

THE BUSINESS REVIEW

THIRD FEDERAL
PHILADELPHIA



RESERVE DISTRICT
SEPTEMBER 1, 1933

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FEDERAL RESERVE BANK of PHILADELPHIA

Business and Banking Conditions in the United States

Industrial production increased further from June to July, contrary to seasonal tendency, and in recent weeks has continued at a relatively high level. Since the middle of July there have been reductions in wholesale prices of leading raw materials while prices of many other products have advanced.

Production and employment. Volume of industrial output, as measured by the Board's seasonally adjusted index, advanced from 91 per cent of the 1923-1925 average in June to 98 per cent in July, which compares with 60 per cent in March. The principal increase in July was at steel plants where activity advanced from 46 per cent of capacity to 59 per cent. Production in the lumber and coal industries was also in larger volume and daily average output of automobiles showed none of the usual seasonal decline. Output at shoe factories and woolen mills continued at an unusually high rate while consumption of cotton by domestic mills decreased somewhat. Cigarette production declined sharply from the high level of May and June. Since the middle of July a decrease has been reported in the output of steel.

Working forces and payrolls at factories increased considerably between the middle of June and the middle of

July. As in other recent months the largest increases were generally at establishments fabricating raw materials into semi-finished products.

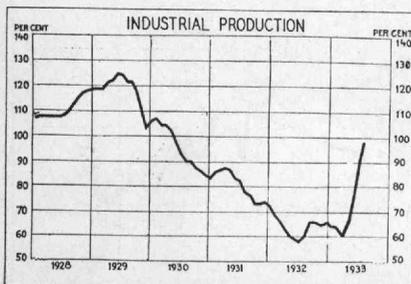
Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, showed a decline in July followed by an increase in the first half of August. Total awards during the six weeks were in about the same volume as in the preceding six weeks and in larger volume than in earlier periods this year.

Department of Agriculture estimates as of August 1 indicate harvests generally smaller than a year ago. The cotton crop is forecast at 12,314,000 bales, a reduction of 700,000 bales from last season, reflecting curtailment in acreage as a part of the program of the Agricultural Adjustment Administration, offset in large part by an unusually high yield per acre. The wheat crop is estimated at 500,000,000 bushels, a reduction of 225,000,000 bushels from last year's small harvest, and feed crops are expected to be unusually small.

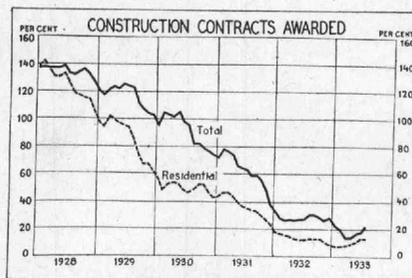
Distribution. Freight traffic increased further from June to July by a substantial amount, but in recent weeks shipments, particularly of miscellaneous freight and grains, have been

somewhat smaller. Department store sales declined in July by about the usual seasonal amount; they were larger than a year ago, however, and trade reports for the first half of August indicate an increase in sales.

Wholesale prices. Wholesale prices of commodities increased further during the first three weeks of July and, according to the index of the Bureau of Labor Statistics, there has been little change in their general level since that time. Prices of grains, cotton, and many imported raw materials, however, were considerably lower in the third week of August than in the middle of July while prices of textiles were higher, reflecting in part the application of the processing tax on cotton. Prices of leather and coal also advanced during this period.



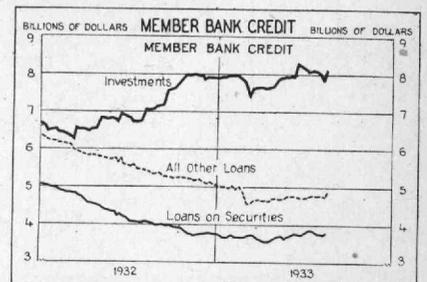
Index number of industrial production, adjusted for seasonal variation. (1923-1925 average = 100.)



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



Wednesday figures for reporting member banks in 90 cities. Latest figures are for Wednesday, August 16.

Foreign exchange. In the exchange market the value of the dollar in terms of the French franc advanced from a low of 69 per cent of its gold parity on July 18 to 75 per cent at the beginning of August and since that time has fluctuated between 73 and 75 per cent.

Bank credit. Net demand deposits of weekly reporting member banks in 90 cities declined between the middle of July and the middle of August, owing in large part to further with-

drawals of bankers' balances from banks in New York City and elsewhere. The banks' loans decreased by \$71,000,000 during the period, reflecting chiefly a reduction in loans to brokers and dealers in securities. Their holdings of United States Government securities, after declining between July 19 and August 9, increased during the week ending August 18 in connection with Treasury financing at that time.

Total reserves of all member banks increased by \$81,000,000 during the

four-week period ending August 16, reflecting chiefly the purchase of \$42,000,000 of United States Government securities by the reserve banks and a return of \$23,000,000 of currency from circulation. The growth in member bank reserves, occurring at a time when reserve requirements were being reduced in consequence of a decline in their deposits, brought their excess reserves to a level above \$550,000,000.

Money rates in the open market generally continued at low levels.

Business and Banking Conditions in the Philadelphia Federal Reserve District

Industrial activity in July showed further expansion, but since then operations have slackened noticeably, reflecting partly seasonal influences and partly a period of hesitation with respect to future commitments pending the readjustments of such important factors as wages, hours of work, and prices of raw materials and finished products.

Output of factories and mines registered exceptional increases, considering that July is usually the low month in point of production; in early August operations slackened a little. Activity in building trades has expanded further and contract awards show additional gains, but the general level of operation in this industry continues exceedingly low as compared with other years. There was a marked improvement in the wholesale and jobbing trade, while sales at retail declined more than usual during July, but in both instances they were larger than a year ago; in August mercantile trade showed improvement, particularly in

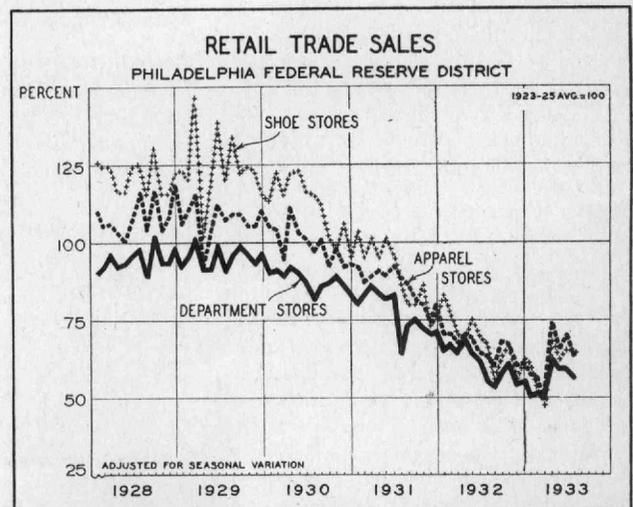
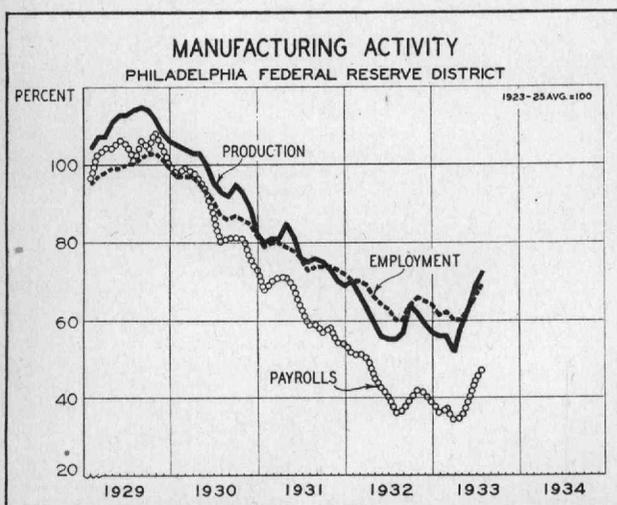
retail trade sales. Collections at retail, wholesale and in manufacturing have continued more satisfactory than last year. Commercial failures have declined greatly both in number and in the amount of liabilities as compared with the previous month and a year ago.

Industrial employment has been increasing steadily for four months, following a sharp decline at the turn of the year. Payrolls, which reached the record low level in March, have risen even more sharply than has employment, so that in July the spread between the two indexes was quite small. Our index number of general employment, which is based on twelve manufacturing and non-manufacturing occupations in Pennsylvania employing about 61 per cent of all working persons in that state, showed an additional gain of 3 per cent in the number of workers and over 5 per cent in the amount of weekly wage earnings in July over June, the largest increases occurring in mining and manufactur-

ing. Compared with a year ago, the general employment index was 7 per cent and the payroll index 14 per cent higher.

Manufacturing. Buying of finished goods directly from factories in this district has fallen off somewhat, following an unusual rise in the rate of activity from March through July. While current sales continue to exceed materially those of last year, new or repeat orders have not been as voluminous as they had been prior to August. Behind this let-down there is noticeable a marked degree of uncertainty brought about by the rise in costs of production, distribution and the replacement of merchandise largely under the industrial recovery act.

The volume of unfilled orders at about the middle of August was smaller than in the previous month in most of the reporting establishments; it appears to be large enough, however, to assure production for several weeks at a considerably higher



rate than last year. It must be remembered that this is usually a dull period in point of additional buying, since seasonable merchandise hardly starts moving before the middle of August. Compared with a year ago, the present volume of forward business is appreciably larger.

Shipments of finished goods from manufacturing plants to various intermediate points of distribution have been unusually large so that inventories appear to be smaller either as compared with the preceding months or last year. Stocks of raw materials and semi-manufactured products, on the other hand, have continued increasing, though lately at a slower rate than was the case earlier in the season.

Reports from representative manufacturers indicate a continued rise in wholesale quotations for their products, reflecting largely increased costs of material and labor. National figures show that the general level of prices, after advancing sharply for about four months, has steadied itself somewhat since the middle of July. In the manufacturing group, hides, leather and textile products showed the largest increases, and this advance continued through the first two weeks of August.

Collections show further improvement. Additional gains in payments have been numerous and the total amount of settlements has been appreciably larger than last year, partly because of increased volume and higher prices.

Factory employment in this district showed a further increase of over 4 per cent and payrolls 8 per cent from June to July, continuing the upward trend since early April. Operating time, as indicated by man-hours worked, also expanded but at a somewhat slower rate than did wage earnings, the difference being due to numerous advances in wage rates. In August there have been additional increases in the number of wage earners and payrolls, reflecting in large measure the readjustment of wages and working hours in accordance with industrial codes which are being adopted by industries.

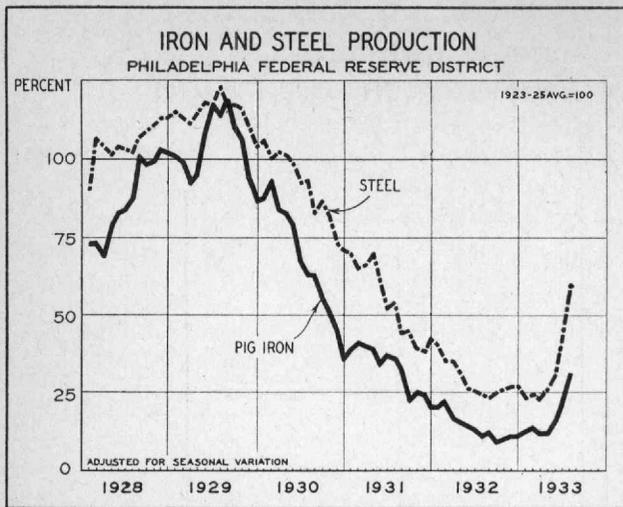
In Pennsylvania manufacturing industries, the average number of wage earners in July increased by about 100,000 and the weekly average payroll approximately by \$17,000,000 as compared with record low points in March this year and in July last year, according to estimates based on reports from plants which in 1929 employed nearly 61 per cent of all factory wage

Business Indicators Philadelphia Federal Reserve District

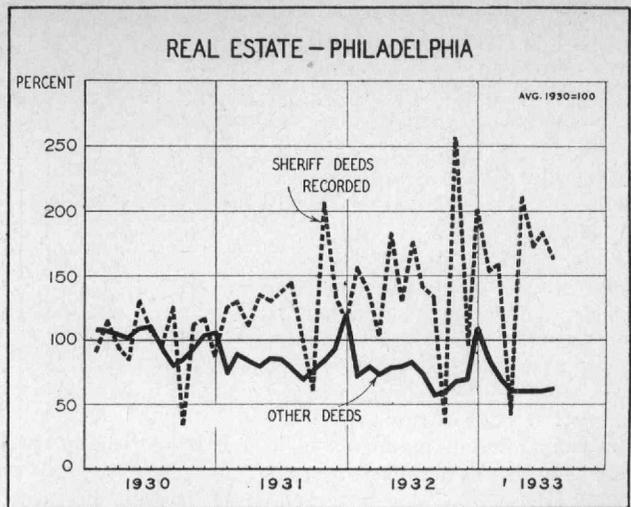
	Index numbers expressed in percentages of 1923-1925 average, which is taken as 100									
	Adjusted for seasonal variations						Not adjusted			
	July 1932	June 1933	July 1933	Percentage comparison			July 1932	June 1933	July 1933	
				Month ago	Year ago	7 months 1933 with 7 months 1932				
Industrial production: output of factories and coal mines...										
	55.3	68.8	72.2p	+ 4.9	+30.6	+ 0.0	52.8	67.9	68.5p	
Manufacturing—total										
	55.4r	69.1	72.5p	+ 4.9	+30.9	+ 0.0	53.6r	68.8	69.5p	
Metal products	27.8r	43.8	54.0	+23.3	+94.2	- 6.2	27.0r	44.3	51.2	
Textile products	60.9	94.9	95.4p	+ 0.5	+56.7	+23.4	56.7	92.9	89.0p	
Transportation equipment	49.9r	30.7	32.4	+ 5.5	-35.1	-45.7	48.8r	31.2	31.5	
Food products	68.7r	72.5	74.4p	+ 2.6	+ 8.3	- 4.8	68.0r	71.3	71.8p	
Tobacco and products	79.8r	84.0	83.5	- 0.6	- 4.6	+ 1.0	86.0	90.7	89.9	
Building materials	22.3r	28.8	32.1	+11.5	+43.9	-23.7	24.2r	31.6	34.5	
Chemicals and related products	89.6	97.2	101.5p	+ 4.4	+13.3	- 1.5	88.5	97.7	99.6p	
Leather and products	93.1	124.5	139.3p	+11.9	+49.6	+17.4	84.3	121.6	126.3p	
Paper and printing	81.3r	82.5	83.7	+ 1.5	+ 3.0	- 7.7	78.8r	81.7	81.1	
Electric power output	167.5	182.8	182.2	- 0.3	+ 8.8	- 3.9	155.8	173.7	169.4	
Elec. pwr. used by industries	111.9	126.5	141.5	+11.9	+26.5	- 1.7	114.1	127.8	144.3	
Coal mining										
	54.0	65.6	69.1	+ 5.3	+28.0	+ 0.4	44.6	57.5	57.4	
Anthracite	55.0	65.0	67.0	+ 3.1	+21.8	- 1.7	45.0	57.0	55.0	
Bituminous	47.8	69.0	81.6	+18.3	+70.7	+15.0	42.1	60.7	71.8	
Factory employment—Penna.										
				+ 4.0*	+16.2*	- 4.3*	58.7	65.6p	68.2p	
Factory wage payments—Penna.										
				+ 7.9*	+36.4*	-13.2*	33.2	42.0p	45.3p	
Building and real estate										
Contracts awarded†—total	30.3	15.5	18.2	+17.4	-39.9	-42.8	32.7	19.1	19.7	
Contracts awarded†—residential	18.0	11.8	16.4	+39.0	- 8.9	-46.1	18.0	14.3	16.4	
Permits for building	4.4	5.6	6.1	+ 8.9	+38.6	-40.5	5.4	6.9	7.5	
Mortgages recorded in Phila.	21.1	13.8	18.0	+30.4	-14.7	-49.6	23.0	12.4	19.6	
Real estate deeds recorded in Philadelphia	69.8	50.4	52.3	+ 3.8	-25.1	-18.9	69.1	54.4	51.8	
Exclusive of Sheriff deeds (1930=100)				+ 3.2*	-15.4*	-15.6*	72.9	59.8	61.7	
Sheriff deeds (1930=100)				-10.7*	+15.4*	+ 5.3*	141.3	182.6	163.0	
Writs for Sheriff sales in Phila.	1092.9	1481.9	1126.1	-24.0	+ 3.0	+ 2.8	1038.3	1481.9	1069.8	
Distribution										
Retail trade—sales	56.6r	60.3	57.9p	- 4.0	+ 2.3	-15.0	41.4r	58.9	42.2p	
Retail trade—stocks	65.5r	54.9	56.7p	+ 3.3	-13.4		59.6r	52.5	51.4p	
Wholesale trade—sales	56.6r	70.0	74.3p	+ 6.1	+31.3	- 0.5	52.0r	66.7	68.4p	
Wholesale trade—stocks	66.0	57.9	57.6p	- 0.5	-12.7		65.0	55.9r	56.6p	
Freight car loadings (Allegheny district)	45.9	57.1	64.1	+12.3	+39.7	- 5.0	47.3	58.2	66.0	
Life insurance sales	100.3	90.0	96.7	+ 7.4	- 3.6	- 0.7	96.3	93.6	92.8	
New passenger auto registrations	44.6	61.1	73.0	+19.5	+63.7	- 3.5	50.4	85.6	82.5	
Business liquidations										
Number				-31.5*	-61.4*	-28.9*	225.4	127.2	87.1	
Amount of liabilities				-47.9*	-75.8*	-49.6*	255.0	118.7	61.8	
Payment of accounts										
Check payments	65.3	59.3	69.0	+16.4	+ 5.7	- 9.4	63.3	61.7	66.9	
Rate of collections (actual, not indexes)										
Retail trade				- 2.2*	+12.1*		23.9	27.4	26.8	
Wholesale trade				- 2.8*	+11.9*		53.7	61.8	60.1	
(000,000's omitted in dollar figures)										
	July 1932	April 1933	May 1933	June 1933	July 1933	Per cent change from				
						Month ago	Year ago			
Banking and credit										
Federal Reserve Bank										
Bills discounted	\$ 72	\$ 56	\$ 46	\$ 39	\$ 34	-12.8	-52.8			
Other bills and securities	141	144	141	143	146	+ 2.1	+ 3.5			
Reporting member banks										
Loans to customers	608	534	521	514	504	- 1.9	-17.1			
Open market loans and investments	455	458	468	485	512	+ 5.6	+12.5			
Net demand, time and government deposits	892	862	871	898	921	+ 2.6	+ 3.3			
Bankers' acceptances outstanding	12.6	9.9	10.0	11.9	13.0	+ 9.2	+ 3.2			

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

p—Preliminary.
r—Revised.



Source: Iron Age.



Source: Philadelphia Real Estate Board.

earnings in that state. While the relative gain in employment during this period has been somewhat less pronounced in Pennsylvania than in the country as a whole, reflecting probably lower levels formerly prevailing in other industrial states and existing labor difficulties in this state, the percentage increase in wages paid in July was almost identical with that for the United States; compared with July 1932, wage earnings in Pennsylvania were 36 per cent larger, while in the country the increase amounted to about 29 per cent.

Output of factory products has continued sharply upward for four successive months, reaching lately the highest level since the fall of 1931. This bank's index number of production, which is adjusted for the number of working days and seasonal fluctuation and is based on reports from 45 industries whose value added by manufacture is about two-thirds of the total, again rose from 69 in June to 72 per cent of the 1923-25 average in July; a year ago this index was 55, which was the lowest monthly figure in the past decade, with the exception of last March.

This advance in the past four months amounted to almost 40 per cent. Because of the expansion in working time and increases in wage rates, factory payrolls, but not employment, virtually paralleled the percentage increase in production. The accompanying table indicates that the largest gains, just as the largest losses in the depression period, occurred in the output of durable or capital goods such as fabricated metals, transportation equipment and building materials.

The largest exceptional gains during the month occurred in the activity of the iron and steel, leather, building material and electric power industries. The small change in the output of textile products may be attributed to labor difficulties in such branches as hosiery and women's clothing, the two industries which normally employ about 5 per cent of all factory wage earners in Pennsylvania. Strikes in other industries also have hampered the production of finished goods. Nevertheless, a great majority of individual lines registered additional increases during July and extraordinarily large increases as compared with last year.

sales for transportation, residential and commercial, and other purposes declined. Compared with a year ago, total sales for all purposes were 16 per cent larger.

Coal. Demand for anthracite by householders has been somewhat more active lately in anticipation of a further rise in retail prices scheduled for September 1. Output of collieries declined less than seasonally in July, following an unusually sharp increase in the preceding month. In the first half of August production showed some gain. Shipments of hard coal decreased somewhat during July, although they exceeded those of a year ago by nearly 18 per cent.

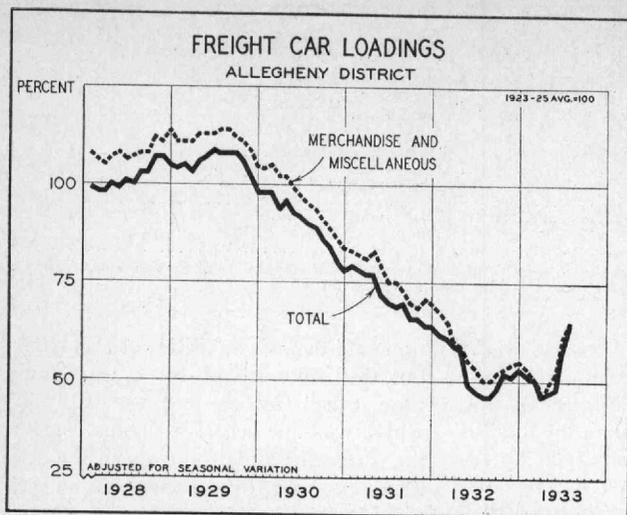
Demand for Pennsylvania bituminous coal showed a noticeable increase between the middle of July and the middle of August, reflecting partly some further increases in manufacturing activity and partly a threatened shortage of industrial fuel occasioned by labor difficulties, which in early August curtailed the output of several collieries. Contrary to seasonal expectation, production of bituminous coal in Pennsylvania increased sharply in July, and was the largest for that month since 1930.

Output of electric power was only a little smaller in July than in June but its consumption by industries rose about 12 per cent in the month, reaching the highest level since 1930. The use of power by municipalities also increased while

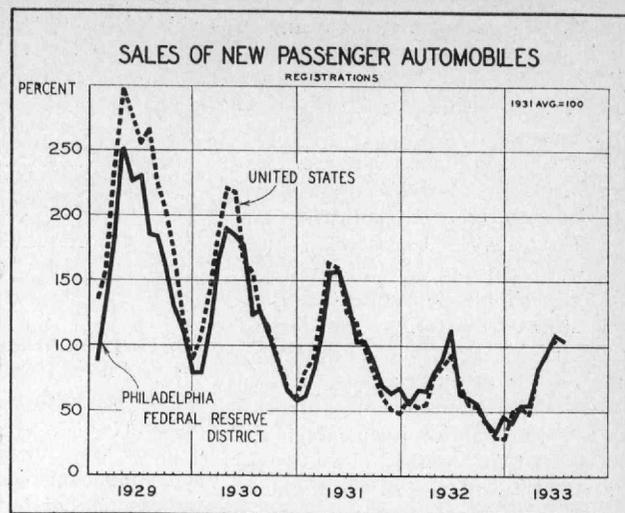
Building and real estate. Although activity in the construction and contracting industry in Pennsylvania showed some further expansion from the middle of June to the middle of July, the rate of gain was less than in earlier months this year. Reports from approximately 1,400 contractors showed gains in July of 2 and 1 per cent, respectively, in the number of workers employed and in their earnings; operating time in this period increased less than one per cent.

Production is for the Philadelphia Federal Reserve District. Employment and payrolls are for Pennsylvania.	Percentage change in July 1933 compared with—		
	March 1933	July 1932	Average July 1925-1928
Production, total	+40.2	+30.9	-30.6
Durable or capital goods	+69.9	+39.7	-51.4
Consumers' goods	+21.7	+27.1	-15.0
Employment, all industries	+16.0	+16.2	-27.8
Durable or capital goods	+28.4	+16.7	-40.9
Consumers' goods	+9.7	+18.8	-13.2
Payrolls, all industries	+39.4	+36.4	-50.6
Durable or capital goods	+79.7	+65.0	-58.4
Consumers' goods	+17.4	+20.8	-38.2

Note: To obtain comparable changes, the same type of industries have been selected for factory production, employment and payrolls.



Source: American Railway Association.



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

Continuing the upward trend since March, aggregate awards of building contracts increased in July, instead of declining as is usual in that month. Contracts let for residences increased noticeably from June to July and were the largest of any month since May of last year. Although the average of total awards for the three months from May through July showed a further substantial increase, it was nearly 40 per cent lower than a year ago. In early August, contract awards declined seasonally.

Estimated cost of proposed building under permits issued in 17 cities of this district increased in July, following an unusually sharp decline in the preceding month. Although the dollar volume of permits issued in July for new construction, repairs and alterations exceeded that of a year ago by nearly 39 per cent, the total for the seven-month period this year shows a drop of over 40 per cent from a year ago.

Developments in the local real estate situation reflect a little more activity. The value of mortgages recorded in Philadelphia showed an unusually large increase in July, while ordinary conveyances, which increased about 3 per cent in that month, showed the first gain since December of last year. Foreclosures, which so far this year have been exceptionally numerous, declined nearly 11 per cent in July but they were 15 per cent larger than a year ago. Writs issued for sheriff sales during August rose sharply and were, with one exception, the largest of any month since September 1932.

Agriculture. The gains which were evident in the condition of various crops in this district earlier in the

month have been practically wiped out by extreme damage done to standing crops by a severe tropical storm in the third week of August. Swollen creeks flooded many truck patches, gales varying from 40 to 60 miles an hour leveled maturing corn, shook off peaches, apples and pears, tearing down many trees by the roots. The effect of this storm on the late crops, particularly in the southern part of this district, obviously will be such as to reduce yields; these already were indicated by the official reports to be lower than in other years, probably with the exception of tobacco.

Milk and cream receipts in the Philadelphia area increased substantially in July, contrary to seasonal expectation, but fell off in early August reflecting partly difficulties between producers and distributors in this section. Cold storage holdings of dairy and poultry products increased sharply from July to August.

Wholesale prices of farm products in the country as a whole showed an exceptionally sharp increase in July, but declined somewhat in early August, owing mainly to lower quotations for grains, butter, eggs, and certain livestock and livestock products. The general level of farm prices in July was about 25 per cent higher than a year ago.

Distribution. Deliveries of commodities to distributing and manufacturing establishments in this section have continued in heavy volume. Freight car loadings in July again showed an exceptional gain of 12 per cent and the total volume was almost 40 per cent larger than a year ago. Since March the trend has been sharply upward so that the latest index of shipments by

rail reached the highest point for any month since late fall of 1931. Similarly, deliveries of merchandise by motor freight rose steadily in the past four months.

Wholesale and jobbing business has increased further, continuing the upward trend since early spring. Sales of eight lines combined in July showed a gain of 3 per cent instead of registering a decline as usual, so that when allowance is made for the customary seasonal change there occurred an improvement of about 6 per cent, owing to more active demand for dry goods, groceries, drugs, and paper. Early reports for August indicate additional gains which are partly seasonal in character. The steady advance in the volume of sales in the past four months raised our seasonally adjusted index of sales from a record low point of 54 in March to 74 in July, or within 26 per cent of the 1923-25 average.

Retail trade sales in July, on the other hand, while exceeding last year's dollar volume by 2 per cent, failed to show improvement. This bank's index number, which accounts for the number of trading days as well as seasonal changes and is based on monthly reports from department, apparel, shoe and credit stores covering a period of ten years, declined from 60 in June to less than 58 in July; a record low index of 49 was reached in February.

Preliminary reports from local department stores indicate that sales have improved appreciably in August. Retail prices have been advancing, though by no means for all classes of goods. On August first the average level of prices for general merchandise throughout the country was 5 per cent higher than a month ago and 3 per cent

above that a year earlier, according to Fairchild's index. Retail food prices in Philadelphia and Scranton, as in the country, have advanced for three consecutive months.

Stocks of merchandise at retail establishments declined less than usual from June to July, so that when adjusted for the normal seasonal volume there was an increase of over 3 per cent, Philadelphia department and apparel stores registering the largest gains. It is reported that a larger than usual volume of merchandise was in transit in the latter part of July and thus was too late for inclusion in the reports for that month. The increase in the total inventories of eight wholesale lines combined was about what was to be expected, although gains in dry goods, electrical supplies and groceries exceeded noticeably the usual seasonal increases.

The rate of stock turnover in retail trade has been 3 per cent higher and in wholesale trade 14 per cent higher this year than last. Collections both at retail and wholesale have continued to be more prompt than a year ago, and the falling off in the rate of payment between June and July has been smaller than is customary.

Sales of new passenger automobiles, as measured by registrations in this district, have been steeply upward since March. The small drop from June to July was much less than the usual decline in this period, indicating a further improvement in demand. Compared with a year ago, July sales were 64 per cent larger.

Like most of the other indicators, sales of life insurance have shown improvement in the last four months. Our seasonally adjusted index number has risen with fair regularity, although the amount of premiums paid has been smaller than in other years.

RESERVE BANK CREDIT AND THE FACTORS WHICH AFFECT IT

Philadelphia Federal Reserve District
July 20 to August 23 inclusive
(In millions of dollars)

Sources of funds	Uses of funds
Reserve bank credit extended in this reserve district.....	Currency demand.....
Commercial and financial transactions (chiefly interdistrict).....	Member bank reserve deposits.....
Treasury operations.....	Special and "Other" deposits at reserve bank.....
Total.....	Unexpended capital funds of reserve bank.....
	Total.....

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 the district.

Banking conditions. In recent weeks the decline in loans to customers at the reporting member banks in this district has stopped. A decrease in the total of demand and time deposits held by the reporting banks was met without any increase in borrowings from the Federal reserve bank.

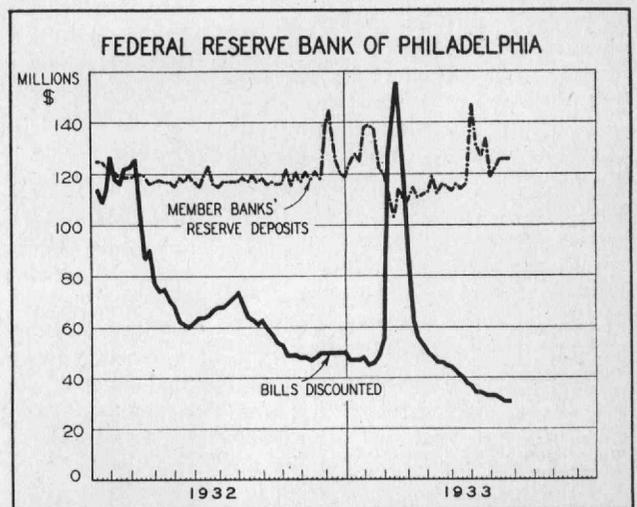
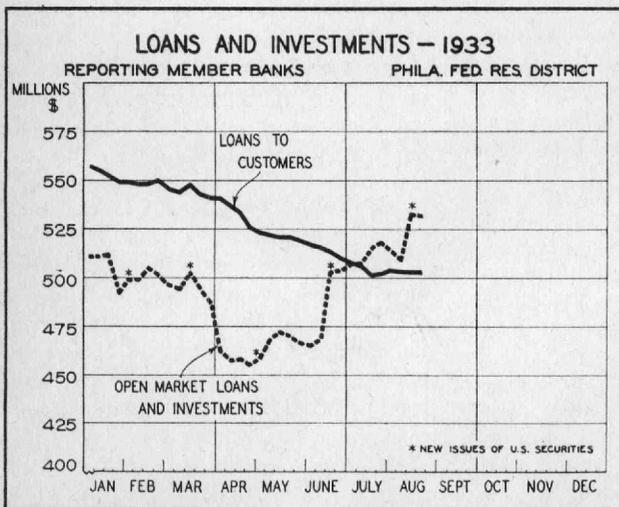
During the five weeks ended August 23 the district had an adverse balance of over 3 millions in the settlement of commercial and financial transactions with other districts, despite a considerable gain in one of the weeks which apparently reflected sales of newly issued government securities. The Treasury received substantial sums as a result of cash payments for securities and withdrawals from depository banks and the total of government receipts was more than 2 millions greater than local disbursements. These demands were more than balanced by 8 millions taken from member bank reserve deposits and a small return flow of currency; special and "other" deposits at the reserve bank increased over one million and there was a decrease of nearly 3 millions in reserve bank credit extended locally.

The decrease in reserve bank credit reflected a decline of almost 3 millions in bills discounted, which totaled 30½ millions on August 23. Decreases were shown in both the federal reserve

note and deposit liabilities of this bank, but the influence of these was more than offset by a decrease in cash, which was due largely to transfers for the Treasury and payments in the settlements, part of which was due to this bank's participation in system purchases of securities; the result was a decline in the ratio from 64.8 to 63.9 per cent.

Although loans to customers on securities declined 3 millions at the reporting member banks, this was more than balanced by a rise of 4 millions in other loans to customers, which probably are more closely indicative of accommodation extended to industry and trade. Holdings of United States securities increased 22 millions, but this was materially less than the amounts allotted to these banks on

Reporting member banks (000,000's omitted)	Aug. 23, 1933	July 19, 1933	Aug. 24, 1932
Loans to customers:			
On stocks and bonds	\$ 249	\$ 252	\$ 304
All other.....	254	250	295
Loans to open market.....	15	19	8
United States securities.....	273	251	197
Other securities.....	244	245	265
Total loans and investments.....	\$1,035	\$1,017	\$1,069
Net demand deposits.....	535	571	620
Time deposits.....	311	299	264
Government deposits.....	90	56	18
Amounts due from banks.....	80	89	94
Amounts due to banks.....	134	151	175



August 15, showing that some of these had been sold. Demand deposits decreased 36 millions in the five weeks; part of this doubtless was due to a transfer to time deposits, which increased 12 millions. Withdrawals of bank funds held by the reporting banks, payments to firms in other districts, and purchases of the new United States securities by depositors probably account largely for the remainder of the decline in demand deposits. This decline was met by the proceeds from the sales of securities and decreases in open market loans and by drawing upon reserve balances.

The new government securities, dated August 15, included an issue of eight-year Treasury bonds with interest at 3¼ per cent and two-year Treasury notes bearing 1½ per cent. Total subscriptions from this district amounted to 380 millions. The amount actually allotted here was 64 millions, payment being made as follows: by deposit credit, 53 millions; in cash, 7 millions; by exchange for other securities, 4 millions.

Federal Reserve Bank of Philadelphia (Dollar figures in millions)	August 23, 1933	Changes in—	
		Five weeks	One year
Bills discounted.....	\$ 30.5	-\$2.8	-\$31.0
Bills bought.....	0.7	- 0.1	- 2.6
United States securities.....	148.5	+ 3.5	+ 9.2
Other securities.....	0.5	0	- 1.1
Total bills and securities.....	\$180.2	+\$0.6	-\$25.5
Federal reserve note circulation.....	236.4	- 1.8	- 16.2
Federal reserve bank note circulation.....	7.5	+ 1.0	+ 7.5
Member bank reserve deposits.....	125.8	- 8.0	+ 8.8
Special deposits—member and non-member banks.....	12.2	+ 0.8	+ 12.2
Government deposits.....	2.1	- 1.1	+ 0.5
Foreign bank deposits.....	2.3	+ 0.6	+ 1.1
Gold reserves and other cash.....	242.7	- 9.1	+ 36.7
Ratio.....	63.9%	- 0.9%	+ 8.6%

City areas*	Percentage change—July 1933 from July 1932				
	Manufacturing		Building permits (value)	Debits	Retail trade sales
	Employment	Wage payments			
Allentown.....	+25.2	+ 52.4	+ 23.0	- 7.1	- 1.8
Altoona.....	+ 6.7	+ 89.1	+ 24.7	-11.2	+11.8
Harrisburg.....	+ 5.2	+ 16.4	- 87.5	+11.2	+ 1.9
Johnstown.....	+18.7	+166.2	- 77.6	-35.9	+ 9.3
Lancaster.....	+34.6	+ 41.2	+ 46.8	- 5.7	- 1.2
Philadelphia.....	+14.8	+ 21.8	+ 35.1	+ 9.7	+ 1.0
Reading.....	-10.4	+ 21.7	+114.3	-21.0	- 5.9
Scranton.....	+37.6	+ 39.1	+ 21.4	- 6.7	0.0
Trenton.....	+21.7	+ 37.3	+ 8.4	- 3.2	+ 2.3
Wilkes-Barre.....	+34.0	+ 29.5	+1,348.0	- 8.0	+10.2
Williamsport.....	+20.0	+ 36.5	+ 35.2	-24.5	.....
Wilmington.....	+19.4	+ 32.9	- 27.1	+23.1	+28.3
York.....	+15.7	+ 32.1	- 75.2	+ 8.7	.....

City areas*	July 1933 from June 1933				
	Employment	Wage payments	Building permits (value)	Debits	Retail trade sales
Allentown.....	+ 7.9	+ 12.7	+ 53.4	+ 7.3	-21.0
Altoona.....	+13.1	+ 61.2	- 28.8	- 1.0	- 9.9
Harrisburg.....	+ 8.4	+ 11.7	- 51.6	+ 8.2	-18.4
Johnstown.....	+14.7	+ 34.1	- 60.2	+16.0	-10.8
Lancaster.....	+ 3.8	- 2.3	- 49.1	+12.1	0.0
Philadelphia.....	+ 3.9	+ 6.0	- 3.7	+ 1.8	-31.9
Reading.....	-19.8	- 22.1	+ 76.5	- 6.1	-23.1
Scranton.....	+ 2.8	+ 1.2	- 8.4	+16.0	-17.0
Trenton.....	+ 7.3	+ 6.9	- 53.8	-12.3	-31.3
Wilkes-Barre.....	+13.7	+ 3.4	+211.8	+ 7.5	-16.0
Williamsport.....	+ 6.0	+ 1.8	- 30.1	+ 2.7	.....
Wilmington.....	+ 9.5	+ 18.3	- 39.4	- 1.9	-32.9
York.....	+ 5.6	+ 5.4	- 84.6	+ 8.0	.....

Factory Employment and Payrolls in Pennsylvania

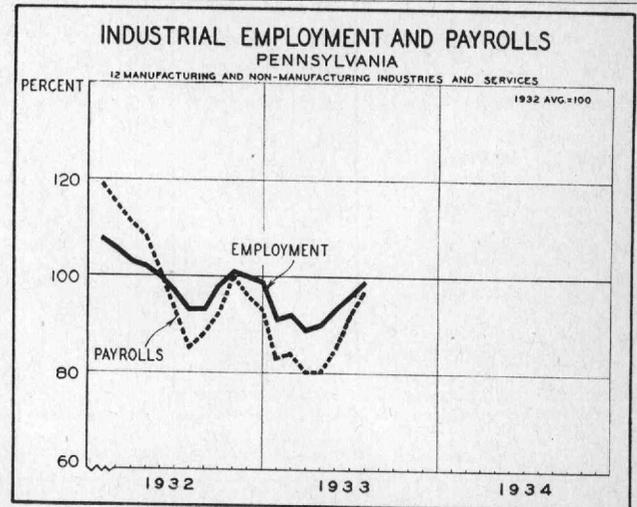
(Indexes of factory employment and payrolls are expressed in percentages of the 1923-25 average which is taken as 100)	Employment*			Payrolls*			Employment-hours† Per cent change July from June
	July 1933 index	Per cent change compared with		July 1933 index	Per cent change compared with		
		July 1932	June 1933		July 1932	June 1933	
All manufacturing	68.2	+16.2	+ 4.0	45.3	+36.4	+ 7.9	+ 5.5
Iron & steel & their products.....	55.0	+16.5	+ 9.1	38.0	+72.7	+15.5	+14.7
Non-ferrous metal products.....	72.1	+ 3.1	+ 2.9	59.8	+20.8	+ 5.7	+ 2.7
Transportation equipment.....	49.5	- 4.3	+11.2	30.3	+11.8	+23.7	+ 6.3
Textiles and clothing.....	89.9	+32.8	- 1.3	59.3	+51.7	- 1.8	- 4.8
Textiles.....	83.3	+30.8	- 1.4	57.2	+45.2	- 2.1	- 4.7
Clothing.....	115.7	+38.6	- 1.1	69.5	+61.3	- 0.9	- 6.3
Food products.....	89.8	- 0.9	- 0.4	72.0	+ 1.0	+ 0.1	- 6.3
Stone, clay & glass products.....	69.9	+27.6	+ 5.4	33.5	+49.6	+ 5.7	+ 2.1
Lumber products.....	40.5	+ 4.9	+ 1.8	23.5	+ 2.2	- 2.9	- 4.4
Chemical and allied products.....	79.3	+12.0	+ 9.8	64.7	+24.2	+14.9	+ 1.0
Leather and its products.....	89.8	+28.8	+ 7.2	71.8	+43.3	+16.0	+ 6.4
Paper and printing.....	82.1	+ 5.1	+ 0.7	62.4	- 2.0	- 0.8	+ 0.5
Printing.....	79.5	- 7.2	- 1.9	63.1	-13.3	- 3.7	- 1.5
Others:							
Cigars and tobacco.....	61.8	+ 0.2	+ 2.5	40.6	-10.2	- 3.6	+ 6.0
Rubber tires and goods.....	95.3	+39.1	+10.4	78.4	+ 8.9	- 8.4	- 9.6
Musical instruments.....	32.1	+ 1.6	0.0	24.9	+49.1	+33.9	+30.0

* Figures from 1729 plants.

† Figures from 1206 plants.

General Indexes of Employment and Payrolls in Pennsylvania

Occupation (1932=100)	Employment			Payrolls		
	July 1933 index	Per cent change compared with		July 1933 index	Per cent change compared with	
		July 1932	June 1933		July 1932	June 1933
General index number	98.8	+ 2.7	+ 6.7	97.0	+ 5.3	+13.6
Manufacturing.....	105.9	+16.2	+ 4.0	111.3	+36.4	+ 7.9
Anthracite mining.....	70.3	- 1.2	-11.0	71.1	+10.3	+11.5
Bituminous coal mining.....	100.8	+ 5.3	+ 3.6	99.2	+20.8	+27.0
Building and construction.....	99.7	+ 2.0	- 2.5	72.3	+ 0.9	-27.0
Quarrying and non-metallic mining.....	115.3	+16.3	+20.1	138.1	+24.1	+48.7
Crude petroleum producing.....	114.0	+ 4.1	+13.2	99.7	+ 2.3	- 0.3
Public utilities.....	89.7	- 1.4	-10.4	81.8	- 1.0	-17.2
Retail trade.....	91.2	- 4.5	- 2.4	83.3	- 4.8	- 9.3
Wholesale trade.....	96.0	+ 0.5	- 3.0	88.8	+ 1.8	- 8.1
Hotels.....	93.5	- 1.9	- 6.8	78.7	- 4.3	-17.8
Laundries.....	94.8	- 0.6	- 3.8	82.1	- 3.6	-16.3
Dyeing and cleaning.....	99.4	- 3.3	- 3.9	85.0	-12.8	-12.3



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					
	July 1932	June 1933	July 1933	Percentage comparison		July 1932	June 1933	July 1933	
				July 1933 with	7 months 1933 with 7 months 1932				
			Month ago	Year ago					
Sales									
Total of all stores	56.6r	60.3	57.9p	- 4.0	+ 2.3	-15.0	41.4r	58.9	42.2p
Department	55.3	58.6	56.1p	- 4.3	+ 1.4	-13.6	40.8	55.9	41.5p
Men's apparel	59.6r	59.0	52.0p	-11.9	-12.8	-10.9	45.5r	61.4	39.8p
Women's apparel	66.6r	79.3	73.5	- 7.3	+10.4	- 6.4	44.1r	77.1	48.7
Shoe	66.6	64.8	63.9	- 1.4	- 4.1	-17.4	61.3	74.5	58.8
Credit	49.5	53.2	55.1p	+ 3.6	+11.3	-25.1	32.2	50.0	35.8p
Stocks of goods									
Total of all stores	65.5r	54.9	56.7p	+ 3.3	- 13.4	.....	59.6r	52.5	51.4p
Department	57.3	50.0	51.6p	+ 3.2	- 9.9	.....	52.4	47.9	47.2p
Men's apparel	71.5r	52.6	57.8	+ 9.9	-19.2	.....	58.9r	50.2	47.6p
Women's apparel	87.6r	84.5	84.5	0.0	- 3.5	.....	67.6r	75.8	64.9
Shoe	64.3	54.8	54.9	+ 0.2	-14.6	.....	59.8	53.7	51.1
Credit	70.2	53.8	57.5p	+ 3.0	-18.1	.....	69.5	54.1	56.9p
Rate of stock turnover 7 months (actual, not indexes)							2.03	2.10	

Wholesale trade

	Adjusted for seasonal variation			Not adjusted					
	July 1932	June 1933	July 1933	Percentage comparison		July 1932	June 1933	July 1933	
				July 1933 with	7 months 1933 with 7 months 1932				
			Month ago	Year ago					
Sales									
Total of all lines	56.6r	70.0	74.3p	+ 6.1	+ 31.3	- 0.5	52.0r	66.7	68.4p
Boots and shoes	35.9	47.0	46.1	- 1.9	+ 28.4	-13.3	29.4	40.4	37.8
Drugs	81.9	75.9	80.0p	+ 5.4	- 2.3	-13.0	77.0	72.9	75.2p
Dry goods	32.2	40.3	56.2	+39.5	+ 74.5	- 1.8	24.8	37.1	43.3
Electrical supplies	49.9	90.1	83.2	- 7.7	+ 66.7	+17.8	40.9	73.9	68.2
Groceries	78.8r	88.3	94.6p	+ 7.1	+ 20.1	+ 2.8	79.6r	90.1	95.5p
Hardware	33.5r	41.3	38.8	- 6.1	+ 15.8	-24.1	32.5r	42.9	37.6
Jewelry	13.8	29.3	26.6	- 9.2	+ 92.8	-38.6	9.4	24.6	18.1
Paper	51.5r	66.6	70.3p	+ 5.6	+ 36.5	- 1.3	48.4	63.9	66.1p
Stocks of goods									
Total of all lines	66.0	57.9	57.6p	- 0.5	- 12.7	.....	65.0	55.9r	56.6p
Drugs	98.6	108.9	90.9	-16.5	- 7.8	.....	97.6	102.4	90.0
Dry goods	38.8	34.5	35.4p	+ 2.6	- 8.8	.....	39.6	34.5	36.1p
Electrical supplies	80.8	47.1	53.4p	+13.4	- 33.9	.....	80.8	46.2	53.4p
Groceries	82.2	74.6	76.6	+ 2.7	- 6.8	.....	75.6	67.9	70.5
Hardware	64.9	58.9	59.6	+ 1.2	- 8.2	.....	64.9	60.1	59.6
Jewelry	47.8	42.1r	40.6	- 3.6	- 15.1	.....	54.5	45.9r	46.3
Paper	69.7	61.1	59.1p	- 3.3	- 15.2	.....	69.7	61.1	59.1p
Rate of stock turnover 7 months (actual, not indexes)							2.38	2.72	

Output of manufactures

	Adjusted for seasonal variation			Not adjusted					
	July 1932	June 1933	July 1933	Percentage comparison		July 1932	June 1933	July 1933	
				July 1933 with	7 months 1933 with 7 months 1932				
			Month ago	Year ago					
Pig iron	10.7	22.1	30.9	+39.8	+188.8	+10.8	9.8	21.0	28.4
Steel	24.4r	43.3	59.6	+37.6	+144.3	+ 5.9	22.2r	44.2	54.2
Iron castings	25.2	36.0	44.2	+22.8	+ 75.4	+10.1	24.2	35.6	42.4
Steel castings	19.9	26.5	46.2	+74.3	+132.2	- 6.2	17.7	27.6	41.1
Electrical apparatus	38.1r	50.6	48.5	- 4.2	+ 27.3	-18.0	40.0r	50.6	50.9
Motor vehicles	23.8	13.3	11.9	-10.5	- 50.0	-61.2	24.3	16.2	12.1
Automobile parts and bodies	26.3	45.5	51.1	+12.3	+ 94.3	-26.6	25.2	45.5	49.1
Locomotives and cars	14.4r	8.4	10.9	+29.8	- 24.3	-38.3	14.4r	8.7	10.9
Shipbuilding	174.0	72.2	70.4	- 2.5	- 59.5	-50.7	168.8	71.5	68.3
Silk manufactures	74.8	113.3	130.6	+15.3	+ 74.6	+31.4	73.3	107.6	128.0
Woolen and worsteds	38.0	74.7	83.4	+11.6	+119.5	+35.6	35.9	71.4	78.2
Cotton products	31.5	45.2	58.3	+29.0	+ 85.1	+ 7.2	27.2	42.8	50.4
Carpets and rugs	39.8	41.0	55.3	+34.9	+ 38.9	-20.0	38.6	40.6	53.6
Hosiery	86.5	140.9	97.6	-30.7	+ 12.8	+16.4	70.9	138.1	80.0
Underwear	98.6	182.4	215.2	+18.0	+118.3	+46.2	81.8	182.4	178.6
Cement	29.7	42.0	42.7	+ 1.7	+ 43.8	-32.8	34.7	50.4	50.0
Brick	24.9r	30.1	46.5	+54.5	+ 86.7	- 2.7	23.9r	31.3	44.6
Lumber and products	16.5r	20.2	18.0	- 10.9	+ 9.1	-26.1	18.1r	20.6	19.8
Bread and bakery products				+ 0.8*	+ 5.6*	- 1.2*	84.4r	88.4	89.1
Slaughtering, meat packing	88.2	105.7	106.6	+ 0.9	+ 20.9	+ 3.4	97.6	99.6	93.4
Sugar refining	67.1	83.3	125.5	+50.7	+ 87.0	+ 5.5	68.4	89.1	128.0
Canning and preserving	25.3	27.6	28.9p	+ 4.7	+ 14.2	- 5.3	20.9	19.8	20.1p
Cigars	78.9r	83.1	82.6	- 0.6	+ 4.7	+ 1.6	85.2	89.7	89.2
Paper and wood pulp	52.7r	63.7	67.4	+ 5.8	+ 27.9	- 5.3	50.6r	63.1	64.7
Printing and publishing	87.2r	86.6	87.0	+ 0.5	- 0.2	- 8.0	84.6r	85.7	84.4
Shoes	94.6	142.0	152.7	+ 7.5	+ 61.4	+27.1	88.0	134.9	142.0
Leather, goat and kid	91.7	107.9	126.6p	+17.3	+ 38.1	+ 7.2	80.7	109.0	111.4p
Explosives	42.6	54.0	66.2	+22.6	+ 55.4	+ 0.8	41.7	54.0	64.9
Paints and varnishes	61.7	81.3	81.0	- 0.4	+ 31.3	- 6.2	57.4	82.9	75.3
Petroleum products	135.4	129.9	130.9p	+ 0.8	- 3.3	- 1.3	136.1	129.9	131.2p
Coke, by-product	46.3	69.0	85.1	+23.3	+ 83.8	+ 7.4	45.4	69.0	83.4

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

