

THE BUSINESS REVIEW

THIRD FEDERAL
PHILADELPHIA



RESERVE DISTRICT
MARCH 1, 1926

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BUSINESS CONDITIONS IN THE UNITED STATES

Industrial activity in January was in slightly smaller volume than in December, and the distribution of commodities showed a seasonal decline. The level of prices remained practically unchanged.

Production. The Federal Reserve Board's index of production in selected basic industries was about one per cent lower in January than in December. The output of iron and steel, copper, and zinc increased, while activity in the woolen and petroleum industries declined, and mill consumption of cotton, the cut of lumber, and bituminous coal production increased less than is usual at this season of the year. Automobile production, not included in the index, was slightly smaller than in December, but considerably larger than in January, 1925. Factory employment changed but little in January but the earnings of workers decreased considerably, owing to the closing of plants in most industries at the opening of the year for inventory-taking and repairs. The volume of building contracts awarded in January, although seasonally less than in December, exceeded that of any previous January on record. Contracts awarded were particularly large in the New York and Atlanta districts.

Trade. Sales of department stores and mail order houses showed more than the usual seasonal decline in January, but were larger than in January of last year. Wholesale trade declined considerably and was in smaller volume than a year ago. Stocks at department stores showed more than the usual increase in January and were about 11 per cent larger than at the end of January, 1925. Freight car loadings declined in January and the daily average for the month was approximately the same as a year earlier.

Prices. Wholesale prices, as measured by the index number of the Bureau of Labor Statistics, remained practically unchanged from December to January. By groups of commodities, prices of grains, coke, and paper and pulp increased while dairy products, cotton goods, bituminous coal, and rubber declined. In the first three weeks of February there was a decline in the prices of grains and following the settlement of the strike in the anthracite region, a drop in the price of bituminous coal and coke. Price advances were shown for refined sugar, copper, and petroleum.

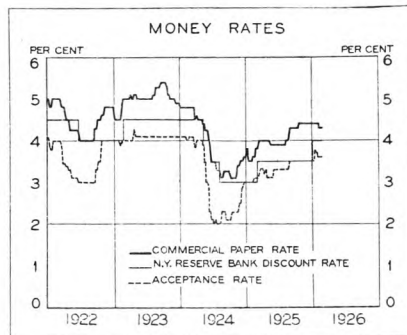
Bank credit. At member banks in leading cities the seasonal decline in the demand for credit, which began at the turn of the year, came to an end toward the close of January, and in the early part of February the volume of loans and investments at these banks increased considerably. The increase was largely in loans for commercial purposes, which after declining almost continuously from their seasonal peak early in October advanced by more than \$50,000,000 in February.

The growth in the commercial demand for credit throughout the country, together with some increase in currency requirements, was reflected in a withdrawal of funds from the New York money market and was a factor in the increase in the demand for reserve bank credit after the end of January. Reserve banks' holdings of bills and securities increased by about \$66,000,000 between January 27 and February 17.

As the result of the withdrawal of funds from New York the rates on call loans became somewhat firmer in February, but commercial paper rates were slightly lower.



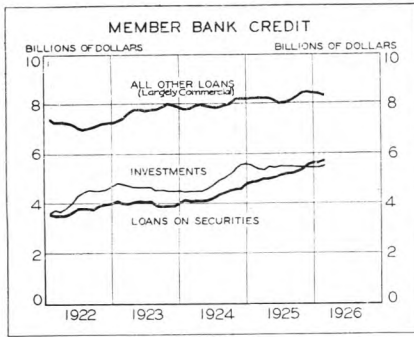
Index of 22 basic commodities, adjusted for seasonal variations (1919=100). Latest figure—January, 120.



Weekly rates in New York money market; commercial paper rate on 4 to 6 months paper and acceptance rate on 90-day paper.



Index of United States Bureau of Labor Statistics (1913=100, base adopted by Bureau). Latest figure—January, 156.



Monthly averages of weekly figures for banks in 101 leading cities. Latest figures are averages for first weekly report date in February.

BUSINESS CONDITIONS IN THE PHILADELPHIA FEDERAL RESERVE DISTRICT

Business in the Philadelphia Federal Reserve District continues in a fairly stable and prosperous condition. There was a slight recession in factory activity during the inventory period in January, but preliminary reports received by this bank indicate a quick recovery in plant operations early in February. At the present time factory employment in the states of the district is nearly 3 per cent ahead of last year, while wage payments are about 5 per cent larger. Another very favorable development has been the settlement of the anthracite suspension and resumption of mining on February 18. This has not only relieved the domestic fuel situation, but has already resulted in a marked betterment in retail and wholesale business in the hard coal counties.

December activity in trade and industry was followed by natural seasonal recessions in many lines. In retail business, of course, large declines occurred, but the January volume experienced by stores in the district reporting to this bank was more than 5 per cent ahead of last year, with shoe and apparel stores making the greatest gains. Wholesale trade was also smaller than in December in all lines but paper, which showed a 5 per cent increase, and wholesale dealers in all lines but shoes and jewelry reported total January, 1926 sales below those of the same month of 1925. Debits to individual accounts also declined in January, but considerably exceeded the volume in any previous January. Railroad freight car loadings were about 5 per cent smaller in January but equalled the volume of last year in spite of the fact that there were virtually no anthracite shipments this year.

Building operations naturally have

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BUSINESS INDICATORS Philadelphia Federal Reserve District		Latest figure compared with	
		January, 1926	Previous month	Year ago
Retail trade—net sales† (143 stores)			
Department stores (61)	\$17,704,000	-48.4%	+ 5.5%
Apparel stores (36)	\$14,165,000	-49.6 "	+ 5.1 "
Shoe stores (27)	\$2,393,000	-39.3 "	+ 7.6 "
Credit stores (19)	\$508,000	-32.4 "	+13.7 "
	\$638,000	-55.4 "	- 4.8 "
Wholesale trade—net sales (146 firms)			
Boots and shoes (10 firms)	\$8,986,958	-20.7 "	- 6.9 "
Drugs (13 firms)	\$278,717	- 8.4 "	+ 0.8 "
Dry goods (16 firms)	\$1,531,823	- 5.4 "	- 0.7 "
Electrical supplies (7 firms)	\$748,721	-15.5 "	-14.8 "
Groceries (50 firms)	\$579,998	-41.8 "	- 9.0 "
Hardware (28 firms)	\$3,223,835	-13.1 "	-10.7 "
Jewelry (12 firms)	\$1,586,146	-24.2 "	- 4.0 "
Paper (10 firms)	\$281,411	-72.2 "	+ 7.5 "
	\$756,307	+ 5.7 "	- 4.9 "
Production:			
Shoes* (95 factories)	prs. 1,317,315	+10.0 "	.....
Pig iron	tons 322,667	+ 4.3 "	- 8.3 "
Hosiery* (116 mills)	doz. prs. 1,114,168	+ 0.2 "	.....
Iron castings (30 foundries)	tons 4,126	- 6.9 "	- 2.3 "
Steel castings (10 foundries)	tons 6,293	- 3.0 "	.....
Cement	bbls. 2,765,000	- 9.4 "	+22.0 "
Anthracite	tons 173,000	-30.8 "	-97.7 "
Bituminous coal—Pennsylvania	tons 14,011,000	+ 6.3 "	.....
Wool consumption* (83 mills)	lbs. 6,561,461	- 6.3 "	.....
Active cotton spindle hours (Penna. and N. J.)	117,516,065	+33.7 "	+ 0.3 "
Electric power—13 systems	KWH 291,046,700	+ 3.3 "	+14.5 "
Distribution:			
Freight car loadings (Allegheny district—weekly average)	177,080	- 4.7 "	+ 0.2 "
Tonnage of vessels (Port of Philadelphia)	tons 3,068,158	+ 2.2 "	- 0.5 "
Exports of wheat (from Port of Philadelphia)	bus. 2,933,445	- 7.9 "	-28.6 "
Exports of flour (from Port of Philadelphia)	lbs. 4,309,400	-40.0 "	-61.3 "
Imports of crude oil (into Port of Philadelphia)	gals. 16,426,410	-16.9 "	-41.8 "
Financial:			
Loans, discounts and investments of member banks (weekly average)	\$1,124,000,000	+ 1.5 "	+ 6.6 "
Bills discounted held by F. R. B. of Phila. (daily average)	\$48,172,000	-18.9 "	+84.6 "
Acceptances executed (11 banks for month ended Feb. 10)	\$4,113,000	+15.0 "	- 4.0 "
Bankers' acceptances sales (4 dealers—weekly average for period ended middle following month)	\$1,714,000	+13.5 "	+96.1 "
Commercial paper sales (5 dealers)	\$10,075,000	+34.5 "	-17.1 "
Savings deposits (98 banks)	\$591,664,000	+ 0.5 "	+ 5.5 "
General:			
Debits (18 cities)	\$2,516,705,000	- 6.0 "	+ 4.9 "
Commercial failures—number	56	-39.1 "	-30.0 "
Commercial failures—liabilities	\$1,348,759	-49.1 "	-22.8 "
Building permits (16 cities)	\$10,635,388	-27.4 "	+15.0 "
Building contracts awarded (Philadelphia district)	\$20,321,588	-14.5 "	+11.0 "
Employment—1,236 plants in Penna., N. J. and Del.:			
Number of wage earners	431,840	- 0.7 "	+ 2.9 "
Total wages	\$11,281,875	- 3.2 "	+ 5.3 "
Average weekly earnings	\$26.13	- 2.5 "	+ 2.3 "
Sales of life insurance (Penna., N. J. and Del.)	\$68,521,000	-22.1 "	- 3.5 "

*Bureau of Census preliminary figures. †Estimated.

slackened, but the value of contracts awarded continues substantially larger than in the corresponding period a year previous. Dealers in building materials report general quietness, though in most cases the volume compares favorably with that of last year. Prices remain fairly steady.

The coal and coke markets have, of course, been affected by the resumption of anthracite mining. Domestic demand for soft coal and coke has slumped, with sharp price declines in the latter. Industrial buying, however, continues active. The iron and steel industry continues fairly active with increased production reported for January. However, unfilled orders of the Steel Corporation on February 1 were smaller than a month before, and, in this district, the market for many products has quieted recently.

Silk goods continue to lead the textile markets, and pronounced gains in busi-

ness and rising quotations have been reported recently. The wool goods markets have also been more active, of late, though demand and prices are considerably less than they were early in 1925. Cotton goods, as well, have been selling recently in larger volumes, but prices are still below those of a year previous. Hosiery mills in the district making full-fashioned grades are meeting excellent demand and continue active.

City Conditions. January conditions in various sections of the district, as compared with the situation in the preceding month and in January, 1925, are shown in the accompanying table. In building permits, debits and retail sales, large seasonal decreases between December and January occurred in most of the cities. As compared with the previous year, however, debits and retail business showed

increases in most of the cities. Important exceptions were the cities of Scranton and Wilkes-Barre, as well as Altoona and Johnstown. Factory operations in January also compared favorably in the majority of cities with conditions in January, 1925, though in Reading, Lancaster, Scranton, Johnstown and Williamsport both employment and wage payments showed declines.

FINANCIAL CONDITIONS

In the four weeks ended February 10 the total loans and investments of reporting member banks in Philadelphia, Camden, Scranton and Wilmington increased only about one million but total deposits fell 19 millions, and these banks added to their borrowings from the reserve bank. Loans on securities declined from 425.0 to 419.9 millions, but commercial loans rose from 360.3 to 364.7 millions and investments from 341.8 to 343.6 millions. Total loans and discounts are 100 millions higher than they were a year ago, but 94 millions of this increase was in loans on securities.

The Federal Reserve Bank of Philadelphia reports an increase from 45.0 to 55.3 millions in discounts for member banks in the four weeks ended February 17. Holdings of other loans and securities advanced only slightly. Federal reserve note circulation increased 4 millions, but total deposits declined by about the same amount and reserve cash fell 11

RETAIL TRADE Philadelphia Federal Reserve District	Comparison of net sales		Comparison of stocks	
	Jan., 1926, with Jan., 1925	Jan. 31, 1926, with Jan. 31, 1925	Jan. 31, 1926, with Dec. 31, 1925	
All reporting firms.....	+ 5.5%	- 1.8%	- 4.8%	
All department stores.....	+ 5.1 "	- 2.5 "	- 3.9 "	
in Philadelphia.....	+ 6.3 "	- 1.3 "	- 3.2 "	
outside Philadelphia.....	0.0 "	- 4.9 "	- 5.2 "	
All apparel stores.....	+ 7.6 "	+ 4.2 "	-14.5 "	
Men's apparel stores.....	+ 5.7 "	- 2.5 "	-16.4 "	
in Philadelphia.....	+ 9.1 "	+ 5.4 "	-19.1 "	
outside Philadelphia.....	+ 0.7 "	- 9.0 "	-12.8 "	
Women's apparel stores.....	+ 6.1 "	+ 1.9 "	-14.3 "	
in Philadelphia.....	+ 5.2 "	+ 5.8 "	-13.7 "	
outside Philadelphia.....	+12.4 "	-17.5 "	-17.8 "	
Credit stores.....	- 4.8 "	- 6.3 "	- 0.2 "	
Shoe stores.....	+13.7 "	+10.2 "	- 5.7 "	

millions. The reserve ratio on February 17 was 72.8 per cent as compared with 76.8 on January 20.

Commercial Paper. The commercial paper market is quiet. Banks still want 4½ per cent paper, but little of this is available, and the supply of paper generally is not large. Rates have eased slightly in the past month.

Sales of five dealers increased from \$7,492,500 in December, 1925, to \$10,075,000 in January, 1926. This gain, however, does not equal that from \$6,505,000 in December, 1924, to \$12,159,000 in January, 1925. Of the sales in January, 1926, \$4,012,500 was purchased by Philadelphia banks. The great bulk of the paper moved at 4¼ and 4½ per cent.

RETAIL TRADE

Improvement in retail sales since February 1 has been noted by nearly one-half of all retailers reporting to this bank, whereas the other half state that the volume of trade is slightly below that of a year ago, owing chiefly to unfavorable weather conditions. In January, sales for this district as a whole increased 5.5 per cent over those for January, 1925; however, declines of 5.9 per cent for Altoona, 7.7 per cent for Johnstown, 17.7 per cent for Scranton and 24.8 per cent for Wilkes-Barre are noted. The total sales of department stores, men's and women's apparel, and shoe stores throughout this district were larger in January than in the same month of last year, but credit stores registered a decline of nearly 5 per cent. Increased sales are noted especially in silk and velvets, linens, toilet articles and drugs, leather goods, men's clothing and women's dresses, misses' ready-to-wear, furs, knit goods, millinery, gloves, hosiery, infants' wear, draperies, lamps and shades, musical instruments and radios. Retail prices of staple commodities continue fairly steady.

WHOLESALE TRADE

During the past month business at wholesale in the Philadelphia reserve district, as a whole, has been only fair. Current sales, particularly in paper, drugs, shoes and jewelry, compare favorably with those for February, 1925. Spot buying continues widespread, although some orders for shipment during the spring months are in evidence. Wholesale prices remain about the same as they were four weeks ago and collections are fairly satisfactory.

With the exception of paper, wholesale trade in January declined considerably below that for December. Compared with January, 1925, sales of shoes and jewelry alone showed a slight gain. On January 31, stocks of shoes, electrical supplies, hardware and jewelry were lower than

CITY CONDITIONS Philadelphia Federal Reserve District	January, 1926, compared with December, 1925						
	Employment	Wage payments	Value of building permits	Debits	Savings deposits	Retail sales	Electric power sales
Philadelphia area...	- 0.2%	- 2.6%	-18.8%	- 6.6%	+0.7%	-47.0%	+4.3%
Trenton "...	- 1.0 "	- 2.8 "	-81.3 "	+11.3 "	+0.5 "	-58.3 "	+0.5 "
Wilmington "...	+ 1.6 "	+ 0.4 "	-40.5 "	-15.3 "	+3.2 "	-51.9 "	+7.5 "
Reading "...	-11.3 "	-20.2 "	-13.3 "	- 5.7 "	-0.5 "	-42.5 "	+3.3 "
Lancaster "...	- 0.6 "	+ 0.1 "	-22.2 "	- 2.7 "	+3.6 "	-50.2 "	+0.5 "
York "...	- 4.2 "	- 6.2 "	-65.7 "	- 5.8 "	-1.6 "	-52.3 "	+2.2 "
Harrisburg "...	+ 1.7 "	+ 3.5 "	- 9.7 "	- 9.7 "	+0.3 "	-46.8 "	+7.6 "
Allentown "...	- 1.0 "	- 6.3 "	-69.2 "	- 4.4 "	-1.6 "	-47.5 "	+4.0 "
Wilkes-Barre "...	- 3.5 "	- 9.4 "	-73.9 "	- 9.3 "	-1.7 "	-56.8 "	+7.6 "
Scranton "...	+ 1.8 "	- 6.5 "	-60.0 "	+ 6.5 "	-0.8 "	-56.7 "	-0.5 "
Altoona "...	+12.8 "	+ 4.9 "	+62.1 "	- 6.6 "	+1.4 "	-56.8 "	+5.5 "
Johnstown "...	-16.4 "	- 9.7 "	.....	-16.7 "	+0.8 "	-52.7 "	.....
Williamsport "...	- 0.4 "	- 5.8 "	-83.3 "	- 2.8 "	-0.9 "	-51.3 "	.....

January, 1926, compared with January, 1925

Philadelphia area...	+ 5.0%	+10.1%	+21.1%	+ 5.0%	+ 7.0%	+ 6.7%	+15.6%
Trenton "...	+12.2 "	+13.6 "	-14.8 "	+14.6 "	+ 5.3 "	+ 2.5 "	+17.7 "
Wilmington "...	+11.4 "	+ 5.1 "	+80.0 "	+24.9 "	+ 5.6 "	+ 1.2 "	+48.9 "
Reading "...	- 9.0 "	- 5.4 "	+96.0 "	+19.2 "	+ 9.1 "	+21.0 "	+20.0 "
Lancaster "...	- 1.9 "	- 1.1 "	-34.1 "	- 1.6 "	+12.2 "	+17.5 "	+13.8 "
York "...	+ 3.0 "	+ 3.2 "	-70.5 "	+ 3.9 "	+ 5.8 "	+22.4 "	+50.4 "
Harrisburg "...	+ 8.3 "	+14.7 "	-17.4 "	- 1.8 "	+15.7 "	+ 3.2 "	+17.3 "
Allentown "...	+ 6.3 "	+16.9 "	-66.5 "	+22.4 "	+ 7.1 "	+ 9.8 "	+ 0.1 "
Wilkes-Barre "...	+25.3 "	+24.5 "	-73.3 "	-21.2 "	- 3.8 "	-24.8 "	.....
Scranton "...	- 5.2 "	-21.6 "	.....	-19.9 "	+ 1.9 "	-17.7 "	+ 4.0 "
Altoona "...	.....	.....	- 1.3 "	+ 0.7 "	+13.1 "	- 5.9 "	+14.1 "
Johnstown "...	-25.3 "	-27.4 "	.....	+ 4.0 "	- 1.3 "	- 7.7 "	.....
Williamsport "...	-11.9 "	-16.9 "	-89.6 "	- 1.3 "	+ 7.4 "	+ 6.5 "	.....

*Includes Camden area. †Includes Wilkes-Barre and Williamsport areas. ‡Included in Allentown area.

those of a year ago, but supplies of dry-goods, groceries and paper were heavier.

Drygoods. Although the current demand for summer goods is moderately active, business in drygoods at wholesale generally lags somewhat behind the volume sold at this time last year. About fifty per cent of present purchases call for delivery within the next thirty days; the other fifty per cent of orders are for shipment in from one to two months. Except for slight advances in silk hosiery and declines in such cotton goods as sheetings, gingham, underwear and hosiery, prices are unchanged from last month's level. Sales in January were nearly 15 per cent below those in January, 1925, but stocks on hand at the end of January were about 10 per cent higher than those on January 31, 1925.

Jewelry. During the last three weeks the demand for silverware, clocks and watches, brooches, rings and platinum goods has improved a trifle over that for the same period in the preceding month and compares favorably with that of a year ago. Except for slight advances in silverware and diamonds, prices continue unchanged from those that prevailed four weeks ago. Sales in January, though 72.2 per cent smaller than they were in December, exceeded those of January, 1925, by 7.5 per cent.

Groceries. During the past four weeks price advances in wholesale groceries have outnumbered declines, although at present average quotations are about the same as they were a year ago. The demand for all staple articles, though somewhat less active than it was thirty days ago, compares well with that for February, 1925, except in the anthracite region, which has suffered acutely from the recent strike. It was probably due to this fact that total January sales for this district dropped 13 per cent below the December volume and were nearly 11 per cent lower than in January, 1925.

Paper. Compared with the volume of four weeks ago and that of February, 1925, trading in various grades of paper has increased materially. Book, fine, board, wrapping, kraft, tissue and crêpe papers are among the best sellers at the present time. Similarly, an improvement is noted in the manufacture of papers; the demand is considerably ahead of that of a year ago, and paper plants are now working at close to 90 per cent of capacity, which is slightly above the rates that prevailed thirty days ago and in the corresponding month last year. Stocks are moderate. Following a rise in January of 7 per cent above the December level and 10 per cent above that of January, 1925, quotations for paper and pulp in the main now remain stable.

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WHOLESALE TRADE Philadelphia Federal Reserve District	Net sales, Jan., 1926, compared with		Stocks, Jan., 1926, compared with		Accounts outstanding, Jan., 1926, compared with		Ratio of accounts outstanding to sales		
	Dec., 1925	Jan., 1925	Dec., 1925	Jan., 1925	Dec., 1925	Jan., 1925	Jan., 1926	Dec., 1925	Jan., 1925
	Boots and shoes.	- 8.4%	+ 0.8%	+ 2.2%	-28.0%	-12.4%	+10.4%	308.0%	332.2%	283.0%
Drugs.	- 5.4 "	- 0.7 "	- 1.1 "	.....	- 1.7 "	+ 9.1 "	159.1 "	159.4 "	142.8 "
Dry goods.	-15.5 "	-14.8 "	+11.1 "	.....	- 7.5 "	- 1.9 "	309.7 "	282.9 "	269.1 "
Elect. supplies.	-41.8 "	- 9.0 "	- 6.6 "	-24.6 "	-14.7 "	- 4.8 "	154.3 "	105.4 "	147.5 "
Groceries.	-13.1 "	-10.7 "	- 0.9 "	.....	+ 0.4 "	+ 5.2 "	125.2 "	113.0 "	115.0 "
Hardware.	-24.2 "	- 4.0 "	+10.8 "	- 6.2 "	- 8.3 "	+ 1.0 "	209.3 "	172.1 "	198.4 "
Jewelry.	-72.2 "	+ 7.5 "	+ 5.1 "	- 8.1 "	-41.2 "	+ 7.5 "	508.6 "	240.4 "	508.5 "
Paper.	+ 5.7 "	- 4.9 "	+ 2.2 "	+ 0.3 "	+ 3.2 "	- 1.8 "	144.4 "	147.9 "	140.0 "

Electrical supplies. Since January 20 the distribution of electrical supplies at wholesale has fallen somewhat below the volume for the same period last year. Prices remain about the same as they were four weeks ago, except for slight declines in such items as radios, armored cables, porcelain and rubber-covered wire. Sales in January were nearly 42 per cent smaller than in December and 9 per cent smaller than in January, 1925. Stocks also were smaller.

Hardware. During the past four weeks sales of hardware have declined considerably below the volume for the month ended January 20. At present the demand for seasonable goods and, to some extent, for spring merchandise, is fair, but hardware activity in general is not as satisfactory as it was at the same time last year. Prices are about the same as they were thirty days ago, although more items show advances than declines.

Drugs. Since February 1 sales of drugs have equalled those for the corresponding period of last year, and prices have remained about the same as they were thirty days ago, except for slight advances in spices and essential oils and small declines in denatured alcohol and a few other items. Trading in January was more than 5 per cent below the December volume, and stocks at the end of January were somewhat lower than at the same time a year ago.

Shoes. Trading in shoes in this district since January 20 has exceeded slightly the volume for the corresponding month of last year, but it has not come up to that for the preceding month. At present, the demand for standard, as well as for fancy grades of shoes, is fairly active. Buying for quick shipment still features the market, although a number of orders are for delivery during March and April. Prices, as a rule, remain at about the same level as they were a month ago, but are a trifle higher than they were at the same time last year. Collections in the main are prompt. Stocks are a little heavier than they were a year ago.

AUTOMOBILES

Reports from 14 wholesale distributors of automobiles in Philadelphia show a decided increase in the total number and value of cars sold at wholesale during January, as compared with the previous month. Retail business reported by these distributors was slightly larger in number of cars, but smaller in dollar value, than in December. Used car sales, both in number and value, were smaller than in the previous month, as were retail sales on deferred payment. Stocks of all classes of new cars showed a usual seasonal increase and stocks of used cars also were larger than in December, although their value was less.

AUTOMOBILE TRADE Philadelphia Federal Reserve District 14 distributors	Jan., 1926, change from Dec., 1925	
	No.	Value
Sales, new cars, wholesale.	+14.4%	+10.7%
Cars under \$1,000.	- 4.9 "	- 4.6 "
Cars \$1,000 to \$2,000.	+55.9 "	+37.0 "
Cars over \$2,000.	-10.8 "	- 7.6 "
Sales, new cars at retail.	+ 2.4 "	- 3.5 "
Cars under \$1,000.	+ 8.1 "	+ 7.7 "
Cars \$1,000 to \$2,000.	+ 1.7 "	+16.9 "
Cars over \$2,000.	-37.8 "	-28.7 "
Stocks of new cars.	+22.4 "	+30.7 "
Cars under \$1,000.	+19.0 "	+22.4 "
Cars \$1,000 to \$2,000.	+16.0 "	+ 9.0 "
Cars over \$2,000.	+45.8 "	+53.6 "
Sales of used cars.	-20.9 "	-13.4 "
Stocks of used cars.	+ 6.6 "	- 3.2 "
Retail sales, def. payment.	-24.0 "	-17.0 "

ELECTRIC POWER

Both production of electricity and sales to all classes of buyers showed substantial increases in January as compared with the same month of the preceding year. The rated generator capacity of the 13 reporting systems, in January, 1926, was 13.5 per cent greater than a year previous, while output and total sales had increased 12.1 and 14.5 per cent, respectively, during the same period. January operations, as compared with December, showed a slight decline in total generated output and several other items. Consumption of electric power by industries was smaller in January than in December, owing to the slackening during

inventory period, but as compared with the previous year, an increase of 14.6 per cent in this item was reported.

ELECTRIC POWER Philadelphia Federal Reserve District	Change from Dec., 1925*	Change from Jan., 1925†
Rated generator capacity . . .	+ 4.7%	+13.5%
Generated output	- 1.4 "	+12.1 "
Hydro-electric	+19.3 "	+150.0 "
Steam	- 1.5 "	+ 9.2 "
Purchased	- 1.5 "	+28.7 "
Sales of electricity	+ 3.3 "	+14.5 "
Lighting	+12.1 "	+13.2 "
Municipal	+ 3.3 "	+ 9.5 "
Residential and commercial	+13.5 "	+13.7 "
Power	+ 0.4 "	+12.1 "
Municipal	- 2.2 "	+18.2 "
Street cars and railroads	+ 1.7 "	+ 9.3 "
Industries	- 1.1 "	+14.6 "
All other sales	- 5.2 "	+46.4 "

* 13 systems. † 12 systems

EMPLOYMENT AND WAGES

Factory operations and employment decreased slightly throughout Pennsylvania, New Jersey, and Delaware during January. Employment fell off 0.7 per cent and operations dropped 3.2 per cent. The textile and chemical groups were the only ones to show advances in either employment or wages. Inventory and annual repairs were chiefly responsible for the decreases, which in some cases, were very large because of the figures of one important plant in the industry.

The industries showing the largest decreases were the iron and steel blast furnace, canning, cigar and tobacco, glass, printing and publishing, and novelty and jewelry industries. The last two dropped after the seasonal rush at Christmas time. Iron and steel forging plants, paint and varnish plants, leather product and boot and shoe factories were the only ones to show any notable advances in both employment and wages.

FURNITURE

Since January 20 sales of furniture in the Philadelphia reserve district have increased considerably over the volume of the preceding month and of a year ago. Buying, however, is still confined to prompt deliveries, although bookings calling for shipment in May and June are reported by some manufacturers. Compared with last month, unfilled orders are somewhat larger and will enable producers to utilize their machinery at the present rate of about 80 per cent of capacity for from forty days to two months. Stocks are moderate. Prices of finished products remain firm and unchanged from those of thirty days ago, but quotations for raw commodities, particularly lumber and hardware, are said to show an upward tendency. Collections are not wholly satisfactory.

BUILDING

Building activity in the Philadelphia Federal Reserve District has seasonally slackened during the past six weeks. The number of permits issued in January in sixteen cities declined to 1,291 from 1,665 in December but compared with 1,207 in January, 1925. The estimated cost of operations, \$10,635,388, was 27 per cent below the December expenditure but was nearly 15 per cent above that of a year ago. Construction of residential buildings, as measured by contracts awarded in January, increased 6.5 per cent over that in December and was 23 per cent higher than in January, 1925. In other classes of buildings January contract awards decreased 15 per cent, but were 11 per cent higher than those of a year ago. Prices of building materials are

firm at levels unchanged from those of thirty days ago. Compared with a year ago, quotations are about the same, except for an advance in prices of red cedar, spruce laths and commercial bricks.

Bricks. Since January 15 the demand for bricks, fluxes and refractories has improved considerably and now compares favorably with that of a year ago. Several producers report that recently there has been a marked tendency toward buying further into the future, although the bulk of current orders still call for quick delivery. A number of plants are now shut down, chiefly for the purpose of repairing machinery; the majority of producers, however, are working at about 80 per cent of capacity. Unfilled orders are sufficient to maintain operations at this rate for over 70 days. In January,

EMPLOYMENT AND WAGES In Pennsylvania, New Jersey and Delaware	No. of plants reporting	Number of wage earners— week ended		Total weekly wages— week ended		Average weekly earnings— week ended	
		Jan. 15, 1926	Per cent change	Jan. 15, 1926	Per cent change	Jan. 15, 1926	Per cent change
All industries (49)	1,236	431,840	- 0.7	\$11,281,875	- 3.2	\$26.13	- 2.5
Metal manufactures:	400	195,381	- 0.7	5,464,859	- 3.3	27.97	- 2.6
Automobiles, bodies, and parts . . .	25	10,304	- 0.4	305,342	- 1.9	29.63	- 1.5
Car construction and repair	22	22,574	+ 7.6	655,935	+ 3.9	29.06	- 3.4
Elec. machinery and apparatus . . .	38	20,161	- 3.3	488,116	- 8.5	24.21	- 5.4
Engines, machines, mach. tools . . .	56	14,095	+ 0.3	410,396	- 1.1	29.12	- 1.4
Foundries and machine shops	76	13,655	- 0.8	389,389	- 3.7	28.52	- 2.9
Heating appl. and apparatus	19	6,076	- 4.3	184,510	- 9.6	30.37	- 5.5
Iron and steel blast furnaces	12	11,540	-17.2	315,889	-22.6	27.37	- 6.5
Iron and steel forgings	14	4,507	+ 1.4	113,871	+ 3.9	25.27	+ 2.5
Steel works and rolling mills	45	43,191	+ 1.5	1,239,797	- 0.9	28.70	- 2.4
Structural iron works	20	5,881	+ 0.5	157,016	- 4.5	26.70	- 5.0
Misc. iron and steel products	43	25,893	- 1.2	721,762	+ 0.2	27.87	+ 1.4
Shipbuilding	9	11,310	+ 1.7	314,706	- 3.5	27.83	- 5.1
Hardware	7	1,977	+ 1.4	49,060	- 1.5	24.82	- 2.9
Non-ferrous metals	14	4,217	- 1.9	119,070	- 2.0	28.24	- 0.1
Textile products:	256	83,788	+ 0.4	1,833,201	- 4.0	21.88	- 4.4
Carpets and rugs	13	4,138	0	114,267	- 2.3	27.61	- 2.3
Clothing	43	6,764	+ 0.1	123,602	- 1.3	18.27	- 1.5
Hats, felt and other	10	5,099	- 0.8	124,132	- 4.2	24.34	- 3.4
Cotton goods	31	9,780	- 1.5	210,486	- 5.9	21.52	- 4.5
Silk goods	61	23,691	+ 1.7	455,115	- 4.8	19.21	- 6.5
Woolens and worsteds	26	9,123	- 0.5	197,221	- 1.9	21.62	- 1.3
Knit goods and hosiery	44	14,348	- 2.1	337,086	- 6.3	23.49	- 4.3
Dyeing and finishing textiles	21	9,367	+ 5.0	239,708	- 1.5	25.59	- 6.2
Miscellaneous textile products	7	1,478	+ 0.7	31,584	- 0.6	21.37	- 1.3
Foods and tobacco:	136	32,133	- 3.7	678,119	- 5.2	21.10	- 1.5
Bakeries	39	4,459	- 2.4	133,673	- 1.2	29.98	+ 1.1
Canneries	7	3,334	- 6.3	69,671	- 8.1	20.90	- 1.9
Confectionery and ice cream	26	5,768	- 1.6	117,425	- 2.1	20.36	- 0.5
Slaughtering and meat packing	16	2,915	- 0.6	83,375	- 1.7	28.60	- 1.1
Sugar refining	4	3,405	+ 8.2	98,566	- 0.5	28.95	- 8.0
Cigars and tobacco	44	12,252	- 8.0	176,409	-11.9	14.40	- 4.2
Building materials:	97	28,117	- 0.9	788,180	- 5.7	28.03	- 4.9
Brick, tile, terra cotta products	39	5,476	+ 1.5	136,749	- 1.0	24.97	- 2.5
Cement	15	8,106	+ 2.6	235,447	- 4.6	29.05	- 7.0
Glass	28	9,629	- 5.1	258,017	-11.3	26.80	- 6.5
Pottery	15	4,906	- 0.5	157,967	- 1.3	32.20	- 0.8
Chemicals and allied products:	85	33,694	+ 0.1	1,030,790	+ 3.1	30.59	+ 3.0
Chemicals and drugs	45	8,360	- 0.2	224,726	- 2.6	26.88	- 2.4
Explosives	12	3,447	- 3.1	88,237	- 7.0	25.60	- 4.1
Paints and varnishes	17	1,747	+ 7.8	46,732	+ 7.0	26.75	- 0.8
Petroleum refining	8	19,024	- 0.0	638,593	+ 6.8	33.57	+ 6.8
Coke	3	1,116	+ 2.1	32,502	- 1.2	29.12	- 3.3
Miscellaneous industries:	262	58,727	- 1.0	1,486,726	- 3.5	25.32	- 2.5
Lumber and planing mill products	32	4,823	- 1.8	99,049	- 2.4	20.54	- 0.6
Furniture	27	3,573	- 3.0	87,522	- 5.6	24.50	- 2.7
Musical instruments	7	8,666	- 2.0	237,207	- 8.9	27.37	- 7.1
Leather tanning	35	9,363	+ 2.8	231,570	- 1.4	24.73	- 4.1
Leather products	12	2,256	+ 3.0	50,492	+14.2	22.38	+10.8
Boots and shoes	29	5,017	+ 1.0	99,071	+ 5.5	19.75	+ 4.5
Paper and pulp products	28	6,670	- 1.1	166,347	- 1.6	24.94	- 0.6
Printing and publishing	50	4,924	- 6.0	156,410	-12.4	31.76	- 6.8
Rubber tires and goods	17	5,333	- 0.7	153,775	- 2.0	28.83	- 1.3
Novelties and jewelry	12	3,643	- 3.9	87,616	- 5.8	24.05	- 2.0
All other industries	13	4,459	- 0.8	117,667	+ 2.1	26.39	+ 2.9

employment in plants making brick, tile and terra cotta products gained 1.7 per cent, and wage payments increased 0.5 per cent over the preceding month. Stocks of finished products, though somewhat larger than they were four weeks ago, are moderate.

Prices have remained fairly stable during the past thirty days, except for certain grades of face and common bricks. At \$17.50 per thousand, quotations for commercial bricks are considered nominal; they compare with \$15.00 per thousand on January 22, and \$14.00 a year ago. Fluxes and refractories are firm at prices unchanged from last month's levels, but they are somewhat below quotations that prevailed in February, 1925.

Plumbing. Dealers in plumbing supplies state that the call for their products has fallen off slightly, but sales by manufacturing plants, particularly since February 1, have increased over both last month's and last year's volume. Spot buying continues widespread and future commitments are not numerous. With the exception of slight advances in brass and cast iron soil pipes and declines in malleable fittings, boilers and radiators, prices remain as steady as they were four weeks ago. Production is maintained at about 80 per cent of capacity in most mills, although the average rate for this district is 75 per cent. The volume of unfilled orders is a trifle larger than it was thirty days ago, and stocks generally are moderate.

Lumber. The market for softwood and hardwood lumber in this district compares favorably with the volume of four weeks ago and that for the corresponding month of last year in spite of the recent unseasonable weather and a decline in building activity. Forward buying, however, continues limited, prompt shipments featuring most of the present orders. Plant operations average 75 per cent of capacity and unfilled orders will insure the continuance of this activity for nearly two months. Stocks remain moderate and are decreasing. Since January 22, quotations for North Carolina pine have advanced from \$4.25 to \$5.25 and for western hemlock 50 cents per thousand feet, whereas prices of white oak, poplar, ash and basswood have declined. Other grades of lumber are selling at about the same prices as they were thirty days ago. Compared with last year's level, however, lumber quotations generally are lower, although various grades of pine, poplar, plain white oak and red gum are higher. Collections are fairly prompt.

Paint. Activity in the paint industry, though still unsatisfactory, shows a slight improvement over that of four weeks ago, but is not as brisk as it was at the same time last year. Buying for immediate requirements continues to predominate. Mainly because of the dearth of advance orders, the present rate of plant opera-

tions, at about 70 per cent, is somewhat below that of thirty days ago, but it compares favorably with last year's schedule. Stocks are not excessive.

Except for a slight decline in such materials as linseed oil, shellac and certain dry colors and an advance in turpentine, prices have remained stable since January 22, but, compared with last year's quotations, prices of such items as ochre, vermilion, and foreign zinc are a trifle higher and litharge, red and white leads, and domestic zinc are a bit lower. Collections are only fair.

Slate. The demand for structural slate and blackboards is active, but the market for roofing slate continues quiet, owing partly to lessened demand from builders and partly to unfavorable weather conditions which make working and shipping difficult. Operations of most quarries average about 80 per cent of capacity, which is 5 per cent above last year's rate. In anticipation of spring and summer requirements, slate producers are increasing their stocks, and supplies are somewhat heavier than they were last month. Prices are firm at levels unchanged from those of four weeks ago, and collections are fairly prompt.

IRON AND STEEL

The market for iron and steel products in the Philadelphia reserve district in the main is only fairly satisfactory. Compared with four weeks ago, the demand for iron and steel castings, machinery and tools, track supplies, wire and wire rods has improved somewhat, but the call for light and heavy hardware and iron and steel scrap has declined. Activity in pig iron is only moderate. Contracting for the second quarter is progressing slowly, although furnaces generally have sufficient orders on hand to insure operations at the present rate of 75 per cent of capacity up to May 1. The steel market as a whole is not up to expectations; buying is limited to small lots for quick delivery. The demand for fabricated structural steel, as measured by total contract awards in the past four weeks, has fallen below last month's volume. Trading in iron and steel scrap at present is quiet, and prices of heavy steel scrap have declined since January 19 about \$1 a ton. Owing mainly to recessions in sheets, the average quotations for finished steel, as indicated by the "Iron Age" index, dropped to 2.424 cents a pound on February 23 from 2.439 cents thirty days ago and 2.546 cents a year ago. Average prices of pig iron, after holding steady at \$21.54 a ton since December 1, 1925, also declined to \$21.46 a ton on February 23. Last year on the same date the composite pig iron prices stood at \$22.50 a ton. Quotations for foreign pig iron, a considerable quantity of which has been imported here in the last month,

are still below domestic prices, although lately they are said to have been stiffening somewhat.

The output of iron and steel in this district varies from 45 to 100 per cent of capacity, but operations at most plants range from 75 to 100 per cent. January production of pig iron in this district increased more than 4 per cent over the December output, compared with an increase of 2 per cent for the entire country. The output in this district, 322,667 tons, was the largest since last April. Steel ingot production in the United States during the same period also rose about 4 per cent and in January was the largest since last March. Unfilled orders of the Steel Corporation in January declined nearly 3 per cent, whereas in January of the three preceding years a gain was registered. With a few exceptions, supplies of raw materials and finished products in the Philadelphia district are not excessive. Production and unfilled tonnage in the country as a whole are shown below.

In gross tons	Jan. 1926,	Dec., 1925
Production in the U. S.		
Pig iron.....	3,316,201	3,250,448
Steel ingots.....	4,153,545	3,975,824
Unfilled orders—		
U. S. Steel Corp.....	4,882,739	5,033,364

Iron foundries. Operations at thirty representative iron foundries in this district continue somewhat less active than they were four weeks ago and at the same time last year. In January, however, the output of malleable iron castings was more than 3 per cent higher than in December, but 9 per cent lower than in January, 1925. January unfilled orders were greater than both in December and January last year. Raw stocks, on the other hand, decreased.

Iron foundry operations	January	Change from Dec., 1925	Change from Jan., 1925
Capacity.....	10,234 tons	0	0
Production.....	4,126 "	- 6.9%	- 2.3%
Malleable iron.....	521 "	+ 3.2 "	- 9.2 "
Gray iron.....	3,605 "	- 8.2 "	- 1.3 "
Jobbing.....	2,787 "	- 9.5 "	- 3.0 "
For further mfr.....	818 "	- 3.3 "	+ 5.0 "
Shipments.....	3,653 "	- 8.2 "	+ 6.4 "
Value.....	\$490,127	- 9.7 "	+ 6.8 "
Unfilled orders...	3,527 tons	+ 4.3 "	+17.5 "
Value.....	\$529,170	+ 2.1 "	+19.5 "
Raw stock:			
Pig iron.....	5,401 tons	- 0.2 "	-11.8 "
Scrap.....	2,854 "	- 3.1 "	- 4.9 "
Coke.....	1,235 "	-41.2 "	-33.4 "

Steel foundries. Compared with last month and a year ago, operations in steel foundries during January slackened a little, but unfilled orders showed a slight increase, as in indicated in the following table:

Steel foundry operations	January	Change from Dec., 1925*	Change from Dec., 1924†
Capacity.....	11,940 tons	0	0
Production.....	6,293 "	- 3.0%	- 5.9%
Shipments.....	5,158 "	- 0.8 "	-14.1 "
Value.....	\$797,405	- 1.2 "	-17.5 "
Unfilled orders‡	6,601 tons	+ 1.0 "	+32.6 "
Value‡.....	\$1,023,795	+ 8.1 "	+42.6 "
Raw stock			
Pig iron.....	1,864 tons	+ 0.8 "	-49.9 "
Scrap.....	9,995 "	-14.5 "	-16.2 "
Coke.....	1,078 "	-37.5 "	-25.9 "

* 10 plants. † 5 plants. ‡ Figures of one plant omitted.

COAL

Following the five-year agreement reached on February 12 by the operators and miners, thereby ending the longest and costliest suspension in the history of the hard coal industry, mining operations were resumed on February 18. Chiefly as a result of this settlement, prices of such household substitutes for anthracite coal as coke and soft coal broke sharply. Connellsville furnace coke for prompt shipment dropped to \$3.75 a ton at the oven from its peak of \$10.50 on February 9 and \$9.00 on January 19. Foundry coke also declined from its high point of \$11.50 a ton on February 9 to \$4.75 on February 19. Quotations for prepared sizes of soft coal also have fallen off about 40 cents a ton and mine run 22 cents a ton since February 12. Prior to that date the demand for bituminous coal was growing stronger, but since the termination of the strike is has naturally slackened. The call from industrial consumers, however, continues at a steady rate, and production during the month ended February 13 was maintained close to capacity. The total weekly output of soft coal in the United States was as follows:

Week ended	In thousands of net tons		Per cent of change
	1926	1925	
Jan. 23.....	12,431	11,588	+ 7.3
Jan. 30.....	12,563	11,073	+13.5
Feb. 6.....	12,134	10,910	+11.2
Feb. 13.....	12,008	9,756	+23.0

Source: U. S. Geological Survey.

TEXTILES

Cotton. Sales of cotton yarns at prices a trifle higher than they were at the end of January, but about 10 per cent below last year's level, have increased considerably over the volume of four weeks ago. The demand for cotton goods also has been somewhat more active recently than was the case in the month ended January 23, but quotations have dropped slightly and are nearly 10 per cent lower than they were in February, 1925. Current buying of cotton manufactures is limited chiefly to prompt deliveries, and the amount of unfilled orders is hardly

sufficient to insure plant operations at the present rate of 70 per cent of capacity up to the middle of April. Supplies of yarns and fabrics are not heavy, and collections as a rule are fairly prompt.

Cotton prices have fluctuated during the past thirty days within a comparatively narrow range, spot cotton selling at 20.35 cents a pound on February 24, as compared with 21 cents a pound on January 23 and 24.80 cents on February 24, 1925.

Consumption of cotton in the United States during January totaled 639,657 bales, linters included, compared with 630,972 bales in December and 645,147 bales in January, 1925. Stocks at mills and warehouses on January 31 were 31 per cent greater than last year. At 592,414 bales for the month ended February 19, cotton exports declined more than 28 per cent below last year's volume. The position of American cotton is indicated in the table below.

American cotton* (thousands of bales)	Season '25-'26	Season '24-'25	Season '23-'24
Visible supply at end of previous season (July 31).....	1,125	952	870
Crop in sight on Feb. 19.....	13,937	12,656	9,696
Total.....	15,062	13,578	10,566
Visible supply on Feb. 19.....	5,054	4,478	2,887
World's takings to Feb. 19.....	10,007	9,130	7,679

* Compiled by the New York Cotton Exchange.

Wool. Although the demand does not compare favorably with that of last year, trading in woolen and worsted yarns and fabrics has improved materially. At present the call for men's fall wear is much better than that for dress goods, though buying of both continues restricted chiefly to immediate requirement. Since January 29 prices of raw materials and finished goods have remained unchanged, except for a slight drop in tops and worsted yarns. Compared with last year's prices,

however, average quotations for various yarns are 22 per cent lower, woolen goods from 12 to 15 per cent lower and worsted fabrics 10 per cent lower. This decline reflects price trends in raw wools, which are now 22 per cent in domestic and 27 per cent in foreign grades below last year's level. Local dealers state that trading in raw wool is only moderate, and contracting for the new clip thus far does not exceed 10 per cent, as compared with 50 per cent under contract at this time last year. The outlook for increased wool production in the United States is favorable. Last January the number of sheep was 3.4 per cent greater than in the same month of 1925. Mainly because of improved breeding, the average weight per fleece rose from 6.8 pounds in 1914 to 7.3 pounds in 1925.

The rate of production of wool manufacturers in this district, at from 70 to 80 per cent of capacity, is nearly 10 per cent higher than it was thirty days ago. Consumption of wool in January declined 6.3 per cent below the December volume, and in the country as a whole, the decrease was 7.9 per cent. Imports into the United States increased from 23,175,718 pounds in December to 45,102,104 pounds in January. Wool stocks in the United States on December 31 totaled 346,678,427 pounds, as compared with 373,009,908 pounds on September 30, 1925, a decrease of 7 per cent.

Silk. Compared with four weeks ago and with the same period last year, the demand for silk goods, notably taffetas, pongees and crêpe satin, has improved considerably. Similarly, sales of thrown silk show a pronounced gain, after a few weeks of quiet following the holiday season. Both throwsters and makers of silk fabrics report that recently there has been a stronger tendency toward buying for future delivery than for some time past. Silk plants in the Philadelphia reserve district at present have a sufficient amount of business to assure their operation at the present rate of 95 per cent of capacity for about two months. Stocks continue fairly light. Prices of thrown silk remain firm, and quotations for silk goods show an upward trend. Fairchild's index of average prices, which stood at 131.35 on January 1 and at 123.03 on February 1, 1925, rose to 132.35 on February 1, 1926, the highest point since February 1, 1924.

This has followed advanced quotations for raw silks, which are now more than 2 per cent higher than they were a year ago. Kansai double-extra cracks, which sold at \$7.05 a pound on January 23 and \$6.85 on February 24, 1925, were quoted at \$7 a pound on February 23, 1926. Takings of raw silk by American mills in January last were the second largest in the last five years. The table on page 8 gives the record of silk movement.



Since the last quarter of 1924 textile activity in the Philadelphia reserve district, as measured by wage payments, has been considerably ahead of that for the United States as a whole. Actual wage rates have remained practically unchanged since 1923.

Sources—Federal Reserve Board, Federal Reserve Bank of Philadelphia

Raw silk* (in bales)	Jan., 1926	Dec., 1925	Jan., 1925
Imports.....	43,650	45,495	37,084
Stocks.....	47,326	49,824	58,732
Mill takings.....	46,148	42,484	39,885

* Silk Association of America.

Hosiery. Manufacturers of women's full-fashioned silk hosiery still find a good demand for their products and their mills are working at, or close to, capacity. A few scattered returns from those making other varieties of hosiery also indicate satisfactory business, but the majority of reports from producers of seamless products classify demand as either fair or poor and their operations vary widely, though the average is close to 70 per cent of capacity. Chiffons and fancies are much wanted.

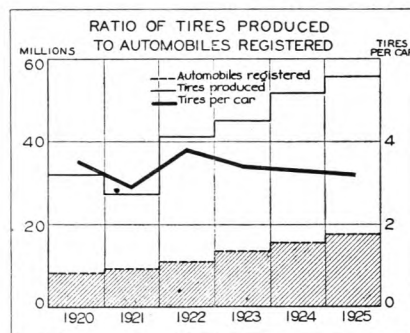
Prices of hosiery have changed little in the past month and stocks of finished goods are moderate. Orders are largely for delivery within the next sixty days. Collections are fairly good.

Floor coverings. Reports received from carpet and rug manufacturers are diverse. The majority are receiving a fair volume of orders and a few find business good but, on the other hand, a number report it to be unsatisfactory. Compared with last month, more reports of increases than decreases in demand have been received. Stocks of finished goods are moderate and about the same as they were a month ago. Plant operations have changed little since last month, but show such divergent rates as 10 per cent of capacity in one instance and over-time in another. Unfilled orders will permit the maintenance of operations at present rates for about six weeks on the average. Prices are unchanged.

RUBBER

The market for rubber tires and mechanical rubber goods continues seasonally quiet, although the current demand is said to be a little more active than it was at the same time last year. Most of the present orders call for quick shipment, but the volume of unfilled orders exceeds that of last month and of a year ago. The present rate of output, at about 80 per cent of capacity, is 5 per cent higher than it was in February, 1925. Productive activity in reclaimed rubbers is especially brisk, owing mainly to the strong demand for rubber products at lower prices. Supplies of finished goods, though increasing, are not excessive, and stocks of raw materials are moderate. In spite of numerous concessions, notably in tires, which recently have fallen about 10 per cent below last month's levels, prices of finished goods remain fairly stable, whereas quotations for crude rubber and cotton fabric show a downward trend. Plantation rubber, first latex

crêpe, sold on February 23 at 61 cents a pound as compared with \$1.11 a pound reached in December 1925, which was the highest since January, 1913. Imports of crude rubber into the United States rose from 735,980,070 pounds in 1924 to 888,478,385 pounds in 1925. Consumption of crude rubber by 75 per cent of the American tire industry, including casings, tubes, solid and cushion tires, totaled 552,389,272 pounds in 1925, compared with 453,845,546 pounds in 1924; mill takings of cotton fabrics also rose from 142,415,356 pounds in 1924 to 168,295,927 pounds in 1925.



Production of tires and the number of automobiles registered have increased materially since 1920. Owing largely to increased durability of tires, effected through technical improvements and betterment of highways, the number of tires per car fell from the high point of 3.8 in 1922 to 3.2 in 1925, a drop of more than 15 per cent.

Source—National Automobile Chamber of Commerce, Department of Commerce

LEATHER AND SHOES

Weakness has prevailed in the hide markets over much of the past month. This is the season of poorer quality, but the declines in prices appear to be larger than a falling off in quality would warrant. More recently, however, there has been a tendency toward firmness in packer hides. The demand for goat skins suitable for colors, according to some reports, is not quite as strong as it was last month, and a decline also is noted in the demand for skins adapted to the manufacture of black kid. Percentage changes in stock of hides and skins on hand or in transit on December 31, 1925, in comparison with a month and a year before, are given in the table:

Stocks of hides and skins	Dec. 31, 1925, compared with	
	Month ago	Year ago
Cattle.....	+ 4.9%	- 7.3%
Calf and kip.....	- 3.4 "	+36.3 "
Goat and kid.....	-13.6 "	+19.9 "
Sheep and lamb.....	-10.4 "	+10.1 "

Source: Department of Commerce.

The leather markets have been more stable than the hide and skin markets.

Kid leather is popular and the lighter colors remain the center of interest as this leather is much in demand for shoes for the Easter trade. Manufacturers of black kid are meeting with only a fair demand, and prices are about the same as last month. Sole leather is selling in fair volume at unchanged prices. Stocks of leather are compared below:

Stocks of leather	Dec. 31, 1925, compared with	
	Month ago	Year ago
Sole (cattle).....	-4.6%	- 2.7%
Belting butts and butt bends.....	-0.4 "	-15.6 "
Offal, sole and belting.....	-8.1 "	-43.3 "
Upper leather (cattle and kip side).....	-0.5 "	- 5.5 "
Calf and kip (except kip side upper).....	+5.9 "	- 1.0 "
Goat and kid.....	+0.9 "	- 1.0 "
Cabretta.....	+1.5 "	-15.2 "
Sheep and lamb.....	+3.3 "	- 7.9 "

Source: Department of Commerce.

Shoe manufacturers report a fairly good demand and in quite a number of cases find it to be better than it was a month ago. Operations have been increased at many of the factories and unfilled orders on hand are somewhat smaller than they were a month ago, but they are sufficient to permit the continuance of present operations for from one month to six weeks on the average. Stocks of shoes are not heavy and in most cases are said to be about the same or smaller than they were last month. Prices are unchanged.

Preliminary reports from the Bureau of the Census show that the production of shoes in the Third District during January was 10 per cent larger than in December. Details for factories in this district are given below.

PRODUCTION OF SHOES* Philadelphia Federal Reserve District (in thousands of pairs)	Jan., 1926	Per cent change from Dec., 1925
Boots and shoes, total.....	1,317	+10.0
High and low cut (leather) total.....	1,191	+ 5.5
Men's.....	107	+ 7.2
Boys' and youths'.....	159	- 0.1
Women's.....	215	+16.1
Misses' and children's.....	420	+ 1.1
Infants'.....	290	+ 7.9
All other leather or part leather footwear.....	127	+81.5

* Preliminary report—Bureau of the Census.

CIGARS

The demand for cigars, though fair, is somewhat less active than it was four weeks ago and at the same time last year. The present rate of output, which is about 80 per cent of capacity, is slightly above the January schedule, but unfilled orders remain about the same as they were thirty days ago. With a few exceptions, supplies are not burdensome. Prices are fairly stable, and collections in the main are fair.