

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



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

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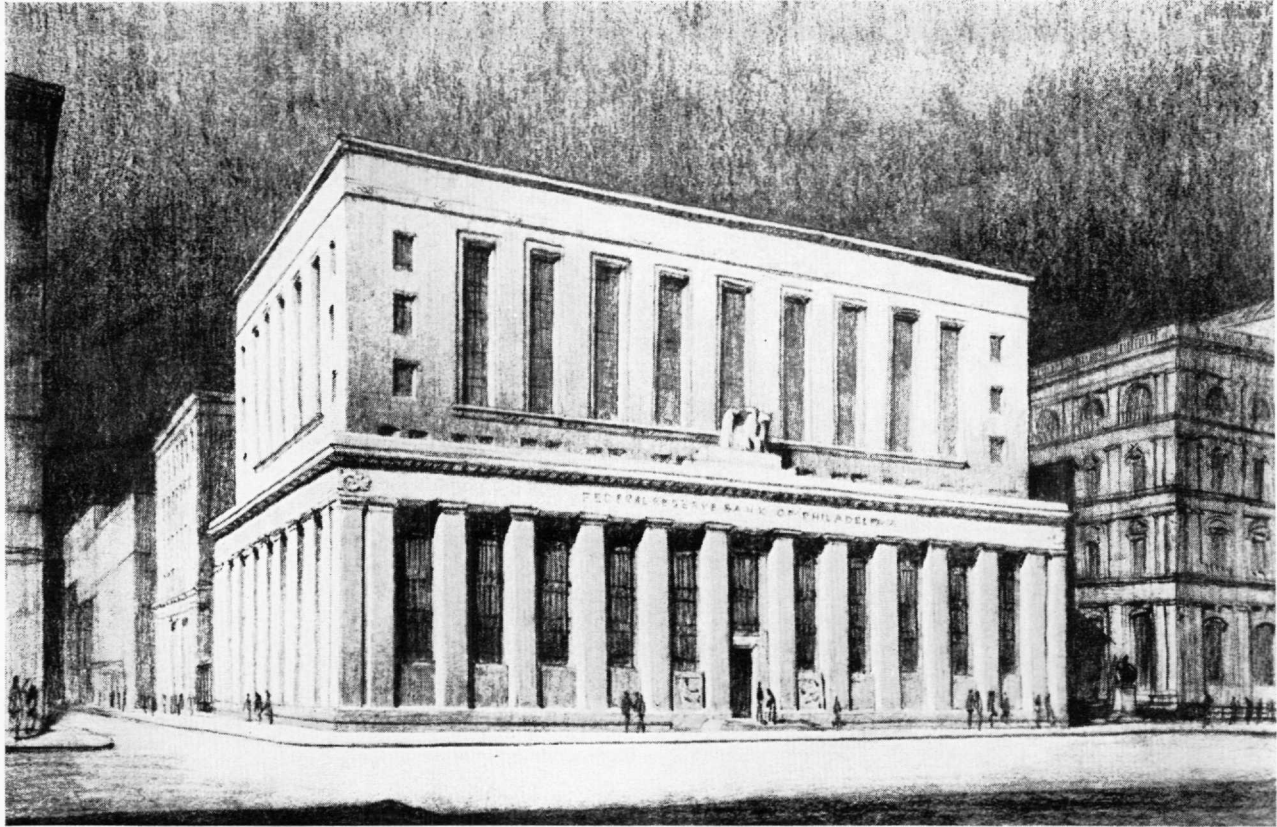
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1933

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**Building of Federal Reserve Bank
(In course of construction)**

Annual Report of the Federal Reserve Bank of Philadelphia for 1933

The gross earnings of the bank decreased from \$5,001,000 in 1932 to \$4,311,000 in 1933, owing chiefly to a decline in earnings from bills discounted which more than balanced an increase in income from United States securities. An increase in the year of \$240,000 in current expenses reflected the payment of \$34,000 in taxes on federal reserve bank note circulation and added salary and other costs necessitated by the complex situation arising during and after the bank holiday.

Profit and loss account (000's omitted)	1933	1932	1931
Earnings:			
From bills discounted.....	\$1,550	\$2,594	\$1,407
From bills bought.....	60	197	214
From United States securities.....	2,658	2,037	969
From other sources.....	43	173	124
Gross earnings	\$4,311	\$5,001	\$2,714
Current expenses.....	2,233	1,994	1,986
Current net earnings	\$2,078	\$3,007	\$728
Additions to current net earnings.....	\$117	\$312	\$219
Deductions from current net earnings.....	2,513	48	63
Net additions.....	\$2,396*	\$264	\$156
Net earnings	\$318†	\$3,271	\$884
Distribution of net earnings:			
Dividends paid.....	\$951	\$973	\$1,005
Transferred from surplus account.....	1,269	2,298‡	121

* Net deduction.

† Deficit.

‡ Transferred to surplus.

After the payment of current expenses, the earnings of the bank amounted to \$2,078,000 in 1933. Subsequent deductions were large, including chiefly the setting up of reserves of \$2,484,000 to cover possible losses, so that the final result for the year was a deficit of \$318,000, which compared with earnings of \$3,271,000 in 1932. To meet this deficit and to pay dividends amounting to \$951,000, the surplus was drawn on to the extent of \$1,269,000.

Statement of condition

(000's omitted)	December 30, 1933	December 31, 1932	Changes
RESOURCES			
Gold reserves.....	\$197,520	\$185,171	+ \$12,349
Other cash*.....	31,051	25,127	+ 5,924
Total gold reserves and other cash*	\$228,571	\$210,298	+ \$18,273
Redemption fund—F. R. bank notes.....	1,300	0	+ 1,300
Bills discounted:			
Secured by U. S. government obligations...	5,286	11,149	— 5,863
Other bills discounted.....	20,077	36,451	— 16,374
Total bills discounted.....	\$25,363	\$47,600	— \$22,237
Bills bought.....	7,858	3,054	+ 4,804
United States securities.....	167,120	139,269	+ 27,851
Other securities.....	510	1,000	— 490
Total bills and securities.....	\$200,851	\$190,923	+ \$9,928
Due from foreign banks.....	368	322	+ 46
Fed. res. notes of other banks.....	1,066	965	+ 101
Uncollected items.....	36,896	30,359	+ 6,537
Bank premises.....	3,841	2,989	+ 852
All other resources.....	4,576	1,339	+ 3,237
Total resources.....	\$477,469	\$437,195	+ \$40,274
LIABILITIES			
Federal reserve notes in circulation.....	\$236,128	\$238,125	— \$1,997
Federal reserve bank notes in circulation..	20,390	0	+ 20,390
Deposits:			
Member bank—reserve account.....	129,225	121,686	+ 7,539
Government.....	83	647	— 564
Foreign bank.....	437	2,157	— 1,720
Special deposits—member bank.....	6,930	0	+ 6,930
Special deposits—nonmember bank.....	1,920	0	+ 1,920
Other deposits.....	662	85	+ 577
Total deposits.....	\$139,257	\$124,575	+ \$14,682
Deferred availability items.....	35,044	28,853	+ 6,191
Capital paid in.....	15,917	16,045	— 128
Surplus.....	27,973	29,242	— 1,269
Reserves for losses.....	2,500	16	+ 2,484
All other liabilities.....	260	339	— 79
Total liabilities.....	\$477,469	\$437,195	+ \$40,274
Ratio of total gold reserves and other cash* to deposit and federal reserve note liabilities combined.....	60.9%	58.0%	+ 2.9%
Contingent liability on bills purchased for foreign correspondents.....	\$400	\$4,008	— \$3,608

* "Other cash" does not include federal reserve notes or this bank's own federal reserve bank notes. This item first appeared in the weekly statement for May 17, 1933, and includes "Reserves other than gold" and "Nonreserve cash" as given in earlier statements. Figures as of the close of 1932 are presented in comparable form. These changes were made to conform to the act of May 12, which provided that all coins and currencies coined or issued by or under the authority of the United States are legal tender for all debts public and private.

Business conditions

Business conditions in this district, which industrially is one of the most diversified sections of the country, in 1933 naturally reflected the influence of a rapid succession of national events and economic changes, many of which affected profoundly long established methods of business operations.

Such measures as the banking and gold legislation with the consequent depreciation of the dollar, the restriction of agricultural output and the imposition of processing taxes upon goods manufactured principally from basic raw materials raised on farms, the reduction of hours of labor and the establishment of minimum scales of wages under the National Recovery Act, and many other measures designed to raise prices of commodities, to increase employment and bring relief to the unemployed, and to regulate competitive practices in business have had far-reaching consequences on the production and distribution of commodities in this district and in the country as a whole.

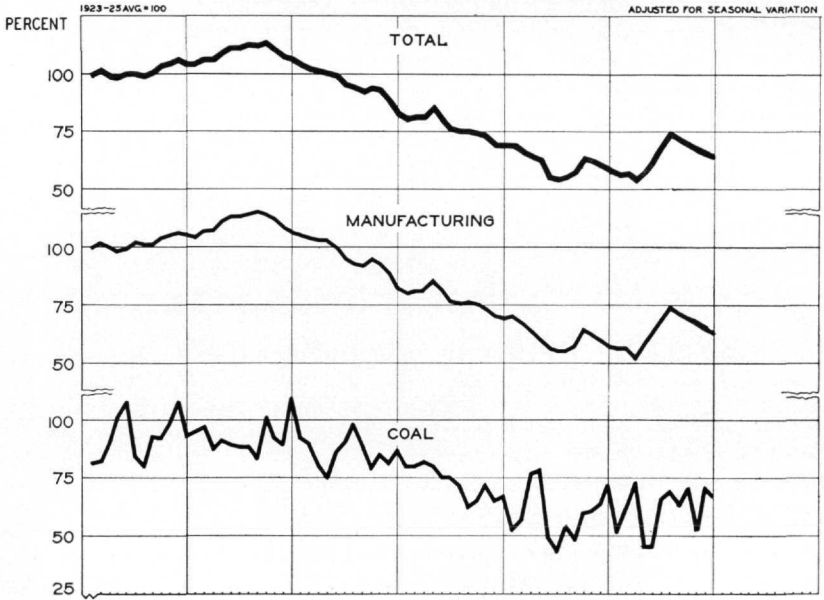
During the year the volume of industrial and commercial transactions as well as that of employment and earnings, individual and corporate, in this section as elsewhere increased substantially from a record low level reached in the first quarter of the year. Most of the current measurements of business activity, after drastic declines for over three years, have risen since March and the general level at the end of the year was considerably higher than that in 1932, as a more detailed analysis will show.

Industrial activity

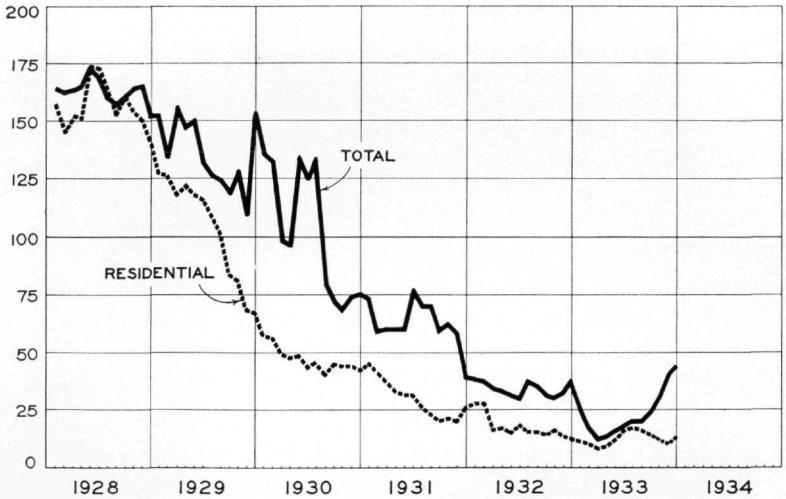
Manufacturing The output of factory products in this district in 1933 showed a gain of about 5 per cent over the preceding year, following a severe decline which began in the late fall of 1929 and reached a low record level in March 1933. The sharpest increase occurred in the period of four months ending in July when our index number increased to 75 per cent of the 1923-25 average as compared with the low of 52 in March; in subsequent months the trend of production was steadily downward, so that at the end of the year the index of productive activity was 64, a drop of 15 per cent from the year's high level, but a rise of 23 per cent above the low point in March. For the year as a whole, the index of production averaged 64 as against 61 in 1932. The index number used for this analysis combines forty-seven separate series of

INDUSTRIAL PRODUCTION

PHILADELPHIA FEDERAL RESERVE DISTRICT



VALUE OF BUILDING CONTRACTS

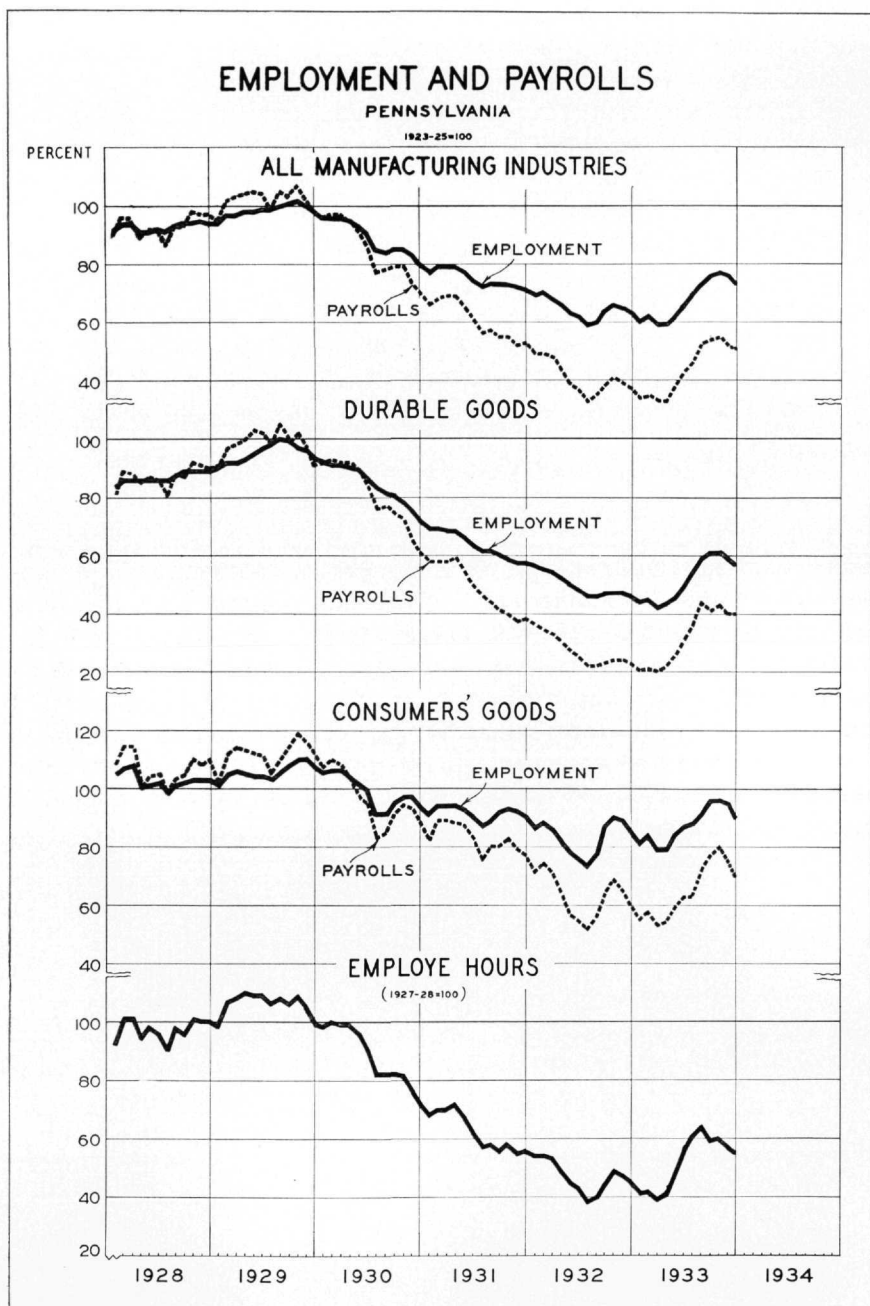


figures in accordance with the relative importance of each line and is adjusted for the number of working days and for seasonal variation; it covers about two-thirds of all manufacturing in this district.

The average output of durable or capital goods and that of consumers' goods registered about the same increase, although the advance of the former in the year was relatively greater. The index of production in the case of capital goods was 45 in December 1933 as compared with 33 in the same month of 1932, while in the case of consumers' goods the index rose to 77 as against 76 in the previous year. The difference in the level of activity of these two general classifications, however, continued to reflect a more drastic decline during the years of depression in the durable or capital goods industry than that in the case of consumers' products.

Among the individual lines included in the durable or capital goods industry, the output of pig iron, steel works and rolling mills, castings, brick, explosives, and by-product coke showed the largest increases over the previous year, while activity in industries comprising commercial motor vehicles, locomotives and cars, ship and boat building, and cement was at the lowest average levels in many years. In the consumers' goods industry such textile products as silk, cotton, woolen and worsted goods, underwear, and leather and shoes registered substantial gains over 1932, particularly during the four months ending in July, while in the case of the food products industry gains in output of most individual lines were not sufficient to raise the average level above that of the preceding year.

Factory output Philadelphia Federal Reserve District	1933 index number (1923-25 = 100)	Per cent change, 1933 compared with			
		1932	1931	1930	1929
Manufacturing—total	64.0	+ 5.6	-16.9	-33.9	-42.3
Durable or capital goods	40.3	+ 4.7	-33.3	-57.1	-63.4
Consumers' goods	82.4	+ 6.4	- 8.3	-17.4	-26.8
Metal products	42.1	+23.5	-31.7	-58.6	-65.9
Textile products	81.3	+13.5	- 1.8	- 8.3	-24.3
Transportation equipment	33.1	-30.3	-43.4	-61.7	-64.7
Food products	70.8	- 4.3	-14.9	-23.0	-26.3
Tobacco and products	81.3	+ 4.1	-13.7	-23.4	-32.0
Building materials	23.6	- 7.8	-45.0	-64.0	-71.7
Chemicals and products	94.6	+ 5.8	- 8.7	-17.7	-22.3
Leather and products	117.7	+19.4	+ 2.8	- 3.4	- 7.8
Paper and printing	80.4	- 3.5	-18.7	-29.2	-31.9
Electric power output	180.7	+ 2.3	- 4.9	- 6.4	- 5.3



Six out of ten manufacturing groups recorded increases in production over 1932, the largest gains taking place in the output of metal, textile, and leather products. Production of groups comprising building materials, food products, paper and printing, and transportation equipment for the year as a whole registered decreases, even though the levels of activity in most of these lines were higher at the end of 1933 than at the same time a year before.

Wholesale prices of manufactures as a whole have advanced steadily since late spring following a continuous decline for nearly four years, so that the average level for 1933 was about one per cent higher than in 1932, but continued appreciably lower than in other years. The sharpest rise in prices during the year occurred in hides and leather products, building materials, and textile products. Prices of finished goods increased particularly in the second half of the year.

The manufacturing industry of this district in 1933 on the average employed 5 per cent more wage earners and disbursed 6 per cent more wages than in 1932. Following a decline since 1929, reaching record low levels in the first quarter of the year, both employment and payrolls turned upward in May and continued to advance steadily for the next five months. The highest rate of this gain occurred in August reflecting in part the adoption by a number of industries of codes under which maximum working hours and minimum wage rates were established. There was a drop in the average working hours from approximately 38 a week in July to 36 in August; the average hourly earnings in the same period, on the other hand, increased from 45 to 51 cents and continued

Factory employment and payrolls	Employment (average for year)	Payrolls (total)
1923.....	877,316	\$1,075,814,441
1924.....	785,198	960,702,296
1925.....	804,043	1,003,933,900
1926.....	829,772	1,063,166,001
1927.....	792,432*	996,186,543*
1928.....	757,282	933,937,683
1929.....	804,244*	1,025,056,704*
1930.....	728,645	863,097,745
1931.....	613,519	622,293,474
1932.....	526,399	425,648,736
1933.....	553,245	451,613,309

* From the Census of Manufactures for 60 counties in eastern Pennsylvania, southern New Jersey and Delaware; prior to 1927 these figures were not subdivided by counties. Figures for other years were computed from the indexes of employment and payrolls compiled by the Philadelphia Federal Reserve Bank.

rising to the end of the year. Fluctuations in employment, pay-rolls and employe-hours in Pennsylvania factories by months in recent years are shown in the table on page 51.

Trends in the number of employes and the amount of wages paid by factories of this district by years since 1923 are indicated by the preceding table.

The earnings of factory workers generally showed a greater relative increase, particularly in the latter part of the year, than did the cost of living, even though retail prices of such essentials as food and clothing have risen sharply since the middle of the year. Comparative changes in earnings and living costs are indicated in the table below.

Indexes are expressed in percentages of December 1932 taken as 100	Indexes of average earnings (Pennsylvania)		Cost of living in Philadelphia						
			Total (100)	Food (38.2)	Clothing (16.6)	Housing (13.4)	Fuel and light (5.3)	House furnishing goods (5.1)	Miscellaneous (21.4)
	Weekly	Hourly							
1914, December . . . . .	....	....	74.7	103.9	79.2	79.5	58.2	75.9	47.9
1929, December	174.8	130.4	130.7	162.3	135.5	124.5	108.4	140.1	106.0
1932, June	101.9	108.2	103.5	104.0	105.6	106.4	97.4	109.2	102.1
December	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1933, January	94.2	99.6							
February	96.1	97.3							
March	94.2	99.9							
April	97.5	99.1							
May	104.7	97.6							
June	113.2	97.6	97.2	98.5	97.9	93.6	94.7	96.1	98.0
July	116.4	100.5							
August	126.7	114.1							
September	122.2	119.9							
October	125.0	123.1							
November	121.0	123.4							
December	121.0	124.5	103.2	110.2	108.3	89.7	102.2	111.3	98.7

Sources: Bureau of Labor Statistics and Federal Reserve Bank of Philadelphia.

Coal mining The output of coal mines in 1933 was slightly larger than in the previous year.

Preliminary figures show that anthracite companies of Pennsylvania in 1933 produced approximately 49,400,000 net tons or about 163,300 per working day as compared with 49,855,000 tons or 163,700 per day in 1932. In the second half of the year production

showed more than the usual rate of increase, except for the month of October, owing chiefly to larger demand for household fuel, which was stimulated by cold weather. Stocks at mines as well as at retail and wholesale establishments were reduced appreciably and at the end of the year were lower than they had been for some time. Average prices of anthracite in 1933, which were at the lowest level in many years, were about 82 per cent of the 1926 average.

The demand for bituminous coal naturally reflected increased activity in industries. The total production for the year in Pennsylvania amounted to about 80,624,000 net tons or 263,500 per working day as compared with the total of 75,899,000 tons or 247,200 per working day in 1932. The largest increase occurred between April and July, an expansion which coincided with that in the manufacturing industries. From the high point in July, there occurred a drastic decline in output which reached the lowest level in October, but subsequently production rose again to a higher level than that prevailing at the end of 1932. Prices of soft coal advanced but slightly, the national index being less than 83 per cent of the 1926 average as compared with 82 for 1932.

The table below shows the trend in employment and production of the coal mining industries in Pennsylvania from 1923 to 1933:

Coal mining	Employment			Production (net tons)	
	Anthracite	Bituminous	Total	Anthracite	Bituminous
1923	157,743	194,981	352,724	93,339,000	171,880,000
1924	160,009	169,322	329,331	87,927,000	130,634,000
1925	160,312	156,798	317,110	61,817,000	136,928,000
1926	165,386	155,999	321,385	84,437,000	153,042,000
1927	165,259	153,699	318,958	80,096,000	133,099,000
1928	160,681	133,414	294,095	75,348,000	131,202,000
1929	151,501	131,774	283,275	73,828,000	143,516,000
1930	150,804	130,150	280,954	69,385,000	122,539,000
1931	139,431	116,726	256,157	59,646,000	97,276,000
1932	121,243	104,532	225,775	49,855,000	75,899,000
1933	102,469	116,917	219,386	49,399,000	80,624,000

Source: Bureau of Mines, United States Department of Commerce.

Crude petroleum Production of crude oil in that part of Pennsylvania which is centered around McKean County and which is included in this district showed an exceptional increase from May to October, while there was a sharp decline between June and November 1932. The total production in 1933 amounted to

about 10,129,950 barrels or 27,753 a day as compared with a total of 9,926,550 barrels or a daily average of 27,122 in 1932. This represents approximately 70 per cent of all crude petroleum produced in Pennsylvania.

This particular oil field, which is one of the oldest in the country, has shown a remarkable expansion in the past four years, owing principally to the introduction of a new method of forcing oil to the surface by means of water pressure. As a result, the output increased very sharply and in 1933 was about four times as large as that for the base period, 1923-25. The price of Pennsylvania crude petroleum advanced, so that at the end of the year it averaged about \$2.37 per barrel as compared with \$1.64 a year before.

Building and construction The volume of building in 1933 continued greatly reduced, as indicated by the accompanying table. A gain in the total value of contract awards since early summer reflected an increased volume in public works and to some extent in the construction of public utilities as well as the influence of higher prices for building materials and labor. Contracts for dwellings, on the other hand, showed a further decline and in the latter part of the year reached a record low level.

The number of workers in various building trades, which in 1930 appeared to have employed about 250,000 in Pennsylvania alone, continued to show decreases. According to current indexes, the extent of this reduction from 1932 to 1933 amounted to 14 per cent in employment and 33 per cent in payrolls. These figures do not include workers on special projects under the public and civil works administrations of the Federal government.

Building and real estate	Per cent change—1933 compared with			
	1932	1931	1930	1929
Contracts awarded				
Total.....	-33.8	-63.9	-79.3	-83.1
Residential.....	-29.5	-57.2	-74.3	-88.3
Building permits.....	-40.2	-73.7	-84.8	-91.8
Employment (Pennsylvania).....	-14.0	-41.5	-58.8	-59.2
Payrolls (Pennsylvania).....	-33.5	-59.7	-75.0	-76.3
Mortgages recorded.....	-36.9 (d)	-65.0 (b)	-75.4 (a)	-83.4 (a)
Ordinary real estate deeds.....	-12.3 (d)	-19.4 (c)	-23.2 (b)	-35.1 (a)
Sheriff deeds.....	+ 7.9 (d)	+22.6 (c)	+58.2 (b)	.....

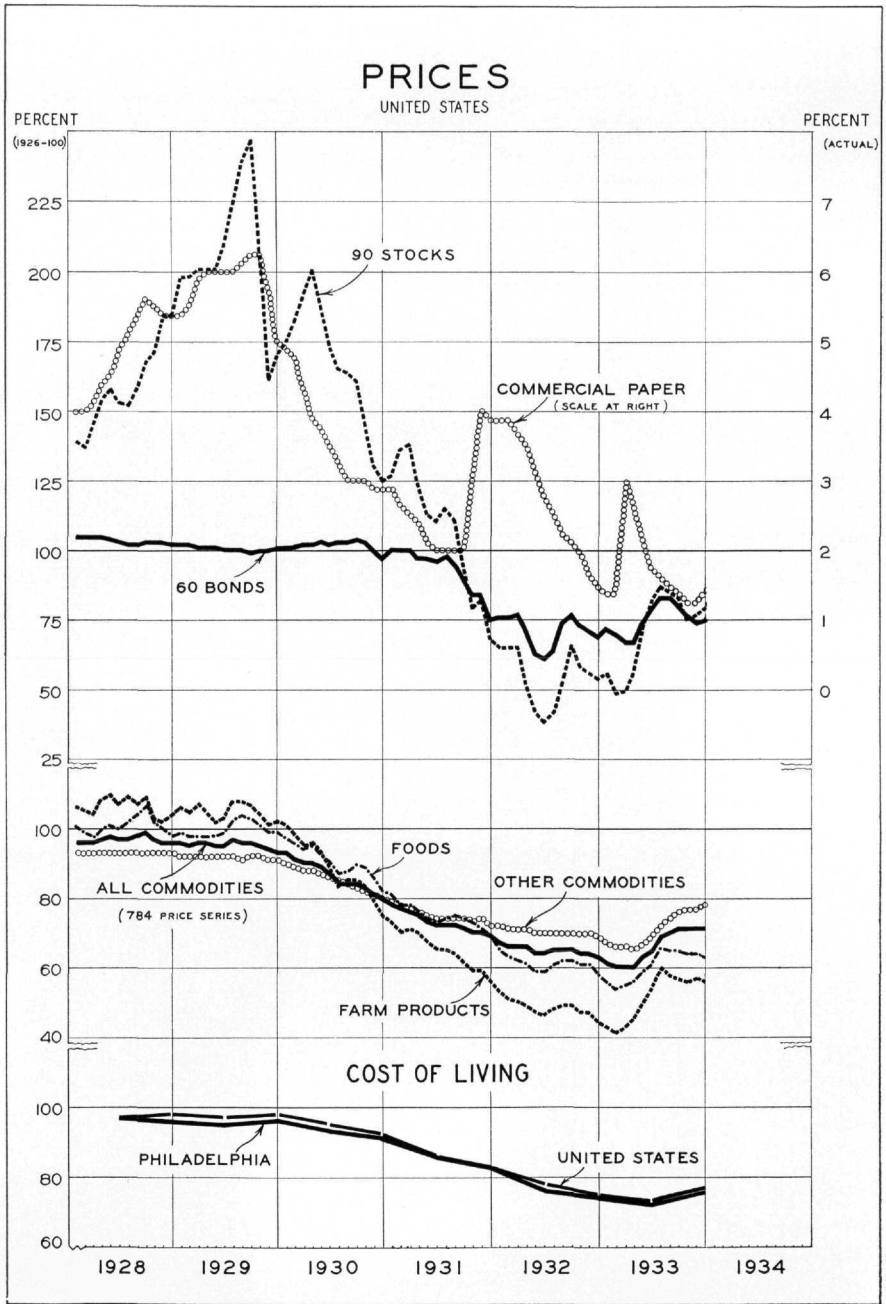
(a) 1 city, (b) 2 cities, (c) 3 cities, (d) 7 cities.

Agriculture Crop yields in 1933 generally were somewhat smaller than in the year before, but higher prices for most agricultural products resulted in larger returns to the farmer than in 1932 when the total cash income from farm production was the smallest in more than a decade. Preliminary estimates from figures of the United States Department of Agriculture show that the value of sixty-four important crops produced in this section was 36 per cent higher than in 1932. The inventory value of livestock on farms as of January 1, 1934 exceeded last year's appraisal by about 10 per cent.

Production of such leading crops as corn, wheat and hay was larger than in 1932, while that of oats and white potatoes showed an appreciable decline. Severe storms in the latter part of August greatly reduced the yields of certain other crops, particularly fruit and tobacco, which sustained heavy losses in some sections as a result of flooded fields and high winds. In the case of Pennsylvania tobacco, most of which is grown in Lancaster County, production was further reduced by a voluntary cut of 50 per cent in the acreage harvested, for which the growers received from the Federal Government compensation amounting to over \$500,000 under the Agricultural Adjustment Act. As a consequence of this reduction, output in 1933 amounted to only 26,563,000 pounds, as compared with 46,310,000 pounds harvested in 1932 and an average crop of 54,936,000 pounds produced in the period 1919-1929.

Milk production, although still below the average of the six-year period, 1925-30, was slightly higher than in 1932, reflecting chiefly an improvement in the condition of pastures and meadows. Receipts of milk and cream in the Philadelphia area were about one per cent smaller in 1933 than the year before, while output of creamery butter in Pennsylvania increased sharply and was the largest in the past three years. The number of pounds of dressed poultry sent from this section to the New York and Philadelphia markets showed a marked decline as compared with 1932; receipts of fresh eggs, however, increased at both markets, the combined total exceeding the 1932 volume by nearly 24 per cent.

The supply of farm labor decreased, reflecting chiefly a return of workers to industrial occupations. Demand, on the other hand, although still below the estimated normal, increased during the summer and early fall and showed but a small decline after the harvest season. The trend of farm wage rates has been upward since early in the year in sharp contrast with a downward movement that was especially pronounced during 1931 and 1932.



Wholesale prices of farm products, which by February had reached the lowest level in many years, increased sharply during the succeeding five months and at the end of July were approximately 47 per cent above the low point of early spring. Despite a subsequent decline, which occurred between August and the end of the year, the average of wholesale prices for all agricultural products in 1933 was nearly 22 per cent higher than in 1932.

Estimated cash income from farm production in this district (000's omitted)	Crops	Livestock products	Total
1924	\$116,536	\$126,312	\$242,848
1925	133,473	134,627	268,100
1926	114,277	141,945	256,222
1927	111,683	142,238	253,921
1928	99,301	152,410	251,711
1929	107,690	176,707	284,397
1930	91,355	161,904	253,259
1931	70,913	128,679	199,592
1932	51,799	100,659	152,458
1933	69,871*	†	.....

* Preliminary estimate, based on farm value.
Source: U. S. Department of Agriculture.

† Figures not yet available.

General employment and unemployment All occupations have been affected severely by drastic recessions in the activity of industries, trades, and services over several years ending early in 1933. The rapid shrinkage in industrial employment especially created an acute situation involving widespread unemployment, a prolonged reduction of income, and the need for dependence on private and public relief agencies for the bare necessities of life.

Our index number representing twelve branches of industry and trade in Pennsylvania, which in 1930 employed approximately 2,278,000 persons, or about 60 per cent of the total working population, shows a steady decline, except for a brief period in the fall of 1932, reaching the lowest point in March. Since adequate monthly figures are not available prior to August 1931, the indexes are expressed in percentages of the 1932 average, and are given below for 1932 and 1933. It is believed that they provide a reasonably accurate measurement of the fluctuations in employment and payrolls in one of the most critical periods of business activity in this section.

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Index numbers expressed in percentages of 1932 taken as 100. Figures for 12 occupations are combined proportionately	Employment		Payrolls	
	1932	1933	1932	1933
January	108.0	91.2	118.6	82.9
February	105.8	91.5	114.7	84.3
March	103.0	88.6	111.2	79.7
April	102.0	89.8	107.7	79.2
May	100.4	92.4	101.1	84.4
June	96.9	96.3	93.1	92.7
July	92.6	99.1	85.4	97.5
August	93.3	103.8	87.5	109.9
September	97.8	109.3	92.1	114.5
October	100.9	109.6	100.0	116.8
November	100.3	110.1	95.5	112.4
December	98.9	109.3	93.0	111.0
Average	100.0	99.2	100.0	97.1

Sources: Bureau of Labor Statistics, Pennsylvania Department of Labor and Industry and Federal Reserve Bank of Philadelphia.

The cumulative effect of the depression on employment reached the greatest severity in the first quarter of 1933. While official and private figures on the extent of general unemployment are necessarily only approximate, they show the precipitous decline in the number of workers in virtually all important industries, trades and services. The table below illustrates the magnitude of unemployment and relief.

Pennsylvania	Estimated number unemployed	Cases on relief
1932 —September	1,203,186	146,959
October	1,099,444	213,874
November	1,099,841	266,141
December	1,113,996	319,093
1933 —January	1,309,850	366,928
February	1,321,842	415,397
March	1,379,351	437,035
April	1,346,549	444,602
May	1,314,835	454,884
June	1,259,987	432,533
July	1,147,179	392,605
August	1,037,606	341,107
September	909,363	318,114
October	906,787	323,601

Sources: Report of the Executive Director of the State Emergency Relief Board of Pennsylvania; and Bureau of Accounts and Statistics, Department of Labor and Industry.

It is estimated that about 600,000 different families representing some 2,600,000 persons in Pennsylvania were granted unemployment relief at some time in the period from September 1, 1932, through October 1933, according to the report of the Executive Director of the State Emergency Relief Board of Pennsylvania. The number of families at any one time naturally varied, as for example, at the end of September 1932 there were 147,000 families on relief, at the end of May 1933, there were almost 455,000 which was the maximum for this period, and at the end of October last the number of families dropped to 324,000.

The total expenditures of state and federal funds alone for this relief in the fourteen-month period amounted to nearly \$84 millions. The following table gives the principal details of the cost of relief:

State and federal expenditures for relief	Pennsylvania: September 1932 through October 1933	
	Total expenditures	Per cent distribution
Food.....	\$70,917,930.46	84.59
Cash relief (work relief wages).....	6,855,065.28	8.18
Administration.....	2,743,218.46	3.27
Shoes.....	1,421,874.02	1.70
Fuel.....	1,204,098.17	1.44
Thrift gardens.....	437,791.89	.52
Miscellaneous.....	257,926.67	.30
Total.....	\$83,837,904.95	100.00

Source: Report of the Executive Director of the State Emergency Relief Board of Pennsylvania.

Beginning with November 1933, a somewhat different expedient for relieving unemployment was devised. On November 7 the Federal Civil Works Administration was created by executive order, its term to expire on February 15, 1934, unless an extension was found necessary. The purpose of this organization has been quickly to provide throughout the country new employment at regular wages to the unemployed. The plan also contemplates creating public works that are socially and economically desirable to the community and the nation, aiming at the attainment of certain permanent benefits along with the relief of unemployment.

In accordance with this nationwide plan, Pennsylvania, for example, was originally allotted \$30 to \$35 millions for its initial expenditure, aiming to give jobs to some 325,000 unemployed workers.

State and local governments were requested to co-operate in this movement by providing funds for the purchase of material and equipment to whatever extent it was possible, while the Federal government would pay for labor. The official report shows, for instance, that shortly after the turn of the year some 9,000 civil works projects scattered throughout 67 counties of Pennsylvania have been approved; they involved an expenditure of about \$50 millions for wages, while municipal governments agreed to contribute \$10 millions more for equipment and materials.

This program was launched in the second half of November as a vast co-operative venture in order to alleviate the existing distress arising from continued unemployment. Between the middle of November and the end of December the Federal Civil Works Administration of Pennsylvania thus was able to provide jobs to approximately 200,000 workers.

Prior to December 1 only those unemployed workers who were on relief rolls as of November 16 were employed if they were properly qualified and available; if not so qualified and available, placements were made irrespective of whether or not the unemployed workers were on the relief rolls. After December 1 unemployed workers were engaged on civil works projects in about equal number from those on county relief rolls and from those not on relief.

Distribution, trade, service

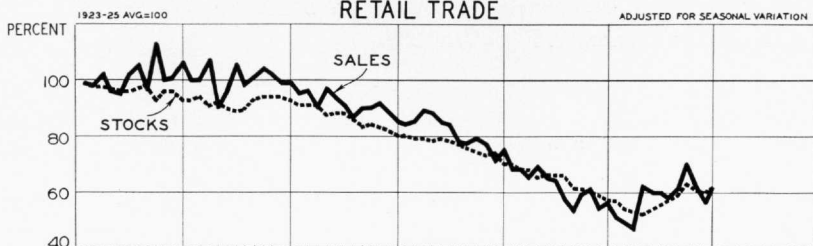
Most of the indicators which measure the movement of goods from producing to distributing channels have shown a decided upturn in the last three quarters of the year, following severe declines to the lowest level in years during March when business activity was hampered seriously by the bank holiday and the consequent interruption of the means of payment for goods and services. While the rate of improvement generally was not as rapid nor as consistent as that in the industrial field, the progress made between spring and fall was sufficiently pronounced to raise the current levels substantially above the record low and to give favorable comparisons with the previous year.

Total freight car loadings in this section for the year as a whole registered a gain of about 4 per cent over 1932, owing largely to increased shipments of coal. Loadings of merchandise and miscellaneous commodities, which constitute approximately 65 per cent of total shipments, were fractionally smaller than in the year before, although they also shared in the general upward movement between March and July when buying was active and the call for deliveries

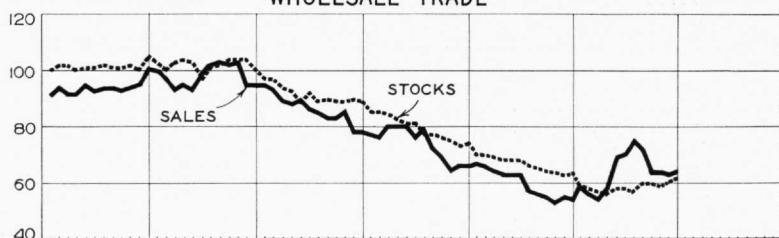
DISTRIBUTION

PHILADELPHIA FEDERAL RESERVE DISTRICT

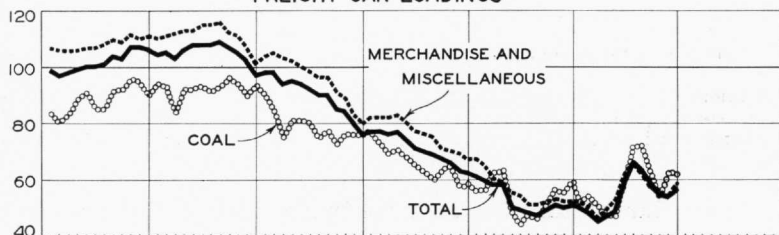
RETAIL TRADE



WHOLESALE TRADE



FREIGHT CAR LOADINGS



SALES OF NEW PASSENGER AUTOMOBILES



urgent. Similarly, the transportation of goods by motor freight, chiefly over short distances, showed a considerable increase since early summer, as indicated partly by a larger number of truck drivers and by their earnings, barring a brief period of difficulties between truck owners and operators.

Distribution Philadelphia Federal Reserve District	Per cent change—1933 compared with			
	1932	1931	1930	1929
Freight car loadings:				
Total.....	+ 4.4	-22.8	-39.2	-48.3
Merchandise & misc. (64.9% of total).....	- 0.5	-26.8	-41.9	-50.3
Coal (23.5% of total).....	+ 7.5	-12.3	-26.8	-37.5
Foreign trade—Port of Philadelphia—value:				
Imports.....	+14.9	-21.2	-45.2	-62.7
Exports.....	+20.7	-35.6	-53.0	-61.4
Wholesale trade:				
Sales.....	+ 7.8	-12.8	-25.6	-35.2
Stocks.....	-11.9	-25.9	-36.1	-42.6
Ratio of collections to outstandings.....	+ 3.9	- 7.2	-11.9	- 2.9
Retail trade:				
Sales.....	- 4.1	-27.2	-35.6	-41.5
Stocks.....	- 9.9	-24.5	-33.4	-37.8
Ratio of collections to outstandings.....	+ 2.1	- 6.8	-10.9	-13.5
Registrations of new passenger automobiles.....	+20.2	-22.5	-37.3	-52.6
Gasoline consumption.....	+ 2.9	+ 1.6	+14.4	+26.5
Life insurance sales.....	- 9.9	-25.9	-34.3	-35.0

The dollar volume of wholesale trade sales of eight representative lines, combined proportionately, was almost 8 per cent larger in 1933 than in 1932, reflecting partly a more active demand from retailers and partly higher prices. Virtually all lines showed sharp increases in the summer months and in the case of groceries, drugs, shoes and jewelry the improvement continued almost to the end of the year. Stocks of goods at reporting establishments on the whole were 12 per cent smaller at the end of 1933 than at the same time a year before, most lines showing reductions.

Dollar volume of sales at retail also registered improvement over most of the year, as indicated by the rise in the level of sales in comparison with the preceding year which had continued the decline since 1929. Nevertheless, the total sales of department, apparel, shoe and credit stores for the year as a whole were 4 per cent smaller than in 1932. This failure to increase in proportion

with gains in industrial and wholesale activity probably was due in some measure to the fact that improvement in retail trade usually lags behind that of productive activity. Inventories at retail stores were increased materially in summer months when prices exhibited a strong tendency to advance, and at the end of the year stocks were 8 per cent larger than a year earlier, reflecting mainly greater than usual purchases during the three months ended in August.

The rate of stock turnover in 1933 increased 2 per cent in the case of retail business and over 8 per cent in wholesale trade. Collections in the last part of the year showed noticeable improvement both at retail and wholesale, as indicated by a more rapid rate of payments than that prevailing at the same time a year before.

The estimated dollar volume of retail and wholesale trade sales in this district is given in the following table:

Retail and wholesale trade sales	Retail	Wholesale
1929.....	\$3,223,550,000	\$3,349,508,000
1930.....	2,926,983,000	2,917,421,000
1931.....	2,590,380,000	2,485,643,000
1932.....	1,966,098,000	2,010,885,000
1933.....	1,885,488,000	2,167,734,000

Sales of new passenger automobiles, as measured by registration in this district, showed a considerable improvement in 1933 as compared with the preceding year, although total sales of 99,037 units were the second smallest volume in the past ten years. While demand for new cars continued active to the end of the year, dealers were unable to make deliveries, owing to the fact that manufacturers postponed releasing the new models from one to three months later than has been the usual practice. The rate at which passenger automobiles were sold in this district compared quite favorably with that for the country as a whole.

The number of all new passenger automobile sales since 1923 is shown in the following table:

New passenger automobile registrations

Philadelphia Federal Reserve District

1923.....	155,036	1928.....	177,915
1924.....	159,487	1929.....	210,002
1925.....	167,835	1930.....	158,816
1926.....	197,880	1931.....	128,703
1927.....	166,688	1932.....	82,589
1933.....	99,037		

Hotel business, which indicates general commercial activity by the movement of business travelers, continued below the volume of 1932 but the rate of this decline in the second half of the year showed a marked tendency to diminish. According to original figures from 24 leading hotels of comparable size and character, whose total revenue in 1933 amounted to about \$6,100,000, room occupancy was 6 per cent less than in the previous year and income from guest rooms, food and other sources was 15 per cent smaller. In the latter months of the year, however, a definite improvement was evidenced by the increased travel of salesmen and buyers throughout this district.

Banking conditions

The year 1933 will be memorable for the far-reaching changes which took place in business and banking, and for the adoption of special legislation and extraordinary measures to deal with the depression and financial crisis. Numerous bank failures in various parts of the country in January were very disturbing. Lack of confidence in banking institutions was manifested in many localities, and in Michigan about the middle of February led to the declaration of a bank holiday authorizing the banks of the state, temporarily, to suspend business.

The action in Michigan soon was followed elsewhere, so that by the fifth of March such holidays had been declared in practically all the states; in the states of this district they were declared on the fourth of March. Proclamations of the President continued the holidays on a nation-wide basis over the following week.

Prior to the declaration of holidays, the legislatures of some states, including Pennsylvania, New Jersey and Delaware, had enacted laws permitting state banking institutions to restrict withdrawals from old deposits and to set up special accounts for new deposits which could be withdrawn at any time. A congressional resolution, approved February 25, empowered the comptroller of the currency to permit national banks, located in states where the laws permitted restrictions of deposits, to operate in accordance with such laws.

These varied measures were due to the continued withdrawal of currency from the banks; prior to the general closing, the amount of money in circulation exceeded all previous records. There was a strong demand for gold coin, and much gold was placed under earmark at New York for the account of foreign banks. In this district,

as in the country at large, the demand for currency mounted rapidly in late February and early March and there also were heavy transfers of funds to other districts, so that the banks had to increase greatly their borrowings. The proclamations with respect to holidays affected this bank as well as other banking institutions and regular operations were much curtailed.

During the week ending on March 12 restrictions on bank operations were modified from time to time by the Secretary of the Treasury in order to facilitate the movement of perishable goods, to provide money for change and necessities and later for payrolls. Banking business generally was resumed in the week beginning March 13. An executive order of the President, dated March 10, authorized the Secretary of the Treasury to license member banks to resume business without restrictions other than those applicable to all banking institutions, such as the prohibition of the paying out of gold coin and certificates, or of currency for hoarding, and restrictions on foreign exchange transactions; this order also authorized state banking officials to grant similar privileges to nonmember banks under their jurisdiction. Licenses granted by the Secretary of the Treasury were issued through the federal reserve banks, which were required to certify to the Secretary such member banks as they felt were in sufficiently sound condition to resume business.

After the holiday, currency and gold coin returned from circulation in large volume.

Banks which were not allowed to resume normal operations were permitted to receive and pay out new deposits; they could not make new loans or undertake other new business. The restricted banks at once began planning to strengthen their capital position or to arrange for the readjustment of their liabilities in order that they could be licensed to conduct business unreservedly, and a considerable number subsequently were licensed. In the case of unlicensed national banks, conservators were appointed to manage them as provided for in the Bank Conservation Act, which is a part of the Emergency Banking Act of March 9.

In March about 85 per cent of the member banks in this district were licensed and these banks held 93 per cent of the deposits of all members. The number of licensed member banks here increased from 547 on March 15 to 606 on December 30.

Banking legislation

On March 9 the so-called Emergency Banking Act was passed, which approved the earlier actions of the President and conferred on

him broad powers over foreign exchange, currency hoarding, and gold. Among other provisions were those for the appointment of conservators for national banks, the issue of preferred stock by national banks, the issuance of federal reserve bank notes, and direct loans by the reserve banks to individuals, partnerships and corporations on the security of obligations of the United States.

Another Act, approved May 12, gave the President discretionary powers whereby he might direct the Secretary of the Treasury to arrange with the reserve banks to purchase additional government securities up to \$3,000,000,000, and to issue a like amount of currency to be used in retiring or purchasing United States securities; and he might reduce the gold content of the dollar by as much as 50 per cent, and provide for unlimited coinage of gold and silver at a ratio to be fixed by him. It also stated that all "coins and currencies heretofore or hereafter coined or issued by or under the authority of the United States shall be legal tender for all debts public and private."

A joint resolution of Congress, approved by the President on June 5, provided that any obligations payable in any prescribed form of money of the United States could be discharged in any coin or currency of the United States which is legal tender. The resolution also barred the use of any such restrictive clause in future contractual obligations.

The most important act pertaining to routine banking operations was the Banking Act of 1933, approved on June 16. In the course of its many sections affecting banks and the administration of credit by the federal reserve system, it provided for the insurance of deposits in banks by setting up the Federal Deposit Insurance Corporation. The payment of interest on demand deposits by member banks was prohibited, relations between member banks and affiliates were covered, and provision also was made for the possible control of bank loans on securities.

Changes in the condition of member banks

Loans to customers at the weekly reporting member banks in this district, most of which are located in Philadelphia, show a general downward trend over most of 1933, though at a slower rate than in 1932. Further analysis reveals that such loans made on the security of stocks and bonds did not change materially in the first quarter, but afterwards there was a substantial decrease; this liquidation probably was facilitated by the fact that security prices in the last three quarters averaged higher than in 1932. "Other

loans to customers," which doubtless are more representative of commercial accommodation, declined during the earlier months in harmony with the decrease in business activity, but over the last eight months showed little perceptible relation to it, moving rather steadily on a level with a spread of only a little over 10 millions between the high and low points.

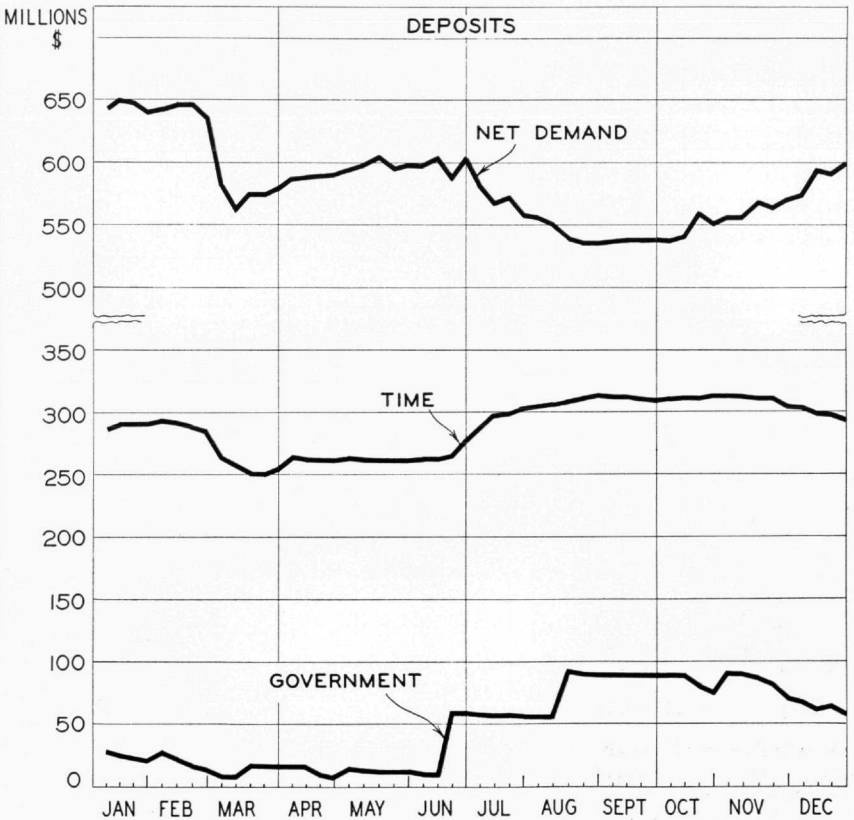
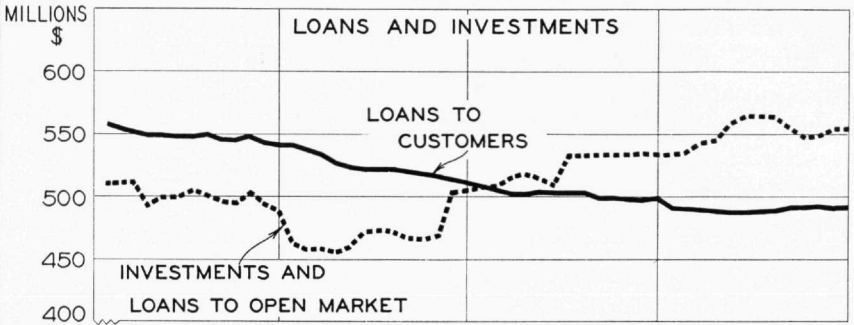
In the summer and fall of 1933 the rate at which demand deposits at some of these banks were used (or were turning over) was higher than in 1932. The increased velocity of deposits was an indication that business concerns were caring for a greater total of material purchases and payrolls without a proportionate increase in borrowing. Reports of improved collections in the settlement of business transactions also lend support to this view.

Holdings of United States securities by the reporting banks declined after the bank holiday, helping to make possible a rapid reduction in indebtedness to the reserve bank. From June on the banks continued to receive substantial allotments of new United States securities on the issue dates and retained a large part of them, so that on December 27 their holdings of such obligations totaled 292 millions, as compared with 215 millions on June 14 and 235 millions on January 4; accompanying the rise in government securities was an increase in the year of 30 millions in government deposits, which had been credited to the Treasury in payment for new issues. There were relatively small declines in other securities and in loans to the

Reporting member banks—1933 (000,000's omitted)	Jan. 4	Feb. 8	Mar. 8	June 14	Aug. 23	Dec. 27
Loans to customers:						
On stocks and bonds	\$286	\$283	\$286	\$262	\$249	\$232
All other	272	265	259	254	254	260
Loans to open market	25	9	7	5	14	18
United States securities	235	235	236	215	273	292
Other securities	250	255	250	248	245	242
Total loans and investments	\$1,068	\$1,047	\$1,038	\$984	\$1,035	\$1,044
Net demand deposits	\$642	\$646	\$561	\$603	\$535	\$599
Time deposits	287	292	258	262	311	293
Government deposits	27	21	8	9	90	57
Deposits	\$956	\$959	\$827	\$874	\$936	\$949
Amounts due from banks	\$144	\$151	\$46	\$134	\$80	\$75
Amounts due to banks	219	219	123	171	134	143
Reserve with Fed. Res. Bank	76	92	63	68	77	74
Cash in vault	12	11	15	10	11	14
Borrowed from Fed. Res. Bank	2	2	88	4	2	2

REPORTING MEMBER BANKS—1933

PHILADELPHIA FEDERAL RESERVE DISTRICT



open market, which include bought commercial paper and bankers' acceptances, as well as loans to New York brokers and dealers on security collateral.

Net demand deposits at these banks declined materially prior to the bank holiday in March; they rose for a while thereafter, but declined again after the banking act, approved in June, practically eliminated interest payments on such funds. There was a sharp increase in the last quarter; the total at the end of the year, 599 millions, was little short of the amount on June 14 but was 43 millions lower than at the beginning. Part of this reduction in the year can be explained by the continued repayments of loans by customers, even though part of the funds to make such payments unquestionably came from other districts. Time deposits, notwithstanding a pronounced decline before the bank holiday, rose substantially after the approval of the Banking Act of 1933 and, despite a decline in the last month and a half, show an increase from 287 millions on January 4 to 293 millions on December 27.

Consideration of the striking changes which took place in banking during the year is facilitated by dividing 1933 into several periods. This is done in the accompanying table and the following comments point out developments in each of these insofar as they are reflected in the figures of the weekly reporting member banks.

January 4 to February 8: There was an increase in the deposits of the reporting member banks despite a decline of 10 millions in loans to customers; the banks also reduced their loans to the open market by 16 millions. These funds were distributed principally in adding 16 millions to reserve deposits, and also in increasing investments and balances held with other banks.

February 8 to March 8: During this period of accelerating demand for currency, which ended in a general bank holiday, demand and time deposits declined very materially. These withdrawals were met by borrowing from this reserve bank and by the transfer of funds from other districts, although reserve deposits at the reserve bank also dropped materially.

March 8 to June 14: With the ending of the bank holiday, currency returned to the banks quickly, adding largely to demand deposits. The reporting banks greatly reduced their borrowings from the reserve bank and added large sums to their balances with other banks, although the funds to do this were obtained partly from a reduction in investments. Loans to customers continued to decline in this period.

June 14 to August 23: The passage of the Banking Act of 1933,

which prohibited the payment of interest on demand deposits by member banks with a few exceptions, had a pronounced effect on the banks. Balances with other banks were reduced and there was an extensive shift from demand to time deposits. Declines in amounts due to banks and in other demand deposits were accompanied by increases in time and government deposits, the latter representing credits to the government in payment for newly issued government securities. Increases in holdings of such securities, in open market loans, and in reserves with the reserve bank exceeded the reduction in balances held with other banks.

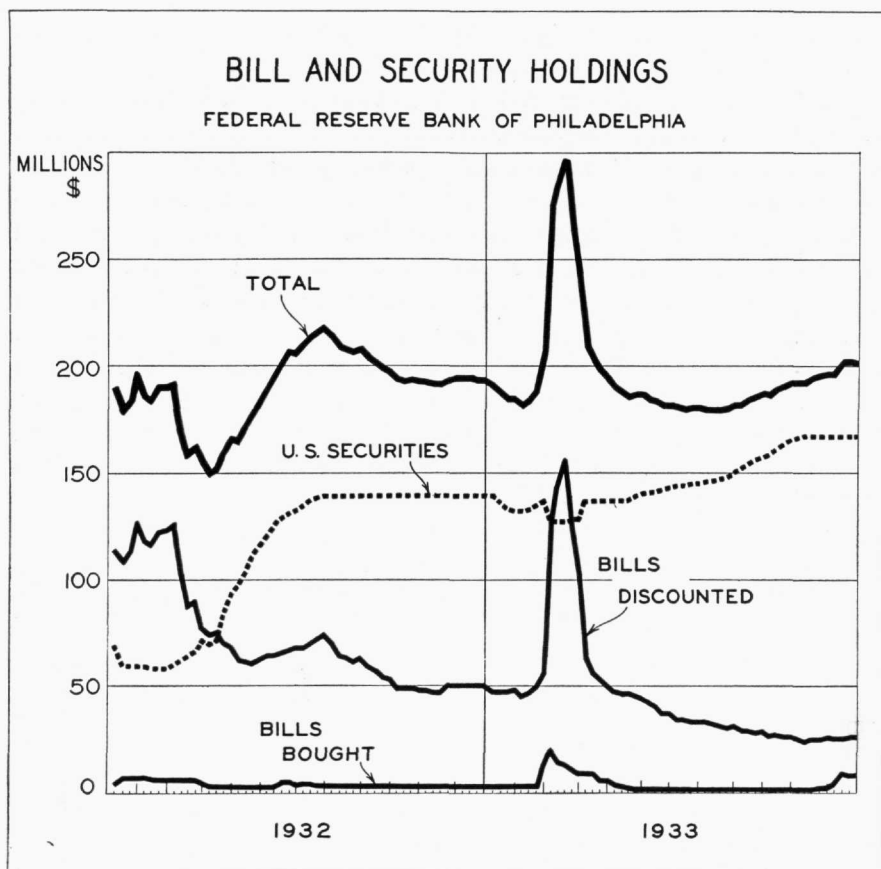
August 23 to December 27: There was a substantial increase in net demand deposits in the period from August 23 to the end of the year, despite a decline of 11 millions in loans to customers. For the most part this was balanced by decreases in time and government deposits, but a sufficient amount of funds remained to permit the banks to increase their open market loans and investments by 20 millions, most of which took the form of additions to their holdings of United States securities.

Federal Reserve Bank

Reserve bank credit During 1933 the bill and security holdings of this bank averaged 196 millions, the largest total since the early post-war years. In March the average was 271 millions, the highest in the history of the bank, and 53 per cent of the total was in the form of bills discounted and bought; the previous record figure was 247 millions in May, 1920, when bills made up 87 per cent of the bank's total holdings. The March peak was due mainly to the extraordinary currency demand and was quickly reduced; the average for the other eleven months of 1933 was about 189 millions of dollars and reflected principally holdings of obligations of the United States.

Throughout January and the first half of February discounts for member banks changed little, fluctuating within a few millions of the average of 47 millions. There was a sharp increase later in February and in March; the high point of 158 millions in borrowings was reached on March 14. The subsequent decline also was rapid and on the first of May discounts dropped below 50 millions. There was a slow decline thereafter to the low point of the year of 24 millions on November 9. In November and December discounts were remarkably stable, moving within a range of 24 to 26½ millions.

As outlined in the last annual report, in exceptional and exigent circumstances, the reserve banks are permitted to make advances



to individual member banks which lack sufficient eligible assets, provided that acceptable security is pledged. This power was to terminate on March 3, but in February it was extended for another year and the Act of March 9, in addition to removing the restriction on the size of would-be borrowers as measured by capital, made provision for a further extension of not more than one year at the option of the President. The bank had a very small amount of such loans on hand at the beginning of the year, but there was an increase to over 10 millions in March; these were largely paid off, so that on December 31 less than 2 millions remained.

Credit extended to individuals, partnerships and corporations totaled \$228,000 during 1933, made up of 22 separate loans. Of these, 9 loans amounting to \$115,000 were secured by United States obligations and were made under title IV of the Emergency Banking

Act, while 13 loans totaling \$113,000 were made under the third paragraph of section 13 of the Federal Reserve Act.

Holdings of bills bought throughout the year included some foreign bills, which were reduced from 3 millions to about half a million. A few domestic bills were acquired locally around the time of the bank holiday and some in December, but the total of these purchases in 1933 was only about one million. In February, and again in November and December the bank shared in federal reserve system purchases of acceptances of domestic banks. The average holdings in the year of all bills bought were the smallest since 1919.

The bank's holdings of United States securities declined from 139 millions on January 1 to a low of 127 millions in March; this was increased to 137 millions in April and subsequently expanded further to 167 millions in November as a result of the bank's share

Bill and security holdings (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
1932	73	4	111	2	190
1933	45	4	146	1	196
Monthly averages:					
1932—December	51	3	139	1	194
1933—January	47	3	136	1	187
February	54	7	135	†	196
March	130	13	128	†	271
April	56	7	137	†	200
May	46	2	138	†	186
June	40	1	141	†	182
July	34	1	145	†	180
August	32	1	147	†	180
September	29	1	154	†	184
October	26	1	162	†	189
November	25	1	167	†	193
December	26	7	167	†	200

* Includes foreign loans on gold.

† Less than \$1,000,000.

in purchases by the open market committee of the federal reserve system; there was no further change to the end of the year. Local purchases during 1933 were negligible. Average holdings of such securities were 146 millions, much the largest in the bank's history.

Local use of reserve bank credit Much of the credit extended by the bank takes the form of participations in system purchases of securities and bills, which largely are made in the New York market.

Reserve bank credit disbursed there doubtless is disseminated gradually to other sections of the country, but these indirect movements of funds cannot be measured precisely either as to the amount or the time at which they take place, so that analysis of reserve bank credit for an individual federal reserve district must be confined to changes in the amounts that have been placed locally.

Reserve bank credit extended directly within the district includes bills discounted for banks and others, local purchases of bills and securities (whether for the bank's own account or for the system), and float. Float usually is a minor item which measures the extent to which deposit credit has been given for checks before the reserve bank has received payment.

During 1933 such credit declined 23 millions, but this gives no indication of the extraordinary changes which took place early in the year. In the first month and a half borrowing changed little at this bank, but thereafter, up to nearly the middle of March, there was a sharp increase owing to the panic demand for currency and losses of funds to other districts. The subsequent return of currency was chiefly instrumental in enabling the banks to pay off their borrowings from this bank quickly, and by the end of April the amount of credit extended locally was about equal to the average in January. For months thereafter the trend of borrowings was slowly downward, and the period prior to the Christmas holidays was marked by stability rather than the increase to be expected at that time.

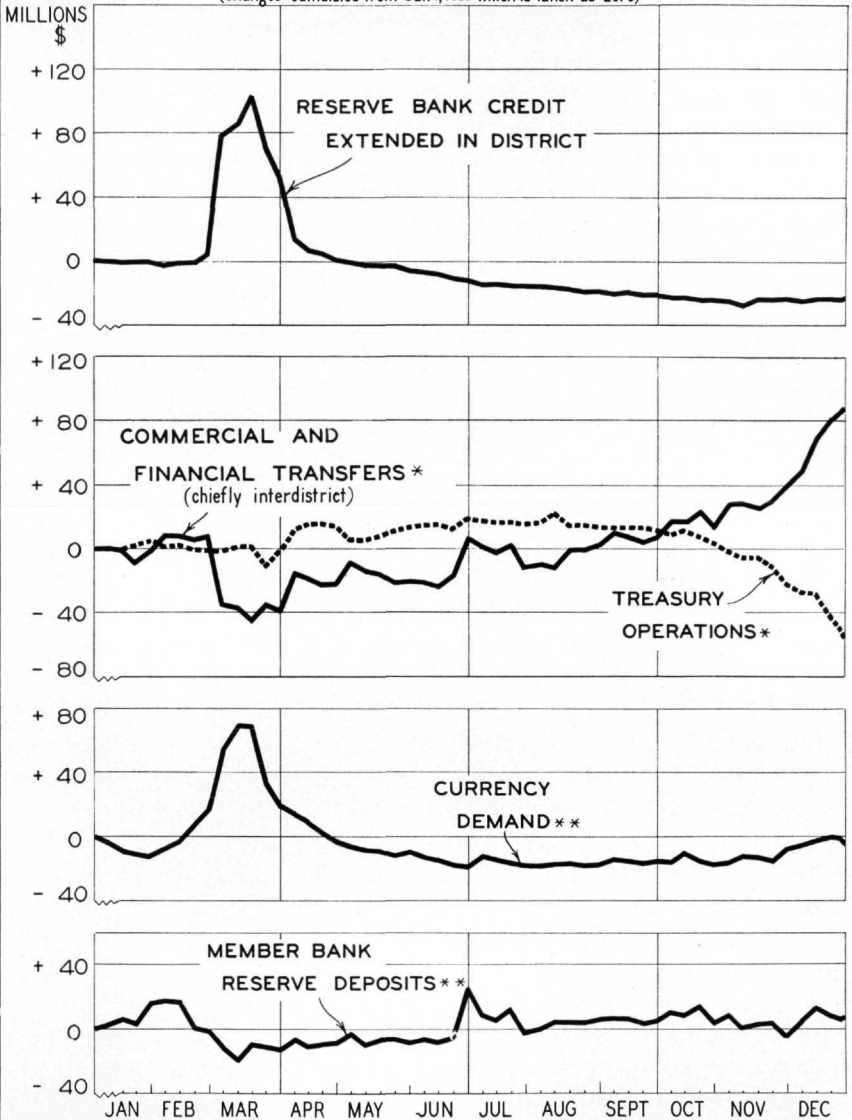
In the first three quarters of the year the Treasury disbursed greater sums in the district than it received here. This changed radically in the last quarter; heavy withdrawals from depositary banks and other receipts were not accompanied by corresponding disbursements, and there were large transfers to other sections for the Treasury. Taking the year as a whole, Treasury receipts from cash payments for securities, withdrawals from depositary banks, taxes and other sources were nearly equal to those in 1932, but larger amounts were disbursed here, so that the excess of local receipts over disbursements declined from 94 to 56 millions.

Commercial and financial transactions (which reflect chiefly the balance between payments to and receipts from other districts after transactions originating with the reserve banks or Treasury have been excluded) show a gain of 88 millions to the banks of

RESERVE BANK CREDIT AND FACTORS WHICH AFFECT IT

PHILADELPHIA FEDERAL RESERVE DISTRICT

(changes cumulated from Jan 1, 1933 which is taken as zero)



1933

* AN INCREASE IN THE AMOUNT TENDS TO REDUCE DEMAND FOR RESERVE BANK CREDIT AND VICE VERSA
 ** AN INCREASE IN THE AMOUNT TENDS TO INCREASE DEMAND FOR RESERVE BANK CREDIT AND VICE VERSA

this district. This was much less than in 1932, reflecting in part the withdrawal of funds prior to the bank holiday. However, the favorable balance provided sufficient funds to cover amounts withdrawn from the market through Treasury operations, to reduce borrowings, and to increase bank deposits at this bank. Currency demand fluctuated greatly, as described in other sections of this report, but, taking the year as a whole, the amounts received from banks and individuals were a little larger than amounts paid to them by this bank and the Treasury.

Reserve bank credit and the factors which affect it
Philadelphia Federal Reserve District

(000,000's omitted)	1933	1932*
Sources of funds:		
Reserve bank credit extended in this district	-\$23	-\$79
Commercial and financial transactions (chiefly interdistrict)	+ 88	+152
Treasury operations	- 56	- 94
Total	+ \$9	-\$21
Uses of funds:		
Currency demand	- \$5	-\$20
Member bank reserve deposits	+ 8	- 2
Special and "Other" deposits at reserve bank	+ 9	†
Unexpended capital funds of reserve bank	- 3	+ 1
Total	+ \$9	-\$21

* Revised since last report, chiefly to include mint transactions in gold.

† Changes of less than \$1,000,000.

The preceding table shows changes in reserve bank credit extended locally and in the principal factors which have had an influence upon it. Weekly fluctuations are shown graphically in the chart.

Reserve position An Act approved May 12 provided that all coins and currencies coined or issued by or under the authority of the United States shall be legal tender; accordingly the statements of the reserve banks were recast to include national bank notes and other items formerly carried under the caption "Non-reserve cash," in the cash reserves of the banks which took the new title "Gold reserves and other cash." For purposes of comparison the ratios to the federal reserve note and deposit liabilities on earlier dates have been refigured for this bank on the new basis.

The percentage at the close of 1932 thus becomes 58 per cent, instead of 56.6 per cent as originally reported. There was a small

rise in the ratio early in 1933, but the development of the banking crisis with its exceptional currency demand, which greatly expanded the note liability and also affected cash holdings, together with accompanying losses in the settlements to other districts, which further reduced gold reserves, resulted in a decline to 39.9 per cent on March 14. A rise to a high of 65.3 per cent on June 28 followed, reflecting a decline in note circulation and increased cash which more than counterbalanced the effect of rising deposits. Thereafter the trend was mostly downward, but the ratio did not fall quite as low as 60 per cent and at the end of the year was 60.9 per cent.

Reserve position (000,000's omitted in dollar figures)	Member bank reserve deposits	Total deposits	Fed. res. note cir- culation	Gold reserves and other cash	Ratio*
Annual averages:					
1932.....	\$119	\$124	\$252	\$224	59.6%
1933.....	121	135	246	228	60.0 "
Monthly averages:					
1932—December.....	127	131	242	218	58.4 "
1933—January.....	127	132	232	216	59.4 "
February.....	127	135	246	221	58.1 "
March.....	107	114	295	181	44.3 "
April.....	112	123	261	226	58.8 "
May.....	114	128	248	232	61.6 "
June.....	119	133	242	235	62.7 "
July.....	126	142	240	245	64.2 "
August.....	123	140	237	241	63.9 "
September.....	126	145	239	244	63.4 "
October.....	128	146	237	239	62.4 "
November.....	122	138	233	227	61.2 "
December.....	126	140	236	232	61.7 "

* Ratio of gold reserves and other cash to the combined federal reserve note and deposit liabilities.

A reflection of conditions which developed just prior to the bank holiday is given in the inclusion of two new items in the deposit liability of the bank. They are "Special deposits" of member and nonmember banks and represent the redeposit of segregated new deposits received by banks that otherwise were operating on a restricted basis. In the case of national banks and state banks in most states, such new funds, which are withdrawable in full on demand, can be kept only in cash, invested in United States securities, or on deposit at the reserve bank. The highest point reached was about 13 millions in September and at the end of the year the amount held here for member and nonmember banks was nearly 9 millions.



Member bank reserve deposits averaged a little higher in 1933 than in 1932. The increase over last year reflected an expansion in excess reserves carried by the banks; licensed member banks show a rise in excess reserves from 6 millions in April to 24 millions in October, after which there was a decline; the average monthly excess for all member banks in this district in 1932 was 3 millions.

Currency demand

In 1932 the trend of currency demand in this district for the most part had been slowly downward, but in February and early March, 1933 there was a tremendous expansion which increased the volume of circulating money to a new high point. From February 1 to March 3 payments of currency and coin to banks here exceeded receipts from them by 77 millions and during the period of the bank holiday there were further payments under careful supervision so that limited amounts could be withdrawn from deposits to permit the purchase of essentials and payment of wages. At that time the currency supply was supplemented in some places by the use of scrip; this medium of exchange, for example, was issued for a while by the Philadelphia Clearing House Association and used by some of its members.

In sharpness of rise the demand in this district was akin to that experienced in the fall of 1931, but it differed in that no small part of it represented a demand for gold coin. The return flow after the holiday was even greater than the earlier outgo, while the return was relatively small after the exceptional demand in 1931. There was a particularly heavy redeposit of gold coin and certificates, owing partly to the executive order of the President which prohibited the retention by any individual of more than \$100, apart from such coins as possess special value from the point of view of a collector. Late in the year an order issued by the Acting Secretary of the Treasury abolished the permission to hold even \$100. Omitting transactions with the Treasury, receipts of gold coin and certificates by this bank exceeded payments by 32 millions.

The lowest point in currency demand was reached in the summer and there was not much change thereafter until the holiday season was reached; the demand then was not exceptional, less in fact than at the same season of some of the earlier years. For the year as a whole currency and coin receipts exceeded payments by about 5 millions.

New issues of national bank notes by banks in this district

totaled about 10 millions of dollars, which compares with over 16 millions in 1932. Over half of the new issues this year were made within the month following the bank holiday.

Federal reserve bank notes Under title IV of the Emergency Banking Act, approved March 9, the reserve banks were permitted to issue federal reserve bank notes. The security required could consist of direct obligations of the United States, or of any notes, drafts, bills of exchange or bankers' acceptances acquired under the terms of the Federal Reserve Act. The issue of such notes after the President declares the emergency at an end is prohibited, except to the extent that they are secured by United States bonds bearing the circulation privilege.

Only the \$5, \$10, and \$20 denominations were prepared for this bank and the first notes were issued to it on March 22. Issues during the year totaled 28 millions, and the highest amount in actual circulation was 22½ millions on December 21. The collateral pledged here was almost entirely in securities of the United States, of which 26½ millions were held on December 31 to secure nearly 26 millions of outstanding notes.

Federal reserve notes Under the Glass-Steagall Act, approved February 27, 1932, the federal reserve banks were permitted to pledge United States securities as collateral for issues of federal reserve notes. This permission was to terminate on March 3, 1933, but early this year was extended to March 3, 1934. The maximum of such securities pledged was 88 millions; at the end of the year the amount was 60 millions, as against 52 millions at the beginning. This increase and the pledge of a larger sum in gold accompanied a considerable decline in available discounted paper.

The small decrease in outstanding federal reserve notes, in view of their use in part at least in exchange for gold and gold certificates (which for the country as a whole show a decline of over 500 millions in circulation), undoubtedly was due to the use of federal reserve bank notes. Issues of new and fit federal reserve notes to the bank totaled 160 millions in 1933, of which 34 millions was in notes of the \$100 denomination or higher; comparative figures of total issues show 108 millions in 1932, 234 millions in 1931, and 160 millions in 1930.

Year-end figures on notes issued and collateral held follow:

Federal reserve note issues and collateral (000's omitted)	December 31		
	1933	1932	1931
Notes received from comptroller.....	\$394,621	\$353,179	\$388,667
Notes on hand (held by federal reserve agent).....	145,440	101,790	93,600
Notes issued to bank (outstanding).....	\$249,181	\$251,389	\$295,067
Collateral held:			
Gold and gold certificates on hand.....	\$101,610	\$78,290	\$54,700
Gold fund—Federal Reserve Board.....	68,890	73,710	125,300
Discounted and purchased bills.....	18,930	47,463	116,949
United States securities.....	60,000	52,000	0
Total collateral held.....	\$249,430	\$251,463	\$296,949

Money rates

Rates on commercial loans to customers in good standing at some of the larger member banks in Philadelphia receded somewhat in the first two months of 1933; the average in the middle of February was around 4½ per cent. During the banking crisis there was an advance to over 5 per cent, but a decline followed and the averages in the last five months of 1933 fluctuated from 4½ to 4⅝ per cent, which was about ¼ of one per cent lower than in the closing months of 1932. The renewal rate for brokers' call loans in this city was unchanged at 4 per cent, except for a brief interval in March when it reached 5½ per cent.

The established rate of discount at the beginning of the year was 3½ per cent, which had not been changed since October 1931. The first change in 1933 was a reduction to 3 per cent, effective June 8. A further reduction to 2½ per cent followed in the middle of November, establishing the lowest rate in the history of the bank. At the end of the year the rates charged on special classes of paper were as follows:

Advances to member banks under sec. 10 (b) of the Fed. Res. Act as amended by sec. 402 of the act of Mar. 9, 1933.....	4%
Advances to nonmember banks under sec. 404 of the act of Mar. 9, 1933, as amended by the act of March 24, 1933.....	4%
Discounts for individuals, partnerships and corporations:	
Under third paragraph of sec. 13 of Fed. Res. Act, as amended by sec. 210 of act of July 21, 1932.....	6%
Secured by direct obligations of United States, under last paragraph of sec. 13 of Fed. Res. Act, as amended by sec. 403 of act of March 9, 1933.....	4%

Bankers' acceptances

Outstanding acceptances of banks in the Third Federal Reserve District increased from \$12,300,000 to \$15,500,000 during 1933; this rise of 26 per cent contrasted with a gain of 8 per cent in the country at large. The greatest percentage gains in the district figures were in acceptances covering imports and exports, although smaller gains also were reported in bills covering domestic shipments and domestic warehouse credits. Both the local and national figures show declines in bills created for dollar exchange and in those based on goods stored in or shipped between foreign countries.

Bankers' acceptances outstanding	Acceptances of banks in Third Fed. Res. District		Changes in year	
	Dec. 30, 1933	Dec. 31, 1932	Third District	United States
Based on—				
Imports.....	\$6,707,000	\$4,822,000	+ 39%	+20%
Exports.....	2,078,000	1,175,000	+ 77 "	+27 "
Domestic shipments.....	1,487,000	1,170,000	+ 27 "	- 4 "
Domestic warehouse credits...	3,328,000	2,513,000	+ 32 "	+22 "
Dollar exchange.....	0	500,000	-100 "	-60 "
Goods stored in or shipped between foreign countries.....	1,896,000	2,122,000	- 11 "	-20 "
Total.....	\$15,496,000	\$12,302,000	+ 26%	+ 8%

The number of member banks in the district authorized to accept up to 100 per cent of capital and surplus was unchanged at five, all of which are located in Philadelphia.

Membership

The many happenings of 1933 naturally have wrought numerous changes in the membership of the federal reserve system. At the beginning of the year, the total number of active members in this district was 693, of which 628 were national and 65 state banking institutions. Three banks suspended operations prior to the bank holiday; three national banks and one state institution were absorbed by member banks; 19 banks were placed in the hands of receivers; and 17 were placed in liquidation. These reductions were partly offset by eight additions, one of which was a new state bank member, two conversions of nonmembers into national banks, and five new national banks which succeeded banks in liquidation in

whole or in part. These changes reduced the number of member banks to 658 at the end of the year, of which 606 were licensed for unrestricted operations.

Changes in membership	National banks	State bank members	Total
Membership, December 31, 1932	628	65	693
Gains in 1933—			
New organizations.....	5	0	5
New state bank member.....	0	1	1
Conversion from nonmember.....	2	0	2
	7	1	8
Losses during 1933			
Suspensions.....	3	0	3
Placed in receivership.....	18	1	19
Placed in liquidation.....	17	0	17
Absorbed by member banks.....	3	1	4
	41	2	43
Membership*—December 31, 1933	594	64	658

* Includes 52 banks operating under restrictions, of which 46 were national and 6 state institutions; excludes non-licensed national banks which, at the end of the year, were being liquidated by conservators.

The members of the bank relations department made 1,128 visits to banks in this district during 1933, 736 being to members and 392 to nonmembers. These visits are intended primarily to keep the banks informed fully regarding the services offered by the reserve bank. Of the total number, 426 were classed as special visits, made in connection with the formulation of working plans for county clearings systems (of which 16 now are in operation in the district), the solution of problems that may have arisen out of credit extended by this bank, the discussion of plans for reopening, and so on.

In the twelve month period 3,760 visits were received from the officers of district banks. This number was unusually large; 1,020 of them were in March largely in connection with reopening of banks after the holiday.

Fiduciary powers The number of national banks privileged to exercise fiduciary powers declined during 1933 from 285 to 272; one new member bank (which had been a nonmember state institution) received full powers, while eleven banks having full powers and three having partial powers were removed from

the list as a result of liquidation, receivership or suspension. On December 31, 216 of the banks having these privileges were in Pennsylvania, 46 in New Jersey and 10 in Delaware.

National banks having fiduciary powers	Number of banks having		Totals
	Full powers	Partial powers	
December 31, 1929.....	262	30	292
December 31, 1930.....	268	29	297
December 31, 1931.....	264	25	289
December 31, 1932.....	262	23	285
December 31, 1933.....	252	20	272*

*Excludes 7 non-licensed national banks which, at the end of the year, were being liquidated by conservators.

Federal Deposit Insurance Corporation The Federal Deposit Insurance Corporation, created by the Banking Act of 1933, provided for deposit insurance on a permanent basis dating from July 1, 1934 and temporary insurance from January 1 until July 1, 1934, unless the effective dates were set earlier by the President. Under the temporary plan, each licensed member bank has to become a member of this fund and "any State bank which is not a member of the Federal Reserve System, with the approval of the authority having supervision of such State bank and certification to the Corporation by such authority that such State bank is in solvent condition, shall, after examination by, and with the approval of, the Corporation, be entitled to become a member of the Fund. . . ." This temporary insurance covers not more than \$2,500 of each depositor's balance.

The following tabulation shows the distribution of deposits of licensed member banks in this district according to size of accounts (May 13, 1933) :

	Number of accounts	Amount of deposits
Size of accounts:		
\$2,500 or less.....	2,794,670	\$534,950,000
\$2,501 to \$5,000.....	56,766	191,163,000
\$5,001 to \$10,000.....	24,967	169,876,000
\$10,001 to \$50,000.....	14,005	266,731,000
Over \$50,000.....	2,965	643,343,000
Total.....	2,893,373	\$1,806,063,000

Accounts of \$2,500 or less made up about 96 per cent, in number, of all deposits in licensed member banks in this district, almost exactly the same proportion as for the country as a whole; such deposits, however, amounted to nearly 30 per cent of the dollar balances here, as compared with about 24 per cent for the country.

Departmental operations

Although most of the usual operations of the bank show a decline both in number of pieces handled and in dollar volume, transactions which reflect Treasury activities, such as the payment of coupons, the handling of government checks, and the issue, redemption and exchange of securities, increased. The vault department, moreover, held an average balance of \$326,000,000 of securities in custody for member banks, as against \$313,000,000 in 1932, and its holdings of cash and securities for our own account, the Treasury and others rose from an average of \$683,000,000 to \$826,000,000.

(000's omitted)	1933	1932	1931	1930
Number of pieces or transactions handled:				
Notes and bills discounted.....	78	161	68	51
Notes (currency) counted.....	164,556	179,004	199,377	211,091
Coins counted.....	264,069	291,563	308,220	334,963
Ordinary checks handled (including return items).....	59,525	63,154	70,134	72,846
U. S. government checks handled.....	2,261	2,054	2,130	1,929
Items payable at a future date (collection items):				
United States coupons paid.....	1,378	1,356	1,361	1,487
All other items.....	476	594	548	570
Transfers of funds.....	96	116	122	126
U. S. securities issued, redeemed, or exchanged.....	187	73	80	61

A considerable expansion was made in the county clearings systems of handling checks; operations now are conducted in 16 areas as compared with 12 at the end of 1932 and include 323 participating banks as against 186 on the earlier date; the amount of items interchanged increased from \$70,000,000 to \$94,000,000. The total of wire settlements of clearing house balances, in which fourteen cities continued to participate, declined from \$146,000,000 to \$118,000,000.

Subscriptions to new Treasury issues of certificates of indebtedness, notes, and bonds received from this district totaled

1,972 millions in 1933 and the amount actually allotted here was 319 millions, of which 87 millions represented exchanges for other securities. Allotments of Treasury bills to the district totaled nearly 5 millions in 1933. The exchanges noted above included nearly 51 millions of Fourth Liberty Loan bonds, which were received in exchange for Treasury bonds that bear $4\frac{1}{4}$ per cent the first year and $3\frac{1}{4}$ per cent thereafter; this issue was offered at $101\frac{1}{2}$ to those subscribers whose payment was to be made in cash or by deposit credit, but Fourth Liberty Loan bonds were received on an exchange basis of par for par. Nine issues of Treasury certificates matured in the year; allotments of these to the district originally amounted to 163 millions, but only one-third of this amount, or 54 millions, was redeemed here during the year.

Personnel and building

Board of directors

Class	Name	Residence	Term expires
A	Group 1 Joseph Wayne, Jr., President, Philadelphia National Bank, Philadelphia, Pa.	Philadelphia, Pa.	Dec. 31, 1935
	Group 2 George W. Reily, President, Harrisburg National Bank, Harrisburg, Pa.	Harrisburg, Pa.	Dec. 31, 1933
	Group 3 John C. Cosgrove	Johnstown, Pa.	Dec. 31, 1934
B	Group 1 C. Frederick C. Stout, Member, John R. Evans & Company, Philadelphia, Pa.	Ardmore, Pa.	Dec. 31, 1934
	Group 2 Arthur W. Sewall, President, General Asphalt Company, Philadelphia, Pa.	Philadelphia, Pa.	Dec. 31, 1935
	Group 3 J. Carl De La Cour, Vice-President, Wm. S. Scull Company, Camden, N. J.	Riverton, N. J.	Dec. 31, 1933
C	Richard L. Austin, Chairman of the Board	Philadelphia, Pa.	Dec. 31, 1935
	Alba B. Johnson, Deputy Chairman of the Board	Rosemont, Pa.	Dec. 31, 1933
	Harry L. Cannon	Bridgeville, Del.	Dec. 31, 1934

With the closing of 1933 the terms of George W. Reily, a class A director representing group 2 banks, and J. Carl De La Cour, a class B director elected by group 3 banks, were to expire. At the elections held in the fall they were the only nominees of their respective groups and were chosen unanimously to succeed themselves for terms of three years from January 1, 1934. The Federal

Reserve Board reappointed Alba B. Johnson as a class C director for a like term.

Appointments by the Federal Reserve Board for the year 1934 included the redesignation of 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.

By appointment of the board of directors, Howard A. Loeb, chairman of the board of the Tradesmens National Bank and Trust Company of Philadelphia, continued to represent the district on the Federal Advisory Council during 1933. The officers, appointed by the directors, were unchanged, as follows: 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. In December, John S. Sinclair, a member of the law firm which has been acting as counsel for the bank, was appointed as an additional deputy governor; he is to assume his duties on January 2, 1934.

The financial crisis and subsequent legislation imposed on the bank many unusual operations and new duties, and made necessary a considerable increase in our clerical force; the number of employees, exclusive of officers, rose from 752 to 850 during 1933.

Construction work for the bank on the ground to the west of the old building was largely completed by the end of the year; occupancy of the first floor, which contains quarters for the officers, is to take place on January 2, 1934. Work was started on the demolition of the old building, which will be rebuilt to harmonize with the new portion.

Banking and business information

In the collection of statistics and other information regarding business conditions, this bank has continued to enjoy the confidence and co-operation of business concerns of this district. This is exceedingly gratifying, especially in view of the fact that the collection of the statistical and other data by our Department of Research and Statistics is based solely on the principle of voluntary co-operation. All information received by us is kept in strict confidence; figures of individual concerns are used only in combination with those of other companies.

Several improvements have been made in our statistical infor-

mation during 1933. Two new series of figures showing creamery butter production and wool takings by the carpet and rug industry have been added to the index number of manufacturing production which now covers 47 important industries. Because of changes in wage rates and earnings especially since mid-summer of 1933, the figures on payrolls used for certain industries were replaced by data on employe-hours actually worked as more indicative of the volume of work done currently. All these figures have been adjusted to the level of factory output as shown by the biennial census of manufactures for each line. Thirteen industries required such change from the payroll to employe-hours data, statistics for the remaining lines continuing in physical units which are free from price fluctuations.

The revision of employment and payroll indexes of Pennsylvania factories was completed and made public in 1933. The number of monthly reports increased from about 900 to 1,800. Manufacturing companies now reporting to us employed in 1929 from 55 to 60 per cent of all wage earners engaged in the manufacturing industry of Pennsylvania. They are divided into 11 groups and subdivided into 68 industrial classifications. In response to the continued demand for regional information, they also are given by twenty industrial areas. All these indexes are expressed on a three-year base, 1923-25, which is taken as 100. The total and the group as well as sub-group indexes are weighted proportionately to avoid any bias that might arise from the inequality of sample data.

In addition to the information on factory employment, an index number of a more general character has been constructed for the purpose of measuring current changes in employment and wage earnings. This index covers twelve occupations in Pennsylvania which in 1930 provided jobs to nearly 2,230,000 workers, or about 60 per cent of all gainfully employed, as indicated by the state census. Figures for each occupation were first expressed in terms of the monthly average for 1932 and then combined into the general index in accordance with the relative importance of each occupation.

A new set of data has been added to show current output of crude petroleum in the northwestern part of this district which produces about 70 per cent of the total oil output in Pennsylvania. Since monthly figures are not available prior to the middle of 1931, the index number constructed from these figures has not yet been adjusted for seasonal variation. It, nevertheless, supplements our

other indexes of industrial production in the district, particularly those of manufacturing and coal mining.

The tabulation and analyses of statistics on the condition of member banks and the reserve banks, local money rates, debits to individual account, special computations relating to the velocity of bank deposits, and other items reflecting banking and financial changes have continued, undergoing such revisions and improvements as new conditions required. Further refinements have been made in the factors which affect the demand for reserve bank credit, and data on a comparable basis have been worked back to the beginning of 1932. It was necessary to revise the figures of the weekly reporting member banks owing to banking changes early in the year and comparable records for these also were carried back to January 1932.

A comprehensive summary of the statistical and other current information on business conditions has been presented monthly in the bank's bulletin, *The Business Review*, as heretofore, and through the various more detailed releases which are issued during each month in advance of this bulletin. Largely because of the swift changes in 1933, the collection and analysis of current data have been quickened in every possible way in order to have the information on changes in business activity and on new developments in trade and industry up to date.

As an aid to those who have special business or banking problems requiring investigation, this bank maintains a library containing close to 6,000 volumes, chiefly books affording reference material. Such documents as federal censuses, financial and banking reports, some of them extending to the revolutionary days of this country, provide a valuable source of basic information relating to the business progress of this section as well as that of the country.

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

(1923-1925 average = 100)

	Factory produc- tive ac- tivity	Build- ing con- tract awards (value)	Coal mining			Freight car load- ings	Whole- sale sales	Retail sales	New pas- senger auto- mobile regis- trations
			Total	Anthra- cite	Bitumi- nous				
1932									
Jan.....	70	38	53	54	46	61	66	68	83
Feb.....	68	37	56	58	48	59	66	68	71
Mar.....	63	34	77	81	54	58	63	65	46
April.....	60	33	78	81	60	57	63	69	42
May.....	56	31	49	49	50	50	63	65	50
June.....	55	30	43	42	46	49	62	64	63
July.....	56	37	54	55	48	48	57	57	45
Aug.....	57	35	48	48	48	47	56	53	43
Sept.....	64	31	60	61	52	49	55	58	46
Oct.....	62	30	61	61	58	51	53	61	41
Nov.....	59	32	64	65	57	50	55	53	39
Dec.....	57	37	72	75	55	51	54	56	67
1933									
Jan.....	56	25	52	53	46	49	58	51	61
Feb.....	56	17	62	64	49	48	56	49	57
Mar.....	52	12	73	77	47	45	53	47	38
April.....	58	13	45	44	49	46	58	62	44
May.....	64	15	45	43	57	49	68	60	52
June.....	70	18	66	65	69	59	70	60	61
July.....	75	20	69	67	82	66	75	58	73
Aug.....	72	20	62	61	72	63	72	61	75
Sept.....	69	24	70	74	46	58	64	70	83
Oct.....	67	31	53	55	38	55	64	63	78
Nov.....	65	41	71	73	58	54	63	57	71
Dec.....	64	44	67	68	59	57	63	62	66

Seasonal factors

(Used in adjusting the actual indexes for seasonal changes. The average for the year equals 100)

Jan.....	100	81	...	108	114	92	90	82	54
Feb.....	102	95	...	106	109	98	92	82	74
Mar.....	102	117	...	82	102	95	94	91	112
April.....	98	122	...	102	91	98	93	107	151
May.....	97	123	...	100	90	101	94	101	144
June.....	99	108	...	88	88	98	96	98	140
July.....	96	98	...	82	88	100	94	73	113
Aug.....	100	96	...	100	94	103	95	79	110
Sept.....	103	100	...	101	102	111	114	90	96
Oct.....	104	97	...	129	107	109	114	113	82
Nov.....	102	86	...	103	110	103	113	120	70
Dec.....	97	77	...	99	105	92	111	164	54

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

(1923-1925 average = 100)

	Factory produc- tive ac- tivity	Build- ing con- tract awards (value)	Coal mining			Freight car load- ings	Whole- sale sales	Retail sales	New pas- senger auto- mobile regis- trations
			Total	Anthra- cite	Bitumi- nous				
Annual averages									
1923	103	75	115	115	117	104	104	99	97
1924	95	107	106	109	89	96	99	99	99
1925	103	118	78	76	94	100	97	102	104
1926	108	137	104	104	105	100	98	106	123
1927	104	160	98	99	91	101	94	102	104
1928	102	165	92	93	90	102	94	101	111
1929	110	132	92	91	98	106	98	100	131
1930	97	108	86	86	84	90	85	91	99
1931	77	62	72	73	66	71	73	80	80
1932	61	34	60	61	51	52	59	61	51
1933	64	22	60	61	55	55	63	58	62
1932									
Jan.	69	31	58	59	53	56	58	55	45
Feb.	68	35	61	62	52	58	60	56	52
Mar.	64	39	65	67	55	56	60	63	51
Apr.	59	40	81	85	55	56	58	69	63
May	55	38	48	49	45	51	60	65	73
June	55	33	37	37	41	48	60	62	89
July	54	36	45	45	42	47	53	41	50
Aug.	57	34	48	48	45	48	53	42	47
Sept.	65	31	61	62	53	53	63	53	44
Oct.	65	29	77	79	62	56	60	69	34
Nov.	61	28	66	67	63	51	62	64	27
Dec.	56	29	72	74	57	48	59	92	36
1933									
Jan.	56	20	56	57	52	46	52	42	33
Feb.	57	16	66	68	53	47	51	40	42
Mar.	53	14	61	63	48	43	50	43	42
Apr.	57	16	45	45	45	45	54	67	66
May	62	19	44	43	52	50	64	60	75
June	69	20	57	57	61	58	67	59	86
July	72	20	57	55	72	66	69	42	82
Aug.	72	19	62	61	67	65	68	48	82
Sept.	71	24	71	75	47	65	73	63	79
Oct.	70	30	67	71	41	60	72	71	64
Nov.	66	35	73	75	64	56	71	68	50
Dec.	62	34	66	67	62	53	69	101	36

**Indexes of factory employment, payrolls and employe-hours
in Pennsylvania**

Without adjustment for seasonal variation

Employment

(1923-1925 average = 100)

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Avg.
1923	105	107	108	107	108	109	108	107	107	107	106	103	107
1924	101	102	102	100	97	93	90	90	92	94	94	96	96
1925	97	99	99	98	98	97	95	96	96	98	98	99	98
1926	99	101	100	99	98	98	97	98	100	101	101	100	99
1927	98	98	99	97	96	96	94	94	95	94	94	93	96
1928	92	94	94	91	91	92	91	93	94	94	95	94	93
1929	94	97	97	98	98	99	99	100	101	102	100	98	98
1930	96	96	96	95	93	90	85	84	85	85	83	80	89
1931	77	79	79	79	77	74	72	73	73	73	72	71	75
1932	69	70	68	66	63	62	59	60	64	66	65	63	65
1933	60	62	59	59	62	66	69	73	76	77	76	73	68

Payrolls

(1923-1925 average = 100)

1923	99	102	107	106	113	113	106	107	107	111	106	105	107
1924	100	104	105	102	97	89	82	86	89	94	93	100	95
1925	98	100	102	99	99	96	93	95	94	102	99	103	98
1926	101	104	106	103	101	101	97	99	104	108	105	106	103
1927	100	103	104	101	98	98	91	95	92	95	94	94	97
1928	90	96	96	89	92	92	86	93	93	98	97	97	93
1929	95	102	103	104	105	104	99	105	103	107	103	98	102
1930	96	97	97	95	91	86	77	78	79	79	73	70	85
1931	66	68	69	69	65	61	56	57	55	55	52	53	60
1932	49	49	48	43	39	37	33	35	38	41	39	37	41
1933	34	35	33	33	38	43	46	53	54	55	52	51	44

Employe-hours

(1927-1928 average = 100)

1927	107	111	112	109	107	103	97	100	98	98	97	97	103
1928	92	101	101	94	98	96	90	98	96	101	100	100	97
1929	98	107	108	110	109	109	106	108	106	109	105	99	106
1930	98	100	99	99	96	90	82	82	82	81	76	72	88
1931	68	70	70	72	67	62	57	58	56	58	55	56	62
1932	54	54	53	49	45	43	38	40	44	49	47	45	47
1933	41	42	39	41	48	56	61	64	59	60	57	55	52

Federal Reserve Bank of Philadelphia

Directors and Officers Appointed and Elected for the Year 1934

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 (Chairman), Philadelphia, Pa.
Harry L. Cannon, Bridgeville, Del.
Alba B. Johnson (Deputy Chairman), Philadelphia, Pa.

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

OFFICERS

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

George W. Norris,
Governor
William H. Hutt,
Deputy Governor
John S. Sinclair,
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