

THE BUSINESS REVIEW

THIRD FEDERAL
PHILADELPHIA



RESERVE DISTRICT
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Business and Financial Conditions in the United States

Industrial production and factory employment declined by somewhat more than the usual seasonal amount in July, while the general level of commodity prices remained unchanged. Conditions in the money market continued easy.

Production and employment. Industrial production, as measured by the Board's index, which is adjusted to allow for the usual seasonal variations, declined one per cent further in July to 83 per cent of the 1923-1925 average, compared with the low point of 82 for last December and the year's high point of 90 in April. Output of iron and steel, automobiles, lumber, and copper decreased further, while activity at textile mills and shoe factories was maintained at a high level.

Factory employment and payrolls declined by somewhat more than the seasonal amount from the middle of June to the middle of July. Large decreases in employment were reported at car building shops and machinery and automobile factories, and at lumber mills. In the textile industries

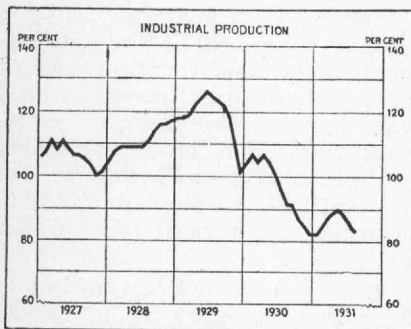
as a whole employment decreased somewhat less than usual in July; and there were increases in employment in the woolen goods and men's clothing industries.

Figures in the value of building contracts awarded during July and the first half of August, as reported by the F. W. Dodge Corporation, show a continuation of the downward movement of recent months.

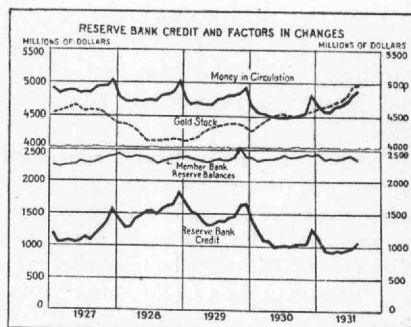
Department of Agriculture estimates based on August 1 conditions indicated an unusually large crop of winter wheat, an exceptionally small yield of spring wheat, and a total wheat crop of 894,000,000 bushels, 72,000,000 bushels larger than the five-year average. The corn crop was estimated at 2,775,000,000 bushels, about the usual size, and 700,000,000 bushels larger than last year's small crop. In spite of a 10 per cent reduction in acreage, the cotton crop was estimated by the Department of Agriculture to be about 15,584,000 bales, an increase of 1,600,000 bales over last year.

Distribution. Freight car loadings increased by slightly less than the usual seasonal amount in July and department store sales, which ordinarily decline sharply at this season, apparently decreased somewhat more than usual.

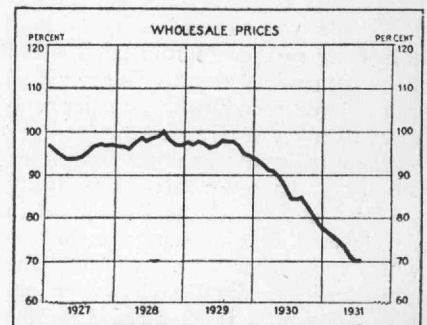
Wholesale prices. The general level of wholesale prices in July continued at 70 per cent of the 1926 average, according to the index of the Bureau of Labor Statistics. Increases were reported in the prices of livestock and



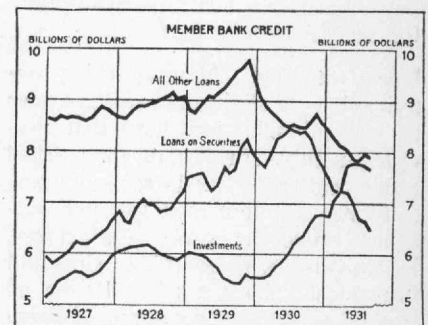
Index number of industrial production, adjusted for seasonal variation. (1923-1925 average = 100.)



Monthly averages of daily figures. Latest figures are averages of first twenty days in August.



Index of United States Bureau of Labor Statistics (1926 = 100).



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

meats, while prices of building materials and of grains, particularly wheat, declined. During July and the first half of August, prices of cotton and cotton textiles declined sharply, while prices of dairy products increased.

Bank credit. Loans and investments of reporting member banks in leading cities declined by about \$340,000,000 between July 15 and August 12, reflecting chiefly further liquidation of

loans on securities, and a decrease in all other loans, which was partly a consequence of sales of acceptances to the reserve banks. The volume of the member banks investments also showed a slight decline for the period.

At the reserve banks there was an increase in the total volume of credit of \$190,000,000 between July 15 and August 19. Demand for reserve bank credit during this period increased as a result of an outflow of \$144,000,000

of currency, which was larger than is usual at this season, and further transfers of foreign funds from the open market into balances at the reserve banks. This demand for reserve bank credit was met by the reserve banks for the most part through the purchase of bills and United States Government securities in the open market, but also through increased discounts for member banks.

Money rates remained at low levels.

Business and Financial Conditions in the Philadelphia Federal Reserve District

Business was exceptionally quiet in July but there was a little seasonal improvement in early August. Manufacturing continues at relatively low levels, though normal gains have occurred in a few lines producing chiefly consumers' goods. Construction activity and new awards for buildings increased noticeably in July, exceeding the volume of a year ago, but in August there was a marked decline in contract awards. The coal market has been rather dull and production of anthracite has declined further while that of bituminous coal increased slightly. Condition of farm crops continues satisfactory. Wholesale and retail trade was somewhat more than seasonally smaller in July but showed some upturn in August. Shipments of goods have remained in smaller volumes than for several years.

Changes in the banking figures of the district have not been large during the past month. A small increase in the demand for currency was in line with expectations at this season. The quiet business situation has been accompanied by a further small decline in member bank loans to customers; borrowings from the Federal Reserve Bank have not fluctuated materially for several months past.

Manufacturing. Manufacturing activity shows a slight improvement over the exceptionally low level that prevailed in July. The demand for finished goods continues slow in spite of some betterment in the market for such consumers' goods as wool manufactures, floor coverings, shoes, rubber tires and mechanical rubber goods. Prices of finished products show signs of firmness and in July they remained practically unchanged from the June level. Quotations for raw materials declined

only fractionally, while those for partly manufactured products advanced a little.

Inventories at manufacturing plants appear moderate and generally smaller than at the end of June; they also have been reduced from those of a year ago. National stocks of commodities have declined steadily since the end of 1930; the latest index shows that holdings of manufactured goods were 4 per cent lower than a year earlier, while stocks of raw materials were 8 per cent higher, although the seasonal decline in the latter has continued since the beginning of this year.

Employment, working time, and payrolls in factories of this section reached the lowest level in many years, declines in July being more than usual for the third successive month. Local factories reduced their working forces by over 2 per cent and the wages paid by 8 per cent from the June level, reflecting partly a period of vacations and mid-year inventory taking. Similarly, factory employment in the country declined 2.5 per cent and payrolls 5.4 per cent from June to July. The index for this district stood at 73 per cent of the 1923-25 average for employment and 58 per cent for wage payments, indicating declines of 17 and 30 per cent respectively from July 1930.

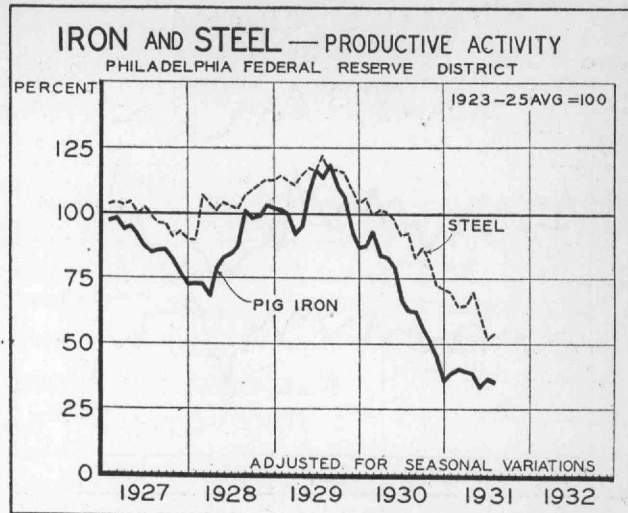
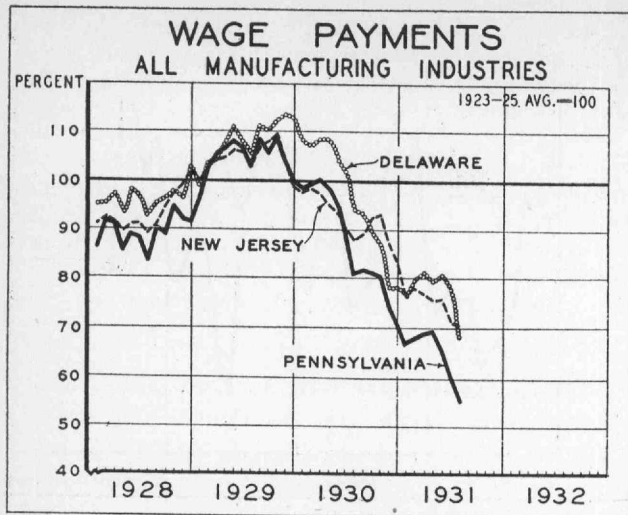
Output of manufactures continued downward, productive activity in July being 3 per cent smaller than was to be expected. Exceptionally large declines occurred in production of cigars, building materials, fabricated metal products, and paper and printing. A rather unusual gain occurred in the activity of the leather and shoe industry, following a sharp decline in the

preceding month. More than seasonal gains also were noted in the output of foods, radio and musical instruments.

In comparison with a year ago manufacturing activity was 21 per cent lower. The most extensive curtailments were reported by groups comprising metal products, transportation equipment, building materials, tobacco products, paper and printing, and radio and musical instruments. The smallest relative declines, on the other hand, occurred in the manufacture of leather and textile products. The July index of factory activity of this district was the lowest in the last decade.

Among the individual industries, the output of steel works and rolling mills, and blast furnaces declined by slightly smaller amounts than is customary, although employment and payrolls showed sharp decreases. Production of silk and cotton manufactures held its own, while that of wool products and knit underwear showed more than the usual gain from June to July. Hosiery, carpets and rugs, and men's clothing reported further declines. In the food group, there occurred an extraordinary rise in the index of sheep slaughtered, though cattle slaughtering, too, increased more than usual for July. Activity of ice cream plants and sugar refineries also was up to the seasonal level, while bread and bakery products, canning and preserving, and hog and calf slaughtering failed to maintain the normally looked for levels.

Production of brick measured up to the volume customary for July, while that of cement continued the exceptional decline of the few previous months. Shipments of cement were



Source: Iron Age.

also noticeably smaller, while stocks were somewhat larger in July this year than last. This was also true for the country with the exception of cement stocks which were slightly smaller than a year ago.

The chemical industry on the whole was less active in July than June, the present level of productive activity being the lowest since the latter part of 1925. Operations of plants making chemicals and drugs declined further and continued substantially below last year. There was some seasonal increase in the output of explosives but the output of by-product coke, paints and varnishes, and petroleum products was less than in June.

Electric power Philadelphia Federal Reserve District 11 Systems	July, 1931, per cent change from	
	July, 1930	June, 1931
Rated generator capacity.....	+ 1.7	0.0
Generated output.....	+ 4.9	- 0.4
Hydro-electric.....	+55.3	-22.8
Steam.....	-14.3	+ 7.3
Purchased.....	+47.2	+ 6.5
Sales of electricity.....	+ 2.6	- 1.1
Lighting.....	+11.8	- 4.9
Municipal.....	+ 8.0	+ 0.2
Residential and commercial	+12.3	- 5.4
Power.....	- 3.2	- 1.2
Municipal.....	- 6.1	- 7.8
Street cars and railroads...	- 6.4	- 4.5
Industries.....	- 2.5*	- 0.5*
All other sales.....	+44.0	+ 7.7

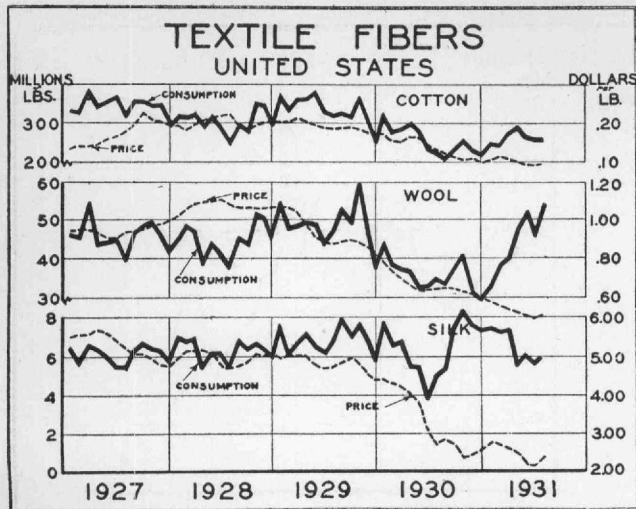
*Working days average—other items are computed on calendar days.

Consumption of electrical energy for industrial power purposes declined slightly in the month and was 3 per cent smaller than in July 1930. Marked percentage declines also occurred in the use of electric power by

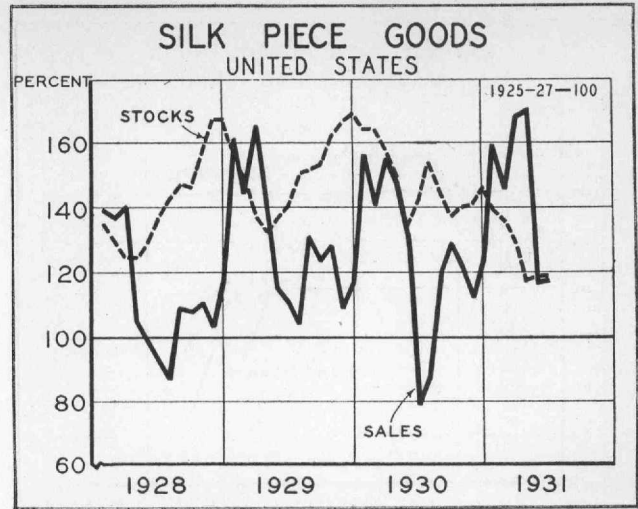
BUSINESS INDICATORS Philadelphia Federal Reserve District	July, 1931		
	Amount	Percentage change since	
		June, 1931	July, 1930
Retail trade* —estimated net sales (160 stores).....			
Department (68).....	\$518,300	- 33.9	- 8.0
Men's apparel (23).....	\$447,100	- 33.6	- 7.4
Women's apparel (15).....	\$17,400	- 32.0	- 12.6
Shoe (37).....	\$35,100	- 40.8	- 8.1
Credit (17).....	\$8,900	- 27.6	- 24.1
Total.....	\$9,800	- 30.0	- 6.8
Wholesale trade* —net sales (101 firms).....	\$230,577	- 2.7	- 10.4
Boots and shoes (5).....	\$2,296	- 20.2	- 28.3
Drugs (10).....	\$51,217	- 2.2	- 3.0
Dry goods (12).....	\$8,787	- 16.4	- 7.4
Electrical supplies (8).....	\$14,477	+ 19.0	+ 3.4
Groceries (29).....	\$93,379	+ 3.6	- 7.4
Hardware (20).....	\$42,581	- 12.1	- 15.9
Jewelry (10).....	\$4,968	- 36.2	- 38.5
Paper (7).....	\$12,872	+ 0.5	- 15.7
Productivity activity* —			
Employment—840 plants in Penna.....	254,157	- 2.7	- 17.2
Wage payments (weekly average).....	\$5,141,812	- 8.3	- 31.5
Shoe production†—73 factories.....	41,932	+ 0.9	.....
Hosiery production†—136 mills.....	46,004	- 20.5	.....
Underwear production†—53 mills.....	12,643	- 14.2	.....
Wool consumption†—61 mills.....	265,364	+ 6.5	.....
Active cotton spindle hours.....	531,805	+ 2.6	- 12.0
Pig iron production.....	3,575	- 6.4	- 42.6
Iron casting production—31 foundries.....	78	- 6.6	- 38.6
Steel casting production—9 foundries.....	75	- 11.0	- 44.0
Anthracite.....	151,800	- 13.2	- 29.0
Bituminous coal—Penna.....	308,800	+ 3.5	- 18.6
Petroleum receipts at Port of Philadelphia.....	40,400	+ 21.3	- 34.6
Cement.....	86,290	- 10.7	- 25.0
Electric power output—10 systems.....	16,813,000	- 0.4	+ 4.9
Financial and credit —			
Debits (check payments)*—17 cities.....	\$83,677,100	- 8.4	- 14.9
Loans and investments—middle of August—85 member banks.....	\$1,692,000,000	- 0.4	+ 4.8
Bills discounted held by F. R. B. of Phila. (daily average).....	\$16,450,000	- 15.0	- 32.5
Bankers' acceptances outstanding—end of month.....	\$21,140,000	- 11.1	+ 2.2
Commercial paper sales*—4 dealers.....	\$305,306	+161.2	- 70.7
Commercial failures—number.....	152	+ 76.7	+ 58.3
Commercial failures—liabilities.....	\$9,410,631	+302.6	+274.5
Building and real estate —			
Building permits*—17 cities.....	\$552,800	+306.0	+150.1
Building contracts awarded*.....	\$1,232,400	+ 77.5	+ 45.3
Number of real estate deeds recorded* (Philadelphia county).....	163	- 5.8	- 5.8
Value of mortgages recorded* (Philadelphia county).....	\$266,796	- 18.0	- 46.8
Sheriff sales writs issued for August—(Philadelphia county).....	1,463	- 18.7	+ 15.8
Miscellaneous* —			
Freight car loadings (Allegheny district).....	24,046	- 0.2	- 22.9
Sales of life insurance (Penna., N. J., and Del.).....	\$3,421,300	- 20.6	- 22.3
Automobile sales registrations of new passenger cars.....	12,630	- 16.5	- 8.5

* Daily average of monthly figures.

† Bureau of the Census preliminary figures.



Sources: Department of Commerce, Fairchild's Publications, Dun's Review



Source: Silk Association of America

street cars and railroads, and by municipalities. Sales of electricity for lighting, on the other hand, were larger than a year ago. Detailed comparisons are shown in the table.

Building and real estate. Activity in the construction and contracting industry continued to gain during July; both employment and payrolls showed more pronounced increases between June and July of this year than in the corresponding period of 1930; present rates of operation, however, are still substantially lower than in other years. The most pronounced improvement last month occurred in the construction of buildings; street and highway operations also increased noticeably, while general contracting work showed a small gain in employment and a decline in payrolls. In the Philadelphia area both the number of workers employed and the total weekly payrolls were substantially larger than in June.

The proposed expenditure under permits issued in seventeen cities of this district increased sharply during July and was the largest of any month

since April 1930. The value of contracts awarded for new construction also was substantially larger than in June and showed a gain of about 48 per cent in comparison with July 1930. Awards in the first half of August, however, declined and were considerably smaller than a month or year ago.

The number of deeds and the value of mortgages recorded in Philadelphia declined last month and were the smallest of any July in recent years. Foreclosures in August declined sharply from the unusually high point of the preceding month, but remained exceedingly numerous in comparison with other years.

The real estate situation shows little change. Renting demand for houses and apartments has been quiet and sales of properties continue at a relatively slow rate. Mortgage funds remain scarce in certain sections of this district and prospective buyers are still experiencing difficulty in financing their purchases.

Agriculture. Despite variable weather, agricultural conditions remain generally satisfactory. Recent rains replenished soil moisture and brought relief from the drought, which in some sections had been retarding the growth of crops.

Large gains over last year are indicated in the yield of corn and potatoes; the output of wheat in this district has been a trifle less than last year but in the country it was the largest on record. Production of tobacco, chiefly in Lancaster county, is estimated to be about 48 per cent above the actual harvest of 1930, while national output is slightly smaller. The condition of

orchard fruits remains generally satisfactory, with indicated yields comparing favorably with those of other years. Pastures and meadows are in fair condition, although a little short in some sections.

Because of relatively low prices received by farmers for milk, the dairying situation is said to be unsatisfactory; herds, however, are fairly healthy and yields of milk and butter compare favorably with those a year earlier.

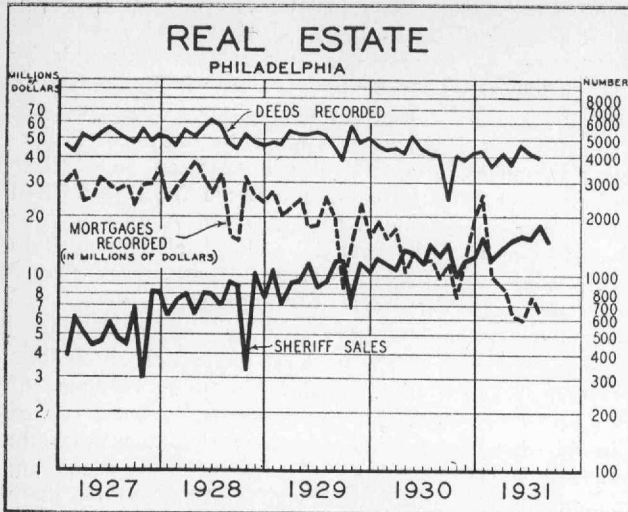
Region and principal crops (Figures in thousands)	1930 Yield	Aug. 1, 1931 Estimated yield
Philadelphia Federal Reserve District		
Corn.....bushels	25,969	53,772
Wheat (winter) .. "	20,248	19,618
Oats..... "	21,984	19,485
Potatoes (white) .. "	18,804	23,077
Tobacco.....pounds	39,372	57,772
Hay (tame).....tons	2,361	2,503
United States		
Corn.....bushels	2,093,552	2,775,301
Wheat (winter) .. "	612,268	775,180
Wheat (spring) .. "	251,162	118,402
Oats..... "	1,358,052	1,169,657
Potatoes (white) .. "	343,236	370,580
Tobacco.....pounds	1,641,437	1,616,793
Hay (tame).....tons	77,850	77,587
Cotton.....bales	13,932	15,584

Source: U. S. Department of Agriculture

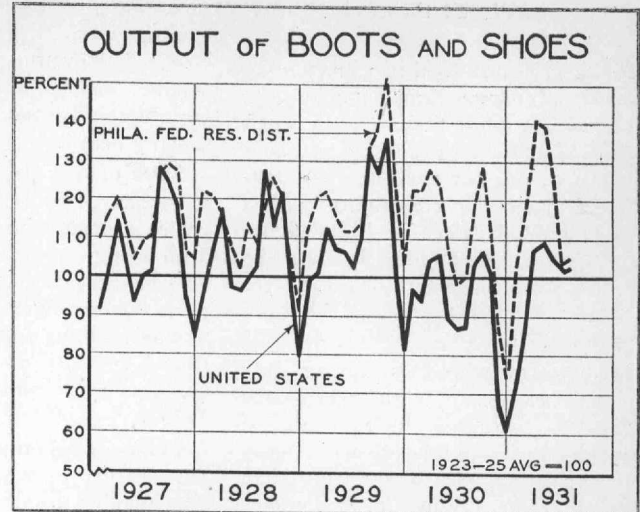
Coal. Summer dullness continued in evidence in the anthracite market during July. Prices of domestic sizes increased, as is usual, while quotations for steam sizes showed little change. The daily output of collieries declined sharply and the total production of 3,948,000 tons was the smallest of any month since February 1926, when labor difficulties interfered with the output. Weekly production in the first half of August averaged slightly under that of July, but remained

Contracts awarded	7 months 1931 (000's omitted)	Per cent change from	
		1930	1926- 29 average
Philadelphia.....	\$ 42,463	-55.9	-66.1
Reading.....	2,635	+50.7	-36.6
Seranton.....	683	-77.7	-75.7
Camden.....	1,777	-30.0	-74.0
Trenton.....	1,884	-27.9	-68.9
Wilmington.....	2,554	-35.7	-43.1
"All other".....	76,756	-41.6	-42.5
Total: Phila. F. R. Dist. including all cities.....	128,752	-46.7	-54.6

F. W. Dodge Corporation



Source: Philadelphia Real Estate Board



Source: Department of Commerce, Bureau of the Census

noticeably lower than in recent years. Shipments of hard coal also declined last month and were smaller than a year earlier.

Demand for Pennsylvania bituminous coal was not active during July and prices showed little change from the June levels. Output of collieries was somewhat larger than in the preceding month but smaller than in July 1930. During the first fortnight of August there was a further slight increase in production. Shipments for the country as a whole averaged higher than in June but were noticeably smaller than in the same period of the past three years.

cent smaller in July than June, all lines except credit stores reporting reductions. Compared with a year ago, stocks were 13 per cent lower, decreases being fairly uniform in all the four lines shown in the accompanying table. The rate of turnover has been higher than last

Retail trade Philadelphia Federal Reserve District July, 1931	Percentage change				Rate of turnover seven months	
	Net sales: 1931, compared with 1930		Stocks: July 31, 1931, compared with		1930	1931
	July	Seven months	July 31, 1930	June 30, 1931		
All reporting stores.....	- 8.0	- 8.6	-12.9	- 7.4	2.11	2.24
Department.....	- 7.4	- 8.4	-12.8	- 7.0	2.10	2.22
in Philadelphia.....	- 8.3	- 9.4	-11.3	- 6.5	2.31	2.39
outside Philadelphia.....	- 5.5	- 5.8	-15.7	- 7.9	1.68	1.88
Men's apparel.....	-12.6	-12.9	.....	.....	.....	.....
in Philadelphia.....	-10.1	-16.2	.....	.....	.....	.....
outside Philadelphia.....	-13.9	-10.6	-10.8	- 7.4	1.21	1.26
Women's apparel.....	- 8.1	- 7.5	-13.9	-17.8	3.66	4.05
in Philadelphia.....	- 8.5	- 7.7	-14.7	-18.4	3.90	4.39
outside Philadelphia.....	- 5.8	- 6.4	-10.0	-15.3	2.28	2.29
Shoe.....	-24.1	-18.6	-13.3	- 4.4	1.62	1.57
Credit.....	- 6.8	- 5.5	-11.7	+ 1.6	1.27	1.47

Distribution. Retail sales in July declined from June somewhat more noticeably than was to be expected, decreases ranging from 11 per cent for Altoona to 38 per cent for Philadelphia. While some improvement was noticeable in early August, dollar sales in the aggregate continued smaller than those in recent years. Prices have continued downward and the average is estimated to be about 10 per cent lower than seven months ago.

The dollar volume sold was 8 per cent less than in July 1930, the sharpest declines occurring in the sale of shoes and men's apparel. Business was also 9 per cent smaller in the first seven months of this year than last, declines varying from 6 per cent for credit stores to 19 per cent for shoe stores; among the city areas, Johnstown, Allentown, Bethlehem and Easton, Altoona, Philadelphia, and Lancaster showed the largest declines.

Inventories at retail stores were 7 per

WHOLESALE TRADE Philadelphia Federal Reserve District July, 1931 (Percentage change is indicated by + and - signs)	Boots and shoes	Drugs	Dry goods	Elec- trical supplies	Grocer- ies	Hard- ware	Jewelry	Paper
Net sales— Seven months 1931 com- pared with seven months 1930.....	-25.5	- 4.3	-14.5	-11.3	-13.1	-18.4	-31.6	-18.4
July 1931 compared with: June 1931.....	-20.2	- 2.2	-16.4	+19.0	+ 3.4	-12.1	-36.2	+ 0.5
July 1930.....	-28.3	- 3.0	- 7.4	+ 3.4	- 7.4	-15.9	-38.5	-15.7
Actual index* July 1931.....	39.1	95.8	39.8	78.2†	93.2	60.9	30.3	66.9
June 1931.....	49.0	98.0	47.6	65.7†	90.0‡	69.3	47.5	66.6
July 1930.....	54.5	98.8	43.0	.....	100.7	72.4	49.3	79.4
Seasonally adjusted index* July 1931.....	47.7	101.9	51.7	95.4†	92.3	62.8	44.6	71.2
June 1931.....	57.0	102.1	51.7	80.1†	88.2‡	66.6	56.5	69.4
July 1930.....	66.5	105.1	55.8	.....	99.7	74.6	72.5	84.5
Stocks—July 31, 1931 Change from: June 30, 1931.....	.....	-11.0	- 1.8	-13.9	- 1.3	- 2.1	+ 3.5	+ 0.7
July 31, 1930.....	.....	- 7.8	-21.6	- 4.7	- 7.3	-11.0	-21.9	-12.5
Receivables—July 31, 1931 Change from: June 30, 1931.....	- 6.2	- 1.0	- 5.2	+11.2	+ 2.7	- 3.5	- 8.5	- 0.7
July 31, 1930.....	-22.0	- 1.4	- 7.2	- 8.1	- 6.6	-14.4	-19.7	- 6.5
Collections during July 1931 Change from: June 1931.....	-13.2	+ 3.9	- 3.0	- 5.7	+ 9.9	- 7.3	+15.2	- 2.7
July 1930.....	-12.9	- 4.1	-13.6	+ 6.1	-13.7	-18.0	-34.4	-21.8

* 1923-1925 = 100

† Preliminary

‡ Revised

year in virtually all the trading areas of this district.

Retail prices of food in Philadelphia showed no change from June to July, while in Scranton there was a small decline as against an increase of about one-half of one per cent for the country as a whole. In comparison with a year ago, food prices in Philadelphia were 13 per cent and in Scranton 18 per cent lower, while the average for 51 cities in the country was 17.5 per cent lower.

Business at wholesale during July declined seasonally, with exceptional recessions occurring in the sale of jewelry, shoes, and hardware. Sales of electrical supplies were larger than usual, and the decline in dry goods, drugs and pharmaceuticals was no greater than customary. The business in paper increased slightly instead of declining as was to be normally anticipated. There was little change in wholesale trade in early August, although some lines, particularly dry goods, showed a seasonal upturn.

Wholesale and jobbing business has been noticeably smaller in the first seven months of this year than last, and in July the drop amounted to 10 per cent as compared with July 1930. This recession in the dollar volume of sales corresponded with the further decline in wholesale prices in virtually every line included in the accompanying table.

With the exception of jewelry and paper, stocks were reduced further and were smaller than a year ago in all lines, the largest declines taking place in dry goods and jewelry. Accounts receivable in July were larger for electrical supplies and groceries but smaller in other lines than in June; compared with a year ago, they were reduced in all lines. Collections in drugs, groceries, and jewelry increased, while in shoes, dry goods, electrical supplies, hardware and paper they decreased from June to July; in comparison with July 1930, collections in electrical supplies alone showed a gain.

Railroad shipments of commodities in this section during July declined slightly which is contrary to the usual seasonal tendency; they were also 23 per cent smaller than in July 1930. There was no indication of any marked change in the figures for early August, when ordinarily car loadings show a pronounced seasonal gain. In the first

seven months of this year revenue car loadings were 21 per cent less than last year. The decline in the country was equally sharp, and the surplus of freight cars is reported as being exceptionally heavy.

Sales of new passenger automobiles, as measured by registrations, were 17 per cent smaller in July than June, this drop being somewhat less than usual. The market for used cars continues relatively stronger than for new automobiles. Prices of automobiles continued virtually unchanged from June but were 6 per cent lower than in July 1930.

Commercial failures in this district during July were exceptionally heavy. The number of defunct concerns was the fourth largest in the past fifteen years and liabilities of \$9.4 millions were exceeded only once in this period — March 1923 — when insolvencies amounted to \$10.6 millions.

Financial conditions. Over the past four months there has been no material change in the borrowings of member banks from the Federal Reserve Bank, and its reserve ratio has been consistently above 80 per cent. Member bank loans to customers have tended slowly downward and rates on prime commercial loans in this city have continued to fall mainly within a range of 3½ to 4½ per cent.

During the four weeks ended August 19 there was a slight increase in the demand for currency which was about in line with the usual change in this period. The principal demand for funds was the result of an excess of 10 millions in local Treasury collections over disbursements within the district. This demand was almost balanced by gains in the settlement of

commercial and financial transactions with other districts, which probably were due in part to withdrawals by the banks from deposits maintained in other sections. Only a slight increase in borrowing from the Federal Reserve Bank was necessary to complete the balance between the demand and supply of funds; on August 19 bills discounted by this bank amounted to 18 millions, an increase of less than 2 millions in comparison with July 22 and a year ago.

The Federal Reserve Bank reports slight change in total holdings of United States securities, but a rise of 6 millions in its participation in system holdings of acceptances. Participating in other accounts of the system, there was an increase from 6 to 16 millions in foreign bank deposits and a decrease from 29 to 22 millions in the bank's contingent liability on bills purchased for foreign correspondents.

The loans and investments of member banks in Philadelphia, Camden, Scranton and Wilmington show only a trifling rise from 1,360 to 1,361 millions during the past four weeks, but deposits declined, reflecting principally a decrease of 15 millions in government deposits. Net demand deposits, at 776 millions, were about equal to the figure in the first report of the year, but time deposits have risen from 350 to 408 millions.

Member bank loans to customers show a small further decrease recently, which was entirely in loans secured by stocks and bonds; open-market loans were practically unchanged in total, though there was some shift from loans to New York brokers to commercial paper. Investments rose from 545 to 549 millions, but still are below the peak figure of 575 millions held by the reporting banks on April 22; on August 19 these banks held 226 millions of United States securities, about one-sixth of their total loans and investments.

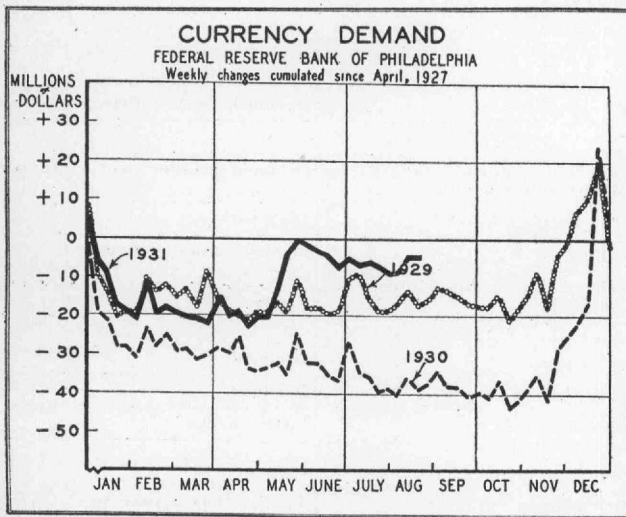
Federal Reserve Bank of Philadelphia (Dollar figures in millions)	Aug. 19, 1931	Changes in—	
		Four weeks	One year
Bills discounted for banks in Philadelphia.....	\$4.9	+\$1.7	+\$4.2
Other communities.....	13.3	- 0.1	- 2.6
Total bills discounted	\$18.2	+\$1.6	+\$1.6
Bills bought.....	9.6	+ 6.4	+ 9.6
United States securities.....	54.5	0	+ 2.2
Other securities.....	0.5	0	- 0.5
Total bills and securities.....	\$82.8	+\$8.0	+\$12.9
Member bank reserve deposits.....	144.6	- 0.8	+ 1.5
Foreign bank deposits.....	16.4	+10.4	+ 15.9
Cash reserves.....	261.0	+ 3.7	+ 29.3
Reserve ratio.....	83.7%	- 2.6%	- 2.4%

85 reporting member banks in twenty cities (000,000's omitted)	Aug. 13, 1930	Aug. 19, 1931	Changes
Loans on securities.....	\$ 572	\$ 505	-\$ 67
Other (largely commercial) loans.....	602	529	- 73
Investments.....	441	658	+ 217
Total loans and investments.....	\$1,615	\$1,692	+\$ 77
Net demand deposits.....	\$ 874	\$ 883	+ 9
Time deposits.....	511	589	+ 78

Outstanding acceptances of banks in this district declined over 2 millions in the month to \$21,100,000 on July 31. This figure was a little higher than a year ago, although the national totals decreased from \$1,350,000,000 to \$1,228,000,000 in the year.

Dealers' sales of commercial paper rose from \$2,805,000 in June to \$7,480,000 in July, the highest figure since March. Even so, the July figure was less than a third of the record sales a year ago.

Commercial paper sales (Four dealers)	Sales to —		Total sales
	City banks	Country banks	
1931—April...	\$2,820,000	\$2,112,500	\$4,932,500
May...	2,872,500	455,000	3,327,500
June...	1,730,000	1,075,000	2,805,000
July...	5,877,500	1,602,500	7,480,000
1930—July...	18,686,000	6,334,400	25,020,400
1929—July...	120,000	2,914,500	3,034,500



City areas*	Percentage change—July, 1931, from July, 1930				
	Employment	Wage payments	Building permits (value)	Debits	Retail trade sales
Allentown.....	-22.7	-36.5	-62.3	-17.9	-12.9
Altoona.....	-11.4	-29.1	-39.5	-34.2	-13.2
Harrisburg.....	-28.5	-40.7	-41.6	-15.8	-7.6
Johnstown.....	-40.0	-38.7	-90.5	-27.8	-10.8
Lancaster.....	-4.2	-14.3	-78.7	-20.5	-11.0
Philadelphia.....	-14.3	-24.8	+301.3	-11.7	-8.7
Reading.....	-13.0	-19.9	-48.9	-17.2	+8.0
Scranton.....	-23.8	-19.9	+54.1	-17.2	-4.5
Trenton.....	-14.4	-30.5	+90.3	+4.6	-8.4
Wilkes-Barre.....	-4.7	-13.8	+190.8	-10.8	-6.4
Williamsport.....	-6.2	-19.4	-80.6	-24.8	.....
Wilmington.....	-13.0	-24.2	+109.1	-20.7	-12.4
York.....	-11.8	-22.5	-65.1	-16.8	.....

July, 1931, from June, 1931					
Allentown.....	-4.5	-10.6	-16.0	-6.5	-27.5
Altoona.....	0.0	-8.5	+78.0	-7.7	-11.4
Harrisburg.....	-1.3	-15.2	+163.6	-5.4	-30.5
Johnstown.....	+0.9	+0.5	-55.4	-4.8	-17.6
Lancaster.....	+0.8	-0.8	-45.4	-9.8	-23.9
Philadelphia.....	-2.8	-7.3	+455.7	-6.5	-38.2
Reading.....	-0.0	-7.8	+34.9	+5.6	-22.5
Scranton.....	-6.6	-6.2	+131.8	-1.0	-25.5
Trenton.....	-4.8	-9.4	+52.8	-8.5	-28.3
Wilkes-Barre.....	+1.1	-2.1	-14.2	-6.7	-27.3
Williamsport.....	-2.1	-2.8	-3.4	-9.5	.....
Wilmington.....	-0.0	-9.9	+334.5	-12.3	-35.4
York.....	-1.3	-2.0	+19.6	-1.4	.....

* Area not restricted to the corporate limits of cities given here.

Employment and wages in Pennsylvania	Employment July, 1931			Payrolls July, 1931		
	July, index*	Per cent change since		July, index*	Per cent change since	
		July, 1930	June, 1931		July, 1930	June, 1931
All manufacturing industries (51)	72.5	-17.2	-2.7	55.6	-31.5	-8.3
Metal products	66.4	-23.9	-3.8	48.7	-40.1	-6.9
Blast furnaces.....	40.7	-27.3	-9.4	30.4	-43.7	-9.8
Steel works & rolling mills.....	58.7	-25.0	-5.9	42.1	-42.0	-8.3
Iron and steel forgings.....	69.7	-11.4	-5.4	48.6	-29.8	-19.3
Structural iron work.....	99.4	-19.8	+15.0	82.7	-25.4	+11.9
Steam & hot wtr. htg. app.	87.5	-13.4	-3.0	63.4	-31.2	+2.9
Stoves and furnaces.....	64.9	-13.8	-3.7	36.4	-40.7	-9.0
Foundries.....	63.5	-31.7	-7.7	38.3	-51.4	-19.5
Machinery and parts.....	76.7	-20.1	-3.4	54.4	-34.9	-8.1
Electrical apparatus.....	92.5	-18.1	-0.2	75.8	-36.4	-4.8
Engines and pumps.....	47.3	-45.3	-1.7	33.6	-60.6	-6.4
Hardware and tools.....	67.8	-18.8	-3.8	51.5	-28.4	-2.3
Brass and bronze products.....	63.1	-29.7	-2.0	49.5	-40.6	-1.4
Transportation equipment	46.7	-34.0	-3.5	30.9	-52.7	-8.3
Automobiles.....	63.7	+1.8	-5.2	29.8	-24.9	-11.0
Auto. bodies and parts.....	49.1	-33.0	-5.4	31.0	-47.7	-0.6
Locomotives and cars.....	23.2	-48.9	+1.8	16.0	-61.0	-1.2
Railroad repair shops.....	69.5	-5.7	+0.1	60.2	-15.4	-6.2
Shipbuilding.....	44.9	-50.6	-15.6	51.1	-64.6	-29.8
Textile products	80.9	-5.7	-4.3	65.2	-8.7	-13.6
Cotton goods.....	63.2	+4.6	-2.8	55.1	+16.2	-8.3
Woolens and worsteds.....	60.3	+7.9	+4.1	54.6	+5.2	+1.3
Silk goods.....	76.8	-14.4	-4.7	68.4	-14.2	-9.2
Textile dyeing & finishing.....	82.6	-7.2	-0.2	70.5	-14.1	-3.3
Carpets and rugs.....	63.3	+2.9	-3.1	49.3	+14.1	-9.7
Hats.....	76.2	-14.0	-0.7	52.7	-27.7	-7.1
Hosiery.....	98.7	-5.1	-5.8	75.6	-7.4	-24.4
Knit goods, Other.....	86.8	-0.9	-1.9	70.2	-19.1	-9.3
Men's clothing.....	80.3	0.0	-4.7	62.2	-5.3	-20.6
Women's clothing.....	80.4	+16.9	-35.4	69.5	+10.1	-41.5
Shirts & furnishings.....	137.3	+9.8	-1.6	118.4	+8.4	-2.6
Foods and tobacco	104.1	-5.4	-0.6	94.1	-10.0	-2.8
Bread & bakery products.....	105.8	-5.1	-1.7	97.7	-12.4	-3.9
Confectionery.....	92.7	-1.9	-3.1	80.4	-3.5	-11.1
Ice cream.....	127.7	-2.1	+5.7	120.9	-3.0	-4.6
Meat packing.....	93.6	-1.5	+0.5	79.1	-11.9	-2.2
Cigars and tobacco.....	102.8	-6.8	+0.2	88.9	-11.4	-0.4
Stone, clay and glass products	55.4	-18.7	-5.8	38.6	-29.8	-15.0
Brick, tile and pottery.....	69.6	-15.1	+1.9	40.1	-31.5	-6.7
Cement.....	52.9	-18.1	-3.8	40.0	-32.5	-15.6
Glass.....	45.0	-25.1	-18.0	36.2	-22.6	-22.2
Lumber products	57.8	-22.0	+4.0	49.1	-28.8	+3.4
Lumber and planing mills.....	33.0	-55.3	+0.6	29.8	-57.5	-1.3
Furniture.....	68.0	-0.1	+10.0	57.2	-11.0	+11.3
Wooden boxes.....	62.6	-13.7	-7.5	51.3	-22.9	-14.1
Chemical products	91.0	-3.6	-1.8	83.6	-15.2	-4.6
Chemicals and drugs.....	62.0	-13.5	-8.8	59.2	-14.8	-6.5
Coke.....	67.7	-32.3	-3.0	43.0	-49.7	-9.3
Explosives.....	80.8	-0.7	-0.1	83.3	-11.5	+5.8
Paints and varnishes.....	91.9	-5.5	-2.5	79.9	-16.2	-11.4
Petroleum refining.....	132.6	+10.9	-0.2	130.4	-1.3	-2.7
Leather and rubber products	94.4	-2.9	+8.8	88.4	-8.1	+4.7
Leather tanning.....	100.7	-7.3	+1.9	93.0	-14.4	+0.2
Shoes.....	92.8	+1.3	+27.8	72.6	-9.5	+26.3
Leather products, Other.....	83.6	+4.0	+0.4	91.8	+14.0	-2.2
Rubber tires and goods.....	90.0	+1.5	+0.8	110.9	+16.1	+2.0
Paper and printing	89.8	-7.4	-2.5	84.5	-15.1	-6.1
Paper and wood pulp.....	78.3	-5.8	-3.1	66.0	-11.5	-7.2
Paper boxes and bags.....	77.0	-10.4	-2.7	71.2	-24.8	-11.7
Printing and publishing.....	95.8	-6.6	-2.2	92.8	-14.1	-5.3
Anthracite	63.4	-29.8	-14.6	45.6	-37.2	-19.3
Bituminous coal.....	.....	.....	-2.2	.....	.....	-0.8
Construction and contracting	78.7	-32.2	+9.3	59.1	-43.6	+7.7
Street railways	78.2	-7.3	+0.9	76.4	-11.6	-5.1
Retail trade	85.2	-2.9	-5.3	.....	.....	.....
Wholesale trade	89.9	-1.3	-0.1	.....	.....	.....

* 1923-1925 average. † Preliminary figures.

Synopsis of Industrial and Trade Conditions in the Philadelphia Federal Reserve District

	Demand	Operations	Stocks
Manufacturing			
Iron and steel			
Blast furnaces	Slow	Declined	
Steel works and rolling mills	Slow	Little change	
Foundries and machine shops	Slow	Production of iron and steel castings declined	
Electrical apparatus	Slow	Declined	
Transportation equipment			
Locomotives and cars	Poor	Declined	
Shipbuilding	Little change	Declined	
Textiles			
Silk manufactures	Quiet, little change	Little change	Declined, smaller than a year ago
Wool dealers	Fair, little change		
Wool manufactures	Fair, some gain	Increased; unfilled orders for yarns increased	Declined, smaller than a year ago
Cotton manufactures	Quiet, prices lower	Little change	Declined
Hosiery	Quiet, little change	Declined	Smaller than a year ago
Floor coverings	Quiet, some gain	Declined, but unfilled orders increased	Little change, smaller than a year ago
Leather products			
Shoes	Quiet, some gain; prices lower	Increased	Declined
Leather—sole	Little change; prices higher	Little change	Declined
kid	Fair, little change	Some increase	Little change
Building materials			
Brick	Quiet, little change	Little change	Smaller than a year ago
Cement	Quiet, some decline	Declined	Some decline but larger than a year ago
Lumber—mills	Slow	Declined	Little change
Paints and varnishes	Slow, declined	Declined	Smaller than a year ago
Pottery	Quiet	Little change	Declined
Slate	Quiet, some decline	Little change	Little change
Miscellaneous			
Paper	Quiet, some gain	Declined	Declined
Tobacco—cigars	Quiet	Declined	Light, declined
leaf	Slow	Increased	Smaller than a year ago
Furniture	Quiet, little change	Little change	Smaller than a year ago
Rubber tires and goods	Fair, some gain; prices lower	Little change	Light, smaller than a year ago
Building	Permits and awards increased in July	Increased, especially in building construction	
Coal mining			
Anthracite	Quiet, little change	Declined	
Bituminous	Slow, little change	Some gain	
Trade			
Retail	Declined seasonally		Smaller than a year ago
Wholesale and jobbing	Quiet, some decline		Declined