

# THE BUSINESS REVIEW

THIRD FEDERAL  
PHILADELPHIA



RESERVE DISTRICT  
NOVEMBER 1, 1932

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## Business and Financial Conditions in the United States

Industrial activity and shipments of commodities by rail increased from August to September by considerably more than the usual seasonal amount. There was also a more than seasonal increase in the volume of factory employment and payrolls. The general level of prices, after advancing for three months, showed a decline beginning the early part of September.

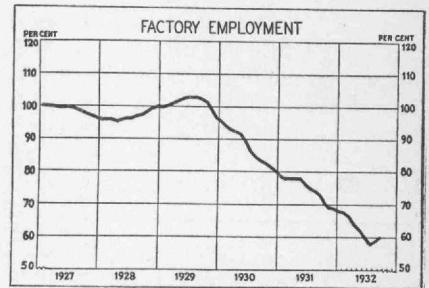
**Production and employment.** Volume of industrial production, as measured by the Board's seasonally adjusted index, based on the 1923-1925 average, increased from a low point of 58 in July to 60 in August and 66 in September. The advance in September reflected chiefly large increases in activity at textile mills, shoe factories, meat packing establishments, and coal mines. In the steel industry, where activity had shown none of the usual seasonal increase in August, operations expanded considerably during September and the first three weeks of October to about 20 per cent of capacity. Daily average output of automobiles and lumber in September showed little change from recent low levels.

Factory employment increased from 58.8 per cent of the 1923-1925 average in August to 60.3 per cent in September, according to the Board's seasonally adjusted index. Considerable increases were reported in the cotton, woolen, silk, hosiery, and clothing industries and smaller increases at car-building shops, foundries, cement mills, and furniture factories. In the automobile, tire and electrical machinery industries, employment declined.

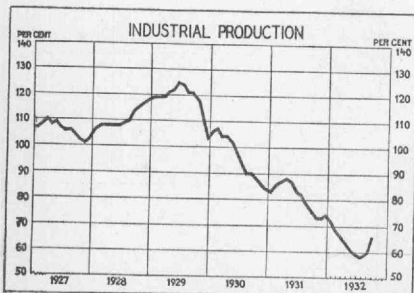
During the three months ending with September, value of building contracts awarded, as reported by the F. W. Dodge Corporation, was about the same as in the preceding three months, although awards are usually smaller in the third quarter. In the first half of October the daily average of contracts declined somewhat.

**Distribution.** Volume of freight car loadings increased by considerably more than the usual seasonal amount in September, reflecting chiefly larger shipments of coal and miscellaneous freight. Department store sales increased from the low level of August by somewhat more than the usual seasonal percentage.

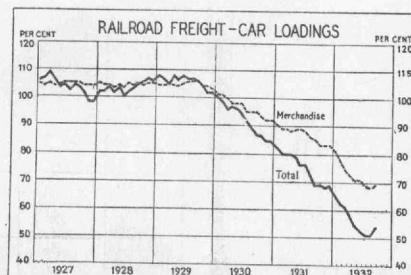
**Wholesale prices.** Wholesale commodity prices, as measured by the monthly index of the Bureau of Labor Statistics, showed little change from August to September. During August and early September there was a general advance in prices followed by a decline which continued through the first half of October, when the average was 2 per cent below the high point in early September and 1 per cent above the low point of early summer. Substantial decreases occurred after the beginning of September in the prices of many domestic agricultural commodities including cotton, grains, and livestock, and also in prices of gasoline,



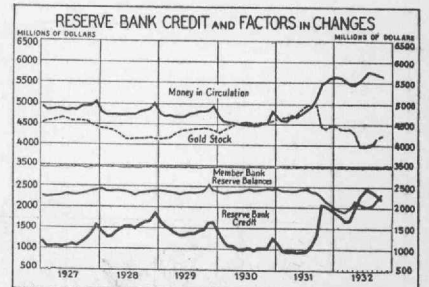
Federal Reserve Board's index of factory employment with adjustment for seasonal variation. (1923-1925 average = 100.)



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



Indexes of daily average number of cars loaded; adjusted for seasonal variation. (1923-1925 average = 100.)



Monthly averages of daily figures. Latest figures are averages of first 22 days in October.

non-ferrous metals, and imported raw materials; while prices of wool, worsted yarns, coal, and lumber increased somewhat during this period.

**Bank credit.** During September and the first three weeks of October there were further additions to the reserve funds of member banks, arising from increases in the country's stock of monetary gold, from an unseasonal return flow of currency, and from issues of additional national bank notes.

Member bank indebtedness to the

reserve banks declined by more than \$100,000,000 from September 7 to October 19 and their reserve balances increased by \$180,000,000.

During September and the first two weeks of October reporting member banks in leading cities showed a further growth in investment holdings, largely of United States Government securities, but to some extent of other investments. Loans of reporting banks declined further in September; in the early part of October loans at banks in New York City showed an

increase. There was considerable growth in government deposits and in bankers' balances during the period; time deposits also increased.

Money rates in the open market declined to lower levels during the first half of October, the rate on prime commercial paper being reduced from a range of 2-2¼ to a range of 1¾-2 per cent, and the rate on 90-day bankers' acceptances from ¾ of one per cent to ½ of one per cent. Rates for call loans on stock exchange collateral declined from 2 per cent to 1 per cent.

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

Industrial conditions have shown further improvement. Output of factories has increased more than usual for three successive months, and this exceptional gain has been fairly well maintained in early October, even though activity in some of the lines was beginning to slacken seasonally. Production of coal also has increased more than usual between August and September as well as in early October. Awards of building contracts decreased sharply in September but showed a noticeable upturn in the first three weeks of October. More than ordinary gains occurred in freight car loadings and retail trade sales. Some slight improvement is noted in collections at retail and manufacturing, while at wholesale payment of accounts showed little change. Business failures continued on the decline both in number and in liabilities. Nevertheless, comparisons with other years have continued unfavorable, although the spread between the current and past levels of activity has been narrowing.

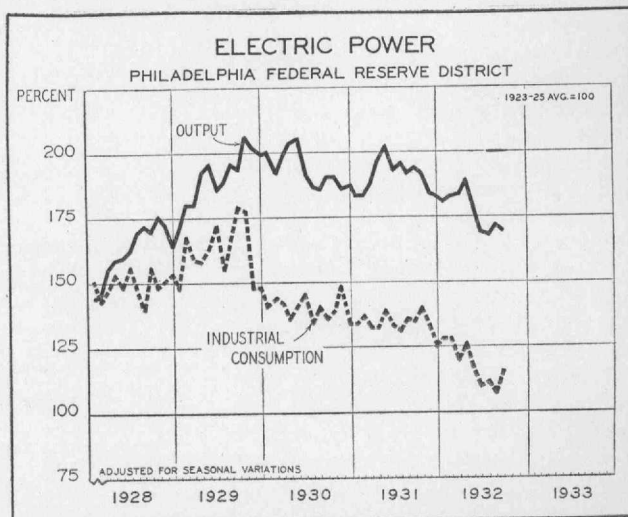
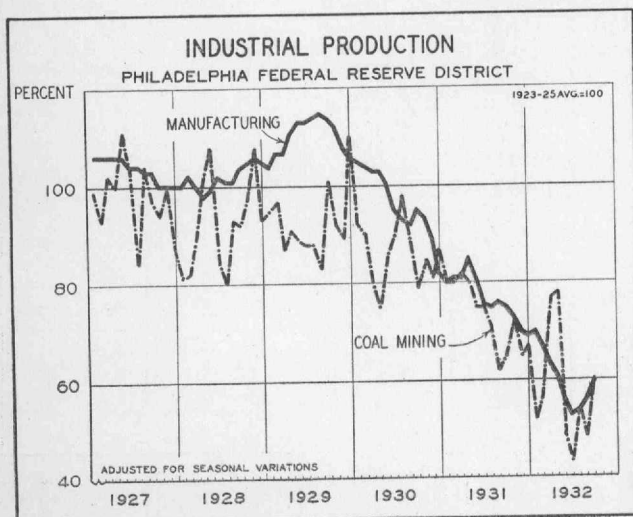
Industrial employment and payrolls showed further increases in September, both manufacturing and non-manufacturing industries sharing in these gains. About one-half of the reporting factories in Pennsylvania indicate that further increases in employment and payrolls occurred in the first part of October.

**Manufacturing.** A further improvement in the manufacturing industry took place in September and continued in the first part of October. Sales of such finished products as textiles, clothing, shoes, and certain building materials have increased since the middle of last month, and in some instances comparisons with last year were quite favorable. New orders showed gains in a number of lines, so that the total of unfilled orders for manufactured products on the books of reporting factories was slightly larger than in the previous month. Stocks of finished goods have been re-

duced in most cases during the month and continued smaller than a year ago. Inventories of raw materials, while showing some increases in September and through the first part of October, remain lower than last year in most lines.

The majority of concerns report no material change in collections, increases in some lines being practically offset by declines in other lines. In comparison with a year ago, settlements of accounts continued to be less favorable, although in a few instances there have been improvements.

Many concerns show a continued firmness in prices of their products, but comparisons with last year are still adverse. National figures for September show a slight advance in prices of manufactured commodities, the sharpest rise from August occurring in quotations for textiles, hides, and building materials. Compared with a year ago, the general level of prices for manufactured products in Sep-



tember was about 5 per cent lower. In the first three weeks of October, a slight weakness developed in quotations for many manufactures.

Factory employment and payrolls in this district showed substantial increases from August to September, most sections of the district sharing in the gains. Pennsylvania factories, for instance, reported an increase of 4 per cent in employment, 8 per cent in payrolls, and almost 10 per cent in operating time during September. These gains were greater than usual and were nearly twice as large as those in August. Compared with a record low level reached in July, Pennsylvania employment in September was 7 per cent higher and payrolls nearly 13 per cent larger. All manufacturing groups shared in these gains except transportation equipment, and chemical and related products. The employment index number in Pennsylvania rose to 61 and the payroll index advanced to 36; compared with a year ago, employment thus was still 17 per cent smaller and wage payments 34 per cent less.

Output of factory products has continued upward since July, reflecting a more favorable trend than in the fall of the past two years. Our preliminary index number of productive activity in this district, which takes account of the number of working days and seasonal changes, rose from 56 in August to 61 per cent of the 1923-25 average in September, showing an exceptional gain of 10 per cent. The rise in the national index amounted to about the same percentage and the upward trend since July coincided with that for this district. Compared with a year ago, the rate of factory production was 18 per cent lower, while for the country it was 13 per cent less.

All manufacturing groups showed more than customary increases except food products and tobacco and its products. The textile industry in particular continued to show extraordinary increases which were shared by all of its important branches. Output of certain building materials and metal products also registered unusual advances, reflecting a higher rate of operation in factories making producers' goods.

Information for thirty-one individual industries shows that more than ordinary gains occurred during the month in nineteen industries, no measurable change in one line, and either larger than seasonal declines or less than usual gains in eleven industries.

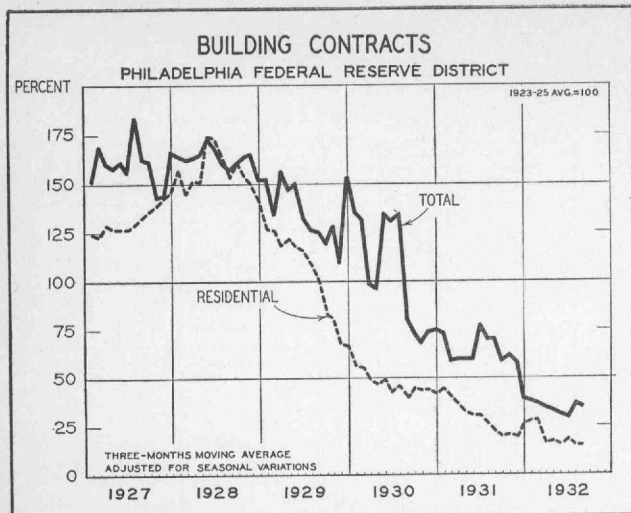
## Business Indicators Philadelphia Federal Reserve District

Index numbers—expressed in percentages of 1923-1925 average, which is taken as 100

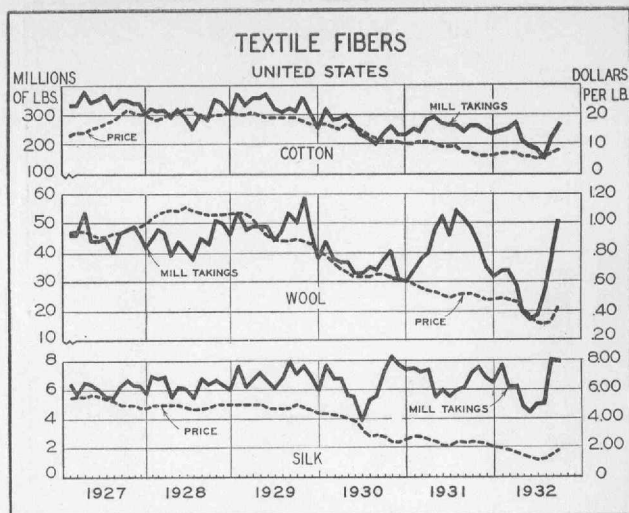
	Adjusted for seasonal variations						Not adjusted		
	Sept. 1931	Aug. 1932	Sept. 1932	Percentage comparison			Sept. 1931	Aug. 1932	Sept. 1932
				Sept. 1932 with		9 months 1932 with 9 months 1931			
				Month ago	Year ago				
<p><b>Productive activity</b></p> <p><b>Manufacturing—total</b>..... 74.7 55.6p 61.3p +10.3 -17.9 -23.8 76.4 55.2p 62.6p</p> <p>Metal products..... 52.8 25.3 27.8 +9.9 -47.4 -47.5 53.6 26.5 28.2</p> <p>Textile products..... 87.3 71.8 91.0p +26.7 +4.2 -17.6 88.0 68.1 91.8p</p> <p>Transportation equipment..... 54.4 41.2r 44.1 +7.0 -18.9 -11.7 51.1 40.0r 41.6</p> <p>Food products..... 77.2 70.1 67.6p -3.6 -12.4 -12.4 80.3 70.7 69.2p</p> <p>Tobacco and products..... 85.9 82.1 74.6 -9.1 -13.2 -17.8 100.1 85.4 86.9</p> <p>Building materials..... 40.6 20.6 22.4 +8.7 -44.8 -39.7 44.7 23.8 24.7</p> <p>Allied chemical products..... 104.1 79.9 81.5p +2.0 -21.7 -14.2 103.4 80.3 80.9p</p> <p>Leather and products..... 119.0 95.0 100.3p +5.6 -15.7 -19.1 129.2 97.1 110.6p</p> <p>Paper and printing..... 97.0 72.2 72.5 +0.4 -25.3 -19.6 96.1 70.2 71.9</p> <p>Electric power output..... 193.9 171.8 169.1 -1.6 -12.8 -7.7 190.0 163.2 165.7</p> <p>Elec. pwr. used by industries..... 135.0 107.3 116.0 +8.1 -14.1 -12.1 143.1 110.5 123.0</p> <p><b>Factory employment Penna.</b>..... +3.9* -16.5* -17.2* 72.6 58.3 60.6</p> <p><b>Factory wage payments Penna.</b>..... +7.5* -33.7* -36.3* 54.3 33.5 36.0</p> <p><b>Coal mining</b>..... 64.7 48.0 59.7 +24.4 -7.7 -22.7 65.7 47.6 60.7</p> <p>Anthracite..... 65 48 61 -27.1 -6.2 -21.7 66 48 62</p> <p>Bituminous..... 62.7 47.8 51.9 +8.6 -17.2 -28.8 64.0 44.9 52.9</p> <p><b>Building and real estate</b></p> <p>Contracts awarded†—total..... 69.7 37.1 35.0 -5.7 -49.8 -48.0 66.9 36.4 33.6</p> <p>Contracts awarded†—residential..... 22.5 15.0 15.4 +2.7 -31.6 -42.4 20.9 14.1 14.3</p> <p>Permits for building..... 17.3 14.7 9.7 -34.0 -43.9 -54.1 15.6 13.2 8.7</p> <p>Mortgages recorded in Phila..... 47.1 20.9 38.3 +83.3 -18.7 -27.6 36.3 16.5 29.5</p> <p>Real estate deeds recorded in Philadelphia..... 54.8 49.9 31.5 -36.9 -42.5 -8.1 50.4 44.9 29.0</p> <p>Exclusive of Sheriff deeds (1930=100)..... +3.3* -22.2* -9.7* 75.7 57.0 58.9</p> <p>Sheriff deeds (1930=100)..... -73.8* -42.9* +11.1* 60.9 132.6 34.8</p> <p>Writs for Sheriff sales in Phila..... 1053.0 1134.0 1315.1 +16.0 +24.9 +10.0 1221.5 1088.6 1525.5</p> <p><b>Distribution</b></p> <p>Retail trade—sales..... 77.2 52.3 57.2p +9.4 -25.9 -22.9 69.1 41.2 51.1p</p> <p>Retail trade—stocks..... 70.7 55.2 53.9p -2.4 -23.8 ..... 74.1 52.6 56.4p</p> <p>Wholesale trade—sales..... 69.0 55.5 55.0p -0.9 -20.3 -19.8 78.3 52.5 62.5p</p> <p>Wholesale trade—stocks..... 75.8 64.9 64.3p -0.9 -15.2 ..... 78.4 65.4 66.3p</p> <p>Freight car loadings (Allegheny district)..... 66.0 45.6 47.9 +5.0 -27.4 -27.8 73.3 47.9 53.2</p> <p>Life insurance sales..... 121.4 103.3 105.6 +2.2 -13.0 -15.8 97.1 86.8 84.5</p> <p>New passenger auto registrations..... 72.5 43.2 46.1 +6.7 -36.4 -32.4 69.6 47.5 44.3</p> <p><b>Business liquidations</b></p> <p>Number..... -15.2* +3.6* +17.8* 156.9 191.7 162.5</p> <p>Amount of liabilities..... -8.1* +70.0* +64.0* 123.5 228.4 210.0</p> <p><b>Payment of accounts</b></p> <p>Check payments..... 91.1 59.9 61.1 +2.0 -32.9 -31.6 86.5 50.9 58.0</p> <p>Rate of collections (actual, not indexes)</p> <p>Retail trade..... +0.9 -10.0 ..... 24.1 21.5 21.7</p> <p>Wholesale trade..... -0.5 -13.7 ..... 64.1 55.6 55.3</p>									

(000,000's omitted in dollar figures)	Sept. 1931	June 1932	July 1932	Aug. 1932	Sept. 1932	Per cent change from	
						Month ago	Year ago
<b>Banking and credit</b>							
<b>Reporting member banks</b>							
Loans to customers.....	\$759	\$637	\$625	\$618	\$613	-0.8	-19.2
Open market loans and investments.....	588	462	462	477	494	+3.6	-16.0
<b>All member banks—net demand and time deposits</b> .....	2,351	1,962	1,963	1,957	1,964	+0.4	-16.5
<b>Bankers' acceptances outstanding</b> .....	17.7	13.6	12.6	11.2	12.3	+9.8	-30.5
<b>Federal Reserve Bank</b>							
Bills discounted.....	32	66	72	65	57	-12.3	+78.1
Other bills and securities.....	71	134	142	144	144	0.0	+102.8
Reserve ratio.....	78.1%	55.6%	52.6%	53.8%	55.2%	+2.6	-29.3

\* Computed from unadjusted indexes. † 3-month moving average. p—Preliminary. r—Revised.



Source: F. W. Dodge Corporation



Sources: U. S. Bureau of the Census, Fairchild's Index, Dun's Review

This broadening has continued since July and suggests a decided improvement in trend, particularly when compared with the contrary tendency that prevailed in these lines in the past two years. While generally output of individual products has been under last year's volume, nevertheless, activity in such industries as shipbuilding, silk, hosiery, underwear, meat packing, sugar refining, and shoes showed marked gains over September 1931.

Additional evidence of unusual increase in activity is afforded by larger consumption of such industrial fuels as bituminous coal and of electric power, both showing extra-seasonal gains of over 8 per cent. Production of electric power increased slightly but not as much as was normally expected. The largest relative gains in the sale of electricity were reported for lighting purposes and for industrial uses.

**Building and real estate.** Building and construction activity showed some gain from August to September, while new contract awards in the aggregate declined more than was expected, and were only about one-half of the total awards a year ago. Contracts let for residential buildings, however, increased more than seasonally in September but continued considerably smaller than last year. In the first part of October, total awards have increased more than usual but were less than one-half of those a year ago.

Estimated dollar cost of proposed building under permits issued in this district declined materially, after a sharp increase in the preceding month; in the first nine months of this year, they amounted only to about 46 per cent of the building volume contemplated in the same period last year, re-

flecting mainly lower prices. Construction costs continue at the lowest level shown in many years.

Changes in employment, payrolls and working time in the building industry, exclusive of street, highway, and general construction, are shown in the following table:

Building (Does not include streets, highways, and general construction)	Sept. 1932 compared with Aug. 1932—per cent change		
	Em- ploy- ment	Payrolls	Operat- ing time
Pennsylvania.....	+ 1.0	- 2.0	- 1.7
Allentown.....	+ 26.0	+ 5.6	+ 13.2
Altoona.....	- 27.3	- 4.3	+ 16.9
Clearfield.....	+114.3	+98.4	+102.8
Erie.....	+ 5.4	+ 1.3	+ 9.1
Harrisburg.....	- 3.8	+ 1.9	+ 1.8
Johnstown.....	- 25.4	-10.2	- 24.2
Lancaster.....	- 9.6	-20.1	- 23.0
Philadelphia.....	- 4.0	- 6.4	- 4.5
Pittsburgh.....	+ 9.6	- 6.2	- 3.7
Pottsville.....	- 11.8	- 9.9	- 10.4
Reading.....	- 1.8	+ 7.3	+ 3.1
Scranton.....	+ 1.3	-11.6	- 16.6
Wilkes-Barre.....	+ 15.3	+53.1	+ 28.0
Williamsport.....	- 1.3	+ 9.0	+ 9.6
York.....	- 20.3	- 8.4	- 10.3

Source: Penna. Dept. of Labor and Industry

The real estate situation showed a slight improvement between August and September. The number of real estate deeds recorded in Philadelphia, exclusive of sheriff's deeds, for instance, increased, while registration of deeds incident to foreclosures declined sharply. Mortgages recorded also increased substantially.

**Agriculture.** Although recent rains have relieved the drought in the eastern and southeastern sections of this district, they came too late to be of much benefit to late crops and pastures. Pennsylvania tobacco particularly was adversely affected by the lack of moisture, and as a result, the Sep-

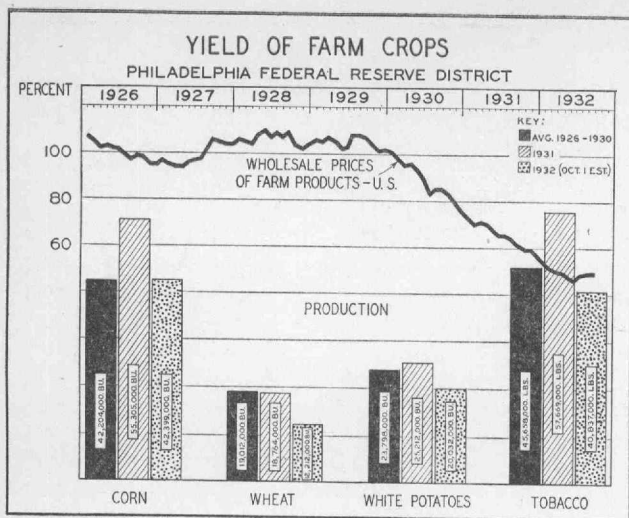
tember 1st estimate has been revised downward.

Estimated yields of field crops indicate a substantial reduction this year as compared with the actual harvest last year and, with the exception of corn, they are expected to be below the average of the five-year-period, 1926-1930, as indicated by the accompanying chart. Preliminary estimates of the fruit crop also show a sizeable reduction from the yields realized last year. Prices of farm products have shown weakness, following a rising tendency for several weeks.

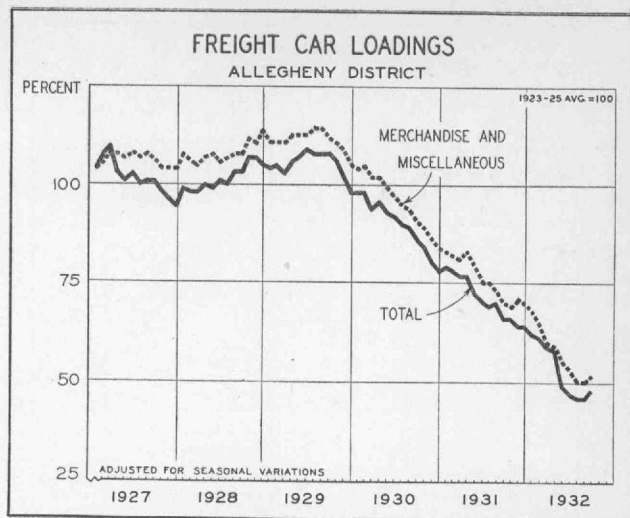
The condition of live stock varies widely in different localities. In some sections the condition of dairy herds has been generally satisfactory, while in others insufficient pasturage has affected them adversely, especially when no additional feed was used. Swine slaughterings are about equal to those of a year ago and new hogs are said to be in good market condition for this time of the year. Cold storage stocks of butter and eggs showed a substantial reduction during September while poultry holdings increased somewhat. As compared with a year ago, stocks of butter on October 1st were 35 per cent larger; holdings of poultry and eggs, on the other hand, declined sharply in this period.

**Coal.** Demand for anthracite has increased appreciably since the middle of last month. Sales by retail yards in Philadelphia have increased seasonally for three months in succession; this is a somewhat more favorable trend than that at the same time last year.

Output of collieries showed a larger than seasonal gain from August to September and was only about 6 per



Sources: Department of Agriculture and Bureau of Labor Statistics



Source: American Railway Association

cent below a year ago. In the first three weeks of October, production increased further. September shipments exceeded those of the preceding month by nearly 35 per cent and were only slightly smaller than in the same month last year. Wholesale prices of hard coal increased in September but were 7 per cent lower than those of a year earlier.

The market for Pennsylvania bituminous coal has been more active owing largely to an increased demand from industry. Colliery output, which averaged about 250,000 tons daily during September, increased by a larger amount than usual and exceeded that of any month since last April. In early October production showed a further gain. Although shipments increased substantially during September, they were about 18 per cent smaller than a year ago. Wholesale prices of soft coal throughout the country showed a fractional decline from August to September and were over 3 per cent lower than last year.

**Distribution.** Activity in retail trade has increased considerably in the past six weeks as it usually does at this period. In September sales showed a gain of 9 per cent over the usual increase that occurs between August and September. Sales of men's apparel alone registered a sharp decline. Every important trading area of this district reported exceptional gains in retail sales over August. Preliminary reports indicate further seasonal gains in the first half of October. Prices have shown noticeable strength since the middle of last month.

Our index number of retail trade sales rose from 52 in August to 57 per cent of the 1923-1925 average in Sep-

tember, when allowance is made for the number of business days and the usual seasonal trend. Last year this index was 77. Sales in the first nine months of this year by department, apparel, shoe and credit stores were 23 per cent smaller than in the same period last year. This unfavorable comparison continued to reflect the influence of lower prices and industrial conditions generally.

While inventories increased in most of the reporting lines the aggregate gain was not as large as that which usually occurs from August to September. Department stores in Philadelphia and women's apparel stores were the only reporting lines which showed somewhat more than seasonal increases in their stocks of merchandise. The rate of stock turnover, while increasing seasonally, has been almost 9 per cent less rapid this year than last. Settlements of accounts quickened slightly, the ratio of collections during September to outstandings at the beginning of that month being almost one per cent higher; compared with a year ago, however, this percentage was 10 per cent lower.

Wholesale trade sales in the aggregate increased from August to September, but the rate of this gain was not quite as large as it should have been, so that more than seasonal gains in such lines as shoes, drugs, dry goods, and jewelry were practically offset by less than usual increases in the sale of electrical supplies, groceries, hardware and paper. Early reports for October indicate increased sales in all lines except hardware. Compared with a year ago, wholesale and jobbing business was 20 per cent smaller, the

largest declines occurring in electrical supplies, hardware and jewelry.

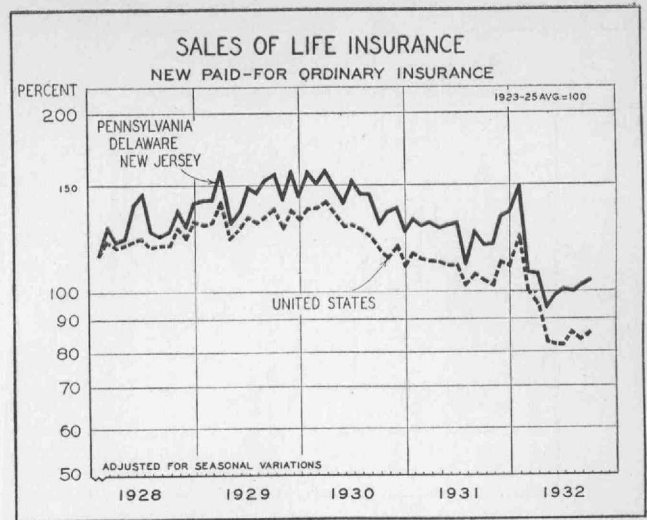
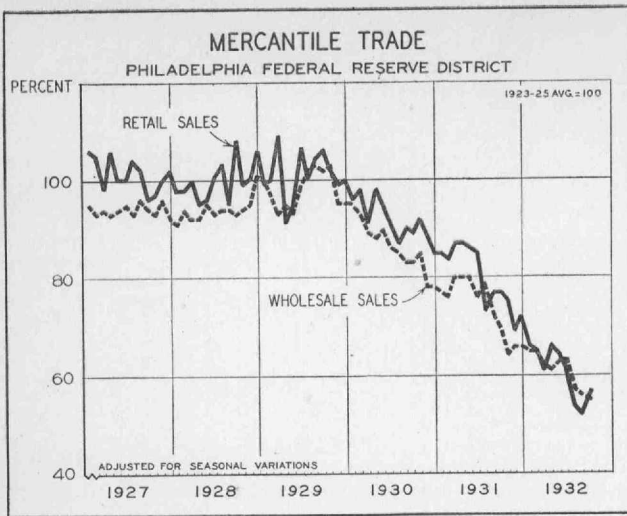
Wholesale stocks of merchandise, while showing little change in the month, were 15 per cent less than at the end of September 1931, reflecting partly lower prices as in the case of sales. The rate of stock turnover was 8 per cent lower this year than last. Collections showed little change during the month but were 14 per cent slower than a year ago.

Freight car loadings in this section have shown an upward trend since July, and the gain in September was 5 per cent over the estimated seasonal rise. This improvement was due principally to larger shipments of coal, merchandise, and miscellaneous commodities. In comparison with last year, loadings continued about 27 per cent smaller.

Sales of new passenger automobiles were smaller in September than in August, but this decline was not as large as that at the same time in other years. Sales of life insurance have been upward since the second quarter of this year, and our index number, which takes account of seasonal changes, was higher in September than in August by over 2 per cent.

**Financial conditions.** During the past month member banks reduced borrowings from the reserve bank and added to their reserves. Loans continued to decline at the banks which report weekly, but deposits have shown an increase.

Treasury disbursements in this district, including new issues of national bank notes, exceeded local receipts by more than 5 millions in the period from September 21 to October 19. Funds at the disposal of the banks also



Source: Life Insurance Sales Research Bureau

were augmented by a gain of 4 millions in commercial and financial transactions with other districts and by the return of money from circulation. Borrowings from this bank were reduced 5½ millions, mainly by banks outside of Philadelphia, and reserve deposits increased 5 millions, reflecting chiefly larger sums to the credit of Philadelphia banks.

Coincident with the reduction in bills discounted held by this bank, there was a drop in the number of borrowing banks to the lowest point in the past year. On October 19 the total of discounts was 49 millions, which was only about half the amount reported a year ago, when currency demand was very active. The bank's holdings of other bills and securities changed little in the past four weeks. Cash reserves increased and the reserve ratio rose from 55.1 to 56.4 per cent.

Loans to customers at the weekly reporting member banks show a further decline from 611 to 602 millions and now are nearly 20 per cent less than a year ago. Such loans are made for many different purposes, including the carrying of securities and loans to other banks, as well as advances of a specific commercial character. In connection with this decline in loans, it is to be noted that in September the dollar volume of sales at retail was 26 per cent and at wholesale, 20 per cent, lower than a year ago, and that the volume of manufacturing output in the district was 18 per cent smaller.

The reporting banks were allotted nearly 11 millions of new government securities on October 15, for which payment was made by deposit credit, and this is approximately the amount

Reporting member banks (000,000's omitted)	Oct. 19, 1932	Sept. 21, 1932	Oct. 21, 1931
Loans to customers:			
On securities . . . . .	\$ 303	\$ 306	\$ 396
All other . . . . .	299	305	352
Loans to open market . . . . .	9	10	24
United States securities . . . . .	236	225	194
Other securities . . . . .	276	275	300
Total loans and investments . . . . .	\$1,123	\$1,121	\$1,266
Net demand and time deposits . . . . .	907	898	1,013
Government deposits . . . . .	50	50	21
Due to banks . . . . .	212	187	170
Due from banks . . . . .	143	110	71

of the total increase in such securities during the four weeks ended October 19, suggesting that sales of the new issue immediately after allotment were small. Government deposits show practically no change in total, taking the four weeks as a whole, but net demand deposits increased 8 millions and there also was a small gain in time deposits. Balances to the credit of other banks increased 25 millions, but the reporting banks in turn show an increase of 33 millions in amounts due from banks.

Deposits of all member banks, Phila. Fed. Res. District (000,000's omitted) Daily averages	Net demand	Time	Total
1932—May . . . . .	\$ 955	\$1,007	\$1,962
June . . . . .	962	1,000	1,962
July . . . . .	962	1,001	1,963
Aug. . . . .	955	1,002	1,957
Sept. . . . .	963	1,001	1,964
1931—Sept. . . . .	1,149	1,202	2,351
1930—Sept. . . . .	1,177	1,167	2,344

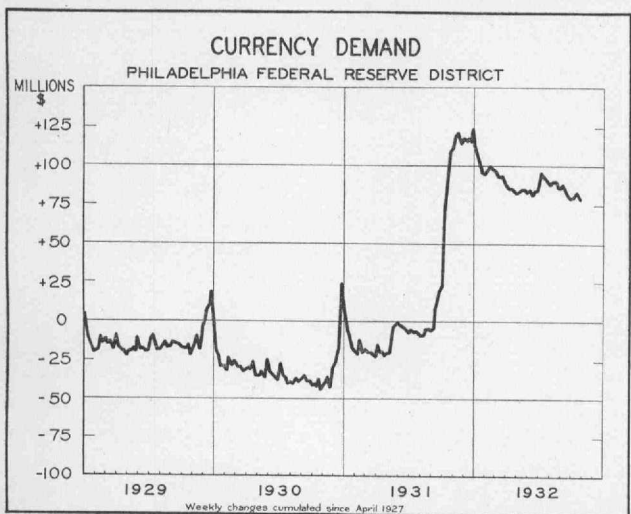
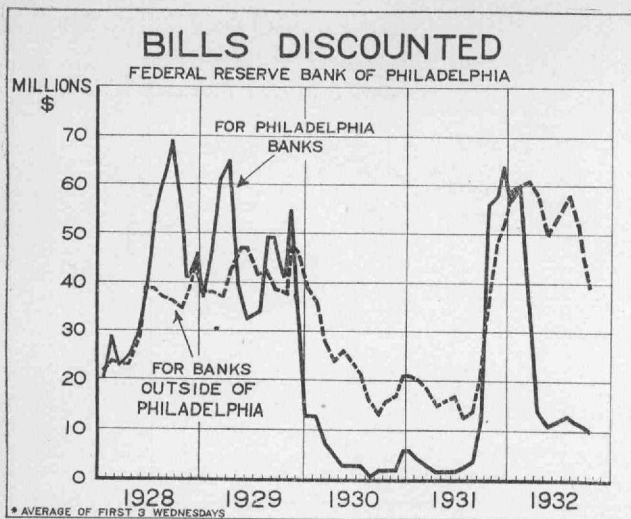
There was an increase from 1,957 millions in August to 1,964 millions in September in average net demand and time deposits of all member banks. This was the most substantial gain

in any month since the sweeping decline in deposits which set in a year ago. Deposits in the larger cities increased and even the smaller towns, as a whole, show a virtual cessation of the decline which had been in progress for many months.

Outstanding acceptances of banks in this district increased from \$11,191,000 to \$12,271,000 during September. This was the largest increase in any month of the past year and proportionately was considerably greater than in the rest of the country. Even so the total at the end of the month was more than 30 per cent lower than a year ago, while the national totals show a decline of over 31 per cent.

The issue of Treasury 3 per cent notes, dated October 15, resulted in subscriptions for 634 millions in this district. The total allotted locally, however, was only 21 millions, of which nearly 7 millions was in exchange for maturing securities.

Federal Reserve Bank of Philadelphia (Dollar figures in millions)	Oct. 19, 1932	Changes in—	
		Four weeks	One year
Bills discounted for banks in—			
Philadelphia . . . . .	\$ 10.1	-\$0.3	-\$48.5
Other communities . . . . .	38.7	- 5.2	- 0.9
<b>Total bills discounted</b> . . . . .	<b>\$ 48.8</b>	<b>-\$5.5</b>	<b>-\$49.4</b>
Bills bought . . . . .	3.2	0	- 11.4
United States securities . . . . .	139.3	- 0.1	+ 81.3
Other securities . . . . .	1.3	0	- 5.4
<b>Total bills and securities</b> . . . . .	<b>\$192.6</b>	<b>-\$5.6</b>	<b>+\$15.1</b>
Fed. res. note circulation . . . . .	238.9	- 6.1	- 21.6
Member bank reserve deposits . . . . .	121.0	+ 5.1	- 10.6
Government deposits . . . . .	1.4	- 2.1	- 0.3
Foreign bank deposits . . . . .	0.8	- 0.2	- 15.7
Cash reserves . . . . .	204.4	+ 3.1	- 60.4
Reserve ratio . . . . .	56.4%	+ 1.3%	- 8.1%



Percentage change—Sept. 1932 from Sept. 1931

City areas*	Employment	Wage payments	Building permits (value)	Debits	Retail trade sales
Allentown.....	-14.6	-34.3	-36.0	-29.2	-18.8
Altoona.....	-24.6	-39.8	-39.0	-29.7	-36.3
Harrisburg.....	-9.3	-25.9	-97.0	-24.6	-21.1
Johnstown.....	0.0	-50.2	+22.2	-41.2	-22.7
Lancaster.....	-19.9	-46.5	-71.2	-39.5	-20.6
Philadelphia.....	-17.9	-26.7	-9.2	-33.6	-22.6
Reading.....	-14.5	-31.5	-61.2	-28.3	-19.7
Scranton.....	-10.5	-23.7	-46.1	-28.3	-15.5
Trenton.....	-16.1	-28.2	-13.6	-33.1	-18.4
Wilkes-Barre.....	+6.8	-11.7	-78.3	-29.5	-12.7
Williamsport.....	-36.4	-47.2	-43.3	-41.0	.....
Wilmington.....	+6.6	+5.4	-65.1	-34.8	-26.0
York.....	-10.3	-22.8	-79.0	-32.5	.....

September 1932 from August 1932

Allentown.....	+6.7	+10.2	-79.3	-1.2	+23.0
Altoona.....	+5.3	+4.4	+337.1	+2.2	+12.1
Harrisburg.....	+4.1	0.0	-61.0	-1.4	+39.7
Johnstown.....	+0.5	-4.2	+101.2	-1.3	+21.7
Lancaster.....	+4.7	+11.3	-13.4	-10.8	+24.2
Philadelphia.....	+5.6	+13.6	-1.9	+6.6	+29.2
Reading.....	+0.8	+19.0	+47.5	+1.1	+18.4
Scranton.....	+19.3	+17.9	+101.6	-4.9	+45.2
Trenton.....	+5.1	+2.9	-85.1	-10.3	+28.7
Wilkes-Barre.....	+6.9	-1.6	-19.0	+7.1	+33.0
Williamsport.....	-15.9	-9.4	-21.4	-3.7	.....
Wilmington.....	+1.5	-2.5	-92.0	+12.5	+10.2
York.....	+3.9	+5.1	+46.2	-0.5	.....

Employment and wages in Pennsylvania	Employment September 1932		Payrolls September 1932			
	Sept.* index	Per cent change since		Sept.* index	Per cent change since	
		Sept. 1931	Aug. 1932		Sept. 1931	Aug. 1932
All manufacturing industries (51).....	60.6	-16.5	+3.9	36.0	-33.7	+7.5
Metal products.....	49.5	-24.5	+1.9	24.1	-45.6	+3.0
Blast furnaces.....	37.1	-4.4	+1.1	13.6	-50.4	+2.2
Steel wks. and rolling mills.....	44.1	-21.1	+0.9	19.0	-47.7	-3.1
Iron and steel forgings.....	42.4	-34.7	-6.6	21.7	-48.9	-2.3
Structural iron work.....	74.7	-20.4	+2.0	38.7	-39.7	+4.6
Steam & hot wtr. htg. app.....	77.8	-9.8	+5.7	42.4	-26.0	-8.2
Stoves and furnaces.....	61.1	-5.6	+1.2	44.1	-8.5	+15.7
Foundries.....	48.7	-19.4	+1.2	19.7	-41.7	+1.5
Machinery and parts.....	51.5	-31.0	0.2	24.7	-46.9	-2.0
Electrical apparatus.....	68.0	-32.3	+3.5	42.8	-46.1	+20.9
Engines and pumps.....	33.4	-32.5	+17.6	16.4	-50.6	+25.2
Hardware and tools.....	55.1	-19.0	+0.2	28.1	-39.6	+5.2
Brass and bronze products.....	52.5	-16.1	0.0	29.0	-40.0	-1.7
Transportation equipment.....	36.7p	-32.8	-5.2	20.5p	-51.1	-1.0
Automobiles.....	25.9	-55.0	-27.7	13.5	-51.1	-9.4
Auto. bodies and parts.....	28.4	-42.2	-18.4	19.8	-62.1	-8.3
Locomotives and cars.....	20.8	-11.5	+4.0	10.4	-37.3	-7.1
Railroad repair shops.....	58.8	-10.5	+0.3	21.8	-57.6	+17.2
Shipbuilding.....	50.1	+23.1	-4.2	78.3	+133.0	+8.6
Textile products.....	84.9	-0.6	+13.4	61.0	-13.1	+30.3
Cotton goods.....	57.1	-9.2	+14.2	45.4	-10.8	+37.6
Woolens and worsteds.....	64.6	+2.4	+23.5	43.2	-17.1	+30.5
Silk goods.....	97.9	+11.6	-13.8	72.4	-15.2	+14.2
Textile dyeing & finishing.....	78.2	-11.4	+10.0	69.5	-11.8	+7.3
Carpets and rugs.....	49.7	-22.9	+10.2	28.2	-46.5	+11.9
Hats.....	58.5	-20.6	-3.2	55.4	+1.3	+27.4
Hosiery.....	101.2	+2.2	+7.4	76.9	+1.3	+54.1
Knit goods, other.....	87.1	-4.3	+32.2	61.7	-21.0	+43.5
Men's clothing.....	70.9	-14.9	+11.0	50.9	-31.7	+22.9
Women's clothing.....	90.7	-13.0	+35.0	58.5	-30.1	+48.1
Shirts and furnishings.....	119.6	-20.4	+32.3	77.3	-37.4	+26.5
Foods and tobacco.....	96.6	-9.1	+2.7	78.3	-16.3	+2.6
Bread and bakery products.....	94.6	-10.0	0.0	77.5	-19.1	0.0
Confectionery.....	89.4	-16.5	+13.0	75.6	-22.5	+15.8
Ice cream.....	86.8	-18.7	-12.0	71.6	-32.0	-13.3
Meat packing.....	93.8	-0.1	+1.5	74.4	-5.8	+7.5
Cigars and tobacco.....	98.0	-5.2	+2.2	75.9	-8.8	+0.9
Stone, clay & glass products.....	45.9	-18.9	+8.0	21.2	-45.1	+1.0
Brick, tile and pottery.....	46.6	-29.6	+2.2	19.2	-52.0	+2.1
Cement.....	42.5	-14.1	+25.7	19.5	-45.1	+18.9
Glass.....	52.4	-9.0	-7.6	30.5	-33.1	-20.4
Lumber products.....	45.3	-25.7	+6.1	31.1	-46.7	+9.1
Lumber and planing mills.....	25.2	-26.1	-4.9	16.2	-41.5	+7.4
Furniture.....	52.6	-28.5	+15.9	38.1	-48.0	+26.6
Wooden boxes.....	56.2	-11.1	-1.9	35.7	-40.6	-8.9
Chemical products.....	79.3	-6.9	-1.7	63.0	-15.5	-2.5
Chemicals and drugs.....	49.8	-23.1	-2.2	37.7	-37.8	-3.3
Coke.....	55.5	-5.6	-5.3	18.3	-43.5	-0.5
Explosives.....	63.9	-16.4	+0.9	52.4	-34.7	+22.7
Paints and varnishes.....	81.1	-6.7	+1.8	54.4	-29.0	+6.0
Petroleum refining.....	124.8	+0.4	+1.4	114.4	-1.4	-4.2
Leather and rubber products.....	83.9	-13.5	+0.7	60.1	-32.6	+0.5
Leather tanning.....	81.1	-20.3	-1.5	54.7	-41.2	-1.1
Shoes.....	98.0	-2.2	+3.4	80.2	-7.5	+16.7
Leather products, other.....	67.1	-19.0	+0.8	56.9	-27.2	+0.9
Rubber tires and goods.....	77.5	-11.4	+1.4	54.0	-43.1	-29.0
Paper and printing.....	81.7	-10.3	+2.6	64.9	-25.3	+2.7
Paper and wood pulp.....	74.4	-5.0	+7.7	47.7	-20.5	+3.7
Paper boxes and bags.....	61.3	-26.3	-0.2	52.0	-36.4	+14.3
Printing and publishing.....	86.3	-10.9	+0.6	73.0	-25.8	+1.1
Anthracite mining.....	54.4	-30.1	+13.6	39.4	-27.6	+13.6
Bituminous coal mining.....	.....	.....	+0.1	.....	.....	+9.5
Canning and preserving.....	.....	.....	+13.2	.....	.....	+9.0
Construction and contracting.....	.....	.....	+1.0	.....	.....	+0.3
Hotels.....	.....	.....	+0.3	.....	.....	+2.2
Laundries.....	.....	.....	+0.8	.....	.....	-0.6
Dyeing and cleaning.....	.....	.....	+0.5	.....	.....	+9.1
Public utilities.....	.....	.....	-0.2	.....	.....	-3.1
Quarrying and non-metallic mining.....	.....	.....	+2.4	.....	.....	+2.6
Retail trade.....	82.1	-8.6	+9.0	.....	.....	.....
Wholesale trade.....	80.7	-10.4	+0.5	.....	.....	.....

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

\* 1923-1925 average = 100. p-Preliminary figures.

# Index numbers of individual lines of trade and manufacture

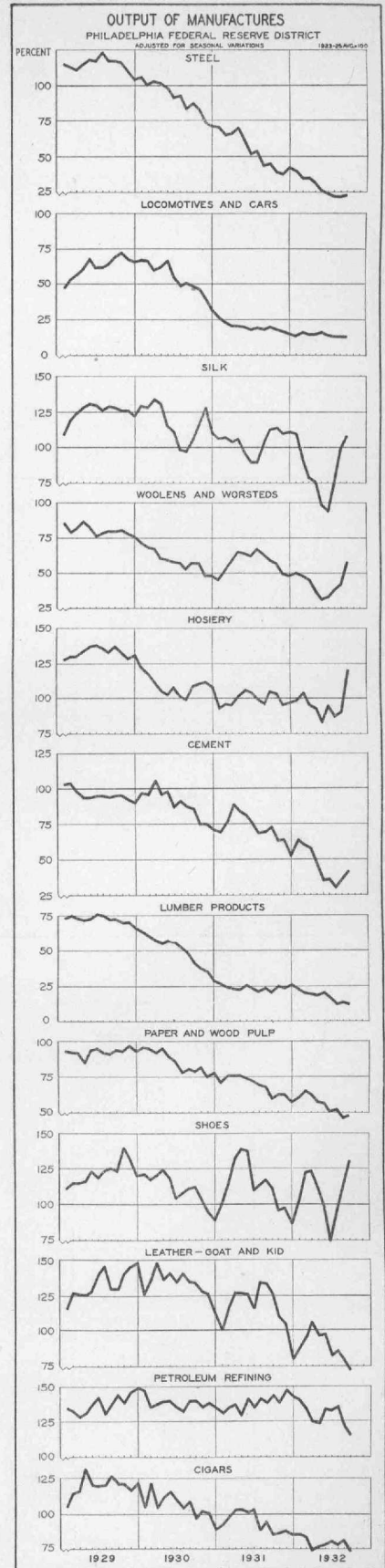
## Philadelphia Federal Reserve District

"Adjusted" index numbers make allowance for the usual seasonal changes which result from an uneven distribution of business between the months of the year. They are the most significant indexes because they show improvement or decline beyond the level usually to be expected.

"Unadjusted" indexes reflect merely the actual changes which may or may not be up to the usual seasonal expectations.

Index numbers—expressed in percentages of the 1923-1925 average which is taken as 100

	Adjusted for seasonal variations						Not adjusted			
	Sept. 1931	Aug. 1932	Sept. 1932	Percentage comparison		Sept. 1931	Aug. 1932	Sept. 1932		
				Sept. 1932 with Sept. 1931	9 months 1932 with 9 months 1931					
			Month ago	Year ago						
<b>Retail trade</b>										
<b>Sales</b>										
All stores.....	77.2	52.3	57.2p	+ 9.4	-25.9	-22.9	69.1	41.2	51.1p	
Department.....	75.0	53.4r	58.1p	+ 8.8	-22.5	-21.8	67.2	40.9r	52.0p	
Men's apparel.....	60.1	59.7	47.2p	-20.9	-21.5	-27.8	51.4	50.2	40.4p	
Women's apparel.....	99.0	60.8	80.3p	+32.1	-18.9	-29.2	85.3	40.9	69.2p	
Shoe.....	80.1	55.5	63.2	+13.9	-21.1	-24.5	74.5	45.5	58.8	
Credit.....	78.3	39.7r	45.1p	+13.6	-42.4	-35.0	72.0	35.7r	41.5p	
<b>Stocks of goods</b>										
All stores.....	70.7	55.2	53.9p	- 2.4	-23.8	.....	74.1	52.6	56.4p	
Department.....	66.4	54.1	53.9p	- 0.4	-18.8	.....	69.0	50.3	56.1p	
Men's apparel.....	67.1	55.0	50.9p	- 7.5	-24.1	.....	73.1	57.1	55.3p	
Women's apparel.....	101.6	71.2	78.7p	+10.5	-22.5	.....	109.7	63.0	84.7p	
Shoe.....	84.6	64.4	60.6	- 5.9	-28.4	.....	88.8	62.5	63.6	
Credit.....	65.1	48.6	45.5p	- 6.4	-30.1	.....	66.4	46.7	46.4p	
<b>Rate of stock turnover</b>										
9 months (actual, not indexes).....							- 8.5	2.81	.....	2.57
<b>Wholesale trade</b>										
<b>Sales</b>										
Total of all lines.....	69.0	55.5	55.0p	- 0.9	-20.3	-19.8	78.3	52.5	62.5p	
Boots and shoes.....	45.2	35.0	39.5	+12.9	-12.6	-15.9	65.1	39.6	56.9	
Drugs.....	99.4	80.4	80.8	+ 0.5	-18.7	-14.9	102.4	74.8	83.2	
Dry goods.....	40.7	31.1	35.6p	+14.5	-12.5	-26.6	54.1	28.9	47.4p	
Electrical supplies.....	51.1	38.5	38.3	- 0.5	-25.0	-38.7	61.3	31.6	46.0	
Groceries.....	91.3	80.0	76.5	- 4.4	-16.2	-11.1	101.3	78.4	84.9	
Hardware.....	62.2	37.0	34.2p	- 7.6	-45.0	-36.7	65.3	32.9	35.9p	
Jewelry.....	47.5	19.8	26.0	+31.3	-45.3	-33.4	58.9	17.4	32.2	
Paper.....	67.6	55.8	52.3	- 6.3	-22.6	-23.2	69.0	53.0	53.3	
<b>Stocks of goods</b>										
Total of all lines.....	75.8	64.9	64.3p	- 0.9	-15.2	.....	78.4	65.4	66.3p	
Drugs.....	111.5	103.0	103.8	+ 0.8	- 6.9	.....	114.8	106.1	106.9	
Dry goods.....	48.6	36.4	35.5	- 2.5	-27.0	.....	53.5	38.9	39.0	
Electrical supplies.....	86.7	74.7	75.8	+ 1.5	-12.6	.....	92.8	79.9	81.1	
Groceries.....	87.8	82.4	77.0	- 6.6	-12.3	.....	87.8	76.6	77.0	
Hardware.....	79.7	61.9	67.9p	+ 9.7	-14.8	.....	78.1	61.3	66.5p	
Jewelry.....	58.6	48.5	50.5	+ 4.1	-13.8	.....	63.9	53.8	55.0	
Paper.....	79.3	67.7	67.6	- 0.1	-14.8	.....	80.9	69.1	69.0	
<b>Rate of stock turnover</b>										
9 months (actual, not indexes).....							- 8.1	3.45	.....	3.17
<b>Output of manufactures</b>										
Pig iron.....	22.4	11.9	8.9	-25.2	-60.3	-59.5	21.1	10.5	8.4	
Steel.....	44.5	22.2	23.1	+ 4.1	-48.1	-50.7	42.3	22.6	21.9	
Iron castings.....	41.1	27.1r	25.5	- 5.9	-38.0	-42.5	41.5	26.3r	25.8	
Steel castings.....	48.0	18.3r	19.7	+ 7.7	-59.0	-58.3	43.7	17.6r	17.9	
Electrical apparatus.....	75.7	33.5	40.7	+21.5	-46.2	-43.4	83.3	37.2	44.8	
Motor vehicles.....	39.8	21.9r	19.5	-11.0	-51.0	-37.4	34.2	18.4r	16.8	
Automobile parts and bodies.....	57.8	24.0	22.0	- 8.3	-61.9	- 9.6	54.9	22.6	20.9	
Locomotives and cars.....	20.1	12.9	12.6	- 2.3	-37.3	-30.8	19.3	13.0	12.1	
Shipbuilding.....	130.6	136.5	156.5	+14.7	+19.8	- 1.0	124.1	135.1	148.7	
Silk manufactures.....	113.2	97.1	121.6	+25.2	+ 7.4	-16.6	113.2	94.2	121.6	
Woolen and worsteds.....	58.7	42.0	57.8p	+37.6	- 1.5	-28.5	64.6	43.0	63.5p	
Cotton products.....	44.6	33.7	41.6	+23.4	- 6.7	-28.5	42.3	30.5	39.4	
Carpets and rugs.....	56.5	37.6	41.6p	+10.6	-26.4	-23.7	54.8	36.1	40.4p	
Hosiery.....	105.0	89.7	120.8	+34.7	+15.0	- 3.3	105.0	78.0	120.8	
Underwear.....	119.4	112.0	134.1	+19.7	+12.3	- 9.3	119.4	104.2	134.1	
Cement.....	72.8	35.9	42.3	+17.8	-41.9	-40.3	85.2	44.9	49.5	
Brick.....	41.2	18.8	19.7	+ 4.8	-52.2	-49.7	41.6	19.5	19.9	
Lumber and products.....	21.1	12.5	12.0	- 4.0	-43.1	-27.4	22.2	13.6	12.6	
Bread and bakery products.....	.....	.....	.....	0.0*	-19.1*	-16.9*	95.8	77.5	77.5	
Slaughtering, meat packing.....	84.5	97.1	102.5	+ 5.6	+21.3	+17.0	84.5	81.8	102.5	
Sugar refining.....	40.2	136.2	82.8	-39.2	+106.0	+10.9	34.6	117.1	71.2	
Canning and preserving.....	35.3	26.1	25.7p	- 1.5	-27.2	-28.9	46.0	35.8	32.7p	
Cigars.....	84.9	81.4	73.3	-10.0	-13.7	-18.3	99.3	84.7	85.8	
Paper and wood pulp.....	60.2	46.2	47.9	+ 3.7	-20.4	-22.2	60.2	46.2	47.9	
Printing and publishing.....	104.4	77.4	77.5	+ 0.1	-25.8	-19.3	103.4	75.1	76.7	
Shoes.....	111.8	111.5	129.6	+16.2	+15.9	-10.3	127.5	119.3	147.7	
Leather, goat and kid.....	125.9	79.3	72.4p	- 8.7	-42.5	-27.2	130.9	76.1	75.3p	
Explosives.....	67.0	48.0	58.9p	+22.7	-12.1	-29.8	67.0	48.0	58.9p	
Paints and varnishes.....	76.1	47.5	54.1	+13.9	-28.9	-18.0	72.3	48.4	51.4	
Petroleum products.....	142.7	121.1	115.4p	- 4.7	-19.1	- 5.8	144.4	121.6	116.4p	
Coke, by-product.....	74.1	44.8	49.6	+10.7	-33.1	-38.0	71.1	43.9	47.6	



\* Computed from unadjusted indexes. p—Preliminary. r—Revised.