

THE BUSINESS REVIEW

THIRD FEDERAL
PHILADELPHIA



RESERVE DISTRICT
JUNE 1, 1924

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FEDERAL RESERVE BANK of PHILADELPHIA

SUMMARY OF BUSINESS CONDITIONS IN THE UNITED STATES

Factory employment and production of basic commodities declined in April and there was a further recession in wholesale prices. Retail trade was larger than in March, chiefly because of Easter buying, and was at about the level of earlier months of the year. There was a decrease in the volume of borrowing for commercial purposes and further easing of money rates.

The Federal Reserve Board's index of production in basic industries, adjusted to allow for seasonal variations, declined 2 per cent in April. Declines were particularly large in the iron and steel, coal and woolen industries. Mill consumption of cotton, on the other hand, showed less than the usual seasonal reduction between March and April. Factory employment declined 2 per cent in April, owing chiefly to large reduction of forces at textile and clothing establishments. Contract awards for new buildings reached a higher value than in March and were also larger than a year ago; value of building permits granted, however,

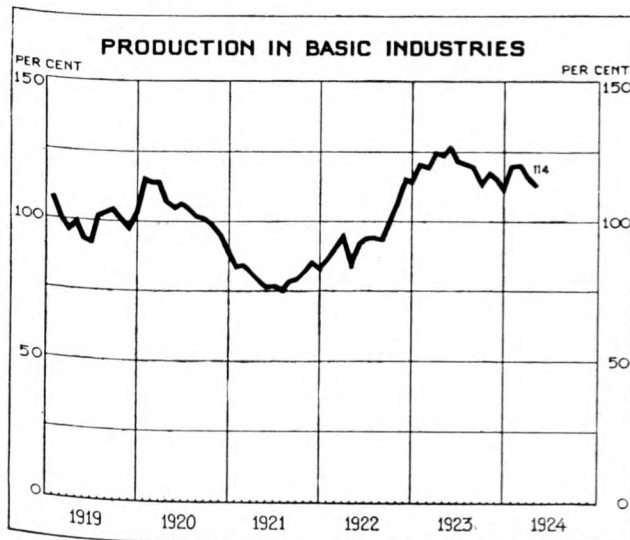
Production

declined and was smaller than in the corresponding month of 1923.

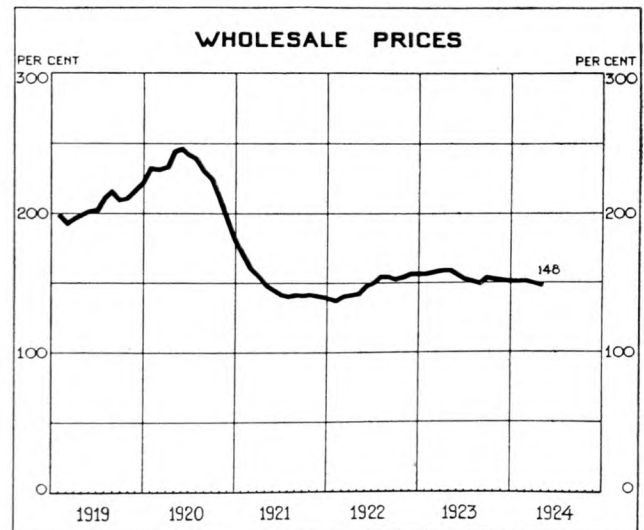
Department of Agriculture estimates on May 1 on the yield of winter wheat and rye are somewhat above the forecasts made in April. The acreage of wheat has been estimated at 7 per cent less than last year.

Railroad shipments, which since the middle of March have been smaller than last year, were 3 per cent less in April than a year ago. Shipments of coal were much below last year, while loadings of merchandise and miscellaneous freight were higher. Wholesale trade in April was in about the same volume as during the preceding month and as in April, 1923. Sales of drygoods and hardware were smaller than a year ago, while sales of drugs and shoes showed some increase. Department store sales were considerably larger in April than in March, partly owing to the unusually late Easter, total sales for the two months were 2 per cent greater than in the corresponding period

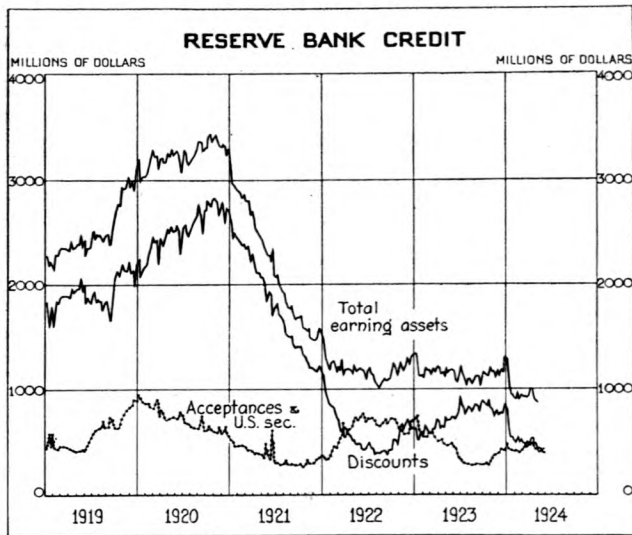
Trade



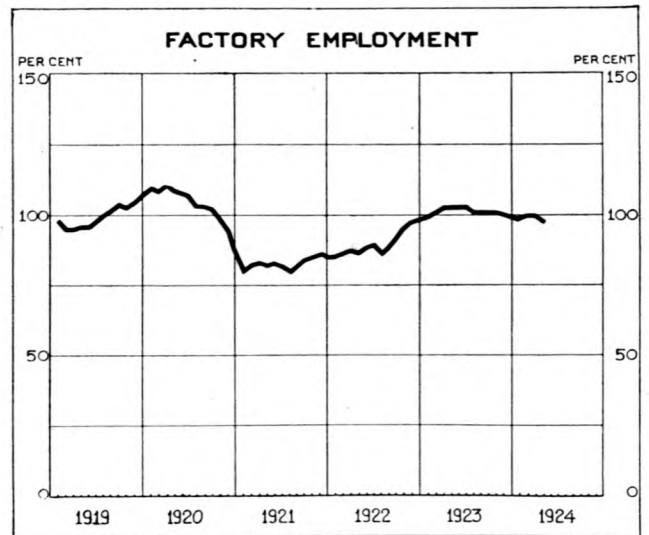
Index of 22 basic commodities corrected for seasonal variation. (1919=100). Latest figure—April, 114.



Index of U. S. Bureau of Labor Statistics. (1913=100, base adopted by bureau). Latest figure—April, 148.



Weekly figures for 12 Federal Reserve Banks. Latest figures—May 21.



Index of 33 manufacturing industries (1919=100). Latest figure—April, 27.

of 1923. Merchandise stocks at department stores showed less than the usual seasonal increase in April, but were at a higher level than a year ago.

Wholesale prices, according to the Bureau of Labor Statistics index, declined 1 per cent during April and reached the lowest point since May, 1922.

Prices Farm products, however, advanced 2 per cent in April. Metals and foods showed substantial reductions; prices of clothing, fuel, and chemicals also declined, while prices of building materials and house furnishings remained unchanged. During the first half of May quotations on cotton, wheat, flour and hogs increased, while prices of sugar, silk, wool and metals declined.

Bank credit During the five week period ending May 14, the volume of borrowing for commercial purposes at member banks in leading cities declined somewhat from the high level reached early in April.

There were increases, however, in loans on stocks and

bonds and investment securities, so that the total of all loans and investments at the middle of May was higher than a month previous, and in larger volume than at any time in more than three years.

Volume of borrowing by member banks at Federal reserve banks declined further during the last week of April and in May, while holdings of securities bought in the open market increased slightly. Total earning assets declined to \$795,000,000 on May 21, the lowest figure since the autumn of 1917.

Further easing of money conditions during the last week of April and the first three weeks of May was reflected in a continued rise of the prices of Government securities, in a reduction from 4½ to 4¼ per cent in the rate for prime commercial paper, and a decline in the rate for bankers' acceptances from 4 to 3 per cent. On May 1 the discount rate of the Federal Reserve Bank of New York was reduced from 4½ to 4 per cent.

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SUMMARY OF BUSINESS CONDITIONS IN THE THIRD FEDERAL RESERVE DISTRICT

Further curtailment in production, less active distribution of goods, a decline in the number of employees at industrial establishments, and a decrease in wholesale commodity prices have been the outstanding features in the business situation of the Third Federal Reserve District during the past month. At the same time credit conditions have continued to be easy, and money rates are lower than they were a month ago.

The textile industries report a continuation of unsatisfactory business; orders are for small amounts and call for prompt shipment. Some manufacturers, especially those in the silk and wool industries, have curtailed operations rather than build up stocks. Recent declines in the quotations on carpets and rugs, following the auction in New York, have brought prices to a point at which certain carpet manufacturers assert they cannot manufacture at a profit, and consequently they have closed their mills. Building materials are selling fairly well, but not as well as they were a year ago, though the amount of construction work contemplated is still large. The estimated cost of building permits issued in fifteen cities of the Third Federal Reserve District during April was higher than the total for March, although slightly lower than that for April, 1923. The call for most iron and steel products has been sluggish, and the production of steel ingots has been reduced sharply. Pig iron output during April, though smaller than in March, was, with that exception, larger than in any month since August, 1923. Unfilled orders of the United States Steel Corporation declined again in April and were lower than at any time since February, 1922. The leather market continues to be dull, and shoe manufacturers report slack business; but hides and skins have been selling actively in Chicago. Paper manufacturers also state that orders have declined, and that sales are smaller than they were a year ago.

Reports from various sections of the district indicate a favorable condition in most lines of agriculture. The cold weather during the first part of May has hindered the planting of some early crops, but the abundant rainfall has helped the grain crops, and fruit trees are said to be in excellent condition. The most unfavorable factor in the agricultural situation is the shortage of farm labor, which, though in better supply than it was a year ago, is still scarce.

Distribution of goods by manufacturers and wholesalers has been at a slower rate than during the early months of the year, as is indicated by the decline in freight car loadings and the falling off in wholesale trade. Of the eight wholesale lines reporting to this bank, all but two showed smaller sales in April than in March, and in only two were sales above those in April, 1923. Retail trade, however, was heavier this April than last, but this is partly accounted for by the late Easter. A comparison of retail sales for both March and April with those of March and April, 1923, which eliminates the effects of the late Easter, shows that sales this year were 3.8 per cent larger than those of a year ago, and this in spite of unfavorable weather conditions. It is apparent, therefore, that purchasing by consumers is being well maintained.

Notwithstanding curtailment of operations in numerous factories, the number of wage earners employed at 1,033 industrial establishments in Pennsylvania, New Jersey, and Delaware was only 1.1 per cent smaller on April 15 than on March 15. Total wage payments during the same period declined 1.5 per cent. The only marked shortage of labor now is in the agricultural industry. In the bituminous coal industry a considerable surplus exists because of the steady decline in operations during recent months.

Wholesale commodity prices, as measured by the index of the Bureau of Labor Statistics, fell from 150 in March to 148 in April, at which point the general level is almost 7 per cent lower than it was in April, 1923. The decline from March to April was largely due to the drop in the prices of foodstuffs and metals. Prices of farm products, on the other hand, increased, largely because of higher quotations on cattle, hogs, sheep, cotton, hay, and potatoes.

No change of moment is apparent in the credit situation. Although the volume of commercial loans extended by reporting member banks in this district has decreased during recent weeks, it is still larger than it was a year ago. Interest rates continue to decline, and prime commercial paper is now selling at $4\frac{1}{4}$ per cent, as compared with $4\frac{1}{2}$ per cent in the latter part of April.

**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		
		April 15, 1924	March 15, 1924	Per cent change	April 15, 1924	March 15, 1924	Per cent change	April 15, 1924	March 15, 1924	Per cent change
All industries (48)	1,033	395,077	399,531	- 1.1	\$10,500,732	\$10,662,223	- 1.5	\$26.58	\$26.69	- 0.4
Metal manufactures:	346	192,179	192,186	- 0	5,474,130	5,450,091	+ 0.4	28.48	28.36	+ 0.4
Automobiles, bodies, and parts	22	7,746	7,521	+ 3.0	227,533	213,990	+ 6.3	29.37	28.45	+ 3.2
Car construction and repair...	13	14,898	14,517	+ 2.6	428,739	384,573	+11.5	28.78	26.49	+ 8.6
Electrical machinery and apparatus.....	38	16,953	17,399	- 2.6	423,377	426,080	- 0.6	24.97	24.49	+ 2.0
Engines, machines, and machine tools.....	36	13,501	13,395	+ 0.8	379,332	383,684	- 1.1	28.10	28.64	- 1.9
Foundries and machine shops.	75	15,527	15,502	+ 0.2	455,178	438,588	+ 3.8	29.32	28.29	+ 3.6
Heating appliances and apparatus.....	19	6,393	6,229	+ 2.6	203,044	198,332	+ 2.4	31.76	31.84	- 0.3
Iron and steel blast furnaces..	10	14,738	14,946	- 1.4	422,304	426,405	- 1.0	28.65	28.53	+ 0.4
Iron and steel forgings.....	12	4,970	4,803	+ 3.5	141,429	123,831	+14.2	28.46	25.78	+10.4
Steel works and rolling mills..	49	52,992	52,678	+ 0.6	1,508,949	1,530,366	- 1.4	28.48	29.05	- 2.0
Structural iron works.....	11	2,815	2,766	+ 1.8	74,907	70,517	+ 6.2	26.61	25.49	+ 4.4
Miscellaneous iron and steel products.....	48	28,603	29,180	- 2.0	811,815	864,724	- 6.1	28.38	29.63	- 4.2
Shipbuilding.....	8	9,003	9,272	- 2.9	280,205	273,214	+ 2.6	31.12	29.47	+ 5.6
Non-ferrous metals.....	5	4,040	3,978	+ 1.6	117,318	115,787	+ 1.3	29.04	29.11	- 0.2
Textile products:	244	68,929	72,169	- 4.5	1,473,933	1,603,541	- 8.1	21.38	22.22	- 3.8
Carpets and rugs.....	15	4,374	4,452	- 1.8	112,924	123,457	- 8.5	25.82	27.73	- 6.9
Clothing.....	33	5,784	6,020	- 3.9	101,830	111,656	- 8.8	17.61	18.55	- 5.1
Hats, felt and other.....	8	5,395	5,353	+ 0.8	117,294	121,449	- 3.4	21.74	22.69	- 4.2
Cotton goods.....	24	7,083	6,956	+ 1.8	157,874	169,328	- 6.8	22.29	24.34	- 8.4
Silk goods.....	65	15,992	17,199	- 7.0	330,640	347,049	- 4.7	20.68	20.18	+ 2.5
Woolens and worsteds.....	31	12,401	13,503	- 8.2	246,630	296,335	-16.8	19.89	21.95	- 9.4
Knit goods and hosiery.....	43	9,886	10,254	- 3.6	201,087	204,299	- 1.6	20.34	19.92	+ 2.1
Dyeing and finishing textiles..	17	5,874	6,311	- 6.9	158,721	182,187	-12.9	27.02	28.87	- 6.4
Miscellaneous textile products	8	2,140	2,121	+ 0.9	46,933	47,781	- 1.8	21.93	22.53	- 2.7
Foods and tobacco:	90	27,013	26,867	+ 0.5	610,043	618,894	- 1.4	22.58	23.04	- 2.0
Bakeries.....	22	4,871	4,837	+ 0.7	128,320	126,188	+ 1.7	26.34	26.09	+ 1.0
Canneries.....	7	2,768	2,838	- 2.5	59,093	59,796	- 1.2	21.35	21.07	+ 1.3
Confectionery and ice cream..	22	5,410	5,209	+ 3.9	111,018	112,050	- 0.9	20.52	21.51	- 4.6
Slaughtering and meat packing	13	2,808	2,810	- 0.1	75,217	72,597	+ 3.6	26.79	25.84	+ 3.7
Sugar refining.....	4	4,294	4,424	- 2.9	132,887	142,398	- 6.7	30.95	32.19	- 3.9
Cigars and tobacco.....	22	6,862	6,749	+ 1.7	103,508	105,865	- 2.2	15.08	15.69	- 3.9
Building materials:	78	25,705	25,518	+ 0.7	751,180	728,479	+ 3.1	29.22	28.55	+ 2.3
Brick, tile, and terra cotta products.....	20	3,372	3,256	+ 3.6	89,647	74,586	+20.2	26.59	22.91	+16.1
Cement.....	15	7,777	7,682	+ 1.2	224,364	216,232	+ 3.8	28.85	28.15	+ 2.5
Glass.....	28	9,975	10,083	- 1.1	285,553	291,989	- 2.2	28.63	28.96	- 1.1
Pottery.....	15	4,581	4,497	+ 1.9	151,616	145,672	+ 4.1	33.10	32.39	+ 2.2
Chemicals and allied products:	75	31,102	31,139	- 0.1	927,642	925,851	+ 0.2	29.83	29.73	+ 0.3
Chemicals and drugs.....	41	9,097	9,256	- 1.7	249,485	247,954	+ 0.6	27.42	26.79	+ 2.4
Explosives.....	10	2,543	2,473	+ 2.8	72,993	67,352	+ 8.4	28.70	27.23	+ 5.4
Paints and varnishes.....	12	1,437	1,404	+ 2.4	38,657	37,448	+ 3.2	26.90	26.67	+ 0.9
Petroleum refining.....	8	16,744	16,568	+ 1.1	527,558	527,636	- 0	31.51	31.85	- 1.1
Coke.....	4	1,281	1,438	-10.9	38,949	45,461	-14.3	30.41	31.61	- 3.8
Miscellaneous industries:	200	50,149	51,652	- 2.9	1,263,804	1,335,367	- 5.4	25.20	25.85	- 2.5
Lumber and planing mill products.....	8	2,282	2,245	+ 1.6	49,740	50,855	- 2.2	21.80	22.65	- 3.8
Furniture.....	22	3,107	3,335	- 6.8	78,709	82,827	- 5.0	25.33	24.84	+ 2.0
Musical instruments.....	5	9,185	9,822	- 6.5	241,034	277,316	-13.1	26.24	28.23	- 7.0
Leather tanning.....	36	8,122	8,438	- 3.7	210,960	222,179	- 5.0	25.97	26.33	- 1.4
Leather products.....	8	686	723	- 5.1	14,432	14,811	- 2.6	21.04	20.49	+ 2.7
Boots and shoes.....	30	5,917	5,833	+ 1.4	109,096	110,766	- 1.5	18.44	18.99	- 2.9
Paper and pulp products.....	24	5,722	5,726	- 0.1	147,692	149,216	- 1.0	25.81	26.86	- 1.0
Printing and publishing.....	24	3,564	3,638	- 2.0	114,538	117,844	- 2.8	32.14	32.39	- 0.8
Rubber tires and goods.....	20	5,456	5,695	- 4.2	147,150	153,622	- 4.2	26.97	26.97	0
Novelties and jewelry.....	11	3,008	2,959	+ 1.7	72,483	71,866	+ 0.9	24.10	24.29	- 0.8
All other industries.....	12	3,100	3,238	- 4.3	77,970	84,065	- 7.3	25.15	25.96	- 3.1

EMPLOYMENT AND WAGES

Reports received from over 1,000 manufacturing establishments in Pennsylvania, New Jersey, and Delaware show that employment and wages receded somewhat in April as compared with March. Identical establishments in 48 industries reported a decline 1.1 per cent in number of employees, 1.5 per cent in total wages, and .4 per cent in weekly per capita earnings.

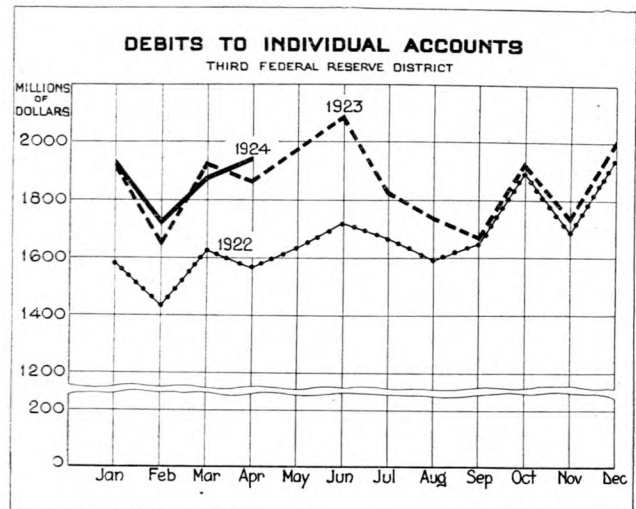
Textile and clothing plants reported a greater decrease than any other group, and were principally responsible for the general shrinkage. The decline of 4.5 per cent in employment and 3.8 per cent in per capita earnings, shown by this group, indicates a curtailment in factory operations of more than 8 per cent. Silk goods and woolens and worsteds reported the largest decline in the textile products group. Among the other industries showing important decreases in employment were coke plants, leather tanneries, and factories manufacturing furniture, musical instruments, leather goods, and rubber tires.

Many of the food and building material industries, however, reported seasonal expansion in operations, notably the confectionery and ice cream, cigars and tobacco, brick, cement, and pottery industries. Most of the metal manufacturing establishments also reported increases in employment. Automobile factories, car repair shops, and manufacturers of heating apparatus and of iron and steel forgings reported the largest increases in this group. Average per capita earnings in these industries also, in most cases, were higher in April than in March. But few employers made increases or decreases in actual rates of pay; hence, the changes in average earnings reflect proportional changes in working hours. The table on page 4 shows the detailed fluctuations in employment and wages in the principal industries of the three states.

FINANCIAL CONDITIONS

Debits to individual accounts at banks in 18 cities of this district for the first three weeks of May were 3.6 per cent below the figures for the same period last year. However, totals in January, February and April, derived from the data submitted by banks in ten cities, surpassed those for the corresponding months of 1923. Data for the ten cities are illustrated in the accompanying chart. Debits usually decline in April, but this year between March and April, they increased 3.6 per cent. This is probably accounted for by the late Easter season and by the payment of bills for goods ordered during the course of the period of great business activity earlier in the year.

In the course of the four weeks ending May 14 the total loans and discounts of reporting member banks in Philadelphia, Camden, Scranton, and Wilmington advanced from 642 to 651 millions. This increase was

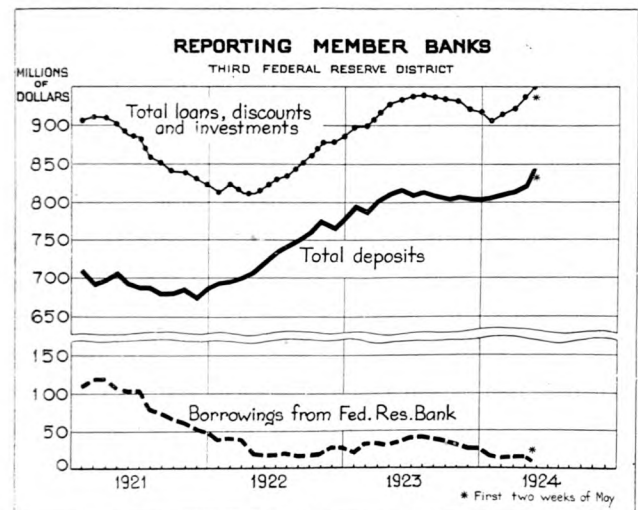


Debits during January, February and April exceeded those in the corresponding months of 1923 and 1922. Late Easter trade and payments for large volume of goods ordered earlier in the year may account for rise from March to April in 1924.

Source—Clearing houses in ten cities reporting to Federal Reserve Bank of Philadelphia

due entirely to a rise in secured loans from 278 to 289 millions, as all other loans (largely commercial in character) declined from 364 to 362 millions. Investment holdings of United States securities fell off, but corporate and other securities were acquired in amount sufficient more than to offset the decline.

Total loans, discounts, and investments held by these banks were higher at 953 millions on May 14 than they have been at any time within the past two or three years, and compare with 938 millions a year ago. Total deposits also are larger than they were a year ago. Borrowings from the Federal Reserve Bank have been reduced from 34.1 to 9.7 millions or 72 per cent, in



Source—Federal Reserve Bank, Philadelphia

the course of the year. Member banks outside of the four cities, however, have been able to reduce their obligations at this bank by only 6 millions, or 22 per cent. Figures on borrowings as of various dates are as follows:

In millions of dollars	May 14, 1924	Apr. 16, 1924	Jan. 2, 1924	May 16, 1923
Bills discounted for banks in:				
Philadelphia.....	7.2	12.8	20.1	32.0
Camden, Scranton, and Wil- mington.....	2.5	1.9	3.6	2.1
Other centers.....	22.1	25.3	31.3	28.2
District totals.....	31.8	40.0	55.0	62.3

It is to be noted that Philadelphia banks, which a year ago were calling most heavily upon the resources of this bank, are now borrowing less than outside institutions.

A further decline in discounted bills held by this reserve bank, from 38.1 millions on April 23 to 31.3 millions on May 21, brought this item to the lowest point since April, 1918. Holdings of United States securities and acceptances increased from 33.3 to 33.9 millions. The circulation of Federal reserve notes on May 21, 186.3 millions, represents a very material decline from the figures of a month ago and a year ago;

BANKING STATISTICS Third Federal Reserve District

In millions of dollars	Latest	Changes in course of	
		Four weeks	One year
Reporting member banks:			
Secured loans.....	289.6	277.9	281.6
All other (largely commercial) loans.....	361.8	363.7	341.7
Total loans and discounts.....	651.4	641.6	623.3
U. S. securities.....	97.3	101.3	130.5
Other securities.....	293.8	196.4	184.3
Total investments.....	301.1	297.7	314.8
Total loans, discounts and invest- ments.....	952.5	939.3	938.1
Total deposits.....	842.7	823.3	823.4
Federal Reserve Bank:			
Bills discounted.....	31.3	38.1	66.5
Purchased bills.....	4.8	9.3	21.1
U. S. securities.....	29.1	24.0	25.1
Total earning assets.....	65.2	71.4	112.7
Federal reserve note circulation.....	186.3	197.4	202.3
Total deposits.....	120.4	117.4	117.7
Cash reserves.....	263.4	265.5	226.9
Reserve ratio.....	85.9%	84.3%	70.9%

but this is accounted for, in part at least, by the paying out of gold certificates. Total deposits are somewhat higher and cash reserves slightly lower than they were a month ago. The reserve ratio on May 21 was 85.9 per cent.

Savings deposits at reporting banks in the Third Federal Reserve District increased 0.4 per cent during April, as compared with 0.9 per cent in April, 1923. Attention is called to the fact that one of the banks in Johnstown has consolidated with a non-reporting bank, reducing the number of reporting banks in that city to four. The percentages given below are derived from comparable data, however, as the deposits of that bank have been removed from all prior figures.

SAVINGS DEPOSITS Third Federal Reserve District

	Number of reporting banks	Per cent increase or decrease May 1, 1924, compared with		
		April 1, 1924	May 1, 1923	May 1, 1922
Altoona.....	5	+ .3	+15.2	+28.3
Chester.....	5	- 1.4	+ 6.1	+15.1
Harrisburg.....	4	+ .7	+ 4.4	+49.5
Johnstown.....	4	+ .9	+ 9.1	+17.8
Lancaster.....	3	+ .5	+16.7	+61.3
Philadelphia.....	9	+ .8	+ 6.5	+11.9
Reading.....	3	- 1.3	+16.1	+23.1
Scranton.....	6	+ .1	+11.4	+18.5
Trenton.....	6	- .7	+ 2.3	+14.6
Wilkes-Barre.....	5	+ .3	+17.9	+14.9
Williamsport.....	4	- 1.2	+ 1.5	+ 9.3
Wilmington.....	5	- .4	+ 8.0	+27.2
York.....	5	+ 1.0	+13.5	+29.4
Others.....	14	+ .1	+ 9.2	+15.2
Totals.....	78	+ .4	+ 7.6	+14.5

A further decline in stock prices has taken place during the past month, accompanied by easier rates for call money and by higher bond prices. The average of 20 industrial stocks fell \$2.80, but the 20 rails only declined \$.18. Higher bond prices are accounted for by the lower rates for money which now prevail.

	May 20, 1924	Month ago	Year ago
Average of—			
20 industrial stocks.....	\$88.33	\$91.13	\$93.58
20 railroad stocks.....	81.37	81.55	80.66
40 bonds.....	88.61	87.98	87.14
4 Liberty bonds.....	100.41	99.77	97.69
Call money.....	3%	4%	5¼%

SYNOPSIS OF BUSINESS CONDITIONS

Compiled as of May 22, 1924

Third Federal Reserve District

Business	Demand	Prices	Finished stocks	Labor		Collections
				Supply	Wages	
Bricks	Fair to good	Unchanged	Moderate	Sufficient	Unchanged	Fair
Cigars	Fair to good	Unchanged	Moderate	Plentiful	Some reductions	Fair to good
Coal, anthracite	Fair to good	Slightly higher	Moderate	Some scarcity	Unchanged	Fair to good
Coal, bituminous	Poor	Unchanged	Heavy	Plentiful	Unchanged	Fair
Coke	Poor	Lower	Moderate to heavy	Sufficient	Unchanged	Fair
Cotton goods	Poor	Declining	Moderate to heavy	Plentiful	Unchanged	Fair to good
Cotton yarns	Poor	Declining	Fairly light			Fair; slower
Drugs, wholesale	Fair	Some advances: some declines	Moderate			Fair
Drygoods, wholesale	Poor to fair	Declining	Moderate			Fair
Electrical supplies, wholesale	Fair	Unchanged	Moderate			Fair
Floor coverings	Poor to fair	Lower	Moderate	Plentiful	Some decreases	Fair to good
Furniture	Poor to fair	Unchanged to lower	Moderate to heavy	Sufficient	Unchanged	Fair
Groceries, wholesale	Fair	Declining	Moderate			Fair to good
Hardware, wholesale	Fair to good	Firm	Moderate			Fair
Hosiery, full-fashioned	Fair	Steady to lower	Moderate	Plentiful	Unchanged	Poor to fair
Hosiery, seamless	Poor to fair	Lower	Moderate	Plentiful	Unchanged	Poor to fair
Iron and steel	Fair	Lower	Moderate	Sufficient	Unchanged	Fair to good
Jewelry, wholesale	Fair	Unchanged	Moderate			Poor to fair
Leather belting	Fair	Unchanged	Moderate	Sufficient	Unchanged	Fair
Leather, heavy	Poor	Steady to lower	Heavy	Plentiful	Unchanged	Good
Leather, upper	Poor to fair	Steady to lower	Moderate to heavy	Plentiful	Unchanged	Good
Lumber	Fair to good	Unchanged	Moderate	Sufficient	Some increases	Fair
Paint	Fair to good	Unchanged to lower	Moderate	Sufficient	Generally unchanged	Fair
Paper	Fair	Firm	Moderate	Plentiful	Unchanged	Fair to good
Paper, wholesale	Fair	Firm	Moderate			Fair
Paper boxes	Poor to fair	Weak	Light to moderate	Plentiful	Unchanged	Fair to good
Plumbing supplies	Fair	Unchanged to lower	Moderate to heavy	Sufficient	Unchanged	Fair
Real estate	Fair to good	Unchanged				
Rubber, mechanical goods	Unsatisfactory	Unchanged to lower	Moderate	Sufficient	Unchanged	Fair
Rubber tires	Irregular	Unchanged to lower	Moderate	Sufficient	Unchanged	Fair
Shoes, manufacture	Poor to fair	Unchanged	Moderate	Plentiful	Unchanged	Fair
Shoes, retail	Fair	Unchanged	Moderate			Good
Shoes, wholesale	Poor to fair	Unchanged	Moderate			Fair to good
Silk goods	Poor	Lower	Moderate	Sufficient	Unchanged	Fair; slower
Silk, thrown	Poor	Unchanged to lower	Light	Sufficient	Unchanged	Unsatisfactory
Slate	Fair	Unchanged to lower	Moderate	Generally sufficient	Some increases	Fair to good
Sugar	Fair to poor	Lower	Light	Plentiful	Unchanged	Good
Underwear	Poor	Unchanged to lower	Fairly light	Sufficient	Unchanged	Satisfactory
Woolen and worsted goods	Poor	Generally unchanged, some concessions	Moderate	Plentiful	Unchanged	Poor to fair
Woolen and worsted yarns	Poor	Generally unchanged, some concessions	Moderate	Plentiful	Unchanged	Poor to fair

In sympathy with the lower rates prevailing for call and time money, the quotations for commercial paper are more than $\frac{1}{4}$ per cent lower than they were a month ago. Good names are now selling freely at $\frac{1}{4}$ per cent, and a few transactions have been reported at 4 per cent. Country banks, however, as usual, balk at the lower rates, and few sales have been made to them at less than $4\frac{1}{2}$ per cent. Indeed, a considerable number will not buy even at that rate. In Philadelphia, the banks have bought in good volume, but this was to be expected in view of the difficulty of loaning money satisfactorily on call in New York. The supply of paper is not large and appears to be scarcely adequate for the present demand.

In April, five reporting firms in the Third Federal Reserve District sold paper to the amount of \$6,500,400. Of this, city institutions purchased \$2,745,000, and banks outside of Philadelphia the remainder, \$3,755,400. In April, 1923, the same five firms sold \$6,865,000. This is the first time this year when sales have fallen behind those of the corresponding month last year. The range of prices at which paper was sold was greater than usual, from $4\frac{1}{4}$ to $5\frac{1}{4}$ per cent; but the amounts sold at the high and low figures taken together were about $\frac{1}{2}$ of 1 per cent. And as only slightly more than two per cent of the total sales were closed at 5 per cent, it will be seen that the market was in reality a narrow one, transactions in nearly all cases having been made at either $4\frac{1}{2}$ or $4\frac{3}{4}$ per cent, a large majority of them at the lower rate.

A small increase in sales of bankers' acceptances was noted in the period ending May 14. Five dealers operating in this district report that the weekly average of sales to the Federal Reserve Bank was \$488,000 as against \$56,000 in the preceding interval. Sales to other banks, corporations, etc., declined from an average of \$463,000 to \$68,000. The supply of bills emanating from this district is said to be limited, and in the general market the supply is only fair. Comparative sales and purchases are as follows:

TRANSACTIONS IN BANKERS' ACCEPTANCES			
Weekly average for period ending—	Sales in Third District		Purchases Third District
	To Federal Reserve Bank	To others	
1924—			
May 14	\$488,000	\$68,000	\$269,000
April 9	56,000	463,000	581,000
March 12	2,863,000	366,000	622,000
1923—			
May 16	646,000	337,000	260,000
1922—			
May 14	2,208,000	444,000	790,000

Dealers report that offering rates for bills up to 120 days' maturity were from $3\frac{3}{8}$ to $3\frac{1}{2}$ per cent on May 14. On May 21, however, prime bills were offered at 3 per cent, with $3\frac{1}{8}$ per cent bid. A year ago the offering rate for 90-day bills was $4\frac{1}{8}$ per cent.

Twelve reporting banks in this district state that \$3,108,000 of acceptances were executed in the month ending May 10, as compared with \$3,596,000 in the preceding month and \$3,767,000 a year ago.

Each year the American Acceptance Council makes a survey to determine the amount of bankers' acceptances outstanding. Data for the Third District and for the United States are given below:

	Third District	United States
As of April 1—		
1924	\$10,735,000	\$617,581,000
1923	12,226,000	523,708,000
1922	10,103,000	416,422,000
1921	13,233,000	644,092,000
1920	26,195,000	799,001,000

The bulk of the acceptances created here are to finance import transactions but in the national figures export transactions are almost as large. The distribution of the acceptances outstanding on April 1, 1924, was as follows:

	Third District	United States
Classification—		
Imports	\$7,185,000	\$250,882,000
Exports	1,108,000	213,847,000
Domestic	956,000	28,029,000
Warehouse	1,486,000	99,582,000
Dollar exchange		25,241,000
Totals	\$10,735,000	\$617,581,000

As compared with its activity during February and March, the foreign exchange market has been fairly quiet so far this month. Some fluctuations, it is true, have occurred in sterling, but these were mainly in the course of the usual processes of trading rather than because of political or other vital European conditions. Since the first of the month sterling has declined about two cents and on May 21 was quoted at \$4.3594. French francs have also declined from the levels quoted a month ago, the principal reasons for which are said to be the uncertainty as to the financial policy to be pursued by the incoming governing party in France and the growing numbers of striking miners in the Ruhr. The decline has not caused apprehension, however, in financial circles. On May 21 francs were listed at \$.0551, as compared with \$.0672, on April 23, a loss of over 1 cent. The movement of Belgian francs

as usual followed closely that of French currency, and they are now quoted at \$.0467. Italian lire, on the other hand, have been remarkably steady at \$.0444. Dutch guilders and Swiss francs are both stronger than they were at the end of April, but in neither case has the advance been great. On May 21, the former were quoted at \$.3740, and the latter at \$.1771. The reverse was true of Spanish pesetas, which during the month fluctuated somewhat and on May 19 were quoted at \$.1387, a loss of 23 points from the quotations a month previous. Scandinavian currencies are both higher than they were during the middle of April, though the rise has been gradual. On May 21, Swedish and Norwegian kroner were listed at \$.2653 and \$.1693 respectively. With the exception of Chilean pesos, currencies of the more important South American countries have depreciated from the values quoted a month ago. On May 19, Argentine pesos were listed at \$.7467, as compared with \$.7492 on April 19, and Brazilian mil-reis from \$.1183 to \$.1082 during the same period. Quotations on Chilean pesos advanced at the close of the first week in May and at present stand at \$.1107, representing a gain of 13 points over quotations at the end of April. Japanese yen did not touch the low record levels of last month, but have hovered fairly close to the 40 cent mark. On May 21 they were quoted at \$.4024. During the past four weeks Chinese tael (Shanghai) have gained over 1 cent and are now listed at \$.7127. Quotations for Canadian dollars have declined since the first of the month, but at \$.982852 are several points higher than they were at this time last month.

FOREIGN EXCHANGE RATES*

Noon cables	Par value	May 21, 1924	April 21, 1924	May 21, 1923
London.....	\$4.8665	\$4.3594	\$4.3823	\$4.6296
Paris.....	.1930	.0551	.0635	.0667
Antwerp.....	.1930	.0467	.0542	.0574
Milan.....	.1930	.0444	.0444	.0486
Vienna.....	.2026	.000014	.000014	.000014
Amsterdam.....	.4020	.3740	.3728	.3915
Copenhagen.....	.2680	.1693	.1666	.1861
Stockholm.....	.2680	.2653	.2639	.2669
Madrid.....	.1930	.1385	.1410	.1525
Berne.....	.1930	.1771	.1763	.1304
Buenos Aires.....	.9648	.7461	.7522	.8174
Shanghai.....	.7965	.7192	.6998	.7438

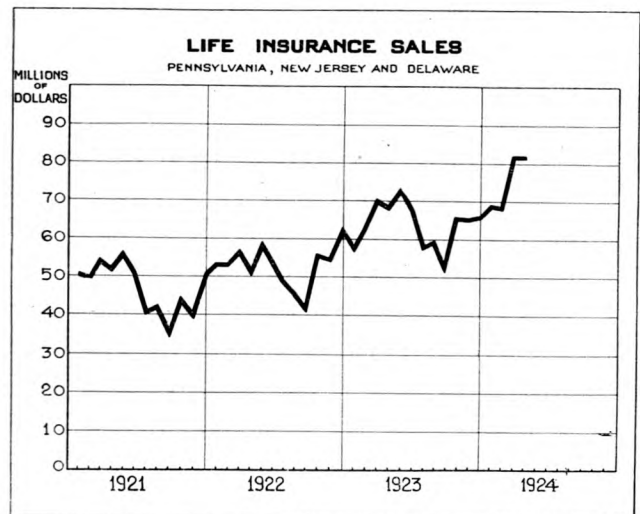
* Compiled by the Federal Reserve Bank of New York.

LIFE INSURANCE

Depression in many industries has not as yet adversely affected sales of life insurance in the United States. During the first four months of 1924 they were 14.3 and 37.2 per cent greater than during the similar period in 1923 and 1922 respectively. Indeed, March

sales exceeded by 7 per cent those made during the previous record month of May, 1923. The growing popularity of life insurance is further evidenced by the rapid gain in business during the past three years. Total sales increased 8.1 per cent from 1921 to 1922 and 19.6 per cent from 1922 to 1923. In this regard a quotation from the "Life Insurance Sales Research Bureau" may be of interest. "The increased sales of life insurance are a reflection of the prosperity of general business in 1923; of the ever increasing appreciation by the public of the uses and value of life insurance; and of the development of new uses for life insurance, such as insurance to pay off inheritance taxes, insurance to protect a business in the event of the death of an important officer or partner, and insurance to provide a fixed income to the beneficiary."

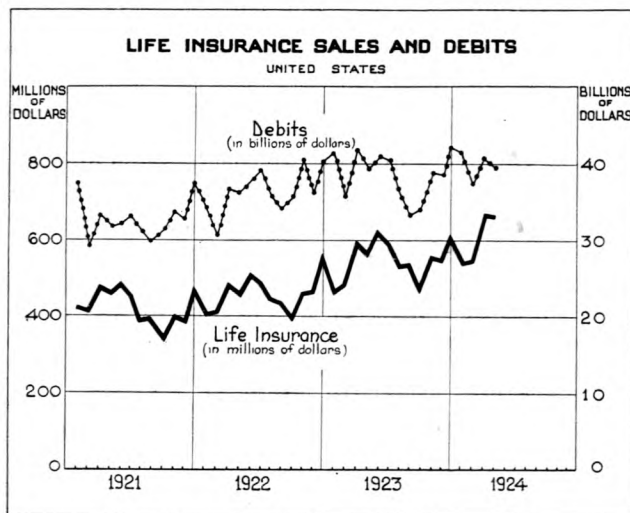
A comparison of life insurance sales in the Third Federal Reserve District with those in the country as a whole shows a marked similarity as regards both seasonal variations and general trend; but the rate of gain in the former has exceeded that in the latter. Sales in this district increased 12.7 per cent from 1921 to 1922, 20.1 per cent from 1922 to 1923, and 16.3 per cent during the first four months of 1924 as compared with those in the same months of the preceding year. Business in Pennsylvania showed the greatest proportionate gain in 1923, when sales increased 22.5 per cent.



Sales of life insurance in the states of the Third Federal Reserve District have shown the same general trend as in the United States as a whole during the past three years, and seasonal fluctuations have also been similar.

Source—Life Insurance Sales Research Bureau.

A more or less definite relationship exists between sales of life insurance and debits to individual banking accounts in this country, as is indicated by the accompanying chart. Although the former have increased more rapidly than the latter, the general trend is much the same. In 1923 business in life insurance was 29.2



There is a similarity between sales of life insurance and debits to individual banking accounts as regards both general trend and seasonal fluctuations.

Source—Life Insurance Sales Research Bureau

per cent greater than in 1921, while debits to individual accounts were 18 per cent greater. Seasonal fluctuations are likewise similar. From these facts the conclusion may be drawn that ordinarily business in life insurance is best when general business activity is greatest, and vice versa.

Sales of life insurance show a marked seasonal movement, as an examination of the preceding charts will indicate. It is evident that there are two distinct seasons, one in the spring and the other in the fall. From February to May, sales usually increase, and in each of the past three years a peak was reached in May. During the summer and early fall when both insurance salesmen and their clients are on vacations and business in general is slack, sales of life insurance decline. In October, however, they again increase, reaching another peak in December. Heavy sales of insurance during the latter part of the year are mainly due to three factors; first, the ending of the period of vacations, second, a seasonal improvement in business conditions, as seen in the gain in debits; and third, renewed effort on the part of both salesmen and agencies to equal or exceed their quotas for the year. After the Christmas season sales of life insurance fall off somewhat.

RETAIL TRADE

Advance reports from men's apparel, women's apparel, and department stores indicate that sales during May will not be as large as were those of May, 1923. Cool and rainy weather during the greater part of the month has retarded sales of summer goods and dresses and of light weight suits. The slackening of industrial activity is making itself felt in retail establishments,

and the consumer is buying cautiously and watching prices closely. Individual sales are harder to make than they were in the previous months of this year, and buying is confined chiefly to necessities. However, the advent of warm weather is expected to stimulate sales.

The general trend of prices is downward, but linens show an advance of about 5 per cent. Silks, hosiery, cotton goods, linoleums, and rugs are lower than they were at the beginning of April, and nearly all articles used for apparel can be obtained at concessions in price. Most articles of furniture also are cheaper than they were a month ago.

Retail sales in this district during April were 21.4 per cent greater than those of April, 1923. Women's apparel and men's apparel stores showed the greatest gains 52.5 and 32.9 per cent respectively. Sales by department stores increased 17.5 per cent over those of last April, and sales by credit houses 12.0 per cent. Taken as a whole, the total for the first four months of 1924 was 5.4 per cent greater than that of the same period in 1923. Easter business was larger than the advance reports indicated and considerably greater than that of 1923. The combined sales of March and April, 1924 were 3.8 per cent larger than those of March and April 1923.

WHOLESALE TRADE

Prices in most wholesale lines continue to decline. What advances have occurred are few in number and have affected such articles as botanical drugs, spices, dried and canned fruits, and linens. Preliminary reports indicate that in most of the reporting lines, sales during May have been smaller than they were in May, 1923. But in a majority of the trades stocks are decreasing, owing to small purchases. For some months past, stocks have been larger than they were at the same period in 1923 in nearly all branches, but now four of the seven lines reporting stocks are carrying lower inventories than in 1923. Collections vary considerably, but on the whole are slower than they were a year ago.

During April sales were smaller than they were in March, except of shoes and hardware, and were also smaller than in April, 1923, except of shoes and drugs. Stocks decreased during April in five lines, but were larger in jewelry and electrical supplies.

Since Easter, wholesale business in shoes has become dull, and incomplete reports for May indicate that total sales will be smaller than they

Shoes

were last May. Retailers reduced their stocks of shoes considerably during April as a result of the satisfactory holiday trade, but have not come into the market with replacement orders in as large a way as was expected. With one exception, all the firms report that all goods sold are to

RETAIL TRADE
Third Federal Reserve District

	Index Number (Per cent of 1923 monthly average)	Comparison of net sales		Comparison of stocks		Rate of turnover*	
		Apr. 1924 with Apr. 1923	Jan. 1 to Apr. 30, 1924 with Jan. 1 to Apr. 30, 1923	Apr. 30, 1924 with Apr. 30, 1923	Apr. 30, 1924 with Mar. 31, 1924	Jan. 1 to Apr. 30, 1924	Jan. 1 to Apr. 30, 1923
All reporting firms.....	115	+21.4%	+ 5.4%	+ 5.4%	- 1.3%	3.3	3.3
Firms in—Philadelphia.....	112	+21.7 "	+ 6.0 "	+ 5.5 "	- 2.9 "	3.7	3.8
—Allentown, Bethlehem and Easton...	113	+22.5 "	+ 4.1 "	+ 5.6 "	- 0.5 "	2.1	2.3
—Altoona.....	107	+14.9 "	+ 0.6 "	+ 5.4 "	- 0.7 "	2.5	2.7
—Chester.....	95	+ 9.5 "	+ 3.1 "	- 0.8 "	- 1.5 "	.....	.....
—Harrisburg.....	93	+21.9 "	+ 3.3 "	+ 7.4 "	+ 2.6 "	2.3	2.4
—Johnstown.....	100	+ 6.5 "	- 6.6 "	+21.4 "	+ 9.2 "	2.7	3.2
—Lancaster.....	124	+19.3 "	+ 5.1 "	+ 3.2 "	- 0.4 "	2.6	2.6
—Reading.....	117	+16.2 "	+ 3.8 "	+ 2.1 "	+ 1.3 "	2.1	2.1
—Scranton.....	130	+32.9 "	+ 7.6 "	+ 9.1 "	- 4.0 "	2.9	3.1
—Trenton.....	106	+14.1 "	+ 4.2 "	+ 3.4 "	+ 3.4 "	2.9	2.8
—Wilkes Barre.....	131	+28.1 "	+ 8.0 "	+ 4.9 "	+ 4.8 "	3.1	3.0
—Williamsport.....	110	+ 9.0 "	- 0.7 "	+ 1.4 "	- 2.0 "	2.0	2.1
—Wilmington.....	116	+24.7 "	+ 5.4 "	+ 1.6 "	+ 3.3 "	1.8	1.8
—York.....	113	+23.9 "	+ 2.5 "	- 0.9 "	- 2.3 "	2.5	2.4
—All other cities.....	114	+25.0 "	+ 8.4 "	+ 3.1 "	+ 3.4 "	2.2	2.1
All department stores.....	107	+17.5 "	+ 4.1 "	+ 4.8 "	- 1.3 "	3.2	3.3
Department stores in Philadelphia.....		+16.4 "	+ 4.6 "	+ 4.8 "	- 3.0 "	3.6	3.6
Department stores outside Philadelphia.....		+19.7 "	+ 2.8 "	+ 4.7 "	+ 1.8 "	2.4	2.5
All apparel stores.....	138	+46.3 "	+13.3 "	+10.5 "	- 1.0 "	4.3	4.3
Men's apparel stores.....	110	+32.9 "	+ 5.0 "	+10.1 "	+ 4.2 "	2.3	2.4
—in Philadelphia.....		+20.7 "	+ 1.9 "	+11.6 "	+10.5 "	2.6	2.8
—outside Philadelphia.....		+47.1 "	+ 8.6 "	+ 8.7 "	- 0.9 "	2.0	2.1
Women's apparel stores.....	168	+52.5 "	+18.4 "	+ 7.2 "	- 4.1 "	6.4	5.9
—in Philadelphia.....		+56.3 "	+20.8 "	+ 8.1 "	- 4.0 "	7.3	6.7
—outside Philadelphia.....		+35.3 "	+ 5.0 "	+ 4.3 "	- 4.2 "	3.7	3.7
Credit houses.....	99	+12.0 "	+ 7.0 "	+ 9.4 "	- 0.7 "	2.4	2.4
Shoe stores.....	135	+28.8 "	+ 8.0 "	- 0.4 "	- 4.4 "	3.5	3.3

*Times per year based on cumulative period.

be shipped either in May or early June. For women, patent leather, satin, and white kid pumps are in best request. For men, light tan calf oxfords, and for misses and children patent leather and tan calf oxfords are the most popular. Prices, except in a few instances, hold firm, but purchases by wholesalers for next fall are smaller than they were a year ago, and many shoe manufacturers are anxious for business.

Sales during April were larger by 20.2 per cent than in March and by 17.4 per cent than in April, 1923. Stocks were reduced, and on April 30 were smaller by 10.7 per cent than on March 31 and by 10.0 per cent than on April 30, 1923. Collections have improved, as compared with both a month ago and a year ago, as is shown by the ratio of accounts outstanding to sales, which on April 30 was 221.2, on March 31 was 244.9, and on April 30, 1923, was 268.2.

Preliminary reports of sales of dry goods during

May indicate that dulness continues and that though in some cases transactions are in about the same volume as they were during April, in more instances they are smaller. Prices continue to fall on silks, ribbons, silk and artificial silk hosiery, and all cotton goods. Linens, however, are stronger and are selling well. A fair demand is noted for silk hosiery, wash dress goods, light underwear, and laces; but as in recent months, the bulk of the orders are for shipment within 30 days. A few wholesalers, however, report that some orders for July shipment have been taken for early fall goods. The present inactivity in sales is reflected in smaller purchases by jobbers for their fall needs.

During April, sales decreased 12 per cent from those of March and were 11.1 per cent less than in April, 1923. Stocks on April 30 were smaller by 1.6 per

WHOLESALE TRADE
Third Federal Reserve District

	Percentage of increase or decrease in						Ratio of accounts outstanding to sales		
	Net sales April 1924, compared with		Stocks April 1924, compared with		Accounts outstanding April 1924, compared with		Apr. 1924	Mar. 1924	Apr. 1923
	Mar. 1924	Apr. 1923	Mar. 1924	Apr. 1923	Mar. 1924	Apr. 1923			
Boots and shoes	+20.2%	+17.4%	-10.7%	-10.0%	+ 8.5%	- 3.0%	221.2%	244.9%	268.2%
Drugs	- 1.9 "	+ 5.4 "	.....	.....	+ 1.5 "	+ 2.8 "	139.8 "	136.5 "	139.3 "
Drygoods	-12.0 "	-11.1 "	- 1.6 "	+10.3 "	-14.7 "	-11.5 "	260.8 "	269.0 "	261.9 "
Groceries	- 4.8 "	- 3.3 "	- 3.3 "	+ 8.1 "	- 2.1 "	- 2.3 "	112.5 "	113.4 "	111.2 "
Hardware	+ 4.2 "	- 5.1 "	- 0.3 "	+ 6.0 "	+ 2.9 "	+ 4.2 "	170.3 "	171.8 "	154.6 "
Jewelry	- 6.9 "	- 9.5 "	+ 2.3 "	- 2.5 "	+ 1.9 "	+ 4.0 "	345.0 "	315.3 "	307.4 "
Paper	- 6.5 "	- 2.6 "	- 3.2 "	- 0.1 "	- 1.8 "	- 2.2 "	140.5 "	133.7 "	139.9 "
Electrical supplies	- 7.6 "	-12.8 "	+ 4.8 "	-14.3 "	- 6.6 "	-10.4 "	146.3 "	144.7 "	142.3 "

cent than on March 31, but as in recent months, were heavier than they were a year previous. The increase as compared with April 30, 1923, was 10.3 per cent. The ratio of accounts outstanding to sales was 260.8 on April 30, 269.0 on March 31, and 261.9 on April 30, 1923. This indicates that collections improved during April as compared with March, and were better than they were in April, 1923.

Sales of jewelry, like those in most of the other wholesale lines reporting to this bank, are reflecting the general slowing down of business which has been noticeable during the past two months, and preliminary reports indicate that the total during May will be smaller than that of May, 1923. The demand for platinum rings and for mountings for the re-setting of old stones continues to be good, and a fair request is noted for silverware, watches, fancy goods suitable for summer resort trade, and imported bead necklaces. Prices are practically unchanged. Purchases by wholesale dealers for next autumn's business are smaller than were those of a year ago, even though stocks are lighter than they were then.

During April, sales were smaller by 6.9 per cent than in March, and by 9.5 per cent than in April, 1923. Stocks increased during the month and on April 30 were 2.3 per cent higher than on March 31. But they were smaller than on April 30, 1923, by 2.5 per cent. Collections were slower during April than either in March or in April, 1923, as is shown by the ratio of accounts outstanding to sales, which was 345.0 on April 30, 315.3 on March 31, and 307.4 on April 30, 1923.

Sales of paper at wholesale show a further decrease and are not as large as they were last month. On the whole, business is only fair. The demand for book and fine papers is sustained, but that for tissues and cover papers is weaker. The call for building papers, boxboards, and wrapping papers has declined.

Paper

Newsprint continues to be in good demand. Prices, however, are firm and unchanged. Jobbers' stocks are moderate and slightly smaller than they were in April. Collections are a trifle slower than they were a month ago and are fair.

April sales were 6.5 per cent smaller than in March and 2.6 per cent less than in April, 1923. The ratio of accounts outstanding to sales was 140.5 in April, as compared with 133.7 in March and 139.9 in April, 1923.

The net sales of 32 wholesale hardware firms in this district were 4.2 per cent larger in April than they were in March but 5.1 per cent smaller than those during April, 1923. Our index of sales for the

month was 4 points higher than the number for March and 12 points below that for April of last year. The demand for hardware is from fair to good and somewhat better than it was at this time last month. The movement of seasonal goods has of course increased, particularly farming equipment such as wire fencing, garden tools, and implements. Dealers report, too, that the call is stronger for mine and mill supplies and for construction hardware than was the case a month ago,

Prices, in general, are slightly lower than they were at this time in April, though many wholesalers state that their quotations are unchanged. Conflicting opinions are given as to whether or not they are lower than they were a year ago, but some of the largest wholesalers state that they have not maintained the levels held during May, 1923. According to an analysis of the reports received by us, stocks on hand were 0.3 per cent smaller at the end of April than on March 31 and 6.0 per cent in excess of those on April 30, 1923.

Collections may be classified as fair. On April 30, the ratio of accounts outstanding to sales was 170.3, a decrease of 1.5 points from the figure at the end of March, and an increase of 15.7 points from that of April 30, 1923.

Hardware

The net sales by six wholesale electrical firms in Philadelphia were 7.6 per cent smaller in April than in March and 12.8 per cent smaller than in April of last year.

Electrical supplies The call for electrical supplies is only fair, and most dealers agree that it is not as strong as it was a month ago. Contractors and dealers in household appliances are placing the majority of orders. Sales of radio equipment, however, have decreased, which fact is ascribed to the arrival of spring weather with its attendant opportunities of being out of doors.

Prices are practically the same as they were a month ago, as the few reductions reported have been small. Except those on some articles carried by competitive chain stores, prices are much the same as they were in April, 1923. Stocks in the hands of firms reporting to this bank are 4.8 per cent larger than they were in March, but 14.3 per cent smaller than at this time last year.

Collections are fair. In April the ratio of accounts outstanding to sales was 146.3, a gain of 1.6 points from the figure for March, and of 4.0 points over that for April, 1923.

The wholesale drug market is not quite as active as it was in April; but the volume of trade is greater than in May, 1923. Insecticides, disinfectants, and spraying materials are in request, but spring goods are moving rather slowly. Pharmaceuticals and patent medicines are selling in fair volume. Botanical drugs are in demand, and prices are higher than they were last month. On the other hand, fine drugs and chemicals are not selling as well as they did in April, and prices have softened. 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.

	Price index of 40 botanical drugs		Price index of 35 drugs and fine chemicals	
	1924	1923	1924	1923
April 28.....	127.1	151.8	206.5	171.5
May 5.....	134.7	152.0	204.8	171.3
May 12.....	139.8	144.8	202.7	171.5
May 19.....	139.6	149.9	201.8	171.5

In April wholesale drug sales were 1.9 per cent smaller than in March, but 5.4 per cent larger than in April, 1923. Stocks at the close of April were larger than at the end of March. The ratio of accounts outstanding to sales was 139.8 in April, as compared with 136.5 in March and 139.3 in April, 1923.

The demand for groceries is fair and slightly weaker than it was a month ago. Materials for house cleaning, such as brooms, scrub brushes, and soap, are moving actively, and dried fruits, canned fruits, canned vegetables, fruit juices, and preserving jars are in request. The trend of prices is downward, as more items have declined than have advanced. Sugar, cheese, cooking oils, canned milk, butter, eggs, and navy beans have dropped; spices dried fruits, and canned fruits have advanced. Jobbers' stocks are slightly smaller than they were a month ago, but larger than in May, 1923.

Groceries

Wholesale grocery sales in April were 4.8 per cent smaller than in March and 3.3 per cent less than in April, 1923. Many jobbers attribute the decline, as compared with last April, to smaller sales of sugar. Prices of sugar in April, 1923, were rising, and retailers bought quite heavily; but now they are taking only enough to meet immediate needs. The ratio of accounts outstanding to sales decreased from 113.4 in March to 112.5 in April.

SUGAR

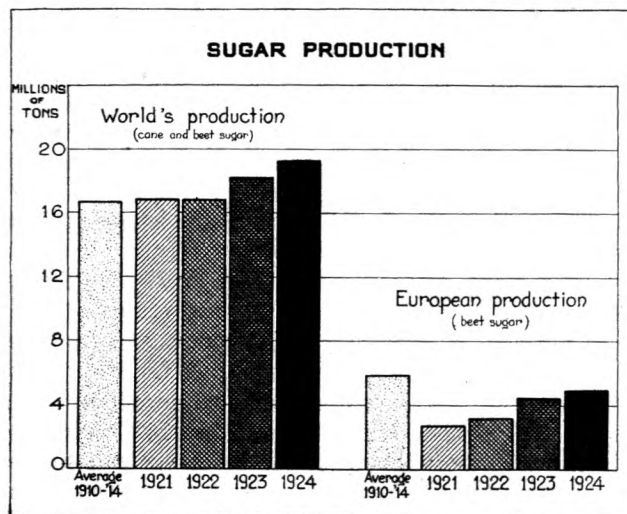
During the month the two leading Cuban sugar statisticians, Messrs. H. A. Himely and Guma-Mejer, have revised their estimates of the 1923-1924 crop upward. In anticipation of these revisions prices have steadily declined since the close of last month and touched a lower level than they have at any time since March, 1923. On April 25 Cuban raw sugar, for prompt shipment, was selling at 4½ cents, c & f, but prices steadily softened, and on May 7 the same quality sold at 4 cents, c & f. For a few days following, raw sugar actually advanced in price, but a reaction soon set in, and on May 14 Cuban raw sugar for prompt shipment was selling at 3¾ cents, c & f, the low price of this year. Since that date prices have fluctuated slightly and on May 22 closed at 3¾ cents, c & f. Several sales of Porto Rican sugar were made during the month at prices equivalent to those paid for Cuban. Despite the sharp drop in prices, refiners have bought cautiously and only for immediate needs.

British refiners have purchased heavily in the Cuban market, and the low prices have induced them to place some orders for July-August arrival. Refiners of France and Holland also have bought Cuban sugars, but only in small lots. The prices paid by European purchasers have been the equivalents of the c & f, New York, prices as fixed on the New York Sugar Exchange.

The grinding season in Cuba is rapidly drawing to a close, and the output of the mills that have closed has been considerably larger than estimates made at the end of last year indicated. Cables from Havana on

May 14 announced that 104 centrales had stopped grinding and that their total production was 90,000 tons larger than Himely's December estimate showed for these mills. On May 2, Guma-Mejer increased their estimate for the entire Cuban crop to 3,900,000 tons, which was 150,000 tons greater than their December estimate. On May 12 Himely revised his estimate to 3,985,000 tons from the 3,813,000 tons which he announced in December. He explained that this revision was caused by the very favorable growing conditions and the high sugar content of the cane, which has equalled at least 11½ per cent of the cane poundage.

World sugar production for the crop year 1923-1924 will be the heaviest on record, despite the fact that European beet output is only 5/6 as large as was the average annual yield for the 5 years preceding the war. As shown in the following chart, European production has steadily increased in each year since 1920 and soon should equal pre-war output. The world's sugar production for 1923-1924 is estimated at 19,286,000 long tons, and European production for the same year at 4,971,000 long tons.



The 1923-1924 sugar crop is the largest on record and is 15 per cent greater than the average crop for the five years preceding the war. European production of beet sugar is at the highest point it has reached since the close of the war but is still 16 per cent below the average for 1910 to 1914.

Sources—Department of Agriculture, American Sugar Bulletin

Up to the present time the uprising of the rural guard in Cuba has caused little interference with sugar movements from the interior to the ports. Receipts of sugar at Cuban ports from January 1 to date have been somewhat larger than they were for the corresponding period of 1923. Exports from the island for the same periods have been slightly smaller in 1924 than they were last year. The United States up to May 1 had taken 145,000 tons less than in the same period of 1923, but this has been offset to a slight extent by heavier exports to Europe. Stocks at Cuban

ports on May 1, 1924, were 175,000 tons larger than on the same date last year.

Raw sugar receipts at the ports of Baltimore, Philadelphia, New York, and Boston for the first three weeks of May were smaller than in the same period of 1923. The following table shows how receipts in the same periods of both years compare.

RECEIPTS OF RAW SUGAR AT ATLANTIC PORTS*

Tons (2240 lbs.)	April 25 to May 16, 1924	April 27 to May 18, 1923
From Cuba.....	135,675 tons	169,206 tons
From Porto Rico.....	35,656 "	40,245 "
From Philippine Islands.....	23,433 "	10,534 "
From other countries.....		674 "
Total receipts.....	194,764 tons	220,659 tons

* American Sugar Bulletin.

Declining prices have made buyers extremely cautious in their purchases, and the demand for refined sugar continues to be only fair.

Refined sugar

Consumers will purchase ahead only when refiners will guarantee their quotations against decline. On May 1 prices for fine granulated at the refineries ranged from 7.80 to 8.10 cents per pound, but by May 9 they had fallen to 7.40 or 7.50 cents. Since then one refiner has lowered his price to 7.25 cents, but all others are asking either 7.40 or 7.50 cents. Very little sugar has been offered on the market by second-hands during the month, and the few lots that appeared were quickly sold.

The export business has been more active than for several months, although it is by no means large. The reduction in British sugar duties has brought inquiries and a fair amount of business for refined sugar for export to Great Britain. South American countries have bought moderate quantities during the month, but other countries have not entered our market.

Refiners' stocks at Atlantic ports on May 9 were considerably smaller than on the same date last year and during the past six weeks have been steadily declining. For this season of the year, refiners' stocks are unusually light, but in view of the steadily falling prices and the rather slight demand, this was to have been expected. Meltings for the first three weeks of the month at the refineries in Baltimore, Philadelphia, New York, and Boston amounted to 223,000 tons, as against 232,000 tons for the same period of 1923, a decrease of 4 per cent.

BUILDING

The amount of new building in the Third Federal Reserve District during April was substantially greater

BUILDING PERMITS
Third Federal Reserve District

	April, 1924			April, 1923			January to April, inclusive			
	Permits	Operations	Estimated cost	Permits	Operations	Estimated cost	1924		1923	
							Number	Estimated cost	Number	Estimated cost
Allentown.....	174	244	\$748,900	156	225	\$950,160	374	\$2,001,325	331	\$2,414,505
Altoona.....	326	414	756,134	321	341	799,333	623	1,248,165	584	1,253,539
Atlantic City...	161	161*	478,123	408	408*	1,053,656	643	2,095,412	1,134	4,004,725
Bethlehem.....	55	61*	173,700	73	73*	380,885	152	402,999	130	518,127
Camden.....	138	188	638,530	104	127	1,784,601	426	1,812,524	309	3,180,462
Harrisburg.....	168	239	2,145,710	148	190	841,020	366	3,368,240	334	4,029,125
Lancaster.....	168	200	498,265	128	128	371,340	364	2,403,955	302	1,119,535
Philadelphia....	1,582	2,675	18,946,260	1,540	2,984	19,729,815	5,032	50,519,230	4,414	54,098,560
Reading.....	380	449	1,432,475	462	512	649,875	924	2,565,650	1,014	2,083,930
Seranton.....	238	238*	582,370	214	214*	465,195	544	1,427,635	416	1,359,908
Trenton.....	305	305	552,609	226	299	647,435	709	1,898,369	502	2,626,051
Wilkes-Barre....	213	213*	560,192	154	154*	506,536	492	1,266,464	327	958,437
Williamsport....	200	200*	147,982	135	135*	51,615	344	344,495	217	574,740
Wilmington.....	132	132	351,232	136	268	570,682	372	1,608,615	366	1,501,638
York.....	320	320	212,691	218	218	359,781	608	744,272	467	1,065,476
Total.....	4,560	6,039	\$28,225,173	4,423	6,276	\$29,162,129	11,973	\$73,707,350	10,847	\$80,788,757

*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.....	124	194	\$679,400	50	50	\$69,500	119	188	\$900,685	37	37	\$49,475
Altoona.....	126	214	669,222	200	200	86,912	132	152	746,693	189	189	52,840
Camden.....	64	114	590,735	74	74	47,795	64	87	1,663,310	40	40	121,291
Harrisburg.....	145	212	2,094,135	23	27	51,575	128	170	796,020	20	20	45,000
Lancaster.....	84	116	438,675	84	84	59,590	70	70	333,382	58	58	37,520
Philadelphia....	900	1,974	18,168,680	682	701	777,580	875	2,284	19,205,805	665	700	524,010
Reading.....	104	173	1,327,950	276	276	104,525	156	206	493,550	306	306	156,325
Trenton.....	270	270	523,794	35	35	552,609	200	271	615,525	26	28	31,910
Williamsport....	60	60	105,290	14	14	42,692	87	87	43,465	48	48	8,150
Wilmington.....	101	101	324,762	31	31	26,470	103	235	542,162	33	33	28,520
York.....	121	121	139,320	199	199	73,371	106	106	292,222	112	112	67,559

than that of March, but the increase in total value was less than it was between February and March, when it exceeded \$13,000,000. Fifteen cities in this district report that 4,560 permits were issued in April, the estimated cost of which totalled \$28,225,173. These figures represent an increase of 822 permits and of \$4,761,129 in cost over those tabulated during March. In the corresponding months of 1923 the number of permits increased by 1,286, but the estimated cost was \$2,772,094 less than during March of that year. In every city except Philadelphia, Camden, and Bethlehem the number of permits issued in April was greater

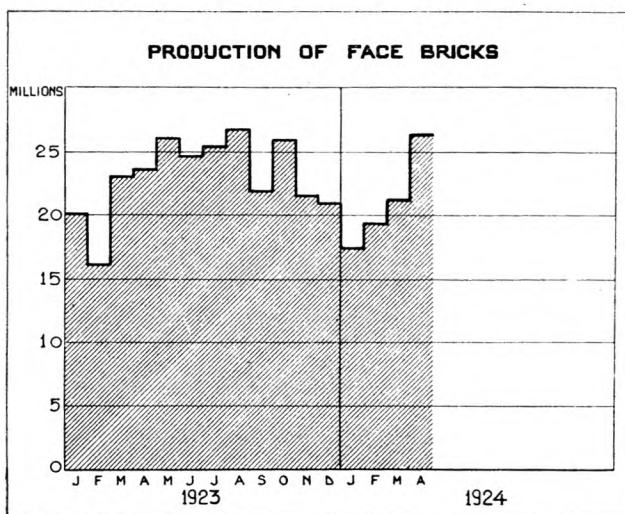
than during the preceding month, but in each of these three cities the estimated cost was greater. On the other hand, Lancaster, York, Wilmington, and Trenton reported a decrease in total cost. In Atlantic City both the number of permits issued and the probable cost were less than in March.

In Philadelphia 1,582 permits were granted in April, as compared with 1,610 permits issued during March, but the estimated cost rose to \$18,946,260, an increase of \$3,189,700. On May 1, the index of building costs, compiled by the Aberthaw Company from prices of various materials, labor, and other vital factors, fell

two points from the figure calculated on the first of the preceding month.

The wet spring has somewhat retarded the demand for building bricks, and though in nearly all cases it is classified as either fair or good, it is very little better than it was a month ago and not as strong as it was at this time last year. Most of the orders are for delivery within 60 days, with a fair proportion for up to and beyond 90 days.

It is to be noted that some resistance to present prices is being met, and that in cases in which concessions are granted a stimulation in demand is immediately observed. One manufacturer remarks that in the Philadelphia market, the supply of old bricks made available by the demolition of structures in the path of the new Delaware River bridge has made it more difficult to dispose of new bricks at the prevailing prices. Though quotations are the same as they were a month ago and in nearly all instances are characterized as firm, some weakness is noted in prices for both building and fire bricks.



Output of face bricks during April of this year, as reported by plants making about one-third of the total output of the country, was almost as great as it was in the peak month of August, 1923.

Source—Department of Commerce

Stocks of finished bricks are in some instances heavy, but in general they are moderate. Reports are conflicting as to whether they are increasing or decreasing. Supplies of raw materials average close to moderate and are tending to diminish. Operations are being carried on at very near the high rate maintained during April, and the average for firms reporting in this district is approximately 90 per cent of capacity. During April 26,373,000 face bricks were produced in the United States, an increase of 5,307,000 over the totals in the preceding month. Output by months since January,

1923, is given in the accompanying chart. Unfilled orders are of about the same size as they were at this time last month, and those now on the books will insure operations at the current rate for from a week up to the balance of the year. The average period is estimated to be something over 3 months.

In one case the supply of skilled labor is reported to be scarce. In all other instances, however, the number of both skilled and unskilled workers is either sufficient or plentiful. No wage changes have been made in either class. Collections are fair and the same as in April, but are slower than they were at this time last year.

Both manufacturers and dealers find that the call for plumbing supplies is fair but not as good as it was a year ago. Consumers are buying more actively from dealers than they did at this time in April, but in spite of this the volume of manufacturers' sales is not as heavy as it was a month ago. Though present conditions in the industry are felt to be satisfactory, some dealers state that the volume of new business is disappointing and that sales have been reduced by the postponing of several construction projects. Orders already taken by manufacturers are in the main for delivery within 30 or 60 days, though many are being prepared for shipment after both the 60 and 90 day period.

Quotations have been shaded on many articles, especially merchant pipe and steel products. For this reason it is difficult to generalize as to present prices, which are variously reported as weak and firm. Several reports received by this bank state that they are slightly lower than they were a month ago. Enamelled goods and pottery are fairly steady, but quotations on iron appliances are far from firm, and frequent resistance is encountered.

Stocks of finished goods in the hands of manufacturers are from moderate to heavy and are somewhat larger than they were a month ago, but dealers' stocks, though likewise either moderate or heavy, are held at practically stationary levels. Supplies of raw materials are only moderate and are decreasing.

Producers reporting to us are operating at an average of 75 per cent of capacity, but in only one instance are operations maintained at the maximum. With unfilled orders now on the books, manufacturers can continue the present schedule for an average of approximately seven weeks. The supply of both skilled and unskilled labor is sufficient and even plentiful. In but one case is any scarcity reported, and that is in skilled workers.

Collections are barely fair and are not as prompt as they were at this time either last month or last year.

The call for lumber is either fair or good, and reports from manufacturers indicate that it is somewhat better than it was a month ago but not as satisfactory as in

Lumber

May, 1923. Dealers, however, state that demand is not only inferior to that at this time last year, but poorer than it was in April. The call for the better grades of hardwood has been fairly good, and that for west-coast woods in particular has improved, on account of the increased efforts of dealers to move these grades. Northern white pine is selling at a fairly steady rate, as are cypress and fir. Timbers and flooring of the yellow pine variety are in fair request, and the call for laths and shingles is better than it was a month ago.

Though prices are firm in some cases and weak in others, they have not changed appreciably since this time last month. Spruce and cypress are steady, but several grades of yellow pine are slightly lower. In instances in which weak and lower prices are noted, it is observed that this is the result of hesitancy on the part of buyers rather than of any reduction in producing costs. As is to be expected, resistance to prices, especially to those quoted by manufacturers, is encountered frequently. Stocks of finished goods are moderate and for the most part stationary, as are also supplies of raw materials.

Manufacturers reporting to us are operating at an average of nearly 75 per cent of capacity, which is very close to the rate of a month ago. Unfilled orders now on hand will insure the continuance of this schedule for an average of approximately ten weeks. The supply of both skilled and unskilled labor is from sufficient to plentiful. In but one instance is any shortage reported, and that was in skilled workers. Three manufacturers state that wages have been advanced from 10 to 12½ per cent, but the majority announce no changes.

Collections are fair but are not as satisfactory as they were either at this time last month or in May, 1923.

As is true of many other commodities, the demand for paints consists of requests for limited quantities, and the irregular way in which orders have been received during the past few weeks has rendered

Paint

the market decidedly spotty. The call may be characterized as fairly good, however, and manufacturers in this district state that though it is better than a month ago, it is not as good as at this time last year. Colors in oil are in fair request, but the call for dry colors and lead pigments is quiet, principally because of the belief among consumers that prices will fall.

In most instances prices are firm, but some weaknesses have developed, particularly on quotations for pig lead. Successive declines in the price of this have eventually resulted in a reduction of quotations for several lead pigments as well as for red lead. Some

dry colors are also quoted at lower levels than they were at this time last month, chief among which are blues, greens, and reds. On May 19 the spot price of linseed oil in tank-car lots was 94 cents per gallon. Stocks of both finished goods and raw materials are moderate and are tending to decrease, though in one case the supply of raw materials is reported as heavy.

The average rate at which manufacturers reporting to this bank are operating is close to 80 per cent of capacity, which is somewhat higher than their average rate at this time last month. Unfilled orders are slightly larger than they were during April, and will guarantee the continuance of the present rate of production for about a month. With the exception of one instance in which a scarcity of skilled workers is reported, the supply of all classes of labor is sufficient. One manufacturer announces an increase of 10 per cent in the wages of unskilled workmen, but in general wages are the same as at this time last month.

Collections are only fair and are not as prompt as they were in April or during May of last year.

The demand for slate cannot be described as more than fair, and though better than it was in April, it is not as strong as it was in May, 1923. In most cases, consumers have specified delivery on orders already placed for within 60 days, but as is usually the case, a fair proportion are for up to and beyond 90 days.

Slate

Prices, in general, are firm; and in but few instances are they reported as weak. Quotations have changed very little from those prevailing a month ago, and what decreases have occurred have been small. Most of the resistance is to prices on building slate and shingles, though some protest is voiced against current quotations for electrical slate. There is considerable competition in prices with substitute materials, of which Belgian asbestos shingles are perhaps the most formidable. Stocks of finished goods are moderate and show a tendency to lighten, but due consideration should be given the fact that manufacturers of many electrical grades and of blackboard slate carry no completed stocks whatever, since all their products must be prepared under individual specifications. Now that the ice and snow season is past, conditions under which slate in the rough is procured are much more favorable.

Manufacturers reporting in this district are running at an average of about 83 per cent of capacity, which is slightly higher than the rate maintained at this time last month. Unfilled orders are of much the same size as they were during April, and orders already taken will insure the continuance of the present high schedule of operations for from two weeks to four months. Some scarcity is noted in the ranks of both skilled and unskilled workers, but in other instances a surplus is reported. Generally speaking, the supply of both classes of labor is ample. An advance has been made in the

wages of all workers by some manufacturers, but such increases were not general throughout the district.

Collections are from fair to good, and though slightly poorer than they were during April, are the same as at this time last year.

REAL ESTATE

Builders report that houses costing from \$6,000 to \$10,000 are still selling actively, but that higher-priced residences are in less demand than they were last spring. One dealer estimates that about 75 per cent of the present residential construction is in houses and 25 per cent in apartments. The demand for high-priced apartments has been satisfied, and most of the current apartment house construction is for moderate-priced suites which rent at from \$50 to \$70 per month. New industrial and commercial construction is not as large as it was last spring, but the total volume is still big. The scale on which public works, particularly school buildings, are being undertaken is about the same as that of a year ago.

Real estate brokers state that a ready market exists for new houses selling at from \$6,000 to \$8,500 and for old structures at prices ranging from \$4,000 to \$6,500. But at prices above these, considerable effort is required to effect the sale, and many dealers state that the market is not as active this spring as it was last. Rents for houses are practically the same as they were three months ago, but in some parts of Philadelphia apartment house owners are offering concessions to prospective tenants. This is true chiefly of the higher-priced apartments, many of which are now vacant. Moderate and low-priced apartments, ranging from \$35 to \$75, are easily rented and of these very few are vacant. Six-room houses renting at about \$50 per month are in excellent demand, and the supply of these is still insufficient. Office space is plentiful, and in some parts of Philadelphia office rents have recently been reduced by from 10 to 20 per cent. Prices of building sites, except in districts where recent improvements have been made, have not changed during the past quarter.

Mortgage money is still scarce, and especially for second mortgages. The majority of building and loan societies have lent all their available funds for from two to four months ahead, and because of the unwillingness of the banks to extend them further loans, are unable to accommodate all of their applicants. Trust companies throughout the Third District have lent all of their funds available for mortgage purposes and have been obliged to reject many applications. Considerable amounts of money, however, are being invested in first-class mortgages by insurance companies, and this has afforded some relief. The rate of interest charged by most lenders is still six per cent. Mortgage brokers receive from 2 to 3 per cent for obtaining first mortgage

funds. Second mortgage money is still very scarce, and in some parts of this district commissions as high as from 15 to 25 per cent are paid to brokers for obtaining it. However, the usual commission on second mortgages varies from 5 to 10 per cent.

Building materials are in abundant supply, and the trend of prices is slightly downward. Both skilled and unskilled laborers, with the exception of plasterers, are plentiful. Wages, however, have not changed and are the same as they were three months ago.

IRON AND STEEL

Until very recently, business sentiment in the iron and steel industry during the past month has left much to be desired, and the lack of demand for pig iron and the major grades of steel has been provocative of considerable comment throughout the district. Various reasons have been assigned for the decrease in inquiries and the apparent lack of interest among consumers, chief among which have been the political uncertainty preceding the presidential nominations and the anticipation of a further decline in prices. In the last week, however, there have been indications that the tide is turning. Inquiries have become more numerous, and some fair-sized contracts have been closed, which has given rise to the belief among furnace interests that buyers can no longer postpone purchases for third-quarter requirements. This impression is further strengthened by the fact that as production has been materially curtailed, stocks are decreasing.

Speaking, however, of conditions during the month as a whole, the demand for pig iron has been poor and compares unfavorably with that during April. The call for iron and steel castings is barely fair, and manufacturers reporting to us state that though railroads, contractors, and the automotive industry are taking fair-sized deliveries, there has been little or no improvement in the demand from these interests over that in April. Within the last few days the call for iron and steel bars, particularly the latter, has improved. During the first two weeks of the month, however, the demand was from poor to fair and scarcely as strong as it was in the corresponding week of the month before. Steel scrap and crude steel are moving somewhat more briskly, as are plates and structural shapes, but this, too, is a recent development, and immediately prior to it the demand was scarcely fair. Orders placed by mill supply dealers, public utilities, and railroads are responsible for a fair call for machinery and tools, but the volume of commitments is not as substantial as it was a month ago. One manufacturer observes that most of the inquiries are for small lots and that he has had little demand for the more expensive types of heavy machinery. The call for both light and heavy hardware is weak, and though it is slightly better than it was at this time last month, manufacturers of plumbing fixtures and construction

companies are buying only for immediate needs. A few miscellaneous articles, such as seamless tubing, ventilators, and some sheet metal products, are moving well, but requests for many others, including set screws, steel pipe couplings, ball bearings, cast iron soil pipe, and steel springs are only fair and are no more numerous than they were a month ago.

Prices of pig iron and of several grades of both finished and semi-finished steel are lower than they were at this time last month. On May 20, the "Iron Age's" composite prices of pig iron and of finished steel were \$21.04 per gross ton and 2.639 cents per pound, a decline of 92 and .057 cents respectively from the computation on April 22. At this figure the composite price of pig iron represents the lowest point touched so far this year. In this market on May 20, Philadelphia 2 X pig iron was again quoted at \$22.76 per ton, no change having been made in the price listed a month ago. Open hearth steel billets are now \$38.00 per ton, as compared with \$40.00 four weeks ago; and prices of steel bars fell from 2.64 cents per pound to 2.59 cents during the same period.

Production has felt the effects of the slackening in demand, and a curtailment of output has been general throughout the industry. It is said that the average rate of operation closely approximates 65 per cent of capacity. In this district, there has been a noticeable reduction in the rate of output for the past two months, as is evidenced by the fact that during April seven furnaces were blown out and only one blown in, a net loss of six from the number in blast on March 30. Output of pig iron during April totalled 3,233,428 tons, as compared with 3,466,086 in March; and that of steel ingots aggregated 3,386,256 tons, representing a decline of 801,686 tons from the output during the preceding month. Unfilled orders of the United States Steel Corporation, which on March 31 amounted to 4,782,807 tons, declined on April 30, to 4,208,447 tons, a reduction of about 12 per cent. At no time since February, 1922, has the volume of unfilled orders been smaller.

On account of the reduced operating schedules in the industry a substantial number of workmen have been laid off for the time being; consequently, the supply of both skilled and unskilled labor is ample. Practically no wage changes during the month have been reported. On April 15, 28,603 employees were on the pay-rolls of 48 firms, manufacturing miscellaneous iron and steel products, or a decrease of 2 per cent from the number of workers on March 15. During the same period the average weekly wage fell from \$29.63 to \$28.38, a decline of 4.2 per cent.

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

In our second month's survey of the iron foundry in-

dustry in the Third Federal Reserve District we have received reports from 50 establishments. The accompanying table shows the totals for the months of March and April in the principal operating items for 37 identical establishments with a monthly capacity of 14,945 tons. Comparisons for a larger number of foundries will be shown in the next issue of The Business Review.

IRON FOUNDRY OPERATIONS Third Federal Reserve District

	March	April	Change
Capacity of furnaces.....	14,945 tons	14,945 tons	.....
Production of castings.....	6,503 "	7,203 "	+10.8%
Malleable iron.....	1,235 "	824 "	-33.3 "
Gray iron.....	5,268 "	6,379 "	+21.1 "
Jobbing.....	3,598 "	3,734 "	+ 3.8 "
For further manufacture..	1,670 "	2,645 "	+58.4 "
Shipments of castings.....	3,969 "	3,988 "	+ 0.5 "
Value of shipments.....	\$674,045	\$657,210	- 2.5 "
Unfilled orders.....	2,987 tons	3,075 tons	+ 2.9 "
Value of unfilled orders....	\$581,962	\$573,723	- 1.4 "
Raw stock.....	11,816 tons	10,700 tons	- 9.4 "
Pig iron.....	8,865 "	7,806 "	-11.9 "
Scrap.....	2,951 "	2,894 "	- 1.9 "

It is interesting to note that in spite of the many indications of declining activity in other industries, the production of castings by reporting foundries showed a marked increase in April as compared with March. In the latter month the foundries were operating at only 44 per cent of capacity, but in April the rate advanced to 48 per cent. Output of malleable castings fell off considerably, but production of gray iron castings for sale was 3.8 per cent larger, and for further manufacture was 58.4 per cent larger, than in the previous month.

The tonnage of castings shipped during the month and of unfilled orders on the books at the end of the month was also greater than in March, though the dollar value of these items was somewhat less. The average value of gray iron castings shipped during April, by 23 plants manufacturing this product exclusively, was \$141 per ton, as compared with \$144 per ton in March. The shipments and unfilled orders shown in the table include both malleable and gray iron castings.

Stocks of pig iron and scrap held by reporting foundries on the last day of April amounted to 10,700 tons, or sufficient for less than one month's operations at capacity. It is notable that raw stock on hand was nearly 12 per cent less on that date than it was a month previous.

In our first month's survey of the steel foundry industry, returns were received from five important manufacturers in the Third Federal Reserve District. These returns, which cover operations for one month only, are shown in the accompanying table. In

Steel foundries

the future a similar tabulation will be published giving comparisons from month to month in the activity of identical plants.

STEEL FOUNDRY OPERATIONS
Third Federal Reserve District
April, 1924

Capacity of steel furnaces.....	4,150 tons
Production of steel castings.....	2,356 "
Shipments.....	2,189 "
Value of shipments.....	\$473,855
Unfilled orders.....	4,118 "
Value of unfilled orders.....	\$680,125
Raw stock:	
Pig iron.....	2,108 "
Scrap.....	6,372 "
Coke.....	596 "

The foundries included in the survey reported furnaces with a steel-making capacity of 4,150 tons per month. Production during the month amounted to 2,356 tons or 57 per cent of the capacity output. Shipments were 2,189 tons, or 92 per cent of the output. The average value of shipments was \$216 per ton, and of unfilled orders, \$165 per ton. Stocks of pig iron and scrap on April 30 amounted to 8,480 tons, or sufficient for slightly over two months' capacity operations.

COAL

Some improvement has occurred in the demand for domestic sizes of anthracite since May 1, but the call for steam sizes continues to be poor. Several weeks ago, however, the movement of pea grades increased, and it is probably now almost as active as any of the domestic sizes. Orders for anthracite booked after the reduction in prices on April 1 were sufficient to carry dealers well into May; consequently very few orders for heavy tonnages are being received at present, though a substantial volume of smaller commitments has kept the market in a fairly good condition.

Prices are nearly on a par with those quoted at this time last month, especially on steam grades. After the customary annual reductions in price early in April, quotations advance 10 cents per ton each month until in the autumn they again reach circular prices. In this market, on May 19, stove sizes were quoted at from \$8.75 to \$8.95 per ton, and pea coal at \$5.85 per ton, which represents an increase of from 10 to 15 cents over prices quoted a month ago.

Until very recently production of anthracite has been substantially less than it was a year ago and even a few months ago. Operators reporting to us are working their mines at a fairly high rate, and output in the week ending May 10 was greater than it was during the middle of April, as is shown in the following table giving production in tons for each of the last four

weeks. For purposes of comparison, figures are also given for the corresponding four weeks of the previous year. The decline in production during the week ending April 26 was on account of the observance of Easter Monday and election day.

PRODUCTION OF ANTHRACITE*

Week ending	1924	1923
April 19.....	1,623,000 net tons	2,065,000 net tons
April 26.....	1,205,000 " "	2,116,000 " "
May 3.....	1,616,000 " "	2,021,000 " "
May 10.....	1,924,000 " "	1,903,000 " "

* Compiled by the Geological Survey.

Some shortage exists in the supply of miners, but most of the collieries in this district are able to secure a sufficient number for their needs. Where a scarcity exists, the reason given is that with the arrival of spring weather miners are seeking outdoor work.

The bituminous market continues to be as quiet as it has been for the past three months. Demand is no better than it was at this time last month, and with railroads and public utilities practically out of the market owing to their desire to deplete stocks and thereby reduce their fuel investments, there is no immediate prospect of improvement. As has been true for some time, contract prices are from 50 cents to \$1.00 higher than spot prices, and the latter have changed very little during the current month. In Philadelphia the price of Pool 10 bituminous was listed on May 19 at \$1.85 per ton, the same as it was a month ago.

Bituminous

PRODUCTION OF BITUMINOUS*

Week ending	1924	1923
April 19.....	6,918,000 net tons	10,221,000 net tons
April 26.....	6,726,000 " "	10,103,000 " "
May 3.....	6,832,000 " "	10,061,000 " "
May 10.....	7,121,000 " "	10,175,000 " "

* Compiled by the Geological Survey.

As light as the demand is at present, consumption exceeds production, as the latter has been reduced considerably in the past two months. However, during the week ending May 10, output equalled 7,121,000 tons, an increase of 379,000 tons over the total in the previous week, but a heavy decrease of 3,054,000 tons from the total for the week ending May 1, 1923. In the accompanying table figures are given showing the output for each of the past four weeks and for the corresponding periods of last year. It will be noted that

production has increased to some extent during the last two weeks.

Many mines in this district continue to operate on part time; others have greatly reduced their working forces, and some have closed down entirely. Many miners have been forced to enter other fields of employment.

Closely following the decline of activity in the iron and steel industry, the call for coke has noticeably decreased during the past month, and prices of furnace grades in particular have fallen. On May 20 furnace coke was quoted at \$4.75 per net ton, which was the same as a month ago, but foundry grade was listed at \$3.25 per net ton, a reduction of 50 cents from the quotation on April 22.

Coke

Production of beehive coke has shrunk considerably since the first of April, mainly on account of the lack of demand from steel interests, and because several furnaces have been blown out. Output of by-product coke, too, has fallen off recently, and production of both grades is less than it was at this time last year. During April 3,010,000 tons of by-product coke was produced in the United States, as compared with 3,206,000 in the same month in 1923, a decrease of 196,000 tons. In the following table is shown output of beehive coke for each of the past four weeks and for the corresponding weeks of 1923.

PRODUCTION OF BEEHIVE COKE*		
Week ending	1924	1923
April 19.....	256,000 net tons	436,000 net tons
April 26.....	224,000 " "	424,000 " "
May 3.....	205,000 " "	407,000 " "
May 10.....	177,000 " "	401,000 " "

* Compiled by the Geological Survey.

COTTON

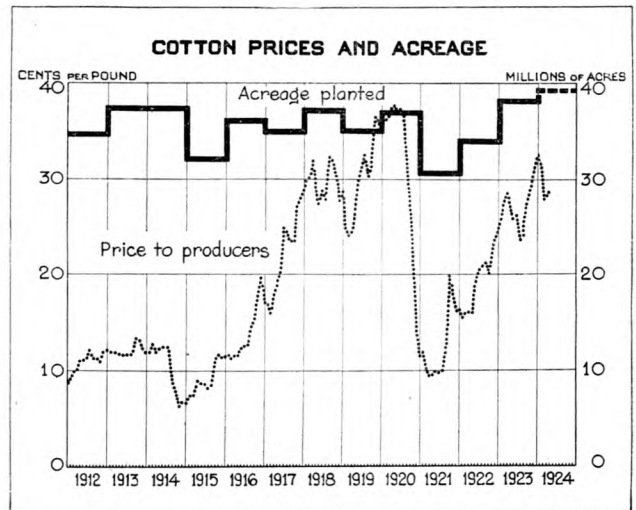
The cotton market, though less active than it was in April, has shown considerable strength throughout the month. On April 22, the price of spot cotton in New York was 29.20 cents. But during May it has not sold at less than 30 cents and on May 21 reached 32.50.

Raw cotton

The position of the staple is still governed by the same factors as those prevailing a month ago. On the one hand is the small amount of cotton left in this country for use until the next crop becomes available, and on the other is the continued poor demand for goods and the rather favorable start of the growing crop. Conditions recently, however, have not been so good for the growing crop, as the cool rainy weather

over almost the entire belt has retarded it, and only warm and clear days will bring it back to its early promise.

The accompanying chart indicates that the acreage planted each year is influenced largely by the price paid to the producer in the latter part of the previous year. This seems to be borne out in the present year, according to the early estimates of the acreage planted for the coming crop.



As a rule, declining prices in the latter part of the year lead to decrease in the acreage planted in the year following, and advancing prices to an increase. The acreage for 1924 is estimated by the Journal of Commerce

Sources—Department of Agriculture and Cotton Facts

Cotton consumption during April by domestic mills was larger than the numerous reports of increased curtailment in the South led some to expect. The figures, though considerably below those of a year ago, differ but slightly from those of the previous month, as is shown in the following table.

DOMESTIC CONSUMPTION OF COTTON*		
	Cotton	Linters
April, 1923.....	576,514 bales	52,595 bales
March, 1924.....	483,928 " "	41,030 " "
April, 1924.....	480,010 " "	42,289 " "

* Computed by the Bureau of the Census.

During April, exports of cotton and linters were again larger than in the same month last year, the gain being 61,190 bales. The accompanying table gives a comparison of the position of the last crop with that of the two previous crops.

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 May 16.....	10,641,141	10,555,964	9,715,728
Total.....	11,511,109	12,524,123	13,828,379
Visible supply, American, on May 16.....	1,670,724	1,619,454	3,162,411
World's takings of American to May 16.....	9,840,385	10,904,669	10,665,968

* Figures compiled by the New York Cotton Exchange.

Dealers in the Philadelphia market complain that business in cotton yarns is unusually quiet and that the outlook for the future is not encouraging. Caution is the outstanding feature of trade. Makers

Cotton yarns

of finished goods have failed to book sufficient orders to keep their plants running during the seasonally dull months of summer, and since they hesitate to accumulate stocks, the majority have curtailed operations drastically. Moreover, since last December the trend of quotations on cotton yarns has been downward, and it is noteworthy that the October option for raw cotton is selling at about six cents per pound less than the May contract. In consequence, producers are unwilling to anticipate their advance requirements and have purchased yarn mainly to cover the limited amount of business on hand. Current sales of yarn are smaller than they were either last month or a year ago.

Demand for knitting yarns is particularly poor, but that for weaving yarns is little better. Makers of underwear in this district are running only about half of their equipment, and sales of yarn to them are small. Since many carpet manufacturers have reduced production sharply, dealers find that business in carpet yarns is almost at a standstill. Plush mills continue to purchase fair quantities of yarn for current use, but demand from this trade too has decreased.

Because of unsatisfactory sales, prices for cotton yarns are weak, and some reductions have been made during the past month, notwithstanding the fact that spot cotton has advanced slightly. Fairchild's index numbers show that quotations on yarns and raw cotton are about 18.3 and 12.5 per cent respectively lower than they were last December.

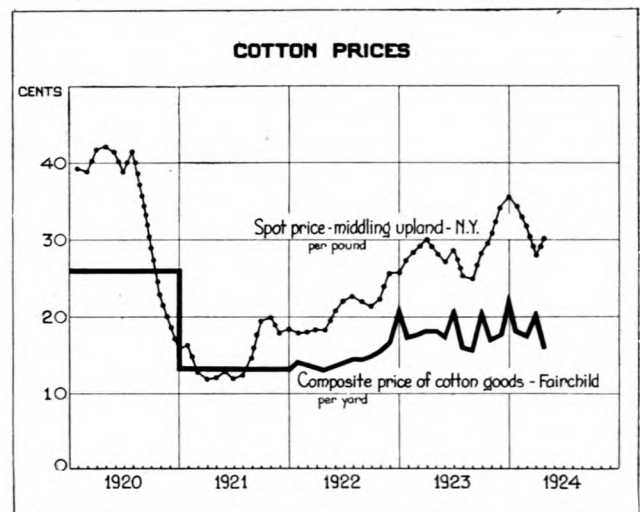
Dealers state that, based on present prices for raw cotton, yarns are being sold at less than the cost of production, and that for this reason spinners have reduced operations. Supplies of yarn in the hands of dealers are for the most part rather light.

Collections on the whole are fair, but they have tended to slow up somewhat during the month and are not as prompt as they were a year ago.

Statements by manufacturers of cotton goods are almost unanimous that both new business and prices have decreased during the month.

Cotton goods

All lines are dull, whether gray goods, dress goods, towels, napped goods, or upholstery goods, and a number of producers say that trade is poorer than it has been for a considerable period. Some mills which took contracts early in the season are still filling orders, but in most cases these are nearly at an end, and a few report that orders are being cancelled. Although spot cotton in New York is selling at over 32 cents per pound, the price of gray goods is equivalent to only about 25 cents per pound, and as is shown in the accompanying chart the difference between the prices of raw cotton and of finished cotton goods has been growing larger during recent months, indicating that the profit of the manufacturer is growing smaller.



Since the early part of 1922 the price of cotton has risen faster than the composite price of cotton goods, and the difference is now as great as it has been at any time in recent years. Prior to 1922 the composite price of cotton goods was figured annually.

Sources—Cotton Facts, Journal of Commerce, and Daily News Record

Stocks of finished fabrics at the mills are in most cases either heavy or moderate, and more reports state that they increased during the month than that they decreased. Wholesalers' stocks also are larger than they were at this time in 1923.

Few if any mills are operating at over 75 per cent of capacity, and many are running at 50 per cent or less. The survey of employment and wages made by this Bank shows that in 24 plants making cotton goods the number of employees increased 1.8 per cent between the week of March 15 and that of April 15, but that

total weekly wages paid were 6.8 per cent less in the latter period. Average weekly earnings were 8.4 per cent lower.

Collections in general are either fair or good, and, except in a few reports which note increasing slowness, are unchanged.

WOOL

Dealers in the Philadelphia market characterize business in raw wool as "draggy." In the face of a decided lack of buying for the future,

Raw wool

mills making goods and yarn have curtailed production and for the most part are purchasing little more wool than is necessary to cover the limited number of orders on hand. Consequently, sales of raw wool are small, and practically no grades are moving well. Some dealers report an increase in inquiries for half-blood and fine wools, which they attribute to the fact that such grades are scarce. As a matter of fact, supplies of most wools are limited, as is indicated by the accompanying table. The decrease in dealers' stocks since the first of the year is noteworthy. Notwithstanding the slow movement of raw wool, prices in the local market have weakened but slightly.

In contrast to quietness in domestic markets, demand for raw wool abroad has been good and the holdings of the Bawra association have been completely liquidated. At the recent auction sales in London, however, business was rather irregular and some recessions in prices are reported. But the disparity between domestic and foreign markets continues. Evidence of this is to be seen in the re-exportation of considerable quantities of bonded wools from this country. During April imports of wool were 29,456,578 pounds, as compared with 41,057,830 pounds in March and 77,047,391 pounds a year ago.

The placing of contracts for the new clip wools in

the western states has been affected by the factors mentioned above. Buyers and growers have different ideas as to prices, the former being influenced by dulness in wool, yarns, and goods, the latter by the higher level of foreign markets. In consequence, fewer contracts have been placed than was the case a year ago. It is noteworthy, however, that the Jericho clip was recently sold for 42 cents a pound, as compared with 51 cents in 1923. Recently sales of wool in the west have broadened somewhat.

Demand for both weaving and knitting yarns is for the most part extremely quiet and the outlook is not encouraging. Manufacturers of fabrics have booked only a limited number of orders, and as they have reduced operations, the consumption of yarns is relatively small. Like their own customers, makers of piece goods are making few commitments for the future. In consequence, spinners have received little new business, and advance orders on their books are few. Specifications against these orders are as a rule small. Since business in piece goods and yarns is ordinarily dull during the summer months, producers are apprehensive of the future.

As a result, spinners have further restricted production; indeed, some have closed their factories. Many mills are running only half their equipment, but a few are operating at capacity. Wool consumption in this district, as shown by returns from 75 establishments, was 17.8 per cent smaller in April than in March. Curtailment has not entirely prevented the accumulation of yarns, stocks of which in some cases are reported to be fairly large. But on the whole stocks in the hands of spinners range from moderate to light, while supplies of raw materials are of medium size. Labor is in plentiful supply and wages remain unchanged.

Since prices for raw wool have decreased only slightly, no decided weakness is noticeable in quotations on yarn, which in general are about the same as they were last month. On the other hand, some spin-

WOOL STOCKS IN AND AFLOAT TO THE UNITED STATES*

In pounds

	Dealers				Manufacturers	Total
	Total	Boston	Philadelphia	All others		
March 31, 1924	132,624,600	83,594,495	16,319,055	32,711,050	171,293,489	303,918,089
December 31, 1923	175,150,787	108,592,531	17,714,510	48,843,746	170,840,582	345,991,369
September 20, 1923	216,864,338	126,048,294	23,503,276	67,312,768	180,395,847	397,260,185
June 30, 1923	232,032,947	147,555,952	31,537,599	52,939,396	215,989,803	448,022,750
March 31, 1923	174,150,542	119,682,792	25,341,283	29,126,467	235,787,655	409,938,197
December 31, 1922	177,715,894	117,552,127	23,203,634	36,960,133	250,767,717	428,483,611
September 30, 1922	206,303,157	127,517,286	28,554,899	50,230,972	245,504,564	451,807,721
June 30, 1922	181,203,498	108,167,907	24,039,626	48,995,965	225,081,781	406,285,279

* Departments of Commerce and Agriculture.

ners are willing to grant concessions to secure business, and prices are therefore more or less irregular. Collections range from poor to fair. They show little change since last month but are not as prompt as they were a year ago.

Small current sales and a pronounced scarcity of advance business continue to feature the market for woolen and worsted goods. Sales are not only much smaller than they were a year ago, but have decreased during the month, and with few exceptions orders on the books of producers are for delivery within the next sixty days. Indeed, some manufacturers report that they have no future business. The underlying reasons for present unsatisfactory conditions are more or less vague, but it can at least be said that confidence in the future is noticeably lacking. In the women's wear trade this feeling has been enhanced by the threatened strike of garment workers in New York City. As a result, buyers are unwilling to cover their advance requirements, and producers find that as a rule orders are for only a few pieces to be delivered promptly. Duplicate business in heavyweight fabrics is negligible, in spite of the fact that original orders are small. Neither men's nor women's wear has sold well, though demand for the former probably exceeds that for the latter. A few makers of men's wear report a fairly good request for their products, but such cases are exceptional. Business in dress goods is especially quiet. Some manufacturers state that it is difficult to make sales, regardless of attractive prices; and one producer reports that because of the low exchange, novelties are being under-sold by French and Belgian fabrics. Not all reports are pessimistic, however. A few are to the effect that as compared with last month, conditions have improved somewhat, and that demand has favored novelties in both men's wear and dress goods.

Unsatisfactory sales have caused a number of manufacturers further to restrict production. According to figures compiled by this Bank, the number of wage earners employed by 31 mills in Pennsylvania decreased 8.2 per cent from March 15 to April 15. The supply of labor is plentiful. Notwithstanding poor business some makers of cassimeres have operated at capacity, but many producers are utilizing less than three-fourths of their equipment, and in some instances the percentage is only 25 or 30. Although a few mills have accumulated considerable finished merchandise, stocks in general are not large. Supplies of raw materials are fairly light.

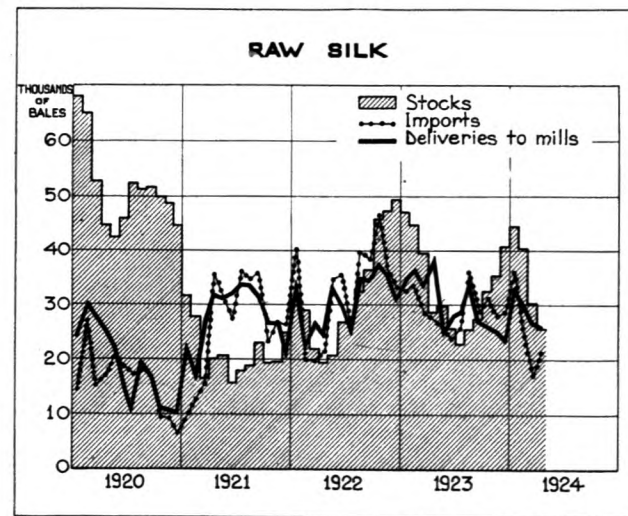
No marked weakness is apparent in quotations, and the majority of producers state that prices are about the same as they were last month. Some manufacturers have made reductions, however, and it is reported that concessions are not difficult to obtain on large orders, especially from mills that are in urgent need of business.

Reports indicate that buyers are not paying their

bills promptly. Collections range from poor to fair and are not as satisfactory as they were a year ago.

SILK

During the past month the trend of prices for raw silk in the domestic market has been unsettled. Kansai double-extra cracks advanced from \$6.05 per pound on April 24 to \$6.25 on April 30, after which they again declined to \$6.00 on May 20. Though quotations are lower at present than they have been at any time since 1921, demand for raw silk has shown little improvement. Manufacturers are for the most part unwilling to cover their advance requirements in the face of unsettled prices for raw silk, of fluctuations in yen exchange, and of unsatisfactory business in finished goods both for immediate and future delivery. Moreover, since operations in most silk mills are greatly curtailed, current consumption of raw silk is not large. This is indicated by the accompanying chart, which shows that in the past two months deliveries of raw silk to mills were considerably smaller than during the similar period in 1921 and in 1923.



Stocks of raw silk in American warehouses have shown a seasonal decrease since the first of the year. During March, 1924, imports were smaller than at any time in the past three years.

Source—Silk Association of America

But domestic supplies of raw silk are fairly light. Owing to small imports, stocks of raw silk in warehouses at New York have decreased nearly 20,000 bales since January 1, and at the present rate of deliveries supplies will last only a month. It must be remembered, however, that this decline is partly seasonal and has occurred in each of the past three years. On the other hand, the visible supplies of raw silk at Yokohama are relatively large. On May 7 these were reported by

H. L. Gwalter to amount to 30,000 bales, in contrast with only 18,000 bales a year ago.

Pronounced dulness in trade is reported by both commission and independent throwsters. Business is

Thrown silk

much poorer than it was a year ago, and partly because of seasonal reasons poorer than it was last month. Continued weakness in raw silk and slack demand for finished goods are mainly responsible for unsatisfactory conditions in the market for thrown silk. Makers of broad silks are running out of orders, and new business is limited. Although silk hosiery is in fair request, manufacturers are not only using more artificial silk, but many have reduced the weight of their products and therefore need less thrown silk. Moreover, the raw silk market is weak and unsettled. In consequence, confidence in the future is lacking, and producers are for the most part purchasing little thrown silk in excess of current requirements. One throwster reports that contracts are expiring and that owing to present unsettled conditions they are in some cases not being renewed. Most of the orders on the books of throwsters are for delivery during the next thirty days, and a few report a total lack of advance business.

Some throwsters have been able to utilize most of their equipment without accumulating stocks, but others have been forced to reduce operations drastically. At the present rate of production unfilled orders will insure operations for less than a month. Because of these conditions, throwsters have kept their stocks of both finished goods and raw materials light. Labor is in adequate supply, and wages remain unchanged.

Because of keen competition for business, of resistance on the part of buyers, and of lower prices for raw silk, quotations on thrown silk are weak, and some reductions have been made during the month. From the manufacturer's standpoint present prices are very unsatisfactory. One throwster reports that prices are ruinous, while another states that he is continually losing orders because of the quotations listed by competitors.

Collections are in many instances unsatisfactory. They have become slower since last month and are not as prompt as they were a year ago.

Business in silk goods is admittedly dull. Not only are sales much smaller than they were a year ago, but the majority of producers reporting to this Bank find that demand is less active than it was last

Silk goods

month. Since producers have practically completed their spring season, however, a decrease in sales during May was to have been expected. At present, retailers are purchasing more fabrics than are jobbers or cutters-up, but demand from them, too, has declined. Piece-dyed goods, including the various crêpes, continue to be favored, and satin-faced fabrics are becoming more popular.

As has been the case for some time, caution is the outstanding feature of the market. Buyers for the most part are disinclined to anticipate their advance requirements, but this is hardly to be wondered at in view of uncertainty as to future business and the steady decline in prices for silk goods. Orders on the books of manufacturers are with few exceptions for delivery within the next thirty or sixty days. Indeed, a number of mills have little or no business on hand and are making goods for stock and selling them as called for. Improvement is not totally lacking, however. A few producers have enjoyed a fair request for their products, and indicate that sales are larger than they were last month. Printed silk scarfs are selling actively.

Operations in this district vary considerably; some mills are running at close to capacity, while others are utilizing as little as 35 per cent of their equipment. The majority are operating at less than 75 per cent. Although manufacturers as a rule do not care to accumulate finished fabrics, stocks of which are moderate, a few find it advisable to do so in order to fill spot orders. As regards raw material, makers of silk goods have adopted the same conservative attitude as their customers and are buying sparingly for current needs. In consequence, their stocks of raw material are light. The supply of labor is for the most part adequate, but two or three firms find it difficult to secure experienced help. No revisions in wages are reported.

The almost steady decrease in quotations on silk goods which has occurred during the past few months continued during May, reductions in some cases amounting to 7½ and 10 per cent. Lower prices were principally due to three factors—weakness in raw silk, strong resistance on the part of buyers, and the desire of many manufacturers to liquidate stocks. Buyers are critical not only of prices but of the quality of the goods offered. Some producers find that customers are not paying their bills promptly and that collections have slowed up during the month. But though collections are certainly not as prompt as they were a year ago, they are on the whole satisfactory.

HOSIERY

The price trend of hosiery continues downward, and most manufacturers report that business is not as good as it was a month ago. Though women's full-fashioned silk hosiery is in fair request, activity is decreasing, but a good demand exists for silk and fiber mixtures for women and for men. For men, fancy plaids and stripes have sold better than clocked hosiery.

During March operations in 340 establishments, shown in the following table, indicate that production was almost the same as in the same mills in February. The only increases of any moment were in artificial silk hosiery for children and infants, in women's full-fashioned silk hosiery, and in women's seamless hosiery of

silk, artificial silk, and artificial silk in combination. In most other kinds production decreased. Finished stocks on hand on March 31 were slightly larger than those of a month earlier, but unfilled orders decreased more than one million dozen pairs.

HOSIERY INDUSTRY* United States

In dozen pairs	February	March
Production:		
Full-fashioned, men	81,894	83,344
Seamless, men	1,938,691	1,900,441
Full-fashioned, women	553,514	590,977
Seamless, women	1,103,850	1,112,062
Boys' and misses', all styles	625,719	608,233
Children's and infants', all styles	463,601	468,127
Athletic and sport, all styles	19,839	30,241
Total production	4,787,160	4,793,425
Total shipments during month	4,438,488	4,636,275
Total finished products on hand, end of month	8,920,657	8,933,474
Total orders booked during month	3,688,173	3,858,344
Total cancellations received during month	234,554	248,229
Total unfilled orders on hand, end of month	8,477,685	7,442,650

* Compiled by the Bureau of the Census.

Exports of hosiery in 1923 were considerably larger than in 1922, in spite of a decrease in shipments of artificial silk hosiery. Foreign markets took 5,159,750 dozen pairs of cotton hosiery, as compared with 4,792,604 in 1922. Although silk hosiery is of comparatively small importance as an article of export, the increase in

1923 was a notable one; in that year 440,885 dozen pairs were shipped abroad, as against 342,650 in 1922. Cuba was the largest buyer of cotton hosiery, followed by Argentina and England; but in the buying of artificial silk hosiery Argentina stood first, and England and Cuba second and third. In silk hosiery England was first and Argentina second. The total deliveries to Argentina were the largest, but in the late summer of 1923 a much higher duty was placed on imports of hosiery into Argentina, and thereafter shipments to that market from this country fell off sharply.

The prices of raw materials, except of artificial silk, have again declined, though the decreases on mercerized and cotton yarns have been comparatively small. Silk hosiery tram, however, has weakened, prices being about five per cent lower than they were a month ago. Because the demand is for a stocking of light weight, the amount of silk used per pair is considerably less than it was a year ago, and this may be partly responsible for the weakness in the price of hosiery tram. In the mills in this district stocks of finished goods vary considerably; more reports classify them as moderate than as either heavy or light, and approximately half of the reports state that they are about stationary. Collections are not as good as they were a month ago and in nearly all cases are either fair or poor.

Operations of the same 113 mills in the Third Federal Reserve District during March and April are itemized in the accompanying table. The only change of note is a large increase in "orders booked" and "unfilled orders" for women's full-fashioned hosiery.

HOSIERY INDUSTRY* Third Federal Reserve District

In dozen pairs	Men's				Women's			
	Full-fashioned		Seamless		Full-fashioned		Seamless	
	March	April	March	April	March	April	March	April
Production	52,557	44,658	322,698	317,098	304,619	305,785	223,208	245,548
Shipments during month	49,027	34,785	301,606	298,237	334,978	325,311	244,452	238,962
Finished product on hand at end of month	48,827	49,709	523,519	526,489	440,996	434,147	247,512	251,459
Orders booked during month	28,081	28,797	252,382	213,551	185,269	660,397	239,160	190,870
Cancellations received during month	1,392	1,568	18,144	17,301	6,123	5,508	9,995	7,973
Unfilled orders on hand at end of month	52,279	44,453	489,083	392,970	664,835	1,041,311	310,560	257,795
	Boys' and Misses'		Children's and Infants'		Athletic and Sport		Total	
	March	April	March	April	March	April	March	April
Production	25,965	21,616	112,865	111,384	6,127	4,034	1,048,039	1,050,123
Shipments during month	27,739	32,180	147,999	151,251	7,878	5,411	1,113,679	1,086,137
Finished product on hand at end of month	76,767	63,152	330,590	302,117	17,306	15,109	1,685,517	1,642,182
Orders booked during month	25,029	36,241	81,758	84,354	3,547	5,137	815,226	1,219,347
Cancellations received during month	1,331	543	4,640	6,545	360	1,390	41,985	40,828
Unfilled orders on hand at end of month	20,880	26,021	305,401	229,824	6,114	5,145	1,849,112	1,997,499

* Preliminary report compiled by the Bureau of the Census.

UNDERWEAR

The market for both light- and heavy-weight underwear is extremely quiet; in fact, producers indicate that business is almost at a standstill. Sales are smaller than they were either last month or a year ago, and as in other branches of the textile industry, confidence in the future is noticeably lacking. Manufacturers are nearing the end of their spring season, and since jobbers have not done a good business with retailers, they have found it unnecessary to place many duplicate orders with producers. Jobbers are also unwilling to anticipate their requirements of heavy-weight garments. In consequence, current sales are small and are mainly for filling in purposes. Demand for women's underwear is especially quiet, but that for men's and children's garments is not much better. Silk underwear for women is likewise in dull request. Some manufacturers, however, have enjoyed a fair business in artificial silk products.

Producers are rapidly filling what light-weight business they have on hand, and a few have entirely caught up with orders. Although a number of companies have some fall business on their books, jobbers have not as yet specified the kind of goods desired, and in view of present conditions, manufacturers hesitate to accumulate stocks. As a result they have reduced output, and half of the firms reporting to this Bank indicate that as compared with last month, operations have decreased. The majority of producers are utilizing from 40 to 60 per cent of their equipment, and some are operating at only from 10 to 30 per cent of capacity. The average rate of production for this district is about 52 per cent, in contrast with 60 per cent during the preceding month and 70 per cent during March. Curtailment has for the most part prevented the accumulation of finished goods, stocks of which are fairly light. In a few cases stocks are tending to increase, but as a rule they have remained about the same or have decreased. Supplies of raw materials are relatively small, since producers have purchased little yarn in excess of current needs. Labor is in adequate supply, and though one or two mills have advanced wages, on the whole they remain unchanged. It is noteworthy, however, that many makers of underwear in New York State have reduced wages.

Because of unsatisfactory business and some resistance to prices on the part of buyers, prices for underwear are weak. But though a few manufacturers have lowered quotations during the past month, the majority have made no revisions. Reports indicate, however, that concessions on spring underwear are obtainable.

Collections in general are satisfactory but not as prompt as they were a year ago.

FLOOR COVERINGS

On May 1, the Alexander Smith & Sons Carpet Company opened their fall lines of carpets and rugs at prices below those named in March, and during

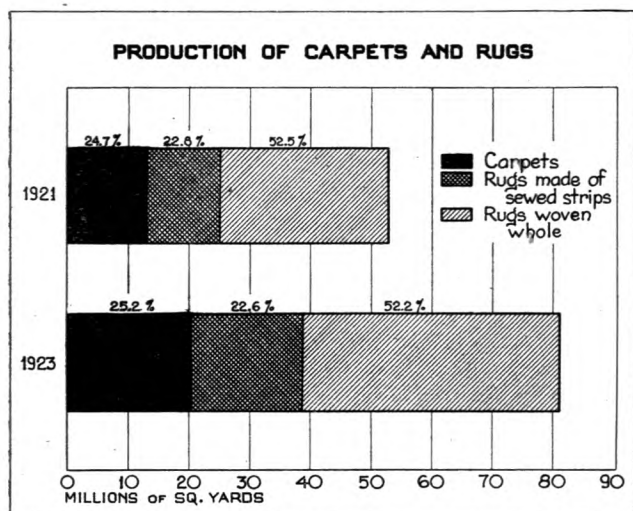
the next few days the other manufacturers showed their lines and in nearly all cases at lower prices. Buyers were present in fair numbers, but the purchases made were smaller than at any opening in recent years. Buying was so unsatisfactory that within a few days, an auction sale, to begin on May 12, was announced by the Smith company. This had the effect of further checking business, and little was done until the sale. Prices paid on the early days of the auction were extremely low, and although later in the week some lots sold at higher quotations, the prices paid throughout were weak. The following table shows the decline during recent months in the various qualities made by this factor. It should be understood that at the recent auction many lots sold at considerably above the low figures mentioned in the table. In the prices named on May 17 by the Smith firm, Wilton velvet was the only quality not reduced.

RUG PRICES

9 x 12 rug	October, 1923	March, 1924	May 1, 1924	May 12-17*	May 17
Alpine Axminsters.....	\$31.20	\$26.40	\$25.20	\$15.65	\$23.40
Ardsley ".....	33.60	28.80	26.40	18.25	25.20
Carlton ".....	42.00	37.20	36.00	22.25	31.20
Yonkers ".....	48.00	42.60	42.00	27.75	38.40
Kirman ".....	49.80	44.40	44.40	32.25	40.80
Hudson tapestry.....	18.30	17.40	16.80	10.75	15.60
Manor ".....	20.70	20.10	19.80	13.40	18.60
Nepperhan ".....	24.60	24.00	24.00	15.75	22.20
Katonah velvet.....	22.50	22.20	21.60	14.60	20.40
Palisade ".....	33.90	31.20	30.00	21.50	28.20
Colonial ".....	43.80	40.80	40.80	27.65	37.20
Wilton ".....	54.00	50.40	50.40	37.50	50.40

* Low prices at auction.

Some large manufacturers of Wiltons reduced worsted goods about 7 per cent, but wool goods were held at almost the same figures as formerly. Stock rugs were offered by some at a reduction of 5 per cent. The result of the auction sales has been to cause considerable demoralization in the trade, many manufacturers stating that present prices are so unprofitable that they are unwilling to compete for business. As a consequence, there is a general and heavy curtailment in production in this district, and in a number of cases mills have closed down. It is also reported that some large mills in New England and New York State have closed. Prices of linoleums are lower, but felt-base goods are selling at unchanged quotations. Though some manufacturers of linoleums report that sales are larger than they were a year ago, others state that the reverse is true, and all are able to make prompt delivery from stock. Production of carpets and rugs in the United States, as is shown in the following chart, increased from almost 53 million square yards in 1921 to more than 81 million square yards in 1923, a gain of 50 per cent.



The total production of rugs and carpets in the United States was more than 50 per cent greater in 1923 than in 1921, but the percentage of each kind manufactured remained practically the same. It had been thought that the output of rugs woven whole had increased at the expense of the other two varieties.

Source—Department of Commerce

The survey of employment and wages made by this Bank shows that in 15 plants making carpets and rugs the number of employees during the week of April 15 was 1.8 per cent less than in the week of March 15. Total weekly wages fell 8.1 per cent, and average weekly earnings 6.9 per cent between the same dates. Wages were reduced 10 per cent in all the Wilton mills in Philadelphia on May 1, and in New England some manufacturers also announced a cut in wages, but otherwise wage scales are unchanged.

Collections in all branches of the floor-covering trade are said to be either fair or good, but have become slower during the month.

FURNITURE

Usually at this season there is a decided increase in activity in the furniture market, which naturally is felt by both dealers and manufacturers. During this month, however, the reverse has been true, and manufacturers report that the call for furniture is materially less than it was at this time either last month or last year. This fact is said to be not so much a matter of uncertain prices as of a general disinclination to purchase anything except for immediate needs. This lack of buying is especially felt in the branch of the industry making dining and bedroom furniture. It is true that some of the cheaper articles are in greater request than are the higher priced, but sales have nevertheless been disappointing.

Though some manufacturers have succeeded in maintaining firm prices, others have found it necessary to reduce quotations, and concessions are being granted in

increasing number. The resistance is especially strong in this market to prices on bedroom and dining room furniture of the cheaper grades. However, nearly all of the firms reporting to us state that prices are very near those of a month ago.

Stocks of finished goods are from moderate to heavy and are increasing, but supplies of raw materials are mostly moderate and stationary. The average rate of operations is approximately 78 per cent of capacity, which is somewhat less than it was at this time in April. In no case will the orders on the books guarantee the present rate of production for more than 45 days, and the average period is not more than 17 days. Several manufacturers are able to fill orders as soon as received. Unfilled orders, on the whole, are fewer than they were a month ago.

There is some scarcity of skilled labor, but in most instances the supply is sufficient or plentiful. No shortage whatever is apparent in the supply of unskilled workers. No wage changes have been reported during the month. On April 15, there were 3,107 employees on the payrolls of 22 furniture factories in this district, earning an average weekly wage of \$25.33, as compared with 3,335 workers employed on March 15, with average weekly earnings of \$24.84.

Collections range from poor to good but in general are not as prompt as they were last month or in May, 1923.

LEATHER

The Chicago market in hides and skins has been active, and as packers have sold freely during the past month, stocks of April hides are now closely sold up. A fair business, too, has been done in May saltings. Prices have been higher, and as the quality has been steadily improving with the season, quotations for April and May hides and skins have for the most part been higher than those on January-March saltings. Both steer and cow hides have sold well, and calf skins have practically regained the ground lost in the previous month, having risen from 18¼ cents to 21 cents per pound. Buying for export has entered largely into the purchases of both hides and calf skins. Country hides and skins are also higher, in sympathy with the packers' market.

Quotations on sheep skins, after advancing for many months, have begun to weaken, and tanners report having received offerings at prices at least 5 per cent below those prevailing a month ago. Goat skins continue to decline, and many tanners are out of the market. A few, however, are buying spready, low-priced skins suitable for trimmings and linings. Stocks of these have decreased and are small.

During March, stocks of raw hides and skins moved somewhat irregularly. Those of cattle hides fell 3.0

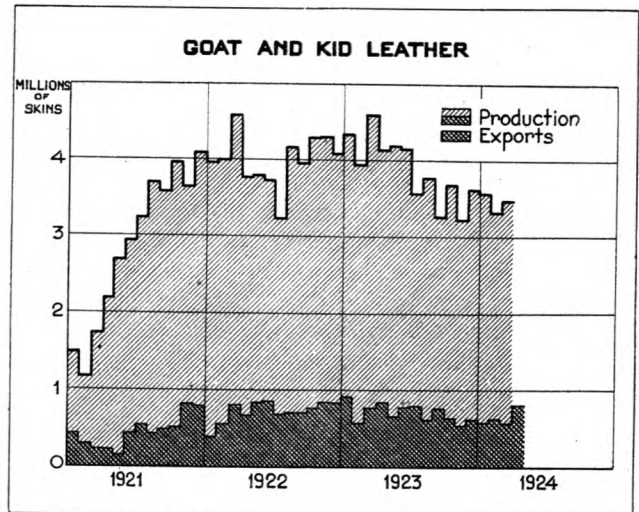
per cent and of goat and kid 14.6 per cent. But stocks of calf and kip increased 3.1 per cent, and of sheep and lamb 5.6 per cent.

The leather markets continue to be extremely dull, and though both shoe manufacturers and finders are purchasing from time to time, the total of sales is small, and it is doubtful if it equals the present curtailed output. In some cases, however, an increase in the number of inquiries is reported of late, and it is hoped that from these a larger actual business will develop.

Sales of leather belting have decreased, and likewise the demand for belting butts. Calf grain leathers in men's weights are having a fair sale, but the recent advance in the price of raw calf skins has made the position of the tanner more difficult. Kid leather in the low grades is still called for in good volume for trimmings and linings, and some tanners are sold up on small skins of the top grade; but stocks continue heavy and are not expected to decrease this month. For this reason there is talk of further curtailment in production. Sheep leather tanners continue to be the busiest in the trade, and a number of plants are in full operation. Trimming stock, hatters' leather, and chamois are in good demand, but grain splits are quiet, and buyers are objecting to the advance in the price of these which was announced during March.

Prices of most leathers still favor the buyer, though the strength in hides has tended to stiffen the market for some heavy leather tannages.

leather, which thus shows a large increase. Stocks of all leathers on March 31 were lower, except those of calf, and goat and kid. In the latter there was a gain, but a gain that was less than the increase in output, showing that during March more was sold than was made. As compared with March, 1923, the production of all leathers except of cabretta has decreased sharply, and stocks also are lower, except of belting butts and goat and kid leather.



During the past two years exports of goat and kid leather have averaged about 18 per cent of the total production. This percentage is about half of what it was before the war.

Source—Department of Commerce

LEATHER INDUSTRY*

United States

	Production during March compared with		Stocks at end of March compared with	
	February, 1924	March, 1923	February, 1924	March, 1923
Backs, bends and sides...	0	-21.2%	-2.7%	-8%
Belting butts.....	-11.5%	-24.7%	-1.9%	+11.4%
Offal, sole and belting....	-9.5%	-30.0%	-5.6%	-7.2%
Cattle side, upper.....	-25.3%	-35.4%	-3.6%	-.2%
Calf.....	-5.4%	-11.9%	+7.4%	-7.0%
Goat and kid.....	+4.1%	-24.6%	+2.6%	+13.1%
Cabretta.....	+34.7%	+16.5%	-5.4%	-22.4%

* Compiled from figures furnished by the Bureau of the Census.

As shown in the table, the only increases in production during March were in goat and kid, and cabretta leather. The heavy decrease in the output of cattle side upper leather was largely because of a change by some tanners in classification. A considerable amount formerly listed under this heading now appears as kip

The accompanying chart indicates that since the beginning of 1921 exports of kid leather have equalled less than 20 per cent of the production, and that during the past year both output and exports have tended almost steadily downwards. As about 85 per cent of the country's production of this leather is made in this district, this condition is of great importance locally.

Our survey of employment and wages discloses the fact that there has been a further decline in both of these in the leather tanning industry. In 36 tanneries reporting, the number of employees was 3.7 per cent smaller during the week of April 15 than in that of March 15. Also, total weekly wages fell 5.0 per cent, and the average weekly individual earnings dropped 1.4 per cent during the same period. Ever since October, 1923, employment and wages in this industry have been decreasing steadily. On October 15, 40 establishments employed 9,214 men at an average weekly wage of \$27.16, whereas on April 15 in 36 tanneries 8,122 were employed at an average weekly wage of \$25.97, a decrease of \$1.19 or 4.3 per cent.

Collections are in general good and are better than they were a month ago.

The majority of the shoe manufacturers reporting to this Bank state that business continues to be poor, is in fact worse than it was a month ago, and that unfilled orders have decreased. A few factories, however, continue to work at capacity and report that business is fair, although some of these also state that unfilled orders are lower. A number of factories have only from ten days' to two weeks' business on the books and have reduced operations. Our survey of employment and wages shows that in 30 factories reporting on these subjects, though the number of employees during the week of April 15 was 1.4 per cent larger than during the week of March 15, the total weekly wages paid declined 1.5 per cent and average weekly earnings 2.9 per cent. In factories making women's shoes of the finer grades nearly all orders are for shipment within a few weeks, but certain makers of children's and misses' shoes have booked some business for delivery extending into July; these orders, however, are not nearly as large as they were a year ago. Prices of shoes continue to be fairly steady. Although some sales made to reduce stocks have been at considerable reductions, such sales are usually followed by advertised sales by department stores, which in most cases are the purchasers.

Some manufacturers are disappointed at the lack of new business, for they felt that because of the increase of sales and the reduction of stocks both by wholesalers and retailers, new orders would come in in fair volume.

For women's shoes, black is the predominating color and patent leather and satin the most popular materials. White shoes, however, are also in fair request. But colored suede in the gray and brown shades has become dull. In March, production of shoes in the United States, although larger than in either January or February, was far below that for March, 1923, as is indicated in the following table.

BOOT AND SHOE PRODUCTION*
United States

	1923	1924
January.....	30,743,740 pairs	26,497,156 pairs
February.....	30,300,606 "	26,831,908 "
March.....	35,836,219 "	28,802,688 "
Total.....	96,880,565 pairs	82,131,752 pairs

* Figures compiled by the Bureau of the Census.

In the Third Federal Reserve District 104 identical factories made 3.8 per cent fewer shoes in April than in March, as is shown in the following table.

Stocks of shoes in the hands of manufacturers are described for the most part as moderate and stationary, though a fair proportion of the reports say they are

BOOT AND SHOE PRODUCTION*
Third Federal Reserve District

	Number of pairs	
	April, 1924	March, 1924
Boots and shoes, total.....	1,715,949	1,783,516
High and low cut (leather) total.....	1,569,040	1,655,041
Men's.....	135,779	139,238
Boys' and youths'.....	149,957	145,487
Women's.....	257,424	327,258
Misses' and children's.....	569,857	586,541
Infants'.....	456,023	456,517
All other leather or part leather footwear†	146,909	128,475

* 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.

heavier than they were a month ago. Labor, both skilled and unskilled, is in ample supply, and in this locality wages are unchanged. In New England, however, a number of reductions have been made. Collections are fair and in general unchanged, but some firms state that they have improved during the month.

At wholesale, sales during April were larger than either in March or in April, 1923, and stocks were reduced considerably, as is shown by the table on page 12. But business has decreased in May, and preliminary reports are that sales will be smaller than in May, 1923.

RETAIL SHOE TRADE

Third Federal Reserve District

1. NET SALES (in terms of dollars):

April, 1924, as compared with March, 1924..... +46.1%
April, 1924, as compared with April, 1923..... +28.8%

2. STOCKS (selling price):

April, 1924, as compared with March, 1924..... -4.4%
April, 1924, as compared with April, 1923..... -0.4%

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

January 1 to April 30, 1924..... 3.5
January 1 to April 30, 1923..... 3.3
Number of stores reporting above items:
1.....22 2.....20 3.....19

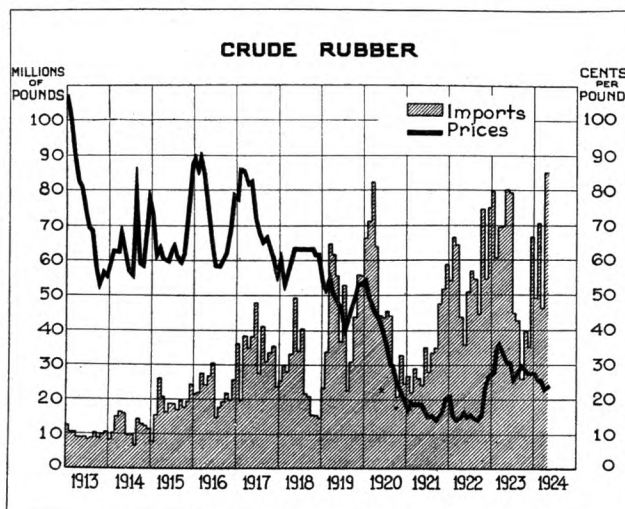
Retail business has been retarded by the cool and rainy weather, and reports indicate that sales are smaller than they were a year ago. Sales during April showed an increase over those both in March and in April, 1923, and stocks are now lower than they were a year ago. For several months previous to this reduction they had been larger than in the corresponding period last year.

Some stores report that men's shoes are not selling as well as women's and children's. For women, patent leather and satin are the most called for materials in the various pump and sandal effects. Patent leather is also in good request for children.

RUBBER

Factors affecting both supply and demand have contributed to weakness in the domestic market for crude rubber. Despite the large output of tires during the past few months, manufacturers have been but poor customers, since they have restricted their purchases of rubber mainly to current needs. This is not remarkable, however, in view of the almost continuous decline in the price of crude rubber since last fall. On the other hand, though imports have not equalled the record of a year ago, they are relatively large. During the first four months of 1924 they aggregated 251,146,482 pounds, as compared with 279,003,630 pounds in 1923, 228,377,767 pounds in 1922, and 103,441,321 pounds in 1921.

In consequence, prices for crude rubber have weakened, and on May 20 first latex crêpe was quoted at 18¼ cents per pound, in contrast with 26⅞ cents on January 5, 1924, and 37⅞ cents on January 23, 1923. Prices and imports of rubber for the past decade are shown by the accompanying chart. It is significant that as imports have increased quotations have declined. The lowest point reached was in the fall of 1922, when rubber sold for less than 15 cents a pound. From August, 1922, to February, 1923, prices more than doubled, owing to the adoption of the Stevenson restriction plan and to improved demand from consumers. Since February, 1923, quotations have again dropped, and though the present price of 18¼ cents is



The price of crude rubber has fallen almost continuously since the early part of 1923, when it reached a peak following increased demand and the adoption of the Stevenson plan to restrict exports from the British East Indies.

Sources—War Industries Board, India Rubber World, Dun's Review and Department of Commerce

somewhat higher than that in 1921 and 1922, it is low in comparison with the average price of about 67 cents for Para rubber from 1913 to 1918.

Reports on the rubber tire business from manufacturers and dealers in this district are conflicting.

Rubber tires

Several firms note a seasonal increase in sales and are enjoying a brisk demand for their products. Sales for the first quarter of 1924 have in some cases exceeded those of a year ago. On the other hand, a number of manufacturers state that sales have not improved and that business is unsatisfactory for this time of year. Some makers of inner tubes report that demand is poor and that concessions have failed

PNEUMATIC CASINGS*

Month	Inventory			Production			Shipments		
	1924	1923	1922	1924	1923	1922	1924	1923	1922
January	4,808,084	4,695,916	4,174,216	3,220,292	3,127,270	2,055,134	2,785,335	2,994,297	1,596,806
February	5,265,133	5,224,387	4,691,329	3,278,674	3,217,987	2,084,308	2,771,000	2,588,639	1,562,365
March	5,814,000	5,670,601	5,183,286	3,354,000	3,855,726	2,645,790	2,805,133†	3,322,637	2,073,963
April		6,088,272	5,464,336		3,539,326	2,401,187		2,976,160	2,086,651
May		6,906,594	5,523,095		3,659,986	2,721,503		2,757,764	2,639,273
June		7,040,600	5,042,147		2,956,943	2,838,890		2,502,185	3,133,260
July		6,471,124	4,834,106		1,992,989	2,476,636		2,539,425	2,695,095
August		6,058,387	4,629,392		2,355,915	2,905,209		2,807,432	3,029,823
September		5,397,557	4,612,037		2,029,581	2,504,744		2,623,775	2,502,106
October		4,876,352	4,682,958		2,361,340	2,674,662		2,819,583	2,588,770
November		4,689,329	4,964,976		2,399,725	2,733,134		2,456,296	2,379,708
December		4,329,300	4,599,208		2,437,148	2,656,942		2,603,617	2,934,079
Total	15,887,217	87,448,419	58,401,086	9,852,966	33,933,936	30,698,139	8,361,468	32,991,810	29,221,899
Monthly average	5,295,739	5,620,702	4,866,757	3,284,322	2,827,828	2,558,178	2,787,156	2,749,318	2,435,158

* Rubber Association of America.
† Estimated.

to stimulate it. Manufacturers are agreed that buyers are unwilling to make commitments for the future and that most of the sales are for spot delivery.

Although a few companies have recently reduced prices for rubber tires, the majority have made no revisions, notwithstanding considerable resistance on the part of buyers and cheaper costs of raw materials. Operations in this district vary. Some plants are running at capacity, while others are utilizing only half or three-quarters of the available equipment. Several producers report some difficulty in making collections.

The production of tires in the country as a whole has been relatively large, as is indicated by table on page 31. Production increased about a third from December to January, and during the first quarter of 1924 the total output almost equalled the record of a year ago. Shipments, however, have failed to show a corresponding gain, with the result that inventories of pneumatic casings increased 34.3 per cent during the three months ending March 31, 1924.

Stocks on that date were heavier than they were a year ago and were only about 1,200,000 casings less than on June 30, 1923, when stocks were considered abnormally large. It is noteworthy that many automobile manufacturers have recently curtailed production.

For the most part business in rubber goods is not satisfactory, and in many instances sales compare unfavorably with those of a year ago.

Mechanical rubber goods

The majority of producers find that since April 15 demand has diminished and that at present it is only fair or poor. Manufacturers attribute this mainly to lessened activity in many industries that are large consumers of rubber products. Neither the iron and steel trade nor the railroads have purchased mechanical rubber goods actively; indeed, nearly all buyers show a disinclination to make forward commitments, and the bulk of the sales are for spot delivery. This is not remarkable, however, in view of the unsettled condition of business in general and the decline in prices for raw materials used in the rubber trade. On the other hand, a few firms have enjoyed a fairly good demand for their products and report an increase in sales. Some producers have received satisfactory orders from the construction trade, which for the most part is busy.

Manufacturers in this district state that at present rubber hose and belting are selling better than other products. But although garden hose is seasonally active, dry weather is needed to stimulate sales from the hands of distributors. This is likewise true of other seasonable goods, such as tennis and sport shoes. Since many dealers are unable to liquidate their stocks of rubber boots and shoes on account of the open winter, orders for these products for next season have been small, and much of the business is still to be placed. Demand for rubber soles and heels to be delivered promptly is but fair, and some producers have reduced

prices. Trade in hard rubber goods is dull; a number of producers note a sharp decrease in sales to the radio and automotive industries, but others find that hard rubber for radio purposes is still moving well.

Because of smaller sales, many makers of rubber goods have reduced production. Reports from twenty manufacturers in this district show that the number of wage earners employed was 4.2 per cent smaller on April 15 than on March 15. Although some firms have utilized most of their equipment during the past month, the majority have operated at from 50 to 75 per cent of capacity. Stocks of finished goods are on the average about the same as those of a year ago, but in some cases they are tending to increase. Since buyers are covering only current requirements, however, manufacturers feel that stocks in the hands of their customers are light. The supply of labor is adequate.

Prices for rubber goods are tending downward on account of competition, resistance on the part of buyers, and lower costs of crude rubber and of cotton fabrics. Many producers report that prices are unchanged, but others have made slight reductions during the past month. Returns indicate that collections are not altogether satisfactory, since buyers are not paying their bills as promptly as in the early part of the year. In general, however, collections are fair.

PAPER

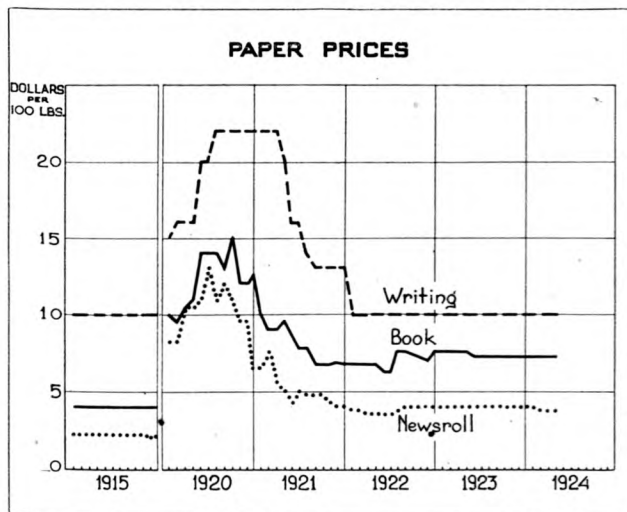
A falling off in orders since April is reported by the majority of paper manufacturers, and the present demand is only fair. No mills in this district find business as good as it was in May, 1923. Book and fine papers are still selling in large volume, and operations at mills making these are unchanged at 85 per cent. Wrapping papers, particularly manilas and krafts, are not moving as well as they did in April, and production has declined. Toilet tissues and crêpe towels, which since the first of the year have been in good demand, are selling less actively than they were a month ago, and output has slightly decreased. Building and roofing papers are in only fair request, and few mills are operating at more than 75 per cent of capacity. The call for glassine and wall papers, however, is well maintained. Mills making boxboards state that business is fair or poor and smaller than it was last month. Envelope makers report a decrease in orders and a reduction of factory operations to 70 per cent.

Buying continues to be in small lots for spot requirements only, and most of the mills have only two weeks' business on hand. Jobbers report that their sales are smaller than those of a month ago. As is shown in the table on page 12, wholesale paper sales in April were not as large as in April, 1923.

But despite the slackening in demand, paper prices have held firm and are practically the same as they were a month ago. Concessions in boxboards, however, are obtainable. Prices of mechanical pulp are firm, and

some grades of chemical pulps have advanced from .2 to .3 cents per pound.

As will be noted in the accompanying chart, writing and book papers have shown no change in price for many months; but newsroll dropped about 6 per cent in February. Writing paper prices are the same as they were in 1915, but book and newsroll papers are nearly twice as high as at that time.



Writing and book papers have not changed in price for many months, but newsprint dropped in March. Book papers and newsroll are nearly twice as high as they were in 1915, but writing paper is back to the 1915 level.

Source—Dun's Review

Finished stocks at the mills vary from light to moderate and are stationary; the same is true of supplies of raw materials. Sufficient supplies of both skilled and unskilled labor are available, and wages are unchanged. Collections range from fair to good.

PAPER BOXES

A further decline in new orders is noted by many box-makers, and production is not as large as it was in April. The present demand is only fair and at some factories poor. The candy trade, the knitted goods lines, and the shirt industry are buying but small quantities. The foodstuffs, hardware, electrical supply, soap, and perfume industries continue to purchase in good amount, but only for immediate needs. Manufacturers of folding boxes are fairly busy, but no makers of set-up boxes are operating at capacity. The average of operations at the news and chip board box plants is about 70 per cent. Producers of corrugated boxes and fiber shipping containers report that the demand for their products is much the same as it was last month. Corrugated box factories are operating at about 60 per cent and fiber box plants at 80 per cent. The majority of

the orders booked by manufacturers are for delivery within 30 days. In general, the demand for all kinds of boxes is poorer than it was in May, 1923.

Box prices display considerable weakness, and competition among manufacturers is severe. Many complaints are heard of the cutting of prices to below cost in order to obtain orders. Although the majority of manufacturers have not changed their quotations since April, about one-third of the reports state that prices are lower. Chip and newsboard are the same as they were a month ago, and practically no distress lots have been offered in the Philadelphia market this month. Concessions in prices of strawboard, jute liner, and container boards are still obtainable.

Stocks of finished boxes vary from light to moderate and are decreasing slightly. Supplies of raw materials are moderate in size and are also declining. The supply of both skilled and unskilled labor is plentiful, and wages are unchanged. Collections vary from fair to good and are the same as they were last month.

CIGARS

Manufacturers reporting to us state that demand for cigars is fair and in some instances good. Larger sales have been made during the latter part of April and thus far in May than were made in the corresponding period a month ago, and the call in general is now fully as good as it was at this time last year, if not better. One large maker states that sales during April were heavier than in any similar month in the history of his company. Most of the call is for "C" grade cigars, but both "A" and "B" grades are moving fairly well. Very few price changes have occurred, and quotations are generally firm. But in a few cases prices are said to have been slightly reduced. As is usual, some little resistance is being encountered to present prices, but this has had practically no effect on the volume of unfilled orders, which is about the same as it was a month ago. Stocks of both finished goods and raw materials are moderate and stationary, but there are some indications that supplies of the latter will soon decrease.

Producers reporting to this bank are operating at nearly 80 per cent of capacity, or at about the same rate as they were at this time in April; and orders on hand will support this scale of production for an average period of about two weeks. In many cases, orders received are for immediate delivery, and this is necessitating makers whose stocks are fairly small to work on current business.

The supply of skilled labor is more than ample, and though in several cases the wages of skilled workers have been reduced 10 per cent, those of the unskilled are practically the same as they were during April. Collections are either fair or good and are the same as they were at this time both last month and last year.

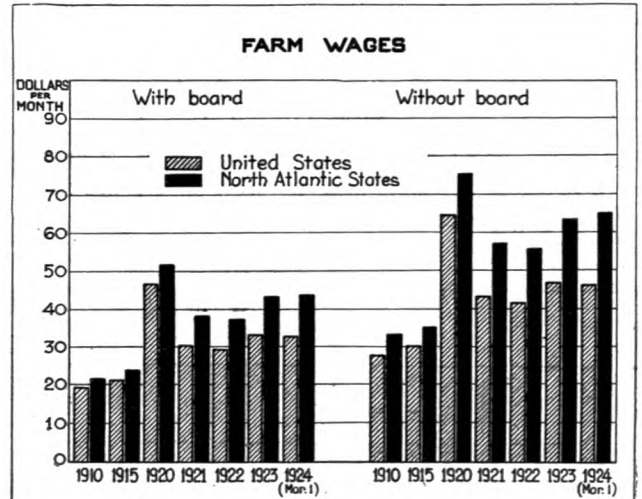
AGRICULTURE

Continued cool and rainy weather during the greater part of the month has retarded the early crops and delayed planting in all parts of the district. Reports from county agents state that all crops are from ten days to two weeks behind their normal development. The weather, however, has greatly favored fruit crops, as damage by killing frosts has been negligible, and the outlook for the fruit yields is distinctly good. With the exception of apples, some varieties of which have not bloomed as heavily as usual, the production of fruits in this district should equal or exceed that of 1923. The strawberry yield should be heavy, considering the stand, which was adversely affected by the long drought of last summer. Abundant rainfall has greatly benefited hay and grain crops and pastures, and except in some of the mountainous districts, where considerable winter killing occurred, the condition of these crops is better than it was a year ago. The stand of timothy hay is generally reported as excellent; but that of alfalfa and clover in many counties is only fair or even poor, because of the heavy amount of winter killing. Pastures, though late, are in good condition. Except in Delaware, the condition of winter wheat on May 1 was considerably better than on May 1, 1923; and that of rye, over the whole district, is at least as good as it was a year ago.

The production of both wheat and rye will be smaller than it was last year and less than the average for the past ten years, chiefly because of a reduction in the acreage planted. The wheat acreage in the Third District is approximately 6 per cent smaller than it was in 1923, and the rye acreage from 4 to 5 per cent smaller.

Practically all of the early truck crops grown in this district have now been planted, but seeding has been from ten to fifteen days late. In the higher counties the early corn, potatoes, and oats have not yet been entirely planted, and seeding will not be completed until June 1. The New Jersey department of agriculture reports that the acreage planted to tomatoes, asparagus, and celery (spring crop) will be larger than it was last year; but that of strawberries, green peas, lettuce, onions, string beans, and sweet corn will be smaller. The acreage of cabbage is about the same.

Although the supply of farm labor is greater than it was last spring, it is not equal to the demand. Good tenant farmers are particularly scarce, and reports from many counties indicate that fewer farms will be worked this year than ever before. Some farm agencies place



Farm wages in the North Atlantic States are higher than they were in any previous year save 1920. The average for the United States, however, is slightly lower than it was a year ago.
Source—Department of Agriculture

the reduction in acreage as compared with 1923 at as high as 5 per cent, but over the entire district it will probably not exceed 2 per cent. A considerable part of the land that will not be planted is good fertile farm land.

Farm wages in this district are higher than they were a year ago, despite the fact that the average for the entire United States is somewhat lower. The preceding chart shows that farm wages in the north Atlantic states are higher than they have been at any time in the last quarter of a century except in the year 1920.

About 75 per cent of the steers which were fattened in this district have been marketed, and the balance will be marketed by June 1. The condition of dairy cows in many counties is not as good as it was a year ago, and the cattle are thin, because of the shortage of roughages on many farms. However, with abundant pastures now available and a good crop of hay in prospect, the condition of the dairy herds should soon improve. The spring litters of hogs have not been as large as was expected by hog breeders, and in many cases there have been high percentages of loss in litters that were farrowed. But the general condition of hogs is good, and horses and mules are up to normal.

The outlook for the crops of this district has seldom been more hopeful at the start of the growing season. The shortage of farm labor is the only unfavorable factor in the present agricultural prospect.

COMPILED AS OF MAY 21, 1924.

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

BUSINESS INDICATORS

Third Federal Reserve District

The following data refer to the Third Federal Reserve District except where otherwise noted	April, 1924	March, 1924	April, 1923	April, 1924 compared with	
				March 1924	April 1923
Retail trade—net sales † (156 stores).....	\$26,800,000	\$22,800,000	\$22,000,000	+17.5%	+21.8%
Department (64 stores).....	\$20,600,000	\$18,000,000	\$17,600,000	+14.4 "	+17.0 "
Apparel (49 stores).....	\$4,500,000	\$3,500,000	\$3,000,000	+28.6 "	+50.0 "
Shoe (22 stores).....	\$600,000	\$400,000	\$400,000	+50.0 "	+50.0 "
Credit (21 stores).....	\$1,100,000	\$900,000	\$1,000,000	+22.2 "	+10.0 "
Wholesale trade—net sales (173 firms).....	\$11,619,000	\$11,972,000	\$12,018,000	- 2.9 "	- 3.3 "
Boots and shoes (13 firms).....	\$532,000	\$443,000	\$453,000	+20.1 "	+17.4 "
Drugs (15 firms).....	\$1,531,000	\$1,561,000	\$1,453,000	- 1.9 "	+ 5.4 "
Drygoods (19 firms).....	\$1,024,000	\$1,164,000	\$1,152,000	-12.0 "	-11.1 "
Electrical supplies (6 firms).....	\$620,000	\$672,000	\$711,000	- 7.7 "	-12.8 "
Groceries (60 firms).....	\$4,013,000	\$4,217,000	\$4,150,000	- 4.8 "	- 3.3 "
Hardware (32 firms).....	\$2,370,000	\$2,275,000	\$2,498,000	+ 4.2 "	+ 5.1 "
Jewelry (16 firms).....	\$394,000	\$425,000	\$435,000	- 7.3 "	- 9.4 "
Paper (12 firms).....	\$1,135,000	\$1,215,000	\$1,166,000	- 6.6 "	- 2.7 "
Production:					
Shoes* (104 factories).....	1,715,949 prs.	1,783,516 prs.	.....	- 3.8 "	.....
Pig iron.....	211,975 tons	228,026 tons	242,792 tons	- 7.0 "	-12.7 "
Hosiery* (113 mills).....	1,050,123 doz. prs.	1,048,039 doz. prs.	.....	+ 0.2 "	.....
Iron castings (37 foundries).....	7,203 tons	6,503 tons	.....	+10.8 "	.....
Steel castings (5 foundries).....	2,356 tons	.....	.....	.....	.....
Cement.....	3,024,000 bbls.	3,087,000 bbls.	2,996,000 bbls.	- 2.0 "	+ 0.9 "
Anthracite.....	6,811,000 tons	8,114,000 tons	8,063,000 tons	-16.1 "	-15.5 "
Bituminous coal (Central district—percentage of full-time output).....	38.1%	55.9%	58.3%	-31.8 "	-34.6 "
Wool consumption* (75 mills).....	6,808,400 lbs.	8,283,863 lbs.	.....	-17.8 "	.....
Active cotton spindles (Pennsylvania and New Jersey).....	567,700	582,524	586,106	- 2.5 "	- 3.1 "
Distribution:					
Freight car loadings (Allegheny district—weekly average).....	182,000	194,000	209,000	- 6.2 "	-12.9 "
Tonnage of vessels (Port of Philadelphia).....	2,904,000 tons	2,727,000 tons	2,840,000 tons	+ 6.5 "	+ 2.3 "
Exports of wheat (from Port of Philadelphia).....	3,864,561 bus.	2,367,209 bus.	3,480,619 bus.	+63.3 "	+11.0 "
Exports of flour (from Port of Philadelphia).....	5,866,000 lbs.	7,190,000 lbs.	11,740,000 lbs.	-18.4 "	-50.0 "
Imports of crude oil (into Port of Philadelphia).....	14,322,000 gals.	23,184,000 gals.	30,595,000 gals.	-38.2 "	-53.2 "
Financial:					
Loans, discounts and investments of member banks (weekly average).....	\$938,600,000	\$923,400,000	\$929,300,000	+ 1.6 "	+ 1.0 "
Bills discounted held by Federal Reserve Bank of Philadelphia (daily average).....	\$40,500,000	\$41,900,000	\$56,700,000	- 3.3 "	-28.6 "
Acceptances executed (12 banks for month ended 10th of following month).....	\$3,108,000	\$3,596,000	\$3,767,000	-13.6 "	-17.5 "
Bankers' acceptances sales (5 dealers—weekly average for period ended middle following month).....	\$556,000	\$519,000	\$983,000	+ 7.1 "	-43.4 "
Commercial paper sales (5 dealers).....	\$6,500,000	\$10,364,000	\$6,865,000	-37.3 "	- 5.3 "
Savings deposits (78 banks).....	\$487,634,000	\$485,682,000	\$453,056,000	+ 0.4 "	+ 7.6 "
General:					
Debits (18 cities).....	\$1,942,353,000	\$1,873,806,000	\$1,863,477,000	+ 3.7 "	+ 4.2 "
Commercial failures.....	63	83	63	-24.1 "	0
Commercial failures—liabilities.....	\$1,548,342	\$1,724,650	\$1,775,463	-10.2 "	-12.8 "
Building permits (15 cities).....	\$28,225,000	\$23,464,000	\$29,162,000	+20.3 "	- 3.2 "
Building contracts awarded (Philadelphia district).....	\$38,875,174	\$27,014,785	\$30,553,000	+43.9 "	+27.2 "
Employment—number of wage earners (1033 plants in Pennsylvania, New Jersey and Delaware).....	\$395,077	\$399,531	.....	- 1.1 "	.....
Average weekly earnings (400,000 wage earners in Pennsylvania, New Jersey and Delaware).....	\$26.58	\$26.69	.....	- 0.4 "	.....
Sales of life insurance (Pennsylvania, New Jersey and Delaware).....	\$81,989,000	\$81,902,000	\$68,419,000	+ 0.1 "	+19.8 "

*Bureau of Census preliminary figures.
†Estimated

WHAT ARE FEDERAL RESERVE NOTES?

Federal reserve notes are direct obligations of the United States and are receivable by all national banks and member banks and by Federal reserve banks, and for all taxes, customs, and other public dues, but they are not legal tender for private debts. These notes are redeemable in gold upon the demand of the holder at the Treasury Department of the United States in Washington, or in gold or lawful money at any Federal reserve bank.

The means by which Federal reserve notes are issued and the security behind them is of considerable interest. Any Federal reserve bank may make application to the Federal reserve agent (the local representative of the Federal Reserve Board) for such amounts as it may require, accompanying its application by a tender of collateral equal to the amount of notes applied for. This collateral consists of notes or bills acquired either by rediscount from member banks or by purchase in the open market, or gold or gold certificates.

Against its Federal reserve notes that are in active circulation a Federal reserve bank is required to hold a gold reserve of 40 per cent. But any gold deposited with the Federal reserve agent as collateral may be counted as part of this required reserve. In order to redeem its notes in gold when presented at the United States Treasury each reserve bank must carry a gold fund with the Treasurer of the United States of at least 5 per cent of its outstanding notes not covered by gold collateral, but this redemption fund counts as part of the required reserve of 40 per cent.

Federal reserve notes, then, are secured as follows: (1) they are a direct promise or obligation of the United States and of the issuing Federal reserve bank; (2) they have collateral behind them of at least 100 per cent consisting of eligible paper or gold; (3) a gold reserve of 40 per cent is required; (4) they are a first lien on the assets of the issuing Federal reserve bank.

One of the prime reasons for providing for the issuance of Federal reserve notes was to secure an elastic currency, that is a currency that would expand and contract with the needs of business. This was accomplished by permitting the issue of these notes largely against commercial paper. For example, when member banks are being called on heavily for loans they rediscount with their Federal reserve bank some of their eligible notes. The reserve bank, in turn, deposits this paper with the Federal reserve agent, receiving from him a like amount of Federal reserve notes which may be turned over to member banks in return for the notes it has rediscounted, or circulated in some other way.

Contraction is practically automatic; if the needs of business diminish there is less need for currency and less borrowing at the member banks; these in turn reduce their rediscounts at their reserve banks by turning over to it funds received from the repayment of

loans and from deposits. In times of declining business it is usual for the member banks to repay much of their borrowing with Federal reserve notes deposited with them by their customers.

It should be noted, however, that an increase in rediscounts by a Federal reserve bank does not necessarily increase the circulation of Federal reserve notes, as the member bank that offers the paper may wish to build up its reserves, leaving the proceeds of the discounted paper on deposit at the Federal reserve bank. That is, the circulation of Federal reserve notes does not increase unless there is a demand for more currency. Such an increase in demand is especially noticeable during the Christmas holiday season, when the larger volume of retail trade necessitates the use of a greater amount of hand-to-hand money.

It should be clear from the foregoing explanation that the process of rediscounting for member banks, and the process of issuing Federal reserve notes are two co-ordinated powers, which, in some respects are independent of each other. Let us assume that \$60,000 of eligible paper is rediscounted by a reserve bank for a member bank, and, together with \$40,000 in gold, is deposited by the reserve bank with the Federal reserve agent in exchange for \$100,000 in Federal reserve notes, and that these notes are paid out to the member bank, or otherwise put into circulation by the reserve bank. If the whole \$100,000 of Federal reserve notes is needed in circulation (because of the demands of business) it will stay out regardless of the maturity of the paper which serves as security for these notes. It may happen, however, that these notes are not needed in circulation, in which case they will in all probability be deposited by the member bank in the Federal reserve bank before the maturity of the paper, in which case the reserve bank can itself give gold or deposit credit for them, and, if it desires to do so, present the whole amount to the Federal reserve agent and receive back the \$60,000 in paper which has not yet matured, and the \$40,000 in gold originally deposited with him as security. But let us suppose that these notes stay out at least until the maturity of the collateral. In that case, the member bank must make payment to the reserve bank either in gold or in notes. If paid in gold the gold must be turned over to the Federal reserve agent in order that the paper may be released by him, and he will then hold \$100,000 in gold against the \$100,000 of Federal reserve notes which have been issued to the reserve bank. If, on the contrary, the \$60,000 in paper is paid by the member bank to the reserve bank in Federal reserve notes, these can be turned over to the Federal reserve agent in exchange for the \$60,000 in paper released by him to the reserve bank for collection and payment. He will then hold \$40,000 in gold against the \$40,000 of Federal reserve notes still remaining in circulation.