more favorable. Cool weather has retarded the buds in bursting, and consequently, except on a few hilly southern exposures, where slight injury was caused to peach buds, there has been no killing by frost.

Lack of adequate snow protection has been unfavorable to winter wheat and rye in New Jersey and Pennsylvania, resulting in much winter killing, and consequently the April 1 condition of these crops was below normal. But in Delaware, winter wheat on April 1 was nearly in normal condition and rye slightly above normal. Elsewhere, however, the condition of the winter wheat and rye crops on April 1, in this district, was poorer than on April 1, 1923.

CROP CONDITIONS ON APRIL 1*

	Winter wheat			Rye		
	1924	1923	10-year average	1924	1923	10-year average
	Per cent of normal					
New Jersey.....	85	89	87	89	92	89
Pennsylvania.....	83	84	88	86	89	90
Delaware.....	85	85	86	88	80	87

*Estimated by United States Department of Agriculture.

Reports from county agents show that in most sections of the district the stand of cover crops is considerably below normal. Leguminous crops, such as vetch and clover, seem to have been the most adversely affected, and in several counties the stand is only 65 per cent of normal. The absence of sufficient snow coverage and the rather dry winter are reported by the agents as the chief causes of this condition.

As shown in the following table, based upon reports from county farm bureaus and state departments of agriculture, spring plowing will be three-fourths completed at the close of this month in only a few localities. These are principally counties lying along the Delaware and Susquehanna rivers and in southern Pennsylvania.

ESTIMATED AGRICULTURAL CONDITIONS

Locality	Per cent spring plowing completed by April 30	Per cent acreage ready for planting April 30	April 1 condition of winter wheat (per cent normal)	April 1 condition of cover crops (per cent normal)
Berks County, Penna....	small	small	90	80
Bucks County, Penna...	75	60	85	60
Clearfield County, Penna.	50	25	70	80
Clinton County, Penna..	15	10	100	90
Franklin County, Penna.	90	10	80	60
Huntingdon County, Penna.....	30	25	90	90
Lancaster County, Penna.	40	25	110	75
Northumberland County, Penna.....	60	40	85	80
Wyoming County, Penna.	30	25	85	85
New Jersey.....	normal	normal	85	80
Gloucester County, New Jersey.....	70-85	65	90-95	65-75

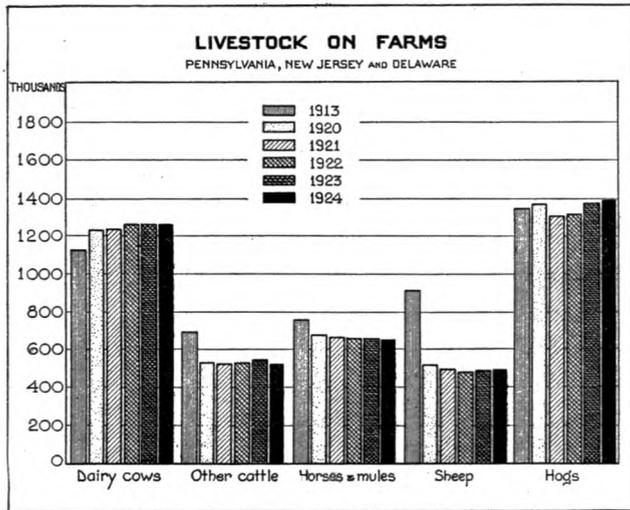
Estimates of the acreages that will be planted to cash crops this year in the Third Federal Reserve District indicate smaller plantings of white potatoes and wheat, but increased acreages of corn, oats, hay, tobacco, and truck crops. The following table, based upon reports to county farm bureaus and state departments of agriculture, illustrates this fact.

INTENTIONS TO PLANT

Per cent of last year's acreage

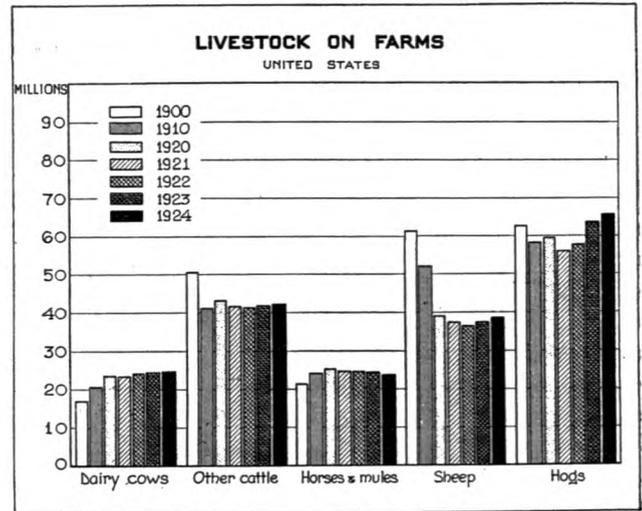
Locality	Crop	
	White Potatoes	Miscellaneous
Berks Co., Pa.....	100	Hay, 100; Corn, 100; Oats, 100
Bucks Co., Pa.....	100	Hay, 100; Corn, 100; Wheat, 100
Clearfield Co., Pa.....	80	Hay, 100; Corn, 100
Clinton Co., Pa.....	100	Hay, 100; Tobacco, 100; Wheat, 75
Franklin Co., Pa.....	100	Hay, 100; Corn, 100
Huntingdon Co., Pa.....	110	Oats, 110; Corn, 100; Wheat, 90
Lancaster Co., Pa.....	100	Hay, 105; Tobacco, 105; Wheat, 90
Northumberland Co., Pa.	105	Truck crops, 100
Wyoming Co., Pa.....	85	Buckwheat, 100; Cabbage, 105
New Jersey.....	90	Hay, 103; Corn, 104; Oats, 105; Sweet potatoes, 100
Gloucester Co., N. J....	75-85	Tomatoes, 115-125

All of our correspondents state that farmers have purchased greater quantities of commercial fertilizers than they bought in the spring of 1923. County agents report that the growers, taking advantage of the relatively low prices, will make heavier fertilizer applications than they have for the past four years. They estimate that the amounts purchased average about 15 per cent more than in 1923.



The 1924 census shows that the number of dairy cows and hogs is greater than it was in any year of the past decade. But the number of horses and mules and of "other cattle" is smaller, and that of sheep very much smaller, than in 1913.

Source—Department of Agriculture



The 1924 census shows that the number of dairy cows and of hogs is greater than in any year on record. Horses and mules are more numerous than they were in 1900, but fewer than in 1910. Especially significant is the decrease in the number of sheep and of "other cattle" since 1900.

Source—Department of Agriculture

The farm labor supply, though not so short as it was last spring, is still below normal and inadequate. The New Jersey Department of Agriculture estimates the potential supply on April 1 as being 84.4 per cent of normal, as compared with 74 per cent on April 1, 1923. Farm wages are slightly higher than in March, but this is due to the increased seasonal demand for labor.

The annual census of animals on the farms of this district shows that the number of dairy cows and hogs is larger than it has been at any time in the past ten years. But, as is illustrated in the accompanying chart, the number of other cattle and of horses and mules is

smaller. The number of sheep is much smaller than in 1913, but greater than it was last year. The United States census figures show a similar trend. The number of dairy cows and hogs is greater than at any time since 1900. Other cattle are less numerous than they were in 1900, but exceed the total of 1910. As shown in the accompanying chart, horses and mules are numerically fewer than in 1910, but there are more than there were in 1900. The number of sheep has fallen sharply from the totals of 1900 and 1910, but in the last three years a steady increase has occurred, so that the 1924 figures approximate those of 1920.

COMPILED AS OF APRIL 22, 1924.

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

THE PAYMENT OF INTEREST ON RESERVE DEPOSITS

The suggestion has been made that the Federal Reserve banks pay 2 per cent interest on the reserve deposits of member banks. Governor Crissinger of the Federal Reserve Board, addressing a member of Congress on the subject, said:

"Pursuant to our telephonic conversation, I am enclosing for your information a copy of statements showing the net earnings of the Federal Reserve banks for 1921, 1922 and 1923, and what would happen if 2 per cent interest were paid by the banks on realized balances to member banks.

You will note in 1923 the Federal Reserve banks of the whole system would have lost, to be exact, \$24,738,854, and in addition they could have paid no dividend, could have set apart no surplus, nor pay any franchise tax; whereas, in 1922, the twelve Federal Reserve banks would have lost \$19,124,765, and only one bank in the system could have paid any part of its dividend; that was the bank at Philadelphia, which could have paid \$120,976 on its dividend. You will note that none of the banks would have been able to have paid dividend, surplus or franchise tax. In 1921, the banks could have paid 2 per cent interest, amounting to \$33,457,380; but this was one of the unusual years that came about by financing the war and when the banks were imposing a 6 per cent and 7 per cent rediscount rate which, as you know, was not very popular.

In my opinion, an attempt to pay 2 per cent interest on deposits is wrong in principle and should not be imposed upon the banks. If it should be imposed the Federal Reserve banks will have to buy paper in the open market in competition with member banks and non-member banks in order to make its dividend, interest and expenses. I think you will agree that such practice would be detrimental to the individual banks.

It must be borne in mind well that at the time the banks were making these big profits it was while they were financing the war, and it should not be used as a pretext for the passage of an Act to provide for 2 per cent interest on realized balances.

I am also handing you an analysis of the statements which will be self-explanatory."

The analysis referred to in the Governor's letter is as follows:

"Average daily reserve balances of member banks with the Federal Reserve banks during 1923 aggregated \$1,872,000,000. It is apparent, therefore, that to pay

interest at 2 per cent per annum on member bank reserve balances would have necessitated the Federal Reserve banks earning approximately 37½ millions in excess of operating expenses and dividend requirements. During 1918, 1919, 1920 and 1921, when borrowings at the Federal Reserve banks were at an unprecedented level because of the large demands for credit due to war conditions, the Federal Reserve banks might have paid interest on member banks' reserve deposits and at the same time paid a franchise tax to the Government. During the past two years, however, when conditions have been more normal, borrowings from Federal Reserve banks and consequently their net earnings have been on a greatly reduced scale. Net earnings of the banks during 1923 amounted to \$12,700,000, while 2 per cent on reserve deposits of member banks would have amounted to about \$37,450,000 or three times the net earnings. Of the net earnings of \$12,700,000, \$6,500,000 went to member banks to pay the 6 per cent dividend on their capital stock and the balance was divided between the surplus accounts of the Federal Reserve banks and the Government in the form of a franchise tax. Approximately the same results are shown for 1922 in which net earnings of the Federal Reserve banks were \$16,500,000, while 2 per cent interest on reserve deposits of member banks would have amounted to \$35,600,000.

It is apparent from these figures that in normal times Federal Reserve banks could not pay 2 per cent interest on reserve balances out of their current earnings.

It should also be borne in mind that any payment to the member banks in the form of interest on their reserve balances will effect materially the amounts paid to the United States Government as a franchise tax. During 1921, for example, the Government was paid a franchise tax of \$63,100,000. If member banks had been paid 2 per cent interest on their reserve balances, the Government would have received only \$33,800,000 as a franchise tax. In 1922 and 1923, however, when earnings of the reserve banks were on a much lower level and comparatively small portions of the 2 per cent interest on reserve balances of member banks could have been paid by the respective Federal Reserve banks, the Government would have received no franchise tax, unless the Federal Reserve Act were so amended as to require the payment of a franchise tax to the Government before the payment of any interest to member banks on their reserve balances."

ADVANTAGES OF MEMBERSHIP IN THE FEDERAL RESERVE SYSTEM

(Continued from April issue)

(4) *To participate in the collection facilities of the Federal Reserve System.* The Federal Reserve Bank receives from its members for collection such items as notes, drafts, acceptances, certificates of deposit, bonds, coupons, etc. No charge is made by the Federal Reserve Bank for the collection of such items. The only cost to a member bank is the charge that may be made by the collecting bank. The Federal Reserve Banks assess a small charge only when an item is returned unpaid.

(5) *To use the Federal Reserve Bank for the transfer of funds.* Funds may be transferred through the Federal Reserve Bank to other points in the United States by telegraph or by Reserve System drafts. All Federal Reserve Banks and branches are connected by leased wires. This enables the reserve bank to transfer funds quickly by wire, free of charge, to any city in the United States where there is a Federal Reserve Bank or branch. A member bank may also issue drafts on its Federal Reserve Bank which are available for immediate credit in any city where there is a Federal Reserve bank or branch.

(6) *To deposit securities with the Federal Reserve Bank.* The Federal Reserve Bank keeps in its vaults for its member banks, without charge, securities, maturing notes and bills, and other paper eligible for rediscount or acceptable as collateral.

(7) *To receive reports on agricultural, industrial, commercial and financial conditions, without charge.* The Federal Reserve Bank mails to member banks each month a review of conditions in its district. The Federal Reserve Board furnishes member banks the monthly *Federal Reserve Bulletin*, which contains articles on conditions in the United States and foreign countries, as well as other material of interest.

Member banks also have the following advantages:

(1) *To benefit by the prestige afforded by membership in the system.* The public is more and more favoring banks and trust companies that are members of the Federal Reserve System. Member banks have been able to increase their business materially by advertising their membership. Membership enables them not only to secure new customers, but also to hold their present customers.

(2) *To operate with less reserve.* Many member banks which had been accustomed to carry excess reserves have found that they can safely carry a smaller amount and lend or invest a larger proportion of their resources. They consider their eligible paper a secondary reserve.

The reserve requirements of national banks were reduced by the passage of the Federal Reserve Act, and

the state laws of the three states in the Third District have been amended so that a state bank or trust company joining the Federal Reserve System is permitted to operate under the reduced reserve requirements of the Federal Reserve Act, in lieu of the state requirements.

Member banks are justified in operating under smaller reserves by reason of the facilities of the Federal Reserve Bank being at their disposal.

(3) *To reduce balances in other banks.* By using the clearing, collection, transfer, discount and other facilities of the Federal Reserve Bank, member banks have been able to reduce the amount formerly held in cash or on deposit and to lend or invest the released funds at a more substantial return.

A calculation by Governor Seay, of the Federal Reserve Bank of Richmond, shows that the reserves of national banks have been reduced from 28.1 per cent in 1914 to 18.8 per cent in 1922, and of state bank members from 21.5 per cent in 1914 to 14.8 per cent in 1922. Many member banks do much better than this average by an intelligent use of the service facilities.

(4) *To receive deposits of postal savings funds.* The law provides that if one or more member banks of the Federal Reserve System are established in a city where postal savings deposits are made, such deposits shall be placed in said member banks substantially in proportion to the capital and surplus of each, provided the member banks qualify to receive such deposits.

State banks and trust companies which become members have the following advantages in addition to those previously enumerated:

(1) Under Section 9 of the Federal Reserve Act, subject to the provisions of the act and the regulations of the Federal Reserve Board, a state bank or trust company becoming a member of the Federal Reserve System retains its full charter and statutory rights and may continue to exercise all corporate powers granted it by the state in which it was created.

(2) State banks and trust companies may withdraw from membership in the System, after giving notice as provided in the act.

Membership in the Federal Reserve System is a good thing from the point of view of the customer, the stockholder, and the officers and directors. It inspires an increased sense of security in the depositor and makes the borrower feel more certain of receiving proper accommodation. It makes a stockholder feel that his bank is better guarded against the possibility of liquidation, and, consequently, that his stock is a safer investment. The officers and directors, knowing that the Federal Reserve Bank stands ready to help in time of need, are saved anxiety.