FEDERAL RESERVE BOARD

STATEMENT FOR THE PRESS

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

Pronounced increase of activity has been characteristic of many basic lines of industry during the past month. It has been particularly noticeable in the metal working industries, while metal mining operations have also reflected the tendency to an upward movement. In steel and iron manufacture it is now estimated that, taking the industry as a whole, about 70 per cent of plant capacity is being utilized. The reopening of many of the important copper mines is partly the result of the great reduction in surplus copper stocks and partly the outcome of increased demand, both domestic and foreign. There has been a decided increase in physical output of zinc and some advance in lead ore prices. The automobile trade has shown a very decided gain, the March output both in trucks and passenger cars being more than 50 per cent ahead of that for February while many plants are reported as fully employed.

Active demand for building materials has had a favorable effect not only upon the metals but also upon other lines of industry. The total value of building permits for March was almost twice as great as that for February and more than twice as great as that for

March, 1921. The lumber industry has notably expanded operations.

In cotton textiles the month has been much less encouraging. There has been a reduction in mill activity, largely due to the widespread strikes in the New England districts. On the other hand, demand for cotton goods has been fairly well sustained. In the southern districts mills generally continue to operate at a level close to full capacity, although with some tendency to accumulation of stocks. Boots and shoes have shown great irregularity as between different producing districts. Very much the same is true of the woolen manufacture. A conspicuous development has been the shifting of demand from worsteds to woolens.

Leaving out voluntary unemployment, the result of strikes, a decided increase in the number of employees at work is noted. There has been a 2.5 per cent increase during the month in the number of workers employed by firms reporting to the U. S. Employment Service. The improvement noted will, however, be offset to some extent by the widespread unemployment in the coal mining industry as well as in the New England textile centers.

Wholesale and retail trade have reflected to some extent the improvement in industrial conditions. Such improvement is in part seasonal but also contains an element of growth due to better business conditions. Figures compare favorably with those of a year ago, particularly in hardware lines which are affected by the greater activity in building. In the retail trade also a very general advance has taken place, in spite of the late Easter and the bad condition of the roads in the rural sections. Agriculturally the month has not been altogether promising. Spring planting has been retarded by the cold weather and continued rains.

Prices continue relatively stable. The Federal Reserve Board's wholesale price index for March advanced one point. Few conspicuous changes in the prices of entire groups of commodities are indicated.

Financially the month shows the same tendencies as during March and February. Foreign exchange has been much more stable. Interest rates have continued on a very low basis with slight tendencies to decline. An apparent shrinkage of commercial credit has been indicated by further falling off in the rediscounts of the Federal Reserve Banks, although an upward movement is again to be noted in the loans and discounts of member banks in many parts of the country. A more promising outlook in export trade is apparently indicated by another growth in our favorable balance, although it is still uncertain whether this is due to temporary causes or to a general revival of European demand.

But for labor disturbances the industrial outlook would be pronounced definitely good with evident promise of improvement even in those directions, such as foreign trade, in which heretofore prospects have been unsatisfactory.

AGRICULTURE: Current production of winter wheat was estimated on April 1 to amount to 572,974,000 bushels, or 2.4 per cent less than in 1921; while production of rye was estimated at 69,667,000 bushels, or about 20 per cent greater than the crop of 1921. Condition of winter wheat in District No. 10 (Kansas City) was greatly benefited by snows and rains during March and the first week of April, but in sections of the Great Plains much of the wheat was killed by the long dry season which extended from early autumn to the latter part of the winter. In District No. 8 (St. Louis) the winter wheat crop has a fine stand and good root growth, although floods have entirely destroyed the crop upon thousands of acres of bottom lands. Winter grains are in fine condition in District No. 7 (Chicago) and little wheat acreage has been abandoned.

The planting of spring crops has been much delayed due to the cold weather and continued rains. District No. 8 (St. Louis) reports that there are slight increases in acreage of corn planted in Arkansas, Mississippi and Tennessee, while there are smaller plantings in Kentucky. An increase in corn acreage is reported from District No. 10 (Kansas City), but seeding of oats has been greatly retarded by wet weather. Wet soil also has interfered with the planting of potatoes in Kansas and Nebraska, although indications still point to a normal acreage. Contracts for sugar beets signed prior to April 8 provide for 111,550 acres in Colorado, 44,919 acres in Nebraska, and 13,000 acres in Wyoming at a minimum price of $5 per ton of beets. In District No. 7 (Chicago) wet weather has prevented many farmers from sowing oats which may cause an increase in the acreage of corn. Precautions are being taken to prevent the European corn borer from reaching the corn belts from infested territory in eastern states. Sowing of barley has been delayed in District No. 12 (San Francisco), but it is estimated that total plantings will be about as large as in 1921. Wheat fields in Washington, Idaho, and Utah were protected by snow all winter, and the melted snow has insured a plentiful supply of moisture.

COTTON. The acreage planted to cotton this year will be greater than in 1921, according to reports from 167 counties in Texas. There is still much doubt as to the size of this increase, however, and recent rains have resulted in considerable abandonment. Acreage of cotton planted in Oklahoma will be slightly larger than in 1921, although planting has been restricted in those counties which suffered heavily from the boll weevil. District No. 8 (St. Louis) states that planting has been impeded by excessive moisture, but that acreage will be 16 per cent larger than last year in Arkansas, and about the same as last year in Missouri. Some localities in that District report increased sales of fertilizer, but comparatively little has been bought in District No. 5 (Richmond).

The price of middling upland cotton at New Orleans on April 19 was 17 cents, as compared with 16.75 cents on March 15. A very active cooperative selling movement has been developed among the farmers of District No. 5 (Richmond), and an effort is being made to persuade growers to contract to sell through this association for five years. Many farmers have already signed contracts which pledge thousands of bales to this pool.

TOBACCO. In most districts, tobacco has practically all been delivered by the farmer. Burley growers are reported to appear well satisfied with the results obtained by their association up to this time, and active attention is being given both in the western dark districts and in the eastern districts to the formation of similar marketing organizations. Preparations are being made for a full sized crop of Burley and dark tobacco in District No. 8 (St. Louis) while in District No. 4 (Cleveland) a somewhat larger crop is expected than last year, when the acreage was below the average. A leading dealer in District No. 5 (Richmond) states that "the leaf tobacco trade is in a far more healthy condition than it has been in the last two years and we think it is gradually improving each month." Little recent activity is reported in the Pennsylvania leaf market. Estimates indicate that approximately 25 per cent of the 1921 crop is still held by the growers. In general the demand for cigars in that District has increased within the past month, but many evidences of depression are still found in the industry. Operations average between 60 and 70 per cent of capacity.

FRUIT. Shipments of citrus fruit from California and Florida during March were considerably smaller than in March, 1921, due to a decided curtailment in the shipments of oranges. March shipments of oranges amounted to 6,701 carloads, a decrease of 14 per cent from the shipments a year ago, while shipments of grapefruit amounted to 2,233 carloads, an increase of 6 per cent, and of lemons, 940 carloads, an increase of 0.4 per cent. District No. 6 (Atlanta) reports that large markets are rapidly absorbing at increased prices all citrus fruit offered. Prices of oranges are higher than they have ever been before at this time of the year, and grapefruit prices have risen as a result of the shortage of oranges. Reports from District No. 12 (San Francisco) indicate that almost all the navel orange crop was shipped by the middle of April, as a result of the strong demand.

Reports from all sections of the country indicate that the prospects for the deciduous fruit crop are exceptionally good. District No. 5 (Richmond) states that continued cold weather has prevented unseasonably early development of fruit trees and that the outlook for a large crop is excellent. Apple and peach orchards in District No. 8 (St. Louis) have been subject to more careful cultivation than in former years, and the Arkansas strawberry crop will probably exceed all previous yields. Heavy rains have given an adequate supply of soil and surface moisture for the growing season in District No. 12 (San Francisco), while the backward spring has delayed budding and minimized the dangers from frost. The apricot crop which has been infested by apricot dry rot and injured by frosts is the only fruit crop reported to be in poor condition.

GRAIN MOVEMENTS. Grain receipts at 17 reporting interior centers decreased considerably during March, although receipts of rye and barley increased. This decline was due to a reduction in exports, unfavorable weather conditions, and uncertainty concerning the size of the new crops. Corn receipts, which reached a record volume in February, declined 47 per cent during March, due to heavy reductions at Chicago, St. Louis, Peoria, and Indianapolis. Receipts of wheat were 15 per cent smaller than in March, the declines being most pronounced at Kansas City, Wichita, and

Omaha. Receipts of both corn and wheat at Duluth were considerably larger in March than in February. Rye receipts at reporting centers increased 110 per cent during March, this increase also being most marked at Duluth. Receipts of barley were 40 per cent greater than in February, most of the gain being recorded at Minneapolis and Milwaukee. Total receipts of grain at nine seaboard centers increased during March, although receipts of corn and rye were somewhat diminished. Stocks of wheat and barley at both interior and seaboard centers declined during March, while corn stocks continued to accumulate.

FLOUR. March production of flour exceeded that of February in almost all Districts, the estimated figure for the United States being 9,658,000 barrels, as compared with 9,232,000 barrels in February. Reported output in District No. 9 (Minneapolis) was 2,053,800 barrels, as compared with 1,802,781 barrels in February, an increase of 13.8 per cent. In District No. 10 (Kansas City) production increased from 1,498,813 barrels in February to 1,736,507 barrels in March. Eleven leading mills in District No. 8 (St. Louis) showed production increased from 260,472 barrels to 329,428 barrels, while 48 millers in District No. 7 (Chicago) showed an increase of 10.2 per cent, the March figure being 449,568 barrels. In District No. 12 (San Francisco), however, output declined from 795,650 barrels in February, for 64 mills, to 707,202 barrels in March, for 61 mills. In all Districts, however, production was in excess of that in March, 1921. Business in general is described as dull, and millers in District No. 10 (Kansas City) assert they are facing the necessity of curtailing operations unless there are increased bookings or orders, both for domestic and foreign trade. Prices, however, continued strong, mainly in sympathy with the strong position of cash wheat, and hence increased sharply in the middle of April. Choice milling grain is reported difficult to secure by several Districts.

LIVESTOCK. Receipts of cattle and calves at 15 western markets during March were 1,157,138 head, as compared with 1,345,487 head during February and 1,119,548 head during March, 1921. Receipts of hogs decreased from 2,530,092 head during February, to 2,384,335 head during March, as compared with 2,390,480 head a year ago. March sheep receipts, however, were 997,119 head, as compared with 913,642 head during February and 1,161,549 head during March, 1921. Stocker and feeder shipments of cattle and calves were much heavier in March than in February, but the reverse was true of sheep. General conditions affecting the livestock industry are showing continuous improvement in District No. 10 (Kansas City), the higher levels of prices (as compared with those prevailing through the fall and early winter months) having greatly stimulated interest. There has been a heavy movement of cattle from the southwest to the long grass pasturage of Oklahoma, Kansas and Nebraska. Steady improvement in range conditions is reported in District No. 11 (Dallas). Continuance of winter weather up to the middle of April prolonged the feeding season in District No. 12 (San Francisco) beyond its normal limits, but livestock in general is reported in normal condition.

Returns from 36 packers show a decrease of 0.1 per cent in average weekly sales (in dollars) in March from those of February, and 37 show a decrease of 8.8 per cent as compared with a year ago. Domestic trade in fresh and cured meats was rather slow in March in District No. 7 (Chicago), but showed some signs of improvement in early April. Export business in provisions was much smaller.

COAL. March production of bituminous coal was 50,193,000 tons, the highest record for any March during the past ten years and an increase of 23 per cent over last month and of 65 per cent over March, 1921. During the first week of the strike, production dropped to 3,793,000 tons, as compared with 5,590,000 tons during the first week of the 1919 coal strike. Stocks in the hands of consumers on April 1 were 63,000,000 tons, with 4,000,000 tons in storage on the Lake docks. Although it is estimated that the supply, with weekly production, is sufficient for four months' consumption and export, this does not mean that some sections and industries may not feel a shortage much earlier, due to unequal distribution. On account of the heavy reserves of consumers and dealers, bituminous markets have felt little stimulus from the lessened output resulting from the strike.

Production of anthracite for the month was 8,757,000 tons as compared with 6,762,000 tons in February and 7,406,000 tons during March last year. Demand for hard coal has been but little affected by the almost complete suspension of mining since April 1. With very few exceptions domestic consumers are buying to satisfy immediate needs only as they do not fear any shortage as a result of the strike.

Production of bee-hive coke for March was 732,000 tons, with a production of 191,000 tons for the week ending April 1, the heaviest weekly tonnage during the year. By-product coke production increased from 1,795,000 tons in February to 2,137,000 tons in March. There have been no general advances in price, but a stiffening of quotations occurred early in April, due to the sharp decline in output. Stocks of by-product coke exceed 1,000,000 tons and there is no change in production, as these furnaces have large supplies of bituminous.

PETROLEUM. Production of crude petroleum throughout the United States continued its upward trend during March, reaching the new record of 46,916,000 barrels. In District No. 11 (Dallas) 16,246,680 barrels were produced, as compared with 13,759,335 barrels during February. The daily average yield showed an increase of 32,682 barrels over the flow during February. In this District there was a general resumption of drilling operations. The number of wells completed totaled 358 which included 268 producers as against 223 producers completed during February. District No. 10 (Kansas City) reports that approximately 15,406,400 barrels were produced during the 31 days in March as compared with 13,794,000 barrels for the 28 days of February and 14,392,000 barrels for the 31 days of March 1921. In District No. 10 (Kansas City) 633 wells with a daily new production of 137,967 barrels were completed, as compared with 433 wells during February and 765 during March, 1921, with daily new production of 67,953 barrels and 70,910 barrels respectively. District No. 12 (San Francisco) likewise reports an increased production of 8,970 barrels per day over February. Shipments of crude petroleum, however, declined 14,164 barrels per day from the previous month. Fifty-eight new wells were opened during March with an initial daily flow of 22,000 barrels, but two wells were abandoned. Stored stocks in District No. 12 (San Francisco) were 37,991,694 barrels on March 31 as compared with 1,289,884 barrels on February 28.

An increase from $1.25 to $1.50 per barrel in the price of Mexia crude oil was announced during March. The price of Mexia has risen from $.60 per barrel to $1.50 per barrel during the last five months in the face of an enormous increase in production.

IRON AND STEEL Improvement has continued in the iron and steel industry, although the coal strike has served to inject a factor of uncertainty into the situation. March pig iron production amounted to 2,034,794 tons, as compared with 1,629,991 tons during February, while steel ingot production showed a somewhat greater increase, from 1,745,022 tons to 2,370,751 tons. Operations of the leading interest have been at slightly over 70 per cent of capacity, and of the independents at between 60 and 65 per cent. Activity in District No. 3 (Philadelphia) is still on a somewhat lower scale than in other sections. Accompanying this increase in production was an increase in sales, the unfilled orders of the U. S. Steel Corporation advancing from 4,141,069 tons at the close of February to 4,494,148 tons one month later. March bookings of mills and furnaces are said by District No. 4 (Cleveland) to have been the heaviest in about two years. Not only have sales increased and operations expanded, but prices have exhibited a firmer tendency than has been evident for several months past. In many instances quotations have been advanced, both for pig iron and for steel products. Curtailed purchasing has however usually followed the announcement of an advance, for consumers have generally been given the opportunity to place orders at the old figure before the advance is made. In part the general situation reflects the fear of a possible shortage as a result of the coal strike, and this has continued a potent factor throughout April. At least a part of recent purchases have been for stocking purposes. The influence of the coal strike has been brought sharply home to the industry by the unexpected cessation of work by non-union miners in the Connellsville region, which is a leading source of Beehive coke. Most plants however are reported to have sufficient fuel to last for some time, but there is naturally hesitation to expand operations further.

AUTOMOBILES. Both production and shipments of automobiles increased during March. Manufacturers who produced 98,487 passenger cars in February built 152,512 cars in March, an increase of 54.9 per cent, while companies building 12,861 trucks in February had an output of 19,349 trucks in March, an increase of 50.4 per cent. Carload shipments increased from 19,636 in February to approximately 25,210 in March. Orders for passenger cars are coming in at a good rate in District No. 4 (Cleveland), and part of the improvement in truck business is ascribed to reduction in stocks held by dealers.

NONFERROUS METALS. Only a few copper companies in the United States now remain closed. The four porphyry copper companies resumed operations on the first of April. Copper production during March showed an increase of about 65 per cent over the production for February, amounting to 61,867,403 pounds as compared with 37,415,808 pounds in February, but was 27,259,762 pounds less than in March 1921. Sales of copper were the largest since November, but the price of electrolytic copper delivered in New York was 12.625 cents per pound on April 15 as compared with 14 cents per pound in December. Zinc production for March totaled 26,532 tons, an increase of 4,019 tons over February and 10,791 tons over March, 1921. District No. 10 (Kansas City) reports total shipments of 31,601 tons of zinc ores as compared with 27,043 tons during February and 22,138 tons during March a year ago. Stocks of zinc ore held in bins of the producers throughout the district amount to approximately 54,000 tons. The average price for lead ore for the month of March was $61.17 per ton and the total sold amounted to 7,502 tons, as compared with 7,806 tons sold in February at an average price of $60.00 per ton. The average price per ton for March, 1921, was $38.97. Reports received from 19 mines engaged in the production of gold, silver, lead and copper in District No. 12 (San Francisco) indicate a small decrease in the output of these metals in February, 1922, as compared with January. The silver production in the United States for March amounted to 4,186,042 troy ounces as compared with 3,878,498 during February and 6,077,498 during March, 1921.

COTTON TEXTILES. The strike in the New England mill districts is as yet unsettled and it is not surprising, therefore, that manufacturing activity continued to decline during the month of March. Reports from District No. 3 (Philadelphia) show very little activity in the case of yarn mills in this section, which on the average are operating at not to exceed 75 per cent of capacity with stocks accumulating in the hands of spinners. In contrast to this situation, reports from Districts No. 5 (Richmond) and No. 6 (Atlanta) indicate that operating activity continues at a high rate, although the former District states that mill stocks are accumulating somewhat, while mills continue to run at approximately full time. In District No. 6 (Atlanta) there was an actual increase in March production of cotton cloth amounting to 12.8 per cent for 43 mills reporting directly to the Federal Reserve Bank of that District. Shipments during the month increased 17.2 per cent, but orders on hand at the end of the month were 5 per cent lower. Cotton yarn production also advanced 10.9 per cent in the case of

36 reporting mills. Shipments were 18.7 per cent greater but orders on hand were 8 per cent less than at the end of the month. The consumption of raw cotton in the United States during the month of March increased to 518,450 bales as compared with 473,000 bales in February.

WOOLEN TEXTILES. The effect of increased demand for woolens as contrasted with worsteds is evident in the statistics showing the percentage of idle spindles to total reported and percentages of idle spindle hours to total reported. In the case of woolen spindles the percentage of idle machinery dropped to 17.5 on April 1 as compared with 20.1 on March 1 while the percentage of idle hours fell to 14.1 as compared with 18.4. In the case of worsted spindles, the percentage of idle machinery jumped to 25.3 as compared with 14.4 and the percentage of idle hours to total reported rose to 29.2 as compared with 17.3. There was an increase in the percentage of idle machinery and also in the percentage of idle hours to total reported, both for looms 50" reed space and wider and those for 50" reed space or less. For looms wider than 50" reed space, the percentage of idle machinery rose from 31.5 (March 1) to 34.9 (April 1) and for looms 50" reed space or less the advance was from 27.1 to 27.8. The corresponding advances in the percentages of idle hours were from 34.1 to 36.9, and from 31.9 to 36.5 respectively. According to the report from District No. 3 (Philadelphia) the demand for woolen and worsted cloth has been slight, the volume of business has been less than for the corresponding period last year, and the majority of reporting firms state that demand has diminished since March 10.

The percentage of activity in this District appears to be considerably below the average, as the majority of reporting manufacturers state that they are operating at only 40 per cent of capacity. There is continued dullness in the yarn market and weavers hesitate to make purchases because of a lack of demand for their product. District No. 1 (Boston) reports that the market for raw wool "has been moderately active and that prices have been higher during the past month". There is said to be a scarcity of some wools in Boston. On the other hand, the Philadelphia raw wool market is "extremely inactive, trading being confined to small lots on which sellers are willing to grant price concessions". The activity of coarse and medium wools is said not to be great but relatively better than for the finer counts.

CLOTHING. Sales of reporting wholesale clothing firms showed increases in March as compared with February both for District No. 2 (New York), in which 10 firms showed an increase of 41.2 per cent, and District No. 8 (St. Louis) in which 23 firms reported increases ranging from 2 to 20 per cent in March. In District No. 7 (Chicago) the wholesale clothing manufacturers report few orders received during March. The actual volume of business for the season, however, has averaged over 35 per cent greater than a year ago for 8 reporting firms. In the case of 13 tailors-to-the-trade there was an increase of 79.8 per cent in orders for suits received in March as compared with February, while orders were 8.6 per cent greater than in March 1921. The number of suits made increased 89.7 per cent in March as compared with February and was 7.1 per cent above totals for March 1921.

SILK. There has been active selling of broad silks by jobbers in the Philadelphia section according to the reports from District No. 3 (Philadelphia) but productive activity has nevertheless continued to decline. Broad silk looms are working from 1 to 3 days a week, with less than 50 per cent of the silk spindles in operation. Individual orders are estimated to be 20 per cent smaller than during the preceding year. Declines in manufacturing activity are also reflected in the figures received from North Hudson and from Paterson, which show further reductions in the number of active looms and in the percentage of active loom hours to total reported (April 8). For Paterson, only 2,809 out of a total of 15,000 looms were reported active and the percentage of active loom hours to total reported was 17.02. In North Hudson, 2,187 were active out of a total reporting of 4,161, while the percentage of active hours was 43.71.

The price situation in the case of raw silk is still unsatisfactory, decreases at the end of March having been followed by renewed advances since the middle of April. Speculative activities in the Yokohama market, and a knowledge that considerableh holdings are in the hands of the Japanese syndicate, continue to be unsettling factors causing buyers to hesitate to make purchases.

HOSIERY. The full-fashioned silk hosiery mills in District No. 3 (Philadelphia) continued to be busy although the falling off in orders for future delivery indicates a decline in the intensity of the demand for the finest grades of goods. In the case of mills making seamless hosiery, both silk and artificial silk, great variations in activity exist.

Some mills are running at 100 per cent of capacity with orders sufficient to maintain that rate for several months; but the majority are operating at anywhere from 30 to 75 per cent of capacity. Returns from firms selling to the wholesale trade showed that product manufactured during the month of March (in dozens of pairs) increased 10.5 per cent as compared with the preceding month. Orders booked were 15.7 per cent greater, while unfilled orders on hand at the end of the month declined 19.8 per cent as compared with the end of the preceding month. The corresponding figures for firms selling to the retail trade showed increases of 28 per cent and 0.1 per cent and a decrease in unfilled orders of 15.5 per cent. Orders for mercerized and cotton hose continued to be scarce. On the other hand, in District No. 6 (Atlanta) four mills manufacturing cotton hosiery showed an increase of orders booked during the month of 25 per cent, although orders on hand at the end of the month were 6.9 per cent below those on hand at the end of February. There was a decrease of 5.6 per cent in hosiery manufactured as compared with the preceding month, but a substantial increase of 23.4 per cent as compared with a year ago.

UNDERWEAR. Comparative reports received from 34 mills reporting to the Association of Knit Goods Manufacturers of America reflect progress in actual production over the previous month, output increasing from 497,005 dozens in February to 601,302 dozens in March, a gain of 21 per cent. Shipments also improved as compared with February, amounting to 429,769 dozens in that month, and 501,030 dozens in March, an increase of 16.6 per cent. Both unfilled orders and new orders fell off during March, the former decreasing from 1,418,892 dozens on February 1, to 1,336,245 dozens on March 1, a decline of 6.0 per cent; while the latter fell from 387,820 dozens to 355,713 dozens, a decline of 8.0 per cent. Cancellations decreased from 10,968 dozens in February to 9,551 dozens in March, or 13.0 per cent.

Thirty-seven mills which reported an actual production of 612,566 dozens in March have unfilled orders on hand on April 1 amounting to 1,208,600 dozens, the balance of orders having declined 11.4 per cent since March 1. The normal production of these 37 mills is 708,606 dozens. New orders amounted to 363,960 dozens, or 51.4 per cent of normal production, while shipments were 510,555 dozens, or 72.1 per cent of normal. Cancellations amounted to only 1.4 per cent of normal production.

SHOES AND LEATHER. Prices of packer hides increased somewhat during the first three weeks of April and the Chicago market has been fairly active. Demand for calf skins has also shown some improvement, but business in both sheep skins and goat skins is very dull. Reports from seven tanners in District No. 7 (Chicago) show a decline in March sales of many shoe leathers, but an increase in sales of strap, bag, case, harness, sole, and calf leather. Low grades and specialties seemed to have the best demand. District No. 3 (Philadelphia) states that the most encouraging feature in the heavy leather market has been the increased sales of belting leather which reflects a general increase in manufacturing activity. Among the upper leathers, business in both kid and calf has been rather light this season, but there have recently been increased sales of lower grade kid. Patent leather which has had the best demand this year is now somewhat less active. The export market for upper leathers, however, has shown a tendency to broaden, particularly in respect to the number of countries which are making purchases.

Western shoe factories continue active, but the average daily output of New England factories showed some curtailment during March. Total output of eight manufacturers in District No. 1 (Boston) was only 2.4 per cent greater in March than in February, and the output of seven of the reporting firms showed an actual decrease. Production of 45 manufacturers in District No. 3 (Philadelphia) was 14.7 per cent more than in February and shipments were 38.5 per cent greater. New orders increased 6.5 per cent, but the total volume of unfilled orders diminished 19.9 per cent. Both wholesalers and retailers hesitate to make purchases except for immediate requirements on account of frequent style changes. Returns from reporting firms in District No. 7 (Chicago) indicate that production in March was 11.2 per cent greater than in February; while stocks decreased 10.1 per cent, shipments increased 15.2 per cent, and unfilled orders decreased 7.5 per cent. Sporting shoes and extreme styles have the best demand. Factory operation in District No. 8 (St. Louis) is from 80 to 100 per cent of capacity. A large business has been done in that District in Easter goods and specialties, although the demand continues to center in low priced shoes. Orders have been received in satisfactory volume in April, but there has been some decrease in the level of prices for fall lines.

LUMBER: The lumber situation shows a decided and very general improvement. District No. 12 (San Francisco) reports that the industry is more active than at any time since the boom period in the Spring of 1920. Production reported by 168 mills in four associations in the District was 381,572,000 feet, an increase of 14.8 per cent over February and of 60.9 per cent over March, 1921. Orders received totaled 467,346,000 feet, 33.3 per cent greater than last month and 60.8 per cent greater than March last year. The volume of orders received was 22.4 per cent greater than actual production during the month, and 11.2 per cent in excess of shipments, and represented the largest amount of new business totaled in any one month since March, 1920. Shipments during the month amounted to 420,108,000 feet, as compared with 347,660,000 feet in February and 248,477,000 feet in March a year ago. Higher prices for many varieties and grades have accompanied increased production and consumption. The logging industry no longer is hindered by the weather, and is keeping pace with the mill industry. Orders and shipments have increased from 247,852,100 and 238,332,788 feet for 112 mills in District No. 6 (Atlanta) in February to 305,651,455 and 297,134,215 feet for 118 mills during March. Of 67 reporting mills, 49 were operating full time and only one was shut down. Production increased from 266,202,470 feet last month to 296,272,361 feet in March. In sharp contrast to last month's situation, District No. 11 (Dallas) reports a large increase in production which was, however, 10 per cent below shipments. Unfilled orders on hand March 31 amounted to 59,156,346 feet as compared with 51,070,461 feet on February 28. Retail lumber sales at 701 yards in District No. 9 (Minneapolis) were more than twice as great in March as in February but 10 per cent lower than in March a year ago. Orders and shipments of nine lumber manufacturers increased from 7,710,000 and 6,261,119 feet in February to 4,623,000 and 9,922,302 feet in March. Stocks declined during the month and were lower than last year. District No. 8 (St. Louis) reports a brisk demand and a strengthening of prices in materials used in industrial construction. The hardwood trade has benefited a little by activities of planing mills and automobile factories but there is no progress toward price stabilization.

BUILDING: Number of building permits issued, value of permits issued, and value of contracts awarded all reached new high levels during March. Total value of permits issued in 166 selected cities amounted to $259,508,703 in March, as compared with $141,715,243 in February and $126,472,031 in March, 1921. The value of permits issued was greater in March than in either February, 1922, or March, 1921, in each of the twelve Federal Reserve Districts. Increases in March over February varied from 18 per cent in District No. 1 (Boston) to 188 per cent in District No. 9 (Minneapolis), while increases over March, 1921, ranged from 8 per cent in District No. 11 (Dallas) to 238 per cent in District No. 2 (New York).

The value of contracts awarded in seven Federal Reserve Districts (statistics of which are compiled by the F. W. Dodge Company) increased from $161,438,750 in February to $264,651,165 in March. Large increases were recorded in each of the seven Districts. The value of contracts awarded for residential purposes in these Districts amounted to $112,577,397 in March, an increase of 57 per cent over February and of 100 per cent over March, 1921.

Reports from District No. 3 (Philadelphia) indicate a great expansion in building operations, which is particularly noteworthy in the case of residential building. Operations in District No. 4 (Cleveland) have been somewhat hampered by strikes, but are nevertheless showing steady growth. A building exposition is to be held in Cleveland to stimulate the building of homes and to advertise various types of house furnishings. In District No. 5 (Richmond) new construction is showing more activity than repairs and alterations, and architects and builders have as much work as they can handle. The value of building permits in 19 of the 24 reporting cities in District No. 7 (Chicago) was over 100 per cent greater than in February. District No. 10 (Kansas City) reports that there is not only unprecedented activity in the erection of houses and apartments, but also great activity in the erection of public buildings and school buildings.

EMPLOYMENT. Reports received by the United States Employment Service for the period ending March 31 showed an increase of 2.5 per cent in numbers employed as compared with the preceding month. The principal declines occurred in leather and its finished products and in textiles. Advances were most pronounced in the groups comprising vehicles for land transportation, iron and steel, metal and metal products. The direct and indirect effects of the coal strike upon employment will, of course, not be apparent until the next reports are issued. District No. 1 (Boston) reports that notwithstanding the continuance of the textile strike, the "actual amount of unemployment in the cotton manufacturing industry is probably no larger than at the beginning of April". In the centers of manufacture for metal goods, machinery and tools such as Waterbury, Worcester, Providence and New Haven, there has been a steady upward movement in numbers employed. In New York State there was an increase of 1.3 per cent in numbers employed in industrial establishments between February 15 and March 15 according to the reports received from the

New York State Department of Labor. In District No. 3 (Philadelphia) excluding 200,000 striking miners, employment conditions also showed continued improvement between March 15 and April 15. There was a decrease of 16.8 per cent in numbers unemployed in the six cities of Altoona, Harrisburg Johnstown, Philadelphia, Scranton and Williamsport, the number out of work on the latter date being 181,310. District No. 5 (Richmond) likewise emphasizes the very general improvement in employment conditions throughout the District. The special inquiry regularly made into employment conditions in District No. 7 (Chicago) shows that 220 firms employing 117,983 persons at the end of March had on their pay rolls 3.5 per cent more employees than at the end of the preceding month, and practically the same number as a year ago, the decrease amounting to only 0.1 per cent. The increase in the total payrolls of these reporting concerns was especially large, indicating that many men already at work were getting back to full time schedules. The increase in the amount of the payrolls compared with the preceding month was 12.3 per cent. Automobiles and accessories were reported to be employing 13 per cent more men than a year ago while the monthly report from the Employers' Association of Detroit shows an increase of 9.4 per cent during the month in numbers employed in manufacturing "vehicles for land transportation". Iron and steel products, agricultural machinery and railroad equipment also show pronounced advances. District No. 9 (Minneapolis) reports a considerable increase in the seasonal demand for farm labor and also notes that a considerable surplus of mining labor is being absorbed by the opening of the copper and iron mines. In District No. 10 (Kansas City) lead and zinc mines and smelters "show increased activity with larger numbers of men at work". This is also true in the Colorado metal mines. There has been an increased demand for labor for farm work as well as for work on highways and public improvement. In District No. 12 (San Francisco) agricultural and building operations and highway construction have absorbed considerable numbers of the unemployed and the increasing activity of the lead and copper mines of the District has also been a favorable factor in reducing unemployment. In the Pacific northwest, reports from ten principal lumbering sections show 61,427 loggers and lumbermen employed on March 25 as compared with 60,697 on February 15 and 55,426 on the same date a year ago. "According to reliable authorities, employment in the metal industries of California (exclusive of shipbuilding) increased 19 per cent during the last two months."

WHOLESALE TRADE:

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

	Groceries		Dry Goods		Hardware		Boots & Shoes	
District No.	Percentage	Number of Firms Reporting	Percentage	Number of Firms Reporting	Percentage	Number of Firms Reporting	Percentage	Number of Firms Reporting
2	28.4	41	9.2	3	58.1	11	67.3	8
3	12.4	47	19.8	15	46.2	25		
4	21.2	23	13.5	13	33.1	12		
5	13.9	46	23.2	16	34.0	19	17.9	19
6	18.4	29	29.2	21	16.6	22	48.0	9
7	27.6	35	8.4	9	60.7	15	56.6	8
9	31.7	59	-2.1	6	74.9	14	-9.1	7
10	19.2	10	10.0	8	51.4	8		
11	12.3	12	-0.4	12	12.6	13		
12	21.1	32	23.5	13	24.8	21	38.6	15

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

2	0.4	41	-14.3	3	-2.0	11	-17.4	8
3	-17.4	47	-17.5	15	-5.6	25		
4	-12.6	23	-18.6	13	-13.5	12		
5	-10.1	46	-18.0	16	-23.0	19	-24.2	19
6	-7.0	29	-17.0	21	-5.6	22	-16.0	9
7	-10.1	35	-9.9	9	-10.1	15	-23.4	8
9	-3.9	59	-22.4	6	-20.6	14	-21.3	7
10	-3.7	10	-0.1	8	-13.8	8		
11	-9.2	12	-27.2	12	-18.6	13		
12	-12.9	32	-2.1	13	-3.8	21	-21.4	15

It is difficult to generalize concerning the variations in the sales of reporting wholesale frims, for two reasons. First, returns have been available for only a limited number of months, and secondly, they cover a period during which violent price changes have occurred. However, the very pronounced and general advances in sales occurring in March are undoubtedly seasonal. This will be evident when comparisons are made with sales for the same month a year ago. With due allowance for price declines the showing is favorable but not unusual. Reports comment upon the bad weather as having interfered somewhat with retail trade, especially in the southern Districts, thereby retarding purchases from wholesalers. In Districts No. 2 (New York) and No. 3 (Philadelphia) sales of builders hardware resulting from an increase in building operations have helped swell the sales of hardware. Collections on the whole in all reporting lines appear to have improved.

RETAIL TRADE: Retail sales for March throughout the country showed the expected seasonal increase when compared with those for February, due partly to the longer month, but they were not as large as for March, 1921. Allowance must be made, however, for the decline in prices and the fact that Easter came in March last year. Because of the latter circumstance, the sales for the first three months of the year compared unfavorably with those for the corresponding period last year. In country districts the decline in trade from last year is attributed partly to the bad weather and muddy roads, while in coal mining centers, the strike has affected business. In the United States as a whole, however, the stores are beginning to feel the results of the improvement in the employment situation.

March sales for 446 stores in the United States showed a decrease of 14.5 per cent from those of last March. The figures for District No. 12 (San Francisco) are the least unfavorable, a decrease of 6.2 per cent, while in District No. 6 (Atlanta) trade suffered a decrease of 24.4 per cent. At the end of March the stores held larger stocks than they did in February, as the Easter buying had scarcely commenced. All but three Districts show increases in stocks on hand over those held last March. The ratio of average stocks at the end of the first three months to average monthly sales during the same period was 453.2, showing a better rate of turnover than was the case a month ago, but comparing unfavorably with that for last March. At the end of March the percentage of outstanding orders to total purchases for 1921 was lower for all Districts than at the end of February, which would seem to indicate that the bulk of the spring and summer goods had been received by the end of March, or that the buyers were depending upon fill-in orders to meet the demands of the season.

PRICES. Whatever price changes have occurred during April have been of very small dimensions. Among the agricultural commodities, wheat, corn and oats averaged about one cent higher in the first three weeks of April than in March. On the other hand, prices of cotton, cattle, hogs and meat products were a shade lower than in March, and sheep prices declined heavily. In the same way, only small changes occurred in the prices of most of the leading metals and coal although pig iron advanced on the average between 50 cents and $1.00 a ton, while lead advanced about 3/4¢ a pound. Lumber prices were practically unchanged. The same stability characterized manufactured goods also. The American Woolen Company advanced prices of certain of their fabrics slightly, but woolen and worsted yarns have been practically unchanged. Cotton yarn prices have been fractionally lower, while any reductions which may have occurred in cloth have been slight.

The Federal Reserve Board index of wholesale prices for March (revised figure) stood at 147 as compared with 100 in 1913. This was one point higher than the index for February. Increases occurred in agricultural commodities, pig iron and coke among the raw materials, and in cotton seed oil, burlap, certain chemicals, sugar and meats among the finished goods. There were decreases in hides, silk, coal, copper, and tin; in certain petroleum and steel products, rubber, brick, and in a considerable number of foodstuffs. Otherwise commodity prices were largely unchanged.

Retail prices of food during March were somewhat lower than in February, the index of the Bureau of Labor Statistics standing at 139 as compared with 142 in the earlier month.

FOREIGN TRADE After a series of declines continuing over a period of several months, the foreign trade returns for March disclose large increases in the value of both exports and imports. The former are reported at $332,000,000, which is larger than any monthly total since last October, and is not quite 15 per cent below the figure for March, 1921. The value of imports is given as $258,000,000 in March, surpassing the amount for any single month since December, 1920. That these increases in value represent also the movement of greater quantities of goods is indicated by the Federal Reserve Board's foreign trade index which in March stood at 107.1 for exports and at 195.7 for imports, compared respectively with 82.6 and 183.4 in February, and with 92.6 and 169.6 in March, 1921. Somewhat similar conclusions are warranted by a consideration of the tonnage of American overseas commerce as compiled by the United States Shipping Board. These figures show that, excluding shipments of oil in bulk, the weight of our overseas exports in March exceeded the weight of shipments in February by about 28 per cent, while at the same time imports increased approximately 6 per cent in weight. If oil shipments are included, the gain in the total tonnage of our overseas trade, both inward and outward, is shown to have been about 23 per cent in March as compared with February.