

THE BUSINESS REVIEW

THIRD FEDERAL
PHILADELPHIA



RESERVE DISTRICT
AUGUST 1, 1934

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Business and Banking Conditions in the United States

Industrial production, which had increased during each of the six months from December to May, declined in June by somewhat more than the usual seasonal amount. Factory employment and payrolls also showed decreases which were partly of a seasonal nature. The general level of wholesale commodity prices advanced during June and showed little change during the first three weeks of July.

Production and employment. Volume of industrial output, as measured by the Board's seasonally adjusted index, decreased from 86 per cent of the 1923-25 average in May to 84 per cent in June, reflecting chiefly a sharp reduction in activity at cotton textile mills. Production at lumber mills and at coal mines also showed a decline. In the steel and automobile industries activity decreased in June by an amount somewhat smaller than is usual at this season. Maintenance of activity at steel mills in June reflected in part the accumulation of stocks by consumers, according to trade reports, and at the beginning of July output of steel showed a sharp decline.

Employment at factories decreased somewhat between the middle of May and the middle of June, reflecting re-

ductions in working forces in industries producing textile fabrics, wearing apparel, leather products, automobiles, and lumber, offset in part by increases in employment at steel mills and at meat packing establishments.

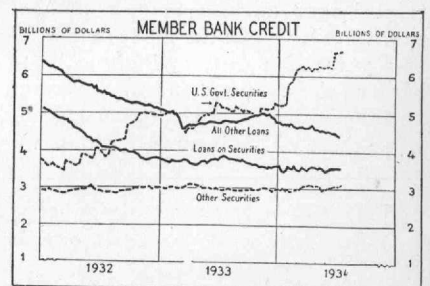
Value of construction contracts awarded, which had shown little change during May and June, showed an increase in the first half of July, according to the F. W. Dodge Corporation.

Department of Agriculture estimates, based on July 1 conditions, indicated a wheat crop of 484,000,000 bushels, compared with an average of 886,000,000 bushels for the five years 1927-1931, and a corn crop of 2,113,000,000 bushels, compared with the five-year average of 2,516,000,000 bushels. Crops of other grains, hay and tobacco were also estimated to be considerably smaller than usual. The acreage of cotton under cultivation was estimated at 28,000,000 acres, about 2,000,000 less than the acreage harvested last season. In the first three weeks of July drought conditions prevailed over wide areas, particularly in the southwest.

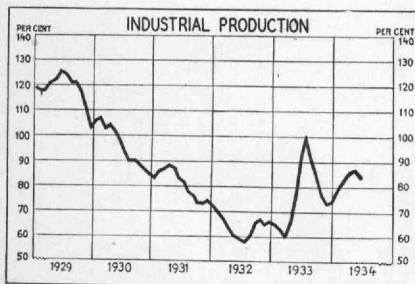
Distribution. The number of freight cars loaded per working day showed a further slight increase in June fol-

lowed by a decline in the first half of July. Sales by department stores decreased in June by more than the estimated seasonal amount.

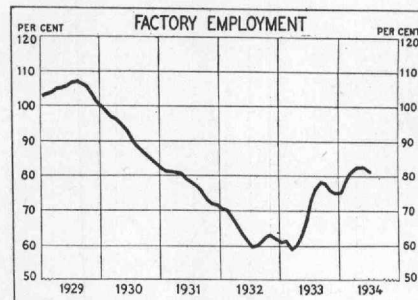
Wholesale commodity prices. Wholesale prices of farm products and foods generally advanced during June while other commodities as a group showed a slight decline. Hog prices increased considerably in the middle of the month while wheat declined throughout the month. In the middle of July wheat prices advanced rapidly to levels above those reached at the end of May, and there was a considerable advance in cotton, while lumber prices declined and finished steel prices were reduced somewhat from the advanced quotations previously announced.



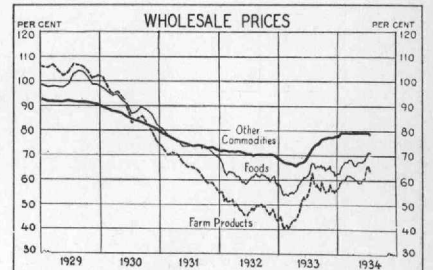
Wednesday figures for reporting member banks in 90 leading cities. Latest figures are for July 18.



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



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



Indexes of the United States Bureau of Labor Statistics. By months 1929 to 1931; by weeks 1932 to date. (1926 = 100.)

Bank credit. Between June 13 and July 18 member bank reserves increased to a new high level of nearly \$4,000,000,000, about \$1,850,000,000 in excess of legal requirements. The growth reflected chiefly a further increase in the monetary gold stock. A seasonal increase in demand for currency over the July 4 holiday period was followed by an approximately

equal seasonal return flow during the succeeding two weeks. The volume of reserve bank credit outstanding showed little change.

At reporting member banks there was a growth of U. S. Government deposits during the five-week period, reflecting chiefly the purchase in June of new issues of government securities by the banks. Bankers' balances also

increased but deposits of individuals, firms and corporations have shown little change.

Loans declined somewhat, reflecting a decrease in loans to customers, while loans to brokers showed an increase.

Money rates remained practically unchanged at the low levels prevailing in June.

Business and Banking Conditions in the Philadelphia Federal Reserve District

Trade and industrial activity in this district slackened somewhat during June, and in July further recessions have been reported by most branches of business. Industrial production, as measured by the output of manufactures, coal and crude oil, declined fractionally from May to June, and it was but slightly greater than a year ago when manufacturing operations were expanding at an unusually rapid rate in the face of rising prices and costs. The volume of industrial output in the first half of this year was about 16 per cent larger than in the same period last year. The total value of building contracts awarded increased in the month, owing solely to commercial buildings and public works and utilities; the gain thus far this year has been large, reflecting mainly a greater volume of public construction and sharp advances in prices of building materials in the past year.

Retail and wholesale trade sales declined from May to June by a somewhat larger amount than usual, but they were larger in the first six months this year than last, owing partly to higher prices. Sales of new passenger automobiles showed exceptional gains while those of life insurance rather un-

usual losses during the month, but business in both continued larger than last year. Freight car loadings in this section were well maintained, with the exception of coal shipments.

General employment and earnings in twelve branches of industry and trade about the middle of June showed only small declines as compared with May, according to reports from 8,294 Pennsylvania establishments employing nearly 747,000 workers whose weekly payroll totaled about \$16,342,000. Preliminary reports indicate that employment and wage payments of the manufacturing industry in July have decreased further.

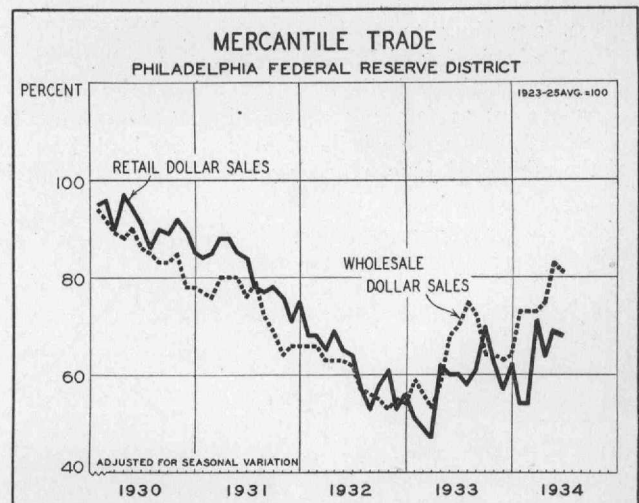
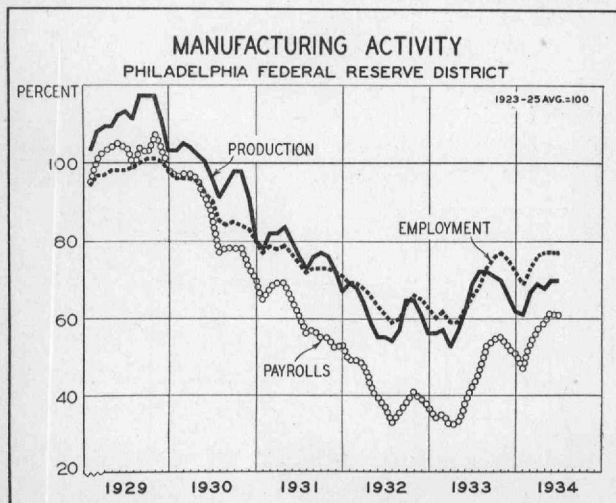
Manufacturing. The market for manufactured products has slackened considerably since the middle of last month, current demand being unusually quiet. Prices show a slight weakness, although in most cases they have continued at about the same level as in the previous month.

The volume of unfilled orders in July has fallen off materially and in general appears to be smaller than a year ago. Stocks of finished goods and raw materials at reporting plants have shown relatively unimportant

changes during the past month and remain smaller than at this time last year. Collections have declined and are smaller than a year ago, although numerous reports indicate increases.

The number of wage earners on the factory rolls in Pennsylvania in June was virtually the same as in May, while the amount of wage disbursements declined a little; usually both show marked seasonal recessions in this period. The index number of employment in Pennsylvania factories in June was 77, relative to the 1923-25 average as 100, or nearly 18 per cent higher than a year ago and that of payrolls was 61, or 44 per cent above last year. The volume of work done, as measured by employe-hours actually worked, in June declined slightly from May but was 15 per cent larger than in June 1933.

Manufacturing production on the whole has changed little from May to June, but in July reports of curtailment have been quite numerous. Our June index of factory productive activity, which takes into account the number of working days and the usual seasonal variation as found in forty-seven important industries, was 70 per cent of the 1923-25 average or the same



Business Indicators

Philadelphia Federal Reserve District

as in the previous two months and in June 1933. The volume of goods produced in these industries thus far this year, however, appears to have been 14 per cent larger than in the same period last year.

Output of durable goods thus far this year has increased by a larger percentage than has the production of consumers' goods. This was due mainly to exceptional gains in primary iron and steel products and transportation equipment, while reductions in textile products, which in the first six months of this year registered a decline of 6 per cent as compared with last year, held the gain in the production of consumers' goods to small proportions. Among other industries showing increases over last year are cigars, leather and its products, building materials, and chemicals.

Output of electric power by the leading systems of this district increased from May to June, continuing the upward trend since early this year. For the year to date production was 8 per cent larger than last year. Total sales of electricity for all purposes increased in the month and the quantity sold in the first half of the year exceeded that of the same period in the two previous years. The increase in industrial consumption was about 3 per cent larger than usual. Preliminary reports for July show seasonal recessions in output and sales.

Coal. Production and shipments of Pennsylvania anthracite have been declining almost steadily since the high level reached early this year. The drop from May to June was somewhat larger than usual, reflecting the influence of decreased demand and increased stocks at the opening of the month. The number of workers on the rolls of anthracite collieries about the middle of June was estimated at about 114,000, a decrease of 10 per cent from May but an increase of 45 per cent from June last year. In the first six months both production and shipments were about 45 per cent larger this year than last and exceeded the volume in the same period in 1931 and 1932. Early figures indicate that there has been a further decline in output during July. Wholesale prices of anthracite show about the usual seasonal advance, following spring reductions, and are close to the level of a year ago.

After a steady increase in the first quarter of this year, the output of bituminous coal declined rather sharply in April, but since then it has continued on a fairly even keel, barring the usual

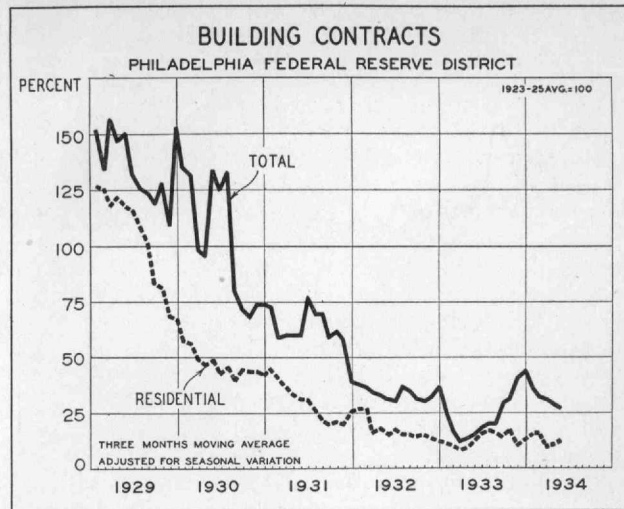
Index numbers: percentages of the 1923-1925 average taken as 100
(All figures are rounded from original data)

	Adjusted for seasonal variation								Not adjusted			
	June 1933	Apr. 1934	May 1934	June 1934	Percentage comparison			June 1933	Apr. 1934	May 1934	June 1934	
					June 1934 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	69	70	71p	70p	- 1	+ 2	+17	68	69	69p	68p	
Manufacturing total	70	70	70p	70p	0	0	+14	69	68	69p	69p	
DURABLE GOODS	42	51	57p	59p	+ 3	+40	+55					
CONSUMERS' GOODS	92	84	81p	81p	+ 0	-12	+ 1					
Metal products.....	44	58	64	65p	+ 1	+47	+74	44	57	64	65p	
Textile products.....	96	80	72p	69p	+ 4	-28	- 6	94	77	69p	67p	
Transportation equipment.....	31	39	40	48	+20	+56	+50	31	42	41	48	
Food products.....	77	74	76	79p	+ 5	+ 3	+ 3	75	73	73	75p	
Tobacco and products.....	84	91	92	90	- 2	+ 7	+10	91	83	89	97	
Building materials.....	29	26	32	31	- 2	+ 9	+28	32	26	34	34	
Chemicals and products.....	97	105	104	107p	+ 3	+10	+15	98	106	105	107p	
Leather and products.....	124	127	134	116p	-13	- 6	+13	122	125	122	114p	
Paper and printing.....	82	80	80	80	0	- 3	+ 2	82	81	81	79	
Electric power output.....	190	194	196	197	+ 1	+ 4	+ 8	181	190	182	188	
Industrial use of electricity.....	126	134	131	135	+ 3	+ 7	+16	128	135	134	137	
Coal mining	65	73	75	69p	- 8	+ 6	+42	57	75	75	60p	
Anthracite.....	65	73	76	69	- 9	+ 6	+42	57	76	76	60	
Bituminous.....	69	70	71	71p	0	+ 2	+28	61	64	64	62p	
Employment and wages—Pa.												
Factory wage earners.....					+ 0*	+13*	+23*	66	77	77	77	
Factory payrolls.....					- 2*	+44*	+58*	42	59	62	61	
Employe-hours (1927-28=100).....					- 0*	+15*	+33*	56	60	65	64	
General—12 occupations:												
Employment (1932=100).....					- 1*	+15*	+17*	96	108	111	110	
Payrolls (1932=100).....					- 2*	+36*	+43*	93	121	129	126	
Building and real estate												
Contracts awarded—total.....	15	31	29	27	- 7	+76	+67	19	36	36	34	
Contracts awarded—residential.....	12	10	11	12	+ 9	- 1	+23	14	13	14	14	
Permits for building—17 cities.....	6	4	5	8	+49	+46	+13	7	5	6	10	
Mortgages recorded—Philadelphia.....	9	5	11	6	-44	-35	-20	9	5	11	6	
Real estate deeds—Philadelphia.....	50	41	36	37	+ 1	-27	-22	54	41	39	40	
Sheriff deeds (1930=100).....					- 9*	-51*	-25*	183	130	98	89	
Other deeds (1930=100).....					+ 8*	+ 5*	-18*	60	48	58	63	
Writs for Sheriff sales—Phila.....	1482	740	778	764	- 2	-48	-26	1482	777	817	764	
Distribution												
Retail trade—sales.....	60	64	69	69	- 1	+14	+14	59	65	70	67	
Retail trade—stocks.....	55	62	63	62	- 2	+12		53	64	63	59	
Wholesale trade—sales.....	71	75	83	81	- 2	+14	+24	67	69	78	77	
Wholesale trade—stocks.....	58	67	66	65	- 0	+14		55	68	65	63	
Life insurance sales.....	90	106	103	100	- 2	+11	+ 8	94	118	110	104	
New passenger auto. registrations.....	61	75	71	79	+11	+30	+21	86	113	103	111	
Freight car loadings—total.....	59	60	61	62	+ 3	+ 7	+23	58	58	62	63	
Mdse. and misc. (64.9% of total).....	61	60	60	62	+ 3	+ 1	+16	63	61	63	64	
Coal (23.5% of total).....	59	63	68	67	- 1	+13	+38	51	56	62	58	
Business liquidations												
Number.....					+47*	-42*	-59*	127	61	50	74	
Amount of liabilities.....					-18*	-33*	-55*	119	94	97	80	
Payment of accounts												
Check payments.....	59	72	71	71	+ 1	+20		62	73	70	74	
Rate of collections (actual)												
Retail trade.....	26	28	29	29	- 1	+12		27	28	29	30	
Wholesale trade.....	59	67	72	70	- 2	+18		62	66	72	73	
Prices—United States												
WHOLESALE (1926=100)					+ 1*	+15*	+19*	65	73	74	75	
Farm products.....					+ 6*	+19*	+33*	53	60	60	63	
Foods.....					+ 4*	+14*	+18*	61	66	67	70	
Other commodities.....					+ 1*	+13*	+18*	69	79	79	78	
RETAIL FOOD (1913=100)					+ 0*	+12*	+16*	97	107	108	109	
Philadelphia.....					+ 0*	+19*	+23*	99	117	118	118	
Scranton.....					+ 0*	+12*	+15*	102	114	115	115	

(000,000's omitted in dollar figures)	June 1933	Mar. 1934	Apr. 1934	May 1934	June 1934	Per cent change from	
						Month ago	Year ago
						Banking and credit	
Federal Reserve Bank							
Bills discounted.....	\$ 40	\$ 17	\$ 14	\$ 12	\$ 8	-33	-80
Other bills and securities.....	142	170	169	168	168	0	+18
Member bank reserves.....	119	196	194	196	206	+ 5	+73
Ratio.....	62.7%	68.2%	67.4%	66.9%	68.0%	+ 2	+ 8
Reporting member banks							
Loans to customers.....	\$514	\$468	\$463	\$465	\$460	- 1	-10
Other loans and investments.....	485	564	568	563	574	+ 2	+18
Net deposits.....	898	1,036	1,039	1,035	1,041	+ 1	+16
Bankers' acceptances outstanding	11.9	15.8	15.1	13.8	14.5	+ 5	+22

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

p—Preliminary



Source: F. W. Dodge Corporation

seasonal change. In the first half of this year soft coal mines in central Pennsylvania produced about 28 per cent more coal than in the same period last year; the volume also was considerably larger than in the first six months of 1932. Employment in this industry has risen sharply since the middle of last year and on the whole showed only a small variation in the past four months, when the number of workers employed was the largest since early 1931; about the middle of June, the Pennsylvania bituminous industry had on the rolls approximately 145,000 workers. All industrial consumers, except power plants and railroads, had larger stocks of this fuel at the beginning of June than a month before.

Prices of bituminous coal have advanced almost steadily since the middle of last year, after a period of recession for nearly six years, reaching a low point in April 1933. The June index number was 95 per cent of the 1926 average as compared with a record low last year of 78.

Building and real estate. Activity in building trades has changed little since May; declines in building construction and general contracting were accompanied by some further gain in the construction and maintenance of streets and highways. Reports from over 1,100 contractors in Pennsylvania showed that about 3 per cent fewer workers were employed in June than in May; wage payments remained unchanged, while working time increased about one per cent.

Contrary to seasonal tendency, the value of contract awards increased 12 per cent in June, owing to substantial gains in awards for commercial buildings, and public works and utilities,

which include engineering projects undertaken by the Public Works Administration. Contracts let for all other classes of building construction were noticeably smaller in June than in May, decreases ranging from 5 per cent for family dwellings to 53 per cent in the case of educational buildings. The total value of contract awards in the first half of this year

Building contracts Philadelphia Federal Reserve District	June 1934 (in \$1,000's)	Per cent change from	
		Month ago	6 mos. 1934 from 6 mos. 1933
Residential:			
Apts. and hotels..	\$ 155.2	-16	+179
Family houses....	1,639.5	- 5	+ 5
Non-residential:			
Commercial.....	1,131.4	+49	+ 33
Factories.....	310.3	-26	+ 46
Educational.....	265.2	-53	+417
All other.....	398.4	-34	- 44
Total buildings..	3,900.0	- 8	+ 19
Public works and utilities.....	3,632.8	+47	+332
Grand total...	\$7,532.8	+12	+ 83

Source: F. W. Dodge Corporation.

was 83 per cent larger than last year. Contracts for educational buildings, and public works and utilities thus far have shown very large percentage increases—417 and 332 per cent, respectively, as compared with last year. Preliminary reports for July indicate some further increase in the dollar volume of total awards.

Wholesale prices of building materials showed some further rise in June, reflecting higher prices for cement, lumber, and plumbing and heating supplies, according to figures compiled by the Bureau of Labor Statistics. Lately, however, some reductions in prices for certain materials have

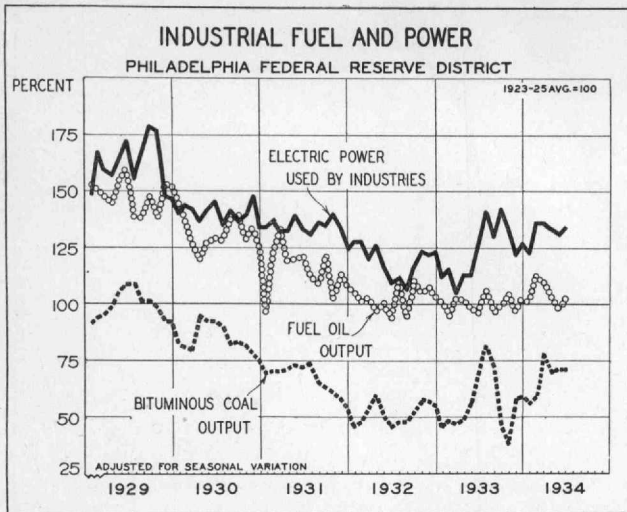
been announced. As compared with a year ago, building material prices are about 17 per cent higher, the largest increases being shown for lumber, brick and structural steel.

Ordinary conveyances increased further during June in the Philadelphia, Johnstown and Wilkes-Barre areas, while declines were reported from most other sections. For the year to date, the Harrisburg, Lancaster and Johnstown areas alone showed gains over 1933. In Philadelphia the value of mortgages recorded declined sharply in June and in the six months was 20 per cent smaller this year than last. Foreclosures have declined in the last three months, and the total volume of forced sales has been 25 per cent smaller so far this year than last.

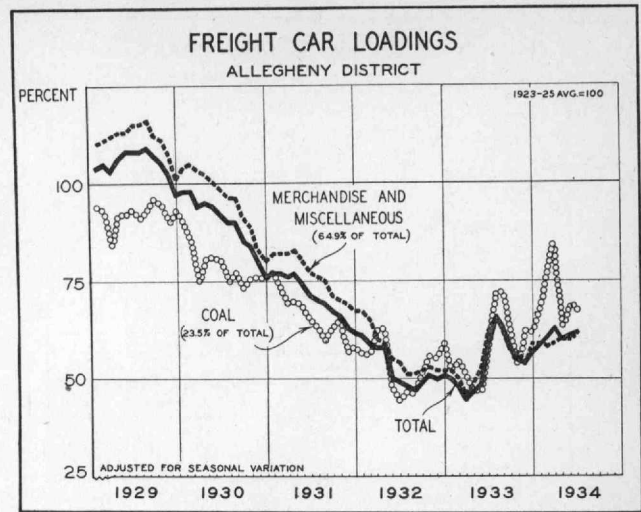
Agriculture. Farm work is progressing rapidly. Wheat and rye threshing are well under way, and the oats crop is nearly ready to be harvested. Growing conditions have been generally favorable in the southeastern counties, but in most other sections crops have suffered in varying degrees from insufficient moisture. Pastures and meadows and truck crops in particular need more rain to insure their normal growth. Fruit prospects continue poor, especially for apples and peaches.

The July 1 condition of six leading field crops indicate that with the possible exception of corn, yields this year will be below the six-year average of 1925-30, according to estimates of the Department of Agriculture. As compared with last year's harvest, production of corn, wheat, hay and tobacco is expected to be smaller, while that of oats and white potatoes may be somewhat larger.

The condition of dairy cattle in general appears to be about average for



Source: Bureau of Mines



Source: American Railway Association

this time of the year, while that of swine herds is said to be somewhat below normal and is less favorable than a year earlier. Output of dairy products increased further from May to June but continued in much smaller volume than a year ago. Receipts of milk and cream in the Philadelphia area, which have been increasing rather sharply since early this year, declined in June and, with the exception of 1932, were the smallest for that month in several years. At four principal markets, receipts of eggs from this section were 15 per cent larger in the first five months this year than last, while those of dressed poultry were nearly 14 per cent smaller.

As compared with the average for the country, wholesale prices of farm products in Pennsylvania showed a relatively small increase between May and June, reflecting chiefly higher prices for grains, chickens and eggs. Locally, prices received by farmers for meat animals, and fruits and vegetables declined appreciably, while in the United States as a whole they averaged higher in June than in May. The wholesale price index for all agricultural commodities in this section stood at 91 per cent in June, as compared with the country's average of 77 per cent, both figures being percentages of the 1910-14 average.

Distribution, trade and service. Shipments of commodities in this section, as measured by freight car loadings, were well maintained in June but declined somewhat in early July. Total loadings increased in June, reflecting mainly heavier shipments of merchandise and miscellaneous commodities, and grains. Deliveries of coal, which usually make up about 24 per cent of

total shipments, have decreased since May. Total freight car loadings in the first half of this year were 23 per cent larger than last year.

Business at wholesale, which has been well maintained for two successive months, declined in June and showed signs of further slackening in early July. The dollar sales of eight reporting lines combined, decreased 2 per cent from May to June, computed on a seasonally adjusted basis. The sales of jewelry alone showed an exceptional gain over the previous month, while those of hardware and drugs maintained their customary seasonal level. For the remaining lines decreases were recorded in June, ranging from 2 per cent in groceries to 20 per cent in shoes. In the first six months this year the total value of wholesale trade sales was 24 per cent larger than a year ago. Higher prices account for some of this increase.

Stocks of goods at wholesale establishments have declined seasonally, but were 14 per cent larger than a year ago, also reflecting partly the influence of increased prices. The rate of stock turnover was 12 per cent more rapid in the first six months this year than last. Collections during June did not measure up to the usual seasonal change but the ratio of collections to receivables was 18 per cent higher than a year ago.

Retail trade sales of department, apparel, shoe and credit stores combined failed to maintain their customary level in June by about one per cent. Improved business at department and men's apparel stores was more than offset by unusually large declines in the dollar volume of business handled at women's apparel, shoe and credit

stores. Preliminary reports indicate that some further slackening in retail trade activity occurred in July.

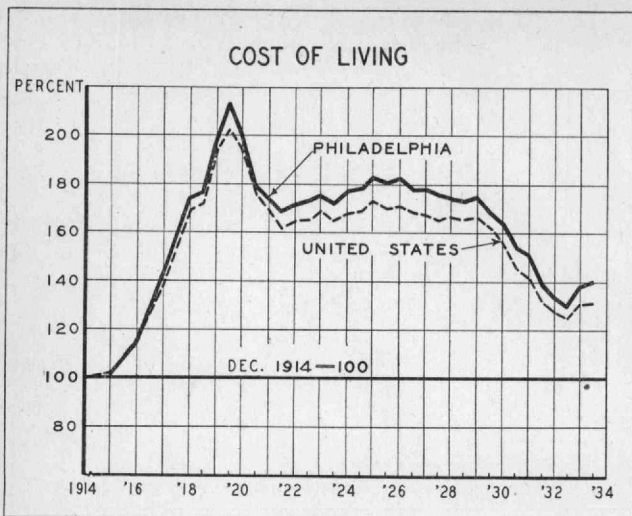
In the first six months this year, dollar sales were 14 per cent larger than in 1933. This increase undoubtedly reflects in large part higher prices this year than last.

Credit conditions at retail failed to show improvement during June. Increases in collections of department stores in relation to their outstanding balances were not as large as usual, nor were they sufficient to offset small declines in the case of apparel stores. Compared with June 1933, payments by customers were about 12 per cent larger.

The rate of stock turnover was slightly higher in the first six months this year than last, all lines with the exception of women's apparel and credit stores indicating a more rapid movement of goods. The value of inventories at retail establishments declined a little more than seasonally from May to June, but was 12 per cent higher than a year ago.

Sales of new passenger automobiles, as measured by registrations, showed an exceptional increase in June, resuming the upward trend begun early this year after an unusual drop in May. Sales in the first six months were 21 per cent larger this year than last.

Hotel business declined sharply from May to June in both room occupancy and income, reflecting largely seasonal let-down in the movement of commercial travelers; summer resort hotels are not included among those now reporting to us. For the year to date room occupancy shows a gain of 15 per cent and the revenue from all



Source: U. S. Bureau of Labor Statistics

sources an increase of 26 per cent as compared with the first half of 1933. Comparisons follow:

Hotel business Philadelphia Federal Reserve District	Per cent change June 1934 compared with		Jan. 1- June 30 1934 with Jan. 1- June 30 1933.
	May 1934	June 1933	
Capacity.....	+ 0	- 0	....
Room occupancy.....	-10	+14	+15
Per cent of capacity used:			
June 1934.....	40.2		
May 1934.....	44.8		
June 1933.....	35.2		
Revenue from:			
Guest rooms.....	-11	+14	+13
Food.....	-17	+16	+21
Other sources.....	-12	+55	+73
Total revenue.....	-13	+23	+26

Banking conditions. As a result of continued heavy disbursements by the government, reserves of member banks increased further, reaching the highest point on record in the course of the month. Reporting member banks show declines in loans to customers but a gain in their open market loans and investments.

Government disbursements increased in this district during the four weeks ending on July 18 and exceeded local receipts by 35 millions. The Treasury reduced its deposits at the reserve bank by 7½ millions, but most of the excess of expenditures was met by transfers from other sections of the country and by deposits to the credit of this bank in the settlement fund. The supply of funds available to the banks also was augmented by a decline of over one million in nonmember deposits at this bank. An unfavorable balance in commercial and financial transfers with other districts absorbed the bulk of these funds, but

about 13 millions was added to member bank reserve deposits, which totalled 219 millions on July 18; this was the highest, except that shown a week earlier, in any weekly statement since this bank started operations. Currency demand aggregating over 5 millions in the two weeks ending July 4 was largely balanced by amounts returned thereafter.

Bills discounted totaled less than 7 millions at this bank on July 18, much the same as four weeks earlier. The reserve ratio advanced from 68.2 to 68.5 per cent, comparing with 64.8 per cent a year ago.

From an average of 196 millions in May, reserve balances of all licensed member banks in this district increased to 206 millions in June. The daily average excess above requirements rose from 79½ to 88½ millions; a year ago the excess was only a little over 12 millions.

Loans to customers at the weekly reporting member banks have declined from 460 to 452 millions in the last four weeks; most of this was in those made on the security of stocks and bonds, which are in substantially smaller volume than a year ago. The low point this year in other loans to customers was 245 millions at the end of January, which was followed by a rise to over 254 millions in May; the latest figure, 249 millions, is only slightly lower than a year ago. Open market loans and investments have increased 10 millions in the last month, a drop of 5 millions in holdings of United States securities being more than offset by a rise of 10 millions in other securities, which are at the high-point since the end of 1932, and an

Reporting member banks (000,000's omitted)	July 18, 1934	June 20, 1934	July 19, 1933
Loans to customers:			
On stocks and bonds...	\$ 203	\$ 208	\$ 252
All other.....	249	252	250
Loans to open market...	44	39	19
United States securities...	287	292	251
Other securities.....	262	252	245
Total loans and investments.....	\$1,045	\$1,043	\$1,017
Net demand deposits.....	676	670	571
Time deposits.....	314	308	299
Government deposits.....	73	73	56
Amounts due from banks.....	168	160	89
Amounts due to banks.....	246	229	151
Reserve at Federal Reserve Bank.....	142	136	83

addition of 5 millions to open market loans. Government deposits did not change, but there was an expansion of 12 millions in net demand and time deposits, partly reflecting increased balances held for other banks. The reporting banks show a rise of 6 millions in reserves with the Federal Reserve Bank.

The national total of outstanding bankers' acceptances declined from 569 to 534 millions during June, half of this decline being in bills covering domestic warehouse credits; the total at the end of the month was 22 per cent below a year ago. In this district the total of acceptances increased from \$13,800,000 to \$14,500,000 in the month and was 21 per cent in excess of a year ago.

Federal Reserve Bank of Philadelphia (Dollar figures in millions)	July 18, 1934	Changes in	
		Four weeks	One year
Bills discounted...	\$ 6.7	-\$ 0.2	-\$26.7
Bills bought.....	0.5	0	- 0.2
United States securities.....	167.1	0	+ 22.1
Other securities...	0.4	- 0.1	- 0.1
Total bills and securities...	\$174.7	-\$ 0.3	-\$ 4.9
Fed. res. note circulation.....	249.3	+ 2.2	+ 11.1
Fed. res. bank note circulation—net.....	4.3	- 0.7	- 2.2
Member bank reserve deposits...	219.0	+ 13.3	+ 85.2
Deposit U.S. Treasurer-general account.....	1.3	- 7.5	- 1.9
Foreign bank deposits.....	0.5	+ 0.1	- 1.2
Other deposits.....	10.5	- 1.3	- 1.1
Total reserves.....	329.1	+ 6.1	+ 77.3
Reserve ratio.....	68.5%	+ 0.3%	+ 3.7%

RESERVE BANK CREDIT AND THE FACTORS WHICH AFFECT IT

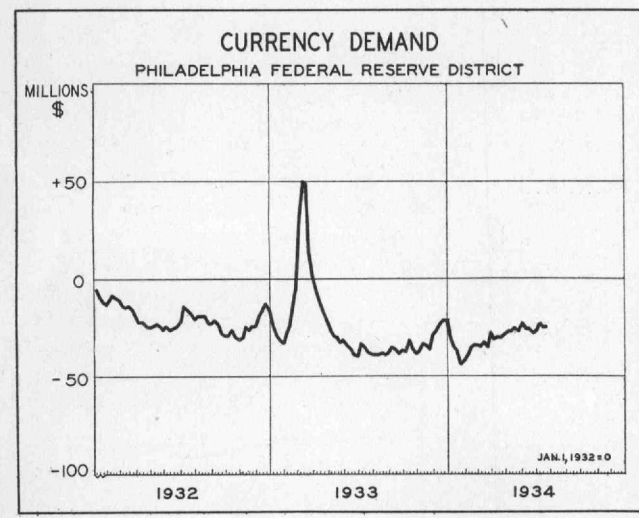
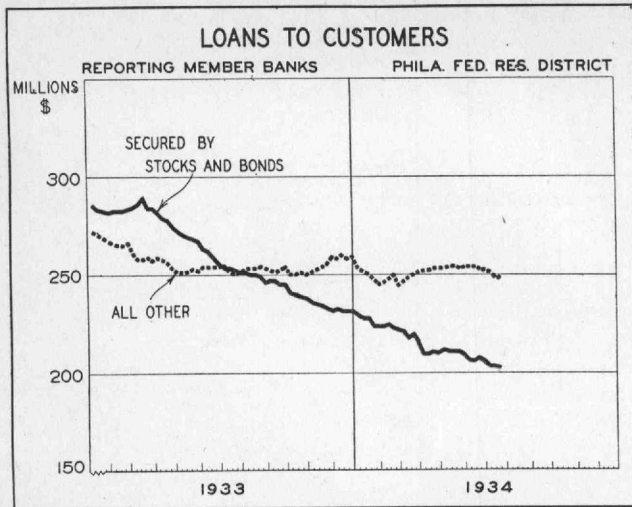
Philadelphia Federal Reserve District
June 21 to July 18 inclusive—in millions of dollars

Sources of funds	Uses of funds
Reserve bank credit extended in this district.....	Currency demand.....
Commercial and financial transfers (chiefly interdistrict).....	Member bank reserve deposits.....
Treasury operations.....	Nonmember 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.

Employment and Payrolls in Pennsylvania

(All figures are rounded from original data)



City areas*	Percentage change—June 1934 from June 1933				
	Manufacturing		Building permits (value)	Debits	Retail trade sales
	Employment	Wage payments			
Allentown.....	+17	+ 58	+280	+ 5	+20
Altoona.....	+23	+116	+ 36	+18	+41
Harrisburg.....	+34	+ 84	- 14	+20	+16
Johnstown.....	+43	+ 67	+371	+53	+34
Lancaster.....	+26	+ 52	+ 7	+20	+29
Philadelphia.....	+21	+ 35	+ 55	+19	+10
Reading.....	+20	+ 55	- 13	+ 9	+19
Scranton.....	+ 0	+ 11	- 10	+12	+28
Trenton.....	+24	+ 33	+ 18	+14	+16
Wilkes-Barre.....	- 1	+ 13	- 40	+ 9	+21
Williamsport.....	+28	+ 40	+113	+15	.....
Wilmington.....	+24	+ 25	- 12	+17	+14
York.....	+18	+ 27	+ 36	+ 5	.....

June 1934 from May 1934					
Allentown.....	- 0	- 1	+ 94	+ 7	+15
Altoona.....	+ 5	- 2	- 37	+ 4	-10
Harrisburg.....	+ 3	+ 1	+ 44	+ 8	- 7
Johnstown.....	+ 1	-13	+246	-10	-16
Lancaster.....	+ 2	+ 3	+ 40	+ 7	-15
Philadelphia.....	- 1	- 1	+ 75	+ 2	- 1
Reading.....	+ 0	- 2	- 33	- 1	- 5
Scranton.....	- 4	- 4	- 15	- 1	-15
Trenton.....	- 0	- 2	+144	+29	+12
Wilkes-Barre.....	+ 0	+ 2	+ 4	+ 6	- 6
Williamsport.....	- 0	- 2	- 6	- 0	.....
Wilmington.....	+ 3	+ 4	+ 43	+25	+ 6
York.....	- 1	+ 2	+163	+ 2	.....

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

Manufacturing Indexes

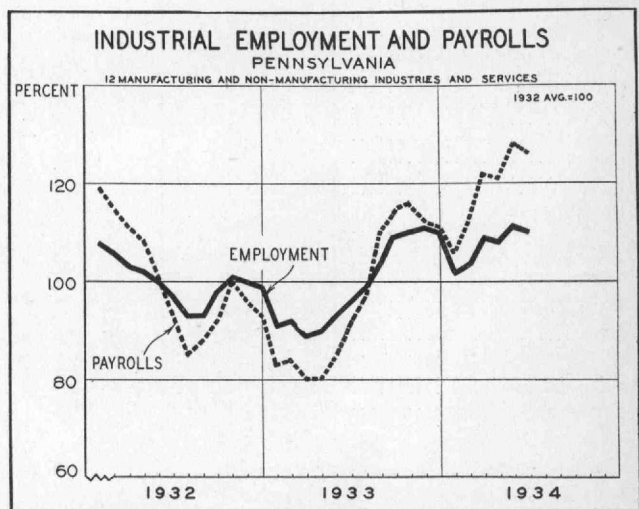
	Employment*		Payrolls*		Employe-hours†			
	June 1934 index	Per cent change from		June 1934 index	Per cent change from			
		June 1933	May 1934		June 1933	May 1934	June 1933	May 1934
All manufacturing.....	77	+18	0	61	+ 44	- 2	+15	- 0
Iron, steel and prods....	68	+35	+ 2	59	+ 80	- 0	+38	+ 1
Non-fer. metal prods....	87	+25	- 3	74	+ 31	- 5	+ 7	-11
Transportation equip....	63	+38	- 2	45	+ 64	- 5	+73	- 1
Textiles and clothing....	92	+ 1	- 2	72	+ 20	- 5	-23	- 4
Textiles.....	90	+ 7	- 0	72	+ 23	- 3	-20	- 1
Clothing.....	98	-16	- 9	75	+ 6	-15	-36	-15
Food products.....	104	+15	+ 2	88	+ 22	+ 3	+ 1	+ 3
Stone, clay and glass....	77	+16	+ 1	40	+ 27	+ 1	+ 3	+ 1
Lumber products.....	45	+12	+ 2	31	+ 28	+ 8	+ 2	+ 7
Chemicals and prods....	91	+26	- 1	79	+ 40	0	+22	- 2
Leather and products....	90	+ 7	- 2	75	+ 21	- 7	-20	- 5
Paper and printing.....	89	+11	- 0	73	+ 16	- 3	- 6	- 2
Printing.....	86	+ 7	- 0	75	+ 14	- 4	- 2	- 2
Others:								
Cigars and tobacco....	67	+12	+ 5	50	+ 18	+ 7	- 7	- 2
Rubber tires, goods....	92	+ 7	-10	71	+ 17	-11	-39	-11
Musical instruments....	48	+50	- 3	37	+101	+ 2	+77	+ 4

* Figures from 1,931 plants.

† Figures from 1,610 plants.

Indexes of Twelve Occupations

	Employment		Payrolls			
	June 1934 index	Per cent change from		June 1934 index	Per cent change from	
		June 1933	May 1934		June 1933	May 1934
General index (weighted)....	110	+15	- 1	126	+36	- 2
Manufacturing.....	120	+18	0	150	+44	- 2
Anthracite mining.....	92	+45	-10	99	+55	-17
Bituminous coal mining....	122	+34	- 2	163	+83	+ 4
Building and construction..	84	-14	- 3	70	- 2	0
Quarrying and non-met. mining	105	+ 6	- 9	130	+17	-15
Crude petroleum producing..	196	+79	+ 3	175	+79	- 2
Public utilities.....	90	- 1	+ 0	89	+ 8	+ 2
Retail trade.....	111	+16	+ 2	110	+25	+ 3
Wholesale trade.....	103	+ 8	+ 1	96	+11	+ 1
Hotels.....	107	+13	+ 3	102	+24	+ 2
Laundries.....	98	+ 2	+ 3	97	+14	+ 2
Dyeing and cleaning.....	110	+ 7	+ 0	120	+23	- 4



Index numbers of individual lines of trade and manufacture

Philadelphia Federal Reserve District

Adjusted indexes allow for the usual seasonal change which results from an uneven distribution of business between the months of the year.

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

Index numbers: percentages of the 1923-1925 average taken as 100
(All figures are rounded from original data)

	Adjusted for seasonal variation										Not adjusted			
	June 1933	Apr. 1934	May 1934	June 1934	Percentage comparison			June 1933	Apr. 1934	May 1934	June 1934			
					June 1934 with		To date with year ago							
					Month ago	Year ago								
Retail trade														
Sales														
Total all stores.....	60	64	69	69	- 1	+ 14	+ 14	59	65	70	67			
Department.....	59	62	66	67	+ 1	+ 14	+ 14	56	60	65	64			
Men's apparel.....	58	51	59	66	+11	+ 13	+ 20	60	49	55	68			
Women's apparel.....	79	78	90	85	- 5	+ 8	+ 13	77	92	93	83			
Shoe.....	65	62	80	72	-10	+ 11	+ 16	74	69	89	83			
Credit.....	54	73	67	65	- 3	+ 19	+ 30	51	72	70	61			
Stocks of goods														
Total all stores.....	55	62	63	62	- 2	+ 12	.....	53	64	63	59		
Department.....	50	54	56	55	- 2	+ 10	.....	48	56	55	53		
Men's apparel.....	53	57	61	63	+ 4	+ 20	.....	50	61	61	61		
Women's apparel.....	84	84	91	87	- 5	+ 3	.....	76	90	92	78		
Shoe.....	55	58	58r	56	- 3	+ 3	.....	54	59	59r	55		
Credit.....	58	72	72	68	- 5	+ 8	.....	56	72	70	66		
Rate of stock turnover 6 months (actual, not indexes)								+ 1*	1.85			1.87		
Wholesale trade														
Sales														
Total all lines.....	71	75	83	81	- 2	+ 14	+ 24	67	69	78	77			
Boots and shoes.....	64	42	73	59p	-20	- 8	+ 6	55	45	73	51p			
Drugs.....	76	90	87	87	+ 0	+ 15	+ 14	73	90	87	84			
Dry goods.....	41	42	45	42	- 8	+ 3	+ 34	37	37	43	39			
Electrical supplies.....	95	68	113	109p	- 3	+ 14	+ 28	78	62	86	90p			
Groceries.....	88	107	105	104	- 2	+ 17	+ 24	90	98	104	106			
Hardware.....	40	48	47	47	0	+ 16	+ 30	42	50	52	49			
Jewelry.....	29	38	35	40	+14	+ 37	+ 66	24	25	29	34			
Paper.....	60	65	68	65	- 4	+ 9	+ 29	57	65	67	63			
Stocks of goods														
Total all lines.....	58	67	66	65	- 0	+ 14	.....	55	68	65	63		
Boots and shoes.....	21	21	22r	17	-21	- 18	.....	20	21	21r	16		
Drugs.....	109	112	112	121	+ 8	+ 11	.....	102	113	113	114		
Dry goods.....	32	50	48	46	- 6	+ 43	.....	32	50	48	46		
Electrical supplies.....	52	88	87r	77p	-11	+ 49	.....	51	86	82r	76p		
Groceries.....	75	74	73	77	+ 3	+ 10	.....	68	74	70	70		
Hardware.....	55	62	59r	61	+ 3	+ 10	.....	56	66	61r	62		
Jewelry.....	42	52	48	47	- 2	+ 12	.....	46	50	51	51		
Paper.....	61	60	61	58	- 4	- 4	.....	61	60	60	58		
Rate of stock turnover 6 months (actual, not indexes)								+ 12*	2.49			2.80		
Output of manufactures														
Pig iron.....	22	32	41	35	-15	+ 57	+116	21	36	43	33			
Steel.....	43	54	63	64	+ 3	+ 49	+ 88	44	56	66	66			
Iron castings.....	39	44	43	43p	+ 1	+ 11	+ 89	39	46	45	43			
Steel castings.....	26	58	66	68	+ 4	+158	+167	28	59	68	71			
Electrical apparatus.....	51	74	74	72	- 2	+ 42	+ 54	51	64	68	72			
Motor vehicles.....	13	11	11	11	- 4	- 20	+ 8	16	13	14	13			
Automobile parts and bodies.....	45	56	39	32	-19	- 30	+ 79	45	61	41	32			
Locomotives and cars.....	8	17	22	25	+15	+202	+ 99	9	18	22	26			
Shipbuilding.....	72	90	103	148	+44	+105	+ 30	71	92	106	147			
Silk manufactures.....	113	101	85	94	+10	- 17	- 1	108	99	82	89			
Woolen and worsteds.....	75	41	39	38	- 2	- 49	- 19	71	37	36	36			
Cotton products.....	45	44	43	37	-13	- 17	+ 16	43	45	42	35			
Carpets and rugs.....	60	50	51	50	- 1	- 16	+ 41	57	48	49	48			
Hosiery.....	141	117	112	102	- 9	- 28	- 4	138	117	112	100			
Underwear.....	182	106	109	115	+ 5	- 37	- 30	182	103	110	115			
Cement.....	42	35	49	49	- 1	+ 16	+ 25	50	34	56	59			
Brick.....	30	31	34	33	- 1	+ 11	+ 31	31	33	36	35			
Lumber and products.....	20	17	21	20	- 5	- 3	+ 29	21	17	19	20			
Bread and bakery products.....	.....	.....	.....	.....	+ 4*	+ 3*	+ 2*	88	82	87	91
Slaughtering, meat packing.....	106	99	94	93	+ 1	- 12	- 5	100	98	94	88			
Sugar refining.....	83	96	66	94	+41	+ 13	+ 10	89	125	82	100			
Canning and preserving.....	44	60	67	70p	+ 4	+ 59	+ 58	32	50	51	50p			
Cigars.....	83	90	91	89	- 2	+ 7	+ 11	90	82	88	96			
Paper and wood pulp.....	64	58	60	60	+ 0	- 5	+ 12	63	59	60	60			
Printing and publishing.....	87	84	84	84	- 0	- 3	+ 0	86	86	85	83			
Shoes.....	142	137	149	124	-17	- 12	+ 5	135	137	136	118			
Leather, goat and kid.....	108	118	120	109p	- 9	+ 1	+ 22	109	114	109	110p			
Explosives.....	54	83	89	89	- 0	+ 64	+ 74	54	83	90	89			
Paints and varnishes.....	81	63	68	71	+ 4	- 12	+ 12	83	66	72	72			
Petroleum products.....	130	145	134	138p	+ 3	+ 6	+ 5	130	144	134	139p			
Coke, by-product.....	69	85	91	96p	+ 6	+ 40	+ 57	69	88	95	96p			

* Computed from data unadjusted for seasonal variation.

p—Preliminary.

r—Revised.

