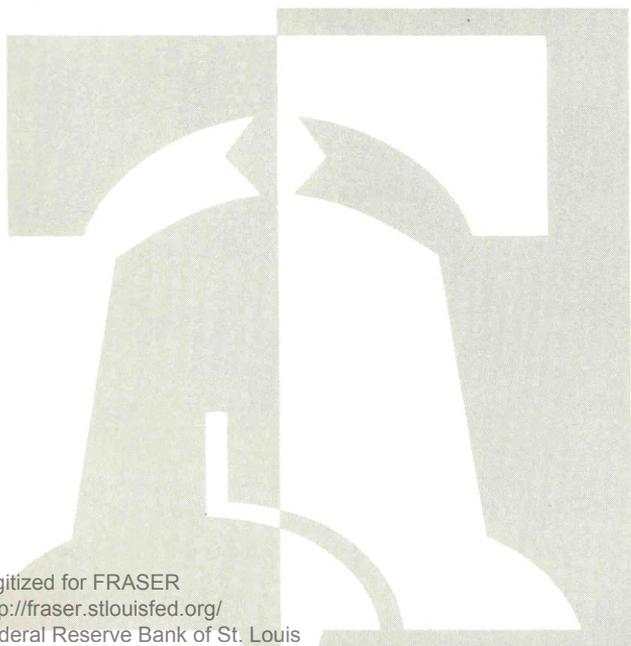


Portland Cement

What's Coming Up is Going Up

FEDERAL RESERVE BANK OF PHILADELPHIA

BUSINESS REVIEW

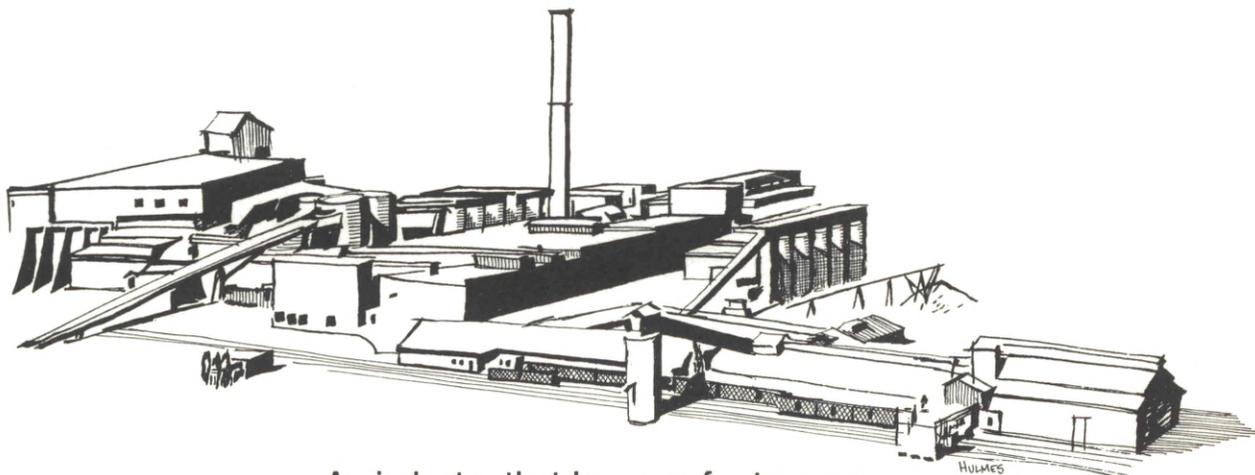


APRIL 1965

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PORTLAND CEMENT



An industry that hungers for tonnage

Portland cement is a heavy industry. Its raw materials are heavy, the processing machinery is heavy, fuel consumption is heavy, and the finished product is heavy. Furthermore, the industry has heavy overhead costs and it is heavy with excess capacity. All these heavinesses are related to each other and make the portland cement industry what it is—portly.

Portland cement is a powdered material that sets when mixed with water. The building and construction industry capitalizes on this unique attribute by adding to a cement paste inert materials such as crushed stone, sand, and gravel to form concrete which when poured assumes the shape of a receiving mold and solidifies. Cement therefore serves as the active agent in making instant rock of desired dimensions. Incidentally, cement acquired the adjective “portland” when the color of cement was observed to resemble that of rock quarried on the Isle of Portland off the British coast.

Early Lehigh Valley leadership

Once upon a time, most of the country’s portland cement was manufactured in eastern Pennsylvania’s Lehigh Valley. Through Northampton and Lehigh counties and into Berks runs a streak of clayey limestone of just about the right mixture to make portland cement. That explains the region’s constellation of cement-making communities: Bath, Bethlehem, Cementon, Coplay, Egypt, Evansville, Fogelsville, Nazareth, Northampton, and Stockertown—collectively known as the Lehigh District.

In 1897, Lehigh Valley cement accounted for 75 per cent of the country’s production. Today the region produces thirteen times as much, but its proportion of the country’s total output has shrunk to almost 7 per cent. In expanding, the Valley contracted. Nevertheless, the Lehigh Valley’s 13 mills, with the help of a plant in West Conshohocken and one in York, still produce enough cement to keep eastern Pennsylvania in

the forefront as the country's largest producing area—though this may be the last time such a boast can be made.

Why didn't the Lehigh District retain its quondam primacy of cement manufacturing? Well, engineers are fussy people; everything must have slide rule perfection. They were dissatisfied with the early portland cement because its quality differed slightly from one mill to another and sometimes from one batch to another within the same mill. The difficulty was resolved when manufacturers began to conform to specifications of the Federal Government, the American Society for Testing and Materials, and the American Association of State Highway Officials. As a result, portland cement is now a highly standardized product—be it ever so un-Lehigh. That is one-third of the story.

The next third has to do with technology. With the passage of time, numerous improvements were made in the manufacturing process. The operation became continuous when the reclining rotary kiln replaced the old upright batch burners that ran in repeated cycles of loading, firing, cooling, and unloading. Improvements were also made in fuel consumption, mechanical handling, grinding, mixing, and other aspects of the manufacturing process.

Standardization of product and improved technology afforded new sources of raw materials; the industry was no longer confined to the use of "cement rock" alone. Other raw materials now in use are (1) a mixture of pure limestone and clay or shale, (2) limestone and blast-furnace slag, (3) limestone and marl. Under present technology, suitable raw materials are available in almost every State.

The final third of the explanation for the declining importance of the Lehigh District is the heaviness of cement—its weight in relation

to its value. A bag of cement weighs 94 pounds which, on lifting, feels about twice as heavy as a 94-pound bag of anything else. And cement sells for less than a penny a pound. A product that packs so much weight with so little value is somewhat restricted as to its market. Hence, cement mills utilizing local raw materials and modern methods have sprouted in about 180 markets throughout the country. The map shows how the country is peppered with plants.

A STATISTICAL ABSTRACT OF UNITED STATES PORTLAND CEMENT, 1964

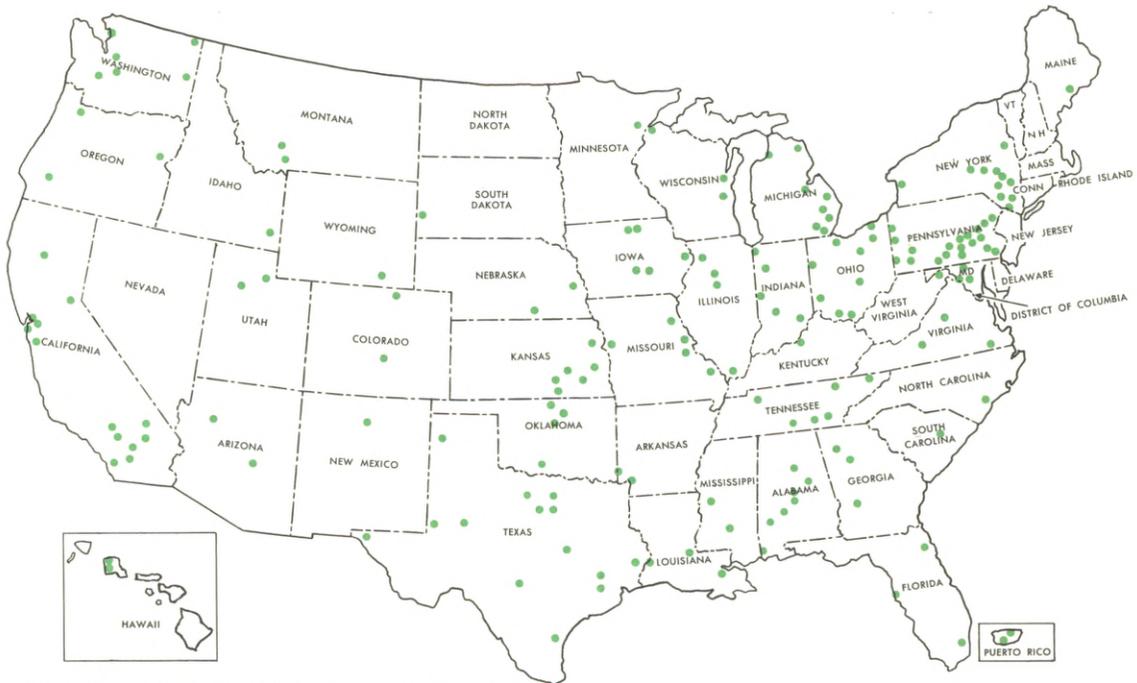
Number of companies	about	60
Number of plants	about	180
Employment	approx.	40,000
Production, in millions of 376-lb. barrels		367
Capacity	"	480
Shipments	"	365
Value of shipments f.o.b. mill, in millions		\$1,300
Imports, in millions of 376-lb. barrels		3.5
Exports		negligible
Capacity used at cement mills, per cent		76

Portrait of a cement mill

A modern cement mill is a study in massive machinery. The basic mechanism and largest piece of equipment is the rotary kiln—a cylindrical fiery furnace with enough diameter to drive a car through its entire length, longer than a football field. Slowly, ever so slowly, the kiln turns round and round, day after day, and night after night, for weeks and months, year in and year out—never stopping except for repairs. A slightly downhill tilt causes the finely ground raw material entering at the upper end to creep through the turning inferno and to emerge at the lower end as clinker—little mouse-grey pellets resembling mummified marbles.

The inert clinker becomes portland cement after it is ground with a dash of gypsum to regulate the setting time. Both the clinker emerging from the kiln as well as the limestone rock and other materials fed into it must be ground exceedingly fine, as fine as or finer than

PORTLAND CEMENT-PRODUCING PLANTS IN THE UNITED STATES—1963



Source: Pit & Quarry Publications—Chicago, Illinois.

face powder. All this grinding requires a tremendous amount of crushing and pulverizing machinery, the details of which we can live happily without.

Grinding capacity is usually greater than kiln capacity because some types of cement require longer grinding than others, and reserve grinding equipment is needed to pulverize mounds of clinker into finished cement to meet seasonal peaks of summertime demand. Then there are mixers, blenders, pre-heaters, conveyers, silos for storing the finished cement, and an occasional worker.

The capital required to build a cement mill runs into the millions, but once established the plant can be operated with a small complement of workers. Employment in the industry averages over 200 workers per plant, but a modern

mill needs only about half the average.

A look at the books

One need not be a C.P.A. to see what the abundance of machinery does to the cost structure. On the books of cement companies “plant and equipment” is inevitably an imposing item in the schedule of assets. The item is not only imposing but implacable.

Variable costs such as labor and materials rise and fall as volume of business expands and contracts. Fixed costs, however, such as depreciation and interest on plant and equipment, hang on and on—no matter how much business falls off. Capital cannot be “let out,” cannot be put on part time; it feeds on revenue, takes its daily toll remorselessly. Because of their constancy, overhead costs exert great leverage on

profits; small changes in volume of business cause substantial changes in earnings.

The hunger for tonnage

In the cement industry, the relentless pressure of heavy overhead generates an ever-present hunger for tonnage. The way to make a profit in cement is to run the mill as efficiently as possible, but above all to keep it running.

To keep a cement mill running, however, is not so easy as in some other industries. The difficulty in cement lies partly in the nature of cement and partly in the nature of the market. Cement lacks romance, is insensitive to the power of suggestion. When hopefully turning on the radio for news at the breakfast table, the chances are your ears get dinned about coffier coffee or cigarettier cigarettes, but never about cementier cement. As previously mentioned, the quality of cement is uniform and buyers are sophisticated. Over half of the annual production of cement goes to ready-mix concrete companies. One-eighth goes to manufacturers of concrete products, such as concrete building blocks, drainpipe, and the like. Most of the remainder goes to building-material dealers, highway contractors, and the Government. All are sharp buyers.

Cement producers do not seek to promote the sale of their product through "white sales" or "clover days" or close-out-of-old stock or fire sales or price slashes. The reason is that cement goes into concrete, and concrete goes into construction, and there is precious little the cement people can do to make the construction industry buy more cement than it needs.

Cement producers, however, strive vigorously to promote sales because the product encounters competition of other materials. Cement competes with asphalt in road construction, and cement

must contend with bricks, glass, steel, and other structural materials used by the building and construction industry.

The scramble for markets

Owing to the heavy weight of cement and its low unit price, it might be supposed that each of the 180 plants throughout the country would be confined to its own immediate market—a radius of about 160 miles overland, more if by barge. Actually many, if not most, plants need more business than their immediate markets afford in order to keep the plants running at or near capacity. So the hunger for tonnage goads producers to wander farther out in search of more distant markets.

To be sure, the farther afield a producer goes, the greater the cost of transportation and the less the mill net return; however, any faraway orders that yield enough in return to cover the variable or out-of-pocket costs and *some* of the overhead are welcome because it is better to earn something than nothing toward the overhead.

It was hunger for tonnage that drove a cement manufacturer to establish the first distributing plant in or near a market far removed from his manufacturing plant. A distributing plant is an outpost consisting of cement storage silos and shipping facilities which enable the manufacturer to make quick delivery, usually by motor truck.

In self-defense, the manufacturer whose territory was invaded had to establish distributing plants also. It is a game that any producer can play, and many do. A comparatively recent development, the industry now has more distributing plants than manufacturing plants.

Parallel with and incident to the rise of distributing plants has been the trend toward motor-truck delivery. Traditionally, cement was

packed in bags at the manufacturing plant and shipped by rail to the consumer. Now considerable tonnage goes in bulk by rail from manufacturing plants to the distributing plants; it is estimated that 20 to 25 per cent of all cement today reaches the consumer from a distributing plant.

The modern method is much preferred by the customer, who gets quick delivery in small quantities as needed—thus obviating the need for storage facilities, which are provided by the manufacturer. In fact, some manufacturers maintain that distributing plants and motor-truck delivery give all the benefits to the consumer and all the costs to the manufacturer. Apparently the rigors of competition in marketing are eroding some of the economies of production gained in recent years.

Excess capacity

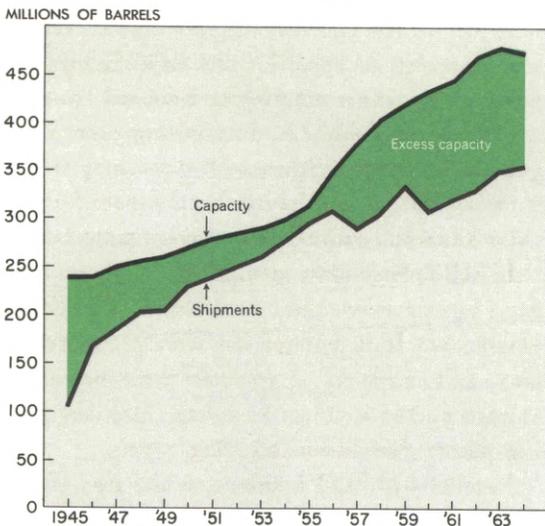
The cement industry's chronic hunger for ton-

nage is aggravated by the industry's excess capacity. Production last year was 367 million barrels—the industry's best year; yet capacity utilization was only 76 per cent, since the industry could have produced 480 million barrels.

Excess capacity is not uniform throughout the industry; it is worse in some parts of the country than in others. Over-capacity is particularly bad here in states on the Atlantic Seaboard, Texas, and Hawaii. In these regions, last year's capacity utilization was substantially below the industry average. The bulge in over-capacity began about a decade ago, as shown on the chart, and has been growing rather persistently ever since. For a rational explanation of the excess capacity, it may be helpful to take a longer look at the growth of the industry.

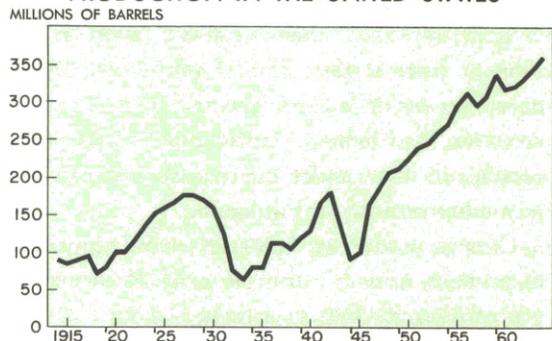
The chart portraying a "Half-century of Portland Cement Production" shows two major interruptions in the industry's growth. The first occurred in the late twenties and early thirties coincident with the greatest business depression in the history of our country, when output of cement declined more than 50 per cent. A decline of almost equal severity occurred during World War II, when the country's available manpower and horsepower were channeled into other sectors of the war effort.

EXCESS CAPACITY IN PORTLAND CEMENT—UNITED STATES



*Includes Puerto Rico except in 1964. Source: Bureau of Mines.

A HALF CENTURY OF PORTLAND CEMENT PRODUCTION IN THE UNITED STATES



Source: Bureau of Mines.

At the end of the war, the cement industry was confronted with a huge backlog of civilian demand. Cement was needed for postponed construction of all kinds—agricultural, commercial, industrial, residential, public utility, and highway. To meet the seemingly insatiable demand, all the industry's equipment was strained to the utmost. Production and shipments increased, earnings and dividends rose, the industry prospered—and the prosperity lured additional capital investment into the industry.

Veteran cement firms built additions to their old plants, or modernized them, or built entirely new plants—and some did all three. Prosperity also attracted newcomers who had never been in the cement business before. Among the tyros were companies in closely related industries, such as steel and building materials. Also among the newcomers were companies from industries as remote from cement as aerospace and electronics, oil and pipeline. In the stampede the field became overcrowded.

When is excess capacity excessive?

One of the strangest things about the cement industry is that excess capacity, no matter how great, never seems to discourage further expansion. Last year, for example, when 24 per cent of the industry's capacity was idle and hungering for tonnage, plans for expansion were made nevertheless, as if there were a shortage of cement. Three new plants were completed; major expansion and modernization were completed at three other plants; eight new plants were planned or under construction; expansion or modernization of production facilities were planned or under way at still ten other plants. Modernization does not necessarily mean expansion of capacity but, as a matter of fact, it usually so happens. In contrast with all these addi-

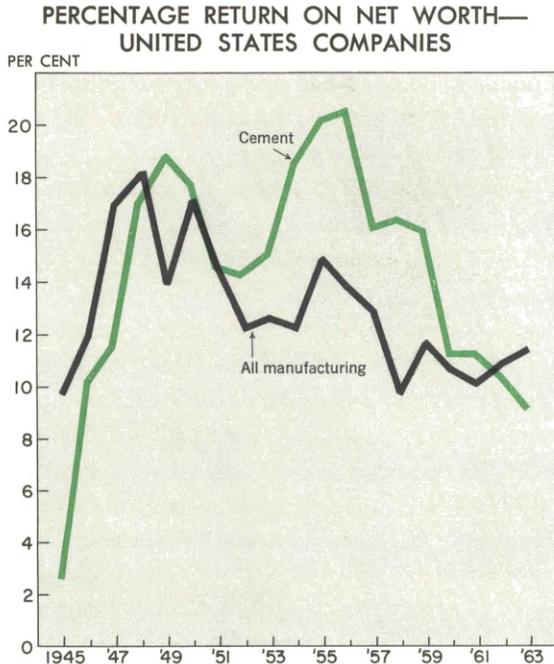
tions, there were only a few subtractions: two plants were abandoned, another was scheduled to close down, and another had to shut down for lack of high-grade shell (limestone).

Annual superimposing of excess capacity upon excess capacity doesn't seem to make any sense. One is inclined to question the reliability of the chart or the rationality of businessmen. To the best of our knowledge and belief, businessmen are just as rational as other people, and the capacity chart is a reasonably accurate representation of the relation between the capacity in place and in use.

In cement, as in any other industry, it is the quest for profits that influences investment more than anything else. As shown in the chart, "Percent Return on Net Worth," the cement industry demonstrated better earning power than all manufacturing throughout the decade of the fifties. It should also be noted that in the period subsequent to the mid-1950's, when profits started on a downslide, expansion of capacity accelerated and so did excess capacity.

The reason layer-cake charts with broad sections of excess capacity do not scare cement producers with expansive proclivities is that the businessman contemplating expansion is concerned more about the future than the past, and in the particular part of the industry where he is operating he naturally plans on doing better than the industry average. Furthermore, it should be remembered that two to three years elapse between making a decision to expand and the new mill coming on stream. Nevertheless, excess capacity aggravates the hunger for tonnage and intensifies the competition in ways mentioned above.

Periodically, the industry tries to bolster prices; but sooner or later, usually sooner, the bold, higher-price front falters under pressure



Source: First National City Bank—New York.

of the industry's chronic over-capacity and the hunger for tonnage.

To integrate or not to integrate

One hopeful avenue to larger volume is integration—combining cement production with consumption. Either a cement consumer, like a ready-mix concrete concern, acquires a mill or, what is more likely, a cement mill acquires a ready-mix concrete company. Integrating forward toward the market affords greater assurance that the cement producer's hunger for tonnage will be satisfied, though of course it aggravates the hunger of others.

Integration has been growing in popularity with the trade and in unpopularity with the Federal Trade Commission. The FTC takes the position that vertical integration reduces competition in violation of the Anti-Trust Act. The prospective profitability of integration, there-

fore, is always beclouded by the risk of illegality.

Consolidations

Presumably, it was the hunger for tonnage and the quest for profits under conditions of steadily increasing competition in recent years that has led to a number of mergers and consolidations. As a result of such consolidations and mergers, some famous old names in cement have disappeared or have been superseded by those of the acquiring companies. Buying another company is often cheaper than building another plant, and by so doing a company can grow in size without adding to the industry's total capacity.

Thus far, consolidations and mergers have not produced the degree of concentration that obtains in some other industries, such as the automobile and other industries. The largest cement producer has about a dozen-and-a-half plants scattered from the Atlantic to the Pacific along with a number of distributing terminals, but the company has less than 10 per cent of the industry's total producing capacity. The eight largest companies together have a little less than half of the industry's capacity.

The Lehigh Valley revisited

Where, it may be asked, do all these developments in the cement industry leave the Lehigh Valley, the pioneer area? Cement companies in the Valley, like all cement companies, hunger for tonnage. In response to the growing intensity of competition, some of the Lehigh Valley mills have been closed. Some of the companies in the Valley have acquired plants and distributing terminals as far away as Florida and the West Coast to compensate for loss of markets closer home. Some Lehigh Valley

companies are modernizing their local plants in the hope of holding and perhaps expanding their local markets. Modernization takes the form of greater instrumentation, automatic controls, and computers so that many stages of production are under easy supervision from a central control console.

Lehigh Valley mills are close to the big metropolitan New York market, but not close enough because unfortunately the Valley is landlocked. The region feels keenly the competition of imported cement and also the competition of seven Hudson Valley mills, including a new mill recently completed near Albany. There the North American Continent's two biggest cement kilns are capable of turning out 10 million bar-

rels a year. Cement is barged downstream to New York from cement mills on the Hudson, and they have the additional advantage of low-cost water transportation to markets in 16 seaboard states along the East Coast.

The Lehigh Valley region will either have to be content with a smaller market or modernize more of its facilities so that it can compete more successfully beyond the fringe of its natural marketing area. By sharpening its competitive position, the Lehigh District will also be able to share in the future growth of the megalopolis extending from Boston to Washington, which in years to come will require enormous quantities of cement for residential, commercial, industrial, highway, and other construction purposes.

Crops are now sprouting up on New Jersey farms; so are farm labor costs. Interviews in the Garden State indicate . . .

WHAT'S COMING UP IS GOING UP



Farmers in New Jersey will pay more for labor this year because of decisions made far from the Third Federal Reserve District—in California, Puerto Rico, and Washington. Delaware Valley housewives may pay more for fresh farm produce this summer, and for canned fruit and vegetable products later on, because of these same decisions.

Recent Federal legislation and regulations have, in effect, increased wages for some classes of migratory farm workers. Farmers in New Jersey are especially affected because they customarily employ large numbers of migratory workers to plant, till, and harvest their crops.¹

Vegetable-growing is big business in the

¹ Pennsylvania and Delaware, also important agricultural states, were not named in the regulations. Moreover, some Pennsylvania crops (beans, potatoes) have been mechanized, reducing the need for manual labor. Delaware uses only half the amount of migrant labor that New Jersey has employed in recent years. For these reasons, this article concentrates on New Jersey.

Garden State. It occupied more than three-quarters of a million acres last year, and produced crops valued at \$70 million. Last July, 27,000 seasonal workers were employed on the state's 13,000 farms. Half were of local origin, either residents or "day-haul" laborers bussed in daily, mainly from Philadelphia. The other half were domestic migrant workers from the South, and off-shore contract laborers from Puerto Rico. The only non-U.S. citizens employed were 700-plus British West Indians imported during the fall months.

What are the decisions that have boosted labor costs for New Jersey farmers?

Bracero background

In 1951 Congress enacted a Migrant Labor Agreement that permitted Mexican nationals (later, some other aliens) to enter the United

States temporarily as farm workers. This legislation chiefly benefited California growers, who claimed they were unable to recruit enough domestic farm labor to tend their year-round crops. Wages were to be set by contract between growers and Mexican migrants.

Despite some opposition, Congress continued the Agreement until the end of 1964. There has been no further extension. Some 200,000 Mexican "braceros" (Spanish idiom for manual laborers) who migrated to California's vineyards, orchards, and truck farms last year are, for the moment at least, denied entry. Secretary of Labor W. Willard Wirtz has indicated recently that he has no present intention of admitting significant numbers of braceros under other existing statutes.

Farm labor and the law

Foreign labor *can* be admitted to the United States under the Immigration and Nationality Act. Exercising authority given the Secretary of Labor by this Act, Mr. Wirtz issued criteria for their entry in 1965. Among other things, these new regulations stipulate that:

"Reasonable efforts" must be made to obtain domestic labor before consideration would be given to importation of foreign workers.

Employment of foreign labor must not adversely affect wages or working conditions of domestic workers similarly employed.

Minimum hourly wages are established for (certain) farm workers. New Jersey's rate is \$1.30 an hour.

In a separate statement the Department of Labor explained that: "These regulations do not require the payment of the specified rates to any worker. They simply provide that *before a grower will be permitted to bring in foreign labor, he must offer these rates to domestic workers.*"

Current situation in New Jersey

Even though New Jersey farmers have imported British West Indians for the past ten years, they believe they can do without foreign labor in 1965. They base their belief on a new contract with a domestic, although off-shore, source of citizen labor: Puerto Rico.

This contract calls for an hourly guarantee to Puerto Ricans of \$1.10 an hour, plus a 5-cent-an-hour bonus to be paid at the end of the season to those workers who stay until termination of their contracts. On September 3, the minimum is increased to \$1.15 an hour, plus the same bonus.

The bonus clause is intended to keep Puerto Ricans on the job until all crops are harvested. Farmers say that in previous years some Puerto Ricans have broken their contracts and have gone home while crops were unharvested. Were many Puerto Ricans to quit early this year, farmers might have to bring in foreign labor, which would entail paying the Department of Labor's minimum rates to *all* farm workers.

Farmers aren't too happy

The new contract represents an increase of 20 cents an hour over rates paid Puerto Ricans in New Jersey last year. Garden State farmers contend that their costs are already higher than those of farmers in other states, because of taxes and fringe benefits in the form of education, sanitation, and other services. Although they seem to agree that the new contract is the best that could have been obtained, they are unhappy for two main reasons:

1. *They face an increase in labor costs for all migrant laborers. They anticipate that out-of-state migrants, Puerto Rican "walk-ins" and day-haul laborers will demand increases commensurate with those paid contract Puerto*

Ricans. Many piece-rate wages have already been adjusted upwards.²

2. Farmers say processors have not yet offered 1965 contracts that fully compensate for increased farm labor costs. Recent offers are higher than those of last year, but New Jersey Farm Bureau officials claim that current offers meet only half the increased labor costs. They have advised farmers to hold out for better terms.

Higher prices?

Informed persons in New Jersey offer a variety of views as to what may result from the changed climate for farm labor this year. Most agree on one point: prices for New Jersey's 1965 farm produce are going to be higher than those for last year's.

They reason that profit margins of grower, processor, wholesaler, and retailer are too narrow now to permit absorption of added costs of farm labor. They say the consumer will have to bear the burden.

Secretary of Labor Wirtz, on the other hand, has made the general statement that even major increases in farm labor costs would produce insignificant increases in retail food prices. A recent study by the Department of Labor found that the field labor cost for picking oranges was one to two cents a dozen, as contrasted with market prices in metropolitan centers of 50 to 72 cents a dozen.

² Another factor may affect supply of farm labor—and possibly its costs—this year. A new Federal law requires registration of migratory farm labor contractors, commonly called crew-leaders. It also requires crew-leaders who transport 10 or more workers to use vehicles that meet I.C.C. safety standards or their equivalent, and to insure passengers through insurance or bond.

Some believe this statute may cut into the supply of migrant labor from distant points, and even into the supply of day-haul labor. They fear that a number of crew-leaders may not be able to afford vehicles that meet the act's specifications, nor qualify for insurance or bonds for passengers. Crew-leaders who meet the requirements will have higher operating costs; it is expected that these added costs will be passed on to farmers.

New Jersey growers counter that their crops are labor-intensive, direct labor costs for some crops amounting to 50 per cent or more of total costs. Whether right or wrong, they insist that prices for New Jersey produce will go up significantly this year.

Further effects

Some think New Jersey will lose its preeminent position as a vegetable producer. For all its small size, New Jersey ranks fifth in value of processing vegetables, and sixth in value of fresh market vegetables. They foresee more and more New Jersey farmland being converted to residential and industrial building sites, or let lie fallow. They cite California where, they say, there is evidence that some land is not being planted in fear that there will not be enough help to harvest normal crops.

Others disagree. They say New Jersey is less vulnerable than other states, has used little foreign labor, and will be able to hire labor under its Puerto Rican contract at lower rates than some other states will find necessary to pay. They maintain that New Jersey farmland will be fully utilized *because* California's acreage is being curtailed. Shorter supplies the Nation over will automatically create market conditions conducive to higher prices, and New Jersey farmers will be able to sell at a profit all they produce.

Solution?

Some feel that the solution to current farm problems is automation. They refer to California, where one-fourth of the tomato growers employ machines almost exclusively. They tell of a growing catalog of automatic planters, sprayers, pickers, and harvesters. An opposing body of opinion holds that automation is im-

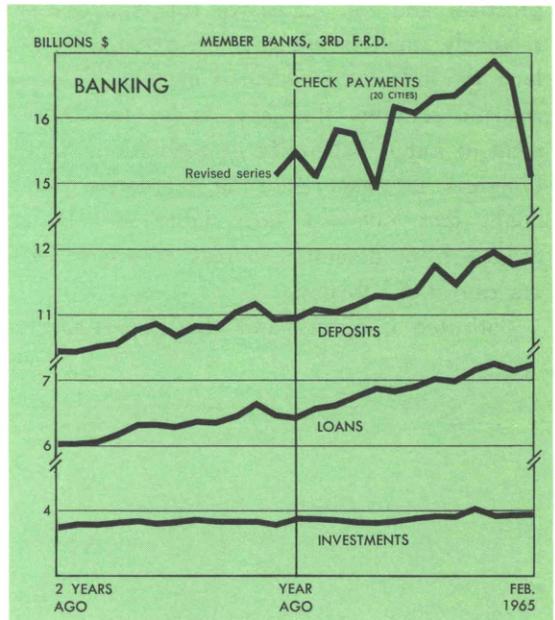
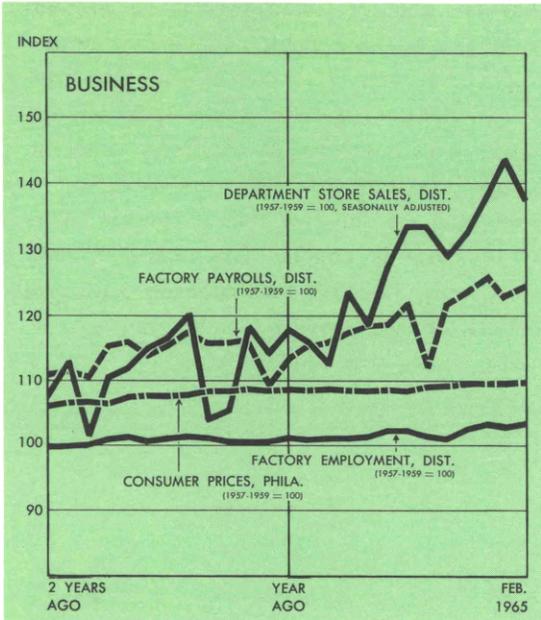
practical and too expensive for New Jersey's relatively small farms. Besides, automation is a long way off; the problem is current. The only realistic solution, they say, is for the Department of Labor to modify its regulations, or for Congress to enact remedial legislation. They doubt that sufficient farm labor can be recruited from domestic sources at wages farmers can afford to pay.

Both the Congress and the Department of

Labor are holding fast, however, on grounds that the Government should no longer guarantee a supply of farm labor on a noncompetitive basis. Factors other than wages—possibly improved working conditions on farms—may induce the unemployed to seek work on farms.

Resolution of some of these opposing views may be years in coming. One, however, may come shortly, via prices stamped on asparagus wrappers, and on cans of tomato soup.

FOR THE RECORD...



SUMMARY

	Third Federal Reserve District			United States		
	Per cent change			Per cent change		
	Feb. 1965 from		2 mos. 1965 from	Feb. 1965 from		2 mos. 1965 from
	mo. ago	year ago	from year ago	mo. ago	year ago	from year ago
MANUFACTURING						
Production.....	-1	+7	+7	+3	+9	+9
Electric power consumed.....	+1	+8	+9	.....	.....	.....
Man-hours, total*.....	0	+3	+4	.....	.....	.....
Employment, total.....	+1	+11	+12	.....	.....	.....
Wage income*.....	.....	.....	.....	.....	.....	.....
CONSTRUCTION**.....	+20	-3	-3	+3	+1	-3
COAL PRODUCTION.....	-2	-2	+1	-2	0	+4
TRADE***						
Department store sales.....	-5	+6	+5	.....	.....	.....
BANKING						
(All member banks)						
Deposits.....	0	+8	+8	+1	+9	+9
Loans.....	+1	+12	+11	+1	+14	+13
Investments.....	0	+2	+3	0	+3	+3
U.S. Govt. securities.....	0	-5	-3	-2	-3	-3
Other.....	+1	+14	+14	+2	+13	+13
Check payments.....	+4†	+12†	+12†	-1	+11	+10
PRICES						
Wholesale.....	.....	.....	.....	0	+1	0
Consumer.....	0‡	+1‡	+1‡	0	+1	+1

*Production workers only.
 **Value of contracts.
 ***Adjusted for seasonal variation.

†15 Cities
 ‡Philadelphia

LOCAL CHANGES

	Factory*				Department Store Sales†		Check Payments‡*	
	Employment		Payrolls		Per cent change		Per cent change	
	Feb. 1965 from		Feb. 1965 from		Feb. 1965 from		Feb. 1965 from	
	mo. ago	year ago	mo. ago	year ago	mo. ago	year ago	mo. ago	year ago
Lehigh Valley....	+1	+6	+3	+14	.....	.....	+5	+17
Harrisburg.....	0	+1	+4	+12	.....	.....	-5	+7
Lancaster.....	+1	+5	+1	+11	-12	+1	+5	+13
Philadelphia....	0	+2	+1	+9	-5	+4	+1	+7
Reading.....	+1	+3	+1	+9	-12	+13	+7	+4
Scranton.....	0	+1	+2	+3	+2	+2	+5	+7
Trenton.....	0	+2	+1	+5	-8	+8	+7	+13
Wilkes-Barre....	+2	+3	+3	+3	-1	+5	+2	+12
Wilmington....	0	+6	+1	+16	+1	+10	+19	+43
York.....	-1	+7	-1	+14	-5	+18	+6	+6

*Not restricted to corporate limits of cities but covers areas of one or more counties.
 †Adjusted for seasonal variation.