

THE BUSINESS REVIEW

THIRD FEDERAL
PHILADELPHIA



RESERVE DISTRICT
DECEMBER 2, 1929

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

Business and Financial Conditions in the United States

Industrial production declined further in October, and there was also a decrease in factory employment. As compared with a year ago, industrial activity continued to be at a high level, and distribution of commodities to the consumer was sustained. Bank credit outstanding increased rapidly in the latter part of October when security prices declined abruptly and there was a large liquidation of brokers' loans by non-banking lenders. In the first three weeks of November further liquidation of brokers' loans was reflected in a reduction of security loans of member banks. Money rates declined throughout the period.

Production. Production in basic industries, which had declined for several months from the high level reached in mid-summer, showed a further reduction in October. The Board's index of industrial production decreased from 121 in September to 117 in October, a level to be compared with 114 in October of last year. The decline in production reflected chiefly further decreases in output of steel and automobiles. Daily average output of shoes, leather and flour also declined while production of cotton and wool textiles increased. Preliminary reports for

the first half of November indicate further reduction in output of steel and automobiles, and a decrease in cotton textiles.

Total output of minerals showed little change. Production of coal increased and copper output was somewhat larger, while daily output of crude petroleum declined slightly for the month of October and was further curtailed in November.

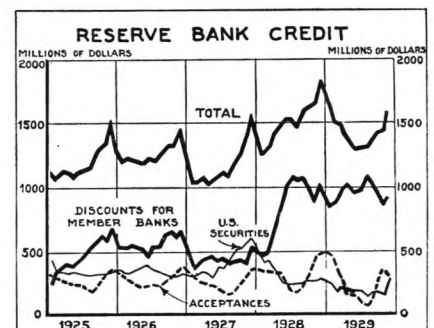
Volume of construction, as measured by building contracts awarded, changed little between September and October and declined in the early part of November.

Distribution. Shipments of freight by rail decreased slightly in October and the first two weeks in November, on an average daily basis. Department store sales continued as in other recent months to be approximately 3 per cent larger than a year ago.

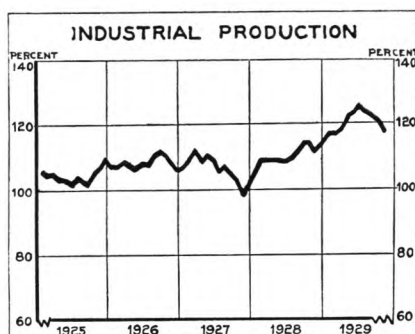
Wholesale prices. The general level of wholesale prices showed little change during the first three weeks of October, but in the last week of the month declined considerably. The decline reflected chiefly price reductions of commodities with organized exchanges which were influenced by the course of security prices. During the first three weeks of November, prices for most of these commodities re-

covered from their lowest levels. Certain prices, particularly those of petroleum, iron and steel and coal showed little change during the period.

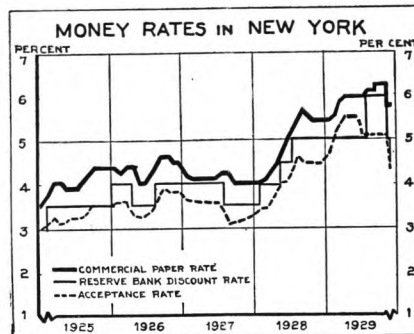
Bank credit. Following the growth of \$1,200,000,000 in security loans by New York City banks during the week ending October 30, when loans to brokers by out-of-town banks and non-banking lenders were withdrawn in even larger volume, there was a liquidation of these loans, accompanying the decline in brok-



Monthly averages of daily figures for 12 Federal reserve banks. Latest figures are averages of first 21 days in November.



Index number of production of manufactures and minerals combined, adjusted for seasonal variations (1923-25 average = 100). Latest figure, October 117.



Monthly rates in the open market in New York: commercial paper rate on 4 to 6-month paper and acceptance rate on 90-day bankers' acceptances. Latest figures are averages of first 20 days in November.



Index numbers of factory employment and payrolls, without adjustment for seasonal variations (1923-25 average = 100). Latest figures, October, employment 102.1, payrolls 110.0.

ers' loans during the first three weeks of November. All other loans increased and there was also a growth in the banks' investments.

Reserve bank credit, after increasing by \$310,000,000 in the last week of October, declined by about \$120,000,000 in the following three weeks. On November 20 discounts for member banks were about \$100,000,000 larger than four weeks earlier, and holdings of United States securities were \$190,000,000 larger while

the banks' portfolio of acceptances declined by \$100,000,000.

Money rates in New York declined rapidly during October, and the first three weeks in November. Open market rates on prime commercial paper declined from 6¼ per cent on October 22 to 5½-5¾ per cent on November 20; during the same period rates on 90 day bankers' acceptances declined from 5½ per cent to 3¾ per cent; rates on call loans were 6 per cent during most of this period but

declined to 5 per cent in the third week of November. Rates on time loans also declined.

The discount rate of the Federal Reserve Bank of New York was lowered from 6 to 5 per cent, effective November 1, and to 4½ per cent, effective November 15, and the discount rate of the Federal Reserve Banks of Boston and Chicago were lowered from 5 to 4½ per cent effective November 21 and November 23.

Philadelphia Federal Reserve District

Summary of Conditions

Conditions in trade and industry of the Philadelphia Federal Reserve District, while showing considerable variation, are following the trends usual at this season. Production on the whole has slackened, while distribution of merchandise to the consumer is expanding.

Retail trade in October increased slightly more than the average of recent years and was well ahead of the volume in the same month last year. Nearly all lines of wholesale and jobbing trade also reported somewhat more than the seasonal gains between October and September; in comparison with a year ago, the dollar volume was slightly larger. Preliminary reports from merchants indicate that the wholesale trade in the first fortnight of November was holding up well, although seasonal declines in some lines were apparent. Retail sales, on the other hand, showed expansion which naturally occurs at Christmas time.

Sales of new passenger automobiles declined appreciably during the month but were larger than in October, 1928. Life insurance sales in this section, on the other hand, increased seasonally and in comparison with last year.

Railroad shipments of commodities in this section have exhibited a downward tendency in recent weeks, following an unusually heavy volume of loadings during the summer months. The movement of goods by rail since October also has been slightly under the volume of a year ago.

Productive activity generally showed seasonal gains between September and October. This is measured by a larger volume of physical output, by increased consumption of certain raw materials, and by the greater use of electrical energy by various industries. In comparison with a year earlier, manufacturing operations as a rule were satisfactory, particularly in view of the fact that last year at this time there was a marked recovery of industries from the dullness that prevailed for many months prior to last fall.

Factory employment in this section generally declined in October instead of increasing as is usual for that month.

This unfavorable showing was due partly to recessions in some of the metal fabricating industries which had an unusually high rate of activity during the summer months. The number of wage earners

in the textiles, foods, and tobacco, and leather and rubber products groups, on the other hand, showed the usual seasonal gain. Partial reports for November, particularly in industries comprising metals,

Business indicators Philadelphia Federal Reserve District	October, 1929	Latest figure compared with	
		Previous month	Year ago
Retail trade —estimated net sales (139 stores).....	\$29,767,100	+ 38.8%	+ 3.5%
Department stores (63).....	\$24,933,800	+ 40.0 "	+ 4.1 "
Apparel stores (39).....	\$3,213,700	+ 36.6 "	+ 0.8 "
Shoe stores (17).....	\$385,200	+ 20.1 "	+ 7.7 "
Credit stores (20).....	\$1,234,400	+ 38.2 "	- 2.8 "
Wholesale trade —net sales (103 firms).....	\$8,893,562	+ 14.3 "	+ 0.9 "
Boots and shoes (4).....	\$103,557	- 9.7 "	- 8.3 "
Drugs (10).....	\$1,206,771	+ 8.9 "	- 2.1 "
Dry goods (14).....	\$819,412	+ 4.7 "	- 3.7 "
Electrical supplies (3).....	\$282,991	+ 46.7 "	- 21.2 "
Groceries (33).....	\$3,357,803	+ 11.1 "	- 1.4 "
Hardware (21).....	\$1,919,521	+ 24.1 "	+ 8.3 "
Jewelry (11).....	\$635,273	+ 26.0 "	+ 13.3 "
Paper (7).....	\$568,234	+ 11.3 "	+ 8.5 "
Productive activity —			
Employment—861 plants in Penna.....	356,206	- 0.9 "	+ 8.6 "
Wage payments in above plants.....	\$9,959,393	+ 2.4 "	+ 9.7 "
Shoe production* (87 factories).....	prs. 1,680,508	+ 9.3 "	.....
Hosiery production* (130 mills).....	doz. prs. 1,812,742	+ 20.5 "	.....
Wool consumption* (74 mills).....	lbs. 9,641,429	+ 15.8 "	.....
Active cotton spindle hours (Penna. and N. J.).....	82,352,418	+ 26.7 "	+ 5.9 "
Pig iron production.....	tons. 351,835	+ 5.2 "	+ 7.2 "
Iron casting production (34 foundries).....	tons. 6,718	+ 17.6 "	+ 3.5 "
Steel casting production (11 foundries).....	tons. 7,980	+ 18.0 "	+ 45.4 "
Anthracite.....	tons. 8,235,000	+ 21.2 "	- 2.0 "
Bituminous coal—Penna.....	tons. 13,050,000	+ 15.7 "	+ 3.8 "
Petroleum receipts at Port of Philadelphia—domestic and foreign.....	bbls. 1,555,000	- 21.6 "	+ 46.7 "
Cement.....	bbls. 3,571,000	- 0.8 "	- 4.6 "
Electric power output (12 systems).....	KWH. 635,196,000	+ 15.4 "	+ 19.2 "
Financial and credit —			
Debits (18 cities).....	\$3,321,664,000	+ 20.3 "	+ 9.5 "
Loans and investments—middle of November—107 member banks.....	\$1,717,000,000	+ 2.0 "	+ 3.6 "
Bills discounted held by F. R. B. of Phila. (daily average).....	\$78,700,000	- 13.1 "	- 16.0 "
Bankers' acceptances outstanding—end of month (district).....	\$20,443,000	+ 11.3 "	+ 25.0 "
Commercial paper sales (4 dealers).....	\$2,290,000	+ 92.4 "	- 48.2 "
Commercial failures—number.....	131	+ 118.3 "	+ 15.9 "
Commercial failures—liabilities.....	\$2,080,232	+ 68.6 "	- 23.3 "
Building and real estate —			
Building permits (16 cities).....	\$14,780,001	+ 108.7 "	+ 27.2 "
Building contracts awarded (Philadelphia district).....	\$33,573,500	- 4.2 "	- 27.2 "
Number of real estate deeds recorded (Philadelphia county).....	5,863	+ 53.8 "	+ 11.4 "
Value of mortgages recorded (Philadelphia county).....	\$15,236,542	+ 78.4 "	- 52.4 "
Sheriff sale—number of writs issued for November (Philadelphia county).....	1,185	+ 72.2 "	+ 13.8 "
Miscellaneous —			
Freight car loadings (Allegheny district—weekly average).....	cars. 232,044	+ 0.4 "	- 1.3 "
Tonnage of vessels (Port of Philadelphia).....	tons. 4,117,765	- 0.2 "	+ 11.1 "
Sales of life insurance (Penna., N. J., and Del.).....	\$100,167,000	+ 14.5 "	+ 6.1 "
Automobile sales (registrations of new passenger cars).....	14,629	- 10.0 "	+ 6.7 "

* Bureau of Census preliminary figures.

textiles, and shoe and leather, indicate a further decline which is to be expected after the October peak. In comparison with a year ago, the number of wage earners continued considerably larger.

Wage disbursements increased in the month, but not as much as might be expected in October. As in the case of employment, the decline shown by metal fabricators reduced the total volume of payrolls, as reports from most industries showed the customary increases. Nevertheless, compared with October, 1928, wage payments by reporting plants continued almost ten per cent larger.

The latest reports from manufacturers covering the first half of November show that demand and unfilled orders for finished goods have declined, as is customary at this season, and that plant operations have been reduced correspondingly. Stocks of goods held at reporting plants continue to vary from moderate to light and are smaller than those of four weeks or a year ago.

The value of building contracts awarded declined in October and was substantially below the volume of a year earlier. Building permits issued in this district, on the other hand, showed a considerable rise in the month and in contrast with October, 1928. The real estate market in Philadelphia shows some improvement, although foreclosures have remained large.

As a result of the prevailing quiet in the construction industry, manufacturers of building materials report a further decline in their sales, forward orders on their books, and in the rate of plant operations. The output of cement was again smaller in October than in the previous month as well as in the same month last year.

Mining of both anthracite and bituminous coal showed a considerable increase between September and October, but in the first three weeks of November production has turned downward. Receipts of domestic and foreign petroleum at the port of Philadelphia declined in October but were materially larger than in the like month last year, reflecting a higher level of activity at local refineries.

Agricultural conditions appear to measure up to the average of past years with respect both to the production of crops and livestock and to the prospective income from farm products, although crop yields generally are estimated to be smaller this year than last.

Financial conditions. Over the past month monetary conditions in this district have been firm. From October 18 to November 20 the renewal rate for call money in Philadelphia remained at 6 per cent, and large Philadelphia banks report

City conditions Philadelphia Federal Reserve District	October, 1929, compared with October, 1928					
	Employment	Wage payments	Value of building permits	Debits	Retail trade sales	Electric power sales
Allentown area.....	+ 4.0%	+ 7.9%	- 1.9%	+ 3.9%	+ 2.4%	+ 5.9%*
Altoona ".....	+16.3%	+19.4%	+ 5.6%	- 1.0%	+ 0.3%	.....
Harrisburg ".....	+ 5.7%	+58.8%	+ 36.7%	+ 3.2%	+ 8.1%	.....
Johnstown ".....	+20.6%	+25.4%	+ 3.8%	+ 1.5%	+ 9.8%	+ 7.4%
Lancaster ".....	+ 3.3%	+ 4.8%	- 6.3%	+ 8.4%	+ 2.3%	+15.0%
Philadelphia ".....	+ 6.0%	+ 7.7%	+14.7%	+ 9.6%	+ 3.6%	+14.6%
Reading ".....	+12.7%	+19.4%	+40.2%	+ 6.6%	+ 8.3%	+55.5%
Scranton ".....	+16.4%	+ 9.1%	+63.9%	+18.8%	- 3.1%	+ 9.4%
Trenton ".....	+ 3.0%	+ 2.1%	+160.6%	+ 7.9%	+ 2.2%	+19.4%
Wilkes-Barre ".....	- 1.0%	+10.7%	- 54.3%	- 9.4%	+ 2.1%	.....
Williamsport ".....	- 5.7%	-12.6%	- 48.5%	+19.3%	.....	.....
Wilmington ".....	+14.8%	+20.4%	+130.7%	+29.2%	+ 9.3%	.....
York ".....	- 3.4%	- 9.5%	- 72.9%	+ 6.0%	.....	+ 5.2%

October, 1929, compared with September, 1929

Allentown area.....	+ 0.7%	+ 6.4%	+ 24.8%	+16.4%	+39.7%	+11.3%*
Altoona ".....	- 2.4%	+ 0.4%	- 16.8%	+ 1.7%	+ 9.7%	+ 8.2%
Harrisburg ".....	+ 0.6%	+ 7.5%	+180.9%	+13.9%	+10.8%	.....
Johnstown ".....	+ 0.6%	+ 3.1%	+127.2%	- 0.8%	+38.4%	+11.8%
Lancaster ".....	+ 0.6%	+ 7.4%	+221.7%	+22.3%	+39.3%	+ 5.7%
Philadelphia ".....	- 2.8%	+ 0.1%	+118.2%	+21.8%	+41.9%	+ 4.9%
Reading ".....	+ 2.3%	+12.9%	+ 88.7%	+15.6%	+66.8%	+33.6%
Scranton ".....	+ 4.6%	+12.5%	+393.4%	+27.0%	+ 3.0%	+25.1%
Trenton ".....	+ 0.3%	+ 6.8%	+114.5%	+11.1%	+31.0%	- 5.2%
Wilkes-Barre ".....	+ 3.8%	+ 5.5%	- 42.9%	+22.3%	+54.4%	.....
Williamsport ".....	- 5.2%	- 3.8%	+ 0.4%	+11.8%	.....	.....
Wilmington ".....	- 1.0%	+ 2.2%	+300.5%	+15.6%	+45.4%	.....
York ".....	.....	- 3.2%	- 68.9%	+11.0%	.....	+ 3.3%

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

that loans to customers on their commercial paper were made for the most part at 5¼ to 6 per cent during the week ended November 15.

Figures reported recently by member banks in the larger cities of this district have shown considerable fluctuation. Taking the five weeks ended November 20 as a whole, however, there has been a further increase in loans without a commensurate increase in deposits, an indication of the withdrawal of funds which is reflected in a loss in the settlements particularly to the New York district. Loans on securities increased materially, and other loans, ordinarily regarded as mainly commercial in character, advanced in the first three weeks of November to a new high point for the year.

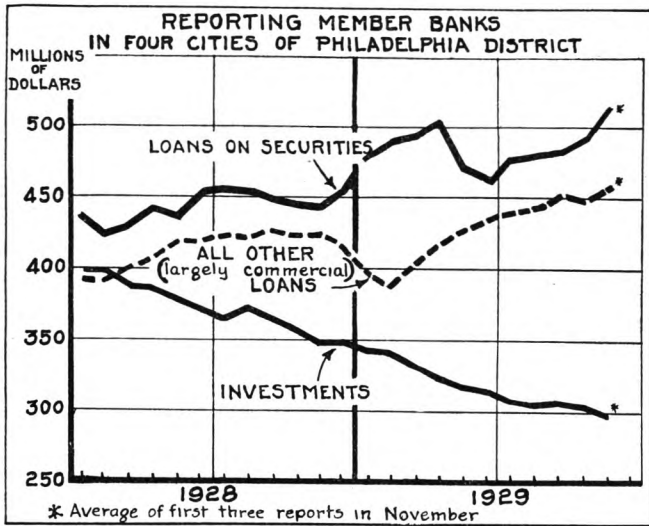
The reserve ratio of this bank declined from 71.4 per cent on October 23 to 63.4 per cent on November 20, and the borrowings of member banks increased

Member banks in 21 leading cities (000,000's omitted)	Nov. 13, 1929	Changes in—	
		Four weeks	One year
Reported by 92 banks:			
Loans on securities.....	\$ 609	+\$30	+\$ 84
Other (largely commercial) loans.....	604	+ 8	+ 28
Reported by 107 banks:			
Total loans and discounts.....	1,288	+ 41	+118
Investments.....	429	- 7	- 58
Net demand deposits.....	874	+16	- 14
Time deposits.....	468	-10	- 39

from 73 to 94 millions. These figures, however, show marked improvement since November 9, when loans to member banks had reached the unusually high point of 124 millions and the reserve ratio was down to 52.7 per cent. Heavier borrowings in comparison with a month ago not only came from the Philadelphia banks, but from other cities and towns as well; the accommodation extended to banks outside of Philadelphia on November 20 was in larger volume than at any time since May.

Commercial paper dealers operating in this district report an increase in sales from \$1,190,000 in September to \$2,290,000 in October, chiefly owing to larger

Federal Reserve Bank of Philadelphia (Dollar figures in millions)	Nov. 20 1929	Changes in	
		Four weeks	One year
Bills discounted for member banks in—			
Philadelphia.....	\$ 44.5	+\$ 8.9	+\$11.1
20 other large cities	27.0	+ 6.1	+ 3.7
Other communities	22.9	+ 5.8	+ 9.6
Total bills discounted	\$94.4	+\$20.8	+\$24.4
Bills bought.....	12.2	- 5.2	- 10.0
United States securities.....	27.1	+10.2	+ 5.4
Other securities.....	1.1	0	+ 1.0
Total bills and securities.....	\$134.8	+\$25.8	+\$20.8
Member banks' reserve deposits.....	136.2	+ .4	+ 1.0
Cash reserves.....	176.1	-15.9	- 5.9
Reserve ratio.....	63.4%	- 8.0%	- 5.2%



purchases by Philadelphia banks; this figure, however, is little more than half of the total of \$4,422,500 reported in October, 1928.

At the end of October, \$20,443,000 of acceptances of banks in this district were outstanding; this compares with \$18,372,000 on September 30, and \$16,359,000 a year ago.

In the four weeks ended November 20 there was an in-

Commercial paper sales (Four dealers)	Sales to—		Total sales
	City banks	Country banks	
1929—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
Oct....	1,102,500	1,187,500	2,290,000
1928—Oct....	1,147,500	3,275,000	4,422,500

crease in the demand for currency and the weekly movements were similar to those in 1928. During the last week of November and in December up to the holidays a further expansion in the need for currency is to be expected as a result of disbursements of Christmas savings clubs and the requirements of the holiday trade.

District Conditions in Detail

Manufacturing

Iron and steel. While the demand for iron and steel products slackened somewhat in the past month, conditions compare favorably with those at the same time last year. The railroads and public utilities have been placing orders in good volume and are making up in some degree for the curtailed requirements of automobile and other manufacturers. Prices have shown weakness in several instances.

Plant activity of most fabricators of metal products declined in the past month. Daily production of pig iron in this district increased in October, however, as compared with the previous month and a year ago. This was also true for the country, but the output of steel ingots in the United States fell to a daily average below that in October, 1928.

Stocks on hand of finished metal products are moderate and no increase is noted in the month. Unfilled orders on

the books of reporting firms are in about the same volume as at this time last year. Forward orders on the books of the United States Steel Corporation increased slightly during October and were the largest for that month since 1923.

Iron and steel (Daily average)	Oct., 1929 (gross tons)	Change from Oct., 1928	10 mos. of 1929 compared with 10 mos. of 1928
Pig iron—			
United States	115,745	+6.4%	+16.7%
Phila. Fed. Res. Dist.	11,350	+7.2 "	+25.6 "
Steel ingots—			
United States	167,098	-3.0 "	+14.9 "

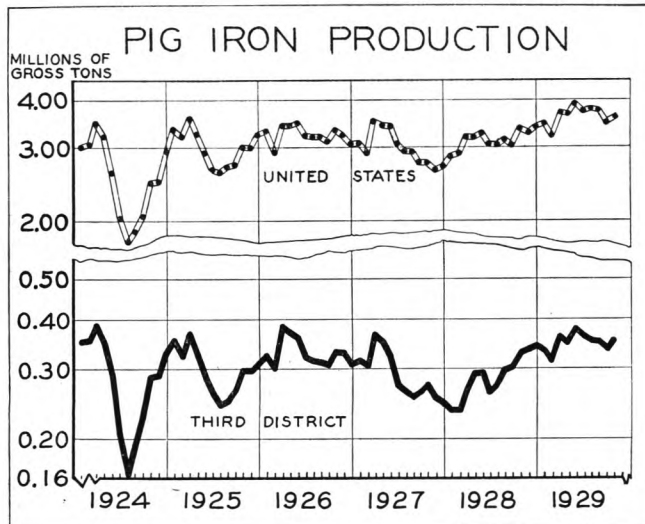
Source: Iron Age.

The output in October of iron castings increased more than 17 per cent from the previous month. This advance is similar to increases reported for the same periods in the past three years, but the total this year was 3.5 per cent higher

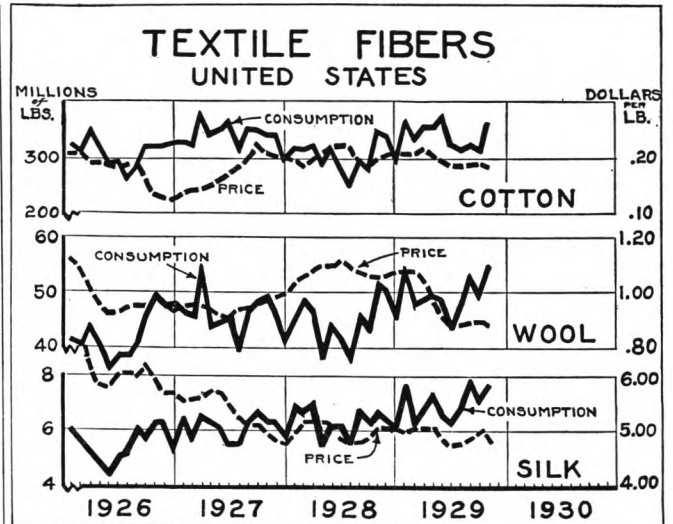
than in the same month last year. Shipments also increased in the month and year as did unfilled orders.

Production of steel castings reported by 11 foundries was 18 per cent greater than in the previous month and 45 per cent ahead of a year ago. Shipments and unfilled orders also were larger.

Textiles. The market for textile raw materials and finished products is fairly satisfactory, although prices generally show further recessions. Sales of silk manufactures and full-fashioned hosiery have increased since last month and compare favorably with the volume of a year ago. Manufacturers of cotton piece goods as well as cotton yarn dealers report a slight decline in their business. The demand for wool fibres is slow but that for woolen and worsted yarns continues fairly active, exceeding the volume of a year ago. Sales of woolen and worsted fabrics have declined since last month and year. While the demand for carpets and rugs and felt base goods is



Source: Iron Age



Source: Department of Commerce, Fairchild's Analytical Bureau, Dun's Review, and The Silk Association of America

Employment and wages in Pennsylvania	No. of plants reporting	Employment October, 1929				Payrolls October, 1929				Average weekly earnings week ended	
		Oct. index*	Per cent change since		Oct. index*	Per cent change since		Oct. 15, 1929	Sept. 15, 1929		
			Oct. 1928	Sept. 1929		Oct. 1928	Sept. 1929				
All manufacturing industries (51)	861	96.1	+ 8.6	- 0.9	103.9	+ 9.7	+ 2.4	27.96	26.96		
Metal products	247	94.9	+ 6.6	- 2.8	104.4	+ 7.1	+ 0.5	30.42	29.27		
Blast furnaces.....	9	48.0	+ 17.9	+ 1.5	52.6	+ 21.5	+ 3.1	30.27	29.82		
Steel works & rolling mills	49	83.8	+ 8.8	- 1.2	92.6	+ 8.3	+ 2.9	31.92	30.43		
Iron and steel forgings...	10	104.3	+ 17.2	- 7.0	119.6	+ 17.4	- 1.9	27.81	26.34		
Structural iron work.....	10	117.5	+ 7.7	+ 2.7	126.7	+ 8.9	+ 4.5	29.74	29.26		
Steam & hot water htg. ap.	16	95.5	+ 2.9	+ 1.6	114.4	+ 9.0	+ 15.8	32.65	28.64		
Stoves and furnaces.....	8	86.3	+ 1.6	+ 3.4	93.3	- 3.6	+ 13.8	30.82	28.01		
Foundries.....	37	96.6	+ 13.9	+ 0.6	108.5	+ 19.1	+ 8.5	30.36	28.18		
Machinery and parts.....	44	119.4	+ 14.4	- 0.6	138.2	+ 19.8	+ 3.4	32.37	31.18		
Electrical apparatus.....	23	135.4	+ 11.1	- 7.6	145.3	+ 8.6	- 9.0	27.49	27.77		
Engines and pumps.....	10	104.0	+ 6.4	+ 3.0	118.2	+ 8.5	+ 8.5	30.67	29.09		
Hardware and tools.....	19	85.9	+ 5.4	- 1.2	91.6	+ 5.0	+ 4.7	24.84	23.43		
Brass and bronze prods..	12	91.2	- 17.2	+ 4.3	95.0	- 5.6	+ 8.2	28.19	27.20		
Transportation equipment ..	41	75.4	+ 1.9	- 2.1	77.8	- 0.1	+ 3.0	30.05	28.51		
Automobiles.....	5	83.3	- 9.3	- 0.5	89.3	- 11.1	+ 13.5	30.98	27.16		
Auto. bodies and parts...	13	82.8	- 1.4	- 8.1	76.5	- 9.0	- 5.1	29.86	28.91		
Locomotives and cars.....	13	66.4	+ 22.1	- 0.4	70.1	+ 44.2	+ 3.2	30.50	29.46		
Railroad repair shops...	6	87.1	+ 10.4	- 3.0	96.8	+ 12.8	+ 9.4	29.42	26.10		
Shipbuilding.....	4	53.0	+ 119.9	+ 4.1	50.4	+ 118.2	+ 3.1	27.67	27.94		
Textile products	174	104.5	+ 8.1	+ 1.9	116.4	+ 8.8	+ 6.0	22.69	21.75		
Cotton goods.....	13	77.0	- 3.3	- 0.4	78.0	- 5.8	+ 1.7	24.07	23.62		
Woolens and worsteds...	15	93.5	+ 5.5	- 1.8	95.9	+ 4.6	+ 0.5	21.81	21.50		
Silk goods.....	49	102.0	+ 1.3	+ 1.5	113.8	+ 5.7	+ 8.4	20.32	18.97		
Textile dyeing & finishing	12	117.7	+ 0.6	- 0.8	122.8	- 7.8	- 2.8	25.12	25.62		
Carpets and rugs.....	9	91.9	+ 9.8	+ 4.4	96.2	+ 11.5	+ 16.5	26.35	23.60		
Hats.....	4	97.7	+ 1.6	- 0.6	90.3	- 0.4	+ 3.6	23.56	24.28		
Hosiery.....	30	135.5	+ 23.9	+ 3.3	168.3	+ 17.8	+ 6.4	26.76	25.96		
Knit goods, other.....	14	102.5	+ 11.1	+ 8.5	119.7	+ 14.3	+ 21.5	20.80	18.45		
Men's clothing.....	10	95.9	+ 12.3	+ 1.3	109.1	+ 31.0	+ 3.4	19.50	19.11		
Women's clothing.....	9	106.6	+ 0.3	- 3.9	109.4	- 2.3	+ 5.2	14.49	14.71		
Shirts and furnishings...	9	112.1	+ 17.5	+ 2.7	115.7	+ 19.9	+ 7.0	16.12	15.48		
Foods and tobacco	104	104.5	+ 2.4	+ 4.1	108.9	+ 4.6	+ 5.8	21.04	20.69		
Bread & bakery products	29	110.5	+ 4.9	+ 1.0	107.2	+ 6.3	+ 2.2	28.05	27.72		
Confectionery.....	13	113.5	+ 7.8	+ 9.0	126.9	+ 5.8	+ 14.2	19.81	18.91		
Ice cream.....	11	86.3	+ 2.1	- 9.7	97.1	+ 3.4	- 6.0	33.30	31.96		
Meat packing.....	14	101.6	+ 2.5	- 0.6	107.8	+ 7.4	+ 6.0	31.12	29.22		
Cigars & tobacco.....	37	102.5	- 1.1	+ 5.8	106.0	+ 1.5	+ 7.0	15.79	15.61		
Stone, clay & glass products	68	84.5	+ 2.7	- 2.1	83.8	- 3.0	+ 4.4	27.05	25.36		
Brick, tile and pottery...	32	94.0	+ 6.5	- 5.5	91.7	+ 1.4	- 4.1	24.25	23.89		
Cement.....	14	70.3	- 7.9	- 2.5	76.9	- 12.0	+ 4.2	31.83	29.75		
Glass.....	22	99.4	+ 10.0	+ 1.5	94.1	+ 4.7	+ 12.7	25.41	22.88		
Lumber products	54	80.7	- 4.6	- 2.1	86.2	- 5.9	+ 1.9	24.33	23.30		
Lumber & planing mills..	17	70.9	- 3.4	- 8.4	74.7	- 5.6	- 3.1	21.64	20.32		
Furniture.....	30	81.9	- 11.4	+ 1.5	85.4	- 15.8	+ 2.3	26.69	26.38		
Wooden boxes.....	7	114.2	+ 2.1	+ 0.7	141.1	+ 17.9	+ 11.3	22.25	20.14		
Chemical products	54	105.7	+ 7.9	... 0.1	117.9	+ 10.9	+ 4.4	30.08	28.60		
Chemicals and drugs...	29	98.2	+ 4.6	... 0.1	101.0	+ 5.5	+ 1.9	28.25	27.15		
Coke.....	3	120.4	+ 1.3	+ 1.5	123.9	+ 0.6	+ 5.3	29.07	28.01		
Explosives.....	3	143.0	+ 7.3	+ 3.0	138.0	+ 13.3	+ 8.7	26.66	25.25		
Paints and varnishes...	12	130.9	+ 2.4	+ 0.2	141.9	+ 3.6	+ 8.7	28.09	25.84		
Petroleum.....	7	101.2	+ 15.8	- 0.8	115.6	+ 19.8	+ 3.4	31.50	30.10		
Leather & rubber products	51	104.6	+ 7.4	+ 1.7	112.2	+ 8.2	+ 4.9	23.87	23.12		
Leather tanning.....	17	109.1	+ 5.3	+ 1.6	117.1	+ 7.9	+ 6.8	26.42	25.10		
Shoes.....	20	101.1	+ 14.2	+ 1.0	109.7	+ 18.6	+ 2.4	19.25	18.96		
Leather products, Other.	10	122.7	- 1.5	+ 4.4	113.2	- 6.4	+ 5.5	23.52	23.10		
Rubber tires and goods..	4	84.3	- 0.1	+ 1.7	99.1	- 5.4	- 1.1	27.65	28.42		
Paper and printing	68	97.3	+ 3.1	+ 1.8	115.4	+ 6.2	- 0.2	33.49	34.16		
Paper and wood pulp...	12	84.6	+ 1.0	+ 2.7	95.9	- 2.6	+ 1.5	29.13	29.44		
Paper boxes and bags...	10	107.1	+ 6.0	+ 5.5	136.8	+ 10.3	+ 11.3	17.92	16.98		
Printing and publishing..	46	104.6	- 2.0	+ 0.9	124.9	+ 5.5	- 1.3	37.21	38.11		
Anthracite	155	109.8	- 19.2	+ 4.1	116.6	- 13.4	+ 39.8	38.21	28.48		
Bituminous coal	395	...	...	+ 2.3	...	...	+ 6.3	26.76	25.76
Construction & contracting	59	156.0	+ 48.4	+ 3.5	133.2	+ 35.5	+ 6.0	27.40	26.50		
Street railways.....	5	90.2	- 7.5	- 0.7	96.7	- 5.8	+ 5.2	34.60	32.68		
Retail trade.....	52	100.8	+ 0.8	+ 5.2	...	...	...	...	...
Wholesale trade.....	83	100.2	+ 2.6	+ 1.7	...	...	...	...	...

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

fair, sales have turned downward as usual at this season; they exceed slightly, however, the amount reported for the same month last year.

Reports on the amount of advance orders held by manufacturers and dealers

for the most part show a decline during the month. In contrast with a year ago, unfilled orders for textile yarns are larger while those for piece goods appear to be somewhat smaller. Forward business in floor coverings also is larger than last

year. Expansion in some of the textile industries practically offsets contraction in others. Among those which show a higher rate of plant activity are silk throwsters, wool yarn spinners, and hosiery producers. Little change is shown by carpet and rug factories.

Hosiery knit during October increased 21 per cent in comparison with the preceding month. Shipments also were larger while stocks showed a slight increase. Cancellations were materially smaller than in September and unfilled orders at the end of the month were appreciably larger than on the same date in September.

Local woolen and worsted mills used almost 16 per cent more wool in October than in September and in the country the increase amounted to nearly 19 per cent. Carpet plants in this district consumed about 13 per cent more wool than in the previous month. Deliveries of raw silk to American mills showed the largest gain for October in several years past. Mill takings of cotton fibres in the country were the largest since last January and surpassed any previous October in the past fifteen years. Active cotton spindle hours in this section also increased substantially in the month and as compared with a year ago.

Inventories of textile fibres and finished goods at reporting plants generally vary from moderate to light, showing further decline since last month. Virtually all lines report smaller stocks of goods than at the same time last year. The exception to this is afforded by an increase in stocks of raw wool as is indicated by the following table:

Raw wool stocks (Figures in thousands of pounds)	Sept. 30, 1928	June 30, 1929	Sept. 30, 1929
Held by dealers in—			
Philadelphia...	17,202	17,375	17,840
United States...	193,806	172,759	186,357
Held by manufacturers in—			
Mid. Atlantic...	54,648	54,933	58,561
United States...	128,352	127,760	133,225
Total for the United States..	322,158	300,519	319,583*

* Of the total amount of raw wool reported, 68.9 per cent was domestic and 31.1 per cent was foreign.

Leather and shoes. The market for shoes reflects a seasonal let-down with respect to both demand and production. Nor do sales of shoes equal the volume of a year ago. Prices continue unchanged. Numerous reports show a decline in unfilled orders, not only seasonally but also in comparison with last year. This is naturally reflected in reduced operations in the past few weeks.

The output of shoes in October, however, showed a gain of more than 9 per cent from the preceding month as compared with an increase of a little less than 9 per cent in the country. This increase occurred in the production of all kinds of shoes. Inventories at factories

are fairly light and show a considerable reduction from those at the end of last month and a year ago.

Business in sole and kid leather has also slackened lately as is to be expected at this time. Prices show practically no change. While orders on the books indicate a slight downward tendency, plant operations are well maintained although there have been a few reductions.

Stocks of sole leather showed a further decline and are reported generally as varying from moderate to light. Inventories of goat and kid leather, however, have increased slightly in the month, continuing the upward tendency shown in previous months. This is not unusual if compared with the trend at the same time in other recent years, as is indicated by the accompanying chart. The number of skins tanned thus far this year has been somewhat smaller than in the same period last year but compares favorably with 1926 and 1927.

The market for goatskins is fair although demand and prices indicate some weakness. The purchase of goatskins abroad by local tanners has not been as active as is customary at this season owing largely to the uncertainty in the trend of prices.

Building materials. The demand for building materials has declined in the last four weeks and the market is duller than at any time since the first of the year. There is usually a decline at this season and this is borne out by smaller sales of cement, lumber, and paint than last month. With the exception of the paint industry, comparisons with the situation last October are distinctly unfavorable, owing largely to the lower rate of building operations which has been current most of the year. Prices of lumber are slightly lower, while those of cement have advanced lately.

As a result of the decrease in sales, unfilled orders in most building material industries are smaller than in the previous month or year. This is espe-

cially true of paint and lumber, while forward orders for brick are in about the same volume. Plant activity has decreased in most lines. Stocks of brick seem to be fairly large, while in the other lines very little accumulation of finished goods is reported.

Miscellaneous. Reports from paper manufacturers indicate a continuance of the heavy demand which has kept production in this district at high levels for the past half year. Factory operations are at a rate of 90 per cent of capacity as contrasted with 70 per cent at the same time last year. Unfilled orders are larger than a year ago and stocks are lighter. Prices are firm.

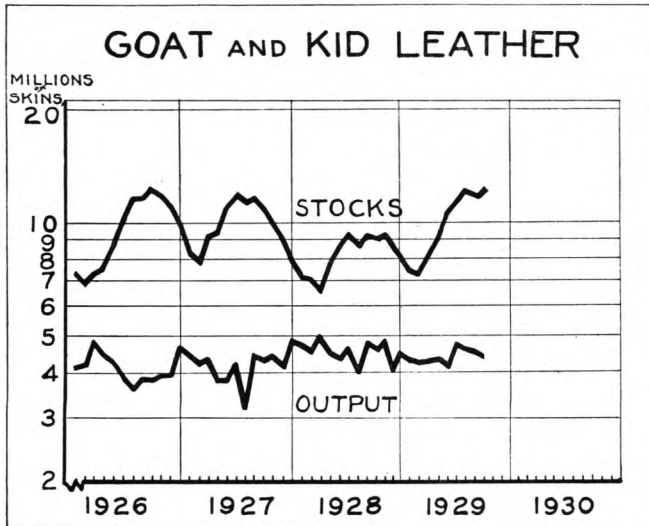
The market for cigars is fairly active although sales have declined somewhat in the past month and are behind those of last year. Operations have been reduced and unfilled orders show little change in the month, although they are smaller than a year ago. Stocks are light.

Sales of rubber goods have decreased in the past month and unfilled orders are smaller. Some plants have reduced their operations; stocks are moderately heavy and are larger than last year. Production of automobile tires and tubes has also declined in the past month.

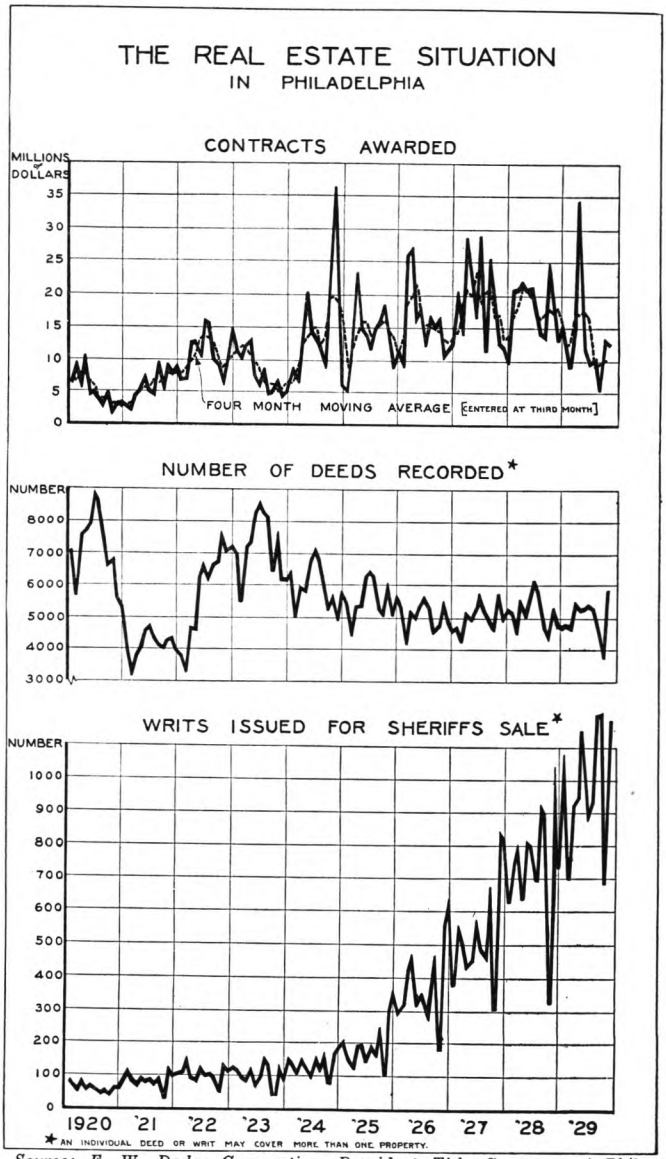
Electric power. The output of electric power by twelve reporting central stations increased in October more than is usual for that month and was substantially ahead of the quantity generated

in October, 1928. Reflecting largely seasonal activity in manufacturing, industrial consumption of electrical energy showed

Electric power Philadelphia Federal Reserve District 12 systems	October, 1929 change from	
	Oct., 1928	Sept., 1929
Rated generator capacity..	+ 2.9%	+ 0.1%
Generated output.....	+ 19.2 "	+ 15.4 "
Hydro-electric.....	+184.3 "	+282.7 "
Steam.....	- 11.9 "	-10.2 "
Purchased.....	+ 66.2 "	+ 14.4 "
Sales of electricity.....	+ 20.5 "	+ 8.7 "
Lighting.....	+ 5.1 "	+10.9 "
Municipal.....	+ 7.8 "	+19.1 "
Residential and com- mercial.....	+ 4.7 "	+ 9.6 "
Power.....	+16.3 "	+ 4.4 "
Municipal.....	+64.7 "	+ 5.0 "
Street cars and rail- roads.....	+ 1.6 "	+11.3 "
Industries.....	+19.7 "	+ 3.0 "
All other sales.....	+ 54.0 "	+20.8 "



Source: Department of Commerce



Source: F. W. Dodge Corporation, Provident Title Company of Philadelphia, and Real Estate Board of Philadelphia

a further gain in the month and was materially larger than a year ago. Total sales of electricity naturally showed increases between September and October, owing chiefly to the customary expansion in the use of electricity for municipal, residential, and commercial purposes. In comparison with a year before, total consumption of electrical energy was noticeably larger, as is indicated by the accompanying table.

Building and Real Estate

Construction activity has again declined in the past month as measured by the volume of building contracts awarded. A 27 per cent decline from last year in the total value of awards in October was caused by smaller totals in eastern Pennsylvania and southern New Jersey. Construction activity in Delaware was at an unusually high level.

Although there was a decrease in the value of permits issued in 584 cities in the country in October, this district showed an increase of 27 per cent over last October and of more than 100 per cent over the September figure. This favorable showing is owing principally to a larger total value of contemplated projects in Philadelphia, Wilmington, and Atlantic City.

The situation in the Philadelphia real estate market has improved slightly in the past month. The number of deeds recorded increased in October and for the first time in the past six months was larger than in the corresponding month last year. The total value of mortgages recorded was larger than in the previous month but continued smaller than at this time last year. The number of writs issued for sheriff's sale increased and established a record for the month.

Reports from the mortgage officers of a number of trust companies indicate that only a small portion of the loans outstanding are for operative builders.

Building activity	Oct., 1929 (000's omitted)	Change from Oct., 1928	10 mos. of 1929 compared with 10 mos. of 1928
Contract awards—			
Phila. Fed. Res. Dist.			
Total.....	\$ 33,574	-27.2%	-17.8%
Residential.....	9,709	-59.7%	-31.4%
United States—			
Total.....	445,642	-25.4%	-11.7%
Residential.....	137,690	-42.6%	-29.4%
Permits issued—			
Phila. Fed. Res. Dist. (17 cities)	14,883	+27.0%	- 2.9%
United States (584 cities)	250,583	-14.3%	.....

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

Coal

Anthracite. The market for anthracite is fairly active, although sales, largely to dealers, have been somewhat smaller than last month. This is especially true of steam sizes. Prices for steam sizes have been reduced, while those of domestic sizes have risen in a few instances. Following a pronounced increase in October, production has turned down, not an unusual occurrence. In the three weeks ended November 10 it totaled 4,176,000 tons, a decrease of 28 per cent from the output in the previous four weeks and of 14 per cent compared with the same period last year. The supply of anthracite in retail coal yards throughout the country on October 1 was sufficient to last about fifty-five days, an increase of nearly 12 per cent since July 1 and almost 6 per cent from October 1, 1928.

Bituminous. Sales of bituminous coal are in fair volume and have increased in the month, owing largely to the heavy demand from industry and the public utilities. Prices have continued to advance. Mine operations in this section have increased appreciably in October. The output in the early weeks of November, however, declined slightly. Stocks in the hands of industries and other than steel and coke plants in the country on October 1 were sufficient to last about 32 days at the rate of consumption prevailing in August and September.

Agriculture

The agricultural situation in the main compares rather favorably with the average condition of past years. Most of the husking of the corn crop has been completed, as has the digging of late potatoes. The acreage of winter wheat is somewhat larger and the stand is in better condition than was the case a year ago.

Cover crops are of about the same quality as last year and the fall plowing is equal to normal.

Marketing of hogs shows no increase and the number of hogs sold in the past month is smaller than in the same period last year.

Early reports indicate that the total income from farm products in this district this year may approximate the amount received last year which was over \$250,000,000. The influence of lower yields of some products has been largely offset by higher prices.

Trade

Wholesale trade. The wholesale and jobbing trade showed a gain of more than 14 per cent between September and October, which was somewhat more than usual. October ordinarily is the peak month in most wholesale lines, and increases this year exceeded the normal expectation in all lines except shoes, the sale of which customarily drops in that month.

In comparison with a year ago, there was a slight gain in the total volume of

Retail trade Philadelphia Federal Reserve District	Comparison of net sales		Comparison of stocks Oct. 31, 1929		Rate of turnover, Jan. 1, to Oct. 31,		Accounts receivable at end of month compared with year ago	Collections during month compared with year ago
	Oct., 1929, with Oct., 1928	Jan. 1 to Oct. 31, 1929, with Jan. 1 to Oct. 31, 1928	with Oct. 31, 1928	with Sept. 30, 1929	1928	1929		
All reporting stores.....	+ 3.5%	+ 0.4%	- 5.6%	+ 9.7%	2.59	2.89	.....	.....
Department stores.....	+ 4.1%	+ 0.2%	- 7.0%	+10.2%	2.46	2.80	.....	.....
in Philadelphia.....	+ 4.3%	+ 0.1%	- 9.0%	+11.2%	2.59	3.17	.....	.....
outside Philadelphia.....	+ 3.4%	+ 0.5%	- 2.9%	+ 8.5%	2.29	2.37	+ 6.1%	- 0.1%
Apparel stores.....	+ 0.8%	.....	.....	.....	.....	.....	.....	.....
Men's apparel stores.....	+ 2.9%	- 0.2%	+ 0.5%	- 5.5%	2.25	2.19	.....	.....
in Philadelphia.....	+ 0.6%	+ 2.9%	- 2.0%	-18.1%	2.71	2.56	.....	.....
outside Philadelphia.....	+ 5.1%	- 3.1%	+ 2.0%	+ 4.7%	1.84	1.83	+ 5.8%	- 5.5%
Women's apparel stores.....	+ 0.2%	+ 5.5%	+ 4.6%	+14.8%	4.74	4.76	.....	.....
in Philadelphia.....	+ 0.3%	+ 6.5%	+ 7.5%	+15.2%	5.07	5.05	.....	.....
outside Philadelphia.....	+ 4.3%	- 1.4%	- 7.6%	+12.8%	3.24	3.27	+ 6.7%	+ 8.6%
Shoe stores.....	+ 7.7%	+ 3.1%	- 7.9%	+ 5.8%	2.10	2.28	+ 2.5%	- 7.1%
Credit stores.....	- 2.8%	- 6.8%	+ 6.3%	+10.6%	2.53	2.55	+ 3.3%	+ 7.3%

Wholesale trade Philadelphia Federal Reserve District	Net sales, Oct., 1929, com- pared with		Stocks, Oct., 1929, com- pared with		Accounts out- standing, Oct., 1929, com- pared with		Ratio of accounts out- standing to sales, Oct., 1929	Collections, Oct., 1929, compared with	
	Oct., 1928	Sept., 1929	Oct., 1928	Sept., 1929	Oct., 1928	Sept., 1929		Oct., 1928	Sept., 1929
Boots and shoes.....	- 8.3%	- 9.7%	.....%	.....%	- 9.4%	+ 4.4%	319.1%	-18.8%	+25.7%
Drugs.....	- 2.1%	+ 8.9%	.....%	.....%	+ 2.7%	+ 5.0%	111.0%	+ 0.2%	+15.1%
Dry goods.....	- 3.7%	+ 4.7%	-12.9%	- 5.4%	- 7.0%	+ 9.7%	236.7%	- 0.2%	+27.7%
Electrical supplies.....	-21.2%	+46.7%	.....%	.....%	- 9.3%	+22.7%	157.6%	.....	.....
Groceries.....	- 1.4%	+11.1%	+ 1.8%	+ 8.3%	+ 1.1%	+ 4.1%	110.6%	+ 2.9%	+18.0%
Hardware.....	+ 8.3%	+24.1%	+ 7.0%	- 1.4%	+ 7.4%	+ 9.9%	182.5%	- 2.5%	+11.4%
Jewelry.....	+13.3%	+26.0%	-11.8%	+ 3.1%	+12.0%	+16.0%	331.2%	+19.2%	+13.1%
Paper.....	+ 8.5%	+11.3%	- 4.5%	- 0.9%	+ 7.0%	- 3.0%	128.4%	+ 4.4%	+14.9%

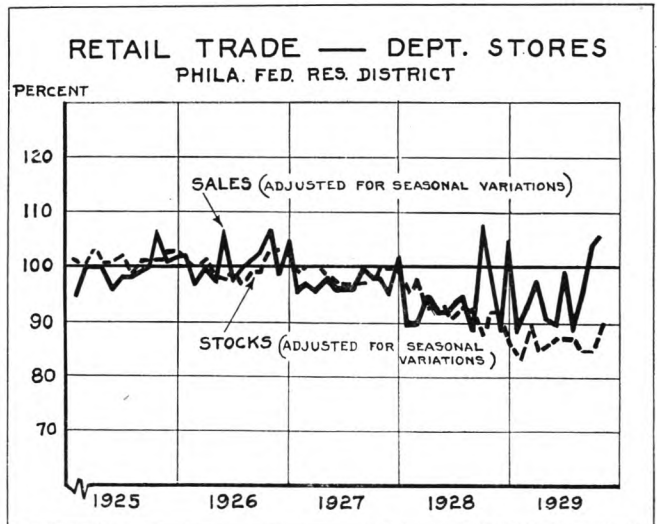
wholesale trade, larger sales of hardware, jewelry, and paper accounting for this gain. Except for reductions in the shoe, dry goods, and electrical supply lines, accounts outstanding were somewhat larger than those at the end of October, 1928; increases since September were shown by all reporting lines except paper. Payments of accounts showed substantial increases in the month and the majority of lines also had larger collections than in October, 1928.

Preliminary information covering the first two weeks in November indicates that wholesale business is moving forward in fair volume, and the number of reports of increased sales exceeds those citing declines. It is usual, however, for the wholesale and jobbing trade to slacken a little in November. Prices remain fairly steady despite slight variations in some lines.

Retail trade. The dollar volume of retail sales by reporting stores expanded by slightly more than the usual amount in October. All reporting classes shared in this gain; likewise, all city areas showed considerable increases in sales. Stocks of merchandise naturally increased during the month in anticipation of the holiday demand.

Sales were nearly 4 per cent larger than in October, 1928, department and shoe stores showing the largest gain. A noticeable gain also occurred in the sale of men's and women's apparel outside of Philadelphia. Business of credit stores, on the other hand, was smaller. All city areas, except Scranton, had larger sales than a year earlier. Sales in the first ten months of this year were slightly ahead of the volume reported for the same period last year. Inventories held by retailers were nearly 6 per cent below those at the end of October, 1928, the largest reductions occurring in the stocks carried by department stores in Philadelphia and shoe stores; inventories of women's apparel stores in Philadelphia and of credit stores showed the greatest increases.

Inquiries concerning the course of pre-holiday trade indicate that sales in the first fortnight of November reached a fair amount in the aggregate. Despite some hesitancy in buying, the number of reports that show increasing sales is appreciably larger than those showing a decline in business.



BUSINESS CONDITIONS IN THE PHILADELPHIA FEDERAL RESERVE DISTRICT

	Prices	Demand	Unfilled orders	Operations	Stocks
Retail trade	Unchanged	Active, increased			Increased seasonally
Wholesale trade:					
Drugs	Firmer	Little change			
Dry goods	Unchanged	Little change			Smaller
Electrical supplies..	Little change	Fair increased			
Groceries	Little change	Increased			Larger
Hardware	Some decline	Some decline			Smaller
Jewelry	Unchanged	Little change			Larger
Paper	Unchanged	Little change			Smaller
Shoes	Unchanged	Declined			
Lumber	Some decline	Fair, declined			Little change
Wool	Declined	Fair, declined			Smaller
Cotton yarns	Declined	Fair, declined			Smaller
Manufacturing:					
Iron and steel products	Some declines	Fairly active, declined	Little change	Declined	Unchanged
Cotton goods	Some declines	Some decline	Little change	Declined	Little change
Silk goods	Lower	Increased	Some decline	Some decline	Little change
Silk throwsters	Some declines	Increased	Larger	Increased	Smaller
Wool goods	Lower	Some decline	Smaller	Declined	Smaller
Wool yarns	Some declines	Fair, little change	Smaller, but above a year ago	Increased	Little change
Hosiery—full-fashioned	Firm	Increased	Larger	Increased	Slightly larger
Hosiery—seamless ..	Unchanged	Fair, little change	Unchanged	Increased	Slightly larger
Carpets and rugs...	Firm, some advances	Fair, declined	Smaller, but above a year ago	Little change	
Shoes	Unchanged	Fair, declined	Smaller	Decreased	Smaller
Leather—					
Sole	Unchanged	Fair, declined	Some decline	Little change	Smaller
Black kid	Little change	Fair, declined	Little change	Little change	Some gain
Colored kid	Little change	Fair, declined	Little change	Little change	Some gain
Paper	Firm	Good	Larger	Little change	Smaller
Rubber goods	Some declines	Declined	Smaller	Decreased	Larger
Cigars	Unchanged	Some decline	Little change	Decreased	Smaller
Brick	Little change	Fair	Little change	Declined	Larger
Lumber-mills	Some decline	Declined	Decreased	Declined	Little change
Paint	Little change	Declined	Decreased	Declined	Smaller
Cement	Some gains	Declined	Some decline	Declined	Little change
Building	Construction costs lower	Fair	Value permits increased	Value of contracts declined	
Anthracite	Domestic sizes, higher	Slight decline		Some decline	Larger
Bituminous coal	Higher	Increased		Increased	Larger