

THE BUSINESS REVIEW

THIRD FEDERAL
PHILADELPHIA



RESERVE DISTRICT
APRIL 1, 1925

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FEDERAL RESERVE BANK of PHILADELPHIA

BUSINESS CONDITIONS IN THE UNITED STATES

Production in basic industries declined in February from the high rate of output in January, but continued above the level of a year ago. Notwithstanding a decline in prices of agricultural commodities, the average of wholesale prices rose slightly owing to a further advance in prices of certain other commodities.

Production. The Federal Reserve Board's index of production in 22 basic industries, which is adjusted to allow for differences in the number of working days and for seasonal variations, declined 3 per cent in February, but continued to be higher than at any time since the peak reached in May, 1923. Average daily output of iron and steel was exceptionally heavy, and copper production per day was the largest since 1918. There was a slight decline in activity in the woolen industry, and more considerable reductions in the output of lumber, cement, bituminous coal, and crude petroleum. Production of automobiles increased 19 per cent in February, the largest monthly increase in nearly two years, but the output was still over 25 per cent smaller than a year ago. Factory employment increased by about 2 per cent in February, considerable increases being reported for the automobile, iron and steel, and

clothing industries, while the number of workers in the packing and cement industries declined. Earnings of industrial workers in February were larger than in January, reflecting in part the resumption of full-time work after the inventory period.

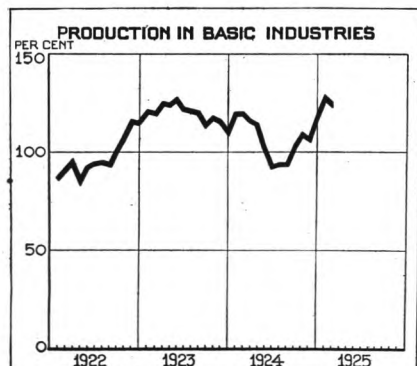
Reports to the Department of Agriculture of intentions to plant in 1925 indicate that the acreage of practically all grains and of tobacco will be larger, and that of white potatoes smaller, than in 1924.

Trade. Total railroad freight movements continued at approximately the same daily rate in February as in January, and shipments of merchandise increased in recent weeks and were much larger than a year ago. Wholesale and retail sales were smaller during February than a year ago, owing partly to the fact that this year February had one less business day. Department store sales were one per cent smaller in February than in the corresponding month of 1924. Wholesale trade in all lines, except meats and hardware, was less than a year ago, and showed in February about the usual seasonal changes. Sales of groceries, meats, and drugs decreased, while sales of drygoods and shoes increased.

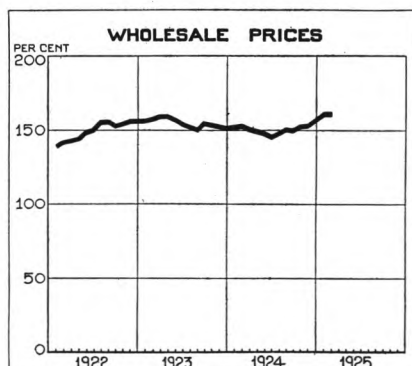
Prices. The slight rise in the wholesale price index of the Bureau of Labor Statistics was due to advances in the fuel and lighting group, largely in petroleum, and in building materials, while prices of all the other commodity groups declined. In the first three weeks of March, prices of hogs, cotton goods, and rubber increased, while prices of many other commodities decreased, the largest decreases being those for wheat and other grains.

Bank credit. Loans of member banks in principal cities continued to increase between the middle of February and the middle of March and on March 11 were larger than at any time in the past four years. The volume of loans for commercial purposes has been at a high and almost constant level since last autumn, and loans on stocks and bonds, which have increased continuously since the summer of 1924, reached in March the largest amount on record. Increases in loans were accompanied by further reduction in the holdings of securities, particularly at banks in the financial centers.

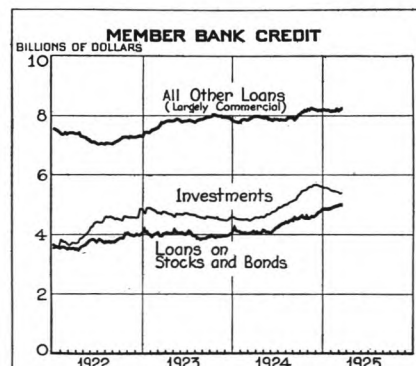
At the reserve banks demand for credit increased between the end of January and the middle of March, chiefly as the result of the export demand for gold and



Index of 22 basic commodities corrected for seasonal variation (1919=100). Latest figure—February, 123.5.



Index of U. S. Bureau of Labor Statistics (1913=100, base adopted by Bureau). Latest figure—February, 161.



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



Index for 33 manufacturing industries (1919 = 100). Latest figure—February, 95.

the growth in domestic currency requirements, with the consequence that earning assets increased. After March 15, however, temporary abundance of funds arising out of Treasury operations resulted in a sharp reduction in member bank borrowings.

Somewhat firmer conditions in the money market in the latter part of February and the early weeks of March were indicated by a rise of the rate on 4-6 months' prime commercial paper from $3\frac{3}{4}$ to 4 per cent.

BUSINESS CONDITIONS IN THE THIRD FEDERAL RESERVE DISTRICT

Business in February and early March has been in rather unsatisfactory volume in spite of the betterment in weather conditions, which was expected to bring a marked revival in trade. Retail business failed to improve in February. Indeed, with the exception of apparel stores, which showed a marked gain over last year's volume, sales were nearly 8 per cent less than in February, 1924. Wholesale trade was also disappointing and all lines except drugs recorded losses from last year's totals. In the case of shoes, drygoods and electrical supplies the declines amounted to more than 12 per cent. Physical distribution, as measured by freight car loadings, increased seasonally in February and was at the same level as last year. The volume of debits, which measures the dollar volume of business, in February was at the same level as in the corresponding month last year, but in recent weeks debits have considerably exceeded last year's figures.

Other evidence also goes to show that business is somewhat less active than it was in the same period last year. Factory employment and wage payments, which increased slightly in February and again in March, were from 3 to 5 per cent under last year's figures. Milder weather in February brought greater activity in building and a large increase in permits issued in the cities of the district. For the first two months of the year, moreover,

the value of contemplated construction has been 4 per cent larger than in 1924. Building material manufacturers report some seasonal improvement in demand and operations but, for most products, the market is only fair and is poorer than last year.

Iron and steel production continued to increase in February and the unfilled orders of the Steel Corporation were also larger. Substantial orders from oil companies, automobile manufacturers and railroads have been received, but, of late, demand has lessened and prices have weakened in some cases. The coal markets have also been weak with the coming of milder weather and reductions have been made in quotations of both anthracite and bituminous. Production of both coals is also smaller.

General hesitancy has also characterized the textile markets. Quotations of both raw silk and wool have fallen and, in the latter case, the yarn and goods market has been much disturbed in consequence. The cotton market has been active, however, and prices are higher than at any time since October. Hosiery, underwear, and carpet and rug manufacturers report active business and firm or rising prices.

Much uncertainty prevails among other industries of the district and in most cases business this year is not so good as in 1924. The leather trades report a subsidence of buying and, in some cases, weaker prices. Paper and printing in-

dustries report only fair trade with a continuance of hand-to-mouth buying. Much the same conditions prevail in the cigar and confectionery trades. In general, it may be said that, although there have been no severe recessions in either prices or in the volume of trade, there has been a general slackening in the rapid rate of advance that was maintained during the fall months.

EMPLOYMENT AND WAGES

Factory employment in the states of this district again increased in February, reaching a point 10.7 per cent above the level of last July and only 3.1 per cent lower than in February 1924. Operations, as reflected by total wages paid, expanded nearly 3 per cent in February and were higher than at any time since last April.

Nearly all the important industries shared in this most recent advance, but the textile, food, and building material industries reported the greatest gains. Among the textiles, silk mills, knit goods and dyeing and finishing establishments and clothing factories all had substantial gains. Potteries reported large gains in employment and wages, and cement mills and glass plants were also more active. Sugar refineries showed the greatest improvement in the food group, with employment nearly 22 per cent heavier. The metal manufacturers, almost without exception, were more active than in January; the greatest improvement occurred

SYNOPSIS OF BUSINESS CONDITIONS

Compiled as of March 23, 1925

Third Federal Reserve District

Business	Demand	Prices	Stocks	Collections
Bricks.....	Fair	Unchanged	Moderate	Fair
Cigars.....	Firm	Unchanged	Moderate	Fair
Chemicals.....	Fair	Firm	Moderate	Fair
Coal, anthracite.....	Fair	Lower	Moderate	Fair
Coal, bituminous.....	Poor	Lower	Heavy	Fair
Coke.....	Fair	Lower	Moderate	Fair
Confectionery.....	Fair	Firm	Moderate	Fair
Cotton goods.....	Fair	Higher	Moderate	Fair
Drugs, wholesale.....	Good	Varied	Moderate	Fair
Drygoods, wholesale.....	Fair	Firm	Moderate	Fair
Electrical supplies, wholesale.....	Fair	Unchanged	Moderate	Fair
Floor coverings.....	Good	Firm	Moderate	Good
Groceries, wholesale.....	Fair	Firm	Moderate	Fair
Hardware, wholesale.....	Fair	Unchanged	Moderate	Fair
Hosiery, full-fashioned.....	Good	Unchanged	Moderate	Fair
Hosiery, seamless.....	Good	Firm	Moderate	Fair
Iron and steel.....	Fair	Lower	Moderate	Fair
Jewelry, wholesale.....	Fair	Unchanged	Moderate	Fair
Leather, heavy.....	Fair	Unchanged	Moderate	Good
Leather, belting.....	Fair	Higher	Moderate	Fair
Leather, upper.....	Fair	Unchanged	Moderate	Good
Lumber.....	Fair	Firm	Moderate	Fair
Oil's.....	Good	Firm	Heavy	Good
Paint.....	Good	Unchanged	Moderate	Fair
Paper.....	Fair	Firm	Moderate	Good
Paper, wholesale.....	Fair	Firm	Moderate	Fair
Printing and publishing.....	Fair	Unchanged	.....	Fair
Pottery.....	Good	Unchanged	Moderate	Fair
Shoes, manufacture.....	Fair	Firm	Moderate	Fair
Shoes, retail.....	Fair	Higher	Moderate	Fair
Shoes, wholesale.....	Fair	Firm	Moderate	Fair
Silk goods.....	Good	Firm	Moderate	Good
Silk, thrown.....	Fair	Firm	Moderate	Fair
Sugar.....	Fair	Higher	Moderate	Good
Underwear, heavy weight.....	Good	Unchanged	Moderate	Fair
Underwear, light weight.....	Good	Unchanged	Moderate	Fair
Woolen and worsted goods.....	Poor	Firm	Moderate	Fair
Woolen and worsted yarns.....	Poor	Firm	Moderate	Fair

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	
		Feb. 15, 1925	Per cent change from month ago	Feb. 15, 1925	Per cent change from month ago	Feb. 15, 1925	Per cent change from month ago
All industries (48)	1,000	374,696	+ 1.0	\$9,934,358	+ 2.9	\$26.51	+ 2.0
Metal manufactures:	348	183,497	+ 1.5	5,106,608	+ 2.5	27.83	+ 1.1
Automobiles, bodies, and parts...	22	7,318	+ 1.9	207,820	+ 4.0	28.40	+ 2.0
Car construction and repair.....	15	15,004	+ 5.7	439,085	+ 7.2	29.26	+ 1.4
Elec. machinery and apparatus...	39	20,715	- 2.5	524,452	+ 1.1	25.32	+ 3.7
Engines, machines, mach. tools...	36	9,380	+ 1.0	262,380	+ 2.5	27.97	+ 1.5
Foundries and machine shops.....	73	12,827	+ 4.4	369,192	+ 6.7	28.78	+ 2.2
Heating appliances, apparatus.....	18	5,175	+ 8.7	158,058	+14.1	30.54	+ 4.9
Iron and steel blast furnaces.....	12	14,980	+ 4.1	416,807	+16.3	27.86	+11.7
Iron and steel forgings.....	13	5,177	+ 0.7	131,240	- 3.7	25.35	- 4.1
Steel works and rolling mills.....	49	49,995	+ 1.2	1,400,663	- 2.0	28.02	- 3.1
Structural iron works.....	12	3,174	- 3.0	91,723	+ 2.2	28.90	+ 5.4
Misc. iron and steel products.....	45	27,930	+ 1.7	769,362	+ 2.9	27.55	+ 1.2
Shipbuilding.....	8	8,337	+ 4.8	233,548	- 7.3	28.01	- 2.7
Non-ferrous metals.....	6	3,505	+ 2.8	102,278	+ 4.7	29.18	+ 1.8
Textile products:	234	69,976	+ 2.0	1,611,808	+ 6.3	23.03	+ 4.2
Carpets and rugs.....	14	3,789	+ 0.7	105,327	+ 7.5	27.80	+ 6.7
Clothing.....	26	3,644	+ 2.5	66,782	+ 9.9	18.33	+ 7.3
Hats, felt and other.....	10	5,221	+ 2.0	123,952	+ 2.0	23.74	+ 0.0
Cotton goods.....	28	8,366	- 0.3	190,243	+ 3.4	22.74	+ 3.7
Silk goods.....	57	17,308	+ 2.1	375,257	+11.7	21.68	+ 9.3
Woolens and worsteds.....	27	11,204	- 1.8	252,265	- 1.9	22.52	- 0.0
Knit goods and hosiery.....	44	10,712	+ 5.8	242,337	+ 8.0	22.65	+ 2.1
Dyeing and finishing textiles.....	21	8,127	+ 4.9	222,564	+ 9.6	27.39	+ 4.5
Miscellaneous textile products.....	7	1,605	+ 2.7	32,781	+ 6.2	20.42	+ 3.3
Foods and tobacco:	80	22,168	+ 3.4	495,141	+ 2.7	22.34	- 0.7
Bakeries.....	19	3,505	+ 0.3	104,013	+ 0.5	29.68	+ 0.2
Canneries.....	5	152	- 1.9	2,991	- 2.2	19.68	- 0.3
Confectionery and ice cream.....	20	5,695	+ 2.7	116,945	+ 8.4	20.53	+ 5.6
Slaughtering and meat packing.....	12	2,665	- 2.3	70,335	- 9.0	26.39	- 6.9
Sugar refining.....	4	3,810	+21.7	111,194	+20.0	29.18	- 1.4
Cigars and tobacco.....	20	6,341	- 0.5	89,663	- 8.3	14.14	- 7.8
Building materials:	76	25,815	+ 4.4	723,144	+ 8.1	28.01	+ 3.5
Brick, tile, terra cotta products...	19	3,444	- 1.4	89,229	+ 2.3	25.91	+ 3.7
Cement.....	15	7,768	+ 2.9	212,443	+ 9.1	27.35	+ 6.0
Glass.....	27	9,774	+ 4.8	270,274	+ 7.1	27.65	+ 2.2
Pottery.....	15	4,829	+11.1	151,198	+12.4	31.31	+ 1.2
Chemicals and allied products:	73	28,207	- 0.5	859,889	+ 1.1	30.48	+ 1.5
Chemicals and drugs.....	37	6,503	+ 3.0	181,959	+ 3.8	27.98	+ 0.7
Explosives.....	10	2,625	- 4.2	75,232	+ 7.4	28.66	+12.1
Paints and varnishes.....	15	1,445	- 4.1	37,708	- 0.3	26.10	+ 4.0
Petroleum refining.....	8	16,575	- 0.1	533,769	+ 0.9	32.20	+ 1.0
Coke.....	3	1,059	-11.2	31,221	-19.1	29.48	- 9.0
Miscellaneous industries:	189	45,033	- 4.8	1,377,768	- 1.4	25.27	+ 3.5
Lumber and planing mill prod.....	8	2,488	+ 1.6	52,558	+13.0	21.12	+11.5
Furniture.....	21	3,417	+ 0.1	86,782	+ 3.2	25.40	+ 3.0
Musical instruments.....	5	3,392	-49.4	89,323	-35.0	26.48	+28.4
Leather tanning.....	34	8,414	+ 1.8	215,004	+ 4.0	25.55	+ 2.1
Leather products.....	6	602	+ 4.5	12,002	- 1.4	19.94	- 5.6
Boots and shoes.....	28	5,435	+ 4.1	108,665	+ 9.1	19.99	+ 4.8
Paper and pulp products.....	21	5,296	- 0.6	135,598	- 1.6	25.60	- 1.0
Printing and publishing.....	25	3,692	- 1.7	116,859	- 1.7	31.65	- 0.0
Rubber tires and goods.....	19	5,566	+ 9.8	153,071	+ 7.8	27.50	- 1.8
Novelties and jewelry.....	9	2,416	+ 4.0	62,041	+ 6.6	25.68	+ 2.5
All other industries.....	13	4,315	+ 2.9	105,365	- 4.5	24.42	- 7.2

at car repair shops, foundries, blast furnaces and heating appliance plants. Only three industries among the entire group—shipyards, coke plants and musical instrument establishments—suffered large losses in both employment and wages. The loss of nearly 50 per cent in working forces and 35 per cent in wages in the musical instrument industry was due chiefly to a large decline at one factory. The table above shows detailed changes in employment and wages at 1,000 establishments in the three states.

FINANCIAL CONDITIONS

In the four weeks ended March 11 the total loans and discounts of reporting member banks in four of the larger cities of the Third Federal Reserve District increased 12 millions, as a result of advances of 4 millions in loans secured by stocks and bonds and of 8 millions in all other (largely commercial) loans. In the same four weeks investments gained 3 millions and total deposits—10 millions. The increase in commercial loans during recent weeks is a departure from the generally downward trend pursued by this

item from late October down to the middle of February.

The earning assets of the Federal Reserve Bank of Philadelphia advanced 20 millions in the four weeks ended March 18, owing to an increase of 4 millions in discounted bills and of 16 millions in other earning assets. Certain intermediate movements in bills discounted are to be noted. From February 18 to February 28, an increase of 14 millions occurred, but almost all of this gain was lost during the first week of March. The second week of March was marked by another surge upward of 11 millions, and this in turn within three or four days was followed by a reaction of 8 millions. In the four weeks cash reserves declined 21 millions, note circulation changed very little, and deposits fell off two millions. The reserve ratio decreased from 81.0 to 74.2 per cent.

Further advances in money rates at New York were reported during the month ended March 20. The rate for prime commercial paper increased from a range of 3½ to 3¾ per cent on February 20 to 4 per cent on March 20, and the offering rate for 90-day bankers' bills moved up from 3⅛ per cent to 3¼ per cent.

Following an increase from \$117.96 on February 16 to \$125.68 on March 6 in the Dow-Jones average price of twenty industrial stocks, a reversal in trend carried the average down to \$118.25 on March 18, but in the two succeeding days an advance to \$120.91 took place. Compared with a month before, the average of twenty railroad stocks showed a decline of \$2.16 and that of forty bonds fell \$38.

Savings deposits, as reported by 99 banks in the Third District, gained .6 of one per cent during February. Declines were reported by banks in Bethlehem, Reading, Scranton and Wilkes-Barre, but in twelve others, particularly Easton and Harrisburg, advances were noted. On March 1 savings deposits were 7.5 per cent above the level of a year before. Percentage comparisons by cities follow:

Cities	Changes March 1, 1925, compared with	
	Previous month	Previous year
Allentown.....	+ .8 %	+ 8.2 %
Altoona.....	+2.0 "	+ 9.4 "
Bethlehem.....	- .3 "	+ 5.9 "
Chester.....	+ .9 "	+ .03 "
Easton.....	+9.6 "	+27.1 "
Harrisburg.....	+8.9 "	+15.7 "
Johnstown.....	+ .2 "	+ 1.2 "
Lancaster.....	+1.6 "	+20.5 "
Philadelphia.....	+ .4 "	+ 6.5 "
Reading.....	- .6 "	+12.7 "
Scranton.....	-1.1 "	+13.4 "
Trenton.....	+ .5 "	+ 5.2 "
Wilkes-Barre.....	- .5 "	+ 9.4 "
Williamsport.....	+ .3 "	+ 2.1 "
Wilmington.....	+ .4 "	+ 5.1 "
York.....	+1.6 "	+15.9 "
Others.....	+ .2 "	+ 5.2 "
Totals.....	+ .6 %	+ 7.5 %

WHOLESALE TRADE

Prices at wholesale remain strong, but the number of items that advanced during the month and the gains made were smaller than in February. Botanical drugs were an exception to the general trend and experienced a sharp break in prices. Sales as a whole were somewhat larger in March than in the previous month. This is a seasonal movement, and preliminary estimates indicate that the increase will not be as large as it was in March, 1924.

In February sales of boots and shoes, drygoods, and jewelry were larger than they were in January, but were smaller in the other reporting lines. As compared with February, 1924, transactions were smaller in all the trades except drugs but it must be considered that February, 1925, contained one less business day than February, 1924, which accounts for some of the difference. Stocks were in most cases larger than they were either a month before or at the end of February, 1924. Collections were slower than in January, with the exception of jewelry, electrical supplies and drygoods, and also were poorer than in February, 1924, with the exception of drygoods and electrical supplies.

Shoes. Sales of shoes at wholesale during March, though larger than in February, are smaller, according to preliminary reports, than they were in March, 1924. Shoes most in demand are pumps made of patent leather, tan calf or black satin for women; pumps and oxfords of tan calf or patent leather for misses and children, and tan calf oxfords for men. Many of the tan calf oxfords have crepe rubber soles. Prices are firm and, in some instances, higher. Nearly all sales call for shipment during March, and practically no orders have been taken for delivery later than April 15. Sales in February were only 0.9 per cent larger than in January and were 12.8 per cent smaller than in February, 1924.

Jewelry. Wholesale jewelers report that trade is without any special features. Sales will probably be larger in March than they were in February, but buyers are very cautious and purchases are confined entirely to immediate needs. Prices are unchanged. Single stone and fancy rings, bar pins, watches, diamonds and remountings for old jewelry are a few of the articles called for. Sales in February were 11.1 per cent larger than in January but were 8.6 per cent smaller than in February, 1924.

Hardware. The net sales of 29 wholesale hardware firms in this district were 3.9 per cent smaller in February than they were during the preceding month and 6.1 per cent less than in February of last year. Present demand

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.....	329,800	+ 3,800	+ 51,900
All other (largely commercial) loans.....	366,300	+ 7,900	+ 13,400
Total loans.....	696,100	+ 11,700	+ 65,300
Investments.....	363,400	+ 2,600	+ 74,400
Total loans and investments.....	1,059,500	+ 14,300	+ 139,700
Total deposits.....	949,500	+ 10,300	+ 138,000
Federal Reserve Bank:			
Bills discounted.....	31,900	+ 4,402	- 8,600
Other earning assets.....	64,600	+ 15,800	+ 23,200
Total earning assets.....	96,500	+ 20,200	+ 14,600
Federal reserve note circulation.....	156,600	+ 500	+ 42,400
Total deposits.....	130,000	- 2,000	+ 11,400
Cash reserves.....	212,600	- 20,900	+ 47,100
Reserve ratio.....	74.2%	- 6.8%	- 7.5%
Debits (banks in 18 cities)*.....	571,962	+ 95,410	+ 57,423
Savings deposits (99 banks).....	565,834	+ 3,490	+ 39,653
Bankers' acceptances:†			
Purchases by 5 dealers.....	834	- 12	+ 212
Sales by 5 dealers:			
To Federal Reserve Bank.....	1,519	+ 758	- 1,344
To others.....	144	+ 31	- 222
Executed by 11 banks‡.....	4,942	- 241	+ 385
Commercial paper sales, 5 dealers.....	9,168	- 2,294	+ 738

New York City

Actual figures in all columns	Mar. 20, 1925	Month ago	Year ago
Money rates:			
Commercial paper.....	4%	3½-3¾%	4½-5%
Bankers' acceptances.....	3¾%	3½%	4-4½%
Call money renewals.....	3½%	3%	3%
Security price averages:			
20 industrial stocks.....	\$120.91	\$121.64	\$95.88
20 railroad stocks.....	97.81	99.97	81.45
40 bonds.....	91.30	91.68	87.86
4 Liberty bonds.....	101.45	101.53	99.78

* Weekly totals. † Weekly averages. ‡ Total for month ending 10th.

Commercial paper. During March the market for commercial paper was less active than in February. For the first two weeks banks were conserving cash for income tax payments and the call money market in New York provided an attractive day-to-day investment for such funds. The government issues of March 15 also took some buyers out of the market. The advance in rates for commercial paper has attracted some purchasing by country institutions. Transactions at 4 per cent constitute the bulk of the business but some short maturities sold at 3¾ per cent and a larger total at over 4 per cent is reported. Dealers' lists have increased during the month.

In February the sales of five dealers in the district were \$9,167,500; this compares with \$11,461,500 in January and \$8,425,000 in February, 1924. The amount sold to Philadelphia banks was \$3,757,500 and to outside institutions \$5,410,000. The rates at which sales were consummated varied from 3¾ to 4¾ per cent. Over 97 per cent of the total was sold at from 3½ to 4 per cent, with the largest part at 3¾ and 4 per cent.

RETAIL TRADE

Retail sales are fairly good and preliminary reports indicate that March sales will approximate those of March, 1924. The public is shopping carefully and is buying principally the cheaper and medium-priced goods. Price-cutting sales are the chief stimulants of trade and are producing a satisfactory volume of business.

Department stores report that spring hats and clothing, hosiery, light rugs and house-cleaning utensils are selling in good volume. Topcoats, hats, spring suits and neckwear are the best sellers in men's apparel; and spring hats, light coats, spring suits, dresses, and hosiery are the most active items in women's apparel. Rugs, carpets, linoleums, porch furniture and living room suites are moving fairly well at house-furnishing stores. Women's and children's shoes are in good request and men's shoes are selling in fair volume.

The prices of most goods are firm and the same as they were last month. Rugs, linoleums and shoes are slightly higher than they were at the close of February.

RETAIL TRADE

Third Federal Reserve District

	Comparison of net sales		Comparison of stocks		Stock turnover	
	Feb., 1925, with Feb., 1924	Jan. 1 to Feb. 28, 1925, with Jan. 1 to Feb. 29, 1924	Feb. 28, 1925, with Feb. 29, 1924	Feb. 28, 1925, with Jan. 31, 1925	1925	1924
All reporting firms.....	- 6.1%	- 5.1%	+ 0.4%	+ 4.5%	.519	.520
Firms in Philadelphia.....	- 7.5 "	- 5.9 "	+ 0.6 "	+ 3.0 "	.510	.542
Allentown, Bethlehem and Easton.....	- 0.5 "	- 1.9 "	- 0.5 "	+ 5.9 "	.401	.406
Altoona.....	- 2.3 "	- 3.8 "	- 4.1 "	+ 11.5 "	.268	.254
Chester.....	- 20.0 "	- 8.8 "	.....	.....	.....	.....
Harrisburg.....	+ 0.2 "	+ 1.0 "	+ 2.0 "	+ 5.0 "	.357	.361
Johnstown.....	- 7.2 "	- 1.7 "	- 6.2 "	+ 5.3 "	.485	.518
Lancaster.....	- 7.3 "	- 9.3 "	- 2.2 "	+ 9.1 "	.368	.401
Reading.....	- 0.2 "	- 3.9 "	- 12.8 "	+ 5.9 "	.351	.329
Scranton.....	+ 3.6 "	- 1.9 "	+ 2.1 "	+ 15.2 "	.420	.428
Trenton.....	- 8.7 "	- 9.2 "	+ 3.8 "	+ 8.5 "	.430	.468
Wilkes-Barre.....	- 5.5 "	- 0.7 "	+ 19.9 "	+ 9.5 "	.460	.474
Williamsport.....	- 4.2 "	- 1.8 "	- 9.3 "	+ 9.3 "	.300	.292
Wilmington.....	+ 2.6 "	+ 4.9 "	+ 14.9 "	+ 2.7 "	.260	.273
York.....	- 2.9 "	- 7.3 "	- 5.9 "	+ 10.7 "	.384	.391
All other cities.....	- 1.3 "	+ 1.3 "	+ 8.1 "	+ 4.8 "	.283	.293
All department stores.....	- 7.8 "	- 5.9 "	- 0.8 "	+ 3.0 "	.524	.521
in Philadelphia.....	- 10.2 "	- 7.4 "	- 0.8 "	+ 0.0 "	.544	.583
outside Philadelphia.....	- 1.7 "	- 1.9 "	- 0.9 "	+ 9.3 "	.484	.394
All apparel stores.....	+ 3.8 "	- 1.7 "	+ 5.0 "	+ 20.2 "	.599	.628
Men's apparel stores.....	+ 4.7 "	+ 2.8 "	0.0 "	+ 12.8 "	.372	.366
in Philadelphia.....	+ 12.2 "	+ 7.9 "	+ 0.8 "	+ 25.6 "	.451	.416
outside Philadelphia.....	- 6.3 "	- 4.1 "	- 0.8 "	+ 2.1 "	.297	.316
Women's apparel stores.....	+ 11.6 "	+ 2.5 "	+ 3.0 "	+ 14.3 "	.914	.914
in Philadelphia.....	+ 12.6 "	+ 3.7 "	+ 4.1 "	+ 15.6 "	1.032	1.044
outside Philadelphia.....	+ 5.7 "	- 4.1 "	- 0.8 "	+ 9.6 "	.507	.506
Credit houses.....	- 5.6 "	- 2.3 "	+ 10.7 "	+ 3.5 "	.336	.358
Shoe stores.....	+ 5.3 "	+ 3.2 "	+ 3.2 "	- 1.0 "	.379	.372

is no better than fair, though builders, farming implement dealers and factories have entered the market more actively than they did a month ago. Largely on account of more favorable weather conditions, the call for garden tools and other seasonal articles is better than it was at this time last year.

Quotations in some instances are higher than they were a month ago, but in general they are unchanged. Prices in nearly all cases, however, are higher than they were in March, 1924. Stocks held by reporting firms were 6.3 per cent larger at the end of February than they were at the close of the preceding month and 4.7 per cent greater than on the last day of February, 1924.

Electrical supplies. Demand for radio supplies and equipment for use by contractors has created a fairly active market in the wholesale electrical trade, though the majority of reports received by us indicate that the call is somewhat less than that of a month ago. During February the net sales of 7 wholesale firms in this district were 6.6 per cent smaller than they were in the preceding month and 15.7 per cent less than in February of last year.

Prices are much the same as they were a month ago, and, with the exception of quotations on some grades of radio supplies, which are lower, are unchanged from those prevailing at this time last year. Stocks in general are moderate.

Drygoods. Sales of drygoods normally increase in March, and preliminary reports indicate that, though this will again be true this year, sales will be smaller than they were in March, 1924. Novelty hosiery, underwear, gingham, percales, novelty piece goods, trimmings, laces, neckwear, shirts and notions are the lines which are in best request. Price changes have been slight but those noted have been upward. The articles that have advanced are gingham, bleached sheetings, woolen blankets, and woolen underwear. Purchases made by wholesalers are reported to be smaller than they were a year ago.

Sales in February were 6.9 per cent

larger than in January but 12.7 per cent smaller than in February, 1924. Stocks, though 5.5 per cent heavier on February 28 than on January 31, are 14.8 per cent lighter than on February 29, 1924.

Paper. The demand for paper is much the same as it was a month ago and as it was a year ago. Newsprint, book, and fine papers are in good request; wrapping and kraft papers are moving in fair volume, but tissues, crepe papers, and cardboards are selling slowly. Prices of paper are firm at the levels of a month ago. February sales were 6.4 per cent smaller than those of January, and 0.6 per cent less than those of February, 1924. Jobbers' stocks at the close of February were 0.3 per cent larger than at the end of January.

Drugs. Drugs are in good demand and are selling better than they were a year ago, but the daily volume of sales is about the same as in February. Staples, seasonable patent medicines, disinfectants and oils are the best sellers. Drugs and fine chemicals are slightly higher than they were a month ago, but botanical drugs are much lower. The "Oil, Paint and Drug Reporter's" index number for 35 drugs and fine chemicals on March 16 was 202.9 as compared with 201.9 on February 16; that for 40 botanical drugs, on March 16 was 122.1 as against 132.7 on February 16. Sales in February were 4.4 per cent smaller than in January, but were 7.7 per cent greater than in February, 1924.

Groceries. The demand for groceries continues to be fair; the daily volume of sales is much the same as in February. Canned fish, canned vegetables, dried fruits, dried beans, sugar, canned milk, other staples and lentin goods are selling in good volume. Prices still show a slight rising tendency. Sugar, smoked meats, dried fruits, molasses, coffee and canned milk are slightly higher than they were a month ago; but flour, eggs, cheese, soap and wheat products are cheaper. Sales in February were 4.1 per cent smaller than those of January and also 3.2 per

WHOLESALE TRADE

Third Federal Reserve District

	Net sales Feb., 1925, compared with		Stocks Feb., 1925, compared with		Accounts outstanding Feb., 1925, compared with		Ratio of accounts outstanding to sales		
	Jan., 1925	Feb., 1924	Jan., 1925	Feb., 1924	Jan., 1925	Feb., 1924	Feb., 1925	Jan., 1925	Feb., 1924
Boots and shoes.....	+ 0.9%	- 12.8%	+ 11.1%	- 5.8%	+ 3.0%	- 6.2%	293.3%	284.6%	277.0%
Drugs.....	- 4.4 "	+ 7.7 "	.....	.....	+ 1.7 "	+ 11.8 "	163.8 "	154.5 "	153.3 "
Dry goods.....	+ 6.9 "	- 12.7 "	+ 5.5 "	- 14.8 "	- 1.7 "	- 12.9 "	249.3 "	271.2 "	249.9 "
Elec. supplies.....	- 6.6 "	- 15.7 "	- 5.4 "	+ 8.9 "	- 9.7 "	- 16.6 "	142.6 "	147.5 "	144.1 "
Groceries.....	- 4.1 "	- 3.2 "	- 0.4 "	+ 6.0 "	- 3.9 "	- 3.9 "	122.6 "	119.0 "	120.0 "
Hardware.....	- 3.9 "	- 6.1 "	+ 6.3 "	+ 4.7 "	+ 2.1 "	+ 4.5 "	213.4 "	200.5 "	192.2 "
Jewelry.....	+ 11.1 "	- 8.6 "	+ 2.9 "	+ 0.5 "	+ 0.1 "	+ 14.9 "	468.3 "	519.8 "	372.5 "
Paper.....	- 6.4 "	- 0.6 "	+ 0.3 "	+ 5.8 "	+ 0.8 "	+ 4.9 "	157.3 "	146.1 "	149.0 "

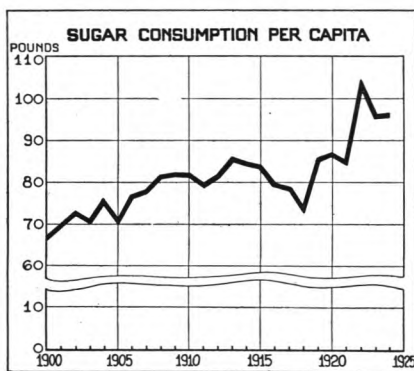
cent less than in February, 1924. Stocks at the close of February were 0.4 per cent smaller than at the close of January, but were 6.0 per cent larger than at the end of February, 1924.

SUGAR

Raw sugar. Considering the fact that the grinding season in Cuba is at the height of activity, the raw sugar market has shown great strength during the month. Prices have advanced and have held nearly all of their gains despite large offerings. Cuban raw sugar for prompt shipment is selling at 2 15/16 cents, c and f, equal to 4.71 cents duty paid, as compared with 2 13/16 cents, c and f, on February 23. Duty-free sugars are selling at 4.71 cents, delivered. A fairly good demand for raw sugar from eastern refiners has helped maintain the higher price, but the improved statistical position of the Cuban crop has been chiefly responsible for the advance. The Cuban Department of Agriculture, Labor and Commerce has published its official estimate of 4,474,300 long tons for the new crop, which is much smaller than earlier private estimates. Guma-Mejer's estimate was 4,724,714 long tons and that of Himely was 4,620,428 tons.

At the close of February, Cuban production of new sugar, according to Willett and Gray, equalled 1,810,280 long tons as compared with 1,700,199 long tons on the same date last year. On February 28, 179 centrales were grinding, as compared with 177 on February 28, 1924. Total stocks in the United States and Cuba equalled 991,526 long tons at the close of February, only 36,790 tons larger than they were a year ago.

Receipts of raw sugar at Atlantic ports during the last week of February and first two weeks of March were 24 per cent smaller than for the same period of last year and totalled 244,793 tons.



During 1924, the per capita consumption of sugar in the United States was greater than in any year on record with the exception of 1922.

Source—Weekly Statistical Sugar Trade Journal

Refined sugar. The call for refined sugar is fairly good and at times during the month buying has been heavy. The advance in raw sugar prices has been closely followed by a higher price for refined. On February 25, Atlantic port refiners were selling fine granulated at from 5.90 to 6.00 cents per pound, but quotations now range from 6.00 to 6.20 cents per pound. Eastern beet refiners are now selling refined beet sugar at 6.10 cents, seaboard basis. At this time last year quotations on cane granulated sugar ranged from 8.60 to 9.00 cents per pound. Export demand for refined sugar is very light.

Meltings at Atlantic ports during the last week of February and first two weeks of March totalled 231,000 tons, as compared with 228,000 tons in the same period of the previous year, an increase of 1 per cent.

CONFECTIONERY

The call for candies varies from fair to good, although it is not as heavy as it was in March, 1924. Chocolates and chocolate-coated candies are in better demand than they were in February, but hard candies are not selling as actively as they were a month ago. Easter trade is fairly good and many factories are working on Easter orders, but the volume of this business is not as great as that of last year. Bar chocolate, chocolate coating, cocoa, and grocery confections are selling well. The large confectionery plants in this district are operating at about 85 per cent of capacity, but many of the smaller factories are running at only 50 per cent. A few confectioners have a month's business on hand, but the majority are working on a hand-to-mouth basis and have only a few days' business ahead.

Prices of candies and most confections are firm and the same as they were a month ago. Raw materials, too, are unchanged in price. Both finished stocks and supplies of raw materials range from light to moderate and are stationary.

BUILDING

Reports received from fifteen cities in the Third Federal Reserve District show an increase in February of 719 building permits and a gain of \$5,455,540 over the totals in the preceding month. Since weather conditions existing in February were more favorable to the undertaking of new construction than were those in the corresponding month of 1924, the gain in estimated cost of \$4,200,000 over the totals reported in February of last year is not surprising.

Bricks. The call for building bricks is generally fair and stronger than it was at this time last month. It is not as good, however, as it was a year ago. Requests for fire bricks, however, are not as numerous as they were in February and in some quarters the present call is classified as poor. The majority of orders for both grades of bricks are for shipment either immediately or within 60 days.

Prices of finished bricks are in several instances weak though quotations are much the same as they were at this time last month. Considerable resistance to present prices is reported throughout the district. On the other hand, quotations for raw materials are firm and unchanged from the levels of a month ago.

Manufacturers reporting to us are operating their plants at an average rate of about 53 per cent of capacity, which is

BUILDING PERMITS

Third Federal Reserve District

	February, 1925		February, 1924		January and February			
	No.	Estimated cost in thousands	No.	Estimated cost in thousands	1925		1924	
					No.	Estimated cost in thousands	No.	Estimated cost in thousands
Allentown.....	25	\$ 169	22	\$ 121	35	\$ 354	64	\$ 541
Altoona.....	64	228	58	99	113	321	124	147
Atlantic City.....	123	742	149	381	248	1,318	285	1,024
Bethlehem.....	11	8	12	16	17	23	38	100
Camden.....	104	344	84	241	157	414	139	772
Harrisburg.....	39	121	37	135	64	288	77	333
Lancaster.....	44	236	44	621	68	290	80	893
Philadelphia.....	957	10,321	956	7,174	1,571	16,889	1,840	15,816
Reading.....	100	570	133	225	171	635	251	466
Seranton.....	107	296	91	221	169	505	165	473
Trenton.....	116	297	84	310	169	475	184	499
Wilkes-Barre.....	62	340	71	183	95	608	129	392
Williamsport.....	54	89	36	67	54*	89*	36*	67*
Wilmington.....	57	319	55	104	91	375	128	285
York.....	56	109	60	92	74	236	132	209
Total.....	1,919	\$14,190	1,892	\$9,989	3,096*	\$22,821*	3,672*	\$22,018*

* Williamsport figures for January, 1924 and 1925, are not included.

slightly higher than that computed at this time in February.

Pottery. Manufacturers reporting to this bank say that the demand for pottery is fairly good and noticeably better than it was a month ago. Requests for sanitary porcelain fixtures, however, are in only fair volume though inquiries for many grades of this product are increasing in anticipation of the spring trade. The call for all classes of pottery is not as strong as it was at this time last year. Unfilled orders are somewhat larger than they were four weeks ago and the greater part are for delivery within 60 days.

Prices of finished goods are not particularly firm; in fact, several manufacturers classify them as weak, though quotations in nearly all instances are the same as those listed at this time in February. On the other hand, a few reports indicate that prices of some raw materials are higher than they were a month ago.

Stocks of finished pottery vary from heavy to light and, in general, are stationary. Supplies of raw materials are moderate and decreasing. The average rate at which reporting firms are operating is close to 73 per cent of capacity, which is somewhat higher than the average rate reported in February. Notwithstanding the recent increase in employment in the pottery industry, the supply of both skilled and unskilled workers is plentiful. Unfilled orders on hand will insure present production schedules for an average period of about 7 weeks.

Lumber. Both manufacturers and dealers report that the call for lumber is fair, but while the former say it is better than it was a month ago, the latter classify it as unchanged. Hardwoods are moving in good volume, with oak in best request. Demand for west coast lumber has slackened somewhat, which has benefited the call for short leaf yellow pine. Unfilled orders are larger than they were a month ago and the majority of those on the books of wholesalers and retailers are for shipment within 60 days.

Prices of both finished lumber and raw materials are firm and, for the most part, unchanged from those prevailing at this time in February. One dealer, however, states that resistance to present prices has resulted in the granting of concessions, though the reductions are not large. Stocks of finished goods and raw materials held by manufacturers are substantial and stationary, but supplies of lumber in dealers' yards are from moderate to light and are increasing.

Manufacturers reporting to this bank are operating at an average rate of about 85 per cent of maximum output, which is slightly in excess of the average rate reported a month ago. Unfilled orders now on hand will require the continuance of present operating schedules for an average period of not less than two months.

Paint. Manufacturers find that the call for paint is fairly good and that it is better than it was both at this time last month and a year ago. A substantial volume of unfilled orders is on hand and though a great many are for shipment beyond 90 days, the majority are for delivery either immediately or before June 1.

Prices of finished paint and raw materials are in general firm and unchanged from those prevailing at this time last month, although in a few cases, slight reductions have been made. Some resistance to present prices is being encountered, chiefly to those of the cheaper paints. On March 23, linseed oil was quoted at \$1.09 per gallon, carload lots, cooerage basis, as compared with \$1.12 per gallon on February 23. Stocks of both finished goods and raw materials are moderate and decreasing.

Manufacturers reporting to us are operating their establishments at an average rate of approximately 70 per cent of capacity, somewhat higher than a month ago. Unfilled orders now on the books will support the present rate of production for periods ranging from a few days to as long as three months.

IRON AND STEEL

During the first part of the month, the call for pig iron was scarcely fair. Recently, however, inquiries for second quarter needs increased and were followed by the placing of several substantial orders. Iron and steel castings are in fair request and the call for these products has increased during the past four weeks. The demand for iron bars and wire rods is not as strong as it was during the latter part of February and so far this month deliveries to railroads and industrial interests have not been heavy. The market for scrap is still weak and tonnages are easily secured. Automobile manufacturers are taking fair sized shipments of steel sheets but other buyers apparently are hesitant in making extensive commitments. The demand for plates and structural shapes has not fulfilled expectations, although railroads and oil companies have made inquiries for next quarter needs. Light and heavy hardware is in better demand than it was a month ago, but of the call for machinery and tools, the reverse is true. Rails and track supplies are moving in good volume and inquiries are increasing.

During the first two weeks in March prices of most steel products were well maintained, though concessions had been granted from time to time, particularly when large tonnages were involved. Recently, however, Iron Age's composite price of finished steel fell from 2.546 to 2.531 cents per pound, a loss of 15 points. Within the last fortnight quotations for some grades of pig iron declined from 50

to 75 cents per ton. This was generally expected, however, and resulted in no weakness in general prices. On March 23 Philadelphia 2X pig iron was quoted at \$24.26 per ton as compared with \$25.01 per ton on February 23.

Production of pig iron and steel ingots during February was somewhat less than in January, as will be noted in the table below. However, the daily rate was higher. Following a substantial gain in the total of unfilled orders of the United States Steel Corporation during January, the aggregate again increased in February, bringing the total at the end of that month to the highest point since August, 1923.

In gross tons	February	January
Production—		
Pig iron.....	3,214,143	3,370,336
Steel ingots.....	3,740,004	4,180,413
Unfilled orders—		
U. S. Steel Corp.....	5,284,771	5,037,323

Iron foundries. The table below shows the principal operating features of 37 iron foundries located in this district whose monthly iron-making capacity totals 13,285 tons. Though production and stocks were smaller in February than in the preceding month, unfilled orders in both value and tonnage increased slightly. It will be observed that the changes in no instances were great.

Iron foundry operations	February	Change from January
Capacity.....	13,285 tons	0
Production.....	5,522 "	- 5.4%
Malleable iron.....	1,110 "	- 2.5 "
Gray iron.....	4,412 "	- 6.1 "
Jobbing.....	2,893 "	- 3.0 "
For further mfr.....	1,519 "	-11.5 "
Shipments.....	4,217 "	+ 2.9 "
Value.....	\$647,704	- 2.8 "
Unfilled orders.....	2,929 tons	+ 1.6 "
Value.....	\$496,706	+ 2.5 "
Raw stock:		
Pig iron.....	9,672 tons	- 0.7 "
Scrap.....	3,148 "	- 4.6 "
Coke.....	2,151 "	- 3.2 "

Steel foundries. Production, value of unfilled orders and stocks of pig iron were somewhat greater during February than in the preceding month, as is shown in the reports of five steel foundries analyzed in the table below. In all other operating items, decreases occurred.

Steel foundry operations	February	Change from January
Capacity.....	6,050 tons	0
Production.....	4,070 "	+ 1.7%
Shipments.....	3,256 "	- 9.3 "
Value.....	\$541,364	- 2.4 "
Unfilled orders.....	4,270 tons	-12.0 "
Value.....	\$1,282,331	+ 7.5 "
Raw stock:		
Pig iron.....	2,840 tons	+ 9.8 "
Scrap.....	9,255 "	- 7.0 "
Coke.....	442 "	-22.0 "

COAL

Anthracite. Owing largely to the warmer weather that has prevailed so far this month and to the usual seasonal decline which precedes the beginning of spring, the demand for the domestic sizes of anthracite has fallen off considerably during the past four weeks. The call for steam sizes, however, has been fairly good and several substantial orders have been placed by large consumers of these grades.

Though company prices of domestic grades remain at the levels quoted a month ago, those listed by independent coal interests have recently declined, in some instances as much as 75 cents per ton. On March 23 independent stove sizes were quoted at from \$8.90 to \$9.65 per ton, as compared with from \$9.40 to \$10.40 per ton on February 21. Quotations for steam sizes are firm and generally unchanged from those listed a month ago. On March 23 buckwheat No. 1 was quoted at from \$2.25 to \$3 per ton.

Weekly output so far in March has been increasing somewhat, as will be seen in the table below:

Week ended	In thousands of net tons		Per cent of change
	1925	1924	
Feb. 21....	1,838	1,665	+10.4
Feb. 28....	1,605	1,866	-14.0
Mar. 7....	1,655	1,882	-12.1
Mar. 14....	1,656	1,941	-14.7

Bituminous. The call for bituminous during the past month has been poor. Operators reporting to us state that very little business is being transacted by the railroads and public utilities, as these consumers are largely engaged in working off previously made contracts.

Spot prices are from 25 to 35 cents lower than contract quotations and both are weak and in several instances lower than they were a month ago. It is reported that in the middle west distress lots are numerous and that substantial price concessions are being granted in order to move stocks. In Philadelphia on March 23 Pool 10 coal was quoted at from \$1.55 to \$1.80 per ton as compared with from \$1.70 to \$2.00 per ton on February 21, a reduction of from 15 to 20 cents per ton.

During the first week in March production increased somewhat, as will be noted in the following table. Since the end of January, however, the trend of output has been distinctly downward.

Week ended	In thousands of net tons		Per cent of change
	1925	1924	
Feb. 21....	9,464	10,697	-11.5
Feb. 28....	8,855	11,061	-19.9
Mar. 7....	9,394	9,944	-5.5
Mar. 14....	8,623	9,943	-13.3

Coke. Quotations generally are firm, though those for furnace grades were reduced twice during the first half of the month. On March 23, Connellsville furnace coke was quoted at \$3.25 per ton as compared with \$3.75 per ton on February 21. Quotations for foundry grades remained unchanged during the month, and on March 23 were listed at \$4.25 per ton.

Output of beehive coke in each of the past four weeks fell below the corresponding weeks of 1924, but during February production of by-product coke in the entire country totalled 3,125,000 tons as against 3,411,000 tons in the preceding month, and 2,981,000 tons during February of last year.

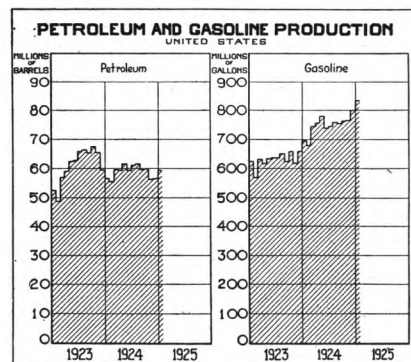
OILS

Refiners reporting to us state that the demand for gasoline, kerosene, fuel and lubricating oils has been good throughout the first quarter and that recently, with the exception of that for fuel oils, the call has improved still further. Present demand is now better than it was a year ago. Refiners are taking larger quantities of petroleum and the demand for Pennsylvania crude oil, too, is greater than it was during last month and in March, 1924.

Since the first of the year, prices of finished oils have tended upward, though recently, quotations for nearly all refined products were reduced. In Philadelphia, on March 23, gasoline and kerosene were quoted at 20 cents and 14 cents per gallon (tank wagon), respectively. From the first of the year until March 21 the price of Pennsylvania crude oil advanced \$1 per barrel, and quotations on that date stood at \$3.75 for all oils other than those in the Bradford district. The latter grades were quoted at \$3.85 per barrel. On March 23, however, a reduction of 20 cents per barrel was made in prices of all Pennsylvania grades. Stocks of both crude and refined oils are fairly heavy, though they are beginning to decrease, as is usual at this season.

During recent months production of both refined and crude oils has been increasing, as will be seen in the accompanying chart.

Though the output of crude oil in the entire country was somewhat greater in January than it was in the corresponding month of 1924, production during the last quarter of that year was less than in the last three months of the



Monthly output of petroleum reached a peak for the last two years in October, 1923. Production of gasoline, however, has steadily increased during that period.

Sources—Geological Survey; Petroleum Economist

preceding year, as will be noted in the table below. With the exception of January, 1925, this condition has prevailed in every month since last April.

Month	In thousands of barrels		Per cent of change
	1924-25	1923-24	
October...	59,937	65,977	-9.2
November..	56,297	64,829	-13.2
December..	56,617	58,892	-3.9
January....	59,284	56,455	+5.0

COTTON

Raw cotton. Stimulated by active buying here and abroad, together with the prevailing drought in certain growing sections which was highly unfavorable to the new crop, quotations for cotton have risen during the past month to the highest levels since last October. Spot cotton held firm at an average of 26.03 cents per pound during the first week of March, but a drop to 25.65 cents on March 23 followed. This compares with 24.50 cents last month and 28.90 cents a year ago.

Domestic consumption of cotton and linters declined from 641,525 bales for January to 600,730 bales for February, a drop of about 6.4 per cent. The total of mill takings for the seven months of the present cotton year also decreased from 3,931,560 bales in 1923 to 3,838,344 bales in 1924, a decline of about 2.4 per cent. Exports, on the other hand, were unusually large. From August 1, 1924, to March 20, 1925, they totalled 6,783,479 bales, as compared with 4,581,664 bales last year. Stocks of raw cotton in consuming establishments, public storage and at compresses on February 28, were 13.3 per cent larger than those of last year.

Final figures of the Bureau of the Census shows that ginnings of 1924 crop totalled 13,618,751 bales, exclusive of linters, in contrast with 10,139,671 bales in 1923. This is the largest amount since 1914, when production reached 16,130,930 bales. The following table shows the position of American cotton:

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 March 20.....	13,338	10,049	9,991
Total.....	14,289	10,919	11,959
Visible supply on March 20.....	3,991	2,487	2,468
World's takings to March 20.....	10,298	8,432	9,491

Cotton goods. A slight improvement in the sales of cotton fabrics during the past month is reported by several manufacturers in this district. Light and heavy dress goods materials, together with domestics, have been in fairly steady demand. Substantial bookings also have been made in print cloths. Most of the orders, however, call for prompt shipment, although some are for delivery during May and June. While a slight gain is noted in production, the present rate of output has not changed materially from that of last month. Mills are now working at about 70 per cent of capacity on the average. Unfilled orders will insure operation at the present rate for the period of from one to three months, the average being about forty days. Though a number of firms state that their stocks of finished goods are somewhat heavy, supplies of both the manufactured products and raw materials are, in the main, moderately light.

Reflecting strength in the market for raw cotton and yarns, prices of cotton goods have moved upward but slightly during the greater part of the month. Fairchild's index number of average quotations rose to 15.8 for the week ended March 21 in contrast with 15.7 a month ago, but it is still below the last year's level, which was 16.1. During the last week, however, prices, particularly of unfinished goods, eased off somewhat. Continuing to comb the market for bargains, buyers persist in their resistance to prices. Collections are fairly satisfactory.

WOOL

Raw wool. A downward trend of quotations here and abroad, curtailed buying, and resistance to prices of manufactured goods have characterized the Philadelphia wool market during the

past month. Dun's average of ninety-eight quotations shows that domestic qualities dropped to 98.22 cents per pound on March 20, as compared with 102.04 cents on February 20, and 82.47 cents a year ago. This decline is especially marked in Montana fine staple and Ohio three-eighths blood. Prices of foreign wools also have decreased, merinos and crossbreds from 10 to 15 per cent, and coarse crossbreds from 15 to 20 per cent, below the January auction levels. The activity of American buyers abroad is shown by imports of foreign wools, which in February amounted to 37,724,975 pounds, as against 47,503,391 pounds in January and 39,486,531 pounds last year.

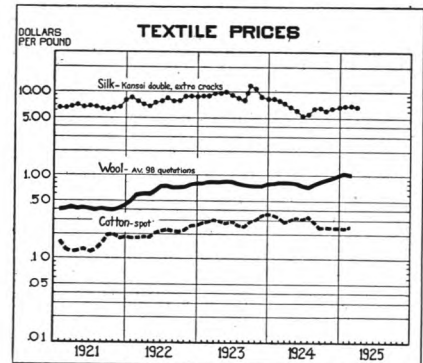
The consumption of wool in this district, as shown by reports from 77 establishments, was 12.1 per cent smaller in February than in January. Local stocks continue to be extremely light. An increase in wool production, however, has given dealers and manufacturers much encouragement. According to the figures compiled by the Department of Agriculture, the American wool clip for 1924 rose to about 238,530,000 pounds of fleece wool and 43,800,000 pounds of pulled wool, as against 224,330,000 and 42,500,000 pounds, respectively, in 1923. The output of the commercially important wool-growing countries of the world increased about 4.3 per cent during the corresponding period, as estimated by the textile division of the Department of Commerce. The following table presents the preliminary data in regard to the annual production.

Countries	In pounds (000's omitted)		
	1909-1913	1923	1924
North America.....	332,320	283,004	298,237
South America.....	578,026	450,300	443,484
Europe.....	570,347	528,074	548,303
Africa.....	219,694	242,265	255,265
Australasia.....	903,620	769,560	838,000
All other.....	627,470	446,250	453,250
Total.....	3,231,477	2,719,453	2,836,539

Woolen and worsted yarns. Conditions in the weaving and knitting yarn industry are extremely unsatisfactory. Principally because of the uncertainty in quotations for raw wool, together with strong opposition to prices by buyers and a consequent scarcity of new orders, several spinners have reduced their operations drastically in preference to accumulating stock. The average rate of output, however, continues to be about the same as last month, but unfilled orders on hand have dropped to the point where they can insure operation at the present rate for the period of about 75 days. Stocks of finished goods are comparatively small, but they are not decreasing as rapidly as are those of raw materials.

In accordance with the present trend in wool prices, quotations for both Bradford and French yarns are weak; in fact, several reductions, ranging from 10 to 15 per cent, have been reported during the month. Collections are fairly good, although in a few cases they appear to be slower than last year.

Woolen and worsted goods. Restricted activity marks the present situation in the piece goods trade. Although the position of woolen manufacturers continues to be somewhat better than that of the producers of worsteds, the volume of current sales is much smaller than it was a month ago or last year. Resistance to higher prices and slackened demand are chiefly responsible for this decline. A significant feature is noted in the recent opening of fall lines of dress goods and coatings, which comprised about 80 per cent of staples or piece dyed weaves, as compared with 50 per cent each of staples and novelties last



Sources—*Journal of Commerce; Textile World; Cotton Facts*

year. Supplies of both finished goods and raw materials are moderately light, owing to the fact that current manufacturing is mainly against orders.

Prices are generally firm and, in several instances, advancing. This trend is more pronounced in woolens than in worsteds. Fairchild's index of the average quotations for woolens in the all-year numbers rose to 260.4 for the week ended March 14, from 257.9 last month, whereas worsteds stood at 278.1 as against 276.9 during the same period. The average prices of fall woolens also show a larger gain than do worsted goods. Collections are as prompt as they were last month or a year ago.

SILK

Raw silk. Following a period of active trading in the early part of the past month, business in raw silk has recently sagged somewhat, in spite of the strong demand prevailing in the fabric industry. Sales at Yokohama are lim-

ited chiefly to small lots calling for spot or nearby delivery, although high grades of silk continue to sell well for April and May shipment. Reports indicate that American buyers have been fairly active at Milan and to some extent at Canton, but they have shown little or no interest in the market at Shanghai. The recent movement of raw silk, as reported by the principal warehouses in New York City, is set forth in the following table:

In bales	Feb., 1925	Jan., 1925	Feb., 1924
Stocks.....	60,249	58,732	40,226
Imports.....	39,046	37,084	25,632
Mill takings..	37,529	39,885	29,804

Quotations have dropped considerably in the face of the sharp rise in the rate of exchange for yen. Kansai double-extra cracks declined to \$6.50 per pound on March 23, as against \$6.90 on February 21 and \$7.05 per pound last year.

Thrown silk. Increased demand, gain in employment, continuance of low stocks, firm prices and satisfactory collections are the principal features that have characterized this market during the past month. Returns from both commission and independent throwsters show that the volume of current sales exceeds that of the previous month and of last year. But, as most of the present orders call for prompt shipment, manufacturers, rather than accumulating stocks, are confining their output close to the actual requirements. Indeed, while the total of advance orders is larger than it was last month, it is not sufficient to insure production beyond the period of thirty days on the average, working at the present rate, which is from 85 to 90 per cent of capacity. Along with the favorable conditions that now prevail in the market for thrown and spun silk, business in rayon (artificial silk) is exceedingly active, the demand continuing strong from makers of hosiery and cotton goods.

Several advances in quotations are noted, although recently prices eased off a little, probably owing to a marked recession in raw silk. Organzine double-extra crack was quoted at \$7.50 per pound on March 20, as compared with \$8.05 on February 20. Resistance to prices is practically negligible.

Silk goods. Manufacturers of silk goods have enjoyed a very high rate of activity during the past month. Stimulated by the continued strength in demand, their volume of new and repeat business has reached considerable proportions during the last thirty days. Sales of standard fabrics, notably prints, georgettes and ribbons, have enabled producers to book orders for delivery during April, May and June, although about 70 per cent of them still call for

quick shipment. Nor is there any slackening in production; on the contrary, employment has increased slightly and mills are now working at about the same rate as last month, which is 90 per cent of capacity. Supplies of raw materials are moderate, but those of finished goods are light and not easily obtainable in some of wanted weaves and patterns.

During the greater part of the month, wholesale quotations for silk goods remained firm and in several instances slight advances were noted. Lately, however, they have been somewhat easier, owing to the recent downward trend in the market for raw materials. No material resistance to prices is found at present. Compared with last year, settlement of accounts appears to be more prompt.

HOSIERY

The demand for hosiery is good and production by the mills in this district is increasing. Indeed, every report received by this bank from full-fashioned mills shows capacity production, and many of the seamless mills also are running full time. Silk and silk and fibre mixtures are in best request, especially in novelty designs. Prices of hosiery, except for that containing artificial silk, are unchanged, but advances have been made for hosiery made either wholly or in part of artificial silk because of the increase for some grades of that commodity. Manufacturers of spring-needle hosiery are finding it difficult to get business, because prices now are not sufficiently lower than quotations for full-fashioned merchandise, but latch-needle hosiery is selling in greater volume because of the improved quality resulting from better needles. Quotations of yarns have not changed greatly; cotton is slightly higher, and silk somewhat lower.

The table shows January operations of 404 mills in the United States compared with those of the previous month. Production, orders booked, and unfilled orders at the end of the month were all larger, whereas cancellations decreased considerably.

Hosiery industry,* United States, in dozen pairs	Jan.	% change from Dec.
Total production.....	4,429,757	+ 7.5
Full-fashioned, men.....	55,758	+ 3.0
Seamless, men.....	1,655,460	+ 7.0
Full-fashioned, women.....	670,077	+ 0.4
Seamless, women.....	1,078,931	+ 8.9
Boys' and misses'.....	528,883	+10.6
Children's and infants'.....	424,027	+16.1
Athletic and sport.....	16,621	- 7.3
Shipments.....	4,095,349	+ 2.3
Finished stock, end of month.....	7,607,963	+ 2.3
Orders booked.....	5,052,001	+ 4.4
Cancellations received.....	227,084	-24.7
Unfilled orders, end of month.....	8,623,083	+ 8.9

* Compiled by the Bureau of Census.

In the Third Federal Reserve District 123 mills report that in February production increased 0.6 per cent and that

orders booked were 10.1 per cent smaller than in January.

UNDERWEAR

Sales of underwear, both of heavy and light weights, have increased. Many factories in this district are operating at capacity and few are running at less than 70 per cent, the average production being about 85 per cent. Prices are unchanged; unfilled orders are larger, and are sufficient to take present output for periods varying, in the different plants, from 2 to 5 months. Stocks of finished goods are either light or moderate and have decreased.

In the table is shown production of underwear by 163 identical establishments in the United States. Although shipments were larger in January than in any of the other months, unfilled orders showed an increase of 23 per cent on January 31, as compared with those on December 31, and were more than double those on October 31.

Production of underwear,* United States	(In thousands of garments)			
	Oct., 1924	Nov., 1924	Dec., 1924	Jan., 1925
Heavy (winter).....	619	524	512	448
Light (summer).....	348	379	498	611
Total.....	967	903	1,010	1,059

* Compiled from statistics by the Department of Commerce.

FLOOR COVERINGS

Production of carpets and rugs was larger during the month and most mills are now running all their machinery on full day-time shifts; indeed, a number of plants also have night shifts at work. In February total weekly wages paid, after a decline in January, rose to about the same level as in December.

Sales have been sufficient to provide an outlet for practically all the merchandise which can be shipped before the end of the season, May 1. Prices are firmly maintained, the only exceptions being for discontinued patterns, and in some cases for rag rugs, which are meeting keen competition from the Japanese. Quotations on carpet wools are lower, but spinners have not altered their asking prices for yarns. As a rule, manufacturers report a plentiful supply of labor, but a few small increases in the wages of unskilled help in the packing room and like positions have been paid.

Since the advance in prices made by all manufacturers of linoleums and felt base goods, orders have been comparatively light, as dealers bought heavily before the increases took effect. Total orders booked are sufficient to keep plants running at full capacity until May 1.

LEATHER

Hides and skins. Smaller trading and lower prices have marked business in hides and skins during the past month. Domestic hides and skins are those of the poorest season of the year, but in many of the foreign countries, such as Argentine and India, merchandise is of the best quality. The decline in the Chicago hide market has been as much as 2 cents per pound on some selections and calf skins also are lower by an even larger amount.

Stocks in the United States increased during January, with the exception of sheep and lamb, but are still below normal.

Number of hides or skins	January 31	Change during January
Cattle.....	4,751,234	+ 3.6%
Calf and kip.....	2,891,694	+ 2.1 "
Sheep and lamb.....	5,208,947	- 5.5 "
Goat and kid.....	7,043,488	+14.5 "

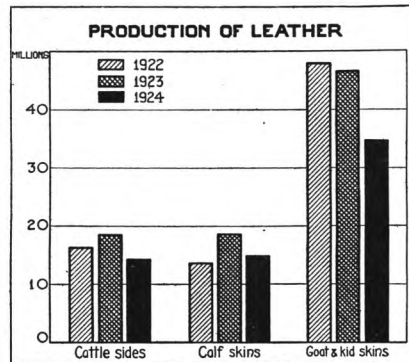
Leather. Sales of practically all leathers have decreased and the buying movement of December and January appears to have subsided, at least temporarily. With the exception of an advance by one Philadelphia tanner, prices of heavy leathers have made no further gain, in fact reports have been received that quotations can be shaded in a few instances in which tanners have an accumulation of a certain weight or grade. Prices of upper leathers are steady and unchanged.

Exports of leather, exclusive of finished leather belting, during January, were valued at \$5,001,853. This is the largest total for any month since October, 1920.

The table shows that stocks were again lower in January than in the previous month and that production too was smaller, except of calf, goat and kid, and cabretta, upper leathers. Reports of the Bureau of the Census indicate, however, that on January 31 the quantity of leather in process of tanning gained as compared with that on December 31.

January, 1925, as compared with December, 1924	Change in	
	Production	Stocks—end of month
Backs, bends and sides.....	- 5.4%	-1.2%
Belting butts.....	- 2.6 "	-1.1 "
Offal, sole and belting.....	- 3.1 "	-6.0 "
Cattle side, upper.....	- 4.6 "	-3.8 "
Calf.....	+10.3 "	-1.3 "
Goat and kid.....	+ 4.2 "	- .9 "
Cabretta.....	+46.2 "	-5.0 "

The chart shows that the total production of the three upper leathers was smaller in 1924 than in either 1922 or 1923.



The production of calf leather was larger in 1924 than in 1922 but the two qualities with which it most closely competes, cattle side and goat, were made in smaller quantities.

Source—Department of Commerce

Sales of leather belting continued in fair volume until early in March, when many makers increased their prices 10 per cent, since which advance the market has been dull. Harness leathers are quiet and prices weak. Luggage, especially bags and cases, is meeting with a fair request.

Shoes. Factories have finished making the shoes ordered for Easter and business for later delivery, especially in fine shoes for women, is in comparatively small volume. Manufacturers of children's shoes, however, have in some cases sold enough to keep them busy for from 2 to 3 months. Prices are firm, but, except in rare cases, have made no further advance. Production in this district during March appears to be slightly greater than in February, although a majority of the factories report that operations are unchanged. In the United States 26,067,930 pairs of shoes were made in January, as compared with 26,497,156 pairs in January, 1924. The table shows the preliminary figures of output, during February, of the factories in this district.

Production of shoes,* Third Federal Reserve District (in thousands of pairs)	Feb.	Per cent change from Jan.
Boots and shoes, total.....	1,539	+ 1.3
High and low cut (leather) total.....	1,489	+ 1.1
Men's.....	121	+26.8
Boys' and youths'.....	156	-10.1
Women's.....	265	+ 5.9
Misses' and children's.....	539	+ .3
Infants'.....	407	- 2.0
All other leather or part leather footwear.....	50	+ 7.5

* Preliminary report compiled by the Bureau of the Census.

PRINTING AND PUBLISHING

In general, the demand for printing is fair. Many commercial printers state that business is better than it was in March, 1924; but several report that it is not as good. Catalogues and direct-by-mail circulars are in good demand and general job work is in fair request. All branches of the building materials trades are active buyers of advertising matter, and other lines are taking fair amounts. Operations at printing plants in this district average about 75 per cent of capacity.

Sales of advertising space by magazine publishers are not as heavy as they were a year ago. Space sales for the April numbers were considerably less than those for April, 1924. Subscription sales by solicitors are much the same as they were a year ago, but sales by mail show a decrease. Book publishers state that business is fairly good and publishers of textbooks have already booked many orders for late summer delivery. Lithographic products, especially window display advertising, which were in only fair demand during January and February, are again selling actively. Manufacturers of soft drinks, perfumes, tires and foodstuffs are the chief buyers.

PAPER

The demand for paper is fair and most mills report that it is not as good as it was last month, although it is about equal to that of March, 1924. The call for newsprint, book, and fine papers is well sustained, but wrapping and kraft papers and many grades of paper boards are selling more slowly than they were in February. Crepe papers, toilet and fine tissues, cardboards and building boards continue to sell in only fair volume; asbestos and felt papers are in poor demand. Converters, particularly tag makers, report that their products are in only fair request and that prices are weak. The rate of operations at mills in this district is less than it was in February and is about 75 per cent of capacity. Hand to mouth buying again prevails and few mills have more than 10 days' or two weeks' business on hand.

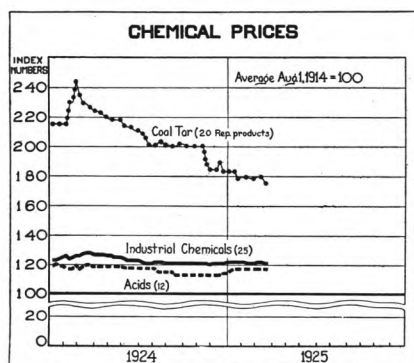
Prices of most grades of paper are the same as they were a month ago. Mechanical pulp is firm in price, but a few grades of chemical pulps, notably sulphate or sulphite pulps, are cheaper than they were last month. Stocks of both finished products and raw materials at the mills are moderate.

CHEMICALS

Returns from producers of chemicals in this district vary considerably, but in the main they show a substantial gain in the volume of sales, chiefly for quick shipment, over that of the preceding month. Among the heavy acids,

sulphuric, muriatic and nitric are in good demand and withdrawals on contracts continue satisfactory. In general, this is also true of alkalies, particularly lye, caustic soda and soda ash. Principally because of severe foreign competition and substitution of other products, the call for acetate of lime and crude methanol is poor, but charcoal is selling well. Business in lithopone is considerable, but active buying of dyestuffs is still wanting, probably owing mainly to slow activity in certain textiles. Coal tar products, however, are moving in fair proportions. Trading in anhydrous and aqua ammonia is also brisk. Nor is there any slackening of activities in the manufacture of fertilizers.

Production of chemicals in this district has increased materially, as evidenced by gain in employment. Mills are now working at about 80 per cent of capacity, and unfilled orders will insure operation at this rate for a period of about two months on the average. Stocks of both finished products and raw materials are moderately light, except those of acetate of lime and crude methanol, which are somewhat large.



Average quotations for coal tar products dropped about 26.6 per cent from the high point in February, 1924, to the low level in March, 1925. The fluctuations in prices of acids and industrial chemicals were less striking, the declines being only 1.3 and 3.3 per cent respectively.

Source—Oil, Paint and Drug Reporter

Quotations continue firm, there having been only a few recessions during the month. In nearly all cases, however, they are below the level of those last year. Nevertheless, sellers continue to encounter a strong resistance to current prices. Collections are fairly prompt.

CIGARS

Mild weather has slightly stimulated the sale of cigars and most manufacturers report that the demand is greater than it was in February, but not as

BUSINESS INDICATORS

Third Federal Reserve District

The following data refer to the Third Federal Reserve District except where otherwise noted	February, 1925	Latest figure compared with	
		Previous month	Year ago
Retail trade—net sales† (155 stores)	\$18,928,000	- 3.3%	- 6.1%
Department stores (66).....	\$15,324,000	- 3.3 "	- 7.8 "
Apparel stores (43).....	\$2,276,000	-10.0 "	+ 3.8 "
Shoe stores (25).....	\$434,000	- 2.5 "	+ 5.3 "
Credit stores (21).....	\$894,000	+29.8 "	- 5.6 "
Wholesale trade—net sales (155 firms)	\$9,623,391	- 3.0 "	- 4.4 "
Boots and shoes (12 firms).....	\$286,778	+ 0.9 "	-12.8 "
Drugs (13 firms).....	\$1,427,938	- 4.4 "	+ 7.7 "
Drygoods (17 firms).....	\$960,818	+ 6.9 "	-12.7 "
Electrical supplies (7 firms).....	\$595,272	- 6.6 "	-15.7 "
Groceries (54 firms).....	\$3,566,322	- 4.1 "	- 3.2 "
Hardware (29 firms).....	\$1,605,553	- 3.9 "	- 6.1 "
Jewelry (11 firms).....	\$277,449	+11.1 "	- 8.6 "
Paper (12 firms).....	\$903,261	- 6.4 "	- 0.6 "
Production:			
Shoes* (109 factories).....	prs. 1,538,853	+ 1.3 "	.....
Pig iron.....	tons 191,329	- 8.2 "	- 7.6 "
Hosiery* (123 mills).....	doz. prs. 1,032,541	+ 0.6 "	.....
Iron castings (37 foundries).....	tons 5,522	+ 5.4 "	.....
Steel castings (5 foundries).....	tons 4,070	+ 1.7 "	.....
Cement.....	bbls. 2,486,000	+ 9.7 "	- 4.4 "
Anthracite.....	tons 7,176,000	- 3.0 "	- 5.8 "
Bituminous coal (Central district—percentage of full-time output).....	per cent 58.0	- 9.4 "	.....
Wool consumption* (77 mills).....	lbs. 7,938,448	-12.1 "	.....
Active cotton spindle hours (Pennsylvania and New Jersey).....	110,736,267	+21.9 "	+ 3.4 "
Distribution:			
Freight car loadings (Allegheny district—weekly average).....	186,922	+ 5.8 "	- 0.1 "
Tonnage of vessels (Port of Philadelphia).....	tons 2,828,234	- 8.3 "	- 2.1 "
Exports of wheat (from Port of Philadelphia).....	bus. 4,935,729	+20.2 "	+71.5 "
Exports of flour (from Port of Philadelphia).....	lbs. 20,540,315	+84.3 "	+138.9 "
Imports of crude oil (into Port of Philadelphia).....	gals. 9,450,000	-66.5 "	-45.2 "
Financial:			
Loans, discounts and investments of member banks (weekly average).....	\$1,045,000,000	- 0.9 "	+14.3 "
Bills discounted held by Federal Reserve Bank of Philadelphia (daily average).....	\$30,351,000	+16.3 "	-25.6 "
Acceptances executed (11 banks for month ended 10th of following month).....	\$4,942,000	- 4.6 "	+ 8.4 "
Bankers' acceptances sales (5 dealers—weekly average for period ended middle following month).....	\$1,663,000	+90.3 "	-48.5 "
Commercial paper sales (5 dealers).....	\$9,167,500	-20.0 "	+ 8.8 "
Savings deposits (99 banks).....	\$565,834,000	+ 0.6 "	+ 7.5 "
General:			
Debits (18 cities).....	\$1,966,194,000	-18.9 "	+ 2.8 "
Commercial failures.....	72	-10.0 "	-12.2 "
Commercial failures—liabilities.....	\$2,162,977	+23.8 "	- 9.0 "
Building permits (15 cities).....	\$14,189,782	+62.5 "	+42.0 "
Building contracts awarded (Philadelphia district).....	\$33,531,400	+54.7 "	+25.3 "
Employment—1,000 plants in Pennsylvania, New Jersey and Delaware:			
Number of wage earners.....	374,696	+ 1.0 "	.....
Average weekly earnings.....	\$26.51	+ 2.0 "	.....
Sales of life insurance (Pennsylvania, New Jersey and Delaware).....	\$83,439,000	+17.5 "	+22.1 "

*Bureau of Census preliminary figures.
†Estimated.

heavy as it was a year ago. Manufacturers of nationally advertised brands report that business is fairly good and much the same as in March, 1924; but the small producers are having considerable difficulty in obtaining orders and they state that the demand is poor. The five cent cigar and class C grades are now the best sellers; class B and class E cigars are selling somewhat slowly and in smaller volume than they were a year ago. The large cigar factories in this

district are operating at about 80 per cent of capacity, but many of the smaller factories are working at only half of capacity. Few manufacturers have more than two weeks' business on hand and many are running on a day-to-day basis. Cigar prices are firm and the weakness in prices of five-cent cigars, which was apparent a month ago, has, to a large extent, disappeared. Stocks of finished goods vary from moderate to heavy, but they are now decreasing.

COMPILED AS OF MARCH 23, 1925

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