

THE BUSINESS REVIEW

THIRD FEDERAL
PHILADELPHIA



RESERVE DISTRICT
NOVEMBER 1, 1929

By RICHARD L. AUSTIN, Chairman and Federal Reserve Agent
FEDERAL RESERVE BANK of PHILADELPHIA

Business and Financial Conditions in the United States

Industrial activity increased less in September than is usual at this season. Production during the month continued above the level of a year ago, and for the third quarter of the year it was at a rate approximately ten per cent above 1928. There was a further decline in building contracts awarded. Bank loans increased between the middle of September and the middle of October, reflecting chiefly growth in loans on securities.

Production. Output of iron and steel declined further in September, contrary to the seasonal tendency; there was a sharp decrease in output of automobiles and automobile tires, and a smaller than seasonal increase in activity in the textile and shoe industries, which continued to produce at a high rate in comparison with the preceding year. Meat-packing plants were more active than in August. Factories increased the number of their employees during September and payrolls were also slightly larger.

Output of coal showed a substantial increase from August and the average daily production of copper mines was somewhat larger. Iron ore shipments declined seasonally and petroleum output

was reduced for the first time in several months.

For the first half of October, reports indicate a further reduction in steel plant operations, a continued increase in production of bituminous coal, and some increase in petroleum output, following a moderate decrease during September.

Building contracts awarded in September declined seasonally from August and were substantially below the corresponding month in any year since 1924. For the third quarter the volume of contracts was 6 per cent less than a year ago. During the first three weeks of October, contracts continued substantially below the level of last year.

Agriculture. October estimates by the Department of Agriculture indicate a cotton crop of 14,915,000 bales, 3 per cent larger than last year; a corn crop of 2,528,000,000 bushels, 11 per cent smaller than the crop of a year ago, and 8 per cent below the five year average; and a total wheat crop of 792,000,000 bushels, 12 per cent below last year but only slightly under the five year average.

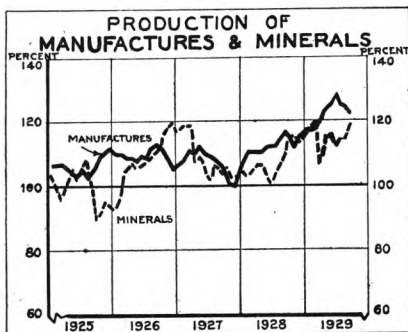
Distribution. Freight car loadings increased by slightly less than the usual

seasonal amount in September and continued to be larger than a year ago. In the first two weeks of October, car loadings were smaller than in the corresponding weeks of 1928.

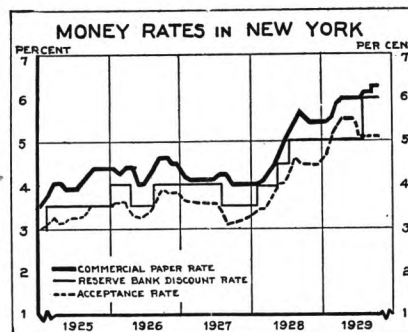
Department store sales in leading cities increased seasonally during the month of September and were 2 per cent larger than a year ago. For the third quarter, as a whole, sales of the reporting stores exceeded those of the third quarter of last year by 3 per cent.

Prices. Wholesale prices showed little change from August to September, according to the index of the Bureau of Labor Statistics. Prices of meats and livestock declined considerably, while prices of grains advanced. The prices of raw silk, cotton and cotton goods were higher in September, and the price of coal increased, while prices of iron and steel products, tin, gasoline, and cement were lower. During the first three weeks of October, prices declined for a considerable number of commodities, including wheat, flour, hides, steel, tin, cotton, silk, and wool.

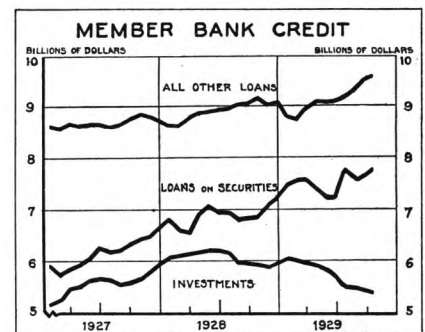
Bank credit. Between the middle of September and the middle of October,



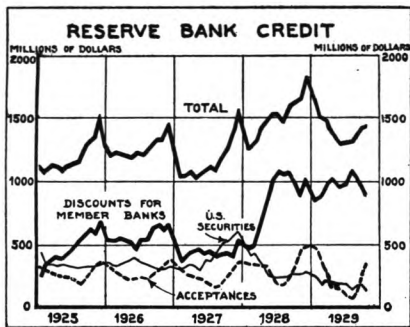
Index numbers of production of manufactures and minerals, adjusted for seasonal variations (1923-25 average = 100). Latest figures September, manufactures 122, minerals 119.



Monthly rates in the open market in New York: commercial paper rate on 4 to 6-month paper and acceptance rate on 90-day banker's acceptances. Latest figures are averages of first 23 days in October.



Monthly averages of weekly figures for reporting member banks in leading cities. Latest figures are averages of first three weeks in October.



Monthly averages of daily figures for 12 Federal reserve banks. Latest figures are averages of first 19 days of October.

there was a slight increase in the volume of loans and investments of member banks in leading cities. The banks' loans on securities increased rapidly, while all other loans, including loans for commercial and agricultural purposes, declined somewhat after reaching a seasonal peak on October 2. Security holdings of the reporting banks continued the decline which has been almost uninterrupted for more than a year.

At the reserve banks there was little change in the volume of credit outstanding during the four week period ending October 19. Further increase in the holdings of acceptances by the Federal reserve banks was accompanied by a decline in discounts for member banks, largely at the Federal Reserve Bank of New York.

Open market rates on bankers' acceptances and on prime commercial paper were unchanged during the last half of September and the first three weeks of October. On October 23 rates on bankers' acceptances declined by one-eighth per cent to a 5 per cent level for the principal maturities. Rates on demand and time loans on securities declined during the first half of October.

District Summary

Further seasonal improvement in business in the Philadelphia Federal Reserve District during the past four weeks is reflected in the latest reports. Production on the whole continues appreciably above the level of last year, and the distribution of commodities has increased sharply with the approach of winter.

Industrial employment is well sustained and wage disbursements have been in much larger volume than at either the same time last year or two years ago. The number of factory wage earners in Pennsylvania, New Jersey, and Delaware again increased between August and September. Wages paid in the same period, however, decreased slightly, owing partly to fewer working days than in the previous month and partly to a decline in the metal industries from the unusually high point reached in August. Consumption of electric power by industries, while de-

Business Indicators Philadelphia Federal Reserve District	September, 1929	Latest figure compared with	
		Previous month	Year ago
Retail trade—estimated net sales (139 stores)	\$17,418,400	+22.0%	- 2.7%
Department stores (62).....	\$15,583,000	+22.2 "	- 2.0 "
Apparel stores (40).....	\$2,405,200	+31.5 "	+ 0.8 "
Shoe stores (17).....	\$320,700	- 3.4 "	- 5.3 "
Credit stores (20).....	\$893,600	- 0.2 "	- 18.9 "
Wholesale trade—net sales (102 firms)	\$7,829,475	+ 7.0 "	+ 2.8 "
Boots and shoes (5).....	\$159,918	+23.2 "	- 3.8 "
Drugs (10).....	\$1,108,075	+ 3.4 "	- 0.5 "
Dry goods (14).....	\$782,882	+48.7 "	+ 3.9 "
Electrical supplies (3).....	\$192,887	+14.2 "	- 2.5 "
Groceries (33).....	\$3,023,711	- 1.0 "	+ 1.0 "
Hardware (21).....	\$1,547,267	+ 6.5 "	+ 3.5 "
Jewelry (11).....	\$504,198	+25.7 "	+ 15.6 "
Paper (7).....	\$510,537	+ 0.4 "	+ 10.0 "
Productive activity—			
Employment—857 plants in Penna.	325,245	+ 0.5 "	+ 10.1 "
Wage payments in above plants.....	\$8,558,210	- 2.2 "	+ 13.6 "
Shoe production* (89 factories).....	prs. 1,584,115	- 6.7 "	.....
Hosiery production* (126 mills).....	doz. prs. 1,483,209	+ 5.1 "	.....
Wool consumption* (85 mills).....	lbs. 8,284,222	- 2.9 "	.....
Active cotton spindle hours (Penna. and N. J.).....	64,990,397	+29.0 "	+ 8.3 "
Pig iron production.....	tons 320,462	- 8.8 "	+ 7.5 "
Iron casting production (35 foundries).....	tons 5,753	- 7.3 "	+ 3.9 "
Steel casting production (11 foundries).....	tons 6,527	-10.5 "	+ 62.6 "
Anthracite.....	tons 6,758,000	+13.5 "	+ 14.0 "
Bituminous coal—Penna.....	tons 11,405,000	- 2.4 "	+ 12.2 "
Cement.....	bbls. 3,600,000	- 8.7 "	- 0.3 "
Electric power output (12 systems).....	KWH. 550,247,500	- 1.6 "	+ 16.4 "
Financial and credit—			
Debits (18 cities).....	\$2,760,036,000	- 0.3 "	+ 5.0 "
Loans and investments—middle of October—108 member banks.....	\$1,694,200,000	- 0.1 "	+ 1.4 "
Bills discounted held by F. R. B. of Phila. (daily average).....	\$90,600,000	- 2.4 "	- 14.9 "
Bankers' acceptances outstanding—end of month (district).....	\$18,372,000	+ 6.5 "	+ 18.4 "
Commercial paper sales (4 dealers).....	\$1,190,000	-29.7 "	- 56.8 "
Commercial failures—number.....	60	-42.3 "	- 9.1 "
Commercial failures—liabilities.....	\$1,234,053	-54.5 "	- 47.2 "
Building and real estate—			
Building permits (17 cities).....	\$7,127,372	-26.5 "	- 39.4 "
Building contracts awarded (Philadelphia district).....	\$35,046,800	+40.7 "	- 23.2 "
Number of real estate deeds recorded (Philadelphia county).....	3,813	-16.7 "	- 14.2 "
Value of mortgages recorded (Philadelphia county).....	\$8,538,727	-56.2 "	- 43.4 "
Sheriff sale, number of writs issued for October (Philadelphia county).....	687	-42.8 "	+111.4 "
Miscellaneous—			
Freight car loadings (Allegheny district—weekly average).....	231,204	+ 0.8 "	+ 4.2 "
Tonnage of vessels (Port of Philadelphia).....	4,125,536	- 3.2 "	+ 14.9 "
Sales of life insurance (Penna., N. J., and Del.).....	\$87,498,000	-12.1 "	+ 26.7 "
Automobile sales (registrations of new passenger cars).....	16,248	-22.9 "	+ 11.3 "

* Bureau of Census preliminary figures.

clining somewhat in September, was materially larger than in the same month last year.

Among the leading groups of manufacture, the textile industry shows the most pronounced improvement in the month and in comparison with a year ago. Activity in leather and shoes, though close to the level of last month, does not compare favorably with the rate of operation prevailing at the same time last year. The manufacture and distribution of building materials on the whole continues to reflect lessened activity in building trades when compared with last year.

While building contracts let in recent weeks have increased slightly, they still remain much smaller than those at the same time in the past three years. This decline is due principally to large recessions in residential building in this district.

The market for fabricated metal products has slackened somewhat, after an exceptional activity this year. Nevertheless, sales, unfilled orders, and plant operations still surpass those of a year ago.

Activity in iron and steel foundries likewise declined in the month but was above the level of last year.

In response to more active demand from householders and industries, business in both anthracite and bituminous coal has increased recently; mining of coal in this section naturally reflects this improvement.

The mercantile situation shows the usual seasonal expansion. The dollar volume of both retail and wholesale trade was substantially larger in September than in August, and preliminary reports covering the first part of October indicate further improvement. In comparison with a year before, retail sales by reporting firms declined while sales at wholesale increased. Sales of new passenger cars and of ordinary life insurance declined seasonally but were materially above the volume of a year earlier.

Railroad shipments of commodities in this section during September increased less than was to be expected, and in the early part of October a downward tend-

ency was shown, contrary to the usual seasonal trend. Nevertheless, total freight car loadings in the period from March to September were much larger than at the same time in the past three years. This favorable comparison is attributable chiefly to larger shipments of merchandise and miscellaneous commodities.

Stocks of commodities at manufacturing plants show reduction in the past four weeks, and are also smaller than inventories held on the same date last year. Retail houses naturally have increased their stocks since last month, although at the end of September they were appreciably less than a year before.

Member banks in this district report practically no change in commercial loans during the four weeks ended October 16. The high point in such loans usually occurs not later than September or October. Total loans and investments, too, changed little in the month. There was a decline in the demand for currency; funds gained in this way and through favorable balances in the settlements were large enough to enable banks to meet losses in transactions with the government and to reduce their borrowings from the Federal Reserve Bank.

Business and Financial Situation in Detail

Financial Conditions

Money rates. The call money renewal rate in Philadelphia did not go below 7½ per cent in September and the average was between 8 and 9 per cent. In the first few days of October a 9 per cent renewal rate was in effect, but rates declined subsequently, the average in the two weeks ending October 23 being only slightly in excess of 6 per cent. Large Philadelphia member banks report loans to customers on their commercial paper at 5¾ to 6 per cent, about the same as a month ago, though somewhat higher than a year ago, when the prevailing range was 5½ to 5¾ per cent.

The discount rate of this bank has been unchanged at 5 per cent during the past month, but on October 24 the buying rate on bankers' acceptances was reduced from 5½ to 5 per cent.

Member banks. There was little change in total loans and investments dur-

Member banks in 21 leading cities (000,000's omitted)	Oct., 1929	Changes in—	
		Four weeks	One year
Reported by 94 banks:			
Loans on securities	\$ 584	+\$3	+\$51
Other (largely commercial) loans	604	0	+ 31
Reported by 108 banks:			
Total loans and discounts	1,257	+ 4	+ 86
Investments	437	- 5	- 63
Net demand deposits	860	- 6	- 22
Time deposits	483	+ 1	- 33

City Conditions Philadelphia Federal Reserve District	September, 1929, compared with September, 1928					
	Employment	Wage payments	Value of building permits	Debits	Retail trade sales	Electric power sales
Allentown area	+ 0.8%	+ 0.3%	- 14.9%	+ 1.6%	- 7.1%	+ 4.8%*
Altoona "	+20.0	+23.9	+ 18.9	+15.1	-13.1	.....
Harrisburg "	+ 2.9	+ 4.4	+ 19.5	+ 0.5	- 3.4	.....
Johnstown "	- 1.5	- 6.3	+ 18.9	+ 9.0	- 6.4	+ 6.2
Lancaster "	+ 4.9	+ 5.0	- 77.0	+ 7.0	- 3.8	+16.3
Philadelphia "	+10.1	+10.3	- 38.9	+ 4.4	- 0.5	+11.7
Reading "	+12.2	+19.6	- 50.5	+ 7.4	- 6.5	+20.8
Seranton "	+14.2	+12.1	- 65.7	+ 1.4	-13.9	- 6.4
Trenton "	+ 2.0	+ 2.9	- 46.1	+10.8	- 2.9	+19.7
Wilkes-Barre "	- 4.3	+ 6.9	- 32.6	- 7.2	-11.9	.....
Williamsport "	+ 0.5	+ 2.2	- 7.7	+ 9.6	.....	.....
Wilmington "	+15.9	+19.9	- 80.1	+24.0	- 4.0	+21.7
York "	- 0.6	- 3.0	+ 84.2	+ 6.8	.....	+17.0

September, 1929, compared with August, 1929

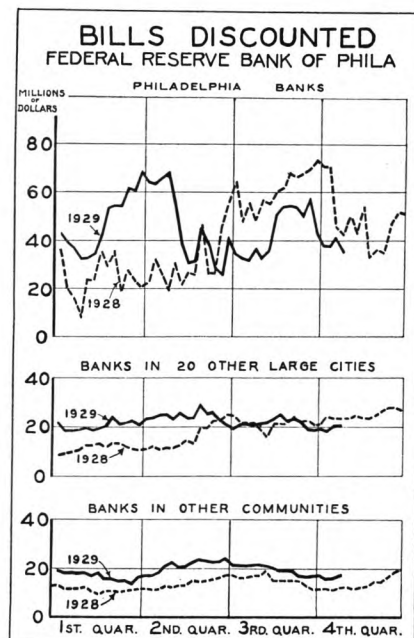
City Conditions Philadelphia Federal Reserve District	September, 1929, compared with August, 1929					
	Employment	Wage payments	Value of building permits	Debits	Retail trade sales	Electric power sales
Allentown area	- 1.2%	- 6.3%	+ 70.4%	- 4.2%	- 2.0%	+ 0.2%*
Altoona "	+ 2.6	- 2.2	- 56.8	+ 3.0	+ 0.4	+12.2
Harrisburg "	+ 0.2	..0	- 64.0	- 9.4	+19.4	.....
Johnstown "	- 1.9	- 6.9	- 48.2	+ 0.2	-14.3	+ 3.4
Lancaster "	- 0.3	- 1.6	- 11.7	- 0.1	+ 6.1	+ 4.7
Philadelphia "	- 1.7	- 1.5	- 40.5	- 0.5	+32.4	+ 0.1
Reading "	+ 2.4	- 1.3	- 18.0	- 5.0	-15.7	- 3.1
Seranton "	+ 1.2	- 3.4	- 31.7	- 0.9	+34.5	+ 1.0
Trenton "	- 0.3	- 5.6	- 36.1	+ 2.9	+ 8.1	+11.3
Wilkes-Barre " . . . . .	..0	+ 6.1	+511.9	- 7.2	+ 5.7	.....
Williamsport "	+36.5	+49.2	- 57.2	+ 6.2	.....	.....
Wilmington "	- 0.6	- 3.1	- 6.7	+17.7	-12.5	+ 0.2
York "	+ 0.9	+ 1.7	+211.6	- 7.7	.....	+ 9.2

* Includes Harrisburg, Wilkes-Barre and Williamsport areas. † Production (not sales). ‡ Includes Camden area. § Included in Allentown area.

ing the four weeks ended October 16, according to the reports of member banks in 21 of the larger cities of the Philadelphia district, although net demand and government deposits declined. Commercial loans on October 16 were in practically the same volume as they were four weeks earlier. The peak in such loans usually occurs in September or October, and the highest point recorded thus far this year by banks in four cities which report weekly was reached in September.

Both loans on securities and commercial loans are substantially larger than a year ago. The increase in loans during the past year has been accompanied by a decline in deposits and a substantial reduction in investment holdings.

Federal Reserve Bank. In the five weeks ended October 23 member banks in this district reduced their borrowings from the Federal Reserve Bank by more than 13 millions, owing almost entirely to smaller borrowings by Philadelphia banks. Federal reserve note circulation declined nearly 17 millions, but a portion of this was due to the larger use of other forms of currency in this period. The reserve ratio rose from 70.1 to 71.4 per cent.



Federal Reserve Bank of Philadelphia (Dollar figures in millions)	Oct. 23, 1929	Changes in	
		five weeks	one year
Bills discounted for member banks in Philadelphia	\$ 35.5	-\$15.2	-\$ 6.7
20 other large cities	20.9	+ 1.5	- 2.7
Other communities	17.2	+ .2	+ 4.5
Total bills discounted	\$ 73.6	-\$13.5	-\$ 4.9
Bills bought	17.4	+ 4.7	- 1.7
United States securities	16.9	- 1.3	- 4.2
Other securities	1.1	+ .8	+ 1.1
Total bills and securities	\$109.0	-\$ 9.3	-\$ 9.7
Member banks' reserve deposits	135.7	- 1.6	+ 1.0
Total deposits	137.0	- 1.0	+ .5
Federal reserve note circulation	132.0	- 16.7	+ 5.8
Cash reserves	192.0	- 8.9	+ 16.6
Reserve ratio	71.4%	+ 1.3%	+ 4.6%

Commercial paper. Sales of commercial paper, as reported by four dealers operating in this district, were smaller in September than in any month since the reporting system was started some years ago. The volume taken by country banks was by no means large, and purchases by city institutions were negligible. Total sales of \$1,190,000 in the month compare with \$2,757,500 a year ago.

Of a grand total of \$1,832,438,000 of loans reported by member banks in the Philadelphia district as of June 29, \$19,719,000, or a little over one per cent, consisted of commercial paper bought in the open market. The total of such paper held by all member banks of the federal reserve system on that date was \$248,609,000.

Commercial paper sales (Four dealers)	Sales to—		Total sales
	City banks	Country banks	
1929—June...	\$2,780,000	\$ 827,500	\$3,607,500
July...	120,000	2,914,500	3,034,500
Aug...	122,500	1,570,000	1,692,500
Sept...	62,500	1,127,500	1,190,000
1928—Sept...	225,000	2,532,500	2,757,500

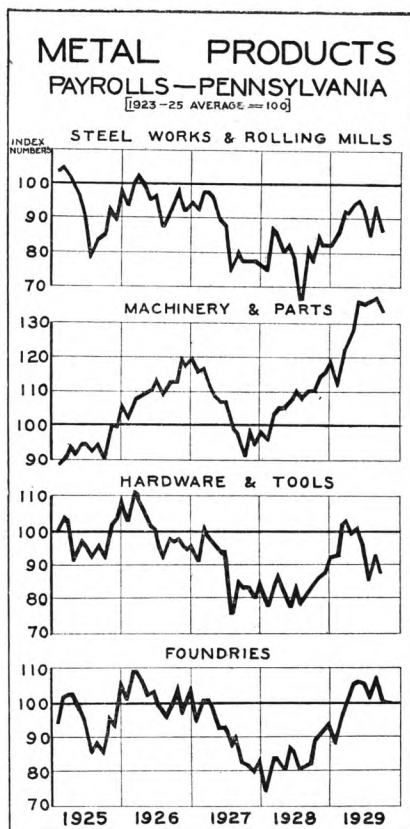
Bankers' bills. At the end of September, a total of \$18,372,000 of acceptances of banks in this district was outstanding. This figure was the highest reported in the past several years, and compared with \$17,254,000 on August 31, and \$15,521,000 a year earlier. Most of the acceptances executed in this district are issued in connection with import transactions.

Bankers' acceptances outstanding Philadelphia Federal Reserve District	(000's omitted)		
	1927	1928	1929
Jan.	\$ 8,666	\$16,032	\$17,321
Feb.	10,676	15,391	17,832
Mar.	13,132	15,173	17,290
Apr.	12,977	15,488	11,049
May.	14,703	14,950	14,641
June.	15,085	16,134	15,211
July.	12,714	15,477	15,046
Aug.	12,033	16,018	17,254
Sept.	14,655	15,521	18,372
Oct.	16,267	16,359	
Nov.	16,308	16,591	
Dec.	16,183	17,443	

Manufacturing

Iron and steel. The demand for fabricated metal products, while continuing active, has slackened recently, following an exceptionally large volume of business in previous months. Virtually all lines show a smaller volume of sales. Railroads alone are active buyers at the present time. Nevertheless, the total volume of sales still is in excess of that at the same time last year.

Orders for iron and steel products on the books of reporting firms show little change from last month but total a larger volume than a year ago. Unfilled orders



of the United States Steel Corporation increased from August to September and were larger than in September of the past five years.

Plant activity generally has declined recently, after continuous expansion since the early part of this year. Daily output of pig iron in this district declined from August to September; it was larger, however, than in the same month in the past three years. Figures on daily production of pig iron and steel ingots in the country showed the same trend. Comparisons follow:

	Sept., 1929 (gross tons)	Change from Sept., 1928	9 mos. of 1929 compared with 9 mos. of 1928
Iron and steel (Daily average)			
Pig iron—			
United States.	115,553	+13.2	+17.8
Phila. Fed. Res. Dist.	10,682	+ 7.5	+27.4
Steel ingots—			
United States.	180,435	+ 8.8	+17.1

Source: Iron Age.

Production of gray and malleable iron castings declined during September from the output of the previous month. Shipments were also smaller, as were unfilled orders. Forward orders for steel castings, however, increased in the month, although production and shipments were smaller.

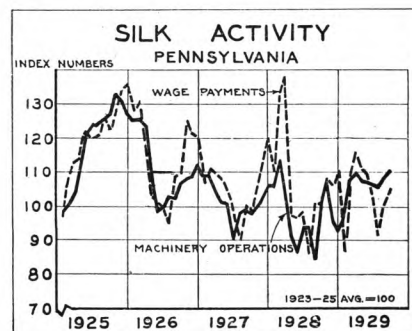
Compared with a year ago operations in the foundry industry are at a higher

level. Production and shipments of iron and steel foundries were much larger and unfilled orders for steel castings are ahead of last year, but forward orders for iron castings are smaller.

Textiles. The market for textile products has improved further since the middle of last month. Sales show pronounced gains in nearly all branches of textile manufacture. Wool dealers alone report a decline in sales during the month, a seasonal occurrence. Comparisons with a year ago also remain more than favorable. Sales of silk, cotton, and woolen manufactures generally are larger, a fact which has characterized these branches for a few months past. Business in floor coverings and clothing also shows a marked increase in comparison with last year.

Prices reported by manufacturers on the whole show only small variations. Among these are advances in cotton yarns and further declines in wool fibres. According to Fairchild's index, including many quotations from this district, prices of cotton manufactures as a rule are below the level prevailing at the same time last year. This is also true of the woolen and worsted products. After advancing to a level above that of last year, quotations for raw silk have declined slightly and are now lower than a year ago.

Further evidence of sharp improvement in the textile industry is afforded by larger orders on the books of reporting firms. Only manufacturers of clothing and dealers in wool report smaller unfilled orders than last month. In comparison with last year, forward business is larger, except for slight declines in orders for broad silks, cotton yarns, and to some extent, for woolen and worsted piece goods.



Source: Silk Association of America Federal Reserve Bank of Philadelphia

Operations of textile plants show corresponding expansion. This is borne out not only by the latest reports covering the first fortnight of October, but also by the earlier reports on employment and wage payments. Most lines had larger payrolls in September than in August and the total for the whole textile industry was more than 10 per cent above the payrolls in September, 1928.

Production of hosiery was about 5 per

Employment and Wages in Pennsylvania	No. of plants reporting	Employment September, 1929				Payrolls September, 1929				Average weekly earnings week ended	
		Sept. index *	Per cent change since		Sept. index *	Per cent change since		Sept. 15, 1929	Aug. 15, 1929		
			Sept. 1928	Aug. 1929		Sept. 1928	Aug. 1929				
All manufacturing industries (51)	857	97.0	+10.1	+ 0.5	101.2	+13.6	- 2.2	26.31	27.16		
Metal products	240	98.3	+10.6	- 1.3	104.3	+14.7	- 3.6	28.32	29.41		
Blast furnaces	9	47.3	+15.6	+ 0.4	51.0	+18.1	- 2.5	29.82	30.75		
Steel works & rolling mills	43	81.9	+ 6.0	- 0.1	86.3	+ 9.7	- 7.4	28.63	30.89		
Iron and steel forgings	10	112.2	+31.7	0	121.9	+31.2	- 4.8	26.34	27.65		
Structural iron work	10	114.4	+ 6.4	+ 2.0	121.3	+16.2	+ 4.8	29.26	28.48		
Steam & hot water htg. ap.	16	94.0	- 0.5	+ 5.7	98.8	- 1.5	- 1.3	28.64	30.58		
Stoves and furnaces	8	83.5	+ 9.4	+25.0	82.0	+ 6.1	+24.1	28.01	28.20		
Foundries	37	96.6	+ 9.6	- 0.3	100.6	+14.4	- 5.9	28.18	29.88		
Machinery and parts	44	120.1	+16.5	- 0.8	133.7	+20.0	- 2.6	31.18	31.70		
Electrical apparatus	22	146.2	- 6.6		158.2	- 8.0		27.77	28.15		
Engines and pumps	10	101.0	+ 4.9	- 0.5	108.9	+ 9.1	- 1.6	29.09	29.46		
Hardware and tools	19	86.9	+ 6.2	- 1.5	87.5	+ 3.2	- 5.4	23.43	24.43		
Brass and bronze prods.	12	87.4	-16.4	+ 4.0	87.8	-12.9	+ 2.3	27.20	27.68		
Transportation equipment	41	77.0†	+ 3.6	+ 2.0	75.5†	+ 3.4	- 0.3	28.51	29.19		
Automobiles	5	83.7	- 6.9	- 1.9	78.7	-12.7	-11.2	27.16	30.00		
Auto. bodies and parts	13	90.1	+ 1.3	+ 5.6	80.6	- 4.5	+11.9	28.91	27.28		
Locomotives and cars	13	66.7	+17.6	+ 2.1	67.9	+27.4	+ 1.6	29.46	29.59		
Railroad repair shops	6	89.8	+15.3	- 1.4	88.5	+15.5	-13.7	26.10	29.79		
Shipbuilding	4	50.9	+121.3	+ 3.9	48.9	+99.6	- 4.5	27.94	30.35		
Textile products	176	102.8	+ 8.8	+ 2.5	109.9	+10.1	+ 3.8	21.75	21.40		
Cotton goods	13	77.3	+ 1.4	- 1.2	76.7	+ 3.8	+ 2.8	23.62	22.72		
Woolens and worsteds	15	95.8	+12.6	+ 2.6	96.8	+14.4	- 0.1	21.50	21.97		
Silk goods	50	100.9	+ 2.6	+ 3.1	105.0	+ 4.1	+ 4.3	18.97	18.64		
Textile dyeing & finishing	12	118.7	+ 5.0	+ 2.5	126.3	+ 0.8	+ 2.9	25.62	25.48		
Carpets and rugs	9	88.0	+11.1	+ 0.8	82.6	+13.5	+ 7.3	23.60	22.20		
Hats	4	98.3	+ 1.8	- 0.4	93.7	- 3.6	- 4.4	24.28	25.30		
Hosiery	30	131.2	+20.8	+ 3.6	158.0	+18.4	+ 7.3	25.96	25.06		
Knit goods, Other	15	94.5	+10.3	+ 3.4	98.5	+16.6	+ 2.0	18.45	18.70		
Men's clothing	10	94.7	+ 0.1	- 1.3	105.5	+11.6	+ 0.3	19.11	18.80		
Women's clothing	9	110.9	+ 0.4	- 0.6	115.4	- 0.3	+ 1.2	14.71	14.43		
Shirts and furnishings	9	109.2	+18.3	+ 3.4	108.1	+21.2	+ 4.4	15.48	15.31		
Foods and tobacco	104	100.4	+ 1.2	+ 3.7	102.9	+ 2.9	+ 5.3	20.69	20.39		
Bread & bakery products	29	109.4	+ 4.9	+ 2.4	104.8	+ 5.5	+ 2.8	27.72	27.59		
Confectionery	13	104.1	+ 7.1	+15.3	111.1	+ 9.9	+15.4	18.91	18.91		
Ice cream	11	95.6	- 0.1	- 9.1	103.3	+ 0.9	- 7.6	31.96	31.46		
Meat packing	14	102.2	+ 7.4	+ 2.1	101.7	+ 5.0	+ 5.4	29.22	28.29		
Cigars and tobacco	37	96.9	- 3.6	+ 2.1	99.1	- 2.8	+ 5.9	15.61	15.05		
Stone, clay & glass products	68	86.3	+ 3.1	+ 3.1	80.3	- 1.8	- 6.1	25.36	27.86		
Brick, tile and pottery	32	99.5	+10.3	+ 0.1	95.6	+ 9.5	- 5.3	23.89	25.28		
Cement	14	72.1	- 8.2	- 3.7	73.8	-13.2	-12.1	29.75	32.60		
Glass	22	97.9	+ 8.2	+13.2	83.5	+ 3.2	+ 1.1	22.88	25.65		
Lumber products	55	82.6	- 2.4	+ 0.5	84.6	- 4.4	+ 2.2	23.30	22.92		
Lumber & planing mills	17	77.9	- 1.6	- 1.0	77.1	- 4.6	- 3.0	20.32	20.77		
Furniture	31	80.7	- 5.1	+ 0.7	83.5	- 9.2	+ 4.5	26.38	25.45		
Wooden boxes	7	113.4	+ 2.6	+ 2.9	126.8	+ 4.3	+ 5.1	20.14	19.68		
Chemical products	54	106.4	+ 8.7	- 1.0	113.2	+ 9.1	- 4.6	28.60	29.61		
Chemicals and drugs	30	98.2	+ 4.4	+ 6.7	99.1	+ 6.0	+ 1.1	27.15	29.46		
Coke	3	118.6	+ 0.6	+ 3.3	117.7	- 1.8	+ 0.9	28.01	28.72		
Explosives	3	138.8	+15.4	+ 1.5	126.9	+12.4	- 7.1	25.25	27.60		
Paints and varnishes	12	130.7	+ 6.3	- 3.0	130.5	+ 7.5	- 7.1	25.84	26.94		
Petroleum	6	102.0	+14.5	- 4.0	111.8	+15.9	- 6.8	30.10	31.14		
Leather & rubber products	51	103.0	+ 4.3	+ 2.5	107.0	+ 2.1	- 0.1	23.12	23.72		
Leather tanning	17	107.4	+ 2.7	- 0.2	109.6	- 0.3	- 3.2	25.10	25.89		
Shoes	20	100.1	+ 8.7	+ 5.8	107.1	+14.3	+ 5.4	18.96	19.39		
Leather products, Other	10	118.4	+ 3.0	+ 6.5	107.3	- 1.6	+ 5.5	23.10	23.34		
Rubber tires and goods	4	82.9	- 1.4	+ 1.0	100.2	- 9.1	- 1.4	28.42	29.12		
Paper and printing	68	95.7	+ 2.4	+ 1.3	115.8	+11.8	+ 6.1	34.16	32.57		
Paper and wood pulp	12	82.4	- 2.3	+ 1.1	94.5	+ 2.6	+ 3.3	29.44	28.87		
Paper boxes and bags	10	101.5	+ 3.6	+ 3.7	122.9	+11.6	+ 9.7	16.98	16.05		
Printing and publishing	46	103.8	- 0.5	+ 1.0	126.7	+ 9.9	+ 6.9	38.11	35.98		
Anthracite	155	105.5	- 6.4	+12.7	83.4	-25.9	+21.0	28.48	26.49		
Bituminous coal	345			+ 0.1			+ 2.1	25.97	25.47		
Construction & contracting	58	150.7	+45.0	- 1.6	125.7	+40.1	- 4.1	26.50	27.28		
Street railways	5	90.8	- 8.5	+ 0.4	91.9	-10.2	+ 0.8	32.68	32.62		
Retail trade	52	95.8	+ 0.2	+ 4.5							
Wholesale trade	83	98.5	+ 3.9	+ 2.0							

* 1923-1925 average = 100. † Preliminary figures.

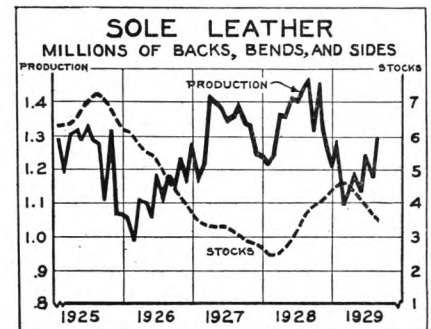
September than in August as against a drop of more than 5 per cent in the country. Mill takings of wool by local carpet mills also were nearly 8 per cent less than in the previous month. Active cotton spindle hours in this section rose considerably in the month and exceeded those of a year ago by more than 8 per cent.

Inventories of finished goods at textile plants for the most part range from moderate to light and show a sharp decline from last month. In comparison with a year ago, stocks also are smaller.

Leather and shoes. Shoe production in this district in the month of September declined nearly 7 per cent from the output in August, while in the country the decline amounted to 6 per cent. Shoe factory operations in the district in the first half of October showed only a slight recession from the average rate of nearly 80 per cent current last month. Compared with a year ago the demand in this district is no less active. Prices are unchanged. Unfilled orders are smaller than in the previous month and compared with a year ago. Stocks on hand generally are light and are smaller than last year.

The demand for sole leather continued good during the past month and a few advances in prices were noted. Unfilled orders declined slightly, while plant operations increased further. Sales of black and colored kid leather have also been large, although some decline is noted from the volume of a month ago.

The hide market was weak during the month, showing a tendency toward lower prices. The demand for goatskins has been fairly active.



Source: Department of Commerce

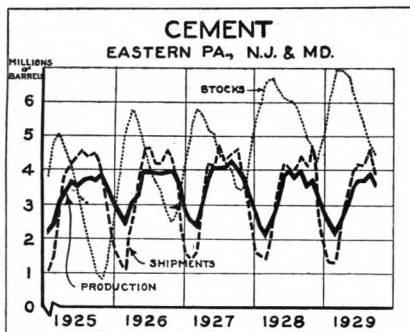
Building materials. The demand for building materials, taken as a whole, has declined further in the past month. Sales of brick and cement have decreased in the month and in comparison with a year ago. Lumber mills and paint factories, however, report somewhat larger sales. Prices of cement are lower but there is little change in the other lines.

Unfilled orders on the books of reporting firms show no change in most in-

cent larger in September than in August, this gain being caused mainly by larger output of men's, boys', misses', and children's hose. The output of women's full fashioned and seamless hosiery declined

slightly. Total shipments exceeded the volume of the previous month by more than one per cent.

Consumption of wool fibres in this district was almost 3 per cent smaller in



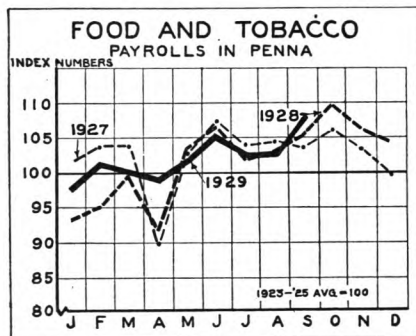
Source: Department of Commerce

stances and are in about the same volume as those of a year ago, although some increase is noted in forward orders for cement. Stocks in most lines are fairly light and are smaller than last month or a year ago.

Plant activity has again declined in the month, owing chiefly to lessened operations in brick and cement industries. Only paint manufacturers report an increase in output. Figures on wage disbursements in September indicated that the production of brick, tile and pottery, paints and varnishes, and glass was at a higher rate than in the same period last year, while there were decreases in cement and lumber products.

Miscellaneous. Conditions in the paper industry have improved more than seasonally. Sales have increased and are larger than last month or a year ago. Prices are slightly higher. Unfilled orders are larger than last month but are in about the same volume as last year. Stocks are lighter than is usual at this time.

The demand for cigars has increased lately, although it is not up to that at the same time last year. Prices remain unchanged. Forward orders on the books of reporting firms show some increase but are also smaller than a year ago. Stocks, however, are much lighter and plant operations continue at a higher rate than last year.



Sales of tobacco leaf are in good volume and are larger than in the previous month or year. Prices have advanced. Unfilled orders show little change. Plant

operations have been increased, and stocks on hand are light.

The demand for flour has been only fair lately and as a result mills in this district have reduced their operations somewhat. Stocks on hand are large. The movement of flour and grain to and from the Port of Philadelphia is shown below:

Flour and grain movement Port of Philadelphia (Figures in thousands of units)	1928, Jan. to Sept.	1929, Jan. to Sept.	Per cent increase or decrease
Receipts—			
Flour.....bbls.	1,425	1,359	- 4.6
Wheat.....bus.	4,602	7,792	+ 69.3
Corn....."	1,015	1,286	+ 26.7
Other grains (oats, rye, barley)....."	2,179	1,809	- 17.0
Exports—			
Flour.....bbls.	87	58	- 33.3
Wheat.....bus.	6,333	6,185	- 2.3
Corn....."	702	1,304	+ 85.8
Other grains (oats, rye, barley)....."	1,266	1,224	- 3.3
Stocks on Oct. 1—			
Flour.....bbls.	73	71	- 2.7
Wheat.....bus.	881	4,284	+386.3
Corn....."	10	5	- 50.0

Source: The Commercial Exchange of Philadelphia.

Building and Real Estate

Building activity, although continuing to lag behind that of last year, has shown some improvement. The total value of building contracts awarded in this district in September was 40 per cent larger than in the previous month and reports for the first half of October indicate a further increase. Compared with September, 1928, however, the volume of contract awards in the corresponding month this year was over 23 per cent smaller, owing to a decrease in the totals for eastern Pennsylvania and Delaware. Trenton was the only reporting city which showed an increase, while Philadelphia had the largest decline.

The proposed expenditure under building permits issued in 17 cities of this district declined further during Septem-

Building activity	Sept., 1929 (000's omitted)	Change from Sept., 1928	9 mos. of 1929 compared with 9 mos. of 1928
Contract awards—			
Phila. Fed. Res. Dist.			
Total.....	\$ 35,047	-23.2%	-16.7%
Residential.....	11,302	-39.1 "	-27.5 "
United States—			
Total.....	445,402	-24.2 "	-10.1 "
Residential.....	118,328	-41.7 "	-28.0 "
Permits issued—			
Phila. Fed. Res. Dist. (17 cities)	7,127	-39.4 "	- 5.4 "
United States (596 cities).....	218,345	-19.8 "	.....

Source: F. W. Dodge Corporation and S. W. Strauss & Company.

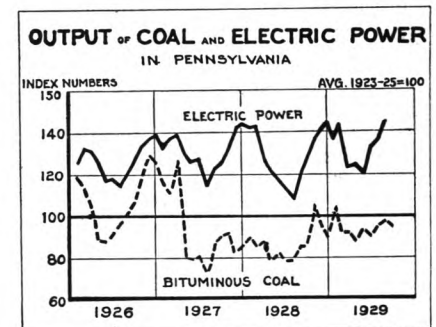
ber and was 39 per cent smaller than in the same month last year.

The number of real estate deeds recorded during September in Philadelphia was the smallest since 1922 and showed a decrease of nearly 17 per cent from the previous month's total and of 14 per cent compared with last year. The value of mortgages recorded declined over 50 per cent in the month and was the smallest total in the past six years.

Coal

Anthracite. Cooler weather during the past month has stimulated the demand for anthracite considerably. The market for domestic sizes has been especially good and prices have been advanced further. Reporting collieries have increased operations and in most instances are working at capacity. Production in the four weeks ended October 19 totaled 7,912,000 tons, a gain of 30 per cent over the previous four weeks and of 2 per cent over the same period last year.

Bituminous. Increased demand for bituminous coal further reflects seasonal expansion in industrial operations. Sales are larger than last month and are well ahead of a year ago. Prices have risen since last month. Operations in this section have been enlarged and production has increased in the first three weeks of October, exceeding that in the same period last year.



Source: U. S. Geological Survey

Electric Power. The use of electrical energy by industries of this district continued substantially above the quantity consumed last year, the increase in September over a year earlier being almost 18 per cent. The decline of about one per cent from August to September was less than a year ago. Total sales of electricity also were nearly 18 per cent greater than in September, 1928, buying of power by municipalities showing the largest percentage gain. Sales between August and September showed little change. Production of electric power by 12 systems naturally was much larger in September than in the same month last year but was slightly below the volume in August.

Electric Power Philadelphia Federal Reserve District 12 systems	September, 1929 Change since	
	Sept., 1928	Aug., 1929
Rated generator capacity.....	+ 2.8%	....0%
Generated output.....	+16.4 "	- 1.6 "
Hydro-electric.....	-43.1 "	- 2.6 "
Steam.....	+19.1 "	- 1.0 "
Purchased.....	+56.1 "	- 3.2 "
Sales of electricity.....	+17.8 "	- 0.1 "
Lighting.....	+ 3.0 "	+ 9.9 "
Municipal.....	+ 5.6 "	+ 2.8 "
Residential and commercial.....	+ 2.7 "	+11.0 "
Power.....	+14.6 "	- 1.2 "
Municipal.....	+50.5 "	+10.0 "
Street cars and railroads..	+ 0.4 "	- 3.9 "
Industries.....	+17.6 "	- 1.1 "
All other sales.....	+49.7 "	- 4.1 "

Agriculture

More favorable weather during the past month has aided agriculture, and farm operations are moving forward actively. The planting of winter wheat is nearly finished and the indicated acreage is about the same as last year. Plowing is up to normal, nearly three-fourths of it already being completed. The digging of late potatoes and corn cutting are also well under way, and practically all of the tobacco, peach and pear crops have been harvested. The quality of truck and fruit crops is inferior to that in 1928, the color, size, soundness and texture of fruits being below the average.

Dairy herds are nearly up to their normal condition, though lack of adequate pasturage has acted as a handicap in some instances. The number of marketable hogs is reported as being about the same as last year and the new hogs are in good condition. The supply of farm labor is adequate.

Crop estimates (Figures in thousands of units)	1928 yield	Estimate, Oct. 1, 1929	Per cent change
Phila. Fed. Res. Dist.—			
Corn.....bus.	45,500	42,214	- 7.2
Wheat..... "	16,140	18,761	+16.2
Oats..... "	21,770	19,968	- 8.3
Potatoes (white).... "	30,208	22,037	-27.0
Hay.....tons	3,353	2,999	-10.6
Tobacco...lbs.	49,580	45,708	- 7.8
United States—			
Corn.....bus.	2,835,678	2,528,077	-10.8
Wheat..... "	902,191	791,768	-12.2
Oats..... "	1,448,677	1,226,573	-15.3
Potatoes (white).... "	464,483	345,177	-25.7
Hay.....tons	92,983	100,582	+ 8.2
Tobacco...lbs.	1,378,139	1,472,525	+ 6.8
Cotton...bales	14,478	14,915	+ 3.0

Distribution

Railroad shipments in this section have been rather steadily in excess of the volume of last year and two years ago.

Total freight car loadings in the four weeks ended October 12 showed a gain of 3 per cent over the preceding four weeks and 1 per cent over the same period last year, although early in October smaller shipments were evident. The largest portion of the increase was due to the heavier movement of merchandise and miscellaneous commodities.

Sales of new passenger automobiles in this district during September, as evidenced by registrations, exceeded those of a year earlier by more than 11 per cent. Sales during the first nine months of this year also were substantially ahead of those in the same period last year. In comparison with August, however, there was a drop of almost 23 per cent, as is to be expected at this time.

Sales of ordinary life insurance were nearly 27 per cent larger than in September, 1928; compared with August, sales dropped about 12 per cent.

Wholesale trade. Wholesale and jobbing trade generally is fairly good, according to preliminary reports. Larger sales than four weeks ago are reported by dealers in dry goods, groceries, hardware, jewelry, and paper, while the demand for shoes and drugs shows little change. The gain in the former items no doubt is attributable chiefly to seasonal influences. Prices show little variation, except for numerous advances in groceries.

Sales in September for all lines combined were almost 3 per cent larger than in the same month last year. Increased business in dry goods, groceries, hardware, jewelry, and paper were responsible for this favorable showing. In comparison with the preceding month, sales were 7 per cent larger, all reporting lines except groceries sharing in this gain, which was largely seasonal.

Stocks carried by dealers in groceries and hardware were somewhat heavier than those at the end of September, 1928, while those in dry goods, jewelry and paper were smaller. Dealers in most lines report some gains in inventories since August. Accounts outstanding increased noticeably in the month and in most cases were larger than in September, 1928. As is shown in the accompanying table, only groceries, jewelry, and paper had larger collections than a year before.

Retail trade. Retail sales in September showed a decline of nearly 3 per cent from those of a year ago, department and women's apparel stores outside of Philadelphia, men's apparel stores, credit, and shoe stores being chiefly responsible for this unfavorable comparison. At least a portion of this decline may be attributed to the fact that there were five Saturdays in September last year as against four in the same month this year. September sales were 22 per cent

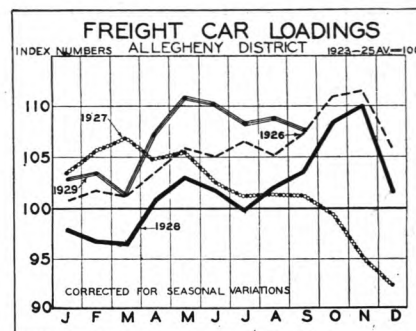
Retail Trade Philadelphia Federal Reserve District	Comparison of net sales		Comparison of stocks		Rate of turnover, Jan. 1 to Sept. 30,		Accounts receivable at end of month compared with year ago	Collections during month compared with year ago
	Sept., 1929, with Sept., 1928	Jan. 1 to Sept. 30, 1929, with Jan. 1 to Sept. 30, 1928	Sept. 30, 1929		1928	1929		
			with Sept. 30, 1928	with Aug. 31, 1929				
All reporting stores.....	- 2.7%	- 0.0%	- 6.6%	+11.9%	2.27	2.54	.....	.....
Department stores.....	- 2.0 "	- 0.4 "	- 9.3 "	+11.3 "	2.16	2.45	.....	.....
in Philadelphia.....	+ 1.2 "	- 0.5 "	-13.8 "	+12.8 "	2.24	2.74	.....	.....
outside Philadelphia.....	- 8.4 "	- 0.1 "	- 1.5 "	+ 9.2 "	2.04	2.12	+ 2.5%	+ 0.9%
Apparel stores.....	+ 0.8 "	.....	.....	.....	.....	.....	.....	.....
Men's apparel stores.....	- 6.5 "	- 1.2 "	+10.0 "	+ 8.2 "	1.96	1.90	.....	.....
in Philadelphia.....	- 4.1 "	+ 3.2 "	+15.5 "	- 2.3 "	2.40	2.25	.....	.....
outside Philadelphia.....	- 8.5 "	- 4.8 "	+ 6.4 "	+17.3 "	1.63	1.60	- 0.4 "	+ 0.7 "
Women's apparel stores.....	+ 3.6 "	+ 6.3 "	+10.2 "	+27.1 "	4.24	4.29	.....	.....
in Philadelphia.....	+ 5.4 "	+ 7.6 "	+14.2 "	+26.5 "	4.53	4.57	.....	.....
outside Philadelphia.....	- 7.5 "	- 2.2 "	- 5.4 "	+30.9 "	2.95	2.92	+ 8.8 "	+10.6 "
Shoe stores.....	- 5.3 "	+ 2.5 "	- 6.6 "	+ 8.6 "	1.91	2.05	+ 4.0 "	+ 3.2 "
Credit stores.....	-18.9 "	- 7.4 "	+ 9.3 "	+ 7.4 "	2.19	2.22	+ 6.1 "	+ 8.7 "

Wholesale Trade Philadelphia Federal Reserve District	Net sales, Sept., 1929, com- pared with		Stocks, Sept., 1929, com- pared with		Accounts out- standing, Sept., 1929, com- pared with		Ratio of accounts out- standing to sales, Sept., 1929	Collections, Sept., 1929, compared with	
	Sept., 1928	Aug., 1929	Sept., 1928	Aug., 1929	Sept., 1928	Aug., 1929		Sept., 1928	Aug., 1929
Drugs.....	- 0.5 "	+ 3.4 "	.....	.....	+ 0.4 "	+ 6.7 "	116.0 "	- 5.9 "	+ 2.8 "
Dry goods.....	+ 3.9 "	+48.7 "	-10.2 "	- 1.7 "	- 7.3 "	+18.0 "	225.8 "	- 1.2 "	+ 4.3 "
Electrical supplies	- 2.5 "	+14.2 "	.....	.....	+ 0.2 "	+ 0.2 "	188.5 "	.....	.....
Groceries.....	+ 1.0 "	- 1.0 "	+ 2.2 "	+10.6 "	- 0.2 "	+ 3.4 "	117.9 "	+ 1.5 "	- 7.4 "
Hardware.....	+ 3.5 "	+ 6.5 "	+ 6.5 "	+ 0.3 "	+ 3.2 "	+ 4.7 "	206.3 "	- 3.6 "	- 3.4 "
Jewelry.....	+15.6 "	+25.7 "	-16.0 "	-10.4 "	+ 7.1 "	+11.7 "	357.8 "	+13.5 "	+17.1 "
Paper.....	+10.0 "	+ 0.4 "	- 1.3 "	+ 0.4 "	+ 3.8 "	+ 2.4 "	147.3 "	+50.5 "	+ 0.9 "

greater than in August, large gains being shown by department and apparel stores, while shoe and credit stores reported declines. Early October reports indicate further improvement in business at retail, as is to be expected at this time of the year. Prices continue at about the same level as four weeks ago.

Inventories carried by retailers generally were about 7 per cent smaller than at the end of September, 1928, the largest reduction being reported by depart-

ment stores in Philadelphia. The heaviest gains over a year ago were shown by men's and women's apparel stores in Philadelphia. In comparison with the previous month, stocks as a whole were larger, the increase probably being due to the anticipation of heavier demand in forthcoming weeks. The rate of turnover also was slightly higher than a year ago and noticeably higher in the first nine months of this year than in the same period last year.



BUSINESS CONDITIONS IN THE PHILADELPHIA FEDERAL RESERVE DISTRICT

	Prices	Demand	Unfilled orders	Operations	Stocks
Retail trade	Little change	Improving seasonally			Larger
Wholesale and jobbing trade:					
Drugs	Firm, little change	Fair, little change			
Dry goods	Firm, little change	Active, increased			Smaller
Electrical supplies.	Unchanged	Fair			
Groceries	Higher	Active, some gain			Larger
Hardware	Little change	Fair, some gains			Little change
Jewelry	Unchanged	Active, increased			Smaller
Paper	Unchanged	Fairly good, increased			Smaller
Shoes	Unchanged	Fair, unchanged			
Lumber	Little change	Fair, some gains	Little change		Smaller
Wool	Lower	Poor, declined	Smaller		Smaller
Cotton yarns	Higher	Active, increased	Larger		Smaller
Manufacturing:					
Iron and steel products	Some declines	Fairly active, declined	Larger	Decreased	Little change
Cotton goods	Little change	Active, increased	Larger	Increased	Smaller
Silk goods	Little change	Active, increased	Some gains	Increased	Smaller
Wool goods	Some decline	Fair, little change	Little change	Decreased	Smaller
Wool yarns	Firm, little change	Active, increased	Larger	Increased	Smaller
Clothing	Little change	Fairly good	Smaller	Decreased	Smaller
Hosiery—full-fashioned	Unchanged	Good, increased	Larger	Increased	Smaller
Hosiery—seamless ..	Unchanged	Fair, little change	Larger	Increased	Smaller
Carpets and rugs ..	Little change	Active, increased	Larger	Increased	Smaller
Shoes	Unchanged	Fair, declined	Smaller	Decreased slightly	Smaller
Leather—					
Sole	Some advances	Good	Some decline	Increased	Smaller
Black kid	Firm	Active, some decline	Little change	Decreased	Little change
Colored kid	Firm	Active, some decline	Declined	Decreased	Little change
Paper	Firm, some advances	Good, increased	Larger	Increased	Smaller
Cigars	Unchanged	Active, increased	Larger	Little change	Smaller
Tobacco leaf	Higher	Active, increased	Little change	Increased	Smaller
Brick	Firm	Fair, declined	Little change	Decreased	Smaller
Lumber—mills	Little change	Fair, increased	Little change	Decreased	Smaller
Paint	Little change	Fair, increased	Little change	Increased	Little change
Cement	Lower	Fair, declined	Larger	Decreased	Smaller
Flour	Some decline	Fair		Decreased	Larger
Building	Construction costs lower	Fair, some gain	Value of permits declined	Value of contracts increased	
Anthracite	Higher	Good, increased		Increased	
Bituminous coal ...	Higher	Fair, increased		Increased	