

Seventeenth Annual Report
of the
**FEDERAL RESERVE BANK
OF PHILADELPHIA**



Made to the Federal Reserve Board
for the Third Federal Reserve District
by the Chairman of the Board
and Federal Reserve Agent

1931

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Letter of Transmittal

March 19, 1932.

Federal Reserve Board,
Washington, D. C.

Sirs:—

I have the honor to transmit herewith the seventeenth annual report on the operations of the Federal Reserve Bank of Philadelphia, covering the year 1931.

Very truly yours,

R. L. AUSTIN

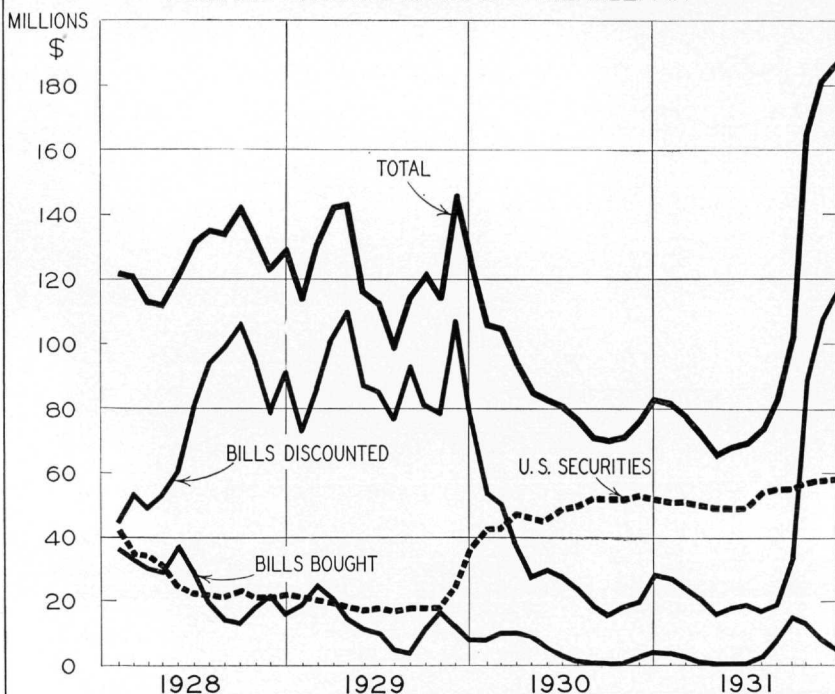
*Chairman of the Board and
Federal Reserve Agent*

CONTENTS

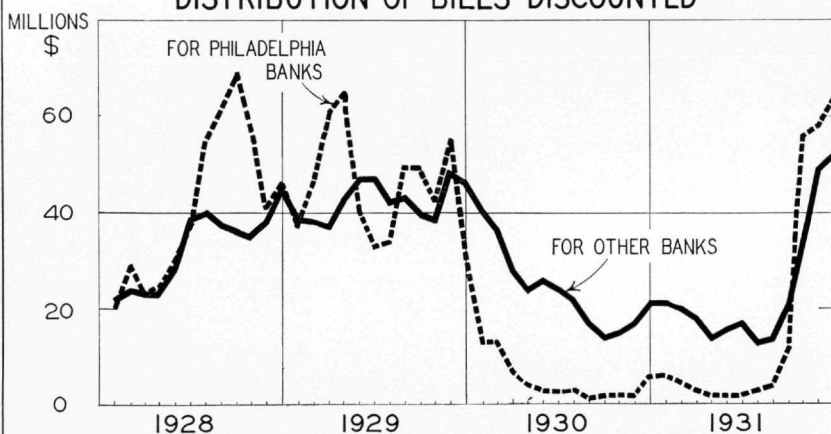
	Page
Profit and loss account.....	5
Statement of condition.....	7
Trade and industrial conditions.....	9
Financial changes:	
Member banks	13
Federal Reserve Bank.....	16
Money rates	20
Federal reserve notes.....	21
Departmental operations	22
Personnel	24
Banks of the district.....	25
The National Credit Corporation.....	26
Membership in the system.....	27
Fiduciary powers	28
Member bank earnings and expenses.....	28
Banking and business statistics.....	29

BILL AND SECURITY HOLDINGS

FEDERAL RESERVE BANK OF PHILADELPHIA



DISTRIBUTION OF BILLS DISCOUNTED



Annual Report of the Federal Reserve Bank of Philadelphia for 1931

Business activity and prices of commodities and securities declined substantially in 1931. Reflecting these conditions, the volume of member bank loans decreased and over much of the year the need for reserve bank credit in this district was small. But in the fall, troubled banking conditions were accompanied by a particularly strong demand for currency, a sharp increase in borrowings from this bank, and numerous bank suspensions.

Profit and loss account

	1931	1930	1929
Earnings:			
From bills discounted.....	\$1,407,303	\$1,217,736	\$4,493,786
From bills bought.....	213,784	155,562	666,005
From United States securities.....	969,430	1,521,825	808,116
From other sources.....	123,498	101,119	108,141
Gross earnings	\$2,714,015	\$2,996,242	\$6,076,048
Current expenses	1,985,585	2,041,627	2,197,891
Current net earnings	\$728,430	\$954,615	\$3,878,157
Additions to current net earnings.....	\$219,038	\$192,688	\$1,181
Deductions from current net earnings....	63,296	44,533	77,350
Net additions.....	\$155,742	\$148,155	\$76,169*
Net earnings available for dividends, surplus and franchise tax	\$884,172	\$1,102,770	\$3,801,988
Distribution of net earnings:			
Dividends paid.....	\$1,004,835	\$1,002,601	\$938,312
Paid to Government as a franchise tax..	0	0	0
Transferred to surplus account.....	120,663#	100,169	2,863,676

* Net deduction.

Withdrawn from surplus.

Income received from discounted bills during the first nine months of 1931 was only \$526,000, about half the amount earned a year earlier, owing partly to lower discount rates; the volume

of discounts during the last quarter, however, was so heavy that the total amount earned in the year was raised to \$1,407,000 or \$190,000 more than in 1930. Lower rates of return also affected the income from United States securities, which dropped more than one-third from 1930 despite the fact that holdings of these securities were greater in 1931.

Gross earnings totaled \$2,714,015 as compared with \$2,996,242 in 1930; current expenses also declined, being the lowest since 1919, so that the decline in current net earnings was only from \$954,615 to \$728,430. Additions to these earnings, largely due to profit realized on the sale of United States securities, raised net earnings to \$884,172, although this was the lowest amount since 1924. It was not sufficient to meet dividend payments of \$1,004,835, so that \$120,663 had to be taken from surplus; this was the first time since 1916 that earnings failed to equal dividends. The surplus was further reduced by a charge of \$458,716, reserved for depreciation on United States bonds.

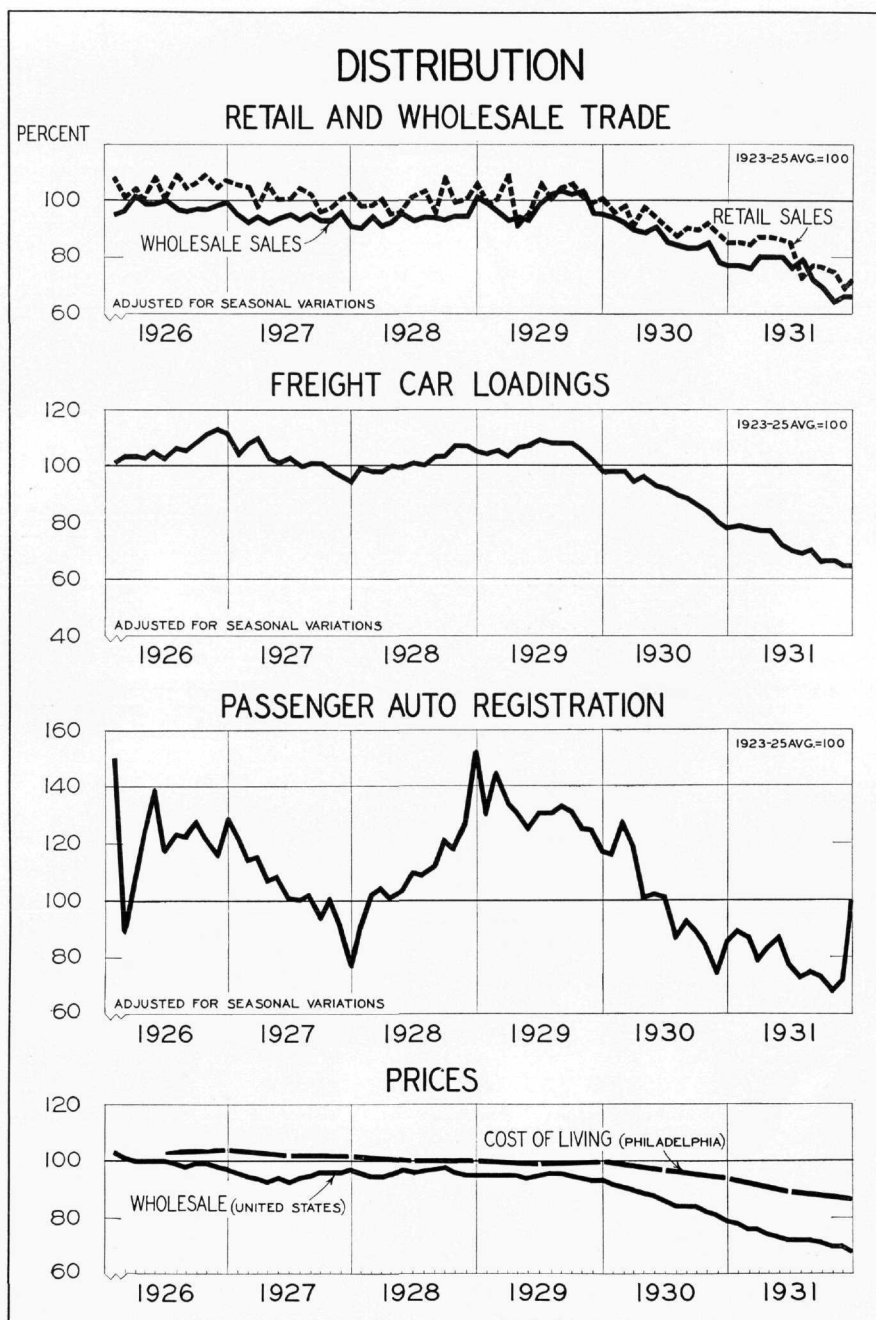
A departmental distribution of current expenses is given below:

	1931	1930	1929
Maintaining the accounts of the bank.....	\$ 95,648	\$ 97,713	\$ 97,701
Loans and discounts.....	58,014	54,075	55,734
Currency and coin*.....	360,656	390,237	423,349
Transit and collections.....	434,336	432,758	451,798
Fiscal agency functions.....	20,975	25,383	31,459
Custody of securities, including purchases and sales.....	71,505	68,370	71,404
Transfer and telegraphic service.....	27,279	26,983	21,669
Official salaries and supervisory expenses...	159,779	158,739	162,165
Federal reserve agent's department: (Custody of collateral against federal reserve notes, note issues, bank examination, library, statistical and business reporting and analysis work).....	91,434	88,709	85,813
Maintaining the general audit.....	59,966	60,093	59,362
Bank relations.....	19,206	18,182	15,801
Insurance (other than on currency, coin and security shipments).....	32,285	32,476	33,117
Operation of banking house.....	150,836	154,412	165,319
This bank's portion of Federal Reserve Board expenses.....	71,036	78,901	75,170
Miscellaneous.....	178,055	174,141	169,467
Totals*.....	\$1,831,010	\$1,861,172	\$1,919,328
Cost of federal reserve currency.....	154,575	180,455	278,563
Total current expenses.....	\$1,985,585	\$2,041,627	\$2,197,891

* Omitting cost of federal reserve currency.

Statement of condition

(000's omitted)	December 31, 1931	December 31, 1930	Changes
RESOURCES			
Gold reserves.....	\$227,704	\$238,552	-\$10,848
Reserves other than gold.....	15,237	8,874	+ 6,363
Total reserves.....	\$242,941	\$247,426	- \$4,485
Non-reserve cash.....	3,656	5,146	- 1,490
Bills discounted:			
Secured by government obligations.....	48,295	10,272	+ 38,023
Other bills discounted.....	68,117	15,391	+ 52,726
Total bills discounted.....	\$116,412	\$25,663	+\$90,749
Bills bought.....	4,065	3,496	+ 569
United States securities.....	68,652	54,204	+ 14,448
Other securities.....	5,610	610	+ 5,000
Total bills and securities.....	\$194,739	\$83,973	+\$110,766
Due from foreign banks.....	904	68	+ 836
Federal reserve notes of other banks.....	624	350	+ 274
Uncollected items.....	43,558	51,802	- 8,244
Bank premises.....	2,626	2,614	+ 12
Claims account—closed or suspended banks.....	1,152	40	+ 1,112
All other resources.....	245	95	+ 150
Total resources.....	\$490,445	\$391,514	+ \$98,931
LIABILITIES			
Federal reserve notes in circulation....	\$269,372	\$153,727	+\$115,645
Deposits:			
Member bank—reserve account.....	123,939	142,539	- 18,600
Government.....	3,551	1,344	+ 2,207
Foreign bank.....	7,609	558	+ 7,051
Other deposits.....	391	163	+ 228
Total deposits.....	\$135,490	\$144,604	- \$9,114
Deferred availability items.....	41,826	49,256	- 7,430
Capital paid in.....	16,600	16,793	- 193
Surplus.....	26,486	27,065	- 579
Depreciation reserve on U. S. bonds.....	475	16	+ 459
All other liabilities.....	196	53	+ 143
Total liabilities.....	\$490,445	\$391,514	+ \$98,931
Ratio of total reserves to deposit and federal reserve note liabilities combined....	60.0%	82.9%	- 22.9%
Contingent liability on bills purchased for foreign correspondents.....	\$24,604	\$42,147	- \$17,543



Trade and industrial conditions in the Philadelphia Federal Reserve District

The volume of business in 1931 continued the downward trend which commenced in 1929, so that trade and industrial activity reached the lowest level in many years. Prices of all types of commodities, securities, and real estate declined almost steadily.

The general wholesale commodity price index in 1931 was the lowest since the early war days; it was 18 per cent below 1930 and only two per cent higher than in 1913. Prices of farm products showed the most drastic decline, being 9 per cent lower in 1931 than 1913, while foods were 15 per cent and other commodities, chiefly manufactures, 5 per cent above the pre-war level. The price recessions of the past two years have reacted adversely on business, finance, and credit in this district as in the country, resulting in greater uncertainty and impairment of confidence than in the previous year.

The value of mercantile trade declined sharply. Retail sales were 13 per cent smaller than in 1930 and 21 per cent less than in 1929. Sales at wholesale declined 15 per cent from the previous year and were 26 per cent below those of two years earlier. Stocks of merchandise carried by retail and wholesale establishments decreased correspondingly. Buying of new passenger automobiles, as indicated by registrations, also was curtailed.

Shipments of commodities by railroad freight in this section were noticeably on the decline throughout the greater part of the year, reaching the smallest volume in the last decade. While a portion of this decline may be attributed to deliveries of merchandise by truck, the principal cause of the reduction in loadings, amounting to 21 per cent from a year ago and 33 per cent from 1929, was the marked falling off in the volume of trade and industrial output.

The value of foreign trade, as indicated by shipments at the port of Philadelphia, was substantially smaller than last year. Exports were 27 per cent and imports 30 per cent less than in 1930; custom receipts also showed a loss of 22 per cent. In the country as a whole, exports dropped 37 per cent and imports 32 per cent.

Production of manufactures continued the declining trend of the previous year. The index of manufacturing activity was 76.7

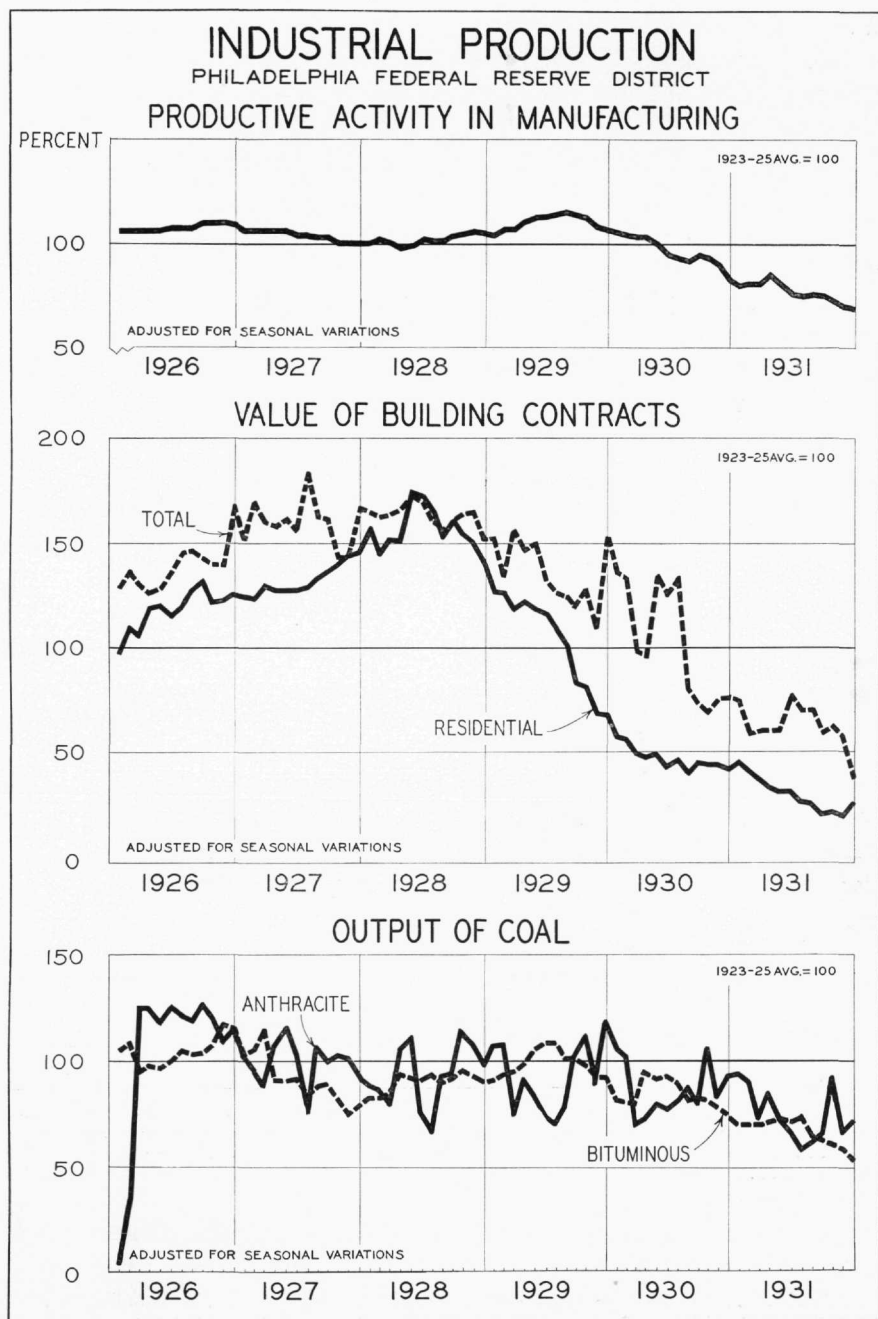
per cent of the 1923-25 average, showing a drop of 20 per cent from a year ago and of 31 per cent from 1929 which was an exceptionally high year in manufacturing. The most drastic curtailment occurred in the output of such producers' goods as heavy metal products used for equipment purposes, whereas the output of consumers' goods, such as textile products and shoes, held its ground, owing partly to reduced supplies in distributing and producing channels and to the wearing out of consumers' stocks. Carry-over of manufactured products as well as of raw materials and commodities for further manufacture by local plants has been rather low in comparison with the preceding two years.

Factory employment was 17 per cent smaller and wage payments 29 per cent less than in 1930; compared with 1929 employment declined 24 per cent and wage payments 40 per cent. The decrease in factory wage earnings was due to reduction in operating time as well as in wage rates. Employment averaged about 766,000 workers, the shrinkage from 1930 approximating 156,000 workers. The weekly average of wages paid was nearly \$16,000,000, a decline from 1930 of almost \$7,000,000 a week.

Output of coal mines reflected unfavorable industrial and weather conditions. Production of anthracite was 14 per cent smaller than in the previous year and 19 per cent less than two years ago. Similarly production of bituminous coal declined 21 per cent from 1930 and 32 per cent from 1929.

Activity in building and general contracting showed a smaller degree of fluctuation, though at a considerably lower level, than in the previous two years. The value of contract awards in the aggregate declined 43 per cent from 1930 and 53 per cent from 1929. The drop in contracts let for residential buildings amounted to 40 per cent as compared with the previous year and 73 per cent from two years ago. These declines were due to lower construction costs and to conditions within the industry itself as well as to business generally. Employment and wage earnings in building trades appear to have been more severely affected than those in other major industries.

The real estate situation continued to reflect declining prices and exceptionally numerous foreclosures. Forced sales, as measured by the number of writs issued in Philadelphia, reached the largest volume in thirteen years. They exceeded the 1930 figure by 21 per cent and were 51 per cent greater than in 1929. Such renting demand as existed throughout the year was restricted



mainly to the less expensive dwellings, and vacancies exceeded those in the preceding two years. Rents in Philadelphia were 7 per cent lower than in the previous year and 10 per cent less than two years ago, but 40 per cent higher than in 1914. Funds for financing new purchases have been rather scarce, particularly in larger industrial cities, and there has been more than the usual demand for the reduction of mortgages. Difficulties also have been noticed in meeting such fixed charges as taxes and interest as well as payment of rent.

Farm crop yields on the whole were larger than in 1930 and compared favorably with the ten year average, even though the acreage harvested was smaller. The value of crops, however, was only 75 per cent of that in 1930 and 66 per cent of that in 1929, indicating a sharp reduction in prices. Income of local farmers from livestock and livestock products, particularly dairy and poultry, while reduced in comparison with other years because of lower prices, provided means with which to meet most of their expenses, including taxes and interest charges on obligations, probably with less difficulty than was the case in urban industrial sections. The supply of farm labor was greater than normal requirements, exceeding that of 1930, owing partly to the influx of industrial workers in search of livelihood on farms. Wage rates and earnings of hired farm hands declined.

Retail prices in 1931 declined more sharply than in the preceding year, so that the cost of living has been reduced further. The table below gives percentage changes in the index of the cost of living based on the family budget requirements of industrial workers.

Items included in the cost of living	Per cent change December 1931 compared with							
	December 1930			December 1929			December 1914	
	U. S.	Phila.	Scranton	U. S.	Phila.	Scranton	U. S.	Phila.
Food.....	-16.7	-12.9	-16.0	-27.7	-25.0	-27.5	+ 8.9	+ 17.0
Clothing.....	-11.4	-13.9	-16.1	-15.6	-17.1	-18.3	+34.2	+ 42.0
Housing.....	- 7.0	- 7.2	- 4.6	-10.3	-10.4	- 7.4	+36.2	+ 40.3
Fuel and light..	- 4.0	- 2.1	+ 2.0	- 6.0	+ 2.9	+ 1.1	+66.3	+ 91.7
House furnishings	-11.3	-12.1	-12.7	-15.5	-16.6	-14.8	+60.7	+ 54.1
Miscellaneous...	- 1.3	- 1.4	- 1.0	- 1.2	- 1.6	- 1.3	+99.4	+117.6
Total.....	- 9.3	- 8.5	- 9.3	-14.9	-14.0	-14.8	+41.6	+ 50.5

Source: United States Bureau of Labor Statistics

Financial changes in the Philadelphia district

Member banks

The accumulation of deposits, which had been so characteristic of the reports of member banks during 1930, continued in the early months of 1931 and the April peak was the highest on record. This increase was confined largely to Philadelphia banks and reflected gains in individual deposits and in balances held for other banks, as well as in deposits credited to the government in payment for new issues of United States securities.

From the high point in April there was a pronounced and rather steady decline in net demand deposits, but the high in time deposits was not reached until August. The sum of these two classes of deposits decreased in May and June, but showed little change in July and August. The exceptional demand for currency which followed caused marked declines in deposits, in September, October and early November. On October 3 the Clearing House Committee of the Philadelphia Clearing House Association adopted a resolution reading in part: ". . . that all financial institutions in this city having saving fund deposits or other time deposits require that notice be given as provided by the terms of the agreement as contained in the pass books or other forms of contract." Part of the reduction in time deposits in November and December no doubt reflected the transfer of deposits from the time to the demand classification as notices given by depositors expired. The continued falling off in the total of net demand and time deposits later in November and in December in part was due to the repayment of loans and possibly in part to withdrawals of currency.

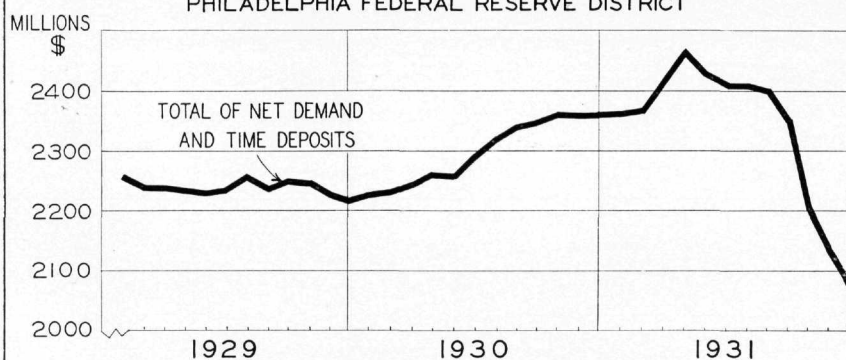
The following table gives changes in the loans and investments of all member banks. Although the figures have been affected by

(000,000's omitted)	December 31		Changes
	1931	1930	
Loans to banks.....	\$53	\$56	— \$3
Loans to other customers:			
Secured by stocks and bonds.....	535	669	— 134
All other	915	986	— 71
Loans to open market*.....	18	56	— 38
United States securities.....	337	219	+ 118
Other securities.....	700	747	— 47
Total loans and investments.....	\$2,558	\$2,733	—\$175

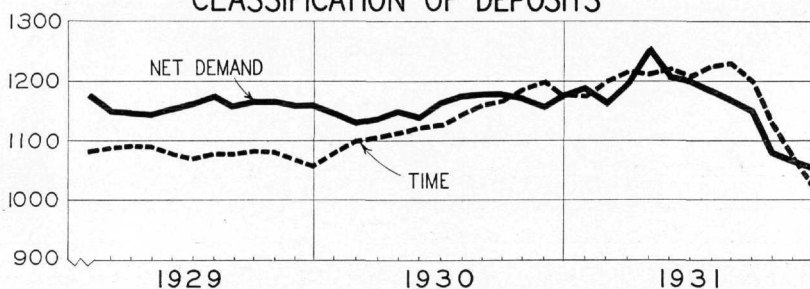
* Includes bought commercial paper and bankers' acceptances, and loans on securities to New York City brokers.

MEMBER BANK DEPOSITS

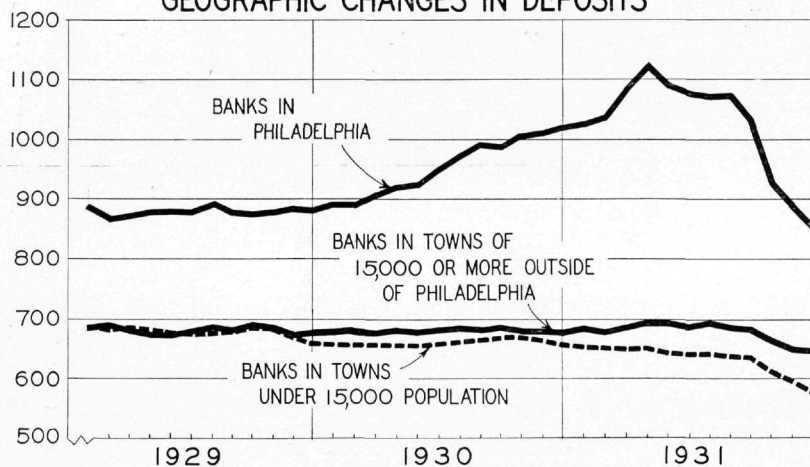
PHILADELPHIA FEDERAL RESERVE DISTRICT



CLASSIFICATION OF DEPOSITS

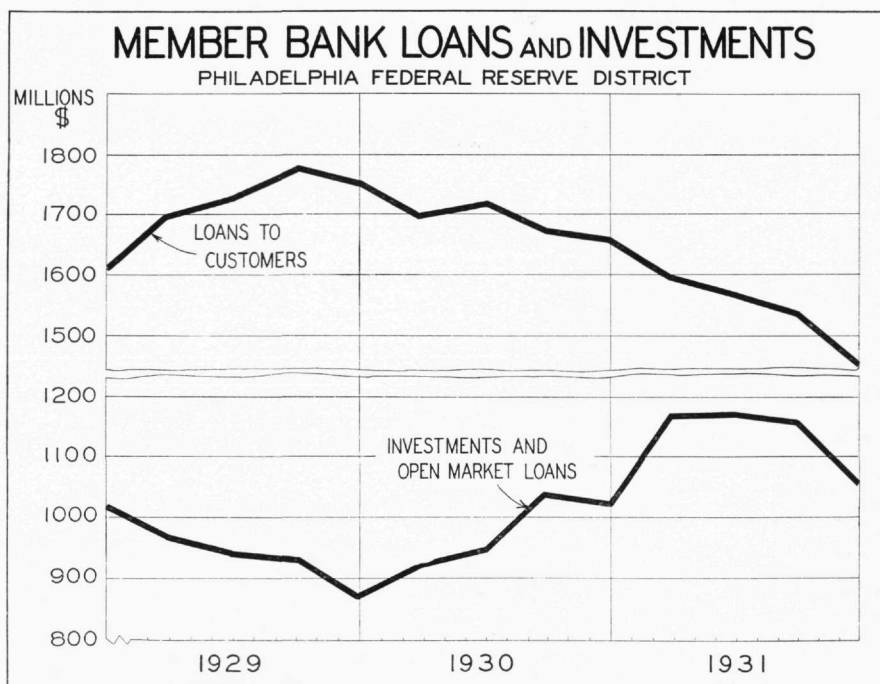


GEOGRAPHIC CHANGES IN DEPOSITS



bank suspensions during the year, the influence of these was offset largely by the absorption of nonmember banks by member banks.

The figures reveal a large decline in indebtedness to the banks, a tendency which was rather general throughout the year and which was one of the factors explaining the reduction in deposits. No doubt the decrease in loans was due in large part to diminished industrial activity and to lower prices for commodities and securities which lessened the amount of bank loans required to finance business transactions. In so far as the reduction in deposits was due to currency withdrawals, this reduction in loaning power may have caused the banks to restrict credits; this may have been supplemented by the desire to attain a more liquid position in preparation for possible additional withdrawals.



The liquidity of the member banks as a whole was increased by the accumulation of United States securities, which are acceptable as collateral for borrowings from the Federal Reserve Bank. Although holdings of other securities and loans to the open market decreased in the year, the proportion of total investments and open market loans to member bank credit increased from 37 per cent at the end of 1930 to 41 per cent on December 31, 1931.

Federal Reserve Bank

Up to September the banks had little occasion to borrow from the reserve bank as they adjusted fluctuations in their reserves largely by changes in investments, open market loans, or balances with other banks. From 26 millions at the beginning of the year, bills discounted by this bank declined slowly. After early March bills discounted did not, even for a single day, rise above 25 millions until September, although there was an unusual demand for currency in May. The call for currency during September and October, incident to disturbed banking conditions around Scranton and Philadelphia, was exceedingly strong; in fact, in the period from September 2 to November 12 currency payments to the banks exceeded receipts from them by 130 millions, and in one week alone, the first in October, the excess was nearly 50 millions. Although the banks met this demand in part by the sale of investments, they also borrowed heavily from the reserve bank; bills discounted rose from 18 millions on September 2 to 118 millions on November 12. The demand on us for currency over the balance of the year did not come up to usual seasonal expectations, but borrowings from the reserve bank remained in excess of 100 millions, rising as high as 138 millions at a time when the government was withdrawing large sums from depositories. At the end of the year rediscounts for member banks amounted to 116 millions.

(000,000's omitted)	Bills discounted	Bills bought	U. S. securities	Other securities*	Totals
Annual averages:					
1927.....	\$42	\$18	\$29	\$1	\$ 90
1928.....	75	25	26	#	126
1929.....	89	13	20	1	123
1930.....	29	4	49	1	83
1931.....	42	5	53	2	102
Monthly averages:					
1930—Dec.....	28	3	52	#	83
1931—Jan.....	27	4	51	#	82
Feb.....	24	3	51	0	78
Mar.....	21	1	50	0	72
Apr.....	16	#	49	0	65
May.....	18	#	49	0	67
June.....	19	#	49	1	69
July.....	16	3	54	1	74
Aug.....	18	8	55	1	82
Sept.....	32	15	55	1	103
Oct.....	89	13	57	5	164
Nov.....	108	7	58	8	181
Dec.....	117	5	58	7	187

* Including foreign loans on gold.

Less than \$1,000,000.



The bank's holdings of purchased bills decreased from $3\frac{1}{2}$ millions at the end of 1930 to an average of little more than 100 thousand dollars in April, May and June; they increased to more than 17 millions in the middle of September and declined again to 4 millions at the close of the year. Purchases of bills within the district were small, and the changes in the total holdings represented almost entirely fluctuations in this bank's participation in foreign and domestic bills held for the account of the federal reserve system. Domestic bills increased from nothing in the middle of September to 8 millions in October and then declined to less than 1 million.

On January 1 the bank had $3\frac{1}{2}$ millions of foreign bills, but practically all of these were paid off by the spring. Subsequent extensions of credits to foreign central banks raised our holdings of such bills to 17 millions about the middle of September. Reductions followed from that time, so that by the close of the year the holdings of them were little over 3 millions.

Changes in the bank's holdings of United States securities reflected principally variations in its participation in system hold-

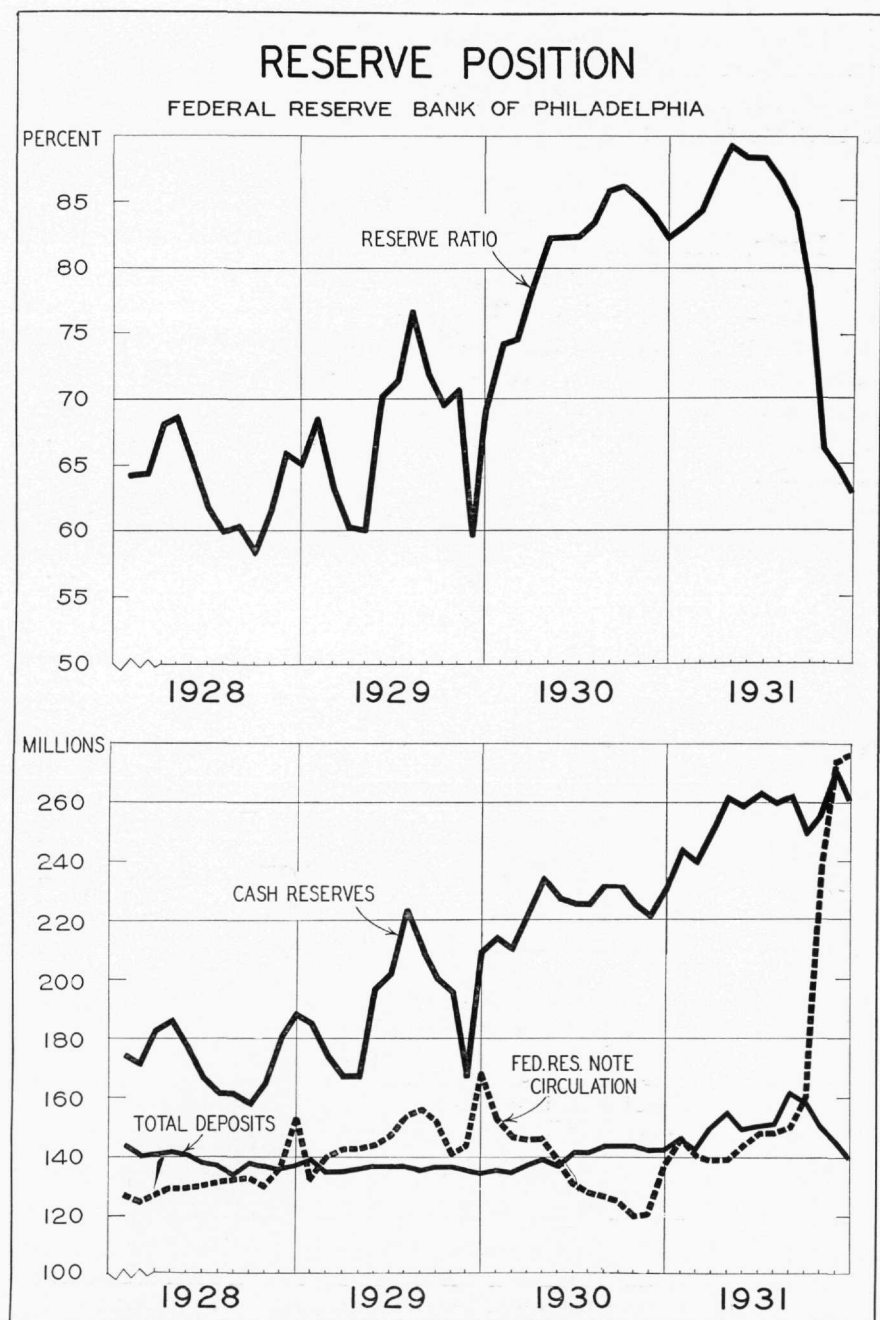
ings of such securities. Other securities, however, were made up for the most part of municipal warrants and Federal Intermediate Credit Bank debentures acquired from local banks.

The reserve ratio for the year—78.8 per cent—was little below that maintained in 1930, reflecting high ratios in the first nine months, and an average of 64.5 per cent for the last three months, and a ratio of 60 per cent at the end of the year. Cash reserves were larger than in 1930, but the deposit liability was greater and there was a large increase in federal reserve note circulation.

Although the annual average of member banks' reserve deposits was 141 millions, the December average was only 124 millions as compared with 141 millions a year earlier, reflecting the large decrease in deposits of member banks. The annual averages in the accompanying table show that the spread between member banks' reserve deposits and total deposits was greater in 1931 than in any of the three preceding years. This was due to the larger volume of foreign bank deposits held during the last half of the year.

(000,000's omitted in dollar figures)	Member bank reserve deposits	Total deposits	Federal reserve note circulation	Cash reserves	Reserve ratio
Annual figures:					
1928.....	\$136	\$139	\$132	\$172	63.6%
1929.....	134	137	147	192	67.6 "
1930.....	138	140	135	225	81.7 "
1931.....	141	150	175	257	78.8 "
Monthly figures:					
1930—Dec.....	141	143	138	231	82.2 "
1931—Jan.....	144	147	146	244	83.2 "
Feb.....	141	143	141	239	84.3 "
Mar.....	146	150	139	251	86.9 "
Apr.....	151	155	139	262	89.2 "
May.....	147	149	144	259	88.4 "
June.....	145	151	148	263	88.3 "
July.....	146	152	148	260	86.6 "
Aug.....	144	161	150	262	84.3 "
Sept.....	140	158	161	249	78.1 "
Oct.....	131	150	238	256	66.0 "
Nov.....	128	145	274	271	64.5 "
Dec.....	124	139	276	261	62.8 "

There was a decline from March to October in the federal reserve system's contingent liability on bills purchased for foreign correspondents. This was particularly marked in the third quarter of the year and was roughly paralleled by an increase in balances maintained with the system by foreign banks. This bank was a party to these operations, and its statements show a decline in

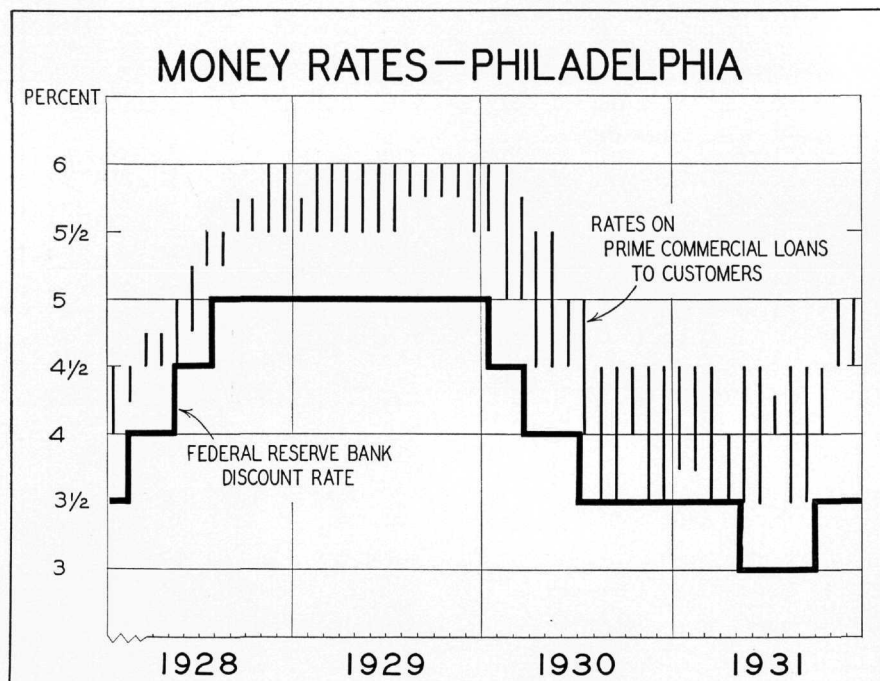


the contingent liability on such bills from 34 millions on July 1 to 4 millions on October 14, while its share of foreign bank deposits increased from 3 to 22 millions. The trends then were reversed and by the end of the year the liability on bills had increased to 25 millions and foreign bank deposits had declined to 7½ millions.

Money rates

During the first half of 1931 there was little change in Philadelphia in the rates charged customers on prime commercial loans, although rates for commercial paper and bankers' bills declined about one per cent in the open market. The low demand for reserve bank credit in this district, the very high reserve ratio of the bank, and the lower market rates were the principal factors which led the directors of this bank to reduce the discount rate from 3½ to 3 per cent, effective May 7.

Over most of the summer, money rates changed little and there was a continued absence of demand for credit from this bank, but in the early fall, there was a rapid rise in borrowings from the reserve bank and, following the departure of England from the gold



standard in September, the country lost more gold than it had gained in earlier months of the year. Discount rates of most of the reserve banks were raised and open market rates rose to the highest point since early 1930. Rates on commercial loans increased locally and this bank raised its discount rate from 3 to 3½ per cent, effective October 22. In the last two months of the year changes in money rates were comparatively small.

Action was taken by the Philadelphia Clearing House Association to regulate maximum rates of interest to be paid on deposits by its member banks. The first action was effective February 1 and two revisions were made subsequently.

	Feb. 1	Apr. 10	June 1
Maximum rates on—			
1. Demand deposits of other banks, trust companies and private bankers in the United States or Canada, except mutual savings banks.....	2 %	1½%	1 %
2. Demand deposits of mutual savings banks.....	2½“	2“	1½“
3. Demand deposits or certificates of deposit payable on less than 30 days' notice from individuals, firms or corporations.....	2 “	1½“	1 “
4. Time deposits and certificates of deposit payable on 30 days' notice or more.....	3 “	2½“	2 “

No maximum was set for savings deposits, but under the rules, time accounts of firms, corporations or co-partnerships can not be regarded as savings deposits.

Federal reserve notes

The exceedingly strong demand for currency which prevailed over part of 1931 was met by issues of federal reserve notes, as the following table shows:

(000,000's omitted)	1931	1930	1929	1928
New currency paid out by bank:				
Federal reserve notes.....	\$235	\$147	\$192	\$146
Gold certificates.....	22	51	39	31
Silver certificates.....	53	60	53	53
United States notes.....	26	30	25	25
Totals.....	\$336	\$288	\$309	\$255

Federal reserve notes in actual circulation increased from 153 to 269 millions during the year. Nearly 233 millions of new notes were issued to the bank, more than in any other year since the

bank started operations; of this total, 71 millions, or 30 per cent, was in notes of the \$100 denomination or higher, as compared with 11 per cent in 1930 and 7 per cent in 1929. Collateral requirements against note issues to the bank were supplied in part by the deposit of gold, but for the most part by discounted bills. Comparative year-end statements of notes issued follow:

(000's omitted)	December 31		
	1931	1930	1929
Notes received from comptroller.....	\$388,667	\$242,755	\$236,885
Notes on hand.....	93,600	61,620	44,300
Notes issued to bank (outstanding).....	\$295,067	\$181,135	\$192,585
Collateral held:			
Gold and gold certificates on hand.....	\$54,700	\$38,700	\$40,200
Gold fund—Federal Reserve Board.....	125,300	121,300	96,400
Discounted and purchased bills.....	116,949	22,444	56,415
Total collateral held.....	\$296,949	\$182,444	\$193,015

More than 16 millions of federal reserve notes of the old, larger size issued by this bank still was outstanding at the end of 1931, a decline of less than 7 millions in the year. During each of the last five months, less than half a million dollars of these notes was presented for redemption.

Departmental operations

Comparative figures showing the activity of a number of the principal departments of the bank are given in the table following:

(000's omitted)	1931	1930	1929	1928
Number of pieces or transactions handled:				
Notes and bills discounted.....	68	51	60	41
Notes (currency) counted.....	199,377	211,091	215,030	214,881
Coins counted.....	308,220	334,963	331,780	328,886
Ordinary checks handled (including return items).....	70,134	72,846	70,234	67,522
U. S. government checks handled.....	2,130	1,929	1,952	1,963
Items payable at a future date (collection items):				
United States coupons paid.....	1,361	1,487	1,680	2,545
All other items.....	548	570	607	552
Transfers of funds.....	122	126	123	117
U. S. securities issued, redeemed, or exchanged.....	80	61	112	555

As a result of depressed business conditions and lower prices of commodities and securities, it was to be expected that the operations of some of the departments would show a decline in number of pieces handled and larger decreases in dollar amounts. Thus the number of transit checks, collections (other than United States coupons), and transfers of funds handled each show a decline of about 4 per cent from 1930 in number of items, but the falling off in dollars varied from 16 to 20 per cent. Discount operations and fiscal agency activities increased in 1931.

Among the special facilities for expediting the collection of checks are the wire settlement of clearing house balances, county clearings systems, and direct sending of transit items. At the end of 1931, twelve cities were availing themselves of our facilities for settling clearing house balances by wire; settlements handled in this manner totaled \$172,400,000 as compared with \$166,000,000 in 1930. Eight county clearings systems were in operation; 102 banks participated and \$48,300,000 of items were interchanged, balances being settled through the reserve bank, as against \$40,600,000 in 1930. Direct sendings of checks to other reserve banks by our member banks show a decline from \$7,700,000,000 to \$5,100,000,000, reflecting lower prices and a decrease in business operations.

Member banks have made greater use of our facilities for keeping securities in custody; an average balance of \$301,000,000 was held in 1931, as compared with \$260,000,000 in 1930. Securities and cash held for our own account and for the Treasurer of the United States averaged \$454,000,000 daily in 1931.

Six issues of United States certificates of indebtedness matured in 1931; original allotments to the district had totaled \$140,700,000 and the amount redeemed here was \$45,200,000 or 32 per cent. New issues during the year included six series of certificates, three of Treasury bonds and one of Treasury notes; total subscriptions were \$1,120,200,000, and allotments to the district, \$323,900,000.

Personnel

Board of Directors

Class	Name	Residence	Term expires
A.	Group 1 Joseph Wayne, Jr., President, Philadelphia National Bank, Philadelphia, Pa.	Philadelphia, Pa.	December 31, 1932
	Group 2 George W. Reily, President, Harrisburg National Bank, Harrisburg, Pa.	Harrisburg, Pa.	December 31, 1933
	Group 3 John C. Cosgrove, Director, First National Bank, Hastings, Pa.	Johnstown, Pa.	December 31, 1931
B.	Group 1 C. Frederick C. Stout, Member, John R. Evans & Company, Philadelphia, Pa.	Ardmore, Pa.	December 31, 1931
	Group 2 Arthur W. Sewall, President, General Asphalt Company, Philadelphia, Pa.	Philadelphia, Pa.	December 31, 1932
	Group 3 J. Carl De La Cour, Vice-President, Wm. S. Scull Company, Camden, N. J.	Riverton, N. J.	December 31, 1933
C.	Richard L. Austin, Chairman of the Board	Philadelphia, Pa.	December 31, 1932
	Alba B. Johnson, Deputy Chair- man of the Board	Rosemont, Pa.	December 31, 1933
	Harry L. Cannon	Bridgeville, Del.	December 31, 1931

The regular elections held in the fall of 1931 resulted in the re-election of C. Frederick C. Stout as a class B director and John C. Cosgrove as a class A director for terms of three years each. In November, Arthur C. Dorrance, who represented the group 3 banks as a class B director, tendered his resignation, much to the regret of the board of directors. At a special election held in December, J. Carl De La Cour, vice president of the Wm. S. Scull Company of Camden, New Jersey, was chosen to complete the unexpired term, which runs to December 31, 1933. Harry L. Cannon was reappointed as a class C director by the Federal Reserve Board for a term of three years from January 1, 1932.

Appointments by the Federal Reserve Board for the year 1931 included Richard L. Austin as chairman of the board and federal reserve agent, Alba B. Johnson as deputy chairman of the board, and Arthur E. Post and Ernest C. Hill as assistant federal reserve agents.

Howard A. Loeb, chairman of the board of the Tradesmens National Bank and Trust Company of Philadelphia, represented this district on the Federal Advisory Council during 1931. The officers

of the bank, appointed by the directors, were: governor—George W. Norris; deputy governor—William H. Hutt; cashier and secretary—C. A. McIlhenny; assistant cashiers—W. J. Davis, J. M. Toy, R. M. Miller, Jr., S. R. Earl; comptroller—William G. McCreedy. The number of employees other than officers was 685 at the end of 1930 and 686 on December 31, 1931.

Banks of the district

Including one institution that reopened a few days after suspending operations, there were 101 bank suspensions in this district during 1931, of which 13 were in New Jersey and 88 in Pennsylvania. This compares with 10 in 1930 and 3 in 1929. Although more than three-fifths of the banks in the district are members of the federal reserve system, only 30 per cent of the banks that closed in 1931 were member banks. The proportion of deposits represented by closed banks was about 4 per cent of the total of all banks in operation at the beginning of the year.

These failures may be considered in large part a result of conditions which were an aftermath of the war. During the intense business activity and speculation of all kinds, which followed the war, and which culminated in 1929, many extravagances developed for which the nation has been paying during the last two years. Productive capacity was raised to extraordinary levels, building was carried on too freely, optimistic views as to earnings of corporations carried stock prices to unprecedented figures.

The readjustment which has been in progress scarcely could be expected to leave the banks unscathed. Sharp declines in commodity and stock prices and in real estate values affected the liquidity of many loans. Bond investments were affected by decreased earning power of issuing corporations, foreign difficulties, and forced liquidation by owners of securities. Despite these circumstances, there is reason to believe that many banks which have suspended could have survived had it not been for the lack of confidence which manifested itself in extraordinary withdrawals of deposits.

Excessive demands of frightened or disturbed depositors are difficult to control and may quickly result in suspension of a bank. This probably has been the cause of most failures in this district in the past year. Under present conditions the closing of a bank by no means is proof of incompetent management.

Beset by loan and investment problems in an aggravated form

and by other conditions incident to the public's lack of confidence, many bankers turned to the reserve bank for consultation. Nearly 2,000 visits were received from bank officers during 1931 and the members of the bank relations department made 1,800 visits to banks of the district. These visits and the activities of the bank examination department to a greater extent than ever before reflected the bankers' desire for advice in the handling of situations which had arisen outside of their usual operations.

The National Credit Corporation

In October the National Credit Corporation was organized by bankers "for the purpose of aiding and assisting banks throughout the United States to utilize their resources and credit so as to further the stabilization of financial and economic conditions and to enable them better to serve their respective communities." Through this corporation it was proposed that funds should be made available to solvent, going banks whose assets were not entirely liquid under existing conditions.

The corporation is administered by a board of twelve directors, one from each federal reserve district, and each director was called upon to organize within his district associations of banks which had subscribed to gold notes issued by the corporation; through these associations, the funds obtained from the subscriptions were to be loaned to banks which had applied for advances.

Livingston E. Jones, president of the First National Bank of Philadelphia, was appointed the director from this district. Seven associations were organized within the Third Federal Reserve District, taking in all of the district but the western tier of counties. The areas covered by the associations are outlined below:

- No. 1: Philadelphia, Chester, Delaware, Bucks and Montgomery counties in Pennsylvania. Mr. Howard A. Loeb, Chairman of the Board, Trademens National Bank and Trust Co., Philadelphia, Chairman.
- No. 2: State of Delaware. Mr. A. F. Crichton, President, Union National Bank, Wilmington, Delaware, Chairman.
- No. 3: Berks and Schuylkill counties in Pennsylvania. Mr. R. S. Meck, President, Farmers National Bank and Trust Company, Reading, Pa., Chairman.
- No. 4: Lehigh, Northampton, Carbon, Monroe, Pike, Wayne, Lackawanna, Luzerne, Sullivan, Wyoming, Susquehanna and Bradford counties in Pennsylvania. Mr. D. R. Atherton, Executive Vice President, First National Bank, Scranton, Pa., Chairman.

- No. 5: Lancaster, York, Adams, Franklin, Fulton, Cumberland, Dauphin, Lebanon, Perry, Juniata, and Mifflin counties in Pennsylvania. Mr. George Reily, President, Harrisburg National Bank, Harrisburg, Pa., Chairman.
- No. 6: Union, Snyder, Northumberland, Montour, Columbia, Lycoming, Clinton, Potter, and Tioga counties in Pennsylvania. Mr. James B. Graham, President, Lycoming Trust Co., Williamsport, Pa., Chairman.
- No. 7: That part of New Jersey in the Third Federal Reserve District. Mr. F. Morse Archer, President, First Camden National Bank & Trust Co., Camden, N. J., Chairman.

Loans made up to the end of the year within the district amounted to \$4,335,750, extended to 36 banks.

Membership in the system

In addition to the bank suspensions, the number of member banks in this district also was reduced by consolidations and absorptions; one new national bank was organized. Total membership declined from 753 to 715 in the course of the year, as shown in the table:

	National banks	State bank members	Totals
Active membership, December 31, 1930	669	84	753
Gains in 1931:			
Primary organization	1	0	1
Suspended bank reopened	1	0	1
Conversion from state member bank	1	0	1
	3	0	3
Losses during 1931:			
Suspensions	23	7	30
Consolidation or absorption by national banks	5	0	5
Consolidation or absorption by state member banks	1	2	3
Absorption by non-member banks	1	1	2
Conversion into national bank	0	1	1
	30	11	41
Active membership, December 31, 1931	642	73	715

Consolidations or absorptions of nonmember banks, whether for the purpose of continued operation or for liquidation, were numerous and the loans and investments so acquired by the member banks practically equalled the amounts lost to the system through suspensions or withdrawal from membership as a result

of absorption by nonmembers. On September 29 the loans and investments of the member banks were \$2,740,000,000, or 66 per cent of all banks in the district, a higher percentage than a year earlier:

	Loans and investments*		Per cent of members to total
	Member banks	All banks	
1929—Oct. 4.	\$2,755	\$4,505	61.2%
Dec. 31.	2,687	4,395	61.1 "
1930—Mar. 27.	2,671	4,353	61.4 "
June 30.	2,713	4,420	61.4 "
Sept. 24.	2,737	4,409	62.1 "
Dec. 31.	2,733	4,321	63.2 "
1931—Mar. 25.	2,813	4,385	64.1 "
June 30.	2,788	4,339	64.3 "
Sept. 29.	2,740	4,137	66.2 "

* 000,000's omitted.

Fiduciary powers

During 1931, three national banks were granted full fiduciary powers, but eleven banks, of which seven had full and four partial powers, were removed from the list as a result of consolidation, absorption by other banks, or suspension of operations. At the end of 1931, 289 national banks had such powers, 228 being in Pennsylvania, 51 in New Jersey and 10 in Delaware. Annual figures follow:

National banks having fiduciary powers	Number of banks granted		Totals
	Full powers	Partial powers	
December 31, 1927.	224	36	260
" 31, 1928.	254	32	286
" 31, 1929.	262	30	292
" 31, 1930.	268	29	297
" 31, 1931.	264	25	289

Member bank earnings and expenses

Net profits of member banks in the year ended June 30, 1931, were materially smaller than in the preceding year, owing in part to lower rates of return on loans and investments, but more largely to greater amounts charged off as losses on loans and investments. Dividend payments exceeded net profits in 1931. In both years interest paid on time deposits averaged about 3¼ per cent of

such deposits and aggregated more than 20 per cent of the gross earnings.

	Years ended June 30	
	1931	1930
	Ratios of average loans and investments	
Earnings:		
Interest, discount, and dividends received.....	5.26%	5.59%
Trust department earnings.....	.32 "	.31 "
Profit on securities sold.....	.23 "	.26 "
Other earnings.....	.28 "	.34 "
Gross earnings	6.09%	6.50%
Expenses:		
Salaries and wages paid.....	1.15%	1.16%
Interest paid on borrowed money.....	.06 "	.20 "
Interest paid on deposits.....	2.15 "	1.98 "
Taxes.....	.29 "	.31 "
Other expenses.....	.63 "	.67 "
Total expenses	4.28%	4.32%
Net earnings	1.81%	2.18%
Recoveries on charged-off assets.....	.06 "	.07 "
Net earnings and recoveries	1.87%	2.25%
Losses and depreciation charged off.....	1.30 "	.58 "
Net addition to profits57%	1.67%
Dividends paid.....	1.19 "	1.26 "

Banking and business statistics

In the interest of banking, credit and business administration, the Department of Research and Statistics has been making numerous improvements in the collection and analysis of financial, trade and industrial information for this district. Many new sets of indicators bearing on production and distribution of commodities have been added so that at present monthly and weekly series of figures covering nearly all important phases of business and banking activity are maintained in our files. This accumulation of important statistical data has been made possible through the continued cooperation of business men as well as private and official agencies.

The demand for information on business conditions, particularly by geographic divisions, has been heavy, a fact which is characteristic of depression periods. This demand has been satisfied

partly through advance monthly reports showing changes in trade and industrial activity and partly through the monthly bulletin, *The Business Review*. The advance information is issued as soon as the figures are assembled primarily for the benefit of the co-operating concerns, which send reports to us, while the regular bulletin is made available to the public in general at a somewhat later date. The aim of these reports is to give only a factual statement of business conditions in this district each month so that the reader can draw his own conclusions and apply them to his own line of activity. Weekly reports and analyses of business and banking conditions also have been prepared for the directors and officers of this bank, providing them with the necessary information on prevailing conditions in commerce, industry and agriculture.

Statistical data have been furnished weekly and monthly to the Federal Reserve Board for its administrative and research purposes and special studies have been made both for the benefit of the Board as well as this bank.

For many years this bank has been collecting figures bearing on changes and trends in the production and distribution of goods but until recently these statistics had not been so unified as to show current changes in the general activity of major industries. It has been thus extremely difficult to get even a rough measurement of general business activity because of the multitude of details which often display marked divergencies in their trend and seasonal variations. This is especially true of this district because of its unusually wide industrial diversification.

This problem has been solved partly by the construction of a new index of manufacturing, which is the most important industry in this district. This new index combines 45 sets of figures and provides a monthly measurement of changes in the rate and volume of output in the aggregate as well as by individual lines. The figures used in the index represent two-thirds of all manufactures of this district and so are considered as representative of current conditions.

As a supplement to production data, the collection of factory employment and payroll statistics has been expanded through the cooperation of the Pennsylvania Department of Labor and Industry and the United States Bureau of Labor Statistics. Indexes showing changes in the number of workers and the volume of payrolls have been made available to the public every month. The significance of these figures is found in the fact that they reflect not only variations in factory operation, but they are also reflective of pur-

The economic importance of the Philadelphia Federal Reserve District	Per cent this district of United States
Land area and population:	
Area—square miles.....	1.2%
Population, total.....	6.2 "
Population, gainfully employed.....	6.2 "
Banking, etc.:	
Resources of national and state banking institutions.....	7.6 "
Persons engaged in—	
Banking and brokerage.....	5.8 "
Insurance and real estate.....	5.7 "
Manufacturing:	
Wage earners.....	9.5 "
Wages.....	9.2 "
Cost of materials.....	7.7 "
Value of products.....	8.1 "
Value added by manufacture.....	8.6 "
Extraction of minerals:	
Anthracite coal.....	100.0 "
Bituminous coal.....	4.3 "
Persons engaged in—coal mines.....	27.7 "
Persons engaged in—others.....	4.2 "
Building:	
Contracts awarded*.....	7.7 "
Persons engaged in building industry.....	7.5 "
Families.....	6.0 "
Agriculture:	
Farm population (rural and urban).....	2.2 "
Number of farms.....	2.2 "
Land area in farms.....	1.2 "
Value of land in farms.....	1.3 "
Value of farm building and implements.....	4.3 "
Cash income.....	2.6 "
Volume of trade:	
Retail sales (60 cities).....	4.6 "
Wholesale sales.....	4.8 "
Automobile sales (registrations of new passenger automobiles).....	6.4 "
Persons engaged in retail and wholesale trades, except automobiles...	6.5 "
Port of Philadelphia—foreign and domestic trade**.....	6.7 "
Transportation and communication:	
Persons engaged in.....	6.6 "
Electric power output.....	7.5 "

* 37 states in the United States.

** 60 ports in the United States.

chasing power of the rank and file of wage earners. This information is used by both producers and distributors of goods, and it is also of importance to this bank as it indicates the demand for currency for payroll purposes.

New indexes measuring construction and coal mining have been prepared, superseding the old figures which did not take account of the number of working days or seasonal variations. Indexes of employment and payrolls in these industries also are available and supplement the production figures as in the case of manufacturing.

Data on distribution, accumulated by this bank over the past

decade, have been made more valuable than ever before by their use in the construction of new indexes of mercantile trade and shipments of commodities. These indexes make full allowance for such differences as the number of business days in the month, seasonal changes, and a shift in holidays from one year to another. Indexes are now available for retail and wholesale sales, stocks, and collections. As in the case of manufacturing, these indexes measure changes by lines of business and for each trade as a whole. The accurate combination of various related lines into composite indexes has been made possible through the federal census of distribution which provides for the first time a means for determining the relative importance of one line of business to another in retail and wholesale trade.

Virtually all trade and industrial indexes are now available in two forms—the one without taking account of seasonal changes, the other adjusted for seasonal, or month-to-month, fluctuations which arise from an uneven distribution of activity through the year. An adjusted index reflects more accurately than an unadjusted one, the current volume of business, as it shows whether there is any increase or decrease beyond the usual seasonal changes.

Indexes for the principal lines of trade and industry from 1923 through 1931 are given at the end of this report.

Indexes of business conditions
Philadelphia Federal Reserve District
Adjusted for seasonal variation

(Monthly index numbers; 1923-1925 average=100)

	Factory produc- tive activity	Building contract awards (value)	Coal mining			Freight car load- ings	Whole- sale sales	Retail sales	Passenger automobile registra- tions (new)
			Total	Anthra- cite	Bitumi- nous				
1923									
Jan.	96	99	125	128	106	104	105	94	187
Feb.	95	98	121	125	99	101	104	94	77
Mar.	99	94	131	134	116	105	103	105	91
April.	103	87	125	123	132	107	109	94	72
May.	108	74	125	122	141	107	106	102	82
June.	110	65	123	120	144	111	107	104	95
July.	108	55	125	121	146	109	108	101	103
Aug.	104	50	126	124	135	105	105	96	91
Sept.	105	60	56	45	124	100	105	100	120
Oct.	102	70	112	113	103	99	103	99	106
Nov.	103	78	109	112	93	99	101	101	115
Dec.	101	83	113	117	94	100	95	98	61
Annual	102*	75	116	115	117	104	104*	99*	97
1924									
Jan.	100	75	113	116	94	99	105	102	117
Feb.	99	77	114	116	99	103	103	104	124
Mar.	99	87	112	115	92	101	102	99	108
April.	97	96	100	104	79	94	100	106	104
May.	95	107	105	109	79	91	96	99	108
June.	91	105	106	111	80	91	97	100	97
July.	89	104	104	109	76	90	99	99	96
Aug.	90	109	99	103	75	92	97	97	107
Sept.	92	134	108	112	83	95	99	97	85
Oct.	93	150	98	100	84	97	99	94	84
Nov.	94	134	98	101	79	98	96	100	87
Dec.	97	101	105	108	88	102	100	98	53
Annual	95*	107	105	108	89	96	99*	99*	99
1925									
Jan.	99	80	108	110	96	101	99	98	67
Feb.	99	110	111	114	90	103	100	103	70
Mar.	99	119	100	103	86	100	98	101	97
April.	100	123	109	113	86	100	98	102	98
May.	104	114	113	118	85	98	97	99	106
June.	104	118	105	108	87	99	98	100	103
July.	105	123	115	119	91	100	97	97	110
Aug.	103	124	126	132	95	102	97	104	101
Sept.	104	122	15	1	96	97	95	102	92
Oct.	106	124	15	1	99	98	97	108	122
Nov.	105	122	17	2	104	103	97	102	131
Dec.	105	125	18	3	106	105	96	102	150
Annual	103*	118	79	77	94	100	97*	102*	104

* Monthly average.

Indexes of business conditions—Continued

Adjusted for seasonal variation

(Monthly index numbers; 1923-1925 average=100)

	Factory productive activity	Building contract awards (value)	Coal mining			Freight car load- ings	Whole- sale sales	Retail sales	Passenger automobile registra- tions (new)
			Total	Anthra- cite	Bitumi- nous				
1926									
Jan.	106	128	17	3	105	101	95	108	150
Feb.	106	136	44	34	109	103	96	101	89
Mar.	106	130	121	125	95	103	101	104	109
April.	106	126	121	125	98	102	99	100	124
May.	106	128	115	118	97	105	99	108	139
June.	107	136	122	126	100	102	100	100	117
July.	107	145	119	121	105	106	97	109	123
Aug.	107	146	117	119	104	105	97	104	122
Sept.	110	143	124	127	104	108	97	106	128
Oct.	110	139	118	120	108	111	97	109	122
Nov.	110	139	110	109	118	113	99	104	116
Dec.	109	167	115	115	116	111	99	107	129
Annual	108*	137	104	104	105	106	98*	105*	123
1927									
Jan.	106	151	103	103	103	104	95	106	122
Feb.	106	169	96	95	106	108	93	105	114
Mar.	106	160	92	88	115	110	94	98	115
April.	106	158	105	107	91	103	93	106	107
May.	106	161	112	116	91	101	94	100	108
June.	104	156	102	103	92	103	95	100	101
July.	104	183	76	75	84	100	93	104	100
Aug.	103	162	104	107	88	101	96	102	102
Sept.	103	161	98	100	89	101	94	96	94
Oct.	100	143	100	103	82	98	93	97	100
Nov.	100	144	97	101	75	96	96	100	91
Dec.	100	166	90	92	79	94	92	102	78
Annual	104*	160	98	99	91	102	94*	102*	104
1928									
Jan.	100	164	88	88	83	99	91	98	91
Feb.	102	162	85	86	83	98	94	98	102
Mar.	100	163	80	79	85	98	92	100	104
April.	98	165	104	106	94	100	92	95	101
May.	99	173	108	111	92	99	95	96	103
June.	102	169	77	75	91	101	93	101	110
July.	101	160	71	67	94	100	94	103	109
Aug.	101	157	93	93	90	103	94	95	112
Sept.	104	161	93	94	92	103	93	108	121
Oct.	105	164	111	114	96	107	94	99	118
Nov.	106	165	106	108	93	107	95	100	127
Dec.	105	152	97	98	90	105	101	106	152
Annual	102*	165	93	93	90	102	95*	100*	111

* Monthly average

Indexes of business conditions—Continued

Adjusted for seasonal variation

(Monthly index numbers; 1923-1925 average=100)

	Factory produc- tive activity	Building contract awards (value)	Coal mining			Freight car load- ings	Whole- sale sales	Retail sales	Passenger automobile registra- tions (new)
			Total	Anthra- cite	Bitumi- nous				
1929									
Jan.	104	152	109	107	91	104	100	99	130
Feb.	107	134	107	107	94	105	97	100	144
Mar.	107	156	83	75	95	103	93	109	134
April.	111	147	93	92	99	106	95	91	131
May.	113	150	90	84	106	107	93	95	125
June.	113	132	82	74	109	109	99	106	131
July.	114	126	78	70	109	108	102	100	131
Aug.	115	124	82	79	101	108	103	104	134
Sept.	114	119	103	103	101	108	102	106	132
Oct.	112	128	111	113	98	106	103	102	125
Nov.	108	109	90	89	92	102	95	99	124
Dec.	106	153	114	118	92	98	95	100	117
Annual	110*	132	93	92	98	106	98*	101*	131
1930									
Jan.	105	135	104	106	82	98	95	96	116
Feb.	104	132	98	102	81	98	93	98	127
Mar.	103	98	72	70	80	94	89	91	118
April.	103	96	76	73	95	96	88	98	101
May.	100	134	84	81	92	93	90	94	102
June.	95	125	81	78	93	92	86	91	101
July.	93	133	84	82	90	90	85	87	87
Aug.	92	80	88	88	82	89	83	90	93
Sept.	95	72	81	80	83	86	83	89	89
Oct.	93	68	103	106	82	84	85	92	84
Nov.	89	74	83	83	78	80	78	88	74
Dec.	82	75	91	93	75	78	78	85	85
Annual	96*	108	86	87	84	90	86*	91*	99
1931									
Jan.	80	73	90	94	70	79	77	85	89
Feb.	81	59	87	90	70	78	76	84	87
Mar.	81	60	72	73	70	77	80	87	79
April.	85	60	83	85	71	77	80	87	83
May.	81	60	72	72	73	72	80	86	87
June.	76	77	67	66	72	70	76	85	77
July.	75	70	60	58	74	69	79	73	73
Aug.	76	70	62	62	65	70	72	77	75
Sept.	75	59	66	66	63	66	69	77	73
Oct.	73	62	88	92	61	66	64	75	68
Nov.	70	58	65	66	59	64	66	69	72
Dec.	69	39	69	72	54	64	66	72	100
Annual	77*	62	73	74	67	71	73*	79*	80

* Monthly average.

Indexes of business conditions
Philadelphia Federal Reserve District
Without adjustment for seasonal variation

(Monthly index numbers; 1923-1925 average=100)

	Factory produc- tive activity	Building contract awards (value)	Coal mining			Freight car load- ings	Whole- sale sales	Retail sales	Passenger automobile registra- tions (new)
			Total	Anthra- cite	Bitumi- nous				
1923									
Jan....	96	80	124	124	120	94	93	75	101
Feb....	98	93	118	120	108	95	97	81	53
Mar....	102	110	132	134	118	100	101	101	95
April....	103	106	120	120	121	104	102	97	111
May....	107	84	123	122	127	111	102	105	118
June....	106	67	124	124	126	113	101	103	133
July....	101	54	124	123	129	113	96	74	118
Aug....	101	52	123	122	127	111	97	78	100
Sept....	103	63	57	45	127	111	118	84	114
Oct....	105	70	119	120	110	107	117	107	91
Nov....	104	70	113	115	103	100	114	125	85
Dec....	103	58	112	114	99	90	106	159	33
Annual	102*	75	116	115	117	104	104*	99*	97
1924									
Jan....	100	61	112	113	107	90	94	82	63
Feb....	101	73	112	113	108	96	97	89	85
Mar....	101	102	112	115	94	96	99	90	112
April....	97	117	97	101	71	91	94	114	162
May....	94	122	105	110	71	95	93	102	155
June....	89	108	108	114	71	93	92	98	136
July....	85	102	105	111	67	93	88	73	110
Aug....	88	113	96	101	70	97	90	79	118
Sept....	91	143	108	112	84	106	110	83	81
Oct....	97	150	103	105	90	104	113	101	72
Nov....	96	120	102	104	87	99	109	124	64
Dec....	99	71	103	105	92	92	112	158	29
Annual	95*	107	105	108	89	96	99*	99*	99
1925									
Jan....	99	65	106	106	109	91	89	79	36
Feb....	101	105	109	111	98	97	93	87	48
Mar....	102	139	99	101	88	95	95	94	101
April....	100	150	106	111	79	97	92	107	153
May....	103	130	114	120	76	102	94	102	152
June....	102	123	106	111	77	101	93	98	144
July....	100	120	116	122	80	103	87	72	126
Aug....	101	127	125	132	89	107	90	84	112
Sept....	103	130	15	1	98	107	106	87	88
Oct....	110	124	16	1	105	106	111	118	105
Nov....	107	109	18	2	114	104	110	126	97
Dec....	106	89	19	3	111	95	109	164	81
Annual	103*	118	79	77	94	100	97*	102*	104

* Monthly average.

Indexes of business conditions—Continued

Without adjustment for seasonal variation

(Monthly index numbers; 1923-1925 average=100)

	Factory produc- tive activity	Building contract awards (value)	Coal mining			Freight car load- ings	Whole- sale sales	Retail sales	Passenger automobile registra- tions (new)
			Total	Anthra- cite	Bitumi- nous				
1926									
Jan.....	105	104	19	3	119	91	85	88	81
Feb.....	108	129	45	33	118	96	88	85	61
Mar....	109	152	119	123	97	98	97	99	115
April....	106	154	119	124	89	99	93	102	192
May....	105	146	117	121	87	109	96	111	200
June....	105	142	124	130	88	104	94	97	164
July....	103	142	118	122	92	109	87	81	141
Aug....	106	151	116	119	98	110	90	83	134
Sept....	111	148	124	127	106	119	108	91	121
Oct.....	115	139	124	126	115	119	111	119	103
Nov.....	112	123	115	112	129	114	113	128	86
Dec....	109	124	111	109	122	100	114	174	70
Annual	108*	137	104	104	105	106	98*	105*	123
1927									
Jan.....	105	122	102	99	117	94	84	87	66
Feb.....	108	160	95	92	116	101	84	87	80
Mar....	108	187	90	85	117	104	90	90	123
April....	105	193	104	107	83	100	87	112	165
May....	104	188	115	121	82	105	90	103	156
June....	103	164	102	105	81	105	90	98	141
July....	101	179	76	76	74	103	84	78	114
Aug....	103	163	105	108	83	107	89	82	112
Sept....	105	164	99	100	90	112	106	84	89
Oct.....	104	142	105	107	88	106	106	107	84
Nov....	102	125	101	104	83	97	111	122	67
Dec....	99	126	87	87	83	85	106	168	42
Annual	104*	160	98	99	91	102	94*	102*	104
1928									
Jan.....	99	133	86	85	95	89	79	79	49
Feb....	104	154	84	83	90	92	85	80	73
Mar....	101	190	77	76	86	93	87	94	112
April....	97	201	104	107	86	97	86	97	154
May....	98	207	112	116	83	103	90	98	148
June....	101	179	77	76	80	103	89	98	154
July....	98	156	69	67	83	103	86	77	123
Aug....	101	157	94	95	84	108	88	75	124
Sept....	105	161	94	94	94	115	106	96	117
Oct....	109	163	116	118	103	116	108	110	98
Nov....	107	142	110	111	102	108	109	121	93
Dec....	102	116	93	93	94	95	121	175	82
Annual	102*	165	93	93	90	102	95*	100*	111

* Monthly average

Indexes of business conditions—Continued

Without adjustment for seasonal variation

(Monthly index numbers; 1923-1925 average=100)

	Factory produc- tive activity	Building contract awards (value)	Coal mining			Freight car load- ings	Whole- sale sales	Retail sales	Passenger automobile registra- tions (new)
			Total	Anthra- cite	Bitumi- nous				
1929									
Jan.....	102	123	107	103	104	93	85	80	70
Feb.....	108	128	105	104	103	99	87	83	106
Mar.....	108	183	79	71	97	98	87	105	147
April....	109	180	93	94	90	103	88	91	200
May.....	112	183	93	89	96	111	88	97	180
June....	113	141	80	74	96	111	94	103	183
July.....	110	124	76	70	96	112	92	74	148
Aug.....	116	120	83	81	95	114	95	82	148
Sept....	117	119	103	103	103	119	118	95	127
Oct.....	116	125	115	117	105	114	120	114	102
Nov.....	110	94	93	92	101	103	110	120	88
Dec....	103	118	110	112	96	89	112	166	63
Annual	110*	132	93	92	98	106	98*	101*	131
1930									
Jan.....	103	109	102	102	94	88	81	78	63
Feb.....	104	125	96	99	88	93	84	81	94
Mar.....	104	115	69	66	82	89	83	83	132
April....	101	117	76	74	86	93	82	104	152
May.....	99	165	86	86	83	97	85	95	147
June....	95	135	79	78	81	94	82	89	141
July.....	91	130	82	82	79	93	78	64	99
Aug.....	93	77	89	90	77	93	78	72	102
Sept....	98	72	81	80	85	95	95	80	86
Oct.....	98	66	107	110	88	91	99	103	69
Nov.....	91	64	86	85	86	81	90	106	52
Dec....	80	57	87	88	79	70	89	140	43
Annual	96*	108	86	87	84	90	86*	91*	99
1931									
Jan.....	78	59	88	90	79	71	67	69	48
Feb.....	82	56	86	87	77	74	69	70	65
Mar.....	82	70	70	69	71	73	75	82	89
April....	83	73	83	87	65	75	74	89	125
May.....	80	73	75	76	66	75	75	87	126
June....	76	83	66	66	63	72	73	83	108
July.....	73	69	59	58	65	72	73	57	82
Aug.....	76	67	63	63	61	74	67	60	83
Sept....	76	59	66	66	64	73	78	69	70
Oct.....	76	60	91	96	66	71	73	84	56
Nov.....	71	50	68	68	64	65	75	83	50
Dec....	67	30	67	68	57	57	74	119	54
Annual	77*	62	73	74	67	71	73*	79*	80

* Monthly average.

Federal Reserve Bank of Philadelphia

Directors and Officers Appointed and Elected for the Year 1932

DIRECTORS

Class A

John C. Cosgrove, Johnstown, Pa.
George W. Reily, Harrisburg, Pa.
Joseph Wayne, Jr., Philadelphia, Pa.

Class B

J. Carl De La Cour, Camden, N. J.
Arthur W. Sewall, Philadelphia, Pa.
C. Frederick C. Stout, Philadelphia, Pa.

Class C

Richard L. Austin, Philadelphia, Pa.
Harry L. Cannon, Bridgeville, Del.
Alba B. Johnson, Philadelphia, Pa.

Member of Federal Advisory Council
Howard A. Loeb, Philadelphia, Pa.

OFFICERS

Richard L. Austin,
Chairman and Federal Reserve Agent
Alba B. Johnson,
Deputy Chairman
Arthur E. Post, Assistant Federal
Reserve Agent
Ernest C. Hill, Assistant Federal
Reserve Agent

George W. Norris,
Governor
William H. Hutt,
Deputy Governor
C. A. McIlhenny,
Cashier and Secretary

W. J. Davis, Assistant Cashier
J. M. Toy, Assistant Cashier
R. M. Miller, Jr., Assistant Cashier
S. R. Earl, Assistant Cashier

William G. McCreedy, Comptroller