

# THE BUSINESS REVIEW

THIRD FEDERAL  
PHILADELPHIA



RESERVE DISTRICT  
OCTOBER 2, 1933

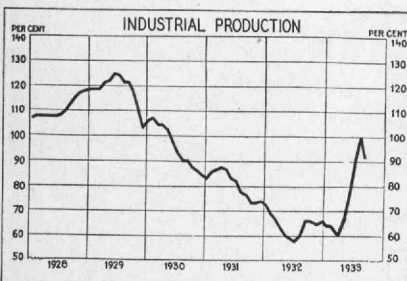
By RICHARD L. AUSTIN, Chairman and Federal Reserve Agent  
FEDERAL RESERVE BANK of PHILADELPHIA

## Business and Banking Conditions in the United States

The general level of industrial production declined in August and the early part of September, reflecting reductions in activity of industries in which there had been a rapid rise in previous months. Employment and wage payments were larger in August than in July.

**Production and employment.** The Federal Reserve Board's seasonally adjusted index of industrial production, which had been rising rapidly for several months, declined from 100 per cent of the 1923-1925 average in July to 92 per cent in August. The principal decreases were in the primary textile industries, in flour milling, and in output of steel ingots which declined from 59 per cent of capacity in July to 49 per cent in August. Average daily output of automobiles declined somewhat from the level of July. There were increases during the month in production of petroleum, non-ferrous metals and cigarettes, and output of lumber and coal increased seasonally.

During September, reports indicate further reductions in output of steel and flour; petroleum production slackened under new restrictions, and output of lumber decreased.



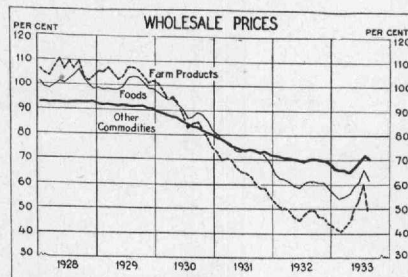
Index number of industrial production, adjusted for seasonal variation. (1923-1925 average = 100.)

Increases in employment between the middle of July and the middle of August, the latest date for which figures are available, were general in most lines of industry. There were numerous increases in wage rates and reductions in working hours. Compared with the low point of last spring there has been an estimated increase of 2,200,000 in number of industrial wage workers.

Value of construction contracts awarded, as reported to the F. W. Dodge Corporation, increased in August owing to awards for public works, particularly highways and bridges; contracts for other types of construction were in smaller volume than in July.

An increase of \$1,000,000,000 in gross income of farmers for the year 1933 is indicated by estimates of the United States Department of Agriculture, primarily as a result of higher prices for certain farm products, notwithstanding small crops of grains, hay and potatoes.

**Distribution.** Sales by department stores increased in August and the Board's index, which is adjusted for seasonal variations, advanced from 71



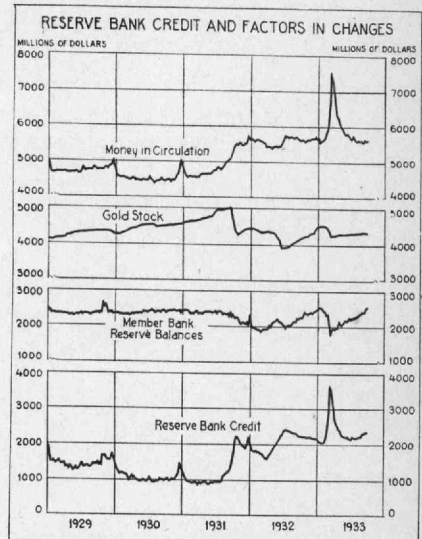
Indexes of the United States Bureau of Labor Statistics (1926 = 100).

to 75 per cent of the 1923-1925 average, the highest level since the spring of 1932. The recent increase in dollar sales reflects to a large extent advancing prices.

The volume of freight shipped by rail declined slightly during August on an average daily basis, although an increase is usual at this time of year.



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



Wednesday figures. Latest figures are for September twentieth.

**Commodity prices.** The general average of wholesale commodity prices fluctuated within a narrow range during August and early September at a level about 17 per cent above the low point of last spring. Prices of individual commodities showed divergent movements, decreases being reported for prices of domestic agricultural products while prices of many manufactured goods, of coal, petroleum and other industrial raw materials increased. During the second and third weeks of September prices of commodities in organized markets advanced considerably.

Retail prices of food continued to advance.

**Foreign exchange.** In the foreign exchange markets the value of the

dollar in terms of the French franc declined from 75 per cent of its gold parity on August 15 to 65 per cent on September 22.

**Bank credit.** At member banks in 90 leading cities, there was a growth of \$200,000,000 in net demand deposits in the four weeks ending September 13, following a decline of \$800,000,000 between the middle of June and the middle of August. More than half of the recent increase reflected a return of bankers' balances to New York City banks. The banks gradually reduced their holdings of United States Government securities, following an increase in the week ending August 16 when a new issue of Treasury bonds was sold, and on September 13 their holdings were in about the same vol-

ume as in early August. There was some increase in commercial loans both at member banks in New York City and in other leading cities.

Member bank balances at the reserve banks continued to increase during August and the first three weeks of September, and excess reserves of member banks reached \$700,000,000. This increase reflected primarily additional purchases of government securities by the Federal reserve banks, which have averaged \$35,000,000 a week since August 16. Money in circulation, which usually increases at this season, has shown little change in the past month, indicating a continued return from hoards.

Money rates in the open market showed a renewed decline during August and the first half of September.

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

Industrial production in this district declined in August and in the first part of September, following an exceptional rise for four months ending in July. General employment and payrolls, on the contrary, have risen considerably since July, reflecting largely increases in wage rates and decreases in working hours under the industrial codes. Building and real estate activity, while showing some improvement, continued at low levels relative to other years.

Retail trade sales, after a sharp drop in July, showed an unusual increase in August and continued fairly active in September, though the rate of gain as compared with the previous month has not been as rapid. Whole-

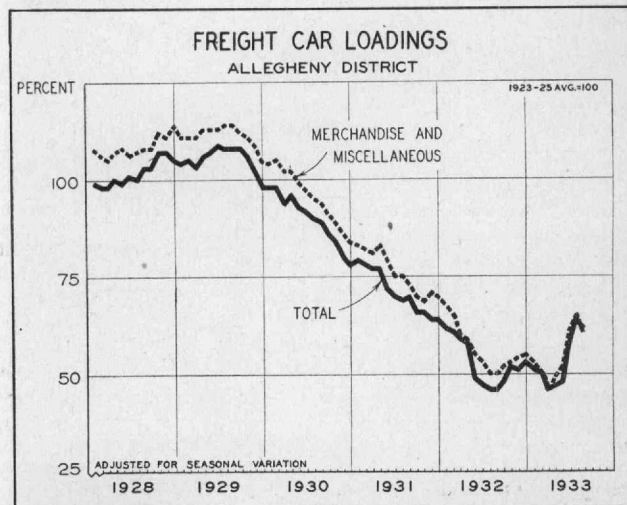
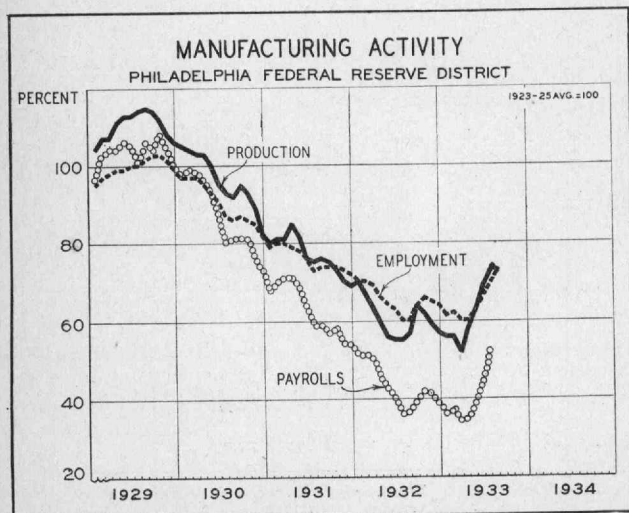
sale business, on the other hand, declined in August but increased in September. Stocks of goods at retail and wholesale establishments increased by larger than the usual amount. Both retail and wholesale prices have advanced further.

**Manufacturing.** The demand for manufactured goods has fallen off somewhat since early August. While there have been gains in sales of individual products, the total volume has been smaller than in the previous month; the comparison with last year, however, continues quite favorable. Prices quoted by local manufacturers have continued to rise steadily, and at present they are at an appreciably

higher level than they were last year. Collections have held well and show increases over a year ago.

Unfilled orders for factory products have declined in the month, but have remained larger than a year ago. Stocks of finished goods held by reporting factories show some reduction during the month and generally are smaller than they were last year. There also has been a decrease in stocks of raw materials after increasing for several months.

Factory employment and payrolls in this district increased considerably from July to August, continuing the upward trend which began in April. In Pennsylvania, for instance, there was an additional gain of 7 per cent



Source: American Railway Association



# Business Indicators

## Philadelphia Federal Reserve District

in the number of wage earners, according to reports from 68 manufacturing industries which in August employed over 375,000 workers. This was the largest monthly increase this year, involving an addition of almost 50,000 to the working forces. In the five months following March, which was a record low month, the number of factory wage earners in this state increased approximately 150,000 so that in August the estimated number of wage earners in all manufacturing was about 760,000 as compared with the average of 610,000 in March.

The increase in payrolls from July to August amounted to almost 17 per cent, which was the largest gain thus far this year and as compared with the same period in the past nine years. Between March and August factory payrolls increased 63 per cent. These unusual increases in employment and payrolls during August reflect partly the readjustment of wage rates and working hours under the industrial codes which were adopted by manufacturers in that month.

Total employe-hours worked in August, as measured by three-fourths of the current reports, showed a gain of 4 per cent over July, indicating a further expansion in productive activity. The level of operation rose steadily for five months and in August was 59 per cent higher than in March in point of total employe-hours actually worked by wage earners.

Incomplete reports for September indicate that there was a further increase in employment and payrolls, but a marked decrease in employe-hours worked in Pennsylvania factories. It is stated that probably a large part of the increase in employment and payrolls reflected further readjustments under the industrial codes, while the declines in operating time were due largely to slackened activity in the textile, and iron and steel industries.

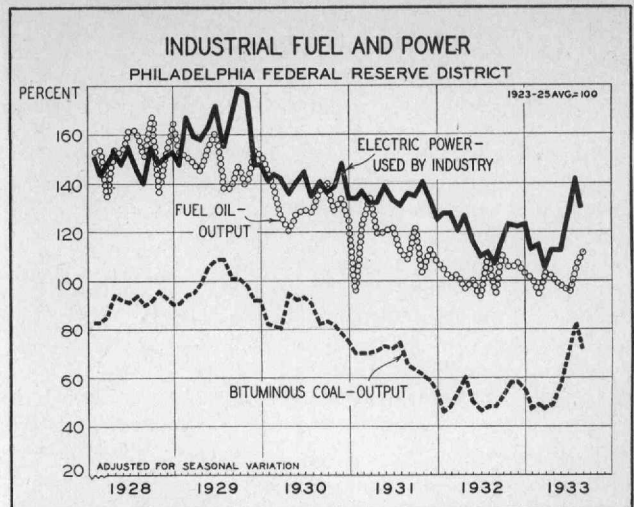
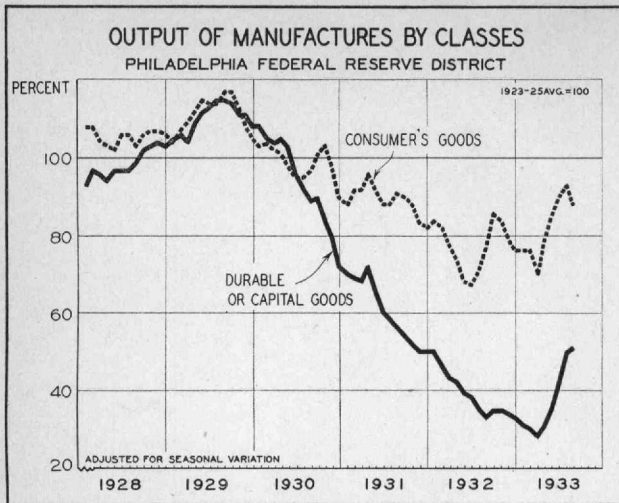
This bank's index of factory output, which is adjusted for the number of working days and the usual seasonal change, dropped from 74.2 in July to 71.5 in August, a decline of almost 4 per cent. Most of the manufacturing groups reported recessions, particularly since the middle of August. In several lines production has been greatly hampered by strikes and lockouts. The trend which had been upward for four consecutive months has thus been interrupted in the past few weeks.

Compared with a year ago, the August index of output was 25 per cent higher, the largest gains occurring in

	Index numbers expressed in percentages of 1923-1925 average, which is taken as 100																																																																																											
	Adjusted for seasonal variation						Not adjusted																																																																																					
	Aug. 1932	July 1933	Aug. 1933	Percentage comparison			Aug. 1932	July 1933	Aug. 1933																																																																																			
				Month ago	Year ago	8 months 1933 with 8 months 1932																																																																																						
<p>Adjusted index numbers make allowance for the usual seasonal changes which result from an uneven distribution of business between the months of the year.</p> <p>Unadjusted indexes reflect merely the actual changes which may or may not be up to the usual seasonal expectations.</p>																																																																																												
<b>Industrial production: output</b>																																																																																												
of factories and coal mines...	56.5	73.8	70.7p	- 4.2	+25.1	+ 3.3	56.2	70.2	70.2p																																																																																			
<b>Manufacturing—total</b> .....	57.3r	74.2	71.5p	- 3.6	+24.8	+ 3.3	57.0r	71.4	71.0p																																																																																			
Metal products.....	26.4r	54.0j	55.1	+ 2.0	+108.7	+ 4.3	27.7r	51.2	57.4																																																																																			
Textile products.....	71.8	100.4	93.7p	- 6.7	+30.5	+25.3	68.1	94.6	89.4p																																																																																			
Transportation equipment.....	41.8r	32.4	33.7	+ 4.0	-19.4	-43.1	40.5r	31.5	32.4																																																																																			
Food products.....	73.2r	74.5	68.3	- 8.3	- 6.7	- 5.0	73.9r	72.7	65.5																																																																																			
Tobacco and products.....	80.0r	83.5	85.2	+ 2.0	+ 6.5	+ 1.7	85.4	89.9	91.0																																																																																			
Building materials.....	22.7r	32.1	31.7	- 1.2	+39.6	-17.3	26.0r	34.5	35.7																																																																																			
Chemicals and related products.....	79.9	107.0	105.4p	- 1.5	+31.9	+ 3.0	80.3	105.3	105.8p																																																																																			
Leather and products.....	102.5	145.7	130.1	-10.7	+26.9	+19.4	104.3	131.9	132.2																																																																																			
Paper and printing.....	79.4r	83.7	83.2	- 0.6	+ 4.8	- 6.2	77.2r	81.1	81.0																																																																																			
Electric power output.....	171.8	182.2	186.8	+ 2.5	+ 8.7	- 2.3	163.2	169.4	177.5																																																																																			
Elec. pwr. used by industries.....	107.3	141.5	130.3	- 7.9	+21.4	+ 0.9	110.5	144.3	134.2																																																																																			
<b>Coal mining</b> .....	48.0	69.1	62.5	- 9.6	+30.2	+ 3.5	47.6	57.4	61.9																																																																																			
Anthracite.....	48.0	67.0	61.0	- 9.0	+27.1	+ 1.3	48.0	55.0	61.0																																																																																			
Bituminous.....	47.9	81.6	71.8	-12.0	+49.9	+19.3	45.0	71.8	67.5																																																																																			
<b>Factory employment—Penna.</b> .....				+ 7.0*	+23.2*	- 1.1*	59.6	68.6p	73.4p																																																																																			
<b>Factory payrolls—Penna.</b> .....				+16.5*	+52.3*	- 6.1*	34.8	45.5p	53.0p																																																																																			
<b>Building and real estate</b>																																																																																												
Contracts awarded†—total.....	37.1	18.2	20.0	+ 9.9	-46.1	-43.2	36.4	19.7	19.6																																																																																			
Contracts awarded†—residential.....	15.0	16.4	17.3	+ 5.5	+15.3	-40.4	14.1	16.4	16.3																																																																																			
Permits for building.....	14.7	6.1	6.4	+ 4.9	-56.5	-43.2	13.2	7.5	5.8																																																																																			
Mortgages recorded in Phila.....	20.9	18.0	10.9	-39.4	-47.8	-49.5	16.5	19.6	8.6																																																																																			
Real estate deeds recorded in Philadelphia.....	49.9	52.3	50.2	- 4.0	+ 0.6	-16.9	44.9	51.8	45.2																																																																																			
Exclusive of Sheriff deeds (1930 = 100).....				-19.8*	-13.2*	-15.3*	57.0	61.7	49.5																																																																																			
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Writs for Sheriff sales in Phila.....	1134.0	1126.1	1305.9	+16.0	+15.2	+ 4.4	1088.6	1069.8	1253.7																																																																																			
<b>Distribution</b>																																																																																												
Retail trade—sales.....	52.9r	57.9	60.7p	+ 4.8	+14.7	-11.9	42.0r	42.2	48.1p																																																																																			
Retail trade—stocks.....	61.1r	57.2	59.1p	+ 3.3	- 3.3	.....	58.5r	51.8	56.3p																																																																																			
Wholesale trade—sales.....	56.5	75.1	72.9p	- 2.9	+29.0	+ 3.2	53.0	69.1	68.5p																																																																																			
Wholesale trade—stocks.....	66.0	57.0	59.7p	+ 4.7	- 9.5	.....	66.4	56.0	60.0p																																																																																			
Freight car loadings (Allegheny district).....	45.6	64.1	61.8	- 3.6	+35.5	- 0.7	47.9	66.0	64.9																																																																																			
Life insurance sales.....	103.3	96.7	109.0	+12.7	+ 5.5	-11.5	86.8	92.8	91.6																																																																																			
New passenger auto registrations.....	43.2	73.0	74.8	+ 2.5	+73.1	+ 3.9	47.5	82.5	82.3																																																																																			
<b>Business liquidations</b>																																																																																												
Number.....				+27.0*	-42.1*	-30.3*	190.9	87.1	110.6																																																																																			
Amount of liabilities.....				+126.2*	-38.8*	-48.6*	228.4	61.8	139.8																																																																																			
<b>Payment of accounts</b>																																																																																												
Check payments.....	59.9	69.0	60.6	-12.2	+ 1.2	- 8.0	50.9	66.9	51.5																																																																																			
Rate of collections (actual, not indexes)																																																																																												
Retail trade.....				-10.4*	+11.6*	.....	21.5	26.8	24.0																																																																																			
Wholesale trade.....				+ 4.5*	+12.9*	.....	55.6	60.1	62.8																																																																																			
<table border="1"> <thead> <tr> <th rowspan="2">(000,000's omitted in dollar figures)</th> <th rowspan="2">Aug. 1932</th> <th rowspan="2">May 1933</th> <th rowspan="2">June 1933</th> <th rowspan="2">July 1933</th> <th rowspan="2">Aug. 1933</th> <th colspan="2">Per cent change from</th> </tr> <tr> <th>Month ago</th> <th>Year ago</th> </tr> </thead> <tbody> <tr> <td colspan="8"><b>Banking and credit</b></td> </tr> <tr> <td colspan="8"><b>Federal Reserve Bank</b></td> </tr> <tr> <td>Bills discounted.....</td> <td>\$65</td> <td>\$46</td> <td>\$39</td> <td>\$34</td> <td>\$32</td> <td>-5.9</td> <td>-50.8</td> </tr> <tr> <td>Other bills and securities.....</td> <td>144</td> <td>141</td> <td>143</td> <td>146</td> <td>148</td> <td>+1.4</td> <td>+ 2.8</td> </tr> <tr> <td colspan="8"><b>Reporting member banks</b></td> </tr> <tr> <td>Loans to customers.....</td> <td>601</td> <td>521</td> <td>514</td> <td>504</td> <td>502</td> <td>-0.4</td> <td>-16.5</td> </tr> <tr> <td>Open market loans and investments.....</td> <td>471</td> <td>468</td> <td>485</td> <td>512</td> <td>525</td> <td>+2.5</td> <td>+11.5</td> </tr> <tr> <td>Net demand, time and government deposits.....</td> <td>905</td> <td>871</td> <td>898</td> <td>921</td> <td>928</td> <td>+0.8</td> <td>+ 2.5</td> </tr> <tr> <td><b>Bankers' acceptances outstanding</b>.....</td> <td>11.2</td> <td>10.0</td> <td>11.9</td> <td>13.0</td> <td>12.4</td> <td>-4.6</td> <td>+10.7</td> </tr> </tbody> </table>											(000,000's omitted in dollar figures)	Aug. 1932	May 1933	June 1933	July 1933	Aug. 1933	Per cent change from		Month ago	Year ago	<b>Banking and credit</b>								<b>Federal Reserve Bank</b>								Bills discounted.....	\$65	\$46	\$39	\$34	\$32	-5.9	-50.8	Other bills and securities.....	144	141	143	146	148	+1.4	+ 2.8	<b>Reporting member banks</b>								Loans to customers.....	601	521	514	504	502	-0.4	-16.5	Open market loans and investments.....	471	468	485	512	525	+2.5	+11.5	Net demand, time and government deposits.....	905	871	898	921	928	+0.8	+ 2.5	<b>Bankers' acceptances outstanding</b> .....	11.2	10.0	11.9	13.0	12.4	-4.6	+10.7
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\* Computed from data unadjusted for seasonal variation.  
† 3-month moving daily average.

p—Preliminary.  
r—Revised.



Sources: Bureau of Mines and Phila. Federal Reserve Bank

metal products, building materials, chemicals and related products, textile and leather products. Activity in transportation equipment and foods alone showed declines. In the first eight months of this year as compared with last year, aggregate production showed a gain of over 3 per cent, most of which occurred between April and July. The sharpest increases took place in the output of metal, textile and leather products.

Most of the individual lines shared in the gain since March. As indicated by the accompanying chart, the increase in the output of durable or capital goods, which are generally used as means of production, amounted to 78 per cent, while production of consumers' goods rose 26 per cent between March and August. The chart also shows clearly that the drop in the output of capital goods since early 1930 was very much more drastic than the decline in consumers' goods.

Consumption of raw materials and semi-manufactured goods has fallen off in the past few weeks. The use of electric power in industries also declined almost 8 per cent, when allowance is made for the number of working days and seasonal variation. Sales of electricity to municipalities for lighting and to street cars and railroads for power show gains over July. The adjusted index of total output of electricity increased 3 per cent; compared with a year ago, it continued 9 per cent higher.

**Coal.** Demand for anthracite at the mines has increased since the middle of last month. In the Philadelphia area sales to householders declined in early September but showed an appreciable gain after the middle of the

month. Output of collieries showed less than the usual rate of gain from July to August but increased seasonally in the first fortnight of September. Shipments of hard coal increased sharply in August and were the largest for that month since 1930. Wholesale prices of anthracite rose nearly 2 per cent from July to August, but were about 8 per cent below the level of a year earlier.

The market for Pennsylvania bituminous coal has been somewhat less active lately, reflecting some slackening in industrial activity from the relatively high levels of earlier months. Colliery output declined in August, owing in part to labor disturbances, but showed some gain in the first two weeks of September. Shipments of soft coal increased appreciably during August, following an exceptionally sharp gain in the preceding month. Wholesale prices of bituminous coal in the country increased 3 per cent from July to August and were over 2 per cent above the level of a year ago.

**Building and real estate.** Building activity in Pennsylvania, which has been on the increase since March, continued to expand during August. A sharp decrease in the volume of street and highway construction work, however, caused employment and payrolls in the construction and contracting industry as a whole to decline 5 and 2 per cent, respectively. Working time in this period showed a decrease of nearly 6 per cent, despite a small gain in the number of employe hours worked in building trades.

Aggregate awards of building contracts showed an unusually large decrease from July to August and de-

clined further in the first half of September. Contracts let for residences declined sharply in August, following an upward trend for several months. The average of total awards for the three months from June through August showed a further gain, but was 46 per cent lower than a year ago.

Estimated cost of proposed building under permits issued in 17 cities of this district declined further from July to August to a new record low level. The total value of contemplated building in the eight months since January 1 was 43 per cent smaller this year than last.

The local real estate situation has improved slightly in recent weeks. Renting demand for small dwellings and store space has been somewhat more active, as have sales of the less expensive type of houses, chiefly those ranging in price from three to four thousand dollars. Foreclosures, which were exceptionally numerous during the first half of the year, showed a reduction of 8 per cent from July to August, but were about 13 per cent larger than last year. Writs issued in advance for forced sales in September and October decreased sharply as compared with earlier months and were considerably less than a year ago.

**Agriculture.** Excessive rains in early September flooded many fields, particularly in the southeastern part of this district, and caused considerable losses to standing crops, many of which had already suffered severely in the damaging storm of August 23rd. Harvesting operations were interrupted and fall plowing and seeding delayed because of the muddy condition of the fields.





Source: United States Bureau of Labor Statistics for Prices



Source: F. W. Dodge Corporation

Estimated yields of white potatoes, tame hay and wheat have been revised upward since August 1, while that of corn shows a decrease of about 2 per cent. A drop of nearly 27 per cent in the expected yield of Pennsylvania tobacco reflects the extent of storm damage to that crop. Although pastures and meadows have been badly washed in some sections, in the district as a whole their condition is above the average for this time of the year. Fruit prospects, especially for apples, have declined sharply since early August; late reports indicate that this year's harvest will be the smallest in many years.

Contrary to seasonal tendency, receipts of milk and cream in the Philadelphia area decreased considerably in August, reflecting chiefly difficulties between producers and distributors. Cold storage holdings of butter and cheese increased further in this section from August to September; as compared with a year ago, butter stocks alone were larger, while egg and poultry holdings showed a sharp decline.

Wholesale prices of farm products in the country as a whole declined in August by more than 4 per cent, following substantial increases in the preceding five months. As compared with the low point of last February, however, they were 41 per cent higher and were 17 per cent above the level of August 1932.

**Distribution.** Retail trade activity in this district lately has increased further. Sales in August were 14 per cent larger than in July, indicating an improvement of 5 per cent when compared with the usual seasonal increase. This improvement was due to excep-

tional gains in the sales of department and women's apparel stores. Increases at men's apparel and credit stores were less than usual, while decreases in the shoe business were larger than was to be normally expected.

The August index of dollar sales rose to 61 per cent of the 1923-25 average volume. It was 15 per cent higher than a year ago, all reporting lines sharing in this gain with the exception of men's apparel in Philadelphia. In the first eight months this year, total sales were still 12 per cent smaller than in the same period last year. This unfavorable comparison is due partly to industrial conditions and partly to lower prices prevailing in the early months of this year. Since April, however, retail prices have advanced from 15 to 20 per cent both in the case of general merchandise and of foods, so that in August and September they were higher than a year ago. This change naturally is reflected in current sales since they are measured in dollars.

Stocks of merchandise in retail establishments were increased further by 9 per cent from July to August, all lines except men's apparel stores adding more than usual to their inventories. Compared with a year ago, stocks were larger at department and women's apparel stores, while men's apparel, shoe and credit stores had smaller inventories. The rate of stock turnover was 4 per cent higher this year than last, reflecting an improvement in business conditions in recent months. Collections declined seasonally but they were 12 per cent more prompt than a year ago.

Wholesale and jobbing trade has been fairly active as it usually is in

September. Sales in August failed to measure up to the usual seasonal change so that the adjusted index number, which is based on reports from eight lines, decreased 3 per cent from July.

Exceptionally large gains occurred in the sale of shoes and jewelry but these were more than offset by declines in such lines as drugs, dry goods and electrical supplies. In comparison with a year ago, however, the dollar sales were 29 per cent larger, all lines except drugs reporting substantial gains. Wholesale business in the first eight months this year also was 3 per cent above that in the same period last year, reflecting partly the influence of advancing prices.

Inventories in warehouses rose 7 per cent from July to August; this increase was about 5 per cent greater than usual. Compared with a year ago, however, stocks remained almost 10 per cent smaller. The rate of stock turnover has been 17 per cent higher this year than last. Collections in August were at a more rapid rate than in the previous month, and the rate was 13 per cent higher than a year ago.

The shipment of commodities by railroad freight fell off in August, after a steady increase in the earlier months. Gains in the loadings of coal, livestock and ore were more than wiped out by declines in the movement of other commodities; but total loadings were 36 per cent larger than a year ago. Transportation by motor freight showed further increases in August but since that month there has been considerable interruption resulting from labor difficulties.

Sales of new passenger automobiles

in August were well maintained for the district as a whole and they increased in eastern Pennsylvania. The drop in the number of cars sold was much smaller than usual so that there was an improvement of about 3 per cent during the month. About 73 per cent more cars were sold in August this year than last. Ordinary life insurance sold showed but a small drop from July, so that, when allowance is made for the seasonal change, there was an improvement of nearly 13 per cent.

**Banking conditions.** Having gained funds in transactions with other districts, member banks made a small reduction in their borrowings from the reserve bank during the past month. Demand and time deposits at the reporting banks changed little, but loans declined.

The return flow of currency after Labor Day was not sufficient to offset the earlier outward movement, so that payments of currency to banks exceeded receipts from them by 1½ millions during the four weeks ended September 20. An excess of Treasury receipts over local disbursements of one million approximated the amount withdrawn from depository banks. Funds derived from a favorable balance of 4 millions in commercial and financial transactions with other districts and a half million taken from reserve deposits were more than sufficient to offset the needs arising from currency demand and Treasury operations, so that the banks were able to make a reduction of 2 millions in their borrowings from the reserve bank.

On September 20 the total of bills discounted at this bank was 28 millions, the smallest amount in two

RESERVE BANK CREDIT AND THE FACTORS WHICH AFFECT IT

Philadelphia Federal Reserve District  
August 24 to September 20 inclusive  
(In millions of dollars)

Sources of funds		Uses of funds	
Reserve bank credit extended in this reserve district.....	-1.9	Currency demand.....	+1.5
Commercial and financial transactions (chiefly interdistrict).....	+4.0	Member bank reserve deposits.....	-0.7
Treasury operations.....	-1.1	Special and "Other" deposits at reserve bank.....	+0.2
Total.....	+1.0	Unexpended capital funds of reserve bank.....	*
		Total.....	+1.0

\* Change of less than \$50,000. 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.

years. As indicated above, this was a little lower than on August 23, but total bill and security holdings increased because 7 millions of United States securities was acquired as a result of the bank's participation in system purchases. The ratio of cash to the deposit and federal reserve note liabilities declined from 63.9 to 62.9 per cent.

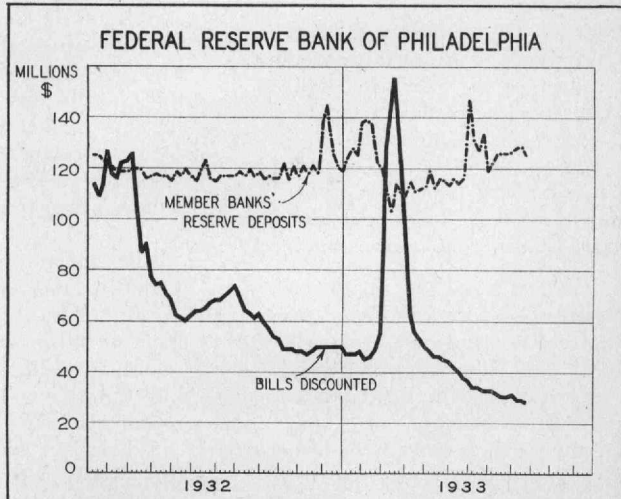
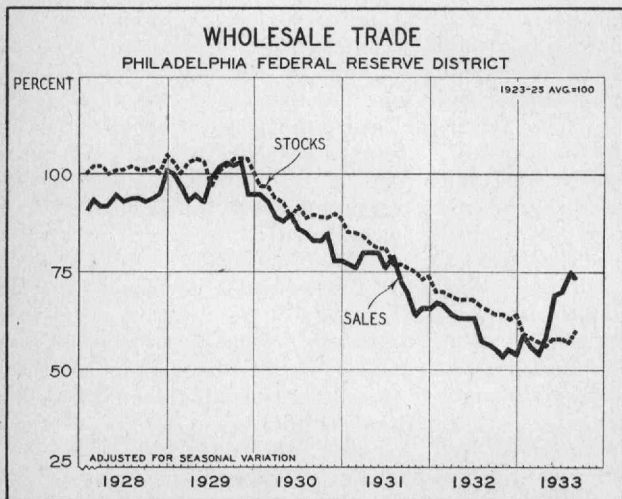
After an interval of relative stability in the previous month, loans to customers at the reporting member banks have declined 6 millions during the last four weeks; most of this decline was in the first week of the period, and 4 millions of it represented loans on the security of stocks and bonds. Investments and loans to the

Federal Reserve Bank of Philadelphia (Dollar figures in millions)	Sept. 20, 1933	Changes in—	
		Four weeks	One year
Bills discounted.....	\$ 28.2	-\$2.3	-\$26.1
Bills bought.....	0.7	0	- 2.6
United States securities.....	155.6	+ 7.1	+ 16.2
Other securities.....	0.5	0	- 0.8
<b>Total bills and securities.....</b>	<b>\$185.0</b>	<b>+\$4.8</b>	<b>-\$13.3</b>
Federal reserve note circulation.....	237.6	+ 1.2	- 7.4
Federal reserve bank note circulation.....	7.1	- 0.4	+ 7.1
Member bank reserve deposits.....	125.0	- 0.7	+ 9.1
Special deposits—member and non-member banks.....	12.6	+ 0.4	+ 12.6
Government deposits.....	5.6	+ 3.5	+ 2.1
Foreign bank deposits.....	1.6	- 0.8	+ 0.6
Cash.....	240.8	- 1.9	+ 34.7
Ratio.....	62.9%	- 1.0%	+ 6.5%

Reporting member banks (000,000's omitted)	Sept. 20, 1933	Aug. 23, 1933	Sept. 21, 1932
Loans to customers:			
On stocks and bonds.....	\$ 245	\$ 249	\$ 301
All other.....	252	254	293
Loans to open market.....	17	15	10
United States securities.....	271	273	223
Other securities.....	246	244	271
Total loans and investments.....	\$1,031	\$1,035	\$1,098
Net demand deposits.....	537	535	618
Time deposits.....	310	311	266
Government deposits.....	89	90	50
Amounts due from banks.....	94	80	110
Amounts due to banks.....	141	134	187

open market increased 2 millions despite a decrease of 2 millions in United States security holdings. Net demand and time deposits at these banks increased one million, notwithstanding the fact that amounts due from banks rose 7 millions more than amounts due to banks, which ordinarily would have caused a decline in net deposits.

The required reserves of all licensed member banks in this district averaged 99 millions in August; reserves actually maintained were 20 millions in excess of this amount, which compares





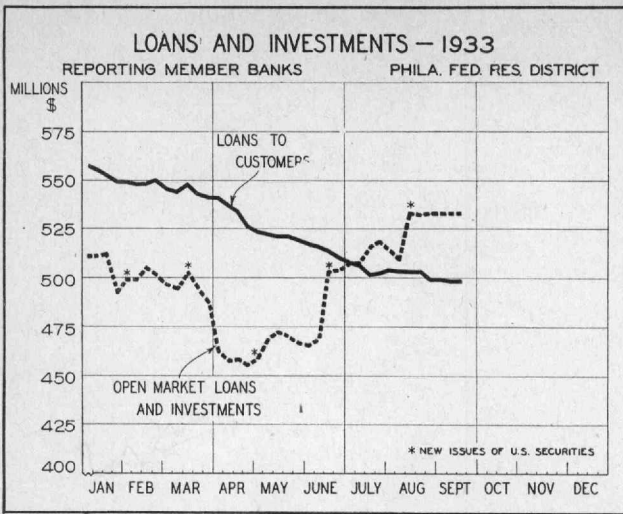
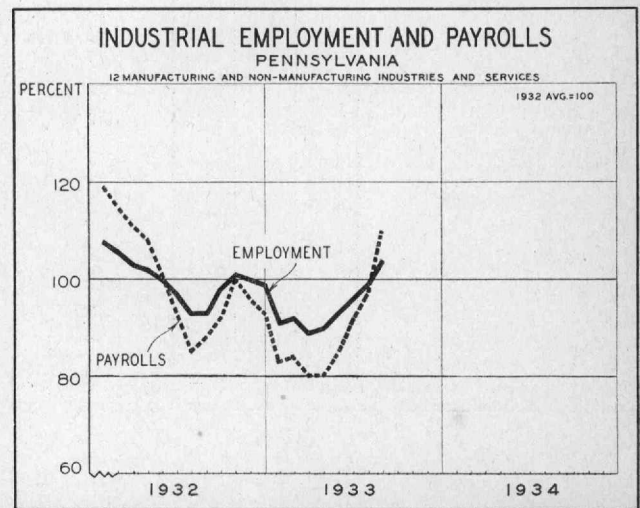
## Factory employment and payrolls in Pennsylvania

	Employment*			Payrolls*			Employe-hours†
	Aug. 1933 index	Per cent change compared with		Aug. 1933 index	Per cent change compared with		
		Aug. 1932	July 1933		Aug. 1932	July 1933	
(Indexes of factory employment and payrolls are expressed in percentages of the 1923-25 average which is taken as 100)							
<b>All manufacturing</b>	<b>73.4</b>	<b>+23.2</b>	<b>+ 7.0</b>	<b>53.0</b>	<b>+52.3</b>	<b>+16.5</b>	<b>+ 4.0</b>
Iron & steel & their products . . . . .	60.8	+29.6	+10.3	46.6	+105.3	+22.3	+10.5
Non-ferrous metal products . . . . .	79.9	+20.7	+10.8	63.5	+ 36.3	+ 6.2	- 1.0
Transportation equipment . . . . .	54.6p	+13.8	+10.3	34.4p	+ 28.4	+13.5	+ 8.9
Textiles and clothing . . . . .	93.8	+26.1	+ 2.9	72.4	+ 54.4	+20.7	- 7.2
Textiles . . . . .	89.6	+22.7	+ 5.7	70.0	+ 43.7	+21.1	- 6.4
Clothing . . . . .	110.4	+38.2	- 4.9	84.3	+ 86.9	+19.6	-16.8
Food products . . . . .	95.2	+ 5.2	+ 6.0	75.3	+ 5.3	+ 4.7	- 3.0
Stone, clay & glass products . . . . .	75.9	+45.4	+ 8.6	38.6	+ 78.7	+15.2	+ 4.2
Lumber products . . . . .	45.8	+19.6	+14.2	29.4	+ 20.0	+25.6	+15.1
Chemical and allied products . . . . .	84.1	+21.2	+ 6.5	67.9	+ 31.8	+ 5.8	+ 1.0
Leather and its products . . . . .	95.2	+27.6	+ 5.4	80.6	+ 46.0	+11.5	- 5.0
Paper and printing . . . . .	86.2	+ 8.8	+ 5.0	67.3	+ 5.5	+ 8.0	+ 3.0
Printing . . . . .	81.6	- 3.1	+ 2.6	66.3	- 6.6	+ 5.1	- 1.1
Others:							
Cigars and tobacco . . . . .	65.7	+ 5.3	+ 6.3	45.6	+ 2.7	+12.3	- 7.1
Rubber tires and goods . . . . .	98.2	+47.7	+ 3.0	85.2	+ 38.8	+ 8.7	- 8.0
Musical instruments . . . . .	37.6	+24.5	+17.1	33.8	+108.6	+35.7	+38.6

\* Figures from 1735 plants. † Figures from 1238 plants. p—Preliminary.

## General indexes of employment and payrolls in Pennsylvania

Occupations (1932=100)	Employment			Payrolls		
	Aug. 1933 index	Per cent change compared with		Aug. 1933 index	Per cent change compared with	
		Aug. 1932	July 1933		Aug. 1932	July 1933
<b>General index number</b>	<b>103.9</b>	<b>+11.4</b>	<b>+ 4.8</b>	<b>109.6</b>	<b>+25.3</b>	<b>+12.8</b>
Manufacturing . . . . .	114.0	+23.2	+ 7.0	130.2	+52.3	+16.5
Anthracite mining . . . . .	76.4	- 2.9	+ 8.8	86.7	+12.7	+22.0
Bituminous coal mining . . . . .	109.5	+13.1	+ 8.6	116.6	+46.3	+17.5
Building and construction . . . . .	94.5	-13.5	- 5.2	71.1	-29.7	- 1.6
Quarrying and non-metallic mining . . . . .	119.0	+20.7	+ 3.2	139.2	+36.1	+ 0.8
Crude petroleum producing . . . . .	128.7	+31.6	+12.9	106.3	+ 6.5	+ 6.6
Public utilities . . . . .	89.5	- 9.6	- 0.2	82.7	-13.9	+ 1.1
Retail trade . . . . .	94.8	+ 9.7	+ 3.9	90.5	+ 6.8	+ 8.7
Wholesale trade . . . . .	97.9	+ 0.1	+ 2.0	90.8	- 4.4	+ 2.2
Hotels . . . . .	94.2	- 2.0	+ 0.8	78.8	-11.7	+ 0.1
Laundries . . . . .	94.8	- 0.5	+ 0.0	85.2	- 6.8	+ 3.8
Dyeing and cleaning . . . . .	100.5	- 0.3	+ 1.1	76.8	-15.0	- 9.6



with an excess of over 6 millions in April. Reserve city banks, which in August had excess reserves of 12½ millions, held an average excess of 14 millions during the week ended September 22.

During August outstanding acceptances of banks in this district declined from \$13,000,000 to \$12,400,000. The national total dropped from 738 to 694 millions; more than 24 millions of this decline was in acceptances covering domestic warehouse credits, which during the two previous months had increased 66 millions.

The only issue of United States securities dated September 15 was in the form of certificates of indebtedness maturing in nine months and bearing interest at the rate of ¼ of one per cent. Subscriptions were received only on the basis of an exchange for certificates maturing on that date.

City areas*	Percentage change—August 1933 from August 1932				
	Manufacturing		Building permits (value)	Debits	Retail trade sales
	Employment	Wage payments			
Allentown . . . . .	+23.1	+ 62.3	- 73.5	- 4.6	+ 6.2
Altoona . . . . .	+27.4	+122.4	+178.3	- 3.6	+48.6
Harrisburg . . . . .	+12.4	+ 31.7	- 69.9	+11.8	+ 8.5
Johnstown . . . . .	+32.0	+172.4	+ 14.5	-26.0	+32.1
Lancaster . . . . .	+40.8	+ 62.6	- 56.1	-10.3	+ 9.7
Philadelphia . . . . .	+25.0	+ 37.7	- 35.3	+ 4.2	+17.0
Reading . . . . .	-15.2	+ 29.7	- 50.7	-23.9	+ 4.4
Scranton . . . . .	+40.8	+ 38.9	- 37.6	-13.9	+15.1
Trenton . . . . .	+40.0	+ 64.8	- 92.5	-11.8	+17.6
Wilkes-Barre . . . . .	+23.6	+ 29.7	+ 94.1	- 2.2	+28.2
Williamsport . . . . .	+23.3	+ 37.1	- 37.7	-26.3	.....
Wilmington . . . . .	+34.9	+ 37.4	- 89.5	+13.9	+ 3.9
York . . . . .	+27.8	+ 53.6	+218.4	+ 6.6	.....

August 1933 from July 1933

Allentown . . . . .	+ 4.3	+19.1	+ 38.4	-12.4	+ 0.0
Altoona . . . . .	+ 3.7	+ 6.6	+ 93.5	+ 2.6	+18.6
Harrisburg . . . . .	+ 4.7	+19.8	+ 43.4	-10.3	+ 6.5
Johnstown . . . . .	+ 8.6	+ 6.8	+196.1	+ 3.4	+25.4
Lancaster . . . . .	+21.0	+44.2	- 60.8	-13.2	-10.7
Philadelphia . . . . .	+ 9.5	+14.2	+ 4.0	-15.5	+19.7
Reading . . . . .	- 0.4	+21.6	- 62.2	-14.8	- 3.4
Scranton . . . . .	+ 3.5	+ 8.8	- 45.7	-10.2	+10.6
Trenton . . . . .	+12.2	+18.8	- 35.5	-13.9	+ 9.3
Wilkes-Barre . . . . .	+ 4.5	+16.1	- 72.8	- 7.0	+11.4
Williamsport . . . . .	+ 6.6	+18.2	+168.1	- 9.4	.....
Wilmington . . . . .	+ 8.3	+ 0.3	- 33.8	-18.4	+20.0
York . . . . .	+ 8.0	+12.0	+348.5	-13.4	.....

# 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		
	Aug. 1932	July 1933	Aug. 1933	Percentage comparison		Aug. 1932	July 1933	Aug. 1933	
				Month ago	Year ago				8 months 1933 with 8 months 1932
<b>Sales</b>									
Total of all stores.....	52.9r	57.9	60.7p	+ 4.8	+14.7	-11.9	42.0r	42.2	48.1p
Department.....	53.4	56.1	61.7	+10.0	+15.5	-10.5	40.9	41.5	47.2
Men's apparel.....	53.7r	52.0	51.5	- 1.0	- 4.1	-10.1	44.4r	39.7	42.4
Women's apparel.....	66.4r	73.5	80.7p	+ 9.8	+21.5	- 3.4	45.2r	48.7	54.0p
Shoe.....	55.5	63.9	59.6	- 6.7	+ 7.4	-14.9	45.5	58.8	48.9
Credit.....	42.9	54.9	52.3	- 4.7	+21.9	-20.9	40.8	35.7	49.7
<b>Stocks of goods</b>									
Total of all stores.....	61.1r	57.2	59.1p	+ 3.3	- 3.3	.....	58.5r	51.8	56.3p
Department.....	54.1	52.7	55.6	+ 5.5	+ 2.8	.....	50.3	48.2	51.7
Men's apparel.....	52.1r	57.8	44.8	-22.5	-14.0	.....	53.9r	47.6	46.0
Women's apparel.....	81.5r	84.5	95.4p	+12.9	+17.1	.....	72.4r	64.9	84.3p
Shoe.....	64.4	55.1	59.7	+ 8.3	- 7.3	.....	62.5	51.2r	57.9
Credit.....	70.4	57.4	62.1	+ 8.2	-11.8	.....	69.0	56.8	60.9
<b>Rate of stock turnover</b>									
8 months (actual, not indexes)						+ 3.9*	2.28		2.37

### Wholesale trade

	Adjusted for seasonal variation						Not adjusted		
	Aug. 1932	July 1933	Aug. 1933	Percentage comparison		Aug. 1932	July 1933	Aug. 1933	
				Month ago	Year ago				8 months 1933 with 8 months 1932
<b>Sales</b>									
Total of all lines.....	56.5	75.1	72.9p	- 2.9	+29.0	+ 3.2	53.0	69.1	68.5p
Boots and shoes.....	46.2	62.8r	75.3p	+19.9	+63.0	+ 4.3	52.2r	51.5r	85.1p
Drugs.....	80.6	80.1	77.0	- 3.9	- 4.5	-12.0	75.0	75.3	71.6
Dry goods.....	27.6	56.2	43.7p	-22.2	+58.3	+ 2.7	25.7	43.3	40.6p
Electrical supplies.....	42.6	83.2	75.9p	- 8.8	+78.2	+25.2	34.9	68.2	62.2p
Groceries.....	80.5	94.6	96.5p	+ 2.0	+19.9	+ 4.9	78.9	95.5	94.6p
Hardware.....	35.4r	38.8	41.1	+ 5.9	+16.1	-20.4	31.5r	37.6	36.6
Jewelry.....	20.8r	26.6	38.6	+45.1	+85.5	-29.4	18.3r	18.1	34.0
Paper.....	56.0	73.0	69.3p	- 5.1	+23.8	+ 2.7	53.2	68.6	65.8p
<b>Stocks of goods</b>									
Total of all lines.....	66.0	57.0	59.7p	+ 4.7	- 9.5	.....	66.4	56.0	60.0p
Drugs.....	101.8r	90.2	98.7	+ 9.4	- 3.0	.....	104.9r	89.3	101.7
Dry goods.....	36.2	33.7	36.3p	+ 7.7	+ 0.3	.....	38.7	34.4	38.8p
Electrical supplies.....	72.1	53.4	57.8p	+ 8.2	-19.8	.....	77.2	53.4	61.8p
Groceries.....	83.3	76.6	77.0p	+ 0.5	- 7.6	.....	77.5	70.5	71.6p
Hardware.....	69.5r	59.6	63.3	+ 6.2	- 8.9	.....	68.8r	59.6	62.7
Jewelry.....	52.8r	40.8r	46.3	+13.5	-12.3	.....	58.6r	46.5r	51.4
Paper.....	67.7	56.8	57.2p	+ 0.7	-15.5	.....	69.1	56.8	58.3p
<b>Rate of stock turnover</b>									
8 months (actual, not indexes)						+17.0*	2.71		3.17

### Output of manufactures

Pig iron.....	11.9	30.9	29.7	- 3.9	+149.6	+24.5	10.5	28.4	26.1
Steel.....	23.2r	59.6	58.1	- 2.5	+150.4	+19.9	23.7r	54.2	59.3
Iron castings.....	26.8	44.2	42.7	- 3.4	+59.3	- 1.8	26.0	42.4	41.4
Steel castings.....	18.3	46.2	35.0	-24.2	+91.3	+ 3.3	17.6	41.1	33.6
Electrical apparatus.....	35.4r	48.5	56.5	+16.5	+59.6	-11.4	39.3r	50.9	62.7
Motor vehicles.....	21.9	11.9	17.5	+47.1	-20.1	-57.0	18.4	12.1	14.7
Automobile parts and bodies.....	24.0	51.1	41.4	-19.0	+72.5	-19.3	22.6	49.1	38.9
Locomotives and cars.....	14.4r	10.9	13.3	+22.0	- 7.6	-34.6	14.5r	10.9	13.4
Shipbuilding.....	136.5	70.4	79.1	+12.4	-42.1	-49.8	135.1	68.3	78.3
Silk manufactures.....	97.1	130.6	122.6p	- 6.1	+26.3	+30.6	94.2	128.0	118.9p
Woolen and worsteds.....	42.0	83.4	69.9	-16.2	+66.4	+39.6	43.0	78.2	71.7
Cotton products.....	33.7	58.3	51.9	-11.0	+54.0	-12.8	30.5	50.4	46.9
Carpets and rugs.....	37.6	55.3	53.9	- 2.5	+43.4	-12.8	36.1	53.6	51.7
Hosiery.....	89.7	97.6	92.9	- 4.8	+ 3.6	+14.9	78.0	80.0	80.8
Underwear.....	112.0	215.2	163.0	-24.3	+45.5	+46.1	104.2	178.6	151.6
Cement.....	35.9	42.7	39.8	- 6.8	+10.9	-28.5	44.9	50.0	49.8
Brick.....	22.5r	46.5	46.0	- 1.1	+104.4	+ 8.8	23.4r	44.6	47.8
Lumber and products.....	14.9r	18.0	19.0	+ 5.6	+27.5	-20.9	16.2r	19.8	20.7
Bread and bakery products.....	.....	.....	.....	- 8.5*	- 2.7*	- 1.4*	83.8	89.1	81.5
Slaughtering, meat packing.....	97.1	106.6	108.3	+ 1.6	+11.5	+ 4.4	81.8	93.4	90.4
Sugar refining.....	136.2	125.5	55.8	-55.5	-59.0	- 7.4	117.1	128.0	48.0
Canning and preserving.....	26.1	29.2	29.0p	- 0.7	+11.1	- 3.2	35.8	23.7	25.6p
Cigars.....	79.2r	82.6	84.6	+ 2.4	+ 6.8	+ 2.2	84.7	89.2	90.5
Paper and wood pulp.....	47.2r	67.4	69.1	+ 2.5	+46.4	+ 0.1	47.2r	64.7	69.1
Printing and publishing.....	86.0r	87.0	86.0	- 1.2	0.0	- 7.0	83.4r	84.4	83.4
Shoes.....	111.5	152.7	137.2	-10.2	+23.0	+26.6	119.3	142.0	146.8
Leather, goat and kid.....	93.9	139.1	123.3p	-11.4	+31.3	+11.9	90.1	122.4	118.4p
Explosives.....	48.0	66.2	71.4	+ 7.9	+48.8	+ 6.8	48.0	64.9	71.4
Paints and varnishes.....	47.5	81.0	59.0	-27.2	+24.2	- 3.5	48.4	75.3	60.2
Petroleum products.....	121.1	143.4	150.7p	+ 5.1	+24.4	+ 2.9	121.6	143.9	151.3p
Coke, by-product.....	44.8	85.1	88.9	+ 4.5	+98.4	+16.9	43.9	83.4	87.1

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

