

THE BUSINESS REVIEW

THIRD FEDERAL
PHILADELPHIA



RESERVE DISTRICT
MAY 2, 1927

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BUSINESS CONDITIONS IN THE UNITED STATES

Industrial activity increased further in March and was larger than a year ago, while the general level of prices continued to decline. Distribution of commodities at wholesale and retail was somewhat smaller than a year ago.

Production. Industrial production, after increasing continuously for three months, was larger in March, when allowance is made for usual seasonal changes, than in any month since last September. Output of bituminous coal, crude petroleum, and steel ingots, and mill consumption of raw cotton in March were larger than in any previous month. Since April 1, however, steel mill operations have been somewhat curtailed, and bituminous coal output has been reduced by about 40 per cent since the beginning of the miners' strike on April 1. The consumption of silk and wool, sugar meltings, flour production and the output of rubber tires increased in March. Production of automobiles has shown seasonal increases since the first of the year, but has been in smaller volume than a year ago. The value of building contracts awarded in March was larger than at any previous time, and the production of building materials has increased considerably in recent weeks.

The largest increases in contracts, as

compared with last year, were in the middle western states, while the largest decreases occurred in the southeastern states. In the first half of April contracts awarded were in slightly smaller volume than in the same period of last year.

Trade. Sales of department stores increased less than usual in March and were slightly smaller than last year, owing in part to the lateness of Easter. Sales of mail order houses and chain stores, however, were somewhat larger than a year ago. Inventories of department stores increased slightly more than is usual in March in anticipation of the expansion in retail trade before the Easter holidays, and at the end of the month they were in about the same volume as a year ago. Wholesale trade in March continued slightly larger than in the corresponding period a year ago. Stocks of merchandise carried by wholesale firms were seasonally larger at the end of March than in February, but in most lines continued smaller than last year.

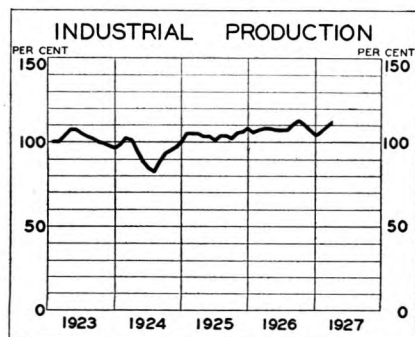
Freight car loadings which showed seasonal increases in March declined in the first ten days of April, owing to the smaller shipments of coal, but continued larger than in the corresponding period of previous years. Loadings of miscel-

laneous freight and of merchandise in less-than-car-load lots were in large volume.

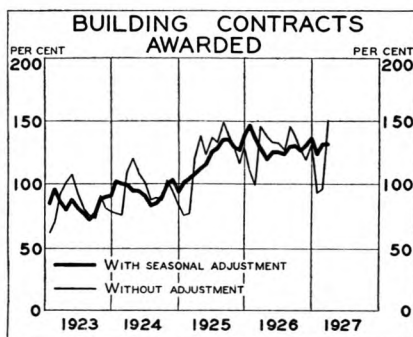
Prices. The general level of wholesale commodity prices declined further in March, reflecting decreases in most of the important groups of commodities. Prices of non-agricultural commodities as a group declined to the lowest level since the war, while the average for agricultural products which advanced somewhat from November to February, remained practically unchanged in March. During the first half of April, prices of winter wheat, sugar, cotton, silk, bituminous coal, and hides advanced; while those of hogs, crude petroleum, gasoline, and non-ferrous metals declined.

Bank credit. There was some decline in the volume of loans for commercial purposes and in loans on securities at member banks in leading cities between the middle of March and the middle of April. Member bank holdings of United States securities, which had increased considerably in the middle of March in connection with the operations of the Treasury, have declined by more than \$100,000,000 since that time, but are still about \$200,000,000 larger than in the early months of the year.

At the reserve banks total bills and



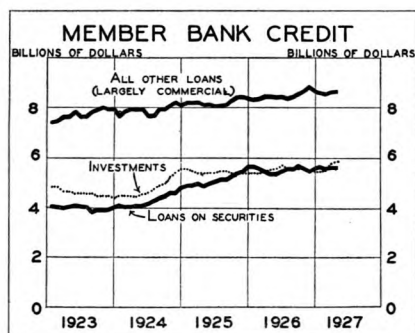
Index number of production of manufactures and minerals combined, adjusted for seasonal variations (1923-25 average = 100). Latest figure—March, 112.



Federal Reserve Board's indexes of value of building contracts awarded as reported by the F. W. Dodge Corporation (1923-25 average = 100). Latest figures—March, adjusted index, 131, unadjusted index, 151.



Index of United States Bureau of Labor Statistics (1913 = 100, base adopted by Bureau). Latest figure—March, 145.3.



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

securities, which have fluctuated near the \$1,000,000,000 level since the end of January, showed little change during the six weeks ending April 20. Discounts for member banks were in about the same volume on that date as on March 9, while acceptances showed a decrease and holdings of United States securities a slight increase.

During the first three weeks of April quoted rates on prime commercial paper and on acceptances were the same as in the latter part of March, while call money averaged somewhat higher.

BUSINESS CONDITIONS IN THE PHILADELPHIA FEDERAL RESERVE DISTRICT

Seasonal business expansion has been somewhat less than usual during the past two months and the current volume of production and distribution in the Philadelphia Federal Reserve District, though large, is below the record high levels reached in the spring of 1926. Factory output in the district, as measured by reports of employment, wage payments and employe-hours worked, was practically constant in February and March, but in April a decline in employment of nearly 3 per cent is indicated by preliminary figures. At this level the number on factory payrolls is less than at any time since 1924.

In the bituminous mining industry there has also been a slackening, owing to the suspension which has been effective in union fields since April 1. Curtailment has not stimulated the market, however, and demand is actually quieter than it was before the strike. Anthracite collieries have been more active in the last few weeks and buying of steam sizes has improved.

There has been further expansion of building in the Philadelphia district. Contract awards in March, as in January and February, were considerably larger than in the same month of last year although residential building was in smaller volume and constituted a much smaller share of the total. The market for building materials, especially for cement, has shown good seasonal strength, and factories making these products are working at within 10 or 15 per cent of capacity.

The iron and steel industries of the

BUSINESS INDICATORS Philadelphia Federal Reserve District		Latest figure compared with	
		Previous month	Year ago
March, 1927			
Retail trade—estimated net sales (136 stores)			
Department stores (61)	\$21,655,000	+20.1%	- 9.1%
Apparel stores (33)	\$18,440,000	+22.7	- 9.0
Shoe stores (25)	\$1,941,000	+17.9	- 6.1
Credit stores (17)	\$585,000	+35.0	-12.4
	\$689,000	-24.0	-16.2
Wholesale trade—net sales (137 firms)			
Boots and shoes (9 firms)	\$9,621,692	+23.7	- 2.3
Drugs (14 firms)	\$356,283	+51.3	-14.1
Dry goods (16 firms)	\$1,759,671	+16.2	- 8.1
Electrical supplies (5 firms)	\$890,890	+39.5	-12.7
Groceries (46 firms)	\$442,572	+4.8	+15.4
Hardware (26 firms)	\$3,144,081	+17.2	+ 1.9
Jewelry (11 firms)	\$1,991,997	+40.8	- 0.1
Paper (10 firms)	\$366,645	+20.8	- 3.7
	\$669,553	+18.6	- 3.4
Production:			
Shoes* (94 factories)	prs. 1,621,782	+18.1	.....
Pig iron	tons 363,230	+19.3	- 4.9
Hosiery* (107 mills)	doz. prs. 1,264,331	+17.3	.....
Iron castings (35 foundries)	tons 5,921	+15.1	- 7.0
Steel castings (12 foundries)	tons 7,512	- 8.7	-19.9
Cement	bbls. 2,997,000	+27.4	- 1.2
Anthracite	tons 6,098,000	+4.2	-30.6
Bituminous coal—Penna.	tons 14,811,000	+12.8	+20.7
Wool consumption* (78 mills)	lbs. 7,754,181	+10.5	.....
Active cotton spindle hours (Penna. and N. J.)	95,677,771	+18.2	-13.5
Electric power—13 systems	KWH 433,138,000	+9.3	+ 8.4
Distribution:			
Freight car loadings (Allegheny district—weekly average)	208,719	+7.8	+ 5.6
Tonnage of vessels (Port of Philadelphia)	tons 3,466,299	+13.2	+ 3.1
Exports of wheat (from Port of Philadelphia)	bus. 1,517,456	+1.5	-10.9
Exports of flour (from Port of Philadelphia)	lbs. 3,938,715	-79.1	-50.0
Imports of crude oil (into Port of Philadelphia)	gals. 12,012,440	+92.3	-41.8
Financial:			
Loans, discounts and investments of member banks (weekly average)	\$1,182,000,000	+1.5	+ 4.2
Bills discount d held by F. R. B. of Phila. (daily average)	\$41,319,000	+15.7	-30.2
Acceptances executed (9 banks for month ended Apr. 10)	\$4,320,000	+12.4	+ 9.1
Bankers' acceptances sales (4 dealers—weekly average for period ended middle following month)	\$2,076,000	-14.8	.....
Commercial paper sales (6 dealers)	\$7,878,000	-19.8	+53.5
Savings d posit (97 banks)	\$645,819,000	+0.5	+ 7.2
General:			
Debits (18 cities)	\$2,623,415,000	+17.1	+ 2.1
Commercial failures—number	83	+22.1	+27.7
Commercial failures—liabilities	\$3,966,722	-52.0	+123.2
Building permits (16 cities)	\$19,097,461	+66.3	- 9.2
Building contracts awarded (Philadelphia district)	\$52,350,551	+58.2	+14.5
Employment—\$66 plants in Penna.:			
Number of wage earners	295,974	+0.2	- 3.2
Total wages	\$7,904,301	-0.2	- 1.9
Average weekly earnings	\$26.71	-0.3	+ 1.3
Sales of life insurance (Penna., N. J. and Del.)	\$106,385,000	+19.6	+10.4

* Bureau of Census preliminary figures.

district have experienced some recent slackening in demand and operations, following an active first quarter. In March production of pig iron and steel both in this district and in the country as a whole was at a very high rate; daily output of steel ingots was the greatest on record. Prices have been fairly steady in recent weeks at levels somewhat below those of last year.

March also witnessed great activity in the cotton and silk industries as indicated by the heaviest mill consumption of raw cotton and mill takings of silk ever recorded. Good business is being done in cotton goods, and prices both of goods and raw cotton, have been fairly steady of late at levels much below those of last year. Quotations for silk goods also are steady and demand is fair, after some improvement since the middle of March. The wool industries are quiet and prices of domestic wool have weakened, despite the rising quotations in the foreign raw wool market. Mill operations in this district are at about 70 per cent of capacity.

A poor market exists for most grades

of hosiery, except women's full-fashioned, which has experienced some improvement in the last month. Business in carpets and rugs has not improved since the Smith auction, at which record sales were made, and operations average less than two-thirds of mill capacity. Clothing producers report a fair volume of spring business at steady prices, and factories in the district are operating at 70 per cent of capacity. The market for packer hides and for sole leather has strengthened, but demand for goatskins and for black and colored kid has weakened since last month. The shoe industry is fairly active and demand is a little better than it was last month.

The later occurrence of Easter this year was probably partly responsible for the poor showing made in March by various lines of retail and wholesale trade. Retail sales of reporting stores were 9 per cent smaller than in 1926, and the wholesale volume declined more than 2 per cent, with losses registered by all lines but electrical supplies and groceries. Freight car shipments in the Allegheny

district, however, during the last four weeks have been 6.6 per cent ahead of those in the same period of 1926 and debits in the district, despite lower whole-sale prices, were 2.1 per cent larger in March, 1927 than in the same month a year earlier.

City conditions. A seasonal improvement has occurred in most of the leading city areas of this district as compared with conditions prevailing in February. In contrast with a year before, however, March proved to be a slightly less active month industrially and commercially than the corresponding period of last year. While nearly all cities listed in the accompanying table showed appreciable gains in savings deposits, the volume of check payments and retail trade declined in most areas from the totals of March, 1926. Factory employment and wage payments also declined somewhat, but the consumption of electric power increased in all cities but Scranton. The value of building permits, too, registered gains, except for Johnstown, Scranton, Williamsport, Philadelphia and Harrisburg.

FINANCIAL CONDITIONS

Large sums were withdrawn by the Government from funds on deposit at commercial banks in this district in the four weeks ended April 20 and in the week of March 30 nearly 4 millions of income tax checks were credited to the account of the Treasurer of the United States. These drains upon the banks exceeded amounts disbursed in the redemption of Government securities and the payment of coupons on Government issues. In the transit clearings, however, owing to a gain of 29.4 millions in the week of April 6, this district had a favorable balance of 20.2 millions in the four weeks. Currency and coin moved outward in anticipation of Easter needs, but returned in considerable volume shortly afterward, with the result that receipts from and payments to banks in the district nearly balanced. Member banks in Philadelphia reduced their indebtedness to the reserve bank from 18.9 to 13 millions, but banks outside of this city added slightly to their borrowings. Cash reserves increased largely and the reserve ratio advanced from 79.9 to 82 per cent, notwithstanding increases in the note and deposit liabilities.

The reports of 127 member banks in the Philadelphia Federal Reserve District show that loans and discounts increased only 1.9 millions and that investments declined 8.3 millions in the four weeks ended April 13. Net demand and time deposits fell off slightly. In the past year the loans of 126 banks increased 8 millions, but investments and deposits gained in much greater measure, the advances in these items being 34 and 36 millions, respectively.

Ninety-seven banks classified their loans and discounts, showing the following changes:

CITY CONDITIONS Philadelphia Federal Reserve District		March, 1927, compared with March, 1926						
		Employment	Wage payments	Value of building permits	Debits	Savings deposits	Retail trade sales	Electric power sales
Allentown	area...	- 7.4%	- 4.7%	+ 53.3%	+ 0.7%	+ 3.6%	+ 2.2%	+ 2.9%
Altoona	"	...	...	+ 49.4	+ 0.9	+ 11.0	+ 3.3	+ 1.3
Harrisburg	"	- 5.1	- 0.4	- 12.9	- 3.8	+ 11.6	- 17.7	+ 0.6
Johnstown	"	+ 9.0	+ 7.6	- 21.1	- 1.6	+ 4.4	+ 8.1	+ 8.1
Lancaster	"	- 8.6	- 10.7	+ 17.1	- 14.3	+ 8.6	+ 3.8	+ 4.0
Philadelphia	"	+ 0.1	+ 2.7	- 16.1	+ 3.8	+ 7.7	- 10.9	+ 8.2
Reading	"	0	- 4.6	+ 15.1	- 0.9	- 1.0	- 9.0	...
Scranton	"	- 11.7	- 10.1	- 30.6	- 2.3	+ 15.3	- 7.2	- 1.7
Trenton	"	- 11.0	- 7.2	+ 8.1	- 0.8	+ 2.2	- 7.8	+ 7.3
Wilkes-Barre	"	- 9.0	- 16.7	+ 14.1	+ 2.0	+ 6.5	+ 1.5	...
Williamsport	"	- 2.9	+ 0.7	- 79.6	+ 4.3	+ 6.5	- 7.5	...
Wilmington	"	- 13.7	- 9.7	+ 76.5	- 4.1	+ 5.4	- 9.6	+ 3.0
York	"	+ 2.7	+ 0.6	+ 306.5	- 1.1	+ 2.9	- 4.0	+ 13.4

March, 1927, compared with February, 1927

Allentown	area...	+ 2.7%	+ 2.8%	+ 27.4%	+ 18.2%	+ 0.3%	+ 26.5%	+ 6.3%
Altoona	"	...	...	+ 199.7	+ 20.9	+ 1.0	+ 47.9	+ 1.3
Harrisburg	"	- 1.2	- 3.4	+ 276.3	+ 9.8	+ 0.1	+ 17.7	- 2.6
Johnstown	"	+ 6.0	+ 1.7	+ 157.6	+ 11.8	+ 0.8	- 10.3	+ 8.6
Lancaster	"	+ 0.7	+ 0.5	+ 302.6	+ 25.1	- 2.9	+ 64.6	- 6.5
Philadelphia	"	+ 0.1	- 0.8	+ 81.4	+ 18.4	+ 0.4	+ 26.0	- 0.9
Reading	"	- 2.2	- 7.1	+ 123.3	+ 13.5	+ 0.9	+ 14.6	+ 4.0
Scranton	"	- 0.3	- 1.8	+ 19.4	+ 16.5	+ 1.5	+ 44.4	- 7.2
Trenton	"	- 0.6	+ 0.1	+ 54.4	- 9.8	+ 1.3	+ 15.7	- 3.7
Wilkes-Barre	"	- 1.9	- 2.8	+ 77.5	+ 18.9	+ 0.4	+ 33.9	...
Williamsport	"	- 2.2	- 2.7	- 47.0	+ 18.1	+ 2.0	+ 14.9	...
Wilmington	"	- 2.9	- 1.3	- 3.7	+ 32.8	+ 0.2	- 1.7	- 6.6
York	"	- 0.2	- 1.0	+ 246.7	+ 22.8	+ 0.1	+ 32.1	- 10.7

* Includes Wilkes-Barre and Williamsport areas. † Production (no sales). ‡ Includes Camden area.
§ Included in Allentown area.

	Loans on securities	Other loans and discounts	Totals
1927			
Apr. 13	\$457,277,000	\$491,440,000	\$948,717,000
Mar. 16	464,983,000	484,323,000	949,306,000
1926			
Apr. 14	459,660,000	484,628,000	944,288,000

Commercial paper. Commercial paper sales by six dealers in the first three months of this year have much exceeded sales in the same period last year. Sales in March did not equal those in February, but surpassed those of March, 1926, because of more active purchasing by

	Sales		
	To city banks	To country banks	Total
1927			
March..	\$ 4,735,000	\$ 3,143,300	\$ 7,878,300
February	4,417,500	5,405,000	9,822,500
January	3,971,500	6,812,500	10,784,000
Total—3 months	\$13,124,000	\$15,360,800	\$28,484,800
1926			
March..	\$ 920,000	\$ 4,212,500	\$ 5,132,500
February	2,532,500	3,510,000	6,042,500
January	4,275,000	6,270,000	10,545,000
Total—3 months	\$ 7,727,500	\$13,992,500	\$21,720,000

Banking changes in cities of the Philadelphia Federal Reserve District (ooo's omitted in dollar figures)	Number of reporting banks	Changes in four weeks ended April 13, 1927			Changes in year ended April 13, 1927		
		Loans and discounts	Investments	Deposits *	Loans and discounts	Investments	Deposits *
Allentown	6	-\$ 79	-\$ 23	+\$ 117	+\$ 818	-\$ 799	+\$ 567
Atlantic City	8	+ 159	+ 311	+ 31	- 715	- 408	+ 1,580
Camden	3	- 271	- 60	- 393	+ 2,390	+ 3,237	+ 5,395
Chester	5	+ 160	- 732	- 4	+ 1,748	- 142	+ 1,600
Easton	4	- 131	- 163	+ 85	+ 299	- 1,210	+ 593
Harrisburg	3	+ 405	+ 84	+ 931	+ 365	- 186	+ 652
Hazleton	5	- 32	+ 193	- 259	+ 120	+ 353	+ 742
Johnstown	5	+ 161	- 76	+ 267	- 193	+ 1,002	+ 544
Lancaster	3	+ 173	+ 121	+ 129	+ 600	+ 367	+ 711
Lebanon	3	+ 116	+ 399	+ 226	+ 202	+ 809	+ 724
Norristown	3	- 283	+ 384	+ 354	+ 254	+ 828	+ 524
Philadelphia	36	- 690	- 6,695	- 1,891	- 13,380	+ 25,425	+ 5,400
Reading	7	+ 8	- 331	+ 40	+ 680	+ 634	+ 1,724
Scranton	5 †	+ 1,735	- 1,401	+ 537	+ 224	+ 2,535	+ 4,455
Trenton	3	- 41	- 455	- 1,204	+ 5,986	- 1,216	+ 2,623
Wilkes-Barre	5	+ 695	+ 736	+ 1,336	+ 1,230	+ 2,246	+ 2,998
Williamsport	3	+ 54	- 232	+ 155	+ 731	- 222	+ 1,029
Wilmington	6	- 392	- 71	- 1,710	+ 5,441	+ 321	+ 4,943
York	10	+ 455	+ 190	+ 561	+ 512	+ 684	+ 1,103
Others	4	+ 64	+ 104	- 34	+ 924	+ 322	+ 1,527
	127 ‡	+ 1,920	- 8,339	- 726	+ 7,788	+ 33,938	+ 36,274

* Net demand and time deposits. † 4 banks in comparison with year ago.
‡ 126 banks in comparison with year ago.

RETAIL TRADE Philadelphia Federal Reserve District	Comparison of net sales		Comparison of stocks		Rate of turnover Jan. 1 to March 31,		Outstanding orders at end of month compared with year ago	Accounts receivable at end of month compared with year ago	Collections during month compared with year ago
	March, 1927, with March, 1926	Jan. 1 to March 31, 1927, with Jan. 1 to March 31, 1926	March 31, 1927						
			with March 31, 1926	with Feb. 28, 1927	1926	1927			
All reporting stores.....	— 9.1%	—5.1%	— 0.4%	+11.9%	0.79	0.76	+10.9%	+ 3.7%	+ 5.7%
Department stores.....	— 9.0 "	— 6.0 "	— 2.1 "	+11.9 "	0.79	0.75	+ 8.4 "	+ 2.5 "	+ 7.9 "
in Philadelphia.....	—11.5 "	—8.5 "	— 1.1 "	+12.6 "	0.84	0.78	.....	—16.7 "	— 0.7 "
outside Philadelphia.....	— 2.0 "	+1.2 "	— 4.4 "	+10.3 "	0.66	0.68	+11.1 "	+ 8.4 "	+ 9.6 "
Apparel stores.....	— 6.1 "	+0.2 "	+10.4 "	+12.8 "	1.02	1.00	+51.8 "	+10.1 "	+ 8.4 "
Men's apparel stores.....	—11.6 "	—5.7 "	+11.2 "	+ 8.2 "	0.67	0.64	.....	+ 6.2 "	— 1.6 "
in Philadelphia.....	— 7.9 "	—3.3 "	+11.7 "	+ 3.0 "	0.70	0.69	.....	.....	.....
outside Philadelphia.....	—15.9 "	—8.8 "	+ 7.3 "	+15.9 "	0.63	0.57	.....	+ 6.2 "	— 1.6 "
Women's apparel stores.....	— 2.8 "	+4.1 "	+ 9.5 "	+18.5 "	1.42	1.38	+51.8 "	+10.5 "	+10.2 "
in Philadelphia.....	— 3.3 "	+4.1 "	+ 7.5 "	+18.1 "	1.47	1.46	.....	+11.0 "	+ 8.5 "
outside Philadelphia.....	— 0.4 "	+3.9 "	+19.0 "	+20.2 "	1.20	1.05	.....	+ 8.6 "	+20.4 "
Shoe stores.....	—12.4 "	—1.6 "	+10.3 "	+14.7 "	0.64	0.59	.....	+ 6.9 "	—10.2 "
Credit stores.....	—16.2 "	—0.1 "	+10.3 "	+ 9.4 "	0.63	0.59	.....	+ 3.2 "	— 1.4 "

city banks. The sales of six dealers are summarized on page 3.

Based on the reports of four dealers, 90 per cent of the sales in March were made at 4 or $4\frac{1}{4}$ per cent. The percentage at these rates was somewhat higher in February, but in March, 1926, no sales were reported at as low as 4 per cent, and the bulk was at $4\frac{1}{4}$ per cent.

RETAIL TRADE

Preliminary reports on retail sales in this district during the four weeks ended April 15 are divided between those showing greater volume of sales and those registering smaller business than in the same period of last year. Prices, while in some cases below last month's level, remain generally unchanged.

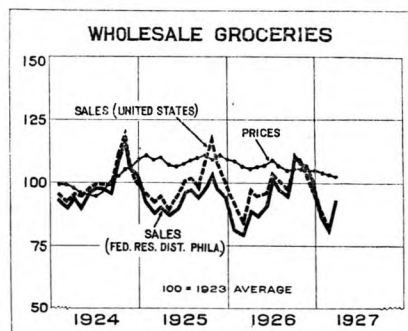
Owing partly to the fact that Easter in 1926 was about a fortnight earlier than this year, March sales by reporting firms declined about 9 per cent from the total of a year before, and the volume of retail business in the first quarter of this year was 5 per cent under that for the same period of 1926. As shown by the accompanying table, large decreases are reported by department and men's apparel stores in Philadelphia; shoe and credit houses also registered pronounced declines. The greatest improvement is noted in the sale of silverware and jewelry, leather goods and luggage, women's coats, silk underwear, juniors' and girls' ready-to-wear, furniture and bedding, musical instruments and radio; whereas the largest losses occurred in woolen and cotton dress goods, neckwear and veilings, handkerchiefs, men's clothing and furnishings, boys' wear, women's suits and dresses, millinery, knit underwear, toys and sporting goods.

Total stocks at the end of March were slightly under those on the same date of last year, although supplies held by apparel, shoe and credit stores were noticeably heavier. The rate of turnover since January 1 has not been as rapid as that in the corresponding period of 1926. Receivables at the end of the month increased nearly 4 per cent and outstanding orders

gained about 11 per cent over the volume of a year earlier. Collections, too, were more active, the only marked decline being in shoes.

WHOLESALE TRADE

Trading at wholesale continues at a fair rate and sales generally are somewhat larger than those of four weeks ago.



Wholesale trade in groceries in this district during the past three years has followed the general trend of sales in the United States. Prices have declined almost steadily since the latter part of 1925 and in March were the lowest since the fall of 1924.

Source: Federal Reserve Bank of Philadelphia.

Shoes, groceries, hardware, drygoods and paper show the greatest increase, while several jewelry and electrical supplies firms report declines. Orders for quick delivery predominate. Prices remain unchanged, except for some declines in electrical supplies, hardware and groceries.

March sales were about 24 per cent above the February volume but were more than 2 per cent under those in the same month of last year. Principally because Easter this year occurred about two weeks later than in 1926, business in drygoods, shoes and jewelry during March was smaller than a year before. Sales of drugs, hardware and paper also decreased, but those of groceries and electrical supplies gained over the total for March, 1926. With the exception of drugs and jewelry, stocks at the end of March were lower than those on the same date of last year, and accounts outstanding also were smaller in all but two lines. The ratio of accounts outstanding to sales in March was about 15 per cent higher than that of a year earlier. Collections, while greater than in February, did not come up to the total of March, 1926.

EMPLOYMENT

The industries in which the largest decreases occurred from February to March were iron and steel forgings, general construction, and explosives. Among the industries reporting the greatest increase in activity were the manufacture of automobiles, bricks, tile and terra cotta, leather products, and rubber tires and goods. Street and highway construction, as well as the erection of buildings, also showed quite a large increase.

Of the 866 industrial establishments reporting employment and wage figures, 494

WHOLESALE TRADE Philadelphia Federal Reserve District	Net sales, Mar., 1927, com- pared with		Stocks, Mar. 31, 1927, compared with		Accounts out- standing, Mar. 31, 1927, compared with		Ratio of ac- counts out- standing to sales Mar., 1927	Collections March, 1927, compared with	
	Mar., 1926	Feb., 1927	Mar. 31, 1926	Feb. 28, 1927	Mar. 31, 1926	Feb. 28, 1927		Mar., 1926	Feb., 1927
Boots and shoes...	-14.1%	+51.3%	- 0.6%	+ 3.2%	- 1.9%	+ 8.9%	264.2%	+ 1.0%	+15.9%
Drugs.....	- 8.1 "	+16.2 "	+26.0 "	+ 1.0 "	- 7.3 "	- 0.3 "	140.7 "	- 7.4 "	+ 7.9 "
Dry goods.....	-12.7 "	+39.5 "	-31.7 "	- 1.7 "	- 7.9 "	+10.9 "	232.8 "	- 8.7 "	+ 7.5 "
Electrical supplies	+15.4 "	+ 4.8 "	- 1.4 "	- 0.4 "	-13.5 "	- 3.7 "	133.9 "	-16.2 "	- 8.5 "
Groceries.....	+ 1.9 "	+17.2 "	-12.6 "	- 3.0 "	- 5.1 "	+ 0.3 "	107.4 "	+ 2.0 "	+12.9 "
Hardware.....	- 0.1 "	+40.8 "	- 3.8 "	+ 1.6 "	+ 0.2 "	+11.3 "	173.4 "	- 4.2 "	+ 8.8 "
Jewelry.....	- 3.7 "	+20.8 "	+19.5 "	+35.5 "	- 1.8 "	+ 1.2 "	380.1 "	-23.4 "	- 9.6 "
Paper.....	- 3.4 "	+18.6 "	- 5.5 "	+ 0.4 "	+ 1.5 "	+ 4.9 "	135.8 "	+ 2.6 "	+11.3 "

plants also reported the number of man-hours worked. These firms showed an increase of .3 per cent in the number of hours worked and a gain of .2 per cent in hourly earnings.

AUTOMOBILE TRADE

Spring trading in automobiles in Philadelphia continues very active. Retail sales by 14 distributors of this district were more than 77 per cent greater in March than in February and exceeded those of a year before by nearly 35 per cent in number and 25 per cent in value. The total of wholesale business increased about 56 per cent over that of the previous month and was 62 per cent in number and 42 per cent in value in excess of sales in March, 1926. The greatest improvement in sales, both at wholesale and retail, occurred in the cars selling under \$1,000 and over \$2,000. While the medium priced automobiles show substantial gains over the February total, they showed a decline in number and value from the volume of a year earlier. The demand for used cars, however, was much greater in March than either in the preceding month or a year ago. This is also true of automobiles sold on deferred payment.

As a result of the large turnover, stocks of new cars at the end of March were smaller than those on the same date a month previous and last year. Stocks of used cars, on the other hand, while lower than at the end of February, were materially heavier than at the end of March, 1926.

ELECTRIC POWER

Consumption of electric power by industries and street railroads in the Philadelphia Federal Reserve District during March increased materially over the February volume and was 6.9 and 2.4 per cent, respectively, greater than in March of last year. Purchases by municipalities also increased. Sales of electricity for lighting purposes, however, declined seasonally from February's totals, but exceeded those of a year earlier by more than 8 per cent. Production of electricity by reporting central stations was 9.3 per cent greater in March than in February and 8.4 per cent greater than in March, 1926.

ELECTRIC POWER Philadelphia Federal Reserve District 13 systems	March, 1927, change from	
	March, 1926	Feb., 1927
Rated generator capacity.....	+ 7.7%	0 %
Generated output.....	+ 8.4 "	+ 9.3 "
Hydro-electric.....	+ 52.6 "	+ 18.8 "
Steam.....	+ 1.6 "	+ 6.6 "
Purchased.....	+ 41.5 "	+ 18.6 "
Sales of electricity.....	+ 7.6 "	+ 1.1 "
Lighting.....	+ 8.3 "	+ 10.0 "
Municipal.....	+ 5.9 "	+ 2.2 "
Residential and commercial.....	+ 8.7 "	+ 11.1 "
Power.....	+ 5.9 "	+ 3.6 "
Municipal.....	+ 11.4 "	0 "
Street cars and railroads.....	+ 2.4 "	+ 4.7 "
Industries.....	+ 6.9 "	+ 3.4 "
All other sales.....	+ 26.5 "	+ 9.9 "

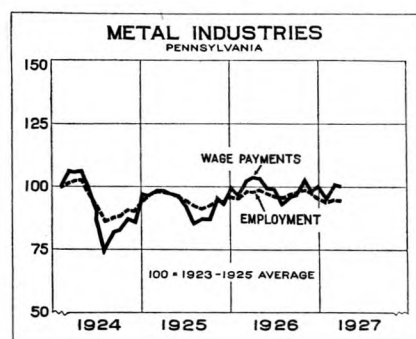
EMPLOYMENT AND WAGES in Pennsylvania	No. of plants reporting	Number of wage earners— week ended		Total weekly wages— week ended		Average weekly earnings— week ended	
		March 15 1927	Per cent change from month ago	March 15, 1927	Per cent change from month ago	March 15, 1927	Per cent change from month ago
All industries (46).....	866	295,974	+ 0.2	\$7,904,301	- 0.2	\$26.71	- 0.3
Metal manufactures:	289	154,769	- 0.3	4,490,080	- 0.8	29.01	- 0.5
Automobiles, bodies, and parts....	18	10,617	+ 3.7	318,227	+ 7.7	29.97	+ 3.9
Car construction and repair.....	20	22,239	- 1.7	651,341	- 4.1	29.29	- 2.5
Elec. machinery and apparatus....	20	7,142	- 5.6	174,546	- 6.2	24.44	- 0.7
Engines, machines, mach. tools....	38	11,444	- 1.5	340,322	- 3.5	29.74	- 2.0
Foundries and machine shops.....	58	9,356	+ 1.3	277,215	- 0.4	29.63	- 1.6
Heating appliances and apparatus....	16	4,120	+ 1.8	122,673	+ 0.5	29.78	- 1.2
Iron and steel blast furnaces.....	11	13,400	- 1.1	362,265	- 6.6	27.03	- 5.6
Iron and steel forgings.....	11	3,017	- 0.9	73,042	- 10.8	24.21	- 9.9
Steel works and rolling mills.....	37	41,833	+ 0.1	1,276,582	+ 2.5	30.52	+ 2.5
Structural iron works.....	15	3,797	- 2.4	103,165	- 5.5	27.17	- 3.2
Misc. iron and steel products.....	25	19,085	+ 0.0	562,114	+ 1.6	29.45	+ 1.6
Shipbuilding.....	3	6,138	+ 4.1	163,125	- 0.8	26.58	- 4.7
Hardware.....	8	1,739	- 0.7	45,076	- 4.2	25.92	- 3.5
Non-ferrous metals.....	9	842	+ 0.5	20,387	- 4.7	24.21	- 5.2
Textile products:	175	59,256	+ 0.8	1,331,526	- 1.0	22.47	- 1.8
Carpets and rugs.....	10	3,107	- 1.4	80,182	- 4.0	25.81	- 2.6
Clothing.....	34	5,441	- 2.3	103,302	- 1.4	18.99	+ 0.8
Hats, felt and other.....	5	4,470	- 0.3	119,383	- 1.3	26.71	- 1.0
Cotton goods.....	16	4,695	+ 1.8	113,662	- 2.7	24.21	- 4.4
Silk goods.....	43	18,439	+ 1.9	344,831	- 0.5	18.70	- 2.4
Woolens and worsteds.....	15	6,519	+ 0.8	145,104	- 1.9	22.26	- 2.7
Knit goods and hosiery.....	42	14,487	+ 0.8	370,826	+ 0.5	25.60	- 0.3
Dyeing and finishing textiles.....	10	2,098	+ 3.5	54,236	- 2.4	25.85	- 5.7
Foods and tobacco:	105	21,574	- 2.3	448,599	+ 0.8	20.79	+ 3.1
Bakeries.....	32	4,643	- 0.0	135,920	+ 1.9	29.27	+ 1.9
Confectionery and ice cream.....	21	3,603	- 4.7	82,065	- 2.1	22.78	+ 2.8
Slaughtering and meat packing....	13	2,013	- 1.4	57,110	- 1.2	28.37	+ 0.2
Cigars and tobacco.....	39	11,315	- 2.5	173,504	+ 2.0	15.33	+ 4.5
Building materials:	67	20,757	+ 4.5	587,784	+ 4.3	28.32	- 0.2
Brick, tile, and terra cotta products	26	4,356	+ 7.7	112,945	+ 6.5	25.93	- 1.1
Cement.....	13	7,235	+ 3.8	222,870	+ 3.0	30.80	- 0.7
Glass.....	24	8,265	+ 3.6	227,257	+ 4.7	27.50	+ 1.0
Pottery.....	4	901	+ 2.7	24,712	+ 2.2	27.43	- 0.5
Construction and contracting:	35	3,376	- 9.2	96,435	- 1.9	28.56	+ 8.1
Buildings.....	17	885	+ 7.5	27,455	+ 5.6	31.02	- 1.9
Street and highway.....	3	87	+ 70.6	1,914	+ 17.9	22.00	- 30.9
General.....	15	2,404	- 15.4	67,066	- 5.0	27.90	+ 12.3
Chemicals and allied products:	39	10,004	+ 2.6	285,911	+ 2.4	28.58	- 0.1
Chemicals and drugs.....	22	1,396	+ 1.3	36,948	- 0.2	26.47	- 1.5
Explosives.....	3	553	- 2.3	13,431	- 11.6	24.29	- 9.5
Paints and varnishes.....	9	1,076	+ 7.4	29,291	+ 5.3	27.22	- 1.9
Petroleum refining.....	5	6,979	+ 2.5	206,241	+ 3.6	29.55	+ 1.0
Miscellaneous industries:	156	26,238	+ 0.3	663,966	+ 0.4	25.31	+ 0.2
Lumber and planing mill products	28	3,919	- 0.4	83,823	- 2.8	21.39	- 2.4
Furniture.....	21	1,966	+ 0.8	46,501	+ 2.1	23.65	+ 1.3
Leather tanning.....	17	5,628	- 1.9	144,794	- 3.1	25.73	- 1.2
Leather products.....	8	633	+ 1.9	13,441	+ 5.7	21.23	+ 3.7
Boots and shoes.....	23	4,159	+ 1.3	81,366	+ 2.1	19.56	+ 0.7
Paper and pulp products.....	18	3,955	- 1.1	104,986	- 0.1	26.55	+ 1.1
Printing and publishing.....	35	3,713	+ 1.8	130,348	+ 3.5	35.11	+ 1.7
Rubber tires and goods.....	3	857	+ 4.4	26,017	+ 5.4	30.36	+ 1.0
Novelties and jewelry.....	3	1,408	+ 4.3	32,690	+ 3.0	23.22	- 1.2

AUTOMOBILE TRADE Philadelphia Federal Reserve District 14 distributors	March, 1927, change from			
	March, 1926		February, 1927	
	Number	Value	Number	Value
Sales, new cars, wholesale.....	+ 61.6%	+ 41.8%	+ 56.4%	+ 56.6%
Cars under \$1,000.....	+ 100.2 "	+ 96.8 "	+ 60.4 "	+ 60.8 "
Cars \$1,000 to \$2,000.....	- 0.5 "	- 5.7 "	+ 41.4 "	+ 42.9 "
Cars over \$2,000.....	+ 95.7 "	+ 53.5 "	+ 78.4 "	+ 74.8 "
Sales, new cars, at retail.....	+ 34.9 "	+ 24.9 "	+ 77.2 "	+ 77.4 "
Cars under \$1,000.....	+ 40.5 "	+ 40.6 "	+ 76.1 "	+ 75.7 "
Cars \$1,000 to \$2,000.....	- 20.2 "	- 24.0 "	+ 63.8 "	+ 50.3 "
Cars over \$2,000.....	+ 9.2 "	- 0.1 "	+ 110.0 "	+ 98.7 "
Stocks of new cars.....	- 3.0 "	+ 2.4 "	- 6.8 "	- 10.9 "
Cars under \$1,000.....	- 13.1 "	- 11.3 "	+ 3.2 "	+ 4.6 "
Cars \$1,000 to \$2,000.....	+ 13.1 "	+ 26.0 "	- 10.7 "	- 10.3 "
Cars over \$2,000.....	- 7.8 "	- 9.8 "	- 21.4 "	- 20.4 "
Sales of used cars.....	+ 47.6 "	+ 28.4 "	+ 52.4 "	+ 50.7 "
Stocks of used cars.....	+ 17.5 "	+ 21.2 "	- 5.7 "	- 1.2 "
Retail sales, deferred payment.....	+ 18.3 "	+ 3.7 "	+ 98.5 "	+ 158.0 "

The largest increase over a year ago occurred in the output of hydro-electric plants. Percentage changes are given in the accompanying table.

IRON AND STEEL

Manufacturing activity in industries making various iron and steel products in this district continues at about the same moderate rate as that prevailing in the month prior to March 20. The demand is fair, although a number of reporting firms note recessions in sales.



Activity in the metal industries of Pennsylvania, as measured by employment and wage payments, has been at a fairly high rate during the past fifteen months as compared with the previous year and a half. Lately, however, employment has declined somewhat.

Source: Federal Reserve Bank of Philadelphia.

Plant operations average from 70 to 75 per cent of capacity. Both employment and wage payments in Pennsylvania during March decreased less than one per cent from the February totals, but man-hours worked in reporting plants rose slightly. Daily production of pig iron in this district in March was the greatest since last April but was nearly 5 per cent under that of March, 1926, which was the peak month of that year. Similarly, the output of pig iron in the country exceeded the volume shown for any month since April, 1926, and was surpassed only twice in the past eleven years in the daily total for March. Production of steel ingots during March—168,867 tons a day—was the greatest on record. This increase was probably attributable to a desire of ingot procedures to have reserve stocks of crude steel against a possible shortage resulting from the coal strike in the soft coal union field. Comparisons of totals follow:

In gross tons (000's omitted)	March, 1926	Feb., 1927	March, 1927
Production in the U. S.—			
Pig iron.....	3,442	2,941	3,483
Steel ingots.....	4,488	3,831	4,559
Unfilled orders—			
U. S. Steel Corp.	4,380	3,597	3,553

Quotations for finished steel have continued unchanged since March 1 and the present average—2.367 cents a pound—is the lowest shown for any week since the summer of 1922. Following a decline

during the first two months of this year, prices of pig iron have strengthened somewhat, the "Iron Age" price index standing at \$19.21 a ton on April 19 as against \$19.04 a month before and \$20.96 a year ago.

Steel foundries. The volume of production, shipments and unfilled orders was somewhat smaller in March than in the preceding month, although the value of shipments increased nearly 22 per cent. Compared with a year ago, both the physical and dollar volume of shipments was greater, but production and unfilled orders were considerably smaller. Stocks of pig iron and scrap at the end of March were lighter, while those of coke were heavier than on the same date last year. Details follow:

Steel foundry operations	March, 1927	Change from March, 1926	Change from Feb., 1927
Capacity.....	12,490 tons	0	0
Production.....	7,512 "	-19.9%	-8.7%
Shipments.....	6,484 "	+8.2 "	-0.4 "
Value.....	\$1,165,801	+17.1 "	+21.7 "
Unfilled orders *	3,279 tons	-51.6 "	-17.1 "
Value *.....	\$584,506	-47.2 "	-13.8 "
Raw stock:			
Pig iron.....	1,808 tons	-47.2 "	-8.2 "
Scrap.....	8,676 "	-8.8 "	+7.3 "
Coke.....	1,713 "	+11.0 "	+4.6 "

* Figures of one plant omitted.

Iron foundries. March showed a pronounced gain over February in production, shipments and unfilled orders. Compared with a year ago, unfilled orders increased more than 9 per cent, but the total output and shipments decreased. Stocks of pig iron and scrap at the end of March were smaller while supplies of coke were much greater than on the same date of last year. Changes are given below:

Iron foundry operations	March, 1927	Change from March, 1926	Change from Feb., 1927
Capacity.....	12,076 tons	0	0
Production.....	5,921 "	-7.0%	+15.1%
Malleable iron.....	708 "	-3.8 "	+44.8 "
Gray iron.....	5,213 "	-7.4 "	+12.0 "
Jobbing.....	3,850 "	-1.6 "	+16.9 "
For further mfr.	1,363 "	-20.8 "	+0.1 "
Shipments.....	5,037 "	-4.2 "	+20.5 "
Value.....	\$692,569	-2.3 "	+19.7 "
Unfilled orders.....	4,801 tons	+9.2 "	+11.2 "
Value.....	\$848,024	+20.2 "	+17.3 "
Raw stock:			
Pig iron.....	6,865 tons	-8.0 "	+10.5 "
Scrap.....	3,126 "	-1.5 "	-2.8 "
Coke.....	2,499 "	+27.4 "	+15.1 "

COAL

Anthracite. Stimulated somewhat by lower prices and probably by the strike in the bituminous union fields, the market for steam sizes, which is now active, has improved appreciably since April 1. The demand for domestic sizes, however, is only fair. The general level of anthra-

cite prices in noticeably below that of a year ago. Since April 1 colliery operations have increased materially; the output of anthracite in the first fortnight of that month was about 48 per cent greater than in the previous two weeks. The production of anthracite during the coal year—from April 1, 1926 to March 31, 1927—totaled 92,481,000 net tons, a figure which has been exceeded only three times during the past fourteen years. Undoubtedly such heavy production was due largely to the shortage caused by the strike of 1925-1926 when only 51,430,000 tons were mined. Labor supply at present is adequate.

Bituminous. Conditions in the soft coal industry are quiet, the demand being less active than it was four weeks ago. Shipments, as measured by freight car loadings, have fallen off materially since April 1. Reporting operators state that spot prices have decreased from last month's levels and are somewhat below contract quotations. According to the "Coal Age" price index, however, average quotations increased from \$2.06 a ton on March 21 and \$1.92 on April 19, 1926, to \$2.11 on April 18, 1927.

Owing largely to the suspension of mining which began on April 1 in many of the union fields, the production of bituminous coal in the two weeks ended April 16 declined to 16,272,000 tons, or 33.4 per cent, from 24,427,000 tons in the previous two weeks.

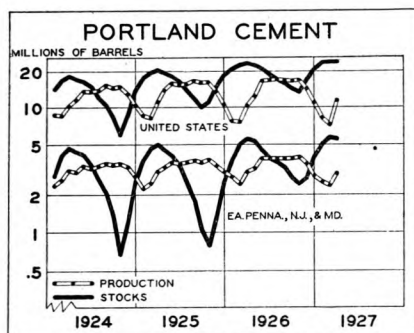
BUILDING

Construction of commercial, industrial and residential buildings in this district continues active. Wage payments and employment in Pennsylvania during March increased 6 and 8 per cent, respectively, over the February totals, although the gain in the same period last year was greater. Contemplated expenditure under 3,267 permits calling for 4,741 operations in 16 cities of this district totaled \$19,097,461 in March as against \$21,022,232 in the same month of last year. Contracts awarded during March were the greatest on record. Comparisons follow:

Contracts awarded (000's omitted)	March, 1925	March, 1926	March, 1927
Philadelphia Fed. Res. Dis.			
Total.....	\$ 48,902	\$ 45,719	\$ 52,351
Residential.....	25,219	23,127	21,996
United States:			
Total.....	491,011	597,879	620,738
Residential.....	226,928	262,644	250,078

Source: F. W. Dodge Corporation.

Building materials. Reflecting greater spring activity in construction the market for building materials has improved substantially since the middle of last month. The demand for cement is exceptionally strong, orders for deliv-



Source: Bureau of Mines, Department of Commerce.

ery within sixty and ninety days exceeding greatly those of last month and of a year ago. Increased buying of paint, lumber and electrical supplies is also reported, although total sales of the last two items do not compare favorably with the volume of a year before. Prices are said to be firm, although several firms, particularly dealers in lumber, report some weakness. Compared with last month's level, quotations remain unchanged, except for slight declines in lumber and electrical supplies. At this time last year, prices of building materials were about 5 per cent higher than at present. Collections generally are fair.

Manufacturing activity shows marked seasonal gains, particularly in the output of cement and paint, and these industries generally are utilizing from 85 to 90 per cent of their machinery. Unfilled orders of reporting firms are sufficient to assure production at this rate for about 45 days in lumber and paint and for nearly 5 months in cement. In Pennsylvania, employment, wage payments and man-hours worked during March increased about 4 per cent over the February totals. Compared with a year before, however, employment and payrolls declined nearly 2 and 3 per cent, respectively. With the exception of cement, stocks are moderate and are either stationary or decreasing.

FLOUR

The domestic demand for flour, which is only fair, does not compare favorably with that of four weeks ago. Exports from the Port of Philadelphia also are somewhat smaller than in the month prior to March 20. Sales of middlings, bran and other by-products, on the other hand, have increased since the middle of last month and exceed the volume of a year before. Flour mills in this district are working at an average rate of about 70 per cent of capacity. Prices of flour, which have remained fairly stable since March 20, are about 19 per cent lower than those at this time last year. Stocks of flour and wheat at local warehouses as well as receipts at and exports from the Port of Philadelphia are shown in the following table:

Movement of flour and wheat at Port of Philadelphia*	Flour (bbls.)	Wheat (bus.)
Receipts		
March, 1926.....	216,800	1,122,574
February, 1927.....	171,916	1,751,497
March, 1927.....	148,794	1,639,618
Exports		
March, 1926.....	29,417	1,690,722
February, 1927.....	36,687	1,427,910
March, 1927.....	10,599	1,468,226
Stocks		
April 1, 1926.....	107,344	929,741
March 2, 1927.....	153,214	1,348,280
April 1, 1927.....	132,272	1,488,326

* The Commercial Exchange of Philadelphia.

TEXTILES

Cotton. Business in cotton goods continues well sustained, although the market for cotton yarns has been rather quiet during the past four weeks. Sales and shipments of cotton fabrics are reported to have increased considerably since November. Prices of cotton yarns are a trifle higher than they were a month ago but average quotations for piece goods are slightly lower. Compared with a year ago, prices of fabrics and yarns are 8 and 17 per cent, respectively, lower. Spot cotton prices have remained fairly steady since March 1, after rising a little during each of the preceding three months. Lately, however, spot prices have strengthened slightly. Collections are fairly prompt.

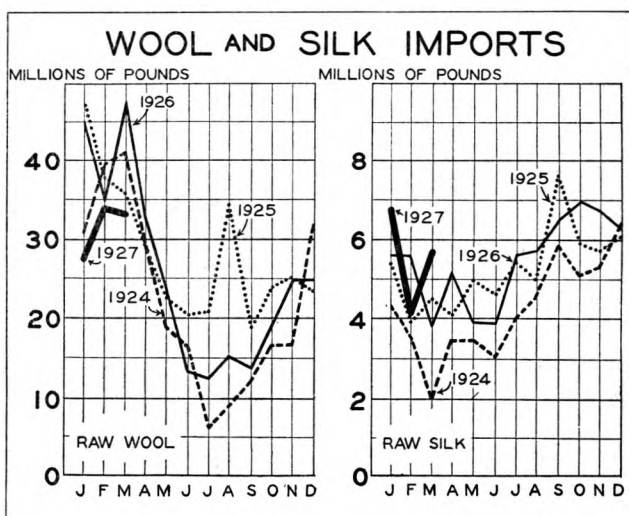
Reflecting the increasing volume of business in finished goods, March consumption of raw cotton in the country was the largest in history, exceeding the previous monthly record established in March of last year by nearly 10 per cent. Operations of cotton plants in this district now average over 80 per cent of capacity. Employment in Pennsylvania was about 2 per cent greater in March than in February, but wage payments decreased nearly 3 per cent. Last year, on the other hand, payrolls were .2 per cent greater while employment was .1 per cent smaller in March than in February. Stocks of finished goods are moderate and are a bit smaller than those on the same date last year. Cotton exports between August 1 and April 22 were about 37 per cent above the total for the corresponding period of last year. The position of American cotton as of April 22 is shown by the following table:

American cotton (thousands of bales)	Season '24-'25	Season '25-'26	Season '26-'27
Visible supply at end of previous season (July 31).....	952	1,125	2,279
Crop in sight on April 22.....	14,116	15,170	17,426
Total.....	15,068	16,295	19,705
Visible supply on Apr. 22.....	3,184	4,003	5,942
World's takings to April 22.....	11,885	12,293	13,763

Source: The New York Cotton Exchange.

Wool. Business in woolen and worsted yarns and piece goods is scarcely fair and sales, though larger in many instances, do not compare favorably with the volume of a year before. Nor has there been much improvement in the demand for raw wool. In contrast to this situation, the foreign market for raw wool continues strong and prices are from 5 to 10 per cent above the February level, despite the fact that there was a material increase in the Australian clip. Domestic prices, on the other hand, have shown marked weakness since February 1; in fact, the disparity between prices of domestic and foreign wools has been so pronounced that recently there has occurred a considerable exportation of foreign wool held in bond here, thereby reducing domestic stocks. Quotations for finished goods continue fairly stable, although they are from 5 to 10 per cent below the level of a year ago. Collections generally are satisfactory.

Operations of reporting plants making yarns and fabrics average about 70 per cent of capacity. While employment in Pennsylvania during March increased nearly one per cent over that in February, wage payments decreased almost 2 per cent, thus reflecting a slight recession in mill activity. A year before, the reverse was true: wage payments rose 4.5



During the first quarter of this year imports of raw silk were considerably above the total for the corresponding period of the past three years. Imports of raw wool were much smaller, owing chiefly to strong wool prices prevailing abroad.

Source: Department of Commerce and the Silk Association of America.

per cent, while employment declined 1.2 per cent from the totals of the previous month. Unfilled orders, though somewhat smaller than a month earlier, are sufficient to assure production at the present rate for about fifty days. Stocks of finished goods are from moderate to light, and in comparison with those on the same date of last year, are smaller. Consumption of raw wool in this district during March was 10.8 per cent greater and in the country as a whole 18 per cent greater than in February. March imports of raw wool totaled 33,457,221 pounds as against 48,002,435 pounds in the same month of last year, a drop of 30.3 per cent.

Silk. Conditions in the silk industry in this district have improved since the middle of March, although the demand for finished goods is only fair. Nearly 80 per cent of the current purchases are either for spot delivery or for shipment within the next two months. Quotations for silk goods remain fairly stable, Fairchild's price index showing only a slight fluctuation since the first of the year. The average price of raw silk also shows very little change from the level prevailing in February, although present prices are nearly 8 per cent below those of a year ago.

Manufacturers appear to be a trifle more active than they were at this time last year, plant operations averaging a little over 80 per cent of capacity. Employment in Pennsylvania during March increased nearly 2 per cent over the February total, but wage payments and the total employe-hours decreased .5 and .3 per cent, respectively. In March, 1926, employment declined 6.4 per cent and payrolls 11 per cent from the totals of the month previous. Stocks of finished goods, though somewhat heavy, are decreasing as compared with those of four weeks ago. Raw silk in storage at the end of March was the lowest since August, whereas March consumption of raw silk was the greatest on record. Comparisons follow:

Raw silk* (in bales)	Mar., 1926	Feb., 1927	Mar., 1927
Imports.....	31,930	33,991	38,600
Stocks.....	35,948	43,758	33,116
Mill takings.....	39,400	42,860	49,242

* The Silk Association of America.

Clothing. Manufacturers of clothing and furnishings have had a fairly good volume of spring business, and are now working chiefly on orders for immediate delivery. Orders for shipments during the fall have not yet materialized to any large extent. Operations of clothing plants in this district average about 70 per cent of capacity. Stocks are somewhat lighter than those on the same date last year. Prices continue fairly steady, there

being virtually no change since March 20. Collections are only fair.

Floor coverings. At the auction sale of carpets and rugs held by the Alexander Smith and Sons' Carpet Company during the week beginning April 1, the prices realized were slightly below those of last fall's auction, but the total amount of sales, \$8,048,264, was a record figure for these auctions. A fall price list, guaranteed until September 30, was issued shortly after the sale and the trade feels that it can proceed on the basis of a stabilized market until October.

Our reporting firms say that business is fair or poor, with demand not so good as that of a month and a year ago. Following a considerable increase in manufacturing activity during the last half of 1926, as measured by wage payments, operations declined somewhat in the first quarter of this year. Compared with the like period of a year before, however, total payrolls were somewhat greater. Stocks of finished goods are lighter than at this time last year. Prices are but little changed in the month, a few slight reductions being noted. Mills are operating at 55 per cent of capacity, on the average, unfilled orders insuring plant activity for from two to three weeks.

Manufacturers of linoleums and felt base goods report a good demand for their product, with operations close to capacity and no changes in prices.

Hosiery. A majority of our reporting firms say the demand for seamless hosiery is poor, though a considerable number report increased demand in the month. Prices are, in general, unchanged, with a few decreases noted. Reporting plants have sufficient orders on hand to permit operations at current rates for one month. Stocks of finished goods are smaller than those of a month and a year ago.

Demand for women's full-fashioned hosiery is better than that of a month ago while that for men's full-fashioned is still said to be poor. Prices remain unchanged. Operations of reporting plants average 91 per cent of capacity, a slight increase over last month's figure. Unfilled orders will assure operations for an average period of two and a half months. Stocks of finished goods are moderate but larger than those of a year ago.

PAPER

The market for paper is fairly good, and prices continue unchanged. Mill activity in this district is maintained at an average rate of about 90 per cent of capacity and advance business is sufficient to assure production at this rate for nearly three weeks. Stocks of both pulp and finished products are from moderate

to light and are decreasing. Collections are fairly prompt.

CONFECTIONERY

Owing probably to the fact that Easter this year was about a fortnight later than in 1926, business in confectionery since the middle of March has not equaled the volume of a year before, and the market at present is only fair. Prices continue fairly stable and unchanged. Confectionery factories are working at about 70 per cent of capacity and unfilled orders are sufficient to assure production at this rate for only a little over two weeks. Both employment and wage payments in Pennsylvania declined during March from February's total, while in the same month last year there was an increase of 3.3 per cent in payrolls. Stocks are moderate. Collections are fairly prompt.

CIGARS

Business in cigars shows a slight improvement over that of four weeks ago, but sales do not equal the volume at this time last year. Unfilled orders, which continue about the same as last month, are sufficient to enable cigar makers to use their machinery at the present rate for over a month. Stocks are not heavy and are a trifle below those of a year earlier. Prices generally remain firm and unchanged. Collections are fair.

LEATHER

The packer hide market is strong, with prices advancing in spite of resistance on the part of tanners to further increase. The market for goatskins is quiet, prices having shown some slight decreases in the month. Demand for black kid is only fair or poor, with some decrease from that of last month. The fair demand for colored kid does not equal that of a month ago. Unfilled orders are smaller. The demand for sole leather is better than that of last month.

Shoes. Reports of shoe manufacturers show that demand is equally divided between good and fair while a few declare it poor. It has increased slightly over that of a month and a year ago. Production for the month of March, in this district, was 1,621,782 pairs, as compared with 1,373,113 pairs in February. Total production for the United States for March was 27,162,010 pairs, as compared with 23,793,490 in February. Our reporting firms state that stocks of finished goods are moderate and are somewhat lighter than those carried a month or a year ago.

Unfilled orders are smaller than those of last month, assuring operations, on the average, at 71 per cent of capacity for about three weeks. All report prices firm and unchanged.