

# THE BUSINESS REVIEW

THIRD FEDERAL  
PHILADELPHIA



RESERVE DISTRICT  
JULY 1, 1933

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FEDERAL RESERVE BANK of PHILADELPHIA

## Business and Banking Conditions in the United States

Industrial activity increased rapidly in May and the early part of June, and there was an advance in the general level of commodity prices. Prices of raw materials traded in on organized exchanges showed wide fluctuations, and a general rapid upward movement, while prices of other commodities as a group showed relatively little increase.

**Production and employment.** Volume of industrial production, as measured by the Board's seasonally adjusted index, increased from 67 per cent of the 1923-1925 average in April to 76 per cent in May, as compared with 60 per cent in March 1933. Operations at steel mills continued to increase in May and the early part of June, contrary to seasonal tendency, and in the week ending June 24 activity is reported at about 50 per cent of capacity. Output of the automobile industry was larger in May than in April and, according to trade reports, has increased further in June, although a decline is usual at this season. Lumber output in May showed a considerable increase from previous low levels. Activity at

textile mills increased sharply to a higher level for the season than in any other month since November 1929 and output of shoe factories in May was larger than in May of any previous year.

Employment in manufacturing industries increased considerably between the middle of April and the middle of May and the Board's index, which is adjusted to allow for seasonal variations, advanced from 58 per cent of the 1923-1925 average to 61 per cent. Factory payrolls increased by a larger percentage to about 42 per cent of the 1923-1925 average.

Value of construction contracts awarded during May and the first half of June as reported by the F. W. Dodge Corporation showed a non-seasonal increase from the extreme low levels prevailing earlier in the year.

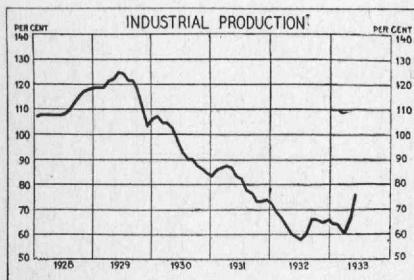
**Distribution.** Freight traffic increased from April to May by more than the seasonal amount reflecting chiefly larger shipments of miscellaneous freight and merchandise. Department store sales which had increased sub-

stantially from March to April showed little change in May.

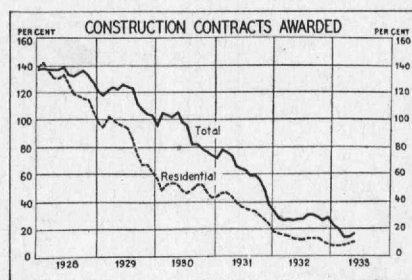
**Wholesale prices.** Wholesale commodity prices, as measured by the weekly index of the Bureau of Labor Statistics, advanced from 60.3 per cent of the 1926 average in the week ending April 15 to 64.5 per cent in the week ending June 17. This increase reflected a rapid rise in the prices of commodities traded in on organized exchanges, including wheat, cotton, wools, hides, lard, sugar, silk, rubber and nonferrous metals, and also in the prices of flour, textiles, and leather; while prices of petroleum were re-



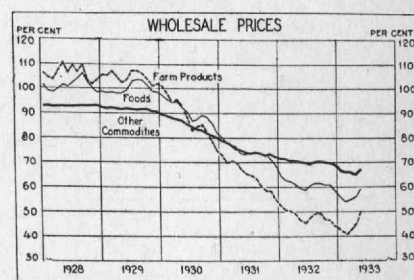
Indexes of factory employment and payrolls, without adjustment for seasonal variation. (1923-1925 average = 100.)



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



Indexes based on three month moving averages of F. W. Dodge data for 37 Eastern States, adjusted for seasonal variation. (1923-1925 average = 100.)



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

duced and most other prices showed relatively little change.

**Foreign exchange.** The value of the dollar in the exchange market declined by 18 per cent between the middle of April and June 21. On the latter date the noon buying rate on cable transfers for the French franc was 4.81 cents, as compared with a gold par of 3.92 cents, and the English pound was quoted at \$4.16, as compared with a rate of \$3.41 on April 12.

**Bank credit.** A return flow of \$156,000,000 of currency from circulation and purchase of \$118,000,000 of United States Government securities by the reserve banks placed a considerable volume of reserve funds at the

disposal of member banks during the five weeks ending June 21. These funds were used in part to reduce further the member banks' indebtedness to the reserve banks and the reserve banks' holdings of acceptances, and in part were added to the member banks' reserve accounts.

Loans and investments of member banks in 90 leading cities increased by \$175,000,000 in the four weeks ending June 14, representing chiefly a growth of security loans and other loans at New York City banks. Loans to brokers and dealers in securities made by New York City banks increased by \$160,000,000 during the period, while security loans to other customers declined. Net demand de-

posits at the reporting banks increased by over \$500,000,000 reflecting in part a further growth of bankers' balances, principally in New York City.

Money rates in the open market continued to decline during the period and in the middle of June were only slightly above the lowest levels of recent years.

On May 26 the discount rate of the Federal Reserve Bank of New York was reduced from 3 to 2½ per cent and in the following three weeks rates were lowered from 3½ to 3 per cent at the Federal Reserve Banks of Chicago, Boston, San Francisco, Philadelphia, St. Louis and Cleveland. At the other reserve banks a rate of 3½ per cent prevails.

## Business and Banking Conditions in the Philadelphia Federal Reserve District

Business continues active and commodity prices have risen steadily, surpassing those of last year. Industrial operations show large additional increases, so that the current level is substantially higher than the record low point reached in March. Output of manufactures in May registered further exceptional gains which were more than well sustained in June; the total May volume exceeded that of last year for the first time in many months. Production of bituminous coal increased, while that of anthracite decreased from April to May, but in June both showed an upward tendency. While the volume of construction continues at very low levels with respect to other years, there has been a considerable increase during May and early June both in contract awards

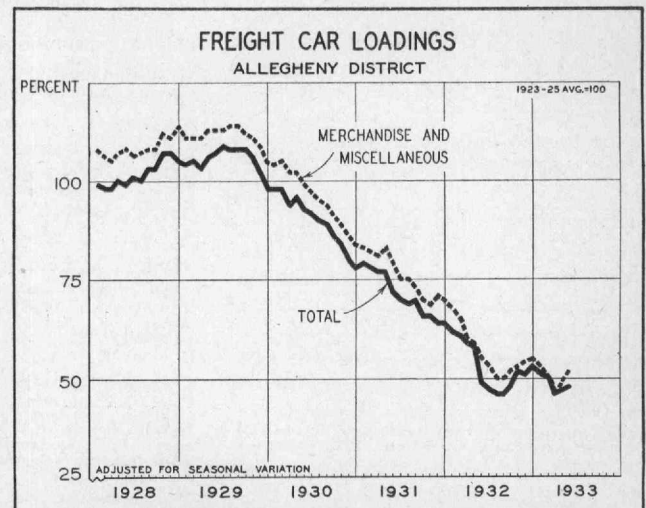
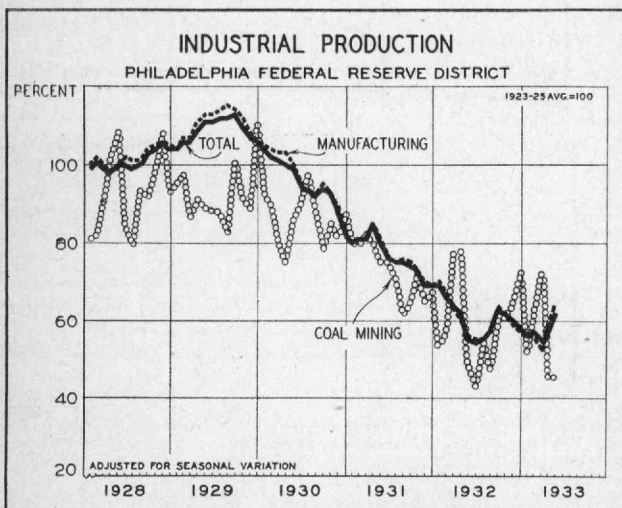
and in building operations generally. Freight car loadings and wholesale trade have shown considerable increases; while sales at retail decreased in May from the unusually high volume of April, some improvement has occurred in June. Collections generally showed additional increases during May. Commercial failures declined sharply and for the year to date were appreciably smaller than last year both in number and in the amount of liabilities.

Industrial employment and payrolls have shown marked increases. In Pennsylvania, industrial employment since March has risen nearly 5 per cent and payrolls over 7 per cent, according to our indexes comprising twelve manufacturing and non-manufacturing industries and services. The largest

gains in the month occurred in manufacturing, quarrying, and non-metallic mining, while the largest decreases took place in anthracite mining and in public utilities.

**Manufacturing.** Demand for manufactured products in this district has been exceptionally active for this time of the year. Sales generally have shown additional gains, so that the volume sold by many important lines since early April has exceeded that of last year. The majority of reports show that unfilled orders have been steadily on the increase, and about the middle of June they were on the whole appreciably larger than a year ago.

Wholesale prices of manufactures have increased sharply in this district as in the country in the past three



Source: American Railway Association



## Business Indicators

### Philadelphia Federal Reserve District

months, and they continue strong, surpassing last year's levels in most instances. The extent of price increases, however, shows considerable variation not only as between individual commodities but also as between the major groups of commodities. Since the third week of April, when this country declared an embargo on gold, the most pronounced increases occurred in quotations for farm products, foods, hides and leather, and textile products. Prices of these commodities as well as those of building materials and chemicals and drugs in the third week of June were also appreciably higher than a year ago, while quotations for metal products, house furnishing and miscellaneous goods were lower than last year, although the spread is growing narrower, owing to advances in the past two months.

Stocks of finished goods at local factories, which have been diminishing steadily in the past three years, do not show any signs of accumulation; on the contrary, there has been a further reduction since April, so that the majority of plants report smaller volumes than a month and a year ago. In the case of raw materials, current purchases by local manufacturers have increased, reflecting partly advance in prices and partly more active demand for factory products. Compared with a year ago, inventories of raw materials still appear to be smaller in most instances.

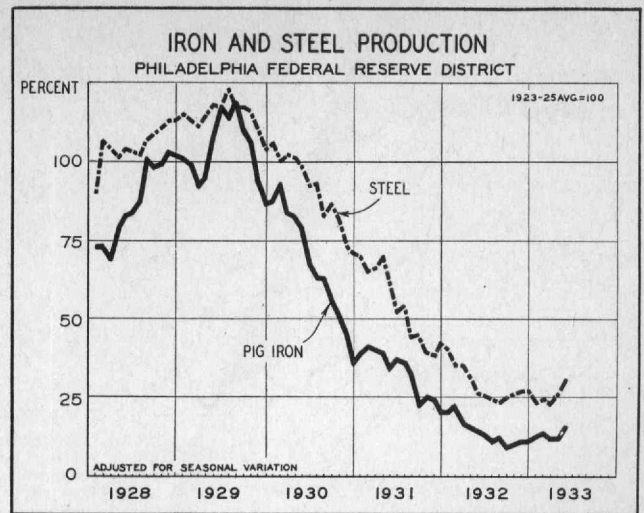
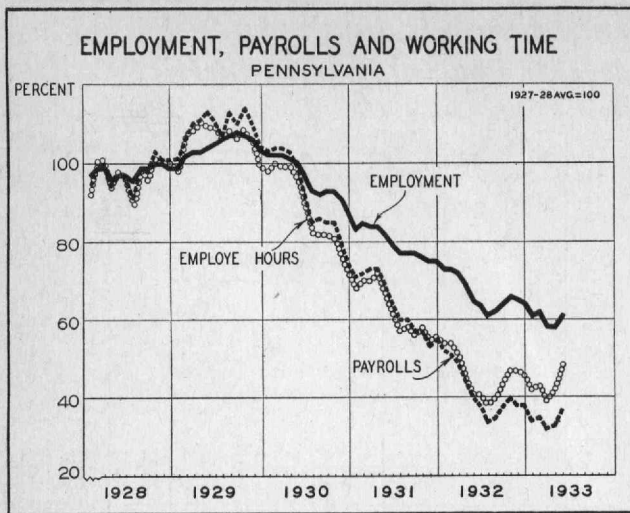
Factory employment in this district showed further gains of over 5 per cent and payrolls more than 12 per cent from April to May. These gains were unusual since ordinarily beginning with April factory operations reflect gradual seasonal recessions. Working time, as measured by the number of employe-hours worked in Pennsylvania during May, increased almost 16 per cent over April, all manufacturing groups sharing in this exceptional upturn. Since March, when productive activity reached the lowest level in the past eleven years, employment in Pennsylvania has risen almost 7 per cent and payrolls 19 per cent. It is estimated on the basis of these changes that the number of wage earners in Pennsylvania factories in the two months following the banking crisis was increased by almost 37,000 so that in May approximately 596,000 factory wage earners were employed, drawing an average weekly payroll of over \$8,900,000 or about

		Index numbers expressed in percentages of 1923-1925 average, which is taken as 100									
		Adjusted for seasonal variation					Not adjusted				
						Percentage comparison					
		May 1932	April 1933	May 1933	May 1933 with		5 months 1933 with 5 months 1932		May 1932	April 1933	May 1933
					Month ago	Year ago					
<b>Industrial production: output of factories and coal mines</b>											
	55.0	56.7	62.3p	+ 9.9	+13.3	- 9.9	54.1	55.4	61.0p		
<b>Manufacturing—total</b>	55.5r	57.8	63.9p	+10.6	+15.1	- 9.7	54.6r	56.3	62.5p		
Metal products	33.2r	30.6	35.4	+15.7	+ 6.6	-26.9	32.8r	29.7	35.2		
Textile products	52.8	76.6	85.0p	+11.0	+61.0	+ 9.4	50.9	72.8	81.4p		
Transportation equipment	50.1r	24.1	25.6	+ 6.2	-48.9	-48.0	52.0r	25.5	26.9		
Food products	71.8r	66.9	68.4p	+ 2.2	- 4.7	- 8.5	71.6r	66.9	68.7p		
Tobacco and products	79.3	80.8	87.5	+ 8.3	+10.3	0.7	77.1	73.7	85.0		
Building materials	25.0r	20.1	25.4	+26.4	+ 1.6	-39.5	26.0r	20.0	26.7		
Chemicals and related products	91.1	85.3	92.1p	+ 8.0	+ 1.1	- 6.0	92.6	86.2	93.5p		
Leather and products	96.0	109.2	128.0p	+17.2	+33.3	+ 5.9	87.3	107.8	116.5p		
Paper and printing	82.9r	77.9	80.8	+ 3.7	- 2.5	-11.6	83.6r	79.4	81.5		
Electric power output	178.2	169.7	183.8	+ 8.3	+ 3.1	- 8.4	165.7	166.3	170.9		
Elec. pwr. used by industries	116.0	112.7	112.7	0.0	- 2.8	- 9.7	118.3	113.8	115.0		
<b>Coal mining</b>											
	49.2	44.8	45.1	+ 0.7	- 8.3	-11.7	48.5	45.0	44.2		
Anthracite	49.0	44.0	43.0	- 2.3	-12.2	-13.0	49.0	45.0	43.0		
Bituminous	50.4	49.3	57.4	+16.4	+13.9	- 1.7	45.4	44.9	51.7		
<b>Factory employment—Penna.</b>											
				+ 5.4*	- 6.0*	-14.5*	61.8	55.1	58.1		
Factory wage payments—Penna.				+13.0*	- 6.6*	-28.1*	38.1	31.5r	35.6		
<b>Building and real estate</b>											
Contracts awarded†—total	32.6	12.1	13.2	+ 9.1	-59.5	-42.1	39.8	14.1	16.1		
Contracts awarded†—residential	16.7	8.4	9.3	+10.7	-44.3	-55.3	21.4	10.2	11.9		
Permits for building	6.7	4.1	7.5	+82.9	+11.9	-45.1	7.4	5.8	8.3		
Mortgages recorded in Phila.	22.8	9.8	14.0	+42.9	-38.6	-52.4	21.2	10.3	13.0		
Real estate deeds recorded in Philadelphia	60.3	59.8	48.7	-18.6	-19.2	-19.8	65.1	59.2	52.6		
Exclusive of Sheriff deeds (1930=100)				0.0*	-23.8*	-13.1*	78.5	59.8	59.8		
Sheriff deeds (1930=100)				-18.6*	+31.7*	+ 3.7*	130.4	210.9	171.7		
Writs for Sheriff sales in Phila.	1003.5	572.1	1225.9	+114.3	+22.2	+ 1.1	1053.7	600.7	1287.2		
<b>Distribution</b>											
Retail trade—sales	64.8	62.1	59.8p	- 3.7	- 7.7	-19.6	65.2	66.7r	60.1p		
Retail trade—stocks	65.7	52.4r	54.0p	+ 3.1	-17.8	.....	65.3	54.0	53.7p		
Wholesale trade—sales	63.2	58.1	68.3	+17.6	+ 8.1	- 7.1	60.3	54.2	64.2		
Wholesale trade—stocks	67.6	56.3	57.9	+ 2.8	-14.3	.....	66.5	56.4	57.0		
Freight car loadings (Allegheny district)	48.9	46.8	47.9	+ 2.4	- 2.0	-16.3	50.9	45.4	49.8		
Life insurance sales	98.1	89.2	89.6	+ 0.4	- 8.7	-16.3	105.0	99.9	95.9		
New passenger auto registrations	50.5	43.7	52.1	+19.2	+ 3.2	-13.8	72.7	66.0	75.0		
<b>Business liquidations</b>											
Number				-26.3*	-15.6*	-22.3*	142.5	163.2	120.3		
Amount of liabilities				-44.0*	-46.3*	-46.6*	243.0	233.0	130.6		
<b>Payment of accounts</b>											
Check payments	62.0	55.6	52.4	- 5.8	-15.5	-14.9	61.4	56.2	51.9		
Rate of collections (actual, not indexes)				+ 2.0*	- 1.5*	.....	26.3	25.4	25.9		
Retail trade				+ 8.3*	+ 5.4*	.....	56.9	55.4	60.0		
Wholesale trade											

	(000,000's omitted in dollar figures)					Per cent change from	
	May 1932	Feb. 1933	Mar. 1933	Apr. 1933	May 1933	Month ago	Year ago
<b>Banking and credit</b>							
All member banks—net demand and time deposits	\$1,962	\$1,963	\$1,845	\$1,874	\$1,883	+ 0.5	- 4.0
Bankers' acceptances outstanding	14.1	10.4	10.4	9.9	10.0	+ 1.0	-29.1
<b>Federal Reserve Bank</b>							
Bills discounted	63	54	131	56	46	-17.9	-27.0
Other bills and securities	112	142	140	144	141	- 2.1	+25.9

\* Computed from data unadjusted for seasonal variation.  
† 3-month moving daily average.

p—Preliminary.  
r—Revised.



Source: Iron Age

\$1,400,000 a week more than in March.

Factory production showed an extraordinary increase for two successive months. This bank's index of output of manufactures, which takes into account the number of working days and seasonal changes, rose to 62.3 per cent of the 1923-25 average as compared with 57 in April and 55 in May last year. Compared with a record low level in March this year, the volume of factory output increased about 19 per cent and in the country the gain amounted close to 25 per cent. Production in the first five months, however, was roughly 10 per cent smaller than in the same period last year. In early June, productive activity continued the upward movement.

Exceptionally large additional increases in output occurred in most of the manufacturing groups, the sharpest percentage gains taking place in the fabrication of metal products, and in the manufacture of textile and tobacco products, building materials, and radio and musical instruments. All groups except those comprising transportation equipment, foods, and paper and printing showed noticeable gains over a year ago, so that the index number measuring production of eleven important groups combined was 15 per cent higher in May this year than last and, barring September, was the highest of any month since February 1932.

The continuance of unusual gains during May was widespread with respect to individual industries. Of the thirty-one important manufacturing lines shown in the table on the last page, only two registered decreases, while the majority of the others had increases despite the fact that ordinarily they record seasonal decreases. Compared with a year ago indexes for

twenty individual lines were higher, while in eleven cases they were lower. Several lines, manufacturing such products as silk and wool goods, hosiery, underwear, and shoes, reported larger volumes of output in the first five months this year than last.

Industrial consumption of coal, gas, oil, and coke for fuel purposes showed marked increases from April to May. The use of electrical energy also increased by about the usual estimated percentage, when computed on the basis of working days. The output of electric power in this district showed a gain of almost 3 per cent, which was contrary to the normal seasonal tendency. The decline in the sale of electricity for lighting purposes and for power to municipalities, street cars and railroads was not entirely offset by the increased consumption by industry and miscellaneous users combined, so that actual sales for all purposes were nearly 2 per cent smaller in May than April; but compared with a year ago they were over 2 per cent larger.

**Coal.** Production of anthracite decreased somewhat more than seasonally from April to May, but showed a substantial increase in the first three weeks of June. Output of collieries was the smallest of any month since June 1932. Comparative figures covering the five month period since January 1 showed that production was 13 per cent smaller this year than last. Shipments of hard coal continued to decline during May and were the smallest for that month in the past five years. During the last three months the trend of anthracite prices has been more sharply downward than at any time in the three preceding years; from February to May average prices at wholesale decreased 11 per

cent and in May were 8 per cent lower than a year ago.

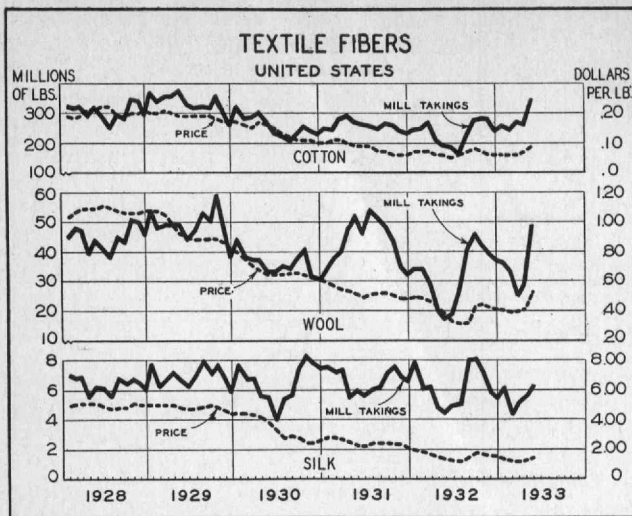
Output of bituminous coal in Pennsylvania increased substantially between April and May instead of declining as is usual in this period. In early June the weekly production of mines increased further. Shipments of soft coal increased sharply in May, exceeding those of a year ago, and showed the largest gain for that month since 1929, reflecting a marked increase in demand for industrial fuel. Wholesale prices of bituminous coal in the country increased fractionally from the middle of April to the middle of May, following an almost continuous decline for a year and a half.

**Building and real estate.** Activity in the construction and contracting industry as a whole increased substantially in Pennsylvania from April to May. Reports from some 1,300 contractors showed gains in employment, payrolls and working time amounting to 18, 11, and 16 per cent, respectively.

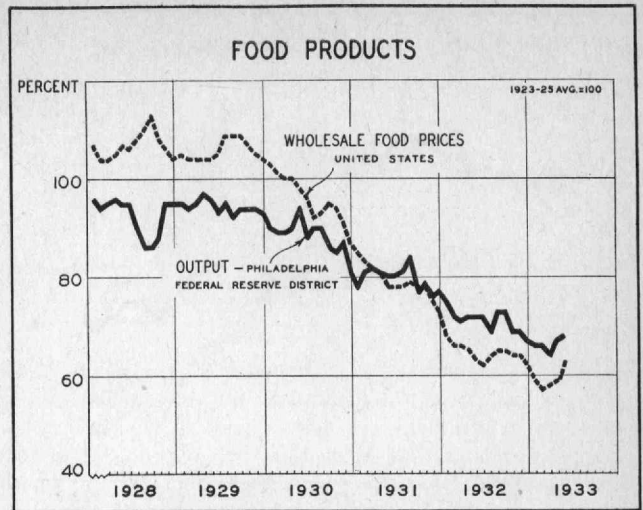
Aggregate awards of building contracts increased somewhat more than seasonally from April to May and showed an exceptionally sharp gain in early June. Residential awards also increased in May instead of declining, as is usual in that month, and were the largest since November of last year; in the first fortnight of June they showed a further substantial gain over the average of the preceding month.

Contrary to seasonal expectation, the estimated dollar volume of permits issued in 17 cities of this district for new construction, repairs and alterations increased sharply in May in addition to a large gain in April; it also exceeded that of a year ago by nearly 12 per cent. Comparative figures for





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



Source: U. S. Bureau of Labor Statistics

the year to date, however, which show a decrease of 45 per cent from a year ago, reflect unusual curtailment in the volume of building operations in general, especially in the first quarter of this year.

Although the real estate situation as a whole has shown little actual improvement, inquiries concerning house and apartment rentals have become increasingly numerous in recent weeks. Demand for houses of the type usually occupied by industrial workers has been somewhat more active since early June, reflecting at least in part the improvement in the general business situation.

Foreclosures continue exceptionally numerous and in May were nearly one-third larger than those of a year earlier. Writs for sheriff sales in June numbered 2,208, the largest of any month since September of last year. Ordinary conveyances in Philadelphia averaged about the same in May as in April, but were nearly 24 per cent smaller than a year ago.

**Agriculture.** Farm activity on the whole has been favored by good weather so that plowing and cultivation generally as well as harvesting of such early crops as hay have been fairly satisfactory. The demand for farm products has improved and prices have continued to advance. Of the most important current cash income groups of farm products in this section, milk and butter show increases in prices paid to farmers, while eggs have been subject to the usual seasonal fluctuations downward.

The condition of field and garden crops on June 1 was somewhat higher than a month earlier. Fruit prospects have changed little in recent weeks and preliminary estimates now indi-

cate a somewhat smaller crop this year than last.

Dairy cattle generally are said to be in good condition; recent trends in dairy herds have been toward higher quality rather than an increase in the number of cows. Although receipts of milk and cream in the Philadelphia area increased more than seasonally from April to May, they were in substantially smaller volume as compared with recent years. Production of creamery butter in Pennsylvania, which was in relatively small volume during the first four months of this year, increased sharply in May and was the largest for that month in the past two years, exceeding last year's output by nearly 10 per cent.

During the last three months the trend of cold storage holdings in this section has been more sharply downward than in the corresponding period of 1932; on June 1 this year, total stocks of dairy and poultry products were about 8 per cent smaller than a year ago.

**Distribution.** Activity in the distributive channels, as in the case of production, has been decidedly upward since the low levels reached in March. Freight car loadings have shown unusual gains in the past two months, and in the case of coke, ore, lumber products, and miscellaneous commodities, the volume exceeded that of a year ago. The movement of coal and merchandise freight, two important classifications in this section, increased sharply during May and as compared with earlier months this year. The relative increase in the movement of merchandise and miscellaneous goods since March has been much more pronounced than in the loadings of total freight. Deliveries by motor freight also have increased further as evi-

denced by additional gains in employment, payrolls and operating time of a number of leading transportation companies.

Large additional gains during May occurred in all lines of wholesaling and jobbing. Sales of eight leading wholesale branches combined showed a further increase of 18 per cent, as measured by our indexes which make allowance for the usual seasonal variation. Many lines indicate continued gains in June. The fact that total sales were almost 7 per cent larger than a year ago was due solely to increases in the demand for electrical supplies, groceries, and paper. In the first five months this year, total sales were 7 per cent smaller than in the same period last year, although business in groceries and electrical supplies was somewhat larger. There have been further advances in prices of wholesale commodities both locally and nationally.

Retail business in June has been fairly active, the dollar volume of sales approaching that of last year. In May, sales of department, apparel, shoe and credit stores combined showed a drop of about 10 per cent from April, which had registered an exceptionally large increase over a low point reached in March. Total dollar sales were only 8 per cent behind those of May 1932, business in women's apparel alone exceeding last year's volume. This decline reflected partly lower prices, since Fairchild's index showed that quotations for general merchandise sold by department stores were 8 per cent lower on June 1 this year than last. Sales for the year to date were about 20 per cent smaller than in the first five months of 1932.

Stocks of merchandise at retail

**RESERVE BANK CREDIT AND THE FACTORS WHICH AFFECT IT**  
 Philadelphia Federal Reserve District  
 May 18 to June 21 inclusive  
 (In millions of dollars)

Sources of funds	Uses of funds
Reserve bank credit extended in this reserve district.....	Demand for currency.....
-9.0	-8.8
Commercial and financial transactions (chiefly interdistrict).....	Member bank reserve deposits.....
-1.2	+0.9
Treasury operations.....	Special and "Other" deposits at reserve bank.....
+3.4	+1.0
Total.....	Unexpended capital funds of reserve bank.....
-6.8	+0.1
	Total.....
	-6.8

Note: This table gives, in balance sheet form, a summary of the banking changes which have had an influence on the amount of reserve bank credit in use in this district. "Unexpended capital funds" measure the extent to which the paying in of capital to the reserve banks and their subsequent earnings have taken funds out of the market.

stores declined less than usual from April to May, and inventories at wholesale establishments showed an increase instead of the usual decline. In both mercantile branches inventories continued appreciably smaller than in several years, reflecting largely lower prices. The rate of stock turnover since January increased 5 per cent in wholesale and about 1 per cent in retail trade as compared with last year. Retail collections increased 2 per cent in the month, but this increase does not seem to be up to the usual rate, owing probably to an exceptionally large gain in the previous month. Payments of accounts at wholesale were at a considerably more rapid rate than in April, the increase in the month being 8 per cent. Compared with a year ago, retail collections were nearly 2 per cent smaller, while those at wholesale were 5 per cent larger.

Sales of new passenger automobiles, as measured by registrations in this district, showed exceptionally large gains for two successive months, so that the April-May sales this year were larger than those last year. In the first five months, there were sold in this district 34,304 new cars of all makes as compared with 37,906 units sold in the same period last year.

Payments of premiums on new life insurance taken out in May did not decrease as much as they usually do from April, so that the sharp gain in April has been more than well maintained. For the year to date, insurance sales were 16 per cent smaller than in the same period last year.

**Banking conditions.** During the past month borrowings from the reserve bank have declined steadily to the lowest point since September 1931. Member banks report a drop in security loans, but other loans and discounts show a small increase.

The decrease in reserve bank credit extended locally aggregated 9 millions in the five weeks ended June 21, of which 8 millions was in bills discounted. Further evidence of greater ease is shown by the addition of 2 millions to member bank reserve deposits and special deposits of member and non-member banks at the reserve bank. These changes, in the face of a small unfavorable balance in the settlement of commercial and financial transactions with other districts, reflected additional funds made available at the reserve bank through a 3 million excess of Treasury disbursements over receipts within the district and the return of 9 millions of currency from circulation. A small excess of currency receipts from banks over payments to them is usual at this time, but the amount this year was more than double that in the same periods of any of the three preceding years.

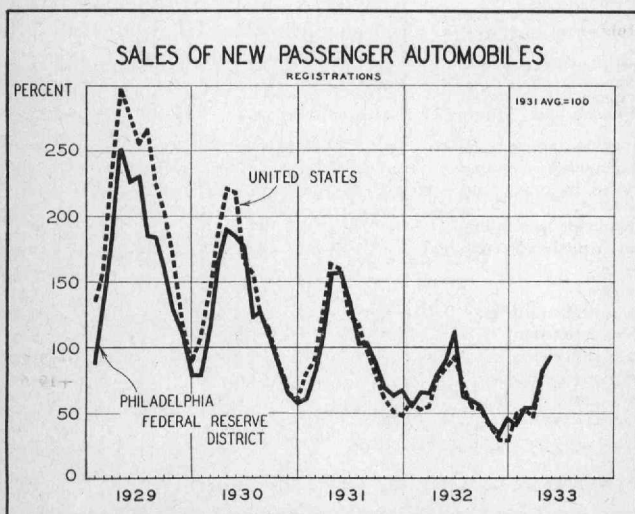
Bills discounted declined from 45½ millions on May 17 to 37½ millions on June 21, which was 30 millions less than a year ago. There

was a small decline in the bank's holdings of purchased bills, but United States securities increased nearly 5 millions owing to participation in purchases by the federal reserve system. The ratio of gold reserves and other cash to the federal reserve note and deposit liabilities rose from 62 to 62.9 per cent.

Reporting member banks* (000,000's omitted)	June 21, 1933	May 17, 1933	June 22, 1932
Loans to customers:			
On stocks and bonds	\$ 259	\$269	\$ 314
All other	254	252	303
Loans to open market:	6	6	7
United States securities	250	219	195
Other securities	247	247	265
Total loans and investments	\$1,016	\$993	\$1,084
Net demand deposits	587	604	618
Time deposits	264	261	258
Government deposits	59	12	35
Amounts due from banks	132	97	100
Amounts due to banks	163	156	173

\*Owing to revisions in the reporting system, these figures are not comparable with those published prior to the last issue.

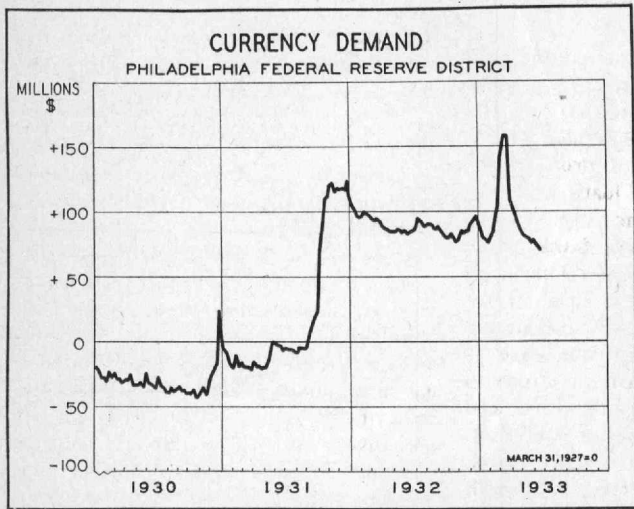
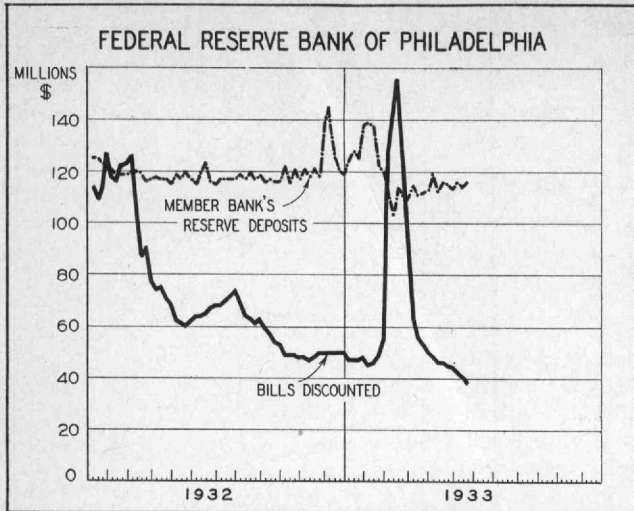
Loans to customers on the security of stocks and bonds declined 10 millions at the reporting member banks during the past five weeks, but other loans to customers, which are more closely representative of loans for commercial purposes, show a small increase. These banks were allotted a large amount of United States securities of the issues of June 15, but the expansion in government security holdings was of smaller size, giving evidence that some of them had been sold. Amounts due from banks have increased 35 millions in the five-week period, much exceeding the rise of 7 millions in due to banks; these changes no doubt explain in part a decline of 17 millions in "net" demand deposits and suggest that checking accounts probably have increased in this period.



Sources: R. L. Polk Company, Pennsylvania Motor List Company

Federal Reserve Bank of Philadelphia (Dollar figures in millions)	June 21, 1933	Changes in—	
		Five weeks	One year
Bills discounted	\$ 37.5	-\$8.1	-\$29.9
Bills bought	0.8	- 0.9	- 4.6
United States securities	142.0	+ 4.9	+ 10.6
Other securities	0.5	0	- 1.1
<b>Total bills and securities</b>	<b>\$180.8</b>	<b>-\$4.1</b>	<b>-\$25.0</b>
Federal reserve note circulation	239.0	- 8.3	- 8.7
Federal reserve bank note circulation	5.5	0	+ 5.5
Member bank reserve deposits	116.4	+ 0.9	+ 0.7
Special deposits—member and non-member banks	9.6	+ 1.0	+ 9.6
Government deposits	6.0	+ 4.6	- 2.1
Foreign bank deposits	1.0	- 1.4	- 0.8
Gold reserves and other cash	234.2	+ 1.5	+ 27.5
Ratio	62.9%	+ 0.9%	+ 7.5%





City areas*	Percentage change—May 1933 from May 1932				
	Manufacturing		Building permits (value)	Debits	Retail trade sales
	Employment	Wage payments			
Allentown.....	- 1.2	+ 0.6	+105.8	-17.3	- 3.2
Altoona.....	-12.3	-32.7	- 62.7	-33.3	+ 8.2
Harrisburg.....	-13.7	-11.7	- 7.4	+ 0.5	-18.2
Johnstown.....	-24.6	+38.4	- 18.1	-46.0	-11.0
Lancaster.....	- 2.6	-11.9	- 67.9	-22.6	- 2.7
Philadelphia.....	- 2.0	- 4.2	+ 44.7	- 8.7	- 8.9
Reading.....	-10.8	- 6.4	+ 74.4	-27.0	+ 3.8
Scranton.....	+22.4	+28.8	- 65.1	-26.2	-15.8
Trenton.....	- 3.4	- 3.7	+ 45.5	-13.8	- 0.5
Wilkes-Barre.....	+10.2	+ 5.6	+ 53.5	-24.4	-14.4
Williamsport.....	- 5.6	-18.0	- 83.8	-37.6	.....
Wilmington.....	- 5.4	- 5.4	+ 41.1	- 2.4	+22.2
York.....	+12.0	+ 3.8	+ 35.6	-12.3	.....

May 1933 from April 1933					
Allentown.....	+ 6.3	+20.2	+ 84.6	- 4.3	-10.7
Altoona.....	- 1.4	- 8.5	- 59.9	+ 3.0	+ 2.4
Harrisburg.....	+ 9.7	+20.4	+304.9	+ 3.7	- 8.3
Johnstown.....	+ 0.3	+54.4	+150.1	+17.7	+ 4.0
Lancaster.....	+11.9	+17.8	+101.5	+12.9	+ 6.1
Philadelphia.....	+ 6.4	+ 9.9	+143.9	+ 2.6	-10.0
Reading.....	+ 2.8	+14.8	+ 20.3	+10.9	-15.1
Scranton.....	+ 7.3	+25.8	- 2.4	- 3.9	- 9.7
Trenton.....	+ 4.9	+17.1	- 72.6	+ 7.5	- 6.8
Wilkes-Barre.....	+20.1	+39.4	+ 81.9	- 5.4	-22.7
Williamsport.....	+ 3.0	+14.0	- 72.6	+10.8	.....
Wilmington.....	+ 4.9	+10.7	- 67.6	+18.1	- 0.2
York.....	+ 6.0	+15.6	+274.0	+ 3.2	.....

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

Employment and payrolls in Pennsylvania	Employment May 1933		Payrolls May 1933			
	May* index	Per cent change since		May* index	Per cent change since	
		May 1932	Apr. 1933		May 1932	Apr. 1933
<b>Manufacturing: 51 industries</b>	<b>58.1</b>	<b>- 6.0</b>	<b>+ 5.4</b>	<b>35.6</b>	<b>- 6.6</b>	<b>+13.0</b>
<b>Metal products.....</b>	<b>48.1</b>	<b>- 9.6</b>	<b>+ 4.6</b>	<b>26.8</b>	<b>- 3.9</b>	<b>+13.1</b>
Blast furnaces.....	35.9	- 1.4	+ 2.9	16.5	- 5.7	+13.0
Steel wks. and rolling mills.....	44.1	- 7.5	+ 6.3	25.4	+ 7.6	+17.1
Iron and steel forgings.....	55.3	+13.1	- 3.5	36.2	+28.8	- 1.1
Structural iron work.....	64.9	-13.5	+ 3.3	26.2	-29.0	+ 1.2
Steam and hot wtr. htg. app.....	75.7	+ 4.0	- 0.3	50.3	+10.1	+17.2
Stoves and furnaces.....	65.6	- 2.7	- 2.4	34.4	-18.5	+ 9.6
Foundries.....	47.3	- 9.0	+ 5.1	18.5	-13.6	+13.5
Machinery and parts.....	50.3	-15.3	+ 1.4	24.9	-25.0	+15.8
Electrical apparatus.....	61.1	-16.2	+ 5.2	35.9	-15.9	+ 8.1
Engines and pumps.....	29.9	-15.8	-21.1	15.9	-13.6	-29.6
Hardware and tools.....	52.4	-12.8	+ 1.2	28.4	-13.9	+12.7
Brass and bronze products.....	53.1	- 3.3	+ 1.0	31.7	+ 3.6	+13.2
<b>Transportation equipment.....</b>	<b>29.3p</b>	<b>-42.9</b>	<b>+ 9.3</b>	<b>15.6p</b>	<b>-53.0</b>	<b>+18.2</b>
Automobiles.....	27.7	- 6.7	+ 1.1	10.5	- 7.9	+ 7.1
Auto. bodies and parts.....	45.5	-14.3	+29.3	32.3	+ 3.5	+59.1
Locomotives and cars.....	13.7	-36.9	+ 1.5	5.6	-59.1	+ 5.7
Railroad repair shops.....	34.6	-44.0	+15.0	18.2	-55.0	+ 7.1
Shipbuilding.....	32.3	-36.0	- 3.3	36.4	-51.9	- 1.1
<b>Textile products.....</b>	<b>79.6</b>	<b>+ 8.2</b>	<b>+ 6.4</b>	<b>53.2</b>	<b>+18.0</b>	<b>+14.2</b>
Cotton goods.....	59.6	+31.3	+ 2.2	44.7	+54.1	+14.3
Woolens and worsteds.....	59.1	+24.2	+21.9	39.0	+44.4	+32.7
Silk goods.....	84.7	+23.6	+10.7	58.0	+18.9	+20.8
Textile dyeing and finishing.....	58.1	-29.3	+ 1.6	44.9	-27.6	+ 4.4
Carpets and rugs.....	44.6	-18.6	+ 6.4	23.9	-32.5	+13.3
Hats.....	54.2	- 6.6	+ 0.2	35.9	-18.1	+ 7.2
Hosiery.....	100.4	- 0.3	+ 1.2	71.7	+24.9	+ 6.7
Knit goods, other.....	90.2	+10.9	+13.5	64.2	+21.6	+43.0
Men's clothing.....	80.9	+10.2	+ 1.1	60.7	+24.4	+ 8.8
Women's clothing.....	113.1	- 7.7	+ 0.0	79.0	-19.4	+17.7
Shirts and furnishings.....	104.4	+ 4.2	- 0.3	56.6	+ 2.9	-13.5
<b>Food and Tobacco.....</b>	<b>90.7</b>	<b>- 1.0</b>	<b>+13.1</b>	<b>70.3</b>	<b>- 7.0</b>	<b>+18.8</b>
Bread and bakery products.....	94.7	- 4.2	+ 0.9	74.9	-11.8	+ 2.5
Confectionery.....	82.6	- 1.0	+ 0.1	64.9	- 5.1	+12.3
Ice cream.....	74.5	-19.9	+ 6.4	58.6	-28.0	+10.8
Meat packing.....	92.7	- 0.1	- 1.2	64.1	-16.2	+ 3.1
Cigars and tobacco.....	89.9	+ 2.6	+32.2	68.9	+ 8.2	+53.1
<b>Stone, clay and glass products.....</b>	<b>50.7</b>	<b>+12.2</b>	<b>+ 8.6</b>	<b>25.2</b>	<b>+11.5</b>	<b>+30.6</b>
Brick, tile and pottery.....	47.8	- 7.5	+ 2.6	21.8	+ 1.9	+24.6
Cement.....	44.8	+24.1	+17.0	19.8	+ 7.6	+46.7
Glass.....	69.4	+23.0	+ 4.4	48.7	+27.2	+17.3
<b>Lumber products.....</b>	<b>37.5</b>	<b>-10.1</b>	<b>+ 3.0</b>	<b>22.1</b>	<b>-16.3</b>	<b>+13.9</b>
Lumber and planing mills.....	18.2	-42.0	+11.0	10.6	-55.1	+34.2
Furniture.....	43.0	+ 9.7	+ 4.6	24.4	+ 7.5	+ 8.4
Wooden boxes.....	53.5	- 7.0	- 3.1	34.7	- 5.2	+14.9
<b>Chemical products.....</b>	<b>78.9</b>	<b>+ 1.4</b>	<b>+ 1.0</b>	<b>62.0</b>	<b>- 3.9</b>	<b>+ 4.4</b>
Chemicals and drugs.....	54.9	- 6.9	- 2.7	39.9	-16.2	+ 1.8
Coke.....	44.2	-27.7	- 6.9	18.8	-27.7	+ 9.9
Explosives.....	62.1	- 7.9	- 0.5	40.7	-22.5	+ 7.4
Paints and varnishes.....	100.8	+17.2	+ 9.0	76.2	+ 4.0	+29.6
Petroleum refining.....	124.8	+13.2	+ 3.1	110.3	+ 5.2	+ 1.9
<b>Leather and rubber products.....</b>	<b>93.7</b>	<b>+ 5.2</b>	<b>+ 3.0</b>	<b>67.9</b>	<b>+ 6.3</b>	<b>+14.7</b>
Leather tanning.....	92.0	+ 3.1	+ 4.9	62.2	- 3.1	+15.6
Shoes.....	110.6	+ 9.2	+ 0.5	77.9	+16.8	- 2.3
Leather products, other.....	71.0	+ 7.6	+ 4.6	60.4	+25.1	+14.8
Rubber tires and goods.....	84.7	+ 6.9	+ 4.6	94.5	+23.5	+61.5
<b>Paper and printing.....</b>	<b>80.5</b>	<b>- 5.0</b>	<b>+ 1.4</b>	<b>60.4</b>	<b>-15.4</b>	<b>+ 2.5</b>
Paper and wood pulp.....	72.9	- 2.5	+ 4.1	47.5	-14.6	+ 9.7
Paper boxes and bags.....	59.7	- 5.4	+ 2.2	51.8	-14.9	+14.1
Printing and publishing.....	85.6	- 6.1	+ 0.1	66.2	-16.3	- 0.3
<b>Anthracite mining.....</b>	<b>42.0</b>	<b>-35.5</b>	<b>-16.4</b>	<b>25.2</b>	<b>-48.1</b>	<b>-19.7</b>
Bituminous coal mining.....	.....	.....	- 2.0	.....	.....	+ 2.9
<b>Banking, insurance and real estate.....</b>	.....	.....	+ 0.1	.....	.....	- 0.5
Canning and preserving.....	.....	.....	+ 4.3	.....	.....	+ 6.7
Construction and contracting.....	.....	.....	+17.7	.....	.....	+11.0
Hotels.....	.....	.....	+ 2.9	.....	.....	+ 1.3
Laundries.....	.....	.....	+ 1.2	.....	.....	+ 2.2
Dyeing and cleaning.....	.....	.....	+ 2.9	.....	.....	+ 0.3
Crude petroleum.....	.....	.....	- 2.2	.....	.....	+ 4.6
Public utilities.....	.....	.....	- 2.0	.....	.....	- 3.1
Quarrying and mining.....	.....	.....	+16.2	.....	.....	+19.6
Retail trade.....	81.1	- 3.7	- 0.6	.....	.....	.....
Wholesale trade.....	78.3	- 4.4	- 0.1	.....	.....	.....

\*1923-1925 average = 100.

p—Preliminary figures.

# Index numbers of individual lines of trade and manufacture

## Philadelphia Federal Reserve District

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

Adjusted index numbers make allowance for the usual seasonal changes which result from an uneven distribution of business between the months of the year.

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

### Retail trade

	Adjusted for seasonal variation					Not adjusted			
	May 1932	April 1933	May 1933	Percentage comparison		May 1932	April 1933	May 1933	
				Month ago	Year ago				
<b>Sales</b>									
All stores.....	64.8	62.1	59.8p	- 3.7	- 7.7	-19.6	65.2	66.7r	60.1p
Department.....	64.4	61.5r	58.8	- 4.4	- 8.7	-17.9	63.1	62.2r	57.6
Men's apparel.....	58.1r	56.7	52.4	- 7.6	- 9.8	-14.0	54.0r	59.3	48.6
Women's apparel.....	79.2r	90.1	80.0p	-11.2	+ 1.0	-11.6	81.7r	113.1	82.6p
Shoe.....	75.0	68.2	61.9	- 9.2	-17.5	-21.8	83.3	81.1	68.7
Credit.....	57.7	49.0	54.5p	+11.2	- 5.5	-30.9	60.6	51.9	57.2p
<b>Stocks of goods</b>									
All stores.....	65.7	52.4r	54.0p	+ 3.1	-17.8	.....	65.3	54.0	53.7p
Department.....	59.2	47.4r	48.5	+ 2.3	-18.1	.....	58.9	49.2	48.3
Men's apparel.....	62.1r	49.3	55.1	+11.8	-11.3	.....	62.3r	52.2	55.4
Women's apparel.....	89.5r	77.4	81.1p	+ 4.8	- 9.4	.....	90.5r	82.1	82.0p
Shoe.....	69.1	56.7	55.7	- 1.8	-19.4	.....	70.5	57.8	56.8
Credit.....	70.1	53.2	54.0p	+ 1.5	-23.0	.....	68.0	53.2	52.4p
<b>Rate of stock turnover</b> 5 months (actual, not indexes)						+ 0.7*	1.50	.....	1.51

### Wholesale trade

	Adjusted for seasonal variation					Not adjusted			
	May 1932	April 1933	May 1933	Percentage comparison		May 1932	April 1933	May 1933	
				Month ago	Year ago				
<b>Sales</b>									
Total of all lines.....	64.1	58.1	68.3	+17.6	+ 6.6	- 7.1	60.3	54.2	64.2
Boots and shoes.....	52.9	30.9	46.5	+50.5	-12.1	-23.3	52.4	32.7	46.0
Drugs.....	86.7	74.1	75.3	+ 1.6	-13.1	-15.3	86.7	74.8	75.3
Dry goods.....	35.6	31.6	34.8	+10.1	- 2.2	-18.1	33.5	27.5	32.7
Electrical supplies.....	58.9	49.5	89.7	+81.2	+52.3	+ 0.3	44.8	45.5	68.2
Groceries.....	84.3	86.5	91.1	+ 5.3	+ 8.1	+ 2.4	83.5	79.6	90.2
Hardware.....	49.2	35.6	38.6	+ 8.4	-21.5	-31.6	54.1	36.7	42.5
Jewelry.....	32.6	22.6	25.1	+11.1	-23.0	-45.6	27.4	14.7	21.1
Paper.....	51.8	45.4	52.3	+15.2	+ 1.0	-14.5	51.3	45.4	51.8
<b>Stocks of goods</b>									
Total of all lines.....	67.6	56.3	57.9	+ 2.8	-14.3	.....	66.5	56.4	57.0
Drugs.....	100.1	103.9	100.1	- 3.7	0.0	.....	101.1	104.9	101.1
Dry goods.....	41.9	34.5	33.9	- 1.7	-19.1	.....	41.5	34.5	33.6
Electrical supplies.....	77.7	47.1	53.3	+13.2	-31.4	.....	73.8	46.2	50.6
Groceries.....	81.8	67.5	75.2	+11.4	- 8.1	.....	77.7	67.5	71.4
Hardware.....	65.9	59.9	58.9	- 1.7	-10.6	.....	67.9	63.5	60.7
Jewelry.....	53.4	47.5	43.2	- 9.1	-19.1	.....	57.1	45.6	46.2
Paper.....	71.7	62.8	60.8	- 3.2	-15.2	.....	71.0	62.8	60.2
<b>Rate of stock turnover</b> 5 months (actual, not indexes)						+ 5.3*	1.71	.....	1.80

### Output of manufactures

	Adjusted for seasonal variation					Not adjusted			
	May 1932	April 1933	May 1933	Percentage comparison		May 1932	April 1933	May 1933	
				Month ago	Year ago				
Pig iron.....	13.8	11.9	15.9	+33.6	+15.2	-20.9	14.3	13.4	16.5
Steel.....	26.2r	25.8	31.2	+20.9	+19.1	-24.4	27.5r	27.1	32.8
Iron castings.....	27.3	18.4	24.6	+33.7	- 9.9	-31.5	28.4	19.1	25.6
Steel castings.....	24.5	16.7	27.7	+65.9	+13.1	-33.0	25.5	17.0	28.8
Electrical apparatus.....	51.3r	46.1	48.7	+ 5.6	- 5.1	-27.3	47.2r	40.1	44.8
Motor vehicles.....	11.3	9.7	10.3	+ 6.2	- 8.8	-64.2	14.2	12.1	13.0
Automobile parts and bodies.....	31.1	19.5	32.4	+66.2	+ 4.2	-48.7	32.7	21.3	34.0
Locomotives and cars.....	16.6r	6.6	7.7	+16.7	-53.6	-39.7	16.3r	7.1	7.5
Shipbuilding.....	177.1	77.9	66.8	-14.3	-62.3	-46.4	182.4	79.5	68.8
Silk manufactures.....	58.8	89.3	103.6	+16.0	+76.2	+13.6	56.4	87.5	99.5
Woolen and worsteds.....	31.3	42.3	53.9	+27.4	+72.2	+ 6.3	29.4	38.8	50.3
Cotton products.....	23.6	32.9	39.9	+21.3	+69.1	-13.1	23.2	34.1	39.3
Carpets and rugs.....	38.0	25.6	29.2	+14.1	-23.2	-37.2	37.6	25.6	28.9
Hosiery.....	83.4	109.4	116.4p	+ 6.4	+39.6	+ 9.0	83.4	109.4	116.4p
Underwear.....	99.6	125.5	151.9	+21.0	+52.5	+26.0	100.6	123.0	153.4
Cement.....	35.2	32.0	41.7	+30.3	+18.5	-48.2	39.8	31.7	47.1
Brick.....	22.0r	20.5	22.7	+10.7	+ 3.2	-23.3	25.3r	21.5	24.1
Lumber and products.....	20.6r	12.8	17.1	+33.6	-17.0	-38.1	19.2r	12.2	15.9
Bread and bakery products.....				+ 4.4*	+ 2.9*	- 3.5*	85.4r	84.2	87.9
Slaughtering, meat packing.....	95.1	93.5	98.6	+ 5.5	+ 3.7	+ 0.4	93.7	91.7	98.1
Sugar refining.....	67.6	92.9	72.1	-22.4	+ 6.7	- 8.0	83.1	120.8	88.7
Canning and preserving.....	29.6	23.2	23.5p	+ 1.3	-20.6	-13.8	22.5	19.5	19.1p
Cigars.....	78.4	79.9	86.9	+ 8.8	+10.8	+ 0.1	76.0	72.7	84.3
Paper and wood pulp.....	56.6r	50.4	56.5	+12.1	- 0.2	-16.3	56.6r	50.9	56.5
Printing and publishing.....	88.2r	83.5	85.7	+ 2.6	- 2.8	-11.0	89.1r	85.2	86.6
Shoes.....	97.8	133.0	153.6	+15.5	+57.1	+12.6	89.0	133.0	139.8
Leather, goat and kid.....	94.2	86.5	103.6p	+19.8	+10.0	- 1.4	85.7	83.9	94.3p
Explosives.....	46.4	37.4	41.6p	+11.2	-10.3	-14.7	46.9	37.8	42.0p
Paints and varnishes.....	65.4	52.9	67.9	+28.4	+ 3.8	-16.9	69.3	55.5	72.0
Petroleum products.....	134.1	132.1	134.9p	+ 2.1	+ 0.6	- 0.6	134.3	131.9	134.7p
Coke, by-product.....	49.9	49.0	55.1	+12.4	+10.4	-11.2	51.9	51.0	57.3

\* Computed from data unadjusted for seasonal variation. p—Preliminary. r—Revised.

