

THE BUSINESS REVIEW

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Business and Banking Conditions in the United States

Total volume of industrial production after declining further during October showed little change during November and the first half of December. The amount of construction undertaken continued to increase, reflecting an expansion of public works.

Production and employment. Output of basic commodities as measured by the Federal Reserve Board's seasonally adjusted index was 73 for November, on the basis of the 1923-1925 average as 100, compared with 77 for October. This total for the month reflects the maintenance during November, with allowance for usual seasonal changes, of the level reached at the end of October after a continuous decline during the preceding three months. Activity at steel mills, after declining from 44 per cent of capacity in the early part of October to 25 per cent in the early part of November, subsequently increased to a rate of 34 per cent in the third week of December. Output of automobiles, which was curtailed sharply in November in preparation for new models, also increased somewhat in the early part of December. Consumption of cotton by domestic mills was in somewhat smaller volume in No-

vember than in the preceding month and activity at woolen mills decreased. At shoe factories production showed a decline larger than is usual at this season.

Volume of factory employment and payrolls declined from the middle of October to the middle of November by somewhat more than the usual seasonal amount. The Board's seasonally adjusted index of factory employment for November was 72 as compared with 74 in October and 57 at the low point in March.

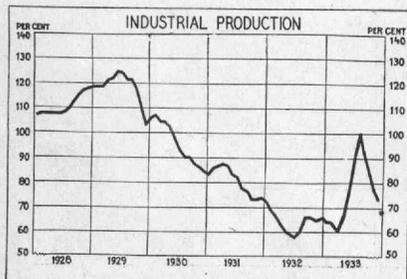
Value of construction contracts awarded as reported by the F. W. Dodge Corporation showed a further substantial increase in November. This increase at a season when construction contracts usually decline reflects a growth in the volume of public works.

Distribution. Shipments of commodities by rail decreased in November as compared with October by an amount somewhat smaller than is usual at this season. Sales of merchandise at department stores declined, contrary to seasonal tendency, while sales by variety stores showed little change.

Wholesale prices. Wholesale commodity prices, as measured by the weekly

index of the Bureau of Labor Statistics, advanced from 70.9 per cent of the 1926 average in the first week of November to 71.7 per cent in the third week and then declined to 70.9 per cent in the week ending December 9. These movements reflected chiefly changes in the prices of farm products and foods. Prices of hogs declined considerably after the middle of November, owing partly to seasonal factors.

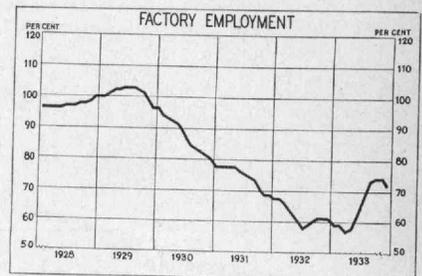
Foreign exchange. The value of the dollar in the foreign exchange market advanced from a low point of 59 per cent of its gold parity on November 16 to about 64 per cent for the period from November 27 to December 20.



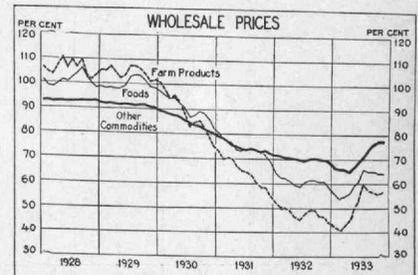
Index number of industrial production, adjusted for seasonal variation. (1923-1925 average = 100.)



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



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



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

Bank credit. Between November 25 and December 20 there was the usual increase of about \$195,000,000 in the demand for currency by the public. This currency demand was met largely through the purchase of \$100,000,000 of acceptances by the Federal Reserve Banks and the issuance of additional bank notes by the national banks. Reserve balances of member

banks showed little change for the period and continued to be at a level of about \$800,000,000 above legal requirements.

Total loans and investments of reporting member banks in leading cities declined by \$160,000,000 between November 15 and December 13 reflecting chiefly sales of acceptances to the reserve banks and a reduction in hold-

ings of investments other than United States Government securities. Loans on securities chiefly to brokers in New York City, increased by \$40,000,000 while all other loans, which include holdings of acceptances, declined by \$125,000,000.

Short-term money rates advanced slightly during the period.

Business and Banking Conditions in the Philadelphia Federal Reserve District

Seasonal trade activity in November and early December lagged behind the usual rate but in the second two weeks of December holiday sales at retail establishments increased considerably, indicating a larger volume than in the same period last year. Production of manufactures in November continued downward more sharply than usual, while output of coal showed exceptional increases. Activity in the ordinary type of building declined seasonally but increased in special construction, resulting from the present measures to relieve unemployment. Most of the other indicators relating to production and distribution of goods showed an absence of improvement. Compared with a year ago, the majority of our current measurements of business conditions in November continued at higher levels.

Industrial employment, comprising twelve occupations in Pennsylvania, showed an increase of 1 per cent from the middle of October to the middle of November; this was due mainly to large gains in the number of workers in coal, public utilities and retail trade, since manufacturing and other occupations reported decreases. The amount

of wage disbursements was 3 per cent smaller in November than October, bituminous coal, crude petroleum, and hotels alone registering gains. In comparison with a year ago, the November index numbers combining these occupations were 11 per cent higher for employment and 18 per cent for payrolls.

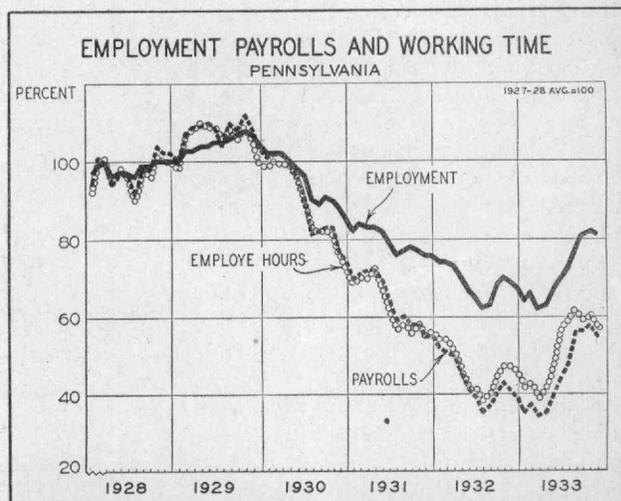
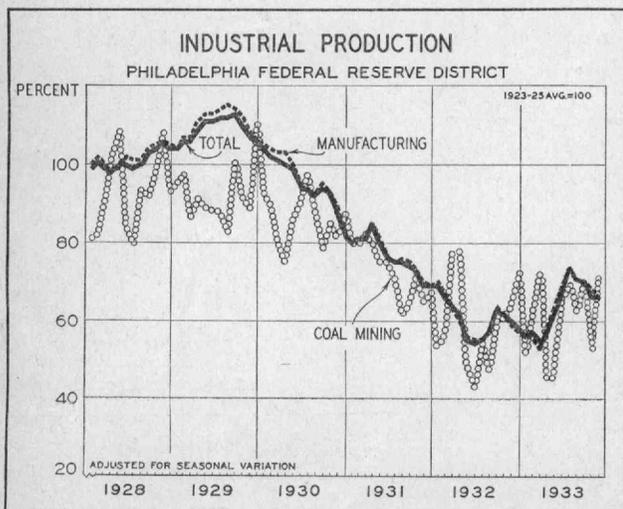
Manufacturing. The market for manufactured products continues slack. Current demand is seasonally slow and sales since the middle of last month have again fallen off in most lines. Prices for factory products on the whole showed little change in the month; the general level, which has risen about 18 per cent since a low point in April, is about 11 per cent higher than a year ago. The volume of unfilled orders for manufactures has declined considerably since early in November, virtually all lines reporting seasonal losses in both new and repeat orders. There have been numerous increases in the volume of business over a year ago, but for the industry as a whole the amount of forward commitments has declined in the year.

In a number of instances stocks of

finished goods at reporting plants showed increases between October and the middle of November, but since the latter date important branches of manufacturing, such as the textile industry, have curtailed their operating schedules substantially in an effort to reduce inventories. Compared with a year ago stocks of finished goods in the aggregate are smaller. No material change has been noticed in the volume of raw material stocks. It is apparent from current reports that local concerns have been extremely conservative in acquiring additional stocks of raw materials.

Collections generally show further declines in the month and as compared with last year. There are, however, many reports which indicate that the settlement of accounts has been fairly well maintained since October.

Factory employment in this section declined seasonally from the middle of October to the middle of November and continued downward in December, following a sharp steady rise between April and October. In Pennsylvania manufacturing, for example, the number of wage earners was one per cent smaller and the amount of wages paid



Business Indicators Philadelphia Federal Reserve District

Index numbers: percentages of the 1923-1925 average taken as 100

	Adjusted for seasonal variation						Not adjusted		
	Nov. 1932	Oct. 1933	Nov. 1933	Percentage comparison			Nov. 1932	Oct. 1933	Nov. 1933
				Nov. 1933 with		To date with year ago			
				Month ago	Year ago				
<p>Adjusted indexes allow for the usual seasonal change which results from an uneven distribution of business between the months of the year.</p> <p>Unadjusted indexes reflect merely the actual change which may or may not be up to the usual seasonal expectations.</p>									
Industrial production	59.7	65.9	66.4p	+ 0.8	+11.2	+ 4.8	61.0	69.4	67.8p
Manufacturing—total	59.3	67.1	66.0p	- 1.6	+11.3	+ 4.8	60.5	69.6	67.8p
Durable or capital goods	34.0	47.4	45.3p	- 4.4	+33.2	+ 2.3			
Consumers' goods	79.2	82.5	81.7p	- 1.0	+ 3.2	+ 6.7			
Metal products	31.3	52.9	49.1	- 7.2	+56.9	-19.5	31.4	54.8	49.3
Textile products	78.4	81.4	79.7p	- 2.1	+ 1.7	-15.5	80.9	82.9	80.8p
Transportation equipment	35.4r	43.1	40.6	- 5.8	+14.7	-32.8	34.1r	41.1	38.9
Food products	69.2r	69.5	64.1p	- 7.8	- 7.4	- 4.3	68.3r	72.3	64.7p
Tobacco and products	74.8	75.9	82.5	+ 8.7	+10.3	+ 2.6	89.1	92.8	98.4
Building materials	21.1r	21.9	22.4	+ 2.3	+ 6.2	-12.8	20.9r	23.0	22.3
Chemicals and products	90.1	97.7	107.8p	+10.3	+19.6	+ 6.1	90.6	99.0	108.1p
Leather and products	103.1	119.0	110.0	- 7.6	+ 6.7	+18.6	98.2	126.4	105.1
Paper and printing	80.0r	80.2	80.8	+ 0.7	+ 1.0	- 4.2	80.8r	81.1	81.5
Electric power output	183.0	180.8	179.0	- 1.0	- 2.2	+ 2.6	190.3	186.2	186.2
Industrial use of electricity	121.7	132.9	122.0	- 8.2	+ 0.2	+ 3.5	124.1	128.9	124.4
Coal mining	63.9	52.6	70.8	+34.6	+10.8	+ 3.9	66.5	66.7	73.4
Anthracite	65.0	55.0	73.0	+32.7	+12.3	+ 3.2	67.0	71.0	75.0
Bituminous	57.5	38.2	58.5	+53.1	+ 1.7	+ 9.2	63.2	40.9	64.3
Employment and wages—Pa.									
Factory wage earners				- 1.0*	+16.7*	+ 4.1*	65.2	76.9	76.1
Factory payrolls				- 4.6*	+33.8*	+ 5.2*	39.1	54.8	52.3
Employment (1927-28=100)				- 4.9*	+20.6*	+13.1*	47.2	58.8	56.9
General—12 occupations:									
Employment (1932=100)				+ 0.8*	+10.5*	- 1.7*	100.3	109.9	110.8
Payrolls (1932=100)				- 3.3*	+17.6*	- 4.8*	95.5	116.1	112.3
Building and real estate									
Contracts awarded—total	30.2	23.9	31.4	+31.4	+ 4.0	-37.7	29.3	23.9	30.5
Contracts awarded—residential	15.5	13.7	12.4	- 9.5	-20.0	-33.0	16.1	13.8	12.9
Permits for building—17 cities	8.5	4.3	3.4	-20.9	-60.0	-44.7	7.9	4.4	3.2
Mortgages recorded—Phila.	16.8	13.8	10.8	-21.7	-35.7	-50.0	20.2	12.4	13.0
Real estate deeds—Phila.	40.6	60.5	50.7	-16.2	+24.9	-12.7	43.8	62.9	54.8
Sheriff deeds (1930=100)				-22.2*	+74.9*	+ 5.6*	97.5	215.2	167.4
Other deeds (1930=100)				+ 1.3*	- 1.4*	-11.1*	69.2	67.3	68.2
Writs for Sheriff sales—Phila.	1044.5	1173.2	931.8	-20.6	-10.8	- 0.6	1169.8	586.6	1043.6
Distribution									
Retail trade—sales	54.3	62.6	56.6	- 9.6	+ 4.2	- 6.9	65.2	70.6	68.0
Retail trade—stocks	59.0	61.1	59.9	- 2.0	+ 1.5		67.9	68.0	69.0
Wholesale trade—sales	54.6	63.7	62.6p	- 1.7	+14.7	+ 5.5	61.7	72.3	71.0p
Wholesale trade—stocks	60.4	59.3	59.9p	+ 1.0	- 0.8		62.0	62.1	61.6p
Life insurance sales	108.2	100.9	98.4	- 2.5	- 9.1	- 9.8	114.7	91.8	104.3
New passenger auto. registrations	39.0	78.0	71.0	- 9.0	+82.1	+21.5	27.3	64.0	49.7
Freight car loadings—total	50.0	55.1	54.1	- 1.8	+ 8.2	+ 2.3	51.5	60.4	55.6
Mdse. & misc. (64.9% of total)	52.4	55.8	53.5	- 4.1	+ 2.1	- 2.5	52.6	59.5	53.7
Coal (23.5% of total)	54.7	54.2	62.5	+15.3	+14.3	+ 8.2	59.6	61.8	68.1
Business liquidations									
Number				+33.3*	-47.3*	-34.9*	178.4	70.5	94.0
Amount of liabilities				+13.2*	-16.2*	-48.4*	142.3	105.4	119.3
Payment of accounts									
Check payments	55.0	61.2	57.2	- 6.5	+ 4.0	- 5.2	58.8	63.0	61.2
Rate of collections (actual):									
Retail trade				- 1.1*	+ 5.1*		25.6	27.2	26.9
Wholesale trade				- 2.6*	+ 8.6*		54.8	61.1	59.5
Prices—United States									
Wholesale (1926=100)									
Farm products				- 0.1*	+11.3*	+ 0.5*	63.9	71.2	71.1
Foods				+ 1.6*	+21.2*	+ 4.9*	46.7	55.7	56.6
Other commodities				+ 0.2*	+ 6.1*	- 1.4*	60.6	64.2	64.3
Retail food (1913=100)				0.0*	+10.6*	+ 0.1*	69.8	77.2	77.2
Phila. (1913=100)				- 0.2*	+ 7.4*	- 3.3*	99.4	107.0	106.8
Seranton				+ 0.4*	+ 8.6*	+ 4.4*	102.5	110.9	111.3
Other				- 0.3*	+ 8.3*	- 2.6*	105.2	114.2	113.9

(000,000's omitted in dollar figures)

	Nov. 1932	Aug. 1933	Sept. 1933	Oct. 1933	Nov. 1933	Per cent change from	
						Month ago	Year ago
Banking and credit							
Federal Reserve Bank							
Bills discounted	\$ 49	\$ 32	\$ 29	\$ 26	\$ 25	-3.8	-49.0
Other bills and securities	143	148	155	163	169	+3.7	+18.2
Member bank reserves	121	123	126	128	122	-4.7	+ 0.8
Ratio	58.0%	63.9%	63.4%	62.4%	61.2%	-1.9	+ 5.5
Reporting member banks							
Loans to customers	\$579	\$502	\$498	\$490	\$488	-0.4	-15.7
Other loans and investments	522	525	533	538	560	+4.1	+ 7.3
Net deposits	951	928	937	940	956	+1.7	+ 0.5
Bankers' acceptances outstanding	13.5	12.4	14.3	16.3	15.6	-4.3	+15.6

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

p—Preliminary.
r—Revised.

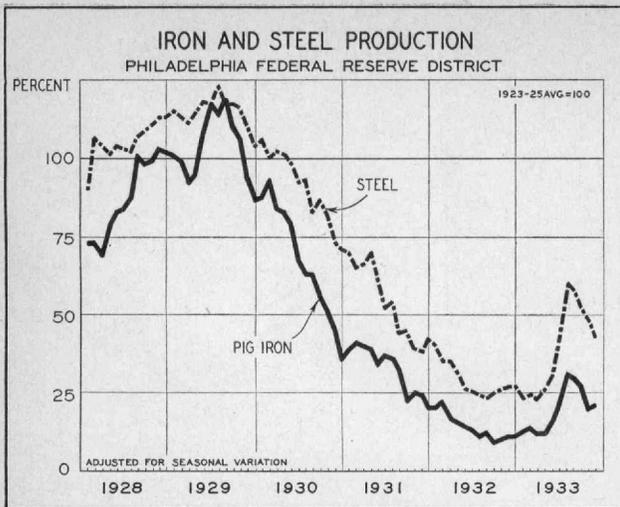
was 5 per cent less in November than in October. The index of employment was 76, relative to the 1923-25 average, or 17 per cent higher than in November 1932. The payroll index was 52, or 34 per cent higher than a year ago. In spite of the decreases in the month, all manufacturing groups except clothing had considerably more workers on the rolls and all reported larger wage disbursements this year than last. The largest gains over last year occurred chiefly in those industrial groups which manufacture durable or capital goods such as heavy metal goods, construction materials and products of chemical processes.

Operating time has declined further from a relatively high level reached in August, indicating curtailment of productive activity. The number of employe-hours actually worked in Pennsylvania during November was reduced by nearly 5 per cent, but as compared with a year ago working schedules in November continued about 21 per cent higher.

Output of factory products in this district has been almost steadily downward since a high peak reached in July. This bank's index of productive activity, which accounts for the number of working days and seasonal variation, dropped to about 66 per cent of the 1923-25 average as compared with 67 in October, so that the actual decline in the month exceeded the estimated seasonal drop by 2 per cent. Compared with a year ago the rate of production has continued considerably higher, the November level being 11 per cent above that in the like month last year. Moreover, for the eleven months this year the average rate of output was 5 per cent higher than in the same period of 1932.

Most of the manufacturing groups showed more than customary reductions in output during November. This also is true of the individual lines of manufacture, although there have been exceptional increases in some of these, owing partly to some unusual circumstances such as the settlement of labor difficulties or increased demand for products incident to the Federal construction activity.

With the exception of the output of food products and electric power, all industrial groups reported a larger volume of production in November this year than last. The rate of gain in the output of durable or capital goods was much higher than that in the production of goods destined for



Source: Iron Age

final consumption, although the index number for the former in November was 45 while that for the latter was 82 per cent of the 1923-25 average. The difference in the two levels reflects the fact that the degree of recession between 1929 and early 1933 in the output of such heavy industries as metals, transportation equipment and building materials was much more severe than that in the manufacture of consumers' goods.

The majority of individual industries in November operated at higher levels than a year ago. This reflects primarily the sharp gains achieved between April and August, inasmuch as production has declined since July.

The output of electric power in this district showed virtually no change between October and November, while ordinarily there occurs a small increase in this period, so that our seasonally adjusted index indicates a decline of about one per cent. Sales of electricity increased 11 per cent in the month, showing chiefly the seasonal expansion in consumption for lighting purposes and in the use of power by street cars and railroads. Sales to industries, on the other hand, showed a decrease of over 3 per cent although an increase is usual. Compared with a year ago production of electricity in November was 2 per cent smaller, while the industrial consumption of power was slightly larger.

Coal. Demand for anthracite at the mines has shown little change in recent weeks. Sales by retail yards in the Philadelphia area increased in early December, reflecting colder weather, but have declined since then. Although shipments of hard coal increased only slightly in November, they were the

largest for that month since 1930 and exceeded last year's volume by nearly 8 per cent. Output of collieries showed a marked reduction in the first two weeks of November, owing partly to labor disturbances, but increased sharply after the middle of the month and for the month as a whole was 12 per cent larger than a year ago. In early December production declined. Wholesale prices of anthracite in November showed no change as compared with the preceding month but were about 8 per cent lower than a year ago.

The market for Pennsylvania bituminous coal has been somewhat more active since the middle of last month, reflecting chiefly larger takings by some of the industries. Soft coal shipments showed a small gain from October to November, instead of a decrease, as was the case in each of the past five years. Colliery output increased sharply in November, following a downward trend since mid-summer, and for the first time in several months exceeded the volume of a year ago. In December production declined seasonally. Wholesale prices of bituminous coal in the country increased one per cent during November and were nearly 13 per cent above the level of a year ago.

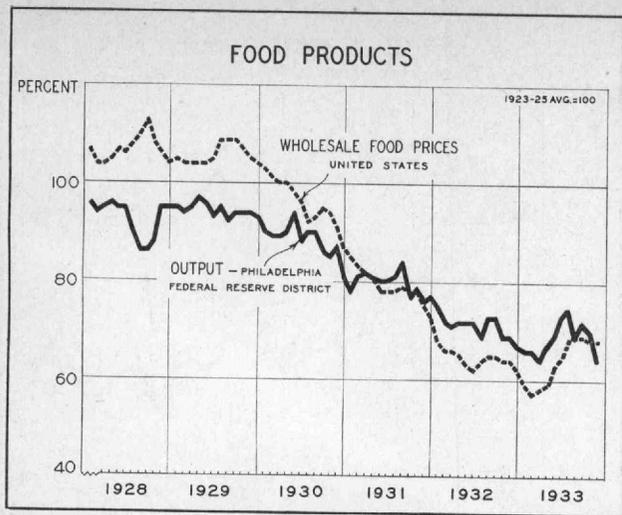
Building. Reports from some 1300 contractors showed declines in November of nearly 6 per cent in employment and 13 per cent in payrolls. A decrease of 14 per cent in working time in this period reflected in part unfavorable weather conditions. As compared with a year ago, the general level of employment was 9 per cent lower while wage payments showed a decrease of

nearly 24 per cent. These figures do not cover special employment in connection with projects undertaken chiefly by the Federal government as a relief measure for the unemployed. Official statistics as to the number of workers engaged on these projects are not yet available.

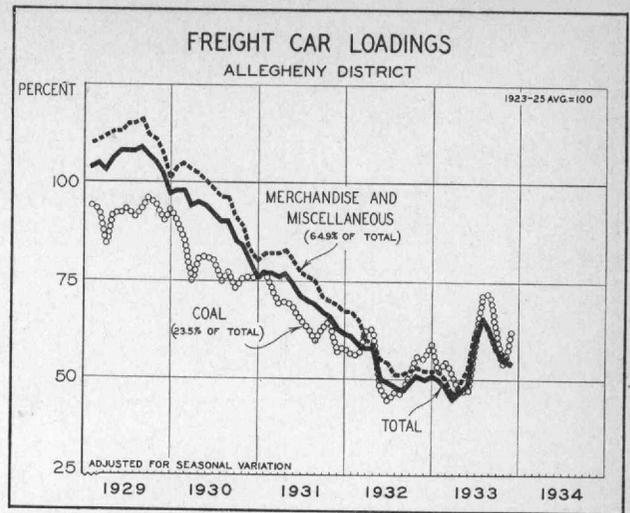
Contrary to seasonal expectation, awards of building contracts increased sharply in November and exceeded in dollar volume those of any month in the past year. This unusual gain resulted from increased awards for public works under the government's building program together with a noticeable expansion in contracts let for factory building, which more than offset a large decrease in the value of residential awards. The average of total awards showed a substantial gain for the three months from September through November and was about 4 per cent larger than a year ago.

Estimated cost of proposed building under permits issued in 17 cities of this district declined more sharply than usual from October to November and was 60 per cent under the volume reported in November of last year. Comparative figures for the eleven months since January 1 show that the dollar volume of contemplated construction was 45 per cent smaller this year than last.

Distribution. The holiday retail trade activity at the turn of the month was not as brisk as in some of the recent years, but in a period of about two weeks preceding Christmas, sales appear to have exceeded those of the past two years, according to preliminary reports from a number of leading stores. Retail prices of general



Source: United States Bureau of Labor Statistics for Prices



Source: American Railway Association

merchandise continue firm and at a higher average level than a year ago.

In November, the sales of department, apparel, shoe and credit stores failed to measure up to the rate of expansion that normally occurs following October, so that our seasonally adjusted index of sales declined about 10 per cent. The lack of improvement was especially pronounced in the case of department and apparel stores in Philadelphia and in credit stores generally.

Compared with November 1932, total dollar sales of the reporting stores were 4 per cent larger. Philadelphia department and women's apparel stores alone showed decreases, reflecting probably slackened buying largely because of unfavorable weather conditions. For the year-to-date dollar sales were 7 per cent smaller, despite the fact that prices of goods this year have risen steadily since early April so that the average for the country is probably about 20 per cent above last year's level.

Stocks of merchandise generally at retail stores at the end of November showed smaller than the customary rate of increase from October, but they were 2 per cent larger than a year ago. Shoe and credit stores reported smaller inventories than a year ago, while the stocks of department and women's apparel establishments were 8 and 12 per cent larger respectively than last year. The rate of stock turnover was 2 per cent higher this year than last. Collections during November were slightly less rapid than in October, as usual, but as compared with a year ago settlements of customers' accounts were 5 per cent more prompt.

Business at wholesale declined somewhat more than usual from October to November; improvement was lacking in all lines except dry goods and groceries. In comparison with a year ago the dollar volume of sales was 15 per cent larger, all lines except shoes sharing in this gain. In the eleven months this year total sales showed an increase of 6 per cent as compared with the same period last year. A portion of this gain is probably due to higher prices as is indicated by both the local reports and the available indexes of wholesale commodity prices.

Inventories at wholesale establishments in November were not reduced as much as is normally expected. Compared with a year ago the stocks of seven lines combined were fractionally smaller. The rate of stock turnover was 18 per cent larger this year than last. Collections declined nearly 3 per cent in the month but were 9 per cent more prompt than a year ago.

Freight car loadings in this section continued downward, the decline in November being larger than is usual for that month. Of the two principal groups loadings of merchandise and miscellaneous commodities showed a drop of 4 per cent, while those of coal registered a gain of 15 per cent in the month, when the figures are adjusted for seasonal change; these two groups comprise close to 90 per cent of total shipments in this territory. Compared with a year ago, total loadings were 8 per cent larger.

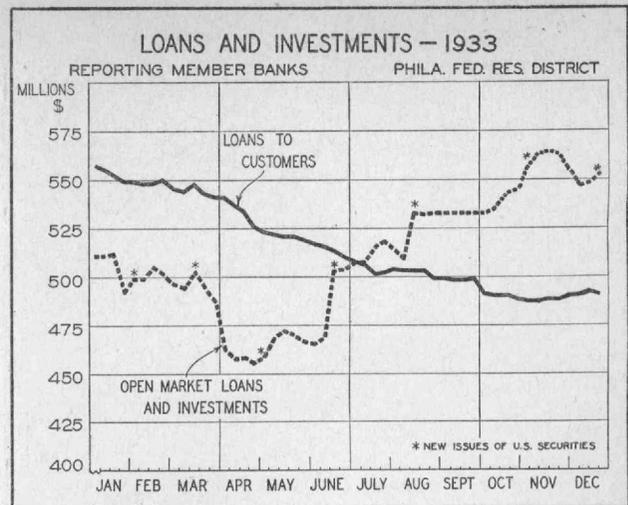
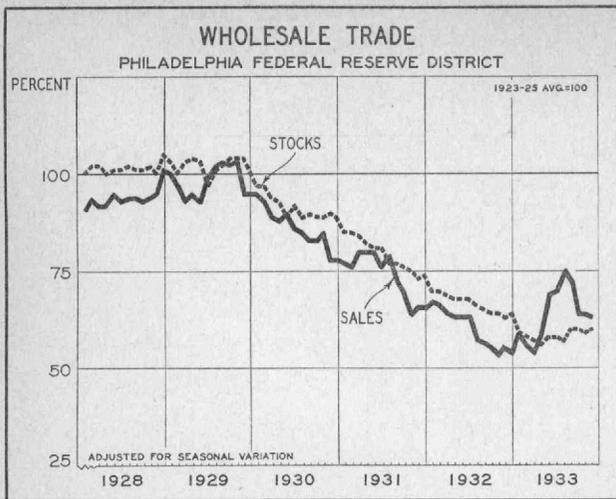
Sales of new passenger automobiles, as measured by registrations, showed more than the anticipated decline from October to November, but the total number of units sold was 82 per cent

larger than in November 1932. For the year to date sales by units exceeded those of last year by 22 per cent. Life insurance business did not increase as much as it usually does in November. Sales also were over 9 per cent smaller this year than last.

There was a marked improvement in the hotel business during November this year as compared with a year ago, according to a limited number of reports from representative hotels in nine industrial and commercial cities of this district. The ratio of occupied rooms to total capacity showed a gain of 11 per cent. Total revenue from all sources in November was almost 8 per cent larger than a year ago but for the eleven months to date it was 17 per cent smaller. Income from guest rooms increased 3 per cent and that from food 10 per cent, but for the period from January through November revenue from these sources was smaller by 17 and 19 per cent respectively. Room occupancy also was 8 per cent less in the first eleven months this year than last.

Banking conditions. Currency needs and other demands upon the banks during the past month have been met with slight increase in borrowing from the reserve bank. Time and government deposits declined at the reporting banks, but demand deposits increased materially.

The pre-holiday need for currency resulted in a net outflow of 15 millions to banks in the district during the four weeks ending on December 20; this was a little more than a year ago, but much less than in 1929 or 1930. The Treasury drew actively on deposits that had been placed to its credit by subscribing banks in pay-



ment for new issues of securities; its total receipts, augmented by income tax installments due on December 15, exceeded local disbursements by 32 millions, although the latter included substantial payments of interest and cash redemptions of securities. Nevertheless borrowings from this bank increased less than one million, as funds received by the banks from other districts though the settlements far exceeded payments, the favorable balance reaching nearly 51 millions of dollars. This also made it possible to add nearly 5 millions to member bank reserve deposits.

Over the past two months the total of bills discounted for member banks has been remarkably steady, fluctuating within a range of 2½ millions and closing on December 20 at a little over 26 millions. A rise of 6 millions during the last four weeks in the bank's holdings of bills bought was due almost entirely to participation in reserve system purchases. Large gains to the bank in the gold settlement fund, as a result of the flow of funds to banks in this district, were offset only partly by transfers to other sections for the Treasurer and payments for bankers' bills. Gold reserves and other cash increased 17 millions, sufficient, even in the face of expansion in the federal reserve note and deposit liabilities, to cause a rise in the ratio of the bank from 60.6 to 62.4 per cent.

Figures of the reporting member banks suggest that the sums gained in the interdistrict settlements were due partly to sales of government securities by these banks and in part reflected an inflow of funds that helped to add 27 millions to their net demand deposits. From these sources funds

were obtained to compensate a decline of 13 millions in time deposits and withdrawals from government deposits, which dropped 18 millions despite the crediting of 13 millions to the Treasury on December 15. Investments in United States securities decreased 8 millions, although the banks received allotments of new securities in the middle of December. Other in-

Reporting member banks (000,000's omitted)	Dec. 20, 1933	Nov. 22, 1933	Dec. 21, 1932
Loans to customers:			
On stocks and bonds	\$ 232	\$ 233	\$ 295
All other	258	255	281
Loans to open market:	19	20	22
United States securities	292	300	242
Other securities	241	243	268
Total loans and investments	\$1,042	\$1,051	\$1,108
Net demand deposits	590	563	656
Time deposits	298	311	269
Government deposits	63	81	35
Amounts due from banks	76	79	123
Amounts due to banks	148	147	210

vestments and loans to the open market also declined 3 millions in the past month, while loans to customers increased 2 millions.

Figures of check payments afford a significant indication of the dollar vol-

ume of business and financial transactions. By relating these payments to the amount of active deposits, a series of figures is obtained which shows the velocity or turnover of bank deposits. A rise in the turnover of deposits is an indication that business men are caring for larger payrolls and increased purchases of goods without a proportionate increase in borrowing. Changes in the velocity of demand deposits at some of the Philadelphia banks show that in general there has been an upward trend since the fall of 1932. A decline in November of this year apparently was smaller than usual; the turnover in that month was substantially higher than a year ago and also exceeded the velocity two years earlier. A material rise from May to November compares with declines in the corresponding periods of each of the three preceding years.

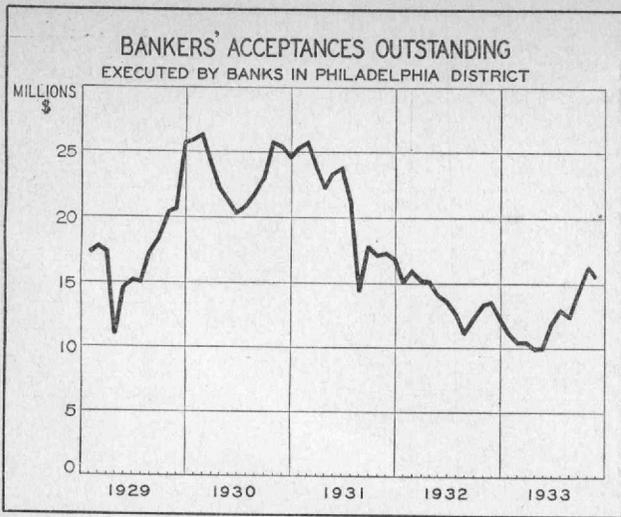
The average excess of reserves over the legal requirements held by licensed member banks in this district declined from 24½ millions in October, the high point this year, to 17 millions in November. This compares with only 4½ millions for all member banks a year ago and 2½ millions in November 1931.

RESERVE BANK CREDIT AND THE FACTORS WHICH AFFECT IT

Philadelphia Federal Reserve District—
Nov. 23 to Dec. 20, inclusive
(In millions of dollars)

Sources of funds	Uses of funds
Reserve bank credit extended in this 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.



A new issue of United States certificates of indebtedness, dated December 15 and bearing interest at 2½ per cent, resulted in subscriptions totaling 120 millions from this district. The amount allotted here was 27 millions, of which 7 millions was in exchange for maturing securities and the balance was paid for in cash or by deposit credit.

Federal Reserve Bank of Philadelphia (Dollar figures in millions)	Dec. 20, 1933	Changes in	
		Four weeks	One year
Bills discounted	\$ 26.3	+\$0.8	-\$23.6
Bills bought	7.8	+ 6.1	+ 4.7
United States securities	167.1	0	+ 27.9
Other securities	0.5	0	- 0.5
Totals bills and securities	\$201.7	+\$6.9	+\$ 8.5
Federal res. note circulation	236.7	+ 7.1	- 6.1
Fed. res. bank note circulation	22.2	+ 6.9	+ 22.2
Member bank reserve deposits	129.7	+ 4.8	+ 9.8
Special deposits—member and non-member banks	9.2	- 0.6	+ 9.2
Government deposits	6.7	+ 5.7	+ 3.1
Foreign bank deposits	0.4	- 0.3	- 1.6
Gold reserves and other cash	239.1	+16.9	+ 25.1
Ratio	62.4%	+ 1.8%	+ 4.3%

City areas*	Percentage change—November 1933 from November 1932				
	Manufacturing		Building permits (value)	Debits	Retail trade sales
	Employment	Wage payments			
Allentown	+ 9.6	+ 30.5	+216.7	- 2.0	+ 2.0
Altoona	+ 5.1	+ 23.5	- 68.5	- 8.4	+19.8
Harrisburg	+ 8.4	+ 33.5	- 18.5	-12.5	+ 6.9
Johnstown	+23.0	+ 84.6	- 80.7	-22.4	+ 7.8
Lancaster	+33.4	+ 47.8	- 67.0	- 7.3	+ 7.6
Philadelphia	+25.3	+ 33.8	- 79.6	+11.2	- 0.3
Reading	+ 6.9	+ 26.8	+823.0	-15.8	+ 4.7
Scranton	+23.6	+ 21.3	+ 48.2	-15.7	- 1.2
Trenton	+37.3	+ 50.0	+ 74.0	+ 7.0	+10.9
Wilkes-Barre	+11.6	+ 24.4	+ 2.0	- 2.1	+ 1.1
Williamsport	+96.7	+110.5	+ 15.1	- 7.3	.....
Wilmington	+34.5	+ 38.2	+ 34.3	+14.6	+14.0
York	+33.5	+ 51.8	+258.8	+12.7	.....

November 1933 from October 1933					
Allentown	+10.7	+ 3.4	- 18.1	-17.3	+ 5.4
Altoona	- 3.5	+ 4.4	- 76.2	-14.9	+ 5.6
Harrisburg	- 4.6	+ 5.5	+ 36.2	-13.1	+10.2
Johnstown	- 1.9	- 16.1	- 80.9	-23.7	-13.2
Lancaster	- 7.4	- 9.6	- 59.3	-14.2	- 0.6
Philadelphia	- 2.6	- 5.4	- 47.6	-10.0	- 7.5
Reading	- 3.3	- 7.7	+373.0	- 2.9	- 1.1
Scranton	- 3.1	- 5.2	- 39.9	- 3.2	+27.0
Trenton	- 2.9	- 7.7	+ 21.2	+13.4	+11.4
Wilkes-Barre	+ 0.3	+ 3.3	- 73.7	- 4.7	+ 2.8
Williamsport	- 1.5	- 1.1	- 7.4	-13.0	.....
Wilmington	- 0.7	- 2.6	- 30.3	-13.4	+ 2.4
York	+ 0.5	- 2.6	- 21.2	- 5.2	.....

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

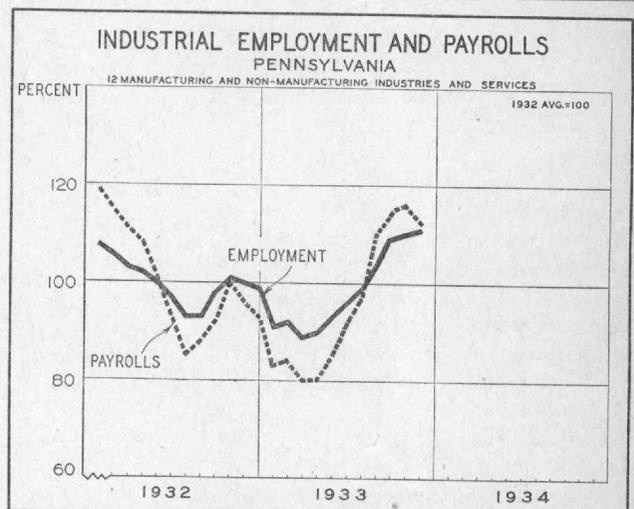
Factory Employment and Payrolls in Pennsylvania

	Employment*			Payrolls*			Employe-hours†
	Nov. 1933 index	Per cent change compared with		Nov. 1933 index	Per cent change compared with		
		Nov. 1932	Oct. 1933		Nov. 1932	Oct. 1933	
All manufacturing	76.1	+16.7	-1.0	52.3	+33.8	- 4.6	- 4.9
Iron & steel & their products	61.9	+27.4	-2.5	42.1	+72.5	- 6.7	- 7.6
Non-ferrous metal products	83.8	+24.9	-2.4	65.6	+30.9	- 2.4	- 3.5
Transportation equipment	58.0	+18.1	+3.2	35.5	+20.3	+ 2.3	- 3.0
Textiles and clothing	98.8	+ 6.9	-0.6	77.2	+19.9	- 6.9	- 2.4
Textiles	97.1	+11.1	+0.5	77.5	+19.4	- 3.7	- 1.2
Clothing	105.4	- 6.1	-4.7	75.8	+ 5.9	-19.8	-15.6
Food products	101.6	+11.8	-3.4	79.5	+17.8	- 3.0	- 3.3
Stone, clay and glass products	73.4	+23.8	-2.0	33.7	+36.4	- 4.3	- 2.4
Lumber products	59.6	+50.5	-4.3	38.4	+53.0	-11.3	- 8.8
Chemical and allied products	90.9	+36.3	+5.8	72.7	+48.1	+ 7.4	+ 7.0
Leather and its products	87.2	+ 7.8	-5.0	68.5	+15.3	-13.5	-14.8
Paper and printing	90.3	+ 9.7	+0.1	71.2	+ 5.5	+ 0.1	- 1.5
Printing	86.7	+ 1.3	+1.6	73.5	+ 0.4	+ 1.0	+ 0.6
Others:							
Cigars and tobacco	64.4	- 2.0	+2.7	45.0	+ 5.4	+ 0.2	- 2.8
Rubber tires and goods	92.0	+39.2	-6.2	67.7	+19.6	-12.5	-13.0
Musical instruments	41.7	+ 9.7	+2.2	38.3	+46.7	- 1.3	+ 0.8

* Figures from 1,751 plants. † Figures from 1,270 plants. p—Preliminary.

General Indexes of Employment and Payrolls in Pennsylvania

Occupation (1932=100)	Employment			Payrolls		
	Nov. 1933 index	Per cent change compared with		Nov. 1933 index	Per cent change compared with	
		Nov. 1932	Oct. 1933		Nov. 1932	Oct. 1933
General index number	110.8	+ 10.5	+ 0.8	112.3	+17.6	- 3.3
Manufacturing	118.2	+ 16.7	- 1.0	128.5	+33.8	- 4.6
Anthracite mining	97.8	- 2.6	+ 7.3	89.1	- 6.1	-22.5
Bituminous coal mining	108.4	+ 9.5	+34.0	133.6	+29.5	+81.5
Building and construction	91.2	- 8.9	- 5.7	70.1	-23.9	-13.3
Quarrying and non-metallic mining	104.9	+ 11.8	- 9.5	108.4	+35.0	-15.8
Crude petroleum producing	214.2	+102.5	+ 7.3	182.9	+79.1	+ 8.1
Public utilities	91.3	- 4.9	+ 0.4	85.1	- 6.3	- 1.3
Retail trade	116.4	+ 15.2	+ 0.6	109.5	+13.0	- 0.2
Wholesale trade	102.2	+ 5.1	+ 0.1	94.3	- 0.9	- 2.1
Hotels	96.0	- 1.1	- 1.0	84.9	- 7.5	+ 0.2
Laundries	94.5	- 1.4	- 0.5	89.8	- 1.9	- 0.7
Dyeing and cleaning	101.5	+ 6.2	-11.1	99.0	+13.7	-18.3



Index numbers of individual lines of trade and manufacture

Philadelphia Federal Reserve District

	Index numbers: percentages of the 1923-1925 average taken as 100									
	Adjusted for seasonal variation						Not adjusted			
	Nov. 1932	Oct. 1933	Nov. 1933	Percentage comparison			Nov. 1932	Oct. 1933	Nov. 1933	
				Month ago	Year ago	To date with year ago				
Retail trade										
Sales										
Total of all stores.....	54.3	62.6	56.6	- 9.6	+ 4.2	- 6.9	65.2	70.6	68.0	
Department.....	55.1	60.6	55.8	- 7.9	+ 1.3	- 6.6	66.7	69.1	67.5	
Men's apparel.....	48.7	55.4	52.0	- 6.1	+ 6.8	- 5.5	53.8	55.6	57.5	
Women's apparel.....	72.6	82.2	73.7	-10.3	+ 1.5	- 0.7	87.5	92.0	88.7	
Shoe.....	56.2	66.8	60.8	- 9.0	+ 8.2	- 8.1	59.6	66.1	64.4	
Credit.....	44.4	59.1	50.2	-15.1	+13.1	-12.0	56.8	72.1	64.3	
Stocks of goods										
Total of all stores.....	59.0	61.1	59.9	- 2.0	+ 1.5	.....	67.9	68.0	69.0
Department.....	53.2	57.9	57.3	- 1.0	+ 7.7	.....	62.2	65.4	67.1
Men's apparel.....	52.1	56.6	54.1	- 4.4	+ 3.8	.....	59.4	60.6	61.8
Women's apparel.....	81.3	90.9	90.9	0.0	+11.8	.....	99.5	115.1	111.3
Shoe.....	56.3	56.0	55.2	- 1.4	- 2.0	.....	60.2	60.5	59.1
Credit.....	67.4	62.5	60.4	- 3.4	-10.4	.....	76.2	66.2	68.2
Rate of stock turnover										
11 months (actual, not indexes)						+ 1.5*	3.24	3.29
Wholesale trade										
Sales										
Total of all lines.....	54.6	63.7	62.6p	- 1.7	+14.7	+ 6.2	61.7	72.3	71.0p	
Boots and shoes.....	51.0	46.9r	46.0p	- 1.9	- 9.8	+ 0.6	54.1	58.2r	48.8p	
Drugs.....	79.0	84.5	81.7	- 3.3	+ 3.4	- 8.7	81.4	82.8	84.2	
Dry goods.....	30.1	32.3	34.9p	+ 8.0	+15.9	+ 2.7	38.8	43.0	45.0p	
Electrical supplies.....	37.7	50.8	46.4	- 8.7	+23.1	+25.0	49.0	65.0	60.3	
Groceries.....	77.1	91.7	91.9	+ 0.2	+19.2	+ 9.0	84.0	99.9	100.2	
Hardware.....	39.5	41.1	40.6	- 1.2	+ 2.8	-12.8	43.8	46.9	45.1	
Jewelry.....	28.7	33.7	29.8	-11.6	+ 3.8	-17.8	41.1	45.1	42.6	
Paper.....	48.6	59.1	53.9p	- 8.8	+10.9	+ 5.1	51.0	63.2	56.6p	
Stocks of goods										
Total of all lines.....	60.4	59.3	59.9p	+ 1.0	- 0.8	.....	62.0	62.1	61.6p
Drugs.....	110.1	109.8	112.5	+ 2.5	+ 2.2	.....	111.2	113.1	113.6
Dry goods.....	30.7	34.8	35.7p	+ 2.6	+16.3	.....	29.8	36.5	34.6p
Electrical supplies.....	67.2	59.1	67.4	+14.0	+ 0.3	.....	72.6	66.2	72.8
Groceries.....	69.1	72.3	69.2	- 4.3	+ 0.1	.....	75.3	77.4	75.4
Hardware.....	68.0	64.0	64.0	0.0	- 5.9	.....	63.2	60.8	59.5
Jewelry.....	53.9	45.7	47.5	+ 3.9	-11.9	.....	54.4	48.0	48.0
Paper.....	60.9	58.1	58.1	0.0	- 4.6	.....	60.9	59.3	58.1
Rate of stock turnover										
11 months (actual, not indexes)						+17.7*	3.96	4.66
Output of manufactures										
Pig iron.....	11.3	20.1	20.9	+ 4.0	+85.0	+44.3	11.4	19.9	21.1	
Steel.....	26.7r	47.6	43.0	- 9.7	+61.0	+35.2	25.6r	47.6	41.3	
Iron castings.....	22.8	44.4	42.0	- 5.4	+84.2	+18.4	23.3	47.1	42.8	
Steel castings.....	45.1	39.9	30.0	-24.8	-33.5	+ 8.9	41.9	37.9	27.9	
Electrical apparatus.....	43.2r	70.3	68.1	- 3.1	+57.6	+ 3.1	45.8r	76.6	72.2	
Motor vehicles.....	16.0	10.7	13.3	+24.3	-16.9	-50.9	13.9	9.8	11.6	
Automobile parts and bodies.....	22.7	50.6	53.5	+ 5.7	+135.7	+ 3.2	20.9	48.1	49.2	
Locomotives and cars.....	16.5r	14.8	14.9	+ 0.7	- 9.7	-27.0	15.3r	14.1	13.9	
Shipbuilding.....	107.5	120.3	100.9	-16.1	- 6.1	-41.8	107.5	115.5	100.9	
Silk manufactures.....	100.6	100.0	109.8	+ 9.8	+ 9.1	+17.3	101.6	102.0	110.9	
Woolen and worsteds.....	46.5	53.7	40.0	-25.5	-14.0	+27.5	50.6	58.9	43.5	
Cotton products.....	38.9	42.5	34.9p	-17.9	-10.3	+ 9.6	40.9	43.7	36.7p	
Carpets and rugs.....	39.1	53.1	41.1	-22.6	+ 5.1	- 3.3	39.9	53.1	41.9	
Hosiery.....	112.8	102.5	97.9p	- 4.5	-13.2	+ 6.5	128.6	112.8	111.6p	
Underwear.....	152.0	104.7	102.6p	- 2.0	-32.5	+25.1	153.5	114.1	103.6p	
Cement.....	31.5	17.9	19.3	+ 7.8	-38.7	-32.1	30.9	20.1	18.9	
Brick.....	25.5r	29.8	29.3	- 1.7	+14.9	+13.9	25.2r	30.1	29.0	
Lumber and products.....	12.6r	20.0	20.4	+ 2.0	+61.9	- 5.8	12.7r	20.8	20.6	
Bread and bakery products.....	.....	.....	.....	- 0.1*	- 1.9*	- 1.2*	83.7r	82.2	82.1
Slaughtering, meat packing.....	92.6	96.8	88.9	- 8.2	- 4.0	+ 3.0	103.3	101.6	98.7	
Sugar refining.....	113.5	106.2	64.5	-39.3	-43.2	- 8.3	73.8	89.2	41.9	
Canning and preserving.....	22.5	30.5	29.5p	- 3.3	+31.1	+ 2.3	24.6	42.6	33.2p	
Cigars.....	73.7	75.0	81.9	+ 9.2	+11.1	+ 3.1	88.4	92.2	98.3	
Paper and wood pulp.....	50.1r	60.2	60.7	+ 0.8	+21.2	+ 5.7	50.1r	61.4	60.7	
Printing and publishing.....	86.3r	84.3	84.9	+ 0.7	- 1.6	- 5.4	87.2r	85.1	85.7	
Shoes.....	122.4	129.5	113.4	-12.4	- 7.4	-17.7	115.1	139.9	106.6	
Leather, goat and kid.....	84.7	109.1	106.8p	- 2.1	+26.1	+19.8	82.2	113.5	103.6p	
Explosives.....	57.6	64.4	79.1	+22.8	+37.3	+11.4	57.6	65.0	79.1	
Paints and varnishes.....	49.2	58.7	64.7	+10.2	+31.5	+ 2.5	50.7	62.8	66.6	
Petroleum products.....	136.4	138.9	149.5p	+ 7.6	+ 9.6	+ 3.8	137.2	139.6	150.2p	
Coke, by-product.....	56.1	78.5	75.2	- 4.2	+34.0	+26.4	53.9	76.9	72.2	

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

