

FEDERAL RESERVE BOARD

STATEMENT FOR THE PRESS

X-3369

For release in Morning Papers,
Saturday, April 1, 1922.

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

The outstanding feature in business development during the past few weeks has been the improvement in basic industries, including steel, especially railway equipment, copper, and other metals. A marked increase in the production of automobiles has also been a feature of the month. Building activity which has been on the up-grade for several months past, continues its growth, February permits being about 40 per cent in excess of those of February, 1921, while the advance is still continuing.

As against this favorable trend in the physical volume of production in basic lines is the fact that a variety of conditions have operated to offset the encouraging improvement which has been noted in textiles during the winter months. Prominent among these unfavorable influences is the disturbed relations with labor, but uncertainty as to cost of production and lack of forward orders have produced a depressing effect in those districts where no labor troubles have made themselves felt. No important changes have been observed in other manufacturing lines, such as leather, boots and shoes.

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Agriculturally, the month has been one of favorable development considering the season. Winter wheat prospects are reported good in most parts of the country. Cotton planting indicates increased acreage although a heavy infestation of boll weevil is predicted. A larger use of fertilizer is also reported in some sections. Prospects for deciduous fruits are reported encouraging. Labor conditions in the agricultural regions are regarded as satisfactory. A material increase in the demand for labor, largely the natural seasonal growth, is reported from most districts.

According to official figures, marked, even if still limited, decrease in unemployment is under way. This is partly due to the greater activity of basic industries already referred to, and partly to seasonal growth of demand for labor, but offsetting it must be mentioned the voluntary unemployment growing out of strike conditions, both present and prospective.

In trade, both retail and wholesale, the tendency has been, on the whole, downward, although not pronouncedly so. In certain Districts seasonal activity has resulted in an absolute increase in particular lines of wholesale trade, as, for example, in the case of shoes and dry goods. Retail trade, on the other hand, is uniformly lower than it was a month ago or than it was at this time last year. This is in a large measure due to postponement of buying resulting from the lateness of the season but is also in part due to a longer continuance of unemployment.

The movement of commodities to market during the month has been very satisfactory. Increase in car loadings has been noticeable in many parts of the country. Grain shipments during February have been larger than in any month since October, 1921. A satisfactory movement of livestock and meat products is also reported. Better earnings of railroads demonstrate the growth in freight tonnage which has been a striking feature of recent weeks.

The advance in the index number of wholesale prices shown by the Federal Reserve Board's compilation amounts to 4 points for the month. This change is largely due to the advance in the prices of agricultural products. In wholesale lines some declines have taken place but prices have been tolerably firm, although where they have been so, restriction of the activity of trade has been a feature. The process of evening up prices through interindustrial adjustments is still incomplete.

Financially the month has shown but little change. Discount and interest rates have not moved materially. Foreign trade shows a somewhat further decline with a much closer approach to adjustment of export and import figures both here and abroad. Increasing stability in foreign exchanges, with the exception of marks, has been the rule. Further liquidation of "frozen" loans in the West and South has been effected and reports from these parts of the country show that a satisfactory line of credit is being extended for the planting of new crops. Increasing specie reserves and declining portfolios in Federal Reserve Banks show that there has been no increase in the demand brought to bear by member banks for commercial accommodation.

AGRICULTURE. The quantity of grain stored on the farms on March 1, 1922, was considerably smaller than on March 1, 1921. Stocks of oats have registered the greatest reduction and are 41 per cent less than a year ago, while stocks of wheat are 40 per cent less, stocks of barley 37 per cent less and stocks of corn 16 per cent less. The condition of winter wheat has shown marked improvement during March. District No. 10 (Kansas City) reports that the wheat plant is making a very favorable showing in the eastern and southern parts of Kansas, and that recent rains and snows in Oklahoma have greatly aided the crop. The drought has been broken in the Texas Panhandle, according to District No. 11 (Dallas), and that section now has the brightest crop outlook in many years. Reports also indicate that the condition of winter wheat is good in District No. 8 (St. Louis), but severe sleet and ice storms have caused considerable damage to winter grains in District No. 7 (Chicago). District No. 9 (Minneapolis) states that winter wheat is in splendid condition, as it has been well protected by snow. Plowing and preparation of soil for corn is now in progress in most of the southern states and seeding of oats is under way in Missouri, Kansas and Oklahoma. Planting of sugar cane in Louisiana has been hampered by wet and cold weather, but the cane already planted is reported to have escaped damage.

COTTON. The final ginning report on the 1921 cotton crop showed total ginnings of 7,976,665 running bales. The price of middling upland cotton at New Orleans on March 15 was 16.75 cents, which is the same price as prevailed on February 15. There is a general tendency

throughout the cotton belt to hasten planting of the new crop, as an early start helps to minimize the depredation of the boll weevil. District No. 11 (Dallas) reports some increase in cotton acreage this year, and states that timely rains have put the soil in a condition which should be conducive to the quick germination and growth of the plant. Reports from District No. 6 (Atlanta) indicate an increased acreage and a tendency to use fertilizers. In District No. 5 (Richmond) rain and snow have delayed spring planting, while the generally mild winter has permitted the hibernating of a large number of boll weevils.

TOBACCO. Virginia tobacco sales in February and early March were comparatively small and prices generally low, due to the fact that the bulk of the offerings were barn scrapings and low grades sold to wind up the season's crop. Sales of bright tobacco in Virginia to March 1st were 60 per cent and of dark tobacco 85 per cent of those in 1920-21. Prices realized for the former averaged lower this season than a year ago, but dark tobacco brought higher average prices. Leaf dealers report improved foreign demand. In Kentucky, the Burley Tobacco Growers Cooperative Association, it is reported, has continued to operate in a very satisfactory manner. It is now evident that the crop is not heavy. A large part has been delivered to the Association and already sold, although some is in storage. Prices have been very satisfactory. A plan is now being inaugurated to organize an association in the dark districts of western Kentucky, and is expected to be completed for handling the 1922 crop.

District No. 3 (Philadelphia) reports no evidence of the improved demand for cigars usually expected at this time of the year, and the

demand is still very uncertain and irregular. Although dealers' stocks are low, they are buying only goods they absolutely need. January sales of revenue stamps for cigars were less than in any month within the past three years.

FRUIT. Movement of citrus fruit to market from California and Florida showed some decline during February. Growers belonging to the California Fruit Growers Exchange received an average price (f.c.b. California) of \$3.39 per box for oranges and \$3.93 per box for lemons in February, as compared with \$2.15 per box for oranges and \$2.09 per box for lemons in February, 1921. The market for Florida oranges is also very strong and substantial premiums are paid for standard sizes.

Prospects for deciduous fruits are thus far excellent, but it must be remembered that there is still danger of frost damage in many parts of the country. District No. 10 (Kansas City) states that the outlook of orchard fruit is very favorable, although there has been some winter killing of peach trees. Orchards are in bloom in most sections of District No. 11 (Dallas) and promise large yields unless damaged by late frosts. District No. 8 (St. Louis) reports increased strawberry crops in Arkansas and Mississippi, and a more careful and scientific treatment of fruit orchards. Shipments of apples from District No. 12 (San Francisco) amounted to 47,335 carloads up to March 4, 1922, as compared with 29,125 carloads shipped in the corresponding period of the previous crop year.

District No. 12 (San Francisco) reports heavy exports of both dried and canned fruits in recent months. Only 8,511,851 cases, or about 15 per cent, of the 1921 pack of California remains in the hands of canners,

and both foreign and domestic demand is increasing. Prices for canned apricots, peaches, pears, and cherries have all advanced since the beginning of the season, but are considerably lower than at this date last year.

GRAIN MOVEMENTS. Receipts of grain at 17 interior centers were larger in February than in any month since October and exceeded January receipts by 7.5 per cent. Corn receipts at these 17 centers were larger than in any month during the past two years, due to heavy increases at Chicago, Indianapolis, Kansas City and Peoria. Wheat receipts were 13.5 per cent larger than in January, and showed particularly large gains at Kansas City, Chicago, and Omaha. Receipts of oats, rye, and barley also increased at interior centers, while there was a slight drop in the receipts of flour. Grain receipts at nine seaboard centers were slightly larger in February than in January due to the heavy movement of corn, although the receipts of wheat, rye, and barley declined. Stocks of grain increased at both interior and seaboard centers. Stocks of corn were much augmented at all reporting centers, whereas stocks of wheat, oats, and barley were somewhat diminished.

FLOUR. February production of flour in most Districts showed an increase over both January, 1922, and February, 1921. In District No. 9 (Minneapolis) the reported February, 1922, production was 1,802,781 barrels, as compared with 1,935,754 barrels for January and 1,839,799 barrels for February, 1921. Eleven leading mills in District No. 8 (St. Louis) reported a decrease of 83,494 barrels from the January, 1922 output, but an increase of 1,872 barrels over the February, 1921 production. In District No. 7 (Chicago) on the other hand, a comparison of February, 1922, figures with January, 1922, and February, 1921, showed increases of

19.5 per cent and 40 per cent respectively. District No. 10 (Kansas City) reports that 80 mills produced 1,498,813 barrels during February, 1922, an increase of 356,503 barrels, or 31.2 per cent over the production of 84 mills reporting in February, 1921. Reports from District No. 12 (San Francisco) showed an increase from 711,292 barrels produced by 57 mills in January to 745,650 barrels produced by 64 mills in February.

Toward the end of February, prices were higher in District No. 7 (Chicago) in response to the higher price of wheat. After March 1, however, the demand subsided. District No. 10 (Kansas City) likewise states that there was a drop in sales at the beginning of March. Throughout the period there has been a good export demand while buying for domestic consumption continues to be for immediate needs only.

LIVESTOCK. Receipts of cattle and calves at 15 western markets during February were 1,345,487 head as compared with 1,128,020 head during January and 835,686 head during February, 1921. Receipts of hogs decreased from 2,832,551 head in January to 2,530,092 head in February, which was 372,015 head less than a year ago. February receipts of sheep were 913,642 head, as compared with 1,101,679 head in January and 972,647 in February, 1921. District No. 10 (Kansas City) remarks that February was notable for the number of stockers and feeders sent to the country. On account of low temperature in some parts of District No. 12 (San Francisco) and the consequent backwardness of pasture lands, California grass fed cattle are expected to come to the market in May, a month later than usual. At present the livestock in the District is reported to be in favorable condition.

Returns from 35 packers show an increase of 1.8 per cent in average weekly sales in February over those of January, 1922 and 34 show a decrease

of 14.2 per cent as compared with a year ago. Higher prices in February were a factor in the increase of dollar sales over those for January. Domestic trade in fresh and cured meats during the early part of March was rather slow on account of the lenten period, reports District No. 7 (Chicago). Export demand for meats and provisions fell off during the first part of March.

COAL. Production of bituminous coal showed an increase of 9 per cent over January and 33 per cent over February last year. The output for the month was 40,951,000 tons, an average of 1,706,000 tons per working day, which is the highest rate of production for February since 1918. Production for the coal year to March 4th was 391,945,000 tons compared with 496,639,000 tons for the previous coal year to March 4, 1921. Stocks in the hands of consumers on January 1st amounted to 47,500,000 tons and there were 7,200,000 tons at the lake docks. Demand has suffered a general falling off, except in District No. 4 (Cleveland). The decrease in general is attributed to the uncertainty as to prices after April 1st, and to the fact that railroad and public utilities have accumulated large stocks and are no longer increasing their reserves.

Production of anthracite coal for the month was 6,762,000 tons, an increase of 8 per cent over January and a decrease of 12 per cent compared with February last year. Demand for both domestic sizes and steam coal is governed by seasonal influences and purchases are sufficient to cover only immediate needs. Although certain large users have stored coal in anticipation of a strike, in the main, consumers do not seem concerned with the fear of a shortage, and retail dealers and domestic consumers alike appear to be desirous of entering the new coal year

with minimum stocks. Consequently producers have been compelled to store a large proportion of their output and their reserves are heavy. Some retail dealers have endeavored to stimulate demand by shading prices, but the practice has not been general. Production of beehive coke for February amounted to 538,000 tons, an increase of 8.5 per cent over January. Consumption and prices are better than last month, a reflection of increased iron and steel operations. Stocks at by-product plants now amount to more than 1,000,000 tons.

PETROLEUM. Reports from all the more important oil fields indicate an increased output of crude oil during February. Due to this increased production and the lessened demand, it is estimated that stocks increased over 8,000,000 barrels during February. District No. 10 (Kansas City) states that during February 430 wells were completed as compared with 499 in January and 771 in February 1921. The average flow per completed well was 156 barrels as compared with 149 barrels in January and 85 barrels in February a year ago. Gross production during February in Kansas, Oklahoma, Wyoming, and Colorado totaled 13,141,692 barrels for the twenty-eight days of the month as compared with 14,375,000 barrels in January and 11,903,000 barrels in the corresponding month last year.

Reports from District No. 11 (Dallas) show a daily average production of 491,404 barrels as compared with 481,165 barrels during January. The north Texas field and the Mexia field were considerably hampered by weather conditions. In this District 223 producing wells were completed with an initial flow of 258,138 barrels. The total production for the District was 13,759,335 barrels as compared with 14,916,130 barrels in January. District No. 12 (San Francisco) also reported an increased average daily production during February. The stored stocks in that District stood at 36,701,810 barrels on March 1 as compared with

22,903,639 barrels on the corresponding date a year ago. Forty-one new producing wells were completed during February, as compared with 52 wells in January.

District No. 11 (Dallas) reports a slight weakness in crude oil prices during the month. Corsicana heavy decreased from 95 cents per barrel to 75 cents per barrel. However, the prices posted at the various fields are now equal to, or higher than, those posted at this time a year ago.

IRON AND STEEL. Further improvement in the iron and steel industry occurred during February although there was some recession in activity early in March. District No. 3 (Philadelphia) reported that plants in that section received less business than those located in other parts of the country and were operating at about 45 per cent of capacity as compared with a rate of 60 to 65 per cent elsewhere. Daily iron production in February averaged 53,214 tons as compared with 53,063 tons in January. The output of steel ingots advanced, the net gain amounting to 148,863 tons according to the American Iron and Steel Institute. Unfilled orders of the United States Steel Corporation receded to 4,141,069 tons at the end of February, the lowest total since December 1914. The decrease of over 100,000 tons as compared with unfilled orders at the end of January is, however, largely attributable to the increased activity that prevailed in the steel mills during February. Demand from automobile manufacturers is better and considerable buying is being done by the railroads. Prices of some products such as plates, bars and shapes advanced in March and that is true also of some grades of pig iron. Nevertheless, the upward movement is by no means general and as a matter of fact declines have occurred in certain grades of pig iron, while the average of steel prices shown by the composite figure compiled by the Iron Age for March 7 was below the average of the same date a month ago.

AUTOMOBILES. District No. 7 (Chicago) reports increased activity in both production and shipment of automobiles during February. Manufacturers who reported 81,474 passenger cars built in January, show an output of 107,626 cars during February or an increase of 32.1 per cent over January. Truck production of companies reporting 8,832 trucks built in January, was 12,443 during February, or an increase of 40.9 per cent. Production is also increasing in District No. 4 (Cleveland) but buyers are not purchasing for stock but against sales. There has been an improvement in the automobile body business in that section although automobile axle business is probably not in excess of a year ago.

NONFERROUS METALS. Due to the announcement that a number of copper mines were to reopen, the demand for the metal slackened in February. On March 15, however, the price of copper (New York, net refinery) was 12.75 cents per pound as compared with 12.50 cents on March 1. The export demand lately has taken so much copper off the market that producers generally have not cared to attract domestic trade by price cutting. Copper production in February amounted to 37,415,808 pounds as compared with 25,848,284 pounds in January, but was less than 50 per cent of the amount produced during February, 1921. District No. 10 (Kansas City) reports declines in both shipments and prices of zinc ores from the January record for the Missouri-Kansas-Oklahoma zinc and lead mines, the total shipments of zinc ore being 27,043 tons as against 28,431 tons during January. Shipment of lead ores showed a material increase over January and over February a year

ago. Production conditions gradually improved during the month in this District. Both lead ores and zinc ores registered a notable increase in price during February. Stocks of zinc on hand at the end of February were 64,124 tons as compared with 65,678 tons at the end of January. The total production of zinc was 22,513 tons in February as compared with 23,706 tons in January. Conditions in the gold, silver, lead and zinc mining industries in District No. 12 (San Francisco) continued to improve slowly during February.

COTTON TEXTILES. The reduced rate of activity in the cotton textile industry which was reported a month ago, subsequently became even more pronounced. The extensive strikes in certain sections of New England have not stimulated activity in other parts of the country, and cotton consumption dropped from 526,562 bales in January to 473,073 bales during the month of February. In New Hampshire and Rhode Island the reduction in the amount of cotton consumed amounted to 45 and 26 per cent, respectively, although the full effects of the strike were not felt until the middle of February. Mill operations increased slightly in Connecticut and Vermont but were substantially unchanged in Maine and showed a slight loss in Massachusetts. The cotton goods market in District No. 1 (Boston) was reported to be dull during the first three weeks of March and print cloths sold lower than at any time since the beginning of the year. The southern mills were also feeling the influence of lessened demand and District No. 5 (Richmond) reported the industry to be "largely on a hand to mouth basis". In District No. 6 (Atlanta) production in both cloth and yarn mills de-

creased according to the reports received from representative mills located in that section. Forty-one cloth mills showed a reduction in the yardage output during February of 3.6 per cent as compared with January, but an increase of 42.2 per cent as compared with a year ago. Shipments increased 1.8 per cent as compared with January and 72.5 per cent as compared with February, 1921. Orders on hand at the end of the month were 4.7 per cent below those on hand at the end of the preceding month but were 53.3 per cent above those on hand a year ago. The reduction in the output of 38 yarn mills amounted to 17.6 per cent during the month as compared with January but was nevertheless 33.8 per cent above the output for February, 1921. Yarn shipments fell 9.7 per cent but were 35.6 per cent greater than a year ago. Orders on hand at the end of the month dropped 15.5 per cent as compared with January and were 13.8 per cent above the amount outstanding at the end of February, 1921.

WOOLEN TEXTILES. Activity in woolen textiles showed a slight improvement during February, according to the statistics of active and idle machinery and percentages of idle hours reported by the Bureau of the Census. The percentages of idle looms to total reported fell in all cases. For looms wider than 50" reed space the percentage of idle machinery on March 1 was 31.5 as compared with 34.3 at the beginning of February. The corresponding percentages for looms 50" reed space or less were 27.1 and 27.2 respectively. There was a reduction in the percentage of idle

carpet and rug looms from 22.4 to 21.2. The percentage of idle woolen spindles fell from 27.0 to 20.1 and that of worsted spindles rose from 14.3 to 14.4. The percentages of idle hours to total reported were also less in the case of weaving machinery, the figures for looms wider than 50" reed space being 34.1 per cent on March 1 as compared with 35.2 per cent at the beginning of February. The corresponding figures for looms 50" reed space or less were 31.9 per cent and 32.0 per cent. The percentages of idle hours for carpet and rug looms was reduced to 23.1 from 23.9 for the preceding month. Percentages of idle spindle hours fell in the case of woolen spindles from 25.4 at the beginning of February to 18.4 on March 1, while in the case of worsted spindles they rose from 13.9 at the beginning of February to 17.3 on March 1.

Notwithstanding the somewhat better showing for February, reports from various Districts indicate that the situation is not so favorable as it was at the beginning of the year. District No. 1 (Boston) says that woolen and worsted mills in that section, particularly in Rhode Island, are gradually curtailing production. The goods market is stated to be dull, especially in the case of men's wear, and worsteds are not selling as well as woolens. In District No. 3 (Philadelphia), a few firms report "a fairly well maintained volume of business" but in the majority of cases orders are small and merely to fill in. Cancellations, moreover, have increased greatly

during the past two weeks. Production has been curtailed and in some cases plants manufacturing men's wear have been closed down entirely, while manufacturers of women's wear are operating at a much reduced rate. District No. 3 (Philadelphia) reports no particular change in the woolen and worsted yarn situation. Yarn mills are averaging about 85 per cent of operating capacity, but are working almost entirely on contracts placed some time ago. Both in Boston and Philadelphia markets the demand for raw wool has decreased and Boston reports that "prices have shown a slight sagging tendency", although on the whole it seems that the market has held fairly firm and sellers are not disposed to make concessions.

CLOTHING. The sales of ten wholesale clothing firms located in District No. 2 (New York) showed an increase of 3 per cent as compared with January. The 23 reporting firms located in District No. 8 (St. Louis) also recorded a fair increase in February sales. Forward orders were stated to be somewhat better than in recent months although smaller than in former years. Seven wholesale manufacturers of men's clothing in District No. 7 (Chicago) have about completed orders for the spring season and it appears that the "increase in the volume of such orders over those of last year is not so large as the earlier activity seemed to promise". Latest returns show this increase to be about 26 per cent for the season to date. Eleven tailors-to-the-

trade report orders for suits received during February to be 61.4 per cent in excess of orders for the preceding month while the number of suits made increased 69.8 per cent as compared with January.

SILK TEXTILES. The persistence of unsatisfactory conditions in the market for raw silk continues to be the chief obstacle to the resumption of activity in the silk manufacture. Buying on the part of jobbers is in limited quantities and only to satisfy the needs of the moment. production is at a very low rate and stocks are accumulating. The latest reports received from Paterson and North Hudson for March 11 show recessions in activity as compared with a month ago. In Paterson only 3,299 looms out of a total of 15,000 were active as compared with 3,653 a month ago, and the percentage of operating loom hours to total available had fallen to 22.28 as compared with 23.02 on February 11. In North Hudson the percentage of operating loom hours to total reporting was 57.33 as compared with 57.48 a month ago. Active looms amounted to 2,468 out of a total covered of 4,161 as compared with 2,456 a month ago.

HOSIERY. In District No. 3 (Philadelphia) sales of silk hosiery have increased and it is reported that some orders for full-fashioned hosiery are being placed for delivery as far ahead as June, although many call for prompt shipment. In seamless hosiery, both silk and artificial silk, few orders

are being received except for early delivery. The returns made to the Federal Reserve Bank of Philadelphia by 28 firms selling to the wholesale trade do not, however, indicate any improvement in February as compared with the preceding month, as both production figures and unfilled orders on hand at the end of the month showed a decline, output being 3.1 per cent below that of January (in dozens of pairs) while unfilled orders on hand were 17.2 per cent lower. But in the case of nine firms selling to the retail trade a slight increase of 1.8 per cent in output was recorded, and unfilled orders at the end of the month were 18.2 per cent larger. Output and orders were in all cases much above a year ago. The increase in output averaged over 85 per cent for both classes of firms, while the unfilled orders were 148.8 per cent greater in the case of the firms selling to the wholesale trade and 45.7 per cent larger in the case of firms selling to the retail trade. In District No. 6 (Atlanta) the plants manufacturing cotton hosiery booked about the same amount of orders as were reported for the preceding month, but the amount of hosiery manufactured by reporting mills was 5.6 per cent less, although 32.5 per cent above the total manufactured in February 1921. Unfilled orders at the end of the month were 21 per cent below those on hand at the end of January.

UNDERWEAR. In February, 1922, reports were received from 53 mills producing underwear as compared with 55 in

January, and 63 in February, 1921. Actual production during the month continued to show decided progress, as the amount produced by the 53 mills was greater than the totals reported for January by the 55 reporting mills, and much above the output for the same month in 1921. A year ago the production of 63 reporting mills amounted to only 248,431 dozens or 28.0 per cent of normal; in January, 1922, the production of 55 mills stood at 640,489 dozens or 79.1 per cent of normal; while the most recent figures from 53 mills place production at 663,346 dozens, or 84.1 per cent of normal. Production in February was almost evenly divided between winter and summer underwear, the former amounting to 332,224 dozens, or 74.0 per cent of normal, and the latter being 331,122 dozens, or 97.4 per cent of normal.

Comparative reports received from 36 mills belonging to the Association of Knit Goods Manufacturers of America show an opposite trend from that displayed during the previous month in all items except actual production. New orders received during the month declined 48.5 per cent from 764,944 dozens in January to 393,585 dozens in February. Shipments also declined during the month, 442,194 dozens being shipped as compared with 531,789 dozens in January, a falling off of 16.8 per cent. Unfilled orders rose slightly from 1,261,601 dozens in January to 1,432,368 dozens in February, an increase of 13.5 per cent. Cancellations increased 51.7 per cent amounting to 10,968 dozens in February

as compared with 7,228 dozens in January. Actual production rose slightly from 493,196 dozens in January to 507,022 dozens in February, or 2.8 per cent.

SHOES AND LEATHER. Demand for hides and skins has continued dull, although there were some large sales of packer hides in the second week of March. Prices have receded somewhat from the February levels for packer hides, calf skins, and goat skins. Reports from eight tanners in District No. 7 (Chicago) show slightly larger sales for February than for January. New orders booked in March have been for low-grade leather or specialties. In District No. 3 (Philadelphia), sales of belting leather have shown a moderate increase, while sales of sole leather and upper leathers have decreased. Demand for patent leather has been quite satisfactory, but business in both glazed kid and calf leather has been poor.

February output of shoes is slightly smaller than that of January for most Districts, but would show a slight increase, except in District No. 1 (Boston), if reduced to a daily average basis. Eight firms in District No. 1 (Boston) report total shoe production in February 11.5 per cent less than in January, but 60 per cent greater than in February, 1921. Some New England factories which make novelties for the Easter trade are still quite active, but those producing staple goods are experiencing a seasonal slackness. Production of 47 concerns in District No. 3 (Philadelphia) was 0.9 per cent greater in February than in January, while shipments increased 15.7 per

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cent. New orders, however, declined 13.7 per cent. Large orders have been booked for sport shoes and for white shoes, but business of factories which make high grade shoes has been disappointing. Reports of 28 shoe manufacturers in District No. 7 (Chicago) indicate that production in February was 3.8 per cent less than in January, while shipments increased 10.7 per cent. Unfilled orders of 22 manufacturers were equal on the average to about five weeks' business at the February rate. Merchants are buying only in small quantities and there is an increasing tendency to cancel orders. District No. 8 (St. Louis) states that February sales of 11 reporting interests ranged from 20 per cent less to 8 per cent more than January sales. The demand was centered on low-priced staples, but considerable improvement was noted in the call for novelty goods.

LUMBER. The lumber situation continues to show a slight improvement, but the spring trade is very late this year because of the depression in agriculture, the continued high freight rates, and the difficulty of adjusting costs of production to a lower basis. Buying is as yet conservative and is only to meet immediate needs. However, reports from three lumber associations in District No. 12 (San Francisco) show an increase in production, orders, and shipments compared with January and with a year ago. Production of lumber for four weeks ending February 25 was 347,678,000 feet, an increase of 6.1 per

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cent over the production of the preceding four weeks. Orders received totaled 355,758,000 feet, an increase of 3.5 per cent over January and of 69.4 per cent over February, 1921. Shipments from the same mills increased from 345,249,000 feet in January to 353,234,000 in February, and were 70 per cent larger than in February last year. Logging operators were working at approximately 60 per cent of normal during February compared with 50 per cent the month before.

Conditions in the lumber industry in District No. 6 (Atlanta) have continued to improve, in spite of unfavorable weather conditions. Orders and shipments for 112 mills in February were 247,852,100 and 238,332,768 feet compared with 241,135,404 and 224,732,954 feet for 108 mills in January. Of 73 reporting mills, 57 were operating full time and only three were shut down. Output of southern pine mills in District No. 11 (Dallas) decreased from 85,572,937 feet for 41 mills during January to 82,699,889 feet for 42 mills during February. New orders during the month amounted to 81,309,962 feet, compared with 73,888,871 feet during January. Despite the large increases in shipments, the unfilled orders of 42 reporting mills on February 28 totaled 51,070,461 as compared with 44,667,936 feet for 41 mills on January 31.

Lumber sales at retail in District No. 9 (Minneapolis)

were 86.7 per cent of those a year ago. February orders and shipments of mills both showed a decrease as compared with January. District No. 8 (St. Louis) reports that the hardwood market following a month or six weeks of softening prices, declined quite noticeably in early March.

BUILDING. The valuation of building permits issued in 166 selected cities amounted to \$141,715,243 in February as compared with \$138,631,902 in January and \$96,023,474 in February, 1921. The value of permits issued was greater during February than during January in seven of the twelve Federal Reserve Districts - No. 1 (Boston), No. 2 (New York), No. 3 (Philadelphia), No. 4 (Cleveland), No. 6 (Atlanta), No. 7 (Chicago), and No. 8 (St. Louis). These increases varied in size from 0.5 per cent for District No. 2 (New York) to 60 per cent for District No. 8 (St. Louis). The remaining five Districts reported decreases varying from 11 per cent for District No. 11 (Dallas) to 26 per cent for District No. 9 (Minneapolis).

The value of permits issued in February, 1922, was greater than in February, 1921, in all of the Federal Reserve Districts, except No. 7 (Chicago) and No. 9 (Minneapolis). These increases ranged from 7 per cent for District No. 5 (Richmond) to 284 per cent for District No. 3 (Philadelphia). The value of contracts awarded in seven Federal Reserve Districts (statistics of which are compiled by the F. W. Dodge Company) increased from \$150,164,153 in January to \$161,220,750 in February. Increases occurred in

Districts No. 2 (New York), No. 5 (Richmond), No. 7 (Chicago) and No. 9 (Minneapolis), while contracts in Districts No. 1 (Boston), No. 3 (Philadelphia), and No. 4 (Cleveland) showed slight declines. The value of contracts awarded for residential purposes in seven Districts increased from \$71,228,675 in January to \$71,680,853 in February.

Reports from District No. 1 (Boston) indicate that residential building comprises a smaller proportion of the total construction than in last summer and autumn. District No. 3 (Philadelphia) states that the prevailing building activity is the most promising element in the business situation, and that this activity is largely confined to the construction of small homes and inexpensive apartment houses. District No. 5 (Richmond) reports that the construction outlook is bright, and considerable supplies of materials and loanable funds are available. Reports from District No. 6 (Atlanta) indicate that the housing shortage has been relieved to a great extent. District No. 8 (St. Louis) reports that residential construction is proceeding on a larger scale than at any time since the beginning of the war, while municipalities are starting many important building projects.

EMPLOYMENT: With the exception of the New England district, in which large numbers of employees in the cotton mills of New Hampshire and Rhode Island and, to a lesser extent Massachusetts, are out on strike, the reports concerning the employment situation are distinctly encouraging. The United States Employment Service showed a slight increase of 8,894 (.57 per cent) in numbers of workers employed by 1,428 reporting firms. Losses occurred only in textiles and in paper and printing, the former industry accounting for 19,152 of the total decrease of 19,237. In the State of New York there was an increase of 3 per cent in the number of factory workers between January 15 and February 15, which was the largest monthly gain reported since September. In District No. 3 (Philadelphia) an improvement likewise occurred, as between February 14 and March 15 there was a decrease of 7 per cent in the number of unemployed in the six cities of Altoona, Harrisburg, Johnstown, Philadelphia, Scranton and Williamsport. The questionnaire based on returns from 236 firms reporting directly to the Federal Reserve Bank of Chicago showed that the number employed on February 28 had increased 1.1 per cent as compared with the preceding month, the total number employed at the later date being 131,609. In District No. 9 (Minneapolis) it was stated that winter unemployment had passed its peak and that the demand for farm labor and for building workers was expected to strengthen considerably during the coming month. In Montana considerable improvement had been noted in ^{copper} and zinc mining and in the lumber camps. The Anaconda mines reopened during the past month. District No. 10 (Kansas City) also reports increased activity in outdoor work and the reopening of a number of industrial plants. In the lead and zinc mining fields of Kansas, Missouri and Oklahoma, the situation was better than during the

preceding months, although there was little change in the Rocky Mountain mining districts. District No. 12 (San Francisco) reports "Steadily increasing activity of the lumber mills, the near approach of the Alaska fishing season, and the beginning of railroad and highway construction work" as having resulted in "a steady diminution of unemployment there during the month". Reports from the ten principal lumbering districts show that 60,697 loggers and lumbermen were on the payrolls on February 15 as compared with 54,350 men a year ago.

WHOLESALE TRADE:

Percentage of increase (or decrease) in net sales in
February 1922 as compared with the preceding month
(January 1922)

Dis- trict No.	Groceries		Dry Goods		Hardware		Boots & Shoes	
	Per- centage	Number of Firms Report- ing						
2	-6.0	41	0.2	3	-3.0	11	-2.0	8
3	-1.4	50	-5.1	14	0.2	25		
4	-4.4	25	7.1	11	9.5	12		
5	-0.3	48	-2.1	16	-17.6	18	25.2	18
6	-0.2	31	13.4	19	-12.4	21	19.1	8
7	-3.4	24	-12.9	10	6.7	15	15.0	8
9	-1.7	14	-22.9	4	0.5	14	7.2	3
10	2.6	9	0.2	6	17.1	9		
11	6.4	11	19.7	12	-3.1	12		
12	-14.2	31	-4.5	12	-5.5	21	0.3	13

Percentage of increase (or decrease) in net sales in
February 1922 as compared with February 1921

2	-6.0	41	-7.0	3	-20.0	11	-20.0	8
3	-12.7	50	-5.5	14	-16.6	25		
4	-20.7	25	1.3	11	-18.1	12		
5	-12.0	48	-17.4	16	-17.1	18	19.7	18
6	-18.9	31	-13.7	19	-14.8	21	-0.1	8
7	-13.1	24	10.7	10	-13.0	15	-11.9	8
9	-13.4	14	-10.3	4	-30.0	14	83.1	3
10	7.3	9	4.0	6	12.7	9		
11	-16.8	11	-11.7	12	-24.2	12		
12	-17.8	31	-1.3	12	1.1	21	-4.5	13

It is evident from the above table that sales of the four principal wholesale lines for which returns are included compare favorably with a year ago. But the seasonal increases that might be expected at this time are not generally in evidence except in the case of boots and shoes. Dry goods sales in District No. 6 (Atlanta) and District No. 11 (Dallas) however, reflect the opening up of spring buying although in neither District did the increase come up to expectations. District No. 6 (Atlanta) mentioned the bad weather as having had a deterrent effect upon sales. The late date at which Easter comes, together with the very conservative policy pursued by retailers in placing forward orders are factors to be considered in examining sales figures. It is also necessary to keep in mind that February had 4 per cent fewer business days than January.

RETAIL TRADE: Dollar values of retail sales continued to decrease during February as compared with those of January. This appears to be due to the shorter month, and to the large reduction in prices offered in the special sales in order to move winter goods preparatory to the spring season. Sales likewise showed a decrease as compared with last February, undoubtedly because of the severe weather and lateness of Easter. District No. 1 (Boston) reported that the department stores situated in New England cities other than Boston did not do as well in February, relative to a year ago, as they did in January, because of the textile strike prevailing in that part of the country during February, while District No. 5 (Richmond) attributed the falling off in trade in two cities to street car strikes.

February sales of 444 department stores throughout the country decreased 10.5 per cent as compared with February, 1921. The decreases ranged from 3.1 per cent in District No. 1 (Boston) to 19.5 per cent in District No. 11 (Dallas). Stores in all Districts have been laying in stocks of spring

merchandise, so that there has been a general increase throughout the United States in stocks on hand at the end of February, as compared with the end of January, but half the Districts show decreases from the corresponding month last year. The receipt of spring merchandise in quantities naturally increased the average percentage of stocks on hand at the end of each month since January 1 to net sales during January and February, and the percentage at the end of February was 471.5, as compared with 424.4 at the end of January. The ratio of outstanding orders to total purchases during 1921 remains practically unchanged.

PRICES. Prices of most farm products continued to rise during the early part of March and in the case of a few commodities the advance continued through the month. According to the quotations furnished the Federal Reserve Board, grains showed slight reaction about the middle of the month, but the average for the first three weeks of March was higher than for February. Sheep and mutton have continued to show substantial increases and cattle and hogs are slightly higher than they were at the end of February, although in the case of hogs, lower than during the first two weeks of March. Wool prices have remained firm during the month in spite of a smaller demand from manufacturers than had existed earlier in the year. Other leading farm products, such as cotton and hides, have shown the reverse tendency. Raw cotton prices during the first three weeks of March were higher than the February average but there has been a steady downward trend in the market during March. Cattle hides and calfskins were definitely

lower in March than in February.

There has been no uniformity in the movement of the prices of non-agricultural raw materials. Prices of bituminous coal have been gradually reduced each week since early in February and recently some of the independent companies have also reduced their quotations for anthracite. Coke, on the other hand, has advanced in price as a result of the slight improvement in conditions in the iron and steel industry. Prices within the iron and steel industry proper, however, appear to be scarcely any, if at all, higher than last month. In fact, prices of steel rails and certain other commodities were actually lower in March than in February. Copper and tin prices were lower also than in February, but there was a definite trend upward in both markets.

Prices of finished and semi-finished textiles were uneven during March. In the cotton industry prices seemed to be definitely on the decline, while in the woolen industry there was considerable uncertainty and relatively little trading done. Silk cloth prices, on the other hand, are reported to have been firm.

Index numbers for February showed an appreciable advance, the Federal Reserve Board index shifting four points from 138 to 142 (on the basis of prices in 1913 = 100) and the index of the Bureau of Labor Statistics advancing three points. As was pointed out in last month's Bulletin, the most important commodities to increase were farm products. Provisions were also higher as well as certain chemicals, oils, and woolen yarns.

FOREIGN TRADE. The value of exports of merchandise during February dropped to \$251,000,000 which is only \$34,000,000 more than the value of imports for the same month. This excess of merchandise exports over imports is the smallest since September, 1914, and indicates a continuance of the tendency toward a more even balance of trade which has been particularly evident since last November. Imports of gold have declined somewhat in recent months, but in February they were nevertheless on a substantial scale, amounting to \$28,700,000. In February, as in previous months, exports of gold were comparatively insignificant, totaling only between \$1,000,000 and \$2,000,000. It is significant to note that while in consequence of the fall in prices, the value of our export trade has been very largely reduced in the last few months, compared with the same months of the previous year, the value figures still remain substantially above prewar levels. So far as actual quantities are concerned, however, the Federal Reserve Board's foreign trade index shows that foreign shipments have recently been somewhat lower than in the same months of 1913.