

THE BUSINESS REVIEW

THIRD FEDERAL
PHILADELPHIA



RESERVE DISTRICT
MARCH 2, 1925

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BUSINESS CONDITIONS IN THE UNITED STATES

Further growth in production during January carried the output of basic commodities to the highest point reached since the Spring of 1923. Employment at industrial establishments increased slightly, but remained below the level of a year ago. Prices of farm products continued to advance and there were smaller increases in the wholesale prices of most of the other groups of commodities.

Production. Production in basic industries, after a rapid increase in recent months, advanced 8 per cent in January and was 34 per cent above the low point of last summer. The most important factor in the increase in the level of production since August has been the greater activity in the iron and steel industry, but in January the output of lumber, minerals, food products, and paper and the mill consumption of cotton also showed considerable increases. The woolen industry was somewhat less active in January and output of automobiles, though larger than in December, was considerably smaller than a year ago. Further increases during the month in employment in the metal, textile, and leather industries were largely offset by seasonal declines in the number em-

ployed in the building materials and food products industries. Building activity, as measured by contracts awarded, though less in January than during the closing months of 1924, was near the high level of a year ago.

Trade. Railroad shipments were in record volume for this time of year, and loadings of merchandise and miscellaneous products were particularly heavy. Wholesale trade in January, however, was slightly smaller than in December. Sales of groceries, shoes and hardware were in smaller volume, while sales of drygoods and drugs increased. Department store sales in most districts were somewhat smaller than a year ago, but sales of mail order houses were considerably larger.

Prices. Wholesale prices, as measured by the index of the Bureau of Labor Statistics, rose 2 per cent during January to the highest level in four years. The increase of 10 per cent in the index since last June represents an advance of 19 per cent in prices of agricultural commodities and 3 per cent in other commodities. In the first half of February prices of grains, wool, coal, and lead declined, while petro-

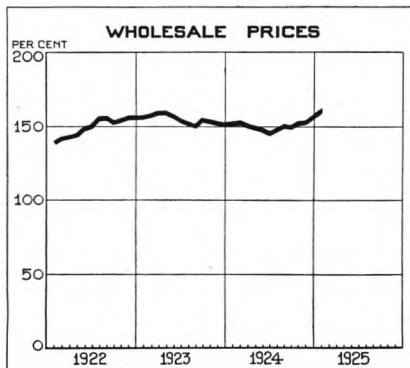
leum and gasoline prices advanced sharply, and cotton, silk, and rubber showed smaller increases.

Bank credit. Loans and investments of member banks in leading cities, following the rapid growth during the last half of 1924, declined by about \$100,000,000 between the middle of January and the middle of February. This decrease represents a reduction in the holdings of investments, chiefly at banks in New York partly offset by an increase in loans. Loans on stocks and bonds increased, though less rapidly than in the latter part of 1924, while loans for commercial purposes declined slightly from the high level reached in the middle of January. Net demand deposits, owing largely to decreases at New York city banks, declined sharply from the high point reached in the middle of January.

At the Federal Reserve Banks the seasonal liquidation resulting from the return flow of currency from circulation came to a close by January 21, and during the following four weeks there was an increase in total earning assets. This increase reflected largely the demand for



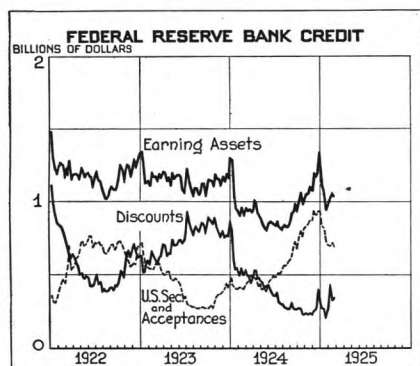
Index of 22 basic commodities corrected for seasonal variation (1919 = 100). Latest figure—January, 126.



Index of U. S. Bureau of Labor Statistics (1913 = 100, base adopted by Bureau). Latest figure—January, 160.



Weekly figures for member banks in 101 leading cities. Latest figure, February 11.



Weekly figures for 12 Federal Reserve Banks. Latest figure, February 18.

gold for export, which led member banks to increase their discounts at the Reserve banks. Reserve bank holdings of United States securities declined further, while acceptances showed relatively little change for the period.

Money rates, after remaining comparatively steady during most of January, showed a firmer tendency during the early part of February, when rates for prime commercial paper advanced to $3\frac{3}{4}$ per cent.

BUSINESS CONDITIONS IN THE THIRD FEDERAL RESERVE DISTRICT

Unfavorable weather conditions and the taking of inventories were chiefly responsible for the rather disappointing volume of business in this district during January. Although production of many basic commodities continued to increase in that month, manufacturing and commercial activity, generally, suffered more than the usual seasonal reaction. Working hours at the factories of the district were reduced somewhat, while employment remained stationary, but preliminary reports indicate that February witnessed a marked improvement in the employment situation. It is probable that business in February has experienced a noticeable improvement over January's level.

Iron and steel production continues at a high rate and current shipments are heavy, although demand has slackened lately and prices have ceased to advance. Cold weather in January stimulated coal sales but during the past month milder weather has resulted in a curtailment of sales and, in the case of soft coal, price shading. Production of anthracite has been increasing lately, while output of bituminous has declined slightly.

Building activity suffered severely from weather conditions in January. Not only was construction less active than in December but the value both of permits granted and of contracts awarded in the district was about a third less than in the same month of 1924. Building material manufacturers naturally suf-

EMPLOYMENT AND WAGES In Pennsylvania, New Jersey and Delaware

Group and industry	No. of plants reporting	Number of wage earners—week ended		Total weekly wages—week ended		Average weekly earnings—week ended	
		Jan. 15, 1925	Per cent change from month ago	Jan. 15, 1925	Per cent change from month ago	Jan. 15, 1925	Per cent change from month ago
All industries (48)	1,011	374,497	+ 0.7	\$9,728,296	- 2.7	\$25.98	- 3.4
Metal manufactures:	352	180,312	+ 2.3	4,965,641	- 1.1	27.54	- 3.3
Automobiles, bodies, and parts...	23	7,297	+ 1.5	202,765	- 1.6	27.79	- 3.1
Car construction and repair...	15	14,189	+ 0.4	409,431	- 4.9	28.86	- 5.3
Elec. machinery and apparatus...	41	20,820	- 1.5	513,779	- 3.2	24.68	- 1.8
Engines, machines, mach. tools...	36	9,279	+ 0.2	255,384	- 0.4	27.52	- 0.4
Foundries and machine shops...	72	12,107	+ 2.9	339,873	+ 0.3	28.07	- 2.6
Heating appliances and apparatus	18	4,764	- 8.2	138,560	- 3.1	29.08	+ 5.6
Iron and steel blast furnaces...	13	14,381	+ 5.2	358,575	- 7.0	24.93	-11.6
Iron and steel forgings...	13	5,140	+ 6.1	135,904	+ 2.3	26.44	- 3.5
Steel works and rolling mills...	48	49,353	+ 4.3	1,421,626	+ 3.1	28.81	- 1.1
Structural iron works...	12	3,271	+ 3.5	89,717	+ 4.4	27.43	+ 0.9
Miscellaneous iron and steel prod.	47	27,543	+ 6.4	750,228	- 2.1	27.24	- 8.0
Shipbuilding...	8	8,758	- 3.2	252,074	- 3.1	28.78	+ 0.1
Non-ferrous metals...	6	3,410	- 4.5	97,725	- 5.6	28.66	- 1.1
Textile products:	236	68,621	+ 1.3	1,511,933	- 2.9	22.03	- 4.2
Carpets and rugs...	13	3,725	+ 0.5	96,139	- 7.4	25.81	- 7.9
Clothing...	27	3,648	+ 2.7	62,160	+ 1.6	17.04	- 2.0
Hats, felt and other...	11	5,363	- 0.8	128,187	+ 3.4	23.90	+ 4.3
Cotton goods...	27	8,305	+ 3.0	181,551	+ 0.4	21.86	- 2.5
Silk goods...	60	17,211	+ 2.3	342,842	- 4.0	19.92	- 6.2
Woolens and worsteds...	28	11,412	- 0.9	257,163	- 6.1	22.53	- 5.3
Knit goods and hosiery...	43	9,971	+ 0.3	218,266	- 8.3	21.89	- 8.5
Dyeing and finishing textiles...	20	7,425	+ 4.2	194,580	+ 4.7	26.21	+ 0.5
Miscellaneous textile products...	7	1,561	- 0.6	31,045	- 1.4	19.89	- 0.7
Foods and tobacco:	82	24,186	- 0.8	540,582	- 1.1	22.35	- 0.3
Bakeries...	19	3,494	+ 0.2	103,738	- 0.3	29.69	- 0.5
Canneries...	7	3,137	- 4.5	66,898	- 5.6	21.33	- 1.1
Confectionery and ice cream...	20	5,547	- 4.2	107,882	- 3.4	19.45	+ 0.8
Slaughtering and meat packing...	12	2,728	+ 1.0	77,325	+ 2.4	28.34	+ 1.4
Sugar refining...	3	2,905	+14.3	86,990	+ 8.3	29.94	- 5.3
Cigars and tobacco...	21	6,375	- 3.0	97,749	- 6.0	15.33	- 3.1
Building materials:	77	24,548	- 2.2	661,736	- 8.6	26.96	- 6.5
Brick, tile, terra cotta products...	21	3,644	- 0.9	90,454	- 5.0	24.82	- 4.2
Cement...	15	7,552	- 3.0	194,794	-12.7	25.79	- 9.9
Glass...	27	9,324	- 4.0	252,392	- 9.7	27.07	- 6.0
Pottery...	14	4,028	+ 2.3	124,096	- 1.4	30.81	- 3.6
Chemicals and allied products:	75	29,144	+ 0.4	880,347	+ 0.7	30.21	+ 0.4
Chemicals and drugs...	39	7,081	+ 0.6	199,983	+ 1.2	28.24	+ 0.6
Explosives...	10	2,740	- 3.1	70,064	- 0.9	25.57	+ 2.3
Paints and varnishes...	15	1,507	+ 3.7	42,827	+10.8	28.42	+ 6.8
Petroleum refining...	8	16,624	+ 0.3	528,862	- 1.2	31.81	- 1.5
Coke...	3	1,192	+ 4.9	38,611	+22.6	32.39	+16.8
Miscellaneous industries:	189	47,686	- 3.4	1,168,057	- 8.8	24.49	- 5.6
Lumber and planing mill prod...	8	2,449	- 2.2	46,397	- 9.8	18.95	- 7.7
Furniture...	21	3,412	- 1.7	84,122	-11.1	24.65	- 9.6
Musical instruments...	6	7,185	-14.9	151,469	-33.3	21.08	-21.5
Leather tanning...	34	8,265	+ 2.3	206,759	- 1.1	25.01	- 3.4
Leather products...	6	576	- 3.5	12,167	-11.6	21.12	- 8.4
Boots and shoes...	28	5,220	+ 0.6	99,587	+ 4.1	19.08	+ 3.5
Paper and pulp products...	21	5,327	+ 1.1	137,739	+ 0.4	25.86	- 0.7
Printing and publishing...	26	3,879	- 7.0	121,998	-11.4	31.45	- 4.7
Rubber tires and goods...	18	5,065	- 9.8	141,785	-10.9	27.99	- 1.2
Novelties and jewelry...	9	2,222	+ 0.9	58,184	+ 3.9	26.19	+ 3.0
All other industries...	12	4,086	+ 6.8	107,850	+ 8.4	26.40	+ 1.6

ferred from this situation in January, but they report an improvement in their market for February. Furthermore, our preliminary report on employment shows a 6.5 per cent increase in February in working forces at plants producing building materials.

Silk is the only one of the textiles showing more active trading and an upward trend of prices for both raw materials and finished products. Demand for most wool and cotton products is quiet and prices either have definitely weakened or have met considerable resistance. Even raw wool prices, which had been advancing for several months, sagged noticeably in February. Under-

wear manufacturers report improved demand and hosiery makers are also receiving good business in novelties. Carpets are selling in fair volume in spite of poor retail distribution.

Business in the leather industries has been rather unsatisfactory. Trading in hides and skins slackened and prices of some grades receded. The leather business is also in smaller volume although prices have been maintained. Bad weather retarded retail distribution of shoes in January and manufacturers' sales have also been unsatisfactory. The market for rubber tires and products is becoming seasonally active and prices are advancing following the substantial increases in

crude rubber prices. The paper industry reports improvement over January's business but paper boxes are in only fair demand.

Although freight car loadings in the Allegheny district turned upward slightly in January and were somewhat above last year's level, wholesale and retail distribution was in distinctly smaller volume than in the preceding month. Sales in all lines of wholesale trade, except paper, were smaller than in December, and, with the exception of paper and drugs, business this year was poorer than in 1924. Collections in wholesale lines were slower and stocks had increased somewhat. The bad weather also affected retail trade in January and the sales of reporting stores in this district were between 2 and 3 per cent less than last year. Some improvement has been noted in February, however, and furniture sales are reported to have been quite satisfactory. The volume of debits to individual accounts, a measure of general business activity, maintained about the same level in January as in December and in these months was 10 per cent or more above the average monthly totals during 1924.

ments and plants making rubber tires and goods reported especially large declines in both employment and wages.

FINANCIAL CONDITIONS

Loans and discounts of reporting member banks in four of the larger cities of the Third District on February 11 were only 2 millions below the figures of four weeks before, but investments decreased 10 millions. In the same interval deposits fell off 18 millions and borrowings from the reserve bank gained 4 millions. Compared with the figures of three months before, loans secured by stocks and bonds were 14 millions higher, but investments were 5 millions lower and all other (largely commercial) loans had fallen 22 millions.

At the Federal Reserve Bank of Philadelphia discounts for member banks advanced 5 millions in the four weeks ended February 18. In these weeks total deposits, note circulation and cash reserves also increased, but the reserve ratio declined from 82.7 to 81.0 per cent.

Money rates have become slightly firmer. On February 18 the offering rate

for 90-day bankers' bills was $3\frac{1}{8}$ per cent as against 3 per cent a month before, and prime commercial paper was quoted at

Cities	Changes February 1, 1925, compared with	
	Previous month	Previous year
Allentown.....	+ 2.1%	+ 8.2%
Altoona.....	+ 2.7%	+ 9.5%
Bethlehem.....	+ .6 "	+16.0 "
Chester.....	+ 1.3 "	+ .8 "
Easton.....	+ .8 "	+16.2 "
Harrisburg.....	+ 1.9 "	+ 7.3 "
Johnstown.....	+ 7.9 "	+ 2.3 "
Lancaster.....	+ 5.3 "	+19.8 "
Philadelphia.....	+ .8 "	+ 6.4 "
Reading.....	+ 1.0 "	+15.1 "
Seranton.....	+ .1 "	+14.7 "
Trenton.....	+ .6 "	+ .1 "
Wilkes-Barre.....	+ 2.1 "	+10.6 "
Williamsport.....	+ .9 "	+ 2.6 "
Wilmington.....	+ 3.9 "	+ 8.0 "
York.....	+ 1.9 "	+16.1 "
Others.....	+ .3 "	+ 6.1 "
Totals.....	+ 1.0%	+ 7.4%

$3\frac{1}{2}$ to $3\frac{3}{4}$ per cent as compared with $3\frac{1}{2}$ per cent in the middle of January.

An increase in savings deposits in the Third District during January has been

EMPLOYMENT AND WAGES

Although the total number of workers employed at over 1,000 manufacturing establishments in Pennsylvania, New Jersey and Delaware increased nearly one per cent from December to January, actual operating schedules probably were reduced somewhat, as total wages paid showed a decline of 2.7 per cent. Inventory taking was chiefly responsible for the slackening in early January. As in previous months, the metal manufactures showed the greatest strength. The majority of these industries employed more workers, the net increase in employment being 2.3 per cent, while total wages paid were only 1.1 per cent less than in December.

Employment increased slightly in the textile industries as well, but total wages were nearly 3 per cent less than in the previous month. Although the food products group as a whole registered a decline in both employment and wages, sugar refineries expanded operations substantially, employment being 14 per cent heavier and wages advancing more than 8 per cent. Building material producers generally slackened operations; both employment and wages fell off substantially. Among the chemical industries, paint and varnish factories and coke plants recorded substantial increases in both employment and wages. In the coke industry, the large increase in total wages was due principally to a material advance in wage rates. Many of the miscellaneous industries reported reductions in working forces and curtailment of operations during the month. Musical instrument factories, printing and publishing establish-

FINANCIAL STATISTICS

Third Federal Reserve District

All figures except percentages in thousands of dollars	Latest	Changes in course of	
		One month	One year
Reporting member banks:			
Loans secured by stocks and bonds.....	326,000	- 1,900	+ 45,700
All other (largely commercial) loans.....	358,400	- 300	+ 10,800
Total loans.....	684,400	- 2,200	+ 56,500
Investments.....	360,700	+10,100	+ 76,700
Total loans and investments.....	1,045,100	-12,300	+133,200
Total deposits.....	939,200	-18,400	+117,300
Federal Reserve Bank:			
Bills discounted.....	27,500	+ 4,800	- 11,500
Other earning assets.....	48,800	+ 2,100	+ 800
Total earning assets.....	76,300	+ 6,900	- 10,700
Federal reserve note circulation.....	156,100	+ 7,700	- 42,300
Total deposits.....	132,100	+ 1,500	+ 14,400
Cash reserves.....	233,500	+ 2,600	- 16,400
Reserve ratio.....	81.0%	- 1.7%	+ 1.9%
Debits (banks in 18 cities)*.....	**476,552	-56,916	- 34,197
Savings deposits (99 banks).....	562,344	+ 5,477	+ 38,706
Bankers' acceptances:†			
Purchases by 5 dealers.....	846	+ 232	+ 55
Sales by 5 dealers:			
To Federal Reserve Bank.....	761	- 82	- 647
To others.....	113	- 27	- 216
Executed by 11 banks‡.....	5,183	+ 899	+ 1,549
Commercial paper sales, 5 dealers.....	11,462	+ 5,859	+ 304

New York City

Actual figures in all columns	Feb. 18, 1925	Month ago	Year ago
Money rates:			
Commercial paper.....	$3\frac{1}{2}$ - $3\frac{3}{4}$ %	$3\frac{1}{2}$ %	$4\frac{3}{4}$ -5%
Bankers' acceptances.....	$3\frac{1}{2}$ %	3%	$4\frac{1}{2}$ - $4\frac{3}{4}$ %
Call money renewals.....	$3\frac{1}{2}$ %	$3\frac{1}{4}$ %	$4\frac{1}{4}$ %
Security price averages:			
20 industrial stocks.....	\$120.07	\$123.13	\$96.58
20 railroad stocks.....	99.55	99.30	80.63
40 bonds.....	91.49	91.06	87.37
4 Liberty bonds.....	101.47	101.40	99.30

* Weekly totals

† Weekly averages

‡ Total for month ending 10th

** Includes holiday

reported since this reporting system was started in 1919. January of this year was no exception, as 99 banks reported an increase of 1 per cent in that month. Deposits on February 1 were 7.4 per cent in excess of those of a year before.

The average price of 20 industrial stocks declined from \$123.13 a month before to \$120.07 on February 18. Prices of bonds and railroad stocks, however, increased. In the course of a year the average of industrial stocks has gained \$23.49 and that of railroad stocks—\$18.92.

Commercial paper. During February the market for commercial paper in Philadelphia has been dull, largely because the banks were unwilling to buy at the rates obtainable in the middle west and south. Some transactions were reported to have been closed here at 3½ per cent but this rate was only for paper of short maturity and with especially attractive names. Most sales have been 3¾ and 4 per cent, this latter figure being the limit of several large buyers. Dealers have only fair-sized lists.

During January the sales of five dealers in the district were \$11,461,500; this compares with \$5,602,500 in December and \$11,107,500 in January, 1924. The amount sold to Philadelphia banks was \$5,606,500 and to outside institutions \$5,855,000. The rates at which these sales were consummated varied from 3¼ to 5 per cent, the range being ¼ of 1 per cent higher than in December. Over 96 per cent of the total was sold from 3½ to 4 per cent, with the largest part at 3½ and 3¾ per cent, and only about 3 per cent of the total was marketed at 3¼ and at over 4 per cent. At 4½ per cent and over the sales were largely of paper not eligible for rediscount.

RETAIL TRADE

Retail trade, because of the milder weather and the consequent melting of snows, has been somewhat larger in daily volume than it was in January, particularly in the smaller cities of the district. Consumers, however, are buying cautiously, and in several cities the regular February price-cutting sales have failed to produce the business which the trade expected. On the other hand, the February furniture sales, according to preliminary reports, have been satisfactory.

Department stores report that furniture, suits, coats, and hosiery have been moving in good volume. Suits and overcoats are the best sellers in men's apparel, and coats, hosiery, underwear, and dresses are the most active items in women's apparel. Living-room, dining-room, and bedroom suites and kitchen furniture are selling well at house-furnishing stores. The demand for shoes is fair and women's and children's shoes are selling in good volume. Black, white, and blond satins, patent colt and tan calf are the kinds of women's shoes in greatest call.

RETAIL TRADE Third Federal Reserve District

	Comparison of net sales Jan., 1925, with Jan., 1924	Comparison of stocks		Rate of turnover	
		Jan. 31, 1925, with Jan. 31, 1924	Jan. 31, 1925, with Dec. 31, 1924	Jan., 1925	Jan., 1924
All reporting firms.....	- 2.7%	+ 2.7%	- 2.1%	3.12	3.29
Firms in Philadelphia.....	- 3.7%	+ 3.1%	- 1.1%	3.52	3.78
Allentown, Bethlehem and Easton..	- 2.8%	+ 2.2%	- 1.6%	2.44	2.54
Altoona.....	+ 1.2%	- 4.1%	- 3.6%	2.69	2.46
Chester.....	0"				
Harrisburg.....	+ 6.1%	+ 3.1%	- 2.9%	2.39	2.32
Johnstown.....	+ 7.1%	+ 5.8%	- 21.3%	2.77	2.74
Lancaster.....	- 11.4%	- 0.5%	- 1.0%	2.44	2.74
Reading.....	- 6.3%	- 12.5%	- 11.9%	2.30	2.15
Scranton.....	- 6.4%	+ 0.5%	- 7.2%	2.64	2.84
Trenton.....	- 9.0%	+ 3.5%	+ 5.1%	2.57	2.92
Wilkes-Barre.....	+ 3.4%	+ 9.6%	+ 0.8%	3.10	3.10
Williamsport.....	+ 2.0%	- 7.2%	- 6.0%	2.29	2.06
Wilmington.....	+ 10.2%	+ 19.0%	- 1.5%	1.67	1.69
York.....	- 11.2%	- 2.7%	+ 3.7%	2.39	2.62
All other cities.....	+ 4.5%	+ 9.6%	- 2.6%	1.72	1.81
All department stores.....	- 3.5%	+ 1.6%	- 1.4%	3.06	3.22
in Philadelphia.....	- 4.7%	+ 2.5%	+ 0.7%	3.35	3.60
outside Philadelphia.....	+ 3.1%	- 0.1%	- 0"	2.57	2.58
All apparel stores.....	- 2.0%	+ 3.5%	- 13.4%	4.44	4.72
Men's apparel stores.....	+ 2.1%	+ 1.6%	- 16.3%	2.62	2.65
in Philadelphia.....	+ 3.0%	- 4.1%	- 20.6%	3.14	3.04
outside Philadelphia.....	+ 0.7%	+ 7.4%	- 12.0%	2.12	2.26
Women's apparel stores.....	+ 1.9%	+ 6.2%	- 8.3%	6.62	6.85
in Philadelphia.....	+ 4.3%	+ 8.0%	- 9.1%	7.44	7.72
outside Philadelphia.....	- 9.8%	- 0.2%	- 5.0%	3.44	3.78
Credit stores.....	+ 3.4%	+ 11.7%	+ 6.7%	1.24	1.43
Shoe stores.....	+ 1.8%	+ 6.7%	- 4.1%	2.27	2.39

Prices of most goods are the same as they were a month ago, but wholesale prices of spring merchandise are advancing. Shoes, rubber goods, and women's, children's and men's apparel for spring delivery are higher than they were a year ago.

WHOLESALE TRADE

Wholesale prices are still strong but have increased less than they did last month. Groceries, as a whole, are higher, although a number of items declined; hardware has advanced in sympathy with iron and steel, and shoes are also higher, as is paper made from rags. In other lines only slight fluctuations are reported. Preliminary estimates indicate that, in most wholesale trades, sales in February will not exceed those in February, 1924.

In January, sales in all lines but paper were smaller than in December and only in paper and drugs did they surpass those in January, 1924. Collections were poorer in all the eight reporting trades than they were last month and in paper alone were they better than a year ago. Stocks increased in January except in groceries and drugs. As compared with January, 1924, stocks of drugs, drygoods and shoes were smaller, but the other lines either increased or were the same.

Drygoods. The wholesale drygoods trade reports only fair activity in February and that weather conditions during January retarded trade. Almost all the

orders booked call for early shipment, and few extend beyond March delivery. The articles in best request are hosiery, underwear, dress ginghams, percales, wash goods, neckwear, novelty laces and small notions. Prices have fluctuated but little during the month, woollens advancing slightly and cotton goods being in some cases slightly lower.

Sales in January were smaller by 15.8 per cent than in December and by 22.7 than in January, 1924. Stocks increased by 10.5 per cent during January but were 14.2 per cent smaller than they were on January 31, 1924. Collections were slower; the ratio of accounts outstanding to sales being 266.6 on January 31, 241.2 on December 31 and 234.9 on January 31, 1924.

Jewelry. Preliminary estimates of the sales of jewelry at wholesale in February indicate that they are in about the same volume as they were a year ago. Buying is for prompt shipment only, and the usual staple articles are those in the best request. Prices generally are unchanged, although reductions are reported in toilet ware and some articles of jewelry.

Sales in January invariably decrease sharply and, this year, were 71.3 per cent less than in December and 2.3 per cent smaller than in January, 1924. Stocks increased 6.4 per cent during the month and were almost the same as at the same time in 1924. The ratio of accounts outstanding to sales always increases greatly in January because the large holiday

WHOLESALE TRADE
Third Federal Reserve District

	Net sales Jan., 1925, com- pared with		Stocks Jan., 1925, com- pared with		Accounts out- standing Jan., 1925, com- pared with		Ratio of accounts outstanding to sales		
	Dec., 1924	Jan., 1924	Dec., 1924	Jan., 1924	Dec., 1924	Jan., 1924	Jan., 1925	Dec., 1924	Jan., 1924
Boots and shoes..	-30.0%	-13.4%	+19.5%	-10.2%	-15.4%	- 9.5%	284.6%	233.7%	271.3%
Drugs.....	- 2.1 ^a	+ 7.7 ^a			+ 2.1 ^a	+ 9.1 ^a	154.5 ^a	153.8 ^a	149.5 ^a
Dry goods.....	-15.8 ^a	-22.7 ^a	+10.5 ^a	-14.2 ^a	- 7.0 ^a	-12.3 ^a	266.6 ^a	241.2 ^a	234.9 ^a
Electrical supplies	-29.5 ^a	- 8.7 ^a	+ 1.7 ^a	+ 2.8 ^a	- 9.7 ^a	- 8.3 ^a	146.9 ^a	115.6 ^a	146.8 ^a
Groceries.....	-11.3 ^a	- 0.1 ^a	- 1.9 ^a	+ 4.3 ^a	- 4.7 ^a	+ 0.8 ^a	120.6 ^a	113.7 ^a	118.1 ^a
Hardware.....	-20.0 ^a	- 5.2 ^a	+ 8.1 ^a	+ 0.1 ^a	- 4.6 ^a	+ 5.4 ^a	198.3 ^a	165.9 ^a	176.7 ^a
Jewelry.....	-71.3 ^a	- 2.3 ^a	+ 6.4 ^a	+ 0.1 ^a	-42.0 ^a	+18.1 ^a	521.0 ^a	257.7 ^a	440.6 ^a
Paper.....	+ 3.4 ^a	+ 7.9 ^a	+ 4.8 ^a	+18.5 ^a	+ 7.1 ^a	+ 4.8 ^a	135.9 ^a	131.2 ^a	140.0 ^a

transactions have not been settled. The ratio was 521.0 on January 31, 257.7 on December 31 and 440.6 on January 31, 1924.

Shoes. Wholesale dealers in shoes report that sales have been retarded by unusually bad road conditions in the country districts, which have had a two-fold effect, first in reducing retail sales in those districts and then by making it difficult, and in some cases impossible, for the travelers for the wholesalers to cover their territory.

Rubber lines have benefited by the bad weather not only in sales for immediate delivery, but in a large gain in business booked for next autumn. These future orders are largely for the cheaper grade of galoshes. February shipments will be fair because of sales made earlier but recently transactions have been light. Wholesalers have purchased more freely and as usual at this season their stocks are increasing.

Prices are either firm or higher and those manufacturers who previously had not advanced their quotations have done so now. The demand for leather shoes continues to be for the same styles and materials as a month ago, and includes, in addition, sport shoes with crepe rubber soles for April and May shipment.

Sales in January were smaller by 30.0 per cent than in December and by 13.4 per cent than in January, 1924. Stocks increased 19.5 per cent in January but were 10.2 per cent less than at the end of January, 1924. Collections as usual were slower in January than in December but they were also poorer than in January, 1924, the ratio of accounts outstanding to sales being 284.6 on January 31, 233.7 on December 31 and 271.3 on January 31, 1924.

Drugs. Drugs are selling actively, the demand being much the same as it was last month, but greater than it was a year ago. Grippe, cough and cold medicines, denatured alcohol, essential oils and staples are now the best sellers. Drugs

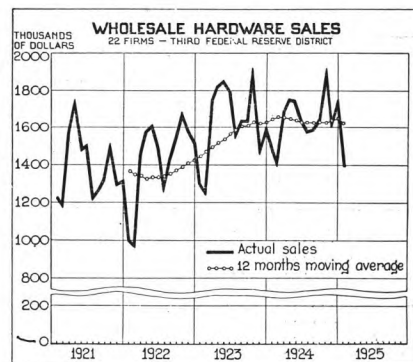
and fine chemicals are slightly higher than they were a month ago, but botanical drugs are lower. The "Oil, Paint and Drug Reporter's" index number for 35 drugs and fine chemicals on February 16 was 201.9 as compared with 200.5 on January 19; that for 40 botanical drugs, on February 16 was 132.7 as against 134.8 on January 19. Sales in January were 2.1 per cent smaller than in December, but were 7.7 per cent greater than in January, 1924.

Paper. The demand for paper varies, but is somewhat better than it was a year ago. Newsprint, book, fine, and wrapping papers are in good request, but tissues, crepe papers and cardboards are moving rather slowly. All rag content papers are about 10 per cent higher than they were at the beginning of the year, but other papers are unchanged in price. January sales were 3.4 per cent larger than those of December, 1924, and 7.9 per cent greater than those of January, 1924. Jobbers' stocks at the close of January were 18.5 per cent greater than at the end of January, 1924.

Hardware. During January the net sales of 30 wholesale hardware firms in the Third Federal Reserve District were 20 per cent smaller than they were in the preceding month and 5.2 per cent less than during January, 1924. The demand for hardware so far this month has been fair but not as satisfactory as it was at this time last month. As would be expected, snow shovels, sleds and winter sport equipment were in best request as long as the heavy snows were on the ground, but substantial sales of mine and factory supplies and building materials for spring delivery have also been made.

Prices, in several instances, are higher than they were a month ago, and most dealers reporting to us say that they are also higher than they were at this time last year. Stocks were 8.1 per cent heavier on January 31 than they were on the last day of the preceding month but practically the same as those on hand

at the end of January, 1924. Collections are scarcely fair.



Although there are violent seasonal fluctuations in wholesale hardware sales each year the general trend has been upward since 1922 as shown by the moving average line. The larger sales in 1924 are attributable at least partly to the rise in wholesale prices.

Source—Federal Reserve Bank of Philadelphia

Electrical supplies. The net sales of 7 wholesale electrical firms located in this District in January were 29.5 per cent smaller than they were in the preceding month and 8.7 per cent less than during January of last year. Present demand is only fair and not as good as it was a month ago. Radio supplies, however, continue to be in fairly good request and sales of these are a feature of the electrical market. Contractors and builders are taking shipments of wiring and fixtures, though deliveries of appliances for outside installments have been postponed on account of the inclement weather.

Prices are firm and in some instances higher than they were a year ago but all reports received by this bank indicate that they have not changed in the past month. Stocks on hand at the close of January were 1.7 per cent greater than they were on the last day of the preceding month, and 2.8 per cent heavier than at the end of January, 1924. Collections are fair. The ratio of accounts outstanding to sales stood at 146.9 on January 31, as against 115.6 on December 31, and 146.8 on the last day of January a year ago.

Groceries. Groceries are in fair demand and jobbers report that business is much the same as in January. Dried fruits, dried beans, canned vegetables, sugar, and staples are the most active items of sale. Prices still show a rising tendency. Tea, coffee, dried beans, dried fruits, syrup, vinegar, starch, and spices are higher than they were a month ago; but sugar, flour, eggs and butter are cheaper. Sales in January were 11.3 per cent smaller than those of December and also 0.1 per cent less than in January, 1924. Stocks at the close of January were 1.9 per cent smaller than at the close of December, 1924.

BUILDING PERMITS

Third Federal Reserve District

	January, 1925		January, 1924		Total for the years—			
	No.	Estimated cost in thousands	No.	Estimated cost in thousands	1924		1923	
					No.	Estimated cost in thousands	No.	Estimated cost in thousands
Allentown.....	10	\$185	42	\$420	1,052	\$ 5,399	1,032	\$ 5,064
Altoona.....	49	93	66	47	2,111	3,447	1,969	3,053
Atlantic City.....	125	576	136	644	1,865	10,496	2,706	9,446
Bethlehem.....	6	15	26	84	512	2,447	464	1,945
Camden.....	53	70	55	532	1,526	6,338	1,286	8,121
Harrisburg.....	25	167	40	198	927	5,315	889	7,389
Lancaster.....	24	54	36	272	923	4,757	900	3,812
Philadelphia.....	614	6,568	884	8,643	15,484	141,732	14,513	123,512
Reading.....	71	66	118	241	2,834	6,517	3,020	4,383
Scranton.....	62	209	74	252	1,806	6,001	1,492	3,796
Trenton.....	53	177	100	189	2,039	5,565	1,814	7,018
Wilkes-Barre.....	33	267	58	209	1,707	4,551	1,152	3,302
Williamsport.....	23	103			1,038	1,783	1,032	1,235
Wilmington.....	34	56	73	181	1,174	3,869	1,155	3,777
York.....	18	127	72	117	1,755	2,897	1,443	2,153
Total.....	1,200	\$8,734	1,780†	\$12,029†	36,753	\$211,114	34,867	\$188,007

† Not comparable with total for Jan., 1925, as no figures are available for Williamsport for Jan., 1924.

BUILDING

The severe weather prevailing in January was largely responsible for the comparatively small volume of building for which permits were issued in that month. A total of 1200 permits, representing a proposed expenditure of \$8,734,242, was issued in 15 cities of the Third Federal Reserve District. These figures for January show a striking decline from the totals for the preceding month of 438 permits and \$4,027,290 and are also about a third less than the volume of building undertaken in January, 1924.

Slate. Inclement weather has retarded building operations to a great extent and this is reflected in the reduced demand for slate which is only fair and scarcely as strong as it was during the preceding month and a year ago. Apparently, however, builders are preparing to resume work as soon as possible, as most of the orders now on the books of reporting quarry companies are for delivery within 60 days.

Prices of finished slate in nearly all instances are firm and unchanged from those prevailing at the close of the year. Stocks are moderate and, though in several cases they are stationary, as a rule quarry men are endeavoring to increase them in anticipation of spring and summer requirements. Establishments from which we receive reports are operating at an average rate of 75 per cent of capacity, although the output of some firms has been greatly hampered by rain and snow and by the continuance of a strike. Unfilled orders on hand will insure the continuance of the present rate of operations for an average period of about one month.

Bricks. The call for bricks is fair, and though better than it was at this time last month, is much the same as it was during February of last year. Most of the orders now on the books are for immediate and local delivery, although, as is usual at this season, many are for shipment up to and beyond 60 days. Stocks of finished bricks are either moderate or heavy and are increasing, and supplies of raw materials are moderate and, in general, stationary.

Prices of finished products are in most instances firm, but several manufacturers say that quotations have been maintained with difficulty on account of competition. Prices of raw materials are practically the same as those quoted a month ago.

Several plants are running at full time but others are shut down entirely, so that the average rate of those reporting to us is not over 55 per cent of capacity. Unfilled orders are somewhat larger than they were at this time last month but the filling of these will not necessitate the continuance of present running schedules for longer than an average period of 3 months.

Plumbing. Dealers in plumbing supplies say that, because of unfavorable weather conditions, the call for their products has fallen off recently. On the other hand, manufacturers report that the demand is stronger than it was a month ago, though not as satisfactory as it was during February, 1924. Very few of the orders now taken are for delivery beyond 90 days; in fact, the great majority are for shipment within the 60-day period.

Though prices of some finished articles are weak, most quotations are firm, and in many instances are even higher than they were at this time last month. Re-

sistance to present prices is being encountered, especially to those of sanitary fixtures and plumbing woodwork. Stocks of finished goods in the hands of both manufacturers and dealers are moderate and increasing, but supplies of raw materials held by the former are from moderate to heavy and are stationary.

Manufacturers reporting to us are operating their plants at an average rate of approximately 80 per cent of capacity, and from the total of unfilled orders on hand it is estimated that this rate may be maintained for an average period of about 7 weeks.

Paint. The demand for paint is fairly good and is better than it was at this time last month and a year ago. The usual custom of buying only for reasonably prompt delivery still prevails, consequently the great majority of orders now on the books of reporting manufacturers are for delivery within 60 days. Stocks of finished paints are lighter than is usual at this season and are stationary, but supplies of raw materials, though also stationary, are fairly heavy.

Prices are generally firm; in fact, during the early part of the month advances occurred in quotations for both finished paint and raw materials. However, prices for linseed oil recently declined and on February 23 were quoted at \$1.12 per gallon in carload lots, cooerage basis, a decline of 4 cents from the price listed on the corresponding date of the preceding month.

Manufacturers reporting to us are operating at an average rate of 70 per cent of capacity, which is higher than it was at this time last month. Unfilled orders are larger than they were a month ago and filling of these will insure the maintenance of present production schedules for an average period of about six weeks.

Lumber. Manufacturers and dealers report that the demand for lumber is fairly good and that it is better than it was a month ago. In most instances, however, it is not as strong as it was during February, 1924. Most of the orders now on the books are for delivery within 60 days, though a few are for shipment up to and beyond 90 days.

Prices of both finished goods and raw materials are generally firm and are higher than they were a month ago. Stocks of finished lumber in the hands of both manufacturers and dealers are from moderate to light and are decreasing. Supplies of raw materials are moderate and stationary.

Manufacturers reporting to this bank are running their mills at an average rate of 80 per cent of capacity, which is somewhat higher than it was at this time last month. Unfilled orders are larger than they were four weeks ago and the filling of these will insure the continuance of present operating schedules for an average period of close to 10 weeks.

REAL ESTATE

New building operations have been held up by the severe weather of the past quarter, and consequently the real estate market has been dull. Operative builders however report that the outlook for a good spring business is bright. Dwelling houses, particularly those selling for \$6,000 or less, are in good demand; but the call for apartment houses is quiet, and, since a great number of such structures were built in 1924, builders do not expect as much activity in this type of construction during the year 1925. Sales of vacant land during the quarter have been numerous, an indication of large operations as soon as the weather moderates. New commercial construction is not as large as that which was under way a year ago, but the volume of public works in the district is greater and many new projects have been announced to be undertaken this year.

Realtors report that rentals are practically the same as they were six months ago. Houses renting for \$50.00 a month or less are in heavy demand, but under present costs it is difficult to meet this demand. Dwelling houses in city limits, that sell at from \$6,000 to \$10,000, are moving fairly well, but the market is not as active as it was a year ago. The same is true of suburban dwellings which sell at from \$6,000 to \$12,000. Office space is in plentiful supply and the owners of many buildings are having difficulty in renting all of their space. Building sites for homes have shown an advance in value and are somewhat higher than they were last fall, but commercial and industrial sites are unchanged in price.

Mortgage funds in Philadelphia are more plentiful than they were last fall, but in the smaller cities of the district the demands upon trust companies are nearly twice as large as they can fill. The prevailing interest rate for residential mortgages remains unchanged at 6 per cent. A few borrowers of money on first mortgages have been able to obtain slightly lower rates, but only on commercial properties. Building and loan association funds are still hard to obtain, although the number of applications for such funds is not as large as it was a year ago. Mortgage brokers' commission rates show no change from those of last fall. Second mortgage funds are still scarce.

IRON AND STEEL

Although shipments of many iron and steel products during the past month have been substantial, demand has decreased to some extent. It now appears likely that buyers generally are supplied with sufficient raw materials for manufacturing purposes and are at present mainly in-

terested in studying the extent to which their own customers will come into the market. The call for pig iron has lessened noticeably and scarcely can be characterized as fair. On the other hand, iron and steel castings are in better request than at this time last month, extensive purchases having been made by railroads and machinery builders. Then, too, the demand for both light and heavy hardware has been fairly good and supplies of these are moving forward in greater volume than they were a month ago. The call for structural steel is only fair and is not as strong as it was in January and this is also true of the demand for scrap, the market for which is notably weak. On account of recent orders placed by railroads, track supplies and iron bars are moving somewhat better. The call for machinery and tools, too, has shared in this improvement. The market for sheets and crude steel is much the same as it was four weeks ago though inquiries for these products are not lacking.

Quotations have fluctuated somewhat during the month and the average of prices is slightly lower than it was at this time in January. However, the changes made were in no instance great. For the past several weeks the price of Philadelphia 2X pig iron has continued unchanged at \$25.01 per ton.



Unfilled orders and steel ingot production have fluctuated in a similar manner during the past three years. Output of steel ingots is now as great as in any month since 1921, but unfilled orders are considerably less than in the peak month of March, 1923.

Source—Iron Age

National production of pig iron and steel ingots as well as unfilled orders of the United States Steel Corporation again increased in January, as will be noted in the table below.

In gross tons	January	December
Production—		
Pig iron.....	3,367,264	2,961,702
Steel ingots.....	4,179,498	3,551,825
Unfilled orders—		
U. S. Steel Corp.....	5,037,323	4,816,756

It is estimated by the Iron Age that the industry in the Pittsburgh and adjacent areas is operating at approximately 5 per cent less than it was in the last half of January, although the Steel Corporation itself is running at 94 per cent of capacity. Of the 61 blast furnaces in this district, 29 were in blast on the last day of January, a gain of 2 over the number in operation on December 31. During the month none was shut down.

Steel foundries. Owing to the temporary closing of one of the steel plants from which we receive monthly reports, the following operating data are prepared from the returns of five identical firms instead of the usual six steel foundries located in this District. It will be noted in the table below that during January production declined somewhat. On the other hand shipments, both in value and in tonnage, increased. The greatest gain occurred in stocks of pig iron while the greatest decline was reported in supplies of coke. The five reporting foundries have a combined steel-making capacity of 6,050 tons per month.

Steel foundry operations	January	Change from December
Capacity.....	6,050 tons	0
Production.....	4,002 "	- 9.7%
Shipments.....	3,588 "	+14.6 "
Value.....	\$554,882	+12.8 "
Unfilled orders.....	4,850 tons	+ 3.6 "
Value.....	\$1,192,593	- 2.6 "
Raw stock:		
Pig iron.....	2,586 tons	+31.0 "
Scrap.....	9,952 "	- 1.5 "
Coke.....	567 "	-27.5 "

Iron foundries. The table below includes the main operating items of 30 iron foundries in this District whose combined iron-making capacity totals 11,665 tons per month. It will be noted that output of both malleable and gray iron castings was somewhat greater during January than in the preceding month. On the other hand shipments and unfilled orders declined both in value and in tonnage. Stocks of pig iron and coke showed increases but supplies of scrap were smaller than they were in December.

Iron foundry operations	January	Change from December
Capacity.....	11,665 tons	0
Production.....	5,015 "	+ 6.5%
Malleable iron.....	574 "	+ 2.9 "
Gray iron.....	4,441 "	+ 6.9 "
Jobbing.....	2,754 "	- 1.9 "
For further mfr.....	1,687 "	+25.2 "
Shipments.....	3,568 "	-12.7 "
Value.....	\$522,825	-14.6 "
Unfilled orders.....	2,828 tons	- 8.1 "
Value.....	\$478,964	-14.3 "
Raw stock:		
Pig iron.....	6,347 tons	+ 6.0 "
Scrap.....	3,023 "	- 3.1 "
Coke.....	2,071 "	+ 8.4 "

COAL

Anthracite. Cold weather during the last part of January and the first week of the present month noticeably stimulated sales of anthracite, but since then the market has been comparatively quiet. Consumers of domestic sizes are expected to buy only for immediate needs during the balance of the winter, consequently dealers are displaying caution in increasing the size of their own stocks. Chestnut grades are now said to be in best request, with stove sizes following next, while pea coal is moving somewhat slowly. Steam sizes have recently been moving better though sales still leave much to be desired, especially as stocks of these grades are at all times available.

In some instances concessions in prices have been reported, but, in general, quotations are the same as they were a month ago. In Philadelphia, on February 21, company stove coal was again quoted at from \$9.15 to \$9.50 per ton and prices of pea coal were also unchanged at \$6 per ton. Since February 7, output of anthracite has decreased to some extent, as will be seen in the table below.

Week ended	In thousands of net tons		Per cent of change
	1925	1924	
Jan. 24 . . .	1,740	1,782	-2.4
Jan. 31 . . .	1,730	1,893	-8.6
Feb. 7 . . .	1,909	1,906	+ .2
Feb. 14 . . .	1,824	1,900	-4.0

Bituminous. Conditions in the bituminous market are not as encouraging as they were a month ago, when cold weather and snow heightened the demand and retarded shipments. In this locality, at the present time, railroads and public utilities are taking the greater part of deliveries, though in other markets, shipments to domestic consumers have been fairly substantial. But milder weather has unmistakably brought about keener competition in the domestic market, which in turn has unfavorably affected prices. In fact one operator reports that tonnages are being booked at from 40 to 50 cents below contract prices. In this market, however, established quotations are much the same as they were a month ago. In Philadelphia on February 21, Pool 10 coal was quoted at from \$1.70 to \$2.00 per ton, no change having been made from the price listed on January 19.

Output of bituminous has recently declined as will be noted in the following table. It is interesting to note that during January, production was maintained at a rate in excess of 11 million tons per week.

Week ended	In thousands of net tons		Per cent of change
	1925	1924	
Jan. 24 . . .	11,588	11,951	- 3.0
Jan. 31 . . .	11,073	11,716	- 5.5
Feb. 7 . . .	10,900	11,891	- 8.3
Feb. 14 . . .	9,745	11,528	-15.5

Coke. Furnace operators now have accumulated sufficient stocks of coke and are no longer taking heavy deliveries, consequently demand has decreased during the month and prices have been unable to stand at the levels quoted a month ago. On February 21 Connellsville furnace coke was quoted at \$3.75 per ton, a reduction of 10 cents from the price prevailing a month previous and foundry grades were listed at \$4.25 per ton as compared with \$4.75 quoted on January 20.

Production of beehive coke in each of the last four weeks for which data are available is given in the table below, together with figures showing output in the corresponding weeks of the previous year.

Week ended	In thousands of net tons		Per cent of change
	1925	1924	
Jan. 24 . . .	265	263	+ .8
Jan. 31 . . .	250	264	-5.3
Feb. 7 . . .	276	286	-3.5
Feb. 14 . . .	264	293	-9.9

COTTON

Raw cotton. Activity in raw cotton has maintained a fairly steady level during the past month, and daily sales have been in fair proportions. Domestic consumption during January increased to 641,525 bales of cotton, linters included, as compared with 578,229 bales in December and 619,057 bales a year ago. Exports during the month, however, rose but slightly, the figures being 1,076,075 bales in January as against 1,075,923 bales in December and 546,853 bales last year. The position of American cotton is shown in the following table:

American cotton (thousands of bales)	Season '24-25	Season '23-24	Season '22-23
Visible supply at end of previous season (July 31)	951	869	1,968
Crop in sight, on February 20	12,634	9,695	9,489
Total	13,585	10,565	11,457
Visible supply on February 20	4,464	2,886	2,889
World's takings to February 20	9,121	7,678	8,567

Quotations fluctuated within a comparatively narrow range. Spot cotton sold at 24.50 cents per pound on February 21, as compared with 23.45 cents last month and 32.90 cents a year ago. Nor did the price of May futures vary to any large extent, quotations being 24.63 cents per pound on February 21, as against 23.50 cents on January 23 and 32.97 cents last year.

Cotton yarns. Aside from scattered inquiries, current buying of cotton yarns is limited to small quantities largely for prompt delivery. Interest in carded weaving yarns continues more active than that in knitting grades, but the call for combed yarns, especially for mercerized qualities, is unsatisfactory. As a result spinners are not disposed to manufacture for stock but only to fill their immediate orders; hence no undue accumulation of supplies is noted in this district.

Generally speaking, cotton yarn prices have dropped from 6 to 10 per cent below the December level. This decline has been particularly noticeable in such standard varieties as southern frame spun yarn on cones, two-ply warps and two-ply skeins. Fairchild's index of the average cotton yarn price decreased to 42.44 for the week ended February 21, as against 43.48 during the week ended January 17. Collections are fairly prompt.

Cotton goods. Although current demand for most cotton goods continues to lag, reports indicate that some fairly sizeable orders have been booked for various print cloths and finished goods, prompt shipment featuring the sales. A slight improvement is also noted in inquiries for sheetings, but actual sales are negligible. As compared with last month, no material change has occurred in the rate of production, and unfilled orders on hand are sufficient to insure operation at the present rate for a period of from one to three months, the average being forty days. Stocks of both finished goods and raw materials continue to be moderately light.

The trend of prices is upward, particularly on print cloths, percales and gingham. Fairchild's index number of the average cotton goods price, which stood at 15.636 for the week ending January 24, rose to 15.678 for the week ending February 21. Buyers appear to show a pronounced opposition to this slight rise. Collections are fairly prompt.

WOOL

Raw wool. Trading in raw wool has slackened somewhat during the past month, and prices have sagged considerably for the first time since last July. According to Dun's average of ninety-eight quotations, domestic qualities sold at 102.04 cents per pound on February 20, as compared with 103.08 cents on January 23, and 82.47 cents a year ago. Quotations for foreign wools, particularly

those of higher grades, have also turned downward, showing a drop of about 10 per cent below the December levels. It is reported that as a result of this a considerable volume of wool was withdrawn from the January auction sales at London. Notwithstanding this tendency in the secondary markets here and abroad, western growers continue to hold firm in their prices of that part of the spring clip which has not yet been sold on contracts.

Principally because of the scarcity of domestic supplies, American buyers have recently become very active in the foreign markets. This is evidenced by the fact that imports increased during January to 47,503,391 pounds, as against 31,872,959 pounds in December and 30,785,931 pounds a year ago. The receipts of carpet wool at the port of Philadelphia were especially large.

According to the quarterly report of the Department of Commerce, stocks of wools in and afloat to the United States on December 31 decreased about 8.1 per cent, as compared with those on September 30, 1924.

Woolen and worsted yarns. Improvement in the yarn market during the past month was slight, and the total volume of business did not come up to that of last year. Sales are still largely confined to small lots for quick delivery. Activity in carpet yarns, however, is considerable. Spinners of these yarns are now working at full-time, although the average rate of operation of all spinners is the same as that of last month, which is 75 per cent of capacity. At this rate of production unfilled orders will enable manufacturers to keep their mills busy for a period of about three months. The consumption of wool in this district, as shown by reports from 82 establishments, was 5.2 per cent greater in January than in December. All stocks are moderate, owing to the fact that the present output is chiefly to fill the current demand.

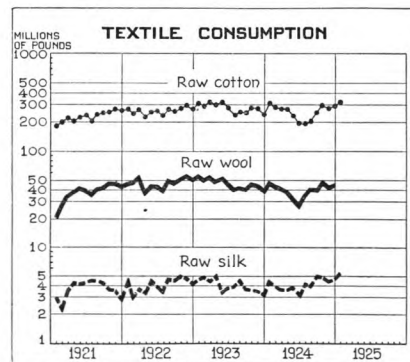
Further advance in prices is noted on some yarns, while quotations for others are unchanged. Keen interest is shown by local spinners in the present trend of wool prices, and resistance to quotations is widely prevalent. Collections are fairly prompt.

Woolen and worsted goods. The outstanding feature in this market during the past month has been the advance in quotations for the new fall lines of men's fabrics. Compared with last year's opening, prices of worsteds rose on the average about 6½ per cent and those of woollens from 10 to 12 per cent. This increase was not unexpected in view of the strength that has prevailed in the wool market during recent months. Initial orders, however, are said to have been disappointing; nor has the volume of business since the opening proved satisfactory. Extreme caution, belated spring

openings, poor winter trade and the recent decline in wool prices are largely responsible for the present hesitation on the part of buyers to enter the market more actively. Although the bulk of sales is not large and is for quick shipment, improvements in demand for men's wear and dress goods are not entirely lacking in this district. This is evidenced by a slight gain in production over the previous month. Most mills are now working on a full-time basis. They have booked enough business to insure their output at the present rate for a period of from two to six months, the average being about sixty-five days. Supplies of both finished merchandise and raw materials are from moderate to light.

SILK

Raw silk. Active trading, increased consumption, and higher prices have characterized the silk market during the past month. Although the demand from hosiery mills has recently slowed down somewhat, buying by manufacturers of yarn and broad silk has increased to considerable proportions. Most of this business, however, calls for February and March deliveries, very few orders being for shipment beyond April. Owing largely to the rise in the rate of exchange for yen, a result of the lifting of the gold embargo by the Japanese government, prices of raw silk have risen to \$6.90 per pound for Kansai double-extra cracks on February 21, as compared with \$6.75 per pound on January 23.



This chart shows a similarity in the fluctuation in mill consumption of the principal textile materials. Consumption of raw cotton, wool, and silk reached the lowest point in recent years in June-July, 1924. Lately, however, mill takings have increased steadily.

Sources—Department of Commerce; Silk Association of America

Deliveries to mills increased during January to 39,885 bales, as compared with 33,961 bales in December. This high rate of takings is mainly attributable either to large orders already obtained by manufacturers or to the anticipation of large orders in the future. On the other hand, both imports and stocks dropped in January below the December level, the figures being 37,084 bales against 39,978 bales in the former and 58,732 bales against 61,533 bales in the latter instance.

Thrown silk. A pronounced improvement is noted in the demand for thrown silk in this district. Sales appear to be larger and more numerous than they were a month ago or last year, although nearly all orders still call for quick delivery. Business in artificial silk yarn also continues brisk. Evidence of this activity is to be found in the rate of production; mills are now working at about 90 per cent of capacity. Unfilled orders, however, are not large enough to insure operation at this rate beyond a period of fifty days. Stocks are generally moderate.

Consistent with the trend in prices of raw material, quotations for thrown silk have also advanced slightly, and buyers are not as determined in their resistance to this increase as they were formerly. Collections are very good.

Silk goods. Increasing activity and growing confidence in the piece goods market are indicated by nearly all reports from firms in this district. Transactions in broad silks and such specialties as prints in crêpe de chine and crêpe satins have reached a considerable volume during the past month, although future commitments are still lacking. Consistent with this improvement in trading, the rate of output has also risen slightly, and the amount of advance business on the books is somewhat larger than that of last month. However, at the present rate of production, which is about 90 per cent of capacity, unfilled orders will not insure operations beyond a period of seventy-five days on an average. As most plants are working chiefly against orders in hand, supplies of both finished goods and raw materials are generally moderate.

In sympathy with higher prices of raw silk, quotations for finished products have advanced slightly above those of last month. Resistance to this rise is by no means absent, though several reports state that it is not as strong as it was in December or in the early part of January. Collections are fairly good.

HOSIERY

The demand for hosiery, though good, is less than it was a month ago and is more spotty. Manufacturers who are producing novelties report a good volume of orders, but staples, with the exception of full-fashioned silk hosiery for women, are less active. Production during the month has changed but little and is still fairly large. Stocks are in most instances either moderate or light and as compared with those in the previous month are stationary or smaller.

Prices are unchanged; the strength of yarns has helped maintain these prices even in the mills which are in need of orders. Silk yarn is fully 5 per cent higher and mercerized cotton yarn has advanced to an even greater extent during the month. Manufacturers of artificial silk, or rayon, have announced an

increase in B and C grades for delivery during the second quarter of the year, but A, the top grade, which is used in the best hosiery, is unchanged. Orders in the great majority of cases call for delivery in time for the Easter trade and the balance are for shipment during April, May and June.

The table shows December operations of 397 mills in the United States compared with those of the previous month.

Hosiery industry,* United States, in dozen pairs	Dec.	% Change from Nov.
Total production	4,205,915	+ 3.4
Full-fashioned, men	58,036	+11.4
Seamless, men	1,589,915	- 0.1
Full-fashioned, women	675,277	+11.0
Seamless, women	1,005,162	+ 0.6
Boys' and misses'	478,468	+13.2
Children's and infants'	381,122	+ 1.7
Athletic and sport	17,935	- 7.6
Shipments	4,255,293	+ 4.9
Finished stock, end of month	7,553,854	- 0.4
Orders booked	4,873,549	- 9.2
Cancellations received	301,705	+34.5
Unfilled orders, end of month	8,102,282	+ 3.7

* Compiled by the Bureau of the Census.

Reports from 111 mills in this district indicate that in January production increased and that orders booked were 3 per cent larger.

UNDERWEAR

Underwear manufacturers report that the demand has increased during the past month and that production is also greater. The demand for heavy weight underwear decreased but buying of light weights gained considerably. Unfilled orders are larger and extend further into the future than was the case last month. Some manufacturers have sold their entire product up to September 1 but, on the average, orders are sufficient to take present production for about 3 months. Output now is on a basis of from 70 to 75 per cent of capacity with more mills running on full time than in recent months.

Prices are firm and, though a few makers report a reduction in quotations, an equal number state that slight increases have been made. Stocks are light and either are stationary or have decreased. Labor is sufficient and collections more than fair. The Department of Commerce states that 142 identical establishments produced 938,726 dozen garments in December, as compared with 846,899 dozen in November. Unfilled orders held by 68 of these establishments rose from 1,978,750 dozen garments at the end of November to 2,592,938 dozen at the end of December.

FLOOR COVERINGS

Carpets and rugs continue to sell in fair volume, but they are less active than they were a month ago. Two causes have contributed to this, first, that buyers, particularly dealers, anticipated their

needs by purchasing heavily before the advances in December and January and, second, poorer distribution, especially in the east, where the bad weather has retarded sales.

Some manufacturers, notably those making Axminsters, are sold up for the balance of the season, while others state that most orders are for small quantities and call for prompt shipment. In January production decreased as is indicated by a decline of 7.4 per cent in total weekly wages paid during the week ending January 15 as compared with those for the week ending December 15, but preliminary reports indicate that in February there may be a slight gain in the average daily output. Quotations for carpet wools continue strong and have not eased in sympathy with other wools.

Sales of linoleums and felt base goods are satisfactory. Some manufacturers have advanced prices, the increases being about 10 per cent on linoleums and 4 per cent on felt base goods. Raw materials also are higher.

FURNITURE

Manufacturers find that the call for furniture has increased during the past month, but, though it is now fair, is not as good as it was at this time last year. Unfilled orders are larger than they were a month ago and the greater part are for delivery within 60 days.

Prices of finished goods in the majority of instances are firm, though some weakness owing to competition is reported. On the other hand, quotations for raw materials are firm and, in several cases, are higher than they were at this time last month.

Manufacturers reporting to this bank are running their plants at an average rate of about 80 per cent of capacity, which is practically the same as it was at this time in January. Enough orders have been received to necessitate the continuance of present rates of operation for from 10 days to three months, the average period being approximately three weeks. Stocks of both finished products and raw materials are moderate and increasing.

LEATHER

Hides and skins. The hide and skin markets as a whole have been less active than they were last month. Chicago packer hides have declined about 1 cent per pound and Argentine frigorifico hides also are lower. Calf skins, although in fair demand, are also somewhat cheaper, but sheep and goat skins remain firm. Transactions in goat skins, however, are in smaller volume.

Stocks of raw hides and skins in this country, with the exception of cattle hides, decreased further in December. Stocks of calf and goat skins are equal to only about two months' supply at the present rate of production.

Number of hides or skins	December 31	Change during December
Cattle	4,584,773	+7.6%
Calf and kid	2,831,348	-2.4 "
Sheep and lamb	5,514,775	-8.4 "
Goat and kid	6,152,852	-8.3 "

Leather. Sales of leather during February have decreased but prices are firmly maintained; indeed, in some instances, further increases have been made. The large purchases made during recent months supplied the leather requirements of some buyers and the lessened call for shoes reported by a number of manufacturers was also a contributing factor in the smaller demand.

Grain calf leathers are about 2 cents per foot higher than they were a month ago. The call for these leathers continues and tanners are sold ahead on nearly all selections and weights. Sheep leathers are higher, the advance being based on the scarcity and strength of sheep skins. Leather belting sales are larger but some belt makers report that prices are unsatisfactory, as no advance has been obtained.

The table shows that, in spite of an increased production, stocks fell off during December. In this connection a revision in the calculation of the stock of belting butts is in progress and the figures are not strictly comparable with those for prior months. Stocks in process, however, with the exception of goat and kid leather, are smaller and indications therefore point to a smaller output in January.

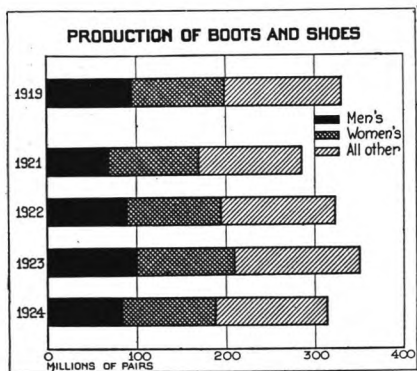
December, 1924, as compared with November, 1924	* Change in	
	Production	Stocks— end of month
Backs, bends and sides	+13.6%	-2.8%
Belting butts	+11.2 "	+3.4 *
Offal, sole and belting	+14.7 "	-3.3 "
Cattle side, upper	+39.6 "	-2.8 "
Calf	+ 1.9 "	- .7 "
Goat and kid	+22.9 "	-4.2 "
Cabretta	-19.5 "	-2.5 "

*Not strictly comparable with prior months.

Shoes. Sales of shoes by manufacturers have been somewhat below expectations and the usual rush of orders for delivery in time for the pre-Easter business is lacking. It is true that in a number of factories in this district, all the shoes that can be shipped before April 1 have been sold, but conditions are spotty and in some plants additional business for March shipment could be accepted. The unusually bad weather conditions in the country districts have caused poor distribution by both wholesalers and retailers, except in the case of rubber shoes. This is responsible, in part at least, for the lack of orders. Very little business

has been booked for April or May shipment, and practically none by makers of high-grade shoes for women. Prices are either firm or higher but advanced quotations are meeting with considerable resistance.

In this district but few manufacturers produce men's shoes so that the accompanying chart which shows the relative steadiness in the output of women's shoes should be of interest. It has been quite widely thought that the production of men's shoes was the steadier of the two, but such is not the case.



Production of shoes in the United States in 1924 was the smallest of any recent year except 1921.

Source—Department of Commerce

The preliminary estimate of production in this district in January is shown in the table.

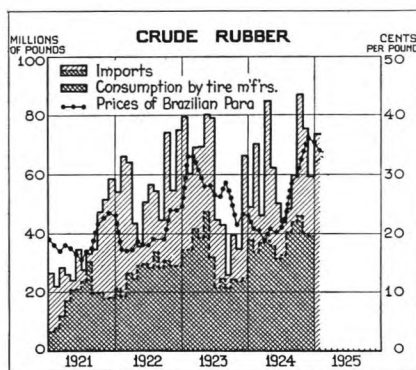
Production of shoes* Third Federal Reserve District (in thousands of pairs)	Jan.	% Change from Dec.
Boots and shoes, total.....	1,500	-.8
High and low cut (leather) total.	1,463	-1.7
Men's.....	94	-16.1
Boys' and youths.....	174	+18.4
Women's.....	256	-11.4
Misses' and children's.....	535	+9.2
Infants'.....	404	-10.4
All other leather or part leather footwear.....	37	+60.9

* Preliminary report compiled by the Bureau of the Census.

RUBBER

Crude rubber. Principally because of a marked improvement in business for finished products, trading in crude rubber has broadened somewhat during the past month. Prices have maintained a fairly steady level, in spite of a slight recession noted recently. First latex crêpe sold for prompt shipment at 36½ cents per pound for the week ending February 20, as against 35 cents per pound for the week ending January 16 and 25¾ cents a year ago. Indeed, since November, 1924, quotations have risen to higher levels than they have reached at any time since July, 1920. Factors responsible for

this advance are to be found chiefly in the increased demand, restriction of imports, decreased planting of rubber trees, reduced stocks, and the rising cost of rubber output.



Sources—Dun's Review; Rubber Association of America; Department of Commerce

Current supplies of crude rubber and milk of rubber are not large, owing mainly to heavier mill takings. Imports to the United States have recently turned upward. In January they totalled 73,692,047 pounds, as compared with 59,152,044 pounds during December, and 49,080,330 pounds in January, 1924.

Rubber products. Favorable weather has stimulated greatly the market for mechanical rubber goods in this district during the past month. Manufacturers generally have enjoyed a considerable amount of business, although most of it calls for prompt shipment. Buying for spring and summer deliveries, however, is not wanting, despite the prevailing conservatism among those retailers who have ample stock of carry-over goods. A similar situation prevails among tire dealers, who are not disposed to make future commitments, owing chiefly to the unfavorable results they had during the past season. The volume of present purchases, however, is sufficient to characterize the market for tires and tubes as fairly active when due allowance is made for seasonal quietness. Indeed, a few producers state that their mills are now working on full time, and against orders which extend for several months into the future.

Generally speaking, no material change has occurred in production, the present rate of operation being about 75 per cent of capacity. At this rate of output unfilled orders on hand will insure operation for a period of about seventy-five days on the average. As production is principally to fill orders, rather than to accumulate stock, supplies of both finished goods and raw materials are not burdensome.

Quotations continue firm, and buyers do not appear to offer resistance to such slight advances as are warranted by the

rise in raw materials. Collections are fairly prompt.

PAPER

The demand for paper varies from fair to good, is somewhat greater than it was last month, but much the same as in February, 1924. Newsprint is moving actively and the market for book, fine, glassine and wrapping papers shows strength. Crêpe towels and napkins, toilet and fine tissues, cardboards, and building boards are in only fair demand and are selling in smaller volume than they were a month ago. Converters report that tablets and envelopes are moving in greater volume than they were in January. Paper mills in this district are operating at an average rate of about 85 per cent of capacity. Most mills have from three to five weeks' business on hand.

Prices of nearly all grades of paper are unchanged, although rag-content papers are slightly higher than they were at the beginning of the year. Some boxboards, notably news and chip, have again advanced and are higher than they were in January. Both mechanical and chemical pulps are firm in price. Finished stocks at the mills are reported as moderate or light, but supplies of raw materials are moderate.

PAPER BOXES

In general, the demand for paper boxes is only fair, being lighter than it was last month and somewhat smaller than it was in February, 1924. Many manufacturers of chip and newsboard boxes, particularly makers of fancy candy, shirt, underwear, sweater and clothing boxes, report that business is dull. The call for boxes from the hosiery, shoe, cheap candy, hardware, foodstuffs, and electrical supply trades, however, is good and is increasing slightly. Fibre containers are in continued request and producers of these are operating at close to capacity. Corrugated boxes and containers, on the other hand, are in only fair demand. Box factories in this district are operating at about 75 per cent of capacity. Forward buying is less than it was a month ago, but most manufacturers have from two weeks' to 60 days' business in hand.

The prices of paper boxes are weak and, despite recent advances in the cost of paper boards, much price-cutting is reported by manufacturers. Board prices have again advanced and are from 20 to 25 per cent higher than they were three months ago. Because of severe competition, most of this increase in the cost of raw materials has been absorbed by the boxmakers, as very few have been able to raise their prices. Finished stocks at the mills vary from moderate to light and supplies of raw materials are moderate.

TOBACCO

Tobacco leaf. The Pennsylvania tobacco market has been very dull this month and what little business has been transacted has been chiefly in the low grades. The demand for wrapper tobaccos and Pennsylvania broadleaf B's is light. Small manufacturers, especially makers of 5 cent cigars, are buying sizeable quantities of seedleaf filler tobaccos of cheap grades. The large factors, however, have been practically out of the market.

At present, quotations on 1923 packed wrappers range from 25 to 32 cents per pound and 1923 Pennsylvania fillers vary from 7 cents to 13 cents, according to quality. Many dealers report that 1923 fillers can now be bought at lower prices than were demanded six months ago. Only about 10 per cent of the 1924 crop has thus far been sold by the growers, and, because of the big variation in quality, the prices paid for wrappers in the bundle have ranged from 12 to 22 cents per pound. Fillers of the new crop have sold at 2 to 3 cents per pound.

Packers report that the 1924 Pennsylvania crop, taken as a whole, is a poor one; but the quality of the 1924 Ohio tobacco is even worse, because of the short leaf and small plants. The 1924 Wisconsin crop is much below the average and a big proportion of this tobacco will be used as "stemmers" for pouch chewing tobacco. Importers and large consumers of Sumatra and Java tobaccos have sailed for Amsterdam to make their purchases at the 1925 inscriptions.

Cigars and cigarettes. The majority of manufacturers report that the demand for cigars is fair, but smaller than it was in January and much the same as in February, 1924. Poor traveling conditions have prevented jobbers' salesmen from properly covering their country sales routes and this has retarded business. Consequently their purchases from manufacturers have been smaller than they were a month ago, but, as February is normally a dull month in the industry, most manufacturers are pursuing their regular policy of manufacturing for stock. The 5 cent cigar and class C grades are in good request, but other grades are not selling as actively as in February, 1924. Domestic cigarettes are moving actively, but Turkish cigarettes are in only moderate demand. An average of the reports received by us shows that cigar factories in this district are

BUSINESS INDICATORS

Third Federal Reserve District

The following data refer to the Third Federal Reserve District except where otherwise noted	January, 1925	Latest figure compared with	
		Previous month	Year ago
Retail trade—net sales† (149 stores)	\$17,538,000	-50.0%	- 2.7%
Department stores (66).....	\$13,931,000	-51.8 "	- 3.5 "
Apparel stores (42).....	\$2,573,000	-39.2 "	+ 2.0 "
Shoe stores (22).....	\$398,000	-32.9 "	+ 1.8 "
Credit stores (19).....	\$636,000	-55.1 "	+ 3.4 "
Wholesale trade—net sales (156 firms)	\$9,950,782	-17.6 "	- 2.8 "
Boots and shoes (12 firms).....	\$284,186	-30.0 "	-13.4 "
Drugs (13 firms).....	\$1,493,561	- 2.1 "	+ 7.7 "
Dry goods (16 firms).....	\$848,905	-15.8 "	-22.7 "
Electrical supplies (7 firms).....	\$637,249	-29.5 "	- 8.7 "
Groceries (54 firms).....	\$3,785,583	-11.3 "	- 0.1 "
Hardware (30 firms).....	\$1,719,602	-20.0 "	- 5.2 "
Jewelry (12 firms).....	\$259,826	-71.7 "	- 2.3 "
Paper (12 firms).....	\$921,870	+ 3.4 "	+ 7.9 "
Production:			
Shoes* (111 factories).....	prs. 1,499,502	- 0.8 "
Pig iron.....	tons 208,493	+10.0 "	- 6.7 "
Hosiery* (111 mills).....	doz. prs. 1,001,004	+ 9.4 "
Iron castings (34 foundries).....	tons 5,015	+ 6.5 "
Steel castings (5 foundries).....	tons 4,002	- 9.7 "
Cement.....	bbls. 2,267,000	-21.4 "	- 4.8 "
Anthracite.....	tons 7,400,000	+ 0.3 "	- 6.6 "
Bituminous coal (Central district—percentage of full-time output).....	per cent 64.0	+ 5.1 "	+15.7 "
Wool consumption* (82 mills).....	lbs. 9,907,245	+ 5.2 "
Active cotton spindle hours (Pennsylvania and New Jersey).....	90,849,317	+ 3.4 "	-22.5 "
Distribution:			
Freight car loadings (Allegheny district—weekly average).....	176,664	+ 1.2 "	+ 1.0 "
Tonnage of vessels (Port of Philadelphia).....	tons 3,084,957	+ 0.3 "	+21.6 "
Exports of wheat (from Port of Philadelphia).....	bus. 4,106,004	- 7.9 "	+10.9 "
Exports of flour (from Port of Philadelphia).....	lbs. 11,147,770	+68.9 "	+80.8 "
Imports of crude oil (into Port of Philadelphia).....	gals. 28,224,000	+67.6 "	+70.4 "
Financial:			
Loans, discounts and investments of member banks (weekly average).....	\$1,054,000,000	- 0.5 "	+15.8 "
Bills discounted held by Federal Reserve Bank of Philadelphia (daily average).....	\$26,100,000	-29.0 "	-42.3 "
Acceptances executed (11 banks for month ended 10th of following month).....	\$5,183,000	+21.0 "	+55.5 "
Bankers' acceptances sales (5 dealers—weekly average for period ended middle following month).....	874,000	-11.1 "	-49.7 "
Commercial paper sales (5 dealers).....	\$11,461,500	+104.6 "	+ 3.2 "
Savings deposits (99 banks).....	\$562,344,000	+ 1.0 "	+ 7.4 "
General:			
Debits (18 cities).....	\$2,423,315,000	- 2.4 "	+13.2 "
Commercial failures.....	80	-19.2 "	-29.2 "
Commercial failures—liabilities.....	\$1,747,846	- 3.6 "	-19.0 "
Building permits (14 cities).....	\$8,631,142	-31.7 "	-28.2 "
Building contracts awarded (Philadelphia district).....	\$21,677,700	-13.3 "	-36.3 "
Employment—1,011 plants in Pennsylvania, New Jersey and Delaware:			
Number of wage earners.....	374,497	+ 0.7 "
Average weekly earnings.....	\$25.98	- 3.4 "
Sales of life insurance (Pennsylvania, New Jersey and Delaware).....	\$71,037,000	-20.7 "	+ 3.2 "

*Bureau of Census preliminary figures.
†Estimated.

operating at 86 per cent of capacity. Unfilled orders are smaller than they were a month ago and the amount of business on hand at different factories varies from 7 to 30 days. The prices of most cigars are firm, but some price cutting is being

practised among several manufacturers of 5 cent cigars. In general, the prices of raw materials are firm and unchanged. Finished stocks are moderate and are increasing and supplies of raw materials are moderate.

COMPILED AS OF FEBRUARY 21, 1925

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