

THE BUSINESS REVIEW

THIRD FEDERAL
PHILADELPHIA



RESERVE DISTRICT
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Business and Financial Conditions in the United States

Production and employment in manufacturing industries declined further in October, while output of minerals increased more than is usual at this season. There was a considerable decrease in the demand for reserve bank credit after the middle of October, reflecting a reduction in member bank reserve balances and, in November, an inflow of gold, largely from Japan. Conditions in the money market became somewhat easier.

Production and employment. Total output of manufactures and minerals, as measured by the Board's seasonally adjusted index of industrial production, declined from 76 per cent of the 1923-1925 average in September to 74 per cent in October. Output of steel remained unchanged at 28 per cent of capacity in October although it usually shows an increase for that month; in the first half of November activity at steel mills increased somewhat. Automobile production de-

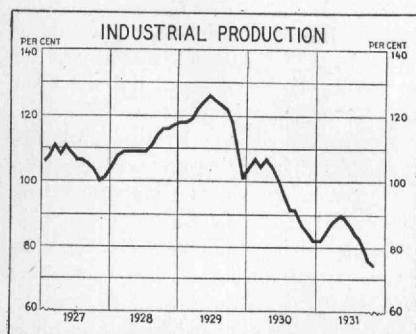
clined sharply in October; production of shoes and woollens decreased and cotton mill activity showed little change, although an increase is usual at this season. Output of bituminous coal increased seasonally, and there were large increases in the output of anthracite and petroleum.

Volume of factory employment declined substantially from the middle of September to the middle of October. At woolen mills where an increase in employment is usual at this season, there was a large decrease. In the automobile and shoe industries reductions in employment were considerably larger than usual, while in the canning industry the decline was wholly of a seasonal character. In the silk goods and hosiery industries employment increased by more than the usual seasonal amount.

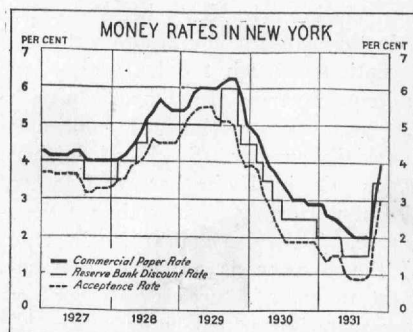
The November cotton crop estimate of the Department of Agriculture was 16,903,000 bales, 600,000 bales larger than the October estimate and

3,000,000 bales larger than last year in spite of a reduction in acreage.

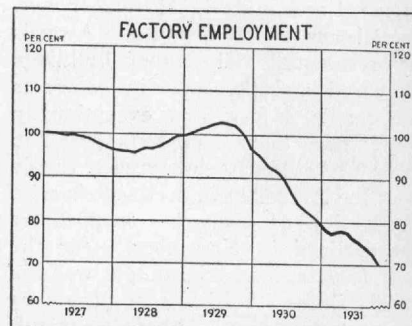
Data on the value of building contracts awarded in the period between September 1 and November 15, as reported by the F. W. Dodge Corporation, showed a continuation of the downward movement. In this period value of contracts was 29 per cent smaller than in the corresponding period of 1930, reflecting smaller volume of construction and somewhat lower building costs.



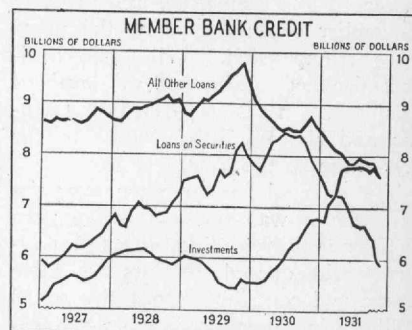
Index number of industrial production, adjusted for seasonal variation. (1923-1925 average = 100.)



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 twenty-one days in November.



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 November.

Distribution. Total volume of freight car loadings remained unchanged in October while loadings of merchandise decreased. Department store sales increased by somewhat more than the usual seasonal amount.

Wholesale prices. The general level of wholesale prices declined from 69.1 per cent of the 1926 average in September to 68.4 per cent in October, according to the Bureau of Labor Statistics. Prices of grains, cotton and silver, after showing a rapid rise beginning early in October, declined considerably, but in the third week of November were still above their October low points; prices of hides and petroleum were also higher in the middle of November than in early October. During this period the prices of livestock and meats declined

rapidly, reflecting in part developments of a seasonal character.

Bank credit. Reserve bank credit, which had increased rapidly between the middle of September and the third week of October, declined by \$265,000,000 during the following four weeks. This decline reflected a large reduction in member bank and other balances at the reserve banks and also an inflow of gold, chiefly from Japan. Demand for currency, which had been on a large scale during September and the first three weeks of October, showed relatively small fluctuations after that time and in the second week of November declined by somewhat more than the seasonal amount.

Loans and investments of member banks in leading cities continued to

decline during recent weeks and on November 18 the total volume was \$500,000,000 smaller than five weeks earlier. This decrease reflected substantial reductions in loans on securities and in other loans, as well as in the banks' holdings of investments. At the same time deposits of these banks also declined with a consequent reduction in the reserve bank balances which they were required to hold with the reserve banks.

Money rates in the open market which had advanced sharply during October declined somewhat early in November. Rates on prime commercial paper declined, from a range of 4-4¼ per cent to a range of 3¾-4 per cent, and rates on banker's acceptances from 3¼ to 2⅞ per cent.

Business and Financial Conditions in the Philadelphia Federal Reserve District

Industrial activity showed little change during October, although seasonal gains generally are characteristic of that month. Manufacturing was slightly less active than was to be expected and in early November registered customary declines. Awards for residential and factory buildings increased and the gain in contracts for public works was exceptionally large; nevertheless, payrolls failed to show proportionate increases. Lately even the awards have declined sharply. Production of coal rose in October but declined in November. For the year to date, industrial output was the lowest shown for the same period of the past nine years, although agricultural yields compare favorably with the average. Retail sales in October increased less than usual and in early November continued below the usual rate of expansion. Wholesale business declined. The general level of commodity prices decreased in October and showed little change in the first three weeks of November.

The demand for currency over the past month was far less active than in the month preceding, although payments did exceed receipts to some extent and contributed to a rise of 10 millions in borrowings from the reserve bank. The reserve ratio of this bank changed little. Member banks report a further decline in loans to customers; these loans are materially

lower than a year ago, reflecting in a measure declines in business activity and in prices.

Manufacturing. While some seasonal improvement in manufacturing activity occurred in October, sales and production in the aggregate failed to measure up to the volume of business typical for that month. Orders for manufactures reflected chiefly replacement demands, although those factories whose products are made principally for equipment purposes reported the continuance of unusually slack business. Prices of finished products declined a little further, but the drop in quotations for raw materials and semi-manufactured products was relatively greater.

Unfilled orders for manufactured products in early November showed a reduction from a month ago with the exception of such textiles as hosiery and cotton yarns. In comparison with last year, advance business continues materially smaller. Stocks of finished goods declined further and were almost uniformly smaller than a year before. This also appears to be true of the country as a whole with respect to manufactured goods but not raw materials which show accumulation when contrasted with inventories in recent years.

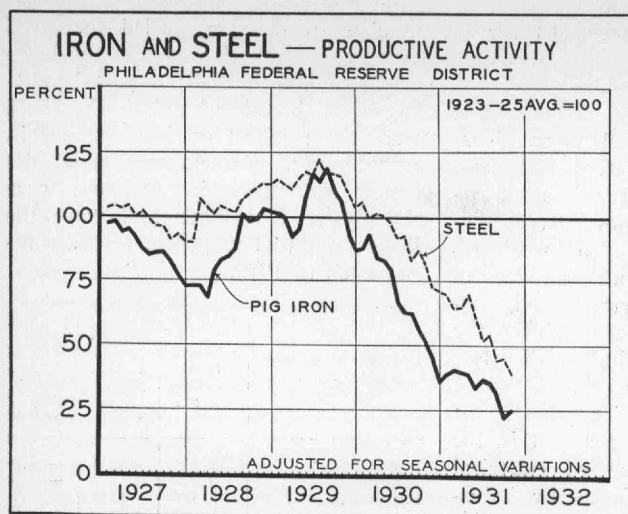
Factory employment in Pennsylvania showed a drop of one per cent,

while wage payments a gain of two-tenths of one per cent from September to October. Decreases in other industrial states such as Delaware, Massachusetts, New York and Illinois were much greater than in Pennsylvania, ranging from 3 to 8 per cent in employment and from 5 to 12 per cent in payrolls. Indexes for the country as a whole show a decrease of 3 per cent in employment and payrolls of the manufacturing industry. In comparison with a year ago, the Pennsylvania factory employment index was 17 per cent smaller and the payroll index 33 per cent less.

Production activity showed smaller than the usual gain, so that the seasonally adjusted index declined four-tenths of one per cent from September as compared with the decline of 5 per cent in the national output of manufactures. The district index was 20 per cent and the national index 13 per cent lower than in October 1930.

More than seasonal gains occurred in the manufacturing groups comprising textile products, transportation equipment, foods, tobacco, and radio and musical instruments. On the contrary, larger than usual recessions took place in the output of metals, chemicals, leather products, building materials, and paper and printing.

Among individual textile products, the output of silk goods, carpets and rugs, cotton yarns, and men's clothing



Source: Iron Age.



Sources: Silk Association of America and Bureau of the Census

cut in Philadelphia showed more than customary gains. This was also true of raw wool takings by carpet and other mills; national deliveries of wool fibers to factories declined 15 per cent. Production of hosiery and cotton goods increased by smaller than the seasonal amount, while that of knit underwear decreased sharply contrary to the usual tendency.

In the food group, gains were reported for bread and bakery products, sugar, and slaughtering of hogs, sheep, and cattle. Canning and preserving, ice cream, and the number of calves slaughtered declined more than is to be expected. The output of cigars did not increase as much as it should in October, while manufactured tobacco showed an exceptional gain.

Activity in the metal industry continued at an extremely low level and further decreases were reported for steel works and rolling mills, and iron castings, while electrical apparatus and steel castings registered rather small gains. Output of pig iron was greater than seasonal. In the transportation equipment group, operations of shipbuilding plants showed the sharpest gain, and the output of motor vehicles the largest relative decline.

The percentage decline in the output of shoes was nearly four times as great as is usual for October; the relative drop in the country's shoe production was even greater. Prices of shoes at wholesale declined fractionally from September but remained considerably above the pre-war level. This was also true of leather. Hides and skins, the market for which is

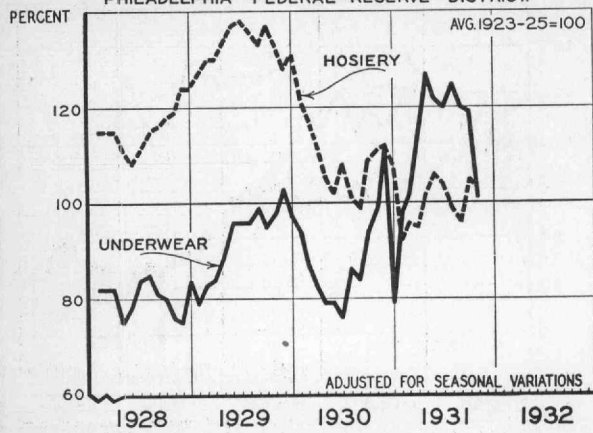
Business indicators Philadelphia Federal Reserve District	October, 1931		
	Amount	Percentage change since	
		Sept., 1931	Oct., 1930
Retail trade* —estimated net sales (161) stores.....	\$818,100	+ 20.0	- 20.7
Department (68).....	\$706,900	+ 19.7	- 20.9
Men's apparel (24).....	\$20,500	+ 21.3	- 26.2
Women's apparel (15).....	\$63,700	+ 24.2	- 18.4
Shoe (36).....	\$9,600	+ 12.9	- 11.8
Credit (18).....	\$17,400	+ 20.0	- 18.2
Wholesale trade* —net sales (99) firms.....	\$236,753	- 5.9	- 22.2
Boots and shoes (5).....	\$4,239	+ 10.9	- 6.2
Drugs (10).....	\$51,037	- 6.7	- 8.3
Dry goods (12).....	\$13,170	+ 10.0	- 20.5
Electrical supplies (7).....	\$10,835	- 2.9	- 49.9
Groceries (29).....	\$84,341	- 16.9	- 17.9
Hardware (20).....	\$49,930	+ 9.3	- 22.2
Jewelry (9).....	\$10,090	+ 6.8	- 51.5
Paper (7).....	\$13,111	- 1.2	- 19.9
Productive activity* —			
Employment—831 plants in Penna.....	250,993	- 1.2	- 16.8
Wage payments (weekly average).....	\$4,948,775	+ 0.2	- 33.2
Shoe production†—82 factories.....	47,006	- 19.7	.....
Hosiery production†—135 mills.....	63,402	+ 8.2	.....
Underwear production†—53 mills.....	13,496	- 7.6	.....
Wool consumption†—65 mills.....	326,600	+ 0.1	.....
Active cotton spindle hours.....	516,562	+ 25.0	- 17.9
Pig iron production.....	2,625	+ 15.2	- 52.2
Iron casting production—33 foundries.....	87	- 13.4	- 48.9
Steel casting production—9 foundries.....	80	+ 4.1	- 50.9
Anthracite.....	250,800	+ 43.9	- 12.4
Bituminous coal—Penna.....	331,200	+ 10.0	- 21.8
Petroleum receipts at Port of Philadelphia.....	43,500	+ 75.4	- 16.0
Cement.....	76,419	- 17.0	- 15.2
Electric power output—11 systems.....	18,220,500	+ 3.9	+ 0.4
Financial and credit* —			
Debits (check payments)*—17 cities.....	\$88,177,200	+ 8.1	- 14.6
Loans and investments—November 18—reporting member banks in 4 cities.....	\$1,232,000,000	- 2.7	- 4.6
Bills discounted held by F. R. B. of Phila. (daily average).....	\$89,300,000	+181.7	+410.3
Bankers' acceptances outstanding—end of month.....	\$17,202,000	- 2.6	- 33.4
Commercial paper sales*—4 dealers.....	\$36,170	+ 39.8	- 85.5
Commercial failures—number.....	165	+ 46.0	+ 35.2
Commercial failures—liabilities.....	\$8,924,351	+231.2	+135.0
Building and real estate* —			
Building permits*—17 cities.....	\$158,876	+ 24.0	- 45.9
Building contracts awarded*.....	\$981,500	+ 57.3	+ 45.4
Number of real estate deeds recorded* (Philadelphia county).....	206	+ 50.4	+ 22.6
Value of mortgages recorded* (Philadelphia county).....	\$261,297	- 17.4	- 17.1
Sheriff sales—writs issued for November—(Philadelphia county).....	1,357	+ 52.8	+ 15.5
Miscellaneous* —			
Freight car loadings (Allegheny district).....	23,954	- 2.8	- 21.7
Sales of life insurance (Penna., N. J., and Del.).....	\$3,481,600	+ 14.1	- 10.8
Automobile sales registrations of new passenger cars.....	326	- 19.7	- 18.9

* Daily average of monthly figures.

† Bureau of the Census preliminary figures.

OUTPUT OF KNIT GOODS

PHILADELPHIA FEDERAL RESERVE DISTRICT.



Source: United States Bureau of the Census

fairly quiet, were quoted at appreciably lower prices than in September, and the average was substantially below that of 1913.

Petroleum refineries showed little variation in output. Explosives increased seasonally, while the output of by-product coke remained stationary instead of moving slightly upward. Production of paper and wood pulp increased, while the rate of activity of printing and publishing decreased.

The output of lumber and planing mills showed gains contrary to the usual seasonal tendency, while that of brick registered virtually no change. As a result of slackened demand, production and shipment of cement showed an exceptional decline in November; production was the lowest in the past nine years, when allowance for seasonal changes is made. Cement stocks, while decreasing in the month,

adjusted index rose about 4 per cent from September and was slightly higher than in October 1930. The increase of 4 per cent in the total output of electricity was somewhat smaller than was to be expected.

Building and real estate. Activity in construction and contracting declined further in October. Employment in Pennsylvania was 2 per cent smaller than in September, the drop in the Philadelphia area offsetting advances in the Pittsburgh area and the rest of the state. Payrolls and operating time increased for the state but declined for Philadelphia. Buildings showed the most pronounced decline in employment and payrolls. The proposed expenditure under permits issued in seventeen cities of the district was larger than in the preceding month but showed a noticeable reduction in comparison with October 1930.

Total value of contracts awarded in October for new construction showed an exceptional increase, owing mainly to sharp gains in awards for public works; ordinarily there is a decline for that month. Contracts let for residential and factory buildings were larger than during September while awards for commercial buildings showed some decline. In early November contract awards for all classes of construction declined.

The local real estate situation remains quiet. Renting demand for houses and apartments shows little change and is confined chiefly to dwellings of the less expensive type; prospective buyers are still finding it difficult to finance their purchases. The

number of deeds recorded increased sharply last month and was the largest since March 1930; recorded mortgages, on the other hand, declined and were the smallest of any October in recent years. Foreclosures, which declined seasonally in October, rose sharply in November and were the largest for that month in records dating back to 1919.

The decline of 5 per cent in the use of electrical energy by industries was smaller than usual, so that the season-

ally adjusted index rose about 4 per cent from September and was slightly higher than in October 1930. The increase of 4 per cent in the total output of electricity was somewhat smaller than was to be expected.

Contracts awarded in selected cities and district	10 months 1931 (000's omitted)	Per cent change from	
		1930	1926-29 average
Philadelphia.....	\$ 51,807	-55.1	-69.9
Reading.....	3,036	+ 4.1	-48.5
Scranton.....	1,144	-68.8	-71.4
Camden.....	2,047	-49.0	-77.0
Trenton.....	3,549	+ 4.9	-54.0
Wilmington.....	3,298	-50.2	-49.1
"All other".....	109,381	-32.3	-43.6
District, all cities...	174,261	-41.4	-56.3

Source: F. W. Dodge Corporation.

Agriculture. During the agricultural season just past, such favorable factors as higher yields per acre and reduction of some of the production costs were more than offset by the low prices received for farm products; consequently, the purchasing power of the farmer is expected to be smaller than at the end of 1930.

Estimated yields of corn, tobacco and white potatoes in this district were substantially higher this year than last and compared favorably with the average of recent years. Acreage sown to winter wheat was about equal to last year's, and the stand of the new crop appears somewhat better than in November 1930.

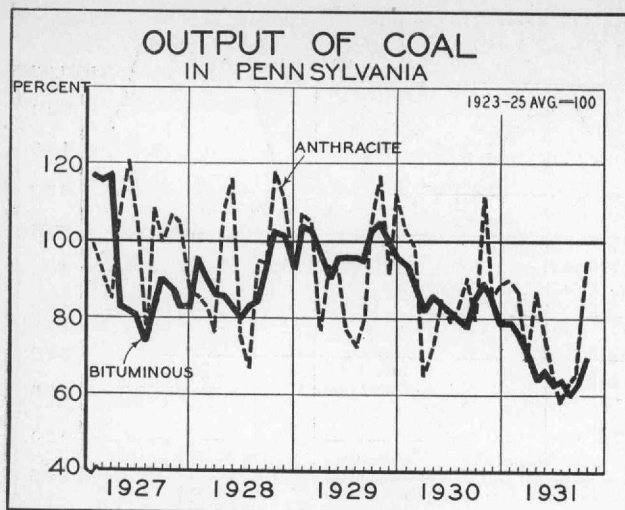
Livestock on farms measure up to their usual November 1 condition. The slaughtering of swine showed a gain during the past month but the number of hogs marketed this fall was smaller than a year ago.

Coal. Demand for anthracite has improved since the middle of October. Colliery output, which averaged about 250,000 tons daily, was the largest since October 1930; in early November the weekly production of mines declined slightly but remained above the low levels of September. Average prices of anthracite in the country declined slightly during October but remained about 5 per cent higher than a year ago.

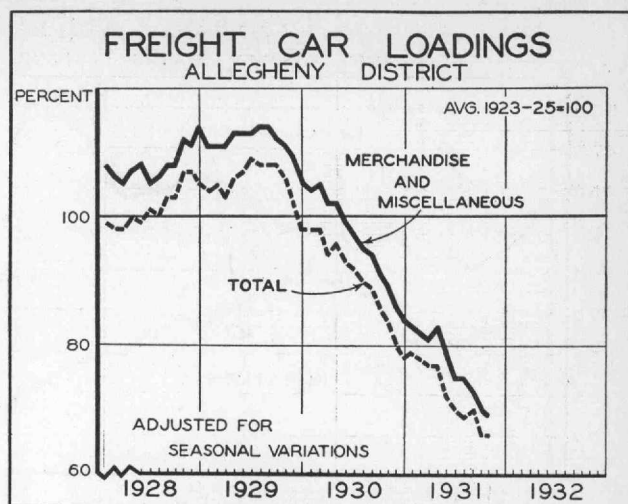
Output of Pennsylvania bituminous coal increased seasonally during October, but for the year-to-date produc-

Electric power Philadelphia Federal Reserve District 11 Systems	Oct., 1931 per cent change from	
	Oct., 1930	Sept., 1931
Rated generator capacity.....	+ 1.8	+ 0.1
Generated output.....	+ 0.4	+ 3.9
Hydro-electric.....	+54.9	-20.2
Steam.....	- 5.2	+ 7.5
Purchased.....	+13.5	- 0.1
Sales of electricity.....	+ 2.7	- 1.2
Lighting.....	+ 7.7	+ 4.7
Municipal.....	+ 2.4	+ 9.5
Residential and commercial.....	+ 8.4	+ 4.0
Power.....	- 1.6	- 3.8
Municipal.....	-13.2	- 4.7
Street cars and railroads ..	-10.0	+ 5.2
Industries*	+ 0.4	- 5.2
All other sales.....	+28.1	+ 6.7

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



Source: Bureau of Mines



Source: American Railway Association

tion was 20 per cent smaller than last year. In early November colliery output showed a small decline. Shipments increased noticeably last month and were the largest since January, reflecting a somewhat stronger demand from industry. October prices showed some decline from the level of the preceding month and were 6.3 per cent lower than a year ago.

Distribution. The gain of 20 per cent in retail sales from September to October was smaller than usual, owing chiefly to unfavorable weather and continued adverse industrial conditions. Increases in early November also appear to have been smaller than is to be normally expected.

In the first ten months of this year, dollar retail sales were 11 per cent smaller than in the same period last year, and in the country the decline amounted to 10 per cent. Comparison between October this year and last shows a decrease of 21 per cent, which may be explained in part by the fact that October a year ago was an exceptionally good month and prices were higher than this year.

Retail prices have continued downward. Since the first of the year, the average decline in prices of merchandise generally sold by department and apparel stores has amounted to 15 per cent, according to Fairchild's retail price index. Retail prices of food in Philadelphia and Scranton increased about one-half of one per cent, while in the country, they decreased one-third of one per cent between the middle of September and October. Compared with a year ago, food prices in Philadelphia were 13 per cent and in

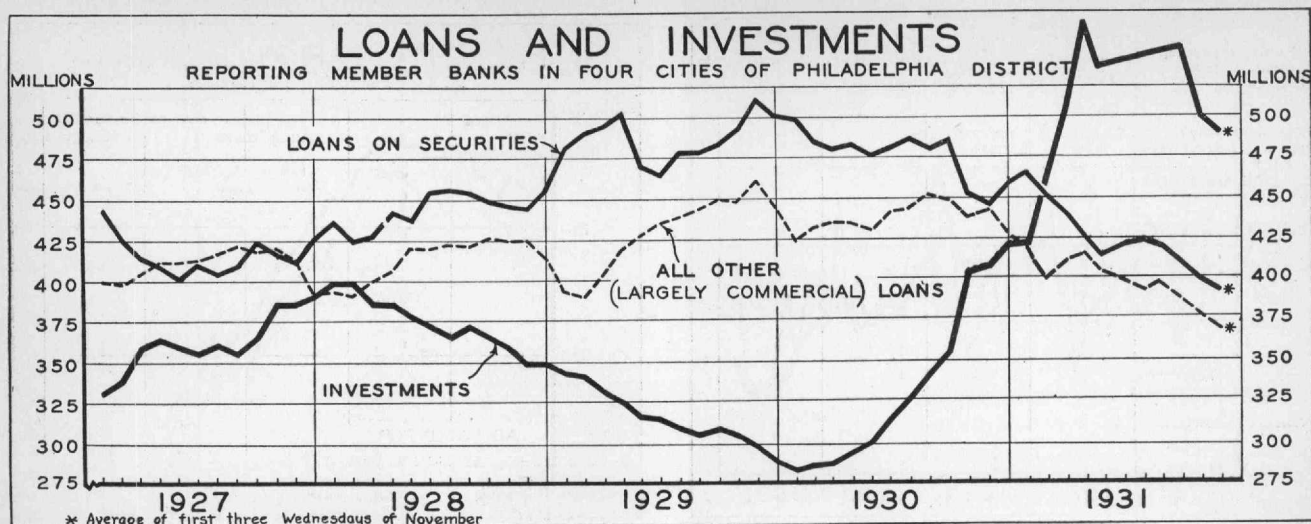
Scranton 15 per cent lower as against a decline of 17½ per cent in the country.

Stocks of merchandise at retail establishments increased seasonally in all lines except men's apparel in Philadelphia, and in shoes; but they were 14 per cent smaller than at the end of October 1930. The

Retail trade Philadelphia Federal Reserve District October, 1931	Percentage change				Rate of turnover ten months	
	Net sales: 1931, compared with 1930		Stocks: Oct. 31, 1931, compared with			
	Oct.	Ten months	Oct. 31, 1930	Sept. 30, 1931	1930	1931
All reporting stores.....	-20.7	-11.2	-14.0	+7.4	3.07	3.15
Department.....	-20.9	-11.2	-13.3	+8.2	3.08	3.15
in Philadelphia.....	-23.9	-12.5	-12.2	+9.6	3.40	3.39
outside Philadelphia.....	-11.5	-7.6	-15.8	+5.3	2.43	2.65
Men's apparel.....	-26.2	-15.4	-17.4	-1.1	1.80	1.80
in Philadelphia.....	-29.9	-19.2	-22.7	-5.5	1.97	1.95
outside Philadelphia.....	-23.5	-12.3	-14.0	+1.6	1.67	1.70
Women's apparel.....	-18.4	-9.7	-18.3	+9.1	5.06	5.45
in Philadelphia.....	-19.4	-9.9	-19.3	+9.7	5.35	5.86
outside Philadelphia.....	-10.5	-7.9	-12.8	+5.9	3.33	3.29
Shoe.....	-11.8	-18.8	-18.0	-2.3	2.20	2.14
Credit.....	-18.2	-8.3	-18.1	+0.1	1.99	2.24

Wholesale trade Philadelphia Federal Reserve District October, 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—								
Ten months 1931 compared with ten months 1930.....	-22.2	-5.1	-17.7	-17.3	-14.0	-19.2	-37.8	-18.8
Oct., 1931, compared with: Sept., 1931.....	+10.9	-6.7	+10.0	-2.9	-16.9	+9.3	+6.8	-1.2
Oct., 1930.....	-6.2	-8.3	-20.5	-49.9	-17.9	-22.2	-51.5	-19.9
Actual index:*								
Oct., 1931.....	72.2	95.5	59.5	59.5	84.2	71.4	62.9	68.4
Sept., 1931.....	65.1	102.4	54.1	61.3	101.3	65.3	58.9	69.2
Oct., 1930.....	77.0	104.2	74.8	118.7	102.6	91.8	129.6	85.4
Seasonally adjusted index:*								
Oct., 1931.....	58.2	97.4	44.7	46.5	77.2	62.6	46.9	63.7
Sept., 1931.....	45.2	99.4	40.7	51.1	91.3	62.2	47.5	67.6
Oct., 1930.....	62.1	106.3	56.2	92.7	94.1	80.5	96.7	79.8
Stocks—Oct. 31, 1931								
Change from: Sept. 30, 1931.....		+2.0	-0.5	-1.0	+1.1	-1.1	-4.4	-3.0
Oct. 31, 1930.....		-9.2	-11.8	-27.2	-17.4	-1.4	-26.4	-17.8
Receivables—Oct. 31, 1931								
Change from: Sept. 30, 1931.....	+7.4	-0.4	+8.8	+0.8	-2.2	+3.6	+15.3	-0.4
Oct. 31, 1930.....	-23.1	-7.3	-16.6	-25.0	-10.8	-17.9	-28.2	-7.2
Collections during Oct., 1931								
Change from: Sept., 1931.....	+15.8	+0.2	+16.2	.....	-4.1	+19.3	+13.2	+18.9
Oct., 1930.....	+5.3	-5.7	-26.3	.....	-20.2	-17.5	-17.4	-26.0

* 1923-1925 = 100.



rate of turnover has been somewhat higher this year than last. Collections in the city areas for which figures are available were smaller than a year ago.

Wholesale trade was smaller in October than September, while last year at the same time an increase was shown. This unfavorable comparison is due to exceptional declines in the sale of groceries and drugs, a smaller than usual increase in jewelry, and decreases instead of increases in electrical supplies and paper; extra seasonal gains in the sale of shoes, hardware and dry goods were not sufficient to offset the deficiencies in other lines. Preliminary reports show no conclusive evidence that there was any marked change in early November.

Compared with a year ago, dollar sales were 22 per cent smaller, declines ranging from 6 per cent in shoes to 52 per cent in jewelry. Sales were also smaller in the first ten months of this year than last, decreases varying from 5 per cent in drugs to 38 per cent in jewelry. Lower wholesale prices and depressed industrial conditions in the main account for this unfavorable comparison.

Most of the lines show reduction in inventories during October, and all lines reported smaller stocks than at the end of October 1930. Collections increased during October in all branches except groceries; they were, however, smaller than a year ago except for a small increase in shoes.

Shipments of commodities by railroad freight in this section declined instead of increasing as is to be expected in October. The decrease

amounted to 21 per cent in the first ten months of this year as compared with the same period of 1930; it has been, moreover, sharp and almost continuous since 1929, as shown by the accompanying chart.

The percentage decline in sales of new passenger automobiles, as measured by registrations, was almost five times as much as it usually is from September to October; for the year to date, sales were 8 per cent smaller than in the same period last year.

Financial conditions. Currency demand and bank failures have dropped sharply in this district during recent weeks. Currency payments exceeded receipts by nearly 6 millions from October 21 to November 18, but this probably was little more than normal for the season.

The reserve ratio shows little change. Bills discounted held by this bank increased from 98 to 108 millions largely as a result of in-

creased accommodation to banks outside of Philadelphia; there was a small decline in the reserve deposits of member banks. The rise in borrowings can be accounted for by the need for currency and the operations of the Treasury. To make current disbursements, the government withdrew 16 millions from depositary banks in this district; but a substantial part of this was paid out locally, so that only about 6 millions of government funds were withdrawn from this market for use in other reserve districts. Showing only a slight balance in favor of the district, the interdistrict settlements of commercial and financial transactions with other districts had little effect on the demand for reserve bank credit.

Loans to customers, reported by member banks in Philadelphia, Camden, Scranton, and Wilmington, during the last four weeks have declined from 748 to 729 millions, and now are over one hundred millions less than a year ago. The decline from a year ago may be accounted for in part by reduced business activity and lower prices.

The banks also reported a decline between October 21 and November 18 in holdings of bought commercial paper and a reduction of 11 millions in investments. The decrease from 1,266 to 1,232 millions in total loans and investments accompanied a drop from 1,034 to 994 millions in deposits, bringing them to the lowest point since March 1930. United States deposits were drawn upon but the major part of the fall was in time deposits. Net demand deposits changed little, despite the paying off of loans and re-

Federal Reserve Bank of Philadelphia (Dollar figures in millions)	Nov. 18, 1931	Changes in—	
		Four weeks	One year
Bills discounted for banks in—			
Philadelphia....	\$ 59.1	+\$0.5	+\$ 57.7
Twenty other large cities....	25.9	+ 4.5	+ 17.7
Other communities.....	22.9	+ 4.6	+ 14.1
Total bills discounted.....	\$107.9	+\$9.6	+\$ 89.5
Bills bought.....	6.9	- 7.8	+ 4.0
United States securities.....	58.1	+ 0.2	+ 4.6
Other securities....	7.8	+ 1.1	+ 6.8
Total bills and securities.....	\$180.7	+\$3.1	+\$104.9
Member bank reserve deposits.....	130.2	- 1.4	- 11.5
Cash reserves.....	269.9	+ 5.0	+ 51.3
Reserve ratio.....	64.7%	+ 0.2%	- 19.2%

Weekly reporting member banks (000,000's omitted)	Nov. 19, 1930	Oct. 21, 1931	Nov. 18, 1931
Loans to customers...	\$ 832	\$ 748	\$ 729
Loans to the open market...	54	24	20
United States securities	124	194	190
Other securities...	282	300	293
Total loans and investments...	\$1,292	\$1,266	\$1,232
Net demand, time and United States deposits...	1,109	1,034	994

ductions in bankers' balances, suggesting that a substantial amount of new demand deposits was received by the reporting banks or that funds were transferred from the time to the demand classification.

Rates on prime commercial loans, reported by large member banks in Philadelphia, show a further rise during the past month to an average of a little over 4½ per cent. This is an advance of more than one-half of one per cent over the lowest point reached this year.

Commercial paper sales (four dealers)	Sales to—		Total sales
	City banks	Country banks	
1931—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
Oct. ...	0	850,000	850,000
1930—Oct. ...	3,165,000	2,827,500	5,992,500
1929—Oct. ...	1,102,500	1,187,500	2,290,000

City areas*	Percentage change—Oct., 1931, from Oct., 1930				
	Employment	Wage payments	Building permits (value)	Debits	Retail trade sales
Allentown...	-20.7	-38.1	-78.0	-12.0	-13.7
Altoona...	-8.9	-28.8	-51.0	-25.4	-13.4
Harrisburg...	-24.3	-33.7	-68.2	-8.5	-16.1
Johnstown...	-48.3	-53.4	-60.7	-21.4	-19.3
Lancaster...	+1.9	-13.0	-57.0	-11.5	-15.4
Philadelphia...	-15.6	-24.2	-46.1	-17.6	-23.5
Reading...	-13.1	-28.9	-86.1	-13.6	-3.6
Seranton...	-23.7	-30.8	-66.0	-6.8	-11.9
Trenton...	-12.7	-29.2	+295.2	+11.6	-13.3
Wilkes-Barre...	-2.2	-16.4	-73.5	-23.4	-10.7
Williamsport...	-0.8	-6.6	-34.4	-15.4	-15.3
Wilmington...	-20.1	-28.4	+9.1	-19.5	-12.1
York...	-13.7	-23.2	-35.0	-12.1	-12.1

Oct., 1931 from Sept., 1931

Allentown...	+0.8	-0.4	-46.9	+23.4	+36.7
Altoona...	-2.1	+2.5	-49.4	+5.8	+10.0
Harrisburg...	+4.2	+3.1	-89.0	+14.2	+8.8
Johnstown...	+0.5	-5.0	+54.1	+12.1	+36.4
Lancaster...	+3.1	-6.0	-63.3	+24.2	+49.9
Philadelphia...	-2.1	+1.4	+125.5	+10.7	+30.0
Reading...	+1.8	+12.7	-76.5	+17.5	+59.8
Seranton...	+0.7	-4.3	-70.0	+0.5	+12.2
Trenton...	-2.7	+6.5	+449.5	+11.3	+29.5
Wilkes-Barre...	+2.9	+3.1	-77.9	-15.2	+53.6
Williamsport...	+1.1	-0.8	-33.7	+10.0	.....
Wilmington...	-6.9	-0.8	+148.5	+5.1	+32.6
York...	+0.8	-0.2	-46.6	+8.6	.....

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

Although no sales of commercial paper were made to Philadelphia banks in October, dealers report a rise in sales from \$595,000 in September to \$850,000 in October. Reporting member banks on November 18 were holding less than 16 millions of this paper, as compared with a 1931 high of 39 millions at the end of April and 48 millions a year ago.

Although national figures showed an increase, outstanding acceptances of banks in this district decreased during October from \$17,667,000 to \$17,202,000. The decline in the past year was about one-third both in this district and in the country.

Employment and wages in Pennsylvania	Employment October, 1931			Payrolls October, 1931		
	Oct. index *	Per cent change since		Oct. index *	Per cent change since	
		Oct., 1930	Sept., 1931		Oct., 1930	Sept., 1931
All manufacturing industries (51).....	71.9	-16.8	- 1.2	53.9	-33.2	+ 0.2
Metal products.....	63.1	-25.3	- 3.8	42.8	-45.0	- 3.4
Blast furnaces.....	38.2	-17.0	- 1.5	25.2	-46.2	- 8.0
Steel wks. and rolling mills.....	53.3	-29.5	- 4.7	33.0	-52.9	- 9.1
Iron and steel forgings.....	69.5	-17.4	+ 7.1	52.2	-25.5	+22.8
Structural iron work.....	89.2	-18.4	- 5.0	63.6	-33.4	- 0.9
Steam & hot wtr. htg. app.....	88.2	-10.1	+ 2.2	66.7	-28.8	+16.4
Stoves and furnaces.....	65.0	-20.0	+ 0.5	54.0	-24.4	+12.0
Foundries.....	60.0	-27.0	- 0.7	33.0	-52.6	- 2.4
Machinery and parts.....	71.6	-20.0	- 4.0	47.0	-40.0	+ 1.1
Electrical apparatus.....	95.9	-19.3	- 4.5	79.6	-32.0	+ 0.3
Engines and pumps.....	42.6	-41.6	-13.9	29.5	-55.4	-11.1
Hardware and tools.....	67.3	-16.7	- 1.0	49.2	-30.1	+ 5.8
Brass and bronze products.....	61.0	-23.2	- 2.6	48.3	-30.2	0.0
Transportation equipment.....	44.4†	-33.5	- 0.7	33.0†	-46.9	+ 4.1
Automobiles.....	55.1	+16.2	- 4.3	23.6	-20.0	-14.5
Auto. bodies and parts.....	49.6	- 8.1	+ 1.0	55.3	+37.6	+ 5.7
Locomotives and cars.....	23.0	-44.7	- 2.1	14.8	-60.3	-10.8
Railroad repair shops.....	64.1	-11.1	+ 6.7	50.9	-27.9	+29.8
Shipbuilding.....	40.4	-59.2	- 0.7	55.1	-64.1	+64.0
Textile products.....	89.3	- 5.7	+ 4.6	77.3	-13.6	+10.1
Cotton goods.....	63.8	+ 7.0	+ 1.4	53.2	0.0	+ 4.5
Woolens and worsteds.....	65.1	+ 2.8	+ 3.2	53.6	- 7.1	+ 2.9
Silk goods.....	93.3	- 7.0	+ 6.4	90.1	-11.4	+ 5.5
Textile dyeing and finishing.....	84.5	- 6.0	- 4.3	68.3	-21.5	-13.3
Carpets and rugs.....	67.0	+10.0	+ 3.9	59.1	+18.2	+12.1
Hats.....	73.6	-17.5	- 0.1	57.8	-20.3	+ 5.7
Hosiery.....	107.6	-10.4	+ 8.7	96.5	-22.1	+27.1
Knit goods, other.....	92.3	- 4.6	+ 1.4	76.8	-18.9	- 1.7
Men's clothing.....	82.5	- 2.0	- 1.0	72.7	- 6.0	- 2.4
Women's clothing.....	96.2	+ 8.1	- 7.8	77.4	-11.8	- 7.5
Shirts and furnishings.....	149.8	+ 2.0	- 0.3	126.0	- 6.3	+ 2.1
Foods and tobacco.....	104.4	- 2.2	- 1.8	94.3	- 7.4	+ 0.7
Bread and bakery products.....	104.0	- 4.9	- 1.0	97.2	-10.7	+ 1.5
Confectionery.....	107.4	+ 1.5	+ 0.3	104.3	+ 2.5	+ 6.9
Ice cream.....	88.9	-10.7	-16.8	87.4	-13.5	-17.0
Meat packing.....	96.1	- 0.4	+ 2.3	85.9	- 8.0	+ 8.7
Cigars and tobacco.....	101.9	- 1.6	- 1.5	82.5	- 8.6	- 0.8
Stone, clay and glass products.....	57.7	-12.6	+ 1.9	38.7	-31.7	+ 0.3
Brick, tile and pottery.....	68.5	-13.1	+ 3.5	39.4	-35.6	- 1.5
Cement.....	49.3	-17.4	- 0.4	33.8	-36.8	- 4.8
Glass.....	59.7	- 4.9	+ 3.6	51.1	-15.7	+12.1
Lumber products.....	56.6	-20.7	- 7.2	48.1	-32.3	-17.6
Lumber and planing mills.....	36.4	-37.5	+ 6.7	32.1	-33.5	+15.9
Furniture.....	63.7	-14.6	-13.5	54.0	-32.5	-26.3
Wooden boxes.....	61.4	-13.5	- 2.8	51.2	-30.2	-14.8
Chemical products.....	83.7	- 4.8	- 1.8	74.2	-20.4	- 0.5
Chemicals and drugs.....	63.5	- 4.5	- 2.0	57.1	-13.7	- 5.8
Coke.....	61.5	-22.3	+ 4.6	32.5	-56.8	+ 0.3
Explosives.....	76.1	- 2.1	- 0.4	82.9	-13.9	+ 3.4
Paints and varnishes.....	85.1	- 6.6	- 2.1	74.5	-21.3	- 2.7
Petroleum refining.....	119.9	+ 2.1	- 3.5	116.3	- 7.6	+ 0.2
Leather and rubber products.....	93.0	- 6.8	- 4.1	81.0	-19.4	- 9.2
Leather tanning.....	96.6	-13.8	- 5.1	83.2	-26.0	-10.5
Shoes.....	100.6	+ 5.8	+ 0.4	84.6	- 1.9	- 2.4
Leather products, other.....	69.8	-10.9	-15.7	64.5	-27.0	-17.5
Rubber tires and goods.....	81.7	- 3.0	- 6.6	83.5	- 8.9	-12.0
Paper and printing.....	92.1	- 6.0	+ 1.1	87.0	-17.2	+ 0.1
Paper and wood pulp.....	79.3	- 4.6	+ 1.3	63.6	-23.9	+ 6.0
Paper boxes and bags.....	87.4	- 6.8	+ 5.0	88.9	-17.7	+ 8.7
Printing and publishing.....	97.4	- 5.8	+ 0.5	96.4	-13.8	- 2.0
Anthracite.....	84.4	-12.3	+ 8.5	77.3	-24.4	+40.5
Bituminous coal.....	.....	.....	+ 0.1	.....	.....	+ 7.7
Construction and contracting.....	76.9	-25.3	- 1.8	62.0	-27.1	+ 4.2
Street railways.....	76.4	- 6.1	- 1.2	77.6	- 9.6	- 8.1
Retail trade.....	90.6	- 7.6	+ 0.9	.....	.....	.....
Wholesale trade.....	91.0	- 0.2	+ 1.0	.....	.....	.....

* 1923-1925 average = 100. † Preliminary.

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

	Demand	Operations	Stocks
Manufacturing			
Iron and steel			
Blast furnaces.....	Quiet	Some increase in October	
Steel works and rolling mills.....	Slow	Declined	
Foundries and machine shops.....	Quiet, some gain in unfilled orders	Production of iron castings in October declined, while of steel castings increased	
Electrical apparatus.....	More active	Some gain	
Transportation equipment			
Locomotives and cars.....	Quiet	Declined	
Shipbuilding.....	More active	Increased sharply in October	
Textiles			
Silk manufactures.....	Quiet, little change	Some gain	Little change, smaller than a year ago
Wool dealers.....	Quiet, declined		Declined
Wool manufactures.....	Quiet, declined; prices lower	Little change	Smaller than a year ago
Cotton manufactures.....	Quiet, prices lower	Little change, though yarns increased	Moderate, declined
Hosiery.....	Fair, increased; unfilled orders larger	Increased but not as much as usual	Slightly larger
Floor coverings.....	Quiet, declined; prices lower	Increased; wool consumption larger in October	Declined
Leather products			
Shoes.....	Slow, declined; prices lower	Declined sharply	Little change, smaller than a year ago
Leather—sole.....	Quiet, little change	Little change	Little change
kid.....	Slow, declined; prices lower	Declined	Little change
goods.....	Slow, declined; prices lower	Little change	Moderate, smaller than a year ago
Building materials			
Brick.....	Slow, declined	Declined slightly	Declined
Cement.....	Slow, declined	Declined	Declined, but larger than a year ago
Lumber—mills.....	Slow, declined	Increased	Declined
Paints and varnishes.....	Fair, little change	Declined	Little change
Plumbing supplies.....	Quiet	Little change	Smaller than a year ago
Pottery.....	Quiet, little change, prices lower	Little change	Smaller than a year ago
Slate.....	Quiet, little change, prices lower	Little change	Some gain in the month but smaller than a year ago
Miscellaneous			
Paper.....	Fair, some gain	Increased	Declined
Tobacco—cigars.....	Fair, more active	Some gain but not as much as usual	Little change
leaf.....	Fair, little change	Increased	Little change
Rubber.....	Quiet, little change, prices lower	Little change	Smaller than a year ago
Building	Contract awards showed unusual gains in October, but declined in November	Lower	
Coal mining			
Anthracite.....	A little more active lately	Increased in October but declined in early November	
Bituminous.....	A little more active	Increased	
Trade			
Retail.....	Increased less than seasonally		Increased seasonally but smaller than a year ago
Wholesale and jobbing....	Declined		Declined, smaller than a year ago