

# THE BUSINESS REVIEW

THIRD FEDERAL  
PHILADELPHIA



RESERVE DISTRICT  
MARCH 1, 1930

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## *Business and Financial Conditions in the United States*

Industrial production increased in January from the extreme low level of December. Factory employment, which was in relatively small volume in the middle of December, was further reduced by the middle of January, but preliminary reports indicate a slight increase in the three weeks following. There was a further liquidation of bank credit and a decline in money rates. Commodity prices continued to move downward.

**Production.** Industrial production showed an increase of about 4 per cent in January, according to the Board's index which makes allowance for the usual seasonal variations. This increase reflected principally a larger output of automobiles, steel, cotton, textiles, and shoes. Output of copper, cement, lumber, anthracite coal, and flour declined and the increase in bituminous coal output was smaller than is usual for the season. In the first two weeks of February steel plants increased their rate of operation further, but continued to be less active than in the corresponding period of last year.

Building contracts awarded showed little change in January, a substantial in-

crease in public works and utilities being in large part offset by a decrease in residential construction. In the first half of February the daily average of contracts was lower than in January.

**Employment and payrolls.** The number of wage earners employed at factories declined further between the middle of December and the middle of January, and wage payments showed a larger reduction. In automobile and steel plants there was an increase in employment in the month ending January 15, and in recent weeks further increases have been reported for these industries. There were decreases in January in the number of wage earners employed in the machinery, car building and repairing, lumber, and cement industries.

During the three week period ending February 3 the Bureau of Labor Statistics, on the basis of preliminary returns, reported a slight increase in factory employment.

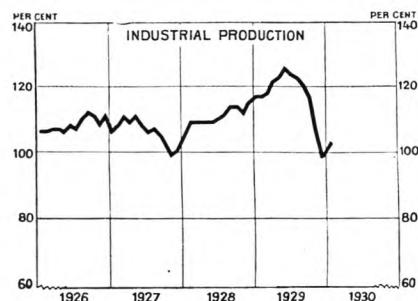
**Distribution.** Shipments of freight were in about the same volume in January as in December. Average daily loadings of miscellaneous freight and merchandise in less than carload lots de-

creased slightly during the month, but by a smaller amount than is usual at this season. During the first two weeks in February there was some increase in shipments, largely seasonal in nature.

Department store sales in January, according to preliminary figures received by the Federal Reserve System, were about 2 per cent lower than in the corresponding month of last year, this difference being about the same as was shown the month before.



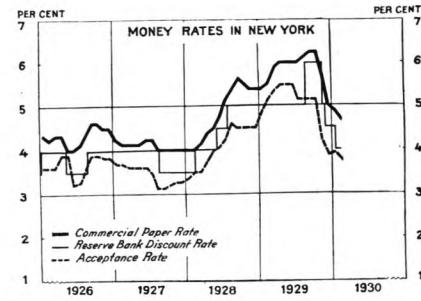
Monthly averages of weekly figures for reporting member banks in leading cities. Latest figures are averages of first two weeks in February.



Index number of production of manufactures and minerals combined adjusted for seasonal variations (1923-1925 average =100). Latest figure January, 103.



Index numbers of factory employment and payrolls, without adjustment for seasonal variations. (1923-1925 average =100). Latest figures January, employment 93.1, payrolls 94.2.



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

**Wholesale prices.** Wholesale prices of commodities in January continued to move downward. In general, fluctuations were small until the latter part of the month, when decreases occurred in the prices of grains, cotton, wool, iron and steel, and petroleum. The prices of meats and livestock fluctuated over a wide range and averaged higher in January than in December.

In the first half of February the prices of hogs, pork, and cattle increased, while the prices of wheat, cotton, pig iron, petroleum, and textiles continued to decline.

Business activity in the Philadelphia Federal Reserve District as a whole declined further in January, but since then there have appeared some signs of seasonal improvement in industrial output and in the distribution of commodities.

Analysis of the information available shows that the rate of manufacturing activity is turning slightly upward, after a severe decline from the peak of last year reached in October. This is especially true of certain primary and secondary metal products, leather and a few of the textile products.

Factory employment in this section declined further between the middle of December and the middle of January, the extent of the drop being about the same as is usual for that time. In comparison with the same period last year, the number of workers on payrolls was larger, according to reports from about 1,000 firms employing approximately 400,000 workers. The demand for workers by employers in January, however, declined more than was to be expected and did not measure up to that in the same month last year.

The volume of wage payments by reporting concerns also was smaller in January than in December but was larger than in January 1929. This favorable comparison with a year earlier was made possible by larger payrolls in certain metal, textile, food, leather, paper, and chemical industries. The majority of industries producing building materials, however, had fewer workers and smaller wage disbursements in January this year than last.

The output of factories and mines in this district in some lines showed gains in January, although the extent of the increase was somewhat less than seasonal. The manufacture of such textile products as wool and silk goods, cotton yarns, and clothing increased during the month. The output of leather products also was larger. Production by steel works and

**Bank credit.** Liquidation of member bank credit in January and the early part of February was in substantially larger volume than in the corresponding period of 1929. Declines were reported in loans on securities and in all other loans, which continued to decrease in February contrary to the usual seasonal trend. There was little change in the banks' holdings of investments.

The volume of reserve bank credit outstanding declined by about \$140,000,000 between the middle of January and the middle of February. This decline was due in part to the reduction in member bank reserve balances which accompanied the decline in the banks' loans and in-

vestments; in part to the continued return flow of currency from circulation; and in part to gold imports, largely from Brazil and Japan.

Money rates in the open market eased further. Rates on commercial paper declined to a range of 4½ to 4¾ per cent, and rates on 60-90 day bankers' acceptances declined from 4 to 3¾ and later to 3½ per cent. Discount rates at the Federal Reserve Banks of New York, Chicago, Boston, and Kansas City were reduced from 4½ to 4 per cent, and rates at Philadelphia, Cleveland, Richmond, St. Louis, Minneapolis, and Dallas from 5 to 4½ per cent.

## ***Philadelphia Federal Reserve District***

### ***Summary of Conditions***

rolling mills likewise expanded, though the present rate of operation is lower

than that prevailing in January 1929. The production of cement declined further in

Business indicators Philadelphia Federal Reserve District	January, 1930	Latest figure compared with	
		Previous month	Year ago
Retail trade—estimated net sales (135 stores) . . . . .	\$19,568,300	- 52.9%	- 3.1%
Department stores (62) . . . . .	\$16,209,900	- 54.4%	- 2.4%
Apparel stores (37) . . . . .	\$2,541,200	- 37.4%	- 4.6%
Shoe stores (17) . . . . .	\$262,900	- 39.6%	- 7.9%
Credit stores (19) . . . . .	\$554,300	- 56.1%	- 12.7%
Wholesale trade—net sales (103 firms) . . . . .	\$7,024,097	- 19.5%	- 6.7%
Boots and shoes (5) . . . . .	\$63,779	- 43.0%	- 5.1%
Drugs (11) . . . . .	\$1,542,998	- 2.0%	- 15.2%
Dry goods (13) . . . . .	\$466,790	- 21.9%	- 3.5%
Electrical supplies (3) . . . . .	\$209,076	- 54.3%	- 12.9%
Groceries (31) . . . . .	\$2,675,355	- 3.8%	- 2.2%
Hardware (22) . . . . .	\$1,344,162	- 32.1%	- 6.4%
Jewelry (11) . . . . .	\$224,234	- 72.0%	- 16.2%
Paper (7) . . . . .	\$497,703	+ 15.5%	- 3.7%
Productive activity—			
Employment—857 plants in Penna. . . . .	338,394	- 1.3%	+ 4.0%
Wage payments in above plants . . . . .	\$8,995,314	- 1.4%	+ 2.9%
Shoe production* (83 factories) . . . . .	1,290,137	+ 24.0%	-
Hosiery production* (127 mills) . . . . .	1,484,991	+ 4.6%	-
Wool consumption* (74 mills) . . . . .	7,319,540	+ 11.2%	-
Active cotton spindle hours (Penn.) . . . . .	15,582,950	+ 9.9%	- 7.6%
Pig iron production (daily average) . . . . .	9,189	- 0.7%	- 13.0%
Iron casting production (34 foundries) . . . . .	5,092	- 3.4%	- 15.5%
Steel casting production (10 foundries) . . . . .	7,509	+ 14.7%	+ 42.2%
Anthracite . . . . .	6,909,000	+ 9.8%	- 5.8%
Bituminous coal—Penna. . . . .	11,513,000	+ 2.5%	- 7.8%
Petroleum receipts at Port of Philadelphia—domestic and foreign . . . . .	bbls. 1,891,000	+ 36.7%	+ 30.6%
Cement . . . . .	bbls. 2,286,000	- 7.8%	- 5.1%
Electric power output—12 systems (daily average) . . . . .	KWH. 20,242,000	- 0.4%	+ 16.3%
Financial and credit—			
Debits (18 cities) . . . . .	\$2,869,310,000	- 8.5%	- 9.8%
Loans and investments—middle of February—104—member banks . . . . .	\$1,638,000,000	+ 0.6%	- 1.0%
Bills discounted held by F. R. B. of Phila. (daily average) . . . . .	\$53,700,000	- 33.0%	- 26.5%
Bankers' acceptances outstanding—end of month (district) . . . . .	\$25,910,000	+ 1.0%	+ 49.6%
Commercial paper sales (4 dealers) . . . . .	\$15,137,000	+ 475.0%	+ 135.0%
Commercial failures—number . . . . .	177	+ 126.9%	+ 14.2%
Commercial failures—liabilities . . . . .	\$6,887,380	+ 176.5%	+ 80.4%
Building and real estate—			
Building permits (17 cities) . . . . .	\$4,006,922	- 47.5%	- 80.4%
Building contracts awarded (Philadelphia district) . . . . .	\$50,914,300	+ 293.9%	+ 93.5%
Number of real estate deeds recorded (Philadelphia county) . . . . .	4,661	- 7.5%	- 1.8%
Value of mortgages recorded (Philadelphia county) . . . . .	\$18,628,191	+ 20.4%	- 29.3%
Sheriff sale—number of writs issued for February—(Philadelphia county) . . . . .	1,136	- 7.6%	+ 59.8%
Miscellaneous—			
Freight car loadings (Allegheny district) . . . . .	769,484	+ 3.4%	- 5.8%
Tonnage of vessels (Port of Philadelphia) . . . . .	tons 4,479,829	+ 5.4%	+ 18.6%
Sales of life insurance (Penn., N. J., and Del.) . . . . .	\$106,838,000	- 3.4%	+ 11.8%
Automobile sales (Eastern Penna. and Del.—registrations of new passenger cars) . . . . .	6,651	- 17.7%	- 21.8%

\* Bureau of Census preliminary figures.

January and as compared with the same month last year. The output of petroleum refineries, on the other hand, increased in the month and in contrast with a year ago. Output of electric power declined slightly in the month but was larger than a year before.

Stimulated by cold weather, resulting in active demand by householders, the output of anthracite in the first fortnight of February increased, following a decline in January, but lately sales again have decreased somewhat owing to an unusually high temperature. Production of bituminous coal continued on the increase, reflecting a broadening demand from industries.

Stocks of finished goods at manufacturing plants are said to be moderate, although in several lines there seems to be a slight accumulation since the previous month. Compared with a year ago, however, all leading manufacturing groups reported smaller inventories except for the industries producing building materials and those refining petroleum. With respect to stocks of raw materials at the end of January, such figures as are available show an increase in textile fibres, cement, and goat and kid skins in comparison with inventories on the same date a year ago. Stocks of anthracite were also larger, while those of bituminous coal were smaller. Indices of stocks of raw materials in the country show an increase in foodstuffs and textiles but a decline in metals, chemicals and oils from the previous year.

Contracts awarded for new construction increased very sharply in value in January, but this was due principally to a few large projects involving construction for public utilities and building of highways. The value of residential contracts let, on the contrary, while showing a slight gain over December, was less than one-half of that reported in January 1929. The value of building permits declined drastically.

The real estate market continues perplexing. The volume of real estate transactions continued smaller than in January 1929. Mortgages and funds for building operations are not readily obtainable, and rents continue on the downward trend, factors reflecting an overbuilt condition, according to several reports.

Contrary to the usual seasonal tendency, railroad shipments in this section turned decidedly upward in January; in February they continued on the increase, as is to be expected. The movement of merchandise and miscellaneous commodities, representing for the most part finished products, in January was larger than in the same month in the previous four years. Receipts of dairy and poultry products as well as animal slaughterings compared rather favorably with the quantity reported for January, 1929.

The dollar volume of sales at retail and wholesale in January declined more sharply than is usual for that month and

City Conditions Philadelphia Federal Reserve District	January, 1930, compared with January, 1929					
	Employ- ment	Wage payments	Value of building permits	Debits	Retail trade sales	Electric power sales
Allentown area.....	+ 3.5%	+13.4%	+ 51.3%	- 5.7%	- 0.4%	+ 5.0%*
Altoona "	+ 8.7 "	+10.7 "	- 27.4 "	- 1.3 "	- 3.6 "	+18.2 "†
Harrisburg "	+ 0.6 "	+ 0.9 "	- 83.2 "	- 5.8 "	- 5.5 "	... 2.0 "‡
Johnstown "	- 0.5 "	+ 3.6 "	+638.2 "	+ 5.4 "	+ 0.8 "	... 2.2 "‡
Lancaster "	- 2.3 "	- 3.0 "	+ 41.2 "	+ 2.9 "	- 8.0 "	+ 17.4 "‡
Philadelphia "	+ 4.2 "	+ 6.5 "	- 83.8 "	- 10.8 "	- 2.4 "	+ 6.1 "‡
Reading "	+ 1.5 "	+ 3.3 "	- 93.3 "	- 11.2 "	- 3.0 "	+ 7.5 "‡
Scranton "	+13.3 "	+ 4.5 "	- 78.9 "	- 5.3 "	- 13.0 "	... 7.3 "‡
Trenton "	- 5.1 "	- 12.9 "	- 36.0 "	+ 6.7 "	- 7.3 "	+17.8 "‡
Wilkes-Barre "	+ 4.1 "	+11.3 "	- 90.1 "	- 22.6 "	- 3.0 "	... 3.0 "‡
Williamsport "	- 5.4 "	- 16.4 "	- 61.2 "	- 16.0 "	... 11.7 "‡	... 14.3 "
Wilmington "	+14.4 "	+17.9 "	- 40.6 "	- 18.7 "	+ 0.9 "	... 14.3 "
York "	+ 2.8 "	+ 3.6 "	- 82.9 "	- 5.7 "	... 5.9 "	... 5.9 "

January, 1930, compared with December, 1929

Allentown area.....	- 2.2%	- 0.3%	- 23.5%	- 1.4%	- 53.7%	+ 1.9%*
Altoona "	- 3.8 "	- 1.4 "	+445.4 "	- 5.3 "	- 56.5 "	+ 6.6 "‡
Harrisburg "	+ 2.0 "	+ 6.4 "	- 42.0 "	- 3.1 "	- 54.5 "	... 2.7 "‡
Johnstown "	+ 8.6 "	+22.8 "	+663.1 "	- 3.9 "	- 51.7 "	... 1.0 "‡
Lancaster "	- 4.8 "	- 8.4 "	- 93.2 "	+ 2.7 "	- 57.9 "	- 6.0 "
Philadelphia "	- 0.7 "	- 4.2 "	- 52.3 "	- 6.7 "	- 50.0 "	+ 15.9 "‡
Reading "	- 1.3 "	- 5.4 "	- 52.6 "	- 5.0 "	- 58.6 "	+ 1.0 "‡
Scranton "	- 5.8 "	- 10.0 "	- 30.6 "	- 2.8 "	- 62.0 "	+ 0.6 "‡
Trenton "	- 4.6 "	- 6.5 "	+175.5 "	- 7.3 "	- 59.8 "	+ 2.3 "‡
Wilkes-Barre "	- 4.3 "	- 13.6 "	- 49.1 "	- 5.6 "	- 61.1 "	... 5.9 "‡
Williamsport "	+ 2.8 "	+ 7.8 "	- 26.4 "	- 11.4 "	... 5.7 "‡	... 5.9 "‡
Wilmington "	- 2.8 "	- 1.5 "	- 8.5 "	- 44.9 "	- 64.5 "	... 5.9 "‡
York "	- 0.6 "	0	- 21.8 "	- 0.8 "	... 5.9 "‡	... 5.9 "‡

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

were smaller than in the same month last year. Wholesale prices have fluctuated within a wide range, and the rate of decline in the week ended February 21 was the largest since early October, 1929. Inventories carried by retailers were noticeably smaller at the end of January than on the same date in the previous month and in January 1929.

Check payments in leading cities declined both seasonally and in comparison with a year earlier. Sales of new passenger automobiles, as measured by registrations, decreased further in the month and were smaller than a year ago. Sales of life insurance declined somewhat less than is usual for January and were appreciably larger than in the same month last year.

The number of commercial failures was more than double that in December and was larger than in January 1929. The amount of liabilities involved increased greatly from December and was almost twice as large as in January 1929.

**Financial conditions.** The banking situation in this district has not been altered materially in the past month. Re-

Reported by member banks in 21 leading cities (000,000's omitted)	Feb. 12 1930	Changes in—	
		Four weeks	One year
Reported by 91 banks:			
Loans on securities.....	\$577	- \$ 7	+ \$10
Other (largely commer- cial) loans.....	576	+ 10	+ 30
Reported by 104 banks:			
Total loans and discounts	1,230	+ 7	+ 51
Investments.....	408	+ 4	- 68
Net demand deposits.....	868	- 4	+ 21
Time deposits.....	505	+ 17	- 2

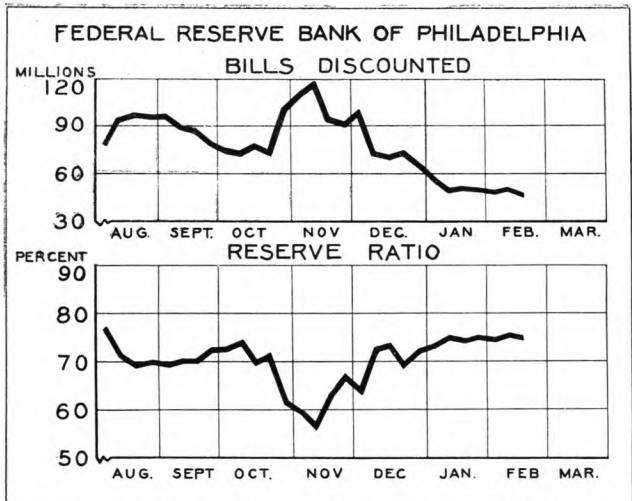
porting member banks have added somewhat to their loans and investments since the middle of January, but total borrowings from the reserve bank show a slight reduction and the reserve position of this bank continues strong.

The reports of large Philadelphia member banks on rates charged for commercial loans to customers show a range of from 5 to 6 per cent in the middle of February. The average was approximately 5.5 per cent, as against 5.7 per cent in January, and 5.7 per cent a year ago. Call money renewals in Philadelphia, however, continue at 5 per cent, the rate put into effect about a month ago. Buying rates for bankers' bills were reduced on February 11, and further reduction was made on February 24, with the result that the rate for ninety-day maturities was lowered from 4 to 3 1/4 per cent.

In the period from January 15 to February 12 the loans of member banks in twenty-one of the larger cities of the Philadelphia district increased from 1,223 to 1,230 millions, and net demand and time deposits rose from 1,360 to 1,373 millions. The banks also added to their security holdings after several months of declines.

Loans on securities show a reaction from the January figure, as usual, and are not greatly in excess of a year ago, but other loans, largely commercial in character, have turned upward, probably reflecting in part the purchase of commercial paper from dealers.

Except for several days around the middle of February, the reserve ratio of



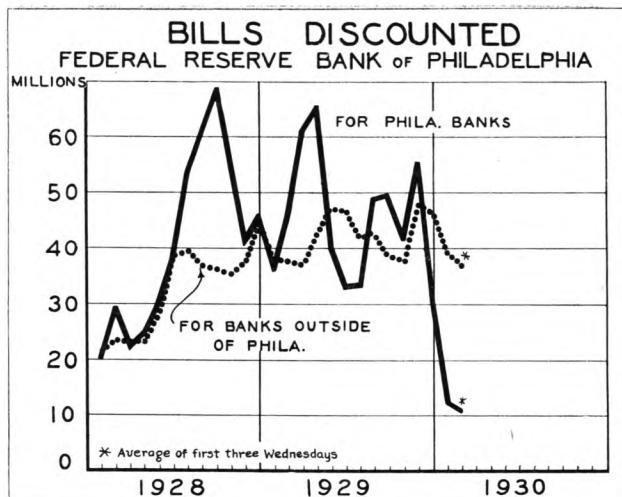
the Federal Reserve Bank of Philadelphia has continued to approximate 75 per cent, and bills discounted have fluctuated rather closely around 50 millions. In the four weeks ended February 19, net changes were small, the reserve ratio advancing less than 1 per cent to 75 per cent and discounts receding from 51 to 47 millions, while the reserve deposits of the members increased by about 2 millions. The funds to enable the banks to reduce their borrowings and add to their reserves may be traced for the most part to a favorable interdistrict settlement balance, and to the sale to the reserve bank of a small amount of bills. In the four weeks, currency outflow was approximately equaled by the return flow, and the loss of 5 millions through the withdrawal of treasury balances from depository banks was slightly more than equaled by an excess of ordinary treasury disbursements in the district over receipts.

The figures indicate that such liquidation as has taken place since the middle of November, when the credit extended by reporting member banks was at the highest point of 1929, has been more marked in Philadelphia than in many other cities of the district. Between November 13 and February 12 the loans and

investments of reporting Philadelphia banks declined by about 6 per cent, while those of 81 member banks in other large cities of the district decreased only a little over 1 per cent. Examination of the discounts for all member banks in the district also shows that the reduction in borrowing was greatest by the Philadelphia banks:

(Dollar figures in millions)	Nov. 13, 1929	Feb. 12, 1930	Change
Bills discounted for banks—			
In Philadelphia.....	\$ 70.8	\$11.9	-83.1%
In 20 other large cities.....	25.1	17.7	-29.5 "
In other communities.....	20.6	20.5	.5 "
Total bills discounted.....	\$116.5	\$50.1	-57.0%

On November 13 the borrowings from the Federal Reserve Bank by reporting member banks in Philadelphia were equal to about 6 per cent of their total loans and investments, and those of reporting banks in other large cities of the district, 3.5 per cent. On February 12 these ratios were 1 and 2.5 per cent, respectively.



Normally buying of commercial paper in this district is larger in January than in December, but the increase this year was exceptional. Total sales amounted to \$15,137,000 in January, the highest for years past. Comparative figures follow:

Commercial paper sales (Four dealers)	Sales to—		Total sales
	City banks	Outside 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
1930—Jan.....	7,012,500	8,124,500	15,137,000
1929—Jan.....	3,612,500	2,827,500	6,440,000

Although the total of bankers' acceptances outstanding in the country receded from 1,732 to 1,692 millions during January, owing mainly to a decline in bills based upon imports, the amount executed by banks in the Philadelphia district increased. On January 31, \$25,910,000 of Third district bills were outstanding, as against \$25,652,000 on December 31, and \$17,321,000 at the end of January, 1929.

## District Conditions in Detail

### Manufacturing

**Iron and steel.** Although the activity of iron and steel producers in this district in January compared unfavorably with that at the same time last year, operations in the first half of February showed some improvement. Prices have declined since last month.

Production of pig iron in this district and in the country was slightly smaller in January than in the preceding month, but there was an appreciable increase in the steel ingot output and the latest re-

port indicates that the industry is producing ingots at about 81 per cent of capacity. Last year at this time the rate was about 88 per cent of capacity.

While unfilled orders are smaller than a year ago for many plants, the United States Steel Corporation reported a slight increase at the end of January, the figure of 4,468,700 tons being the highest total since March, 1926.

Contrary to the contraction in wage payments and employment in most of the metal products industries in Pennsylvania in January, the activity of steel

works and rolling mills expanded. Fairly good demand for structural steel for construction work and ship and bridge building explains this improvement. Machinery producers also are working at a better rate than most of the other groups.

Stocks of finished products in most instances are moderate and there are no indications of accumulation. Regarding stocks of raw materials, however, it has been pointed out by some that reserves of steel ingots are being built up in anticipation of increased demand in the nearby future.

Employment and wages in Pennsylvania	No. of plants reporting	Employment January, 1930			Payrolls January, 1930			Average weekly earnings week ended	
		Per cent change since		Jan. index*	Per cent change since		Jan. 15, 1930	Dec. 15, 1929	
		Jan. 1929	Dec. 1929		Jan. 1929	Dec. 1929			
All manufacturing industries (51).....	857	97.7	+ 4.0	- 1.3	99.2	+ 2.9	- 1.4	26.58	26.65
Metal products.....	247	96.6	+ 3.4	+ 0.5	99.7	+ 1.1	+ 2.4	29.15	28.60
Blast furnaces.....	9	59.9	- 6.7	- 6.0	58.5	- 4.1	- 6.3	29.35	29.47
Steel works & rolling mills.....	49	85.2	- 3.8	+ 1.3	89.2	- 7.9	+ 6.3	30.21	28.76
Iron and steel forgings.....	10	110.4	+ 20.8	- 1.8	111.1	+ 14.1	+ 0.9	25.84	25.15
Structural iron work.....	10	115.5	+ 7.2	- 3.7	108.2	+ 7.6	- 9.8	26.89	28.69
Steam & hot water htg. ap.....	17	98.9	- 1.2	- 3.7	96.2	- 4.1	- 2.3	27.63	27.48
Stoves and furnaces.....	8	78.4	+ 31.3	- 11.7	70.3	+ 29.2	- 11.2	27.15	26.95
Foundries.....	37	105.1	+ 8.6	- 0.4	104.4	+ 9.5	- 2.4	27.94	28.77
Machinery and parts.....	44	110.7	+ 10.4	+ 0.2	116.9	+ 18.3	- 3.1	31.39	32.43
Electrical apparatus.....	21	130.4	+ 22.6	+ 0.9	142.4	+ 25.2	+ 1.9	28.48	28.18
Engines and pumps.....	10	98.5	+ 2.6	- 2.4	102.2	+ 1.1	- 3.3	27.83	28.10
Hardware and tools.....	20	96.0	- 8.5	- 2.3	89.5	- 16.7	- 10.3	22.11	24.06
Brass and bronze prod.....	12	100.7	+ 22.6	- 3.9	107.6	- 22.5	- 3.1	28.56	28.29
Transportation equipment.....	42	80.9†	+ 7.6	+ 0.2	77.4†	+ 1.8	- 2.9	28.45	29.19
Automobiles.....	6	56.6	+ 2.9	- 3.4	42.4	- 3.9	+ 18.1	28.42	22.84
Auto. bodies and parts.....	13	81.3	- 23.2	+ 4.5	75.0	- 30.6	- 9.0	27.60	31.67
Locomotives and cars.....	13	53.9	+ 25.1	+ 0.4	55.8	+ 41.6	- 1.6	29.47	29.98
Railroad repair shops.....	6	87.3	+ 6.7	- 0.3	87.5	+ 2.5	- 6.9	26.94	28.87
Shipbuilding.....	4	84.5	+ 129.6	- 1.7	133.6	+ 118.3	- 15.2	27.77	32.19
Textile products.....	173	105.0	+ 2.4	- 2.4	106.7	+ 2.4	- 8.6	20.69	21.75
Cotton goods.....	13	79.9	- 16.2	- 2.8	69.0	- 20.0	- 1.4	20.41	20.14
Woolens and worsteds.....	14	63.8	- 13.0	+ 0.8	59.9	- 16.0	- 1.0	21.34	21.83
Silk goods.....	49	114.3	+ 7.8	- 2.6	117.1	+ 15.3	- 9.9	17.88	19.34
Textile dyeing & finishing.....	12	99.4	- 10.3	- 0.3	107.6	- 11.3	+ 7.7	26.40	24.42
Carpets and rugs.....	9	70.7	- 0.8	- 8.1	60.8	- 7.6	- 9.8	22.71	23.27
Hats.....	4	94.4	- 3.4	- 3.2	93.0	- 2.5	- 4.5	24.10	24.48
Hosiery.....	30	129.1	+ 7.1	- 2.9	153.7	+ 6.6	- 13.4	24.84	26.94
Knit. goods, Other.....	14	101.7	+ 22.5	- 4.6	105.0	+ 10.6	- 19.9	17.20	18.54
Men's clothing.....	10	87.0	- 6.1	+ 15.2	98.1	+ 16.0	+ 33.3	18.85	16.34
Women's clothing.....	9	126.3	- 8.7	+ 11.2	130.9	- 7.8	+ 12.6	14.81	14.61
Shirts and furnishings.....	9	145.6	+ 19.5	- 5.2	142.4	+ 17.4	- 12.6	14.32	15.56
Foods and tobacco.....	101	106.5	+ 6.6	- 3.6	104.2	+ 6.4	- 6.2	20.37	20.95
Bread & bakery products.....	28	112.3	+ 4.3	- 1.3	112.9	+ 5.7	- 0.8	27.69	27.51
Confectionery.....	13	107.4	+ 2.6	- 7.5	108.1	+ 3.9	- 6.6	19.48	19.33
Ice cream.....	11	91.7	- 3.1	+ 0.4	94.4	- 3.2	- 0.4	32.95	33.13
Meat packing.....	14	102.7	+ 2.3	- 1.2	98.9	- 1.0	- 2.9	29.02	29.53
Sugar refining.....	35	100.9	+ 12.0	- 3.6	90.3	+ 15.6	- 11.9	14.86	16.28
Stone, clay & glass products.....	68	72.8	- 10.9	- 4.5	64.2	- 11.9	- 7.6	24.85	25.77
Brick, tile and pottery.....	32	81.0	- 9.7	- 5.8	71.1	- 16.5	- 8.8	22.33	23.05
Cement.....	14	61.3	- 13.8	+ 1.0	56.5	- 7.2	+ 3.3	28.92	28.32
Glass.....	22	80.1	- 9.0	- 7.9	73.1	- 13.2	- 17.1	23.15	25.94
Lumber products.....	54	83.5	- 7.4	- 10.5	79.8	- 10.7	- 16.2	21.46	22.86
Lumber & planing mills.....	17	73.7	- 12.3	- 11.8	71.4	- 14.1	- 9.8	21.29	20.73
Furniture.....	30	89.4	- 7.9	- 10.7	86.5	- 12.7	- 19.5	22.95	25.53
Wooden boxes.....	7	67.2	- 7.3	- 8.1	59.1	+ 2.8	- 14.6	16.97	18.26
Chemical products.....	57	95.1	+ 4.5	- 3.5	98.0	+ 7.7	- 3.1	28.41	28.30
Chemicals and drugs.....	32	86.2	+ 2.5	- 3.3	85.8	+ 0.7	- 3.4	27.79	27.80
Coke.....	3	83.2	- 10.1	- 7.5	77.5	- 5.6	- 3.0	29.27	27.92
Explosives.....	3	85.7	- 10.1	- 4.8	98.0	- 7.9	- 4.9	24.82	24.84
Paints and varnishes.....	12	92.4	+ 0.8	- 2.9	90.0	- 5.9	- 8.6	24.36	25.85
Petroleum refining.....	7	126.4	+ 16.2	- 2.1	131.5	+ 21.9	- 1.9	29.26	29.20
Leather & rubber products.....	49	102.4	+ 6.1	- 0.9	104.7	+ 7.4	- 2.9	23.02	23.47
Leather tanning.....	17	107.9	+ 6.4	- 1.5	107.0	+ 9.2	- 3.5	25.57	26.13
Shoes.....	20	100.7	+ 6.7	- 0.9	106.8	+ 7.7	+ 0.3	17.94	17.72
Leather products, Other.....	8	105.7	+ 3.2	+ 0.3	103.7	+ 9.2	- 7.7	22.71	24.57
Rubber tires and goods.....	4	91.6	+ 1.1	+ 1.8	103.9	- 2.9	- 1.4	27.91	28.82
Paper and printing.....	66	100.5	+ 4.4	- 2.7	110.0	+ 4.4	- 2.2	32.63	32.39
Paper and wood pulp.....	12	88.5	+ 5.5	- 1.2	95.4	+ 2.9	+ 0.8	28.94	28.30
Paper boxes and bags.....	9	93.9	- 1.4	- 17.1	101.8	+ 6.8	- 21.0	15.87	16.92
Printing and publishing.....	45	104.4	- 1.4	- 1.4	114.3	- 0.3	- 2.1	35.89	36.11
Anthracite.....	155	105.6	- 3.8	- 4.7	92.1	- 18.2	- 16.5	31.41	35.84
Bituminous coal.....	400	.....	.....	+ 1.3	.....	.....	- 7.4	23.59	25.80
Construction & contracting.....	62	126.7	.....	- 8.0	101.0	.....	- 11.7	24.44	25.44
Street railways.....	5	85.6	- 7.9	- 3.2	93.7	- 4.9	- 0.6	35.41	34.47
Retail trade.....	72	97.7	- 1.9	- 18.2	.....	.....	.....	.....	.....
Wholesale trade.....	83	98.1	+ 1.1	- 0.6	.....	.....	.....	.....	.....

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

Since the last report was published, index numbers have been revised from January, 1926. These revised indexes will be furnished upon request.

Production of gray and malleable iron castings decreased further in January and was over 3 per cent smaller than in the previous month. Compared with a year ago, the output was nearly 16 per cent

smaller. Shipments held up well and were only 3 per cent smaller than in the same period in 1929. Unfilled orders increased 17 per cent in the month.

Steel castings foundries increased their

activity nearly 15 per cent in January and were 42 per cent ahead of last year. Unfilled orders increased, but were smaller than a year ago. Shipments declined slightly.

**Textiles.** The situation in the textile industry in this district presents a mixed picture. Production in some lines has increased but in most instances the demand for textile products has not improved. Prices in all lines except floor coverings have continued to decline and Fairchild's composite index in the middle of February was at the lowest level since 1921.

Silk throwsters report an active market, comparing favorably with last year, but the demand for cotton and wool yarns has been only fair at best. Silk goods producers have also been finding a good market, but the call for cotton goods has remained quiet and the demand for wool fabrics has slackened further. Sales of floor coverings show no improvement.

Wool dealers' sales have declined in the past month and unfilled orders are smaller. Cotton goods mills also report a decline in orders booked ahead compared with those on hand at the beginning of the year. In other lines most mills report smaller forward orders than a year ago.

Textile payrolls in Pennsylvania declined over 8 per cent in January. The amount of wool taken by mills in this district, however, increased over 11 per cent. Active cotton spindle hours in Pennsylvania also showed an increase of 10 per cent, although the figure was nearly 8 per cent smaller than last year. Deliveries of silk to American mills reached the highest figure recorded for January, while stocks on hand declined but were still relatively large. Floor coverings mills reduced their activity. Most cotton, silk and wool fabric producers show little change in plant operations.

Production of full-fashioned and seamless hosiery increased in January but demand slackened and consequently unfilled orders declined. Shipments were smaller and stocks of finished hosiery increased.

Raw wool stocks (Figures in thousands of pounds)	Dec. 31, 1928	Sept. 30, 1929	Dec. 31, 1929
Held by dealers in—			
Philadelphia.....	16,368	17,840	21,793
United States.....	138,182	186,357	146,097
Held by manufacturers in—			
Middle Atlantic.....	49,346	58,561	49,839
United States.....	122,862	133,225	118,058
Total for United States.....	261,044	319,582	264,155*

\* Of the total amount of raw wool reported, 61 per cent was domestic and 39 per cent was foreign.

Stocks of wool in dealers' hands are larger than a year ago, raw silk stocks are large and there is some accumulation of finished goods in cotton mills, but in all other lines inventories are moderate and are smaller than a year ago.

**Leather and shoes.** The market for leather and shoes has been only fair in the past month and is quieter than at this time last year. Prices have held up well in most instances, however, and there are indications of an improvement in demand.

Production of boots and shoes in this district in 80 identical establishments increased 24 per cent in January and exceeded the output in any previous January since 1924. Production in the country was nearly 17 per cent larger. Sales of shoes have increased but continue under those a year ago. There is little change in the volume of unfilled orders. Stocks of finished footwear are lighter.

Although prices for boots and shoes and kid leather are firm, those for sole leather have shown some weakness. Quotations on hides also are lower. The demand for sole leather has been poor and, although it has increased somewhat, unfilled orders are much the same as a month ago. Plant operations remain at about 70 per cent of capacity. Stocks are unchanged.

The market for black kid is fair and is better than that for colored. Forward orders for the latter have declined in the month and stocks have increased. Plant activity shows a slight recession in both branches. The goatskin market is stronger.

**Building materials.** The market for building materials has been unusually quiet in the past month. A number of new building projects were started in January and an improvement in the demand for materials was expected, but subsequently building activity has diminished.

The demand for cement compares favorably with last year but in all other groups it is not as good. There was also a recession in demand from the previous month in the brick, paint and slate industries. Prices of most building materials have held fairly steady with the exception of quotations for paint which have declined.

Unfilled orders in most instances show

little change in the month except that they are larger for cement and smaller for slate. Cement orders are larger than last year as well, but for brick, lumber, paint, and slate they are smaller.

As a result of the increase in demand, cement plants have advanced their rate of operation. Brick, lumber and plumbing manufacturers report little change, but the activity of paint and slate producers has declined.

Stocks of brick, slate and plumbing fixtures are larger than in the previous month or year. Stocks of cement are about the same as a year ago.

**Miscellaneous.** The market for paper has been fairly active in the past month and sales have increased somewhat. Demand is much the same as at this time a year ago, however. Prices are firm. Unfilled orders have declined slightly, while stocks are moderate and show little change in the month or year. Plant activity has been increased and is above that of last year.

The demand for cigars is only fair and unfilled orders have fallen below those a year ago. Prices are steady. Stocks have increased recently, but are about the same as a year earlier. Plant operations show some improvement.

The demand for tobacco leaf is smaller than last year. Unfilled orders, however, are holding up fairly well; stocks are light and are smaller than in February, 1929. The rate of operations has declined in the month and year.

Furniture sales have slackened in the past month, as is customary at this season. Unfilled orders are smaller than four weeks earlier and plant activity has declined. Stocks are moderate but are larger than last year.

The demand for rubber goods has been fair and has increased. Prices are steady. Unfilled orders show some increase. Stocks are moderate. Production is at about the same rate as in the previous month.

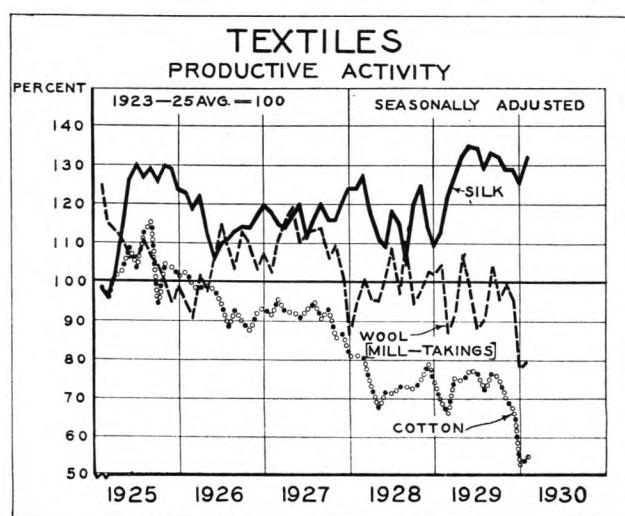
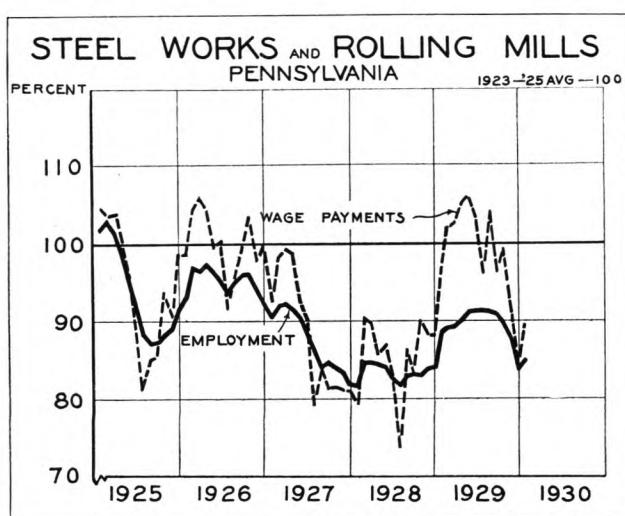
Electric power Philadelphia Federal Reserve District 12 systems	Daily average January, 1930	
	Change from Jan., 1929	Change from Dec., 1929
Rated generator capacity.....	+ 3.2%	+ 0.5%
Generated output.....	+16.3 "	- 0.4 "
Hydro-electric.....	+89.5 "	+17.3 "
Steam.....	- 5.2 "	- 4.3 "
Purchased.....	+14.1 "	-13.5 "
Sales of electricity.....	+19.3 "	- 0.5 "
Lighting.....	+13.6 "	+ 9.0 "
Municipal.....	+ 6.2 "	+ 0.3 "
Residential and commer- cial.....	+14.6 "	+10.2 "
Power.....	+13.7 "	- 1.1 "
Municipal.....	+45.2 "	+49.7 "
Street cars and railroads.....	+ 3.3 "	- 0.3 "
Industries.....	+15.6 *	- 2.4 *
All other sales.....	+76.6 "	-11.0 "

\* Working days average

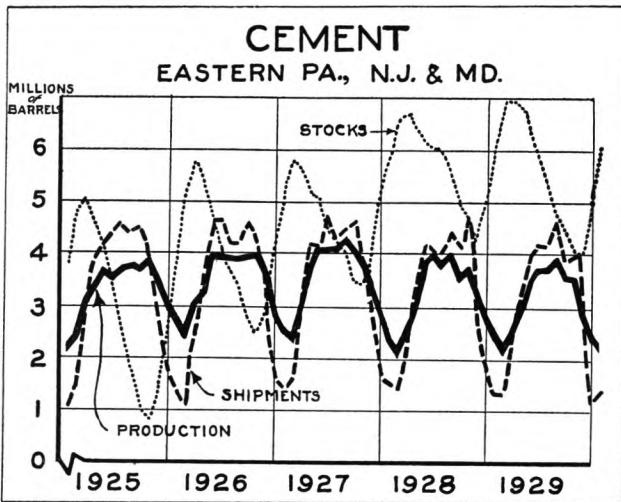
## Building and Real Estate

Building activity in this district in January, as measured by the value of contracts awarded, reached the highest total recorded for that month in the past decade. This sharp increase was caused principally by several large projects in Philadelphia. The volume of residential building contracts awarded, on the contrary, was less than half that in January, 1929, and was the smallest total since 1923. Reports for the first half of Febru-

Building activity (000's omitted)	Jan., 1929	Dec., 1929	Jan., 1930
Contract awards—			
Phila. Fed. Res. Dist.			
Total.....	\$26,306	\$12,926	\$50,914
Residential.....	12,800	4,260	5,665
United States			
Total.....	409,968	316,368	321,975
Residential.....	138,069	114,050	64,632
Permits issued—			
Phila. Fed. Res. Dist. (17 cities)....	20,450	7,630	4,007
United States (566 cities). .	236,200	153,718	127,685



Sources: Silk Association of America and the Bureau of Census



Source: Department of Commerce

ary indicate a large decline in total contract awards as compared with the volume in January.

The value of permits issued in seventeen cities of this district declined further in January and was only about one-fifth of that in the same month in 1929. The decline in 566 cities in the country was not as sharp but the total was over 46 per cent below that last year.

The real estate situation in Philadelphia remains unsatisfactory. The demand for all classes of homes is below that at this time last year. Rents have declined for both houses and apartments during the past three months. Values of building lots also have declined. Mortgage money is difficult to secure. The average monthly volume of mortgages recorded last year showed a decline from the average in other recent years and although there was a 20 per cent increase in January over the December volume, the total was the smallest for any January in the past six years.

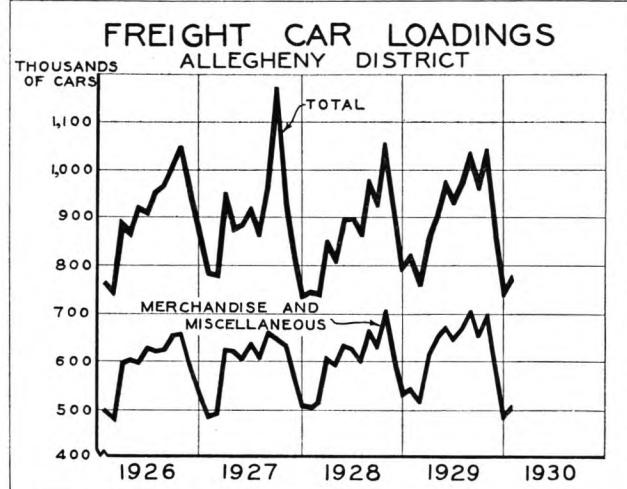
### Coal

The demand for anthracite increased in the latest four weeks and production was nearly 27 per cent larger than in the preceding similar period. Compared with a year ago the output was over 2 per cent larger. Prices are unchanged. Stocks in producers' hands are somewhat larger than last year.

Bituminous coal has been in fair demand lately, after showing weakness early in January which resulted in lower prices. The public utilities are the most active purchasers at present. In the latest four weeks the output increased nearly 6 per cent but was about 9 per cent below the same period last year. Stocks are nearly 16 per cent smaller than in January, 1929.

### Trade

**Wholesale and jobbing trade.** The dollar volume of sales during January was nearly 7 per cent smaller than in the corresponding month last year, reflecting



Source: American Railway Association

partly lower quotations for wholesale commodities. Sales also declined as compared with the amount in December, 1929, as was to be expected. Reporting dealers in paper alone had larger business in January than in December.

Preliminary returns covering the first fortnight of February in the main indicate that business is fair, although reports showing decreased sales since the middle of January outnumber those showing larger sales. This, however, is in accordance with the usual seasonal tendency. Numerous price recessions have been noted in the past four weeks.

Inventories held by dealers at the end of January on the whole were nearly 2 per cent smaller than on the same date last year. Stocks of electrical supplies alone were somewhat larger. Compared with the end of the previous month, stocks generally increased, undoubtedly in anticipation of the forthcoming spring trade.

**Retail trade.** Sales in January declined more noticeably than is usual for that month and, compared with January, 1929, they were about 3 per cent smaller. All lines had smaller sales than a year earlier except men's apparel stores in

Wholesale trade Philadelphia Federal Reserve District	Net sales, Jan., 1930, com- pared with		Stocks, Jan. 31, 1930, com- pared with		Accounts out- standing, Jan. 31, 1930, com- pared with		Collections, Jan., 1930, compared with	
	Jan., 1929	Dec., 1929	Jan. 31, 1929	Dec. 31, 1929	Jan. 31, 1929	Dec. 31, 1929	Jan., 1929	Dec., 1929
Boots and shoes.....	- 5.1%	- 43.0%	.....	.....	- 14.8%	- 11.9%	- 13.0%	- 40.3%
Drugs.....	- 15.2 "	- 2.0	.....	- 0.3%	- 13.6%	- 8.3 "	+ 15.7	- 16.9 " + 0.8
Dry goods.....	- 3.5 "	- 21.9 "	.....	+ 19.3 "	- 12.1 "	- 9.2 "	- 3.2 "	- 23.5
Electrical supplies.....	- 12.9 "	- 54.3 "	+ 4.1 "	- 5.3 "	+ 41.4 "	- 25.7 "	.....	.....
Groceries.....	- 2.2 "	- 3.8 "	- 3.2 "	+ 0.5 "	- 2.6 "	- 4.3 "	+ 5.4 "	- 1.3 "
Hardware.....	- 6.4 "	- 32.1 "	- 2.6 "	+ 0.6 "	+ 8.2 "	- 10.8 "	+ 9.0 "	- 14.4
Jewelry.....	- 16.2 "	- 72.0 "	- 9.3 "	+ 6.7 "	+ 2.3 "	- 36.8 "	+ 12.8 "	+ 88.6
Paper.....	- 3.7 "	+ 15.5 "	- 1.0 "	+ 0.6 "	- 3.3 "	+ 4.7 "	- 2.8 "	- 15.5 "

Retail trade Philadelphia Federal Reserve District	Comparison of net sales Jan., 1930, with Jan., 1929		Comparison of stocks Jan. 31, 1930		Rate of turnover, January		Accounts receiv- able at end of month compared with year ago	Collections during month compared with year ago
	with Jan. 31, 1929	with Dec. 31, 1929	1929	1930	1929	1930		
All reporting stores.....	- 3.1%	- 8.3%	- 13.2%	0.30	0.30	.....	.....	.....
Department stores.....	- 2.4 "	- 10.1 "	- 13.7 "	0.29	0.30	.....	.....	.....
in Philadelphia.....	- 1.3 "	- 12.2 "	- 17.8 "	0.33	0.35	.....	.....	.....
outside Philadelphia.....	- 5.4 "	- 6.2 "	- 5.3 "	0.22	0.21	+ 2.6%	- 0.3%	.....
Apparel stores.....	- 4.6 "	.....	.....	.....	.....	.....	.....	.....
Men's apparel stores.....	+ 1.3 "	.....	.....	.....	.....	.....	.....	.....
in Philadelphia.....	+ 9.1 "	.....	.....	.....	.....	.....	.....	.....
outside Philadelphia.....	- 6.0 "	- 1.8 "	- 15.4 "	0.22	0.20	+ 2.8%	- 0.2%	.....
Women's apparel stores.....	- 6.6 "	+ 3.1 "	- 8.2 "	0.55	0.49	.....	.....	.....
in Philadelphia.....	- 7.2 "	+ 6.1 "	- 8.4 "	0.61	0.53	.....	.....	.....
outside Philadelphia.....	- 1.5 "	- 8.6 "	- 7.0 "	0.30	0.31	+ 0.5%	- 3.3%	.....
Shoe stores.....	- 7.9 "	- 2.7 "	- 3.6 "	0.19	0.18	+ 4.5%	- 9.8%	.....
Credit stores.....	- 12.7 "	- 1.4 "	- 9.5 "	0.20	0.16	- 3.0%	- 4.4%	.....

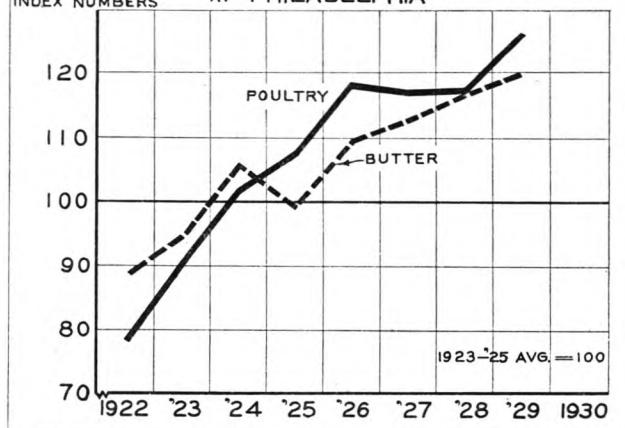
Philadelphia. The decline in sales by department stores in Philadelphia was slightly more than 1 per cent as against a drop of about 5 per cent in sales by department stores in the outlying districts. The sharpest decline occurred in the sales of women's apparel in Philadelphia, and in the sales of shoe and credit stores. Among city areas the most noticeable declines from a year ago occurred in Scranton, Lancaster, Trenton, and Harrisburg.

Numerous reports covering the early part of February show that retail trade is moving forward at a fair rate at best, although there appear to be some signs of improvement since January. Many reports show further price reductions.

Stocks carried by reporting retailers declined about 13 per cent from those at the end of last year; they were also over 8 per cent smaller than those on January 31, 1929. The most pronounced reduction in inventories as compared

with the year before was reported by Philadelphia department stores. Stocks of women's apparel stores in Philadelphia, on the other hand, was the only class that showed an increase in inventories over those at the end of January, 1929. The rate of turnover in all reporting stores was about the same as in January, 1929, department stores in Philadelphia and women's apparel stores outside Philadelphia alone showing a higher rate.

## BUTTER AND POULTRY RECEIPTS AT PHILADELPHIA



Source: Department of Agriculture

## BUSINESS CONDITIONS IN THE PHILADELPHIA FEDERAL RESERVE DISTRICT

	Prices	Demand	Unfilled orders	Operations	Stocks
Retail trade .....	Lower	Fair, smaller than year ago			Smaller
Wholesale trade:					
Drugs .....	Firm	Poor, declined			
Dry goods .....	Lower	Fair, declined			Larger
Electrical supplies..	Lower	Poor, declined			Larger than year ago
Groceries .....	Lower	Fair, declined			Smaller than year ago
Hardware .....	Firm	Fair, declined			Smaller than year ago
Jewelry .....	Unchanged	Poor, declined			Smaller than year ago
Paper .....	Lower	Fair, increased			Little change
Shoes .....	Unchanged	Fair, declined			
Lumber .....	Lower	Fair, unchanged	Unchanged		Little change
Wool .....	Lower	Poor, declined	Smaller		Larger
Cotton yarns .....	Lower	Fair, little change	Smaller than year ago		Smaller
Manufacturing:					
Iron and steel products .....	Lower	Fair	Smaller than year ago	Higher in month	Little change
Cotton goods .....	Lower	Quiet	Smaller	Little change	Larger
Silk goods .....	Lower	Good	Little change	Little change	Smaller
Silk throwsters .....	Lower	Good, increased	Little change	Increased	Smaller
Wool goods .....	Lower	Fair, declined	Smaller than year ago	Mill takings of wool increased	Little change
Wool yarns .....	Lower	Fair, little change	Smaller than year ago	Mill takings of wool increased	Smaller
Hosiery—full-fashione	Lower	Fair, declined	Smaller	Increased in January	Larger
Hosiery—seamless .	Lower	Fair, declined	Smaller	Increased in January	Larger
Carpets and rugs ..	Steady	Fair, little change	Smaller than year ago	Smaller	Little change
Shoes .....	Little change	Fair increased	Little change	Increased in January	Smaller
Leather—					
Sole .....	Lower	Poor, some increase	Unchanged	Unchanged	Little change
Black kid .....	Firm	Fair	Little change	Lower	Little change
Colored kid .....	Firm	Poor, declined	Smaller	Lower	Larger
Paper .....	Firm	Fairly active, increased	Smaller	Increased	Little change
Cigars .....	Firm	Fair	Smaller	Some increase	
Tobacco leaf .....	Firm	Fair	Unchanged	Lower	Smaller
Furniture .....	Little change	Fair, declined	Smaller	Lower	Larger
Brick .....	Firm	Poor, declined	Smaller than year ago	Unchanged	Larger
Lumber-mills .....	Firm	Fair, little change	Smaller than year ago	Declined	Little change
Slate .....	Some declines	Poor, declined	Smaller than year ago	Declined	Larger
Paint .....	Some declines	Poor, declined	Smaller than year ago	Declined	Smaller than year ago
Plumbing supplies..	Firm	Poor, unchanged	Smaller than year ago	Unchanged	Larger
Cement .....	Firm	Fair, increased	Larger	Increased	Larger in month
Real estate .....	Lower	Declined			
Building .....		Volume of contracts increased in January	Value of permits de-clined		
Anthracite .....	Little change	Fair, declined lately		Increased	Increased compared with year ago
Bituminous coal ....	Lower	Fair, increased lately		Increased	Declined compared with year ago