

Mr. Maguire

THE BUSINESS REVIEW

THIRD FEDERAL
PHILADELPHIA



RESERVE DISTRICT
OCTOBER 1, 1931

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Business and Financial Conditions in the United States

Volume of industrial production and factory employment, which usually increases at this season, showed little change from July to August, and the Board's seasonally adjusted indexes consequently declined. The general level of wholesale prices remained in August at about the same level as in the two preceding months, but declined somewhat in the first three weeks of September.

Production and employment. Industrial production, as measured by the Board's seasonally adjusted index, declined from 83 per cent of the 1923-1925 average in July to 80 per cent in August, which compares with the previous low level of 82 per cent for December 1930. Output of steel, which ordinarily increases in August, declined further to 31 per cent of capacity, reflecting in part curtailment in automobile production; lumber output also decreased, contrary to seasonal tendency. Activity at textile mills and shoe factories showed about the usual seasonal changes, and pro-

duction in these industries continued to be in substantially larger volume than a year ago.

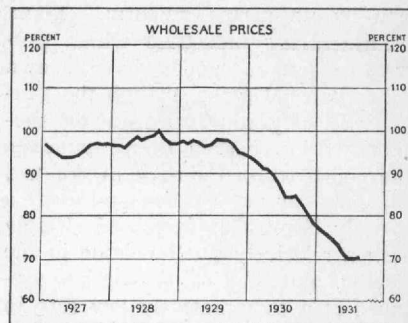
In the latter part of August, output of crude petroleum decreased 30 per cent, the reduction being in East Texas, following earlier curtailment in the Oklahoma fields; in the middle of September production increased somewhat.

Volume of factory employment, which usually increases at this season, showed little change from the middle of July to the middle of August. The number employed in the clothing and shoe industries and in canning factories increased, while employment at steel mills, automobile plants, foundries, and car building shops declined.

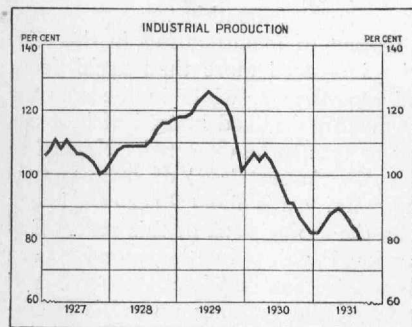
Value of building contracts awarded, as reported by the F. W. Dodge Corporation, continued to decline in August and for the first eight months of 1931 was 31 per cent less than in the corresponding period of 1930, reflecting decreases of 18 per cent in contracts for residential building, 30 per

cent for public works and utilities, 54 per cent for factories, and 56 per cent for commercial buildings.

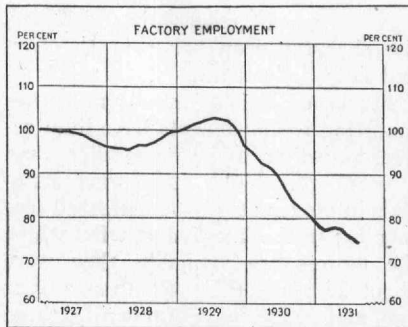
Department of Agriculture crop estimates based on September 1 conditions were about the same as estimates made a month earlier. High yields per acre and large crops were indicated for cotton, winter wheat and tobacco, while crops of spring wheat and hay were expected to be unusually small, chiefly on account of dry



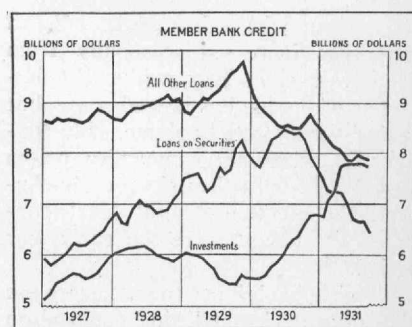
Index of United States Bureau of Labor Statistics (1926=100).



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



Federal Reserve Board's index of factory employment with adjustment for seasonal variation. (1923-1925 average=100.)



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

weather. The corn crop was estimated at 2,715,000,000 bushels, 600,000,000 bushels larger than last year, but 50,000,000 bushels smaller than the five year average.

Distribution. Daily average freight car loadings declined somewhat in August, contrary to the seasonal movement, while department store sales increased, but by an amount slightly smaller than is usual in August.

Prices. The general level of wholesale prices increased from 70.0 per cent of the 1926 average in June and July to 70.2 per cent in August, according to the Bureau of Labor Statistics, reflecting increases in the prices of livestock, meats, dairy products, and petroleum, offset in large part by decreases in the prices of grains, cotton, and cotton textiles. During the first three weeks of September, prices of livestock, meats, hides, and cotton declined while prices of dairy products continued to increase.

Bank credit. Volume of reserve bank credit, which had increased by \$240,000,000 during the month of August, increased further by \$70,000,000 in the first part of September, and in the week ending September 19 averaged \$1,265,000,000. The demand for the additional reserve bank credit arose chiefly from an increase of \$295,000,000 in the volume of currency outstanding; there were also further transfers to the reserve banks by foreign correspondents of funds previously employed in the acceptance market, offset in large part by a growth of \$60,000,000 in the country's stock of monetary gold. Following the suspension of the Gold Standard Act by Great Britain, more than \$100,000,000 in gold was added to the amount held by the federal reserve banks under earmark for foreign account and there was a corresponding decrease in the country's stock of monetary gold.

Loans and investments of reporting

member banks in leading cities, after declining in July and the first half of August, showed little change in the three week period ending September 9. There was a further decline in loans on securities while the banks' holdings of investments increased somewhat. In the following week, the banks added \$227,000,000 to their holdings of United States government securities when an issue of \$800,000,000 of United States government bonds was brought out, while holdings of other securities were reduced by \$40,000,000. Loans on securities continued to decline, and all other loans were also reduced, contrary to the usual seasonal tendency.

Money rates in the open market continued at low levels. On September 22 the rate on bankers' acceptances advanced from $\frac{7}{8}$ of one per cent to 1 per cent. Yields on high grade bonds increased during the last half of August and the first part of September.

Business and Financial Conditions in the Philadelphia Federal Reserve District

Industrial conditions reflected seasonal upturn in August and early September, although the improvement has been by no means uniform. Those manufacturing industries which produce consumers' goods have shown rather unusual gains, though the general level of production continues substantially lower than in many years. The construction industry in August, as usual, was more active and awards in early September increased sharply from a relatively small volume in the previous month. Coal mining has continued at a comparatively low rate in September, although demand lately has turned a little upward. The yield of farm products has been satisfactory in comparison with other years. Retail trade has increased seasonally from the low level in July, while distribution at wholesale has lagged somewhat behind the expected volume. Fluctuations in wholesale commodity prices have lessened further since early August, though the general level continues the lowest since the early war period.

Member bank loans to customers are virtually unchanged in comparison with the middle of August, while demand and time deposits have declined sharply. Currency demand shows an

exceptional rise and the reserve bank reports a pronounced increase in borrowings together with a decline in the reserve ratio.

Manufacturing. The demand for manufactured products, particularly those ready for final consumption, has improved since the middle of last month, and in a few instances sales have even exceeded those of a year ago. Price fluctuations continued fractional, though in the case of textiles, chemicals and drugs declines were over one per cent from the July level. Unfilled orders for most textile manufactures, shoes, tobacco products, and confectionery show gains over the previous month, while in other lines forward business has declined, the sharpest drop being in the iron and steel industry.

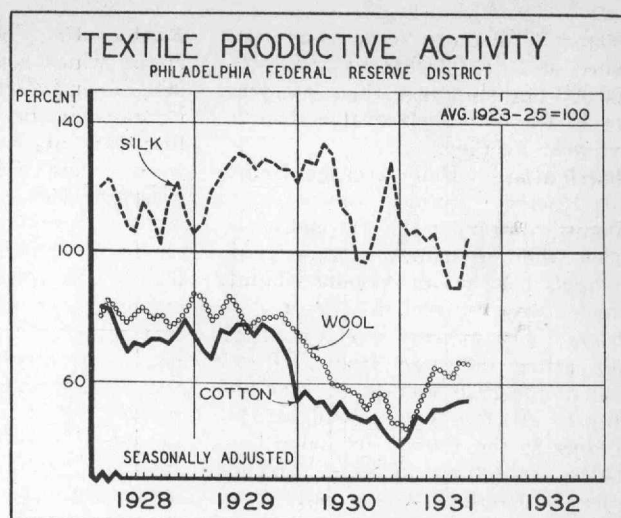
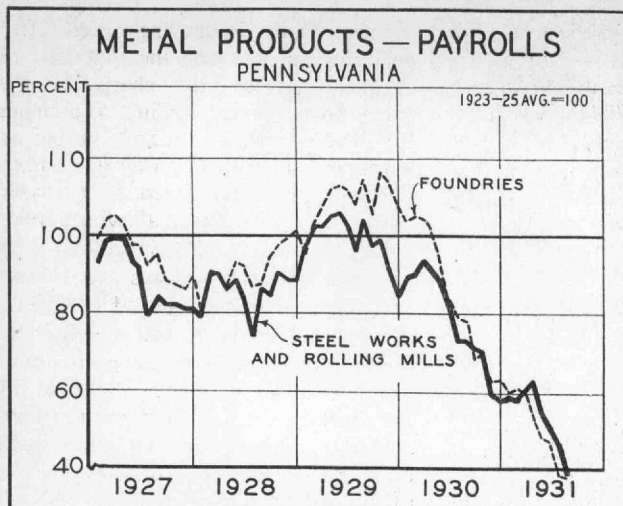
Stocks of finished goods at manufacturing establishments have been reduced further and are smaller than a year ago. Holdings of raw materials in the country have increased seasonally; in the latest month for which the figures are available, they were about 22 per cent larger than a year ago and exceeded substantially those in 1928 and 1929.

Factory employment, wage payments, and operating time in this sec-

tion showed seasonal increases in August over July, owing principally to more than the usual expansion in activity of textile, leather, and certain building materials industries. In comparison with a year ago employment continued 16 per cent smaller and wage payments 30 per cent less. Pennsylvania factories in the first eight months this year employed, on the average, about 780,000 workers, receiving monthly wages of \$70,000,000, according to estimates derived from our indexes and the Bureau of the Census data. These figures reflect an average shrinkage from last year of about 165,000 in the number of wage earners and of \$30,000,000 in the amount of monthly wage payments.

Output of manufactures in this district increased more than usual from July to August, while in the country production declined instead of increasing as was to be expected. Nevertheless, the August level of manufacturing activity was about 9 per cent lower than the spring peak of this year. Exceptional gains in the month were shown by textile, food, tobacco, and some of the building materials industries, while the metal group reported the largest decline.

Compared with a year ago produc-



tive activity was lower by 17 per cent, the sharpest recessions occurring in the groups comprising metal products, transportation equipment, and building materials. Textile products, on the other hand, exceeded last year's rate for the second successive month. The output of leather products was close to the level of a year ago, while the production of shoes continued noticeably larger in response to improved demand.

Among the individual industries, more than the customary gains occurred in the output of silk and cotton manufactures, men's clothing, carpets and rugs, automobile parts and bodies, sugar, cigars, and in the slaughtering of animals, except sheep. Smaller extra-seasonal increases were reported by industries consisting of canning and preserving, printing and publishing, explosives, lumber, electrical apparatus, and steel castings. Production and shipment of Portland cement in this district as in the country increased but slightly above the usual normal volume for August but in the first eight months of this year both were about one-fifth smaller than last year, despite a gain of 12 per cent in the awards for concrete pavement throughout the country.

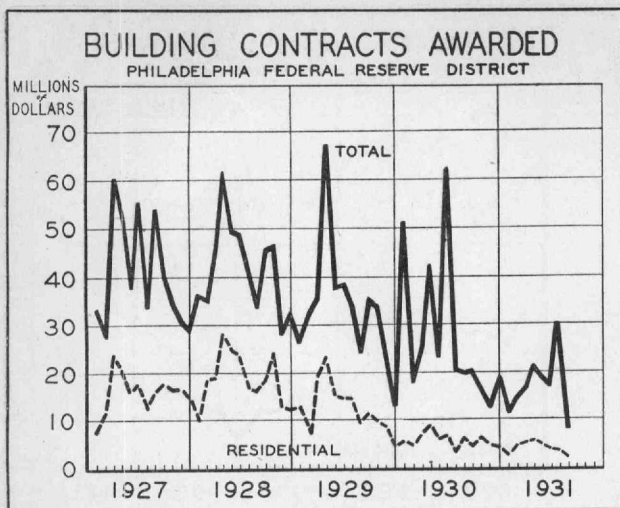
Exceptional declines, on the other hand, were noted in the output of heavy iron and steel products, shipbuilding, such food items as bread and bakery products, ice cream, manufactured tobacco and snuff, paints and varnishes, by-product coke, and musical instruments. Production of paper and pulp, locomotives and cars, motor vehicles, and knit goods failed to measure up to the usual volume.

BUSINESS INDICATORS
Philadelphia Federal Reserve District

		August, 1931	
BUSINESS INDICATORS Philadelphia Federal Reserve District		Amount	Percentage change since
			July, 1931	Aug., 1930
Retail trade* —estimated net sales (161 stores)			
Department (68)	\$527,500	+ 1.7	- 13.2
Men's apparel (23)	\$455,000	+ 1.8	- 13.1
Women's apparel (15)	\$16,400	- 5.7	- 19.0
Shoe (37)	\$35,300	+ 0.6	- 9.6
Credit (18)	\$7,400	- 16.9	- 26.7
	\$13,400	+30.1	- 8.8
Wholesale trade* —net sales (100 firms)			
Boots and shoes (5)	\$216,324	- 6.1	- 15.6
Drugs (10)	\$3,513	+52.9	- 13.7
Dry goods (12)	\$49,897	- 2.5	- 4.6
Electrical supplies (7)	\$8,524	- 3.0	- 19.2
Groceries (29)	\$11,284	-20.7	- 12.2
Hardware (20)	\$83,760	-10.3	- 13.9
Jewelry (10)	\$38,608	- 9.4	- 19.9
Paper (7)	\$7,330	+47.9	- 32.8
	\$13,408	+ 4.2	- 15.7
Productive activity* —			
Employment—834 plants in Penna.	255,363	+ 0.7	- 15.8
Wage payments (weekly average)	\$5,172,554	+ 0.9	- 31.6
Shoe production†—73 factories	52,801	+19.4	.....
Hosiery production†136 mills	47,374	+ 2.9	.....
Underwear production†—51 mills	13,191	+ 7.7	.....
Wool consumption†63 mills	298,037	+ 5.7	.....
Active cotton spindle hours	474,868	-10.7	- 9.1
Pig iron production	3,080	-13.8	- 48.2
Iron casting production—31 foundries	96	-10.5	- 41.1
Steel casting production—9 foundries	79	+ 5.2	- 20.3
Anthracite	165,900	+ 9.1	- 29.1
Bituminous coal—Penna.	287,500	- 6.1	- 21.9
Petroleum receipts at Port of Philadelphia	29,800	-26.2	- 45.4
Cement	93,258	+ 8.1	- 21.4
Electric power output—10 systems	KWH 16,865,900	+ 0.3	+ 3.7
Financial and credit —			
Debits (check payments)*—17 cities	\$74,091,700	-11.5	- 17.6
Loans and investments—middle of September—86 member banks	1,729,000,000	+ .08	+ 3.8
Bills discounted held by F. R. B. of Phila. (daily average)	\$18,611,000	+13.1	+ 2.5
Bankers' acceptances outstanding—end of month	\$14,392,000	-31.9	- 34.0
Commercial paper sales*—4 dealers	\$218,255	-28.5	- 64.7
Commercial failures—number	108	-28.9	+ 4.9
Commercial failures—liabilities	\$5,507,827	-41.5	+135.1
Building and real estate —			
Building permits*—17 cities	\$168,146	-69.6	- 27.3
Building contracts awarded*	\$344,400	-72.1	- 59.2
Number of real estate deeds recorded* (Philadelphia county)	168	+ 3.1	- 5.1
Value of mortgages recorded* (Philadelphia county)	\$259,330	- 2.8	- 37.0
Sheriff's sales writs issued for September—(Philadelphia county)	1,820	+24.4	+ 23.3
Miscellaneous* —			
Freight car loadings (Allegheny district)	24,793	+ 3.1	- 20.9
Sales of life insurance (Penna., N. J., and Del.)	\$3,351,400	- 2.0	- 12.6
Automobile sales registrations of new passenger cars	483	- 6.4	- 18.9

* Daily average of monthly figures.

† Bureau of the Census preliminary figures.



In early September many manufacturing industries reported a further seasonal expansion, although a number of reports indicate continuous dullness or contraction either for seasonal reasons or because of the dearth of orders. Unusual quiet prevails especially in those industries which manufacture products for equipment purposes, covered chiefly by the metal and transportation equipment groups.

Industrial consumption of electric power during August increased 5 per cent, following a decline in the previous two months. This gain was larger than seasonal, but the total quantity of electrical energy used by industries was still 4 per cent smaller than in August, 1930.

Electric power Philadelphia Federal Reserve District 11 Systems	Aug., 1931, per cent change from	
	Aug., 1930	July, 1931
Rated generator capacity	+ 1.4	0.0
Generated output	+ 3.7	+ 0.3
Hydro-electric	+116.2	-48.6
Steam	- 11.5	+15.5
Purchased	+ 40.7	+ 3.5
Sales of electricity	+ 1.5	+ 3.6
Lighting	+10.6	+ 2.0
Municipal	+ 5.2	+ 9.1
Residential and commercial	+11.3	+ 1.1
Power	- 3.7	+ 4.2
Municipal	+ 1.2	+14.5
Street cars and railroads	- 6.0	+ 0.0
Industries	- 3.5*	+ 4.6*
All other sales	+ 36.5	+ 1.9

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

Building and real estate. Operations in the construction and contracting industry increased further between July and August; the indexes of both employment and payrolls rose notice-

ably, contrasting with declines in the corresponding period of 1930. In the Philadelphia area the relative gain in employment was substantially larger than for the state as a whole, while the increase in weekly payrolls was slightly smaller. Street and highway construction showed the most pronounced improvement in the month.

The proposed expenditure under permits issued in seventeen cities of this district declined noticeably in August and was about 27 per cent smaller than a year ago. The value of contracts awarded for new construction also dropped sharply last month and was the smallest since February 1921. Awards in the first half of September, however, showed a substantial gain and nearly equaled those of a year earlier.

The local real estate situation continues unsatisfactory. The total number of deeds and the value of mortgages recorded in Philadelphia declined in August and were the smallest of any like month in recent years. Foreclosures, which have been exceedingly numerous since the beginning of the year, increased sharply in September and were the highest of any month on record, dating back to 1919.

Agriculture. Agricultural conditions remain generally satisfactory, despite the hot dry weather of the past two weeks. Although rains are needed in

not been seriously affected by the recent drought. The marketing situation has not improved and prices of farm products declined further, although livestock and poultry and their products showed advances.

Production estimates as of September 1 indicate that crop yields in this district will be materially larger than a year ago; this is particularly true of Pennsylvania tobacco, corn and white potatoes. Apples are expected to be exceedingly plentiful while the peach crop is said to be one of the heaviest in recent years. Pastures and meadows are in fairly satisfactory condition, although in many localities they are commencing to show effects of dry weather.

Livestock generally measures up to the average September condition, and the number of hogs on farms remains about the same as a year ago.

Coal. The anthracite market remained quiet during the greater part of August, although demand from householders was somewhat more active near the end of the month in anticipation of the usual advance in retail prices. Output of collieries in August increased a little more than seasonally, averaging nearly 166,000 tons daily which represented a gain of about 9 per cent over the preceding month; in early September production declined and was noticeably less than a year ago. Shipments of anthracite increased last month but were substantially smaller than in the same periods of the past three years. The average price of anthracite in the country advanced less than 2 per cent from July to August and was 5 per cent higher than in August 1930.

The market for Pennsylvania bituminous coal continued to reflect the light demand from industry and showed little improvement during August. The daily output of collieries, which averaged about 6 per cent less than in July, was with one exception the smallest of any month in recent years; during the first fortnight of September production remained close to the low levels of the preceding month.

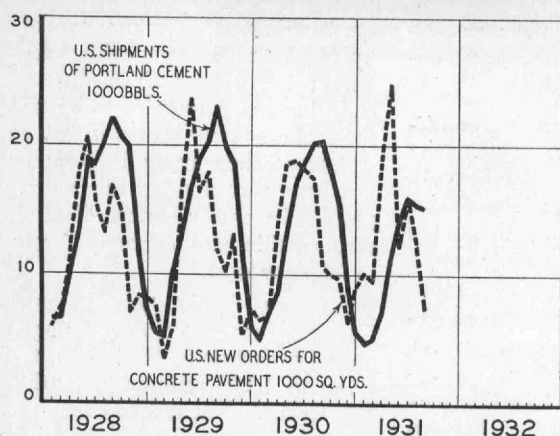
Distribution. Retail sales were 2 per cent larger in August than July, a gain which is only a little below the usual seasonal increase. Larger sales occurred in the Wilmington, Johnstown, Philadelphia, and Harrisburg areas, while other sections registered declines. Early reports for September

Contracts awarded for selected cities and district	8 months 1931 (000's omitted)	Per cent change from	
		1930	1926-29 average
Philadelphia	\$ 45,029	-56.0	-67.9
Reading	2,839	+ 5.7	-38.9
Scranton	999	-70.2	-71.7
Camden	1,912	-32.2	-74.3
Trenton	1,905	-29.9	-71.4
Wilmington	2,653	-42.1	-49.5
"All other"	81,507	-42.9	-47.1
District, all cities	136,844	-47.6	-57.5

Source: F. W. Dodge Corporation.

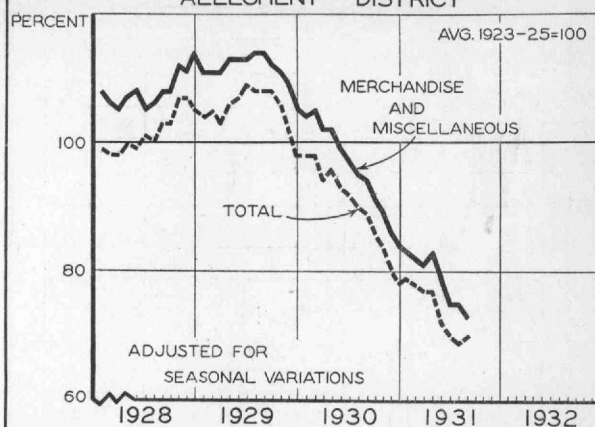
some localities to put the soil in first class condition, crops as a whole have

CEMENT AND CONCRETE PAVEMENT



Source: Survey of Current Business

FREIGHT CAR LOADINGS ALLEGHENY DISTRICT



Source: American Railway Association

indicate that retail trade showed little variation from the August level, although numerous increases have taken place; usually retail business in September shows marked gains over the preceding month.

Compared with a year ago sales in dollars were 13 per cent less, declines ranging from 9 per cent in credit stores to 27 per cent in shoe stores. Sales also were 9 per cent smaller in the first eight months of this year than last, which corresponds to a similar decline in retail business for the country.

Retail prices have been considerably lower this year than last. Since the first of the year, for instance, the average drop in retail quotations for merchandise, such as is handled largely by department stores, amounted to 11 per cent, according to Fairchild's index. Retail food prices in Philadelphia and Scranton increased one per cent from the middle of July to the middle of August, and for the country the increase amounted to over one-half of one per cent. In comparison with a year ago, food prices in Philadelphia were 11 per cent and in Scranton 17 per cent lower, and in the country the decrease amounted to slightly less than 17 per cent. Compared with the pre-war level, retail food prices in the country on August 15 were 20 per cent higher.

Inventories at retail establishments increased slightly in the month; department stores in Philadelphia and credit stores of the district alone showed reductions of stocks. In comparison with a year ago, retail in-

ventories were 12 per cent smaller.

Wholesale business in the aggregate declined 6 per cent from the July volume. Exceptional gains in the sale of shoes, jewelry, and paper were more than offset by unusual declines in other lines. In early September trading at wholesale was reported to have been fair,

Retail trade Philadelphia Federal Reserve District August, 1931	Percentage change				Rate of turnover eight months	
	Net sales: 1931, compared with 1930		Stocks: Aug. 31, 1931, compared with			
	Aug.	Eight months	Aug. 31, 1930	July 31, 1931	1930	1931
All reporting stores.....	-13.2	- 9.1	-12.1	+ 0.5	2.38	2.50
Department.....	-13.1	- 8.9	-12.1	- 0.8	2.37	2.49
in Philadelphia.....	-12.9	- 9.8	-10.8	- 1.3	2.60	2.67
outside Philadelphia.....	-13.5	- 6.6	-14.7	+ 0.4	1.91	2.11
Men's apparel.....	-19.0	-13.6				
in Philadelphia.....	-25.2	-17.2				
outside Philadelphia.....	-14.2	-10.9	- 9.0	+ 3.3	1.38	1.42
Women's apparel.....	- 9.6	- 7.6	-10.6	+12.9	4.08	4.48
in Philadelphia.....	- 8.4	- 7.7	-11.8	+14.5	4.33	4.84
outside Philadelphia.....	-16.2	- 7.1	- 5.0	+ 5.9	2.61	2.60
Shoe.....	-26.7	-19.4	-15.2	+ 1.1	1.82	1.75
Credit.....	- 8.8	- 6.0	- 9.5	- 3.0	1.53	1.74

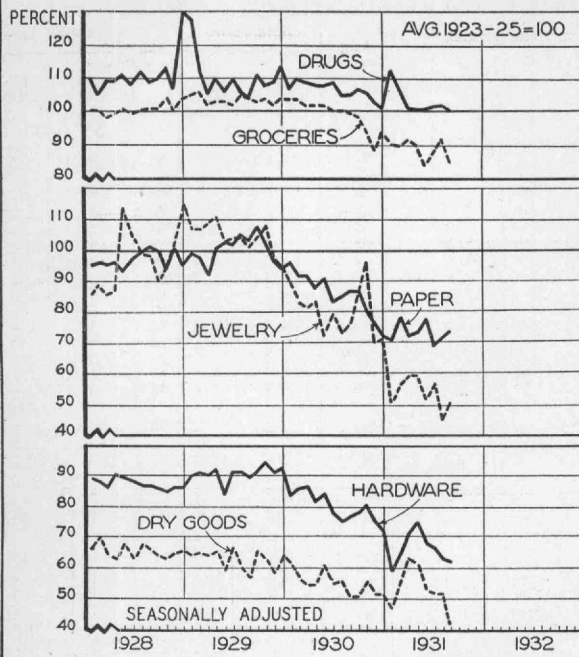
Wholesale Trade Philadelphia Federal Reserve District August, 1931 (Percentage change is indicated by + and - signs)	Boots and shoes	Drugs	Dry goods	Elec- trical supplies	Grocer- ies	Hard- ware	Jewelry	Paper
Net sales—								
Eight months 1931 com- pared with eight months 1930.....	-23.8	-4.4	-15.6	-11.1	-13.6	-18.6	-31.8	-18.1
Aug. 1931 compared with: July, 1931.....	+52.9	-2.5	-3.0	-20.7	-10.3	-9.4	+47.9	+4.2
Aug., 1930.....	-13.7	-4.6	-19.2	-12.2	-13.9	-19.9	-32.8	-15.7
Actual index:*								
Aug., 1931.....	59.8	93.4	38.6	62.0†	83.6	55.2	44.8	69.7
July, 1931.....	39.1	95.8	39.8	78.2†	93.2	60.9	30.3	66.9
Aug., 1930.....	69.3	97.9	47.8	.....	97.1	68.9	66.7	82.7
Seasonally adjusted index:*								
Aug., 1931.....	52.9	100.4	41.5	75.6†	85.3	62.0	50.9	73.4
July, 1931.....	47.7	101.9	51.7	95.4†	92.3	62.8	44.6	71.2
Aug., 1930.....	61.3	105.3	51.4	.....	99.1	77.4	75.8	87.1
Stocks—Aug. 31, 1931								
Change from: July 31, 1931.....	.....	+18.2	+0.6	+2.3	+0.7	-0.2	-2.3	+0.1
Aug. 31, 1930.....	.....	-1.6	-22.4	-12.8	-8.3	-10.9	-21.0	-15.3
Receivables—Aug. 31, 1931								
Change from: July 31, 1931.....	+5.7	-1.6	-1.1	-0.0	-2.5	-2.2	+1.7	+4.7
Aug. 31, 1930.....	-20.6	-0.7	-10.2	-10.1	-13.1	-14.7	-20.0	-7.7
Collections during Aug., 1931								
Change from: July, 1931.....	-16.3	-1.3	-13.8	.....	-10.1	-13.7	-32.5	-11.0
Aug., 1930.....	-10.4	+0.0	-23.1	.....	-17.7	-23.1	-25.6	-24.5

* 1923-1925=100.

† Preliminary.

WHOLESALE TRADE

PHILADELPHIA FEDERAL RESERVE DISTRICT



seasonal gains having been in evidence. Sales also were 15 per cent smaller in August this year than last, all lines showing decreases. In the first eight months sales likewise were materially less than in the same period last year, decreases varying from 4 per cent in drugs to 32 per cent in jewelry. Wholesale prices of merchandise usually represented by the reporting lines are substantially lower than last year, and this fact partly accounts for the falling off in sales.

Shipments of commodities by railroad freight in August increased by less than the usual amount and continued 21 per cent less than last year. The decline in railroad freight car loadings in this section as in the country has been exceedingly sharp and continuous, except for minor variations, since the third quarter of 1929, as shown by the accompanying chart. This reduction largely reflects unusually adverse business conditions in that period.

Sales of new passenger automobiles, as measured by registrations, declined further instead of increasing slightly as is to be expected for August. In the first eight months of this year, sales of new cars were 6 per cent smaller than in the like period last year. The market for used cars ap-

pears to have been relatively more active than that for new passenger automobiles.

Financial conditions. During the past month there was a sharp rise in bills discounted by the reserve bank and an unusual increase in the demand for currency. Member banks report practically no change in loans to customers but a considerable decline in net demand and time deposits.

Although currency demand in this district ordinarily does not vary greatly at this time of the year, the excess of currency payments over receipts in the period from August 19 to September 23 was 24 millions and was due mainly to disturbed conditions in one section of the district. The banks also had to meet an excess of local Treasury collections over disbursements of 20 millions, representing chiefly funds received by the government as a result of unusually large cash payments on new issues of securities, some withdrawal of government deposits, and the collection

of income tax checks. These demands for funds were only partly met by a favorable balance of 14 millions in the settlement of commercial and financial transactions with other districts; borrowings from the reserve bank increased from 18 to 45 millions, the highest figure shown in any weekly statement since early 1930, and there also was a decline in the reserve deposits of member banks. The reserve ratio of this bank decreased from 83.7 to 76.6 per cent.

Member banks in Philadelphia, Camden, Scranton and Wilmington reported a decline in total deposits from 1,188 to 1,148 millions over the past five weeks. Net demand deposits, reflecting in a measure the withdrawal of funds credited to other banks, decreased from 776 to 724 millions, the lowest point since May 1930; time deposits also show a reduction of 27 millions. Although the banks had been allotted a large amount of government securities, as shown by a rise of 45 millions in United States deposits during the week of September 16, holdings of government obligations on the 23rd were only 6 millions higher than they were on August 19, indicating that a substantial amount had been sold. The funds obtained through the sale of securities, through a reduction of 17 millions in loans to the open market, and through an increase in borrowings from the reserve bank enabled the banks to meet the decline in net demand and time deposits. Loans to customers show little change in this period.

Sales of commercial paper, reported by four dealers, declined from \$7,480,000 in July to \$5,129,000 in August, owing to smaller purchases by city banks. Holdings of bought commercial paper by the weekly reporting member banks in four cities decreased from 36 millions on August 19 to 27 millions on September 23; a year ago 54 millions of this paper was held, a figure which has not been equalled since.

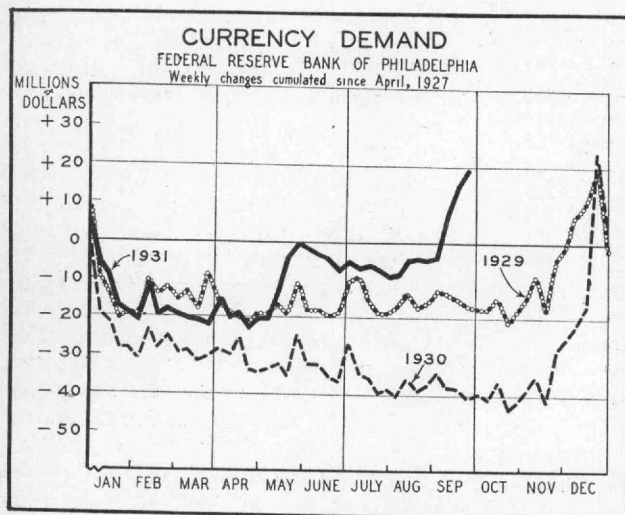
Federal Reserve Bank of Philadelphia (Dollar figures in millions)	Sept. 23, 1931	Changes in—	
		Five weeks	One year
Bills discounted for banks in Philadelphia..	\$ 18.9	+\$14.0	+\$18.1
Other communities.....	26.3	+ 13.0	+ 12.7
Total bills discounted.....	\$ 45.2	+\$27.0	+\$30.8
Bills bought.....	9.1	- 0.5	+ 9.0
United States securities.....	56.3	+ 1.9	+ 4.1
Other securities.....	1.3	+ 0.7	+ 0.2
Total bills and securities.....	\$111.9	+\$29.1	+\$44.1
Member bank reserve deposits.....	136.5	- 8.1	- 4.4
Foreign bank deposits.....	14.0	- 2.4	+ 13.5
Cash reserves.....	244.0	+ 17.0	+ 13.8
Reserve ratio.....	76.6%	- 7.1%	- 10.2%

Commercial paper sales (four dealers)	Sales to—		Total sales
	City banks	Country banks	
1931—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
Aug....	2,635,000	2,494,500	5,129,500
1930—Aug....	11,287,500	3,250,000	14,537,500
1929—Aug....	122,500	1,570,000	1,692,500

Outstanding acceptances of banks in this district declined from \$21,140,000 to \$14,391,000 during August. The latest figure is the lowest reported since 1927 and compares with an average of nearly 24 millions in the first seven months of this year.

Subscriptions from this district to two new issues of government securities totaled 132 millions and more than 86 millions was allotted here; 10 millions was paid for in cash, over 6 millions by the tender of other securities in exchange, and 70 millions by

deposit credit at banks. Two issues of certificates matured at the same time, of which 46 millions had been allotted to this district originally; redemptions here amounted to about one-third of the allotment.



City areas*	Percentage change—August, 1931, from August 1930				
	Employment	Wage payments	Building permits (value)	Debits	Retail trade sales
Allentown.....	-24.8	-37.3	+ 54.9	-20.7	-24.6
Altoona.....	- 6.6	-23.4	- 42.2	-28.3	-26.4
Harrisburg.....	-26.4	-39.6	- 66.5	-18.1	-12.9
Johnstown.....	-36.4	-35.3	+ 544.7	-20.9	-18.7
Lancaster.....	- 3.0	+ 1.1	- 60.6	-10.7	-13.5
Philadelphia.....	-13.2	-21.2	- 1.1	-17.9	-13.0
Reading.....	-10.1	-23.6	- 25.1	-17.3	- 2.0
Scranton.....	- 2.5	- 9.3	- 85.7	-17.7	-14.5
Trenton.....	-10.9	-24.5	- 87.1	+ 4.2	-14.4
Wilkes-Barre.....	- 4.0	-17.8	- 42.6	- 8.9	-15.1
Williamsport.....	+11.4	-13.0	+ 226.8	-26.6	.....
Wilmington.....	-18.5	-25.3	- 72.8	-21.5	- 6.5
York.....	-10.8	-20.3	- 56.7	-25.8	.....

August, 1931, from July, 1931

Allentown.....	- 0.7	+ 0.8	+ 88.5	- 8.1	- 3.8
Altoona.....	- 1.3	+ 3.4	- 52.2	+ 3.5	-11.1
Harrisburg.....	- 0.1	+ 1.9	- 68.2	- 8.5	+ 2.8
Johnstown.....	+ 6.8	+ 7.6	+1905.0	- 1.3	+11.7
Lancaster.....	- 4.6	+ 3.1	- 69.2	+ 3.6	-15.9
Philadelphia.....	+ 3.9	+ 8.2	- 77.5	-17.5	+ 5.1
Reading.....	- 0.8	- 7.9	- 20.5	-19.4	- 9.3
Scranton.....	- 1.1	+ 7.1	- 11.0	- 7.0	- 8.3
Trenton.....	+ 0.6	+ 3.6	- 76.2	-10.7	- 2.5
Wilkes-Barre.....	- 3.1	-10.3	- 48.2	+ 3.7	- 6.6
Williamsport.....	- 4.5	-13.8	+ 384.6	- 8.5	.....
Wilmington.....	- 2.5	- 1.2	- 82.4	-14.0	+15.7
York.....	+ 1.7	+ 2.8	- 59.0	-12.5	.....

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

Employment and wages in Pennsylvania	Employment August, 1931			Payrolls August, 1931		
	Aug. index*	Per cent change since		Aug. index*	Per cent change since	
		Aug., 1930	July, 1931		Aug., 1930	July, 1931
All manufacturing industries (51).....	72.9	-15.8	+ 0.7	56.1	-31.6	+ 0.9
Metal products.....	66.6	-23.0	+ 0.3	47.7	-42.5	- 2.1
Blast furnaces.....	38.6	-28.3	- 5.2	28.4	-47.1	- 6.6
Steel wks. and rolling mills.....	57.3	-25.3	- 2.4	38.9	-46.3	- 7.6
Iron and steel forgings.....	65.6	-20.7	- 5.9	48.2	-35.2	- 0.8
Structural iron work.....	98.0	-21.0	- 1.4	76.2	-36.1	- 7.9
Steam & hot wtr. htg. app.	85.8	-10.1	- 1.5	59.8	-34.4	- 4.6
Stoves and furnaces.....	62.6	-21.0	- 3.5	38.7	-41.9	+ 6.3
Foundries.....	63.0	-27.9	- 0.8	37.7	-51.7	- 1.3
Machinery and parts.....	76.0	-18.2	- 0.8	50.7	-35.1	- 6.8
Electrical apparatus.....	99.1	-16.9	+ 7.1	85.5	-35.1	+12.8
Engines and pumps.....	46.1	-44.1	- 2.5	32.9	-59.2	- 2.1
Hardware and tools.....	70.9	-12.7	+ 4.6	52.1	-24.7	+ 1.2
Brass and bronze products.....	62.2	-27.6	- 1.4	49.4	-37.9	- 0.2
Transportation equipment.....	45.1	-33.8	- 1.7	30.2	-52.1	- 1.3
Automobiles.....	51.3	+40.5	- 9.5	20.1	- 6.5	-26.4
Auto. bodies and parts.....	55.8	-13.2	+13.6	46.8	- 4.3	+51.0
Locomotives and cars.....	23.0	-48.7	- 0.9	15.8	-63.5	- 1.3
Railroad repair shops.....	67.0	- 8.2	- 3.6	52.9	-24.0	-12.1
Shipbuilding.....	37.7	-59.1	-16.0	33.9	-76.5	-33.8
Textile products.....	83.3	- 3.7	+ 2.8	72.1	- 4.9	+10.8
Cotton goods.....	61.4	+ 4.1	- 2.8	60.2	+18.7	+ 8.7
Woolens and worsteds.....	60.6	+ 7.4	- 0.5	59.7	+14.6	+ 9.3
Silk goods.....	82.2	-10.7	- 6.2	80.2	-12.0	+16.7
Textile dyeing and finishing.....	84.5	- 7.1	- 2.3	81.5	- 4.6	+15.6
Carpets and rugs.....	64.3	+12.4	+ 1.6	53.0	+37.0	+ 7.5
Hats.....	76.0	-14.7	- 0.3	54.3	-31.6	+ 3.0
Hosiery.....	100.6	- 7.7	- 2.1	80.8	- 8.3	+ 8.2
Knit goods, other.....	86.5	+15.2	- 0.3	73.9	+ 3.4	+ 5.3
Men's clothing.....	82.5	+ 3.0	- 2.7	71.9	- 2.2	+15.6
Women's clothing.....	107.6	+11.0	+33.8	86.9	+ 1.0	+25.0
Shirts and furnishings.....	140.0	+28.7	+ 2.0	129.8	+26.3	+ 9.6
Foods and tobacco.....	103.9	- 3.7	- 0.2	92.3	- 8.4	- 1.9
Bread and bakery products.....	104.5	- 4.6	- 1.2	95.4	-11.3	- 2.4
Confectionery.....	95.5	+ 0.8	+ 3.0	80.9	- 5.3	+ 0.6
Ice cream.....	118.0	- 5.8	- 7.6	111.7	- 6.8	- 7.6
Meat packing.....	92.9	- 1.8	- 0.7	78.9	-11.3	- 0.3
Cigars and tobacco.....	102.8	- 4.5	- 0.0	87.8	- 6.0	- 1.2
Stone, clay and glass products.....	57.0	-13.8	+ 2.9	38.1	-34.1	- 1.3
Brick, tile and pottery.....	71.0	- 8.2	+ 2.0	43.4	-34.2	+ 8.2
Cement.....	54.0	-14.8	+ 2.1	40.1	-32.6	+ 0.3
Glass.....	47.0	-20.7	+ 4.4	30.4	-39.1	-16.0
Lumber products.....	60.4	-21.0	+ 5.2	57.3	-19.4	+17.2
Lumber and planing mills.....	33.8	-54.1	+ 1.8	31.9	-50.2	+ 6.3
Furniture.....	72.6	- 1.2	+ 7.9	70.6	- 3.8	+24.7
Wooden boxes.....	62.6	-13.4	- 0.0	53.8	-14.6	+ 4.9
Chemical products.....	87.6	- 7.4	- 3.7	81.7	-17.4	- 2.3
Chemicals and drugs.....	62.7	- 5.1	+ 1.1	58.4	-10.7	- 1.4
Coke.....	65.1	-25.3	- 3.8	36.8	-54.4	-14.4
Explosives.....	78.6	- 3.9	- 2.7	88.9	-18.8	+ 6.7
Paints and varnishes.....	86.4	- 7.7	- 6.0	76.5	-22.1	- 4.3
Petroleum refining.....	127.5	- 1.2	- 3.8	130.3	- 3.2	- 0.1
Leather and rubber products.....	96.9	- 1.8	+ 2.5	93.9	- 8.7	+ 5.9
Leather tanning.....	102.7	- 7.1	+ 2.0	97.2	-14.4	+ 4.5
Shoes.....	97.5	+ 5.0	+ 4.5	89.9	- 2.4	+21.8
Leather products, other.....	84.9	+ 8.4	+ 1.6	83.3	- 3.1	- 9.3
Rubber tires and goods.....	89.8	+ 0.6	- 0.2	106.5	+ 9.8	- 4.0
Paper and printing.....	90.0	- 7.6	+ 0.3	85.7	-15.4	+ 1.5
Paper and wood pulp.....	80.5	- 5.5	+ 2.8	67.9	-15.9	+ 2.9
Paper boxes and bags.....	76.3	-13.5	- 0.7	75.8	-16.2	+ 7.2
Printing and publishing.....	95.1	- 6.8	- 0.7	93.4	-13.8	+ 1.0
Anthracite.....	65.5	-19.8	+ 3.3	47.8	-29.9	+ 4.8
Bituminous coal.....	.....	.....	- 0.1	.....	.....	- 3.6
Construction and contracting.....	84.9	-25.5	+ 7.9	62.1	-37.8	+ 5.1
Street railways.....	77.1	- 7.0	- 1.4	75.2	- 4.2	- 1.6
Retail trade.....	84.1	- 3.4	- 1.3	.....	.....	.....
Wholesale trade.....	90.0	- 1.1	+ 0.1	.....	.....	.....

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	Declined	
Foundries and machine shops	Slow	Steel casting production increased; output of iron castings declined	Declined
Electrical apparatus.....	More active	Some gain	
Transportation equipment			
Locomotives and cars.....	Slow	Declined	
Shipbuilding	Little change	Declined	
Textiles			
Silk manufactures	Fair, increased	Increased	Declined
Wool dealers	Quiet, some decline		Smaller than a year ago
Wool manufactures.....	Fair, little change, prices lower	Increased, unfilled orders for yarns increased	Declined
Cotton manufactures.....	Fair, some gain, prices lower	Increased, some gain in unfilled orders	Declined; smaller than a year ago
Hosiery	More active	Little change	Smaller than a year ago
Floor coverings.....	Fair, increased	Increased	Smaller than a year ago
Leather products			
Shoes	Fair, some gain, prices lower	Increased; unfilled orders increasing	Smaller than a year ago
Leather—sole	Little change	Little change	Little change
kid	Fair	Some gain	Little change
Building materials			
Brick	Slow, some decline	Increased	Little change
Cement	Quiet, little change	Some increase	Declined
Lumber—mills	Slow	Increased	Smaller than a year ago
Paints and varnishes.....	Fair, increased	Declined	Little change
Pottery	Quiet, little change	Little change	Smaller than a year ago
Plumbing supplies	Poor, declined	Little change	Smaller than a year ago
Slate	Quiet	Little change	Fairly heavy
Miscellaneous			
Paper	Fair	Some gain	Little change
Tobacco—cigars	Fair, some gain	Increased	Little change
leaf	Quiet, little change	Declined	Smaller than a year ago
Confectionery	More active	Larger	Moderate
Chemicals	Slow	Little change	Smaller than a year ago
Building	Permits and awards declined in August	Increased, especially in street and highway construction	
Coal mining			
Anthracite	Quiet, some gain; prices higher	Increased	
Bituminous	Slow	Declined	
Trade			
Retail	Seasonal gain		Smaller than a year ago
Wholesale and jobbing....	More active in early September		Increased seasonally but smaller than a year ago