X-3192

FEDERAL RESERVE BOARD

STATEMENT FOR THE PRESS

For Release in Morning Papers,
Thursday, September,1, 1921.

The following is a review of general business and financial conditions throughout the several Federal Reserve Districts during the month of August, as contained in the forthcoming issue of the Federal Reserve Bulletin.

Heavy movement of agricultural products to market has been the outstanding economic activity of the country during the month of August. There has been a tendency to unusually early marketing and the revival of fair export demand in certain agricultural lines has operated to hasten the movement of crops away from the farm. Deterioration of some elements of the agricultural output, notably cotton has tended to modify the previously existing agricultural outlook. Readjustment of costs in many agricultural lines is approaching a point where it is probable that, even at present prices, some crops will show good returns.

This early movement of crops to market has resulted in the liquidation of some outstanding indebtedness even in Districts where the carry-over from last year's crop was greatest. As a result it has lessened the intensity of the credit demands which might otherwise be expected to occur during the marketing season. This has enabled member banks in not a few places to strengthen their position and to lessen their obligations to Federal Reserve Banks. These factors have on the whole been favorable to the general credit situation, and rates of interest have been moderate.

The manufacturing outlook continues to be decidedly irregular and "spotty" due to the fact that there has been greater progress in some lines than in others. The decline in iron and steel activity continues although some increase in orders has taken place since the end of July. In various textile and leather lines business continues to show indications of much greater activity, many mills being "booked up" further ahead than at any time for many months past. It is true that July production showed a falling off in some lines especially certain branches of the textile industry, a factor attributed to seasonal dullness, but future orders are almost uniformly reported as very promising. Flour milling, as a result of heavy wheat movement has likewise been exceptionally active. Little improvement has been mnoted in machine industries and in the engineering trades. Businesses which consume non-ferrous metals have been notably inactive.

Price movements have been on the whole limited, but with a slight upward tendency in the case of some groups. The Federal Reserve Board index prepared for international comparisons shows an increase of two points to 141. The index number of the Bureau of Labor Statistics for July was 148, the same as during June. The current price reports for the early part of August indicate if anything, a strengthening of prices in some lines.

A striking factor in the developments of the past month has been afforded by the shrinkage in retail trade. During most periods of business transition such shrinkage has been somewhat belated.

Postponement of reduction in retail activity is due to the fact that a curtailment of consumption usually takes place only when accumulated purchasing power is reduced. During the past year the maintenance of the activity of retail trade has been noteworthy, and only during the past few weeks has a reduction paralleling the falling off previously noted in manufacturing been observed. The fact that advance orders are being undoubtedly placed owing to exhaustion of stocks is reflected in an improvement in the wholesale dry goods trade during July. A tendency towards closer adjustment of retail to wholesale prices is also noted although there are still many outstanding discrepancies.

Large figures for unemployment have been transmitted to Congress, but it should be remembered that these figures are based on comparisons with peak periods of employment in 1920. There are indications of increasing employment in various manufacturing industries, but taken as a whole the employment situtation for the month of August appears to show but little change from the preceding month.

Slight improvement in some branches of foreign trade, fairly good agricultural yields and enlargement of manufacturing demand seem to point to a more favorable autumn season, but the situation is not such as to forecast any extensive or immediate revival of business in a large sense.

AGRICULTURE: Weather conditions during July resulted in a serious deterioration of crops throughout the United States. The composite condition of all crops on August 1 was 93 per cent of their average condition on that date during the last ten years, as compared with a composite condition of 96.4 per cent on July 1. The indicated production of wheat on August 1 amounted to 757,000,000 bushels, which is 52,000,000 bushels less than the forecast on July 1 and 67,000,000 bushels less than the average production for the past six years. The wheat crop is estimated to be unusually large throughout the Pacific Northwest, and in the States of Kansas and Nebraska, but is below the average for the years 1915 to 1920 in all other States. There was some deterioration of the corn crop during July, but the estimate of production on August 1 was 3,032,000,000 bushels, which is about 162,000,000 bushels greater than the average production in the last six years. The estimates of corn production in the States of Iowa, Illinois, Indiana, Ohio, Kentucky and Minnesota on August 1 were considerably lower than on July 1, but this was partly counterbalanced by increases in the estimates for Oklahoma, Kansas and Mississippi. Reports from District No. 8 (St. Louis) state that recent rains have been of cincalculable benefit to the corn crop. The oats crop suffered more serious damage in July than any other grain crop, and the estimated production on August 1 was only 1,137,000,000 bushels, as compared with an actual production of 1,526,000,000 bushels in 1920, and an average production of 1,433,000,000 bushels for the years 1915 to 1919. The crop was much damaged by green bugs and by rains during the period of threshing. The production of sugar beets was estimated on August 1 to amount to 8,000,000 tons which is 550,000 tons lower than in 1920, but 1,780,000 tons greater than the average production for the years 1915 to 1919. District No. 6 (Atlanta) states that the sugar cane crop is in good condition and estimates that 549,900 acres were planted to cane in 1921, as compared with 505,200 acres in 1920. The white potato crop deteriorated seriously during July and the production forecasted on August 1 was only 316,000,000 bushels, as compared with a production of 428,000,000 bushels in 1920 and an average production of 371,000,000 during the previous five years.

COTTON: The cotton crop showed some further deterioration during July and the early part of August, as a result of excessive moisture, which caused rust and encouraged the activities of the boll weevil. On July 25 the condition of the United States cotton crop was 64.7 per cent of a full normal, as compared with 69.2 per cent on June 25, 1921, and 74.1 per cent on July 25, 1920. The estimated total cotton production based on estimates of July 25, is 8,203,000 bales which is 5,163,000 bales less than the production in 1920, and is the smallest cotton outturn since 1895. District No. 5 (Richmond) states that the cotton crop in South Carolina, except in the Piedmont counties, has been seriously damaged by rain and the ravages of the boll weevil, whereas the crops of Virginia and North Carolina are in reasonably good condition. The boll weevil is active in practically every part of District No. 6 (Atlanta). The season is about two weeks late in Georgia and Louisiana and the crop is undersized wherever fertilizer has not been used. In District No. 11 (Dallas) there has been a rather serious deterioration in the cotton plant, as a result of hot, dry weather in certain sections and of extensive depredations of the boll weevil in other localities. District No. 8 (St. Louis) reports that the cotton plant is fruiting, but in many sections is showing the lack of fertilizers on thin soils.

TOBACCO: A further decrease in the condition of tobacco is reported, and consequently a lower indicated yield. The condition of the crop on August 1 was 66.6 per cent as compared with 71.9 per cent on July 1 and 79.1 per cent for the August 1 ten year average condition. The estimated yield has accordingly declined from 932,000,000 pounds to 889,000,000 pounds. The Pennsylvania crop of cigar tobacco suffered a material setback in July, as did also the Ohio crop, the condition in the two sections declining respectively from July 1 to August 1 from 84 to 76 and from 76 to 57 per cent. In the case of the manufactured and export types of tobacco, the Virginia crop has been seriously damaged by dry weather, but tobacco in District No. 8 (St. Louis) "in the immediate past has responded to the more favorable weather conditions." The Burley crop has been severely damaged by drought, but there is still much of the crop that will make a fair yield if given good weather. The South Carolina markets opened shortly after the middle of July, but most of the early offerings were of low grade and prices offered were unsatisfactory to producers. The monthly average price paid was only 8 cents per pound as against an average of 22.4 cents in July last year. It appears, however, that there is a fairly active demand for good tobacco and at satisfactory prices.

In District No. 3 (Philadelphia) the demand for cigars and cigarettes appears to be improving. The opinion seems to be quite general that there has been a further improvement in the industry in August. Operations, though less than at this time last year, are steadily increasing. Finished stocks which manufacturers may have had some months ago have been largely disposed of, but there is a determination in the industry to adjust operations so that any accumulation in the future will be impossible.

FRUIT: There was some improvement in the condition of both the citrus and deciduous fruit crops during July. On August 1 the production of apples was estimated at 109,000,000 bushels, as compared with a forecast of 104,000,000 bushels on July 1 and an actual yield of 244,000,000 bushels in 1920. District No. 6 (Atlanta) states that shipments of both peaches and watermelons from Georgia during 1921 have exceeded the records of all previous years. The Florida citrus crops are developing well, except on the lower east coast, which is suffering from drought. Reports indicate that crops of peaches and pears in District No. 12 (San Francisco) will be somewhat smaller in 1921 than in 1920, but that the apple crop will be larger. There has recently been an increased demand for canned fruit, but it is estimated that the 1921 pack of California fruit canneries will be 35 per cent less than that of 1920. Shipments of citrus fruits from California amounted to 5,308 cars in July, as compared with 7,858 cars in June, while shipments of deciduous fruits from that State totaled 3,439 cars in July, as compared with 2,200 cars in June.

GRAIN MOVEMENTS: Receipts of grain at primary markets during July were much higher than in June, and were in fact larger than in any month since September, 1919. This was chiefly due to the exceptionally large wheat receipts at Kansas City, Chicago, St. Louis, Omaha and Wichita. Wheat receipts at the four leading markets of District No. 10 (Kansas City) in July were over 30 per cent greater than in the largest previous month on record, and amounted to 32,789,400 bushels in comparison with 11,034,400 bushels received in June and 12,001,650 bushels received in July, 1920. Receipts of wheat at Chicago totaled 14,070,000 bushels in July, as compared with 2,511,000 bushels in June and 2,562,000 bushels in July, 1920. Wheat receipts at Minneapolis and Duluth, however, only amounted to

11,261,947 bushels in July, as compared with 12,599,842 bushels in June and 9,817,057 bushels in July, 1920. The total receipts of corn, oats, and barley at these two centers were considerably smaller in July than in June, but were almost twice as great as the receipts in July, 1920. In the four leading centers of District No. 10 (Kansas City) corn receipts were materially larger in July, 1921 than in July, 1920, but there was a slight decline in the receipts of oats and barley. Stocks of grain and flax in terminal elevators at Minneapolis and Duluth amounted to 21,098,-788 bushels on July 31, a decrease of 3.6 per cent from the stocks on June 30, but an increase of 366.3 per cent over the stocks on July 31, 1920. Stocks of oats in these elevators continued to increase during July and amounted to 15,919,084 bushels on July 31, 1921, as compared with 300,129 bushels on July 31, 1920. About 166,199,000 bushels of oats, approximately 10.6 per cent of the 1920 crop, still remained on the farms on August 1, which compared with 56,128,000 bushels on August 1, 1920, and average stocks of 78,328,000 bushels for that date during the five preceding years.

FLOUR: There has been an increase in flour production. In District No. 9 (Minneapolis) the July output of mills producing about 75 per cent of the flour milled in the District increased 13 per cent over June, and 3 per cent over July, 1920. The production during the four weeks ending July 30, 1921 amounted to 1,871,265 barrels. Mills operated at 47 per cent of capacity as compared with 39 per cent in June, and 39 per cent a year ago. Production at milling centers in District No. 10 (Kansas City) is "the largest on record for this time of the year, due to an exceptionally large demand for immediate shipment." July output of reporting mills was 1,902,527 barrels, an increase of 76 per cent over the July, 1920 figure, and operations were at 92 per cent of capacity for the week ending August 6. Practically all local mills and many of the country plants reporting in Missouri, Kansas, Nebraska and Oklahoma are sold up for August shipment and are booking orders for September delivery, although little buying appears for long deferred shipment. The liberal demand from nearly all sections of the country is believed to indicate that bakers' and dealers' stocks of flour are low. Export trade is fairly active, but indicates no great revival of foreign buying up to this time. In District No. 12 (San Francisco), however, production of reporting mills was approximately the same during July as during June, operations being at 41.2 per cent of capacity, as compared with 41.7 per cent in June, and 38 per cent in July, 1920. The July average price of flour was lower than for June, and a further decrease occurred during August.

LIVESTOCK: Live stock on farms and ranges generally continues in good condition, and ranges and pastures in general are excellent. While there has been continued drought and hot weather in Southwestern Texas, ranges in New Mexico and Arizona are now well supplied with moisture as a result of rains during July. The July movement of live stock to market was light. Receipts of cattle and calves at 15 western markets during the month were 940,173 head, corresponding to an index number of 93, as compared with 1,117,111 head during June, corresponding to an index number of 111 and 1,180,789 head during July, 1920, corresponding to an index number of 117. Receipts of hogs likewise declined from 2,671,462 head during June to 2,021,268 head during July, as compared with 2,007,332 head during July, 1920. The respective index numbers were 122, 92, and 91. Sheep receipts showed a smaller decrease from the June figure, being 1,035,674 head as compared with 1,130,874 head during June and 1,300,881 head during July, 1920. The respective index numbers were 76, 83, and 95. August cattle receipts, however, have been especially heavy, and Kansas City receipts for the week ending August 20, were the largest since the third week of November, 1920. Considerable interest was manifested in feeder cattle during July in some leading markets. A favorable factor in connection with the industry has been the live stock pool recently organized. Cattle prices commenced to increase at the close of July, and the increase continued in the first half of August. Hog prices, after advancing throughout July, declined continuously until the third week in August. At the middle of the month cattle prices declined sharply, this being ascribed by District No. 7 (Chicago) chiefly to market conditions in the east. While good corn fed cattle have been finding a ready market, states that District, the spread between corn fed and grass fed stock has increased, and there has been some difficulty in finding a ready market for the grass fed stock. The latter has been especially affected by the recent price declines, and common grass steers were down to the season's lowest price at Kansas City during the week ending August 20. Hog prices in general, however, showed a slight increase. The revival of the export trade in meat which set in a month ago has increased in volume. Business in pork and pork products, states District No. 7 (Chicago) has been far beyond expectations. The cooler August weather has also improved domestic sales, both wholesale and retail, which had been retarded by the extremely hot July weather.

COAL: Production of bituminous coal has been steadily declining. The end of the British strike has caused a noticeable slowing up of the export trade; as American coal is no longer able to compete in European markets. Another factor has been the slackening of demand in the Duluth-Superior region. As a result, July production amounted to only 30,394,000 tons as compared with a production of 33,852,000 tons in June and of 45,009,000 tons in July, 1920, the respective index numbers are 82, 91 and 121. The stocks of bituminous coal are unusually large and many small operators are reported to have been forced to close down, due to lack of storage facilities. District No. 3 (Philadelphia) reports that there is a better sentiment in the trade, but that orders seem to have remained practically the same, except in a few cases where they have declined. Most of the orders are for spot delivery or prompt shipment. In general, prices remain about the same. In District No. 5 (Richmond) consumption about equals production, while in District No. 6 (Atlanta) recovery has not come as expected. Prices in that District have been reduced as the result of a reduction in wages. Mines in District No. 10 (Kansas City) are operating at 50 per cent of capacity, due to the fact that there is no market.

Anthracite production also shows a falling off. July production was 7,050,000 tons as compared with 7,786,000 tons in June and 8,247,000 in July, 1920. The respective index numbers are 95, 105 and 111.

These figures indicate that anthracite production has not fallen as greatly as bituminous production. Domestic stove sizes move quite readily. In District No. 3 (Philadelphia) the demand for other sizes has slowed down until it is now as small as for the steam sizes. Independent operators have reduced prices steadily until they now almost equal company prices on domestic coal, and are somewhat lower on steam sizes. Beehive coke prices have decreased considerably since June. Production is at only 7 per cent of normal, although the output of by-product coke is 146 per cent of normal. District No. 3 (Philadelphia) reports a slight improvement in the output of beehive coke. "Sentiment in the trade", states that District, "is much more buoyant than it was last month, and many operators believe that production and prices have both passed the lowest point and will henceforth steadily improve."

PETROLEUM

While production of crude petroleum during the month of July continued in excess of consumption, a slight but gradual decline was noticeable. This decrease in production together with the halt in the tendency toward lower prices in the petroleum industry are considered as encouraging factors by the producers. The fall in prices duringJuly averaged 12 per cent for crude petroleum and 5 per cent for leading refined petroleum products. Since the peak was reached last October, the average price of crude petroleum in the United States has receded 64 per cent. A very favorable feature in the oil situation has been the good demand for gasoline, which has been running about 10 per cent in excess of the requirements during the corresponding period last year. However, it must be remembered that this is the season for the greatest consumption of gasoline. Production figures compiled by the United States Geological Survey show that production of crude petroleum in the United States for the month of July is 105 per cent of that for July a year ago or 40,228,000 barrels as compared to 36,203,000 barrels. The number of oil wells completed in July, however, showed a drop of 748 wells as compared with July, 1920. District No. 12 (California) reports that 76 new wells with an initial daily production of 19,675 barrels were completed during the month of July, but five wells were abandoned. California reports an average daily output of 331,252 barrels of crude petroleum for July as compared with 337,625 barrles in June and 279,169 barrels in July, 1920. District No. 10 (Kansas City) states that production of crude oil in the Kansas-Oklahoma and Wyoming region showed a daily average production of 419,250 barrels im July in comparison to 394,000 barrels daily production in July a year ago while production in Wyoming alone has been reduced to less than 50,000 barrels per day. The number of new wells completed in the District was only about 56 per cent of those completed during July, 1920. The Midcontinent field exceeded all previous records, with a total production of 25,594,982 barrels, although a decrease in monthly yield and daily average was registered by all Texas fields with the exception of the North Texas group. In this district only 251 new wells were completed during the month in comparison with 868 wells in July, 1920. With the price of oil at the present low point, the cost of drilling deep wells, particularly those of low productivity is almost prohibitive. In nearly all the oil fields the outstanding feature is the continued increase in stored stocks of petroleum. In California on July 31 the stored stocks amounted to 31,634,179 barrels as compared with 24,406,753 barrels on the same date last year. This represents the largest amount of stocks of petroleum in storage in California since October, 1919.

IRON AND STEEL. A further decrease in iron and steel output was reported for July from the already low June level. Pig iron production declined from 1,064,833 tons, corresponding to an index number of 47, to 864,555 tons corresponding to an index number of 38, while steel ingot production declined from 1,003,406 tons, corresponding to an index number of 43, to 803,376 tons, corresponding to an index number of 35. The pig iron tonnage is the lowest produced in any month since December, 1903.

There was a further net loss of 7 active furnaces during July, only 69 being in blast on August 1. The unfilled orders of the United States Steel Corporation also declined somewhat during the month of July, from 5,117,868 tons to 4,830,324 tons. The respective index numbers were 97 and 92.

Since the latter part of July, however, there has been some increase in inquiries and in the volume of orders, although this has been accompanied by continued price cutting in nearly all lines. Sentiment has improved considerably in the trade, in spite of the fact that present business represents largely an accumulation of orders, generally for small lots and for immediate delivery, which had awaited the arrival of satisfactory prices. Pig iron, sheets and plates are stated to have perhaps been most affected by price cutting. Railroads in the central west have recently let a few large contracts for car repair work, although little or no increase in their purchases is reported in District No. 3 (Philadelphia). Operations in that district have improved little if any, but conditions in District No. 4 (Cleveland) are somewhat better, and increased demand has actually cased a number of mills to be reopened. Accompanying the price reductons and low scale of operations have been further reductions in wages. The leading interest has announced a reduction in the wages of unskilled labor from 37 to 30 cents an hour, effective August 29.

AUTOMOBILES. July shipments of automobiles by manufacturers were somewhat less than in June. Carload shipments were 19,470 carloads as compared with 20,269 in June and 23,082 in July, 1920, while driveways likewise declined from 18,834 machines in June to 15,320 in July, as compared with 52,342 in July, 1920. Price reductions announced in July on cars selling at between $1,000 and $2,000 averaged 13.7 per cent. Price reductions are reported to have stimulated sales. Passenger cars sold during the second quarter of 1921 equalled 57 per cent of those sold during the same period of 1920, while for the first quarter they were only 28 per cent of the number a year ago.

NON-FERROUS METALS: There was little change in the demand for nonferrous metals during July. On account of the seasonal dullness and the desire on the part of small producers to dispose of part of their stocks prices for all the important metals receded further toward the end of July and early part of August. Although the price of copper was at a very low level, being offered at 11 7/8 cents f.o.b., warehouse, consumers held off in the hope that the market would go lower. In spite of this situation, domestic and foreign sales for July were estimated at about 70,000,000 pounds, which represented a gain of 20,000,000 pounds over June, but was considerably below the figure reached in May. Export demand continued weak, although regular contract shipments of copper were made to European countries at prices equivalent to those here. It is very apparent that buyers are providing merely for their immediate needs, since quantities as low as 25 tons are bought by those who formerly purchased 500 to 1,000 tons. District No. 12 (California) reports that copper mines are operating at 66 per cent of capacity. The output of 12 mines reporting in that District show that production during June was considerably less than in May and in June, 1920. The reduction in freight rates on ore and bullion and the lower wages for mine labor are favorable features in the present situation. Lead continues to hold the strongest position of all the metals, although sales in general are limited to carload lots. District No. 10 (Kansas City) reports that shipments of lead ore in July averaged 1,201 tons per week, with an average price for the month of $43.44 per ton, in comparison to shipments of 1,482 tons per week with an average price of $94.10 per ton in July, 1920. Producers of zinc are taking steps to dispose of the stocks on hand by curtailing production. Production of zinc during July amounted to 15,495 tons as compared to 40,194 tons in July, 1920, while stocks at the close of the month totaled 92,408 tons. District No. 12 (California) reports an inrease in the output of both gold and silver with the mines operating at maximum capacity.

COTTON AND TEXTILES. Consumption of raw cotton showed a reduction from 510,339 bales in June to 460,139 bales in July. This decrease occured not only in New England but also in other parts of the country and in District No. 6 (Atlanta) is reflected in the reports showing the production of specific mills which regularly report to the Federal Reserve Bank. Notwithstanding the facts noted the reports for July unite in stating that the industry is in a strong position and the presence of a good buying demand is evidenced by price advances in a number of lines such as print cloths, drills and brown sheetings. District No. 1 (Boston) says that "constructive features in the New England cotton goods situation during the first three weeks of August included a considerable increase in the scale of mill operation, larger sales of print cloth in Fall River, and an improvement in the demand for both combed and carded yarns, with higher quotations for the latter." This testimony is further supported by expressions of opinion coming from District No. 3 (Philadelphia) "different classes of goods vary in activity, it is true, but generally speaking the entire market is in better condition than it has been at any time during the current year. Reports emanating from both the retail and wholesale trade are all to the effect that business is satisfactory. This is particularly true in the ginghams, some mills being sold up for six months in advance." The market for cotton yarns also shows signs of greater activity in District No. 3 (Philadelphia) as well as in District No. 1 (Boston), but uncertainty as to ultimate price levels restricts sales to the present or the immediate future as buyers are not willing to risk long time commitments. District No. 5 (Richmond) says that practically all the mills are running full time and that although their product is not sold far ahead, they are receiving sufficient orders to take care of present output while new orders are steadily increasing. Manufacturers of ginghams and denims are sold ahead for several months. The special reports on productive output received from 26 manufacturers of cotton cloth in District No. 6 (Atlanta) show a decrease of 9.4 per cent in amounts produced in July as compared with June and a falling off in orders on hand amounting to 7.7 per cent. However, although the average of unfilled orders was lower than for the preceding month, some of the individual mills report a larger volume of orders while two of the mills report their production sold to the beginning of next year. Moreover, only two mills report a surplus of manufactured cloth on hand. In the case of 28 cotton yarn mills there was a decrease in output in July as compared with the preceding month of 8.2 per cent, but orders on hand at the end of the month were 8.1 per cent in excess of those of the preceding month.

FINISHERS OF COTTON FABRICS. The reports received from the Association of Finishers of Cotton Fabrics show a reduction in the total number of finished yards billed during the month of July when the output amounted to 85,323,724 yards as compared with 99,929,456 yards in June. The average percentage of capacity for all reporting Districts dropped from 74 per cent to 62 per cent. The total gray yardage of finishing orders received fell from 96,828,994 yards to 82,734,438 yards. The average number of days of work ahead at the end of the month dropped slightly from 9.1 to 8.9 days.

WOOLEN TEXTILES. The movement of the 1921 woold clip to market has been surprisingly rapid and sales have been unusually heavy. The reports from District No. 12 (San Francisco) state that although "final figures on the 1921 wool clip are not available, it is estimated that it amounted to approximately 90 per cent of the 1920 clip of 81,000,000 pounds." Reports indicated that 75 per cent of the new product had been sold outright to mill buyers and that wool dealers having purchased all the desirable wool that growers were willing to offer had temporarily retired. At the beginning of the season about 75 per cent of the old clip remained unmarketed and is apparently still largely held. Small lots have been sold from time to time but manufacturers have been buying the new output. Prices paid to producers have been about the same as those ruling in 1915. To quote the report from District No. 12 "There have been numerous sales at prices ranging between 12 and 18 cents a pound, depending upon the grade and fineness of the wool and the financial necessities of the seller. Because of the necessity of adjusting woolgrowers' overdrafts on their consignments of last year's clip, many sales of this year's wool have resulted in actual payment to the grower of less tan 15 cents per pound." Shipments of wool to the east have been made in great part via the Panama Canal. Such price advances as have occurred in the raw wool market have been confined to the higher grades. The Boston market showed a distinct improvement in August in volume of sales but in view of the large hold-over it is not surprising that prices have not advanced except in the case of special grades of which there is a relative scarcity. As regards the manufacturing end of the industry the outlook is exceedingly favorable, many mills are operating close to capacity and the consumption of raw wool in June amounted to 59,592,000 pounds which was in excess of that of any month since April 1920. The reports published by the Department of Commerce showing the idle loom hours indicate that on August first woolen spindles were idle 20 per cent of the time, worsted spindles 14.3 per cent and combs 12.6 per cent. The percentages for looms wider than 50 inches and 50 inches or less were 20.8 per cent and 29.6 per cent respectively. Following the successful opening of spring lines by the American Woolen Company several manufacturers have also held openings. It is reported from District No. 1 (Boston) that abundant orders were received and that the production of certain fabrics had to be allotted. District No. 3 (Philadelphia) likewise reports sufficient orders taken during the first week in August to insure extensive operations until the beginning of the year for some mills. There have been no new developments in the market for woolen and worsted yarns although certain finer counts are in good demand. The business done is not on the whole of large amount and orders are being placed for delivery within a limited period. In the case of the finer yarns, prices have advanced slightly.

<u>CLOTHING</u>. Special reports from seven manufacturers of wholesale clothing in District No. 7 (Chicago) give evidence of the lateness of the season as orders booked during the earlier months of the year were considerably below those of 1920 while by the end of July the difference for the season was not more than 7.6 per cent. In July alone orders were 14 per cent greater than in July of the preceding year. In the case of the tailors-to-the-trade (14 firms reporting) and the cut-trim-make (4 firms reporting), industry, orders, production and shipments were all approximately 35 per cent below those of last year. In District No. 8 (St. Louis) improving business was reported by all but three of the 16 reporting clothing firms. Sales in July were from 4 per cent less to 20 per cent heavier than in June; orders, however, were mainly for immediate shipment but there was a slight increase in future buying about the middle of the month.

<u>SILK</u>. Optimistic expressions of opinion concerning the outlook in the silk industry have not been sustained by subsequent developments. As a matter of fact there has been a considerable falling off both in wholesale and in retail buying of silk goods, and District No. 3 (Philadelphia) states that buying of broad silks is almost entirely restricted to staples. No special improvement has been noted in the market for narrow silks where dull conditions have been prevalent for a long period of time.

Reports from Paterson, N.J., show that during the two weeks ending August 13, there was a reduction in the number of loom hours worked from 261,444 to 208,500. The percentage of loom activity dropped therefore from 39.6 to 32.3. In North Hudson, N.Y. reports covering 4,670 looms show that for the two weeks ending August 15, there was an increase in activity, the percentages rising from 57.7 on July 30, to 61 per cent on August 15. As the Paterson figures cover 15,000 looms however, it is evident that for the District as a whole there was a fairly pronounced drop in number of hours worked. In the raw silk markets no particular changes have occurred during the past month. Imports of raw silk for July were 8,500 bales in excess of those for June and during the same period there was an increase in consumption of 1,100 bales.

HOSIERY. Twenty-nine firms manufacturing hosiery reported to the Federal Reserve Bank of Philadelphia for the month of July. The firms selling to the wholesale trade showed reductions in product manufactured during the month of 4.4 per cent as compared with June, orders booked fell 37.4 per cent and unfilled orders on hand July 31 were 4.8 per cent lower than at the end of the preceding month. On the other hand, the firms selling to the retail trade increased the scale of their operations during July, producing a 9.8 per cent larger output and having unfilled orders on hand at the end of the month 18.5 per cent in excess of those at the end of the preceding month. But, as in the case of the other firms, orders booked during the month dropped sharply as compared with June, the drop amounting to 33 per cent. As has been frequently mentioned in many quarters of late months the demand for cotton hosiery remains very poor although lately there has been a slight improvement in market conditions for this class of goods. Silk hosiery, however, continues to be in demand and the shortage due to the long-drawn-out strike in the full fashioned hosiery mills has been a feature in creating active business for those mills able to operate. The reports from District No.3 (Philadelphia) state that conditions in the mills where the strike has been in progress are improving and that they are able to work at 25 per cent of capacity or better in some cases. One of the largest mills, indeed, is now able to work on almost normal basis, but the lack of suitable labor and the difficulties connected with teaching new hands have been very great. In District No. 6 (Atlanta) the cotton hosiery mills were operating at from 60 to 80 per cent of capacity in July, but the amount manufactured was stated by reporting mills to be slightly less than during June and from 20 to 50 per cent below the output for July 1920.

UNDERWEAR. During July the business done by reporting underwear manufacturers showed a falling off as compared with June but the situation is perfectly understandable in view of the fact that business is being done from hand to mouth and while under ordinary conditions at the end of the summer season contracts for the next summer would normally be made, there are at present few forward business purchases. As a result, the lessening in production in the summer underwear mills is inevitable for the three months following July. It is probable, however, that there will be a strong and steady increase in the production of winter underwear from now until the end of the year. The reports received from 19 manufacturers in District No3 (Philadelphia) showed a falling off in the product manufactured during July amounting to 21.5 per cent. Orders booked during the month were 27.1 per cent below those of the preceding month and unfilled orders on hand July 31 were 2.4 per cent less. The statistics received from reporting members of the Association of Knit Goods Manufacturers similarly indicate a rather pronounced drop in output during the month of July. Fifty-six mills reported that they were working on the average at 52.2 per cent of normal capacity whereas in June the reporting firms (60 in number) were operating at 65.5 per cent of capacity. In the case of 38 mills reporting for both June and July production dropped from 397,582 dozens to 323,745 dozens or a decrease of 18.6 per cent. New orders received during the month fell from 374,625 dozens to 267,362 dozens or a decrease of 28.6 per cent.

SHOES AND LEATHER. Prices of hides and skins increased considerable towards the end of July and were firmly maintained during the first three weeks of August. District No. 3 (Philadelphia) reports a particularly large demand for goat skins, whereas the prices of sheep skins have eased somewhat. Leather prices, as a whole, have been well maintained during August, but they are still at approximately the lowest level reached this year. Reports from District No.7 (Chicago) indicate that upper leather plants are operating at 70 per cent and cutstock plants at 40 per cent of a full capacity, while the operations of sole leather tanneries are greatly curtailed. In District No.3 (Philadelphia) calf and side leathers are being bought in large quantities, but sales of belting butts and of glove leather are still very small. The Boston leather market continues to be quiet, despite the recent increase in the output of shoes. District No.1 (Boston) states that the New England boot and shoe industry is increasing production at a rapid rate. The July output of nine leading shoe manufacturers in that section was 92 per cent of their average monthly production during 1920. Six of these concerns had more orders on their books on August 1, 1921, than on August 1, 1920.

The plants of the largest shoe concern in District No.2 (New York) are now operating at 100 per cent of capacity, and are being enlarged in order to permit of increased production. Business of shoe manufacturers in District No.3 (Philadelphia) is improving, and factories which make shoes for girls of school age are particularly well supplied with orders. Jobbers have increased the volume of their purchases and are buying large quantities of low shoes. District No.7 (Chicago) reports that shoe production in July was 11.2 per cent less, than in June and 1.4 per cent less than in July, 1920. Unfilled orders increased 16 per cent over June and were nearly three times as large as in July, 1920. Shoe factories in District No. 8 (St. Louis) continue to be operated at from 90 to 100 per cent of capacity, and shipments are restricted by inability to obtain sufficient goods.

LUMBER. The output of lumber during July was restricted due to a continued decline in the demand. However, the sentiment in some sections of the country looks toward an improvement in market conditions in the near future. District No. 12 (San Francisco) reports a favorable outlook for the industry due to several factors; the reduced freight rate to markets east of the Mississippi; the anticipated resumption of buying by the railroads; the low stocks of lumber now held by distributors; and the increasing demand for American lumber on the part of Japan, China and Australia. The lumber production in that District which had been increasing steadily since January 1 declined slightly during July. Four lumber associations in the District report a cut for July of 329,343,000 feet, which was 12.7

per cent less than the June cut, and estimate that mills are operating at approximately 65 per cent of normal. In comparison with last month, both orders and shipments show a decline due to the fact that buying has been held in check awaiting the freight reductions announced on July 11, but not yet effective. Orders, during July, 1921 totaled 263,416,000 feet, a decline of 9.5 per cent when compared with the previous month, while shipments amounted to 286,727,000 feet in July, a decline of 10 per cent. In District No. 11 (Dallas) 35 mills reported a July production which was 31 per cent below normal. Orders booked during the month were 66 per cent of the normal monthly production - about the same percentage as in the preceding month. The report of 134 mills of the Southern Pine Association in District No. 6 (Atlanta) showed lumber production for the week ending July 29 to be 22.4 per cent below normal, while shipments and orders were both about 22.6 per cent below normal. The lumber cut of reporting mills in District No. 9 (Minneapolis) totaled 15,319,816 feet - a 2 per cent decline from the June cut and a 44 per cent decline from the cut of July, 1920. The orders booked during the month show a 6 per cent increase over June, but were only 77.2 per cent as large as the orders received during July, 1920.

BUILDING. The building situation generally continued dull during July, with few new enterprises undertaken. The reports from all Districts show that the construction of moderate priced homes and dwellings constitutes a large part of present building activity, while construction of business and industrial structures is practically negligible. District No.1 (Boston) and District No. 9 (Minneapolis) were the only Districts which showed increases in total building contracts awarded, (statistics of which are compiled for seven Districts by the F.W.Dodge Company). In District No.1 (Boston) contracts awarded amounted to $19,298,334 as compared with $15,308,072 during June. Of this total, approximately $6,675,000 was for residential purposes as compared with $6,530,000 in June. In District No.2 (New York) contracts awarded during July totaled $54,500,566 in comparison with $63,561,928 during June, and residential building for this District totaled $22,546,142 as compared with $34,355,048 during June. Total contracts awarded in District No.3 (Philadelphia) amounted to $13,563,100 in July, and $14,796,800 in June. Residential contracts totaled $2,971,900 in July and $3,543,700 in June. In District No.4

(Cleveland) the total amount of building contracts awarded was $35,669,377 as compared with $39,928,314 for June. Of these, $8,319,248 were for residential purposes as compared with $8,198,377 during June. Contracts for District No.5 (Richmond) amounted to $16,026,969 in July as compared with $20,428,761 in June, while $5,335,545 of the July total were for residential purposes as compared with $4,090,859 for June. In District No.7 (Chicago) building contracts totaled $41,119,866 during July as compared with $45,199,007 in June.

Permits for new construction issued in twenty-three of the larger cities of District No.5 (Richmond) during July totaled 1,442 as compared with 1,137 issued in July, 1920, a gain this year of 26.8 per cent. The total valuation for new work in July, 1921 amounted to $4,529,261 as compared with $5,799,171 for July, 1920. Due to the decreases in costs of building operations throughout the past year, the number of permits issued in any District, is more indicative of the actual volume of construction than are the dollar amounts. In District No.6 (Atlanta) the total permits issued in Atlanta during July exceeded those for that month in all previous years. In Nashville the July total for permits was larger than for any previous month. District No. 8 (St.Louis) reported that building permits issued in the five principal cities during July showed a slight increase over the June total, but a decrease of $587,000 under the corresponding month last year. Nine cities of District No.9 (Minneapolis) issued 1,753 permits during July valued at $3,906,381 as compared with 1,971 permits valued at $5,602,586 during June. This District reported that the permits granted during July were almost all for the smaller types of construction. Reports for fourteen cities in District No.10 (Kansas City) showed a total of 2,240 permits issued in July as compared with 2,166 in June. In District No.12 (San Francisco) twenty cities reported 7,925 permits granted valued at $15,298,705 in comparison with 8,199 permits valued at $15,450,694 in June. Building activities in San Francisco and vicinity are still curtailed due to strike conditions in the building trades.

EMPLOYMENT. As there have been no pronounced changes in industrial activity during the past month it is not surprising that the employment situation should also have remained substantially the same. On the whole there was probably a negligible decrease in numbers employed during July as compared with the preceding month, as the monthly industrial survey of the United States Employment Service shows that 1,428 firms usually employing 500 or more persons located in 65 principal industrial centers of the United States were employing only 1,510,210 workers on July 31, 1921 as compared with 1,527,124 on June 30, 1921, a decrease of 1.1 per cent.

In New England, for example, the leading industries which are fairly active at the present time are not taking on any more employees and the metal trades continue to be as dull as during the preceding month. The Boston Public Employment Office reports that during the first twelve working days in August, nine per cent fewer persons were wanted by employers than during the corresponding period of the previous month, while during the month of July, 26 per cent fewer workers were called for than in June. The demand for skilled workers has been largely confined to the building trades and requests from those who wanted to do repair work. There have been practically no applications from persons looking for unskilled labor. The Worcester Public Employment Office noted no improvement in the demand from the metal trades and 14 per cent fewer workers were wanted for the month ending August 15, than during the preceding month; while 15 per cent fewer positions were filled.

In District No. 2 (New York) slight gains in numbers employed in some districts were just about counterbalanced by losses in the case of others. In agricultural sections there was a decided drop in the demand for farm labor in the early part of August, and employment agencies throughout the state report that "there have been more applications for positions and fewer requests for workers during August than at any time since the recession in business set in".

In District No.3 (Philadelphia) there was a slight diminution of unemployment in the six cities of Altoona, Harrisburg, Johnstown, Philadelphia, Scranton and Williamsport during the first two weeks in August. The decrease in numbers of unemployed amounted to 1.6 per cent as compared with estimates for July 30. Later reports from individual manufacturers indicate further improvement in the employment situation, but in the iron and steel and allied industries there has been no particular change.

In District No.5 (Richmond) there has been some demand for unskilled workers for road and street improvement and increased activity in building trades has likewise provided work for a few. It is stated that the textile mills in the neighborhood of Charlotte, North Carolina whose operatives have been on strike from June 1, are now resuming operations and that the textile mills in general are adding to their forces. On the other hand many railroad employees, ship yard and dock workers remain idle. The demand for women workers has fallen off greatly and farm labor is in excess of demand.

In District No.6 (Atlanta) unemployment is especially pronounced in the iron and steel district, and in coal mining sections. New Orleans unemployment is considerable in the building and metal trades and sugar refineries. Statistics compiled by the United States Employment Service for June show a decrease of 2 per cent for New Orleans while increases were recorded at Atlanta, Birmingham and Chattanooga amounting to 16.7, 1.1 and .6 per cent respectively.

The results from the labor questionnaire regularly issued by the Federal Reserve Bank in District No. 7 (Chicago) show practically no change in numbers employed during July as compared with the preceding month, as the decrease was less than .1 of one per cent in the case of 181 reporting firms employing 113,668 persons. The steel and iron industries in the District are, however, still reducing their forces. Forty-five concerns employing 25,970 men reported a decrease of 5.6 per cent in July as compared with June. Structural steel and iron however improved slightly and railway equipment shops increased the number of men employed by 8.8 per cent. Reports from the Employers Association of Detroit continue to show a slight increase in numbers employed in the automobile industry.

Reports from District No.8 (St.Louis) show a further increase in unemployment estimated from 6.5 to 10 per cent. The losses are attributable to the lack of demand for workers in steel and iron and building trades. A surplus of agricultural labor likewise exists.

In District No.9 (Minneapolis) employment conditions showed a seasonal improvement in July as a result of harvesting requirements and highway improvement work. In the lumber industry 31 per cent more men were employed in July than in June, but the totals were 34 per cent below those for last year.

No particular change in the employment situation was recorded in District No.12 (San Francisco) during July. It was stated that the increased demands for labor from agricultural areas were largely offset by the reduced numbers employed in mining, lumbering, fishing and shipbuilding industries. Although crops have been abundant, harvesting operations have been carried on with the aid of less labor than has usually been taken on in past years. Outside of San Francisco where strikes are still in progress, there was a slight improvement in employment conditions in the building trades of the large cities, and the monthly report of the United States Employment Service also shows that in the case of firms employing 500 men or over, increases were recorded for Seattle, Los Angeles and Portland. These increases were negligible in the two former cases, but amounted to 14.7 per cent in the casè of Portland.

WHOLESALE TRADE: Sales of wholesale hardware and of boots and shoes show fairly pronounced declines in all reporting Districts for the month of July as compard with June, following slight increases in the former month as compared with May. The recession in hardware sales ranges from 8.5 per cent in District No. 11 (Dallas) with six firms reporting, to 17.8 per cent in District No. 3 (Philadelphia) with 25 firms reporting. In the majority of Districts represented, decreases are in excess of 10 per cent, but as compared with the amount of total sales recordéd a year ago, are not so great as in other lines, chiefly, no doubt, because price reductions have been less extensive. However, decreases vary from 15.8 per cent in District No. 10 (Kansas City), four firms reporting, to 49.8 per cent in District No. 6 (Atlanta), 14 firms reporting. In the other five reporting Districts the decreases are between 30 and 40 per cent. In District No. 3 (Philadelphia) hesitancy in placing orders for fall trade wascommented upon. Demand for mill supplies and builders' hardware was stated to be especially poor. Unstaple prices and belief in further reductions have prevented the placing of future contracts. District No. 10 (Kansas City)notes that hardware sales improved towards the end of the month as returns from crops began to come in. The decline in mid-summer demand for boots and shoes has been quite heavy, amounting to 16.9 per cent in the case of District No.12 (San Francisco) 15 firms reporting; 22.2 per cent in District No.5 (Richmond), 8 firms reporting; and 23.4 per cent in District No.6 (Atlanta), 9 firms reporting. The reductions in sales as compared with a year ago are in all cases very heavy, primarily, no doubt, as a result of the drastic cuts in prices that have occurred in the interval. The range is from 34.2 per cent in the case of District No. 7 (Chicago), 9 firms reporting, to 69.9 per cent in the case of District No.12 (San Francisco), 12 firms reporting. In this last mentioned case, it looks as if the drop were a somewhat belated reduction that brought the returns more in line with those for other Districts as sales compared with July 1920, show a drop of 50.1 per cent, while in five other Districts the reduction as compared with a year ago has been from 52.3 per cent in District No.7 (Chicago), 9 firms reporting, to 57.5 per cent in District No.11 (Dallas), 9 firms reporting. In only one case, District No.4 (Cleveland), has the reduction been under 50 per cent, namely 35.5 per cent for three reporting firms. The increases during the current month are attributable to retail buying for the fall trade. Stocks are low and in the agricultural sections of the country after-harvesting demand has to be met. Grocery sales have held up fairly well and in three out of six reporting Districts increases occurred in July as compared with June, amounting to 1.2 per cent, 13 firms reporting; in District No. 11 (Dallas); 12 per cent in District No.12 (San Francisco), 28 firms reporting; 17.6 per cent in District No.10 (Kansas City), 5 firms reporting. Losses as compared with a year ago vary unevenly from District to District, amounting to 13.6 per cent in District No. 10 (Kansas City) and rising to 44.9 per cent in District No. 3 (Philadelphia). Decreases in sales are in part accounted for by the drop in the price of sugar and the diminished tonnage of sugar sales following the abnormally heavy distribution of a year ago. District No. 3 (Philadelphia) reports prices firmer and a better feeling, although July sales are slightly below those for June, the average drop being 2.6 per cent for 48 reporting firms. Negligible decreases were also found in District No. 5 (Richmond), nine firms reporting a loss of ,6 of one per cent, and in District No. 6 (Atlanta) in which 24 firms reported a reduction of 5.9 per cent in July sales.

RETAIL TRADE: The retail trade situation during the month of July was very quiet and inactive. This is, however, the period of normal mid-summer dullness, and fall purchases do not generally begin until August. The summer clearance sales were inaugurated in June this year and the natural result was a lull in the July business. Many stores report intensive "shopping" in order to secure maximum values. Reports from representative department stores show a decrease in all Districts in net sales for July from the same month a year ago. This amounted to 12.3 per cent in District No. 1 (Boston), where it is reported that sales of stores in larger cities are less than sales of stores in smaller cities. The decrease in District No. 2 (New York)is 11.5 per cent. In District No. 3 (Philadelphia) sales decreased 11.88 per cent, which was partly due to the continued widespread depression in the iron and steel industries. Sales in District No.4 (Cleveland) decreased 21.4 per cent, 11.7 per cent in District No.5 (Richmond), 21.7 per cent in District No. 6 (Atlanta) and 14.7 per cent in District No.7 (Chicago). District No. 7 (Chicago) reports that prices have been reduced further in order to liquidate stocks on hand. The decrease in sales in District No.8 (St.Louis) amounted to 16.5 per cent; in District No. 9 (Minneapolis) 21.8 per cent; in District No.10 (Kansas City) 10.9 per cent; in District No.11 (Dallas) 22.1 per cent and in District No. 12 (San Francisco) 12.9 per cent. There is a noticeable increase of the percentage of stocks to sales due to the seasonal dullness. Outstanding orders increased during July, especially in the latter part of the month. These orders are for merchandise actually needed in the stores and are principally for medium-priced goods. The increase in outstanding orders seems to indicate that retailers anticipate a good demand for fall goods.

PRICES: As has been the case during the past six months, the August price situation shows conflicting tendencies. Prices of leading agricultural commodities, such as wheat, corn, oats, rye and hogs have consistently declined, cotton has advanced, while cattle after advancing during the early portion of the month, showed price recessions at the end. In the metal and mineral industries, there were further price reductions, bituminous coal, petroleum, and the non-ferrous metals all showing declines. Toward the end of the month pig iron prices were reported to be somewhat stronger than they had been for some time in the past. Hide and leather and cotton prices showed perhaps the greatest strength of any of the different lines, although finished woolen goods were likewise reported to be strong. On the whole it is impossible to forecast the general trend of prices during the month. Manufactured goods have probably held relatively firm, but as has been indicated above, many important raw materials have declined.

Prices in general during the past three or four months have become somewhat more stabilized than they were in the early spring, but whether this period of relative stability will continue, whether prices will rise appreciably, or fall is a matter for speculation. A continuation of relative stability in the price level as a whole might be marked by more or less extreme variations in the prices of individual commodities if the variations cancelled one another. For instance, increases which might occur in the prices of commodities which have been "liquidated" or reduced to approximately pre-war levels might be accompanied by reductions in the prices of commodities which are still far above the pre-war level. This is closely related to the theory which seems to be held by a number of economists who emphasize the fact that the various elements of the price system are out of harmony one with another (some being at twice the pre-war level while others are below it) and that there is fair reason to expect commodity prices to bear approximately the same ratio to one another as they did before the war. At the same time, other students of the price problem lay greater stress on the supply situation in the individual commodity lines than upon the interrelationship of prices in different lines. Both factors probably play a part in the making of prices. What is difficult to measure is the importance of the several factors of the price level as a whole.

During July, the index numbers of wholesale prices compiled by the Federal Reserve Board, Dun, and Bradstreet indicated a rise in prices, while that of the Bureau of Labor Statistics showed no change from the June level. The Federal Reserve Board index, constructed primarily for international comparisons, stood at 141 in July (with the 1913 level taken as 100) as compared with 139 in June. The index of the Bureau of Labor Statistics registered 148 in both June and July, on the same basis. The important changes during the month were further reductions in the prices of producers' goods (in which the equipment materials figure largely) and the comparative strength of raw materials and consumers' goods. Retail prices of foods increased for the first time since June, 1920. The increase between June and July, 1921 amounted to a little under 3 per cent.

SHIPPING: Little change is to be noted in the shipping situation during August as compared with the last few months previous. American ships continued to carry but little more than one-third of our imports and exports measured in terms of value. This proportion is far below what would be expected of a fleet as large as that belonging to this country. The figures of Lloyd's Register of Shipping on the size of the merchant fleets of the different countries, recently made public, show that, on June 30, 1921, the United States had ships aggregating 17,026,002 gross tons out of a world total of 61,974,653 tons. The United Kingdom slightly surpassed the United States with a fleet of 19,571,554 tons, but France which is third in rank had only 3,652,249 tons. Japan, Italy, Norway and Holland follow in the order named with merchant fleets ranging from about 3,350,000 tons down to 2,225,000 tons. If sailing vessels are disregarded and only steamers and motor vessels are considered, the United States on June 30 had a merchant marine of 15,746,384 tons out of a world total of 58,846,325 tons or 26.8 per cent of the world's steam and motor shipping. In 1914 the world's steam tonnage was 45,403,877 tons and the share of the United States was only 4,330,078 tons or 9.6 per cent of the total.

FOREIGN TRADE: The July foreign trade totals are slightly lower than for June, continuing the declines which set in at the beginning of 1921 in the case of exports, and some months earlier in the case of imports. Exports were valued at $321,000,000 and imports at $179,000,000, the excess of exports being $142,000,000. At the same time foreign countries continued to send us gold in large volume, resulting in a net inward movement for July of $60,000,000. The Bureau of Foreign and Domestic Commerce has made an analysis of our foreign trade for the fiscal year 1921, which shows that lower prices rather than diminished quantities are responsible for the reduction in our trade totals as compared with the preceding fiscal year. Commodities forming 69 per cent of the value of domestic exports in the fiscal year 1921 show a decrease in value of 19 per cent, but an increase in weight of 23 per cent over the fiscal year 1920. The group of raw materials in the same compilation, shows a weight increase of 34 per cent, and the group of foodstuffs a weight increase of 37 per cent. A limited group of partly or wholly manufactured commodities shows a decrease in weight of 4 per cent. These results are noteworthy as showing how the volume of our trade has been maintained until recently, and that the falling off in the quantities of exports which has been observable in the earlier months of 1921 has not offset the large movements of goods in the previous months of the fiscal year. These facts are in agreement also with the showing of the Board's foreign trade index, which disclosed relatively small declines in the volume of exports in February, March and April, and a substantial recovery in May and June.