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F E D E R A L R E S E R V E B O A R D

STATEMENT FOR THE PRESS

X-3419

For release in Morning Papers,  
Thursday, June 1, 1922.

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

Steady improvement in the indicated yield of the principal agricultural products has been an outstanding feature in the developments of the past month. Improvement in the prices of cotton, grains, and other products is also a noteworthy feature of the month. Business, insofar as dependent upon current agricultural prospects, shows steady improvement, notwithstanding diminished export shipments of agricultural products, particularly grains, as disclosed by the ten months' figures since the beginning of the fiscal year, and notwithstanding further a slackening of the demand for agricultural products for domestic use. Good demand for labor has manifested itself in practically all parts of the country with corresponding reduction of unemployment especially in outdoor occupations.

In appraising the manufacturing situation a distinction must be drawn between basic commodities and those of a more highly finished sort. The marked improvement in the case of iron and steel noted in business surveys of previous months has continued during May, unfilled orders increasing materially and ingot pro-

duction being the greatest in any one month since November, 1920. The demand for iron and steel products continues particularly strong in the case of automobiles and railway supplies. Much the same may be said with respect to copper and the other nonferrous metals. The advances in the price of copper and the reduction in stocks which had previously occurred have been accompanied by a general re-opening of mines and a corresponding increase in the demand for mine labor. The situation in other important lines of manufacture is less easy to characterize. Due to the continuation of the textile strikes, the output of cotton goods has been materially lessened, although in the southern cotton mill districts plants are reported as operating near to full capacity. A very pronounced increase in unfilled orders has been noted by representative cotton mills in the Atlanta district, which is typical of the general situation. There was a recession of activity in woolen manufacturing during April, especially in the worsted branch of the industry, while the silk industry is suffering from a condition of continued depression and inactivity. A mixed situation confronts manufacturers of boots and shoes. In the St. Louis district, activity has been well maintained but in the Boston, Philadelphia and Chicago districts some recession has apparently occurred. A portion of this must be ascribed to seasonal reaction.

Prices have continued to show stability. The general index number of wholesale prices compiled by the Federal Reserve Board shows an advance of two points as compared with the preceding month, making it 149 (which closely approximates the index number 146 of the corresponding month a year ago). This advance is due to the advances in the prices of

agricultural products and in materials used in certain basic industries.

On the whole the adjustment of prices among commodities and industries is approaching a more normal relationship.

Reflecting the improved condition in agriculture and the larger disbursement in wages in many basic industries, retail trade exhibits an enhancement of buying power, returns being more favorable than those of recent months. In wholesale trade, however, the situation is spotty, some lines, such as hardware, being favorably influenced by the great activity in building. In other wholesale lines the improvement of retail trade is not reflected in a corresponding advance in wholesale demand. It should be remembered, however, that owing to the seasonal concentration of orders in wholesale trade, especially in the southern districts, an exact parallelism between retail and wholesale activity, is seldom found, and in the month of March, wholesale business experienced a high degree of seasonal activity.

On the whole there appears to have been a decrease in unemployment which has been brought about through the increased seasonal demand for outdoor labor, the enlarged opportunities for employment in the mines, and in other directions. Factory demand has not kept pace with the growth in other branches, but, on the whole, has receded, especially if voluntary unemployment due to strikes in certain sections of the country be considered. In the building trades the notable revival which started at about the close of winter has continued and has led to unusual demand for labor.

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Financially the month of May has also been a period of comparative stability. No changes in discount rates have taken place at the Federal Reserve Banks and rates in the open money market have continued distinctly below those prevailing at the local Federal Reserve institutions. Call money figures have been exceptionally low during most of the month. Interest rates have also fallen to some extent in the producing sections of the country. The prospect of some better adjustment of foreign economic conditions has tended to stabilize rates of exchange, most of the foreign currencies fluctuating only within very narrow limits.

Foreign trade has shown a distinct tendency to improve, the merchandise export balance in favor of the United States reaching higher figures. At the same time a somewhat better inquiry for tonnage has developed. Among domestic developments the striking event of the month has been the announcement of a cut of 10 per cent in railroad rates by the Interstate Commerce Commission. What effect this will have upon commodity movements is as yet uncertain.

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AGRICULTURE: The average condition of winter wheat on May 1 was 83.5, as compared with a condition of 878.4 on April 1, 1922, and a condition of 88.8 on May 1, 1921. The estimated production amounts to 584,793,000 bushels, or 0.4 per cent less than the 1921 crop. In District No. 7 (Chicago) the winter wheat crop promises to be considerably larger than in 1921 and has enjoyed favorable weather conditions during the early part of May, except for fields in river bottoms. District No. 10 (Kansas City) states that weather conditions in May have been very encouraging and indicate a continuance of the remarkable improvement in the condition of wheat which commenced in April. Winter wheat is also in good condition in District No. 8 (St. Louis), although a considerable acreage in southern Indiana and Illinois was flooded and has been abandoned. In District No. 12 (San Francisco) the wheat crop was helped by improved weather conditions in the first half of May, although the temperature has been rather too low for rapid growth, and certain fields in northern California are in need of rain. The average condition of rye throughout the United States on May 1 was 91.7 which forecasts a production of 79,152,000 bushels, as compared with a crop of 57,918,000 bushels in 1921.

The leading agricultural districts all report a marked reduction in the planting of oats, due to the late spring and heavy rains and floods. Reports from District No. 10 (Kansas City) indicate that the corn acreage will be substantially larger than in 1921, due to

the large wheat acreage which was abandoned and the small acreage seeded to oats; but comparatively little of the corn acreage of Nebraska and Kansas has yet been planted and much replanting has been necessitated in Oklahoma on account of unfavorable soil conditions. In District No. 7 (Chicago) the planting of corn is from one to three weeks late, but soil conditions are now reported to be propitious. Corn planting has also been delayed in District No. 8 (St. Louis), but is now making rapid progress. The acreage will be larger than last year in Missouri, Arkansas and Tennessee.

Reports in regard to the white potato crop indicate a rather general increase in acreage. The bulk of the Florida crop has already been harvested and early planted potatoes in Oklahoma and southern Missouri are growing rapidly. Louisiana sugar cane has been greatly retarded by cool weather, while the crops on many large plantations have been destroyed by floods. District No. 10 (Kansas City) reports that acreage planted to sugar beets is about 15 per cent less than in 1921 in Nebraska, Wyoming, Colorado and Kansas.

COTTON: Cotton prices have risen rapidly during May in all sections of the South, due to the large domestic factory consumption, the continued heavy exports, and doubt concerning the size of the new crop on account of the delayed planting and the fear of boll weevil ravages. The price of middling upland cotton at New Orleans on May 17 was 19.9 cents, as compared with 17 cents on April 19. Cotton stored in mills and in public warehouses on April 30, amounted to 4,672,605 bales, about 36 per cent less than on April 30, 1921.

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Heavy rains and floods delayed the planting of cotton in almost all sections. The cotton crop in District No. 11 (Dallas) is from two to four weeks late, but there is a considerable increase in acreage. Low temperatures and excessive rains necessitated considerable replanting of cotton in the southern parts of District No. 10 (Kansas City) and District No. 8 (St. Louis), and farmers in Arkansas, Tennessee and Kentucky are also planting all spare acreage to cotton. Planting was practically completed during April in central and southern Georgia, whereas less than half the cotton was planted in the northern section of the state. About 20 per cent of the fields in Georgia were planted without the use of fertilizer.

TOBACCO: In District No. 5 (Richmond), tobacco has been transplanted in South Carolina and the plants are doing well, while Virginia beds are good and land has been prepared for resetting. North Carolina reports indicate increased acreage in tobacco and greater use of fertilizer than last year. Tobacco beds are growing fast in District No. 8 (St. Louis), but there are some complaints of damage from worms. The co-operative marketing association in District No. 5 (Richmond) appears to be making steady headway among the growers, and announces that it has leased 150 warehouses. Leaf dealers in that District report that the past month or two have witnessed distinct improvement in the leaf business. Orders from abroad have increased with the rise in foreign exchange, and there is a fair volume of domestic business. Dealers report their stocks are not heavy, and believe this year's crop will

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be largely taken up by foreign and domestic manufacturers within the next 90 days. Domestic cigar leaf in District No. 3 (Philadelphia) has, however, shown little activity. Prices on the whole still tend downward, and the supply is plentiful. A slight increase in cigar sales in May is reported over April, but the larger manufacturers seem to have received relatively more orders than the smaller ones.

FRUIT: Prospects for large deciduous fruit yields are excellent in most sections, although considerable frost damage was suffered in Districts No. 3 (Philadelphia), No. 5 (Richmond), and No. 11 (Dallas). Reports from District No. 3 (Philadelphia) indicate that frost damage was severe in the valleys, but comparatively light on the hillsides. The greatest injury was done to peaches and early cherries, while the destruction of apples and plums was less general. In District No. 5 (Richmond) the apple crop was considerably damaged by frosts in the latter part of April, but the strawberry crop is of record size. The Louisiana strawberry crop this year amounted to about 1,700 car loads and was shipped to 85 different markets in 32 states, although average prices were lower than for several years. It is estimated that the commercial watermelon crop of Florida will amount to 12,744 cars, over 50 per cent greater than the 1921 crop. The outlook for orchard fruit in District No. 8 (St. Louis) is better than in any year since 1914, and the Arkansas strawberry crop is the largest on record. Orchards have been much improved by scientific pruning and spraying. In District

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No. 10 (Kansas City) all fruit trees have a heavy crop, with the possible exception of apple trees. The condition of peach orchards forecasts a record crop in California, and yields of cherries and pears also promise to be unusually heavy.

Prices of citrus fruits continue favorable, although some reduction has resulted from imports of Spanish and Italian oranges. Florida suffered from a prolonged spell of dry weather during April which caused some shedding and lowered the condition of each of the citrus fruit crops.

GRAIN MOVEMENTS: Grain receipts at 17 interior centers registered another marked decline during April and were 56 per cent less than the high total received in February. The volume of marketing was smaller for all kinds of grain in April, the decreases being most marked for rye and corn. The most important cause of this curtailment in marketing is a reduction in the volume of grain exports. Wheat receipts at the reporting interior centers amounted to 16,892,879 bushels in April, a decline of 17.2 per cent as compared with March. The decrease was most pronounced in Districts No. 8 (St. Louis) and No. 9 (Minneapolis), while there was an actual increase in District No. 7 (Chicago). Receipts of corn totaled 15,356,744 bushels in April, a decline of 50 per cent from the March figures. District No. 10 (Kansas City) reports that millers continue to buy choice white and yellow corn and that prices are strong. The volume of grain stored at interior and seaboard centers was somewhat diminished during April, but was much larger than stocks on April 30, 1921, due to the larger accumulations at primary markets.

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FLOUR: Flour production during April was less than during March in all Districts, although greater than during April 1921 in certain Districts. In District No. 9 (Minneapolis), the April 1922 figures reported was 1,777,499 barrels, which was 13 per cent less than in March and 7 per cent less than a year ago. The April output in District No. 10 (Kansas City) was 1,487,380 barrels, a decrease of 17 per cent from March, but an increase of 20 per cent over the April 1921 figure. Forty six millers in District No. 7 (Chicago) produced 315,358 barrels in April, which was 27 per cent less than in March, but 33 per cent more than a year ago; while 11 leading mills in District No. 8 (St. Louis) showed April production of 252,868 barrels, as against 329,428 barrels in March. In District No. 12 (San Francisco) output of 61 mills decreased from 707,202 barrels in March to 494,946 barrels in April. Throughout April the demand for flour was slow and unsatisfactory in District No. 8 (St. Louis), especially on high grades and patents. Purchasing was principally on a hand to mouth basis, but prices were relatively well sustained, due chiefly to scarcity of prime milling wheat and scarcity of clean and low grade flours. Old export orders in District No. 12 (San Francisco) have been delivered, and little new export business has been booked.

LIVE STOCK: Receipts of each of the three principal classes of live stock during April were less than during the preceding month, and than a year ago. April receipts of cattle and calves were 985,243

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head, a decrease of 14.9 per cent from the March figure, and 1.0 per cent from the April 1921 figure. Receipt of hogs in April amounted to 2,094,354 head, which was 12.2 per cent less than in March, and 8.1 per cent less than a year ago. Receipts of sheep decreased 25.6 per cent from March to April, amounting to 741,401 head for the latter month, and were 31.2 per cent less than in April 1921. The decrease in receipts of fat cattle and all classes of hogs and sheep is attributed by live stock men in District No. 10 (Kansas City) to the liquidation that followed unsatisfactory markets and stringency a year ago. Satisfactory spring grazing and improved market prices for fat cattle are given as the chief incentive for holding large numbers of thin cattle on farms and ranges. Live stock conditions in the District are generally good, although late storms and cold weather in mountain sections have resulted in considerable loss of old stock, both cattle and sheep. Abnormally heavy rains in Texas during the past 30 days have aided in producing a situation that is now reported to be almost ideal for the rapid growth and fattening of cattle, except in the vicinity of El Paso and parts of eastern New Mexico. Losses in live stock in District No. 12 (San Francisco) from exposure and lack of feed, have been greater than usual during the past winter, which was unusually long and severe. The condition of feed on most pastures and ranges is reported much below the average for this period of the year, although improving with the advent of warmer weather. Lambing was accompanied by heavier losses than usual. Substantial progress

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is being made in building up the dairy industry in District No. 10 (Kansas City).

Thirty-one packers report April dollar sales 2.9 per cent less than in March, and 8.2 per cent less than in April, 1921. Stocks of cured meats and lard at western packing points at the close of April were greater than on March 31, but considerably below those of a year ago. Packers in District No. 10 (Kansas City) report that, while the demand for pork has not broadened, buying has been free, although purchases are for immediate needs only. The beef trade has shown considerable improvement. Five large exporters in District No. 7 (Chicago) reported April shipments larger than in March, but two reported decreases. A nominal increase in consignment stocks abroad was indicated on May 1.

COAL: April production of bituminous coal was estimated at 15,780,000 tons, compared with 50,193,000 tons last month, and 27,553,000 tons in April last year. This month's production was well below that of any April in recent years, and 3,000,000 tons less than the output of November, 1919 when as now, a general strike of bituminous miners was in progress. Production has increased, however, from 3,835,000 tons during the first week of the strike, to 4,500,000 tons during the sixth week and further increase is possible, depending on demand which is beginning to pick up, accompanied by firmer prices. During the early weeks of the strike demand was

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very sluggish as consumers preferred using their reserves to buying, so that probably an average of 4,000,000 tons weekly has been drawn from the 63,000,000 tons stocked in the country on April 1st.

Production of anthracite coal for the month was practically negligible. Output was 8,757,000 tons in March, and 7,703,000 tons in April last year. Average weekly production during the strike has been about 6,000 tons. The industry has been virtually unaffected by the bituminous strike and demand remains very quiet. There has been little price-cutting to stimulate householders' buying and where tried it has proved ineffectual. Output of beehive coke dropped from 732,000 tons in March to 528,000 tons in April and was 328,000 tons in April, 1921, while by-product coke production increased from 2,137,000 tons last month to 2,227,000 tons in April.

PETROLEUM: Production of crude petroleum during April decreased considerably for the country as a whole. This was especially noticeable in District No. 11 (Dallas). In this District crude petroleum production, which reached a peak during March, declined sharply and only 13,750,590 barrels were produced, a decrease of 2,496,090 barrels. This large reduction was due partly to the unfavorable weather conditions and partly to the low production of new wells completed. Both the Louisiana and Texas fields shared in this reduction, the April daily average yield for all Texas fields being 349,713 barrels as against a daily average flow of 389,944 barrels during March. District No. 12 (San Francisco) again reports increased production, and a decrease in consumption,

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resulting in the largest stored stocks of crude petroleum since April, 1917. Average daily production in California during April was 341,077 barrels as compared with 333,737 barrels in March and 338,981 barrels in April 1921. Forty producing wells were completed during the month. Stored stocks of gasoline held in California decreased 12,693,835 gallons during March and stood at 63,718,701 gallons on April 1st, as compared with 51,573,945 gallons on April 1, 1921. An estimate of the crude oil production in District No. 10 (Kansas City) indicates a decrease when compared with March, but an increase when compared with April last year. In that District there was an increase in the number of wells completed, while the daily new production was 7,107 barrels less than in March, but more than double the daily new production during the corresponding period a year ago.

No radical price changes have been noted in any of these Districts for crude oil. Refiners report a general improvement in the situation, and with the increasing demand for gasoline as the season advanced increases of from 2 cents to 2½ cents per gallon have been made.

IRON AND STEEL: Further marked improvement is reported in the iron and steel industry. Pig iron production during April was 2,072,114 tons, an increase of 1.8 per cent over the March figure. On May 1 162 furnaces were in blast, as compared with 155 on April 1 and with 69 on August 1, 1921, the low figure last year. About a dozen additional furnaces have resumed during May. Steel ingot production also increased 2.9 per cent to 2,439,246 tons in April, and the unfilled orders of the U. S. Steel Corporation 13.4

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per cent to 5,096,413 tons on April 30. May operations have continued at over 70 per cent of capacity. Firms in District No. 3 (Philadelphia) still lag behind the general average. Demand for nearly all products has been accentuated by fear of possible restriction of output. The coal strike has seriously affected prices, increasing production cost for many manufacturers who have been compelled to purchase Kentucky and West Virginia coal since the partial shut down in the Connellsville region. A seller's market, it is stated, can now be said to exist in nearly all products, but manufacturers hesitate to promise future deliveries and are more concerned over increasing production than in booking new business. Railroads and automobile manufacturers are buying actively, but structural steel orders, while still large, have decreased somewhat lately: Tin plate is in active demand and wire products are moving in large quantities. The pig iron market in District No. 3 (Philadelphia) has been fairly active during May, although rather less so than in April. Improvement in export demand during the first weeks of May is reported in District No. 7 (Chicago), but the bulk of this business has been going to eastern markets.

AUTOMOBILES: Both production and shipments of automobiles showed further increase during April, although not at as rapid a rate as in March. Manufacturers who produced 152,625 passenger cars during March, built 196,788 during April, an increase of 28.9 per cent, while companies building 19,369 trucks during March showed an April

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output of 21,865 trucks, an increase of 12.9 per cent. Carload shipments were about 30,200 in April, as compared with 27,380 in March. Exports have shown a considerable increase. A few popular medium and low priced makes have been selling in larger quantities than ever before, while many dealers are several weeks behind in their deliveries. Used cars are being accepted on a more equitable basis than heretofore, when concessions were made in order to stimulate business, and a larger percentage of sales now involves no trades. Nearly all customers, both for new and used cars, are stated by District No. 3 (Philadelphia), however, to require credit for longer periods of time than heretofore, and cash sales are few.

NONFERROUS METALS: According to reports from the various mining districts, operations continue on an increased scale. The average price of electrolytic copper for early delivery in New York was 13 cents per pound on May 15 as compared with 12.625 cents per pound a month ago, but demand is well maintained. Production of copper for the country as a whole showed a decided increase in April over March production. The April production of refined zinc throughout the country amounted to 25,506 tons, a slight increase over the previous month. In District No. 10 (Kansas City) a noticeable change occurred in the lead and zinc ore markets of the Joplin field. Prices continued to rise, the average price for all grades of zinc blende ores in April was \$28.71 per ton, as compared with \$26.33 per ton for the previous month. The month of April registered the heaviest shipments of zinc

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ore for several months past. The total shipments were 45,185 tons as against 31,601 tons during March. Stocks of zinc ore declined considerably during the month. Lead ores continued to advance in price and sold as high as \$70.00 per ton. The increase in shipments of lead ores for the first four months of the year amounted to 10,401 tons with an increased value of \$1,036,729. District No. 12 (San Francisco) reports that the gold and silver mining industry is in a more favorable condition than at any time during the past 18 months.

COTTON TEXTILES: In New England cotton consumption is at a minimum as a result of the strike conditions still prevailing, but elsewhere the rise in the price of raw cotton has resulted in the placement of larger orders especially in the market for yarns. In District No. 3 (Philadelphia) the demand for yarns is reported to have shown a notable increase since the first of May although the average output is only between 60 and 70 per cent of normal for the mills in that District. In the case of the cloth mills, however, there was no evidence of accelerated activity but operations were averaging around 75 per cent of capacity. District No. 5 (Richmond) reports both jobbers and mill owners reluctant to negotiate forward orders on any considerable scale in the face of advancing prices of raw material. The mills in

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the District are generally running full time and receiving a substantial amount of orders for immediate shipment. Productive operations of reporting mills in District No. 6 (Atlanta) during April showed a loss in the case of cloth mills as compared with the preceding month, but both yarn and cloth mills had larger orders outstanding than at the end of March. For the 40 cloth mills production dropped 7.6 per cent in April as compared with March but orders were 15 per cent greater than at the end of March. As compared with April 1921 the corresponding percentages are 46.4 per cent and 139.5 per cent. For the 39 reporting yarn mills production increased 0.6 per cent as compared with March and was 59.5 per cent in excess of April 1921. Orders on hand at the end of April were 21.7 per cent greater than at the end of March and 28.3 per cent greater than in April 1921.

The consumption of raw cotton during the month of April declined decidedly as the total fell from 518,450 bales to 446,843 bales.

WOOLEN TEXTILES. Decided advances have occurred in the prices of raw wool, which are not to be explained on the basis of speculative demands alone, but are caused by purchases to cover mill needs. Stocks of wool in the east are low and price advances have been particularly pronounced in the case of the finer grades of wool. For example, in District No. 12 (San Francisco) approximately 35 per cent of the total 1922 clip was reported to have been "contracted for by March 1 at prices ranging from 25 to 30¢ per pound for 'average' and 'top' grade of wool respectively. The larger Jericho wool pool in Utah sold at 40¢ per pound, establishing a new top price for the season to growers for high grade wool." The report from District No. 12 (San Francisco) further states that "wool is now reported to be selling rapidly, at prices ranging from 20¢ per pound for the poorest grades to 40¢ per pound for the best grades, or from 25 to 35¢ per pound for medium grades." "Last year, these grades sold at 10 to 15¢ per pound on a reluctant market." Discrimination in favor of woolen cloths as against worsteds continues to be reflected in the greater activity of woolen spindles as compared with worsted. For example, the percentage of idle worsted spindles as reported to the Bureau of the Census advanced from 25.3 on April 1, to 38.4 on May 1, while the percentage of idle woolen spindles dropped slightly, from 17.5 April 1, to 17.3 May 1. This drop of 0.2 per cent for idle woolen spindles, however, was not reflected in the percentage of idle hours to total reported which rose from 14.1 on April 1 for woolen spindles to 15.2 on May 1. The percentage of idle hours for worsted spindles advanced from 29.2 to 37.9. In the case of looms wider than 50" reed space and 50" reed space or less, increasing

idleness was recorded both in terms of idle machinery and in terms of idle hours. The percentage of idle machinery for looms wider than 50" reed space rose from 34.9 April 1 to 39.7 May 1, while the corresponding percentages for looms 50" reed space or less were 27.8 on April 1 and 36.0 on May 1. The percentage of idle hours rose in the one case from 36.9 to 41.6; and in the other case, from 36.5 to 46.6.

District No. 3 (Philadelphia) states that many mills have converted their looms from the manufacture of worsted to woolens and operations are averaging about 80 per cent in the woolen mills at the present time, whereas the worsted mills are running at only 50 per cent of capacity. Demand for yarns is most active for use in the manufacture of men's wear and dress goods. Yarn prices are much firmer with the advance in raw wool prices. The consumption of raw wool during the month of April amounted to 51,888,000 pounds as compared with 70,424,000 pounds in March.

CLOTHING. According to reports from 17 firms located in District No. 2 (New York), sales in April were 2.1 per cent in excess of those for the preceding month and 34.6 per cent greater than a year ago. District No. 8 (St. Louis) stated that sales during April showed considerable irregularity and that there had been some losses due to unseasonable weather and flood conditions. In District No. 7 (Chicago) the returns from wholesale clothing manufacturers are not presented because orders for fall merchandise are not yet being placed in sufficient volume to show the trend for the new season. Reports from 12 tailors-to-the-trade, however, showed an increase in the number of suits made of 2.7 per cent as compared with the preceding month, but orders were 5.4

per cent less than in March. On the other hand, as compared with a year ago, there is considerable improvement, as production was 26.7 per cent greater and shipments were 24.0 per cent larger.

SILK. There are no indications of improvement in the silk industry and in all probability the outlook is not so good as it was a month ago. The statistics received from North Hudson and from Paterson show further declines in manufacturing activity in the latter city and negligible advances in the former. In the case of Paterson 2,710 looms were active on May 8 out of a total of 15,000 reporting, and the percentage of active hours to total available was 16.08 as compared with 17.02 April 8. In the case of North Hudson the percentage of active hours rose to 46.91 on May 8 as compared with 42.71 April 8. The average production of the silk mills in District No. 3 (Philadelphia) was about 50 per cent and it was stated that the majority of those mills which reported a higher percentage of operations were placing their goods in stock. In spite of the low degree of activity, the raw silk market registered sharp price advances about the first of the month, but since that time there have been no particular changes.

HOSIERY. The reports received by the Federal Reserve Bank of Philadelphia from 29 hosiery manufacturers selling to the wholesale trade showed a slight recession in output during April of 9.4 percent, but orders booked increased 213.7 per cent. This large accession to orders probably represents seasonal bookings for next autumn. In the case of ten firms selling to the retail trade the product manufactured during April was 19.4 per cent less than the March output while orders booked increased 2.5 per cent. Three manufacturers of cotton hosiery

located in District No. 6 (Atlanta) showed a production 4 per cent less than in the preceding month but orders booked increased 20.7 per cent. Correspondents in that District stated that "while the current demand for hosiery had increased during April, there was no extensive buying for future delivery". In District No. 3 (Philadelphia) the market for cotton hosiery was reported to be extremely dull.

UNDERWEAR. In April, 1922, reports were received from 53 mills producing underwear, as compared with 54 in March and 61 in April, 1921. Actual production during the month showed a decided falling off, the amount produced by these 53 mills being only 521,885 dozen, or 82.7 per cent of normal. During the preceding month 54 mills reported production amounting to 756,248 dozen, or 92.9 per cent of normal. The production of 61 mills a year ago, however, was only 401,938 dozen, or 49.6 per cent of normal. The figures for summer underwear production were more nearly normal than those for winter underwear, the former amounting to 246,124 dozen, or 92.6 per cent of normal, while the latter stood at 275,761 dozen, or 75.4 per cent of normal.

Comparative reports received from 35 mills also show a loss in production since last month, decreasing from 602,116 dozen in March to 483,963 dozen in April. There was a similar falling off in both unfilled orders and new orders during the month, the former declining from 1,304,203 dozen in March to 1,142,481 dozen in April, a loss of 12.4 per cent, and the latter from 373,047 dozens in March to 270,153 dozen in April, a decrease of 27.6 per cent. Shipments amounted to 350,990 dozen as compared with 497,826 dozen in March, a falling off

of 29.5 per cent. Cancellations rose from 8,685 dozen in March to 15,029 dozen in April, an increase of 73.0 per cent.

SHOES AND LEATHER. The market for packer hides broadened considerably during the first three weeks of May. Sales at Chicago were heavier than in any preceding month of 1922, and prices registered an average increase of about 10 per cent. Offerings of country hides were of poor quality and sales were small. Demand for calf skins has increased in both Philadelphia and Chicago, but demand for goat skins continues to be very light and prices are at about the same level as in 1914. There has been a distinct slackening of activity among tanners both in the East and in the Middle West. Sales of belting leather and harness leather were well maintained during April and the first half of May, but business in shoe leathers and glove leathers is very dull. District No. 7 (Chicago) reports that such demand as exists for shoe leathers is for patent, glazed, black, and sport kinds for women's wear, and side leather, work shoe leather, and calf skins for men's shoes. In District No. 3 (Philadelphia) business in sole leather has been of only moderate size and some price cutting has developed, but an increase in exports has afforded some relief. Among the upper leathers, there is still an exceptionally large demand for patent, some improvement in sales of calf, but very poor demand for kid. Leather stocks continued to increase during April.

Shoe factories in District No. 8 (St. Louis) continue to operate at close to capacity, but production was curtailed during April in Districts No. 1 (Boston), No. 3 (Philadelphia), and No. 7 (Chicago). Eleven important interests in District No. 8 (St. Louis) are operating

factories at from 86 to 100 per cent of capacity, and have handled 32 per cent more business in the first four months of 1922 than in the corresponding period of 1921. Orders since May 1 in that District have been very satisfactory, and the proportion of forward orders has been increasing from week to week. The demand has been principally for staple goods, but sales of novelties are increasing and retail merchants are purchasing broader assortments. In District No. 7 (Chicago) production of 30 firms declined 5.4 percent in April as compared with March, and shipments declined 17.5 per cent, while unfilled orders increased 10.4 per cent and stocks increased 6.7 per cent. Eight large manufacturers in District No. 1 (Boston) reported a decline of 14 per cent in production during April. Shipments of five of these firms decreased 24 per cent as compared with March, and their net new orders were 6 per cent smaller. Orders of New England factories, however, showed considerable improvement in May, particularly in the case of women's shoes. Production and shipments of 45 firms in District No. 3 (Philadelphia) declined 14 per cent and 13.5 per cent, respectively, during April as compared with March, and new orders are only being obtained at reduced prices.

LUMBER. The lumber industry continues to show an improvement due to the increased building operations, and the regular spring demand which has been delayed this year. District No. 12 (San Francisco) reports that April production reached 95 per cent of estimated normal capacity, and there has been a slight increase so far in May. Production of 172 mills was 389,020,000 feet compared with 381,572,000 feet in March, and 253,506,000 feet in April, 1921, increases of 1.9

per cent and 53.4 per cent respectively. Orders were received for 494,687,000 feet of lumber, an increase of 5.8 per cent over March and of 67.9 per cent over April a year ago. Shipments during April totaled 424,725,000 feet compared with 420,108,000 feet in March and 266,361,000 feet in April, 1921. Unfilled orders at the close of April amounted to 426,940,000 feet compared with 378,346,000 feet on March 31st, and 249,529,000 feet on April 30, 1921. Logging operations are now proceeding at full capacity and demand for logs is reported greater than at any time during the past twelve months. The shingle branch of the lumber industry has been improving steadily, and the increased demand has advanced the price. Orders and shipments for 118 mills in District No. 6 (Atlanta) have increased from 247,852,100 feet and 238,332,788 feet in March to 371,414,028 feet and 322,666,386 feet respectively in April. Of 72 reporting mills, 58 were operating full time and six were operating four days a week, one mill three days, one mill two days and one mill one day. Production decreased from 296,272,361 feet in March to 282,528,795 feet in April. Production in District No. 11 (Dallas), which had shown a marked improvement in March, declined somewhat in April. Output is still below shipments, and is only 70.4 per cent of orders, while unfilled orders increased from 59,156,346 feet on March 31, to 70,787,500 feet at the end of April. Retail lumber sales in District No. 9 (Minneapolis) were 50 per cent larger in April than in March, and showed a slight increase over April last year. The increased demand has advanced the wholesale price and retail prices are firmer on all grades.

BUILDING. Building activity continued to increase during April and the value of contracts awarded in seven Federal Reserve Districts (compiled from statistics gathered by the F. W. Dodge Co.) amounted to \$322,630,241, as compared with \$264,651,165 in March. Increases were recorded in six of these seven Districts varying from 1 per cent in District No. 3 (Philadelphia) to 61 per cent in District No. 1 (Boston). There was a decline of 17 per cent in the value of contracts awarded in District No. 9 (Minneapolis). The value of residential building contracts increased in each of these seven Districts and amounted to \$125,873,456 in April, as compared with \$112,577,397 in March.

District No. 3 (Philadelphia) reports that building of residences still predominates in Philadelphia, although a number of contracts have been made for construction of large hotels and office buildings. The building activity in that District has resulted in a marked improvement in the brick industry. In District No. 5 (Richmond) residential building has resulted in a rather general decline of rents. Reports indicate that a considerable volume of industrial building has commenced in District No. 8 (St. Louis), and some shortage of skilled labor in the building trades has developed. In District No. 11 (Dallas), construction for both residential and business purposes is proceeding on a large scale.

EMPLOYMENT. In New England the textile strike accounts for 40,000 unemployed while the coal strike is directly or indirectly responsible for the idleness of many thousands of workers in various

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parts of the country. Involuntary unemployment is, however, steadily diminishing and that fact is emphasized in all the reports that have been received. Although the figures of the United States Bureau of Labor Statistics show a fractional percentage loss, they probably do not adequately reflect the extent of the general improvement as the statistics are based upon returns from large employers of labor located in industrial centers. Naturally at this season of the year much of the gain is due to increased opportunities for outdoor employment. The great gain in building activity has afforded especial opportunities not only to workers in the building trades but in allied industries.

The New York State Department of Labor reports a slight loss in numbers employed in factories during the month of April as compared with March. In District No. 3 (Philadelphia) there has been a decided improvement in the employment situation according to the Pennsylvania State Department of Labor. On May 15 there were 139,260 unemployed in the six cities of Altoona, Harrisburg, Johnstown, Philadelphia, Scranton and Williamsport, a decrease of 10.1 per cent as compared with two weeks ago and of 23.2 per cent as compared with April 15. The reports from District No. 5 (Richmond) are particularly encouraging and it is stated that actual shortages of labor are apparent in certain localities. The Public Employment Bureau of Richmond reported that during April more positions were open in the men's division than during any month since October 1920. The special inquiry into employment conditions conducted by the Federal Reserve Bank of Chicago covered establishments employing 124,295 workers at the end of April, a total which was 1 per cent in excess of the figure for the preceding month. The decreases were confined mainly to food

stuffs, knit goods, wearing apparel and the leather industries while metals, machinery and construction industries improved. In Districts No. 9 (Minneapolis), No. 10 (Kansas City), and No. 12 (San Francisco) the resumption of mining operations in copper, zinc and lead areas have given employment to considerable numbers of miners, while farm labor and construction work have likewise created an active demand. For example, in Arizona, Idaho, Nevada and Utah, as stated in the report from District No. 12 (San Francisco), employment is greater than at any time during the past year. This improvement is "largely due to renewed activity in the mining sections of those states and to an increased demand for seasonal agricultural labor. Four of the largest mining companies in the Globe-Miami copper mining district of Arizona reported an increase of 44 per cent in the number of employees on their pay roll on May 1 as compared with April 1."

## WHOLESALE TRADE

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

Dis- trict	No.	Groceries		Dry Goods		Hardware		Boots & Shoes	
		Number	Number	Number	Number	Number	Number	Number	Number
	2	-16.6	42	-24.3	6	-0.1	11	-26.2	9
	3	-14.2	48	-20.9	15	7.3	26		
	4	-12.7	24	-14.7	13	0.9	12		
	5	-10.0	45	-16.1	15	6.7	18	-3.4	18
	6	-13.8	31	-13.2	20	-8.6	20	-4.5	9
	7	-13.2	39	-17.1	11	7.8	20	5.8	9
	8	-12.1	51	-20.1	6	9.0	16	-3.5	5
	10	-10.2	9	-8.8	7	-3.6	8		
	11	-9.3	12	-8.0	11	1.7	12		
	12	-11.7		-9.6		2.9		-9.6	

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

2	-5.7	42	-29.5	6	-6.8	11	-17.2	9
3	-16.9	48	-26.0	15	-8.8	26		
4	-17.8	24	-19.7	13	-13.0	12		
5	-9.2	45	-17.7	15	-9.2	18	-19.2	18
6	-15.9	31	-3.3	20	-6.0	20	23.8	9
7	-13.2	39	-13.0	11	1.0	20	-5.4	9
8	-6.0	51	-28.1	6	-15.4	16	-13.3	5
10	-14.2	9	-4.1	7	-2.8	8		
11	-8.3	12	-10.7	11	-4.4	12		
12	-6.5		-11.2		1.1		-18.5	

With the exception of hardware, the increases in sales shown during the month of March by reporting wholesale firms have been followed by fairly heavy decreases. In some Districts the coal strike has had an unfavorable effect upon sales but it is not possible to say how great a factor the strike has been, since sales would naturally recede at this season of the year. In the case of hardware lines, purchases of agricultural implements, fencing and builders' hardware probably explain those

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increases that have occurred. Reports from the southern and western sections of the country indicate that impassable roads and flood conditions in certain areas have been unfavorable factors which have helped to bring about a somewhat more than seasonal recession in sales.

RETAIL TRADE. Generally throughout the country retail establishments report decided improvement in business during the month of April. This is reflected by substantial increases in many cases in the ratio of April sales to those a year ago, and in other cases by smaller decreases than occurred for previous months. Most of the unfavorable reports come from coal mining fields and cotton centers where strikes are in effect, or from sections affected by high water. The lateness of Easter and the bad March weather postponed a large part of the spring buying until April. After the middle of the month, the volume of sales tended to diminish, but further reductions of prices and introductory sales of summer goods prevented any very marked decrease. As compared with this time last year, prices in the first four months of 1922 show a much greater decrease in most Districts than do sales.

Reports from 461 department stores in the United States showed a decrease of 0.6 per cent in sales for the month as compared with April, 1921. District No. 3 (Philadelphia) figures were most favorable, increasing 5 per cent, while trade in District No. 11 (Dallas) suffered the greatest decrease, namely 11.1 per cent. The majority of Districts had larger stocks on hand at the close of April than they had either a year or a month ago, but in all cases the net change was small. Due to the increased sales, the rate of stock turnover naturally shows an increase. The policy of hand-to-mouth buying apparently continues, for

the percentage of outstanding orders at the close of the month to purchases for the year 1921 has been gradually decreasing since the opening of the present year.

PRICES. Not only did the price index of the Federal Reserve Board gain two points in April, reaching 148, but there appear to have been further general price advances in May. Corn, oats and wheat have risen decidedly while slight increases have occurred in the case of cattle, hogs and sheep. There has been a recent marked advance in the price of mutton. There were also increases in raw cotton and in cotton yarn and cloth. In the case of the two latter commodities, decreased output due to strikes would partly explain the upward movement. Wool yarns are reported firm while prices of raw wool have been moving steadily upward. A sharp increase in coal prices has already occurred as the result of the strike and pig iron is also much higher. As regards the nonferrous metals, lead and copper prices have risen, while zinc remains substantially unchanged.

FOREIGN TRADE. Exports from the United States in April declined slightly in value as compared with March, while imports showed a more decided falling off. The figures are \$321,000,000 for exports and \$217,000,000 for imports, the excess of exports over imports therefore being \$104,000,000, which is larger than the excess reported for any month since last October. The movement of specie during April was on a much reduced scale, net imports of gold being only \$10,700,000, in contrast with \$32,500,000 in March and \$20,300,000 in April, 1921.

So far as quantities of commodities are concerned, the Federal Reserve Board's foreign trade index shows practically no change in the average quantities of goods exported during April compared with the previous month, but the index for imports dropped from 206.5 in March to 169.1 in April, a decline of 18 per cent.