

THE BUSINESS REVIEW

THIRD FEDERAL
PHILADELPHIA



RESERVE DISTRICT
FEBRUARY 1, 1928

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BUSINESS CONDITIONS IN THE UNITED STATES

Industrial activity continued in December at a relatively low level and railroad distribution of commodities declined further, while the general level of prices remained unchanged. Holiday trade at retail stores was in somewhat larger volume than in the previous year.

Production. Production of manufactures remained in practically the same volume in December as in November, while output of minerals, when allowance is made for usual seasonal changes, showed a slight increase. Activity in the textile, shoe, and tobacco industries was reduced in December, while the output of steel, non-ferrous metals, and petroleum increased. Production of automobiles continued in small volume during December, but increased considerably in January, and within recent weeks there has been also a further increase in the activity of steel mills.

Building contract awards were slightly larger in December than in November, but smaller than in December of the two preceding years. Total awards for the year 1927 in 37 eastern states, as reported by the F. W. Dodge Corporation, were valued at about \$6,300,000,000 which is slightly less than the 1926 total of \$6,380,000,000. December awards for residential and commercial buildings were larger than in December, 1926, while those for

industrial buildings and public works were smaller. During the first three weeks of January contract awards were in approximately the same volume as during the corresponding week of last year.

Trade. Retail sales of department stores and mail order houses increased slightly more than is usual in December and were somewhat larger than a year ago. Inventories of merchandise carried by department stores were reduced in December and at the end of the year were slightly smaller than at the end of 1926. Wholesale trade in nine leading lines continued smaller than in the corresponding month of last year. Stocks of groceries, shoes, hardware and furniture carried by wholesale firms were smaller at the end of December than a year earlier and stocks of dry goods and drugs were slightly larger. Freight car loadings declined further in December and were in smaller volume during that month and the early part of January than at any time in four years. The decrease in loadings occurred in practically all groups of commodities.

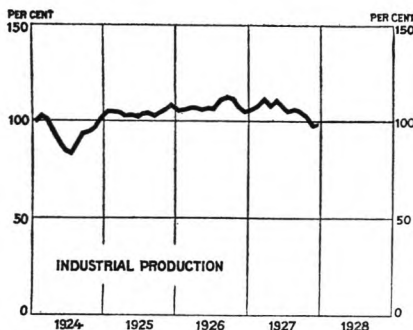
Prices. The Bureau of Labor Statistics Index of wholesale commodity prices remained practically unchanged in December and was at the end of the year about one per cent lower than a year ago. Prices of grains, hide, and leather prod-

ucts, non-ferrous metals, and rubber increased in December, while prices of livestock, cotton and lumber declined. In the first three weeks of January, there were increases in prices of iron and steel, grains, and wool, while prices of cattle, hogs, and cotton declined.

Bank credit. At the reserve banks the seasonal demand for currency, after reaching its peak on December 24, was followed by a return flow of money from circulation, which amounted to about \$440,000,000 between December 24 and January 18. This decline in the demand for currency, which was approximately the same as a year ago, was reflected in a decrease for the same period of about \$360,000,000 in bills and securities of the reserve banks.

Loans and investments of member banks in leading cities declined during the first half of January, but were still at a higher level than at any time last year. The decline of about \$200,000,000 between January 4 and January 18 reflected a decrease of about \$280,000,000 in the volume of loans on securities, offset in part by a considerable increase in the banks' investment holdings.

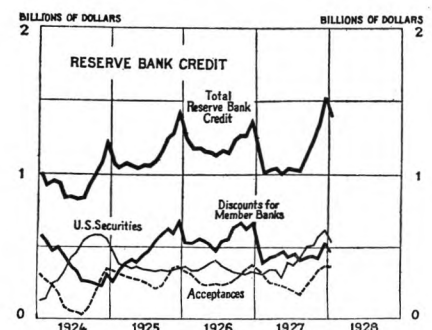
Call loan rates showed the usual seasonal decline at the turn of the year but other money rates were slightly firmer. The rate on bankers' acceptances in-



Index number of production of manufactures and minerals, combined, adjusted for seasonal variations (1923-25 average=100). Latest figure, December, 99.



Index of United States Bureau of Labor Statistics (1926=100, base adopted by bureau). Latest figure, December, 96.8.



Monthly averages of daily figures for 12 Federal reserve banks. Latest figures are averages of first 23 days in January.



Money in circulation data are averages of first-month figures and reserve bank credit data are monthly averages of daily figures. Latest figures, January, partly estimated.

creased during the second week of January from $3\frac{1}{4}$ to $3\frac{3}{8}$ per cent and there was also a slight advance in rates on time money in the open market.

BUSINESS CONDITIONS IN THE PHILADELPHIA FEDERAL RESERVE DISTRICT

Some signs of improvement in business in the Philadelphia Federal Reserve District have appeared since the first of the year, although industrial and mercantile transactions have continued in reduced volume. December sales of reporting stores were over 3 per cent less than those a year previous while the total volume for the year fell nearly 4 per cent behind that of 1926. Exceptions to the general downward tendency were found in shoe and women's apparel stores which reported larger sales in December. Stocks of retailers showed a decline almost corresponding to that in sales but accounts receivable were heavier than a year earlier and collections somewhat slower. Since January 1 retail business has experienced usual seasonal quiet. Wholesale trade in December also was substantially less than a year earlier, as was the case in practically every month of 1927. Declines occurred in every line but jewelry, which showed a slight gain, and, except in drugs, stocks also were smaller than a year earlier. Railroad freight shipments in the Allegheny district in recent weeks have been lower than last year, the decline being only partly attributable to the coal strike.

Factory employment in Pennsylvania continued to decline and, in December, was 11 per cent lower than a year earlier. Leather and textile industries, however, showed considerable strength, the metal manufactures being chiefly responsible for recent declines. Production of iron and steel products and anthracite and bituminous coal was substantially less in December, 1927, than a year earlier. Building contract awards in December also were smaller than in 1926, although the total for the year was over 8 per cent above the previous year. December real estate transactions in Philadelphia were in much larger volume.

Iron and steel operations in the district are still severely curtailed, but demand has improved recently, as evidenced

BUSINESS INDICATORS Philadelphia Federal Reserve District	December, 1927	Latest figure compared with	
		Previous month	Year ago
Retail trade—estimated net sales (130 stores)			
Department stores (61)	\$38,514,000	+36.4%	- 3.3%
Apparel stores (29)	\$32,832,000	+36.4 "	- 3.8 "
Shoe stores (24)	\$3,507,000	+38.8 "	+ 0.2 "
Credit stores (16)	\$881,000	+26.4 "	+ 6.8 "
	\$1,294,000	+32.1 "	- 4.5 "
Wholesale trade—net sales (130 firms)			
Boots and shoes (6)	\$9,864,558	- 0.5 "	- 6.1 "
Drugs (14)	\$192,469	+ 2.2 "	-21.9 "
Dry goods (17)	\$1,610,775	- 0.2 "	- 2.9 "
Electrical supplies (5)	\$757,957	-21.7 "	-17.2 "
Groceries (43)	\$822,635	+ 9.7 "	- 7.0 "
Hardware (24)	\$3,214,196	- 5.6 "	- 3.9 "
Jewelry (11)	\$1,737,706	- 2.2 "	-10.7 "
Paper (10)	\$963,659	+59.1 "	+ 3.8 "
	\$565,161	- 6.3 "	- 4.2 "
Productive activity—			
Employment—830 plants in Penna.	268,764	- 2.2 "	-10.9 "
Wage payments in above plants	\$6,909,120	- 1.1 "	-13.2 "
Shoe production* (94 factories)	prs. 1,279,142	- 0.3 "	
Hosiery production* (130 mills)	doz. prs. 1,289,221	-12.1 "	
Wool consumption* (78 mills)	lbs. 5,790,906	-19.5 "	
Active cotton spindle hours (Penna. and N. J.)	87,471,560	+ 3.4 "	- 6.7 "
Pig iron production	tons 243,617	- 3.0 "	-20.9 "
Iron casting production (31 foundries)	tons 3,371	-13.4 "	-30.6 "
Steel casting production (10 foundries)	tons 4,759	+ 2.6 "	-45.2 "
Anthracite	tons 6,032	-12.6 "	-19.3 "
Bituminous coal—Penna.	tons 10,181,000	+ 5.1 "	-32.8 "
Cement	bbls. 2,941,000	-12.1 "	+ 2.3 "
Electric power output (13 systems)	KWH 464,186,000	+ 5.5 "	+ 2.5 "
Distribution—			
Freight car loadings (Allegheny district—weekly average)	165,835	-12.4 "	-12.6 "
Tonnage of vessels (Port of Philadelphia)	tons 3,451,382	+ 4.3 "	-14.7 "
Financial and credit—			
Debits (17 cities)	\$2,859,726,000	+14.5 "	+ 2.9 "
Savings deposits (95 banks)	\$673,363,000	+ 3.5 "	+ 8.5 "
Bills discounted held by F. R. B. of Phila. (daily average)	\$48,580,000	+24.7 "	-20.1 "
Acceptances executed (9 banks for month ended Jan. 10)	\$4,250,000	-10.8 "	+ 0.5 "
Bankers' acceptances sales (4 dealers—weekly average for period ended Jan. 16)	\$2,820,000	+ 6.3 "	-13.5 "
Commercial paper sales (5 dealers)	\$6,283,500	-33.0 "	-10.3 "
Commercial failures—number	82	+13.9 "	+ 7.9 "
Commercial failures—liabilities	\$2,287,165	+53.8 "	+55.7 "
Building and real estate—			
Building permits (16 cities)	\$8,881,653	-23.0 "	-64.3 "
Building contracts awarded (Philadelphia district)	\$29,615,950	+ 3.2 "	- 4.5 "
Number of real estate deeds recorded (Philadelphia county)	5,254	+ 6.9 "	+14.6 "
Value of mortgages recorded (Philadelphia county)	\$33,793,849	+12.7 "	+44.2 "
Miscellaneous—			
Sales of life insurance (Penna., N. J., and Del.)	\$95,798,000	+28.4 "	-10.6 "
Retail sales of automobiles (10 distributors)	\$550,216	-19.3 "	- 0.3 "
Wholesale sales of automobiles (11 distributors)	\$1,476,489	- 4.4 "	+54.1 "

* Bureau of Census preliminary figures.

by the large increase in the Steel Corporation's unfilled orders and some strengthening of pig iron prices. A dull market and reduced operations characterize both the anthracite and bituminous coal industries as a result of continued mild weather and restricted industrial operations.

The building industry is fairly active, though in somewhat smaller volume than a year ago. Indeed, this branch of industry during the past year has been relatively more active in the Philadelphia district than in the United States as a whole. The year's volume of contracts showed a considerable gain for this district, but a slight decline for the United States. Seasonal slackness now prevails in building materials and some price reductions have been reported.

Leather and shoe industries report improvement in the market. Demand for hides and leather is active and prices have advanced, while local shoe manufacturers also report larger sales and higher prices.

The silk industry after months of dullness has now shown some signs of improvement. Sales have increased somewhat and raw silk prices are stronger since the first of the year. The wool market has been more active with higher prices for raw and finished products. After a fairly active fall season operations in the cotton industry recently have slackened considerably. Seasonal quiet prevails in the clothing, hosiery, and carpet and rug industries.

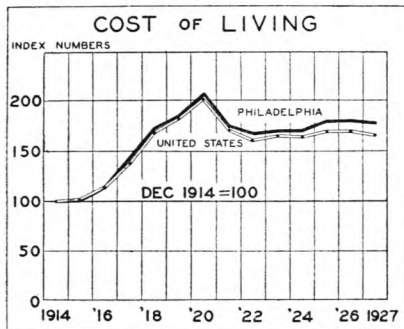
COMMODITY PRICES

The general level of wholesale commodity prices has displayed a slight upward trend in the last two weeks of January. Fisher's index, based on the 1926 average, rose to 95.7 on January 20 from 95.0 on January 5.

Prices were practically unchanged from November to December, but compared with a year before, the December level was 1.1 per cent lower. Farm products remained at about the same level as in

November, grains advancing and beef steers, hogs, and lambs declining sharply. Cotton and potatoes also were lower, while poultry, eggs, and tobacco were higher. Prices of foods declined slightly, but hides and leather rose sharply. Small increases also occurred in metals and metal products, building materials, and miscellaneous commodities. The textile group, fuel and lighting materials, and chemicals and drugs showed slight decreases in the month.

Retail food prices, as measured by changes in the index numbers, increased 1 per cent in Philadelphia and Scranton from November to December. In the country, however, the retail food index declined one-third of one per cent but was over 3.7 per cent below the level of a year earlier.



Source: Bureau of Labor Statistics

FINANCIAL CONDITIONS

Federal reserve bank. From 61 per cent on December 21, the reserve ratio of the Federal Reserve Bank of Philadelphia receded to 55.4 per cent on January 4, although the combined note and deposit liabilities decreased 7 millions. Cash reserves fell from 174 to 154 millions, mainly as the result of a loss of 26.5 millions in the transit clearings with other districts. In the following two weeks, which ended on January 18, a gain of 23.2 millions occurred in the transit clearings, cash reserves increased 25.2 millions, and liabilities against which reserves are computed declined further, so that the reserve ratio advanced from 55.4 to 67.3 per cent.

In the four weeks there was a strong return movement of currency, although the effect of this was countered somewhat by the withdrawal of 14 millions of Government funds from depository banks. Bills discounted for member banks increased from 49.1 millions on

(Figures in thousands)	Jan. 18, 1928	Dec. 21, 1927	Jan. 19, 1927
For Philadelphia banks.....	\$15,800	\$24,200	\$10,400
For banks in 19 other large cities.....	8,700	10,800	10,800
For banks outside of 20 cities.....	12,600	14,100	16,600
Totals.....	\$37,100	\$49,100	\$37,800

CITY CONDITIONS Philadelphia Federal Reserve District	December, 1927, compared with December, 1926						
	Employment	Wage payments	Value of building permits	Debits	Savings deposits	Retail trade sales	Electric power sales
Allentown area...	- 4.4%	- 1.9%	+76.2%	+ 5.5%	+ 6.8%	+ 2.1%	+ 6.2%*
Altoona ".....	.....	.....	-67.2 "†	+ 1.5 "†	+ 9.0 "†	+ 0.9 "†	-13.7 "†
Harrisburg ".....	+ 1.3 "†	- 2.7 "†	-25.6 "†	-19.0 "†	+18.3 "†	- 5.7 "†	+ 3.7 "†
Johnstown ".....	-18.8 "†	-28.8 "†	-32.3 "†	-10.4 "†	+ 4.3 "†	-12.3 "†	+ 2.0 "†
Lancaster.....	- 0.2 "†	- 5.6 "†	+156.6 "†	+ 6.7 "†	.....	+ 2.4 "†	+11.3 "†
Philadelphia ".....	-11.7 "†	-11.0 "†	-68.5 "†	+ 4.2 "†	+ 9.9 "†	- 3.4 "†	+ 4.6 "†
Reading ".....	- 7.2 "†	-12.5 "†	+42.0 "†	+ 2.8 "†	+ 8.6 "†	+ 1.4 "†	+41.0 "†
Scranton ".....	-16.8 "†	-11.4 "†	-44.1 "†	- 5.2 "†	+ 5.4 "†	- 2.6 "†	+11.9 "†
Trenton ".....	-17.7 "†	-22.2 "†	-56.8 "†	+ 0.2 "†	+ 6.9 "†	- 8.6 "†	+ 8.5 "†
Wilkes-Barre ".....	-24.4 "†	-20.8 "†	-46.1 "†	- 1.4 "†	+ 8.2 "†	- 4.1 "†	.....
Williamsport ".....	- 2.7 "†	+10.5 "†	+70.3 "†	+ 8.0 "†	.....	- 2.7 "†	.....
Wilmington ".....	-10.2 "†	- 8.8 "†	-81.8 "†	+11.1 "†	+ 6.1 "†	- 3.3 "†	- 4.9 "†
York ".....	- 6.2 "†	- 8.7 "†	+46.1 "†	+11.5 "†	+ 7.8 "†	- 4.0 "†	+12.8 "†

December, 1927, compared with November, 1927

Allentown area...	- 2.0%	- 1.5%	- 8.2%	+17.0%	+ 1.7%	+10.0%	+ 0.4%*
Altoona ".....	+ 2.9 "†	- 2.2 "†	-46.6 "†	+ 1.8 "†	.....	+73.1 "†	+10.7 "†
Harrisburg ".....	+ 0.2 "†	- 2.7 "†	-56.9 "†	+ 7.6 "†	- 1.1 "†	+50.7 "†	+ 5.5 "†
Johnstown ".....	- 7.7 "†	+ 1.1 "†	-54.1 "†	+ 0.5 "†	+ 0.4 "†	+64.4 "†	+ 5.5 "†
Lancaster.....	+ 1.1 "†	- 1.9 "†	+852.1 "†	+ 2.8 "†	.....	+66.2 "†	- 0.9 "†
Philadelphia ".....	- 2.6 "†	+ 0.6 "†	+ 1.8 "†	+14.4 "†	+ 4.2 "†	+39.0 "†	+ 7.7 "†
Reading ".....	- 0.8 "†	- 3.4 "†	+50.3 "†	+13.5 "†	+ 2.7 "†	+74.6 "†	+ 5.6 "†
Scranton ".....	+ 3.1 "†	+ 7.3 "†	-13.7 "†	+ 4.9 "†	+12.6 "†	+27.0 "†	+10.3 "†
Trenton ".....	- 1.9 "†	+ 1.2 "†	-72.4 "†	+27.2 "†	- 0.4 "†	+64.7 "†	+ 2.6 "†
Wilkes-Barre ".....	-18.4 "†	-12.6 "†	- 7.3 "†	+13.0 "†	+ 0.8 "†	+47.4 "†	.....
Williamsport ".....	+ 2.6 "†	+ 5.5 "†	-96.8 "†	+25.3 "†	.....	+70.1 "†	.....
Wilmington ".....	+ 1.2 "†	+ 4.7 "†	-42.9 "†	+29.7 "†	+ 0.4 "†	+74.3 "†	- 0.7 "†
York ".....	- 5.3 "†	- 1.6 "†	-66.5 "†	+21.9 "†	- 0.3 "†	+68.6 "†	+ 8.4 "†

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

PRICES OF COMMODITIES	Latest	Month ago	Year ago	Source of quotation
Wholesale				
Fisher's weekly index (1926 = 100).....	95.7	95.9	.....	Prof. Irving Fisher
Purchasing power of the 1926 dollar..... cents	104.5	104.2	.....	Prof. Irving Fisher
All commodities, index (1926 = 100)....	96.8	96.7	97.9	B. of L. Statistics
Finished steel, average..... lb.	2.314¢	2.314¢	2.439¢	Iron Age
Pig iron, average..... ton	\$17.67	\$17.54	\$19.39	Iron Age
Pig iron, 2 X Phila..... " "	\$20.26	\$19.76	\$22.26	Iron Age
Copper, electrolytic..... lb.	14.00¢	14.00¢	13.25¢	Dun's Review
Lead..... " "	6.48¢	6.50¢	7.50¢	Dun's Review
Cotton, N. Y. middling spot..... " "	19.30¢	19.50¢	13.60¢	Journal of Commerce
Yarns, average..... " "	36.20¢	35.44¢	29.09¢	Fairchild's
Goods..... yd.	13.36¢	13.46¢	11.54¢	Fairchild's
Wool, domestic, raw..... lb.	\$1.04	99.42¢	94.18¢	Fairchild's
Foreign..... " "	\$1.19	\$1.16	\$1.09	Fairchild's
Tops, av..... " "	\$1.10	\$1.04	\$1.02	Fairchild's
Worsted Yarns..... " "	\$1.71	\$1.68	\$1.71	Fairchild's
Silk, raw (av. of 6 grades)..... lb.	\$4.91	\$4.79	\$5.47	Fairchild's
Goods..... Index number	119.39	119.92	130.08	Fairchild's
Rayon..... " "	\$1.50	\$1.50	\$1.45	Fairchild's
Construction costs (1913 = 100)..... " "	203.9	203.9	211.5	Eng. News Record
Lumber, yellow pine..... 1000 ft.	\$63.00	\$63.00	\$63.00	Dun's Review
Oak, plain..... " "	\$115.00	\$115.00	\$119.00	Dun's Review
Cement, Phila., carloads..... bbl.	\$2.21	\$2.21	.....	Dun's Review
Bricks, common..... 1,000	\$12.50	\$13.50	\$17.90	Dun's Review
Fuels: bituminous coal, index (1926 = 100) ton	97.4	97.8	107.9	B. of L. Statistics
Anthracite (1926 = 100)..... " "	96.8	96.9	98.8	B. of L. Statistics
Coke, furnace..... short " "	\$2.75	\$2.75	\$3.50	Dun's Review
Petroleum, Pa. crude..... bbl.	\$2.80	\$2.75	\$3.40	Oil, Paint and DrugRep.
Gasoline, tankwagon, Phila..... gal.	15.00¢	15.00¢	18.00¢	Oil, Paint and DrugRep.
Hides, packer, 1, native..... lb.	26.5¢	25.0¢	15.5¢	Dun's Review
Rubber, 1st latex crepe..... " "	31.75¢	40.00¢	30.00¢	Dun's Review
Paper, news roll..... 100 lbs.	\$3.25	\$3.25	\$3.25	Dun's Review
Tobacco, medium..... lb.	12.00¢	12.00¢	15.00¢	Dun's Review
Corn, 2 yellow..... bu.	\$1.09	\$1.04	95.38¢	Dun's Review
Wheat, 2 red..... " "	\$1.56	\$1.51	\$1.56	Dun's Review
Flour, Minn. patent..... bbl.	\$7.05	\$7.00	\$7.50	Journal of Commerce
Food products.....	\$3.34	\$3.35	\$3.49	Bradstreet's
Retail				
Food, index number (1913 = 100).....	155.9	156.5	161.8	B. of L. Statistics
Cost of living				
Philadelphia (Dec. 1914 = 100).....	178.3	178.0*	182.3	B. of L. Statistics
United States (1913 = 100).....	172.0	173.4*	175.6	B. of L. Statistics

*June, 1927.

December 21 to 58.7 millions on January 4, but fell to 37.1 millions on January 18, and members' reserve deposits increased from 133.9 to 142.6 millions in the four weeks. A distribution of borrowings is given in the accompanying table.

The total of borrowing has changed little in the year, but holdings of purchased paper have increased nearly 10 millions and of United States securities close to 22 millions.

Member banks. According to the reports of 116 member banks in twenty-one of the larger cities of the Philadelphia Federal Reserve District, loans and discounts increased 10.6 millions from 999.9 to 1010.5 millions in the five weeks from December 14 to January 18. Investments expanded 14.5 millions, net demand deposits 11.3 millions, and time deposits 12.4 millions. The increase in loans and discounts, in the case of 33 Philadelphia banks, amounted to 4.9 millions, the result of an advance of 21.6 millions in amounts loaned on the security of stocks and bonds, which was partially offset by a decline of 16.7 millions in other loans and discounts.

In comparison with January 12, 1927, the loans of 116 banks on January 18 this year were nearly 14 millions smaller, owing to a decline of 23.2 millions in the loans of Philadelphia banks and an increase of 9.3 millions outside of the city. The change in Philadelphia reflected chiefly a decline of 20.6 millions in loans other than those secured by stocks and bonds. As in recent months, a large increase in investments in comparison with a year earlier also was reported by Philadelphia banks.

Commercial paper. Sales of commercial paper in this district, as reported by five dealers, declined from \$9,380,800 in November to \$6,283,500 in December, owing to a falling off in purchases of both city banks and those outside. Compared with a year before, December sales were smaller to city banks and larger to outside institutions. Statistics follow:

	Sales to		Total sales
	City banks	Outside banks	
1927			
Dec.	\$2,471,000	\$3,812,500	\$6,283,500
Nov.	3,503,300	5,877,500	9,380,800
Oct.	4,330,000	4,337,500	8,667,500
1926			
Dec.	3,441,500	3,564,900	7,006,400

Fifty-five per cent of the sales in December, according to the reports of three dealers, were made at 4 per cent, 19 per cent at 3¾ per cent, and 26 per cent at 4¼ or 4½ per cent. In November, more than three-quarters of the sales were at 3¾ or 4 per cent, and in December, 1926, all of the sales were at 4¼ per cent or higher.

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Changes in condition of banks (All figures in thousands of dollars)	Loans on securities	Other loans and discounts	Total loans and discounts	Investments	Net demand deposits	Time deposits
Changes in five weeks to Jan. 18:						
Philadelphia (33 banks)	+21,658	-16,710	+ 4,948	+13,417	+ 7,908	+ 7,151
Outside (83 banks)	+ 246*	+ 3,367*	+ 5,677	+ 1,037	+ 3,353	+ 5,248
Total (116 banks)	+21,904†	-13,343†	+10,625	+14,454	+11,261	+12,399
Changes from Jan. 12, 1927, to Jan. 18, 1928:						
Philadelphia (33 banks)	- 2,651	-20,563	-23,214	+63,068	+ 2,906	+26,650
Outside (83 banks)	+ 5,123‡	+ 1,233‡	+ 9,296	+18,799	- 3,061	+25,991
Total (116 banks)	+ 2,472§	-19,330§	-13,918	+81,867	- 155	+52,641

* 69 banks; † 102 banks; ‡ 61 banks; § 94 banks.

Debits to individual account. During 1927, check payments, as reported by clearing houses in seventeen of the larger cities of the district, totaled \$30,150,000,000, an increase of 3.4 per cent over 1926. Twelve out of seventeen cities participated in this increase.

For the three weeks ended January 18, check payments were 7.1 per cent larger than in the corresponding weeks last year. Philadelphia shows an increase of 9.7 per cent, three cities in the anthracite area show a gain of 6.6 per cent, and thirteen other cities in total have declined 2.5 per cent.

Bankers' acceptances. Nine banks in Philadelphia report that outstanding acceptances on January 10 totaled \$14,092,000, as compared with \$13,543,000 a month earlier. In the month ended January 10, \$4,250,000 of acceptances were executed by them, as against \$4,767,000 in the preceding month and \$4,228,000 a year before.

DISTRIBUTION

Railroad shipments of merchandise and miscellaneous commodities in the Allegheny district in the four weeks ended January 7 were about 4 per cent smaller than in the corresponding period last year. Freight car loadings of these commodities during 1927 were about two-tenths of one per cent below the volume of 1926. Last year failures of trading firms in Pennsylvania, New Jersey, and Delaware increased over 3 per cent in number and 13 per cent in the amount of liabilities involved, as compared with 1926. In the United States similar liquidations rose 5 per cent in number and 13 per cent in liabilities.

Wholesale trade. Trading at wholesale generally is between poor and fair. Sales are smaller than four weeks ago in all lines except drugs and paper. Wholesale quotations for shoes, groceries, and to some extent hardware have advanced somewhat during the month, while prices of other lines have remained practically unchanged.

The dollar volume of wholesale business continued to decline in December. Sales of jewelry and electrical supplies showed the largest gains from November,

while dry goods, paper, and groceries registered the greatest losses. Compared with a year before, declines occurred in all lines but jewelry. With the exception of drugs, inventories held by dealers were reduced from the total of a year earlier. Five out of eight lines reported a smaller amount of collections in December than in the like month of 1926.

Retail trade. Business at retail is moving quietly, as is usual at this season. Several reports indicate that clearance sales have been fairly satisfactory. With the exception of a few changes, retail prices continue steady.

December sales, while increasing seasonally, were 3.3 per cent below the total of a year before, and in the year as a whole they declined 3.9 per cent from the volume attained in 1926. Declines in the month occurred in department, credit, and men's apparel stores, while business of women's apparel and shoe stores increased appreciably over the total of a year earlier.

Inventories at the end of the month were, as usual, considerably under those at the end of November. Compared with a year before, stocks were smaller, except in women's apparel, men's apparel outside of Philadelphia, and to some extent in shoes. The rate of turnover was a trifle smaller last year than in 1926. Receivables at the end of the month increased 3.2 per cent over a year before. Collections in December were 2.4 per cent below those in the same month a year earlier.

Automobile trade. Sales of passenger cars to dealers by eleven distributors, while smaller in December than in November, showed a substantial gain over the number and value of a year before. Retail sales of new automobiles, on the other hand, were smaller than a month and a year earlier. Business in used cars also declined in the month and was less in value, though not in number, than the volume in December, 1926. Deferred payment retail sales decreased sharply both in number and value as compared with a month and a year before. Stocks of both new and used cars at the end of the year were appreciably greater than those on the same date in 1926.

INDUSTRIAL CONDITIONS

Manufacturing operations as a whole naturally show signs of some improvement after the turn of the year and the completion of inventory listing. In recent weeks, increased activity in the steel and automobile industries has been particularly pronounced, following a prolonged period of curtailed operations.

Factory employment in Pennsylvania declined 2.2 per cent and payrolls 1.1 per cent from the November totals. In New Jersey, the number of workers decreased 0.6 per cent but wage payments increased 2.9 per cent between November and December. Delaware plants showed gains both in employment and in wage disbursement, owing chiefly to the increased activity in the foundry and machinery group.

Industrial consumption of electric power, though slightly smaller than in November, was 7.2 per cent ahead of the total in December, 1926. Total sales of electricity were 5 per cent greater than in November and 6 per cent larger than a year before. The output of electric power by 13 central stations also increased in the month and was 2.5 per cent above that of a year earlier, as shown by the accompanying table.

Failures of manufacturing firms in Pennsylvania, New Jersey, and Delaware during 1927, as compared with 1926, decreased 5 per cent in number and 14 per cent in the amount of liabilities in-

involved. In the country, on the other hand, similar failures increased about 5 per cent in number and almost 34 per cent in liabilities.

Iron and steel. The iron and steel industry shows signs of seasonal expansion, although reporting firms indicate that demand is still unsatisfactory. Prices in the main have remained steady during the month, and recently have shown somewhat greater strength. Philadelphia foundry pig iron has advanced 50 cents a ton since January 10. The average price of pig iron in the country also has advanced steadily since the first of the year, but that of finished steel has remained practically unchanged.

Several firms reporting to this bank state that their operations are somewhat lower than a month ago. Wage payments by manufacturers making metal products in Pennsylvania, New Jersey, and Delaware increased measurably between November and December, although

employment in Pennsylvania and New Jersey showed a slight decline. The daily output of pig iron in this district decreased about 6 per cent in December and was almost 21 per cent below that of a year earlier. Similarly, production in the country declined 7 per cent from the November daily total and nearly 13 per cent from that of December, 1926. Unfilled orders of the United States Steel Corporation were 518,430 tons, or 15 per cent, greater than in November and ex-

(Daily production figures in gross tons)	1926	1927	Percentage change
Pig iron—output—			
Phila. Res. Dis.	10,823	9,498	-12.2
United States.	107,040	99,315	-7.2
Steel ingots—output—			
United States.	150,920	138,395	-8.3
Unfilled orders—			
U. S. Steel Corp.	3,960,969	3,972,874	+0.3

* December totals.

AUTOMOBILE TRADE Philadelphia Federal Reserve District 11 distributors	December, 1927, change from			
	December, 1926		November, 1927	
	Number	Value	Number	Value
Sales, new cars, wholesale.	+53.4%	+54.1%	-2.6%	-4.4%
Sales, new cars, at retail.	-1.7 "	-0.3 "	-19.6 "	-19.3 "
Stocks of new cars.	+11.0 "	+8.0 "	+15.1 "	+13.4 "
Sales of used cars.	+13.7 "	-5.7 "	-6.6 "	-19.9 "
Stocks of used cars.	+18.8 "	+23.9 "	-0.8 "	-5.8 "
Retail sales, deferred payment.	-42.9 "	-45.8 "	-32.3 "	-33.5 "

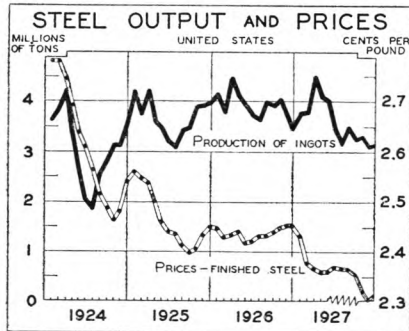
ELECTRIC POWER Philadelphia Federal Reserve District 13 systems	December, 1927, change from	
	Dec., 1926	Nov., 1927
Rated generator capacity.	+4.5%	-0.2%
Generated output.	+2.5 "	+5.5 "
Hydro-electric.	+79.8 "	+10.3 "
Steam.	-8.7 "	+3.6 "
Purchased.	+35.6 "	+10.8 "
Sales of electricity.	+6.0 "	+5.1 "
Lighting.	+9.3 "	+11.6 "
Municipal.	+7.5 "	+8.7 "
Residential and commercial.	+9.6 "	+12.0 "
Power.	+5.5 "	+3.1 "
Municipal.	+2.1 "	+0.4 "
Street cars and railroads.	+0.4 "	+15.8 "
Industries.	+7.2 "	-0.2 "
All other sales.	+2.0 "	+3.9 "

WHOLESALE TRADE Philadelphia Federal Reserve District	Net sales, Dec., 1927, compared with		Stocks, Dec. 31, 1927, compared with		Accounts outstanding, Dec. 31, 1927, compared with		Ratio of accounts outstanding to sales, Dec., 1927	Collections, Dec., 1927, compared with	
	Dec., 1926	Nov., 1927	Dec. 31, 1926	Nov. 30, 1927	Dec. 31, 1926	Nov. 30, 1927		Dec., 1926	Nov., 1927
Boots and shoes.	-21.9%	+2.2%	.....%	.....%	-7.2%	-8.3%	345.7%	+4.2%	+33.3%
Drugs.	-2.9 "	-0.2 "	+7.0 "	+0.4 "	-8.7 "	-4.9 "	147.3 "	-3.9 "	+7.1 "
Dry goods.	-17.2 "	-21.7 "	-4.1 "	-10.1 "	-10.2 "	-12.3 "	242.6 "	-14.1 "	+14.0 "
Electrical supplies.	-7.0 "	+9.7 "	-6.1 "	-17.6 "	+2.3 "	+2.2 "	110.0 "	+20.7 "	+25.8 "
Groceries.	-3.9 "	-5.6 "	-6.4 "	-6.1 "	+0.7 "	-6.3 "	116.8 "	-8.1 "	+2.0 "
Hardware.	-10.7 "	-2.2 "	-7.7 "	-5.2 "	-4.1 "	-8.3 "	182.1 "	-7.4 "	+7.0 "
Jewelry.	+3.8 "	+59.1 "	-12.7 "	-25.9 "	-0.3 "	+17.0 "	253.2 "	+2.9 "	+76.8 "
Paper.	-4.2 "	-6.3 "	-1.1 "	-7.2 "	-4.1 "	-5.3 "	143.3 "	-0.6 "	-1.4 "

RETAIL TRADE Philadelphia Federal Reserve District	Comparison of net sales		Comparison of stocks		Rate of turnover Jan. 1 to Dec. 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
	Dec., 1927, with Dec., 1926	Jan. 1 to Dec. 31, 1927, with Jan. 1 to Dec. 31, 1926	Dec. 31, 1927		1926	1927			
			with Dec. 31, 1926	with Nov. 30, 1927					
All reporting stores.	-3.3%	-3.9%	-2.7%	-16.2%	3.52	3.40	-13.5%	+3.2%	-2.4%
Department stores.	-3.8 "	-4.2 "	-3.3 "	-16.7 "	3.51	3.41	-18.0 "	+4.4 "	-2.8 "
in Philadelphia.	-4.2 "	-5.0 "	-4.5 "	-16.1 "	3.72	3.61	.....	+5.5 "	+4.0 "
outside Philadelphia.	-3.0 "	-2.2 "	-0.3 "	-18.2 "	3.02	2.96	.....	+4.5 "	-2.9 "
Apparel stores.	+0.2 "	-0.3 "	+6.7 "	-14.2 "	4.32	4.17	+17.2 "	+15.0 "	+3.9 "
Men's apparel stores.	+7.0 "	-7.2 "	-4.6 "	-16.0 "	2.81	2.67	.....	+13.1 "	0.0
in Philadelphia.	-8.9 "	-8.4 "	-12.2 "	-13.4 "	2.94	2.93	.....	.....	.....
outside Philadelphia.	-3.8 "	-5.8 "	+6.6 "	-19.6 "	2.60	2.32	.....	+13.1 "	0.0
Women's apparel stores.	+4.9 "	+4.5 "	+22.0 "	-11.8 "	6.35	5.97	+22.7 "	+15.2 "	+4.5 "
in Philadelphia.	+4.8 "	+4.2 "	+21.2 "	-8.2 "	6.56	6.17	.....	.....	.....
outside Philadelphia.	+5.6 "	+5.9 "	+25.8 "	-25.6 "	5.32	4.96	.....	+23.1 "	+16.2 "
Shoe stores.	+6.8 "	+2.1 "	+0.5 "	-12.1 "	2.87	2.78	.....	+2.3 "	0.0
Credit stores.	-4.5 "	-8.7 "	-8.4 "	-12.7 "	3.09	2.64	.....	-1.0 "	-7.7 "

ceeded the volume of a year before by 0.3 per cent. Among items responsible for the December gain in advance steel business were rail bookings, tinplate contracting for the present half-year, large orders for sheets, and the usual quarterly contracts in bars, shapes, and plates.

Production, shipments, and unfilled tonnage of foundries making steel castings increased between November and December but did not measure up to the volume of a year before. Activity of iron foundries, on the other hand, declined noticeably from the level of a month and a year ago.



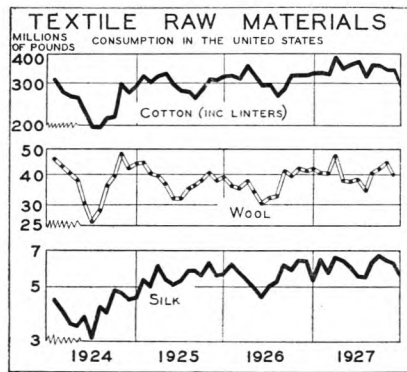
Source: Iron Age

Textiles. Cotton yarn dealers report a fair volume of business, while fabric makers are passing through a rather quiet season. Prices of finished products have declined a little in recent weeks, reflecting mainly a drop in quotations for raw cotton. Plant operations have decreased noticeably, and unfilled orders are below the volume at the same time last year. Stocks of yarns have decreased a little in the month but those of piece goods are appreciably larger than four weeks ago. Compared with a year ago, there is practically no change in the volume of supplies of cotton yarns and fabrics. Cotton consumption in the country was 23 per cent smaller in December than in November and was about 10 per cent below the total of a year before. The volume of cotton exported was about one-half of that in December, 1926.

Conditions in the silk industry show signs of improvement, after a period of curtailed operations prevailing during the greater part of last year. While the demand is still unsatisfactory, some increases in sales are reported. Factory employment and wage disbursements increased appreciably from November to December, although in the first week of January plant activity declined seasonally. Prices of silk goods continued to

Raw silk * (Figures are monthly averages and in bales)	1925	1926	1927
Imports.....	40,803	42,017	46,037
Storage.....	44,819	36,814	46,768
Mill takings.....	41,779	41,796	45,948

* The Silk Association of America.



Source: Dept. of Commerce

decline in December and on January 1 were lower than at any time in the past nine years. This is a reflection of lower quotations for raw silk, although in recent weeks prices of raw silk have turned upward.

Business of local dealers in raw wool has been fairly active in the month, sales exceeding the volume of four weeks and a year ago. The demand for woolen and worsted yarns and piece goods, however, has been only fair and in somewhat smaller volume than at the same time last year. Prices of finished goods have risen further in sympathy with higher quotations for raw wool.

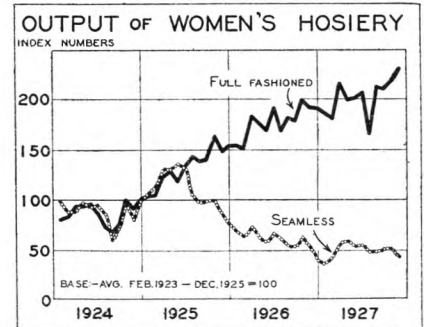
Unfilled orders for raw wool are greater while those for fabrics are smaller than a year ago. Practically no change is reported in the volume of advance business in yarns. Plant operations continue at about the same rate as that prevailing four weeks ago. Factory employment and payrolls declined seasonally between November and December. Wool consumption in this district was 19.5 per cent less and in the country 10 per cent smaller in December than in November. Last year mill takings of raw wool in this district exceeded the total of 1926 by more than 7 per cent. Stocks of raw materials and finished products are from moderate to light and are smaller than those of a year ago.

Business in clothing is seasonally quiet, and sales are smaller than a year ago. Prices generally have eased off somewhat in recent weeks. Plant operations continue fairly well sustained, owing mainly to the recent increase in the manufacture of women's clothing. Advance orders generally are appreciably below the volume of a year ago. Stocks have decreased slightly in the month and are about equal to those on the same date last year.

There is a fair and decreased demand for women's full-fashioned silk hosiery and the demand for men and women's seamless continues fair or poor. There was little change in prices in the month, though some decreases in women's full-fashioned silk were noted. Moderate stocks of finished goods show little change from last month but are smaller than those of a year ago. Plant operation is

about the same as a month ago and orders now on the books will permit operation for a little more than a month. From November to December employment at hosiery plants in Pennsylvania increased .5 per cent, but payrolls declined 1 per cent.

Most of our carpet and rug manufacturers report poor business, sales being smaller than a month and a year ago. Unfilled orders are reported as smaller than a year ago, and will insure operation, on the average, for about one month. The number of wage earners in the in-



Source: Department of Commerce

dustry increased .8 per cent from November to December, while weekly wages showed a 3.7 per cent advance. Prices in general are unchanged, though a few decreases are noted in some lines. Manufacturers of linoleums and felt base goods report an encouraging volume of business, with little change in prices.

Leather. The packer hide market is firm and strong, heavy native steers gaining one cent in the past month. Supply continues to be sold up to production. The goatskin market is firm, with prices high and advancing.

Black kid is in good and unchanged demand while the fair demand for colored kid shows a slight increase over that of a month ago. A few price increases are reported. Stocks of finished goods show little change in the month. There is a moderate demand for sole leather and prices have advanced.

A fair and decreased demand for leather belting is reported, while prices have increased.

Demand for shoes is reported as slightly better than a month ago. Larger sales also compare favorably with those of last year. Stocks of finished goods have varied little in the month, but are smaller than those of a year ago, while unfilled orders are larger. Many firms report higher prices. Unfilled orders assure operation for about two months.

Building. Construction is moving forward at a moderate pace, although the volume is substantially smaller than at the same time last year. Contract awards in this district increased a little over 3 per cent between November and December but were 4.5 per cent below the total of a year before, eastern Pennsyl-

vania and Southern New Jersey being responsible for this drop. The estimated cost of building under permits in 16 cities declined 23 per cent from November to December, and was a little over one-third of the record volume attained in December, 1926. Construction costs continue unchanged, though appreciably below last year's level.

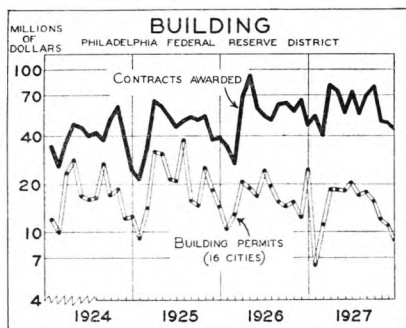
The value of mortgages recorded in Philadelphia in December was the largest of any month since last February and exceeded that for the same month in the three years before.

Comparisons of building activity in the past year follow:

Building Activity (Figures in thousands of dollars)	1926	1927	Percentage change
Philadelphia Fed. Res. District			
Contracts, total	\$ 421,216	\$ 456,686	+ 8.4
Residential	171,302	187,530	+ 9.5
Permits, 16 cities	208,600	180,021	-13.7
United States			
Contracts, total	6,335,406	6,304,343	- 0.5
Residential	2,672,200	2,568,630	- 3.9
Permits, 168 cities	3,574,816	3,166,265	-11.4

Sources: F. W. Dodge Corp. and Federal Reserve Board.

The demand for building materials continues sluggish, sales of lumber, cement, paint, and electrical supplies being smaller than four weeks and a year ago. Several price reductions have been noted, although the general level remains unchanged. Plants manufacturing brick, tile and pottery, lumber, cement, glass, paints, and varnishes curtailed their operations during December, chiefly because of seasonal slackness. The output of cement in this district and in the country during 1927 reached a record volume. With the exception of cement, stocks are said to be moderate and somewhat lighter than a year ago.



Sources: W. F. Dodge Corp. and Federal Reserve Bank of Philadelphia

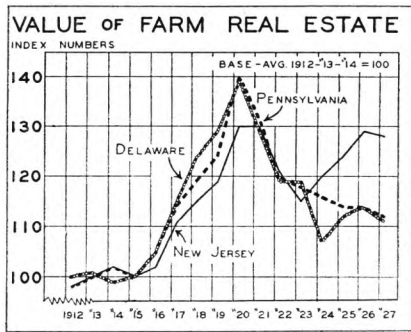
Flour. Business in flour is fair and slightly more active than four weeks ago; but sales do not equal the volume in the same period last year. The market for middlings, bran, and other feed by-products is moderately brisk, exceeding sales of a year ago. Prices remain steady. Little change is reported in mill operations. Supplies of flour are moderate and lighter than on the same date last

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	
		Dec. 15, 1927	Per cent change from month ago	Dec. 15, 1927	Per cent change from month ago	Dec. 15, 1927	Per cent change from month ago
All industries (55)	830	268,764	- 2.2	\$6,909,120	- 1.1	\$25.71	+ 1.2
Metal products	240	101,846	- 1.5	2,759,427	+ 1.2	27.09	+ 2.8
Blast furnaces.....	10	2,265	- 0.2	69,108	+ 7.5	30.51	+ 7.7
Steel works and rolling mills.....	44	53,819	- 2.2	1,450,616	- 1.2	26.95	+ 1.0
Iron and steel forgings.....	10	1,785	+ 1.9	47,524	+ 3.2	26.62	+ 1.2
Structural iron work.....	10	3,607	- 5.0	107,064	+ 4.6	29.68	+10.1
Steam and hot water heat. app.....	19	4,738	+ 0.4	137,880	+ 5.8	29.10	+ 5.4
Stoves and furnaces.....	9	991	- 8.5	27,848	-11.9	28.10	- 3.7
Foundries.....	40	7,440	+ 0.3	205,728	+ 2.7	27.65	+ 2.4
Machinery and parts.....	39	8,644	+ 2.6	256,701	+ 4.2	29.70	+ 1.5
Electrical apparatus.....	17	7,191	- 2.3	180,743	+ 5.1	25.13	+ 7.5
Engines and pumps.....	10	3,124	- 3.9	81,076	+ 6.7	25.95	+11.1
Hardware and tools.....	19	6,283	- 1.0	148,432	+ 5.4	23.62	+ 6.4
Brass and bronze products.....	9	479	- 2.2	13,058	+ 1.8	27.26	+ 4.1
Jewelry and novelties.....	4	1,480	- 1.7	33,649	- 2.0	22.74	- 0.4
Transportation equipment	42	30,109	- 0.6	874,131	+ 2.5	29.03	+ 3.2
Automobiles.....	7	3,756	+ 7.1	119,972	+14.1	31.94	+ 6.5
Automobile bodies and parts.....	12	6,140	+ 3.4	201,998	+ 8.3	32.90	+ 4.7
Locomotives and cars.....	13	14,315	- 3.9	388,166	- 3.0	27.12	+ 1.0
Railroad repair shops.....	7	3,789	+ 1.4	103,248	+ 4.2	27.25	+ 2.8
Ship building.....	3	2,109	- 4.7	60,747	- 1.5	28.80	+ 3.4
Textile products	167	57,820	+ 0.0	1,324,405	+ 0.5	22.91	+ 0.4
Cotton goods.....	14	3,998	+ 2.3	95,117	- 3.5	23.79	- 5.6
Woolens and worsteds.....	16	6,692	- 7.0	148,595	- 6.3	22.20	+ 0.7
Silk goods.....	40	18,108	+ 2.3	373,197	+ 5.9	20.61	+ 3.5
Textile dyeing and finishing.....	10	1,942	- 0.9	48,695	+ 1.1	25.07	+ 2.0
Carpets and rugs.....	9	2,805	+ 0.8	74,882	+ 3.7	26.70	+ 2.9
Hats.....	5	3,890	+ 1.2	103,982	- 2.5	26.73	- 3.6
Hosiery.....	28	12,022	+ 0.5	327,406	- 1.0	27.23	- 1.5
Knit goods, other.....	15	2,896	- 2.8	55,801	- 0.3	19.27	+ 2.6
Men's clothing.....	11	1,801	- 3.4	36,963	- 1.3	20.52	+ 2.1
Women's clothing.....	9	1,242	+ 8.0	19,147	+ 9.3	15.42	+ 1.2
Shirts and furnishings.....	10	2,424	- 1.2	40,620	+ 0.8	16.76	+ 2.1
Foods and tobacco	102	22,055	- 6.1	465,658	- 4.5	21.11	+ 1.7
Bread and bakery products.....	29	4,362	- 0.5	127,649	+ 0.1	29.26	+ 0.6
Confectionery.....	14	4,727	+ 1.7	88,727	+ 0.2	18.77	- 1.4
Ice cream.....	11	1,141	- 4.2	36,597	- 3.6	32.07	+ 0.6
Meat packing.....	13	2,111	+ 0.2	62,494	- 1.0	29.60	- 1.2
Cigars and tobacco.....	35	9,714	-13.0	150,191	-11.9	15.46	+ 1.2
Stone, clay and glass products	63	17,619	- 7.0	454,159	-12.4	25.78	- 5.8
Brick, tile and pottery.....	27	4,542	- 3.3	103,887	- 4.2	22.87	- 1.0
Cement.....	13	6,368	- 5.8	192,702	- 7.4	30.26	- 1.7
Glass.....	23	6,709	-10.5	157,570	-22.0	23.49	-12.9
Lumber products	44	4,903	- 3.2	105,987	- 2.0	21.62	+ 1.2
Lumber and planing mills.....	19	2,254	- 7.3	48,945	- 7.3	21.71	- 0.1
Furniture.....	19	1,945	+ 7.8	46,273	+ 9.3	23.79	+ 1.4
Wooden boxes.....	6	704	-15.1	10,769	-17.3	15.30	- 2.7
Construction and contracting	32	4,342	-22.5	116,424	-27.2	26.81	- 6.1
Buildings, commercial, industrial, and residential.....	19	1,381	-14.9	41,894	-12.6	30.34	+ 2.7
Street and highway.....	3	973	-42.4	26,341	-51.4	27.07	-15.7
General.....	10	1,988	-13.2	48,189	-16.7	24.24	- 4.0
Chemical products	35	10,689	+ 0.2	309,205	- 1.0	28.93	- 1.2
Chemicals and drugs.....	15	1,206	+ 0.3	32,469	- 1.6	26.92	- 1.9
Coke.....	3	2,681	+ 3.2	78,780	+ 3.1	29.38	- 0.1
Explosives.....	3	565	+ 4.4	13,326	-10.8	23.59	-14.6
Paints and varnishes.....	9	1,059	- 4.2	29,626	- 1.9	27.98	+ 2.4
Petroleum refining.....	5	5,178	- 0.8	155,004	- 1.8	29.94	- 1.0
Leather and rubber products	50	11,436	- 1.1	258,670	+ 0.8	22.62	+ 1.9
Leather tanning.....	17	5,876	- 1.8	148,299	- 2.2	25.24	- 0.4
Shoes.....	22	3,935	- 0.1	67,520	- 0.0	17.16	+ 0.1
Leather products, other.....	7	686	- 5.0	15,162	+ 5.1	22.10	+10.6
Rubber tires and goods.....	4	939	+ 2.3	27,689	+20.2	29.49	+17.5
Paper and printing	55	7,945	- 0.2	241,054	- 0.6	30.34	- 0.4
Paper and wood pulp.....	12	3,200	- 0.2	93,556	+ 0.5	29.24	+ 0.7
Paper boxes and bags.....	6	796	- 3.2	12,236	- 4.6	15.37	- 1.5
Printing and publishing.....	37	3,949	+ 0.4	135,262	- 0.9	34.25	- 1.3

year. Supplies of flour in Philadelphia warehouses, though increasing since last month, were about 23 per cent smaller on January 3 than a year before. Stocks of wheat, on the contrary, were nearly twice as large as at the same time last year.

Paper. The demand for paper is fair, although sales do not compare favorably

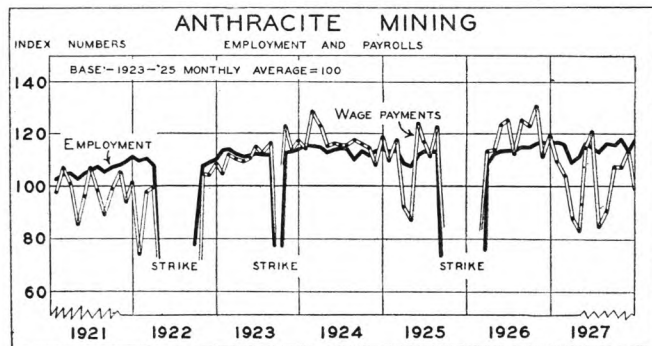
with the volume of a year ago. Paper and pulp prices have declined slightly in the month. Several plants show some seasonal curtailment, although most of them continue to operate at unchanged rates. Stocks of finished products are a trifle lower than on the same date last year. The output of newsprint paper by United States mills was nearly 12 per



Source: U. S. Dept. of Agriculture

cent less in 1927 than in 1926, whereas Canadian mills showed a gain of almost 11 per cent. Stocks of newsprint paper in both countries at the end of the year were nearly twice as heavy as on the same date in 1926.

Coal. The market for anthracite remains greatly hampered by the continuance of mild weather this winter. Prices of domestic sizes have declined slightly while those of steam sizes remained fairly stationary during the month. Reports on colliery operations during the first fortnight of January show little change from



the December rate, when wage disbursements were about 12 per cent under November and almost 17 per cent below the level of a year before. In the period from March to December inclusive, the total of wage payments of reporting mines was 15.7 per cent smaller than in the corresponding months of 1926. Output in the four weeks ended January 14 was 3 per cent greater than in the preceding four weeks.

Conditions in the soft coal industry continue unsatisfactory, the demand being generally poor. Prices have declined a little further. Collieries showing re-

duced operations outnumber those reporting gains in production. The output in the four weeks ended January 14 was 3 per cent larger than in the previous four weeks.*

Cigars. Business in cigars is more than seasonally slow, sales lagging behind those of a year ago. Plant operations are considerably under the level prevailing at the same time last year, although some betterment has occurred in the last fortnight. Unfilled orders, however, are smaller than a year ago, as are stocks of finished products. Prices show little change.

BUSINESS CONDITIONS IN THE PHILADELPHIA FEDERAL RESERVE DISTRICT

	Prices	Demand	Unfilled orders compared with a year ago	Operations	Stock
Retail trade	Little change	Seasonally quiet			Smaller
Wholesale trade					
Drugs	Unchanged	Fair; increased	Spot delivery		Slightly larger
Dry goods	Unchanged	Fair to poor, decreased	Spot delivery		Smaller
Electrical supplies .	Some decreases	Fair, though less active	Spot delivery		Smaller
Groceries	Slightly higher	Fair, though less active	Spot delivery		Smaller
Hardware	Little change	Fair to poor; decreased	Spot delivery		Smaller
Jewelry	Unchanged	Fair, though less active	Spot delivery		Smaller
Paper	Little change	Fairly good; increased	Spot delivery		Smaller
Shoes	Higher	Fair	Spot delivery		Smaller
Wool	Higher	Fairly good	Larger		Smaller
Cotton yarns	Lower	Fair	Slightly smaller		A trifle smaller
Iron and steel products	Some advances	Fair to poor; some improvement	Larger	Number of losses offset gains	Moderate
Cotton	Some decline	Fair to poor	Smaller	Lower	Larger
Silk	Lower for goods; higher for raw silk	Less than fair; though improving	Smaller	Higher in December but lower first week in January	Larger
Wool	Higher	Only fair; decreased	Smaller	Declined	Smaller
Clothing	Slightly lower	Slow	Smaller	Little change	Slightly smaller
Hosiery	A few decreases	Fair in full-fashioned; fair or poor in seamless	Smaller than a month ago	Unchanged	Moderate; little change
Carpets and rugs	Little change	Poor	Smaller	Decreased	Smaller
Shoes	Higher	Fair	Larger	Slightly larger	Slightly smaller
Leather belting	Higher	Fair	Slightly smaller than a month ago	Declined	Larger
Leather—kid	Some advances	Fairly good	Smaller than a month ago	Little change	Little change
Leather—sole	Higher	Fair	Little change	Slight decrease	Slight increase
Paper	Slight decline	Fair	Smaller	Little change	Little change
Cigars and tobacco...	Slightly lower	Hardly fair	Smaller	Little change	Smaller
Paint	Generally unchanged	Only fair, declined	Unchanged	A trifle lower	Smaller
Cement	Generally unchanged	Only fair, declined	Smaller	Lower	Heavier
Flour	Firm; unchanged	Fair; slightly increased		Little change	Increased, but smaller than a year ago
Building	Construction costs unchanged	Slow	Value of December permits declined	Value of December contracts increased, but under a year ago	
Coal—anthracite	Domestic sizes declined; steam sizes unchanged	Only fair		A little higher	Larger than year ago
Coal—bituminous	Lower	Poor		Output little larger	Larger than year ago