

Curtailed Production Worries Business Men

Prospect Is for Severe Shortage of Goods of Some Kinds Next Spring; Torrent of Foreign and Domestic Orders

This question, more than any other, is engaging the attention of business men: How much has production been curtailed by labor unrest, labor inefficiency, the shortened working week and inadequate supplies of raw materials? It cannot be answered definitely; yet there is much evidence tending to show that the curtailment has been extremely serious in many trades. In the textiles field, for example, the estimate that the output of American cotton mills will be a billion yards short of normal is generally accepted as being reasonably accurate. Similarly, the output of silks and woollens and numerous other things undoubtedly will be far below an average year's production.

These shortages will be serious enough under any conditions. But it happens that they are coincident with what is probably the greatest demand for goods ever witnessed in this country. The spending power of the American people is apparently almost without limit. It comes from two sources: First, from the reservoirs of purchasing power that were filled in the very grim by self-denial practiced during the war, and second, from the great increases in wages.

Supplementing it, moreover, is a torrent of orders from every continent, but principally from Europe, that is held in check only by the lack of credit—a lack that seems likely to be filled before the year has passed. Up to a certain extent, being living on accumulated supplies as well as current production, that obviously cannot continue, and sooner or later we may have to face a situation in which the problem of high prices will be submerged in the greater one of inability to obtain goods at any prices.

Observers of the sports of developments in various fields from day to day. Time after time, such things as this are reported: "Mill agents are allowing goods among buyers on the basis of 60 per cent of the orders, with the percentage being much less than this, it being impossible fully to satisfy the demand for goods required for next spring." Or this: "Some manufacturers are still working on orders for fall delivery, although normally such work should have been completed weeks or even months ago. They have as yet been unable to start production on spring orders."

Such a situation is not without compelling feature from the manufacturer's viewpoint, since he is assured of all the business that he orders when the labor market will permit him to handle until the shortages are made good. But it does not augur well for the retail merchant's trade or for business generally. The way to avoid the aftermath of curtailed production is obvious—it is merely to increase production. But that is much easier said than done. Although labor recently seems to have assumed a somewhat more conciliatory attitude than was shown a few weeks since, it is nevertheless in no sweet temper, and is not disposed to listen to orders from employers who has the power to take much of what it wants. It is from the shortage of goods caused by the laborer's failure to work the full week that the retailer often gets his to-day a little labor will supply his wants as never before.

Mills have continued to maintain firmly their prices for basic cotton fabrics, although second-hand operators—that is to say, speculators who bought at lower figures—have been unloading goods at moderate concessions. There were indications at the end of the week that most of the holdings of the speculators had been absorbed, and that the mills would again dominate the situation.

Meanwhile buyers who are in the market for goods have been holding off, their hopes for a lower range of prices having been raised by the policy of the speculators. This situation naturally has tended to make for dullness in the cotton goods market, although it is not disturbing the sellers, who seem content to let things run along as they are for a time.

Many of the larger mills made their prices during the week on guidelines for spring delivery. A number of them gave out price lists on staple lines ranging from 24 to 32 cents a yard. The prices, as a rule, were about in line with expectations and were but slightly changed, if at all, from previous prices. The demand for ginghams has been exceptionally heavy, and late and mills have sold almost all of their spring productions on an allotment basis and on the condition that orders be confirmed when prices were announced. With the prices out prac-

tically all of the orders have been confirmed. Allotments of goods, it is estimated, will not average much more than 25 per cent of the amount desired by the buyers—a fact which gives a fair idea of the situation as regards production and demand.

Selling activities in the woollen goods market last week were confined merely to the allotment of spring goods by mill selling agents. Goods for use this fall are in slight demand. The comparative inactivity of the whole women's garment market necessitated the sacrifice of price goods by some of the smaller manufacturers who needed cash to meet their bills. This small supply took care of the immediate needs of most of the other manufacturers, with the result that jobbers made few sales, and in some cases shaded their prices. A resumption of activity toward the end of the week, however, stimulated the market to some extent, and prices were brought back to their levels of a month ago.

Large jobbers are ordering all the spring goods they can. Jobbers and mill agents alike insist that the production of spring goods will be far short of the demand. From this they reason that prices now quoted on spring orders will prevail throughout the season.

Most of the offerings of men's wear spring woollens and worsteds will be completed by the end of this month, and the confirmations of orders should be in the hands of the doing many of the factors and jobbers by October, thus giving them a line on where they stand in the fabric situation.

Many mills making women's wear fabrics have not yet made few sales, but are expected to do so soon. The unsatisfactory labor conditions at the mills are expected to restrict production largely to staple weaves. Serges, crinolines and light weight knitted cloths are expected to predominate during the coming spring season.

While purchases of colors are still confined to small lots, there has been a noticeable increase in the number of men's suits ordered in the last few months. More common colors are being taken in 400 and 500 pound lots while the scarcer shades are distributed in 50 and 100 pound lots. The big buyers, such as the textile and paper mills, have not placed any contracts, so far as can be learned, but good business is expected from these sources in the immediate future, as supplies on hand are low.

Some dealers displayed a tendency to shade prices during the week in the hope of stimulating new business, but this was unsuccessful. The prospective imports of German vat dyes have already been discounted by the trade. As none of these dyes can be manufactured in this country at present, their effect on domestic business will be slight. An adequate protection of the American dyestuffs industry is assured, dealers see no cause to worry over the importations of these colors. It is specifically in the textile industry that so soon as a color can be manufactured in commercial quantities in this country its importation will be discontinued.

The export demand for colors displays no signs of slackening. Bright colors are moving regularly to the Orient and British India.

After a period of comparative dullness the market for silk goods is showing signs of rapidly increasing activity. August was a quiet month, all things considered, but September so far has shown appreciable improvement in the matter of new business booked both the manufacturers and jobbers. Many manufacturers, while still listing their fall orders placed some months back, are beginning to bring out new spring lines, goods for delivery in the early months of 1920. This is bringing buyers into the market in increasing numbers. The saw buyers from the South and Middle West seeking tafetas, crepe, chiffons and georgettes for delivery next year. Orders were booked for such goods in substantial volume, but they are, of course, subject to confirmation, so far as prices are concerned, later on, as none of the manufacturers dare to quote goods so far ahead at a time when there are so many uncertainties affecting the market.

Generally speaking, prices are expected to be, on the average, about 25 per cent higher on goods sold for next spring if nothing happens to upset the equilibrium of the market. The demand for high-priced goods has con-

tinued heavy, a fact which is emphasized by the active sales of fall in recent days. This fabric, which is used largely for women's suits, is selling at from \$2.50 to \$4 a yard, and there has been a preference for the better quality.

Reports received by jobbers and mills from retail working shops and irregular country tell the story of a huge volume of business. The rural demand is running into big figures, a fact which is indicated by the large sales of silk garments by Western mail order houses, which cater largely to this kind of business.

Production continues far under the needs of the market, with labor in the mills working short and irregular hours at high wages. In view of this situation, coupled with the steady demand, estimated in the trade last week as being triple the demand in 1914, retail factors and dealers in silk see little hope of lower prices.

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Retailers became more active in the wholesale women's apparel markets last week. Manufacturers and jobbers expect a repetition of the brisk July buying period beginning this week or next. New sample lines have been brought out to greet the visiting buyers, many of them adaptations of French models recently brought over by a large number of manufacturers or their representatives.

No new materials have been introduced into coats and suits. The many varieties of broadcloth, kersey, etc., continue as the popular clothing fabrics. In dresses velvet is increasing in favor, although the staple serges, tricotines and satins continue strong. Prices have shown no decline, even under the pressure of inactivity.

Men's clothing manufacturers are actively planning for the spring season which has been inaugurated by one or two houses already. Most clothing for spring, it is expected, will be more conservative than in the past summer or present fall, because of the cloth shortage and the reluctance of the clothing factories. Prices will be the highest ever known despite the clamors of retailers and ultimate consumers.

The jewelry business has not for many years seen such prosperity as it now enjoys. It is practically impossible to satisfy the demands of the American people for ornaments. Manufacturers and jobbers of jewelry are confronted with difficulty in obtaining finished products, and report many unfilled orders on their books. There is a slight improvement in the labor situation, but the clothing industry still exists. This is especially true of watches and clocks.

Prohibition and high wages are the reasons given for this unprecedented demand by men prominent in the jewelry trade. According to one large manufacturer, a great part of the money formerly expended for liquor is now being used in buying jewelry. The consensus of opinion among the manufacturers, however, is that prohibition is not nearly so important a factor as high wages are.

The jewelry industry has abolished the time guarantee system. Orders were coming in with such great rapidity that this move was thought necessary. Manufacturers of all sorts of jewelry are in some cases from six to six months behind on their orders. Orders placed with silversmith manufacturers for plated ware last April have not yet been delivered. In the case of cancellations, these manufacturers are receiving increased orders. One house reported during the week that it is 10,000 dozen behind for one shoe pattern, with little hope of catching up for some time to come.

The price of platinum took a big jump during the week. New York refiners quoted \$130 an ounce for soft platinum, \$108 for medium platinum containing 6 per cent iridium, and \$148 an ounce for the hard metal containing 10 per cent iridium. Some refiners express the opinion that in part the high price of platinum is due to the jewellers themselves in their willingness to pay almost any amount asked when they need small quantities, all of which tends to increase the price both at which the refiner bought and at which he sold.

In the opinion of dealers, the hide market has turned the corner. A slight advance in prices was noted early in the week and while buying is still confined to small purchases, his sudden recovery following the 20 per cent price slump of two weeks ago indicated underlying strength in the market. Active buying is expected over the rest of the year, as tanned skins are known to be short of hides. The skins on the market at present are of the best grade. Reports early in the week that the Indian government contemplated a 15 per cent ad valorem export duty, caused a flurry through the trade as from 18 to 20 per cent of all the hides imported come from India. The trade rested easier when it was announced during the latter part of the week that the duty had not been levied.

Although purchases of leather have been small, the market shows no signs of weakness. Delays in filling orders for finished leather goods have had little effect on payments and placed manufacturers in a position where they cannot buy more leather except on credit. Active buying is expected shortly, as the quantity of leather in the hands of manufacturers is below the requirements of orders booked.

Shoe jobbers and wholesalers are in a state that the greatest difficulty is in obtaining shipments from the manufacturers. Stocks on hand at present are low. One large wholesaler has sold out his stock of shoes up to jobbers state that others will follow suit if shipments do not arrive from manufacturers within the next few weeks.

In the early part of the week transactions in the crude rubber market were large, with manufacturers of all sorts of rubber goods, buying considerably in excess of their requirements. Later business fell off considerably, manufacturers assuming a waiting attitude.

At the start of the week dealers were asking 42 cents a pound for first latex and 48 cents a pound for ribbed smoke sheets. Considerable buying of the Parus at former prices was reported by dealers. Later on cables from London and Singapore reported strong and advancing markets. Rib sheets sent prices higher. Rib smoke sheets on the spot brought 99 cents a pound, while crepe sheets 42 cents up 12 cents over Monday's close. As the close of the week prices continued firm and steady, rib smoke being quoted at 48 cents a pound and first latex at 48 cents a pound. Brokers offered this strength to the wholesale demand and firm markets in London and Singapore.

Dealers in scrap rubber reported a small business all through the week. Prices were firm, although the demand continues very light. Dealers do not look for any increased orders in the near future. Steamship rates advanced showed a slight advance in price, closing at 1 to 1 1/2 cents a pound.

The demand for mechanical rubber goods has become decidedly locally within the last few weeks, and it is not believed that business will be done on any larger scale for several months. Retail and wholesale buyers advanced their orders, ordinarily heavy purchasers of such goods, but have bought nearly as much as usual, although stocks are reported to be low.

Some speculation was noted in such products as aniline oil, formaldehyde and oxalic acid. As all these are scarce on the spot market, prices advanced sharply under heavy buying. Speculation in bicarbonate of soda, caustic soda and soda ash has practically ended since the control of the market passed into the hands of manufacturers, who are doing business direct with consumers.

During the week the War Department reported that it had purchased 27,000,000 pounds of phenol, amounting to 27,000,000 pounds, would be sold through the Monsanto Chemical Works, of St. Louis. Some of this material may be bought for export. The price at which this phenol will be sold has not been announced as yet, but the trade believes that 12 cents a pound will be asked. One of the features of the week was

At New York's Fur Auction

The following merchandise will be offered for sale without reserve to the highest bidder at our Public Auction Sale at Masonic Hall, 71 West 23d Street, N. Y., beginning

OCTOBER 6th AT 10 A. M. and continuing from day to day

Table listing fur auction items: DOMESTIC (6300 Badger, 950 Bear, Black, 100 Bear, Brown, etc.) and FOREIGN (2500 Australian Fox, 5800 Australian Opossum, 20000 Australian Ringtail, etc.)

Also Sundries consisting of Broadtail (135), Caracul (3000), Chinchilla Rat (5700), Chinchilla Squirrel (250), Foreign Cat (450), Hare (2100), South American Fox (4100), Patagonian Lion (450), Macedonian Fox (750), Guanaco (400), Mountain Lion (30), Mink Tail (750), Kangaroo (400), Panther (80), Lamb (450), Ocelot (1200), Rabbit (1250), Pahrni (100), Squirrel Tails (145 lbs.), Tanuki (700), Wallaroo (35), Wallaby (60), Wool Seal (100).

Purchasers will be allowed a discount of 1% on all amounts paid on or before November 10th, which is the Prompt Day for the coming sale. All goods must be cleared and paid for on or before January 15. Catalogues will be ready and the warehouses open for the inspection of merchandise on October 1st and the days following.

New York Fur Auction Sales Corporation

48-52 Great Jones Street, New York

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Confidence in the public's ability to absorb fur garments at once higher prices than those now prevailing was shown at the opening of the auction of International Fur Exchange in St. Louis. Nearly all furs showing sharp advances both over the sale last spring and the auction of last October. More than 600 dealers were present at the sale and bidding on all offerings was spirited. A record price of \$115 for real sealskin and \$500 for blue fox kits were taken as indications that all prices were due for advances.

Retailers and manufacturing furriers are doing a remarkable business the best for the fur trade ever has known. Coats and wraps continue to lead the market because of the shortage of materials for conversion into Hudson seal, substitutes of all kinds are gaining favor and reaching new high price levels. Neckpieces and mufflers are becoming more popular with the approach of colder weather. Manufacturers of these are asking from two to six weeks for delivery, when orders are booked because of the help shortage and delays that only a few showing shirts and dressing plants. Fully 90 per cent of the furs sold to-day, it is said, are dyed. This not only increases their cost but adds to the delay in the finished garments.

In the face of the threatened strike of union workers at the steel mills to begin at a high rate and there is little evidence that the United States Steel Corporation and the so-called independent anticipate a serious interruption of their business. That some curbing is being exercised, however, in taking out the United States Steel Corporation and the so-called independent is anticipated a serious interruption of their business. That some curbing is being exercised, however, in taking out the United States Steel Corporation and the so-called independent is anticipated a serious interruption of their business.

Some shading of prices has been noted in the steel market, showing that the market for steel plates is rather definite break has occurred. While 2.65 cents a pound is still the quotation with leading manufacturers, substantial offerings are being made at 2.50 cents. Continued increase in building activity is being reflected in the improved demand for structural steel.

New Issue

150,000 Shares

V. VIVAUDOU, Inc.

(Incorporated under the laws of the State of Delaware) Manufacturers and Distributors of

Perfumes, Talcum Powder, Face Powder, Tooth Paste and Other Toilet Articles

CAPITALIZATION

Authorized and to be presently issued, 300,000 shares of no par value No Bonds or Preferred Stock

GUARANTY TRUST COMPANY OF NEW YORK, Transfer Agent METROPOLITAN TRUST COMPANY, NEW YORK, Registrar

We summarize from the President's letter, Mr. V. Vivaudou, as follows:

Sales are now at the rate of \$5,000,000 per annum.

Manufactures: In the manufacture of talcum powder, face powder, perfumes and other toilet articles this company is one of the largest concerns in the world. Some of the company's trade names are "Mavis," "Lady Mary," "La Boheme," "Fleur de France."

Earnings: Net earnings from operations are at the rate of \$1,200,000 per annum, with the present four plants running to capacity supplying only 60% of the demand, and orders are constantly increasing in volume.

Purpose of Issue: The new financing will provide approximately \$1,500,000 additional cash working capital, which will enable the company greatly to expand its manufacturing facilities and further develop its growing export business.

Application will be made to list this issue on the New York Stock Exchange.

Subscription books will open on Monday, September 15, 1919, at 10 a. m., and will close the same day. All applications subject to allotment.

PRICE \$31 A SHARE

J. S. BACHE & CO. S. M. SCHATZKIN 42 Broadway, New York 69 New Street, New York

We do not guarantee the above information but have obtained it from sources which we believe to be reliable.

Curb Market

Note: The Tribune assumes no responsibility for the accuracy or authenticity of the transactions and prices for the week ending September 12 were as follows:

Table of Curb Market prices for various commodities like Wheat, Corn, Soybeans, etc.

Table of Bonds prices for various government and corporate bonds.

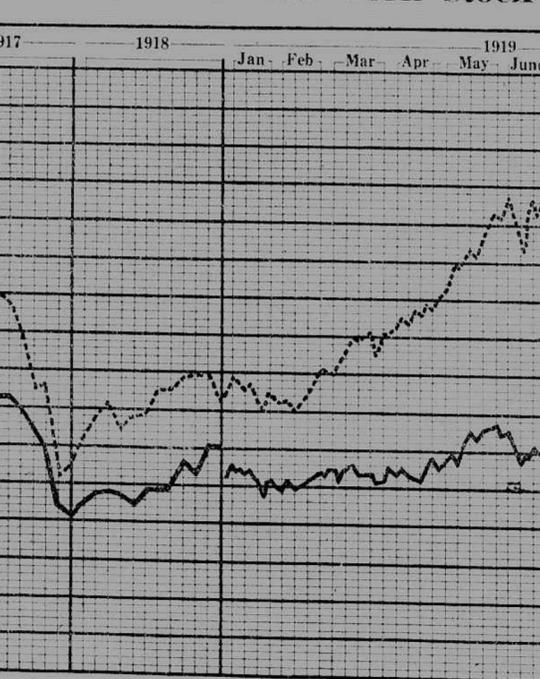
Table of Mining Stocks prices for various mining companies.

Table of Standard Oil Subsidiaries prices for various oil companies.

Table of Other Oil Stocks prices for various oil companies.

Table of other stock prices including various industrial and utility stocks.

Price Trend on the New York Stock Market



The graph above shows average price of twenty railroad stocks in one line and thirty industrial stocks in the other prices since January 1, 1919.

Cotton Goods

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Silks

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Leather

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Rubber

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Furs

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Basic Metals

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Chemicals

Purchases of chemicals last week were smaller in volume than the week previous. The decline may be attributed chiefly to the curbing of the foreign exchanges. This discouraged buying for export.