THE BUSINESS REVIEW

THIRD FEDERAL RESERVE DISTRICT
PHILADELPHIA AUGUST 1, 1924

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FEDERAL RESERVE BANK *of* PHILADELPHIA

BUSINESS CONDITIONS IN THE UNITED STATES

Production of basic commodities and factory employment showed further large declines during June. Trade, both at wholesale and retail, also decreased during the month and was in smaller volume than a year ago.

Production

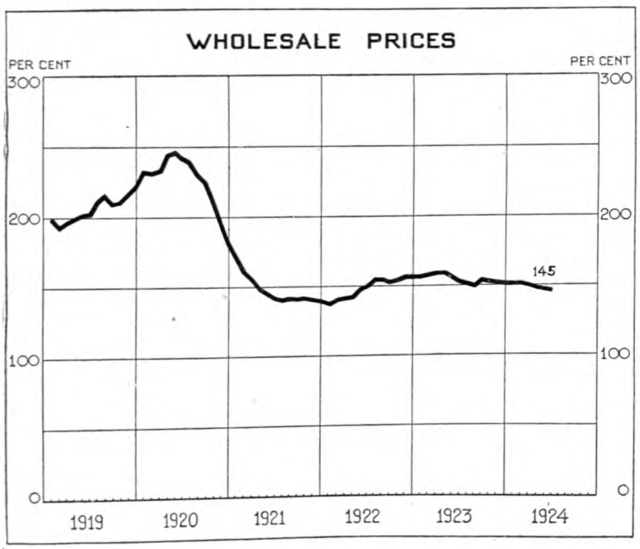
The Federal Reserve Board's index of production in basic industries, adjusted to allow for seasonal variations, declined about 9 per cent in June to a point 22 per cent below the level of the first two months of the year. Iron and steel and cotton manufacturing industries continued to show the most marked curtailment of activity, and decreases were general in other industries. Factory employment decreased 3 per cent in June, the metal, automobile, textile, and leather industries reporting the largest reductions in forces. The value of building contracts awarded in June was 8 per cent smaller than in May, though 4 per cent larger that in June of last year.

The condition of the corn crop on July 1, as reported by the Department of Agriculture, was the lowest on record for that date and indicated a probable yield about 500,000,000 bushels less than last year. The condition of the cotton crop was reported less satisfactory than month earlier, while forcasts for wheat and oats were larger than in June.

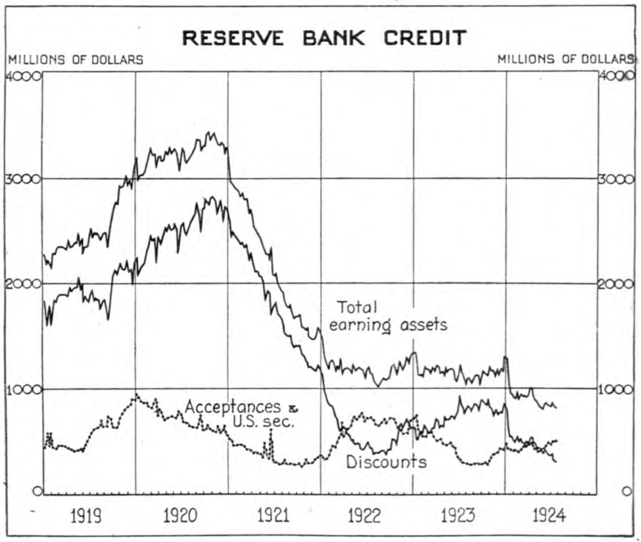
Trade

Railroad shipments decreased in June and were about 15 per cent less than a year ago, owing to smaller loadings of all classes of freight except grain and livestock. Wholesale trade showed a further slight decline in June and was 11 per cent smaller than a year ago. Sales of hardware, drugs, shoes, and dry goods decreased, while sales of groceries and meat increased slightly. Sales of department stores and chain stores showed more than the usual seasonal decrease during June and were smaller than last year. Mail order sales in June showed less than the usual seasonal decline and were larger than a year ago. Department stores further reduced their stocks of merchandise and slightly increased their outstanding orders.

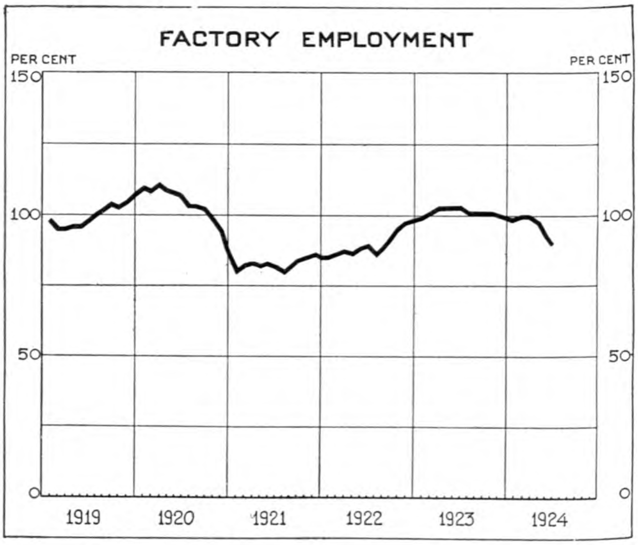
Index of 22 basic commodities corrected for seasonal varation (1919-100). Latest figure—June, 94.



Index of U. S. Bureau of Labor Statistics (1913-100, base adopted by Bureau). Latest figure—June, 145.



Weekly figures for 12 Federal Reserve Banks. Latest figure—June 23.



Index of 33 manufacturing industries (1919-100). Latest figure—June, 90.

Prices

Wholesale prices, as measured by the index of the Bureau of Labor Statistics, declined more than 1 per cent in June to a level 5 per cent below the high point for this year. Prices of all groups of commodities, except clothing, showed declines and decreases were particularly large for building materials. During the first three weeks of July quotations on wheat, corn, and hogs advanced sharply, while prices of sugar, cotton goods, and iron and steel products were lower.

Bank credit

Commercial loans at member banks in leading cities during June and the first two weeks of July remained at a relatively constant level, considerably below the peak reached in April, while investment holdings and loans secured by stocks and bonds increased rapidly and carried total loans and investments to the high point for the year. Demand deposits, owing partly to the growth of bankers' balances at financial centers, advanced to a record level.

At the reserve banks there was a continued decline in discounts and an increase in purchases of government securities in the open market. As a consequence, total earning assets in the middle of July were only slightly less than at the beginning of June. Member bank reserve balances increased rapidly, reflecting a return flow of currency from circulation and further imports of gold; total deposits at the reserve banks on July 16 were larger than at any time since the organization of the system.

Money rates in July were comparatively steady but continued to show a somewhat easier tendency. Discount rates at the Federal Reserve Banks of Kansas City and Dallas were reduced during July from $4\frac{1}{2}$ to 4 per cent.

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SUMMARY OF BUSINESS CONDITIONS
IN THE
THIRD FEDERAL RESERVE DISTRICT

Business activity declined again in July, and hesitation in placing orders for future delivery and the persistence of small purchases continued. In June, production of basic commodities declined further, wholesale commodity prices again fell off, and the distribution of goods continued to slacken. At the same time, the number of employees at industrial establishments decreased.

Industries are almost unanimous in reporting little change in the demand for goods during July. Iron and steel continue to move sluggishly, and though here and there inquiries have increased, little business has resulted. A slightly better feeling has developed in certain of the textile products, notably in silk goods, raw wool, and woolen and worsted yarns, but as a rule conditions are said to be unsatisfactory. Orders are for small amounts and generally require prompt shipment. Building materials have been in fair request, and cement is selling even better than it was a year ago. The estimated cost of building permits issued in this district during June was only slightly below that of May, and was greater by over $3,000,000 than that of June, 1923.

Summer dullness is more pronounced than usual in the paper trade, and paper boxes are in no better demand than they were a month ago. The call for bituminous coal shows no improvement and, as is usual at this season, anthracite is moving slowly. Hides and leather have shown a better tone recently and orders for shoes have increased. Favorable weather during recent weeks has improved the agricultural situation, though all crops are late. It is believed that most grain yields will be lower than those of last year, but the fruit yield promises to be bountiful.

Distribution of goods, as measured by retail and wholesale trade and by freight car loadings, continued to decline. In June, sales at retail were 7.5 per cent less than those of June, 1923. Of the eight wholesale lines reporting to this Bank, all but one show smaller sales than a year ago, and in only two lines were they larger than those of May. Freight car loadings in the Allegheny district, though larger than they were a month ago because of seasonal factors, have been running over 15 per cent smaller than they were last year.

The number of employees at over 1,000 industrial establishments in Pennsylvania, New Jersey and Delaware declined 3.7 per cent between May and June, while total weekly wages fell off 7 per cent. Reports from over 500 establishments show that a similar movement continued in July, and according to preliminary estimates the number of wage earners decreased 3.6 per cent, especially large declines taking place in the building materials group.

In June, wholesale prices, as measured by the index of the Bureau of Labor Statistics, fell from 146.9 to 144.6. The decrease was largely due to lower prices for building materials and metals, though farm products also declined. Since July 1, however, quotations on farm products have recovered, prices of wheat, oats, rye and corn rising to the highest point of the year.

The volume of commercial loans extended by reporting member banks in this district is $11,000,000 larger than it was a month ago and $17,000,000 greater than in July, 1923. Interest rates have continued to decline, and prime commercial paper in Philadelphia is selling at 3¼ per cent, as compared with 3½-3¾ during the latter part of June.

EMPLOYMENT AND WAGES

Reports received by this Bank from over 1,000 manufacturing establishments in Pennsylvania, New Jersey and Delaware, and summarized on page four, show that the number of wage earners declined 3.7 per cent between May and June. At the same time total weekly wages decreased 7.0 per cent and average weekly earnings were 3.4 per cent smaller. These changes were a continuation of the movement that started in March.

Of the 48 industries reporting, all but four showed reductions in working forces, the largest declines being in the metal manufacturing and textile products group. Three of the four industries reporting gains in employment were in the food products group, where an increase in the number of employees was due to seasonal factors. The increase in lumber and planing mills was wholly caused by the greater number of wage earners at one mill.

For the first time this year the number of employees

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		
		June 15, 1924	May 15, 1924	Per cent change	June 15, 1924	May 15, 1924	Per cent change	June 15, 1924	May 15, 1924	Per cent change
All industries: (48)	1,009	365,668	379,850	– 3.7	$9,220,269	$9,913,397	– 7.0	$25.21	$26.10	– 3.4
Metal manufactures:	343	172,924	181,432	– 4.7	4,527,760	5,019,985	– 9.8	26.18	27.67	– 5.4
Automobiles, bodies, and parts	22	6,401	6,714	– 4.7	176,885	193,979	– 8.8	27.63	28.89	– 4.4
Car construction and repair	14	15,057	15,071	– 0.1	436,404	422,425	+ 3.3	28.98	28.03	+ 3.4
Electrical machinery and apparatus	42	17,252	18,255	– 5.5	421,369	447,520	– 5.8	24.42	24.51	– 0.4
Engines, machines, and machine tools	35	11,399	11,882	– 4.1	312,324	336,664	– 7.2	27.40	28.33	– 3.3
Foundries and machine shops	73	12,512	12,995	– 3.7	338,614	370,546	– 8.6	27.06	28.51	– 5.1
Heating appliances and apparatus	16	5,465	5,514	– 0.9	166,156	170,486	– 2.5	30.40	30.92	– 1.7
Iron and steel blast furnaces	10	13,707	14,092	– 2.7	375,580	401,400	– 6.4	27.40	28.48	– 3.8
Iron and steel forgings	13	4,595	4,927	– 6.7	107,422	129,453	– 17.0	23.38	26.27	– 11.0
Steel works and rolling mills	46	43,471	46,927	– 7.4	1,055,532	1,290,800	– 18.2	24.28	27.51	– 11.7
Structural iron works	11	2,874	2,888	– 0.5	78,221	78,185	+ 0	27.22	27.07	+ 0.6
Miscellaneous iron and steel products	46	25,477	27,036	– 5.8	656,376	755,601	– 13.1	25.76	27.97	– 7.8
Shipbuilding	9	11,141	11,432	– 2.5	301,479	315,821	– 4.5	27.06	27.63	– 2.1
Non-ferrous metals	6	3,573	3,699	– 3.4	101,398	107,105	– 5.3	28.38	28.96	– 2.0
Textile products:	232	64,348	67,365	– 4.5	1,312,722	1,393,286	– 5.8	20.40	20.68	– 1.4
Carpets and rugs	13	2,783	3,264	– 14.7	71,117	75,129	– 5.3	25.55	23.02	+ 11
Clothing	16	5,574	5,914	– 5.7	102,107	106,586	– 4.2	18.32	18.02	– 1.7
Hats, felt and other	7	4,857	5,107	– 4.9	112,059	108,967	+ 2.8	23.07	21.34	+ 8.1
Cotton goods	24	6,222	6,442	– 3.4	134,843	141,614	– 4.8	21.67	21.98	– 1.4
Silk goods	69	16,328	16,561	– 1.4	308,461	325,904	– 5.4	18.89	19.68	– 4.0
Woolens and worsteds	32	11,105	12,098	– 8.2	216,247	230,467	– 6.2	19.47	19.05	+ 2.2
Knit goods and hosiery	46	9,723	10,130	– 4.0	187,181	208,731	– 10.3	19.25	20.61	– 6.6
Dyeing and finishing textiles	17	5,731	5,733	– 0	140,129	152,234	– 8.0	24.45	26.55	– 7.9
Miscellaneous textile products	8	2,025	2,116	– 4.3	40,578	43,654	– 7.0	20.04	20.63	– 2.9
Foods and tobacco:	88	25,791	26,055	– 1.0	589,431	596,972	– 1.3	22.85	22.91	– 0.3
Bakeries	20	4,655	4,650	+ 0.1	120,698	123,884	– 2.6	25.93	26.64	– 2.7
Canneries	8	2,412	2,754	– 12.4	53,550	59,254	– 9.6	22.20	21.52	+ 3.2
Confectionery and ice cream	21	5,363	5,165	+ 3.8	109,868	109,023	+ 0.8	20.49	21.11	– 2.9
Slaughtering and meat packing	12	2,505	2,476	+ 1.2	69,440	69,710	– 0.4	27.72	28.15	– 1.5
Sugar refining	4	4,308	4,316	– 0.2	134,932	134,489	+ 0.3	31.32	31.16	+ 0.5
Cigars and tobacco	23	6,548	6,694	– 2.2	100,943	100,612	+ 0.3	15.42	15.03	+ 2.6
Building materials:	78	25,554	26,169	– 2.4	712,864	764,711	– 6.8	27.90	29.22	– 4.5
Brick, tile, and terra cotta products	22	4,885	4,957	– 1.5	120,472	129,404	– 6.9	24.66	26.11	– 5.6
Cement	14	6,316	6,344	– 0.4	189,129	191,463	– 1.2	29.94	30.18	– 0.8
Glass	26	9,333	9,739	– 4.2	242,847	277,135	– 12.4	26.02	28.46	– 8.6
Pottery	16	5,020	5,129	– 2.1	160,416	166,709	– 3.8	31.96	32.50	– 1.7
Chemicals and allied products:	74	29,476	29,934	– 1.5	887,386	900,592	– 1.5	30.11	30.09	+ 0.1
Chemicals and drugs	41	7,536	7,743	– 2.7	197,349	204,275	– 3.4	26.19	26.38	– 0.7
Explosives	10	2,476	2,519	– 1.7	65,116	66,571	– 2.2	26.30	26.43	– 0.5
Paints and varnishes	12	1,381	1,407	– 1.8	37,071	38,816	– 4.7	26.84	27.59	– 2.7
Petroleum refining	8	16,909	16,996	– 0.5	559,135	558,796	+ 0.1	33.07	32.88	+ 0.6
Coke	3	1,174	1,269	– 7.5	28,715	32,134	– 10.6	24.46	25.32	– 3.4
Miscellaneous industries:	194	47,575	48,895	– 2.7	1,190,106	1,237,851	– 3.9	25.02	25.32	– 1.2
Lumber and planing mill products	7	2,659	2,113	+ 25.8	48,052	43,643	+ 10.1	18.07	20.65	– 12.5
Furniture	22	2,730	3,029	– 9.9	65,716	74,293	– 11.5	24.07	24.53	– 1.9
Musical instruments	6	8,729	8,872	– 1.6	240,481	242,839	– 1.0	27.55	27.37	+ 0.7
Leather tanning	34	7,265	7,857	– 7.5	183,221	199,772	– 8.3	25.22	25.43	– 0.8
Leather products	7	336	353	– 4.8	6,805	6,995	– 2.7	20.25	19.82	+ 2.2
Boots and shoes	28	4,852	5,236	– 7.3	86,358	95,235	– 9.3	17.80	18.19	– 2.1
Paper and pulp products	23	5,458	5,486	– 0.5	136,000	139,138	– 2.3	24.92	25.36	– 1.7
Printing and publishing	24	3,619	3,630	– 0.3	116,515	117,208	– 0.6	32.20	32.29	– 0.3
Rubber tires and goods	18	5,342	5,415	– 1.3	145,599	145,464	+ 0.1	27.26	26.86	+ 1.5
Novelties and jewelry	11	2,756	2,926	– 5.8	63,195	67,855	– 6.9	22.93	23.19	– 1.1
All other industries	14	3,829	3,978	– 3.7	98,164	105,409	– 6.9	25.64	26.50	– 3.2

whose wages were reduced exceeds those that received increases. Thirty-three firms reported advances in wages ranging up to 25 per cent and affecting 1050 employees, while 19 firms reported decreases for 2456 employees. In some cases these wage changes concern only a small number of employees in a given factory and consequently are of little significance. In other instances, however, wage changes affected practically the entire working force of a given factory. It will be noted, however, that the number affected by changes in wage scales amounted to only 3,506 or less than 1 per cent of the total number employed at reporting establishments.

The decline in average weekly earnings was due in many cases to shorter working hours. In certain of the textile industries increased weekly earnings were probably caused by the release of lower-paid workmen.

FINANCIAL CONDITIONS

Debits to individual account, as reported by 18 cities in the Third Federal Reserve District for the week ended July 16, surpassed the corresponding week of 1923, but figures for the four weeks ended on the same date show a slight decline in comparison with those of the previous year. The decline, however, was smaller than that in the preceding period. This was to be expected, for business in 1924 reached its peak in February, whereas in 1923 exceeding activity also prevailed in March and April. Conditions in July of both years were more nearly alike than in the month of June. Debits by weeks are given below:

All figures in millions of dollars	1923	1924	Excess 1923	Excess 1924
Week of—				
July 16	501	511	......	10
9	486	402	84	......
2	500	557	......	57
June 25	516	513	3	......
Total four weeks	2,003	1,983		
June 18	585	549	36	......
11	468	450	18	......
4	528	434	94	......
May 28	405	463	......	58
Total four weeks	1,986	1,896		

A strong upward movement during recent weeks in "all other" (largely commercial) loans of reporting member banks brought this item up to 372.9 millions—a point higher than any since 1921, 8.9 millions above the previous high level for this year, and 16.2 millions above the corresponding figure a year ago. This increase in loans was accompanied by a large gain in investments, with the result that the total of loans and investments moved up from 949.9 millions on June 18 to 973.6 millions on July 16. Larger deposits and reserve balances at the Federal Reserve Bank are also to be noted, as well as the fact that these banks were able to make additional loans and enlarge their investments with little recourse to the reserve bank for further accommodation.

BANKING STATISTICS

Third Federal Reserve District

All figures, except reserve ratio, in millions of dollars	July 16, 1924	Changes in course of: Four weeks	Changes in course of: One year
Reporting member banks:-			
Secured loans	283.3	+ 3.0	+ 7.6
All other (largely commercial) loans	372.9	+12.0	+16.2
Total loans	656.2	+15.0	+23.8
U. S. securities owned	94.8	−4.5	−27.5
Other securities owned	222.6	+13.2	+37.8
Total investments	317.4	+ 8.7	+10.3
Total loans and investments	973.6	+23.7	+34.1
Total deposits	870.1	+27.4	+56.4
Borrowings from F. R. Bank	7.4	+ 1.4	−33.2
Federal Reserve Bank:			
Bills discounted	26.1	− .2	−41.3
Bills bought	1.7	− 1.8	−18.9
U. S. securities	29.7	− .5	+12.3
Municipal warrants	1.3	+ 1.3	+ 1.3
Total earning assets	58.8	− 1.2	−46.6
Federal reserve note circulation	180.0	− 5.6	−25.3
Total deposits	126.8	+ 7.6	+ 6.4
Cash reserves	268.0	+ 5.4	+33.0
Reserve ratio	87.4%	+1.3%	+15.3%

The earning assets of the Federal Reserve Bank of Philadelphia changed very little in the four weeks ended July 16. Note circulation declined, but deposits and cash reserves increased. The reserve ratio on July 16 was 87.4 per cent as compared with 86.1 per cent on June 18, and 72.1 per cent a year ago.

Call money in the New York market ruled at 2 per cent during the last half of June. Early in July the rate advanced to 2½ per cent, but settled again in the following weeks to the 2 per cent level. On July 21 commercial paper was quoted at 3¼ to 3½ per cent, and 90-day bankers' acceptances were offered at 2 to 2⅛ per cent, as compared with 3½ to 3¾ per cent and 2¼ to 2⅜ per cent, respectively, a month ago. At this time (July 23) Minneapolis is the only Federal Reserve Bank at which the discount rate is 4½ per cent. The Boston, New York, and Philadelphia banks have a 3½ per cent rate, and the others—4 per cent.

Fostered no doubt, by the prevailing ease of money, prices of stocks advanced sharply during the month. Gains of 5.49 per cent in industrial stocks, and of 3.92 points in railroad stocks were recorded by the Dow-Jones averages. Bonds, too, advanced; the average of 4 Liberty bonds is now $4.04 above that of a year ago. Averages of the various groups of securities are given in the table:

SECURITY PRICES*

	July 21, 1924	June 21, 1924	Jan. 2, 1924	July 21, 1923
Average of—				
20 industrial stocks	$99.02	$93.53	$95.65	$9.139
20 railroad stocks	89.15	85.23	80.79	80.75
10 first grade rail bonds	89.81	89.05	85.97	86.61
10 second grade rail bonds	87.95	87.41	82.27	82.91
10 public utility bonds	90.80	89.50	85.21	86.19
10 industrial bonds	94.64	94.67	93.49	93.01
4 Liberty bonds	102.20	101.63	98.66	98.16

* Dow-Jones averages, except that of 4 Liberty bonds.

Savings deposits

Ninety-seven banks in the Third Federal Reserve District report an increase of 0.5 per cent in savings deposits during June, 1924. If the interest credited to these accounts be omitted, a net excess of deposits over withdrawals of 0.1 per cent is indicated. Percentage changes by cities follow:

SAVINGS DEPOSITS
Third Federal Reserve District

Cities	Number of banks	Per cent increase or decrease July 1, 1924, compared with June 1, 1924	Per cent increase or decrease July 1, 1924, compared with July 1, 1923
Allentown	9	+ 1.2	+ 8.5
Altoona	5	— .6	+15.6
Bethlehem	4	+ 1.1	+13.1
Chester	5	— .3	+ 4.5
Easton	6	+ 6.9	+16.3
Harrisburg	4	— 1.2	+ 1.2
Johnstown	4	— .3	+ 6.6
Lancaster	3	+ .4	+15.0
Philadelphia	9	.0	+ 6.3
Reading	3	+ 2.7	+10.1
Scranton	6	+ 1.9	+12.4
Trenton	6	+ .2	+ 3.5
Wilkes-Barre	5	+ .5	+16.2
Williamsport	4	+ .4	+ .4
Wilmington	5	.0	+ 6.9
York	5	+ 1.9	+19.6
Others	14	+ 1.4	+ 6.9
Totals	97	+ .5	+ 7.6

Commercial paper

During the last week in June the rate for the choicest names declined to 3¼ per cent and since that time a fair amount of paper has been sold in this market at that rate, autumn maturities moving especially well. The bulk of the present offering by dealers is of notes maturing in January and a number of the banks hesitate to buy paper extending over the end of the year at such a low rate. Banks in the New York and Chicago Federal reserve districts, however, are purchasing freely and some names are now held as low as 3 per cent.

Business in July though fair will probably fall considerably short of the June total, not because of a lack in the supply, however, for dealers state that new notes are coming to them in increasing volume.

The rapidity at which rates declined during June may be judged from the reports of five dealers in this market. They made sales at from 5¼ per cent down to 3¼ per cent; the higher rates were realized during the early part of the month and the lower ones at the end of the month. The amount sold at 4½ per cent and over, however, was only slightly more than 2 per cent of the total and the great bulk of the transactions was at from 3½ to 4 per cent. The total sales were larger than in any month since May, 1922, when our reports started, reaching $12,822,500. This compares with $9,835,000 in May and $7,940,000 in June, 1923. City banks were the principal buyers, taking $10,035,000 against $2,787,500 by out of town institutions.

Bankers' acceptances

Very little business in bankers' acceptances was transacted in this district by dealers during the four weeks ended July 9. A minor sale to the Federal Reserve Bank was the only sale reported, and purchases within the district averaged low. The offering rate for 90-day bills is now 2 per cent, as compared with 2¼ per cent a month ago. Comparative statistics of sales and purchases follow:

TRANSACTION IN BANKERS' ACCEPTANCES

Weekly average for period ending —	Sales in Third District: To Federal Reserve Bank	Sales in Third District: To others	Purchases in Third District
1924—			
July 9	$ 19,000	....	$ 77,000
June 11	305,000	$ 19,000	165,000
May 14	488,000	68,000	269,000
1923—			
July 11	1,919,000	292,000	464,000
1922—			
July 16	2,599,000	138,000	489,000

SYNOPSIS OF BUSINESS CONDITIONS

Compiled as of July 22, 1924 **Third Federal Reserve District**

Business	Demand	Prices	Finished Stocks	Labor: Supply	Labor: Wages	Collections
Automobiles	Fair	Unchanged to higher	Moderate to heavy			Fair to good
Cement	Fair to good	Unchanged	Moderate	Sufficient to plentiful	Unchanged	Fair to good
Cigars	Fair	Unchanged	Moderate to light	Sufficient to plentiful	Unchanged	Fair
Clothing	Poor	Lower	Moderate	Plentiful	Unchanged	Poor to fair
Coal, anthracite	Fair	Unchanged to higher	Moderate to heavy	Sufficient	Unchanged	Fair
Coal, bituminous	Poor	Unchanged to lower	Heavy	Sufficient	Unchanged	Fair
Coke	Poor to fair	Unchanged to lower	Moderate	Sufficient	Unchanged	Fair
Cotton goods	Poor to fair	Unchanged to higher	Moderate	Sufficient	Unchanged	Fair to good
Cotton yarns	Poor to fair	Unchanged	Moderate to light	Plentiful	Unchanged	Fair
Drugs, wholesale	Fair	Lower	Moderate			Fair
Drygoods, wholesale	Fair	Lower	Moderate			Fair
Electrical supplies, wholesale	Fair	Unchanged	Moderate			Fair
Floor coverings	Poor to fair	Unchanged to higher	Moderate	Sufficient	Unchanged	Fair
Flour	Fair	Higher	Light	Sufficient	Unchanged	Fair
Groceries, wholesale	Fair	Unchanged to higher	Moderate			Fair
Hardware, wholesale	Fair	Unchanged to lower	Moderate			Fair
Hosiery, full-fashioned	Fair	Lower	Moderate	Sufficient	Unchanged	Poor to fair
Hosiery, seamless	Fair	Lower	Moderate	Sufficient	Unchanged to lower	Poor to fair
Iron and steel	Poor to fair	Lower	Moderate	Sufficient	Unchanged	Fair
Jewelry, wholesale	Fair	Unchanged	Moderate			Fair
Leather belting	Fair	Unchanged	Moderate	Sufficient	Unchanged	Fair to good
Leather, heavy	Fair	Unchanged	Moderate	Sufficient	Unchanged	Fair to good
Leather, upper	Poor to fair	Unchanged	Moderate to heavy	Sufficient	Unchanged	Fair to good
Lumber	Fair	Unchanged to lower	Moderate	Sufficient to plentiful	Unchanged	Fair to good
Paint	Fair	Unchanged to lower	Moderate	Sufficient	Unchanged	Fair to good
Paper	Poor to fair	Unchanged to lower	Moderate	Plentiful	Unchanged to lower	Fair
Paper, wholesale	Fair	Unchanged to lower	Moderate			Fair
Paper boxes	Poor to fair	Lower	Moderate	Plentiful	Unchanged to lower	Fair
Shipbuilding	Poor to fair	Unchanged to lower		Some scarcity	Unchanged	Fair to good
Shoes, manufacture	Fair	Unchanged to lower	Moderate	Sufficient	Unchanged	Fair
Shoes, retail	Fair	Unchanged to lower	Moderate			Fair
Shoes, wholesale	Fair	Unchanged to lower	Moderate			Fair
Silk goods	Poor	Unchanged to lower	Heavy to moderate	Sufficient	Unchanged	Fair
Sugar	Fair	Lower	Moderate to light	Sufficient	Unchanged	Good
Underwear, heavy weight	Poor	Unchanged to lower	Moderate	Plentiful	Unchanged	Fair
Underwear, light weight	Poor	Lower	Moderate	Plentiful	Unchanged	Fair
Woolen and worsted goods	Poor	Unchanged	Moderate	Plentiful	Unchanged	Fair
Woolen and worsted yarns	Poor	Unchanged	Light	Plentiful	Unchanged	Fair

A total of $3,767,000 of acceptances was executed by the twelve reporting banks in this district during the month ended July 10. This compares with $2,827,000 in the previous month, and $3,757,000 a year ago.

Factors creating more than usual interest in the foreign exchange market during the past month were

Foreign exchange

the conference in London for the consideration of the Dawes Plan, the withdrawal of funds by European interests incidental to the lower interest rates in this country and, in South America, the rise of a revolution at Sao Paulo, Brazil. Sterling has appreciated in value, and on July 14, was quoted at $4.3851, a gain of over 7 cents from the figure listed on June 14. French francs, on the other hand, declined, and on July 21 were listed at $.0517, a loss of 24 points from the quotation on June 21. Belgian francs have not been as active as French francs though they, too, have declined during the month. On July 21 they were quoted at $.0462. Swiss francs at $.1829 on July 21 were higher than they have been for many months and the rise is attributed to a resumption of the movement of capital to Switzerland and to the successful tourist season. Italian lire are higher than they were a month ago. They declined to $.0426 during the early part of July; later, however, they recovered somewhat and on July 21 were quoted at $.0433. The movement of funds to Holland, where higher rates prevail than in either New York or London, caused an increase in the value of guilders and on July 21 they were listed at $.3823, a higher point than has been touched since last November. On the other hand, Spanish pesetas have declined and on July 21 they were quoted at $.1330, a loss of 13 points from the figure listed a month previous. Norwegian kroner have depreciated somewhat but quotations for Swedish kroner are higher than they were a month ago, though in neither case is the difference great. On July 21, the former were listed at $.1342, and the latter at $.2662.

Argentine pesos have fluctuated during the past four weeks but are now at very near the levels quoted a month ago. On July 21 they were listed at $.7385. Since July 1, quotations for Brazilian milreis have declined substantially and the market is unstable. On July 21, the currency was marked at $.0970, a loss of more than one cent from the quotations on June 21. Chilean pesos have also declined during the past four weeks and on July 21 were quoted at $.1010.

Japanese yen are at lower levels than they were a month ago, but Chinese currency has appreciated. On July 21 the former were quoted at $.4070, and the latter (Shanghai tael) at $.7167. On the same date, Canadian dollars were listed at $.992754, as compared with $.984178, on the corresponding date in June.

FOREIGN EXCHANGE RATES

Noon cables	Par	July 21, 1924	June 21, 1924	July 21, 1923
London	$4.8665	$4.3884	$4.3304	$4.5973
Paris	.1930	.0517	.0541	.0594
Antwerp	.1930	.0462	.0469	.0499
Milan	.1930	.0433	.0431	.0438
Vienna	.2026	.000014	.000014	.000014
Amsterdam	.4020	.3823	.3742	.3927
Copenhagen	.2680	.1612	.1689	.1750
Stockholm	.2680	.2662	.2655	.2658
Madrid	.1930	.1330	.1343	.1433
Berne	.1930	.1829	.1774	.1773
Buenos Aires	.9648	.7385	.7400	.7762
Shanghai	.8051	.7167	.7139	.7009

RETAIL TRADE

Cool weather and intermittent rains in many parts of the district have been unfavorable for retail trade and increasing unemployment in industrial centers has reduced the volume of consumer buying. Advance reports from the majority of stores indicate that retail sales will not be as large as in July, 1923. Some stores, especially women's apparel shops, which have conducted heavy price-slashing sales, have succeeded in maintaining or exceeding their July, 1923, volume of sales, illustrating the fact that the consumer is looking for bargains. Nearly all retailers agree that the public is buying cautiously and is giving special attention to quality and price.

The general trend of prices on all apparel and housefurnishings, except rugs, is still downward. Silk hosiery, silk dresses, shoes, voiles, yardsilks, fancy dressgoods, summer dresses and suits, ginghams, muslins, ribbons and men's ready-to-wear suits are cheaper than they were a month ago. Many grades of furniture, household utensils, tires and tubes are also lower. But some grades of rugs have advanced slightly.

Retail sales in this district during June were 7.5 per cent smaller than those of June, 1924, and were considerably less than those of May. Women's apparel stores were the only group whose sales exceeded those of June, 1923, the increase being 7.8 per cent; but their June sales were 11.4 per cent less than those of May. Department store sales were 8.2 per cent less, men's apparel, 17.7 per cent smaller and credit houses, 10.1 per cent less than in June, 1923. Sales for the first six months of 1924 were 1.8 per cent greater than for the same period of 1923. For the first half of 1924 department store sales showed an increase of 0.6 per cent, men's apparel stores a decrease of 1.4 per cent, women's apparel stores a gain of 15.4 per cent, and credit stores an increase of 2.1 per cent over the same period of 1923. The cities of Chester, Johnstown, Altoona, Williamsport, Trenton, Harrisburg and Wilmington all showed declines in the volume of retail

RETAIL TRADE

Third Federal Reserve District

	Index Number (Per cent of 1923 monthly average)	Comparison of net sales		Comparison of stocks		Rate of turnover*	
		June, 1924, with June, 1923	Jan. 1 to June 30, 1924, with Jan. 1 to June 30, 1923	June 30, 1924, with June 30, 1923	June 30, 1924, with May 31, 1924	Jan. 1 to June 30, 1924	Jan. 1 to June 30, 1923
All reporting firms	98	− 7.5%	+ 1.8%	+ 0.8%	− 6.4%	3.3	3.4
Firms in—Philadelphia	98	− 6.4 "	+ 3.2 "	− 0.2 "	− 7.2 "	4.1	4.2
—Allentown, Bethlehem and Easton	95	− 8.4 "	+ 2.1 "	+ 1.2 "	− 7.1 "	2.2	2.4
—Altoona	91	−14.6 "	− 4.1 "	+ 6.2 "	− 6.1 "	2.6	3.9
—Chester	95	−31.3 "	−13.1 "	....	....	....	....
—Harrisburg	96	− 9.3 "	− 0.5 "	+ 2.8 "	− 8.9 "	2.3	2.5
—Johnstown	85	−16.2 "	− 9.9 "	+21.0 "	− 5.6 "	2.5	3.3
—Lancaster	92	− 8.8 "	+ 1.3 "	− 1.6 "	− 3.5 "	2.6	2.6
—Reading	82	−18.2 "	+ 0.1 "	− 2.1 "	− 3.7 "	2.1	2.2
—Scranton	97	−10.6 "	+ 0.7 "	− 2.1 "	− 6.3 "	3.0	3.3
—Trenton	94	−14.6 "	− 1.0 "	− 8.2 "	− 3.7 "	2.8	3.0
—Wilkes-Barre	109	− 1.1 "	+ 6.1 "	+ 9.1 "	− 7.6 "	3.1	3.1
—Williamsport	96	−11.1 "	− 3.9 "	− 0.5 "	− 5.3 "	2.1	2.3
—Wilmington	102	−11.6 "	− 0.6 "	+ 2.0 "	− 3.8 "	1.9	1.9
—York	92	−12.7 "	− 0	+ 0.2 "	− 3.6 "	2.6	2.6
—All other cities	109	− 1.2 "	+ 6.2 "	+ 5.1 "	+ 2.7 "	2.5	2.5
All department stores	97	− 8.2 "	+ 0.6 "	+ 0.1 "	− 6.6 "	3.3	3.4
Department stores in Philadelphia	....	− 7.6 "	+ 1.4 "	− 1.3 "	− 7.4 "	4.0	4.0
Department stores outside Philadelphia	....	− 9.4 "	− 0.6 "	+ 2.7 "	− 5.0 "	2.6	2.8
All apparel stores	101	− 3.3 "	+ 9.5 "	+ 6.5 "	− 6.6 "	4.4	4.5
Men's apparel stores	94	−17.7 "	− 1.4 "	+12.1 "	− 6.3 "	2.3	2.6
—in Philadelphia	....	−15.2 "	− 2.5 "	+13.3 "	− 7.1 "	2.6	3.0
—outside Philadelphia	....	−20.5 "	− 0.2 "	+10.9 "	− 5.4 "	2.0	2.2
Women's apparel stores	109	+ 7.8 "	+15.4 "	+ 4.8 "	− 8.0 "	6.5	6.1
—in Philadelphia	....	+13.4 "	+18.5 "	+ 6.3 "	− 8.5 "	7.3	6.8
—outside Philadelphia	....	−15.1 "	− 0.2 "	+ 0.1 "	− 6.5 "	3.6	3.8
Credit houses	81	−10.1 "	+ 2.1 "	+ 0.3 "	− 3.2 "	3.6	3.6
Shoe stores	118	− 2.5 "	+ 1.5 "	+ 4.3 "	− 5.9 "	2.4	2.6

* Times per year based on cumulative period.

trade for the first half of 1924 as compared with 1923. Philadelphia, Allentown, Bethlehem, Easton, Lancaster, Reading, Scranton and Wilkes-Barre all showed gains, while business in York was exactly equal to that for the first half of 1923. Wilkes-Barre showed the largest increase and Chester the greatest decrease in retail trade.

WHOLESALE TRADE

During July trade at wholesale in most of the reporting lines continued dull. A slight improvement, however, is noticeable in business since the middle of the month. Prices have again declined except in the grocery trade, in which quotations on cereals advanced.

During June sales in all of the eight lines, except jewelry and groceries, were smaller than they were in May and were also less than in July, 1923, except in drugs, which were practically unchanged. Stocks decreased in June as compared with May but those of drygoods, groceries, hardware, jewelry and paper were larger than in July, 1923. Collections are again slower than they were either last month or a year ago, the only exception being that payments for jewelry during June were slightly better than in May.

The chart on page 10 indicates the trend of collections, as shown by the ratio of accounts outstanding to sales in five wholesale lines. The periods of slowest collections appear to be at the opening and towards the close of the year.

Retailers continue to buy with great caution and their orders for replacement are very small ones; they

Shoes

have, however, placed some business for early autumn delivery but this is less than it was on this date of last year. July billings will probably run behind those of July, 1923, but wholesalers are becoming more optimistic regarding future business as reports from their salesmen indicate that stocks on retailers' shelves are small and that they will have to enter the market shortly. Some wholesalers state that they have been able to buy at slightly lower prices and that they have reduced selling figures accordingly. Others, how-

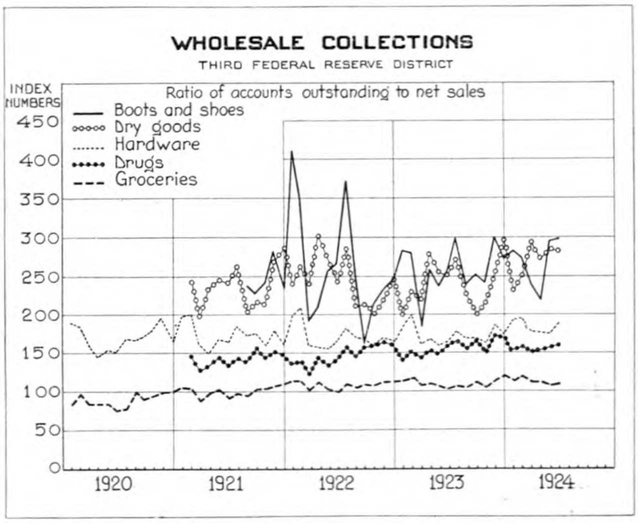
WHOLESALE TRADE

Third Federal Reserve District

	Percentage of increase or decrease in								
	Net sales June, 1924, compared with		Stocks June, 1924, compared with		Accounts outstanding June, 1924, compared with		Ratio of accounts outstanding to sales		
	May, 1924	June, 1923	May, 1924	June, 1923	May, 1924	June, 1923	June, 1924	May, 1924	June, 1923
Boots and shoes	−12.9%	−20.1%	− 5.1%	− 3.2%	−11.2%	−10.0%	301.6%	296.9%	265.1%
Drugs	− 3.4 "	+ 0.1 "	− 0.7 "	−13.5 "	+ 0.2 "	− 1.3 "	146.9 "	142.3 "	146.3 "
Drygoods	− 8.5 "	−20.7 "	− 2.9 "	+ 3.0 "	− 6.6 "	− 9.5 "	268.8 "	263.4 "	235.5 "
Groceries	+ 1.9 "	− 6.9 "	− 3.6 "	+ 2.1 "	+ 4.9 "	− 2.9 "	108.5 "	106.6 "	102.6 "
Hardware	− 6.3 "	− 9.1 "	− 5.1 "	+ 8.5 "	+ 0.9 "	+ 4.6 "	178.1 "	166.4 "	154.6 "
Jewelry	+ 5.2 "	−16.3 "	− 0.1 "	+ 1.6 "	+ 3.6 "	+ 5.8 "	345.8 "	350.9 "	275.0 "
Paper	−16.9 "	−22.6 "	− 3.5 "	+ 2.4 "	− 2.6 "	−11.1 "	162.2 "	138.4 "	141.2 "
Electrical supplies	− 5.8 "	−20.5 "	− 5.1 "	−18.2 "	− 2.3 "	−11.0 "	165.8 "	160.0 "	148.1 "

ever, report that they have neither received nor given concessions. Like retailers, the wholesalers have been buying much smaller quantities than they did a year ago but they have purchased somewhat more freely during the present month than they had previously.

During June sales were smaller by 12.9 per cent than in May and by 20.1 per cent than in June, 1923. Stocks too have been declining and on June 30 were lower by 5.1 per cent than on May 30 and by 3.2 per cent than on June 30, 1923. Collections are slower, as is shown by ratio of accounts outstanding to sales, which was 301.6 on June 30, 296.9 on May 31, and 265.1 on June 30, 1923.



Grocery collections vary less and shoes more than do the others. Variations in credit terms and the extent of sales fluctuations have a marked effect upon the percentages of accounts to sales.

Source—Federal Reserve Bank of Philadelphia

Drygoods

Prices of drygoods at wholesale continued to decline during the month and reductions were made in the majority of the lines sold. Hosiery, both of silk and cotton, knit underwear for fall, muslins and nearly every description of cotton goods are included in the list of articles reduced. Sales were small during early July and in most cases were less than in June or in July, 1923. During the past two weeks, however, some improvement is noted and it is stated that retailers are buying more freely for the early fall trade, though it is still true that the bulk of orders received call for prompt shipment and are for summer goods. The outstanding orders of wholesalers are smaller than they were a year ago, the decrease ranging in some cases as high as 40 per cent.

During June sales were 8.5 per cent less than in May and decreased 20.7 per cent from those of June, 1923. Stocks on hand on June 30 were 2.9 per cent lighter than on May 31 but were 3.0 per cent heavier than June 30, 1923. Collections have become slower, the ratio of accounts outstanding to sales being 268.8 on June 30, 263.4 on May 31, and 235.5 on June 30, 1923.

Jewelry

Business in wholesale jewelry, as is usual in July, is rather dull. Sales for autumn delivery are somewhat smaller than they were a year ago but, as more salesmen start out in August with autumn lines, it is expected that transactions will be larger. The outstanding purchases of wholesalers, too, are smaller than they were a year ago. Sales for prompt delivery, which constitute the bulk of present orders, differ but little from those of last year though probably slightly smaller, with watches, diamonds, wedding rings, and remountings for old stones in best demand. Prices generally are unchanged.

During the first four months of the year sales at retail throughout the country, as indicated by the tax paid to the Treasury Department, were approximately $5,000,000 larger than during the corresponding period of 1923. Exports of jewelry, also, are larger than they were a year ago, according to figures issued by the Department of Commerce, the gain in May being 120 per cent.

Sales at wholesale in this district during June were 5.2 per cent larger than they were in May but were 16.3 per cent smaller than in June, 1923, and sales for the first half of 1924 were 7.6 per cent lower than for the same period in 1923. Stocks on hand on June 30 were 0.1 per cent smaller than on May 31 but were 1.6 per cent larger than on June 30, 1923. The ratio of accounts outstanding to sales was 345.8 on June 30, 350.9 on May 31, and 275.0 on June 30, 1923.

Hardware

The net sales of 30 wholesale hardware firms in the Third Federal Reserve District were 6.3 per cent smaller in June than they were in May and 9.1 per cent less than during June, 1923. Our sales index based on the average monthly sales in 1923, stood at 95 in June, a loss of 6 points from the figure in May and 15 points under the number at the end of June, 1923. According to reporting firms, present demand is only fair and not as strong as it was a month ago. Builders and general contractors continue to be the largest purchasers though farmers and manufacturers are taking sizeable quantities of fencing and tools. Sporting goods, too, are in fair request.

Prices, as a whole, are much the same as they were at this time last month, though quotations on some grades of merchandise are lower and the general tendency appears to be downward. Almost every dealer, moreover, states that prices are lower than they were a year ago. Stocks on hand, according to our reports, were 5.1 per cent smaller in June than in May but 8.5 per cent larger than they were at the end of June, 1923. Collections are only fair. The ratio of accounts outstanding to sales was 178.1 in June, as compared with 166.4 in the preceding month and 154.6 in June of last year.

Drugs

A slight decrease in business as compared with June is reported by most wholesalers, but sales compare favorably with those of July, 1923. Insecticides, toilet articles, and staples are at present the best sellers. The botanical drug market is quiet and prices are lower than they were a month ago. Drugs and fine chemicals are also lower than they were at the close of June, although the demand continues fair. The following table shows the price indexes of 40 botanical drugs and of 35 drugs and fine chemicals as compiled by the "Oil, Paint and Drug Reporter."

	Price index of 40 botanical drugs		Price index of 35 drugs and fine chemicals	
	1924	1923	1924	1923
June 23	131.8	138.4	199.5	186.4
June 30	129.1	131.0	197.8	185.8
July 7	126.6	132.1	197.0	186.3
July 14	123.8	131.3	196.1	185.8
July 21	123.6	131.3	196.1	185.8

In June wholesale drug sales were 3.4 per cent smaller than in May, but 0.1 per cent larger than in June, 1923. Stocks at the end of June were a trifle lighter than at the close of May, but considerably smaller than at the end of June, 1923. The ratio of accounts outstanding to sales was 146.9 in June, as compared with 142.3 in May and 146.3 in June 1923.

Electrical supplies

Sales of wholesale electrical supply dealers reporting to us were 5.8 per cent smaller in June than they were during the preceding month, and were 20.5 per cent less than in June, 1923. Present demand is no better than fair though nearly all dealers say that it is much the same as it was a month ago. Most of the deliveries have been to contractors and to firms engaged in the installation of fixtures in new buildings. Sales of radio equipment have decreased, principally on account of the summer season.

Prices are unchanged from those prevailing at this time last month though they are lower than they were a year ago. Stocks in the hands of reporting firms on June 30 were 5.1 per cent smaller than at the end of the preceding month and 18.2 per cent smaller than on June 30, 1923. Collections are fair. The ratio of accounts outstanding to sales on the last day of June was 165.8, as compared with 160 at the end of May and 148.1 on June 30 of last year.

Paper

The majority of distributors report that July sales show a slight decrease from those of June and a big decline from those of July, 1923. Business continues to be hardly fair, with newsprint the only important grade that is in good demand. Since the middle of the month the printing trade has been buying more actively and the demand for book and fine papers has somewhat improved, but is still below normal. Wrapping and kraft papers have been moving slowly and price cutting has been quite noticeable. Building papers, boxboards and building boards also are in rather poor request and prices of these are weak. In general, paper prices are unsteady, book papers and newsprint being about the only grades that are really firm. Jobbers' stocks are slightly smaller than they were a month ago, but a trifle heavier than in July, 1923. Collections are fair and much the same as in June.

June sales were 16.9 per cent smaller than those of May and 22.6 per cent less than those of June. 1923.

The ratio of accounts outstanding to sales was 162.2 in June, as compared with 138.4 in May and 141.2 in June, 1923.

Groceries

Groceries are in fair demand and sales at wholesale are much the same as in June. Beverages, sugar, olives, pickles, sardines, preserving jars and jar goods, cereals and canned goods form the bulk of the present demand. The trend of prices is upward and more items have advanced in price than have declined. Flour, rice, syrup, corn starch, rolled oats, chicken feeds, lard, coffee and canned tomatoes are higher than they were a month ago; only sugar, canned milk and soap are lower. Jobbers report that they are contracting for less merchandise for next autumn delivery than they did in July, 1923, as the retailers are very cautious in making future commitments. Stocks held by wholesalers are slightly smaller than they were a month ago, but larger than they were in July, 1923.

Wholesale grocery sales in June were 1.9 per cent larger than in May, but 6.9 per cent less than in June, 1923. The ratio of accounts outstanding to sales increased from 106.6 in May to 108.5 in June.

FLOUR

Despite the advance in grain and flour prices, consumers have not departed from their hand-to-mouth buying policy. Consequently the domestic demand for flour continues only fair, being about the same as in May and June, but somewhat heavier than in July, 1923. The export market is very quiet and foreign buyers show little inclination to purchase at present prices. Millers in this district report that practically their entire output is going into domestic consumption. For several weeks wheat has been going up in price and, as a result, flour prices also have advanced. Number 2 red winter wheat on July 22 was selling at \$1.41½ per bushel in New York, as compared with \$1.22½ on April 22 and \$1.26 on January 23. Spring patent flour for prompt shipment on July 22 was quoted at \$7.15 to \$7.65 per barrel in car lots, as compared with \$6.00 to \$6.50 on April 22. New crop flour will soon be coming into the market and consumers expect prices to decline when it arrives, which accounts for their refusal to buy ahead in the present advancing market. In some parts of the district by-product feeds such as bran, middlings and gluten are not selling as well as a year ago, because of abundant pastures. However, mills in other sections where pasture is not so abundant report that their sales of feeds compare favorably with those of last month and of July, 1923. Prices of feeds, too, have advanced sharply and are about 12 per cent higher than at the beginning of June.

Grinding at the mills is still far below capacity, and few of them are operating at more than 60 per cent. For this reason the finished stocks at the majority of mills are light. Warehouse stocks are much smaller than they were a year ago and are lighter than they have been at any time this year. On July 1, the supply of flour held at public warehouses in Philadelphia was 9 per cent smaller than on June 1 and 36 per cent less than on July 1, 1923. The stocks of corn and oats were lighter, but those of wheat and rye were considerably larger than those of a year ago.

PUBLIC WAREHOUSE STOCKS AT PHILADELPHIA*

Date	Flour barrels	Wheat bushels	Corn bushels	Oats bushels	Rye bushels
July 1, 1924	111,332	759,888	46,217	46,728	125,192
June 1, 1924	122,007	1,016,560	48,871	93,637	76,290
July 1, 1923	173,027	317,622	172,503	818,908	24,830

*Compiled by the Commercial Exchange of Philadelphia.

Exports of flour from the port of Philadelphia during the first six months of 1924 showed a decrease of 28 per cent from those of the first half of 1923. During the first quarter of 1924 flour exports were greater than those of the first quarter of 1923, and although exports in June exceeded those of last June, the sharp declines during the month of March, April and May caused the total for the first 6 months to fall below that of 1923. Grain exports from this port for the first six months, with the exception of rye and barley, were also smaller than in the corresponding half of 1923. Wheat exports declined 23 per cent, corn 60 per cent and oats 40 per cent; but exports of rye increased 25 per cent and of barley 38 per cent.

Export sales of flour during this month have been small, as foreign buyers are not disposed to meet the present asking price, and the total volume for the month will probably be considerably less than that of July, 1923. The British Isles and Germany were the largest buyers in the Philadelphia market.

EXPORT OF FLOUR AND GRAIN FROM PHILADELPHIA*

Commodity	First six months of 1924	First six months of 1923	June, 1924	June, 1923
Flour (barrels)	179,883	247,976	30,106	20,295
Wheat (bushels)	16,131,612	20,236,691	648,101	1,559,926
Corn (bushels)	1,689,903	4,185,731	....	236,942
Oats (bushels)	261,680	436,789	71,661	10,000
Rye (bushels)	769,005	615,687	....	156,000
Barley (bushels)	116,245	24,935	....	....

*Compiled by the Commercial Exchange of Philadelphia.

Receipts of flour, wheat, corn and oats at Philadelphia during the first half of 1924 were much smaller than for the corresponding period of 1923, but receipts of rye and barley were larger. The enormous decrease in flour receipts for the six months period shows that domestic consumers took an average of 60,000 barrels of flour less each month of this year than they bought in the same month of last year. Domestic buyers also bought smaller quantities of wheat, corn and oats during the first half of this year than they purchased in the first six months of 1923. The increase in rye and barley receipts was due chiefly to the heavier export demand for these grains.

RECEIPTS OF FLOUR AND GRAIN AT PHILADELPHIA*

Commodity	First six months of 1924	First six months of 1923	Increase	Decrease
Flour (barrels)	1,154,018	1,587,234	....	433,216
Wheat (bushels)	15,046,517	19,678,569	....	4,632,052
Corn (bushels)	2,291,983	5,908,290	....	3,616,307
Oats (bushels)	914,941	2,506,847	....	1,591,906
Rye (bushels)	859,114	639,163	219,951	....
Barley (bushels)	121,483	32,619	88,864	....

*Compiled by the Commercial Exchange of Philadelphia.

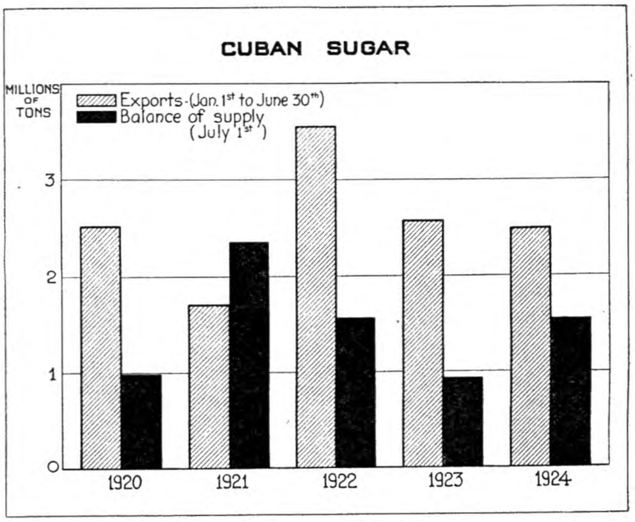
SUGAR

Although the demand for raw sugar has been fair during the month, large offerings of duty-free sugars have served to force prices down, and raw sugar is from $\frac{3}{16}$ to ¼ cent per pound lower than it was at the beginning of the month. Because of the fact that consumers have shown little interest in new orders for refined sugar, the refiners have been reluctant to buy raws, except as needed or at a concession in price. On June 27 Cuban raw sugar for prompt shipment sold at 3⅝ cents, c & f, on the New York Sugar Exchange; but considerable offerings of Porto Rican and Philippine sugar in nearby positions since then have caused the entire market to weaken slightly. On July 22 Cuban raw sugar for prompt shipment was sold at 3¼ cents, c & f. Porto Rican and Philippine sugars sold at 5.02 cents, delivered, which was equivalent to 3¼ cents, c & f, for Cuban. The purchases of duty-free sugars (Porto Rican and Philippine) by eastern refiners have been large and considerably exceed those of July, 1923.

Raw sugar

European buyers, especially English refiners, have been purchasing considerable quantities of Cuban sugar at prices equivalent to those prevailing on the Sugar Exchange. The demand for refined sugar in Great Britain is reported to be good, and since most of the Santo Domingan sugar has disappeared from the market, the British refiners have turned to Cuba for their supplies.

The grinding season in Cuba is nearly over, as only four mills are still operating. The output of sugar up to July 1, as reported by the National City Bank of New York, was 4,043,179 tons, as compared with a total output of 3,582,464 tons up to July 1, 1923, an increase of 460,000 tons. Since exports from Cuba for the first six months of 1924 were slightly smaller than in the first half of 1923, the balance of the supply of sugar in Cuba on July 1 was considerably greater than it was on July 1, 1923. As the following chart shows, the balance of supply was nearly the same in size as on July 1, 1922.



Source—American Sugar Bulletin

Raw sugar receipts at the ports of Baltimore, Philadelphia, New York and Boston for the first three weeks of July were larger 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.)	June 27 to July 18, 1924	June 29 to July 20, 1923
From Cuba	167,408 tons	89,064 tons
From Porto Rico	54,050 "	4,000 "
From Philippine Islands	21,745 "	10,645 "
From other countries	....	79 "
Total receipts	243,203 tons	103,788 tons

*American Sugar Bulletin.

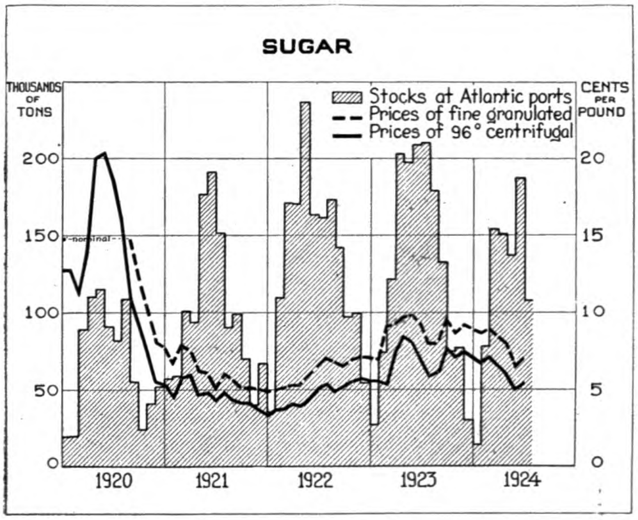
Although there has been no heavy buying of refined sugar, such as marked the third week of June, refiners report that a fair amount of new business has been received and that withdrawals on contracts made in June have been satisfactory. The bulk of the

Refined sugar

fruit crop is yet to be harvested, so refiners are confident that heavy buying will begin as soon as the large supplies contracted for in June have been delivered to the consumers. Prices of refined sugar have declined in sympathy with those for raw and are now 35 to 50 points lower than they were at the beginning of the month. On July 1 quotations for fine granulated at the various eastern refineries ranged from 6.75 to 7.00 cents per pound, but now prices at the same refineries range from 6.40 to 6.50 cents. Offerings by second hands during the month have been very small and the prices asked were only slightly below the refiners' highest prices.

During the first half of the month the export demand for refined sugar was moderately heavy; Spain, Brazil and the Levant being the principal buyers. In the latter part of the month, however, export inquiry has been light and European buyers, although purchasing considerable quantities of raw, have shown practically no interest in refined sugars. Probably the facts that very little second hand sugar is available, and that refiners show little disposition to shade their prices, explain the lack of foreign interest.

Refiners' stocks at Atlantic ports on July 1 were smaller than they have been on that date in any year since 1920, so it is clear that the refiners' statistical position on July 1 was strong. As will be seen in the accompanying chart, prices on July 1 were consider-



Refiners' stocks on July 1 were smaller than at any time on that date since 1920. Refined sugar is cheaper than it has been since February, 1923, and raw sugar is lower than it has been since October, 1922.

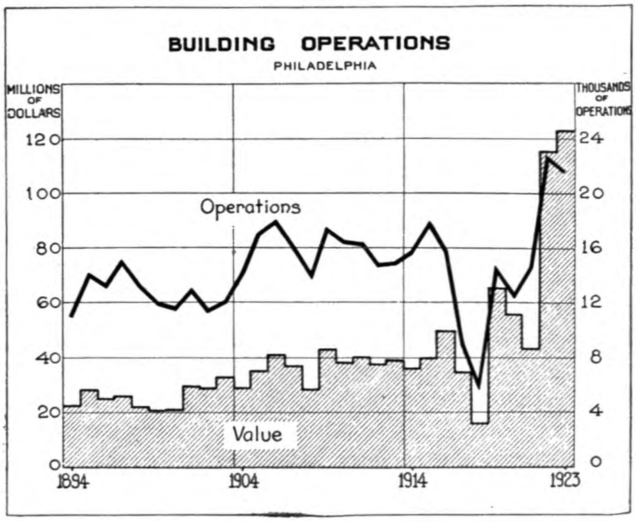
Sources—American Sugar Bulletin, and Weekly Statistical Sugar Trade Journal

ably stronger than on June 1, which further emphasized the lightness of refiners' stocks. Consequently refiners have not been pressed to sell at concessions in price and they have lowered their quotations only as raw sugar dropped in price.

Meltings for the first three weeks of the month at the refineries in Baltimore, Philadelphia, New York and Boston amounted to 206,000 tons, as compared with 115,000 tons for the same period of July, 1923, an increase of 80 per cent.

BUILDING

During June 3,652 permits were issued in fifteen cities in the Third Federal Reserve District, representing a total estimated cost of $16,301,548. Though the number of permits was smaller by 702 than the figure in May, the estimated cost was almost as great, the



The increase in the number of operations during the past few years does not appear excessive in view of the pre-war trend. Increased costs of building account largely for the extreme rise in value.

Source—Bureau of Building Inspection, Philadelphia

decrease being less than $63,000. Both the number of permits granted and the estimated cost were greater than in June, 1923, during which month 3,471 permits were reported with a total value of $13,070,171. In Philadelphia, 1,561 permits were issued at an estimated cost of $11,108,880, a decline of 174 in the number of permits but an increase of $168,505 in total value as compared with the figures for May.

In none of the reporting cities was the number of permits issued in June as great as in the preceding month, though in Camden, Lancaster, Atlantic City, Trenton, Reading and York the estimated cost was greater. On July 1, the index figure computed by the Aberthaw Company and based on material and transportation costs, stood at 198, a decline of one point from the number on June 1.

BUILDING PERMITS
Third Federal Reserve District

	June, 1924			June, 1923			1924		1923	
	Permits	Operations	Estimated cost	Permits	Operations	Estimated cost	Number	Estimated cost	Number	Estimated cost
Allentown	95	132	$299,610	105	133	$314,100	583	$2,802,910	550	$3,080,720
Altoona	233	238	334,936	201	203	227,221	1,131	1,972,657	1,038	1,846,523
Atlantic City	175	175*	756,464	321	321*	668,418	996	3,226,033	1,635	5,833,025
Bethlehem	48	48*	242,500	43	43*	175,910	271	924,080	242	920,272
Camden	145	176	288,735	118	146	512,750	740	2,350,494	542	4,836,937
Harrisburg	59	70	107,000	88	105	321,100	505	3,772,665	533	4,617,275
Lancaster	103	103	218,405	89	106	390,345	590	2,798,710	535	1,945,805
Philadelphia	1,561	2,040	11,108,880	1,334	1,742	8,370,875	8,328	72,568,485	7,314	75,179,095
Reading	309	318	598,695	301	315	413,525	1,588	3,548,022	1,720	3,089,430
Scranton	195	195*	461,325	174	174*	266,470	970	2,651,050	800	1,978,230
Trenton	171	231	649,844	164	187	578,866	1,147	3,145,683	889	3,918,934
Wilkes-Barre	141	141*	425,907	128	128*	374,498	835	2,192,429	614	1,587,712
Williamsport	94	94*	193,197	165	165*	113,354	578	743,624	531	723,036
Wilmington	152	152	304,990	101	101	241,359	684	2,345,692	597	1,974,974
York	171	171	311,060	139	139	111,380	1,033	1,329,939	878	1,327,135
Total	3,652	4,284	$16,301,548	3,471	4,008	$13,080,171	19,979	$106,372,473	18,418	$112,859,103

* 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	62	99	$251,200	33	33	$ 48,410	76	104	$216,100	29	29	$ 98,000
Altoona	91	96	318,568	142	142	16,368	68	70	163,001	133	133	64,220
Camden	56	87	214,805	89	89	73,930	63	91	461,125	55	55	51,625
Harrisburg	43	51	87,775	16	19	19,225	75	90	278,200	13	15	42,900
Lancaster	45	45	189,750	58	58	28,655	46	58	329,710	43	48	60,635
Philadelphia	824	1,287	10,036,865	737	753	1,072,015	686	1,063	7,763,405	648	679	607,470
Reading	86	95	493,900	223	223	104,975	88	102	293,650	213	213	119,875
Trenton	154	214	582,658	17	17	67,186	151	174	549,621	13	13	29,245
Williamsport	48	48	183,608	46	46	9,589	102	102	107,654	63	63	5,700
Wilmington	108	108	231,432	44	44	73,558	70	70	226,976	31	31	14,383
York	71	71	285,085	100	100	25,975	50	50	51,850	89	89	59,530

Paint

The call for paint is fair, and though reports vary somewhat, the average opinion is that it is much the same as it was at this time last month and in July, 1923. Since the middle of the month an increase in the number of inquiries for dry colors and a better demand for colors in oil have resulted in some optimism among manufacturers. Nearly all of the paint purchased has been for practically immediate use; consequently orders on the books of all manufacturers reporting to us are for delivery either at once or within sixty days.

Prices in several instances are a trifle lower than they were a month ago, but are generally firm. Quotations for lead pigments have not changed since the reductions which occurred last month, and prices of litharge and lithopone are holding up well. Slight concessions have been granted in some instances in quotations for dry colors, but in no case have they been excessive. Lately linseed oil has risen from 4 to 5 cents per gallon in price and on July 21 was quoted at from $1 to $1.01 per gallon, car lots in cooperage. Stocks of finished goods are moderate and stationary. Supplies of raw materials, too, are stationary and are from moderate to heavy.

Manufacturers reporting to this Bank are operating at an average rate of about 63 per cent of capacity. Full running time is variously considered to mean from 54 to 126 hours per week. Orders now being filled will insure the continuance of present operating schedules for from 3 days to not longer than one week. The supply of both skilled and unskilled labor is in all cases sufficient and no wage changes have occurred during the month.

PRODUCTION OF PORTLAND CEMENT*

Month	Production 1924	Production 1923	Stocks 1924	Stocks 1923
April	11,726,000 barrels	11,359,000 barrels	17,159,000 barrels	11,463,000 barrels
May	13,777,000 "	12,910,000 "	16,403,000 "	10,144,000 "
June	13,538,000 "	12,382,000 "	14,905,000 "	9,168,000 "

* Estimated by the Geological Survey.

Cement

The demand for cement is fairly good and is better than it was at this time last month and a year ago. Orders now on the books are rather evenly divided among thirty, sixty and ninety day delivery dates, though one manufacturer states that orders for immediate delivery comprise the major part of his bookings.

Prices of finished cement are firm and have not changed from those prevailing in June. However, according to one informant there is an increasing tendency on the part of some firms to grant small concessions, especially when large orders are involved. Stocks of finished goods are heavy in some cases and light in others, but the majority of manufacturers reporting to us classify them as moderate and decreasing. Stocks of raw materials, too, are moderate and are not as heavy as they were a month ago.

An analysis of reports received by this Bank discloses the fact that the average rate of operations is close to 95 per cent of capacity, which is the same as the average rate in June. As high as 168 hours per week is spoken of by several producers as signifying full running time, which represents continuous operation. The supply of both skilled and unskilled labor is either sufficient or plentiful and practically no wage changes have occurred during the month.

During the second quarter of this year output of Portland cement reached a high total of 39,041,000 barrels. Mill stocks, too, were extremely heavy, but they are decreasing, as is customary at this season. The table above gives production and stock figures for each of the last three months and for the corresponding months in 1923.

Collections are from fair to good and, though much the same as they were at this time last month, are not as satisfactory as in July, 1923.

Lumber

The call for lumber is barely fair and both manufacturers and dealers say that, though recently it has improved to some extent, it is not as strong as it was either a month or a year ago. The increase in demand occurred principally in the soft wood market and has brought about a better feeling in the trade. North Carolina pine is in better request than it was a month ago and a better movement is reported in supplies of white pine and in yellow pine timbers and heavy floorings. Of the hard woods, plain and quartered white and red oak, beech, ash, hickory and walnut are in best demand. The call for spruce and hemlock is light.

Prices of finished lumber are, in most instances, weak and dealers reporting to us say that, as a result of concessions in prices, several of their quotations are lower than they were a month ago. On some grades of lumber, especially on cypress, prices show a considerable range. Quotations on timbers, according to manufacturers, are not particularly strong and in one instance are from 5 to 10 per cent lower than they were a month ago. Some resistance to present prices is being met with, especially in the higher grades of hardwood. Both manufacturers' and dealers' stocks are moderate, but, though the former are increasing, the latter are becoming lighter. Supplies of timbers are moderate and stationary.

Mill owners reporting to the Bank are operating their plants at an average rate of about 80 per cent of capacity, which is nearly the same as it was a month ago. Operating at capacity is variously estimated to mean from 48 to 60 hours running time per week. Orders on hand will insure the continuance of present working schedules for from two days up to and beyond four months. The average period is computed to be approximately seven weeks.

The supply of skilled labor is adequate and that of unskilled workers is plentiful. No wage changes have been reported during the month. On June 15, 2,659 employees were on the payrools of seven lumber and planing mills in this district, as compared with 2,113 workers employed on May 15, an increase of 25.8 per cent. During the same period, total weekly wages rose from $43,643 to $48,052, an advance of over 10 per cent. Collections are generally fair and are much the same as they were at this time last month. On the other hand, they are not as prompt as they were a year ago.

IRON AND STEEL

General conditions in the iron and steel market continue to be much the same as they were during June. Intervals of buying during the past month, particularly since the Fourth of July, have strengthened the belief in some quarters that demand is slowly but surely improving. Whether or not this occasional activity presages an approaching revival in the industry is, according to many close observers, still a matter of conjecture. In this market the call for pig iron has been light. Decreased production and concessions in price have seemingly offered no inducements to purchasers and, aside from the usual tentative inquiries and a few orders for moderate tonnages, there have been no new developments so far this month in this branch of the industry. Demand for iron and steel castings, too, is light and is not as strong as it was a month ago. Oil companies and architectural iron plants are taking most of the deliveries. Orders for iron bars are not as numerous as they were during the previous month, neither are those for crude steel; but requests for structural steel have increased in this market and inquiries are in greater volume, partly on account of the requirements for the Delaware River bridge. Sales of scrap steel have improved, which is regarded as an encouraging sign, and the demand for sheets, though still classified as poor, is somewhat better than it was four weeks ago. The market for steel bars, however, is inactive and current orders have been almost wholly confined to small lots. Railroads as yet have failed to come extensively into the steel rail market; consequently the call for this product, too, has been little better than poor. Wire rods and kindred products were moving somewhat more briskly about the middle of the month, but this was believed to be the result of an accumulation of orders during a recent shutdown in the Pittsburgh area, rather than to any actual increase in demand. The call for light and heavy hardware is fair and is much the same as it was at this time last month. Most of the orders received have been from automobile houses, electrical and public utility companies. Supplies of machinery and tools are moving in only fair volume and sales are not as good as they were a month ago. There has been little change in the demand for cast iron pipe, chains, cables, and general miscellaneous articles and in no instances is the call for any of these characterized as better than fair.

Since the latter part of June, prices of many iron and steel products have declined and quotations for several others, though continuing unchanged, have been considerably weakened by the granting of concessions. In Philadelphia on July 21, 2X pig iron was quoted at $21.26 per ton and though this price has prevailed for several weeks, it is not thought to be particularly firm. Quotations for nearly all of the standard brands of pig iron are from $5 to $7 per ton below those listed at this time last year. On July 15, the composite price of finished steel, as computed by the "Iron Age," was 2.589 cents per pound, a decline of .014 cents from figure calculated on June 17. During the same period the composite price of pig iron fell from $20.13 to $19.29 per gross ton, a loss of 84 cents. The figures on July 17, 1923, stood at $25.93 per gross ton.

For the third consecutive month, production of both pig iron and steel ingots continued to decline. During June, output of the former totaled 2,026,221 tons, as compared with 2615,110 tons in May, a reduction of over 20 per cent. Production of steel ingots declined from 2,628,261 tons in May to 2,056,466 tons in June, a decline of 571,795 tons. During no month since January, 1922, has the daily rate of output been smaller. Generally speaking, there has been no note-worthy change in the rate at which the industry as a whole is operating, though in this district 7 additional furnaces were blown out and none blown in. Of the 61 furnaces situated in this locality on June 30, only 18 were in blast. Unfilled orders of the United States Steel Corporation again decreased. On June 30, they totaled 3,262,505 tons, a decline of 365,584 tons from the figure on May 31. Compared with the unfilled tonnage on the books at the end of June, 1923, the loss amounted to 3,123,756 tons.

The supply of both skilled and unskilled labor is sufficient and in only one instance coming to our attention has any wage change been made. On June 15, 12,512 employees were on the payrolls of 73 foundries and machine shops in this district as compared with 12,995 workers employed in identical plants on May 15. During the same period the average weekly wage fell from $28.51 to $27.06, a decline of 5.1 per cent. Collections are, in general, fair but are not quite as prompt as they were a month ago.

Steel foundries

In our third month's survey of the steel foundry industry in this district, comparative figures are given in the accompanying table for the principal operating features of five identical companies with a total monthly steel making capacity of 5,350 tons.

STEEL FOUNDRY OPERATIONS

Third Federal Reserve District

	May	June	Change
Capacity of furnaces	5,350 tons	5,350 tons	0
Production of steel castings	3,195 "	3,372 "	+5.5%
Shipments	2,613 "	3,077 "	+17.8 "
Value of shipments	$365,506	$496,566	+35.9 "
Unfilled orders	4,792 tons	3,180 tons	−33.6 "
Value of unfilled orders	$849,714	$583,211	−31.4 "
Raw stock:			
Pig iron	1,529 tons	1,913 tons	+25.1 "
Scrap	6,909 "	7,912 "	+14.5 "
Coke	615 "	558 "	− 9.3 "

Output during June was 5.5 per cent greater than in May and a substantial increase of nearly 18 per cent in tonnage shipments was reported. The value of castings shipped during the month was more than a third greater than that in the preceding month. On the other hand, unfilled orders, both in tonnage and value, were considerably smaller than they were in May. The value of shipments per ton was calculated to be $161.38 in June as compared with $139.88 in May, a gain of $21.50 per ton. Stocks of scrap steel and pig iron increased during June but supplies of coke were not as heavy as in May.

Iron foundries

Reports received from 43 iron foundries in the Third Federal Reserve District show that production, unfilled orders, shipments and value of tonnages delivered were smaller during June then they were in the preceding month. Output during June was 9.1 per cent less than in May, the largest decline being reported by gray iron foundries. Stocks of pig iron fell but little from the tonnages on hand a month ago, but a substantial decrease of more than 13 per cent occurred in supplies of scrap. Stocks of coke alone showed a small increase over that in the previous month. Shipments of gray iron castings by 27 identical firms manufacturing this product exclusively amounted to 3,701 tons, valued at $516,122 in June, as compared with 3,418 tons, valued at $465,659, during May. Using these figures as a basis for calculation, the average value per ton was $139.45 in June as against $136.24 during May, a difference of $3.21 per ton. The table below gives the totals for May and June and presents statistics relative to the various operating items for the 43 reporting foundries having a total monthly capacity of 17,944 tons.

IRON FOUNDRY OPERATIONS

Third Federal Reserve District

	May	June	Change
Capacity of furnaces	17,944 tons	17,944 tons	......
Production of castings	7,708 "	7,004 "	− 9.1%
Malleable iron	962 "	923 "	− 4.1 "
Gray iron	6,746 "	6,181 "	− 8.4 "
Jobbing	4,335 "	3,926 "	− 9.4 "
For further manufacture	2,411 "	2,255 "	− 6.5 "
Shipments of castings	5,218 "	5,062 "	− 3.0 "
Value of shipments	$ 884,543	$ 837,534	− 5.3 "
Unfilled orders	6,001 tons	5,738 tons	− 4.4 "
Value of unfilled orders	$1,078,351	$1,017,055	− 5.7 "
Raw stock			
Pig iron	9,574 tons	9,304 tons	− 2.8 "
Scrap	3,881 "	3,360 "	−13.4 "
Coke	2,458 "	2,555 "	+ 3.9 "

AUTOMOBILES

Nearly all dealers reporting to us are agreed that demand for both new and used cars was better during the second quarter than in the first three months of this year, notwithstanding the slowing up of production activities in the automotive and other industries during the latter period. In almost every case, however, sales of both passenger cars and trucks during April, May and June were less than those of the second quarter of last year. An encouraging factor in the present situation, according to some dealers, lies in the fact that, even though business is usually quiet at this time, sales thus far in July have been greater than those during the same period in the previous month. Others, however, report that the demand is not as good as it was a month ago. The ever growing custom of taking in used cars in trade and the consequent resale problems have been the subject of considerable comment in automobile circles throughout the country; but in Philadelphia, at least, dealers have the situation well in hand and most of them state that second-hand cars are moving out of salesrooms about as fast as they are received. Indeed, one well known dealer informs us that he has fewer used cars on hand now than at any time in several years. In a few instances difficulty is being encountered in obtaining deliveries of new cars, especially of seasonable models such as touring cars and roadsters, but in general shipments are satisfactory. Stocks of cars in the salesrooms are probably somewhat heavier than is usual at this season, though in no case are they regarded as excessive.

Prices are generally unchanged, no revisions worthy of note having occurred since the last price announcements were made on April 1; but the few changes that have been made are said to be upward.

Production has declined since the beginning of the second quarter, as will be seen in the table below in which are given figures representing output of both passenger cars and trucks in the entire country. It will be noted that output is substantially less in each month of the present year than it was in the corresponding months of 1923.

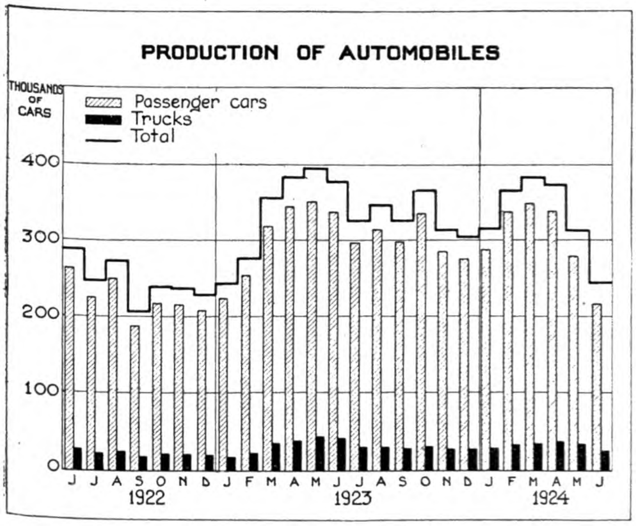
PRODUCTION OF AUTOMOBILES*

Month	1924		1923	
	Passenger cars	Trucks	Passenger cars	Trucks
April	336,968	34,977	343,793	36,786
May	279,385	32,326	350,073	42,373
June	217,845	27,040	337,048	39,945

* Compiled by the Federal Reserve Bank of Chicago.

A chart showing production of both classes of automobiles is presented below from which can be seen the output for each month since June, 1922.

Collections are in the main satisfactory, although one firm has been doing more financing than usual.



During March of this year, output of passenger cars and trucks was close to the record levels of May, 1923. Each succeeding month brought a decline in production, and the total output in June was smaller than it has been in any month since January, 1923.
Source—Department of Commerce

COAL

For seasonal reasons and because of the general disinclination to buy for other than immediate needs, the demand for anthracite has decreased noticeably during the month. Stove sizes are probably moving better than any other of the domestic grades, with egg coal second in request. The call for steam coal is poor and considerable tonnages of these sizes are going into stocks.

Anthracite

Prices are from 10 to 15 cents higher than they were a month ago, according to company circulars. Some independent operators, however, have made no advances in their quotations. On July 21, in this market, stove coal was priced at from $8.95 to $9.10 per ton and barley grades were listed at $1.50 per ton.

Production declined considerably in the week ending July 5, which, of course, was on account of the observance of Independence Day and because many of the miners did not resume work on the following day. With the exception of the strike year of 1922, output during the week in question was the smallest of any corresponding week on record. In the following table figures are given showing output in tons for each of the past four weeks and for the corresponding four weeks of 1923.

PRODUCTION OF ANTHRACITE*

Week ending	1924	1923
June 21	1,923,000 tons	2,042,000 tons
June 28	1,918,000 "	2,105,000 "
July 5	1,296,000 "	1,580,000 "
July 12	1,871,000 "	2,051,000 "

* Compiled by the Geological Survey.

Though some mines in this district are either shut down, or are operating at reduced schedules, most of them are continuing to work at capacity in anticipation of the customary autumn demand. The supply of miners and miners' helpers is sufficient and no labor disturbances have been reported during the month.

Occasionally during the past month there have been indications that the worst of the depression in the bituminous market has been passed, then, again, the activity ceases and little or no improvement can be seen. In this district the present demand is, if anything, less than it was a month ago and public utilities rather than railroads and industrial plants are the largest consumers. On the other hand, one large operator states that orders from steel companies have been responsible for an increase in the demand for his product and that the call is now better than it was during June.

Bituminous

The usual difference exists between contract and spot prices, and though very little change is manifest in the latter, the tendency seems to be downward. In Philadelphia on July 21, Pool 10 coal was quoted at from $1.65 to 1.90 per ton, as compared with from $1.70 to $2.00 per ton on June 30. Stocks are heavy and are continuing to increase.

Production has been fairly well maintained at around seven million tons per week, with the exception of the week including the Fourth of July, during which output declined to the extremely low level of 5,755,000 tons. Since then, however, production has recovered and is now about as high as it was during the latter part of June. Figures are given in the table below showing output in tons for each of the past four weeks and for the corresponding four weeks of last year.

PRODUCTION OF BITUMINOUS*

Week ending	1924	1923
June 21	7,202,000 tons	10,422,000 tons
June 28	7,371,000 "	10,458,000 "
July 5	5,755,000 "	8,742,000 "
July 12	7,455,000 "	10,925,000 "

* Compiled by the Geological Survey.

Most mines are operating far below capacity; indeed, many are shut down entirely. The average rate at which operators reporting to this bank are running their collieries is not over from 30 to 40 per cent of capacity. There is a surplus of miners and, as a result of continued inactivity in the bitumnious areas, many of them have gone into other occupations.

No improvement has occurred in the coke market during the past month, and no increase in demand is looked for until conditions in the iron and steel industry change for the better. Furnace grades are readily obtainable at the spot price of $3.00 per ton at the ovens, and, in some instances, in which sharp competition has obtained, concessions to as low as $2.75 per ton have been made. The foundry coke market is in a somewhat better condition and recently the price was advanced from $4.00 to $4.25 per ton at the ovens, though the latter quotation is by no means firm.

Coke

Output of beehive coke is now as small as it has been at any time in the last two years. During the week in which Independence Day occurred production fell to the almost unprecedented low level of 95,000 tons, and though it increased again in the succeeding week, the total was less than in the week ending June 28. Output in tons for each of the past four weeks and for the four corresponding periods of 1923 are given in the table below.

PRODUCTION OF BEEHIVE COKE*

Week ending	1924	1923
June 21	131,000 tons	398,000 tons
June 28	126,000 "	399,000 "
July 5	95,000 "	376,000 "
July 12	105,000 "	366,000 "

* Compiled by the Geological Survey.

Production of by-product coke during June totaled 2,403,000 tons, as compared with 2,786,000 tons in May and 3,166,000 tons in June, 1923.

COTTON

During the past month the cotton market has been influenced very largely by the weather in the cotton growing states, and by the two Government crop reports which have been issued. The buying by domestic mills has been small, as in most cases their reduced requirements had been covered previously. Exports during June were slightly larger than in the corresponding month of 1923, but their influence on prices was comparatively slight. The accompanying table shows the domestic and foreign cotton takings for the month and crop year to date.

Raw cotton

DOMESTIC CONSUMPTION AND EXPORTS OF AMERICAN COTTON*

(linters excluded)

In bales	June, 1924	June, 1923	11 months ending June 30, 1924	11 months ending June 30, 1923
Domestic consumption	326,137	542,026	5,317,300	6,203,438
Exports	217,598	212,949	5,453,229	4,654,781

* Figures compiled by Department of Commerce.

On July 18, with only two weeks of the old crop year remaining, the visible supply of American cotton was slightly more than 1,000,000 bales and was about 50,000 bales larger than it was a year ago. This is shown in the accompanying table.

SUPPLY AND TAKINGS OF AMERICAN COTTON*

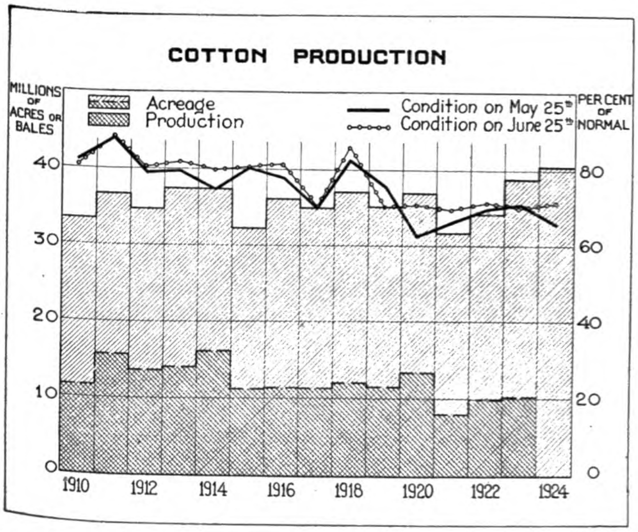
In bales	Season of 1923–1924	Season of 1922–1923	Season of 1921–1922
Visible supply, American, at end of previous season (July 31)	869,968	1,968,159	4,112,651
Crop in sight, American on (July 18)	11,162,795	11,010,307	10,661,506
Total	12,032,763	12,978,466	14,774.157
Visible supply, American, on (July 18)	1,010,407	961,715	2,169,825
World's takings on American to July 18	11,022,356	12,016,751	12,604,332

* Figures compiled by the New York Cotton Exchange.

During the last week in June the market was strong, spot cotton advancing from 29.15 cents on June 23 to 30.90 on July 1. But on the publication on July 2 of the Government report, which showed a condition as of June 25, of 71.2 per cent, a gain of 5.7 per cent during the month, and an estimated acreage of 40,408,000, the market broke sharply to 29.90 cents. Both the condition and acreage figures were larger than had been anticipated in the trade. For several days after that, cotton was weak but the declines were not important and, on July 7, the market reached the low point of the move, 29.60 cents. This further decline was because of the belief that since June 25 the weather had been favorable, but this condition changed and after July 7 the market moved almost steadily upward until, on July 19, spot cotton was 32.50. Then on July 21 the first of the newly inaugurated semimonthly reports of the Department of Agriculture was issued. In it the condition of the crop on July 15 was placed at 68.5 per cent. This report was as much below the general expectation as the former report had been above it, and the market rose rapidly, spot cotton after the report selling at 33.40 cents. The greatest advance, however, was in the new crop options; October rose 2 cents and closed at an advance of more than 1.4 cents per pound. On July 22 spot cotton rose to 33.95 cents the highest figure since February 6.

The accompanying chart shows acreage planted and production of cotton during the past 15 years, and also estimated condition at the time of the first two Government reports in those years. The production figure for 1923 is not the final one, as that is not yet available and the acreage for 1924 is a preliminary estimate.

Although the acreage planted in the last two years is the largest on record, the bumper crops were grown in the four years 1911-1914 inclusive. In recent years damage by the boll-weevil has greatly reduced the yield.



In only two years since 1910 has the condition of the crop been lower on June 25 than on May 25. In neither of those years, 1919 and 1923, was a large crop produced although the acreage planted, especially in 1923, was of good size. On the other hand, in the two years, 1914 and 1920, in which the June condition was considerably higher than that of May, as it also is this year, the crops produced were large, that of 1914 being the largest on record.

Sources—Department of Commerce, New York Journal of Commerce and Dun's Review

Cotton yarns

The market for cotton yarns has been very unsatisfactory during the past month, and prices have been generally weak. Because of the continued lack of sufficient orders for goods, the consumption of yarns has been almost at a standstill. Buying, which has been greatly restricted, is principally for current requirements, and, while numerous inquiries are being received for fall delivery, few orders are placed even at price concessions. Although recently sales of combed yarns have been more frequent than during the first part of the month, they are said to be in small lots and only for immediate delivery. This is largely due to the fact that large mercerizers continue to keep out of this market, claiming that the demand for their product is unusually dull. Trading in carded yarns, too, remains at a low level and prices are still weak, although lately it is reported that they are tending slightly upward.

Because of the sluggish demand and low prices, spinning mills have continued to curtail their production rather than accumulate stocks. Most of the orders are for delivery during the next sixty days, and the unfilled orders will not insure mill operation beyond thirty days. Supplies of both finished products and raw materials are moderately light and they are decreasing as compared with last month. Labor is plentiful, and wages are unchanged. Collections are not as satisfactory as they were last year, but on the whole they are fair.

Although recent advices show that quotations on yarns have advanced since about the middle of July, prices still remain below the average level maintained in January. Fairchild's average price and index number, which on January 19 was 53.29, dropped to 43.31 on July 19, a decrease of 19.5 per cent. The average price of raw cotton for the same period dropped from 33.64 to 31.84, a decline of 5.4 per cent. But the present trend of prices for raw cotton is upward.

Cotton goods

During late June and the first week in July the market for cotton goods continued to be dull but after that it improved somewhat in sympathy with the increased strength in raw cotton. Some mill agents report an increased call for gray goods, sheetings, napped goods and damasks, and prices for these are advancing. This improvement, however, does not appear to have been shared by all and therefore the market may be characterized as spotty. Sentiment is more optimistic as it is becoming more evident that goods are wanted by the retail trade. Mills that have been holding goods against orders have received shipping instructions and in some cases these shipments have been ordered direct to retailers.

Other branches of the trade do not appear as yet to have participated in this betterment; makers of automobile fabrics, furniture coverings, curtains and upholsteries complain that business is poor and has decreased since last month. Unfilled orders are smaller and prices are weak and in many cases lower.

The survey of employment and wages made by this bank shows that in 24 plants making cotton goods the number of employees decreased 3.4 per cent between the week of May 15 and that of June 15, and that total wages paid were 4.8 per cent less in the latter period. Average weekly earnings, however, were only 1.4 per cent lower. A month previous the decrease in employment was 9.0 per cent.

Collections are well maintained and in nearly every report are stated to be either fair or good.

WOOL

During the latter part of the past month, slightly greater activity has been noted in the local market for raw wool, prices remaining comparatively steady. Several dealers report that, in addition to many inquiries for wool of all grades, a number of actual sales have been made to spinners, calling for fine delaines and fleeces ranging from quarter-blood up. Notwithstanding the fact that many mills continue to operate on reduced schedule, manufacturers are said to show more interest in wool than they did last month, probably owing to somewhat lower prices; but conservatism is general and advance orders are limited. The market for carpet wool continues slugggish, carpet makers still remaining inactive. There is a noticeable demand for noils at firmer prices, but, owing to the curtailed operations in worsted mills, they continue scarce.

Raw wool

Although local stocks of wool are rather light, dealers state that they can be easily replenished in case of increasing demand. According to recent estimates, between 75 and 80 per cent of the new domestic clips have been sold already to Eastern buyers, outright sales being more frequent than consignments. In consequence, the Western field of operation is now narrowed down practically to Montana, where about 50 per cent of wool clips still remains unsold. Local dealers who have their buyers out in the field report that resistance to prices still continues on the part of Western growers.

The July colonial sales in London and Brisbane received only slight attention from the American buyers, quotations being higher than they were willing to pay. While good merinos maintained a fairly firm position, inferior grades of wool declined as compared with the May auctions. French, Japanese and, to some extent, German buyers were among the principal supporters of this market. Toward the end of the sales much of the offering was withdrawn to be held over until the next auction in September. Re-exports of wool held in bond here have been somewhat smaller than last month, and imports for June amounted to 16,397,418 as compared with 18,916,140 pounds for May and 30,129,497 a year ago.

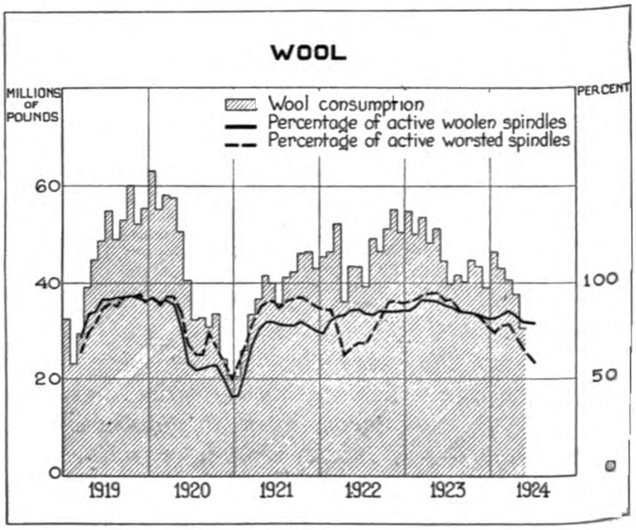
Quotations continue on a lower level than they were a year ago, although one or two dealers report that buyers are not resisting prices as they were last month. According to Dun's average of ninety-eight quotations, prices for raw wool were 73.30 cents per pound on July 12, as against 81.93 cents per pound last year.

Collections in the local market are reported to be fairly good.

Woolen and worsted yarns

Aside from a slightly more confident tone regarding the future, the market for woolen and worsted yarns has continued inactive over the greater part of the past month, and prices have remained weak. Inquiries as to prices and offerings have been fairly numerous and some sizeable sales have been reported in a few instances, including single warp and filling yarns for dress goods, as well as two-ply yarns for men's wear, but current orders for future delivery have been very limited, buying being chiefly for immediate requirements. The majority of dealers report that their orders are largely for delivery within 60 days, although some have orders for delivery beyond that period. Except for specialties, trading in wool spun yarns has been quiet, owing to a poor demand for cloakings, coatings and knitting goods. Sales of carpet yarns for Axminsters have continued unusually small, though prices remained unchanged.

During the past month most spinners in this district have curtailed their production drastically, and mills are operating on a considerably reduced schedule. As is indicated in the accompanying chart, in May the percentage fo active woolen spindles throughout the United States dropped to 79.3 per cent as compared with 82.2 per cent in April and 89.6 per cent a year ago, while activities of worsted spindles declined to 64.6 per cent in May as compared with 71.6 per cent in April and 94.1 per cent last year. The consumption of wool in this district, as shown by returns from 78 establishments, was about 18 per cent smaller in June than in May, whereas wool consumption in the United States was about 16 per cent smaller during the same period, as reported by 499 establishments.



During the past year and a half the consumption of wool has been declining, and in May was at the lowest point since January, 1921. The activity of worsted spindles has fallen off to a greater extent than that of woolen spindles during the past year.

Source—Department of Commerce

Labor, both skilled and unskilled, is plentiful, and total weekly wages as reported to this bank by 32 woolen and worsted establishments declined 6.2 per cent between May 15 and June 15, though average weekly earnings increased 2.2 per cent during the same period.

With a few exceptions, stocks of yarns and supplies of raw material continue moderately light, and the latter are said in some cases to be decreasing. Quotations are for the most part unsatisfactory, being slightly lower than last month, although prices of raw materials are reported to be comparatively firm. Collections are fairly good.

Woolen and worsted goods

Considering the past month as a whole, the market for woolen and worsted goods has continued exceedingly quiet, and prices have been weak. Manufacturers report that owing to general conditions and dull demand, practically all business on the books has been for immediate delivery. And, since the usual spring opening of men's suitings and topcoatings has been delayed, present operations are confined primarily to old orders that were booked in advance. Duplicate business has been small, although producers of bolivias and other pile fabrics are still utilizing most of their equipment apparently without overstocking their supply of finished goods. This is also true of most manufacturers of cassimeres, whose mills are said to be running about 60 per cent of plant capacity, although the request for their product has been rather poor.

As a result of the unfavorable market conditions, production has been further curtailed, and the majority of firms are working only against orders in hand. In consequence, stocks of both finished products and raw materials remain comparatively light, save in one or two instances. As a matter of fact, at the present rate of production, unfilled orders fail to insure mill operations beyond the period of sixty days.

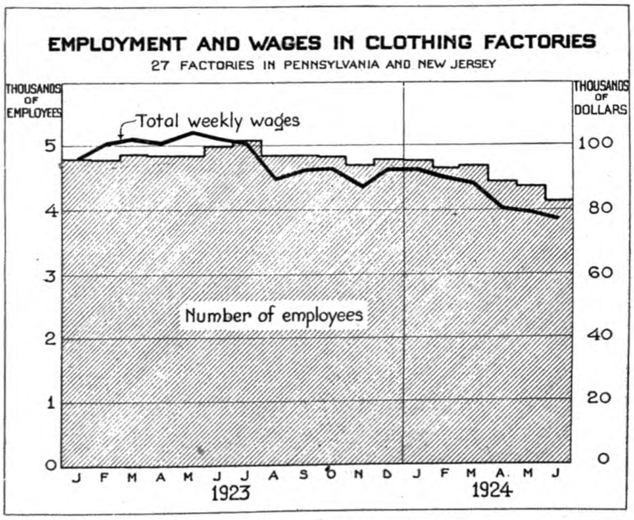
While prices of finished goods are for the most part below the level of last month or a year ago, quotations for raw materials are holding firm, though in a few cases they are said to be lower than last month. Buyers continue to offer resistance to prices on nearly all lines, more especially in the woolen cloth trade. The supply of labor is plentiful, and wages for the woolen and worsted industry are generally unchanged. As a rule, collections are fair, though not as satisfactory as they were last year.

CLOTHING

Men's wear

Constantly decreasing demand, continued curtailment of production, increased unemployment, weak prices and slow collections have generally featured the market for men's apparel in the district during the past month. Retailers have continually refused, it is reported, to purchase in advance of current requirements. As a result, at present about one-half of the orders on the books are for delivery within the next sixty days, and the remainder within the succeeding month, few mills having orders for delivery after ninety days. Because of its staple character, manufacturers of blue serge report that they are doing a fair amount of business in spite of the current depression. Requests for popular priced lines of top-coats has also been noticeable.

Mills are utilizing on the average about 50 per cent of their plant equipment, as compared with 75 per cent a year ago. At the present rate of production, business on hand will insure operation in most plants for about sixty days. Stocks of finished products are for the most part moderate, and they are either stationary or increasing. This is perhaps due to the fact that the shipment of fall suitings has begun only recently. Supplies of piece-goods are moderately light, but reports vary as to whether they are increasing or decreasing. The supply of labor is plentiful. As is indicated by the accompanying chart, the total weekly wages paid by 27 clothing establishments in Pennsylvania and New Jersey have steadily decreased since January, and are now lower than they were at any time during the past year and a half. Since March the number of employees has also declined below the lowest level recorded this or last year.



Total weekly wages have declined 27 per cent, and number of employees 20 per cent since their respective high points in 1923.

Source—Federal Reserve Bank of Philadelphia

Although several manufacturers state that quotations are firm, most of them report that prices are weak, and in some instances are about 10 per cent lower than they were last month. Resistance to prices has been noticeable in all lines of men's wear. Most of the manufacturers reporting to us find collections poor.

Shirts

Business in shirts continues quiet. Largely because of the fluctuations in the raw cotton and raw silk markets, together with general dullness in demand, retailers are cautious in making future commitments, and are buying only to cover their immediate requirements. The majority of orders are for quick delivery, mostly within less than sixty days. With a few exceptions, as in novelties, duplicate business has been relatively poor, but cancellations have been no greater than usual. Although in one or two instances stocks of finished goods are said to be decreasing, most producers report that they are rather heavy. Supplies of raw materials are moderately light.

As a rule, production has continued restricted, mills running from 50 to 60 per cent of single shift plant capacity. At this rate of production, the unfilled orders will insure operation for a period of from two weeks to one month. The supply of labor, both skilled and unskilled, is plentiful, and wages are unchanged.

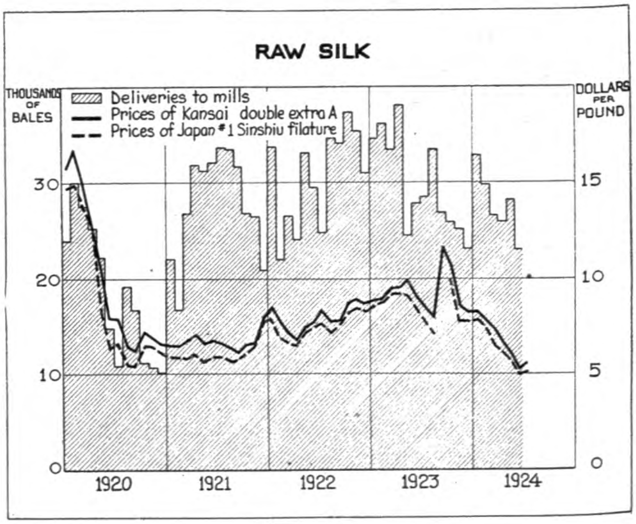
Quotations are as weak as they were last month, and buyers continue offering resistance to prices in all grades. Collections are generally poor.

SILK

Raw Silk

Although prices for raw silk in the domestic market recovered slightly during the first part of the month, mainly because of strength in the primary market, the advance was not accompanied by any pronounced activity on the part of buyers. Nor has the fact that there has been a somewhat better feeling in finished goods trade in any way fostered a desire among manufacturers to enter the silk market for their requirements at the new price levels. In consequence of this hesitation, the demand for raw material has been rather slack. The trend of prices for raw silk has been upward. On July 22 Kansai double-extra cracks were quoted at $5.80 per pound, as against $5.55 per pound on June 30, but this quotation is still 29.7 per cent lower than that of last year. The accompanying chart illustrates this fluctuation in price, and also shows the decline in deliveries to mills, which in June reached the lowest point since Februry, 1922.

Stocks of raw silk in the principal New York warehouses have diminished considerably, reaching the lowest point since July, 1923. Final figures for the silk season, as compiled by H. L. Gwalter & Co., Inc., give shipments from Japan to June 30 as 288,050 bales, of which 265,200 bales were made to America and 22,850 bales to Europe, as compared with a total of 314,051



Because of reduced operations in plants making silk goods, deliveries to mills have decreased to the lowest point since February, 1922; whereas quotations on raw silk in June were at the lowest level since 1916.

Source—Silk Association of America and Journal of Commerce

bales last year, of which 296,392 bales were shipped to this country and 17,659 bales to Europe. Stocks amount to 21,000 bales at Yokohama and 2,000 bales at Kobe, as against a total carry-over of 17,000 bales a year ago.

Silk Goods

Except for a slightly better sentiment regarding future business in silk piece-goods, unsatisfactory demand, weak prices and curtailed production have continued to characterize the market for broadsilks in this district during the past month. Sales have been limited, prompt delivery featuring almost every order. As a result of the warmer weather, manufacturers of shirtings and dress goods have enjoyed to some extent repeat business in summer fabrics, plain weaves in satin crêpe and crêpe de chine comprising the bulk of trade, with scattered calls for silk canton, charmeuse and satin canton crêpes, but buying as usual has been only against orders in hand. But so far there has been virtually no recovery from the slump in the silk trade that started in May, 1923.

The opening of fall lines continues to indicate a somewhat lower level of prices than those of last year, and such few advance orders as are being received, call chiefly for corded silks, embracing faille crêpes, bengalines, silk and wool poplins, and brocaded effects. Despite price concessions, the market for ribbons has been almost at a standstill, jobbers and retailers deferring their orders because of lack of confidence in the future. The few orders received by mills have been as usual for a narrow variety, although there seems to be a brighter feeling in regard to wide ribbons for millinery purposes. In consequence of this slow movement of silk goods, extreme caution continues to prevail among both buyers and manufacturers, the forward commitments being unusually small, sufficient only to insure mill operations for about thirty days at the present rate of production.

Some factors report that prices on finshed products are lower than they were either last month or a year ago, while others state that they remain unchanged as compared with last month. Because of a somewhat strengthened condition in the raw silk market early in July, quotations on yarns continue firm, even higher than during the previous month. In most cases buyers appear to offer a determined resistance to prices in all lines, more especially in georgettes, crêpe de chine, and ribbons.

While supplies of raw materials are rather light, stocks of finished goods range from heavy to moderate, exceeding those of last month. The supply of labor, both skilled and unskilled, is plentiful, and with one or two exceptions, wages remain unchanged. Collections are generally fair, though some firms find them slower than they were last year.

HOSIERY

Conditions in the hosiery trade are similar to those of a month ago; some mills making specialties continue to take orders for fair quantities, but the demand for staple lines is, if anything, smaller than it was then. Reports indicate, too, that production schedules are lower than they were in June. Quotations for silk, silk and fibre, mercerized and cotton hosiery, for both men and women, have in most cases decreased since that time, but these reductions do not appear to have stimulated the demand.

Several manufacturers of children's and infants' hosiery have opened their lines for 1925. In some cases goods were shown, but no quotations given, orders being solicited to be priced at the market at the time of sale; in others, prices have been named and these are about the same as they were a year ago at the opening. The amount of business booked so far on these lines does not appear to be important.

Total production of 337 identical establishments representing 429 mills in the United States, as is shown in the table on page 26, decreased in May as compared with April, though a slight increase was recorded for women's hosiery. Both orders booked during the month and unfilled orders at the end of the month were also smaller.

In this district reports from 113 identical mills comparing operations in June with those in May, which are summarized in the accompanying table, show a decrease in most of the important items. Cancellations increased and amounted to 7.7 per cent of the production.

Thrown silk is somewhat higher than it was last month, but after advancing sharply, buying slackened and prices have lost some of the gain. Cotton and mercerized yarns have been in poor request and prices have been sagging.

HOSIERY INDUSTRY*
Third Federal Reserve District

In dozen pairs	Men's				Women's			
	Full-fashioned		Seamless		Full-fashioned		Seamless	
	May	June	May	June	May	June	May	June
Production	24,721	26,860	290,156	239,928	289,943	262,335	241,527	246,538
Shipments during month	20,366	24,449	261,607	215,553	302,451	222,292	237,823	239,078
Finished product on hand at end of month	19,833	17,201	533,405	530,713	377,718	433,654	250,212	252,111
Orders booked during month	28,633	23,852	220,449	185,571	219,922	171,163	234,233	181,833
Cancellations received during month	245	200	14,858	11,360	5,863	25,339	13,799	12,990
Unfilled orders on hand at end of month	48,401	48,743	348,071	314,536	933,278	867,580	246,907	171,297

	Boys' and misses'		Children's and infants'		Athletic and sport		Total	
	May	June	May	June	May	June	May	June
Production	22,185	20,533	100,740	70,002	4,206	2,419	973,478	868,615
Shipments during month	30,755	22,855	147,028	95,993	6,358	3,698	1,006,388	823,918
Finished product on hand at end of month	56,434	71,649	254,077	209,931	13,082	15,788	1,504,761	1,531,047
Orders booked during month	16,628	21,250	67,956	44,884	3,799	3,763	791,620	632,316
Cancellations received during month	2,615	......	11,516	16,848	1,235	300	50,131	67,037
Unfilled orders on hand at end of month	10,151	13,047	124,858	73,712	1,471	1,321	1,713,537	1,490,596

* Preliminary report compiled by the Bureau of the Census.

Stocks of finished hosiery are described in most cases as either moderate or heavy and comparatively few manufacturers state that they are lower than they were a month ago. Wages generally are unchanged, but in a few mills in country districts, reductions of from 5 to 10 per cent have been made in wages of skilled labor. Collections are not as good as they were last month and are called either fair or poor by most manufacturers.

HOSIERY INDUSTRY*
United States

In dozen pairs	April	May
Production:		
Full-fashioned, men	77,741	67,297
Seamless, men	1,723,901	1,588,555
Full-fashioned, women	606,354	619,416
Seamless, women	1,037,103	1,076,120
Boys' and misses', all styles	508,184	460,517
Children's and infants', all styles	440,648	418,490
Athletic and sport, all styles	18,303	20,198
Total production	4,412.234	4,250.593
Total shipments during month	4.351,163	4,041,353
Total finished products on hand, end of month	8,948.488	8,816 968
Total orders booked during month	4 351,825	3,376,322
Total cancellations received during month	211,174	218,433
Total unfilled orders on hand, end of month	7,451,406	6,442,928

* Compiled by the Bureau of the Census.

UNDERWEAR

During the past month the market for underwear has undergone a new development so far as prices are concerned. After a long period of stagnation, largely because of straggling duplicate orders for lightweights, dull request for heavyweights and continued resistance to values on the part of buyers, many large manufacturers have lowered their prices for heavyweight underwear. In some cases this reduction was as much as 10 to 15 per cent below last December's quotations, according to the report of the National Association of Hosiery and Underwear Manufacturers.

It is very difficult to offer an adequate explanation for this action by manufacturers, since no reason is given for the reduction. Very likely one of the strongest causes has been a desire on the part of producers to diminish their stocks, although, except for the few instances where supplies are reported to be moderately heavy, stocks as a rule are said to be light, both of finished goods and raw materials. The fact that extensive curtailment of production in the underwear industry has been going on for some time seems to minimize the strength of the argument that the drop in prices is due to overproduction. Mills are utilizing on the average about 52 per cent of their plant equipment, though a large number of firms decreased their operations as compared with the previous month.

While the effect of the revision of prices on jobbers is reported to be favorable, extreme caution and conservatism continue to guide local buyers, particularly owing to the daily variation in the market quotations for raw cotton. So far as can be ascertained, offerings of 1925 lightweight merchandise will not be opened before the latter part of August. In the meantime, mills, through lack of orders, are compelled further to curtail their output for the time being.

The supply of labor is plentiful, and wages are unchanged. According to the returns from 46 establishments making knit goods and hosiery in this district, the total weekly wages declined 10.3 per cent from May 15 to June 15 and the average weekly earnings for the same period decreased 6.6 per cent. Collections are reported to be fairly satisfactory, though in some cases they are not as prompt as they were last year.

FLOOR COVERINGS

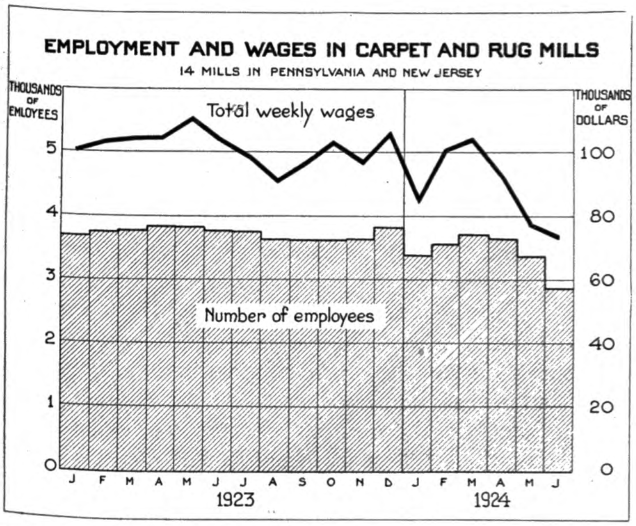
The demand for carpets and rugs is poor and has shown but little improvement during the month. This season of the year, however, is usually a time of small sales, both in the wholesale and retail carpet and rug trades, but the large furniture sales held in August and September usually include a considerable quantity of floor coverings. Producers, therefore, are more optimistic regarding the near future.

The only changes in quotations are small advances by several large manufacturers of Axminsters. These increases have brought prices back to about the level of the May openings, but so far have failed to stimulate buying in this branch of the industry.

Mills in this district are operating at a low rate, and the few changes reported during the month have been towards a further curtailment of output. Manufacturers of Wiltons appear to be working on a somewhat heavier production schedule than do others, but all are endeavoring to make only as much as they are selling and thus prevent a further increase in their stocks. Reports received by this Bank state that except in a few cases stocks of finished carpets and rugs are either stationary or lower than they were a month ago.

Carpet wools and yarns have been selling very poorly as manufacturers are buying only for their immediate needs. Prices, however, have held remarkably firm under the circumstances, but are slightly lower than they were a month ago.

The accompanying chart shows that both the total weekly wages and the number of employees in 15 identical representative mills in this district were approximately the same in March of 1923 and 1924, but



From March to June, 1924, wages declined 30 per cent and unemployment 22 per cent. In comparison with the high point of 1923, the June figures show declines of 33.5 per cent and 24.8 per cent, respectively.

Source—Federal Reserve Bank of Philadelphia

that conditions in the month of June of those years were vastly different.

For linoleums the demand continues fair Manufacturers of felt base goods are producing more than in any previous year and sales are scarcely as large as output. Makers of all grades of linoleums, plain, inlaid and printed, report that their plants are running on full time and that stocks are small. Prices are practically unchanged both for raw materials and for finished products. For some of the former, however, certain sellers are talking of higher figures.

Collections in the floor covering trade are fair, and with the exception of some parts of California, all sections of the country are maintaining their payments.

LEATHER

Hides and skins

After a period of dullness extending over several weeks the market for packer hides has become active. June hides were purchased freely on the same price level as had prevailed for about a month, and July hides, which are of better quality, were then bought at an average advance of ½ cent per pound and later at a further rise of ½ cent, making a total gain of 1 cent in about two weeks. The stock of cattle hides as reported by the Bureau of the Census again decreased during May. This was the twelfth consecutive monthly decline. Stocks shrank from 6,346,769 hides on May 31, 1923, to 4,121,777 hides on May 31, 1924, a decrease of 35 per cent. It is interesting to note that in spite of this situation the price of hides is slightly below that of a year ago.

Chicago packers' calf skins also have advanced somewhat, owing in part to an export demand. Packers are asking 21½ cents as compared with sales a month ago at 20 cents. Last reported sales were at 21 cents, but, as stocks were sold up closely to July 1, the sellers are in a strong position.

Quotations for sheep and goat skins are lower. The latter are in poor request because of the curtailed production of, and light demand for, kid leather.

Leather

Throughout the past month the demand for leather has been only moderate, but some tanners report that it has been increasing since the beginning of the third week in July. Export as well as domestic orders for both heavy and upper leathers are increasing. Though prices in many cases still favor the buyer, they have been more strongly maintained than in recent months. This is especially true of heavy leathers and their position has been helped not only by an active and advancing raw hide market, but also by the continued reduction in the stock of finished leather. Patent leather is in fair request, and calf leather, both in men's and women's weights, is selling better.

The accompanying table shows that in May production of most leathers was again smaller than it was in the previous month, and that, as compared with the output of May, 1923, the change was quite marked. Stocks of finished leathers are showing the effect of this curtailment, as the figures indicate. A notable exception to this is kid leather, of which the stock is considerably larger than it was a year ago, despite a large reduction in output.

HEAVY AND UPPER LEATHERS*

	Production during May compared with		Stocks at end of May compared with	
	April, 1924	May, 1923	April, 1924	May, 1923
Backs, bends and sides	− 2.2%	− 31.4%	− 1.8%	− 7.7%
Belting butts	+ 9.4 "	− 20.1 "	+ .6 "	+ 3.0 "
Offal	− 3.5 "	− 40.0 "	+ 1.5 "	− 14.6 "
Cattle, side, upper	+ 1.5 "	− 41.8 "	− 2.9 "	− 1.7 "
Calf and kip	− 5.9 "	− 32.0 "	− 2.1 "	− 16.2 "
Goat and kid	− .9 "	− 27.5 "	+ 1.3 "	+ 12.4 "
Cabretta	− 19.0 "	− 13.2 "	− 2.1 "	− 17.6 "

* Compiled from figures furnished by the Bureau of Census.

According to our survey, employment and wages in the tanning industry in this district have again decreased. For the week ending June 15, the number of wage earners declined 7.5 per cent, total wages paid fell 8.3 per cent and average weekly earnings 0.8 per cent, as compared with those of the week ending May 15.

During the first week in July a number of shoe factories in this district were, as usual, closed for inventory, repairs and holiday. Since this time, business, though dull, has improved and the majority of manufacturers reporting to this Bank state that unfilled orders have increased. It is also stated that shoe factories in New England have booked fair-sized orders and have increased their operations. Prices of high-grade shoes for both men and women vary from unchanged to slightly lower, but larger reductions have been made in the medium and lower grades of footwear. Oxfords are said to be on the increase in the new orders for women, but at this time of year, when shoes for autumn are being bought, this is quite usual. It may be, however, that since the pump has been in vogue for several years, manufacturers have pretty well exhausted the styles and can produce more novelties in oxfords. Calf leather in black and the lighter shades of tan and patent leather are the leading materials used.

Shoes

PRODUCTION OF SHOES*
United States

In pairs	1922	1923	1924
January	25,119,911	30,743,740	26,497,156
February	24,551,253	30,300,606	26,831,908
March	29,350,306	35,836,219	28,864,463
April	26,851,512	31,867,776	27,846,844
May	26,227,462	30,926,004	25,090,447
Total	132,100,444	159,674,345	135,130,818

* Figures compiled by Department of Commerce.

Production of shoes in the United States continues to fall behind that of last year, but compares favorably, except in March and May, with that of 1922, as the above table proves.

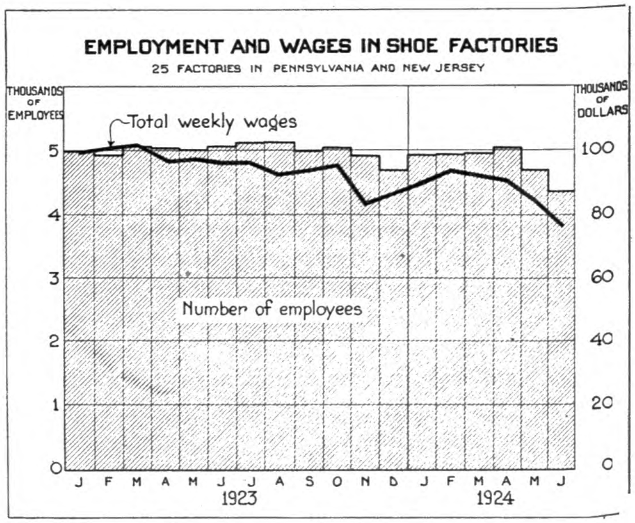
BOOT AND SHOE PRODUCTION*
Third Federal Reserve District

	Number of pairs	
	June	May
Boots and shoes, total	1,446,065	1,633,802
High and low cut (leather) total	1,328,878	1,502,671
Men's	109,703	116,375
Boys' and youths'	171,026	174,461
Women's	217,622	269,930
Misses' and children's	463,820	481,669
Infants'	366,707	460,236
All other leather or part leather footwear†	117,187	131,131

* 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.

In the Third Federal Reserve District production during June, as reported by 113 identical factories, was 11.5 per cent less than in May. The preceding table gives the details of this production.

Employment and wages in 28 factories in this district were lower on June 15 than on May 15; employment dropped 7.3 per cent, total weekly wages paid decreased 9.3 per cent, and average weekly earnings 2.1 per cent. In the following chart is depicted the course of employment and wages in 25 factories situated in Pennsylvania and New Jersey from January, 1923 to June, 1924. The high point in employment corresponds with the peak of production in March, 1923, but wages continued to rise until August. Collections are fair, the number of reports of poor collections being the smallest for a number of months.



Employment in June, 1924, was 14.8 per cent below the high level attained in August, 1923. Wages declined more drastically, however, being 24.9 per cent below the peak of March, 1923.
Source—Federal Reserve Bank of Philadelphia

Business at wholesale continues to fall behind that of a year ago. Sales in June were smaller than in May or in June, 1923, as is shown on page 10.

At retail, sales are holding up well, and, though they cannot be expected to be as large as those in June, they probably will compare favorably with those of July, 1923. Special sales are being held and are producing satisfactory results. Retailers report that they are able to obtain concessions ranging from 2 to 10 per cent on recent purchases and some firms have been buying more freely for the early autumn trade. At the present time, white shoes for both men and women have been selling well, and patent and satin for women and tan calf for men are in good request. For women, cut-outs are losing their popularity and comparatively few are being bought for autumn, colonial and strap pumps and oxfords being more desired. Sales during June were larger than in May or in June, 1923, and stocks were smaller than they were in the previous month, but slightly larger than on June 30, 1923.

RETAIL SHOE TRADE
Third Federal Reserve District

1. NET SALES (in terms of dollars):	
June, 1924, as compared with May, 1924	+5.8%
June, 1924, as compared with June, 1923	−2.5 "
2. STOCKS (selling price):	
June, 1924, as compared with May, 1924	−5.9%
June, 1924, as compared with June, 1923	+4.3 "
3. RATE OF TURNOVER (times per year based on cumulative period):	
January 1 to June 30, 1924	2.4
January 1 to June 30, 1923	2.6

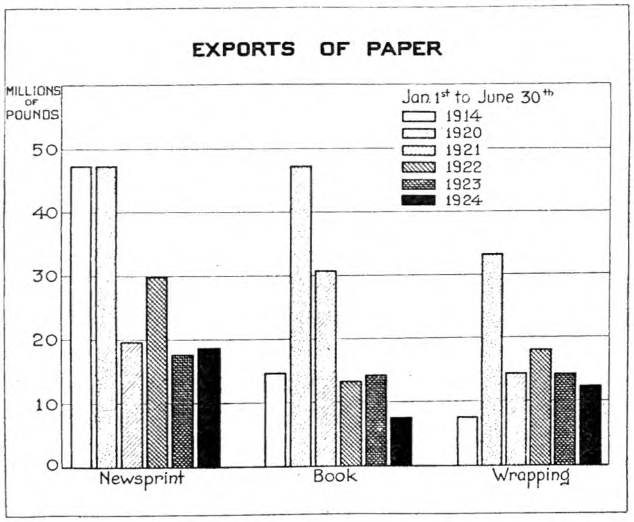
Number of stores reporting above items:
1............ 22 2............ 20 3............ 20

PAPER

The majority of paper manufacturers report that the summer dullness is more pronounced than usual and that on the whole business is not as good as it was in June. The demand is characterized as being fair or poor and much lighter than it was in July, 1923. Book and fine papers which, until June, were selling in fair volume, are now moving rather slowly. There has been little change in the request for wrapping and kraft papers and most mills are producing only about 65 per cent of their capacity output. Toilet tissues and crêpe towels continue to sell in fair volume, the production of the mills being unchanged at about 75 per cent. Wall paper manufacturers have booked many orders for their fall goods, but the orders received are not as large as they were a year ago. Most factories making wall paper are operating at close to capacity. The demand for building papers, building boards, and boxboards is poor and lighter than it was last month. Glazed papers are in fair demand and so are blue papers. Envelope makers state that business is fair for this season of the year, although their factories are operating at only 60 per cent. The majority of paper mills in this district have only a few days' business on hand and they are operating at only about 65 per cent of capacity. A few have nearly thirty days' business ahead, but these are exceptions.

Distributors report that their sales are smaller than those of July, 1923, and that the demand at present is barely fair. As is shown in the table on page 10 wholesale paper sales in June were smaller than those of June, 1923.

Paper export statistics show that our trade with foreign countries has not increased from that of the pre-war year of 1914. Our exports of newsprint for the first half of 1924 were only 1/3 as large as for the same period of 1914, those of book paper about ½ as large as in the first half of 1914, and exports of wrapping paper about twice as large as in that period. As the following chart shows, the exports of these three grades of paper reached their highest point in the first six months of 1920 and then slumped severely in the years following.



Exports of paper for the first half of 1924 show a big decrease from those for the first six months of 1920 and newsprint exports were barely one-third as large as in the first half of 1914. Book paper exports are about one-half those of 1914, but wrapping paper shipments are nearly twice as large.
Source—Department of Commerce

Except on wrapping paper, mill prices are generally firm and only distress lots in the open market are offered at concessions. Some weakness is apparent in prices of wrapping papers, but it is not very marked. Mechanical and chemical pulps are firm in price and are selling at the same quotations as in June.

Both finished stocks and supplies of raw materials at the mills are moderate in size and show little change. Skilled and unskilled labor is plentiful and a slight trend downward in wages is apparent. Collections are fair and practically the same as last month.

PAPER BOXES

Although some box makers report that the demand is fair, the majority state that it is poor and below normal for this season of the year. The volume of orders booked is smaller than that of June and considerably less than that of July, 1923. The candy trade, which normally begins placing orders for the Christmas trade in the early summer, has as yet made practically no commitments and consequently candy box makers have little business on hand. Knitted goods lines, such as hosiery and sweaters, and the shirt industries are buying lightly. Hardware and electrical supply manufacturers are purchasing from hand-to-mouth only and are taking fewer boxes than they have for months. The foodstuffs, soap and perfume industries are at present buying sizeable quantities and they are the principal buyers of news and chipboard boxes. The demand for folding boxes is lighter than in any previous month of the year. An average of the reports made to this bank shows that the news and chipboard box factories are operating at about 60 per cent of capacity. Producers of corrugated boxes and fibre shipping containers state that the call for their products is poor or fair. Corrugated box plants are operating at about 55 per cent and fibre box plants at 80 per cent. The latter are principally engaged on orders from canners. The majority of box makers have less than thirty days' business on hand and many are working on a day-to-day basis.

Price cutting is severe in all branches of the industry and consequently box prices remain weak. Although the majority of box makers report that their prices are the same as a month ago, a few state that they have lowered their quotations. Nominally quotations on newsboard, chipboard, strawboard, jute liner, and container board are unchanged, but buyers are able to obtain concessions on all of these grades.

Supplies of raw materials are moderate, while stocks of finished boxes vary from light to moderate and are stationary. Both skilled and unskilled labor is plentiful. Wages of skilled labor are unchanged, but a few manufacturers report a reduction of 10 to 20 per cent in the wages of unskilled help. Collections are fair and about the same as a month ago, but slower than in July, 1923.

CIGARS

Reports received by us regarding the demand for cigars are very evenly divided between the classifications of good, fair and poor, but most of them agree that it is not as strong as it was at this time last month or a year ago. Most of the orders now on the books are for delivery within 60 days, though a substantial volume is for up to and beyond 90 days. Manufacturers reporting to this Bank consider from 44 to 55 hours per week as full running time, and on this basis the average rate of operations is calculated to be about 60 per cent of capacity. On the other hand a few producers are not operating at all, either because of no orders or on account of their ability to supply customers with cigars from stocks on hand.

Quotations, in general, are firm though one producer reports that price cutting is not uncommon and that this practice has caused some resistance to present prices. In practically every instance, however, listed quotations for both finished goods and raw materials are the same as they were a month ago. Stocks are from light to moderate and are decreasing. The supply of all classes of workers is either sufficient or plentiful and no wage changes have been made so far this month. Reports to this Bank from 23 cigar factories, located in Pennsylvania, New Jersey, and Delaware, showed that the number of employees declined 2.2 per cent between May and June, but that during the same period total weekly wages increased 0.3 per cent and average weekly earnings 2.6 per cent.

Collections are fair but are not as prompt as they were at this time last month or in July, 1923.

AGRICULTURE

Favorable weather and good growing conditions in most parts of the district have improved crop development considerably, but all crops are late. However, in many of the elevated, heavy soil counties of Pennsylvania, notably Clearfield, Huntingdon, Northumberland, Berks, and Clinton counties, excessive rainfall has prevented proper cultivation and the fields are very weedy. The proper curing of hay has been

CROP YIELDS

State	Crop	Condition per cent normal July 1	Production (000's omitted)		
			1924 Estimated from July 1 condition	1923	10 year average
Pennsylvania	Corn	73	52,948 bushels	61,640 bushels	64,928 bushels
New Jersey	"	74	8,134 "	9,440 "	10,673 "
Pennsylvania	Winter wheat	86	20,692 "	24,168 "	24,356 "
New Jersey	" "	89	1,333 "	1,480 "	1,523 "
Pennsylvania	Oats	87	32,780 "	33,930 "	39,062 "
New Jersey	"	88	1,968 "	1,632 "	2,202 "
Pennsylvania	Rye	91	3,313 "	3,655 "	3,908 "
New Jersey	"	93	1,096 "	1,157 "	1,203 "
Pennsylvania	White potatoes	84	22,546 "	26,145 "	24,573 "
New Jersey	" "	88	9,442 "	7,600 "	10,940 "
Pennsylvania	Tobacco	78	52,800 pounds	58,950 pounds	56,105 pounds
New Jersey	Sweet potatoes	80	2,232 bushels	2,196 bushels	2,417 bushels

FRUIT PRODUCTION

State	Crop	Production (000's omitted) 1924 Estimated from July 1 condition	1923	1922
Pennsylvania	Apples (Commercial crop)	1,256 barrels	1,266 barrels	
Delaware	" " "	369 "	340 "	
New Jersey	" " "	609 "	470 "	552 barrels
Pennsylvania	Peaches	1,856 bushels	1,907 bushels	
Delaware	"	239 "	225 "	
New Jersey	"	2,641 "	2,642 "	2,000 bushels
Pennsylvania	Pears	.....	.....	
Delaware	"	363 "	370 "	
New Jersey	"	707 "	662 "	405 "

difficult in these regions and although the cuttings have been heavy, some of the crop may not be fit for feeding purposes. Farm bureaus report that the per acre yields of winter wheat, rye and oats will compare favorably with those of last year and the ten-year average. But production is not expected to equal that of 1923, because the acreage planted to these grains is smaller than it was last year. The harvest of these crops began about ten days late and will probably not be completed until the end of July; the quality of that grain which has been harvested is good. The condition of the corn crop on July 1, throughout the district, was the poorest it has been on that date at any time in the past ten years. It was about three weeks behind normal development and in many districts the stand was poor and uneven. Potatoes, although late, too, show a good stand and healthy growth; from the condition on July 1 the yield per acre should be larger than it was last year. Garden truck crops, especially tomatoes and lima beans, will not be as plentiful as last year, because of the poor start at the beginning of the season and poor seed germination. Sweet potatoes in New Jersey have been considerably injured by black rot which has developed rapidly, being favored by excessive moisture.

The estimated yields of the important grain and truck crops, based upon condition on July 1, are given in the table on page 30, and it will be noted that only the New Jersey oats and white potato crops are expected to be larger than in 1923. In general, the grain and truck crops of this district will not be as large as they were last year.

Bush fruits, especially raspberries and blackberries, are plentiful and county agents estimate that the crop yields will be 10 per cent larger than in 1923 and above the average. A very heavy peach crop is in prospect and growers have been obliged to thin out the fruit on the trees severely, especially on the Carman and Elberta varieties. The peach crop should be larger than in 1923 and much greater than an average crop. A big pear crop, which will exceed that of 1923 in size, is also indicated. Except for the early varieties, which do not promise as large a yield as last year, the apple harvest will be heavy and larger than that of 1923 or an average crop.

Tame hay is in excellent condition and judging from the prospects on July 1 a bumper crop should be harvested this year. The stand and growth on July 1 was above the average for that date during the past ten years and nearly twice as good as on July 1, 1923. Pastures are bountiful and grazing conditions are almost ideal. To the dairying industry these are factors of prime importance, as most mill feeds have recently advanced sharply in price and abundant roughage and pastures will allow dairymen to reduce their feed rations. This in turn means a better return to dairy farmers.

In most parts of the district dairy cattle, sheep and lambs, and hogs are now in normal condition for this season of the year. Calves and heifers, and horses and colts are slightly below normal, but they are developing rapidly because of the fine grazing now prevailing. The number of hogs on the farms of this district is now probably 5 per cent less than it was a year ago.

Harvest hands and farm laborers are more abundant than they were in July, 1923, although in a few counties some scarcity is still reported. Farm wages are fully 10 per cent lower than they were a year ago and our reports from New Jersey farm bureaus state that it is now possible to secure day laborers at 35 cents per hour, whereas in last July men could be secured only with difficulty at 40 and 45 cents per hour.

Despite the indicated smaller yields of many important crops, the agricultural outlook in the Third Federal Reserve District is, in general, good.

COMPILED AS OF JULY 22, 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	June, 1924 Latest month	May, 1924 Month ago	June, 1923 Year ago	Latest compared with Previous month	Latest compared with Year ago
Retail trade—net sales† (151 stores)	$23,235,000	$24,090,000	$25,115,000	− 3.5%	− 7.5%
Department (63 stores)	$18,713,000	$19,044,000	$20,377,000	− 1.7 "	− 8.2 "
Apparel (45 stores)	$3,132,000	$3,432,000	$3,239,000	− 8.7 "	− 3.3 "
Shoe (22 stores)	$546,000	$516,000	$560,000	+ 5.8 "	− 2.5 "
Credit (21 stores)	$844,000	$1,098,000	$939,000	−23.1 "	−10.1 "
Wholesale trade—net sales (167 firms)	$10,637,308	$11,045,857	$11,909,895	− 3.7 "	−10.7 "
Boots and shoes (13 firms)	$318,700	$366,070	$398,826	−12.9 "	−20.1 "
Drugs (15 firms)	$1,409,464	$1,459,673	$1,407,710	− 3.4 "	+ 0.1 "
Drygoods (19 firms)	$908,011	$991,841	$1,145,492	− 8.5 "	−20.7 "
Electrical supplies (7 firms)	$496,915	$527,293	$625,342	− 5.8 "	−20.5 "
Groceries (57 firms)	$4,191,973	$4,113,423	$4,504,417	+ 1.9 "	− 6.9 "
Hardware (30 firms)	$2,132,854	$2,277,194	$2,346,614	− 6.3 "	− 9.1 "
Jewelry (14 firms)	$426,603	$404,691	$509,444	+ 5.4 "	−16.3 "
Paper (12 firms)	$752,788	$905,672	$972,050	−16.9 "	−22.6 "
Production:					
Shoes* (113 factories)	1,446,065 prs.	1,633,802 prs.	....	−11.5 "	....
Pig iron	147,746 tons	188,246 tons	273,231 tons	−21.5 "	−45.9 "
Hosiery* (113 mills)	868,615 doz. prs.	973,478 doz. prs.	....	−10.8 "	....
Iron castings (43 foundries)	7,004 tons	7,708 tons	....	− 9.1 "	....
Steel castings (5 foundries)	3,372 tons	3,195 tons	....	+ 5.5 "	....
Cement	3,301,000 bbls.	3,463,000 bbls.	3,155,000 bbls.	− 4.7 "	+ 4.6 "
Anthracite	7,704,000 tons	7,745,000 tons	8,665,000 tons	− .5 "	−11.1 "
Bituminous coal (Central district—percentage of full-time output)	41.0%	42.3%	64.6%	− 3.1 "	−36.5 "
Wool consumption* (78 mills)	4,842,948 lbs.	5,915,531 lbs.	....	−18.1 "	....
Active cotton spindles (Pennsylvania and New Jersey)	530,468	556,593	583,615	− 4.7 "	− 9.1 "
Distribution:					
Freight car loadings (Allegheny district—weekly average)	186,884	184,020	226,123	+ 1.6 "	−17.4 "
Tonnage of vessels—foreign trade (port of Philadelphia)	1,250,000 tons	1,394,000 tons	1,497,000 tons	−10.3 "	−16.5 "
Exports of wheat (from port of Philadelphia)	1,078,000 bus.	2,722,000 bus.	1,328,000 bus.	−60.4 "	−18.8 "
Exports of flour (from port of Philadelphia)	6,109,000 lbs.	3,667,000 lbs.	3,934,000 lbs.	+66.6 "	+55.3 "
Imports of crude oil (into port of Philadelphia)	12,264,000 gals.	11,068,000 gals.	33,568,000 gals.	+10.8 "	−63.5 "
Financial:					
Loans, discounts and investments of member banks (weekly average)	$949,400,000	$947,400,000	$937,500,000	+ 0.2 "	+ 1.3 "
Bills discounted held by Federal Reserve Bank of Philadelphia (daily average)	$30,117,000	$32,946,000	$70,473,000	− 8.6 "	−57.3 "
Acceptances executed (12 banks for month ended 10th of following month)	$3,767,000	$2,827,000	$3,757,000	+33.3 "	+ 0.3 "
Bankers' acceptances sales (5 dealers—weekly average for period ended middle following month)	$19,000	$324,000	$2,211,000	−94.1 "	−99.1 "
Commercial paper sales (5 dealers)	$12,822,500	$9,835,000	$7,940,000	+30.4 "	+61.5 "
Savings deposits (97 banks)	$533,806,000	$531,125,000	$495,924,000	− 0.5 "	+ 7.6 "
General:					
Debits (18 cities)	$1,773,844,000	$1,894,928,000	$2,083,113,000	− 6.4 "	−14.8 "
Commercial failures	81	55	60	+47.3 "	+35.0 "
Commercial failures—liabilities	$1,323,953	$1,283,641	$1,074,915	+ 3.1 "	+23.2 "
Building permits (15 cities)	$16,301,548	$16,363,575	$13,080,171	− .4 "	+24.6 "
Building contracts awarded (Philadelphia district)	$40,247,900	$44,687,800	$23,779,900	− 9.9 "	+69.3 "
Employment—number of wage earners (1,009 plants in Pennsylvania, New Jersey and Delaware)	365,668	379,850	....	− 3.7 "	....
Average weekly earnings (366,000 wage earners in Pennsylvania, New Jersey and Delaware)	$25.21	$26.10	....	− 3.4 "	....

* Bureau of Census preliminary figures.
† Estimated.