Business Continues to Drop

By JAY LOVESTONE.

THE leading financial observers continue to see a steady drop in business. Employment is failing in many industries, prices are declining in some cases, and wage cuts are increasing in frequency.

The latest view of the situation according to Dun's is summed up as follows:

"A thirty per cent decline in steel output in about two months measures the sharp reaction that has occurred in that quarter; coal mining has fallen off; some textile units are running at only 50 per cent of capacity, and in most other lines curtailment has been forced by the decrease in new orders. Nearly all reports tell of unusual caution among buyers, of their continued disinclination to purchase beyond their immediate needs, and of increasing competition among sellers that causes price concessions in both raw materials and manufactured products.

"No check to the curtailment of steel output has yet come, the industry now operating at about 65 per cent rate. This marks a reduction of 5 per cent during the week, and contrasts sharply with the average of around 90 per cent reached last March."

The situation is especially critical in the textile market where at Fall River, for instance, the sales of print cloth last week were only at 10 per cent of capacity.

Chronicle Takes Same Dark View.

The Commercial & Financial Chronicle sees the situation in the same dark light. Its latest review of the present economic conditions is as follows:

"The flour trade has been slow. As a rule shoe manufacturing business has been unsatisfactory, altho in parts of New England there are signs of improvement. Iron and steel has remained dull and prices have doclined further. Output has also fallen off. Other metals have also declined. As the case stands, the output of steel mills is variously estimated at 55 to 62 per cent, as against 90 at the high point in March. Prices of carpets have recently declined. The bad weather this spring has also reacted on the petroleum trade, especially on gasoline, because of the restriction of travel. The lumber trade is less active, and the same is true of the demand for furniture. Building, tho still on a large scale, is not so active as recently. . . . One indication of the dullness in the big industries of the country is the fact that bituminous coal is the smallest for years past. It is a kind of barometer.

Wage Reductions Increase.

The lack of snap in business the country over is being seized upon by the employers for launching a wage cutting campaign. In Fall River an attempt is being made to slash wages 20 per cent. Carpet mills have tried to reduce the workers' pay by 20 per cent. Some railroads have already reduced wages. At the shoe factories in Haverhill, Mass., wages were reduced 20 per cent on May 21st. At Birmingham, Alabama, the Republic Iron & Steel Co. has cut wages 10 to 15 per cent. To date, five iron companies have cut wages in this state. Several independent coal companies, among whom are to be found the Pratt Consolidated and the De Hardeben, the largest in the field, have also cut wages.

Some railroads are reducing their force of employes as a preliminary to cutting wages. The executives of the principal railroads thruout the country are now considering a plan for instituting a five-day week amongst the shop crafts. The Reading Railway has already adopted a shorter week. The Baltimore & Ohio has instituted the shorter week amongst the twenty thousand men in its Montclair shop.

At this moment the textile industry seems to be the hardest hit. In Fall River, Mass., two-thirds of the spindles are idle. In New Bedford, the same state, the cotton spindles are running 50 per cent. In Lawrence and Lowell at about the same rate.

In New Hampshire, the Nashua Manufacturing Co. has been closed for some time. The Amoskeag, one of the largest textile corporations in the world, is running on a four-day schedule. All in all, a very small number of the 200,000 workers in New England cotton plants are employed full time.