

THE BUSINESS REVIEW

THIRD FEDERAL
PHILADELPHIA



RESERVE DISTRICT
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By RICHARD L. AUSTIN, Chairman and Federal Reserve Agent
FEDERAL RESERVE BANK of PHILADELPHIA

Business and Financial Conditions in the United States

Industrial activity declined from November to December by slightly more than the usual seasonal amount, while the volume of factory employment showed about the usual decrease. Wholesale prices declined further.

Production and employment. Volume of industrial output decreased somewhat more than is usual in December and the Board's seasonally adjusted index declined from 72 per cent of the 1923-1925 average in November to 71 per cent in December. Activity in the steel industry decreased from 30 to 24 per cent of capacity for the month, partly as a result of seasonal influences; in the first three weeks of January it showed a seasonal increase. Automobile output increased considerably in December from the extreme low level of the preceding month, and daily average output at shoe factories, which ordinarily declines at this season, showed little change. At textile mills production was curtailed by more than the usual seasonal amount.

The number employed at factories decreased seasonally from the middle

of November to the middle of December. In the automobile and shoe industries there were large increases in employment, while in the clothing industries employment declined; in most lines, however, changes were of a seasonal character.

For the year 1931 as a whole the average volume of industrial production was about 16 per cent smaller than in 1930, reflecting large decreases in output of steel, automobiles, and building materials, offset in part by slight increases in production of textiles and shoes.

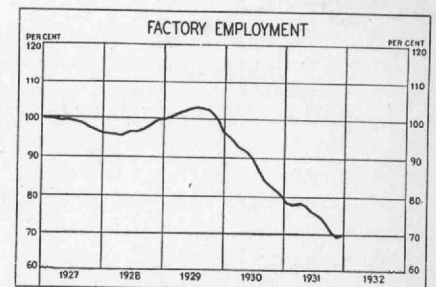
Value of building contracts awarded, as reported by the F. W. Dodge Corporation, declined considerably more than is usual from the third to the fourth quarter, and for the year as a whole was 32 per cent smaller than in 1930, reflecting reduced physical volume of construction, as well as lower building costs.

Distribution. Distribution of commodities by rail declined by the usual seasonal amount in December, and de-

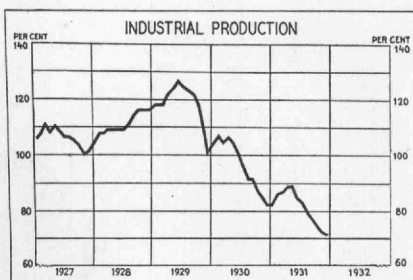
partment store sales increased by approximately the usual amount.

Foreign trade. Value of foreign trade continued at a low level in December, and for the year as a whole exports showed a decline of 37 per cent from 1930 and imports a decline of 32 per cent, reflecting in part the reduction in prices.

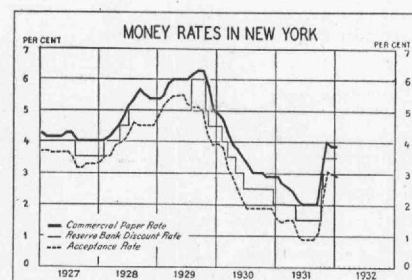
Wholesale prices. Wholesale prices of commodities declined from 68 per cent of the 1926 average in November to 66 per cent in December, according



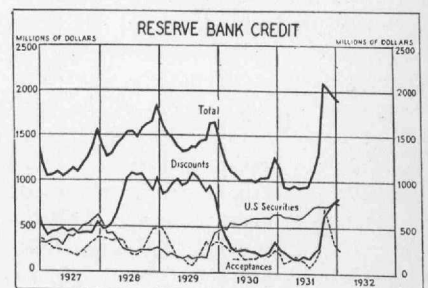
Federal Reserve Board's index of factory employment with adjustment for seasonal variation. (1923-1925 average = 100.)



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 20 days in January.



Monthly averages of daily figures 12 Federal reserve banks. Latest figures are averages of first 20 days in January.

to the Bureau of Labor Statistics, reflecting decreases in the prices of many domestic agricultural products, sugar, silk, iron and steel, and petroleum products. During the first half of January prices of hogs, lard and butter declined further, while prices of cotton, silk, coffee, and copper increased.

Bank credit. Reserve bank credit, which had declined from the middle of October to the middle of December and had increased in the latter part of the month, declined again in the first three weeks in January.

The growth in the latter part of December reflected a somewhat more than seasonal increase in the demand

for currency, partly offset by reductions in member bank reserve balances, and in deposits of foreign central banks. In January the return flow of currency was considerably smaller than in other recent years, while member bank reserve balances continued to decline. Acceptance holdings of the reserve banks, which had reached a total of \$780,000,000 in October, have declined through maturing of bills held almost uninterruptedly since that time, and on January 20 totaled \$190,000,000. The banks' portfolio of United States Government securities showed some increase over the level of the early part of December, and

discounts for member banks increased substantially.

Loans and investments of member banks in leading cities declined further during December and the first two weeks of January, reflecting reductions in loans on securities, as well as in other loans, and in investments.

In the middle of January buying rates for bankers' acceptances at the Federal reserve banks were reduced and open market rates on 90-day bills declined first from 3 to 2 $\frac{7}{8}$ per cent and later to 2 $\frac{3}{4}$ per cent. Yields of high grade bonds, after advancing for a period of about four months, declined after the turn of the year, reflecting a rise in bond prices.

Business and Financial Conditions in the Philadelphia Federal Reserve District

Productive activity in industries slackened seasonally in December and in early January. As in other years, industrial employment also declined in December by about the customary percentage. Retail sales showed more than the usual December gain, but have continued below the level of other years. Wholesale trade has been comparatively quiet and prices show continued weakness.

Borrowings from the reserve bank increased sharply in the week before Christmas, reflecting mainly the influence of Treasury operations; but with the return of currency thereafter, which substantially exceeded the outgo of money in the month prior to the holidays, borrowings were reduced.

Manufacturing. Manufacturing activity has slackened as it usually does at the turn of the year. Demand for finished products has declined further, so that sales have been at the lowest level in several years. The volume of unfilled orders at the middle of January was materially smaller than a year before, although a number of reports show gains. Prices of commodities have continued almost uniformly downward; the largest declines occurred in hides, textiles, house furnishings, and miscellaneous manufactures.

Stocks of finished goods at report-

ing plants show reductions compared with a year ago. This is also true of inventories of raw materials. In the United States as a whole, stocks of raw materials, however, are noticeably greater than in several years past, while those of finished products appear to be lower. Settlements of accounts in this district are not as satisfactory as during last year.

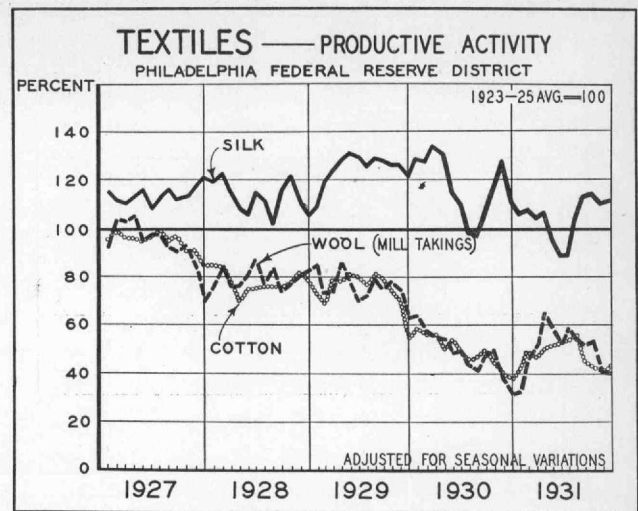
Factory employment in this section declined about one per cent, while wage payments increased one per cent from November to December; in the United States factory employment and wage earnings registered decreases of less than one per cent. In comparison with December 1930, the employ-

ment index was 13 per cent and the payroll index 27 per cent lower; in the United States employment was 13 per cent and payrolls 24 per cent less than a year ago. The average weekly factory employment in 1931 was 17 per cent and the average wage payments 30 per cent less than in 1930 as against a decline of 15 per cent in factory employment and 25 per cent in wage payments for the country as a whole.

Output of manufactures was greater than the usual seasonal decline in this district as in the country. Our index of productive activity in manufacturing declined one per cent from November to December even after the al-

Manufacturing activity Philadelphia Federal Reserve District	Index without seasonal adjustment (1923-1925=100)		Index adjusted for seasonal variation			
	November	December	November	December	Per cent change from	
					Month ago	Year ago
Total manufactures	71.2	67.5†	69.7	68.9†	- 1.1	-15.9
Metal products	46.4	48.2	46.2	50.5	+ 9.3	-34.6
Textile products	78.1	73.4†	75.5	73.3†	- 2.9	- 9.3
Transportation equipment	60.1	64.0	62.9	64.3	+ 2.2	- 5.9
Foods	75.8	74.5†	76.2	76.6†	+ 0.5	- 5.9
Tobacco and products	105.4	62.9	89.1	85.7	- 3.8	- 4.7
Building materials	38.4	38.0†	38.7	38.9†	+ 0.5	-17.2
Allied chemical products	104.7	104.1†	104.2	105.7†	+ 1.4	- 0.6
Leather and products	96.3	82.9†	100.7	85.3†	-15.3	-14.6
Paper and printing	92.3	92.3	91.5	91.4	- 0.1	-15.4
Electric power	191.1	195.9	183.8	183.1	- 0.4	- 1.8

† Preliminary, subject to revision.



Sources: Silk Association of America, Bureau of the Census

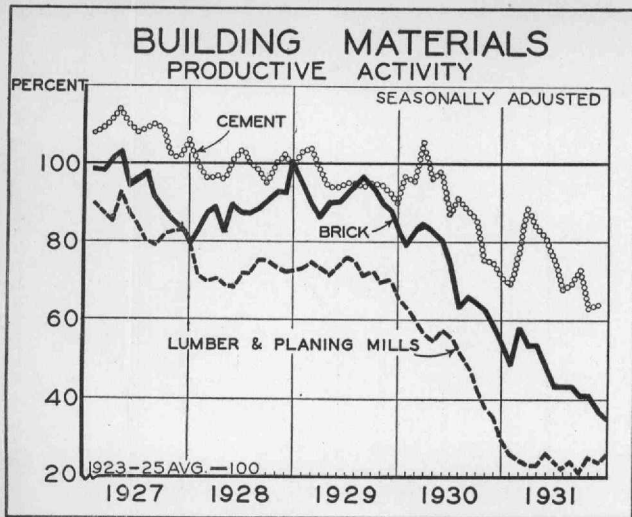
allowance is made for the seasonal drop that usually occurs in this period. The average monthly index for 1931 was 20 per cent lower than in 1930, indicating the extent to which the output of manufactures fell off during the year. Latest comparisons of activity in selected groups as well as in manufacturing are shown in the table on page 2.

With the exception of the spring and, to a lesser extent, the fall season, the output of manufactures has shown a pronounced downward trend since the fall of 1929, and at the end of 1931 production reached the lowest level in the last nine years, a period for which reliable district figures are available. A most drastic decline in this period occurred in iron and steel and their products. Activity of plants making building materials also showed an exceedingly sharp recession which, unlike that in other branches of manufacture, commenced in 1927 or nearly three-quarters of a year before the record peak was reached in building construction. Of the manufacturing industries that showed the greatest stability throughout the year, in spite of considerable irregularity, are those comprising textiles, food, leather, and such chemical products as paints and varnishes, explosives and petroleum products.

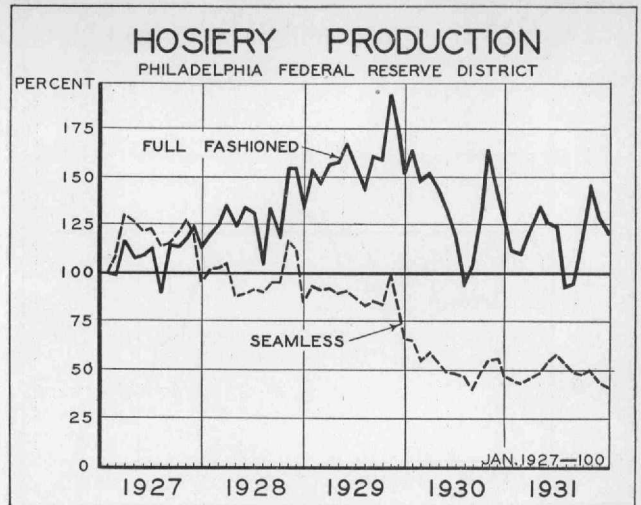
Output and industrial consumption of electric power also showed a fairly even trend up to the last quarter of 1931, but since then have declined more than customary. Latest comparisons follow:

Business indicators Philadelphia Federal Reserve District	December 1931		Per cent change 1931 from 1930	
	Amount	Percentage change from		
		Nov., 1931		Dec., 1930
Retail trade* —estimated net sales (161) stores.....	\$1,208,600	+ 45.3	- 15.1	-12.6
Department (68).....	\$1,061,200	+ 46.7	- 15.0	-12.5
Men's apparel (24).....	\$36,300	+ 72.0	- 17.1	-16.0
Women's apparel (15).....	\$77,500	+ 24.0	- 15.6	-11.0
Shoe (36).....	\$11,100	+ 27.6	- 19.8	-19.9
Credit (18).....	\$22,500	+ 38.9	- 12.1	-10.1
Wholesale trade* —net sales (100) firms.....	\$236,692	- 4.2	- 16.2	-14.9
Boots and shoes (5).....	\$2,825	- 22.7	- 11.6	-20.0
Drugs (10).....	\$50,958	- 6.1	- 7.2	- 5.2
Dry goods (12).....	\$10,828	- 12.2	- 9.6	-17.4
Electrical supplies (8).....	\$12,852	+ 25.9	- 38.9	-22.5
Groceries (29).....	\$86,752	- 7.0	- 9.0	-13.4
Hardware (20).....	\$44,896	- 11.7	- 18.5	-19.1
Jewelry (9).....	\$16,495	+ 62.8	- 26.4	-35.2
Paper (7).....	\$11,086	- 11.9	- 16.3	-18.5
Productive activity* —				
Employment—822 plants in Penna.....	247,702	- 0.4	- 13.0	-16.9
Wage payments (weekly average).....	\$4,761,254	+ 2.2	- 26.9	-30.7
Shoe production†—78 factories..... prs.	34,411	- 20.2	- 2.4	+ 2.4
Hosiery production†—132 mills..... doz. prs.	54,009	- 12.6	- 9.7	- 9.1
Underwear production†—53 mills..... doz. pes.	10,874	- 20.7	+ 14.3	+27.6
Wool consumption†—59 mills..... lbs.	146,106	- 24.8	+ 8.3	+ 2.9
Active cotton spindle hours.....	460,334	- 10.5	- 20.8	- 4.2
Pig iron production..... tons.	2,120	- 17.4	- 45.3	-52.0
Iron casting production—30 foundries..... tons.	80	- 10.1	- 38.2	-42.0
Steel casting production—9 foundries..... tons.	61	- 25.9	- 52.2	-49.2
Anthracite..... tons.	179,700	- 0.2	- 22.8	-14.2
Bituminous coal—Penna..... tons.	275,200	- 9.3	- 26.7	-21.3
Petroleum receipts at Port of Philadelphia..... bbls.	40,500	+ 0.7	- 4.7	-28.9
Cement..... bbls.	46,258	- 32.2	- 26.0	-19.3
Electric power output—10 systems..... KWH.	18,078,000	- 2.5	- 1.8	- 1.6
Financial and credit —				
Debits (check payments)*—17 cities.....	\$78,282,800	+ 2.7	- 27.4	-18.8
Loans and investments—member banks in four cities (avg).....	\$1,221,000,000	- 1.7	- 6.6	-
Bills discounted held by F. R. B. of Phila. (daily average).....	\$117,500,000	+ 8.5	+327.3	-
Bankers' acceptances outstanding—end of month.....	\$16,943,000	- 2.0	- 31.1	-
Commercial failures—number.....	123	- 5.4	- 4.7	+12.6
Commercial failures—liabilities.....	\$3,147,937	- 39.5	- 30.8	+40.5
Building and real estate —				
Building permits*—17 cities.....	\$62,034	- 45.3	- 31.5	-42.2
Building contracts awarded*.....	\$322,175	- 2.7	- 59.3	-42.7
Number of real estate deeds recorded* (Philadelphia county).....	168	- 7.7	- 2.3	- 4.5
Value of mortgages recorded* (Philadelphia county).....	\$636,580	+105.7	- 23.4	-29.6
Sheriff sales writs issued—(Philadelphia county).....	1,381	- 24.6	- 12.8	+17.0
Miscellaneous* —				
Freight car loadings (Allegheny district).....	19,234	- 11.6	- 18.7	-21.0
Sales of life insurance (Penna., N. J., and Del.).....	\$4,505,000	+ 0.4	+ 7.1	-11.3
Automobile sales registrations of new passenger cars.....	314	+ 7.5	+ 16.7	-19.0

* Daily average of monthly figures. † Bureau of the Census preliminary figures.



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



Source: Bureau of the Census

Electric power Philadelphia Federal Reserve District 11 systems	Dec., 1931, per cent change from	
	Dec., 1930	Nov., 1931
Rated generator capacity.....	+ 1.9	- 0.1
Generated output.....	- 1.8	+ 2.5
Hydro-electric.....	+219.3	+310.2
Steam.....	- 20.8	- 14.4
Purchased.....	+ 10.9	- 2.8
Sales of electricity.....	- 3.4	- 6.3
Lighting.....	- 0.8	+ 1.2
Municipal.....	+ 0.6	+ 2.2
Residential and commercial Power.....	- 1.0	+ 1.0
Municipal.....	- 8.0	- 8.9
Street cars and railroads ..	+ 17.8	- 6.4
Industries*.....	- 13.2	+ 11.1
All other sales.....	- 7.3	- 12.5
	+ 28.5	- 5.4

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

Building and real estate. Employment in building construction in Pennsylvania was 11 per cent smaller and wage payments were 16 per cent less in December than November. Decreases in employee hours worked amounted to 16 per cent in Philadelphia and Scranton and 23 per cent in Reading, as compared with 14 per cent for Pennsylvania.

Awards of building contracts decreased in December and were the smallest of any December in recent years. Last year's dollar volume of contract awards was nearly 43 per cent less than in 1930 and was below that of any year since 1921; this decline was due partly to lower construction costs and partly to unfavorable conditions within the building industry.

The proposed expenditure under permits issued in 17 cities of this dis-

trict declined in December and was substantially smaller than in the same month of 1930; for the year as a whole, the value of building permits issued was materially smaller than in recent years.

The local real estate situation remains quiet; renting demand for houses and apartments has been confined chiefly to dwellings of the less expensive type, let at from \$25 to \$40 a month. Mortgage money generally remains scarce and prospective buyers are said to find difficulty in financing their purchases. The number of deeds recorded in Philadelphia county declined in December, while the value of recorded mortgages increased sharply; in comparison with the same month of 1930, however, both were smaller. Foreclosures in Philadelphia declined in January contrary to the trend in the past four years. In 1931 sheriff's sales reached the largest volume in the past thirteen years, the yearly increase being rather sharp since 1923.

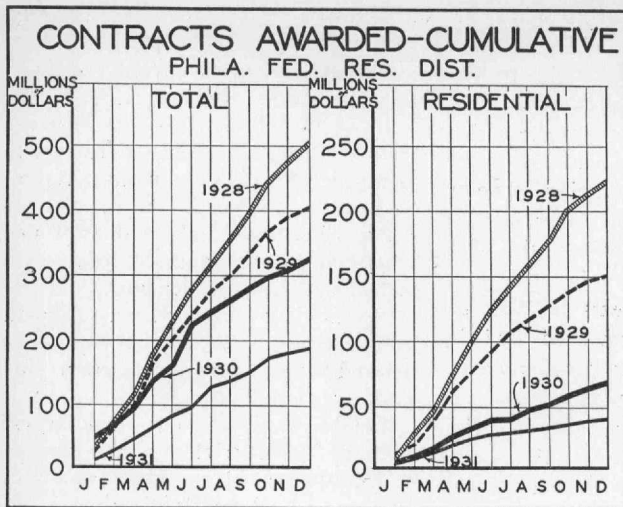
Coal. Demand for anthracite has been relatively quiet since the middle

of last month. Output of collieries, which amounted to about 180,000 tons daily, showed less than the usual decline between November and December, but was substantially smaller than in the corresponding period of 1930; in early January production showed a further slight decline. For the year as a whole, output averaged about 196,000 tons daily, which was the smallest reported for any like period since 1925, when labor disturbances interfered with production. Shipments declined in December and were about 21 per cent less than those of a year ago. Average prices of anthracite in the country increased last month and were nearly 6 per cent higher than in December 1930.

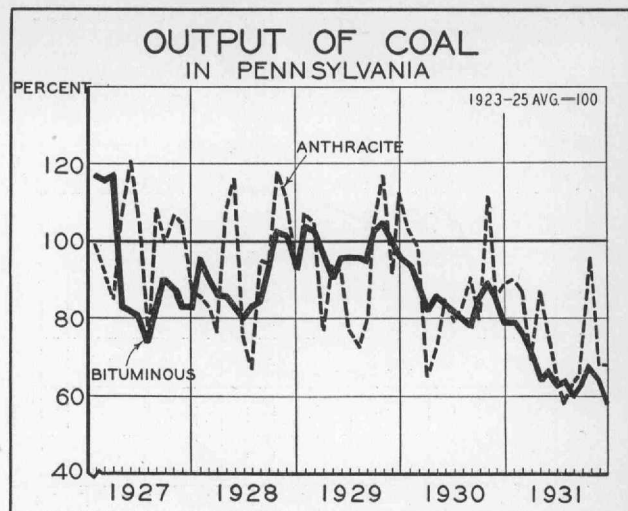
Production of Pennsylvania bituminous coal declined in December and in the first fortnight of January. Chiefly because of unsatisfactory industrial conditions, production of bituminous coal was 21 per cent smaller in 1931 than in 1930. Shipments were noticeably curtailed last month and were the smallest since July; compared with December 1930, they showed a decline of 23 per cent. Wholesale prices increased fractionally but were materially lower than those of a year ago.

Distribution. Business at wholesale declined seasonally in December and in the early part of January. In comparison with a year ago, dollar sales were 16 per cent smaller, and for the year as a whole, sales were 15 per cent less than in 1930. Smaller dollar sales reflect partly the influence of lower prices; for example, the average

Contracts awarded in selected cities and district	1931 (000's omitted)	Per cent change from	
		1930	1926-29 average
Philadelphia.....	\$ 54,921	-57.9	-71.7
Reading.....	3,170	+ 8.7	-52.0
Scranton.....	1,237	-67.0	-73.3
Camden.....	2,209	-49.0	-77.7
Trenton.....	3,817	+ 5.5	-56.0
Wilmington.....	3,913	-46.2	-45.7
"All other".....	119,347	-32.5	-46.2
Total: Phila. F. R. District including all cities.....	\$188,614	-42.7	-58.3



Source: F. W. Dodge Corporation



Source: Bureau of Mines

decline in the national indexes of wholesale prices from a year ago was 9 per cent in shoes, 8 per cent in drugs, 17 per cent in groceries, and 5 per cent in paper.

Inventories at wholesale houses at the end of the year were smaller than a month before. Settlements of accounts during December were not quite as favorable as a year earlier, as indicated by the ratios of collections during December to outstanding accounts at the beginning of that month.

Retail sales in December showed more than the usual seasonal gain over November which was an exceptionally poor month. The largest percentage increases occurred in the sales of department, men's apparel, and credit stores. Among the city trading areas, the most pronounced seasonal gains were recorded in Trenton, Lancaster, Johnstown, Altoona, Wilmington, Harrisburg, and Allentown-Bethlehem and Easton.

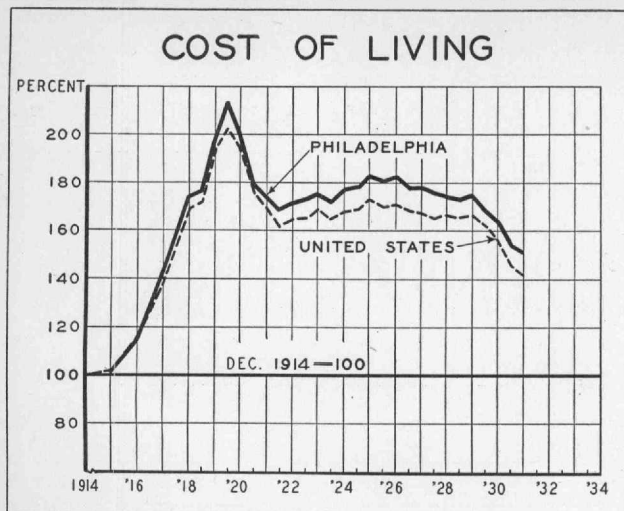
Compared with a year ago, dollar sales were 15 per cent smaller, and for the entire year they were 13 per cent less than in 1930. Industrial conditions, lower prices, and unfavorable weather, particularly in the latter part of the year, were among the adverse factors in retail trade.

Retail stocks of merchandise declined sharply from November to December and were 15 per cent smaller than at the end of December 1930, all lines showing considerable reductions. The rate of turnover was a trifle higher than in the previous year. Payments on accounts were about at the same rate as a year earlier.

Retail trade Philadelphia Federal Reserve District December 1931	Percentage change				Rate of turnover twelve months		Ratios of collections to receivables, December	
	Net sales: 1931, compared with 1930		Stocks: Dec. 31, 1931, compared with		1930	1931	1930	1931
	Dec.	Twelve months	Dec. 31, 1930	Nov. 30, 1931				
All reporting stores.....	-15.1	-12.6	-15.3	-20.7	4.00	4.06	29.0	29.2
Department.....	-15.0	-12.5	-15.0	-20.8	4.03	4.07	.....	.....
in Philadelphia.....	-16.1	-13.8	-14.9	-20.7	4.41	4.34	.....	.....
outside Philadelphia.....	-12.2	-9.1	-15.0	-20.9	3.23	3.50	32.6	31.4
Men's apparel.....	-17.1	-16.0	-13.3	-15.3	2.32	2.30	.....	.....
in Philadelphia.....	-18.3	-19.9	-15.8	-12.8	2.50	2.45	.....	.....
outside Philadelphia.....	-16.1	-12.6	-11.2	-17.2	2.18	2.19	35.4	29.7
Women's apparel.....	-15.6	-11.0	-16.5	-25.7	6.37	6.77	.....	.....
in Philadelphia.....	-17.0	-11.4	-18.1	-26.6	6.72	7.25	.....	.....
outside Philadelphia.....	-5.6	-7.4	-8.0	-20.9	4.21	4.19	32.2	29.5
Shoe.....	-19.8	-19.9	-21.4	-12.4	2.69	2.59	23.2	29.4
Credit.....	-12.1	-10.1	-22.5	-22.0	2.58	2.85	11.2	11.1

Wholesale trade Philadelphia Federal Reserve District December 1931 (Percentage change is indicated by + and - signs)	Boots and shoes	Drugs	Dry goods	Elec- trical supplies	Grocer- ies	Hard- ware	Jewelry	Paper
Twelve months, 1931, com- pared with twelve months, 1930.....	-20.0	-5.2	-17.4	-22.5	-13.4	-19.1	-35.2	-18.5
Dec., 1931, compared with: November, 1931.....	-22.7	-6.1	-12.2	+25.9	-7.0	-11.7	+62.8	-11.9
December, 1930.....	-11.6	-7.2	-9.6	-38.9	-9.0	-18.5	-26.4	-16.3
Actual index:*								
December, 1931.....	48.1	95.3	49.0	69.5	86.6	64.2	107.3	57.6
November, 1931.....	62.2	101.5	55.8	55.2	93.1†	72.7†	65.9	65.4
December, 1930.....	54.4	102.7	54.2	113.7	95.2	78.8	145.8	68.8
Seasonally adjusted index:*								
December, 1931.....	50.6	93.4	47.1	41.9	85.7	58.9	52.3	60.6
November, 1931.....	58.7	98.5	43.3	42.5	85.4†	65.5†	46.1	62.3
December, 1930.....	57.3	100.7	52.1	68.5	94.3	72.3	71.1	72.4
Stocks—Dec. 31, 1931								
Change from:								
November 30, 1931.....		-3.4	-16.1	.....	-4.8	-2.4	-10.9	-6.3
December 31, 1930.....		-7.6	-19.8	.....	-17.5	-1.4	-20.6	-18.3
Ratios of collections to re- ceivables:								
November 30, 1931.....	32.0	80.5	46.9	.....	95.0	37.9	31.0	52.0
November 30, 1930.....	35.5	80.7	49.1	.....	97.7	37.2	21.3	61.3

* These indexes are percentages of the 1923-25 average taken as 100.
† Revised.



Source: United States Bureau of Labor Statistics

Retail prices of merchandise generally handled by department and specialty stores decreased in the month and were 17 per cent lower than a year ago, according to the Fairchild index. Retail food prices in Philadelphia and Scranton declined 2 and 3 per cent respectively from November to December; compared with a year ago, the drop amounted to 16 per cent in Scranton and 13 per cent in Philadelphia as compared with a decrease of 17 per cent in the United States. The cost of living in December, as computed from the family budget requirements of industrial workers, in Philadelphia and Scranton as well as in the country was 9 per cent lower than in December 1930, as shown by the accompanying table.

Sales of new passenger automobiles in December, as shown by registrations, increased 8 per cent instead of

Items included in the cost of living index	December 1931, compared with December 1930, per cent change		
	United States	Philadelphia	Scranton
Food.....	-16.7	-12.9	-16.0
Clothing.....	-11.4	-13.9	-16.1
Housing.....	-7.0	-7.2	-4.6
Fuel and light.....	-4.0	-2.1	+2.0
House furnishings.....	-11.3	-12.1	-12.7
Miscellaneous.....	-1.3	-1.4	-1.0
Total.....	-9.3	-8.5	-9.3

Source: Bureau of Labor Statistics.

declining as is usual. Sales were also considerably larger than in December 1930, although the aggregate for the year registered a decline of 19 per

cent from 1930.

Shipments of commodities by railroad freight showed about the usual seasonal reduction from November to December; the decline in total shipments in 1931 as compared with the previous year amounted to 21 per cent. In early January this year, the usual small upturn was noted.

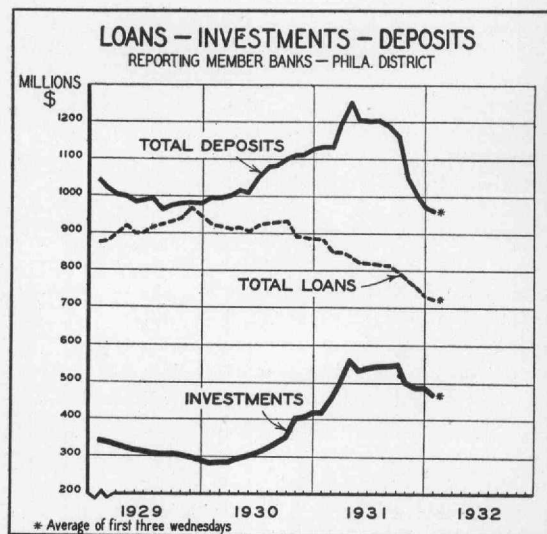
Financial conditions. Banks in Philadelphia reduced their borrowings from the Federal Reserve Bank by 11 millions during the five weeks ended January 20; this was partly balanced by an increase in accommodation extended to banks in other parts of the district, so that the decrease in bills discounted of this bank was only 3 millions. The reserve ratio, owing chiefly to transfers made for the Treasury, declined from 64 to 61.6 per cent.

The five-week period may be divided into two parts. The first, covering the week of December 23, was dominated by Treasury operations; in this district 24 millions, derived mainly from income tax collections and drafts upon deposits set up in payment for new issues of government securities, was withdrawn from the market and largely transferred to New York to meet payments there. The banks also called for an additional 7 millions of currency, which appears to have been the only substantial indication of the usual holiday demand for currency. In past years as much as from 30 to 40 millions of currency has been called for in the five weeks preceding Christmas. The result of these operations was a rise of 20 millions in borrowings from this bank and a decline of more than 6 mil-

lions in the reserve deposits of member banks.

The high point of currency demand was reached on December 23. In the four weeks following, money received from the banks exceeded payments to them by 28 millions, materially exceeding the outflow in the month preceding Christmas, and the district also benefitted by a favorable balance in the interdistrict settlements. Treasury operations absorbed only a small part of these funds, so that the banks reduced their borrowings from this bank by 23 millions.

Member banks in four of the largest cities of the district report a decline in deposits of 51 millions from December 16 to January 20; time funds changed little in amount, but government deposits decreased 22 millions and net demand deposits, 29 millions. There was a decline in loans to customers, but the outstanding change in loans and investments was a falling off of 52 millions in investments and open market loans, which was due principally to a drop of 36 millions in holdings of United States securities. Ordinarily such substantial sales of securities, doubtless made in large measure outside of the district, might have been expected to result in a large favorable balance in the interdistrict settlements of commercial and financial transactions. These settlements include transactions of the whole district as well as those which take place through the reporting banks, but the fact that this favorable balance was only 5 or 6 millions in the five weeks suggests that some of the decline in



All member banks (000,000's omitted)	Dec. 31, 1930	Sept. 29, 1931	Dec. 31, 1931*
Loans to banks.....	\$ 56	\$ 47	\$ 53
Loans to other customers.....	1,655	1,536	1,449
Loans to the open market.....	56	36	18
United States securities.....	219	366	337
Other securities.....	747	755	699
Total loans and investments.....	\$2,733	\$2,740	\$2,556

* Preliminary.

net demand deposits noted above was due to payments made to other districts by the banks' depositors; the decline in deposits probably also reflected income tax payments early in the period.

During the fourth quarter of 1931 the loans and investments of all member banks in the Philadelphia Federal Reserve District declined

Federal Reserve Bank of Philadelphia (Dollar figures in millions)	Jan. 20, 1932	Changes in—	
		Five weeks	One year
Bills discounted for banks in— Philadelphia.....	\$ 53.1	-\$11.4	+\$ 47.0
Other communities.....	61.2	+ 8.1	+ 41.5
Total bills discounted.....	\$114.3	-\$ 3.3	+\$ 88.5
Bills bought.....	6.9	+ 2.5	+ 3.4
United States securities.....	58.9	+ 4.8	+ 8.3
Other securities.....	3.2	- 2.6	+ 3.2
Total bills and securities.....	\$183.3	+\$ 1.4	+\$103.4
Member banks' reserve deposits.....	122.8	- 4.9	- 19.7
Foreign bank deposits.....	6.8	- 4.1	+ 6.3
Cash reserves.....	242.5	- 21.6	+ 4.5
Reserve ratio.....	61.6%	- 2.4%	+ 21.8%

City areas *	Percentage change—Dec., 1931, from Dec., 1930				
	Employment	Wage payments	Building permits (value)	Debits	Retail trade sales
Allentown.....	-23.1	-37.8	- 73.5	-21.1	-16.7
Altoona.....	-10.3	-31.5	- 35.6	-18.9	-26.4
Harrisburg.....	-23.1	-33.7	- 93.3	-21.5	-10.6
Johnstown.....	-37.9	-39.8	- 12.5	-23.5	-18.9
Lancaster.....	+ 1.6	-16.6	- 12.4	-23.6	- 9.2
Philadelphia.....	- 7.1	-14.7	+ 11.4	-31.0	-16.3
Reading.....	- 6.2	-19.4	+ 8.6	-18.0	- 7.8
Scranton.....	-24.0	-28.9	+105.0	- 7.8	- 9.9
Trenton.....	- 8.9	-28.6	- 22.6	- 1.2	-10.9
Wilkes-Barre.....	- 8.9	-25.8	- 88.1	- 8.5	- 7.6
Williamsport.....	- 2.0	- 5.3	+ 43.0	-21.0	.....
Wilmington.....	-11.0	-21.4	- 45.1	-19.1	-12.6
York.....	-16.0	-29.1	- 64.3	-19.6	.....

December 1931, from November 1931

Allentown.....	0.0	+ 0.2	- 28.3	+14.6	+74.8
Altoona.....	- 4.3	+ 7.8	+ 13.1	+16.4	+77.6
Harrisburg.....	- 1.6	+ 7.3	- 90.2	+14.8	+73.4
Johnstown.....	- 1.8	- 1.0	- 43.8	+18.9	+77.3
Lancaster.....	+ 5.1	- 3.0	+ 52.3	+ 5.1	+78.5
Philadelphia.....	- 0.8	+ 2.7	- 6.9	+22.8	+53.6
Reading.....	+ 2.6	+ 4.8	- 51.3	+15.2	+66.1
Scranton.....	- 0.7	- 1.5	- 23.5	+ 9.7	+45.8
Trenton.....	+ 0.8	+ 2.1	- 68.4	+56.9	+82.1
Wilkes-Barre.....	- 3.5	- 8.7	- 1.3	+17.0	+56.4
Williamsport.....	+ 3.0	+ 5.7	- 68.5	+14.3	.....
Wilmington.....	+ 2.4	+11.9	- 79.0	+44.2	+73.8
York.....	- 4.9	+ 1.5	- 45.3	+29.2	.....

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

184 millions. Decreases in assets due to bank suspensions during this interval were offset by assets brought into the system as a result of bank consolidations. The decline in member bank credit reflected principally decreases in loans to customers, particularly in loans secured by stocks and bonds, and in investments.

Reports from commercial paper dealers indicate a further decline in sales during December. Member banks in this district on December 31 held only 12 millions of this paper; a like amount was held two years earlier, but on September 24, 1930 the holding amounted to 63 millions.

Employment and wages in Pennsylvania	Employment December 1931		Payrolls December 1931			
	Dec. index *	Per cent change since		Dec. index *	Per cent change since	
		Dec., 1930	Nov., 1931		Dec., 1930	Nov., 1931
All manufacturing industries (51).....	71.1	-13.0	- 0.4	52.1	-26.9	+ 2.2
Metal products.....	62.3	-20.8	- 0.8	41.0	-36.6	+ 5.7
Blast furnaces.....	40.4	-17.2	+ 6.9	24.7	-43.9	+ 6.9
Steel wks. and rolling mills.....	54.6	-23.7	+ 0.7	33.4	-41.9	+ 7.6
Iron and steel forgings.....	64.9	-25.1	+ 2.4	46.9	-44.2	+ 8.4
Structural iron work.....	79.0	-17.7	- 7.8	53.3	-29.8	- 1.7
Steam & hot wtr. htg. app.....	81.7	-11.9	- 3.8	52.6	-35.5	- 6.2
Stoves and furnaces.....	66.0	-10.7	- 0.8	48.8	-11.1	- 8.6
Foundries.....	60.2	-23.6	+ 2.0	34.6	-45.3	+10.9
Machinery and parts.....	71.5	-18.8	0.0	50.5	-31.8	+ 5.4
Electrical apparatus.....	89.6	-12.2	- 3.1	70.1	-21.8	+ 4.2
Engines and pumps.....	42.1	-38.8	- 3.4	28.2	-51.3	+ 6.4
Hardware and tools.....	67.6	-14.6	- 1.9	44.6	-32.0	- 1.8
Brass and bronze products.....	57.4	-22.3	- 2.4	39.2	-41.4	- 7.5
Transportation equipment.....	46.5	-27.3	+ 8.9	36.5	-35.6	+ 6.1
Automobiles.....	47.2	- 8.9	+10.3	22.4	-15.8	+15.5
Auto. bodies and parts.....	76.7	+43.4	+23.7	81.9	+84.0	+12.8
Locomotives and cars.....	19.1	-45.3	- 1.0	14.1	-49.5	+ 3.7
Railroad repair shops.....	66.0	- 8.2	- 0.6	45.7	-31.8	- 6.0
Shipbuilding.....	46.9	-40.4	+13.8	56.4	-53.2	+ 0.2
Textile products.....	89.3	- 1.5	0.0	74.7	-11.4	- 0.8
Cotton goods.....	62.8	+ 6.8	+ 1.5	55.1	+13.4	+ 8.0
Woolens and worsteds.....	61.0	+17.8	+ 0.5	45.3	- 3.2	- 8.3
Silk goods.....	92.7	- 8.5	+ 1.5	88.4	-17.7	+ 5.5
Textile dyeing and finishing.....	85.2	- 7.6	+ 1.7	69.4	-16.4	- 1.8
Carpets and rugs.....	58.6	+ 0.7	- 9.1	41.4	- 6.8	-19.6
Hats.....	70.7	-18.5	- 5.1	46.5	-27.6	- 2.3
Hosiery.....	118.8	+ 8.8	+ 2.9	107.3	- 3.9	+ 1.3
Knit goods, other.....	78.0	- 5.6	-11.9	51.9	-22.0	-23.2
Men's clothing.....	71.6	- 2.7	+ 5.4	47.4	-13.8	- 9.5
Women's clothing.....	101.0	-19.1	+ 3.8	85.6	-31.4	+ 7.3
Shirts and furnishings.....	121.5	-15.6	-15.8	93.1	-29.1	-20.1
Foods and tobacco.....	99.9	- 4.8	- 3.1	89.3	-12.0	- 1.2
Bread and bakery products.....	103.5	- 6.3	- 1.0	93.7	-13.2	- 1.4
Confectionery.....	100.8	- 0.4	- 3.2	94.5	- 5.5	+12.1
Ice cream.....	83.8	- 7.1	+ 0.5	79.7	-11.3	+ 1.0
Meat packing.....	96.9	+ 0.3	- 0.7	84.6	-13.1	- 1.1
Cigars and tobacco.....	95.7	- 6.8	- 5.0	78.6	-14.6	- 9.7
Stone, clay and glass products.....	56.4	- 7.5	+ 1.3	33.7	-31.4	- 2.0
Brick, tile and pottery.....	64.0	- 7.0	- 3.9	32.5	-34.6	- 8.5
Cement.....	46.9	-14.7	+ 0.9	28.7	-36.8	- 1.0
Glass.....	65.3	+ 5.3	+ 9.6	51.1	-10.0	+ 3.4
Lumber products.....	51.5	-14.5	- 6.5	41.3	-19.5	- 6.1
Lumber and planing mills.....	29.3	-30.1	-20.2	24.7	-30.4	-19.0
Furniture.....	58.5	-10.3	- 4.3	47.2	-17.0	- 6.5
Wooden boxes.....	59.3	-10.7	- 1.3	45.1	-17.4	+ 8.9
Chemical products.....	83.8	- 5.4	- 1.3	75.4	-15.1	+ 0.1
Chemicals and drugs.....	61.1	-13.6	- 3.6	54.4	-22.4	+ 1.7
Coke.....	61.3	-18.4	+ 0.7	29.6	-51.6	0.0
Explosives.....	76.4	- 0.9	+ 1.3	77.3	- 3.4	-13.9
Paints and varnishes.....	91.5	+ 5.3	- 3.9	80.4	- 6.0	+ 3.1
Petroleum refining.....	123.3	+ 1.7	- 1.0	123.7	- 2.5	+ 0.2
Leather and rubber products.....	87.6	- 3.7	- 0.7	69.8	-21.8	- 0.4
Leather tanning.....	88.7	-16.2	- 2.3	70.3	-30.0	- 8.5
Shoes.....	93.0	+18.3	- 2.4	66.4	- 4.7	- 1.5
Leather products, other.....	70.7	- 9.9	+ 8.9	73.2	-14.1	+30.5
Rubber tires and goods.....	90.6	+10.4	+10.6	82.5	-10.1	+42.2
Paper and printing.....	90.8	- 6.3	- 1.5	84.8	-16.7	0.0
Paper and wood pulp.....	76.0	- 6.3	- 2.7	58.0	-26.5	- 7.6
Paper boxes and bags.....	82.4	- 4.7	- 7.3	84.6	-12.0	- 1.5
Printing and publishing.....	97.1	- 6.4	- 1.0	94.4	-13.9	+ 1.0
Anthracite.....	77.7	-19.5	- 4.3	66.4	-21.9	+ 6.6
Bituminous coal.....	.....	.....	+ 0.4	.....	.....	- 3.4
Construction and contracting.....	.....	.....	-15.7	.....	.....	-16.9
Street railways.....	74.7	- 5.3	- 1.5	74.7	- 9.7	- 1.1
Retail trade.....	84.0	-13.5	+ 3.0	.....	.....	.....
Wholesale trade.....	87.1	- 5.6	- 2.5	.....	.....	.....

* 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	Output of pig iron declined but employment and payrolls increased in December	
Steel works and rolling mills	Quiet, some improvement	Increased	
Foundries and machine shops	Quiet, unfilled orders for iron and steel castings increased	Declined	
Electrical apparatus.....	Quiet	Increased	
Transportation equipment			
Locomotives and cars.....	Quiet	Little change	
Shipbuilding	More active	Little change	
Textiles			
Silk manufactures.....	Little change; prices lower	Increased	Some increase in broad silks
Wool dealers.....	Slow; prices lower		Smaller
Wool manufactures.....	Slow	Declined	Little change
Cotton manufactures.....	Slow, declined; prices lower	Increased	Declined, smaller than a year ago
Hosiery	Quiet, declined; prices lower	Declined less than usual	Declined
Floor coverings.....	Slow, declined; unfilled orders smaller	Declined sharply	Smaller than a year ago
Clothing	Slow, declined; prices lower	Declined	Declined
Leather products			
Shoes	Slow, prices lower	Declined more than usual	Declined
Leather—sole	Quiet	Slight decline	Little change
kid	Fair, some gain	Some gain	Declined
Building materials			
Brick	Slow, declined; unfilled orders smaller	Declined	Declined
Cement	Slow, declined	Declined	Little change
Lumber—mills	Slow	Little change	Smaller than a year ago
Paints and varnishes.....	Slow, little change; prices lower	Increased contrary to the usual trend	Little change
Pottery	Slow, unfilled orders smaller	Little change	Smaller than a year ago
Slate	Slow, declined	Little change	Little change
Miscellaneous			
Paper	Quiet, little change	Declined	Little change
Tobacco—cigars	Quiet, unfilled orders smaller	Declined	Declined
leaf	Quiet, little change	Declined	Little change
Chemicals	Slow, declined	Little change	Smaller than a year ago
Building	Contract awards declined in December	Employment and payrolls declined	
Coal mining			
Anthracite	Declined	Declined less than usual	
Bituminous	Quiet	Declined in December	
Trade			
Retail	Quiet, December sales increased more than usual		Declined, smaller than a year ago
Wholesale and jobbing.....	Declined seasonally		Declined