

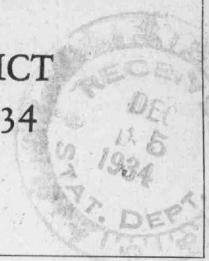
# THE BUSINESS REVIEW

THIRD FEDERAL  
PHILADELPHIA



RESERVE DISTRICT  
DECEMBER 1, 1934

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



## Business and Banking Conditions in the United States

Volume of industrial production and factory employment which usually shows little change at this season increased in October, reflecting chiefly the resumption of activity at textile mills. Wholesale commodity prices, after declining in September and October, advanced in the first half of November.

**Industrial production and employment.** Activity at industrial establishments, as measured by the Board's seasonally adjusted index showed an increase from 71 per cent of the 1923-1925 average in September to 73 per cent in October. Among the industries producing durable manufactures, output at steel mills increased from 23 per cent of capacity for the month of September to 25 per cent for October, while output of automobiles and lumber declined. In November activity at steel mills continued to increase and in the week ending November 24 was at about 28 per cent of capacity. Automobile production has declined further in connection with the preparation of new models. The production of non-durable manufactures in the aggregate showed a considerable growth in October, reflecting sharp increases at cotton, woolen and silk mills, offset in part by a decline in activity at meat-packing establishments. The increase in output at textile mills after the

strike in September brought output to a higher level than in August. Among the minerals, daily output of crude petroleum declined in October and that of anthracite increased by an amount smaller than is usual at this season.

Factory employment and payrolls in the country as a whole increased considerably between the middle of September and the middle of October. Sharp increases were reported at mills producing textile fabrics, while in the automobile, shoe and canning industries there were declines of a seasonal nature.

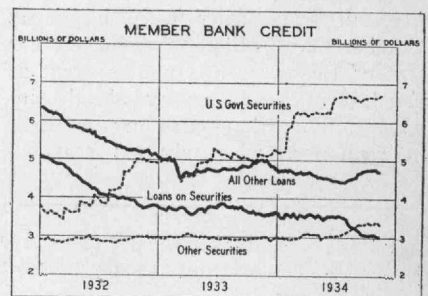
The value of construction contracts awarded was somewhat larger in October than in any other recent month. There was an increase in residential work as well as in publicly-financed projects.

**Agriculture.** Department of Agriculture estimates, based on November 1 conditions, indicate a cotton crop of 9,634,000 bales, 26 per cent smaller than the 1933 crop, and a corn crop of 1,372,000,000 bushels, 41 per cent smaller than last season and 45 per cent smaller than 1927-1931 average. The tobacco crop is also considerably smaller than usual, while the white potato crop is slightly above the five-year average.

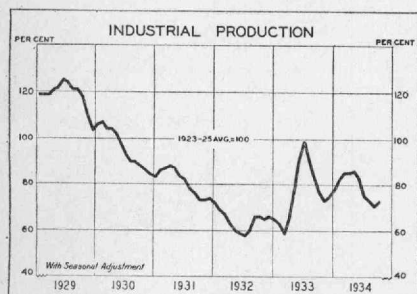
**Distribution.** The number of freight cars loaded per working day decreased

from September to October. Department store sales showed a seasonal increase and were at about the same level, on a seasonally adjusted basis, as in most other months since March. Rural sales of general merchandise, as reported by the Department of Commerce, increased by less than the usual seasonal amount following an unusually large increase in September.

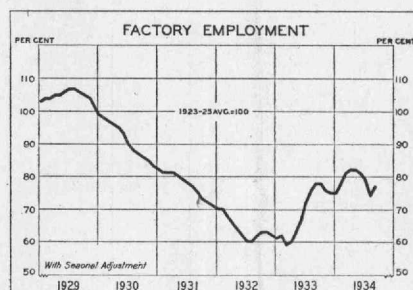
**Commodity prices.** Wholesale commodity prices, as measured by the Bureau of Labor Statistics' weekly index, declined from 77.8 per cent of the 1926 average in the week ending September 8 to 76.0 per cent in the week ending November 3 and then rose in the following two weeks to 76.7 per cent.



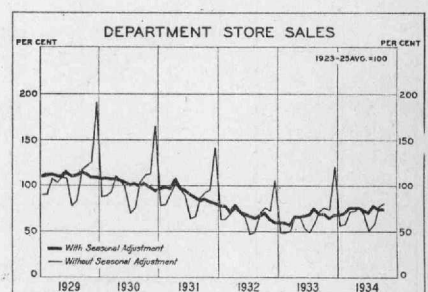
Wednesday figures for reporting member banks in 90 leading cities. Latest figures are for November 14.



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 daily average value of sales. (1923-1925 = 100.)

The decline was largely in prices of farm products and foods but there were also some decreases in the prices of textiles and building materials. Increases in the first half of November were largely in the prices of farm products. The price of scrap steel also advanced, while lead and zinc declined.

**Bank credit.** Excess reserves of member banks were about \$1,910,000,000 on November 21, showing an increase of \$150,000,000 in the preceding five weeks. The increase in reserves held was \$200,000,000, of which \$50,000,000

covered a growth in required reserves. Additions to reserves resulted mainly from gold imports and further issues of silver certificates.

Loans and investments of reporting member banks in leading cities declined somewhat in the four weeks ending November 14, following an increase in the previous month. Substantial declines were shown in loans on securities and in holdings of securities other than those of the United States Government. Other loans, which had increased considerably in previous months, also

showed some decline, while holdings of direct obligations of the United States Government and of securities fully guaranteed by the Government increased considerably. Customers' deposits continued to increase, while Government deposits declined.

There was a further decline in open-market rates on bankers' acceptances at the end of October to an offering rate of  $\frac{1}{8}$  per cent. Yields on short-term Government securities and other short-term open-market rates showed little change.

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

Industrial activity throughout this district showed improvement during October but slackened seasonally in November. Production of manufactures, coal and crude oil combined proportionately increased more than usual, the adjusted index rising from 65 in September to 67 in October; for the year to date the volume of industrial output continues about 6 per cent larger than last year, even though monthly comparisons since June have been unfavorable. The value of building contracts awarded showed a marked gain in the month and exceeded considerably the amount of last year. Agricultural activity has measured up to the normal conditions for October and November and the sales of farm crops and livestock products have been larger this year than last, reflecting partly higher prices.

Retail trade sales were larger in October than in September but the extent of this gain was not as great as usual, while sales at wholesale increased more than customary. Business in November showed seasonal

expansion. Shipments of finished merchandise on the whole have been well sustained since September while total freight car loadings have not been as satisfactory as is to be expected.

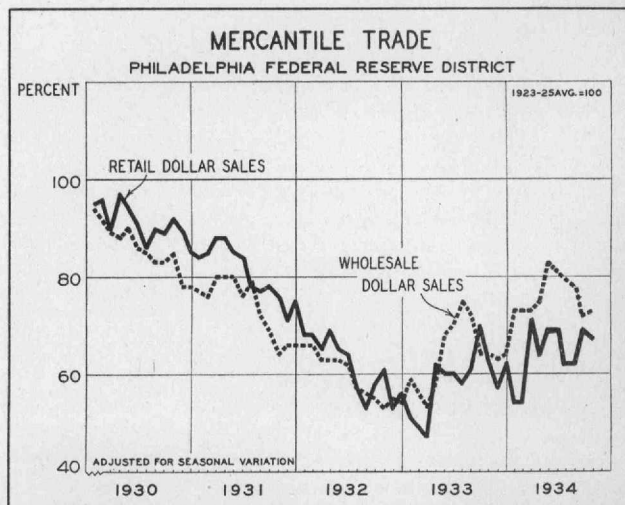
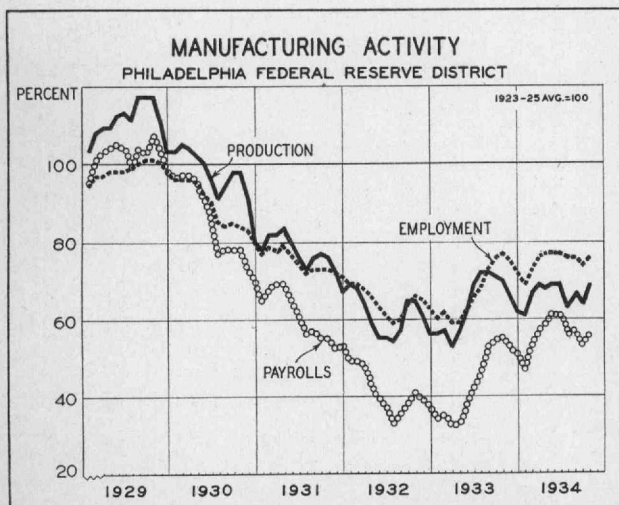
Employment and earnings in twelve branches of industry and trade showed marked increases from September to October, the largest gains in payrolls occurring in manufacturing, bituminous coal, building trades and retail trade. In October this bank's general index of industrial employment was 109 and of payrolls 120, relative to the 1923 average as 100. In the first ten months this year employment on the average was 10 per cent larger and earnings 25 per cent greater than in the same period last year. Incoming reports from Pennsylvania factories for November indicate seasonal decreases in activity.

**Manufacturing.** The demand for factory products manufactured in this district as a whole has been in about the same volume as in the previous month, although during the early part

of November there has been some seasonal falling off, especially in those textile lines which were unusually active in October, immediately following the strike. While some industries, such as cotton and silk goods, floor coverings, paper and cigars, apparently have had a larger volume of sales since late September than last year, most manufacturing lines report decreases in the volume of business.

Prices of finished factory products generally have declined slightly in October but displayed some firmness in early November. Quotations for commodities other than farm products and foods, after showing a small decline in October, turned a little upward in the first half of November. The price index, constructed by the Bureau of Labor Statistics, on November 17 was 78.3 per cent of the 1926 average or one per cent higher than a year ago.

Unfilled orders for manufactures in general seem to be somewhat smaller than a month and a year ago, although in some instances a fairly large backlog has been reported. There is an



# Business Indicators

## Philadelphia Federal Reserve District

apparent tendency, however, to place orders in smaller lots than usual and only for a short period in advance. Stocks of both finished goods and raw materials appear to be moderate and smaller than a year ago.

Larger than customary increases occurred in the number of factory wage earners on the rolls and in the amount of wages disbursed in this district during October. The textile industries, which normally employ about 18 per cent of all factory workers in Pennsylvania, accounted for the major portion of the increase. Employment in Pennsylvania textile plants rose 12 per cent, while payrolls and working hours increased 24 per cent from the middle of September to the middle of October, reflecting the fact that in the first part of September the textile industry here as in the country was passing through a period of severe labor difficulties. This was especially true of wool, silk and cotton manufactures, so that these industries showed some of the largest gains in employment, payrolls and operating time.

Current reports, supplemented by the census figures, indicate that the Pennsylvania manufacturing industry as a whole employed approximately 790,000 shop workers about the middle of October, a gain of over 2 per cent from September but a loss of one per cent as compared with a year ago. The amount of wages paid in October averaged about \$15,000,000 a week, 7 per cent more than in the previous month and 2 per cent larger than in October 1933.

Since the middle of 1933 the average hourly wage earnings per worker in Pennsylvania factories has risen very sharply, reaching a higher level than that prevailing in 1927 and 1928. The average weekly hours worked per employe, on the other hand, show no such increase but rather a tendency to move only slightly above the depression level. This departure from a fairly close relation in the fluctuation of these two factors that existed prior to 1929 is attributable in a large measure to the establishment of maximum working hours and minimum wage rates under the industrial codes. An average factory wage earner in October worked about 32.5 hours per week as compared with 32.9 a year ago and 31.5 hours two years ago. But his hourly earnings amounted to 57.2 cents in October this year as against 54.5 a year ago and 44.9 two years ago.

Early reports for November which are now being received by the bank indicate that employment, payrolls and

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

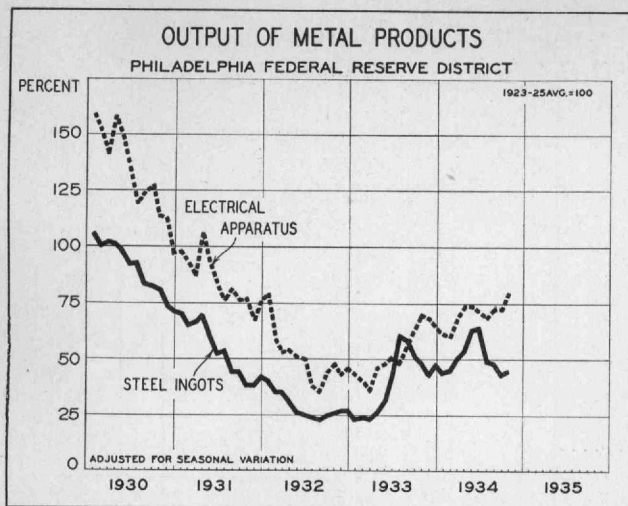
Unadjusted indexes reflect merely the actual change which may or may not be up to the usual seasonal expectations.

	Index numbers: percentages of the 1923-1925 average taken as 100											
	Adjusted for seasonal variation (All figures are rounded from original data)						Not adjusted					
	Oct. 1933	Aug. 1934	Sept. 1934	Oct. 1934	Percentage comparison			Oct. 1933	Aug. 1934	Sept. 1934	Oct. 1934	
					Oct. 1934 with	1934 with 10 mos. 1933						
				Month ago	Year ago							
<b>Industrial production</b>												
Manufacturing—total	66	65	62	64p	+ 3	- 2	+ 6	69	65	64	68p	
DURABLE GOODS	67	67	62	65p	+ 5	- 3	- 4	70	67	64	69p	
CONSUMERS' GOODS	47	50	49	48p	- 1	+ 1	+28					
Metal products	83	79	72	78p	+ 8	- 5	- 5					
Textile products	53	55	52	54	+ 4	+ 2	+35	55	58	53	56	
Transportation equipment	81	71	59	72p	+ 22	-12	-15	83	67	59	74p	
Food products	43	46	44	44	- 0	+ 3	+38	41	45	42	42	
Tobacco and products	72	76	73	71p	- 2	+ 1	+ 2	75	75	77	76p	
Building materials	76	90	89	90	+ 1	+19	+ 9	93	96	103	110	
Chemicals and products	22	26	27	24	- 13	+ 8	+11	23	30	30	25	
Leather and products	98	97	97	95p	- 2	+ 3	+ 7	99	98	97	97p	
Paper and printing	119	117	110	102p	- 8	-14	+ 1	126	119	121	108p	
Electric power output	80	78	77	78	+ 0	- 3	- 1	81	76	77	79	
Industrial use of electricity	181	198	190	192	+ 1	+ 6	+ 6	186	188	186	198	
Coal mining	133	125	135	132	- 3	- 1	+ 7	129	128	143	128	
Anthracite	53	51	61	53	- 13	+ 0	+20	68	50	61	67	
Bituminous	55	50	62	53	- 14	+ 4	+20	71	50	62	68	
Employment and wages—Pa.	38	58	56	56	- 0	+46	+17	41	55	57	60	
Factory wage earners					+ 2*	- 1*	+13*	76	74	76	77	
Factory payrolls					+ 7*	+ 2*	+32*	56	53	57	55	
Employe-hours (1927-28=100)					+ 7*	- 5*	+13*	56	52	58	59	
General—12 occupations:												
Employment (1932=100)					+ 2*	- 0*	+10*	110	106	107	109	
Payrolls (1932=100)					+ 6*	+ 3*	+25*	117	116	113	120	
<b>Building and real estate</b>												
Contracts awarded—total	24	25	25	33	+ 29	+38	+53	24	25	24	33	
Contracts awarded—residential	14	11	10	11	+ 9	-21	- 3	14	11	9	11	
Permits for building—17 cities	4	7	8	6	+ 22	+51	+18	4	6	7	7	
Mortgages recorded—Philadelphia	10	5	6	14	+ 146	+39	-22	9	4	5	13	
Real estate deeds—Philadelphia	60	45	32	50	+ 55	-17	-18	63	41	30	52	
Sheriff deeds (1930=100)					+1073*	-17*	-25*	215	115	15	178	
Other deeds (1930=100)					- 19*	-17*	-12*	67	53	69	56	
Writs for Sheriff sales—Phila.	1173	1019	805	1028	+ 28	-12	-23	587	978	933	514	
<b>Distribution</b>												
Retail trade—sales	63	62	69	67p	- 2	+ 7	+10	71	49	62	76p	
Retail trade—stocks	61	62	64	61p	- 4	- 0		68	59	67	68p	
Wholesale trade—sales	64	78	72	73p	+ 2	+15	+19	72	74	82	83p	
Wholesale trade—stocks	61	67	68	68	+ 1	+12		64	67	71	72	
Life insurance sales	101	107	106	108	+ 3	+ 7	+ 6	92	90	85	99	
New passenger auto. registrations	78	81	69	71	+ 3	- 9	+11	64	89	66	58	
Freight car loadings—total	55	52	52	51	- 2	- 8	+ 7	60	54	57	55	
Mdse. and misc. (64.9% of total)	56	53	52	52	+ 0	- 7	+ 4	59	54	58	56	
Coal (23.5% of total)	54	55	56	52	- 7	- 3	+15	62	53	58	60	
<b>Business liquidations</b>												
Number					+ 16*	- 2*	-51*	70	46	60	69	
Amount of liabilities					- 29*	-45*	-46*	105	81	82	58	
<b>Payment of accounts</b>												
Check payments	61	63	66	63	- 4	+ 3		63	54	62	65	
Rate of collections (actual)												
Retail trade	27	28	28	29	+ 4	+11		27	25	25	30	
Wholesale trade	60	72	69	73	+ 4	+20		61	72	69	73	
<b>Prices—United States</b>												
WHOLESALE (1926=100)					- 1*	+ 7*	+15*	71	76	78	76	
Farm products					- 4*	+27*	+27*	56	70	73	71	
Foods					- 2*	+16*	+16*	64	74	76	75	
Other commodities					- 0*	+ 1*	+12*	77	78	78	78	
RETAIL FOOD (1913=100)					- 1*	+ 8*	+12*	107	113	117	115	
Philadelphia					- 2*	+ 8*	+17*	111	120	123	120	
Scranton					- 2*	+ 3*	+10*	114	118	120	117	

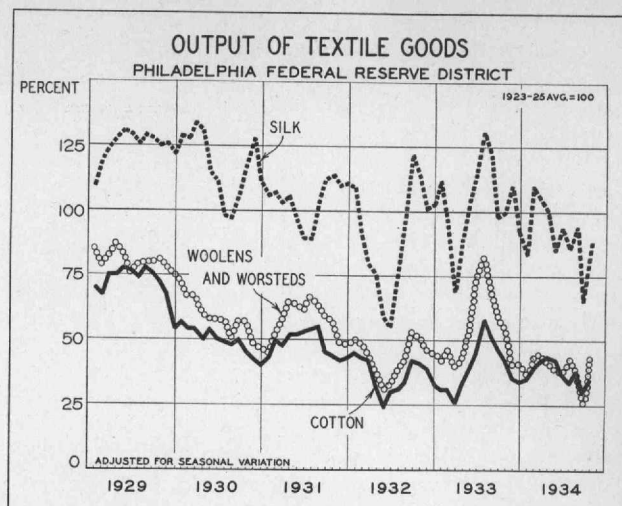
(000,000's omitted in dollar figures)	Oct. 1933	July 1934	Aug. 1934	Sept. 1934	Oct. 1934	Per cent change from	
						Month ago	Year ago
<b>Banking and credit</b>							
<b>Federal Reserve Bank</b>							
Bills discounted	\$ 26	\$ 6	\$ 5	\$ 5	\$ 3	-40	-88
Other bills and securities	163	168	168	168	168	0	+ 3
Member bank reserves	128	218	198	190	198	+ 4	+55
Ratio	62.4%	68.3%	66.4%	65.9%	66.4%	+ 1	+ 6
<b>Reporting member banks</b>							
Loans to customers	\$490	\$ 454	\$ 454	\$ 454	\$ 445	- 2	- 9
Other loans and investments	538	593	608	611	612	+ 0	+14
Net deposits	940	1067	1052	1055	1058	+ 0	+12
Bankers' acceptances outstanding	16.3	13.9	13.7	13.2	13.1	- 1	-20

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

p—Preliminary.



Sources: American Iron and Steel Institute;  
Federal Reserve Bank of Philadelphia.



working time have declined since late October, reflecting the usual seasonal let-down in plant operation.

Output of manufactures in October has increased more than seasonally, after a sharp reduction in September. This bank's index of productive activity, which is adjusted for the usual seasonal variation, rose to 65 per cent of the 1923-25 average as compared with a low of 62 in September. A year ago this index was 67, declining steadily up to January this year from an exceptionally high level in July.

Unusually large increases in the activity of such textile industries as silk, wool and cotton products, carpets and rugs, and underwear more than offset large decreases in output during September when production was greatly curtailed by the strike. The metal group also showed marked improvement after a drop in operations in the previous month, owing mainly to increased activity of steel plants and electrical apparatus. The largest exceptional declines in the month were shown by the two groups comprising building materials, and leather and shoes. Other groups on the whole maintained their seasonal levels or were operating close to them.

While such important industries as those manufacturing metal products, transportation equipment and building materials have shown substantial increases thus far this year, large decreases in most of the textile branches in this period have pulled down the total volume of output so that it is 4 per cent smaller than the total recorded in the first ten months last year.

Output of electric power in this district increased slightly more than usual in October and for the year to date has continued 6 per cent larger than

last year. Consumption of electrical energy by industries has decreased more sharply than was expected but sales to most other users have increased seasonally, so that total sales in October were 5 per cent larger than a year ago.

**Coal and other fuels.** The output of anthracite fuel was about 10 per cent greater in October than in September but this rate of gain was not as large as usual at this time. In November further seasonal increase has been in evidence. The volume of bituminous coal mined has continued upward, although at a somewhat slower gait than is normally expected. Following an unusual gain in September, production of coke has decreased, contrary to the usual seasonal tendency. While these changes on the whole were not seasonally favorable, the quantity of solid fuels produced and shipped to consumers so far this year has exceeded

the country at present appears to be ample and is well above the stocks held by various establishments at the same time in the past two years.

Employment and payrolls in the first part of October showed further gains at anthracite mines; in the bituminous fields, the number of workers changed little but the amount of wage disbursements in the pay period ending about the middle of October was larger than in the same period of September. The accompanying table gives comparisons in detail.

**Building.** The value of all building contracts awarded during October totaled about \$12,817,000 as compared with \$6,454,000 in September. This gain was considerably larger than usual and reflects chiefly substantial increases in public works and utilities, factory buildings, two-family dwellings and sundry buildings. Contracts for educational buildings, apartments and hotels, on the other hand, declined dur-

(Output and shipment figures are daily averages)	Oct. 1934	Per cent change from	
		Month ago	Year ago
<b>Anthracite</b>			
Production..... tons	181,600	+10	- 4
Shipments..... tons	167,780	+ 6	- 7
Stocks†.... 1000 tons	2,616	+ 8	+67
Prices... (1926=100)	82.0	+ 1	+ 0
Employment..... No.	115,755	+ 3	+ 3
<b>Bituminous</b>			
Production..... tons	284,800	+ 5	+46
Shipments..... No. cars	22,871	+ 0	+ 3
Prices... (1926=100)	96.4	+ 0	+ 7
Employment..... No.	142,519	- 0	+50
<b>Coke</b>			
Prod... (1923-25=100)	63.8*	- 5	-17
Prices... (1926=100)	85.6	0	+ 4
<b>Gas and fuel oil</b>			
Prod... (1923-25=100)	105.9*	- 2	+ 2
Prices†... (1926=100)	58.0	- 2	+ 4

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

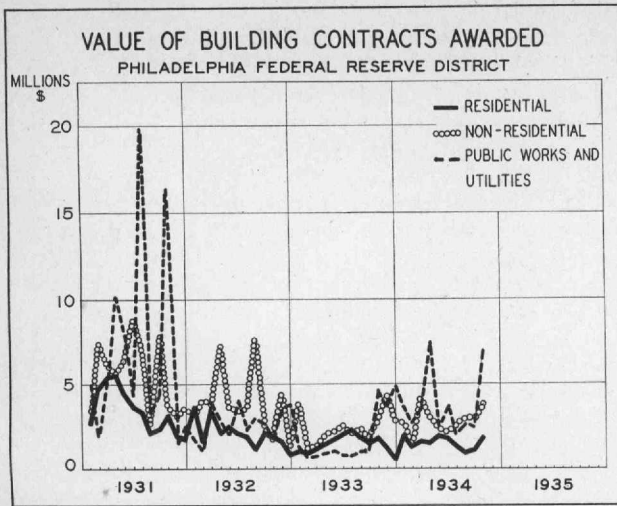
last year's tonnage by an appreciable margin. The available supply of fuels here and in other industrial parts of

Building contracts Philadelphia Federal Reserve District	Oct. 1934 (ooo's omitted)	Per cent change	
		From month ago	1934 from 10 mos. 1933
<b>Residential:</b>			
Apts. and hotels.....	\$ 68	- 46	+ 65
Family houses.....	1,895	+ 87	- 9
<b>Non-residential:</b>			
Commercial.....	930	+ 13	+ 19
Factories.....	676	+277	- 2
Educational.....	758	- 51	+416
All other.....	1,456	+256	- 15
<b>Total buildings...</b>	<b>\$ 5,783</b>	<b>+ 42</b>	<b>+ 14</b>
<b>Public works and utilities.....</b>	<b>7,034</b>	<b>+197</b>	<b>+191</b>
<b>Grand total.....</b>	<b>\$12,817</b>	<b>+ 99</b>	<b>+ 59</b>

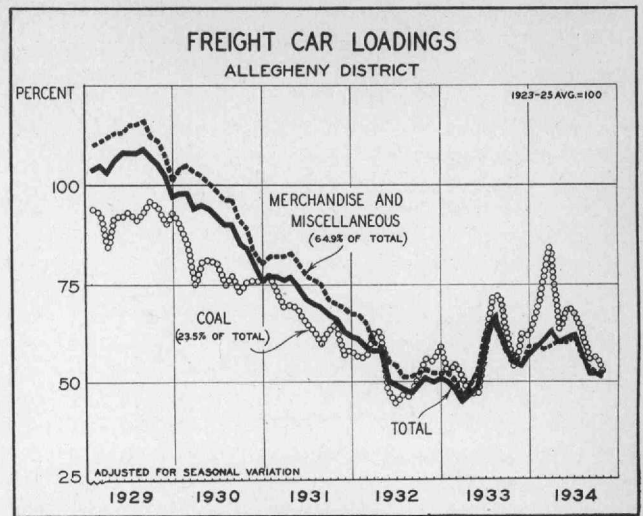
Source: F. W. Dodge Corporation

ing the month after sharp gains in September.

The dollar volume of building con-



Source: F. W. Dodge Corporation.



Source: American Railway Association.

tracts for all types of construction in the first ten months this year was 59 per cent greater than in the same period last year, owing in part to exceptionally large increases in the construction activity of public works and utilities, although the erection of educational buildings, apartments and hotels also registered substantial percentage gains.

The cost of contemplated construction under building permits issued in seventeen cities of this district decreased considerably in October, after rising sharply in the previous month, but has continued 18 per cent larger than last year. As in the case of actual contract awards, the total amount of permits for new construction has been extremely small in comparison with the years prior to 1931.

**Agriculture.** Farm activity in this district on the whole has been up to normal with respect to plowing, planting and harvesting of late crops. About the same area has been allotted to winter wheat this year as last and the quality of this crop so far seems to be either better or equal to that of a year ago. The yield of corn and potatoes is larger while that of tobacco is smaller this year than last, according to the latest estimate of the Department of Agriculture. Prices of commercial crops sold by local farmers this year have been substantially higher than those in the past two years.

The condition of livestock on the whole appears to compare well with that normally prevailing during October and November. No unusual increase in the slaughtering of hogs is reported, and the number marketed this fall seems to have been smaller than last year. Dairy activity has been somewhat more satisfactory this year than last, and prices of dairy products

in Pennsylvania have increased very sharply since the spring of 1933; the October index number of prices was 111 per cent of the 1910-1914 average as compared with 54 in April last year.

The value of poultry shipped from Pennsylvania to four eastern markets has been smaller this year than last, even though poultry prices have increased almost steadily and are noticeably higher than in 1933. The value of eggs marketed so far this year has exceeded materially that of last year, reflecting in part higher prices. Available current information thus indicates that the farm income from crops, livestock, and livestock products has been more satisfactory this year than in the past two years.

**Distribution, trade and service.** Deliveries of all commodities by railroad freight in this section during October declined by a somewhat larger amount than usual, although the shipment of merchandise generally maintained the normal seasonal level while that of coal failed to increase as much as is expected at this time. There is evidence that deliveries of merchandise by motor freight companies have expanded further, a usual development at this season. Freight car loadings in the Philadelphia industrial area during October showed marked increases in addition to those reported for September, following a steady decline between April and August. While comparisons with October 1933 again appear to be unfavorable, the tonnage of freight loadings in this section for the year to date has been about 7 per cent larger than a year ago.

Total sales by eight wholesale lines combined were 2 per cent larger in October than in September, more than the usual seasonal increases occurring in the sale of groceries, hardware and jewelry. In early November the cus-

tomary level of activity seemed well maintained.

Dollar sales were 15 per cent larger than in October 1933. Sales in the first ten months this year were 19 per cent larger than in the same period last year, all lines sharing in these gains. These comparisons continue to reflect the influence of higher prices, although lately wholesale commodity prices registered no unusual swings.

The value of retail trade sales by department, apparel, shoe and credit stores increased 23 per cent from September to October but this rate of gain was not quite as large as is normally anticipated at this season. Preliminary reports indicated marked seasonal increases in sales during November. Compared with a year ago dollar sales were 7 per cent larger and for the year to date 10 per cent greater than in the first ten months last year.

Collections during October in relation to outstanding customers' balances at the beginning of that month showed an improvement of about 4 per cent at both retail and wholesale. The ratios of collections to receivables also have continued substantially higher than a year ago. The value of merchandise stocks at retail increased by a smaller amount than usual, while at wholesale the gain was about one per cent greater than customary; compared with a year ago the value of stocks at the end of October in the case of wholesale establishments was 12 per cent larger, while at retail stores the supply of merchandise was virtually unchanged. The rate of stock turnover was 3 per cent higher in retail and 8 per cent higher in wholesale in the first ten months this year than last.

The number of new passenger automobiles registered during October was

12 per cent smaller than in September, but this decline was not as sharp as usual so that there appears to have been an improvement in sales to the extent of about 3 per cent. Our seasonally adjusted index number was 71 per cent of the 1923-25 average, showing a decline of 9 per cent from a year ago. But for the year to date there were 11 per cent more cars sold than in the same period last year.

Sales of ordinary life insurance showed considerable increase in October, exceeding the normal seasonal gain by 3 per cent. They also have continued approximately 6 per cent larger than last year and 8 per cent above the average volume in 1923-25.

Commercial hotels reported marked additional gains during October in both room occupancy and total revenue derived from guest rooms, food and other sources. Their volume of income from these sources has continued about 24 per cent larger this year than last, reflecting primarily increased activity of business travelers.

Hotel business Philadelphia Federal Reserve District	Per cent change		
	Oct. 1934 from		1934 from 10 mos. 1933
	Sept. 1934	Oct. 1933	
Capacity.....	- 0	- 0	.....
Room occupancy.....	+11	+18	+15
Per cent of capacity used:			
Oct. 1934.....	52.2		
Sept. 1934.....	46.8		
Oct. 1933.....	44.1		
Revenue from:			
Guest rooms.....	+12	+18	+14
Food.....	+28	+10	+17
Other sources.....	+19	+76	+65
<b>Total revenue.....</b>	<b>+18</b>	<b>+24</b>	<b>+24</b>

**Banking conditions.** The reserve balances of member banks remain substantially in excess of requirements despite a decrease in recent weeks. Commercial loans have declined; this is not an unusual development as the fall season advances, although an increase was recorded in the corresponding period last year.

The Treasury withdrew 16 millions from depositary banks in this district during the five weeks ending on November 21, nevertheless total receipts here were 12½ millions below local disbursements, necessitating transfers from other sections. This local distribution of funds, although augmented by 3 millions released through a decline in nonmember deposits at the reserve bank, fell substantially short of the amount required to care for an adverse balance of payments of 22½ millions, chiefly in commercial and financial transactions with other districts, and a rise in currency demand, so that

reserve deposits of member banks declined 7 millions.

Discounts for banks declined to a total of less than one million, but industrial advances and reserve bank float increased, with the result that the total of reserve bank credit extended locally changed little. The reserve ratio of the bank decreased from 67.2 to 65.7 per cent, but compared favorably with 60.6 per cent reported a year ago.

Loans and commitments approved by this bank for the purpose of providing working capital for established industrial and commercial businesses totaled \$3,686,000 on November 21 as against \$2,240,000 four weeks earlier. Advances actually made increased from \$261,000 to \$996,000.

In the last five weeks the reporting member banks have added 3 millions to their loans to the open market, while loans on securities to customers have declined 2 millions and other loans, which probably are most typical of advances to commerce and business, show a drop of 9 millions despite a small rise in the latest week. There was a decline in holdings of investments; a rise of 16 millions in obligations fully guaranteed by the United States Government, which was due in

Reporting member banks (000,000's omitted)	Nov. 21, 1934	Oct. 17, 1934	Nov. 22, 1933
<b>Loans on securities:</b>			
To brokers and dealers in N. Y. City.....	\$ 17	\$ 16	\$ 7
To brokers and dealers elsewhere.....	15	15	13
To others.....	171	173*	220
<b>Total loans on securities.....</b>	<b>\$ 203</b>	<b>\$ 204*</b>	<b>\$ 240</b>
Acceptances and commercial paper.....	21	19	13
Loans on real estate.....	73	73*	
Other loans.....	175	184*	255
<b>Total loans.....</b>	<b>\$ 472</b>	<b>\$ 480</b>	<b>\$ 508</b>
U. S. Government securities.....	277	291	300
Obligations fully guaranteed by U. S. Government.....	32	16	
Other securities.....	263	270	243
<b>Total loans and investments.....</b>	<b>\$1,044</b>	<b>\$1,057</b>	<b>\$1,051</b>
Net demand deposits.....	693	694	563
Time deposits.....	312	314	311
Government deposits.....	41	53	81
Due from banks.....	155	139	79
Due to banks.....	234	242	147
Reserve with Federal Reserve Bank.....	129	129	74

\* Revised.

part to exchange transactions, was more than balanced by a reduction in other classes of investments. Demand deposits of customers rose substantially, but decreases in funds held for other banks and a material expansion in amounts due from banks were offsetting factors so that net demand deposits changed little. Time deposits declined 2 millions and 12 millions was withdrawn by the Government to meet expenditures.

In comparison with a year ago net demand deposits are 130 millions higher, while Government deposits at the reporting banks have decreased 40 millions. Loans to customers show a decline, chiefly in those having stock or bond collateral, while investments and loans to the open market together have increased 47 millions and reserve balances at the Federal Reserve Bank, 55 millions.

Average reserve balances of member banks in this district increased from 190 millions in September to nearly 198 millions in October and the amount in excess of legal requirements rose from 71 to 76½ millions, comparing with 24½ millions a year ago. The average excess in October in the case of Philadelphia banks was 47 millions, as against 69 millions in July, but that of country banks—29½ millions—was approximately the same as in the summer.

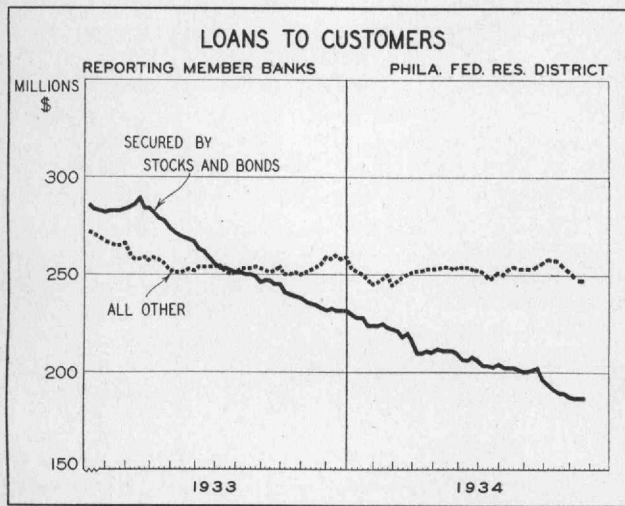
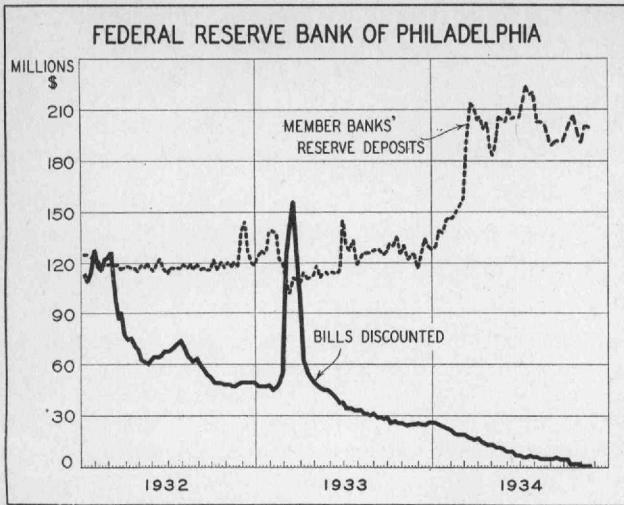
Federal Reserve Bank of Philadelphia (In millions of dollars)	Nov. 21, 1934	Changes in—	
		Five weeks	One year
Bills discounted.....	\$ 0.8	-\$ 1.5	-\$24.6
Bills bought.....	0.6	- 0.0	- 1.1
Industrial advances.....	1.0	+ 0.8	+ 1.0
U. S. securities.....	167.1	0	0
Other securities.....	0	- 0.3	- 0.5
Foreign loans on gold.....	1.1	+ 1.1	+ 1.1
<b>Total bills and securities.....</b>	<b>\$170.6</b>	<b>+\$ 0.1</b>	<b>-\$24.1</b>
Fed. res. note circulation.....	237.0	- 3.9	+ 7.4
Fed. res. bank note circulation—net.....	0	0	- 15.4
Member bank reserve deposits.....	199.8	- 7.3	+ 75.0
U. S. Treasurer—general account.....	1.6	+ 0.5	+ 0.6
Foreign bank deposits.....	0.9	+ 0.1	+ 0.2
Other deposits.....	3.3	- 2.9	- 7.2
<b>Total reserves.....</b>	<b>290.8</b>	<b>- 15.9</b>	<b>+ 68.7</b>
Reserve ratio.....	65.7%	- 1.5%	+ 5.1%

RESERVE BANK CREDIT AND THE FACTORS THAT AFFECT IT

Philadelphia Federal Reserve District  
October 18 to November 21 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.....
	Unexpended capital funds of reserve bank.....
<b>Total.....</b>	<b>Total.....</b>

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 this district.



City areas*	Percentage change—October 1934 from October 1933				
	Manufacturing		Building permits (value)	Debits	Retail trade sales
	Employment	Wage payments			
Allentown.....	+17	+20	+38	+2	+7
Altoona.....	-6	+0	-42	-3	+18
Harrisburg.....	+12	+23	-13	+2	+2
Johnstown.....	+6	+5	-50	-4	+8
Lancaster.....	-2	+0	+111	+17	+7
Philadelphia.....	-3	+1	+61	+1	+6
Reading.....	-0	+4	+134	+14	-3
Scranton.....	-5	+4	-51	+7	+6
Trenton.....	-8	-8	-49	+40	+5
Wilkes-Barre.....	-12	-0	-20	-10	-1
Williamsport.....	-7	-0	+91	+2	.....
Wilmington.....	-1	+4	+81	+22	+4
York.....	-3	+0	+209	+3	.....
October 1934 from September 1934					
Allentown.....	+3	+12	+58	+19	+28
Altoona.....	+2	+6	-65	-4	+8
Harrisburg.....	+3	+9	+1	+6	+1
Johnstown.....	-4	-5	-72	+6	+18
Lancaster.....	+2	+1	+20	+16	+17
Philadelphia.....	+3	+6	+24	+18	+28
Reading.....	-0	+6	-84	+21	+20
Scranton.....	+3	+5	-55	+12	-3
Trenton.....	-1	+6	-79	+15	+14
Wilkes-Barre.....	+1	+16	-63	+0	+18
Williamsport.....	+1	+6	+173	+15	.....
Wilmington.....	+2	+5	+68	+4	+23
York.....	+0	+3	+545	+11	.....

\* 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

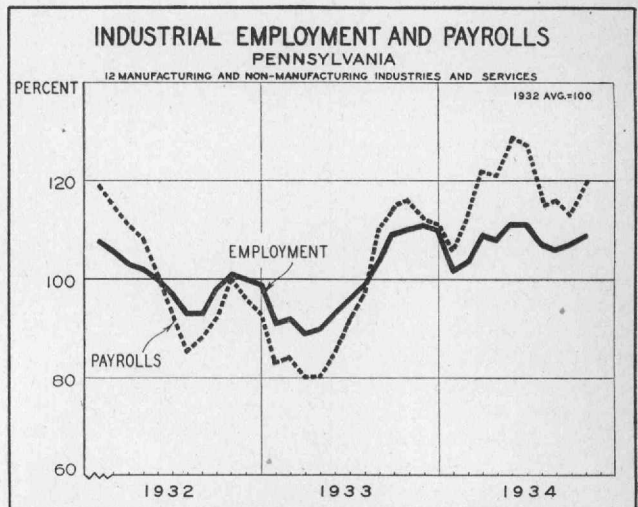
	Employment*		Payrolls*		Employe-hours†	
	Oct. 1934 index	Per cent change from		Oct. 1934 index	Per cent change from	
		Oct. 1933	Sept. 1934		Oct. 1933	Sept. 1934
<b>All manufacturing....</b>	<b>76</b>	<b>-1</b>	<b>+2</b>	<b>56</b>	<b>+2</b>	<b>+7</b>
Iron, steel and prods....	64	+0	-1	47	+4	+4
Non-fer. metal prods....	85	-1	+1	69	+3	+4
Transportation equip....	52	-4	-0	34	-8	+4
Textiles and clothing....	95	-4	+9	82	-1	+22
Textiles.....	93	-4	+12	81	+1	+24
Clothing.....	106	-4	+0	85	-10	+7
Food products.....	119	+13	+3	97	+18	+2
Stone, clay and glass....	73	-2	+1	38	+8	+7
Lumber products.....	48	-23	-2	34	-21	-21
Chemicals and prods....	91	+6	-0	72	+7	-0
Leather and products....	87	-5	-3	73	-7	-4
Paper and printing....	89	-1	+1	76	+7	+4
Printing.....	85	-1	+1	77	+6	+3
Others:						
Cigars and tobacco....	70	+11	+1	52	+16	+1
Rubber tires, goods....	79	-20	+1	62	-20	+8
Musical instruments..	49	+20	+8	42	+9	+8

\* Figures from 2011 plants.

† Figures from 1790 plants.

### Indexes of Twelve Occupations

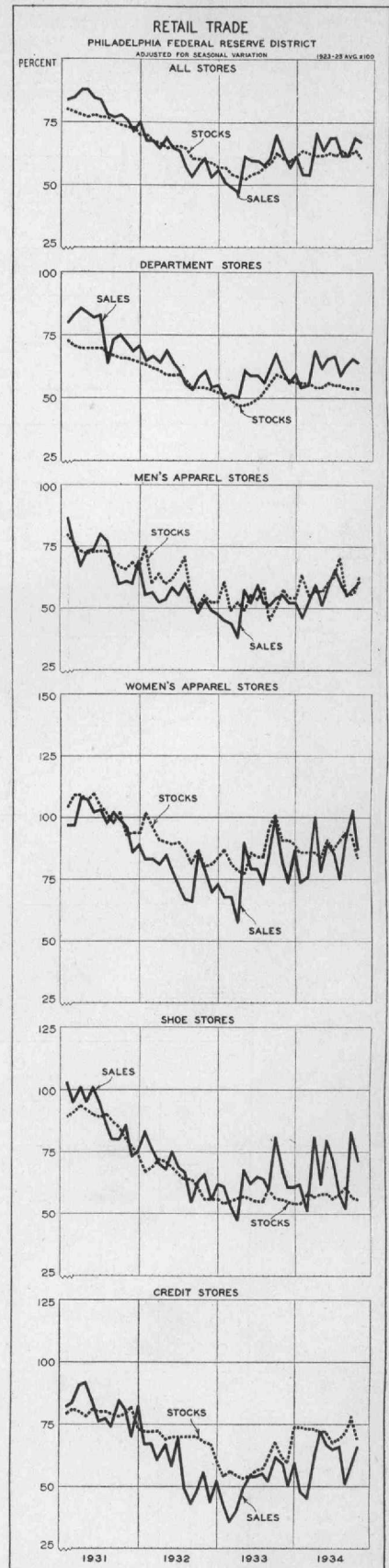
	Employment		Payrolls			
	Oct. 1934 index	Per cent change from		Oct. 1934 index	Per cent change from	
		Oct. 1933	Sept. 1934		Oct. 1933	Sept. 1934
<b>General index (weighted)....</b>	<b>109</b>	<b>-0</b>	<b>+2</b>	<b>120</b>	<b>+3</b>	<b>+6</b>
Manufacturing.....	118	-1	+2	139	+2	+7
Anthracite mining.....	94	+3	+3	90	-22	+3
Bituminous coal mining....	121	+50	-0	158	+114	+12
Building and construction....	84	-13	-0	75	-7	+4
Quarrying and non-met. mining	115	-1	-6	139	+8	+2
Crude petroleum producing...	160	-20	-5	145	-14	-3
Public utilities.....	90	-1	+0	90	+4	+1
Retail trade.....	110	-5	+4	108	-1	+4
Wholesale trade.....	104	+2	+0	98	+2	+1
Hotels.....	109	+12	-0	104	+22	+2
Laundries.....	95	-0	-1	91	+1	-0
Dyeing and cleaning.....	101	-11	+1	110	-9	+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 (All figures are rounded from original data)						Not adjusted				
	Oct. 1933	Aug. 1934	Sept. 1934	Oct. 1934	Percentage comparison		Oct. 1933	Aug. 1934	Sept. 1934	Oct. 1934	
					Oct. 1934 with	1934 with 10 mos. 1933					
				Month ago	Year ago						
<b>Retail trade</b>											
<b>Sales</b>											
Total of all stores.....	63	62	69	67p	- 2	+ 7	+ 10	71	49	62	76p
Department.....	61	63	66	64p	- 3	+ 5	+ 9	70	48	59	73p
Men's apparel.....	56	55	58	61	+ 6	+ 10	+ 17	56	45	50	62
Women's apparel.....	82	92	103	87	-16	+ 6	+ 9	92	62	89	97
Shoe.....	67	52	83	71	-15	+ 6	+ 8	66	42	77	70
Credit.....	59	51	58	66	+14	+ 12	+ 18	72	48	55	81
<b>Stocks of goods</b>											
Total of all stores.....	61	62	64	61p	- 4	- 0	.....	68	59	67	68p
Department.....	58	54	54	54p	- 1	- 7	.....	65	50	56	61p
Men's apparel.....	55	55	56	63	+12	+ 13	.....	59	57	61	67
Women's apparel.....	91	94	93	83	-10	- 9	.....	115	83	100	105
Shoe.....	56	61	57	56	- 2	- 0	.....	60	60	60	60
Credit.....	64	71	78	69	-11	+ 8	.....	68	70	80	73
<b>Rate of stock turnover</b>											
10 months (actual, not indexes).....							+ 3*	2.98			3.07
<b>Wholesale trade</b>											
<b>Sales</b>											
Total of all lines.....	64	78	72	73p	+ 2	+ 15	+ 19	72	74	82	83p
Boots and shoes.....	34	49	39	37p	- 4	+ 8	+ 2	43	56	56	46p
Drugs.....	84	84	89	87	- 1	+ 3	+ 12	83	78	91	86
Dry goods.....	34	42	37	35	- 5	+ 2	+ 16	46	39	49	47
Electrical supplies.....	50	86	59	56p	- 6	+ 12	+ 26	64	71	71	72p
Groceries.....	93	112	109	113	+ 3	+ 21	+ 21	101	109	121	123
Hardware.....	41	45	43	46	+ 6	+ 12	+ 21	47	40	46	52
Jewelry.....	34	35	32	48	+52	+ 44	+ 31	45	31	39	65
Paper.....	59	62	61	61	+ 0	+ 4	+ 15	63	58	62	65
<b>Stocks of goods</b>											
Total of all lines.....	61	67	68	68	+ 1	+ 12	.....	64	67	71	72
Boots and shoes.....	25	22	24	22	- 9	- 12	.....	25	24	25	22
Drugs.....	110	108	116	113	- 2	+ 3	.....	113	112	120	117
Dry goods.....	38	45	46	48	+ 4	+ 25	.....	40	48	51	51
Electrical supplies.....	56	75	78	76	- 3	+ 34	.....	63	80	83	85
Groceries.....	75	85	82	84	+ 3	+ 13	.....	80	79	82	90
Hardware.....	64	65	65	63	- 2	- 1	.....	61	64	63	60
Jewelry.....	46	48	53	56	+ 4	+ 22	.....	48	53	58	58
Paper.....	61	57	56	55	- 2	- 10	.....	62	58	57	56
<b>Rate of stock turnover</b>											
10 months (actual, not indexes).....							+ 8*	4.41			4.75
<b>Output of manufactures</b>											
Pig iron.....	20	24	22	16	-25	- 19	+ 42	20	21	20	16
Steel.....	48	48	43	45	+ 4	- 6	+ 30	48	49	41	45
Iron castings.....	48	50	52	48	- 7	+ 1	+ 42	51	48	52	51
Steel castings.....	40	67	62	38	-39	- 4	+101	38	65	57	36
Electrical apparatus.....	70	73	73	80	+ 9	+ 14	+ 40	77	81	80	87
Motor vehicles.....	11	23	19	24	+29	+125	+ 25	10	19	16	22
Automobile parts and bodies.....	51	37	36	40	+11	- 20	+ 28	48	35	35	38
Locomotives and cars.....	15	28	25	21	-16	+ 40	+ 95	14	29	24	20
Shipbuilding.....	120	116	118	115	- 3	- 5	+ 29	115	115	112	110
Silk manufactures.....	100	94	65	88	+36	- 12	- 12	102	92	65	89
Woolen and worsteds.....	54	38	26	43	+66	- 20	- 31	59	39	28	47
Cotton products.....	42	38	30	35	+15	- 19	- 7	44	34	29	36
Carpets and rugs.....	53	62	41	57	+41	+ 7	+ 7	59	57	44	66
Hosiery.....	102	89	102	101	- 1	- 1	- 5	113	78	102	111
Underwear.....	105	107	95	109	+14	+ 4	- 30	114	100	95	118
Cement.....	18	40	45	29	-35	+ 64	+ 24	20	50	52	33
Brick.....	30	29	26	28	+ 7	- 6	- 1	30	30	26	28
Lumber and products.....	20	16	17	18	+ 5	- 11	+ 9	21	18	18	18
Bread and bakery products.....	.....	.....	.....	.....	- 2*	+ 6*	+ 3*	82	87	89	87
Slaughtering, meat packing.....	97	104	98	102	+ 4	+ 5	- 5	102	89	100	107
Sugar refining.....	106	91	46	85	+86	- 20	+ 1	89	79	39	72
Canning and preserving.....	40	55	50	43p	-13	+ 7	+ 48	54	59	65	64p
Cigars.....	75	89	88	90	+ 1	+ 19	+ 9	92	95	103	110
Paper and wood pulp.....	60	58	59	61	+ 4	+ 2	+ 2	61	58	59	62
Printing and publishing.....	84	82	81	81	- 0	- 4	- 2	85	79	80	82
Shoes.....	129	132	123	112	- 9	- 13	- 1	140	141	140	121
Leather, goat and kid.....	109	103	98	92p	- 6	- 16	+ 4	113	99	102	95p
Explosives.....	64	81	67	69	+ 4	+ 7	+ 40	65	81	67	70
Paints and varnishes.....	59	64	64	60	- 6	+ 3	+ 5	63	65	61	64
Petroleum products.....	139	132	137	134p	- 2	- 3	+ 1	140	132	138	135p
Coke, by-product.....	78	69	70	65p	- 7	- 17	+ 18	77	68	67	64p



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