

THE BUSINESS REVIEW

THIRD FEDERAL
PHILADELPHIA



RESERVE DISTRICT
APRIL 1, 1926

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BUSINESS CONDITIONS IN THE UNITED STATES

Production and trade continued in February at the high level of the preceding month, while the general average of prices declined and was lower in February than at any time since the latter part of 1924.

Production. The Federal Reserve Board's index of production in basic industries, which is adjusted for seasonal variations, indicated a continuation of productive activity during February in about the same volume as in the preceding two months. Mill consumption of cotton and the output of flour, anthracite, copper, and newsprint showed increases in February, when allowance is made for usual seasonal changes, and the output of iron and steel and lumber remained practically unchanged. Activity in the woolen industry and the production of cement declined. Automobile production was in considerably greater volume in February and was larger than a year ago, although smaller than in the corresponding month of 1924. Employment and earnings of factory workers increased, after the seasonal recession of January, and were in February at practically the same levels as during the latter part of 1925. The volume of building contracts awarded declined both in

January and in February, but remained larger than in the corresponding months of last year.

Reports by farmers to the Department of Agriculture of intentions to plant in 1926 indicate that the acreage of spring wheat and tobacco will be slightly smaller, the acreage of corn will be about the same, and that of oats, barley, hay and potatoes larger than that in 1925.

Trade. Wholesale trade in February was in about the same volume as a year ago. A smaller volume of sales was reported for groceries, dry goods, and hardware, while sales of meats, shoes, and drugs were larger. Inventories of wholesale firms dealing in groceries, dry goods, shoes, and hardware were smaller at the end of February than a year ago. Trade at department stores and at mail order houses was larger than in February of last year and department store stocks were about 5 per cent greater than on the corresponding date of 1925.

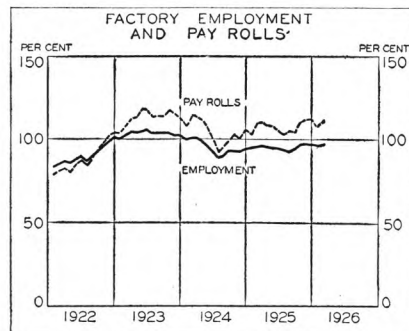
Freight car loadings continued at about the same daily rate in February as in the preceding two months. Shipments of merchandise in less than carload lots and of miscellaneous commodities were particularly large.

Prices. The general level of wholesale prices, as measured by the Bureau of Labor Statistics index, after remaining unchanged for two months, declined in February to a point slightly below the low figure of 1925, reported for last May. The greater part of the decline since last autumn has been in prices of agricultural commodities. In February prices of all major groups of commodities, except fuels, declined and particularly large reductions occurred in the prices of grains, cotton, wool, silk and rubber. Price advances in February were shown for petroleum, coke and paper. During the first three weeks of March prices of grains, cotton, wool and silk continued to decline and recessions were also reported in the prices of sugar and hardwood lumber.

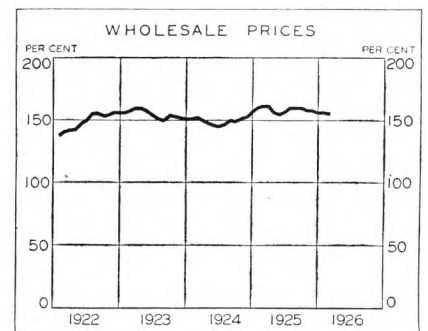
Bank credit. At member banks in leading cities demand for loans chiefly for commercial purposes showed an increase, partly seasonal in character, between the middle of February and the middle of March, and on March 17 the total volume of these loans was close to the high point reached last autumn. A further decline of loans on securities, which accompanied the sharp recession in security prices in March, carried the



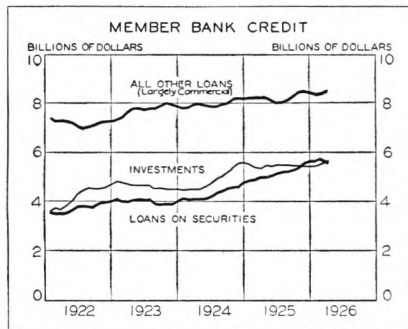
Index of 22 basic commodities, adjusted for seasonal variations (1919=100). Latest figure—February, 120.



Federal Reserve Board's indexes of factory employment and payrolls (1919=100). Latest figures—February, employment 97.0; payrolls, 111.5.



Index of United States Bureau of Labor Statistics (1913=100, base adopted by Bureau). Latest figure—February, 155.



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

total to a point nearly \$430,000,000 below that reached at the end of the year.

Following a growth during February in the volume of reserve bank credit outstanding, there was a sharp decline early in March to about the same level as a year ago. Factors contributing to the decline have been continued imports of gold and some reduction in member bank reserve requirements, as well as the temporary abundance of funds resulting from the excess of Treasury disbursements over receipts around March 15.

Open market rates on prime commercial paper, after a slight decline in February advanced in March to $4\frac{1}{4}$ - $4\frac{1}{2}$ per cent, the level which had prevailed since last October.

BUSINESS CONDITIONS IN THE PHILADELPHIA FEDERAL RESERVE DISTRICT

Industries in the Philadelphia Federal Reserve District reported noticeable expansion in February over the previous month. Employment in manufacturing plants was larger than in January and also greater than in February, 1925. And preliminary figures received by this Bank show that employment has remained at about the same level in March. Weekly wage payments at reporting plants, which furnish a good measure of their rate of operations, were 3.2 per cent larger than in January and 5.5 per cent above the same period of the previous year. Indeed, payroll disbursements were heavier in February than in any month since April, 1924. Moreover, the anthracite mines, which had been idle for several months, have again become active and business has responded to the fuller employment in the hard coal counties.

February also witnessed an enlargement of building activity; contract awards and permits issued in the district were about 25 per cent greater than in the previous month. Contract awards were also greater than in February, 1925, although the value of permits issued showed a decline as compared with the previous year. Building material manufacturers, notably producers of brick, paints and

BUSINESS INDICATORS Philadelphia Federal Reserve District	February, 1926	Latest figure compared with	
		Previous month	Year ago
Retail trade —net sales† (147 stores)	\$18,443,000	-11.1%	-2.2%
Department stores (66)	\$14,900,000	-10.3 "	-3.2 "
Apparel stores (35)	\$2,285,000	-5.9 "	+5.5 "
Shoe stores (26)	\$411,000	-28.2 "	-6.6 "
Credit stores (20)	\$847,000	+44.8 "	+0.1 "
Wholesale trade —net sales (148 firms)	\$8,911,262	-3.2 "	-8.0 "
Boots and shoes (10 firms)	\$233,821	-14.2 "	-12.2 "
Drugs (13 firms)	\$1,496,157	-1.9 "	+2.4 "
Dry goods (17 firms)	\$823,084	+3.7 "	-15.8 "
Electrical supplies (5 firms)	\$509,767	+3.3 "	-4.1 "
Groceries (49 firms)	\$3,082,805	-2.7 "	-9.4 "
Hardware (30 firms)	\$1,497,130	-7.5 "	-7.4 "
Jewelry (11 firms)	\$316,058	+18.2 "	+13.9 "
Paper (13 firms)	\$952,440	-10.5 "	-17.3 "
Production:			
Shoes* (96 factories)	prs. 1,315,151	+5.2 "	.....
Pig iron	tons 300,974	-6.7 "	-6.4 "
Hosiery* (118 mills)	doz. prs. 1,077,085	-4.7 "	.....
Iron castings (34 foundries)	tons 4,986	+12.9 "	+1.8 "
Steel castings (10 foundries)	tons 6,951	+10.5 "	.....
Cement	bbls. 2,447,000	-11.5 "	-1.6 "
Anthracite	tons 2,083,000	-4.4 "	-71.0 "
Bituminous coal—Pennsylvania	tons 13,400,000	-4.4 "	.....
Wool consumption* (79 mills)	lbs. 6,305,123	-3.9 "	.....
Active cotton spindle hours (Penna. and N. J.)	\$6,648,295	-26.3 "	-21.8 "
Electric power—14 systems	KWH 348,175,000	-5.3 "	+16.2 "
Distribution:			
Freight car loadings (Allegheny district—weekly aver.)	186,672	+5.4 "	-0.1 "
Tonnage of vessels (Port of Philadelphia)	tons 2,655,537	-13.4 "	-6.1 "
Exports of wheat (from Port of Philadelphia)	bus. 1,096,215	-62.6 "	-77.8 "
Exports of flour (from Port of Philadelphia)	lbs. 3,309,700	-23.2 "	-83.9 "
Imports of crude oil (into Port of Philadelphia)	gals. 11,103,582	-32.4 "	+17.5 "
Financial:			
Loans, discounts and investments of member banks (weekly average)	\$1,123,200,000	-0.0 "	+7.5 "
Bills discounted held by F. R. B. of Phila. (daily aver.)	\$56,248,000	+16.8 "	+85.3 "
Acceptances executed (11 banks for month ended March 10)	\$3,273,000	-20.4 "	-33.8 "
Bankers' acceptances sales (4 dealers—weekly average for period ended middle following month)	\$1,583,000	-7.6 "	-4.8 "
Commercial paper sales (6 dealers)	\$6,042,500	-42.7 "	-37.8 "
Savings deposits (98 banks)	\$592,422,000	+0.1 "	+5.2 "
General:			
Debits (18 cities)	\$2,099,613,000	-16.6 "	+6.8 "
Commercial failures—number	93	+66.1 "	+29.2 "
Commercial failures—liabilities	\$2,104,852	+56.1 "	-2.7 "
Building permits (16 cities)	\$13,377,528	+25.8 "	-6.0 "
Building contracts awarded (Philadelphia district)	\$25,535,748	+25.7 "	+4.7 "
Employment—1,274 plants in Penna., N. J. and Del.: Number of wage earners	439,567	+1.3 "	+3.2 "
Total wages	\$11,651,356	+3.1 "	+5.5 "
Average weekly earnings	\$26.51	+1.7 "	+2.0 "
Sales of life insurance (Penna., N. J. and Del.)	\$80,567,000	+17.6 "	-3.4 "

* Bureau of Census preliminary figures. † Estimated.

lumber, report little change in conditions during March, and somewhat quieter business than in the same period of last year.

Conditions in the iron and steel industry have not been entirely satisfactory. Prices have been weak for some time past and iron production has been materially less than it was a year previous. Unfilled orders of the Steel Corporation declined from January 31 to February 28 and, on the latter date, were 13 per cent less than a year ago. Coal dealers report active distribution of domestic anthracite, but smaller demand for steam sizes. Sales of soft coal have fallen off during the past month, although weekly production continues well above last year's levels.

Most textile industries report quiet business with many instances of price recessions. Sales of cotton and wool goods have been in smaller volume than a year ago and even for silk fabrics demand is less than in the same period of 1925. The

manufacturers of full-fashioned hosiery are well supplied with orders, but, in the seamless division, demand is only fair or poor. The carpet and rug industry is marking time until the spring auction. Only fair demand for leather and shoes is reported, and for the latter, sales are less than in 1925.

The volume of trade in February—the shortest month—has naturally been less than in January. Debits declined nearly 17 per cent in February but, notwithstanding the fact that wholesale prices are now lower than they were a year ago, the debit volume this year was 6.8 per cent greater than in 1925. Freight car loadings in the Allegheny District increased seasonally in February and were about equal to last year's total. Most lines of retail and wholesale trade were in smaller volume than in January and in many cases were also considerably less than in February, 1925. March, how-

ever, witnessed a seasonal upturn in consumer buying.

City Conditions. Conditions in the various cities of the district are by no means uniform. In most cases industrial activity in February was greater than in January but, as compared with the previous year, Johnstown and Scranton, in particular, showed large declines in employment and wages. The changes from January to February generally reflect normal seasonal developments, especially in the case of building permits, retail trade and debts. One encouraging indication is that in nearly every city of the district savings deposits are substantially larger than they were a year earlier.

FINANCIAL CONDITIONS

Changes in the loans and investments of reporting member banks in Philadelphia, Camden, Scranton and Wilmington since the beginning of the year are given in the table:

(Millions of dollars)	Loans on securities	Commercial loans	Investments
Jan. 6.....	420	358	344
Jan. 13.....	425	360	342
Jan. 20.....	427	357	339
Jan. 27.....	421	364	339
Feb. 3.....	418	364	344
Feb. 10.....	420	365	344
Feb. 17.....	416	363	344
Feb. 24.....	412	360	343
Mar. 3.....	413	362	343
Mar. 10.....	409	365	338
Mar. 17.....	417	368	372

In the last four weeks the total of loans and investments has increased 34

RETAIL TRADE Philadelphia Federal Reserve District	Comparison of net sales		Comparison of stocks		Rate of turnover, January 1 to February 28	
	Feb., 1926, with Feb., 1925	Jan. 1 to Feb. 28, 1926, with Jan. 1 to Feb. 28, 1925	Feb. 28, 1926, with Feb. 28, 1925	Feb. 28, 1926, with Jan. 31, 1926	1926	1925
	All reporting firms.....	- 2.2%	+1.4%	+ 3.6%	+ 0.5%	0.51	0.50
All department stores.....	- 3.2 "	+0.3 "	+ 2.7 "	- 1.5 "	0.51	0.50
in Philadelphia.....	- 0.3 "	+2.5 "	+ 0.8 "	+ 2.0 "	0.56	0.55
outside Philadelphia.....	-10.1 "	-4.8 "	+ 6.2 "	- 6.9 "	0.41	0.41
All apparel stores.....	+ 5.5 "	+9.5 "	+11.6 "	+14.0 "	0.63	0.66
Men's apparel stores.....	- 1.8 "	+2.3 "	+ 8.6 "	+ 1.4 "	0.43	0.41
in Philadelphia.....	- 5.4 "	-1.8 "	+13.0 "	- 5.3 "	0.46	0.45
outside Philadelphia.....	+ 5.2 "	+3.1 "	+ 2.4 "	+13.7 "	0.38	0.34
Women's apparel stores.....	- 4.4 "	+1.2 "	+13.5 "	+ 4.0 "	0.82	0.84
in Philadelphia.....	- 2.9 "	+1.5 "	+13.1 "	+ 3.1 "	0.86	0.90
outside Philadelphia.....	-16.8 "	-2.4 "	+15.9 "	+ 9.4 "	0.52	0.49
Credit houses.....	+ 0.1 "	-1.4 "	- 0.2 "	- 2.3 "	0.36	0.35
Shoe stores.....	- 6.6 "	+3.9 "	+ 3.0 "	+13.8 "	0.38	0.39

millions, chiefly owing to heavy additions to holdings of United States securities in the last week, at which time the Government placed a new issue of Treasury bonds. Government deposits increased 26 millions in the four weeks, but the total of demand and time deposits changed little.

The Federal Reserve Bank of Philadelphia reports an increase of a little over one million in bills discounted for member banks in the four weeks ended March 17, but holdings of other bills and securities declined 6 millions. Note circulation fell 1.6 millions, and deposits increased 5.5 millions. This increase in liabilities was more than offset by a gain of 8.2 millions in reserve cash, so that the reserve ratio advanced from 72.8 to 74.7 per cent. This compares with 74.2

per cent a year ago. At that time holdings of bills and securities and of cash were little different from those in the latest report, but Federal reserve note circulation was 11 millions greater and deposits 9 millions smaller.

Commercial paper. Rates for commercial paper have held at 4¼ to 4½ per cent over the past month. The majority of the dealers reporting to this bank state that they have only a moderate amount of paper on hand and they do not find demand in Philadelphia particularly active.

Sales of commercial paper, as reported by six dealers, amounted to \$6,042,500 in February, of which \$2,532,500 was sold to Philadelphia banks. More than half of the total sales were at 4¼ per cent or lower. Sales in January amounted to \$10,545,000 and in February, 1925, they were \$9,712,500.

CITY CONDITIONS Philadelphia Federal Reserve District	February, 1926, compared with January, 1926						
	Employment	Wages payments	Value of building permits	Debts	Savings deposits	Retail sales	Electric power sales
Philadelphia area...	+ 1.3%	+ 2.3%	+ 15.9%	-16.4%	-0.2%	-12.1%	- 8.3%
Trenton ".....	+ 0.9 "	- 3.1 "	- 41.9 "	- 0.2 "	+1.9 "	- 1.3 "	- 4.8 "
Wilmington ".....	+ 4.7 "	+ 3.1 "	+178.2 "	-31.1 "	+0.5 "	+ 4.5 "	+ 2.8 "
Reading ".....	+14.8 "	+26.8 "	+624.8 "	-13.8 "	-0.0 "	-30.1 "	- 8.1 "
Lancaster ".....	+ 3.6 "	+ 2.8 "	+566.9 "	-17.1 "	+1.7 "	-23.4 "	+ 0.8 "
York ".....	- 1.1 "	- 1.8 "	+121.8 "	-17.0 "	+1.4 "	0.0 "	-11.2 "
Harrisburg ".....	+ 0.2 "	+ 5.6 "	+135.5 "	-18.4 "	+1.1 "	-18.7 "	-14.2 "
Allentown ".....	+ 2.9 "	+ 5.4 "	- 10.5 "	-20.0 "	+0.8 "	-12.2 "	- 1.0 "
Wilkes-Barre ".....	+ 4.2 "	+11.8 "	+ 40.9 "	-18.3 "	-0.0 "	-15.4 "	.....
Scranton ".....	- 4.6 "	+ 6.2 "	- 8.3 "	-21.3 "	-0.0 "	- 9.7 "	+ 4.2 "
Altoona ".....	- 0.2 "	+ 6.8 "	+ 30.3 "	-14.4 "	+2.0 "	- 8.3 "	- 4.4 "
Johnstown ".....	+ 0.6 "	+ 1.1 "	.....	-12.7 "	+1.7 "	+31.0 "	- 5.3 "
Williamsport ".....	- 1.1 "	+ 5.5 "	+ 4.8 "	-14.0 "	+0.4 "	-18.6 "	.....

February, 1926, compared with February, 1925

Philadelphia area...	+ 9.9%	+13.1%	- 12.7%	+ 7.6%	+ 6.3%	- 0.9%	+14.9%
Trenton ".....	- 0.9 "	- 2.7 "	- 70.5 "	+29.0 "	+ 6.7 "	- 2.8 "	+17.2 "
Wilmington ".....	+15.9 "	+ 9.7 "	- 12.0 "	+10.7 "	+ 5.7 "	+ 3.6 "	+30.5 "
Reading ".....	+ 4.7 "	- 1.0 "	+ 63.6 "	+36.4 "	+ 9.5 "	-14.9 "	+23.7 "
Lancaster ".....	- 2.1 "	- 5.5 "	+ 1.1 "	- 1.1 "	+12.4 "	- 1.2 "	+13.2 "
York ".....	- 0.1 "	- 0.6 "	- 23.5 "	+11.6 "	+ 5.6 "	+12.1 "	+11.4 "
Harrisburg ".....	+ 7.7 "	+18.1 "	+168.8 "	- 2.8 "	+ 7.4 "	-11.8 "	+15.9 "
Allentown ".....	+ 6.1 "	+12.4 "	- 3.6 "	+11.8 "	+ 7.0 "	-10.0 "	- 5.6 "
Wilkes-Barre ".....	+28.5 "	+21.7 "	- 70.4 "	-24.9 "	- 3.3 "	-23.3 "	.....
Scranton ".....	-12.2 "	-25.2 "	- 54.5 "	-18.8 "	+ 3.0 "	-21.5 "	+ 2.2 "
Altoona ".....	.....	.....	- 47.6 "	- 1.2 "	+13.0 "	-12.9 "	+19.4 "
Johnstown ".....	-25.7 "	-24.8 "	.....	+ 1.7 "	+ 0.2 "	- 8.5 "	+18.9 "
Williamsport ".....	+ 9.7 "	+13.1 "	- 87.4 "	+ 2.7 "	+ 7.5 "	- 3.3 "	.....

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

RETAIL TRADE

With improved weather conditions, retail trade in this district has increased considerably since March 1, although many stores report that their business has been running behind that of a year ago. Retail prices remain unchanged from last month's level, except for reductions noted at clearance sales.

February sales in this district were 2.2 per cent smaller than those of a year ago. Men's apparel stores outside of Philadelphia and credit stores alone showed a larger volume of business. Among the specific items which registered considerable gains over sales in February, 1925, are misses' ready-to-wear, furs, sweaters, gloves, women's and children's hosiery and shoes, luggage and stationery. On the other hand, large decreases are particularly noticeable in such articles as woolen dress goods, ribbons, handkerchiefs, women's suits and skirts, waists and blouses, millinery, corsets, men's and boys' shoes, furniture, draperies and floor coverings. Stock turnover was 2 per cent greater in the first two months of 1926 than in the same period of last year.

WHOLESALE TRADE

Since March 1 trading in shoes, drugs, drygoods, groceries and hardware has improved somewhat over the last month's volume and compares favorably with that for the corresponding period of a year ago. Wholesale prices continue at about the same level as they were three weeks ago.

During February sales of drygoods, electrical supplies and jewelry increased over January's volume, but those of shoes, drugs, groceries, hardware and paper showed marked declines. Compared with a year ago, sales of drugs and jewelry alone were larger in this district. Stocks generally at the end of February were considerably lighter than those on February 28, 1925.

Drygoods. Compared with that of the previous month, the demand for seasonable goods, notably spring and summer underwear, hosiery and various other silk and cotton products, has increased materially. About 85 per cent of all present purchases, however, call for delivery within the next month. No price changes are reported in this district, except for a drop of about 5 per cent in quotations for cotton goods.

Jewelry. The jewelry market continues as active as it was at this time last month and a year ago, silverware, platinum rings, clocks and watches being among the best sellers at the present time. Prices remain unchanged from those of thirty days ago, except for a slight decline in silverware. This year's pre-Easter trade, as indicated by February sales, exceeded materially that of February, 1925. Collections are satisfactory and stocks are moderate.

Groceries. Following quiet trading in February, business in staple groceries has improved somewhat during the last three weeks. Increased activity in the anthracite coal region has been especially marked since the settlement of the recent strike. The general level of wholesale quotations for groceries in this district is holding steady, the number of items showing advances being about equal to that of articles which show declines. Collections are fairly prompt.

Paper. During the past four weeks the demand for various grades of paper at wholesale has been relatively quiet, though more active than a year ago. The distribution by manufacturers, on the other hand, shows a slight improvement over last month's volume, but does not compare favorably with that of a year ago. Mill operations in this district continue practically unchanged at from 85 to 90 per cent of capacity. Wholesale prices are unchanged from those of thirty days ago, but compared with those of a year before, strawboards and sulphite pulp show advances, and newsprint, chipboards and old paper register declines. Collections are fairly prompt.

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WHOLESALE TRADE Philadelphia Federal Reserve District	Net sales Feb., 1926, compared with		Stocks Feb., 1926, compared with		Accounts outstanding Feb., 1926, compared with		Ratio of accounts outstanding to sales		
	Jan., 1926	Feb., 1925	Jan., 1926	Feb., 1925	Jan., 1926	Feb., 1925	Feb., 1926	Jan., 1926	Feb., 1925
	Boots and shoes	-14.2%	-12.2%	+21.1%	-26.1%	-0.4%	+9.2%	341.9%	287.6%	273.8%
Drugs	-1.9 "	+2.4 "	-2.3 "	+6.1 "	-2.4 "	+4.5 "	157.5 "	157.3 "	149.4 "
Dry goods	+3.7 "	-15.8 "	+0.5 "	+6.9 "	+0.5 "	+0.6 "	296.5 "	305.8 "	248.1 "
Elec. supplies	+3.3 "	-4.1 "	+1.9 "	-20.5 "	-5.2 "	-0.6 "	140.4 "	152.9 "	135.5 "
Groceries	-2.7 "	-9.4 "	-1.9 "	-0.5 "	+0.8 "	-1.3 "	127.9 "	125.1 "	117.2 "
Hardware	-7.5 "	-7.4 "	+1.7 "	-10.1 "	-2.0 "	-1.8 "	225.6 "	212.5 "	212.2 "
Jewelry	+18.2 "	+13.9 "	+4.3 "	-7.3 "	-0.0 "	+6.7 "	138.5 "	518.3 "	468.3 "
Paper	-10.5 "	-17.3 "	-0.9 "	-3.2 "	-6.1 "	-10.4 "	154.2 "	147.0 "	142.3 "

Electrical supplies. Wholesale business in electrical supplies continues moderate, and prices remain unchanged from those that prevailed during the month ended February 20. Sales in February increased more than 3 per cent over those in the previous month but were 4 per cent below the volume sold in February, 1925.

Hardware. Most wholesalers of hardware in this district report that the demand for seasonal materials is more active than it was four weeks ago, and current prices continue practically unchanged from last month's levels. Sales in February were more than 7 per cent below the volume sold during last January and in February, 1925. Collections are prompt.

Drugs. A slight improvement has been reported in the sale of drugs and fine chemicals since March 1. Wholesalers in this district state that, with a few exceptions, prices continue unchanged from those of a month ago. In the country as a whole, however, average quotations for drugs and fine chemicals show small recessions from last month's prices and from those of a year ago.

Shoes. Sales of shoes have increased slightly over the volume for the month ended February 20, and prices remain steady. Principally because of the approach of Easter, most purchases called for delivery before March 15, though, at present, numerous orders are for shipment during April and May. The shoe trade in February was considerably smaller than that in January and a year ago. Wholesalers' stocks on February 28 exceeded January's inventories but were more than 26 per cent lower than those at the end of February, 1925.

AUTOMOBILES

Following the automobile show and the announcement of new models and price reductions, automobile sales showed large increases in February as compared with the previous month. Wholesale business was 20 per cent larger; the heaviest increase, 40.8 per cent, occurred in sales of cars selling at less than \$1,000. Retail sales were larger in all classes but the greatest improvement was in the most expensive cars. Sales of used cars, in

AUTOMOBILE TRADE Philadelphia Federal Reserve District 14 distributors	Feb., 1926, change from Jan., 1926	
	Number	Value
Sales, new cars, wholesale	+19.9%	+20.0%
Cars under \$1,000	+38.4 "	+40.8 "
Cars \$1,000 to \$2,000	+5.9 "	+15.3 "
Cars over \$2,000	0.0 "	+1.3 "
Sales, new cars at retail	+11.2 "	+16.3 "
Cars under \$1,000	+10.0 "	+5.2 "
Cars \$1,000 to \$2,000	+17.3 "	+14.9 "
Cars over \$2,000	+27.3 "	+35.3 "
Stocks of new cars	+21.9 "	+15.0 "
Cars under \$1,000	+20.8 "	+20.8 "
Cars \$1,000 to \$2,000	+30.7 "	+10.1 "
Cars over \$2,000	+13.9 "	+11.9 "
Sales of used cars	+7.3 "	-1.3 "
Stocks of used cars	+3.2 "	+1.2 "
Retail sales, def. payment	+19.6 "	+35.5 "

value, were less than in January, although a larger number were sold in February. Stocks of cars naturally also increased in February although stocks of used cars were only slightly larger than they were a month earlier.

ELECTRIC POWER Philadelphia Federal Reserve District	Feb. 1926 Change from	
	Jan., 1926*	Feb., 1925†
Rated generator capacity	0.0%	+11.1%
Generated output	-5.3 "	+16.2 "
Hydro-electric	+16.6 "	+14.8 "
Steam	-6.5 "	+11.8 "
Purchased	-2.3 "	+51.7 "
Sales of electricity	-4.0 "	+14.9 "
Lighting	-13.5 "	+11.9 "
Municipal	-14.8 "	+10.5 "
Residential and commercial	-13.3 "	+19.3 "
Power	-0.8 "	+9.8 "
Municipal	+8.8 "	+20.7 "
Street cars and railroads	-7.5 "	+14.1 "
Industries	+0.0 "	+8.2 "
All other sales	+7.3 "	+72.3 "

*14 systems. †13 systems.

ELECTRIC POWER

Declines in output and sales of electric power in the Philadelphia Federal Reserve District occurred between January and February owing chiefly to the fewer days in the latter month. In spite of this, however, power sales showed only a small loss and consumption of electricity by industries in February was as great as in January. As compared with

the previous year, however, February central station operations showed important gains. Generated output was 16 per cent and total sales nearly 15 per cent above the 1925 figures. Industrial sales, however, gained only 8 per cent, a smaller amount than in most recent months.

EMPLOYMENT AND WAGES

Employment and wages advanced during February throughout Pennsylvania, New Jersey and Delaware. Many plants reported gains over January owing to the resumption of operations after the shutdown caused by the taking of inventories or annual repairs.

All the groups reported increases in both employment and wages with the exception of the textiles and the construction and contracting. Reports for the latter, which include only Pennsylvania firms, are shown for the first time this month. The decrease in the textile group is chiefly due to a strike at certain New Jersey woolen and worsted mills. The decline in the novelty and jewelry industry was caused chiefly by a shutdown at one plant.

The most notable advances in employment occurred at heating appliance and apparatus plants, iron and steel blast furnaces, cement, dyeing and finishing textile plants, musical instrument, leather product, and boot and shoe factories.

CHEMICALS

Trading in chemicals and allied products, though somewhat less active than it was four weeks ago, continues moderate, such seasonable products as fertilizers and paint materials being in good demand. Nevertheless, buying for prompt delivery still predominates. Contract withdrawals on the whole are satisfactory. The majority of the reports indicate that prices of chemicals in this district are firm and unchanged from those of a month ago, but quotations in the country as a whole have declined slightly. Compared with the level prevailing in March, 1925, however, prices are considerably higher, dyestuffs and tanstuffs alone showing marked decreases. Collections, though a trifle slower than they were a year ago, are satisfactory.

Operations at chemical plants average 80 per cent of capacity, and unfilled orders will insure mill activity at this rate for about two months. Employment and wage payments have registered a slight gain since February 15. Stocks, which are now moderate, remain about the same as those of a month ago.

BUILDING

Since March 1 building activity in the Philadelphia Federal Reserve District has improved slightly over that of the previous

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	
		Feb. 15, 1926	Per cent change	Feb. 15, 1926	Per cent change	Feb. 15, 1926	Per cent change
All industries (52)	1,274	439,567	+ 1.3	\$11,651,356	+ 3.1	\$26.51	+ 1.7
Metal manufactures:	406	201,689	+ 2.7	5,747,347	+ 4.3	28.50	+ 1.6
Automobiles, bodies, and parts....	25	11,117	+ 3.1	332,741	+ 3.5	29.93	+ 0.4
Car Construction and repair....	21	22,803	+ 2.0	656,962	+ 1.0	28.81	+ 1.0
Elec. machinery and apparatus....	39	20,577	+ 1.6	515,446	+ 5.0	25.05	+ 3.3
Engines, machines, mach. tools....	56	14,467	+ 2.5	421,270	+ 2.4	29.12	+ 0.0
Foundries and machine shops....	77	13,908	+ 1.7	405,827	+ 3.3	29.18	+ 1.6
Heating appl. and apparatus....	19	6,396	+ 5.3	190,763	+ 3.4	29.83	+ 1.8
Iron and-steel blast furnaces....	14	14,389	+24.6	408,900	+29.4	28.42	+ 3.9
Iron and steel forgings....	13	4,299	+ 0.4	122,190	+13.3	28.42	+12.8
Steel works and rolling mills....	47	43,757	+ 0.1	1,284,595	+ 1.7	29.36	+ 1.8
Structural iron works....	20	5,830	+ 0.9	161,457	+ 2.8	27.69	+ 3.7
Misc. iron and steel products....	43	26,441	+ 2.1	760,988	+ 5.4	28.78	+ 3.3
Shipbuilding....	9	11,125	+ 1.6	301,798	+ 4.1	27.13	+ 2.5
Hardware....	8	2,046	+ 2.1	52,866	+ 6.5	25.84	+ 4.3
Non-ferrous metals....	15	4,534	+ 1.8	131,544	+ 4.1	29.01	+ 2.2
Textile products:	253	82,723	- 1.3	1,886,460	+ 3.6	22.80	+ 4.9
Carpets and rugs....	12	3,659	+ 1.0	99,160	+ 2.4	27.10	+ 3.4
Clothing....	41	6,806	- 0.1	125,489	+ 0.7	18.44	+ 0.8
Hats, felt and other....	9	4,860	+ 0.6	126,970	+ 9.9	26.13	+ 9.3
Cotton goods....	31	9,962	+ 1.9	222,601	+ 5.8	22.35	+ 3.9
Silk goods....	61	23,447	+ 2.0	475,151	+ 3.7	20.26	+ 5.9
Woolens and worsteds....	26	7,792	-14.6	160,756	-18.5	20.63	+ 4.6
Knit goods and hosiery....	44	14,880	+ 0.5	367,131	+ 7.6	24.67	+ 7.0
Dyeing and finishing textiles....	22	9,818	+ 4.5	280,652	+16.6	28.59	+11.6
Miscellaneous textile products....	7	1,499	+ 1.4	28,550	- 9.6	19.05	-10.9
Foods and tobacco:	135	32,232	+ 0.2	689,250	+ 1.5	21.38	+ 1.3
Bakeries....	40	4,592	+ 0.9	136,138	+ 0.4	29.65	+ 0.4
Canneries....	7	3,163	- 5.1	66,785	- 4.1	21.11	+ 1.0
Confectionery and ice cream....	26	5,885	+ 2.0	124,140	+ 2.0	21.09	+ 3.6
Slaughtering and meat packing....	15	2,793	+ 1.9	79,444	+ 2.3	28.44	+ 0.5
Sugar refining....	4	3,467	+ 1.8	106,217	+ 7.8	30.64	+ 5.8
Cigars and tobacco....	43	12,332	+ 0.7	176,526	+ 0.1	14.31	+ 0.6
Building materials:	98	28,620	+ 1.5	809,093	+ 2.3	28.27	+ 0.8
Brick, tile, terra cotta products....	40	5,578	+ 0.2	144,018	+ 3.3	25.82	+ 3.1
Cement....	15	8,470	+ 4.5	242,426	+ 3.0	28.62	+ 1.5
Glass....	28	9,617	- 0.1	270,894	+ 5.0	28.17	+ 5.1
Pottery....	15	4,955	+ 1.0	151,755	- 3.9	30.63	+ 4.9
Construction and contracting: *	36	2,107	-13.3	60,536	-18.9	28.73	+ 6.4
Buildings....	21	1,202	-17.7	40,002	-15.1	33.28	+ 3.2
Street and highway....	5	114	-15.6	2,956	-13.4	25.93	+ 2.6
General....	10	791	- 5.4	17,578	-27.2	22.22	-23.0
Chemicals and allied products:	86	34,289	+ 1.5	985,727	+ 0.1	28.75	+ 1.3
Chemicals and drugs....	47	8,368	- 3.2	227,896	- 1.8	27.23	+ 1.5
Explosives....	13	3,572	- 0.1	94,837	+ 3.0	26.55	+ 3.1
Paints and varnishes....	15	1,507	+ 5.2	39,923	+ 8.0	26.49	+ 2.7
Petroleum refining....	8	19,704	+ 3.6	590,061	+ 2.2	29.95	+ 3.6
Coke....	3	1,138	+ 2.0	33,010	+ 1.6	29.01	+ 0.4
Miscellaneous industries:	260	57,907	+ 1.6	1,472,943	+ 1.9	25.44	+ 0.3
Lumber and planing mill products	32	4,658	- 3.4	100,813	+ 1.8	21.64	+ 5.4
Furniture....	27	3,547	+ 0.7	90,137	+ 3.0	25.41	+ 3.7
Musical instruments....	7	9,120	+ 5.2	252,347	+ 6.4	27.67	+ 1.1
Leather tanning....	33	9,127	+ 0.3	233,799	+ 3.5	25.62	+ 3.2
Leather products....	22	2,472	+ 9.6	53,983	+ 6.9	21.84	+ 2.4
Boots and shoes....	13	5,132	+ 4.6	109,702	+ 7.7	20.19	+ 3.0
Paper and pulp products....	27	6,399	- 0.1	159,657	- 0.3	24.95	+ 2.4
Printing and publishing....	53	5,138	+ 1.1	159,166	+ 1.3	30.98	+ 2.4
Rubber tires and goods....	17	5,556	+ 4.2	155,846	+ 1.3	28.05	+ 2.7
Novelties and jewelry....	11	2,193	- 7.5	52,713	- 6.2	24.04	+ 1.5
All other industries....	13	4,561	+ 2.3	110,780	- 5.9	24.29	- 8.0

* Pennsylvania only

ious three weeks, owing probably to better weather conditions. The estimated cost of construction of all buildings, as measured by contracts awarded, rose from \$20,321,588 last January and \$24,398,070 in February, 1925, to \$25,535,748 in February, 1926. The number of permits issued during February in sixteen cities totaled 1,240, calling for an expenditure of \$13,377,528. This compares with 1,291 permits and an expenditure of \$10,635,388 last January and 3,037 permits and an estimated cost of \$14,235,860 in February, 1925.

Prices of building materials generally remain about the same as they were last month and a year ago.

Brick. Activity in the brick market continues at about the same moderate rate as that of four weeks ago, but compared with the same month of last year, the current demand is a trifle slower. Buying is confined chiefly to immediate requirements. Several reports, particularly from manufacturers of face bricks, indicate a slight increase in the volume of production and shipments, but the rate of output of all grades of bricks in this district as a rule remains unchanged from that of thirty days ago. Makers of fluxes and refractories generally report no change in the rate of production, which is now at about 80 per cent of capacity. Unfilled orders are

sufficient to insure plant operations in the brick industry as a whole at the present rate of from 70 to 80 per cent of capacity for about 40 days. Apart from the usual seasonal accumulation, stocks generally are not burdensome. Quotations remain fairly stable at levels unchanged from those of four weeks ago. Commercial bricks continue to sell at a nominal price of \$17.50 a thousand, as against \$14.00 a year ago.

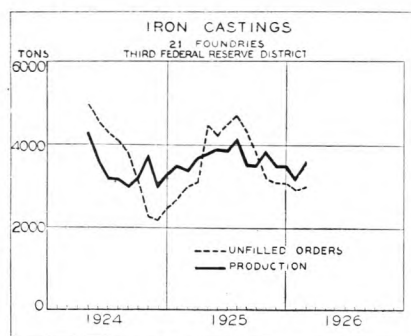
Lumber. Dealers and mills in this district state that the current demand for lumber compares favorably with that of four weeks ago, but is slightly less active than it was at the same time last year. Production of softwood and hardwood lumber is being maintained at about the same rate as that of last month. While orders for and shipments of the former also show no change, those of hardwoods have decreased lately below last month's volume. Stocks are moderate. Lumber prices continue unchanged from the level of thirty days ago, except for slight declines in western hemlock, white oak, chestnut, North Carolina pine and commercial fir. Compared with prices for the corresponding month last year, quotations for white and yellow pines, white oak, red gum and poplar are higher, whereas other varieties of lumber remain unchanged. Collections are fair.

Pottery. The market for various kinds of earthenware, porcelain and stoneware, though less active than it was a year ago, has improved materially since February 23. Seasonal buying is fairly brisk and most of the present orders call for delivery within the next two months. Unfilled orders also are somewhat larger than they were thirty days ago; they will insure operations, at the present rate, which, in this district, now approximates 80 per cent of capacity, beyond May 1. Stocks are not excessive for this season. In general, prices have been fairly stable during the past four weeks, although recently they have shown a downward trend.

Paint. With improved weather conditions, activity in paints and varnishes shows a slight gain over the last month's volume, but business generally is not as good as it was at this time last year. Plant operations in this district continue at from 65 to 70 per cent of capacity, and employment and wage payments recently have increased over those of the month ended February 15. Unfilled orders equal the volume of four weeks ago, and stocks are moderate. Although the general tendency of prices is toward lower levels, quotations in this district remain practically unchanged from those of thirty days ago, but are about 3 per cent below prices that prevailed in March, 1925. Collections are fair.

IRON AND STEEL

The demand for iron and steel products in the Philadelphia reserve district has been fairly active during the past four weeks. Marked improvement over the previous month in the call for such products as castings, plates and shapes, wire and wire rods, machinery and tools, hardware, rails and track supplies is noted, but business in pig iron, crude steel, scrap, iron bars, sheets and pipes has been rather slow. Plant operations in this district now average 70 per cent of capacity, although nearly one half of the plants are working at close to 90 per cent. The number of active furnaces on March 1 in this district was 29 with an estimated daily capacity of 10,540 tons, which compares with 10,515 tons daily for the 29 furnaces active on February 1, 1926.



Unfilled orders and the output of iron castings increased in February. The marked decline which occurred during the six months ended January 30, 1926, was probably due in part to the anthracite strike, which resulted in a smaller demand for castings in the mining section
Source—Federal Reserve Bank of Philadelphia

In February, the output of pig iron in this district declined about 6 per cent below that of February, 1925, and in the United States a decrease of 9 per cent was registered. February production of steel ingots in the country as a whole, however, was more than 1 per cent greater than that of a year before. Bookings of fabricated steel plates in February totaled 29,731 tons, compared with 24,467 tons in last January and 20,805 tons in February, 1925. Unfilled orders of the United States Steel Corporation in February were nearly 13 per cent smaller than they were a year ago. Productive activity is indicated below:

In gross tons (000's omitted)	Feb., 1926	Jan., 1926	Feb., 1925
Production in the U. S.—			
Pig iron.....	2,923	3,316	3,214
Steel ingots.....	3,795	4,154	3,756
Unfilled orders—			
U. S. Steel Corp.....	4,617	4,883	5,285

Except for a reduction of about 50 cents a ton in prices of foundry pig iron,

quotations in this district generally have remained unchanged from those of four weeks ago. In the country as a whole, however, average prices of finished steel rose from 2.424 cents a pound a month ago to 2.431 cents on March 23, whereas quotations for pig iron declined from \$21.46 a ton thirty days ago to \$21.38. Prices of Connellsville furnace coke dropped to \$3 a ton on March 23 from \$3.75 a ton a month before.

Iron foundries. Productive activity at 34 identical foundries located in the Philadelphia reserve district is now above the rate of thirty days ago, manufacturing of iron castings for delivery during the second quarter showing material improvement. The output in February was nearly 13 per cent larger than that in January and about 2 per cent greater than it was a year ago. Unfilled orders also showed a slight gain, but shipments fell a trifle below last January's volume and that of February, 1925. Raw stocks at the end of February were smaller than those of a year before.

Iron foundry operations	February	Change from Jan., 1926	Change from Feb., 1925
Capacity.....	11,674 tons	0	0
Production.....	4,986 "	+12.9%	+ 1.8%
Malleable iron.....	573 "	+10.0 "	+ 6.9 "
Gray iron.....	4,413 "	+13.3 "	+ 1.2 "
Jobbing.....	3,145 "	+ 6.8 "	+ 3.5 "
For further mfr.....	1,268 "	+33.5 "	- 4.1 "
Shipments.....	4,006 "	- 2.0 "	- 0.5 "
Value.....	\$591,215	+ 2.0 "	+ 6.7 "
Unfilled orders.....	3,976 tons	+ 0.4 "	+ 6.3 "
Value.....	\$616,921	- 2.8 "	+ 4.5 "
Raw stock:			
Pig iron.....	6,821 tons	+16.4 "	- 2.8 "
Scrap.....	2,724 "	- 6.8 "	- 7.0 "
Coke.....	1,416 "	- 7.8 "	-29.8 "

Steel foundries. Making of steel castings exceeds both last month's volume and that of a year ago. In February, production was 10.5 per cent larger than that in January and 1.2 per cent above that of a year before. Unfilled orders in February also exceeded those of February, 1925, but shipments decreased somewhat. Inventories of pig iron and scrap at the end of last month were considerably below those on February 28, 1925.

Steel foundry operations	February	Change from Jan., 1926*	Change from Feb., 1925†
Capacity.....	11,940 tons	0	0
Production.....	6,951 "	+10.5%	+ 1.2%
Shipments.....	5,138 "	- 0.4 "	- 6.0 "
Value.....	\$783,343	- 1.8 "	-16.7 "
Unfilled orders.....	4,480 tons	+32.1 "	+ 6.4 "
Value.....	\$840,385	-17.9 "	+ 2.0 "
Raw stock:			
Pig iron.....	2,343 tons	+25.7 "	-38.9 "
Scrap.....	8,571 "	-14.2 "	-24.3 "
Coke.....	1,041 "	+ 3.4 "	+38.5 "

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

COAL

Anthracite. The distribution of domestic sizes of anthracite, though somewhat hampered by lessened demand for egg coal, recent accumulation of substitutes for anthracite, and a temporary shortage of cars, has been active during the past four weeks. Sales of steam sizes, however, have not equalled the volume customary at this season, owing probably to the fact that many manufacturing plants have a considerable supply of such fuel as coke, bituminous and river coals. Nevertheless, mining operators generally report that the outlook for increased demand for all grades of hard coal during the spring, summer and fall is propitious. Collieries are now operating at more than 85 per cent of capacity, and the supply of labor, though short in some localities, is adequate for the most part.

Current spot quotations for all sizes in Philadelphia are somewhat higher than they were at this time last year, and since March 1 prices have remained stable, except for slight declines in egg and broken sizes. On March 22 independent stove sizes were quoted at from \$9.60 to \$12.50 a ton, compared with from \$8.90 to \$9.65 on March 23, 1925. Buckwheat No. 1 sold on the same dates at from \$3 to \$3.50 a ton as against a range of \$2.25 to \$3 last year.

The following table shows the weekly output:

Week ended	In thousands of net tons		Per cent of change
	1926	1925	
Feb. 20....	408	1,838	-77.7
Feb. 27....	1,609	1,605	+ 0.2
Mar. 6....	1,787	1,655	+ 7.9
Mar. 13....	1,966	1,656	+18.7

Source: U. S. Geological Survey.

Bituminous. Since February 20 the demand for soft coal has fallen off materially, although railroads and public utilities are now in the market for their requirements during the year beginning April 1. Purchasing by industries, however, is slow. In some instances spot prices are weaker than contract prices; in others, contract prices are from 10 to 25 cents a ton below spot quotations. Compared with levels of a year ago, prices of pool coals in Philadelphia are still higher, except Pool No. 1 Navy Standard, which remains unchanged. The "Coal Age" index of spot bituminous prices for the country as a whole stood on March 22 at 167, compared with 173 on February 15 and 165 on March 16, 1925.

According to several reports, the position of the soft coal industry at present is about the same as it was a year ago

insofar as demand is concerned, but production is considerably heavier. This situation is to be explained by the fact that many mines were shut down a year ago, whereas, since the beginning of the anthracite strike on September 1, 1925, most of the mines have been operating close to capacity. At present, the rate of output in this district averages 75 per cent of capacity. Weekly estimates of production in the United States are given below.

Week ended	In thousands of net tons		Per cent of change
	1926	1925	
Feb. 20....	11,509	9,464	+21.5
Feb. 27....	10,890	8,855	+22.9
Mar. 6....	10,500	9,384	+11.9
Mar. 13....	10,691	8,641	+23.7

Source: U. S. Geological Survey.

TEXTILES

Cotton. The distribution of cotton goods, though fairly active at present, has not been as extensive during the past four weeks as that of last month or a year ago. Most of the current orders are for delivery within two months. Productive activity remains practically unchanged from last month's rate, but the volume of unfilled orders is somewhat smaller than it was thirty days ago. Supplies of finished goods are moderate. Following the decline in prices of raw materials, quotations for cotton goods, both finished and gray, are now about 2 per cent lower than they were last month and 12 per cent lower than a year ago. Decreases of 6 and 20 per cent, respectively, below last month's and last year's levels also are reported in prices of standard cotton yarns. Similarly, spot cotton, which sold at 20.75 cents a pound on February 20 and 25.65 cents on March 23, 1925, dropped to 19.15 cents a pound on March 23. Collections are prompt.

Mill consumption of cotton, linters in-

cluded, in the United States, totaled 621,222 bales in February, compared with 639,657 bales last January, and 602,189 bales in February, 1925. Stocks of cotton on February 28 were 41 per cent larger than they were on the same date a year before. Exports for the four weeks ended March 19 declined from 771,149 bales a year ago to 542,602 bales. According to the official report, ginnings in 1925 amounted to 16,103,586 bales, as against 13,639,399 in 1924. The present position of American cotton is shown 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 Mar. 19.....	14,592	13,568	10,050
Total.....	15,717	14,520	10,920
Visible supply on Mar. 19.....	4,509	3,992	2,487
World's takings to Mar. 19.....	11,207	10,528	8,433

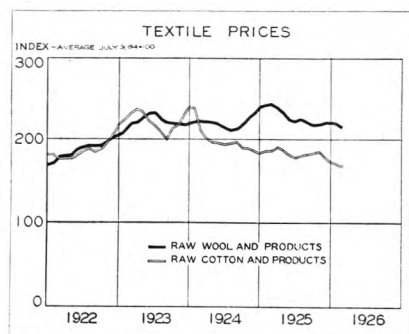
*Compiled by the New York Cotton Exchange.

Wool. The volume of business in wool manufactures was considerably smaller during the month ended March 10 than for the corresponding period of last year, but in the past fortnight a slight improvement has been reported by several producers. Fall buying of worsted fabrics is more active than that of woolen goods, although the demand for both is a bit stronger than it was a month ago. Production, however, as measured by employment and wage payments, has decreased slightly, and unfilled orders are also somewhat smaller. Supplies of yarns and goods are fairly light.

Further recessions in prices of both finished goods and raw materials have occurred since February 19. According to Fairchild's index number, average prices of domestic and foreign wools are about 5 per cent below last month's level and are from 15 to 30 per cent lower than they were a year ago. Similarly, tops and yarns are 2 per cent below last month's prices and from 15 to 20 per cent lower than they were in March, 1925. Collections are fair.

Imports of raw wools into the United States in February totaled 35,320,720 pounds, compared with 45,102,104 pounds in January and 37,724,975 pounds in February, 1925. February consumption of wool in this district was 3.9 per cent below January's volume and 20.6 per cent smaller than a year ago. The consumption for the country as a whole was 1.0 per cent smaller than in January and 9.5 per cent below that of a year ago.

Silk. Following exceedingly active trading during many months past, business in silk manufactures has slackened seasonally in the last four weeks. The distribution of silk goods is smaller than



In the past two years prices of raw wool and its products have been on a higher level, compared with 1914, than have the prices of cotton and its products. In the two preceding years, however, both materials showed approximately the same percentage of increase over 1914.

Source—Textile World

it was last month and a year ago, but the demand for thrown silk is still ahead of the volume for the same month last year. Throwsters generally are working at more than 90 per cent of capacity, whereas makers of silk fabrics average a trifle less than 80 per cent. While employment in silk mills during the month ended February 15 declined slightly, wage payments increased 3.7 per cent over the previous month. Stocks of finished goods, though showing a slight accumulation, are not burdensome.

In sympathy with a drop of about 7 per cent in prices of raw silk, quotations for finished goods also have declined recently. Fairchild's index number of average silk goods prices decreased from 132.4 on February 1 to 132.1 on March 1. A year ago it stood at 123.7. Prices of thrown silk have dropped about 3 per cent since February 19.

While imports and stocks of raw silk during February were below those of a year ago, deliveries to American mills were 13 per cent larger than those in February, 1925. The silk movement in the country was as follows:

Raw silk* (in bales)	Feb., 1926	Jan., 1926	Feb., 1925
Imports.....	38,568	43,650	39,046
Stocks.....	43,418	47,326	60,249
Mill takings.....	42,476	46,148	37,529

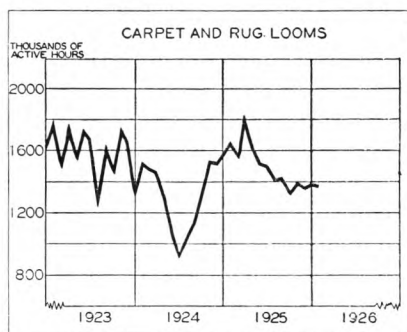
* Silk Association of America.

Hosiery. The hosiery situation in this district shows little change from that of a month ago. Makers of full-fashioned silk hosiery for women are actively engaged on orders that will keep them busy for some time. They report that chiffons and medium weights are most wanted. Manufacturers of seamless products, find the call for many of their lines only fair or poor. Fancies, however, are in demand. Operations at a number of the seamless factories have declined during the past month and the average for all reporting manufacturers is about 65 per cent of capacity. Stocks of hosiery generally are moderate and about as large as they were last month.

Floor coverings. Carpet and rug manufacturers find business dull and see little hope for improvement until after the spring auction sale, early in April, of one of the largest factors. It is expected that figures obtained at this sale will have an important influence on spring prices. March quotations have been for the most part unchanged as compared with the previous month, but some recent weakness has developed.

Stocks of goods are moderate and about the same as they were a month ago. Two reporting plants are running at 100 per cent of capacity and one at 50, the average of all operations being 70 per cent.

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Measured by the number of active hours, carpet and rug looms operated at a lower rate in January, 1926, than in the same month of the three preceding years.

Source—Bureau of the Census

Unfilled orders are sufficient to keep plants running for about four weeks on the average.

Business in linoleums and felt base goods has been fair, though it is described as quiet at the present time.

CONFECTIONERY

Owing to increased Easter demand, sales of the various grades of candies in this district during the past four weeks have been active and have exceeded materially the volume of business for the corresponding period of last year. The bulk of current buying, however, is for quick delivery. Unfilled orders, which are somewhat smaller than they were a month ago, are sufficient to insure plant operation at the present rate of 70 per cent of capacity for about one month only. Stocks are light. Principally because of lower quotations for sugar, prices of candies are tending downward, although changes from last month's levels are negligible. Collections are prompt.

LEATHER AND SHOES

The hide market has been quiet over most of the month. Certain descriptions have fallen off one-half cent in price, but others are practically unchanged, as compared with a month ago. Goatskins suitable for black kid are lower in price and the demand for these is slow. Those adapted to colors also are less active.

The demand for colored kid is much better than that for black, but the completion of the Easter business naturally has caused a falling off even in the demand for colors. The call for sole leather is only fair at unchanged prices.

The demand for leather belting is fair, and more satisfactory than it was a year ago. A number of firms reporting to us are operating at 80 to 85 per cent of capacity. Luggage makers, too, report better business than a year ago,

and note improvement over last month; many of their plants are operating at 100 per cent.

Wage payments in the leather industry, as compiled from reports submitted by manufacturers in Pennsylvania, New Jersey and Delaware, show the following changes:

Wage payments (average 1923=100)	Feb., 1925	Dec., 1925	Jan., 1926	Feb., 1926
Leather tanning.....	81	87	86	89
Leather products.....	87	106	121	129
Boots and shoes.....	103	86	91	98

A fairly good demand for shoes prevails, considering the season, but the majority of manufacturers report that business is lighter than it was last month and that it compares unfavorably with that of a year ago. At some plants operations have been increased and they now average 70 per cent of capacity, but half of the firms report 80 to 100 per cent. Orders on hand show a natural decline, as goods are produced and shipped for the Easter trade, and orders for delivery beyond that date are not heavy. Stocks of shoes are moderate and prices are unchanged.

Reports from the Bureau of the Census indicate that the production of shoes in the Third Federal Reserve District showed a further increase of 5.2 per cent in February. Figures submitted by 96 plants are given below:

PRODUCTION OF SHOES* Philadelphia Federal Reserve District (in thousands of pairs)	Feb., 1926	Per cent change from Jan., 1926
Boots and shoes, total.....	1,315	+ 5.2
High and low cut (leather) total	1,260	+ 4.1
Men's.....	125	+14.5
Boys' and youths'.....	162	+ 1.7
Women's.....	192	-10.4
Misses' and children's.....	478	+10.8
Infants'.....	302	+ 2.4
All other leather or part leather footwear.....	56	+38.4

* Preliminary report—Bureau of the Census.

CIGARS

The demand for all grades of cigars is scarcely fair and sales are considerably below last month's volume and that of a year ago. Operations at most cigar factories continue at 75 per cent of capacity, although the average rate for the district is less than 60 per cent. Stocks, though increasing, are not burdensome. Although at present there is a slight tendency toward lower levels, cigar prices during the past four weeks have remained practically unchanged from those of a month ago. Collections are fairly prompt.