

THE BUSINESS REVIEW

THIRD FEDERAL
PHILADELPHIA



RESERVE DISTRICT
JUNE 1, 1926

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BUSINESS CONDITIONS IN THE UNITED STATES

There was a slight decline in the activity of industry and trade in April, and a further reduction in the general price level. Commercial demand for bank credit continued large and the volume of security loans, after a rapid decline since the turn of the year, remained at a constant level.

Production. Production in basic industries, according to the Federal Reserve Board's index, decreased 1 per cent in April, slight increases in production of lumber and pig iron being more than offset by declines in output in other industries. Particularly large recessions were shown in the production of steel ingots and in textile mill activity. Automobile production, not included in the index, continued in large volume. Factory employment and payrolls declined slightly in April, particularly in the food, tobacco, textile and boot and shoe industries. The value of building contracts awarded during April was smaller than in March and practically the same as in April of last year. Awards for the first two weeks in May, however, showed increases as compared with the same weeks in 1925.

Reports by the Department of Agriculture indicate that up to the first of

May 68 per cent of spring plowing and 56 per cent of sowing and planting was completed, compared with about 83 per cent and 66 per cent last year. On the basis of the condition of winter wheat on May 1, a yield of 549,000,000 bushels is forecast compared with a final yield of 398,000,000 bushels in 1925.

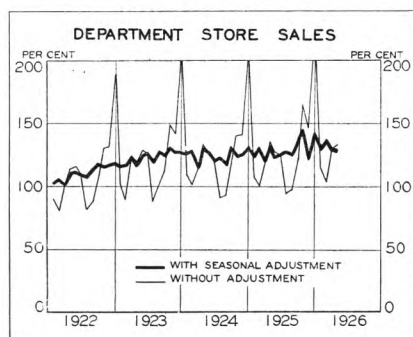
Trade. The volume of wholesale trade in April was seasonally smaller than in March for all lines except meats. Compared with a year ago, sales of groceries, meats and drugs were larger in April, while sales of drygoods, shoes and hardware were smaller. Department store sales increased less than usual and were somewhat smaller than a year ago. Sales of mail order houses were slightly smaller than in March, but continued to be larger than in the corresponding month of 1925. There was some decrease in the stocks of merchandise held by wholesale firms during the month, and inventories of department stores showed less than the usual seasonal increase, though they were larger than a year ago. Weekly freight car loading decreased in the early part of April but later increased, and the volume of shipments for the month of April as a whole and for the first two weeks in May was larger than in the

corresponding periods of any previous year.

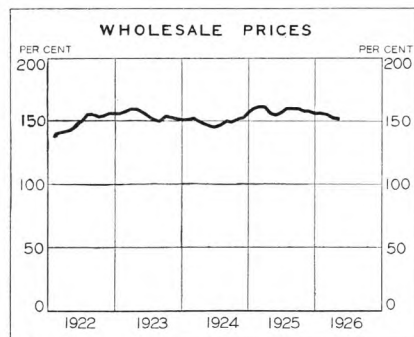
Prices. Wholesale commodity prices, according to the Bureau of Labor Statistics index, declined slightly from March to April. Increases in the farm products and food groups, which had been declining for several months, were more than offset by decreases in other groups. The greatest declines were in the prices of clothing materials. In the first three weeks of May prices of wheat, cattle, sheep, cotton goods, pig iron, bricks and rubber declined, while those of hogs, raw silk and crude petroleum increased.

Bank credit. Commercial demand for bank credit at member banks in leading cities continued in large volume between the middle of April and the middle of May. Liquidation of security loans, which had been rapid since the beginning of the year, did not continue after the middle of April and the volume of these loans remained fairly constant at a level about \$450,000,000 below the peak at the end of 1925. There was some addition to the banks' investments and the total of their loans and investments was about \$1,000,000,000 larger than at the same period of last year.

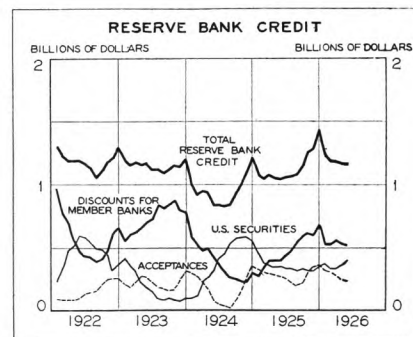
Withdrawals of funds from New York



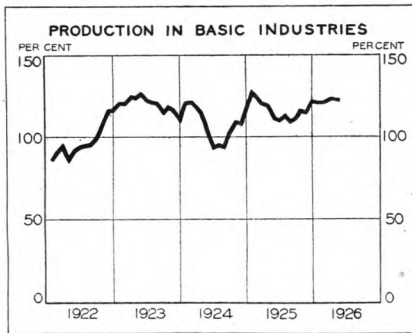
Index of sales of 359 stores (1919=100). Latest figure, April—adjusted index, 129; unadjusted index, 133.



Index of United States Bureau of Labor Statistics (1913=100, base adopted by Bureau). Latest figure—April, 151.



Monthly averages of daily figures for 12 Federal Reserve Banks. Latest figures are averages of first 21 days in May.



Index of 22 basic commodities, adjusted for seasonal variations (1919=100). Latest figure—April, 1926.

were reflected in an increase between the middle of April and the middle of May in borrowings by member banks from the Federal Reserve Bank of New York, while borrowings at most of the other reserve banks declined. Open market holdings of the reserve banks remained fairly constant during the period and there was little change in the total volume of reserve bank credit outstanding.

Money rates late in April reached the lowest levels for a year but in May conditions in the money market became somewhat firmer.

BUSINESS CONDITIONS IN THE PHILADELPHIA FEDERAL RESERVE DISTRICT

The general rate of business activity in the Philadelphia Federal Reserve District has slackened further during the past few weeks; a development largely seasonal in nature, but also attributable to continued price weakness in many of the commodity markets. Sales of retail and wholesale merchants in the district were smaller in April than in March and in most cases were also less than in 1925. Physical distribution of goods, however, as measured by freight car loadings, continues to be well ahead of last year. Debits, also, which furnish a measure of the dollar volume of business, advanced somewhat over the daily rate in March and were 10.7 per cent above the April 1925 figure. Reports of factory employment and payrolls indicate that productive activity in the states of the district, although somewhat less than during February and March, is still ahead of the rate prevailing last year at this time.

The real estate market in Philadelphia and other cities of the district is less active than it was last year, and the volume of construction this spring, though large, is substantially smaller than in 1925. Manufacturers of building materials, particularly bricks, paint and plumbing supplies, report good demand at steady prices, while lumber dealers report a number of price declines.

BUSINESS INDICATORS Philadelphia Federal Reserve District	April, 1926	Latest figure compared with	
		Previous month	Year ago
Retail trade—Estimated net sales (144 stores)	\$23,536,000	- 4.7%	- 5.6%
Department stores (66).....	\$18,785,000	- 4.9 "	- 6.1 "
Apparel stores (35).....	\$3,008,000	+ 7.6 "	- 5.4 "
Shoe stores (24).....	\$860,000	-18.4 "	- 1.6 "
Credit stores (19).....	\$983,000	+ 5.2 "	+ 0.5 "
Wholesale trade—net sales (145 firms)	\$9,843,625	- 6.9 "	- 0.7 "
Boots and shoes (10 firms).....	\$344,067	-27.0 "	-11.5 "
Drugs (14 firms).....	\$1,690,843	-11.6 "	+5.5 "
Dry goods (17 firms).....	\$929,980	-16.7 "	- 3.4 "
Electrical supplies (6 firms).....	\$584,089	-11.7 "	+ 1.3 "
Groceries (49 firms).....	\$3,373,640	- 1.9 "	- 0.2 "
Hardware (27 firms).....	\$1,938,925	+ 3.5 "	- 3.7 "
Jewelry (11 firms).....	\$320,741	-16.0 "	+ 4.6 "
Paper (11 firms).....	\$661,340	- 8.2 "	- 3.8 "
Production:			
Shoes * (92 factories).....	prs. 1,306,510	-13.5 "	.....
Pig iron.....	tons 370,605	- 3.0 "	+14.3 "
Hosiery * (112 mills).....	doz. prs. 1,128,476	- 8.3 "	.....
Iron castings (36 foundries).....	tons 6,062	- 6.9 "	+ 5.5 "
Steel castings (11 foundries).....	tons 8,561	- 6.9 "	+15.0 "
Cement.....	bbls. 3,258,000	+ 7.4 "	- 2.4 "
Anthracite.....	tons 8,217,000	- 6.5 "	+12.7 "
Bituminous coal—Pennsylvania.....	tons 10,225,000	-14.7 "	+17.2 "
Wool consumption * (87 mills).....	lbs. 5,770,695	-21.9 "	.....
Active cotton spindle hours (Penna. and N. J.).....	104,661,903	- 5.3 "	-21.8 "
Electric power—13 systems.....	KWH 346,124,000	- 9.2 "	+15.4 "
Distribution:			
Freight car loadings (Allegheny district—weekly average).....	198,108	+ 0.2 "	+ 3.1 "
Tonnage of vessels (Port of Philadelphia).....	tons 3,172,828	- 5.6 "	+ 0.8 "
Exports of wheat (from Port of Philadelphia).....	bus. 1,327,131	-22.1 "	-58.6 "
Exports of flour (from Port of Philadelphia).....	lbs. 4,194,890	-46.8 "	+ 4.3 "
Imports of crude oil (into Port of Philadelphia).....	gals. 13,065,067	-36.7 "	+ 5.4 "
Financial:			
Loans, discounts and investments of member banks (weekly average).....	\$1,150,600,000	+ 1.5 "	+ 6.8 "
Bills discounted held by F. R. B. of Phila. (daily average).....	\$53,295,000	-11.0 "	+39.6 "
Acceptances executed (11 banks for month ended May 10).....	\$3,603,000	- 9.0 "	+ 8.9 "
Commercial paper sales (6 dealers).....	\$8,237,200	+60.5 "	+11.0 "
Savings deposits (99 banks).....	\$591,201,000	- 0.3 "	+ 4.6 "
General:			
Debits (18 cities).....	\$2,495,530,000	- 2.9 "	+10.7 "
Commercial failures—number.....	55	-15.4 "	-42.7 "
Commercial failures—liabilities.....	\$2,831,463	+59.3 "	+76.3 "
Building permits (16 cities).....	\$18,955,107	- 9.8 "	-39.6 "
Building contracts awarded (Philadelphia district).....	\$36,375,731	-20.4 "	-27.7 "
Employment—1,268 plants in Penna., N. J. and Del.:			
Number of wage earners.....	437,370	- 1.0 "	+ 2.2 "
Total wages.....	\$11,635,892	- 1.8 "	+ 6.7 "
Average weekly earnings.....	\$26.60	- 0.9 "	+ 4.0 "
Sales of life insurance (Penna., N. J. and Del.).....	\$94,895,000	- 1.5 "	+ 5.5 "

* Bureau of Census preliminary figures.

Output of anthracite and bituminous coal continues large, although the market for the latter variety and for steam sizes of hard coal is reported as being quiet. Buying of iron and steel products has slackened lately, but production of pig iron and steel ingots continues at a rate above that of last year. The unfilled orders of the United States Steel Corporation, on April 30, were 12 per cent smaller than they were a month earlier, and about the same amount less than on April 30, 1925.

Conditions in the textile industries of the district have become still more unsatisfactory during the past few weeks. Operations in textile mills of the district declined nearly 9 per cent from March to April and employment declined over 4 per cent, while our preliminary figures indicate a further recession during May. Much the same conditions are reported by manufacturers of cotton, wool and silk goods: price weakness in the raw material and finished goods markets, slackened buying and curtailment of opera-

tions. Poor business is also reported in the carpet and rug industry and in seamless hosiery as well, but continued good demand is reported for full-fashioned hosiery.

Some improvement has occurred in the hide market, but the leather market is quiet and business in shoes compares unfavorably with that of last year. Sales of mechanical rubber goods have been retarded by the late spring and prices of these products and of crude rubber have fallen further. Tires are now selling fairly well although many factories have reduced operations.

Generally speaking, the agricultural outlook in the district is fairly satisfactory. The late spring, it is true, has delayed planting and retarded the growth of crops, but the present condition of fruit and most truck crops in the district is excellent and livestock also is reported in good condition. The downward trend in prices of agricultural products is less pronounced and quotations for many products have recently advanced.

City conditions. The accompanying table, showing changes in business indicators in 13 cities, indicates that conditions are far from uniform throughout the Philadelphia Federal Reserve District. In most of the cities of the district, sales of electric power, debits, factory employment and wage payments declined from March to April. The value of building permits, however, in most cases, shows large increases, although in Philadelphia a decrease of 22 per cent occurred.

Comparisons of April activity with that of the previous year also show striking variations between cities. In Philadelphia, Wilkes-Barre, Williamsport and Wilmington factory activity is considerably greater this year, while in Johnstown, Scranton and Trenton large declines have occurred. Building activity and retail trade, in most of the cities, was less in April, 1926 than in the same month last year. Debits, however, were greater in all the cities but Lancaster and Wilkes-Barre.

RETAIL TRADE

Compared with the volume of business in the month ended April 20, trading at retail in the Philadelphia reserve district has improved but slightly during the past four weeks. Most of the reports received by this bank show that prices in general continue unchanged.

Sales of all reporting firms in April were 4.7 per cent smaller than in March and 5.6 below those in April, 1925. Gains over March sales were shown by credit and women's apparel stores, whereas decreases occurred in shoe and men's apparel stores. Compared with a year ago, sales at department, shoe and apparel stores were smaller, credit stores alone showing a slight increase. Supplies on April 30 were somewhat lower than those on the corresponding date last month and a year before. Stock turnover in the first four months of 1926 was 1.07 per cent as compared with 1.06 per cent for the same period last year.

CITY CONDITIONS Philadelphia Federal Reserve District	April, 1926, compared with April, 1925						
	Employment	Wage payments	Value of building permits	Debits	Savings deposits	Retail trade sales	Electric power sales
Allentown area.....	+ 4.0%	+ 9.4%	+ 4.0%	+13.3%	+10.8%	- 3.9%	+18.9%
Altoona ".....	.....	.....	-14.7 "	+ 7.4 "	+13.4 "	- 7.7 "	+16.9 "
Harrisburg ".....	+ 6.1 "	+10.1 "	-19.4 "	+ 1.5 "	+ 5.2 "	- 5.5 "	+15.2 "
Johnstown ".....	-27.3 "	-22.9 "	.....	+ 0.1 "	+ 0.7 "	-16.7 "	+19.8 "
Lancaster ".....	- 1.8 "	- 0.2 "	-52.5 "	- 2.7 "	+10.8 "	- 2.7 "	+ 2.5 "
Philadelphia ".....	+ 9.3 "	+15.1 "	-44.8 "	+11.9 "	+ 6.3 "	- 5.7 "	+15.2 "
Reading ".....	+ 3.6 "	- 0.6 "	-13.9 "	+16.4 "	+ 8.7 "	-10.1 "	+36.0 "
Scranton ".....	-14.5 "	-29.8 "	-63.5 "	+ 3.1 "	- 1.3 "	+ 7.6 "	+26.0 "
Trenton ".....	- 8.8 "	- 9.8 "	-50.9 "	+ 5.4 "	+ 6.2 "	- 6.5 "	+19.6 "
Wilkes-Barre ".....	+18.8 "	+ 8.8 "	-14.0 "	- 3.8 "	- 5.6 "	-11.7 "	.....
Williamsport ".....	+10.6 "	+18.0 "	+343.1 "	+12.5 "	+ 2.8 "	+ 4.0 "	.....
Wilmington ".....	+16.6 "	+15.8 "	-50.0 "	+21.7 "	+ 6.3 "	+ 0.6 "	+46.9 "
York ".....	- 0.5 "	- 0.1 "	-52.7 "	+11.0 "	+ 3.4 "	+ 4.2 "	+15.7 "

April, 1926, compared with March, 1926

Allentown area.....	- 0.3%	- 0.4%	+71.9%	+ 6.1%	- 1.8%	- 6.3%	- 0.6%
Altoona ".....	.....	.....	+92.1 "	- 4.3 "	+ 0.4 "	- 8.7 "	- 7.1 "
Harrisburg ".....	- 2.3 "	- 3.4 "	+17.0 "	- 0.5 "	+ 1.6 "	-22.9 "	- 1.1 "
Johnstown ".....	+ 1.5 "	- 2.0 "	.....	+ 5.0 "	+ 1.6 "	+ 5.7 "	-10.6 "
Lancaster ".....	- 1.2 "	- 3.3 "	- 5.4 "	+ 3.0 "	+ 1.6 "	+ 3.5 "	- 3.6 "
Philadelphia ".....	- 1.1 "	- 2.6 "	-22.0 "	- 3.4 "	- 0.1 "	- 7.1 "	+ 0.5 "
Reading ".....	- 1.5 "	- 3.5 "	+166.4 "	- 1.2 "	- 1.0 "	+10.8 "	+ 6.1 "
Scranton ".....	- 4.3 "	- 9.0 "	+65.9 "	- 3.4 "	- 1.1 "	+25.3 "	+ 4.3 "
Trenton ".....	- 6.5 "	- 8.7 "	+17.2 "	- 6.2 "	- 1.4 "	+ 3.2 "	+ 1.2 "
Wilkes-Barre ".....	+ 0.0 "	+ 0.5 "	+11.4 "	+ 3.9 "	- 1.2 "	+11.0 "	.....
Williamsport ".....	+ 3.9 "	+ 3.2 "	+42.5 "	- 2.3 "	+ 0.5 "	+10.8 "	.....
Wilmington ".....	- 1.9 "	+ 1.1 "	-51.2 "	-19.2 "	+ 0.1 "	+ 3.7 "	- 3.5 "
York ".....	+ 0.7 "	+ 2.0 "	+56.3 "	+ 9.3 "	+ 0.0 "	- 6.1 "	- 0.6 "

* Includes Wilkes-Barre and Williamsport areas. ** Production (not sales). † Includes Camden area. ‡ Included in Allentown area.

FINANCIAL CONDITIONS

Changes in the condition of the Federal Reserve Bank of Philadelphia are given below:

Dollar figures in millions	May 19 1926	Changes in	
		Four weeks	Year
Bills discounted.....	\$ 46.0	-\$2.9	+\$11.3
Other bills and securities.....	38.9	- 1.7	- 9.2
Total.....	\$ 84.9	-\$4.6	+\$ 2.1
Fed. res. note circulation.....	136.9	- 1.7	- 13.1
Total deposits.....	140.4	+ 2.9	+ 6.3
Reserve cash.....	214.7	+ 5.8	- 8.8
Reserve ratio.....	77.4%	+ 1.8%	- 1.3%

The Federal reserve note circulation of this bank on May 19 was lower than at any time since 1918. This was due, at least in part, to the replacement of a portion of these notes by the use of an increased amount of gold certificates in the last two or three years. Money of all kinds in circulation throughout the country on May 1 amounted to 4,854 millions, an increase of 129 millions, or 2.7 per cent in a year. Manufacturing payrolls in this district in April were 6.7 per cent higher than a year ago and commercial loans at reporting member banks increased 3.5 per cent.

In the three weeks from April 21 to May 12 the loans of reporting member banks in four of the leading cities of this district rose from 796.2 to 804.9 millions, reaching the highest point since these figures became available in 1921. The gain in the three weeks represented an increase of 4.1 millions in loans on securities and 4.6 millions in commercial loans. In the subsequent weeks these items declined 12.1 and 6.2 millions, respectively, making a net decrease of 9.6 millions in total loans in the last four weeks. Investments fell from 359.1 to 355.7 in this period.

Commercial paper dealers report a fairly good demand for paper in Philadelphia. Sales are limited by the small supply. Some paper is offered at 3¼ per cent, but most sales here are made at 4 to 4¼ per cent, according to reports. This compares with 4¼ to 4½ per cent a month ago. The sales of six reporting dealers amounted to \$8,237,200 in April, as compared with \$5,132,500 in March, and \$7,423,500 in April, 1925.

RETAIL TRADE Philadelphia Federal Reserve District	Comparison of net sales		Comparison of stocks		Rate of turnover Jan. 1 to April 30	
	Apr., 1926, with Apr., 1925	Jan. 1 to Apr. 30, 1926, with Jan. 1 to Apr. 30, 1925	Apr. 30, 1926, with Mar. 31, 1926	Apr. 30, 1926, with Apr. 30, 1925	1925	1926
All reporting firms.....	- 5.6%	+ 1.5%	- 2.2%	- 1.5%	1.06	1.07
All department stores.....	- 6.1 "	+ 0.4 "	- 2.5 "	- 2.2 "	1.05	1.07
in Philadelphia.....	- 6.6 "	+ 1.7 "	- 4.4 "	- 0.5 "	1.14	1.14
outside Philadelphia.....	- 4.9 "	- 2.5 "	- 1.7 "	- 5.5 "	.87	.91
All apparel stores.....	- 5.4 "	+ 6.7 "	+ 0.1 "	+ 4.5 "	1.28	1.25
Men's apparel stores.....	- 8.5 "	- 0.8 "	+ 3.8 "	- 4.5 "	.82	.84
in Philadelphia.....	- 5.0 "	+ 1.4 "	+ 3.2 "	- 6.3 "	.85	.90
outside Philadelphia.....	-12.8 "	- 4.0 "	+ 4.7 "	- 1.3 "	.75	.74
Women's apparel stores.....	- 6.9 "	+ 2.0 "	- 0.7 "	- 5.4 "	1.71	1.73
in Philadelphia.....	- 7.5 "	+ 2.4 "	- 1.0 "	- 4.8 "	1.78	1.76
outside Philadelphia.....	- 3.0 "	- 0.3 "	+ 0.4 "	- 8.5 "	1.41	1.58
Credit houses.....	+ 0.5 "	+ 4.3 "	- 2.5 "	- 7.5 "	.79	.91
Shoe stores.....	- 1.6 "	+ 7.3 "	- 1.3 "	+ 6.8 "	.92	.90

WHOLESALE TRADE

Business at wholesale has been, in general, fair during the past four weeks, and prices, on the whole, have continued unchanged from those prevailing in the month ended April 20. Compared with the volume of a year ago, sales in April were larger in drugs, electrical supplies and jewelry, but those of shoes, drygoods, groceries, hardware and paper were smaller. Only in the hardware trade was the April volume larger than that of March. Except for drugs and groceries, stocks at the close of April were lighter than those on the same date last year. Collections, though somewhat slower than in March, were more prompt than those in April, 1925.

Drygoods. Trading in drygoods at wholesale continues moderate, the demand for novelties and summer goods being as active as it was during the four weeks ended April 20. Orders for delivery within the next thirty days predominate. Price reductions, particularly in cotton goods, are noted by most wholesalers in this district. Sales in April were nearly 17 per cent below the volume in March, but were 3.4 per cent above those in April, 1925.

Jewelry. Since April 20, trading in jewelry has been moderate and it has compared favorably with the volume of a year ago. Prices remain unchanged from those of four weeks ago. April sales were 16 per cent below those in March but nearly 5 per cent greater than those a year before. Collections are prompt.

Groceries. Business in groceries has improved somewhat since April 20, although the demand does not appear to be as active as it was at this time last year. Items showing declines in price outnumber those that registered advances during the past thirty days. April sales were nearly 2 per cent smaller than those in March.

Paper. Wholesalers report that trading in various grades of paper has been comparatively quiet during the past month, although sales compare favorably with those of a year previous. Moderate sales are reported by manufactures, mostly for delivery within sixty days. Operations at paper mills now average 85 per cent of capacity and unfilled orders, which are slightly smaller than those a month ago, will insure plant activity at this rate for about 36 days. Stocks are moderately light. Manufacturers' and dealers' price in the main remain unchanged from those prevailing at the same time last month.

Electrical supplies. Apart from the moderate demand for seasonable goods, this market is relatively quiet, and, in the main, no changes have occurred in prices since April 20. Sales in April exceeded those of a year ago by 1.3 per cent, but were 11.7 per cent below the volume reached last March.

WHOLESALE TRADE Philadelphia Federal Reserve District	Net sales, Apr., 1926, compared with		Stocks, Apr., 1926, compared with		Accounts outstanding, Apr., 1926, compared with		Ratio of accounts outstanding to sales		
	Apr., 1925	Mar., 1926	Apr., 1925	Mar., 1926	Apr., 1925	Mar., 1926	Apr., 1925	Mar., 1926	Apr., 1926
	Boots and shoes	-11.5%	-27.0%	-23.4%	+1.9%	+2.6%	-4.4%	253.1%	221.2%	296.9%
Drugs	+5.5	-11.6	+12.6	+5.5	+8.7	-1.6	146.2	136.7	149.5
Dry goods	-3.4	-16.7	-0.7	-1.9	+2.7	-3.3	249.7	228.7	265.5
Electrical supplies	+1.3	-11.7	-19.6	-2.3	+1.5	-5.6	126.5	118.7	126.7
Groceries	-0.2	+1.9	+6.5	-3.3	+2.1	-1.3	107.1	113.7	111.8
Hardware	-3.7	+3.5	-9.8	-0.5	-2.7	+4.1	177.5	178.2	178.9
Jewelry	+4.6	-16.0	-13.4	+2.4	+9.4	+2.4	433.2	371.8	453.0
Paper	-3.8	-8.2	-3.0	+0.3	-5.5	-0.3	139.4	126.0	136.9

Hardware. Since April 20 a substantial improvement has occurred in the hardware market, the demand for spring and summer goods being active. Compared with last month, prices as a rule remain unchanged. April sales exceeded those in March by 3.5 per cent, but were 3.7 per cent below the volume in April, 1925.

Drugs. During the past four weeks business in various drugs has not been as brisk as that a month ago, the demand being active only for certain seasonable goods. Some reports show weakness in prices, but quotations generally remain unchanged from last month's levels.

Shoes. The distribution of shoes has been somewhat slower than that during the month ended April 20. Prices, however, remain as firm as they were four weeks ago. April sales were 27 per cent below those of March and 11.5 per cent lower than in April, 1925.

AUTOMOBILE TRADE

April sales of 15 automobile distributors in the Philadelphia Federal Reserve District were substantially larger than in the previous month, the improvement being chiefly of a seasonal nature. Wholesale business was 39 per cent larger in number of cars and 36 per cent greater in value, the largest gains occurring in sales of lower priced cars. Retail sales also were greater in April although the

AUTOMOBILE TRADE Philadelphia Federal Reserve District 15 distributors	April, 1926 change from March, 1926	
	Number	Value
Sales, new cars, wholesale	+39.5%	+35.8%
Cars under \$1,000	+45.7	+43.0
Cars \$1,000 to \$2,000	+30.4	+30.2
Cars over \$2,000	+36.1	+34.5
Sales, new cars, at retail	+11.3	+13.7
Cars under \$1,000	+10.5	+10.6
Cars \$1,000 to \$2,000	+19.3	+16.5
Cars over \$2,000	+13.9	+21.2
Stocks of new cars	-22.5	-18.7
Cars under \$1,000	-21.4	-18.7
Cars \$1,000 to \$2,000	-25.9	-18.5
Cars over \$2,000	-19.4	-18.7
Sales of used cars	+6.5	-0.9
Stocks of used cars	-2.6	+5.5
Retail sales, deferred payment	+39.9	+33.3

increase was only about a third as large as in the wholesale volume. Medium priced and high priced cars showed relatively greater improvement than the lower priced cars. Used cars also sold in greater numbers than in March. It is interesting that retail sales on deferred payment increased 33 per cent as compared with only 14 per cent gain in total retail business. The stocks of new cars accumulated during the past two months naturally were greatly reduced.

ELECTRIC POWER

Electric central stations in the Philadelphia Federal Reserve District reported substantial declines in the output of electric power in April as compared with March. Sales of electricity were also reported in smaller volume than in the preceding month. These losses, however, were partially, and in some cases entirely attributable to the fewer days in April. In fact April sales of electric power to industries showed an actual increase of 2.9 per cent, which indicates a gain of more than 6 per cent in the average daily consumption by industrial plants.

ELECTRIC POWER Philadelphia Federal Reserve District	April, 1926 * change from	
	March, 1926	April, 1925
Rated generator capacity	0%	+10.1%
Generated output	-9.2%	+15.4
Hydro-electric	-14.9	+107.6
Steam	-8.7	+12.4
Purchased	-10.8	+23.4
Sales of electricity	-2.4	+19.8
Lighting	-1.0	+25.1
Municipal	-11.4	+11.3
Residential and commercial	+0.4	+27.1
Power	-0.5	+16.5
Municipal	-5.4	+10.2
Street cars and railroads	-11.1	+4.2
Industries	+2.9	+20.7
All other sales	-17.8	+31.2

* 13 systems

EMPLOYMENT AND WAGES

Employment and wages in Pennsylvania, New Jersey and Delaware declined somewhat from March to April. The changes in most cases were not large, although the majority of industries in

the three states shared in this decline.

There is still recession in the textile group, especially in wage payments, the decrease in April being somewhat greater than that reported for March. The largest losses in the textile group were reported by clothing and hat factories and silk and woolen mills. The rubber tire and goods industry also show a marked decline in both employment and wages.

Seasonal increases in both employment and wages are reported by the entire construction and contracting group. A large increase in wage payments in explosives is chiefly due to the figures of one plant that reports the gain as being due to the settlement of the coal strike.

REAL ESTATE

As indicated by the volume of financing and sales of commercial buildings and houses, the real estate market throughout this district is somewhat less active than it was in the spring of 1925. The demand for houses selling at \$6,000 or less equals that of a year before, but the call for residences selling at from \$6,000 to \$10,000 and over appears to be a trifle slower. From 75 to 95 per cent of all residences under construction are for sale. More expensive houses and apartments, the supply of which is abundant, do not rent as readily as do dwellings leasing at from \$40 to \$60 a month. On the whole, however, the demand for renting houses throughout the district at rates slightly easier than those of a year ago is much the same as it was last fall. The supply of office room is plentiful. Quotations for residential and commercial sites generally are steady, except for concessions on properties at forced sale.

Mortgage funds are ample and prospective buyers have little or no difficulty in obtaining loans from trust companies or building and loan associations at the prevailing rate of about 6 per cent. Commissions charged by mortgage brokers range from 1 to 3 per cent for good first mortgages and from 3 to 5 per cent for desirable second mortgages.

BUILDING

Reports received from 16 cities in this district show that in April, 3,842 permits were issued, calling for an expenditure of \$18,955,107, compared with 2,876 permits and an estimated cost of \$21,022,232 in March. In April, 1925, permits numbered 4,011, the estimated cost of which totaled \$31,369,637. Building contracts awarded in the Philadelphia reserve district, in April, amounted to \$36,375,731 as against \$45,718,566 in March and \$50,291,472 in April, 1925. Construction cost, which is somewhat above that of a year ago, continues practically unchanged from last month's level.

Brick. Both building brick and refractory manufacturers report gains in

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	
		Apr. 15, 1926	Per cent change	Apr. 15, 1926	Per cent change	Apr. 15, 1926	Per cent change
All industries (52)	1,268	437,370	- 1.0	\$11,635,892	- 1.8	\$26.60	- 0.9
Metal manufactures:	405	203,825	+ 0.3	5,870,734	- 0.4	28.80	- 0.7
Automobiles, bodies, and parts...	25	11,397	+ 2.0	356,052	+ 1.2	31.24	- 0.9
Car construction and repair.....	21	23,259	+ 2.0	683,198	+ 1.8	29.37	- 0.2
Elec. machinery and apparatus....	39	19,826	- 3.7	510,639	+ 0.7	25.76	+ 4.5
Engines, machines, mach. tools....	57	15,233	+ 1.2	448,390	+ 1.9	29.44	+ 0.7
Foundries and machine shops.....	75	13,033	- 0.8	384,122	- 1.3	29.47	- 0.5
Heating appliances and apparatus...	20	6,510	- 0.2	195,974	- 3.4	30.10	- 2.9
Iron and steel blast furnaces.....	13	14,080	- 0.7	402,524	- 1.5	28.59	- 0.8
Iron and steel forgings.....	12	4,125	- 0.9	121,335	- 3.4	29.41	- 2.5
Steel works and rolling mills.....	48	45,393	+ 1.4	1,319,988	- 1.5	29.08	- 2.8
Structural iron works.....	20	5,974	+ 0.8	167,042	- 0.1	27.96	- 1.0
Misc. iron and steel products.....	43	26,189	- 1.2	752,980	- 2.1	28.75	- 0.9
Shipbuilding.....	9	12,010	+ 1.8	346,006	+ 4.4	28.81	+ 2.5
Hardware.....	8	2,020	- 2.2	52,105	- 2.5	25.79	- 0.7
Non-ferrous metals.....	15	4,776	+ 5.2	130,379	- 2.9	27.30	- 7.7
Textile products:	252	76,904	- 3.4	1,621,186	- 8.6	21.08	- 5.4
Carpets and rugs.....	13	3,752	+ 0.8	99,169	- 3.0	26.43	- 3.7
Clothing.....	43	6,498	- 5.9	111,645	- 8.0	17.18	- 2.2
Hats, felt and other.....	9	4,879	- 2.0	99,060	-23.8	20.30	-22.3
Cotton goods.....	29	9,799	- 1.0	213,169	- 4.2	21.75	- 3.3
Silk goods.....	60	21,083	- 6.1	398,442	-10.2	18.90	- 4.4
Woolens and worsteds.....	24	6,982	- 6.5	138,512	-12.7	19.84	- 6.7
Knit goods and hosiery.....	45	14,640	- 1.7	346,341	- 5.2	23.66	- 3.5
Dyeing and finishing textiles.....	22	7,786	- 0.3	184,059	- 7.9	23.64	- 7.6
Miscellaneous textile products.....	7	1,485	- 2.6	30,789	- 0.7	20.73	+ 2.0
Foods and tobacco:	133	31,305	- 1.2	667,383	- 2.1	21.32	- 0.9
Bakeries.....	39	4,625	+ 1.7	134,228	- 1.2	29.02	- 2.8
Canneries.....	7	3,461	+ 2.7	70,761	- 0.2	20.45	- 2.8
Confectionery and ice cream.....	26	5,403	- 5.9	118,547	- 4.3	21.94	+ 1.7
Slaughtering and meat packing....	15	2,714	- 2.9	74,168	- 3.8	27.33	- 0.9
Sugar refining.....	3	2,965	- 0.9	89,371	- 3.5	30.14	- 2.6
Cigars and tobacco.....	43	12,137	- 0.9	180,308	- 0.7	14.86	+ 0.2
Building materials:	99	28,479	- 0.2	834,531	+ 0.1	29.30	+ 0.3
Brick, tile, and terra cotta products	41	5,767	+ 1.2	152,707	+ 4.4	26.48	+ 3.2
Cement.....	15	8,326	+ 1.4	258,623	+ 1.9	31.18	+ 0.5
Glass.....	28	9,382	- 2.8	264,007	- 4.9	28.14	- 2.2
Pottery.....	15	5,004	+ 0.5	158,194	+ 2.1	31.61	+ 1.5
Construction and contracting:*	33	3,936	+16.2	109,262	+17.5	27.76	+ 1.1
Buildings.....	19	1,881	+ 6.6	60,875	+ 8.5	32.36	+ 1.8
Street and highway.....	4	879	+ 9.1	18,987	+14.9	21.60	+ 5.4
General.....	10	1,176	+44.1	29,400	+44.4	25.00	+ 0.2
Chemicals and allied products:	86	34,000	- 1.8	1,022,441	+ 1.8	30.07	+ 3.7
Chemicals and drugs.....	47	8,428	- 2.6	235,951	- 0.8	28.00	+ 1.9
Explosives.....	12	3,574	- 0.3	104,996	+15.2	29.38	+15.5
Paints and varnishes.....	16	1,706	+ 0.5	44,941	- 0.4	26.34	- 0.9
Petroleum refining.....	8	19,308	- 1.4	605,891	+ 1.3	31.38	+ 2.8
Coke.....	3	984	-10.7	30,662	- 5.3	31.16	+ 6.0
Miscellaneous industries:	260	58,921	- 2.7	1,510,355	- 4.1	25.63	- 1.4
Lumber and planing mill products ⁸	32	4,520	- 2.5	94,880	- 4.1	20.99	- 1.6
Furniture.....	26	3,454	- 1.7	84,987	- 3.4	24.61	- 1.7
Musical instruments.....	7	9,005	- 0.5	257,556	- 0.4	28.60	+ 0.1
Leather tanning.....	34	9,015	- 2.7	233,042	- 4.4	25.85	- 1.8
Leather products.....	12	2,182	- 6.6	47,031	- 4.2	21.55	+ 2.5
Boots and shoes.....	28	5,116	- 3.0	96,644	- 7.1	18.89	- 4.2
Paper and pulp products.....	28	6,557	- 1.1	170,405	- 0.6	25.99	+ 0.5
Printing and publishing.....	50	5,027	+ 1.7	164,367	+ 0.7	32.70	- 0.9
Rubber tires and goods.....	17	4,854	-15.3	126,634	-19.9	26.09	- 5.4
Novelties and jewelry.....	13	4,708	+ 1.5	115,450	- 0.4	24.52	- 1.9
All other industries.....	13	4,483	- 1.3	119,359	- 3.3	26.62	- 2.1

* Pennsylvania only.

the volume of business during the past four weeks, the demand being more active than that in the previous month and a year ago. Producers of brick are now working at about 90 per cent of capacity and operations at refractory plants average 70 per cent. Stocks are not excessive, although, compared with a month ago, they are increasing. Prices generally are firm and unchanged from last month's levels.

Lumber. The market for lumber continues as active as it was four weeks ago, but the demand lags somewhat behind that of a year ago. Nearly all buying is either for quick shipment or for delivery within two months. Mill

operations in this district average 80 per cent of capacity. Unfilled orders, which are a trifle below last month's volume, are sufficient to insure plant activity at this rate for over two months. Stocks generally are moderate. Since April 1, quotations for various grades of lumber have declined more than one per cent, but they are slightly above those of a year before.

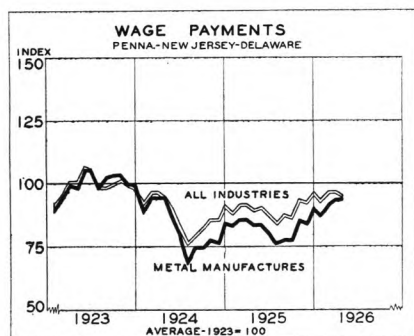
Paint. Compared with that of last month and a year ago, business in paints and varnishes has increased considerably. At present, the demand is active and approximately 90 per cent of the orders call for delivery within the next two months. Since April 23 production has

increased: mills are now working at about 80 per cent of capacity. Stocks in the main are not excessive. Prices are firm and are unchanged from those of four weeks ago. Collections continue fair.

Plumbing supplies. Manufacturers of plumbing supplies and dealers report that the market for their products is active; in fact, during the past four weeks the demand has increased materially over that of the previous month and compares favorably with that of a year ago. Plant operations in this district average 85 per cent of capacity as against 70 per cent at this time last year. With a few exceptions, stocks are not burdensome. Prices remain unchanged.

IRON AND STEEL

The distribution of iron and steel products continues at about the same moderate rate as four weeks ago, although ordering for delivery during the third quarter is relatively slow. The demand for castings, however, is active and purchases by railroads, machine builders, cement mills and coal mine operators exceed those of four weeks ago. Business in hardware also is good. Compared with that of last month, the call for pig iron, scrap and track supplies remains practically unchanged, but sales of machinery and tools are somewhat smaller. About half of the manufacturers reporting to this bank are now working at from 80 to 100 per cent of capacity, but the average rate is 75 per cent. Furnaces in blast in this district on May 1 numbered 31 with a daily capacity of 12,065 tons as against 33 active stacks with a daily capacity of 12,975 tons on April 1. Stocks of finished products and raw materials, in the main, continue moderate and are unchanged from those on the corresponding date last month.



Wage payments in metal industries closely parallel those in all industries, but, compared with 1923, the metal trades have been less active since the summer of 1924. In the last two months payrolls in metal industries have increased, whereas those in all industries have declined slightly.

Source—Federal Reserve Bank of Philadelphia

Production of pig iron in the Philadelphia reserve district during April was nearly 3 per cent below that in March but was 14 per cent above that in April 1925. Unfilled orders and production of pig iron and steel ingots in the United States during April were as follows:

In gross tons (000's omitted)	April, 1925	March, 1926	April, 1926
Production in the U.S.—			
Pig iron.....	3,259	3,442	3,450
Steel ingots.....	3,584	4,488	4,124
Unfilled orders—			
U.S. Steel Corp.	4,447	4,380	3,868

Since April 20 average quotations for iron and steel have declined nearly two per cent. The "Iron Age" composite prices on May 25 stood at 2.403 cents a pound for finished steel and \$20.04 a ton for pig iron, compared with 2.439 cents and \$20.46, respectively, one month ago. On May 25, Philadelphia 2X pig iron sold at \$22.76 a ton as against \$23.26 on April 20 and \$21.26 on May 26, 1925. During the past four weeks Connellsville furnace coke, which is now selling at \$2.85 a ton at the oven, has dropped 15 cents a ton. Collections in the iron and steel market are satisfactory.

Iron foundries. In April, the volume of unfilled orders registered a slight gain over that in March but was nearly 23 per cent below the tonnage of a year ago. Shipments also exceeded those in March by about 2 per cent and were 10 per cent greater than in April, 1925. Compared with the same period last year, production in April was larger, but was considerably below the March volume. Stocks of scrap at the close of April showed a large increase over those on the corresponding date of last month and of 1925.

Iron foundry operations	April	Change from March, 1926	Change from April, 1925
Capacity.....	12,615 tons	0	0
Production.....	6,062 "	-6.9%	+5.5%
Malleable iron.....	622 "	-15.5 "	+8.0 "
Gray iron.....	5,440 "	-5.8 "	+5.2 "
Jobbing.....	3,798 "	-4.4 "	+0.7 "
For further mfr.....	1,642 "	-8.8 "	+17.2 "
Shipments.....	5,510 "	+1.9 "	+10.4 "
Value.....	\$721,013	+0.2 "	+2.2 "
Unfilled orders.....	4,507 tons	+0.4 "	-22.6 "
Value.....	\$639,588	-9.8 "	-20.9 "
Raw stock.....			
Pig iron.....	7,579 tons	+1.2 "	+5.0 "
Scrap.....	4,035 "	+23.2 "	+20.0 "
Coke.....	1,973 "	+2.5 "	-3.8 "

Steel foundries. Owing mainly to a large increase in tonnage at one foundry, the volume of unfilled orders at the end of April in the Philadelphia reserve district exceeded that of March 31 by 45 per cent and was 68 per cent greater than that of April 30, 1925. Production and shipments, which were considerably above those of a year ago, were smaller than in March. Stocks

of pig iron and scrap also declined, but supplies of coke on May 1 were heavier than on April 1 by nearly 12 per cent and greater by 14.4 per cent than on the corresponding date last year.

Steel foundry operations	April	Change from March, 1926	Change from April, 1925
Capacity.....	12,190 tons	0	0
Production.....	8,561 "	-6.9%	+15.0%
Shipments.....	5,813 "	-0.1 "	+14.1 "
Value.....	\$851,606	-9.8 "	-7.2 "
Unfilled orders*.....	9,606 tons	+45.0 "	+68.1 "
Value*.....	\$1,549,185	+45.6 "	+61.4 "
Raw stock.....			
Pig iron.....	2,755 tons	-19.6 "	-10.9 "
Scrap.....	8,531 "	-7.4 "	-14.7 "
Coke.....	1,726 "	+11.9 "	+14.4 "

* Figures of one plant omitted.

COAL

Anthracite. The distribution of domestic sizes, especially stove and pea, equals last month's volume, but sales of steam sizes continue dull. Prices of hard coal in Philadelphia have declined more than 3 per cent during the past six weeks, but they are still a trifle above those of a year ago. Stocks are said to be fairly light. Most collieries in Pennsylvania are operating close to capacity. Weekly production has been as follows:

Week ended	In thousands of net tons		Per cent of change
	1925	1926	
April 24.....	1,890	2,037	+7.8
May 1.....	1,936	2,098	+8.4
May 8.....	1,987	1,985	-0.1
May 15.....	1,950	1,904	-2.4

Source: United States Geological Survey.

Bituminous. The market for soft coal is very quiet, sales of lower grades being especially dull. Spot prices are somewhat lower than contract quotations. In Philadelphia, Pool 10 was quoted on May 17 at from \$1.90 to \$2.25 a ton, compared with \$2.05 on April 26 and \$1.70 a ton on May 18, 1925. The "Coal Age" index number, which on April 19 stood at 158 and on May 18, 1925 at 161, was 159 on May 17, 1926. According to estimates by the Bureau of Mines, national stocks of soft coal in the hands of consumers on April 1, 1926, totaled 40,000,000 net tons, as against 45,000,000 tons on February 1 and 44,000,000 on March 1, 1925. At the rate of consumption that prevailed during last February and March, there was on April 1 a sufficient supply of coal to last 26 days as against 37 days on March 1, 1925. The weekly output in the United States is shown below:

Week ended	In thousands of net tons		Per cent of change
	1925	1926	
April 24.....	8,030	9,271	+15.5
May 1.....	7,987	9,125	+15.3
May 8.....	8,277	9,031	+9.1
May 15.....	8,250	9,289	+11.2

Source: United States Geological Survey.

TEXTILES

Cotton. Slackened demand, curtailed production and a downward trend in prices have characterized the market for cotton yarns and fabrics. Quotations for cotton yarns and piece goods are now more than 15 per cent below those of a year previous. Raw cotton is about 20 per cent lower than it was a year ago. During the past four weeks spot cotton has fluctuated between 18.75 and 19.35 cents a pound, selling on May 25 at 18.85 cents a pound, as against 18.90 cents a month ago and 23.95 cents on May 23, 1925.

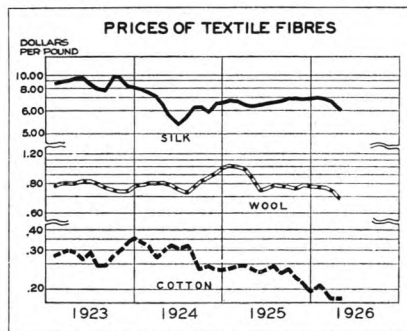
Most reports from makers of cotton goods show reductions in the rate of output. Unfilled orders are sufficient to insure plant operation at the present average rate of about 50 per cent for over a month. Stocks of fabrics are somewhat heavier than are supplies of yarns, though they do not appear excessive. Domestic consumption of cotton, linters included, in April totaled 637,751 bales, compared with 695,125 bales in March and 655,794 bales in April, 1925. Exports for the month ended May 21 were 3.3 per cent below last month's volume but 41.4 per cent above that of a year before. The position of American cotton is:

American cotton * (thousands of bales)	Season '23-'24	Season '24-'25	Season '25-'26
Visible supply at end of previous season (July 31)	870	952	1,125
Crop in sight on May 21	10,751	14,402	15,636
Total	11,621	15,354	16,761
Visible supply on May 21	1,572	2,441	3,551
World's takings to May 21	10,049	12,912	13,210

* Compiled by the New York Cotton Exchange.

Wool. The market for wool fibers and manufactures continues sluggish, and prices of raw materials and finished goods have further declined more than 2 per cent since April 23. Compared with prices of a year ago, domestic wools are 9 per cent lower, foreign wools 20 per cent lower, worsted yarns 11 per cent lower and piece goods, woolen and worsted, about 10 per cent lower, according to figures compiled by the Fairchild Analytical Bureau.

Productive activity in this district is maintained at a fairly steady rate, varying from 65 to 75 per cent of capacity, although some reports show slight curtailment. Stocks are moderate. April wool consumption in this district was 21.9 per cent smaller than in March, and in the country 8.5 per cent smaller. Imports into the United States during April totaled 32,653,289 pounds as against 48,002,435 pounds in March and 28,911,280 pounds in April, 1925. Stocks of wools in and afloat to the United States on



Since February, prices of the principal textile fibers have turned downward. Compared with pre-war quotations, cotton and silk are about 40 per cent higher and wool is 150 per cent higher.

Sources—Journal of Commerce; Dun's Review

March 31, 1926 totaled 268,597,973 pounds, compared with 286,917,690 pounds on December 31, 1925, a decrease of 6.4 per cent.

Silk. Business in silk manufactures continues quiet, the demand for broad silk and thrown silk being less active than it was four weeks ago and at the same time last year. Most buying is for spot delivery. A number of mills have curtailed their output during the past thirty days: silk throwsters are now working at about 65 per cent of capacity and producers of silk fabrics at 70 per cent. Unfilled orders are somewhat smaller than they were a month ago. Stocks of silk yarns are moderate, but those of broad and narrow silks show some accumulation.

Prices of silk goods registered declines for the third consecutive month. Fairchild's index number dropped to 127.53 on May 1 from 127.76 on April 1 and 132.05 on March 1. Last year the index number stood at 124.15 on May 1, 123.61 on April 1 and 123.69 on March 1. Quotations for raw silk have fluctuated in a dull market between \$5.85 and \$6.20 a pound for double-extra cracks, which sold on May 24 at \$6.22 a pound, compared with \$6.60 on May 25, 1925. The movement of raw silk is shown below:

Raw silk * (in bales)	April, 1925	March, 1926	April, 1926
Imports	32,648	31,930	31,450
Stocks	39,271	35,948	30,122
Mill takings	40,040	39,400	37,276

* Silk Association of America.

Hosiery. Conditions in the hosiery industry continue mixed. Makers of full-fashioned silk hosiery for women report good business but those making seamless hosiery find demand poor or, at best, fair. Seamless producers report a decrease in demand since last month and

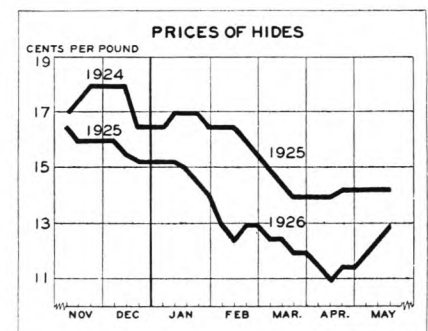
reductions in price have taken place in quite a number of cases. Full-fashioned departments are operating at capacity, unchanged from last month, but operations in seamless divisions have been reduced, according to half of the reports, and now average 61 per cent at reporting factories. Unfilled orders for seamless hosiery have declined in the past month.

Floor coverings. Carpet and rug manufacturers see little improvement in their business. Two-thirds of the reporting firms says that demand is poor. Salesmen on the road report few orders for fall trade.

Stocks of finished goods are about the same as they were a month ago. Operations at reporting plants vary from 10 to 90 per cent of capacity and average 45 per cent. Unfilled orders in most cases are smaller than they were a month ago and will insure operations for from three to four weeks on the average. Prices in most cases are unchanged, though a few firms report them as lower than they were last month. One large manufacturer of linoleum and felt base goods announced a reduction of approximately 10 per cent in felt base rug prices on May 20.

LEATHER AND SHOES

Greater activity in the market for packer hides is reported and prices on several descriptions have advanced considerably in the past month. This increase in prices is said to be due, not only to improvement in quality, but also to a better demand from tanners. The goat-skin market continues to show little change. A fair business in skins for colored kid is being transacted, but those adapted to the manufacture of blacks are quiet and prices have eased somewhat.



Prices of heavy native steer hides at Chicago tended generally downward from December to April in each of the past two years. The recovery up to the middle of May this year was much more marked than that in 1925.

Source—Hide and Leather

Stocks Changes in year ended March 31, 1926	Cattle hides	Calf and kip skins	Goat and kid skins
In hands of—			
Packers and butchers.....	+ 8.0%	- 3.3%	.....
Tanners.....	-18.5%	+18.2%	- 1.9%
Dealers and importers.....	+ 1.5 "	+60.4 "	-18.2 "
Total stocks..	- 5.8%	+23.0%	- 5.0%

The kid leather market is rather quiet, as it is between seasons, and shoe manufacturers have been engaged in making up samples. A slight improvement in the demand for black kid is noted, though colors still are most active. Prices are unchanged. The market for sole leather also is quiet.

New business at shoe factories continues fair, though a number of reports term it poor and it does not equal that of last month. Both April and May are usually light months, insofar as new orders are concerned, but the majority state that demand is below that at this time last year. Stocks of shoes are moderate and, at most plants, are either stationary or declining. Operations have been reduced in a number of instances and the average of all reports received is 67 per cent of capacity. More declines than increases in unfilled orders are reported. One firm is well supplied with advance orders, but the majority have sufficient to permit operations at the present rate for only from two to four weeks. Production of shoes in this district, as reported by 86 establishments to the Bureau of the Census, declined 13.5 per cent from March to April. Detailed figures are given in the table:

PRODUCTION OF SHOES * Philadelphia Federal Reserve District (in thousands of pairs)	April, 1926	Per cent change from Mar., 1926
Boots and shoes, total.....	1,306	-13.5%
High and low cut (leather), total	1,253	-13.4 "
Men's.....	101	-14.9 "
Boy's and youths'.....	165	-15.5 "
Women's.....	193	- 8.5 "
Misses' and children's.....	439	-17.3 "
Infants'.....	355	- 9.1 "
All other leather or part leather footwear.....	53	-15.1 "

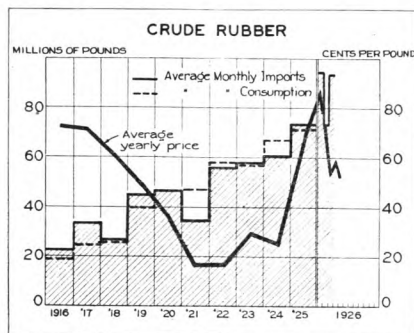
* Preliminary report—Bureau of the Census.

CIGARS

Buying of cigars for prompt delivery is fairly active and prices generally continue steady. Plants making cigars and cigarettes in this district are now working at about 70 per cent of capacity. Stocks are moderate. Collections are fairly satisfactory.

RUBBER PRODUCTS

Spring business in rubber products has been retarded somewhat by the unsea-



Prices of plantation rubber advanced from 13.75 cents a pound in September, 1922, to \$1.105 in December, 1925. By the first week in May, they had dropped to 52 cents a pound. Imports in the first quarter of 1926 were the highest on record.

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

sonable weather. This is particularly marked in the sale of mechanical rubber goods, the demand for which is only fair and does not compare favorably with that of a year before. The market for rubber tires and inner tubes, on the other hand, has improved substantially since April 15. Accordingly, the output of the latter has increased during the past four weeks, whereas production of mechanical rubber goods has been reduced below the volume of a month ago. Manufacturers of rubber products generally are now working at about 65 per cent of capacity. Stocks of finished products do not seem to be burdensome at present.

Prices of tires and tubes have been relatively steady, but quotations for mechanical rubber goods show a downward trend, which is probably due to lower quotations for crude rubber. Prices of plantation rubber have declined recently, first latex crepe selling on May 24 at 47 cents a pound as against 48 cents on April 23 and 93 cents on December 30, 1925. Average quotations for plantation rubber during the first three months of 1926 stood at 70 cents a pound, compared with 38 cents and 26 cents a pound, respectively, in the same periods of 1925 and 1924. The volume of crude rubber imported into the United States in the first quarter of 1926 was the largest on record; it amounted to 263,024,864 pounds as against 203,092,994 and 166,517,853

pounds, respectively, in the corresponding periods of 1925 and 1924.

AGRICULTURE

Cold dry weather has been mainly responsible for the delay in the planting and growth of farm crops in the Philadelphia reserve district during the month ended May 24. Most reports received from county agents show that up to May 1 less than 60 per cent of the principal money crops were in the ground, planting of potatoes and early vegetables alone being nearly completed. By the end of May, however, all plowing and planting will be practically finished.

The condition of such fruits as peaches, pears, plums and apples is excellent, indicating a much greater yield than that of a year ago. Preliminary estimates of truck crops point to an increased output of strawberries, carrots, cabbage and tomatoes, although the lateness of the season has retarded the growth of such vegetables as asparagus, onions, lettuce and spinach. The condition of meadows on May 1 was considerably below normal and the prospect for hay was unfavorable. Recent rains, however, have stimulated the growth of both wild and tame grasses. For the same reason, pastures have revived materially in the last ten days. In comparison with that for the country as a whole, the condition of winter wheat in this district is less favorable. Production of wheat in Pennsylvania, New Jersey and Delaware, as forecast by the condition on May 1, will be about 15 per cent smaller this year than in 1925, whereas in the United States the yield is estimated to be nearly 38 per cent greater.

Less than one half of the steers, which have been fattened on farms throughout this district, have been sent to market, and the balance will be shipped at the close of May or early in June. Live-stock generally is in good condition and is up to normal for May. The number of spring pigs is said to be larger than that of a year ago, but the number of pigs raised per sow is about 90 per cent of that of last spring.

In general, the supply of farm workers is adequate. Owing to increases in quotations for grains, hay, hogs, sheep and lambs, eggs and potatoes, prices of farm products and foods averaged in April slightly higher than in March.

CROP ESTIMATES	Winter wheat				Rye			
	Condition per cent normal		Production bushels (000's omitted)		Condition per cent normal		Production bushels (000's omitted)	
	May 1, 1925	May 1, 1926	Harvested 1925	Forecast 1926	May 1, 1925	May 1, 1926	Harvested 1925	Forecast 1926
United States.....	77	84	398,486	548,908	86.8	81.5	48,696	44,791
Pennsylvania.....	85	79	22,720	19,110	91	82	1,836	1,506
New Jersey.....	93	77	1,218	993	93	83	792	689
Delaware.....	93	86	1,906	1,656	95	89	75	53

Source: U. S. Department of Agriculture.