

THE BUSINESS REVIEW

THIRD FEDERAL
PHILADELPHIA



RESERVE DISTRICT
FEBRUARY 1, 1930

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Business and Financial Conditions in the United States

Industrial activity declined further in December. There was little change in commodity prices and conditions in the money market continued easy.

Production and employment. Industrial production, as measured by the Federal Reserve Board's Index, which is adjusted for seasonal variations, declined by 6 per cent in December, following upon a decline of 9 per cent for the preceding month. Nearly all industries reported larger than seasonal reductions in December, except the food industries, which showed little change, and coal, in which output increased. The largest declines in December, as in earlier months, were in automobiles and iron and steel. Production in the textile, shoe, lumber, and the non-ferrous metals industries also decreased considerably. Stocks of cotton textiles, copper, zinc, and lumber increased in December.

In the first three weeks in January, steel plants increased their operations somewhat from the low rate prevailing at the holiday season, but were considerably less active than in January, 1928 or 1929. There were further decreases in the output of copper and lumber while production of crude petroleum increased.

Employment in factories in December declined more than the usual amount in the automobile, steel, textile, clothing, and lumber industries. Little change was reported for the food industries and car repair shops, while at meat-packing plants and the paper and printing industries there was some increase in employment.

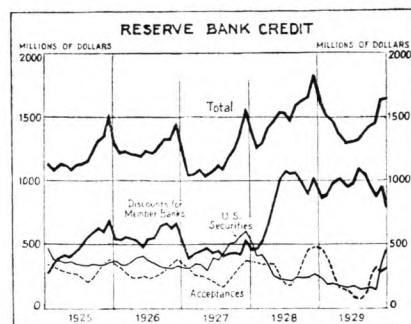
Building contract awards also declined further in December. Residential contracts continued to be in small volume and there were large decreases in awards for commercial buildings and public works and utilities. During the first half of January, awards were larger on a daily average basis than in December.

Distribution. Freight car loadings in December, as in the preceding month, showed more than the usual seasonal decline. The decline occurred principally in shipments of merchandise and lumber products, while loadings of coal and grain were larger than in November.

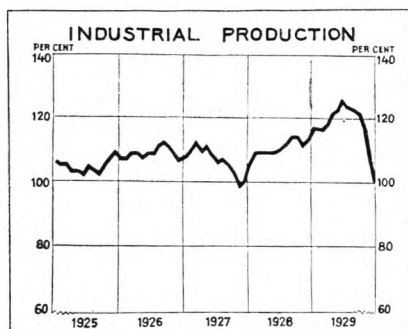
Sales at department stores in leading cities were about 3 per cent smaller than in December, 1928, according to reports to the Federal Reserve System. Decreases in sales were reported for ten Federal reserve districts, an increase of

2 per cent for the Richmond district and little change for the San Francisco district.

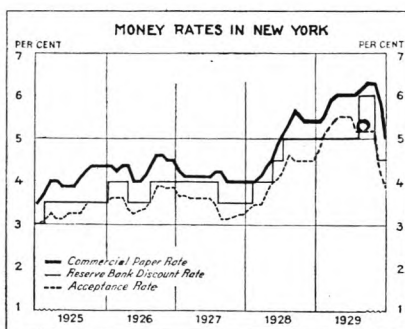
Wholesale prices. During December wholesale prices of commodities fluctuated rather narrowly. Grain, livestock, meat, and bituminous coal prices increased somewhat, while prices of hides and leather products, textiles, petroleum, and pig-iron declined. In the first half of January there was little further change in prices.



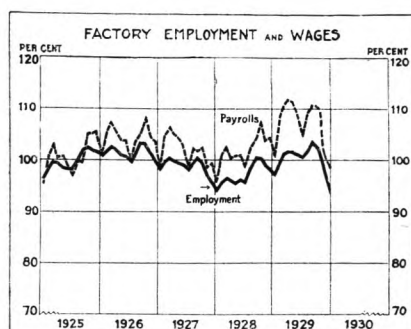
Monthly averages of daily figures for 12 Federal reserve banks. Latest figures are averages of first 19 days in January.



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



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 January.



Index numbers of factory employment and payrolls, without adjustment for seasonal variations (1923-1925 average = 100). Latest figures December, employment 94.8, payrolls 98.7.

Bank credit. Member bank credit increased less than usual over the year-end and in January continued to reflect the liquidation which began early in November. On January 15, total loans and investments of member banks in leading cities were \$478,000,000 below the level of December 11, 1929. This decline occurred both at banks in New York City and outside and was in "All other loans," apparently reflecting a seasonal decrease in inter-bank loans together with increased demand for credit by commercial borrowers. Investments and loans on securities increased slightly during the period.

Reserve bank credit outstanding increased during the latter part of December in response to seasonal demands for currency and gold exports, but declined in January as currency returned from circulation. Between the week ending December 14, and the week ending January 18, there was a net decline of \$277,000,000 in currency in circulation and also a decline of \$37,000,000 in member bank reserve balances. Of the funds thus released, \$64,000,000 served to offset a loss in the monetary gold stock of the country and \$244,000,000 was used to retire reserve bank credit. Reserve bank holdings

of Government securities showed an increase of \$90,000,000 for the period, acceptances showed little change, while discounts for member banks declined by \$347,000,000.

Money rates in the short-term open market firmed somewhat over the year-end but eased early in January and throughout the first half of the month remained generally at the lowest level since the spring of 1928. The discount rate at the Federal Reserve Bank of Philadelphia was lowered on January 16 from 5 to 4½ per cent, the rate prevailing at six other Federal reserve banks.

Philadelphia Federal Reserve District

Summary of Conditions

Business activity in the Philadelphia Federal Reserve District at the turn of the year has slowed down more noticeably than is customary. The volume of trade and manufactures in many lines has declined in comparison with that in the same period a year ago.

The mercantile situation naturally showed marked quiet, following seasonal activity, although lately there have appeared signs of some improvement. Retail sales in December, while increasing somewhat more than usual, were nearly 4 per cent below those in December, 1928. The volume of retail sales by reporting firms for the year also was slightly less in 1928. Similarly, the sales at wholesale in December were about 5 per cent smaller than in the same month of the previous year. Wholesale and jobbing trade in 1929 likewise was below that in 1928. Since wholesale and retail sales are reported in dollar volume, at least a part of this decline may be accounted for by the fact that prices in 1929 were somewhat lower than in the preceding year.

Sales of new passenger automobiles declined sharply in December and were almost 22 per cent below those of the previous year; nevertheless, for the year as a whole sales showed a gain of about 18 per cent over 1928. Sales of ordinary life insurance increased between November and December and were nearly 5 per cent ahead of a year earlier; they were also about 12 per cent larger in 1929 than in 1928.

Railroad shipments in this section recently have turned upward, after a very sharp decline since October. Freight car loadings between spring and fall exceeded the volume recorded in the previous three years.

Check payments in December decreased instead of increasing as is usual for that month and were about 7 per cent smaller than in the same month a year before. For the year as a whole, however, they were appreciably larger than in 1928.

Consumption, as well as output, of food products in the year just passed compared rather favorably with the volume for 1928. This is indicated by animal

slaughterings and shipments in this section and by receipts of dairy and poultry products in Philadelphia and outlying areas.

Foreign trade handled at the port of

Philadelphia during December increased in comparison with the previous month and year. The value of imports and exports in 1929 likewise exceeded substantially the amount recorded for 1928. Im-

Business indicators Philadelphia Federal Reserve District	December, 1929	Latest figure compared with	
		Previous month	Year ago
Retail trade —estimated net sales (136 stores).....	\$41,323,600	+47.3%	— 3.8%
Department stores (62)	\$35,513,600	+51.6 "	— 3.4 "
Apparel stores (37)	\$4,059,500	+31.3 "	— 4.2 "
Shoe stores (17)	\$435,200	+14.6 "	— 4.9 "
Credit stores (20)	\$1,315,300	+13.1 "	—11.2 "
Wholesale trade —net sales (99 firms).....	\$7,937,854	— 0.3 "	— 5.3 "
Boots and shoes (5)	\$111,900	— 7.0 "	+18.2 "
Drugs (10)	\$1,209,400	+ 5.1 "	—12.3 "
Dry goods (13)	\$583,064	—11.1 "	— 2.5 "
Electrical supplies (3)	\$247,277	+ 0.7 "	—43.7 "
Groceries (30)	\$2,722,904	— 5.0 "	— 0.9 "
Hardware (21)	\$1,855,559	— 0.6 "	+ 6.7 "
Jewelry (10)	\$776,814	+37.8 "	—17.9 "
Paper (7)	\$430,936	—12.3 "	— 2.2 "
Productive activity —			
Employment—859 plants in Penna.	\$341,922	— 2.4 "	+ 5.8 "
Wage payments in above plants	\$9,112,802	— 4.6 "	+ 4.0 "
Shoe production* (78 factories)	1,016,733	—14.0 "	.....
Hosiery production* (116 mills)	1,312,748	— 9.4 "	.....
Wool consumption* (75 mills)	6,424,349	—23.1 "	.....
Active cotton spindle hours (Penna.)	14,177,457	+ 8.4 "	— 3.7 "
Pig iron production	286,925	— 5.7 "	—15.1 "
Iron casting production (32 foundries)	4,723	—10.9 "	+ 1.3 "
Steel casting production (11 foundries)	7,235	+ 2.4 "	+32.0 "
Anthracite	7,658,000	+26.7 "	+25.3 "
Bituminous coal—Penna.	11,230,000	— 1.7 "	+ 4.3 "
Petroleum receipts at Port of Philadelphia—domestic and foreign	bbls. 1,383,000	—17.4 "	—27.0 "
Cement	bbls. 2,479,000	—16.1 "	—10.2 "
Electric power output (12 systems, daily average)	KWH. 20,943,800	+ 1.5 "	+20.9 "
Financial and credit —			
Debits (18 cities)	\$3,135,703,000	— 2.0 "	— 7.2 "
Loans and investments—middle of January—102 member banks	\$1,608,100,000	— 2.4 "	— 1.7 "
Bills discounted held by F. R. B. of Phila. (daily average)	\$80,200,000	—24.9 "	—12.2 "
Bankers' acceptances outstanding—end of month (district)	\$25,652,000	+23.9 "	+47.1 "
Commercial paper sales (4 dealers)	\$2,630,500	—37.7 "	+11.2 "
Commercial failures—number	78	—17.9 "	— 1.3 "
Commercial failures—liabilities	\$2,491,200	+22.9 "	+ 6.0 "
Building and real estate —			
Building permits (17 cities)	\$7,630,128	—26.7 "	—21.7 "
Building contracts awarded (Philadelphia district)	\$12,925,600	—46.6 "	—59.7 "
Number of real estate deeds recorded (Philadelphia county)	5,040	+ 5.1 "	+ 8.5 "
Value of mortgages recorded (Philadelphia county)	\$15,478,176	—32.0 "	—34.9 "
Sheriff sale—number of writs issued for January—(Philadelphia county)	1,230	+19.4 "	+14.8 "
Miscellaneous —			
Freight car loadings (Allegheny district—weekly average)	170,413	—15.6 "	— 6.3 "
Tonnage of vessels (Port of Philadelphia)	4,248,679	+ 2.9 "	+ 4.1 "
Sales of life insurance (Penna., N. J., and Del.)	\$110,620,000	+ 1.8 "	+ 4.8 "
Automobile sales (registrations of new passenger cars)	8,432	—19.4 "	—21.9 "

* Bureau of Census preliminary figures.

ports were about twice as large as exports.

The cost of living in Philadelphia, as estimated by the United States Bureau of Labor Statistics, increased about three-tenths of one per cent as against a rise of one-tenth of one per cent in the country between December, 1928, and December, 1929. The expenditure for food showed the sharpest advance—almost 3 per cent,—while rent showed the largest decline—nearly 5 per cent.

Industrial conditions showed a considerable let-down in December, although comparisons at that time with a year earlier on the whole were rather favorable. Since the middle of last month, however, the demand for finished manufactures and orders on the books of reporting firms have declined further and have not equaled the level prevailing at the opening of the previous year.

Factory employment and wage payments in this section declined between November and December. The demand for workers by employers decreased a trifle less than is normally expected in December.

The building situation in December continued unsatisfactory, contract awards again declining sharply. In the first fortnight of January, however, there occurred a noticeable improvement, as indicated by a substantial increase in the value of contracts awarded for new construction. The number of real estate deeds recorded increased appreciably in the month and was nearly 9 per cent ahead of December, 1928. The value of mortgages, on the other hand, showed a pronounced decline in the month and in comparison with a year before. Forced sales of properties, as set forth in court writs issued for January in Philadelphia, increased further and were the largest ever recorded.

In response to a fairly active demand the output of anthracite increased noticeably from November to December and was materially larger than in December, 1928. Production of bituminous coal in December, while larger than a year before, declined somewhat in the month. The output of both hard and soft coal in the first two weeks of January showed a further drop.

The farm value of crops in 1929 in this section was larger than in 1928. This gain was due largely to higher prices for farm products since the acreage harvested was about equal to that of the previous year and the yield per acre was smaller.

City conditions Philadelphia Federal Reserve District		December, 1929, compared with December, 1928					
		Employment	Wage payments	Value of building permits	Debits	Retail trade sales	Electric power sales
Allentown area	.....	+ 3.5%	+ 3.7%	- 13.4%	- 11.4%	- 8.9%	- 0.3%*
Altoona	"	+11.2 "	+ 7.0 "	- 98.2 "	- 9.9 "	+ 0.5 "	+41.7 "
Harrisburg	"	+ 1.3 "	+ 4.4 "	+217.2 "	- 9.5 "	- 4.3 "	.....
Johnstown	"	+ 4.3 "	+ 0.1 "	- 97.2 "	- 5.8 "	- 2.3 "	+ 8.2 "
Lancaster	"	+ 1.4 "	- 3.1 "	- 25.3 "	- 3.7 "	- 5.4 "	+ 8.0 "
Philadelphia	"	+ 5.8 "	+ 7.2 "	- 1.0 "	- 10.5 "	- 3.0 "	+18.0 "
Reading	"	+ 2.9 "	+ 5.2 "	- 23.9 "	- 10.6 "	+ 1.2 "	+ 6.6 "
Scranton	"	+10.8 "	+ 2.5 "	- 79.7 "	- 4.2 "	- 6.2 "	+11.3 "
Trenton	"	- 3.8 "	-11.6 "	- 89.9 "	- 0.4 "	- 7.4 "	+11.2 "
Wilkes-Barre	"	+11.2 "	+15.0 "	- 91.1 "	- 17.9 "	-10.5 "	.....
Williamsport	"	+ 2.7 "	-18.3 "	- 78.7 "	- 16.7 "	.....	.....
Wilmington	"	+18.3 "	+16.1 "	- 11.3 "	+100.3 "	- 0.8 "	+18.3 "
York	"	- 3.8 "	- 6.4 "	- 89.9 "	- 11.7 "	.....	+10.9 "

December, 1929, compared with November, 1929

Allentown area	.....	- 2.4%	- 4.5%	+ 71.7%	+ 3.0%	+49.5%	+ 5.1%*
Altoona	"	.....	- 6.6 "	- 82.3 "	- 0.6 "	+76.2 "	+ 2.9 "
Harrisburg	"	- 2.9 "	- 4.0 "	+ 74.0 "	+ 1.4 "	+52.5 "	.....
Johnstown	"	- 8.0 "	-11.5 "	- 94.3 "	- 1.7 "	+54.0 "	+ 2.8 "
Lancaster	"	.....	- 2.4 "	+468.1 "	- 7.7 "	+53.1 "	+ 2.8 "
Philadelphia	"	- 1.4 "	- 1.1 "	- 26.7 "	- 5.9 "	+44.5 "	+ 1.5 "
Reading	"	- 2.9 "	- 1.5 "	- 83.2 "	+ 2.9 "	+60.8 "	+ 5.7 "
Scranton	"	- 3.7 "	- 5.5 "	- 72.9 "	- 3.5 "	+40.2 "	+12.9 "
Trenton	"	- 4.7 "	- 6.8 "	- 76.2 "	+12.4 "	+66.6 "	- 9.3 "
Wilkes-Barre	"	+ 6.0 "	+ 5.8 "	- 83.8 "	- 3.4 "	+60.3 "	.....
Williamsport	"	- 1.9 "	- 1.7 "	- 78.8 "	- 2.3 "	.....	- 4.5 "
Wilmington	"	+ 1.6 "	- 0.1 "	- 0.9 "	+ 80.0 "	+62.8 "	- 5.2 "
York	"	- 6.8 "	- 5.8 "	- 51.9 "	+ 1.7 "	.....	- 1.6 "

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

Financial conditions. In the past month there has been further liquidation at the reporting member banks, the reserve position of the Federal Reserve Bank has continued strong, and money rates have shown an easier tone. The discount rate of this bank was lowered from 5 to 4½ per cent. The new rate was made effective January 16, and was the first change in the discount rate here since July, 1928.

Rates of from 5½ to 6 per cent continued to be quoted in the middle of January by large Philadelphia member banks on commercial loans to customers. This is the same range as that reported in December, although the average of the rates quoted by these banks is slightly lower. The call money renewal rate in Philadelphia was unchanged at 6 per cent from October 18 to January 7, inclusive, but on January 8 there was a reduction to 5½ per cent, and on January 20 to 5 per cent.

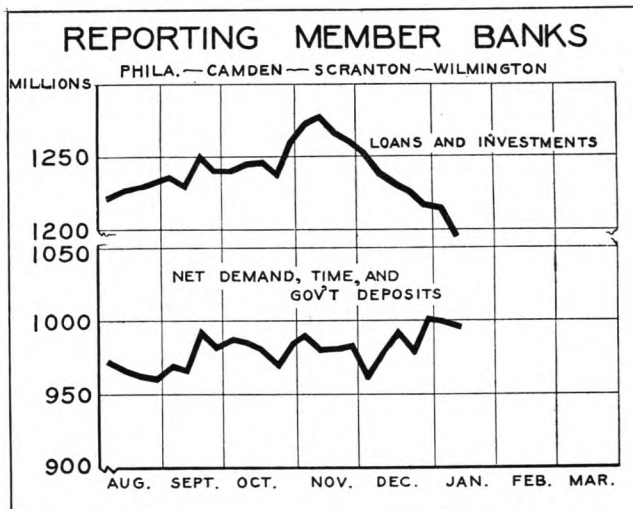
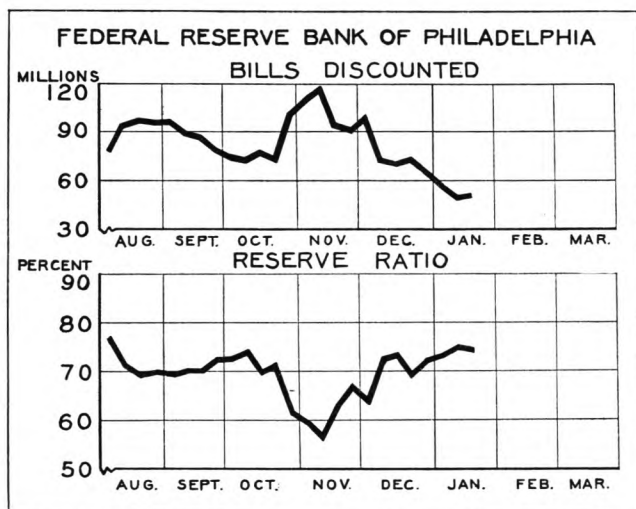
Member banks in twenty-one leading cities of the district report a further re-

duction in total loans and investments during the past month. This was the result chiefly of an unusually large decline in the so-called "commercial" loans. Ordinarily there is a decrease in such loans during this period owing to seasonal slackness in trade and manufacturing; the fact that it was greater than usual may be attributed to a greater decline in business than is usually to be expected. The volume of "commercial" loans still is in excess of a year ago, although this is characteristic of the Philadelphia total rather than of the figures of outside banks.

Loans on securities show slight change between the middle of December and the middle of January. Investments, however, declined both in Philadelphia and outside.

Reported by member banks in 21 leading cities (000,000's omitted)	Jan. 15, 1930	Changes in	
		Four weeks	One year
Reported by 90 banks:			
Loans on securities.....	\$ 581	+ \$ 1	+ \$25
Other (largely commercial) loans.....	561	- 36	+ 20
Reported by 102 banks:			
Total loans and discounts	1,209	- 34	+ 53
Investments.....	399	- 5	- 80
Net demand deposits.....	865	- 7	- 41
Time deposits.....	478	+ 15	- 23

Federal Reserve Bank of Philadelphia (Dollar figures in millions)	Jan. 22, 1930	Changes in	
		Five weeks	One year
Bills discounted for member banks in Philadelphia.....	\$ 11.6	-\$12.6	-\$20.7
20 other cities.....	18.0	- 4.8	- .8
Other communities	21.3	- 2.4	+ 3.2
Total bills discounted	\$ 50.9	-\$19.8	-\$18.3
Bills bought.....	8.3	- .2	- 12.3
United States securities.....	42.9	+ 6.1	+ 21.5
Other securities.....	1.0	- .1	+ 1.0
Total bills and securities.....	\$103.1	-\$14.0	-\$ 8.1
Member banks' reserve deposits.....	132.3	- 3.8	- 3.9
Cash reserves.....	207.3	- 18.1	+ 25.0
Reserve ratio.....	74.2%	+ 0.7%	+ 5.0%



Accompanying the decreasing total of loans and investments of the reporting member banks, there was an increase in the sum of their net demand and time deposits, a tendency which frequently is to be noted in January.

The reserve ratio of the Federal Reserve Bank of Philadelphia shows a further slight improvement, rising from 73.5 per cent on December 18 to 74.2 per cent on January 22, and is materially above the ratio of 69.2 per cent reported a year ago. In the past month the borrowings of member banks have shown a decline of 20 millions to a total of 51 millions, of which only about 12 millions was under discount for banks in Philadelphia. The average of bills discounted in the latest week was the lowest since the

spring of 1928. Currency returned from circulation in large volume after the needs of the holiday trade had passed. The deposit of accumulating currency at the reserve bank made possible the reduction in borrowing, notwithstanding unfavorable interdistrict balances and an excess of treasury collections and withdrawals of funds in this district over disbursements here.

The volume of outstanding bankers' bills executed by banks in this district reached a high point at the end of December. The total of \$25,652,000 compared with \$20,699,000 a month earlier, and \$17,443,000 a year ago. The increase in the year amounted to 47 per cent in this district, as against 35 per cent for the country. Even so, the proportion of

bills accepted here to the national total was only 1.5 per cent, although in October the district had 7.7 per cent of the loans and investments of all banks in the country.

Commercial paper sales declined in December, according to the reports of four dealers, but were larger than in December, 1928. Details follow:

Commercial paper sales (four dealers)	Sales to—		Totals
	City banks	Country banks	
1929—Oct....	\$1,102,500	\$1,187,500	\$2,290,000
Nov....	530,000	3,695,000	4,225,000
Dec....	495,000	2,135,500	2,630,500
1928—Dec....	643,500	1,722,500	2,366,000

District Conditions in Detail

Manufacturing

Iron and steel. The market for iron and steel products in this district has weakened further in the past month and steel prices have declined. With the activity of construction companies and automobile plants curtailed and with part of the first quarter requirements of the railroads already taken care of, steel fabricators reduced operations over the turn of the year. Latest reports, however, indicate a gradual resumption of activity.

The demand for iron bars, castings, hardware, machinery and tools has been weak. Compared with the previous month, sales of pig iron, scrap, plates, shapes, machinery, tools, and track supplies have shown the most pronounced declines.

Unfilled orders are in about the same volume as at this time last year. Stocks are light and show no increase in the month or year.

Pig-iron production in this district in December was over 15 per cent smaller

than in the same month in 1928, although the total production for the past year was over 18 per cent higher than in the previous year. Comparisons are given in the following table:

Iron and steel (Daily average)	Dec., 1929 (gross tons)	Change from Dec., 1928	12 mos. of 1929 compared with 12 mos. of 1928
Pig iron—			
United States.....	91,513	-15.8	+12.1
Phila. Fed. Res. Dist.....	9,256	-15.1	+18.2
Steel ingots—			
United States.....	115,851	-27.9	+ 8.5

Source: Iron Age.

The production of iron castings by foundries in this district declined nearly 11 per cent in December from the previous month but was over 1 per cent larger than in December, 1928. Unfilled orders declined about 20 per cent in the

month and were smaller than a year ago. Prices also showed recessions.

The output of steel castings increased over 2 per cent in the month and was 32 per cent larger than in the same month a year earlier. Shipments also were larger, but unfilled orders declined over 30 per cent in the month and year.

Textiles. The demand for textile raw materials and finished products declined further in the past month and is only fair at present. In most lines recent sales fell short of those at the same time last year. The market for cotton and woolen goods, wool yarn, seamless hosiery, clothing, and floor coverings has been especially quiet. Activity in the entire textile industry, as measured by the index of payrolls in Pennsylvania, declined over 3 per cent in December.

Prices of cotton and wool yarns, and thrown silk have declined further. Spot cotton lately has shown strength, advancing slightly, but raw wool shows continued recessions; raw silk prices are firm. Quotations for silk, cotton and wool

Employment and wages in Pennsylvania	No. of plants reporting	Employment Dec., 1929				Payrolls Dec., 1929				Average weekly earnings week ended	
		Dec. index *	Per cent change since		Dec. index *	Per cent change since		Dec. 15, 1929	Nov. 15, 1929		
			Dec., 1928	Nov., 1929		Dec., 1928	Nov., 1929				
All manufacturing industries (51).....	859	92.8	+ 5.8	- 2.4	95.6	+ 4.0	- 4.6	\$26.65	\$27.35		
Metal products.....	248	96.1	+ 4.1	- 3.0	97.4	+ 1.1	- 6.9	28.60	29.79		
Blast furnaces.....	9	46.5	+ 10.7	+ 1.5	49.5	+ 10.7	- 3.5	29.47	30.91		
Steel works & rolling mills	49	84.1	- 0.2	- 4.2	83.9	- 4.8	- 7.9	28.76	30.00		
Iron and steel forgings.....	10	113.2	+ 13.7	+ 6.4	117.5	- 0.1	+ 1.2	25.15	26.47		
Structural iron work.....	10	112.5	+ 4.9	- 4.9	117.0	+ 5.5	- 2.6	28.69	28.00		
Steam & hot water htg. ap.	17	94.6	+ 5.3	- 1.9	95.7	- 5.2	- 9.5	27.48	30.06		
Stoves and furnaces.....	8	82.6	- 5.5	- 7.0	78.0	- 18.8	- 9.9	26.95	27.80		
Foundries.....	37	95.6	+ 6.7	- 2.2	101.7	+ 6.8	- 4.6	28.77	29.48		
Machinery and parts.....	44	119.0	+ 10.7	- 0.2	137.9	+ 15.0	+ 0.1	32.43	32.37		
Electrical apparatus.....	22	129.3	+ 15.1	- 2.0	139.8	+ 16.2	- 9.5	28.18	30.49		
Engines and pumps.....	10	102.6	+ 2.9	- 2.6	106.9	- 5.0	+ 0.8	28.10	27.18		
Hardware and tools.....	20	82.8	- 3.9	- 1.0	86.1	- 7.6	+ 3.2	24.06	23.10		
Brass and bronze prods. .	12	78.1	- 23.8	- 8.4	84.0	- 13.6	- 5.4	29.11	28.20		
Transportation equipment..	42	79.3	+ 17.5	+ 1.8	79.5	+ 17.4	+ 2.4	29.19	28.97		
Automobiles.....	6	114.0	+ 24.5	0	90.3	- 2.0	- 16.7	22.84	30.37		
Auto. bodies and parts.....	13	74.8	- 16.1	+ 3.3	73.4	- 19.3	+ 10.5	31.67	29.66		
Locomotives and cars.....	13	65.3	+ 24.9	+ 0.5	67.7	+ 42.8	+ 3.8	29.98	28.98		
Railroad repair shops.....	6	86.4	0	+ 0.3	94.2	- 0.5	- 3.3	28.87	29.94		
Shipbuilding.....	4	72.3	+ 142.6	+ 7.7	80.1	+ 148.0	+ 18.7	32.19	29.28		
Textile products.....	170	101.8	+ 3.0	- 2.9	109.5	+ 0.6	- 3.4	21.75	22.22		
Cotton goods.....	13	71.5	- 14.2	- 7.9	60.5	- 30.3	- 19.8	20.14	23.10		
Woolens and worsteds.....	13	77.8	- 15.0	- 11.3	72.1	- 24.9	- 14.9	21.83	22.76		
Silk goods.....	49	105.5	+ 3.4	- 0.5	111.9	+ 2.0	- 0.9	19.34	19.41		
Textile dyeing & finishing	12	107.2	- 9.1	- 3.0	108.7	- 18.1	+ 0.5	24.42	23.62		
Carpets and rugs.....	9	95.1	+ 6.4	+ 0.4	88.0	- 4.8	- 9.9	23.27	25.99		
Hats.....	4	96.8	- 0.8	- 0.6	93.0	- 0.3	+ 3.6	24.48	23.50		
Hosiery.....	28	133.0	+ 14.6	- 0.7	173.8	+ 16.3	+ 4.4	26.94	26.75		
Knit goods, Other.....	14	99.3	+ 16.1	- 5.7	103.5	- 21.1	- 10.9	18.54	19.64		
Men's clothing.....	10	78.7	+ 9.6	- 10.1	74.9	+ 22.6	- 22.1	16.34	18.84		
Women's clothing.....	9	106.1	- 11.2	- 3.0	109.9	- 15.6	+ 0.4	14.61	14.14		
Shirts and furnishings....	9	112.1	+ 20.7	0	111.5	+ 21.7	- 2.7	15.56	15.98		
Foods and tobacco.....	103	101.9	+ 6.7	- 2.8	105.8	+ 6.7	+ 0.6	20.95	20.27		
Bread & bakery products	29	110.4	+ 4.6	- 1.0	105.1	+ 4.9	+ 0.4	27.51	27.13		
Confectionery.....	13	105.9	+ 8.6	- 6.1	115.5	+ 9.0	- 2.4	19.33	18.59		
Ice cream.....	11	75.8	- 5.6	- 4.4	84.9	- 2.9	- 3.9	33.13	33.01		
Meat packing.....	14	106.7	+ 3.7	+ 1.2	107.4	+ 2.5	+ 0.3	29.53	29.81		
Cigars and tobacco.....	36	100.7	+ 8.7	- 2.5	107.4	+ 10.2	+ 3.3	16.28	15.36		
Stone, clay & glass products	68	76.9	- 5.6	- 6.4	72.6	- 9.5	- 9.9	25.77	26.74		
Brick, tile and pottery...	32	88.1	- 2.1	- 4.3	81.7	- 14.2	- 7.3	23.05	23.80		
Cement.....	14	65.9	- 11.7	- 5.7	64.1	- 16.1	- 12.0	28.32	30.30		
Glass.....	22	85.7	- 3.1	- 9.1	82.8	+ 2.0	- 9.9	25.94	26.17		
Lumber products.....	54	76.2	- 0.4	- 2.2	76.6	- 5.8	- 6.7	22.86	23.94		
Lumber & planing mills..	17	64.8	- 0.8	- 4.6	65.4	- 10.5	- 9.3	20.73	21.80		
Furniture.....	30	79.4	- 4.5	+ 0.4	79.2	- 10.5	- 1.6	25.53	25.97		
Wooden boxes.....	7	106.2	- 2.0	- 5.0	107.7	+ 10.5	- 20.4	18.26	21.79		
Chemical products.....	56	106.0	+ 8.1	- 0.3	111.4	+ 5.7	- 4.0	28.30	29.37		
Chemicals and drugs....	31	94.5	+ 3.7	- 1.0	97.4	+ 2.0	- 2.0	27.74	27.98		
Coke.....	3	114.5	- 2.4	- 4.8	113.2	- 4.6	- 8.2	27.92	28.94		
Explosives.....	3	133.9	- 5.8	- 5.4	120.5	- 3.5	- 14.4	24.84	27.48		
Paints and varnishes.....	12	126.1	+ 1.6	- 4.5	125.9	- 0.2	- 7.4	25.85	26.70		
Petroleum refining.....	7	105.7	+ 19.0	- 3.1	112.2	+ 15.0	- 1.1	29.26	30.49		
Leather & rubber products	50	102.5	+ 7.4	- 2.4	108.2	+ 10.2	+ 1.1	23.47	22.68		
Leather tanning.....	17	108.8	+ 7.5	- 0.7	115.5	+ 11.9	+ 1.0	26.13	25.70		
Shoes.....	20	96.1	+ 10.2	- 4.6	96.1	+ 13.5	+ 2.7	17.72	16.49		
Leather products, Other	9	124.7	+ 1.0	- 3.2	121.1	+ 0.3	- 2.1	24.57	24.33		
Rubber tires and goods..	4	80.3	- 1.5	- 2.7	98.5	- 4.0	+ 1.4	28.82	27.66		
Paper and printing.....	68	97.9	+ 5.7	+ 0.2	112.2	+ 5.9	- 2.5	32.39	33.25		
Paper and wood pulp....	12	86.1	+ 6.8	+ 1.2	95.1	+ 2.7	- 2.4	28.30	29.41		
Paper boxes and bags....	10	111.7	+ 12.7	- 1.7	134.8	+ 12.2	- 6.7	16.92	17.84		
Printing and publishing..	46	104.3	- 2.0	0	120.6	+ 1.3	- 2.2	36.11	36.87		
Anthracite.....	155	110.8	+ 1.3	+ 3.0	110.3	+ 18.7	+ 25.9	35.84	29.27		
Bituminous coal.....	389	108.8	.....	- 0.7	.....	.....	- 3.2	25.93	26.59	
Construction & contracting	58	137.7	.....	- 10.6	110.5	.....	- 17.1	25.42	27.93	
Street railways.....	5	88.4	- 5.8	- 1.3	94.3	- 7.4	- 1.3	34.47	34.40		
Retail trade.....	75	120.7	+ 1.9	+ 7.1	.....	.....	.....	.....	.....
Wholesale trade.....	84	98.7	+ 0.6	- 0.3	.....	.....	.....	.....	.....

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

sumed by mills in this district declined more than 23 per cent from November to December while in the country the decrease was almost as large. Consumption of carpet wool by carpet mills in this district declined nearly 35 per cent in the month. December deliveries of raw silk to American mills were smaller than those made in November or in December, 1928, but were larger than in any previous final month since 1920. Silk in storage at the end of December reached the largest total shown in the last decade and was nearly twice that stored at the end of 1928. Active cotton spindle hours in this section increased in the month but the total was below that reached in any previous December since 1922.

Forward orders on the books of silk throwsters have declined in the month and compared with last year. Advance orders for cotton goods, raw wool and wool yarns, for hosiery, and for floor coverings are also smaller. While unfilled orders for wool cloth and clothing show little change in the month, they are smaller than last year.

Stocks of finished materials in most of the textile lines are moderate and are lighter than in the previous month or a year ago. Cotton goods, clothing, silk goods and wool yarn stocks are reported as larger than last year.

Leather and shoes. The leather and shoe industries have been comparatively quiet during the past few months. Sales of shoes have slackened further and the current demand is below that at this time last year.

The daily average production of boots and shoes in this district declined sharply in December and was nearly 16 per cent smaller than the output in November. Prices, however, are steady. Unfilled orders show little change in the past month although they are smaller than a year ago. Stocks of finished shoes are light.

The market for sole leather has been quiet in the past month, as is customary at this time, and prices are lower. Plant activity has been maintained, however, and in consequence inventories are larger while forward orders show some declines. The demand for hides is moderately active.

Production of kid leather has declined a little, although the market has been fairly active. The demand for colored kid has been better than that for black. Stocks of black kid are moderate and those of colored kid are lighter than in the previous month.

Conditions in the goatskin market are steadier than they have been for some time and prices are firmer.

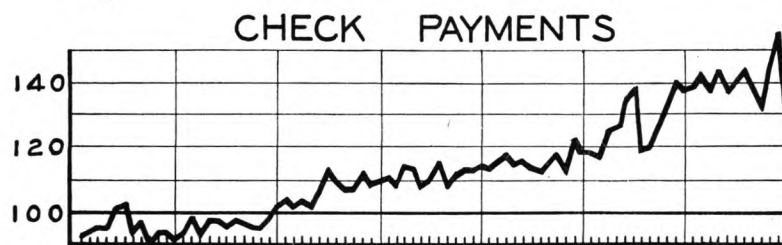
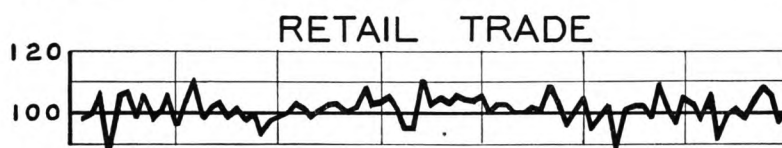
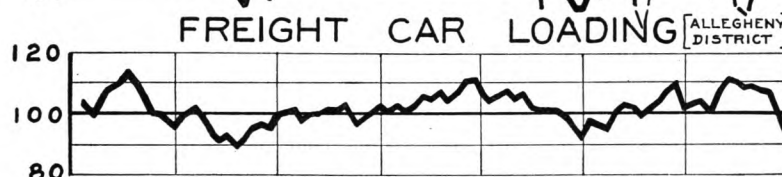
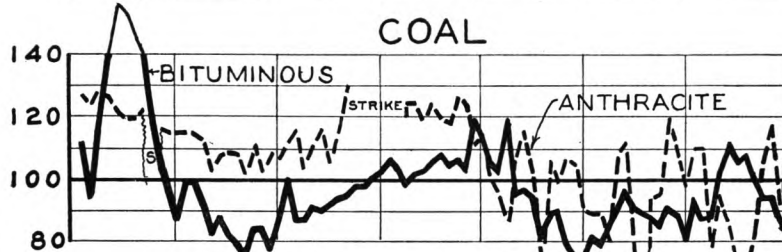
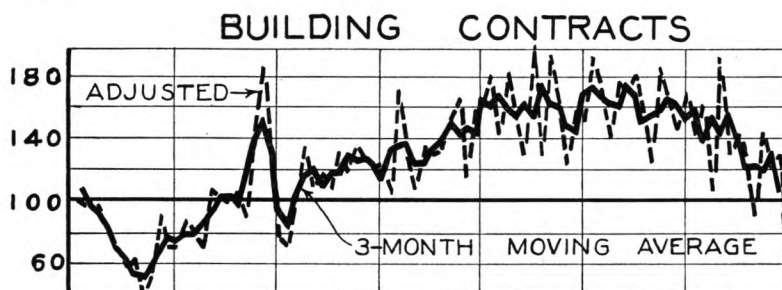
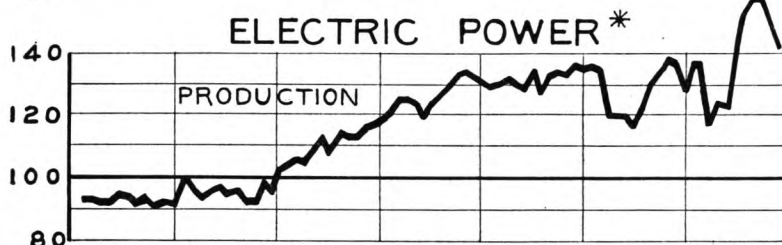
Building materials. The market for building materials has been quiet and sales have declined further in the month. Comparisons of sales with last year are also unfavorable. Prices, however, show only slight variation with the exception of some advances in quotations for cement.

BUSINESS INDICATORS

PHILA. FED. RES. DISTRICT

[SEASONALLY ADJUSTED]

* [UNADJUSTED MFRG. INDEX]



* PENNA. 1923 1924 1925 1926 1927 1928 1929

The demand for bricks and lumber has been particularly poor and unfilled orders consequently are smaller. The activity of lumber mills and paint factories also was curtailed somewhat. Cement production and shipments declined in December and were smaller than a year ago. Stocks of finished materials, with the exception of paint, are larger than in the middle of December or last year.

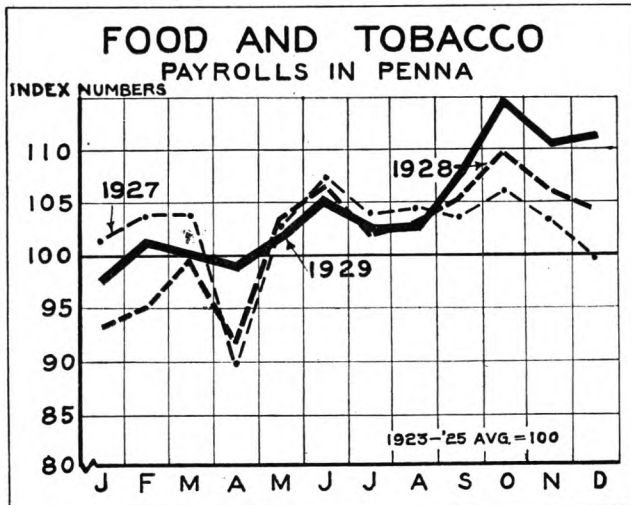
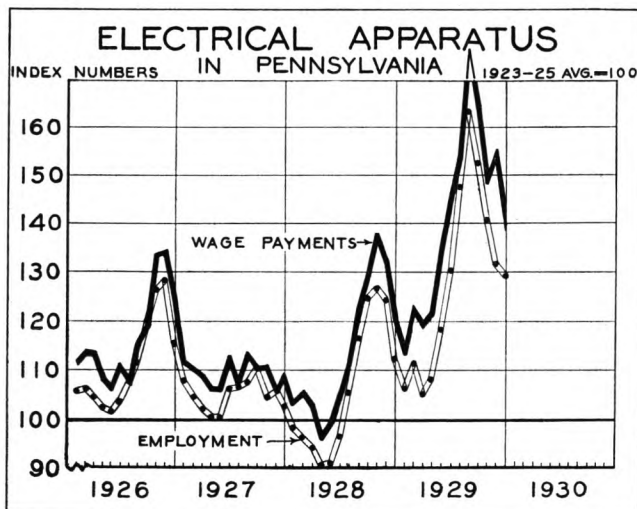
Miscellaneous. The market for paper, which declined slightly last month, has been fairly active of late and sales continue at levels above those of a year ago. Prices are firm. Unfilled orders are unchanged. Stocks are larger than a month earlier, but smaller than last year. Plant activity has increased slightly.

The demand for cigars and tobacco leaf has fallen off since December, as is customary at this time of year. Prices are steady. Unfilled orders for cigars are in smaller volume compared with the previous month and year. Cigar plants have contracted operations sharply and are at present working at a lower rate than last year; operations of tobacco leaf concerns are somewhat lower. Stocks of both cigars and tobacco leaf are fairly light.

Electric power. Daily production of electric power by twelve reporting systems increased nearly 2 per cent from November to December and was almost 21 per cent larger than in December, 1928. Sales of electricity for lighting purposes increased in the month and exceeded those of a year before. Daily industrial consumption of electrical energy, on the other hand, declined about 7 per cent in the month but was nearly 17 per cent ahead of that in December, 1928. Municipal consumption of electric power also declined in the month but increased in comparison with a year ago. Street cars and railroads, however, showed a sharp seasonal increase in the month but a slight decline as compared with a year earlier.

Electric power Philadelphia Federal Reserve District 12 Systems	Daily average Dec. 1929	
	Change from Dec., 1928	Change from Nov., 1929
Rated generator capacity....	+ 3.0%	- 3.3%
Generated output.....	+20.9 "	+ 1.5 "
Hydro-electric.....	+71.1 "	+ 4.3 "
Steam.....	+ 0.9 "	+ 1.1 "
Purchased.....	+42.8 "	- 0.6 "
Sales of electricity.....	+19.0 "	- 2.9 "
Lighting.....	+ 6.7 "	+ 2.8 "
Municipal.....	+ 5.8 "	+ 1.5 "
Residential and commercial.....	+ 6.8 "	+ 2.9 "
Power.....	+13.7 "	- 4.3 "
Municipal.....	+43.3 "	-19.0 "
Street cars and railroads.....	- 0.9 "	+14.6 "
Industries.....	+16.9**	- 7.2**
All other sales.....	+95.3 "	- 3.2 "

* Based on working days.



Building and Real Estate

Building activity in December, as measured by the volume of contracts awarded, declined nearly 47 per cent from the November figure. The total for the whole of 1929 shows a decline of 20 per cent compared with 1928; while in 1928 residential building accounted for about 45 per cent of the construction, in the past year only 37 per cent of the building was for homes. The present outlook is more encouraging, however, as reports for the first half of January show that there has been a large increase in contracts awarded.

Eastern Pennsylvania was responsible for the decline in the awards from November to December, as both southern New Jersey and Delaware had increases in the month. All three sections, however, had smaller totals than a year ago. Of the larger cities for which figures are available, Philadelphia showed the greatest actual decrease, while the rest also showed recessions from the previous month and year, with the exception of Scranton which showed slight gains.

The value of permits issued in 17 cities in this district declined nearly 22 per cent from the previous December; the de-

crease in 588 cities in the country was nearly twice as large.

The Philadelphia real estate situation is rather mixed. The number of deeds recorded increased in December and the total was larger than in the same month in 1928. The total for 1929, however, was the smallest since 1921. The value of the mortgages recorded in Philadelphia county declined over 32 per cent in December and was nearly 35 per cent below the previous December. Properties offered at sheriff's sale in January reached a new high figure for any month on record.

Trade

Wholesale and jobbing trade.

Wholesale and jobbing business on the whole is fair for this season. Wholesale prices have continued rather steady, showing only a few downward changes during the month.

Sales in December declined slightly from those in the preceding month. In a few lines a seasonal increase is to be expected in December; the sale of drugs increased a little more than usual, but gains in the sale of electrical supplies

Wholesale trade Philadelphia Federal Reserve District	Net sales, Dec., 1929, com- pared with		Stocks, Dec. 31, 1929, com- pared with		Accounts out- standing, Dec. 31, 1929, com- pared with		Ratio of ac- counts out- standing to sales, Dec., 1929	Collections, Dec., 1929, compared with	
	Dec., 1928	Nov., 1929	Dec. 31, 1928	Nov. 30, 1929	Dec. 31, 1928	Nov. 30, 1929		Dec., 1928	Nov., 1929
Boots and shoes..	+18.2%	-7.0%	.....	.....	-4.9%	-9.1%	454.4%	-1.2%	+35.2%
Drugs.....	-12.3 "	+5.1 "	.....	.....	-5.1 "	-4.9 "	114.4 "	-16.5 "	-2.1 "
Dry goods.....	-2.5 "	-11.1 "	-10.5%	-12.9%	-10.5 "	-12.4 "	284.2 "	-0.8 "	+19.8 "
Electrical supplies	.....	+0.7 "	.....	.....	.....	-7.6 "	178.0 "	.....	.....
Groceries.....	-0.9 "	-5.0 "	-5.0 "	-4.2 "	+0.9 "	-5.9 "	121.9 "	-3.1 "	-5.8 "
Hardware.....	+6.7 "	-0.6 "	-2.0 "	-4.9 "	+12.9 "	-8.9 "	228.9 "	+7.3 "	-2.7 "
Jewelry.....	-17.9 "	+37.8 "	-4.5 "	-16.8 "	+1.6 "	+9.2 "	316.4 "	+5.0 "	+88.6 "
Paper.....	-2.2 "	-12.3 "	-2.4 "	-1.7 "	+1.2 "	-10.9 "	146.3 "	-6.2 "	+0.7 "

Building activity	Dec., 1929 (000's omitted)	Change from Dec., 1928	12 mos. of 1929 com- pared with 12 mos. of 1928
Contract awards— Phila. Fed. Res. Dist.			
Total.....	\$ 12,926	-59.7%	-20.2%
Residential.....	4,260	-64.6 "	-33.2 "
United States—			
Total.....	316,368	-27.0 "	-13.0 "
Residential.....	114,050	-36.0 "	-30.8 "
Permits issued— Phila. Fed. Res. Dist. (17 cities)	7,630	-21.7 "	-5.3 "
United States (588 cities).....	154,958	-39.0 "	-11.7 "

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

Retail trade Philadelphia Federal Reserve District	Comparison of net sales		Comparison of stocks		Rate of turnover, Jan. 1, to Dec. 31		Accounts receiv- able at end of month com- pared with year ago	Collec- tions during month com- pared with year ago
	Dec., 1929, with Dec., 1928	Jan. 1 to Dec. 31, 1929, with Jan. 1 to Dec. 31, 1928	Dec. 31, 1929		1928	1929		
			with Dec. 31, 1928	with Nov. 30, 1929				
All reporting stores.....	- 3.8%	- 0.8%	- 1.7%	-18.1%	3.68	3.82		
Department stores.....	- 3.4 "	- 0.9 "	- 2.6 "	-18.4 "	3.63	3.79		
in Philadelphia.....	- 2.6 "	- 1.2 "	- 0.9 "	-17.1 "	3.91	4.38		
outside Philadelphia.....	- 5.4 "	- 0.3 "	- 6.1 "	-20.9 "	3.02	2.62	+ 4.0%	- 1.3%
Apparel stores.....	- 4.2 "							
Men's apparel stores.....	- 8.6 "	- 2.7 "						
in Philadelphia.....	- 9.6 "	- 0.3 "						
outside Philadelphia.....	- 7.8 "	- 4.7 "	+ 0.9 "	-13.7 "	2.16	2.09	+ 1.8 "	- 3.1 "
Women's apparel stores.....	- 2.5 "	+ 3.7 "	+ 5.2 "	-23.7 "	6.03	5.94		
in Philadelphia.....	- 2.4 "	+ 4.4 "	+ 6.2 "	-23.8 "	6.44	6.28		
outside Philadelphia.....	- 3.4 "	+ 1.4 "	+ 0.9 "	-23.2 "	4.14	4.21	+ 5.5 "	- 1.6 "
Shoe stores.....	- 4.9 "	+ 2.5 "	- 6.4 "	- 6.5 "	2.43	2.64	+ 0.3 "	+ 6.7 "
Credit stores.....	-11.2 "	- 7.4 "	+ 2.5 "	-15.9 "	3.28	3.22	- 1.6 "	- 7.0 "

and jewelry were noticeably below seasonal expectations. Business in dry goods showed a decline, the extent of which, however, was not as sharp as is usual for December. The recession in the sale of shoes and paper was somewhat more pronounced than was to be expected.

In comparison with December, 1928, wholesale and jobbing business was smaller. Sales of shoes and hardware showed marked increases while other lines reported decreases. Since sales are reported in dollar volume, at least part of the decline may be explained by the fact that wholesale prices generally were lower at the end of 1929 than at the same time in the previous year.

Inventories carried by dealers declined in the month and were lower than those at the end of 1928. Accounts outstanding at the end of December were larger in groceries, hardware, jewelry, and paper than on the same date in 1928, while in shoes, drugs, and dry goods they were smaller. Collections were smaller than a year earlier except in hardware and jewelry.

Retail trade. Preliminary reports indicate that business at retail is fair and clearance sales have not been far behind those of a year ago. About half of the reporting firms show price reductions since the end of last year.

Sales in December, while increasing more sharply than is usual from November, showed a decline of nearly 4 per cent as compared with December, 1928. The dollar volume of business at retail in the year was slightly smaller than in 1928. About 15 per cent of all retail sales in 1929 by the reporting firms were made in December.

Stocks held by retailers naturally were much reduced by the end of December and were about 2 per cent smaller than on the same date in 1928. This reduction in inventories from a year ago is due solely to smaller stocks carried by department and shoe stores, apparel and credit stores showing appreciable increases. The rate of turnover in 1929 was measurably higher than in 1928, apparel

and credit stores being exceptions. The rate of turnover in December equaled that in the same month of 1928.

Coal

The demand for anthracite is fairly active at present, although the market for domestic sizes has slackened in the past month. Prices of steam sizes are higher while those of domestic sizes are unchanged. Production in the three weeks ending January 11 totaled 4,191,000 tons, a decline of 27.5 per cent from the previous three weeks' total and an increase of 9.6 per cent over the production in the same three weeks a year ago.

The output of bituminous coal in Pennsylvania also declined in the latest three weeks, despite only a slight decline in the demand since the middle of December. Production totalled 7,195,000 tons during the latest three weeks and was 8.3 per cent lower than in the preceding period and 1.9 per cent above the output in the same period last year.

BUSINESS CONDITIONS IN THE PHILADELPHIA FEDERAL RESERVE DISTRICT

	Prices	Demand	Unfilled orders	Operations	Stocks
Retail trade	Lower	Fair			Smaller
Wholesale trade:					
Drugs	Unchanged	Fair, increased seasonally			
Dry goods	Little change	Fair, declined			
Electrical supplies..	Some declines	Fair			
Groceries	A few declines	Fair, declined			
Hardware	A few declines	Fair, declined			
Jewelry	Unchanged	Fair			
Paper	Unchanged	Fair, declined			
Shoes	Unchanged	Fair, declined			
Lumber	Little change	Quiet, declined	Smaller		Little change
Wool	Lower	Poor, declined	Smaller		Some increases
Cotton yarns	Lower	Poor, declined	Smaller		Smaller than last year
Manufacturing:					
Iron and steel products	Lower	Quiet, declined	Little change	Declined	Little change
Cotton goods	Lower	Poor, declined	Smaller	Declined	Moderate, declined
Silk goods	Lower	Fair	Smaller than last year	Slight decline	Larger than last year
Silk throwsters	Lower	Fair	Smaller	Little change	Light, unchanged
Wool goods	Lower	Quiet	Smaller than last year	Declined	Moderate, little change
Wool yarns	Lower	Poor, declined	Smaller	Declined	Larger than last year
Clothing	Some declines	Poor, declined	Smaller than last year	Little change	Larger than last year
Hosiery—full-fashioned	Lower	Fair, declined	Smaller	Declined	Unchanged
Hosiery—seamless	Firm	Poor, declined	Smaller	Declined	Smaller
Carpets and rugs	Firm	Poor, declined	Smaller	Declined	Smaller
Shoes	Unchanged	Fair, declined	Smaller than last year	Declined	Smaller than last year
Leather—					
Sole	Lower	Poor, little change	Smaller	Little change	Larger
Black kid	Little change	Fair	Smaller	Some declines	Little change
Colored kid	Little change	Fairly active	Unchanged	Little change	Smaller
Paper	Firm	Fair, increased	Unchanged	Some increases	Larger than month ago
Cigars	Firm	Fair, declined	Smaller	Declined	Little change
Tobacco leaf	Firm	Fair, declined	Little change	Some declines	Little change
Brick	Firm	Poor, declined	Smaller	Little change	Larger
Lumber—mills	Little change	Poor, declined	Smaller	Declined	Larger
Paint	Little change	Fair, declined	Little change	Declined	Light, smaller
Cement	Some increases	Fair, declined	Larger	Declined	Larger
Building		Quiet, declined	Value of permits declined	Value of contracts declined	
Anthracite	Domestic sizes firm, steam sizes higher	Active, declined		Declined	Little change
Bituminous coal	Little change	Fair, little change		Declined	Little change