

# THE BUSINESS REVIEW

THIRD FEDERAL  
PHILADELPHIA



RESERVE DISTRICT  
NOVEMBER 2, 1931

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## Business and Financial Conditions in the United States

Industrial production and factory employment, which usually increase at this season, showed little change from August to September, and, consequently, the Board's seasonally adjusted indexes declined. The general level of wholesale prices also declined. Gold exports and earmarkings, together with an increase in domestic currency demand between the middle of September and the middle of October resulted in a large growth of reserve bank credit in use and a rise in money rates.

**Production and employment.** Industrial production, as measured by the Board's seasonally adjusted index, declined from 79 per cent of the 1923-1925 average in August to 76 per cent in September. Activity at steel mills decreased from 31 per cent of capacity to 28 per cent; output of automobiles was reduced substantially and lumber production continued to decline.

At cotton mills production increased seasonally, while activity at woolen

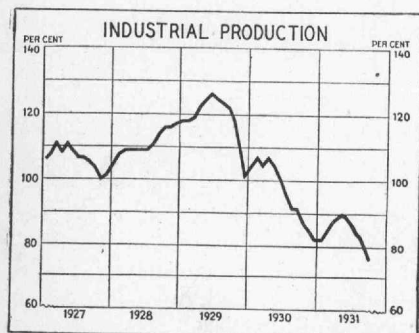
mills and shoe factories declined contrary to the usual seasonal tendency. Output of petroleum was smaller in September than in August, but the rate of output prevailing at the end of September was higher than at the end of August.

The number employed at factories showed little change from the middle of August to the middle of September, a period when employment usually increases. In iron and steel mills, automobile factories and lumber mills, employment decreased further, contrary to the seasonal tendency; in the clothing and silk industries there were substantial increases in employment, partly of a seasonal character; in mills producing cotton goods, employment increased less than usual, and in woolen mills it declined from recent relatively high levels.

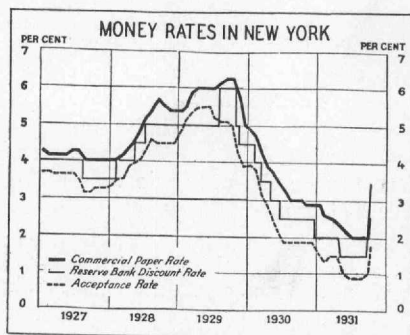
Data on value of building contracts awarded for the period between the first of August and the middle of October, as reported by the F. W. Dodge

Corporation, show a continuation of the downward movement of recent months for residential as well as for other types of construction.

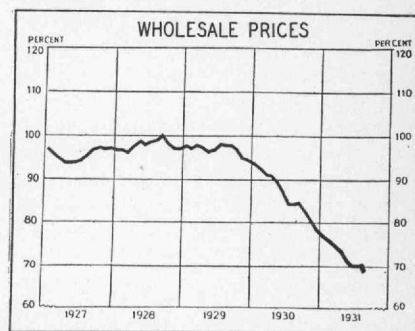
Estimates by the Department of Agriculture, based on October 1 conditions, indicated a cotton crop of 16,284,000 bales, the largest crop reported, except that of 1926, a total wheat crop somewhat larger than usual, and a corn crop of 2,700,000,000 bushels, 29 per cent larger than last



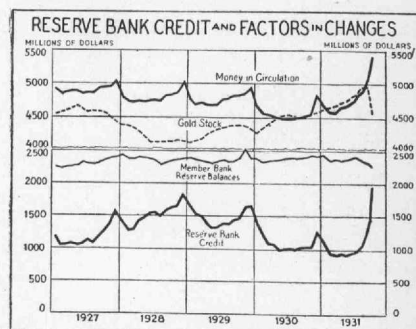
Index number of industrial production, adjusted for seasonal variation. (1923-1925 average = 100.)



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 seventeen days in October.



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



Monthly averages of daily figures. Latest figures are averages of first seventeen days in October.

year, and 2 per cent smaller than the five-year average.

**Distribution.** Freight car loadings of merchandise and sales by department stores increased in September, but by less than the usual seasonal amount.

**Wholesale prices.** The general level of wholesale prices declined from 70.2 per cent of the 1926 average in August to 69.1 per cent in September, according to the Bureau of Labor Statistics. Decreases in the prices of livestock, meats, hides, woolen goods, cotton and cotton goods were offset in part by increases in prices of dairy products, petroleum and petroleum products. Further declines in the price of cotton during the first few days of October were followed by substantial increases in subsequent days.

**Bank credit.** During the four weeks following the suspension of gold payments in England on September 20, gold was withdrawn from this country's monetary stock in the form of exports and earmarkings. Domestic demand for currency continued to increase, the growth for the month ending in the middle of October being about \$400,000,000. The growth in the amount of currency outstanding, however, slowed down after the first few days in October. The demands for credit arising from gold movements and currency growth were met by member banks through the sale of acceptances to the reserve banks and by rediscounts. Volume of reserve bank credit outstanding consequently increased between the week ending September 19 and the week ending October 17 by \$904,000,000 and on October

17 stood at \$2,169,000,000, the highest level for ten years.

Gold and currency withdrawals resulted in a decrease of deposits at member banks in leading cities. Loans and investments of these banks also declined, reflecting reductions in loans to security brokers, as well as sales of acceptances to the reserve banks, and sales of United States securities.

During this period there was a rise in short time money rates in the open market and in yields on high grade bonds. On October 9 the Federal Reserve Bank of New York advanced its discount rate from  $1\frac{1}{2}$  to  $2\frac{1}{2}$  per cent and on October 16 to  $3\frac{1}{2}$  per cent. Discount rates were also advanced at the Boston, Philadelphia, Cleveland, Richmond, Chicago, St. Louis, Dallas and San Francisco reserve banks.

## ***Business and Financial Conditions in the Philadelphia Federal Reserve District***

The trend of business has shown considerable variation since early September. Sales at retail and wholesale have increased seasonally, while the rate of manufacturing activity has declined instead of moving upward as usual at this time. The output of fuel and power reflects customary gains. Awards for building construction registered rather exceptional increases but permits decreased sharply. Commodity prices have displayed weakness since August, after moving along at a fairly steady level for about three months. In comparison with recent years, the general level of activity continues much lower.

There was a strong demand for currency over part of the past month, and the banks also had to make substantial payments on United States securities allotted to them in September. Investments were reduced and there was a further sharp increase in borrowings from the Federal Reserve Bank. Member bank loans to customers declined.

**Manufacturing.** The market for finished products varies from fair to poor, although there have been seasonal gains in the demand for some manufactures. Prices of commodities, comprising manufactures chiefly, declined fractionally from August to September; recessions in raw mate-

rials and semi-manufactured products were more pronounced than in prices of finished goods.

Unfilled orders for manufactures decreased since the middle of last month, although seasonal advances were reported by some of the textile branches. In comparison with a year ago, forward business continued substantially smaller. Inventories held at manufacturing establishments have been reduced further and appear to be appreciably smaller than a year earlier.

Factory employment in this section declined fractionally instead of increasing seasonally. Wage payments also declined by less than 5 per cent, reflecting partly the inclusion of Labor Day in the payroll period, covered by many concerns. Compared with a year ago, the index of factory employment in this district was 17 per cent lower and the payroll index 33 per cent lower. The demand for workers by employers in Pennsylvania continued downward and in September was the lowest since the depression period of a decade ago.

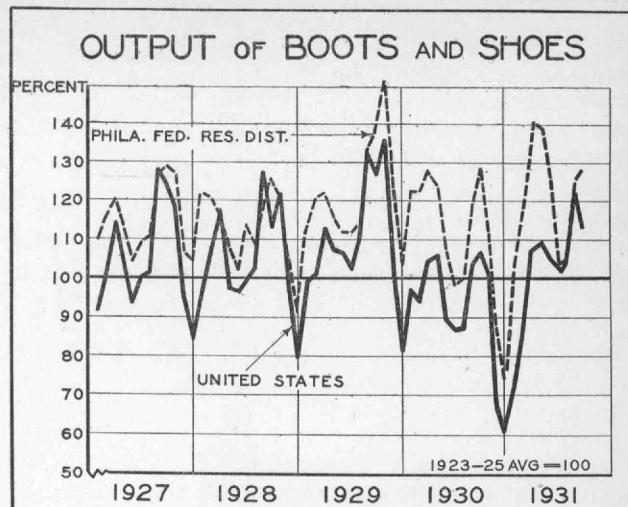
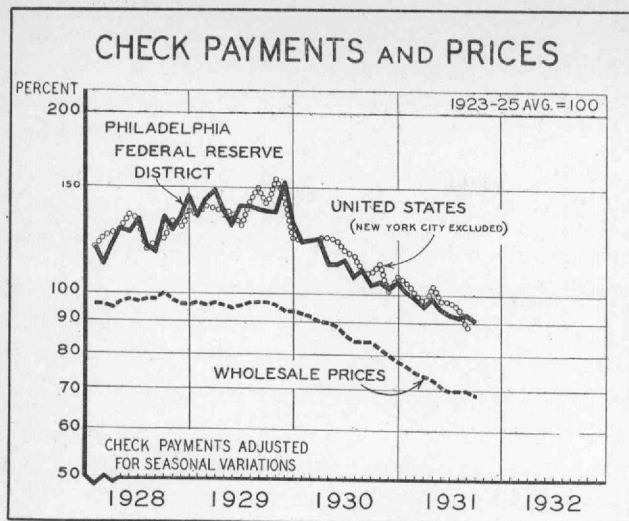
Production increased less than was to be expected, so that our adjusted index was nearly 2 per cent lower than in August; the decline in the country's index amounted to almost 4 per cent. The decrease here in the seasonally adjusted index was due principally to

the metal, food, tobacco, chemical, and leather industries.

More than seasonal gains in the output of textile products reflect chiefly increased activity of silk, hosiery, and to some extent carpet and rug mills. Gains in wool takings and in the output of knit underwear were not up to the usual average. Textile prices have declined a little further, although recently cotton manufactures showed some strength.

Most of the industries included in the metal and transportation equipment groups showed further curtailment of activity, thus continuing to depress the general index of manufacturing activity. Lately, however, some gain has been reported in the output of steel works and rolling mills and of automobile bodies and parts. Prices of iron and steel products have continued steady, while non-ferrous metals declined. Quotations for automobiles advanced slightly over the August level.

The hide and leather market is relatively dull and prices have declined rather sharply during the month. Production of shoes, particularly of the less expensive kind, was 2 per cent larger in September than August, a gain which was much smaller than usual; in the country output of shoes in the same period decreased by 5 per



Source: Department of Commerce, Bureau of the Census

cent. Shoe prices show further reductions.

Among the industries preparing foods, the output of bread and bakery products and the slaughterings of calves showed more than customary increases, while sugar refining and the slaughterings of hogs, cattle, and sheep declined somewhat more sharply than was to be expected. Canning and preserving continued fairly steady, though at a lower level than in the past two years. Wholesale food prices declined but slightly in the month and were 18 per cent lower than in September 1930.

A further rather exceptional gain occurred in the printing and publishing industry, while operations of paper and wood pulp establishments showed a drastic decline. In the chemical group, chemicals, drugs, and paints and varnishes reported improvement, while the output of petroleum products, by-product coke, and explosives was reduced somewhat. The improvement in the cigar industry was much less than seasonal, while output of manufactured tobacco and snuff was greater than usual.

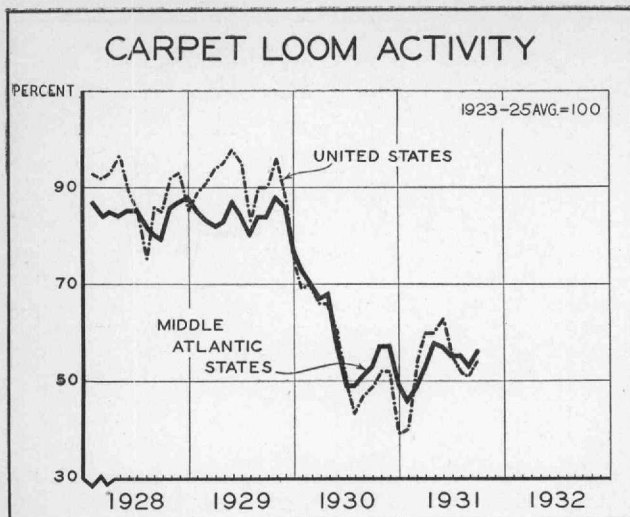
Production of Portland cement decreased by a considerably smaller amount than is customary, so that the seasonally adjusted index showed a further gain. Stocks, while declining in the month, were larger than at the end of September last year. Other building materials such as brick, lumber, plumbing, pottery and slate reported curtailments of operations.

The output and sales of electrical energy increased seasonally, owing mainly to a larger consumption of

Business indicators Philadelphia Federal Reserve District		September, 1931		
		Amount	Percentage change since	
			Aug., 1931	Sept., 1930
<b>Retail trade*</b> —estimated net sales (161) stores.....				
Department (68).....	\$681,700		+29.1	-14.7
Men's apparel (24).....	\$590,500		+29.8	-14.8
Women's apparel (15).....	\$16,900		- 1.2	-13.8
Shoe (36).....	\$51,300		+45.3	-14.1
Credit (18).....	\$8,500		+14.9	-20.4
	\$14,500		+ 8.2	-11.3
<b>Wholesale trade*</b> —net sales (99 firms).....				
Boots and shoes (5).....	\$249,132		+16.3	-16.7
Drugs (10).....	\$3,824		+ 8.9	-27.7
Dry goods (12).....	\$54,709		+ 9.6	- 7.2
Electrical supplies (7).....	\$11,967		+40.2	-19.7
Groceries (28).....	\$11,168		- 1.1	-36.9
Hardware (20).....	\$98,932		+21.2	- 6.6
Jewelry (10).....	\$45,633		+18.3	-19.8
Paper (7).....	\$9,632		+31.5	-43.9
	\$13,267		- 1.0	-22.6
<b>Productive activity*</b> —				
Employment—829 plants in Penna.....	253,785		- 0.3	-16.9
Wage payments (weekly average).....	\$4,940,863		- 4.4	-34.0
Shoe production—75 factories.....	48,568	prs.	+ 1.7	.....
Hosiery production—135 mills.....	58,622	doz. prs.	+25.4	.....
Underwear production—52 mills.....	14,496	doz. pcs.	+ 7.3	.....
Wool consumption—60 mills.....	295,235	lbs.	+ 6.2	.....
Active cotton spindle hours.....	413,180	.....	-13.0	-23.9
Pig iron production.....	2,478	tons	-19.5	-56.7
Iron casting production—31 foundries.....	100	tons	+ 4.9	-41.2
Steel casting production—9 foundries.....	77	tons	- 2.5	-40.0
Anthracite.....	174,100	tons	+ 4.9	-16.3
Bituminous coal—Penna.....	301,200	tons	+ 4.8	-25.4
Petroleum receipts at Port of Philadelphia.....	24,800	bbls.	-16.8	-48.2
Cement.....	92,033	bbls.	- 1.3	-15.6
Electric power output—10 systems.....	17,530,100	KWH	+ 3.9	+ 1.5
<b>Financial and credit*</b> —				
Debits (check payments)*—17 cities.....	\$81,576,400		+10.1	-12.9
Loans and investments—Oct. 21—reporting member banks in four cities.....	\$1,266,000,000		- 6.1	- 2.1
Bills discounted held by F. R. B. of Phila. (daily average).....	\$31,700,000		+70.4	+93.3
Bankers' acceptances outstanding—end of month.....	\$17,667,000		+22.8	-23.7
Commercial paper sales*—4 dealers.....	\$25,870		-83.1	-92.0
Commercial failures—number.....	113		+ 4.6	+17.7
Commercial failures—liabilities.....	\$2,694,239		-51.1	+38.9
<b>Building and real estate*</b> —				
Building permits*—17 cities.....	\$128,166		-23.8	-65.2
Building contracts awarded*.....	\$624,000		+81.2	-28.3
Number of real estate deeds recorded* (Philadelphia county).....	137		-18.5	+28.0
Value of mortgages recorded* (Philadelphia county).....	\$316,414		+22.0	-35.4
Sheriff sales writs issued for October—(Philadelphia county).....	888		-51.2	-10.0
<b>Miscellaneous*</b> —				
Freight car loadings (Allegheny district).....	24,656		- 0.6	-22.7
Sales of life insurance (Penna., N. J., and Del.).....	\$3,050,500		- 9.0	- 8.1
Automobile sales registrations of new passenger cars.....	406		-15.9	-18.8

\* Daily average of monthly figures.

† Bureau of the Census preliminary figures.



Source: Department of Commerce

electricity for lighting purposes. The increase in the use of power by industries failed to measure up to the typical average for September.

Electric power Philadelphia Federal Reserve District 11 Systems	Sept., 1931, per cent change from	
	Sept., 1930	Aug., 1931
Rated generator capacity.....	+ 1.9	+ 0.5
Generated output.....	+ 1.5	+ 3.9
Hydro-electric.....	+26.5	-31.5
Steam.....	- 5.7	+10.4
Purchased.....	+23.7	+ 0.6
Sales of electricity.....	+ 2.6	+ 4.3
Lighting.....	+13.6	+12.4
Municipal.....	+ 3.4	+12.4
Residential and commercial.....	+15.0	+12.4
Power.....	- 1.8	+ 2.2
Municipal.....	+10.3	- 6.8
Street cars and railroads ..	- 8.2	+ 4.5
Industries*.....	- 1.0	+ 2.2
All other sales.....	+19.6	+ 4.8

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

**Building and real estate.** Activity in the construction and contracting industry declined in September by about the usual seasonal amount; in comparison with a year ago, however, operations were at substantially lower levels. In the Philadelphia area, which was the only section of the state to show improvement, there was a gain of 4 per cent in the number of workers employed and of 13 per cent in the volume of weekly payrolls. General contracting work increased further last month, but activity in other classes of construction was sharply reduced. The proposed expenditure under permits issued in seventeen cities of this

district declined noticeably in September and was the smallest since March.

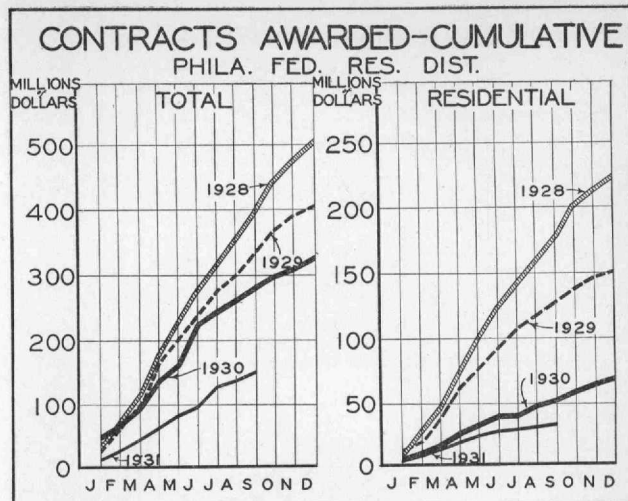
The value of contracts awarded for new construction increased in September. Following a steady decline for five months, awards for residential buildings increased; gains also occurred in contracts for public works and utilities, and factories, while those for commercial buildings showed losses. In early October residential contracts increased further, while

Contracts awarded in selected cities and district	9 months 1931 (000's omitted)	Per cent change from	
		1930	1926-29 average
Philadelphia.....	\$ 48,454	-56.3	-69.4
Reading.....	2,940	+ 4.9	-44.9
Scranton.....	1,092	-69.1	-71.0
Camden.....	1,923	-39.0	-76.7
Trenton.....	2,933	-11.4	-59.7
Wilmington.....	2,713	-43.2	-52.7
"All other".....	91,140	-40.4	-47.5
District, all cities.....	151,195	-46.3	-58.3

Source: F. W. Dodge Corporation.

awards for other classes of construction declined.

The local real estate situation continues unsatisfactory. The supply of mortgage money is less than it has been for a long time and property owners with maturing mortgages are experiencing considerable difficulty in refinancing.



Source: F. W. Dodge Corporation

The number of deeds recorded in Philadelphia declined in September but the value of mortgages was somewhat larger than the unusually low figure of last month. Foreclosures, which in September reached the highest point in recent years, dropped seasonally in October; although smaller than a year ago, they were larger than in any other October in records dating back to 1919.

**Agriculture.** In so far as crop production is concerned, the agricultural situation this year compares favorably with the five-year average; yields per acre have been large and the quality of crops has not been impaired by adverse weather conditions as was the case last year. The marketing situation generally, however, has been unsatisfactory, owing to a steady decline in the wholesale price of farm products; since the beginning of the year this recession in the country amounted to about 20 per cent.

Production estimates as of October 1 indicate that the yield of corn, spring wheat, tame hay, tobacco, and white potatoes will be larger than the actual harvest of 1930, while the oats crop is expected to be slightly smaller

Trend of farming in Pennsylvania (figures in thousands)	1900	1910	1920	1930
Rural population (farm and non-farm).....	2,710	3,034	3,112*	3,098*
Number of farms (or number of operators).....	224	219	202	172
Land area in farms (acres).....	19,371	18,587	17,658	15,309
Value of land in farms (\$). ....	575,393	630,430	726,158	529,696
Value of farm buildings (\$). ....	322,880	410,639	600,594	673,321
Value of farm implements (\$). ....	50,917	70,726	163,826	154,756

Source: United States Census of Agriculture.

\* In a decade from 1920 to 1930 farm population declined 10 per cent, while rural population not engaged directly in farming increased 4 per cent.

than that of last year. Dairy cattle measure up to their usual October 1 condition. Although sales of swine for slaughter have been somewhat less than a year ago, new hogs are reported as being in good marketable condition.

**Coal.** The anthracite market remained quiet during the greater part of September, although cooler weather at the close of the month stimulated demand and resulted in larger sales. Colliery output, which averaged about 174,000 tons daily, showed a gain of nearly 5 per cent over the rate of the preceding month. Output was 12 per cent smaller in the first nine months this year than last. Production as usual increased further in the first half of October, but remained smaller than in the corresponding period of 1930. Shipments last month also exceeded those of August. Average prices of anthracite coal in the country increased further and in September were 5.8 per cent higher than a year earlier.

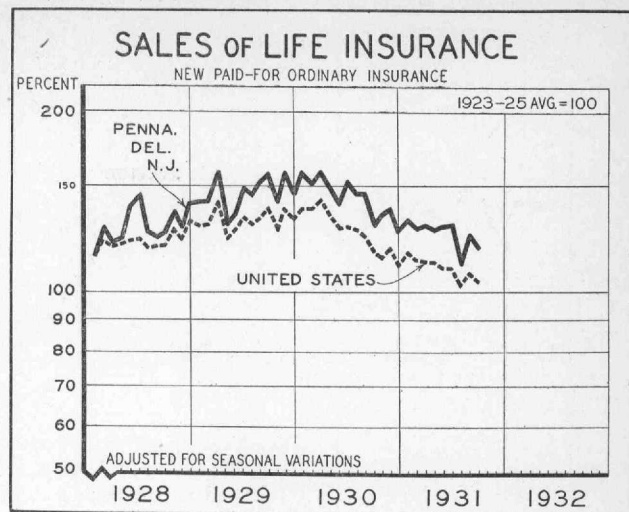
Demand for Pennsylvania bituminous coal remained rather unsatisfactory, though prices show a little more strength; in comparison with a year ago prices in September were 6 per cent lower. Output of Pennsylvania collieries increased seasonally, but for the year to date production was 20 per cent smaller than last year. During the first fortnight of October, production showed a further seasonal gain. September shipments increased and were the largest since February, reflecting some demand from industries.

**Distribution.** Retail sales during September showed more than seasonal gains over August. Department, women's apparel, shoe, and credit stores had larger business, while men's apparel stores reported a small decline. All the leading city areas except Johnstown and Wilmington shared in this increase. In early October sales continued upward as usual.

Compared with September 1930, dollar sales were 15 per cent smaller, all lines included in the accompanying table showing declines. Sales were 10 per cent smaller in the first nine months of this year than last, decreases ranging from 7 per cent in credit stores to 20 per cent in shoe stores. Inventories at retail establishments increased as they usually do between August and September, but they remained 13 per cent smaller than in

September 1930, reflecting partly lower prices. The rate of turnover continued higher this year than last.

Retail prices of merchandise generally handled by department stores declined further, and on October 1 the average level was 12 per cent lower than at the beginning of the year, according to Fairchild's index. The drop in the prices of individual items varied from one per cent for shoes to 22 per cent for luggage. Retail food prices in Philadelphia showed a decrease of one per cent, while in the country less than one per cent, from August to September; in Scranton food prices increased



Retail trade Philadelphia Federal Reserve District September, 1931	Percentage change				Rate of turnover nine months	
	Net sales: 1931, compared with 1930		Stocks: Sept. 30, 1931, compared with			
	Sept.	Nine months	Sept. 30, 1930	Aug. 31, 1931	1930	1931
All reporting stores.....	-14.7	- 9.7	-13.2	+12.3	2.67	2.79
Department.....	-14.8	- 9.6	-12.7	+12.2	2.68	2.79
in Philadelphia.....	-16.1	-10.6	-11.5	+13.6	2.94	2.99
outside Philadelphia.....	-11.1	- 7.1	-15.1	+ 9.2	2.14	2.36
Men's apparel.....	-13.8	-14.1	-15.4	+ 4.7	1.60	1.62
in Philadelphia.....	-19.2	-17.9	-20.6	- 8.8	1.75	1.74
outside Philadelphia.....	- 9.3	-10.8	-11.7	+15.3	1.49	1.53
Women's apparel.....	-14.1	- 8.4	-16.9	+33.0	4.50	4.91
in Philadelphia.....	-14.6	- 8.4	-18.3	+37.2	4.77	5.29
outside Philadelphia.....	-10.2	- 7.8	- 8.1	+14.5	2.95	2.90
Shoe.....	-20.4	-19.5	-17.2	+ 5.3	2.00	1.92
Credit.....	-11.3	- 6.7	-14.1	+ 4.1	1.71	1.96

Wholesale trade Philadelphia Federal Reserve District September, 1931 (Percentage change is indicated by + and - signs)	Boots and shoes	Drugs	Dry goods	Elec- trical supplies	Grocer- ies	Hard- ware	Jewelry	Paper
<b>Net sales—</b>								
Nine months 1931 com- pared with nine months 1930.....	-24.4	- 4.7	-16.9	-14.5	-13.0	-18.8	-33.9	-18.6
Sept., 1931, compared with: Aug., 1931.....	+ 8.9	+ 9.6	+40.2	- 1.1	+21.2	+18.3	+31.5	- 1.0
Sept., 1930.....	-27.7	- 7.2	-19.7	-36.9	- 6.6	-19.8	-43.9	-22.6
Actual index:*								
Sept., 1931.....	65.1	102.4	54.1	61.3	101.3	65.3	58.9	69.0
Aug., 1931.....	59.8	93.4	38.6	62.0	83.6	55.2	44.8	69.7
Sept., 1930.....	90.1	110.4	67.4	.....	108.5	81.4	105.0	89.1
Seasonally adjusted index:*								
Sept., 1931.....	45.2	99.4	40.7	51.1	91.3	62.2	47.5	67.6
Aug., 1931.....	52.9	100.4	41.5	75.6	85.3	62.0	50.0	73.4
Sept., 1930.....	62.6	107.2	50.7	.....	97.7	77.5	84.7	87.4
<b>Stocks—Sept. 30, 1931</b>								
Change from:								
Aug. 31, 1931.....	.....	- 0.2	+ 5.3	- 4.4	+ 2.1	+ 1.5	- 2.6	- 1.5
Sept. 30, 1930.....	.....	- 4.5	-20.4	-15.1	-13.8	- 7.7	-22.7	-16.7
<b>Receivables—Sept. 30, 1931</b>								
Change from:								
Aug. 31, 1931.....	+ 1.4	+ 2.6	+ 9.1	+ 3.7	+ 4.2	+ 2.6	+ 4.9	+ 0.9
Sept. 30, 1930.....	-26.4	- 9.6	-14.4	-17.8	- 7.9	-15.6	-25.3	- 9.3
<b>Collections during Sept. 1931</b>								
Change from:								
Aug., 1931.....	+31.8	+ 0.2	+ 5.4	.....	+11.9	+ 4.3	+ 6.5	+ 5.1
Sept., 1930.....	+ 6.2	- 2.2	-21.1	.....	-10.7	-19.0	-22.9	-24.9

\* 1923-1925 = 100.

one per cent in the same period. In comparison with a year ago, food prices were 14 per cent lower in Philadelphia and 16 per cent in Scranton, as contrasted with a decline of 18 per cent in the average for fifty-one cities of the United States.

Wholesale trade increased from August to September, though by a smaller amount than usual. Sales of drugs, dry goods and hardware measured up to about the usual expectations, while the grocery trade showed more than the normal seasonal increase. The gain in the shoe business was smaller than customary and sales of paper and electrical supplies decreased instead of increasing. Preliminary returns for October indicate further seasonal gains.

Partly because of lower prices, the dollar sales at wholesale were 17 per cent smaller than in September 1930, the sharpest declines occurring in jewelry, electrical supplies, shoes, and paper. In the first nine months sales were 14 per cent smaller than in the like period last year. Along with other comparisons, changes in cumulative sales of individual lines are given in the accompanying table. Stocks at wholesale establishments at the end of September remained noticeably smaller than a year ago. Receivables also were smaller, although, like sales, they showed gains in the month. Collections increased during September but were generally lower than a year ago.

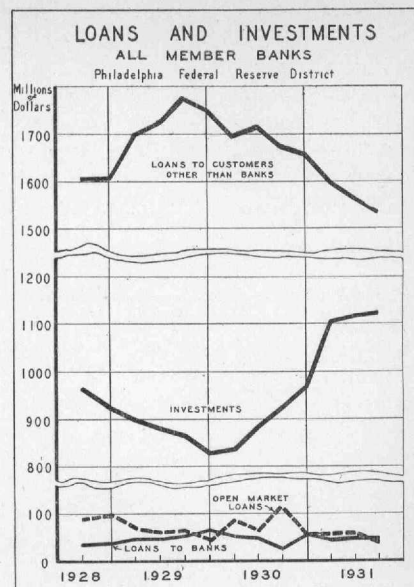
Freight car loadings in this section declined by less than the usual seasonal amount. The drop in the loadings of merchandise and miscellaneous commodities, comprising chiefly finished and semi-manufactured goods, has been almost continuous since 1929. Total loadings remained 21 per cent smaller in the first nine months this year than last.

Sales of new passenger automobiles declined further in September, though by a smaller percentage than is customary. In the first nine months registrations of new cars were 7 per cent smaller than in the same period last year.

**Financial conditions.** During the four weeks ended October 21, deposits of the reporting member banks in four of the larger cities of the district declined from 1,148 to 1,034 millions. The greater part of the decline was in net demand and time deposits and reflected a demand for currency, the

withdrawal of a part of the funds held on deposit for other banks, and the repayment of loans. Calls by the Treasury for part payment on securities allotted to the banks in September also caused a reduction of 22 millions in government deposits. To provide these funds, the banks borrowed more heavily from the Federal Reserve Bank, but they also reduced their loans to the open market from 32 to 24 millions and disposed of 38 millions of United States securities and 21 millions of other securities. Loans to customers declined 15 millions.

The records of this bank reveal that the total excess of currency payments over receipts during the four-week period amounted to 90 millions; nearly 50 millions of this was paid out in the first week of October and the most recent data show a marked decline in the demand for cash. In meeting this demand and Treasury calls for payment on securities, the banks increased their borrowings at this bank from 45 to 98 millions, the highest figure shown in any weekly statement since 1929; 40 millions of the increase represented added accommodation granted to banks in Philadelphia and the balance was rather widely distributed throughout the district. This bank also extended about 6 millions of additional credit through the local purchase of securities and bills. Despite the increased use of reserve bank credit and a favorable balance of 42 millions in the settlements with other districts, which doubtless was due largely to the sale of securities, the reserve deposits of member banks de-



clined 5 millions. The reserve ratio decreased from 76.6 per cent on September 23 to 64.5 per cent on October 21, but on the latter date was exceeded by only two of the other reserve banks.

A preliminary tabulation from call reports shows that the total loans and investments of all member banks in the district on September 29 amounted to 2,739 millions, slightly larger than a year earlier. The component items show substantial changes. Loans to customers other than banks decreased from 1,671 to 1,535 millions and loans to the open market from 116 to 36 millions, while loans to banks increased

Federal Reserve Bank of Philadelphia (Dollar figures in millions)	Oct. 21, 1931	Changes in—	
		Four weeks	One year
Bills discounted for banks in Philadelphia...	\$ 58.6	+\$39.7	+\$ 56.2
Twenty other large cities...	21.2	+ 8.3	+ 13.0
Other communities...	18.4	+ 5.0	+ 10.2
Total bills discounted...	\$ 98.2	+\$53.0	+\$ 79.4
Bills bought...	14.7	+ 5.6	+ 13.7
United States securities...	57.9	+ 1.6	+ 5.7
Other securities...	6.8	+ 5.5	+ 5.7
Total bills and securities...	\$177.6	+\$65.7	+\$104.5
Fed. res. note circulation...	260.6	+ 93.7	+ 145.6
Member bank reserve deposits...	131.6	- 4.9	- 10.1
Foreign bank deposits...	16.5	+ 2.5	+ 16.0
Cash reserves...	264.9	+ 20.9	+ 46.6
Reserve ratio...	64.5%	- 12.1%	- 19.9%

All member banks Philadelphia Federal Reserve District (000,000's omitted)	Sept. 24, 1930	June 30, 1931	Sept. 29, 1931*
Loans to banks.....	\$ 27	\$ 49	\$ 47
Loans to other customers:			
On stocks and bonds	679	614	599
Real estate loans...	240	243	242
All other.....	752	711	694
Loans to open-market:			
Bought acceptances and commercial paper.....	67	41	32
Loans on securities to N. Y. brokers....	49	16	4
Investments:			
U. S. securities.....	196	347	366
Other securities.....	727	767	755
Total loans and investments.....	\$2,737	\$2,788	\$2,739

\* Preliminary.

from 27 to 47 millions and investments from 923 to 1,121 millions. Real estate loans have changed little over the past year and a half, and on September 29 constituted less than 9 per cent of the total loans and investments.

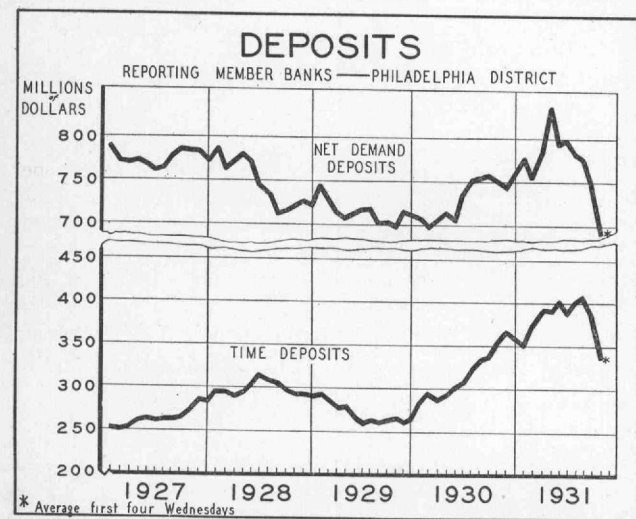
Although the renewal rate on bro-

kers' loans in Philadelphia continues at 4 per cent, unchanged since May 1930, the latest reports show a small increase in average rates charged by large Philadelphia member banks on prime commercial loans to customers. The discount rate of this bank was raised from 3 per cent, the rate in

effect since May 7, to 3½ per cent, effective October 22.

Sales of commercial paper, as reported by four dealers, amounted to only \$595,000 in September, as compared with more than 5 millions in the preceding month. September sales were the smallest for any month in records reaching back to 1923.

Commercial paper sales (four dealers)	Sales to—		Total sales
	City banks	Country banks	
1931—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
Sept.....	60,000	535,000	595,000
1930—Sept....	4,685,000	2,767,500	7,452,500
1929—Sept....	62,500	1,127,500	1,190,000



City areas*	Percentage change—Sept., 1931, from Sept., 1930				
	Employment	Wage payments	Building permits (value)	Debits	Retail trade sales
Allentown.....	-22.9	-41.1	- 62.8	-19.1	-13.7
Altoona.....	- 1.4	-24.8	- 28.9	-25.1	-23.6
Harrisburg.....	-28.7	-38.4	+ 527.9	-19.5	-12.4
Johnstown.....	-49.5	-51.8	- 58.0	-20.3	-21.4
Lancaster.....	- 2.1	- 2.1	- 19.6	-14.5	- 6.7
Philadelphia.....	-15.5	-27.2	- 79.6	-13.1	-16.0
Reading.....	-12.6	-29.2	- 55.0	-19.2	- 5.4
Scranton.....	-13.2	-14.1	+ 39.8	+ 3.8	-12.7
Trenton.....	-10.8	-27.4	- 66.7	+ 7.2	- 8.7
Wilkes-Barre.....	- 0.4	-15.4	- 66.7	+ 2.8	-10.7
Williamsport.....	-10.8	-27.1	- 81.2	-17.5	.....
Wilmington.....	-17.2	-29.6	- 58.1	-14.6	-10.8
York.....	-14.2	-27.4	- 23.3	-13.7	.....

September, 1931, from August, 1931					
Allentown.....	+ 3.0	- 1.7	- 38.0	- 0.5	+12.5
Altoona.....	+ 3.5	- 8.9	+ 56.7	+ 2.1	+13.9
Harrisburg.....	- 0.9	+ 4.0	+1373.2	+ 1.3	+34.7
Johnstown.....	-21.6	-25.2	- 94.2	+ 1.9	- 9.0
Lancaster.....	+ 2.9	+ 4.1	+168.7	+ 0.4	+ 8.8
Philadelphia.....	0.0	- 5.4	- 53.4	+ 8.0	+30.0
Reading.....	- 2.2	- 4.1	+ 23.6	+ 5.9	+ 2.5
Scranton.....	+ 5.6	+ 1.8	- 14.0	+23.5	+28.6
Trenton.....	- 0.5	-12.6	+ 20.2	- 0.4	+10.6
Wilkes-Barre.....	+ 6.8	+11.9	+105.5	+ 9.9	+20.4
Williamsport.....	+ 0.5	+ 1.5	- 51.1	+13.7	.....
Wilmington.....	- 1.2	- 6.8	- 1.2	+20.8	- 8.2
York.....	+ 0.2	- 5.2	+107.5	+11.0	.....

Employment and wages in Pennsylvania	Employment September, 1931		Payrolls September, 1931			
	Sept. index *	Per cent change since		Sept. index *	Per cent change since	
		Sept., 1930	Aug., 1931		Sept., 1930	Aug., 1931
All manufacturing industries (51).....	72.7	-16.9	- 0.3	53.7	-34.0	- 4.4
Metal products.....	65.6	-24.4	- 1.5	44.2	-45.2	- 7.3
Blast furnaces.....	38.8	-26.2	+ 0.5	27.4	-46.7	- 3.5
Steel wks. and rolling mills.....	55.9	-27.0	- 2.4	36.3	-48.8	- 6.7
Iron and steel forgings.....	64.9	-26.1	- 1.1	42.5	-45.7	-11.8
Structural iron work.....	93.9	-20.2	- 4.2	64.2	-38.3	-15.7
Steam & hot wtr. htg. app.....	85.8	-13.5	0.0	56.2	-38.2	- 6.0
Stoves and furnaces.....	64.7	-17.8	+ 3.4	48.2	-32.7	+24.5
Foundries.....	60.4	-27.1	- 4.1	33.8	-50.3	-10.3
Machinery and parts.....	74.6	-19.4	- 1.8	46.5	-38.4	- 8.3
Electrical apparatus.....	100.4	-19.3	+ 1.3	79.4	-40.2	- 7.1
Engines and pumps.....	49.5	-36.1	+ 7.4	33.2	-52.1	+ 0.9
Hardware and tools.....	68.0	-17.2	- 4.1	46.5	-30.6	-11.1
Brass and bronze products.....	62.6	-22.7	+ 0.6	48.3	-34.0	- 2.2
Transportation equipment.....	44.0†	-35.4	- 2.4	30.5†	-50.5	+ 1.0
Automobiles.....	52.6	+ 8.2	+ 2.5	20.4	-35.2	+ 1.5
Auto. bodies and parts.....	49.1	-22.9	-12.0	52.3	+ 5.4	+11.8
Locomotives and cars.....	23.5	-45.6	+ 2.2	16.6	-58.5	+ 5.1
Railroad repair shops.....	60.1	-16.9	-10.3	39.2	-41.9	-25.9
Shipbuilding.....	40.7	-57.9	+ 8.0	33.6	-77.4	- 0.9
Textile products.....	85.6	- 5.9	+ 2.8	70.3	-15.3	- 2.5
Cotton goods.....	62.9	+ 4.3	+ 2.4	50.9	- 9.3	-15.3
Woolens and worsteds.....	63.1	+ 4.0	+ 4.1	52.1	-12.3	-12.7
Silk goods.....	88.2	- 4.4	+ 7.3	85.6	- 5.0	+ 6.7
Textile dyeing and finishing.....	88.3	- 5.1	+ 4.5	79.2	-13.1	- 2.8
Carpets and rugs.....	64.5	+11.4	+ 0.3	52.7	+21.4	- 0.6
Hats.....	73.7	-24.5	- 3.0	54.7	-25.1	+ 0.7
Hosiery.....	99.0	-12.8	- 1.6	75.9	-29.0	- 6.1
Knit goods, other.....	91.0	-11.5	+ 5.2	78.1	-23.8	+ 5.7
Men's clothing.....	83.3	+ 2.8	+ 1.0	74.5	- 3.0	+ 3.6
Women's clothing.....	104.3	- 0.9	- 3.1	83.7	-20.5	- 3.7
Shirts and furnishings.....	150.2	+11.1	+ 7.3	123.4	+ 0.5	- 4.9
Foods and tobacco.....	106.3	- 2.9	+ 2.5	93.6	-10.2	+ 1.6
Bread and bakery products.....	105.3	- 3.9	+ 0.8	95.9	-11.4	+ 0.5
Confectionery.....	107.1	+ 1.6	+13.3	97.6	- 1.0	+22.8
Ice cream.....	106.8	- 0.7	- 9.4	105.3	- 5.0	- 5.7
Meat packing.....	93.9	- 1.7	+ 1.1	79.0	-14.1	+ 0.1
Cigars and tobacco.....	103.4	- 4.8	+ 0.6	83.2	-14.1	- 5.2
Stone, clay and glass products.....	56.6	-14.5	- 1.2	38.6	-30.7	- 2.8
Brick, tile and pottery.....	66.2	-16.5	- 6.8	40.0	-36.2	- 7.8
Cement.....	49.5	-18.9	- 8.3	35.5	-35.6	-11.5
Glass.....	57.6	- 6.2	+22.8	45.6	-13.0	+26.0
Lumber products.....	61.0	-19.4	+ 0.7	58.3	-17.5	+ 1.0
Lumber and planing mills.....	34.1	-49.6	+ 0.9	27.7	-49.4	-13.2
Furniture.....	73.5	- 2.1	+ 0.5	73.2	- 6.3	+ 3.0
Wooden boxes.....	63.2	-14.8	+ 1.0	60.1	- 8.0	+11.7
Chemical products.....	85.2	- 7.1	- 2.7	74.6	-20.9	- 8.7
Chemicals and drugs.....	64.8	- 5.3	+ 3.3	60.6	- 8.2	+ 3.8
Coke.....	58.8	-30.8	- 9.7	32.4	-58.9	-12.0
Explosives.....	76.4	- 2.4	- 2.8	80.2	-16.0	- 9.8
Paints and varnishes.....	86.9	- 2.8	+ 0.6	76.6	-10.3	+ 0.1
Petroleum refining.....	124.3	+ 0.8	- 2.5	116.0	-10.3	-11.0
Leather and rubber products.....	97.0	- 3.3	+ 0.1	89.2	-14.4	- 5.0
Leather tanning.....	101.8	- 8.9	- 0.9	93.0	-18.1	- 4.3
Shoes.....	100.2	+ 4.3	+ 2.8	86.7	-11.9	- 3.6
Leather products, other.....	82.8	+ 5.7	- 2.5	78.2	- 8.2	- 6.1
Rubber tires and goods.....	87.5	- 0.2	- 2.6	94.9	- 1.5	-10.9
Paper and printing.....	91.0	- 6.5	+ 1.0	86.9	-15.3	+ 1.2
Paper and wood pulp.....	78.3	- 5.8	- 2.7	60.3	-23.6	-11.2
Paper boxes and bags.....	83.2	- 8.9	+ 9.0	81.8	-17.6	+ 7.9
Printing and publishing.....	96.9	- 5.4	+ 1.8	98.4	-11.0	+ 5.2
Anthracite.....	77.8	-15.3	+18.8	55.0	-29.7	+15.1
Bituminous coal.....	.....	.....	+ 0.2	.....	.....	- 3.5
Construction and contracting.....	78.3	-25.9	- 7.8	59.5	-32.9	- 4.2
Street railways.....	77.3	- 6.1	+ 0.3	71.8	-15.3	- 4.5
Retail trade.....	89.8	- 7.4	+ 6.8	.....	.....	.....
Wholesale trade.....	90.1	- 1.1	+ 0.1	.....	.....	.....

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

\* 1923-1925 average = 100.

† Preliminary figures.

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

	Demand	Operations	Stocks
<b>Manufacturing</b>			
<b>Iron and steel</b>			
Blast furnaces .....	Slow	Declined	
Steel works and rolling mills .....	Quiet	Some gain	
Foundries and machine shops .....	Quiet, some gain in unfilled orders	Production of steel castings declined; output of iron castings increased	
Electrical apparatus .....	Quiet	Declined	
<b>Transportation equipment</b>			
Locomotives and cars .....	Quiet	Increased	
Shipbuilding .....	Slow	Declined	
<b>Textiles</b>			
Silk manufactures .....	Fair, some gain	Increased	Smaller than a year ago
Wool dealers .....	Quiet, declined		Smaller than a year ago
Wool manufactures .....	Fair, little change; prices lower	Declined	Moderate, declined
Cotton manufactures .....	Fair, increased; prices firmer	Declined	Declined, smaller than a year ago
Clothing .....	Quiet, some gain	Little change	Smaller than a year ago
Hosiery .....	More active; prices lower	Increased	Moderate, smaller than a year ago
Floor coverings .....	Fair, increased	Increased	Declined
<b>Leather products</b>			
Shoes .....	Quiet, declined; prices lower	Increased slightly	Smaller than a year ago
Leather—sole .....	Quiet	Little change	Little change
kid .....	Quiet; prices lower	Declined	Little change
<b>Building materials</b>			
Brick .....	Slow, little change	Declined	Declined
Cement .....	Quiet, little change	Declined less than usual	Some decline but larger than a year ago
Lumber—mills .....	Slow	Declined	Declined
Paints and varnishes .....	Fair	Some gain	Declined, smaller than a year ago
Pottery .....	Quiet	Declined	Moderate, little change
Slate .....	Slow, some decline	Declined	Little change
<b>Miscellaneous</b>			
Paper .....	Quiet, little change	Declined sharply	Little change
Tobacco—cigars .....	Fair, increased	Some gain	Smaller than a year ago
leaf .....	Little change	Increased	Smaller than a year ago
Furniture .....	Slow, little change	Little change	Little change
<b>Building</b>			
	Contract awards increased in September; permits declined	Declined seasonally	
<b>Coal mining</b>			
Anthracite .....	Some gain; prices higher	Increased	
Bituminous .....	Little change; prices firmer	Increased	
<b>Trade</b>			
Retail .....	Increased		Increased seasonally but smaller than a year ago
Wholesale and jobbing .....	More active in October		Smaller than a year ago