THE BUSINESS REVIEW

THIRD FEDERAL RESERVE DISTRICT
PHILADELPHIA NOVEMBER 1, 1934

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FEDERAL RESERVE BANK *of* PHILADELPHIA

Business and Banking Conditions in the United States

Volume of industrial production remained unchanged in September when there is usually a seasonal increase, and factory employment and payrolls declined. An important factor in the decrease was the strike in the textile industry. Retail trade in rural districts showed a large increase, and sales at department stores in cities also increased, though somewhat less than seasonally. Deposits at banks and commercial loans continued to increase.

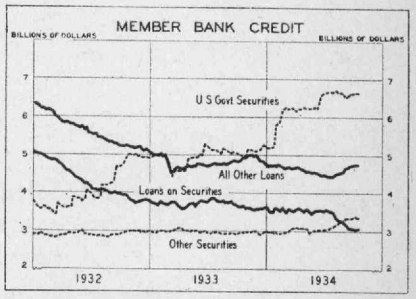
Production and employment. Volume of industrial production, as measured by the Board's seasonally adjusted index, declined from 73 per cent of the 1923-1925 average in August to 71 per cent in September. There were substantial declines in activity at cotton and woolen mills, reflecting the influence of the textile strike, and in the output of shoes, automobiles, and lumber. After the termination of the strike, textile production increased. Steel mill operations, which had declined sharply during the summer, have been at a higher level in recent weeks than in the early part of September. Production of beef and lamb increased further in September, reflecting in part the disposal of animals bought in the drought areas by the Federal Government. Wheat flour production and sugar meltings also were larger in September. Output of anthracite and bituminous coal showed a larger than seasonal increase.

Factory employment and payrolls declined considerably in September, largely as a result of the textile strike. The number of workers employed was substantially reduced in the automobile, iron and steel, and shoe industries, as well as in the basic textile industries. There was a larger than seasonal increase in employment in clothing industries, while in the nonferrous metals, building materials, food products, and paper and printing industries employment was sustained. Among non-manufacturing lines, employment increased seasonally from August to September at coal mines and in retail trade. There was also a substantial increase in number of persons provided with work by the emergency work program of the Federal Relief Administration, while employment on public works decreased somewhat.

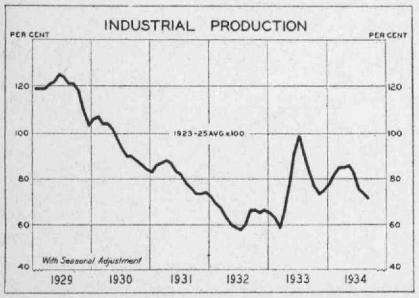
The value of construction contracts awarded, as reported by the F. W. Dodge Corporation, continued in about the same volume during September as in other recent months.

Department of Agriculture crop reports for October 1 indicated a cotton crop of 9,443,000 bales as compared with a yield of 13,047,000 bales last year. The corn crop, which averaged 2,516,000,000 bushels from 1927 to 1931, is estimated at 1,417,000,000 bushels this year. Hay and pasture conditions improved in September and weather in the first half of October was generally favorable for forage crops. The yield of white potatoes is estimated at 362,000,000 bushels, about equal to the average for 1927-1931.

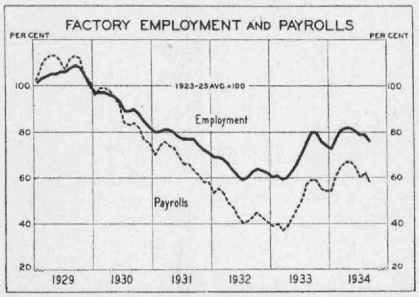
Distribution. Daily average railroad freight-car loadings increased from August to September by about the usual seasonal amount, but declined slightly in the first half of October. Sales at department stores increased from August to September by somewhat less than the estimated seasonal amount, while retail sales of general merchandise in rural districts, as



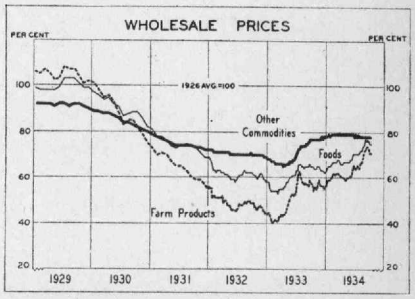
Wednesday figures for reporting member banks in 90 leading cities. Latest figures are for October 17.



Index number of industrial production, adjusted for seasonal variation.



Indexes of United States Bureau of Labor Statistics; without adjustment for seasonal variation.



Indexes of the United States Bureau of Labor Statistics. By months 1929 to 1931; by weeks 1932 to date.

shown by reports of mail order houses and chain stores to the Department of Commerce, increased considerably.

Commodity prices. Wholesale prices of farm products and foods, which had advanced sharply in August and the first week of September, subsequently declined somewhat. The weekly index of wholesale prices of the Bureau of Labor Statistics, which had advanced from 74 per cent of the 1926 average at the beginning of June to 78 per cent early in September, stood at 76 per cent in the second week of October. Recent declines occurred principally in those products which had increased most rapidly in preceding weeks, such as wheat, cotton, livestock, and meats. Prices of commodities other than farm products and foods have in general shown little change since last January, but within recent weeks prices of textile products and scrap steel declined slightly and gasoline prices showed a considerable decrease. The open-market price of silver advanced sharply in the first half of October.

Bank credit. Excess reserves of member banks have shown no material change during the past month and on October 17 amounted to about $1,750,000,000. A reduction in Treasury cash and deposits with the Federal Reserve banks somewhat more than offset a seasonal growth of $57,000,000 in the volume of money in circulation and a continued growth in required reserves arising from a growth in deposits. Volume of reserve bank credit outstanding showed little change.

At reporting member banks in leading cities there was a further growth in deposits and in loans and investments. Between September 19 and October 17 total deposits of the banks increased by about $500,000,000. Commercial loans to customers and member banks' holdings of United States Government securities increased further, while security loans declined.

Short-term money rates continued at low levels during September and the first three weeks of October. Yields on government securities declined in October, following an increase in August and September.

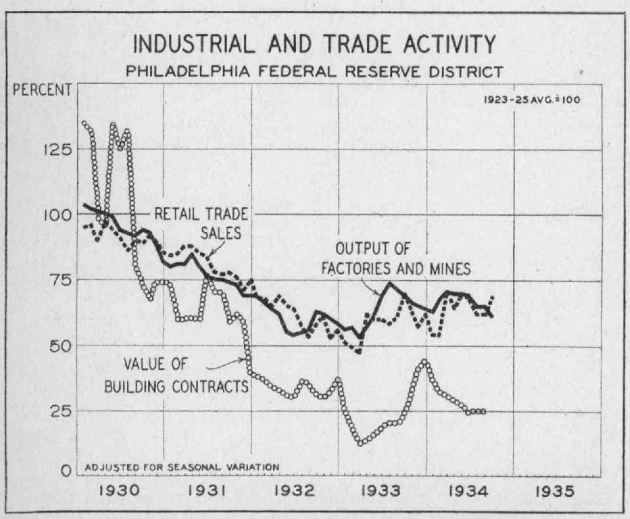
Business and Banking Conditions in the Philadelphia Federal Reserve District

Industrial conditions in this district during September were less satisfactory than usual but since then they have shown some improvement, as indicated by increased employment, payrolls and working time. September output of factory products declined sharply instead of showing the customary fall increase, while production of anthracite fuel and crude oil registered exceptional gains; the total volume of industrial production again was smaller than a year ago but in the first nine months this year it was still about 6 per cent larger than in the same period last year. Activity in building trades has changed little and, while the value of building contracts awarded has risen appreciably over last year, the total amount continues substantially below the average for the years before the depression.

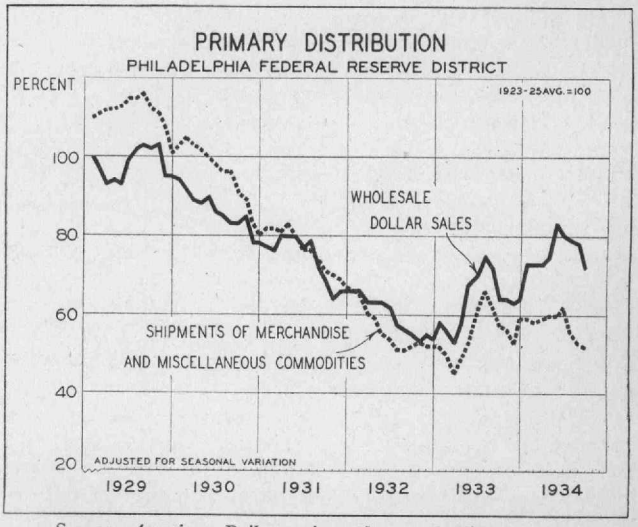
Retail trade sales increased by a larger amount than is usual for September and early reports for October indicate continued seasonal gains, while sales at wholesale failed to increase as much as they ordinarily do at this season. Dollar sales in both branches have been larger in the first nine months this year than last, reflecting partly the influence of price changes as in former months. Deliveries of goods by railroad and motor freight show seasonal activity and the total volume of shipments has been greater thus far this year than last. Commercial activity, measured by business travelers, has increased noticeably since early September and when compared with the past year.

The number of workers on the rolls of the leading branches of industry and trade remained virtually the same in September as in August, marked decreases in manufacturing being offset by increases in other important occupations. This bank's general index number of employment was 107 per cent of the 1932 average, showing a drop of 2 per cent from a year ago; the payroll index was 113 or 3 per cent lower than in August and slightly below that of a year earlier, according to reports from about 11,500 establishments in Pennsylvania, which in September employed over 775,000 workers earning approximately $15,400,000 a week.

Manufacturing. The demand for products manufactured in this district generally has shown a slight improvement, after a comparatively dull market in the summer months. The volume of sales, while increasing somewhat since August, continues smaller than a year ago. While there are numerous instances showing increases in the amount of unfilled orders, the volume of forward business held by manufacturing plants



Source: F. W. Dodge Corp. for building contracts.



Source: American Railway Asso. for car loadings.

in the aggregate has declined, reflecting in a measure a further hesitation on the part of buyers to make future commitments.

The trend of prices for manufactured products on the whole has been somewhat more even since August than in the previous months, although lately there have occurred slight recessions in many commodities, particularly textile products.

The supply of finished goods at factories generally has been reduced further since early September, and it appears that the present volume is smaller than a year ago. While a number of lines have increased their stocks of raw materials, the total seems to be smaller than in the previous month and as compared with last year. Since late August, prices of raw materials in the main have fluctuated downward, though the present level continues to be substantially above that of last year.

Sharp decreases instead of the usual increases occurred in the number of shop workers as well as the amount of wages disbursed in September, reflecting partly the effect of the strike in the textile and certain allied industries. Decreases in employment, wage payments, and working time in the industries manufacturing such heavy products as those of iron and steel plants and transportation equipment were larger than usual from August to September. A number of plants producing building materials also reduced their working forces and payrolls. The accompanying chart shows relative fluctuations in employment of plants making building materials in this section and in the country as a whole. It appears that the level of employment in Pennsylvania since 1931 has been somewhat higher than that for the entire country.

The Pennsylvania manufacturing industry in September employed approximately 767,000 factory workers or 3 per cent fewer than a year ago, and its payroll averaged about $14,000,000 a week, which was a drop of over one per cent from last year. It is estimated that for the year to date, the volume of factory employment has been about 15 per cent greater and the amount of wage disbursements was 37 per cent larger than in the first nine months of last year.

Returns that are now being made by representative manufacturers indicate that there has been a noticeable increase in working forces, payrolls and operating time in October, following rather unsatisfactory conditions which prevailed during September.

Business Indicators
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.

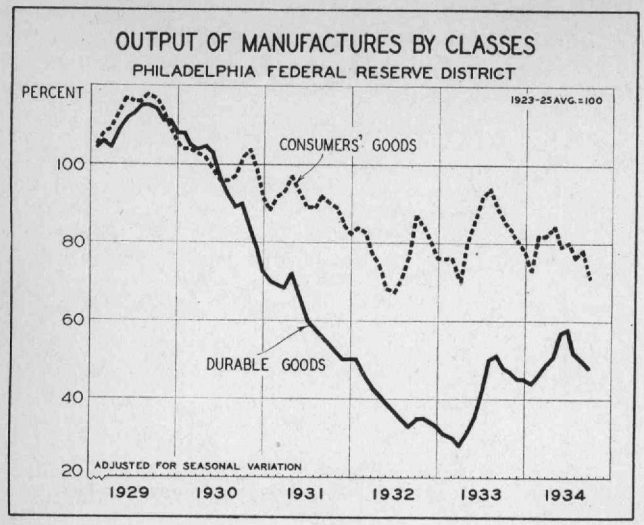
Unadjusted indexes reflect merely the actual change which may or may not be up to the usual seasonal expectations.

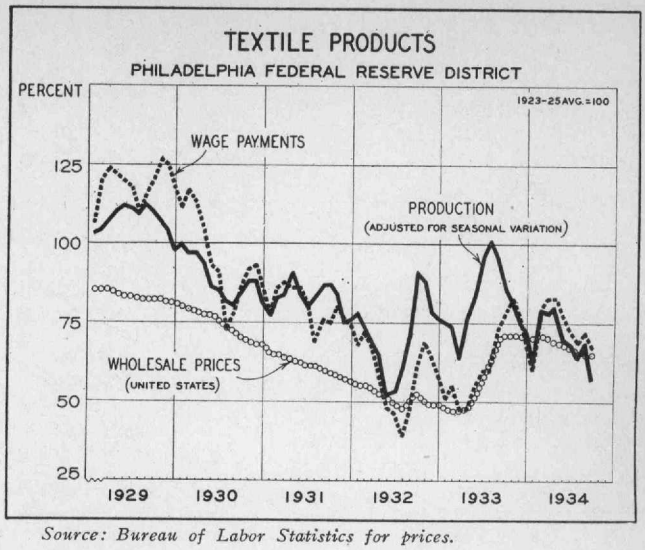
Index numbers: percentages of the 1923–1925 average taken as 100 (All figures are rounded from original data)

	Adjusted for seasonal variation							Not adjusted			
					Percentage comparison						
	Sept. 1933	July 1934	Aug. 1934	Sept. 1934	Sept. 1934 with Month ago	Sept. 1934 with Year ago	1934 with 9 mos. 1933	Sept. 1933	July 1934	Aug. 1934	Sept. 1934
Industrial production	69	65	65	61p	− 5	−11	+ 6	70	62	65	63p
Manufacturing—total	69	65	66	61p	− 7	−11	+ 4	71	63	66	63p
Durable goods	48	52	50	48p	− 5	− 0	+31	....	....	....	....
Consumers' goods	85	76	78	71p	− 9	−16	− 5	....	....	....	....
Metal products	53	54	55	52p	− 6	− 2	+40	53	52	58	53p
Textile products	86	64	69	57p	−17	−34	−17	88	59	65	57p
Transportation equipment	39	49	46	44	− 4	+13	+43	37	48	45	42
Food products	74	79	76	72p	− 5	− 2	+ 3	77	75	75	77p
Tobacco and products	81	78	90	89	− 1	+10	+ 8	93	84	96	103
Building materials	26	27	26	27	+ 4	+ 5	+12	28	29	30	30
Chemicals and products	102	103	97	96p	− 1	− 6	+ 8	101	102	98	96p
Leather and products	125	126	117	106p	−10	−15	+ 2	137	114	119	116p
Paper and printing	81	78	78	77	− 0	− 5	− 1	81	75	76	77
Electric power output	195	196	198	190	− 4	− 2	+ 6	191	182	188	186
Industrial use of electricity	142	132	125	135	+ 8	− 5	+ 8	150	135	128	143
Coal mining	71	63	51	61	+21	−13	+22	72	53	50	61
Anthracite	74	63	50	62	+24	−16	+23	75	52	50	62
Bituminous	44	65	58	56	− 4	+27	+14	45	57	55	57
Employment and wages—Pa.											
Factory wage earners	....	....	....	....	− 3*	− 3*	+15*	76	76	76	74
Factory payrolls	....	....	....	....	− 7*	− 1*	+37*	54	55	57	53
Employe-hours (1927–28 = 100)	....	....	....	....	−10*	−11*	+16*	59	56	58	52
General—12 occupations:											
Employment (1932 = 100)	....	....	....	....	+ 0*	− 2*	+12*	109	107	107	107
Payrolls (1932 = 100)	....	....	....	....	− 3*	− 1*	+29*	114	116	116	113
Building and real estate											
Contracts awarded†—total	20	24	25	25	− 0	+29	+55	19	26	25	24
Contracts awarded†—residential	16	14	11	10	−13	−39	− 0	15	14	11	9
Permits for building—17 cities	5	6	7	8	+19	+73	+16	4	7	6	7
Mortgages recorded—Philadelphia	9	5	5	6	+ 7	−38	−28	8	5	4	5
Real estate deeds—Philadelphia	31	42	45	32	−28	+ 4	−19	29	41	41	30
Sheriff deeds (1930 = 100)	....	....	....	....	−87*	−22*	−27*	20	102	115	15
Other deeds (1930 = 100)	....	....	....	....	+30*	+ 7*	−11*	64	61	53	69
Writs for Sheriff sales—Phila.	906	786	1019	805	−21	−11	−25	1051	978	933	514
Distribution											
Retail trade—sales	69	62	62	69p	+11	+ 0	+10	62	45	49	62p
Retail trade—stocks	63	64	62	64p	+ 3	+ 1	.....	66	58	59	67p
Wholesale trade—sales	64	79	78	72p	− 8	+12	+19	73	73	74	82p
Wholesale trade—stocks	62	66	67	68	+ 2	+11	.....	64	65	67	71
Life insurance sales	102	106	107	106	− 1	+ 3	+ 6	82	102	90	85
New passenger auto. registrations	83	89	81	69	−15	−16	+14	79	101	89	66
Freight car loadings—total	58	57	52	52	− 0	−11	+ 9	65	58	54	57
Mdse. and misc. (64.9% of total)	57	56	53	52	− 2	− 9	+ 5	63	57	54	58
Coal (23.5% of total)	62	61	55	56	+ 2	− 9	+17	64	54	53	58
Business liquidations											
Number	....	....	....	....	+30*	− 4*	−54*	62	67	46	60
Amount of liabilities	....	....	....	....	+ 1*	+94*	−46*	42	61	81	82
Payment of accounts											
Check payments	61	71	63	66	+ 4	+ 7	.....	58	69	54	62
Rate of collections (actual)											
Retail trade	26	28	28	28	+ 1	+ 6	.....	23	28	25	24
Wholesale trade	62	68	72	69	− 3	+12	.....	61	70	72	69
Prices—United States											
Wholesale (1926 = 100)	....	....	....	....	+ 2*	+10*	+16*	71	75	76	78
Farm products	....	....	....	....	+ 5*	+29*	+27*	57	64	70	73
Foods	....	....	....	....	+ 3*	+17*	+16*	65	71	74	76
Other commodities	....	....	....	....	0*	+ 3*	+13*	76	78	78	78
Retail food (1913 = 100)	....	....	....	....	+ 3*	+ 9*	+13*	107	110	113	117
Philadelphia	....	....	....	....	+ 2*	+11*	+18*	110	117	120	123
Scranton	....	....	....	....	+ 2*	+ 6*	+11*	114	114	118	120

(000,000's omitted in dollar figures)	Sept. 1933	June 1934	July 1934	Aug. 1934	Sept. 1934	Per cent change from Month ago	Per cent change from Year ago
Banking and credit							
Federal Reserve Bank							
Bills discounted	$ 29	$ 8	$ 6	$ 5	$ 5	0	−83
Other bills and securities	155	168	168	168	168	0	+ 8
Member bank reserves	126	206	218	198	190	−4	+51
Ratio	63.4%	68.0%	68.3%	66.4%	65.9%	−1	+ 4
Reporting member banks							
Loans to customers	$498	$ 460	$ 454	$ 454	$ 454	0	− 9
Other loans and investments	533	574	593	608	611	+0	+15
Net deposits	937	1041	1067	1052	1055	+0	+13
Bankers' acceptances outstanding	14.3	14.5	13.9	13.7	13.2	−4	− 8

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





Source: Bureau of Labor Statistics for prices.

Production of factories in this district during September decreased sharply instead of increasing as is usual at this time, thus continuing the downward trend since spring with one exception. Our index of output, which is adjusted for seasonal change and the number of working days, fell from 66 in August to 61 per cent of the 1923-25 average in September. A year ago this index was 69.

The sharpest reductions in September this year occurred in the output of textile industries such as silk, woolen and worsted, cotton, drapery and upholstery, and some of the allied branches, which were affected by the strike. Exceptionally large recessions were reported by shoe factories and leather tanneries. Other groups also registered a lack of improvement, except for the building materials group, which showed a slightly larger than usual volume of production. Preliminary reports for October indicate some upturn in productive activity.

The volume of manufactures produced thus far this year appears to be still about 4 per cent larger than in the same period last year, although this difference has been growing less favorable since June. The durable goods industries, manufacturing such products as those used for industrial equipment, construction and transportation, have shown the greatest relative gain this year over last, while industries producing goods, usually for quick consumption, have not done as well this year as last, even though their level of activity continued higher than that of the durable goods industry.

Output of electric power in September was smaller than usual. Sales to industries, which are the largest consumers of electrical energy, increased more sharply than was expected, but purchases by other sources apparently did not increase in the same proportion as they usually do from August to September. Both output and sales of electricity thus far this year have continued larger than last year.

Coal and other fuels. Production and shipments of anthracite fuel increased much more than seasonally in September, following a decline for several months. Output and deliveries of bituminous coal also turned upward but at a lower rate than is estimated for this season. Activity at the coke plants shows greater than usual improvement but the volume of output continues smaller than last year. The available supply of these fuels in this section as in the country has increased recently, and in the case of anthracite it is considerably larger than a year ago. There has been little change in the prices of solid fuels during the month except for some seasonal advance in the case of anthracite; compared with a year ago wholesale prices of bituminous coal and coke are higher, while those for anthracite are a trifle lower, according to indexes of the Bureau of Labor Statistics.

(Output and shipment figures are daily averages)	Sept. 1934	Per cent change from	
		Month ago	Year ago
Anthracite			
Production.....tons	165,700	+25	−17
Shipments.....tons	158,182	+27	−16
Stocks†.....1000 tons	2,425	+13	+91
Prices....(1926=100)	81.3	+ 2	− 1
Employment.....No.	112,712	+15	+ 0
Bituminous			
Production.....tons	276,200*	+ 6	+24
Shipments....no. cars	22,790	+17	− 2
Prices....(1926=100)	96.3	+ 0	+14
Employment.....No.	143,091	+ 1	+ 7
Coke			
Prod...(1923-25=100)	71.4*	+ 5	−14
Prices....(1926=100)	85.6	0	+ 7
Gas and fuel oil			
Prod...(1923-25=100)	101.7*	+ 2	+ 3
Prices†...(1926=100)	59.0	− 4	+ 8

Sources: Bureau of Mines and Bureau of Labor Statistics. * Estimated. † August.

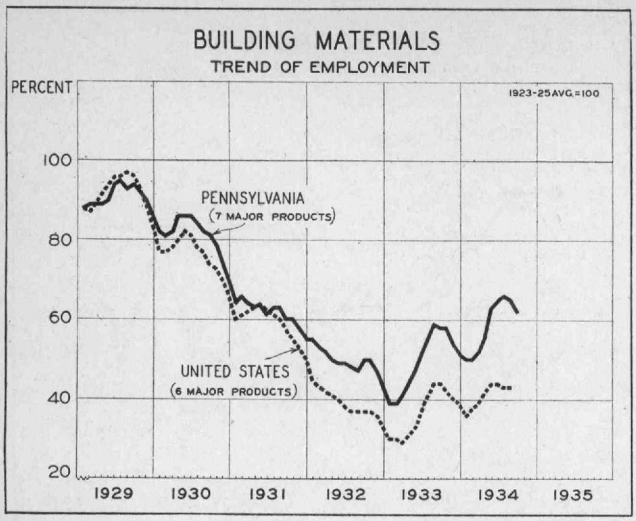
Output of gas and fuel oil, which are products of petroleum refineries, has increased further, as it usually does at this season, and is somewhat higher than a year ago. Prices of fuel oil have been reduced lately, but they continue above the level of last year. Sales of manufactured and natural gas to domestic and industrial consumers in this section appear to show some improvement, following slackened demand during the summer months. The accompanying table gives further comparisons.

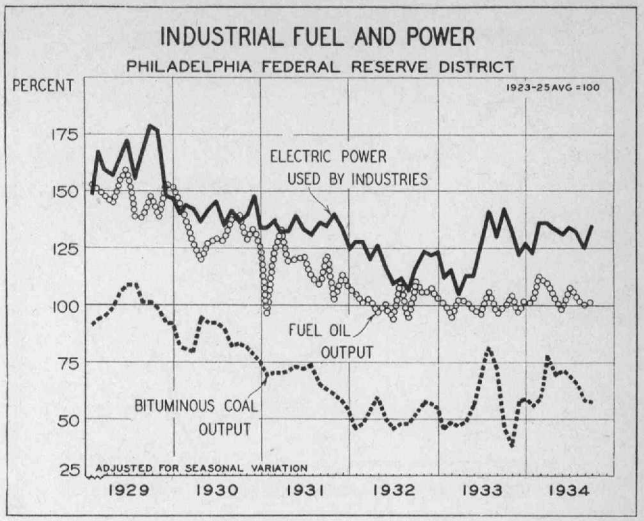
Building and real estate. The value of all building contracts awarded in this district totaled $6,454,000 in September, or practically the same as in August, as shown by the table below, but was 43 per cent higher than a year ago. In the period of 11 years, 1920-30, monthly awards averaged $27,782,000 and the September average was $28,-115,000 or 4 times as large as the figure this year.

In September, larger awards for educational and commercial buildings, resi-

Building contracts Philadelphia Federal Reserve District	Sept. 1934 (000's omitted)	Per cent change	
		From month ago	1934 from 9 mos. 1933
Residential:			
Apts. and hotels.....	$ 126	+359	+102
Family houses.....	1,014	+ 15	− 13
Non-residential:			
Commercial.....	824	+ 7	+ 35
Factories.....	179	− 74	+ 2
Educational.....	1,534	+110	+363
All other.....	408	− 44	− 31
Total buildings....	$4,085	+ 6	+ 12
Public works and utilities.....	2,369	− 8	+267
Grand total.....	$6,454	+ 0	+ 63

Source: F. W. Dodge Corporation





Source: Bureau of Mines for coal and fuel oil.

dences, and apartments and hotels were largely offset by sharp declines in the value of contracts let for public works and utilities, factories and certain unclassified structures.

The real estate situation in general has continued unusually quiet. Ordinary conveyances, however, have increased in some sections, particularly in the city areas of Philadelphia, Johnstown, Harrisburg and Lancaster. There has been a marked decline in the number of forced sales as compared with a year ago.

Agriculture. The agricultural situation in general has shown some improvement lately. Farm operations are progressing at the usual rate for this season, and estimated yields of leading field crops, save for tobacco, have been revised upward.

According to Department of Agriculture estimates as of October 1, yields of corn and white potatoes will be larger this year than last and above the 1926-30 average. The wheat, hay and tobacco crops are expected to be among the smallest in several years. Estimates of the fruit crop also indicate that this year's harvest will be unusually small.

Wholesale prices of farm products in Pennsylvania have increased further. In the country as a whole, prices for all farm commodities rose about 5 per cent in September, but declined in October.

Distribution, trade and service. Shipment of commodities by railroad freight in this section barely maintained its usual level in September, but there has been some increase in October reflecting partly a continued rise in the movement of coal. Motor freight companies, which transport chiefly finished merchandise over relatively short distances, report a seasonal increase in activity since early September. The volume of freight originating in the Philadelphia territory in September showed a substantially larger increase than usual, after a steady decline in the four previous months; but compared with a year ago, it was 15 per cent smaller.

The value of wholesale trade sales by eight lines was 11 per cent larger in September than in August, but this gain failed by about 8 per cent to measure up to the usual rate of increase estimated for this period. Preliminary reports for October indicate seasonal increases in the sales of most lines.

The trend in the wholesale business this year on the whole has been somewhat more favorable than in several years past. Dollar sales in the first nine months of this year were 19 per cent larger than in the same period last year, reflecting in part the influence of higher prices.

Current sales by such retail establishments as department, apparel, shoe and credit stores continued to show seasonal increases. Sales in September were 27 per cent larger than in August; when allowance is made for the seasonal change, this gain indicated an improvement of about 11 per cent. This bank's September index of retail sales, which accounts for the usual seasonal variation and the number of trading days, was 69 per cent of the 1923-25 average, or about the same as it was a year ago.

According to the Bureau of the Census, the value of sales of all retail establishments in this district in 1933 amounted to about $1,610,000,000, a decrease of 48 per cent as compared with 1929 when the first census of distribution was taken. The decline shown by this bank's index number for the same period was 42 per cent. This similarity between the index and census figures would be even closer if it were not for the fact that the last census unavoidably fails to include the figures for some of the smaller retail stores in Pennsylvania, though the extent of this omission appears to be relatively small. This comparison, which it is possible to make for the first time, shows that the data from which our index of retail trade sales is constructed are sufficiently representative to measure accurately the changes in the value of current retail trade, despite the fact that such large groups as food and automotive products are not covered by the index except insofar as they are represented by the sales of department stores.

Retail trade Phila. F. R. District	Sales in 1933 (000's omitted)	Per cent change from 1929
Pennsylvania, eastern...	$1,336,643*	−48.4
New Jersey, southern...	215,304	−45.9
Delaware.....	57,910	−44.1
Total.....	$1,609,857	−47.9
Phila. F. R. Bank index.	———	−41.5

Source: U. S. Bureau of the Census.
* Owing to field conditions beyond the control of the census takers, the figures for Pennsylvania appear to be understated probably by 2¾ per cent.

The value of retail sales thus far this year has been about 10 per cent larger than last year but 36 per cent smaller than in the same period five years ago. These changes reflect in part the fluctuation of prices, since both the census and current reports are given in dollars, not quantity.

The supply of merchandise at both retail and wholesale establishments increased by more than the usual amount from August to September. The fact that the value of these supplies was higher than a year ago is due in large measure to higher prices. The rate of stock turnover has been

higher this year than last. The amount of payments by customers made during September in relation to their outstanding balances at the beginning of that month increased slightly in the case of retail but declined in wholesale trade as compared with the previous month. But this ratio in both instances continues higher than last year.

Sales of new passenger automobiles, as measured by registrations, have continued sharply downward since mid-summer, when registrations reached the highest level in the past two years. The number of units sold thus far this year, however, has been about 14 per cent greater than in the same period last year.

Activity of commercial travelers in this district has increased considerably since August. Reports from representative commercial hotels show that room occupancy was 17 per cent greater in September than in August and exceeded that of last year by 18 per cent. Total revenue from all sources was 21 per cent larger than in August and 23 per cent greater than in September, 1933. Details follow:

Hotel business Philadelphia Federal Reserve District	Per cent change		
	Sept. 1934 from		1934 from 9 mos. 1933
	Aug. 1934	Sept. 1933	
Capacity	0	− 0	.....
Room occupancy	+17	+18	+15
Per cent of capacity used:			
Sept. 1934 ..... 46.6			
Aug. 1934 ..... 40.0			
Sept. 1933 ..... 39.4			
Revenue from:			
Guest rooms	+20	+17	+13
Food	+25	+12	+17
Other sources	+17	+61	+66
Total revenue	+21	+23	+24

Banking conditions. Reflecting the influence of Treasury expenditures, the reserves of member banks in this district have increased substantially in the past month. Loans to customers, other than those made on the security of stocks and bonds, reached the highest point this year at the reporting member banks on October 3.

In the four weeks ending October 17 the reserve deposits of member banks increased from 191½ to 207 millions, at which point they were only 18 millions below the record peak in July. This addition to reserves, despite a decline of 3 millions in borrowings from this bank and an adverse balance of payments of 18½ millions in commercial transactions chiefly with other sections of the country, was due principally to Treasury operations. Government disbursements in the district were 36 millions larger than local receipts.

The cash reserves of the reserve bank increased 8 millions, and the substantial rise in reserve deposits was partly offset by declines in liabilities on other deposits and in Federal reserve note circulation, so that the reserve ratio advanced from 66.4 to 67.2 per cent.

Loans and commitments approved by the bank to provide working capital for industrial and commercial business totaled $2,240,500 on October 24, as against $1,418,500 on September 26. In part this total includes direct transactions with the concerns that receive the funds, while in other instances the funds are advanced through financing institutions, which may participate in the transactions. Actual advances increased from $135,800 to $261,100.

During the four weeks ending on October 17 the loans and investments of the weekly reporting member banks declined from 1,070 to 1,057 millions. This was due chiefly to a drop from 220 to 205 millions in loans on securities. Holdings of open market commercial paper and bankers' acceptances increased slightly and there was a rise of 2 millions in loans on real estate, which include mortgages and other advances made on the security of real estate. The combined total of loans on real estate and other loans was 258 millions on October 3, at which point they were 10 millions above the low of mid-summer and 8 millions higher than a year earlier. Security holdings at the reporting banks have changed little in the last four weeks, a decrease of 4 millions in issues of the United States Government being accompanied by a rise in other investments. Net demand deposits increased 11 millions to the highest point since the fall of 1931, but declines of 2 and 8 millions were recorded in time and Government deposits, respectively.

The daily average of reserves of member banks in this district declined from 198 millions in August to 190 millions in September and compared with 122 millions a year ago. The excess above legal requirements in September was 71 millions, 44½ millions being held by banks in Philadelphia.

Reporting member banks (000,000's omitted)	Oct. 17, 1934	Sept. 19, 1934	Oct. 18, 1933
Loans on securities:			
To brokers and dealers in N. Y. City	$ 16	$ 18	$ 4
To brokers and dealers elsewhere	15	16	14
To others	174	186	225
Total loans on securities	$ 205	$ 220	$ 243
Acceptances and commercial paper	19	18	10
Loans on real estate	71	69	
Other loans	185	185	251
Total loans	$ 480	$ 492	$ 504
U. S. Government securities	291	295	282
Obligations fully guaranteed by U. S. Gov't	16		
Other securities	270	283	246
Total loans and investments	$1,057	$1,070	$1,032
Net demand deposits	694	683	559
Time deposits	314	316	311
Government deposits	53	61	80
Due from banks	139	121	94
Due to banks	242	225	161
Reserve with Fed. Res. Bank	129	121	83

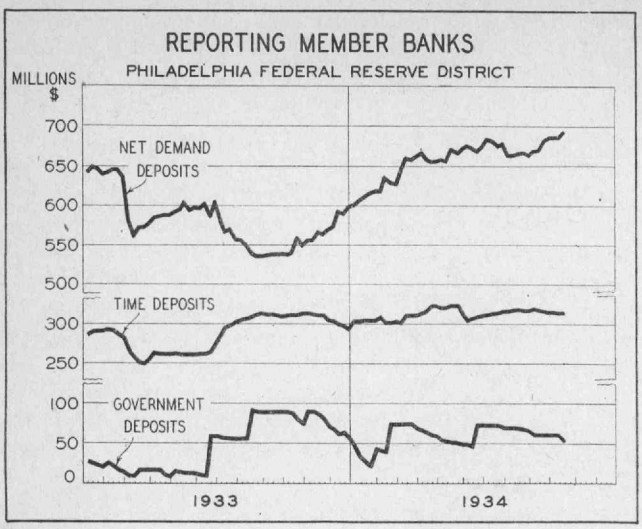
Federal Reserve Bank of Philadelphia (In millions of dollars)	Oct. 17, 1934	Changes in—	
		Four weeks	One year
Bills discounted	$ 2.3	−$ 3.0	−$23.2
Bills bought	0.6	+ 0.1	− 0.1
Industrial advances (Sec. 13b)	0.2	+ 0.1	+ 0.2
U. S. securities	167.1	0.0	+ 3.8
Other securities	0.3	− 0.1	− 0.2
Total bills and securities	$170.5	−$ 2.9	−$19.5
Fed. res. note circulation	240.9	− 2.7	+ 3.5
Fed. res. bank note circulation—net	0.0	0.0	− 9.2
Member bank reserve deposits	207.2	+ 15.6	+ 71.3
U. S. Treasurer—general account	1.2	− 6.8	− 0.4
Foreign bank deposits	0.8	− 0.4	− 0.6
Other deposits	6.2	+ 0.7	− 5.2
Cash reserves	306.7	+ 8.1	+ 64.5
Reserve ratio	67.2%	+ 0.8%	+ 4.7%

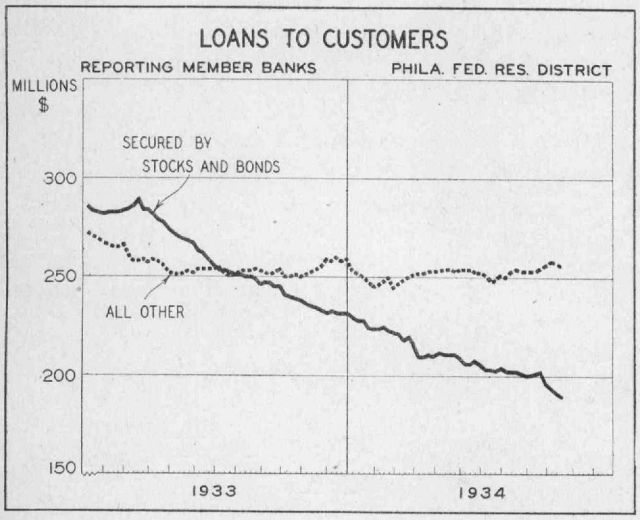
RESERVE BANK CREDIT AND THE FACTORS THAT AFFECT IT

Philadelphia Federal Reserve District
September 20 to October 17 inclusive—in millions of dollars

Sources of funds		Uses of funds	
Reserve bank credit extended in this district	− 1.5	Currency demand	− 0.2
Commercial and financial transfers (chiefly interdistrict)	−18.7	Member bank reserve deposits	+15.6
Treasury operations	+36.3	Nonmember deposits at reserve bank	+ 0.7
		Unexpended capital funds of reserve bank	− 0.0
Total	+16.1	Total	+16.1

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.





City areas*	Percentage change—September 1934 from September 1933				
	Manufacturing		Building permits (value)	Debits	Retail trade sales
	Employment	Wage payments			
Allentown	+ 2	+ 5	+ 15	− 5	− 5
Altoona	−11	− 2	+ 293	+ 1	+ 6
Harrisburg	+ 8	+13	− 60	+ 1	− 4
Johnstown	+ 5	+10	+ 277	− 3	+ 2
Lancaster	+ 0	+ 4	− 17	+11	+ 5
Philadelphia	− 2	+ 2	+ 38	+ 2	+ 2
Reading	+ 4	+ 6	+2117	+ 3	− 5
Scranton	−11	− 4	+ 17	− 1	+ 3
Trenton	− 6	−12	+ 101	+26	− 2
Wilkes-Barre	−11	− 6	+ 92	− 6	− 4
Williamsport	− 6	+ 0	− 54	+ 5	.....
Wilmington	− 4	− 0	− 2	+19	− 0
York	+ 1	+ 2	+ 63	− 6	.....
	September 1934 from August 1934				
Allentown	− 3	−11	− 50	+ 1	+16
Altoona	−15	−27	+ 132	− 5	+12
Harrisburg	− 1	− 9	− 0	− 5	+20
Johnstown	− 1	− 5	+ 30	− 6	+ 9
Lancaster	+ 2	− 1	+ 17	+ 1	+ 9
Philadelphia	− 2	− 3	− 26	− 0	+28
Reading	− 2	− 2	+1074	− 3	+21
Scranton	+ 8	+ 4	− 5	− 6	+39
Trenton	− 2	− 8	+ 132	+ 1	+23
Wilkes-Barre	− 4	−16	+ 362	− 4	+22
Williamsport	− 2	− 3	− 86	− 6	.....
Wilmington	− 0	− 1	− 24	+19	+16
York	− 2	− 5	+ 1	− 6	.....

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

Employment and Payrolls in Pennsylvania

(All figures are rounded from original data)

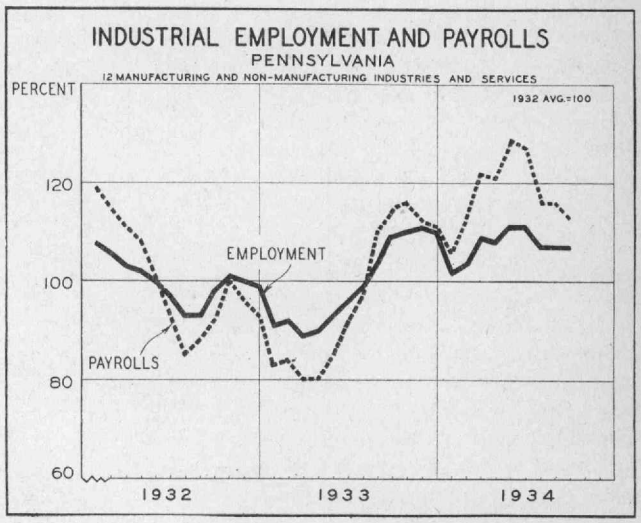
Manufacturing indexes

(Indexes are percentages of the 1923–25 average taken as 100. Total and group indexes are weighted proportionately.)	Employment*			Payrolls*			Employe-hours†	
	Sept. 1934 index	Per cent change from		Sept. 1934 index	Per cent change from		Sept. 1934 per cent change from	
		Sept. 1933	Aug. 1934		Sept. 1933	Aug. 1934	Sept. 1933	Aug. 1934
All manufacturing	**74**	**− 3**	**− 3**	**53**	**− 1**	**− 7**	**−11**	**−10**
Iron, steel and prods.	64	+ 2	− 3	45	+ 5	−10	−11	−11
Non-fer. metal prods.	84	− 0	− 4	67	− 0	− 7	− 9	− 8
Transportation equip.	53	− 1	−11	33	− 6	−21	+ 3	−19
Textiles and clothing	86	−14	− 5	67	−15	− 8	−23	−12
Textiles	82	−17	− 7	64	−16	− 8	−26	−12
Clothing	103	− 3	+ 2	77	−11	− 8	−12	−10
Food products	116	+11	+ 7	94	+14	+ 6	+12	+11
Stone, clay and glass	73	− 4	− 5	36	− 5	− 7	−13	− 8
Lumber products	49	−14	+ 2	35	− 5	+ 2	−12	+ 2
Chemicals and products	91	+ 2	+ 1	74	+ 5	+ 1	−12	+ 1
Leather and products	90	− 6	− 2	77	− 6	− 7	−13	− 7
Paper and printing	88	− 2	+ 0	73	+ 1	+ 3	− 6	+ 1
Printing	84	− 2	+ 0	75	+ 2	+ 4	− 4	+ 2
Others:								
Cigars and tobacco	69	+10	+ 1	52	+18	+ 0	−10	− 6
Rubber tires, goods	78	−22	− 4	57	−30	+ 3	−35	+ 0
Musical instruments	45	+12	+ 8	39	+ 6	+16	− 5	+ 1

* Figures from 2010 plants. † Figures from 1774 plants.

Indexes of twelve occupations

(Indexes are percentages of the 1932 average taken as 100. Individual indexes are combined proportionately into general index number.)	Employment			Payrolls		
	Sept. 1934 index	Per cent change from		Sept. 1934 index	Per cent change from	
		Sept. 1933	Aug. 1934		Sept. 1933	Aug. 1934
General index (weighted)	**107**	**− 2**	**+ 0**	**113**	**− 1**	**− 3**
Manufacturing	115	− 3	− 3	130	− 1	− 7
Anthracite mining	91	+ 0	+15	87	−23	+18
Bituminous coal mining	122	+ 7	+ 1	140	+14	− 3
Building and construction	85	−12	+ 1	71	− 7	+ 4
Quarrying and non-met. mining	122	+ 2	− 2	135	+12	−11
Crude petroleum producing	169	+15	+ 1	150	+34	− 9
Public utilities	90	− 0	− 0	89	+ 9	− 1
Retail trade	105	+ 0	+ 7	104	+ 3	+ 6
Wholesale trade	104	+ 4	+ 1	97	+ 6	+ 2
Hotels	109	+15	− 1	102	+26	+ 1
Laundries	96	+ 1	0	92	+ 2	+ 1
Dyeing and cleaning	100	−12	+ 2	107	− 3	+ 9



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			
					Percentage comparison						
					Sept. 1934 with		1934 with 9 mos. 1933				
	Sept. 1933	July 1934	Aug. 1934	Sept. 1934	Month ago	Year ago		Sept. 1933	July 1934	Aug. 1934	Sept. 1934
Retail trade											
Sales											
Total of all stores	69	62	62	69p	+11	+ 0	+ 10	62	45	49	62p
Department	66	59	63	66p	+ 5	+ 1	+ 9	59	43	48	59p
Men's apparel	54	59	55	58	+ 6	+ 7	+ 16	46	45	45	50
Women's apparel	100	75	92	103	+12	+ 4	+ 9	86	50	62	89
Shoe	81	58	52	82p	+59	+ 2	+ 8	75	53	42	77p
Credit	62	66	51	58	+15	− 6	+ 19	59	43	48	55
Stocks of goods											
Total of all stores	63	64	62	64p	+ 3	+ 1	.....	66	58	59	67p
Department	59	55	54	54p	+ 1	− 8	.....	61	50	50	56p
Men's apparel	50	70	55	56	+ 3	+13	.....	54	57	57	61
Women's apparel	101	91	94	93	− 1	− 8	.....	109	70	83	100
Shoe	56	58	61	57p	− 7	+ 2	.....	59	54	60	60p
Credit	71	69	71	78	+10	+11	.....	72	69	70	80
Rate of stock turnover											
9 months (actual, not indexes)	....	....	....	....	.....	.....	+ 1*	2.64	....	....	2.68
Wholesale trade											
Sales											
Total of all lines	64	79	78	72p	− 8	+12	+ 19	73	73	74	82p
Boots and shoes	38	36	49	39p	−21	+ 3	+ 0	55	30	56	57p
Drugs	80	91	84	89	+ 6	+10	+ 13	83	85	78	91
Dry goods	36	41	42	37	−12	+ 4	+ 17	47	31	39	49
Electrical supplies	51	107	86	59	−32	+15	+ 28	61	87	71	70
Groceries	92	108	112	109	− 2	+18	+ 21	103	109	109	121
Hardware	41	41	45	43	− 3	+ 5	+ 21	43	40	40	46
Jewelry	40	32	35	32	− 9	−21	+ 27	50	22	31	39
Paper	59	63	62	61	− 1	+ 3	+ 16	61	59	58	62
Stocks of goods											
Total of all lines	62	66	67	68	+ 2	+11	.....	64	65	67	71
Boots and shoes	21	22	22	24	+11	+14	.....	22	22	24	25
Drugs	109	102	108	116	+ 7	+ 6	.....	112	101	112	120
Dry goods	40	47	45	49	+ 8	+23	.....	44	48	48	54
Electrical supplies	61	78	75	78	+ 5	+30	.....	65	78	80	84
Groceries	76	81	85	82	− 4	+ 8	.....	76	75	79	82
Hardware	63	62	65	65	− 1	+ 3	.....	61	62	64	63
Jewelry	45	46	48	53	+12	+19	.....	49	53	53	58
Paper	63	58	57	56	− 1	−11	.....	64	58	58	57
Rate of stock turnover											
9 months (actual, not indexes)	....	....	....	....	.....	.....	+ 8*	3.92	....	....	4.22
Output of manufactures											
Pig iron	27	24	24	22	−10	−18	+ 49	25	22	21	20
Steel	51	49	48	43	−11	−16	+ 36	49	44	49	41
Iron castings	44	46	50	51p	+ 3	+16	+ 49	45	44	48	52p
Steel castings	34	70	67	62	− 7	+84	+120	38	76	79	69
Electrical apparatus	63	69	73	73	+ 0	+16	+ 44	69	73	81	80
Motor vehicles	13	14	23	19	−19	+39	+ 16	11	14	19	16
Automobile parts and bodies	47	42	37	36	− 2	−22	+ 36	45	41	35	35
Locomotives and cars	14	27	28	25	−13	+77	+103	13	27	29	24
Shipbuilding	105	134	116	118	+ 1	+13	+ 35	99	130	115	112
Silk manufactures	98	86	94	65	−32	−34	− 12	98	84	92	65
Woolen and worsteds	59	41	35	24	−31	−59	− 33	65	39	36	27
Cotton products	47	34	38	30	−20	−36	− 6	45	30	34	29
Carpets and rugs	64	45	57	38	−34	−40	+ 5	69	42	53	40
Hosiery	111	84	89	102	+15	− 8	− 5	111	69	78	102
Underwear	147	128	107	95	−11	−35	− 33	147	106	100	95
Cement	26	41	40	45	+13	+72	+ 22	30	48	50	52
Brick	37	32	29	26	−11	−29	− 0	37	31	30	26
Lumber and products	20	16	16	17	+ 5	−14	+ 12	21	17	18	18
Bread and bakery products	....	....	....	....	+ 2*	+ 1*	+ 2*	88	92	87	89
Slaughtering, meat packing	104	90	104	98	− 6	− 6	− 6	103	80	89	100
Sugar refining	64	89	91	46	−50	−29	+ 4	55	91	79	39
Canning and preserving	38	68	55	49p	−11	+29	+ 52	51	55	59	65p
Cigars	80	77	89	88	− 0	+11	+ 8	92	83	95	103
Paper and wood pulp	65	59	58	59	+ 1	− 9	+ 3	65	57	58	59
Printing and publishing	85	81	82	81	− 0	− 4	− 1	84	79	79	80
Shoes	137	132	132	123	− 7	−10	− 0	156	123	141	140
Leather, goat and kid	114	120	103	89p	−13	−22	+ 5	118	105	99	93p
Explosives	73	77	81	67	−17	− 9	+ 44	73	75	81	67
Paints and varnishes	69	68	64	64	0	− 7	+ 5	65	63	65	61
Petroleum products	138	143	132	133p	+ 1	− 3	+ 2	139	144	132	135p
Coke, by-product	87	72	69	74p	+ 7	−14	+ 23	83	71	68	71p

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