

# THE BUSINESS REVIEW

THIRD FEDERAL  
PHILADELPHIA



RESERVE DISTRICT  
JANUARY 1, 1935

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## Business and Banking Conditions in the United States

In November the rate of industrial activity showed little change and the general level of commodity prices remained unchanged. Distribution of commodities to consumers was well maintained.

**Production and employment.** Volume of industrial production declined in November by an amount somewhat smaller than is usual at this season and consequently the Board's seasonally adjusted index advanced from 73 per cent of the 1923-1925 average in October to 74 per cent in November. In the steel industry output continued to increase during November and the first three weeks of December, contrary to the usual seasonal tendency. Automobile production also showed an increase in the early part of December, following a decline in connection with preparations for new models. In November lumber output decreased by more than the estimated seasonal amount. At woolen mills there was a considerable increase in output, while consumption of cotton by domestic mills showed a slight decline. Activity at meat-packing establishments showed less than the usual seasonal increase. Production of the leading minerals was at about the same level as in October.

Factory employment declined between the middle of October and the

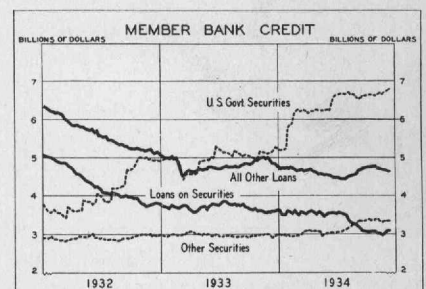
middle of November by the usual seasonal amount and was at the same level as a year ago. Declines reported for the automobile, shoe and canning industries were smaller than seasonal, while decreases at railroad repair shops and saw mills, were larger than are usual at this season. At meat-packing establishments, where employment has been at a high level in recent months, there was a considerable decline but the number on the payrolls in November was larger than in the corresponding month of other recent years. Employment at woolen mills showed a substantial increase. The number employed on construction projects of the Public Works Administration declined further in November, according to the Bureau of Labor Statistics.

Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, showed a considerable decline in November and the first half of December, following an increase in October. The indicated decline in awards from the third to the fourth quarter was somewhat smaller than usual.

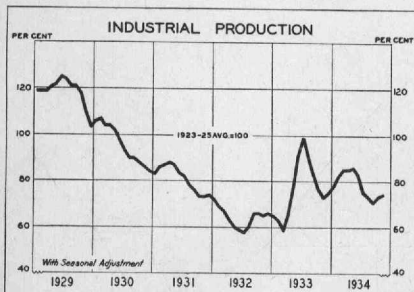
**Agriculture.** Department of Agriculture estimates for December 1 indicate that production of principal crops this season was about 22 per cent smaller than in 1933 and 32 per cent

below the average for the previous 10 years, reflecting reductions in acreage and in yield per acre. There has been a shortage in feed crops accompanied by a sharp increase for the year in the slaughter of livestock. Although output of agricultural commodities has been smaller than in any other recent year, farm income has been larger than in either 1932 or 1933, reflecting chiefly higher prices, and, to a smaller degree, benefit payments.

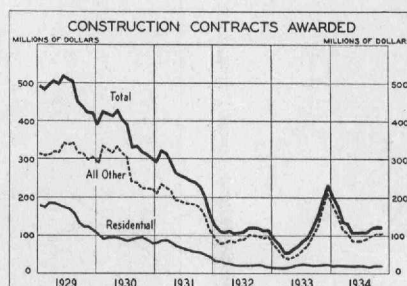
**Distribution.** Total freight-car loadings declined in November by less than the estimated seasonal amount, reflecting chiefly a smaller decline than is usual in shipments of miscellaneous freight. Retail sales generally have been well maintained. Department



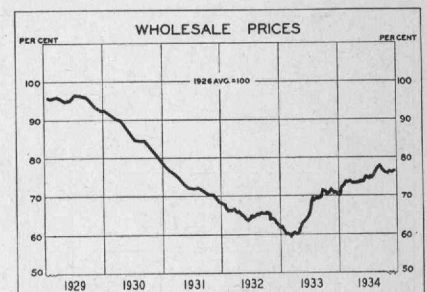
Wednesday figures for reporting member banks in 90 leading cities. Latest figures are for December 12.



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



Three month moving averages of F. W. Dodge data for 37 Eastern States, adjusted for seasonal variation. Latest figure based on data for September and October and estimate for November.



Index of United States Bureau of Labor Statistics. (1926 = 100.) By months 1929 to 1931; by weeks 1932 to date. Latest figure is for week ending December 15.

store sales increased by slightly less than the estimated seasonal amount in November; preliminary reports for the first half of December, however, indicate a more than seasonal increase in Christmas trade.

**Commodity prices.** Wholesale commodity prices generally showed little change during November and the first half of December. Prices of scrap steel continued to increase during this period, while corn prices, which advanced rapidly in November declined somewhat after the first week of De-

cember. Retail food prices declined in November reflecting lower prices for meats.

**Bank credit.** Developments at the Federal reserve banks in December reflected largely the seasonal increase in the demand for currency and the continued inflow of gold from abroad.

Loans and investments of reporting member banks in leading cities showed an increase of \$150,000,000 in the four weeks ended December 12, after declining somewhat in the preceding four weeks. The growth reflected increases

in holdings of United States Government obligations and in brokers' loans. Deposits at banks showed a further considerable growth.

Yields on short-term government securities declined slightly in December, while other short-term open-market money rates showed little change. On December 15 the discount rate of the Federal Reserve Bank of Atlanta was reduced from 3 per cent to 2½ per cent and on December 21 a similar reduction was made at the Kansas City Federal Reserve Bank.

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

Business activity throughout this district on the whole has been well maintained since about the middle of November. Industrial production, comprising the output of manufactures, coal and crude oil, during November showed improvement after making allowance for seasonal changes and the total volume of output thus far this year has been more than 5 per cent greater than last year. The value of building contract awards has declined rather sharply since October but for the year to date has been substantially larger than last year. Income of farmers in this section from crops and animal products has been larger this year than in the past two.

Dollar volume of retail trade sales in November did not show the usual seasonal rate of improvement but the holiday trade in December appears to have increased appreciably above the levels of the previous two years. Business at wholesale also declined more than customary in November. In both instances, however, dollar volumes have continued considerably larger

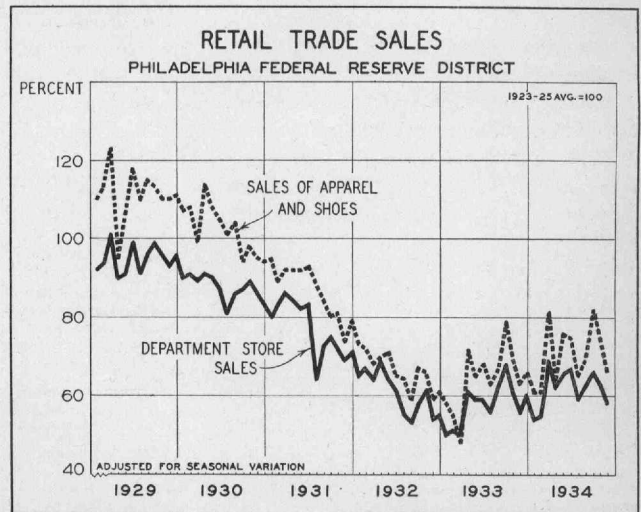
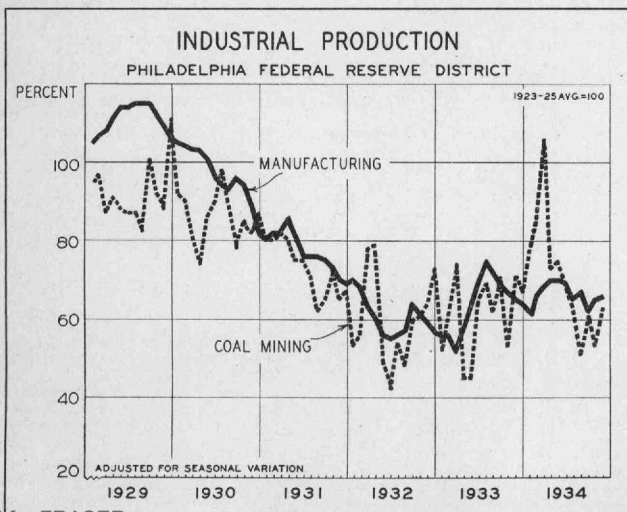
than last year. Sales of new passenger automobiles were much smaller than in October or a year ago. Shipments of commodities by railroad and motor freight have been at a somewhat higher rate than ordinarily prevails during November.

The number of industrial workers and the amount of their earnings from October to November showed a decline which was somewhat smaller than usual, and in early December both appear to have been well maintained. Employment and payrolls of twelve branches of industry, trade and services about the middle of November were about one per cent below those of the previous month and earnings continued about 5 per cent larger than a year ago, according to reports from 11,273 establishments in Pennsylvania, employing nearly 790,000 workers whose weekly earnings averaged over \$16,084,000.

**Manufacturing.** The market for factory products since early November has reflected the usual seasonal changes and the volume of sales in the aggregate

has been well maintained. There also have been numerous instances of improvement in activity, as shown by increased demand for such manufactures as certain textile, leather and metal products, chemicals, and paper. The value of current sales has been larger than a year ago, reflecting largely the influence of higher commodity prices and somewhat more active demand. No significant changes have been noticed in quotations for products of reporting companies since the middle of November.

The volume of unfilled orders for manufactures on the whole has changed little between the middle of November and December; several industries report a more favorable comparison between their advance business at present and the volume they had on hand a year ago. The supply of finished goods at factories generally has been reduced further; buying of raw materials by producers shows some increase during the month but total stocks for the industry as a whole continued smaller than last year.



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The number of wage earners on the rolls and the amount of wage disbursements of manufacturing industries in this district showed smaller decreases from October to November than is usual, indicating a well sustained rate of plant operation. Employment and wage payments usually change little in December and this year appears to be no exception as far as can be determined at present.

The November index of employment in Pennsylvania factories was about 76 per cent of the 1923-25 average, indicating that all manufacturing plants in that state had on their rolls approximately 787,000 wage earners, or nearly one per cent more than in November 1933. The payroll index was 56, or 7 per cent higher than last year, showing that all factories in November disbursed in wages about \$14,900,000 a week.

Average weekly earnings in Pennsylvania factories were estimated at \$18.61 per worker as compared with \$18.64 in October and \$17.32 in November last year. The average factory wage earner worked in November about 32 hours per week, or about the same number as in the previous month and a year ago.

The output of manufacturing industry in this district has continued more than well sustained. Our preliminary index of productive activity, which is adjusted for the usual seasonal change and the number of working days, advanced slightly to 66 per cent of the 1923-25 average in November as compared with 65 in October this year and November last year. The rate of production in the first eleven months has continued about 4 per cent higher than in the same period last year and 9 per cent above that in 1932.

Activity of both durable and non-durable goods industries showed little change in November. Compared with a year ago, the output of such heavy industries as steel and fabricated metal products, and transportation equipment was 7 per cent larger, while production of consumers' goods was somewhat smaller, even though some of the textile products did show considerable increases. The average rate of production of durable goods also was 26 per cent higher whereas that of consumers' products was 5 per cent lower in the first eleven months this year than last. Detailed comparisons for 31 industries are given on the last page.

Total output of electric power in November declined slightly instead of increasing as is usual, although production by hydro-electric plants was

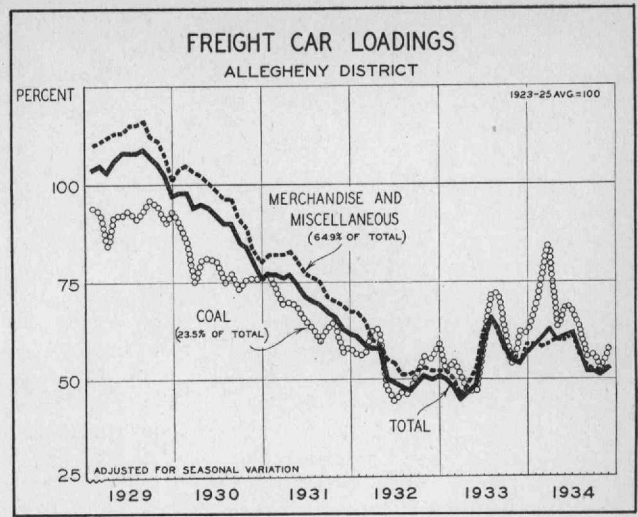
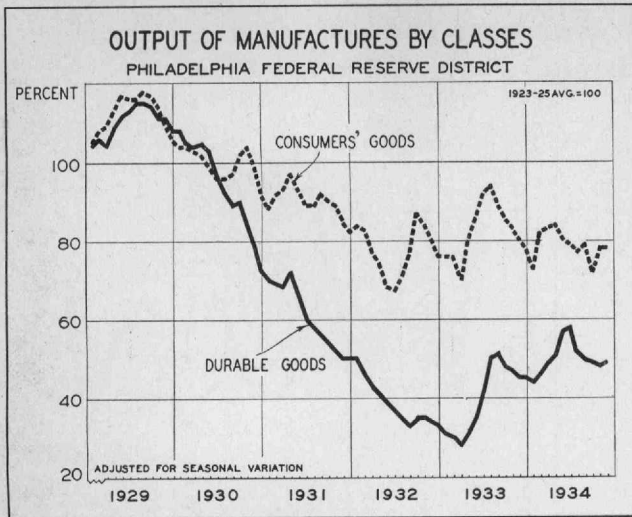
## Business Indicators Philadelphia Federal Reserve District

	Index numbers: percentage of the 1923-1925 average taken as 100 (All figures are rounded from original data)													
	Adjusted for seasonal variation						Not adjusted							
	Nov. 1933	Sept. 1934	Oct. 1934	Nov. 1934	Percentage comparison		Nov. 1933	Sept. 1934	Oct. 1934	Nov. 1934	Nov. 1933	Sept. 1934	Oct. 1934	Nov. 1934
					Nov. 1934 with	1934 with 11 mos. 1933								
				Month ago	Year ago									
<b>Adjusted indexes allow for the usual seasonal change which results from an uneven distribution of business between the months of the year.</b>														
<b>Unadjusted indexes reflect merely the actual change which may or may not be up to the usual seasonal expectations.</b>														
<b>Industrial production</b> . . . . .	65	62	64	65p	+ 2	- 0	+ 5	67	64	68	67p			
<b>Manufacturing—total</b> . . . . .	65	62	65	66p	+ 1	+ 1	+ 4	66	64	68	67p			
<b>Durable goods</b> . . . . .	45	49	48	49p	+ 1	+ 7	+ 26							
<b>Consumers' goods</b> . . . . .	80	72	78	78p	- 0	- 2	- 5							
<b>Metal products</b> . . . . .	49	52	54	53	- 1	+ 8	+ 32	49	53	56	54			
<b>Textile products</b> . . . . .	75	59	70	72p	+ 2	- 4	- 14	77	59	73	75			
<b>Transportation equipment</b> . . . . .	41	44	44	49	+ 10	+ 20	+ 36	39	42	42	47			
<b>Food products</b> . . . . .	68	73	72	73p	+ 2	+ 8	+ 3	68	77	75	74p			
<b>Tobacco and products</b> . . . . .	82	89	90	86	- 5	+ 4	+ 8	98	103	110	102			
<b>Building materials</b> . . . . .	22	27	24	23	- 1	+ 4	- 11	22	30	25	23			
<b>Chemicals and products</b> . . . . .	101	97	95	95p	- 0	- 6	+ 6	102	97	97	96p			
<b>Leather and products</b> . . . . .	113	110	103	109p	+ 6	- 3	+ 1	108	121	110	104p			
<b>Paper and printing</b> . . . . .	81	77	78	77	- 1	- 5	- 1	81	77	79	78			
<b>Electric power output</b> . . . . .	179	190	192	188	- 2	+ 5	+ 6	186	186	198	195			
<b>Industrial use of electricity</b> . . . . .	122	135	132	128	- 2	+ 5	+ 7	124	143	128	131			
<b>Coal mining</b> . . . . .	71	61	53	63	+ 18	- 12	+ 16	74	61	67	66			
<b>Anthracite</b> . . . . .	73	62	53	64	+ 21	- 12	+ 17	75	62	68	66			
<b>Bituminous</b> . . . . .	58	56	56	56	+ 1	- 4	+ 15	64	57	60	62			
<b>Employment and wages—Pa.</b>														
<b>Factory wage earners</b> . . . . .					- 0*	+ 1*	+ 12*	75	74	76	76			
<b>Factory payrolls</b> . . . . .					- 1*	+ 7*	+ 30*	52	53	57	56			
<b>Employe-hours (1927-28 = 100)</b> . . . . .					- 2*	+ 1*	+ 12*	55	52	56	55			
<b>General—12 occupations:</b>														
<b>Employment (1932 = 100)</b> . . . . .					- 1*	- 1*	+ 9*	110	107	110	109			
<b>Payrolls (1932 = 100)</b> . . . . .					- 1*	+ 5*	+ 23*	112	113	120	119			
<b>Building and real estate</b>														
<b>Contracts awarded—total</b> . . . . .	31	25	33	38	+ 14	+ 20	+ 48	30	24	33	36			
<b>Contracts awarded—residential</b> . . . . .	12	10	11	13	+ 22	+ 6	- 2	13	9	11	14			
<b>Permits for building—17 cities</b> . . . . .	3	8	6	10	+ 57	+ 20	+ 28	3	7	7	9			
<b>Mortgages recorded—Philadelphia</b> . . . . .	10	6	14	8	- 44	- 16	- 22	10	5	13	8			
<b>Real estate deeds—Philadelphia</b> . . . . .	51	32	50	43	- 14	- 15	- 18	55	30	52	46			
<b>Sheriff deeds (1930 = 100)</b> . . . . .					- 23*	- 18*	- 25*	167	15	178	137			
<b>Other deeds (1930 = 100)</b> . . . . .					+ 5*	- 14*	- 12*	68	69	56	59			
<b>Writs for Sheriff sales—Phila.</b> . . . . .	932	805	1028	895	- 13	- 4	- 22	1044	933	514	1003			
<b>Distribution</b>														
<b>Retail trade—sales</b> . . . . .	57	69	66	60p	- 9	+ 7	+ 9	68	62	75	73p			
<b>Retail trade—stocks</b> . . . . .	60	64	61	61p	- 1	+ 1	- 1	69	67	68	70p			
<b>Wholesale trade—sales</b> . . . . .	63	72	73	71p	- 3	+ 13	+ 18	71	82	83	80p			
<b>Wholesale trade—stocks</b> . . . . .	62	68	68	68p	- 1	+ 10	- 1	63	71	72	70p			
<b>Life insurance sales</b> . . . . .	98	106	108	100	- 8	+ 2	+ 6	104	85	99	106			
<b>New passenger auto. registrations</b> . . . . .	71	69	71	64	- 10	- 10	+ 9	50	66	58	45			
<b>Freight car loadings—total</b> . . . . .	54	52	51	53	+ 3	+ 3	+ 6	56	57	55	54			
<b>Misc. and misc. (64.9% of total)</b> . . . . .	53	52	52	53	+ 2	- 1	+ 3	54	58	56	53			
<b>Coal (23.5% of total)</b> . . . . .	62	56	52	58	+ 11	- 7	+ 13	68	58	60	63			
<b>Business liquidations</b>														
<b>Number</b> . . . . .					- 12*	- 35*	- 50*	94	60	69	61			
<b>Amount of liabilities</b> . . . . .					+ 2*	- 50*	- 47*	119	82	58	59			
<b>Payment of accounts</b>														
<b>Check payments</b> . . . . .	57	66	63	63	+ 0	+ 11	61	62	65	68				
<b>Rate of collections (actual)</b>														
<b>Retail trade</b> . . . . .	26	28	29	28	- 3	+ 9	26	25	29	29				
<b>Wholesale trade</b> . . . . .	61	69	73	69	- 5	+ 13	59	69	73	67				
<b>Prices—United States</b>														
<b>WHOLESALE (1926 = 100)</b> . . . . .					0*	+ 8*	+ 14*	71	78	76	76			
<b>Farm products</b> . . . . .					+ 0*	+ 25*	+ 27*	57	73	71	71			
<b>Foods</b> . . . . .					+ 0*	+ 17*	+ 16*	64	76	75	75			
<b>Other commodities</b> . . . . .					0*	+ 1*	+ 11*	77	78	78	78			
<b>RETAIL FOOD (1913 = 100)</b> . . . . .					- 0*	+ 8*	+ 12*	107	117	115	115			
<b>Philadelphia</b> . . . . .					- 1*	+ 7*	+ 16*	111	123	120	119			
<b>Scranton</b> . . . . .					- 1*	+ 3*	+ 10*	114	120	117	117			

	(000,000's omitted in dollar figures)					Per cent change from	
	Nov. 1933	Aug. 1934	Sept. 1934	Oct. 1934	Nov. 1934	Month ago	Year ago
<b>Banking and credit</b>							
<b>Federal Reserve Bank</b>							
<b>Bills discounted</b> . . . . .	\$ 25	\$ 5	\$ 5	\$ 3	\$ 1	- 67	- 96
<b>Other bills and securities</b> . . . . .	169	168	168	168	169	+ 1	0
<b>Member bank reserves</b> . . . . .	122	198	190	198	198	0	+ 62
<b>Ratio</b> . . . . .	61.2%	66.4%	65.9%	66.4%	66.2%	- 0	+ 8
<b>Reporting member banks</b>							
<b>Loans to customers</b> . . . . .	\$488	\$454	\$454	\$445	\$434	- 2	- 11
<b>Other loans and investments</b> . . . . .	560	608	611	612	613	+ 0	+ 9
<b>Net deposits</b> . . . . .	956	1052	1055	1058	1051	- 1	+ 10
<b>Bankers' acceptances outstanding</b> . . . . .	15.6	13.7	13.2	13.1	13.7	+ 5	- 12

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

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much larger than in October, reflecting an increased supply of water. Compared with last year, the amount of electricity produced has continued about 6 per cent larger.

Sales of electricity for lighting purposes have increased seasonally; the use of power by municipalities, and street cars and railroads also has shown appreciable gains since October. The increase in consumption of power by industries generally was not quite as large as is customary between October and November, so that the seasonally adjusted index number dropped about 2 per cent. Sales of electricity for all purposes in November were 4 per cent larger than a year ago and for the year to date have been over 6 per cent greater than last year.

**Coal and other fuels.** Volume of anthracite mined and shipped, after increasing for two months, fell off in November, though the rate of this decrease was considerably less than is usual at this time; production in December, which normally declines, has been fairly well maintained. Bituminous coal output increased for the third consecutive month, the advance in November being somewhat larger than is customary for this season. Shipments have continued upward since July. Consumption of soft coal by industrial users has improved materially since September, after declining for two months. The output of by-product coke increased a little in November. Supply of gas and fuel oil has fallen off for two months. Stocks of solid fuels here as in the country appear to be larger than in the previous month and as compared with last year.

In the anthracite fields, employment and payrolls about the middle of November showed continued gains since this year's low point in August. At

(Output and shipment figures are daily averages)	Nov. 1934	Per cent change from	
		Month ago	Year ago
<b>Anthracite</b>			
Production..... tons	174,400	-4	-13
Shipments..... tons	163,666	-2	-12
Stocks... 1000 tons	3,069†	+6	+84
Prices... (1926=100)	82.1	+0	+0
Employment.....No.	120,154	+4	-1
<b>Bituminous</b>			
Production..... tons	296,000	+4	-3
Shipments... No. cars	23,407	+2	+0
Prices... (1926=100)	96.4	0	+6
Employment.....No.	143,944	+1	+13
<b>Coke</b>			
Prod. (1923-25=100)	69.8*	+1	-3
Prices... (1926=100)	85.6	0	+3
<b>Gas and fuel oil</b>			
Prod. (1923-25=100)	96.0*	-2	-1
Prices... (1926=100)	59.0†	+2	-2

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

bituminous mines the number of workers increased slightly, while wage payments for the period were somewhat smaller in November than in October. The number of workers employed at coke plants has decreased for the second month and the amount of payrolls has been declining since June.

Prices of fuel and lighting materials have advanced but slightly since early November. The index of the Bureau of Labor Statistics on December 8 was 76 per cent of the 1926 average as compared with 75 a month ago and 74 a year earlier.

**Building and real estate.** Activity in the construction and contracting industry as a whole continues at comparatively low levels. The number of workers and the amount of their earnings in building trades during November have declined after small increases in October and the seasonal trend in December is usually downward. The November index of employment in Pennsylvania was 75 per cent of the 1932 average or 18 per cent lower than a year ago. The pay-

roll index was 63, a drop of 10 per cent as compared with last year. These indexes do not include workers engaged on projects financed by public funds.

The value of all building contracts awarded in this district during November declined as was the case in most of the other years at the same time except 1933 when awards for public works were exceptionally heavy. Contracts let for construction on all projects amounted to about \$7,616,000 as compared with \$12,817,100 in October and \$9,053,600 a year ago. Awards by the principal types of construction are given in the accompanying table.

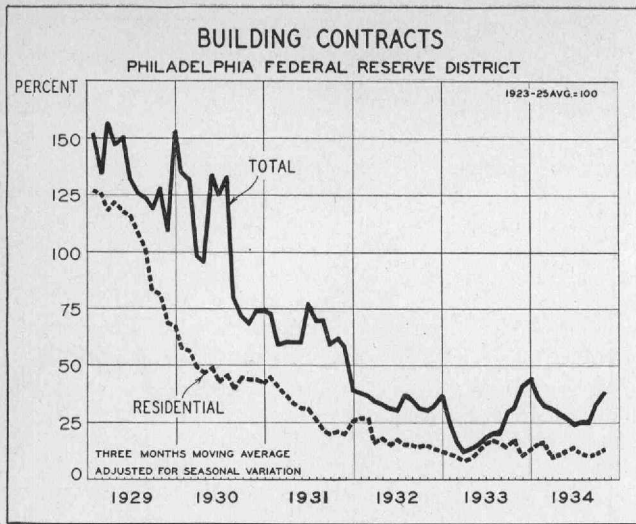
Building contracts Philadelphia Federal Reserve District	Nov. 1934 (000's omitted)	Per cent change	
		From month ago	1934 from 11 mos. 1933
<b>Residential:</b>	<b>\$1,649</b>	<b>-16</b>	<b>+1</b>
Apts. and hotels.....	556	+723	+85
Family houses.....	1,093	-42	-8
<b>Non-residential:</b>	<b>1,769</b>	<b>-54</b>	<b>+13</b>
Commercial.....	462	-50	+19
Factories.....	453	-33	-26
Educational.....	282	-63	+391
All other.....	572	-61	-19
Total buildings....	\$3,418	-41	+8
Public works and utilities.....	4,198	-40	+152
Grand total.....	\$7,616	-41	+48

Source: F. W. Dodge Corporation.

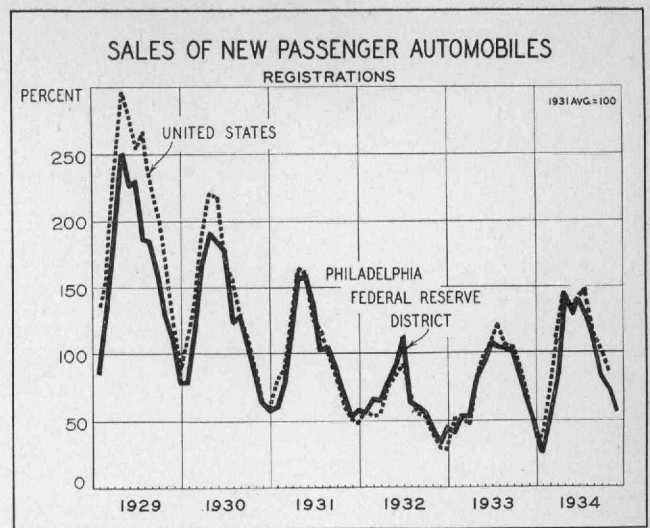
Prices of building materials, after rising sharply between early 1933 and the middle of this year, have declined gradually from a high level of 88 per cent of the 1926 average in June to 85 in December or almost the same as it was a year ago, according to indexes of the Bureau of Labor Statistics.

**Agriculture.** Early estimates indicate that the aggregate amount of farm income throughout this district has been appreciably larger this year than last,





Source: F. W. Dodge Corporation.



despite unfavorable weather conditions at certain periods of the crop growing season as well as various measures restricting output of farm products. The largest relative increase over last year and two years ago has been in dairy and poultry products which normally account for nearly 59 per cent, or about \$100,000,000 as in 1933, of the total yearly income of farmers in this district. In this branch of farming the cash income as a rule is continuous and free from long market intervals as in the case of crops.

This rise in farm income reflects a sustained advance in prices of farm products, so much so that since the early fall the general level of farm prices here and in the country has increased from unusually low levels prevailing between the spring of 1932 and summer of 1933 to about 2 per cent above the average of 1910-14. The average rise in prices of Pennsylvania farm products this year, for instance, amounted to about 26 per cent as compared with last year and 32 per cent over two years ago. The relative price increase in the country as a whole was even greater than in this section so that reduced production was more than offset by higher values realized from the sale of crops and by cash benefits paid to farmers for curtailing the output of their crops.

**Distribution, trade and service.** Shipments of commodities by railroad freight in this section during November were maintained at somewhat higher than customary seasonal levels. Deliveries of merchandise and miscellaneous commodities, which constitute nearly 65 per cent of the total loadings, maintained more than the usual rate and coal shipments showed an exceptional gain, following a downward trend for several months. Freight car

area declined more sharply than was to be expected in November, almost reaching the level of mid-summer, when they were the smallest in recent years. For the year to date freight carried in this region has been about 6 per cent larger than last year.

The value of wholesale trade sales in this district during November failed to measure up to the usual seasonal level by 3 per cent. The largest declines were reported by grocery and jewelry dealers, while wholesalers of electrical supplies, hardware, dry goods, and paper showed more favorable changes from October than customary. Business in early December was well maintained and in the case of groceries, hardware and jewelry increases were indicated by the preliminary returns.

Our seasonally adjusted index number of sales by eight wholesale lines combined in November was 71 per cent of the 1923-25 average, or 13 per cent higher than a year ago. Dollar sales also were 18 per cent larger in the first eleven months this year than last, continuing in part to reflect higher prices. The value of merchandise stocks at reporting establishments declined more than it usually does by the end of November but it was 10 per cent higher than a year ago. The rate of stock turnover also was 8 per cent larger this year than last.

Retail trade sales by department, apparel, shoe and credit stores in the aggregate were 3 per cent smaller in November than in October; usually an increase of about 6 per cent occurs in this period, so that our seasonally adjusted index number decreased from 66 per cent of the 1923-25 average in October to 60 in November. Figures for all lines failed to show the wonted seasonal improvement. Early returns for December covering the holiday

period indicate marked increases seasonally and as compared with a year ago.

In the first eleven months this year dollar sales at retail were 9 per cent larger than in the same period last year. The amount of merchandise at local stores and warehouses at the end of November did not increase as much as usual and was but slightly larger than a year ago. The rate of stock turnover has been 4 per cent higher this year than last.

Credit conditions at retail and wholesale stores, as measured by the amount of collections during November in relation to outstanding customer balances at the beginning of that month, did not measure up to the usual seasonal level. The November ratio in the case of retail dropped 3 per cent and in that of wholesale 5 per cent, when allowance is made for the customary changes in this period. But compared with a year ago, these ratios were higher by 9 per cent at retail and 13 per cent at wholesale.

Sales of new passenger automobiles, as measured by registrations in this district, declined more sharply than usual, failing by about 10 per cent to maintain the customary rate between

	Per cent change		
	Nov. 1934 from		1934 from 11 mos. 1933
	Oct. 1934	Nov. 1933	
<b>Hotel business Philadelphia Federal Reserve District</b>			
Capacity .....	0	+0	.....
Room occupancy .....	-9	+10	+17
Per cent of capacity used:			
Nov. 1934 .....	46.7		
Oct. 1934 .....	51.4		
Nov. 1933 .....	42.2		
Revenue from:			
Guest rooms .....	-12	+9	+15
Food .....	-2	+3	+17
Other sources .....	+11	+67	+64
<b>Total revenue .....</b>	<b>-4</b>	<b>+16</b>	<b>+25</b>

October and November. The seasonally adjusted index declined to 64 per cent of the 1923-25 average as compared with 71 in October this year and in November last year.

Activity of commercial hotels in this district has slackened since October but it continues at a higher rate than a year ago.

**Banking conditions.** During the past month currency demand has shown the usual holiday expansion, but an inflow of funds from other districts more than compensated for it, and bank reserves increased. Member bank loans changed little; their deposits rose materially, though the greater part of this was due to payment for new government security issues.

The balance of payments in commercial and financial transactions with other sections of the country was strongly in favor of this district in the four weeks ending December 19, about 27 millions being gained in this manner. The banks also acquired funds through an increase of nearly 7 millions in reserve bank credit, most of which represented an expansion in reserve bank float on the last day of the period to an unusually high figure; float indicates the extent to which credit has been given for checks before payment actually has been received by this bank. A portion of the funds obtained from these sources was absorbed by a seasonal increase in currency demand; payments to banks exceeded receipts from them by 15 millions, or about the same as in the corresponding period a year ago. In addition there was a 7 million excess of local Treasury receipts over disbursements, which was due in part to income tax collections. Nevertheless a sufficient sum remained to add 11½ millions to the reserve deposits of member banks which, at 211½ millions, were in higher volume than in any other weekly statement since July and 82 millions above a year ago.

There was slight change in bills discounted for banks during the four-week period. Industrial advances actually made increased from 1 to 2½ millions, while the total of loans and commitments approved by the bank to provide working capital for established industrial and commercial concerns rose from \$3,686,000 to \$5,215,000. Reflecting the gains in the settlements, the total reserves of this bank increased from 291 to 318 millions, but the reserve ratio only advanced from 65.7 to 67.1 per cent, owing to expansion in the federal reserve note and deposit liabilities.

The statements of the weekly reporting member banks show that changes in the various classifications of loans during the past month have not been noteworthy. Although the reporting banks were allotted 42 millions of new Government securities on December 15, their holdings in the four weeks ending December 19 increased only 12 millions; this was due partly to the fact that a portion of the subscriptions tendered by the banks were for the account of customers including brokers, frequently involving delivery of the securities in New York and payment to the banks for them through the inter-district settlements.

The new Government issues explain the rise in Government deposits, for most of the securities allotted were paid for by deposit credit to be withdrawn at the discretion of the Treasury. A decline of 14 millions in time deposits is explained in some measure by the paying out of Christmas savings funds. Total deposits, including those to the credit of the Government, increased 41 millions.

Reserve balances of member banks in this district averaged 198 millions in November, little changed from the October figure. This was 76 millions or 62 per cent in excess of legal require-

ments, comparing with 17 per cent a year ago and 4 per cent two years ago. In the case of banks in Philadelphia the November excess was 69 per cent and that of country banks, 52 per cent.

After four consecutive months of decline, outstanding acceptances of banks in this district increased from \$13,100,000 to \$13,700,000 during November; the latest figure was 12 per cent under a year ago, as against a drop of 26 per cent in the total for the country. The national figures changed little in November, a rise from 177 to 187 millions in bills covering domestic warehouse credits and a smaller expansion in those based on exports being offset by declines in other classifications.

Under date of December 15 the United States Treasury issued two series of new securities, one being a bond issue with interest at 3⅞ per cent, the other a 1½ year note issue bearing 1⅞ per cent. Subscriptions tendered in this district totaled 336 millions, and nearly 60 millions was allotted here; 47 millions was paid for by deposit credit, 10½ millions by cash, and 2 millions was in exchange for maturing certificates of indebtedness. About 13½ millions of these certificates also were exchanged for an additional issue of 2⅞ per cent Treasury notes which originally appeared in June.

Reporting member banks (000,000's omitted)	Dec. 19, 1934	Nov. 21, 1934	Dec. 20, 1933
Loans on securities:			
To brokers and dealers in N. Y. City.....	\$ 19	\$ 17	\$ 5
To brokers and dealers elsewhere.....	16	15	13
To others.....	169	171	219
Total loans on securities....	\$ 204	\$ 203	\$ 237
Acceptances and commercial paper.....	20	21	14
Loans on real estate.....	72	73	258
Other loans.....	174	175	
Total loans.....	\$ 470	\$ 472	\$ 509
U. S. Government securities. Obligations fully guaranteed by U. S. Government....	289	277	292
Other securities.....	35	32	242
	264	263	
Total loans and invest- ments.....	\$1,058	\$1,044	\$1,043
Net demand deposits.....	709	693	590
Time deposits.....	298	312	298
Government deposits.....	77	41	63
Due from banks.....	163	155	76
Due to banks.....	243	234	148
Reserve with Federal Re- serve Bank.....	141	129	76

Federal Reserve Bank of Philadelphia (Dollar figures in millions)	Dec. 19, 1934	Changes in	
		Four weeks	One year
Bills discounted.....	\$ 1.0	+\$ 0.1	-\$25.3
Bills bought.....	0.6	0	7.2
Industrial advances	2.5	+ 1.5	+ 2.5
U. S. securities.....	167.1	0	0
Other securities.....	0	0	- 0.5
Foreign loans on gold.....	0	- 1.1	0
<b>Total bills and securities.....</b>	<b>\$171.2</b>	<b>+\$ 0.5</b>	<b>-\$30.5</b>
Fed. res. note cir- culation.....	244.3	+ 7.3	+ 7.7
Fed. res. bank note circulation—net.	0	0	- 22.2
Member bank re- serve deposits....	211.5	+ 11.6	+ 81.7
U. S. Treasurer— general account.	13.3	+ 11.7	+ 6.6
Foreign bank de- posits.....	1.9	+ 1.0	+ 1.4
Other deposits.....	2.2	- 1.1	- 7.6
Total reserves.....	317.6	+ 26.8	+ 78.6
Reserve ratio.....	67.1%	+ 1.4%	+ 4.7%

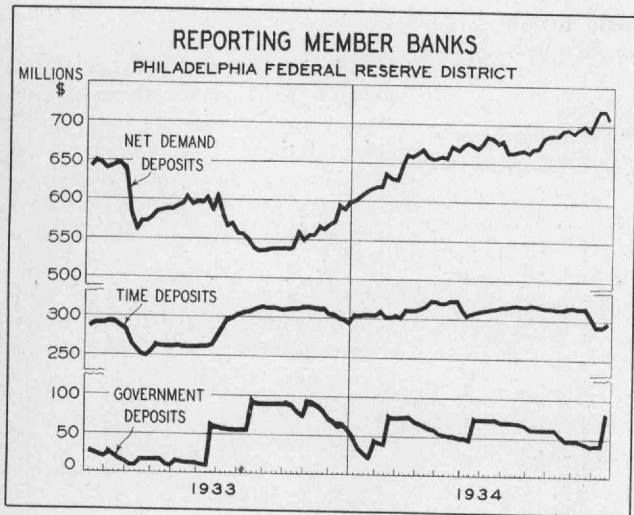
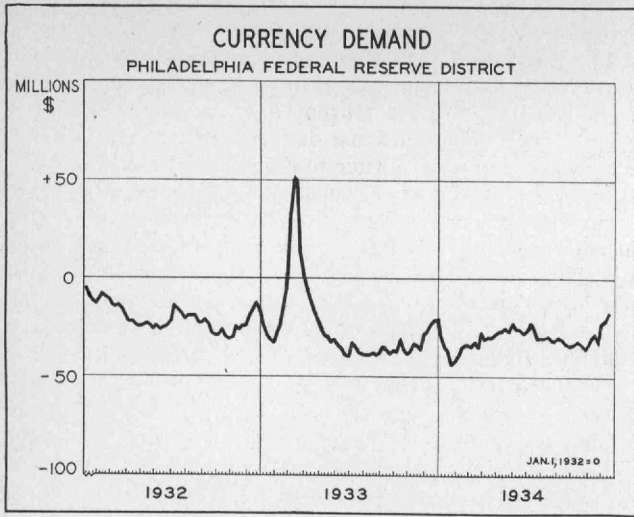
#### RESERVE BANK CREDIT AND THE FACTORS THAT AFFECT IT

Philadelphia Federal Reserve District  
November 22 to December 19 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.....
Total.....	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 this district.





City areas*	Percentage change—November 1934 from November 1933				
	Manufacturing		Building permits (value)	Debits	Retail trade sales
	Employment	Wage payments			
Allentown.....	+ 4	+ 9	+ 33	+11	+ 4
Altoona.....	- 2	- 3	+ 90	+ 7	+11
Harrisburg.....	+15	+16	- 15	+ 9	+ 0
Johnstown.....	+ 5	+19	+ 281	+23	+15
Lancaster.....	+ 3	+ 9	+ 114	+14	+11
Philadelphia.....	+ 1	+11	+ 125	+12	+ 4
Reading.....	+ 5	+13	+ 811	+ 9	+ 7
Seranton.....	- 2	+ 8	- 34	+ 6	+ 0
Trenton.....	- 8	+ 5	- 25	+ 6	+ 4
Wilkes-Barre.....	- 8	+ 4	+ 120	-11	+ 1
Williamsport.....	- 5	+ 4	+ 18	+ 9	+ 1
Wilmington.....	- 6	- 2	+ 109	+25	+ 9
York.....	- 6	- 1	- 5	+ 3	

November 1934 from October 1934					
Allentown.....	- 4	- 9	- 21	-10	+ 2
Altoona.....	- 6	-11	- 22	- 5	- 1
Harrisburg.....	- 2	-11	+ 33	- 7	+ 8
Johnstown.....	- 2	- 5	+ 45	- 2	- 8
Lancaster.....	- 4	- 5	+ 59	-17	+ 3
Philadelphia.....	+ 2	+ 3	- 27	- 8	- 8
Reading.....	+ 2	- 0	+1742	- 8	+ 7
Seranton.....	- 0	- 3	- 19	- 4	+21
Trenton.....	- 2	- 4	+ 16	-14	+10
Wilkes-Barre.....	+ 1	+ 3	- 27	- 5	+ 7
Williamsport.....	+ 0	+ 3	- 60	- 7	
Wilmington.....	- 5	- 9	- 20	-11	+ 7
York.....	- 2	- 2	- 76	- 5	

\* 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

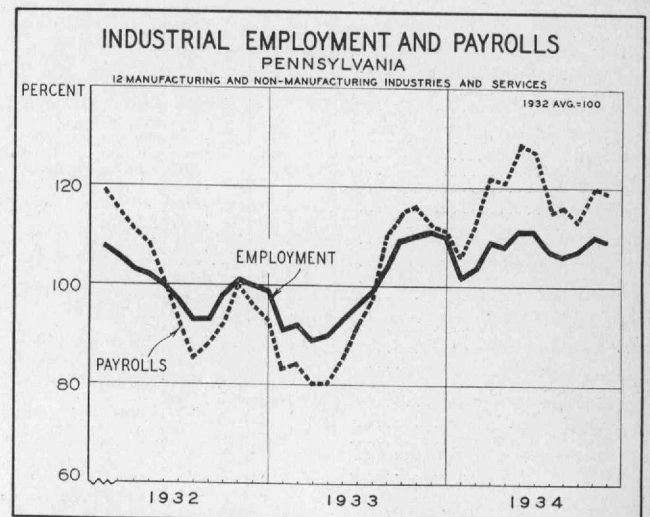
	Employment*			Payrolls*			Employe-hours†	
	Nov. 1934 index	Per cent change from		Nov. 1934 index	Per cent change from		Nov. 1934—per cent change from	
		Nov. 1933	Oct. 1934		Nov. 1933	Oct. 1934	Nov. 1933	Oct. 1934
<b>All manufacturing.....</b>	<b>76</b>	<b>+ 1</b>	<b>- 0</b>	<b>56</b>	<b>+ 7</b>	<b>- 1</b>	<b>- 1</b>	<b>- 2</b>
Iron, steel and prods. ....	63	+ 1	- 1	46	+ 8	- 2	- 2	- 3
Non-fer. metal prods. ....	84	- 0	- 1	68	+ 3	- 3	- 2	- 2
Transportation equip. ....	55	+ 2	+ 0	35	- 2	- 0	+ 5	- 1
Textiles and clothing. ....	96	- 2	+ 1	82	+ 7	+ 1	+ 2	+ 1
Textiles.....	95	- 2	+ 3	84	+ 9	+ 3	+ 6	+ 5
Clothing.....	102	- 3	- 5	76	+ 0	-12	-13	-17
Food products.....	116	+14	- 3	93	+17	- 4	+16	- 5
Stone, clay and glass.....	73	+ 4	+ 2	38	+21	+ 1	+14	+ 1
Lumber products.....	45	-25	- 5	30	-21	-11	-24	- 9
Chemicals and products.....	90	- 1	- 2	72	- 1	- 1	-12	- 3
Leather and products.....	87	- 0	+ 0	71	+ 4	- 2	- 6	+ 2
Paper and printing.....	89	+ 0	+ 0	75	+ 5	- 1	- 3	- 2
Printing.....	85	- 2	+ 0	76	+ 3	- 1	- 5	- 1
<b>Others:</b>								
Cigars and tobacco.....	70	+11	- 0	66	+43	+25	-20	- 5
Rubber tires, goods.....	76	-17	- 3	57	-16	- 8	-22	- 7
Musical instruments ..	50	+19	+ 1	43	+12	+ 1	0	+ 1

\* Figures from 2,055 plants.

† Figures from 1,836 plants.

### Indexes of twelve occupations

	Employment			Payrolls		
	Nov. 1934 index	Per cent change from		Nov. 1934 index	Per cent change from	
		Nov. 1933	Oct. 1934		Nov. 1933	Oct. 1934
<b>General index (weighted)....</b>	<b>109</b>	<b>- 1</b>	<b>- 1</b>	<b>119</b>	<b>+ 5</b>	<b>- 1</b>
Manufacturing.....	118	+ 1	- 0	138	+ 7	- 1
Anthracite mining.....	97	- 1	+ 4	95	+ 7	+ 6
Bituminous coal mining.....	122	+13	+ 1	157	+18	- 0
Building and construction.....	75	-18	-11	63	-10	-15
Quarrying and non-met. mining.....	108	+ 3	- 6	119	+10	-14
Crude petroleum producing.....	162	-24	+ 1	146	-20	+ 0
Public utilities.....	90	- 2	- 1	90	+ 6	+ 0
Retail trade.....	111	- 5	+ 1	109	- 0	+ 1
Wholesale trade.....	105	+ 3	+ 1	98	+ 4	- 0
Hotels.....	107	+12	- 1	104	+22	- 0
Laundries.....	94	- 0	- 1	91	+ 1	- 0
Dyeing and cleaning.....	94	- 7	- 7	95	- 4	-14



# Index numbers of individual lines of trade and manufacture

## Philadelphia Federal Reserve District

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

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.

	Adjusted for seasonal variation						Not adjusted				
	Nov. 1933	Sept. 1934	Oct. 1934	Nov. 1934	Percentage comparison		Nov. 1933	Sept. 1934	Oct. 1934	Nov. 1934	
					Nov. 1934 with						
					Month ago	Year ago					
<b>Retail trade</b>											
<b>Sales</b>											
Total of all stores.....	57	69	66	60p	- 9	+ 7	+ 9	68	62	75	73p
Department.....	56	66	63	58	- 8	+ 3	+ 9	67	59	72	70
Men's apparel.....	52	58	61	57	- 8	+ 9	+16	57	50	62	63
Women's apparel.....	74	103	87	77	-11	+ 5	+ 9	89	89	97	93
Shoe.....	61	83	71	63	-11	+ 3	+ 8	65	77	70	67
Credit.....	51	58	66	60	- 9	+17	+18	65	55	81	77
<b>Stocks of goods</b>											
Total of all stores.....	60	64	61	61p	- 1	+ 1	.....	69	67	68	70p
Department.....	57	54	53	54	+ 1	- 6	.....	67	56	60	63
Men's apparel.....	53	56	63	60	+ 5	+13	.....	60	61	67	68
Women's apparel.....	91	93	83	88	+ 5	- 4	.....	111	100	105	107
Shoe.....	55	57	56	54	- 2	- 1	.....	59	60	60	58
Credit.....	62	78	69	67	- 3	+ 9	.....	70	80	73	76
<b>Rate of stock turnover</b>											
11 months (actual, not indexes).....							+ 4*	3.27			3.40
<b>Wholesale trade</b>											
<b>Sales</b>											
Total of all lines.....	63	72	73	71p	- 3	+13	+18	71	82	83	80p
Boots and shoes.....	32	39	37	36p	- 1	+12	+ 2	34	56	46	38p
Drugs.....	82	89	87	86	- 1	+ 6	+11	84	91	86	89
Dry goods.....	37	37	35	36	+ 3	- 1	+14	47	49	47	47
Electrical supplies.....	48	59	55	60p	+10	+27	+27	62	71	70	79p
Groceries.....	93	109	113	103p	- 8	+11	+20	101	121	123	113p
Hardware.....	41	43	46	48p	+ 4	+18	+21	45	46	52	53p
Jewelry.....	30	32	48	40	-16	+36	+32	43	39	65	58
Paper.....	54	61	61	62p	+ 2	+15	+15	57	62	65	65p
<b>Stocks of goods</b>											
Total of all lines.....	62	68	68	68p	- 1	+10	.....	63	71	72	70p
Boots and shoes.....	24	24	22	20	- 9	-17	.....	22	25	22	18
Drugs.....	112	116	113	119	+ 5	+ 6	.....	114	120	117	120
Dry goods.....	39	46	48	45	- 6	+15	.....	38	51	51	44
Electrical supplies.....	66	78	76	77	+ 1	+16	.....	72	83	85	83
Groceries.....	72	82	84	81	- 3	+13	.....	79	82	90	89
Hardware.....	64	65	63	63p	- 1	- 0	.....	59	63	60	59
Jewelry.....	48	53	56	57	+ 3	+20	.....	48	58	59	58
Paper.....	61	56	55	56	+ 2	- 8	.....	61	57	56	56
<b>Rate of stock turnover</b>											
11 months (actual, not indexes).....							+ 8*	4.88			5.25
<b>Output of manufactures</b>											
Pig iron.....	21	22	16	20	+20	- 6	+37	21	20	16	20
Steel.....	43	43	45	45	0	+ 4	+28	41	41	45	43
Iron castings.....	45	52	48	43	-10	- 5	+37	46	52	51	44
Steel castings.....	30	62	38	39	+ 2	+30	+94	28	57	36	36
Electrical apparatus.....	68	73	80	79	- 2	+15	+37	72	80	87	83
Motor vehicles.....	13	19	24	20	-15	+53	+28	12	16	22	18
Automobile parts and bodies.....	53	36	40	59	+46	+10	+26	49	35	38	54
Locomotives and cars.....	15	25	21	19	-10	+25	+86	14	24	20	17
Shipbuilding.....	101	118	115	123	+ 7	+22	+29	101	112	110	123
Silk manufactures.....	110	65	88	94	+ 8	-14	-12	111	65	89	95
Woolen and worsteds.....	40	26	43	47	+ 8	+17	-27	43	28	47	51
Cotton products.....	35	30	35	35	+ 0	- 1	- 7	37	29	36	36
Carpets and rugs.....	42	41	57	57	- 1	+35	+ 9	46	44	66	64
Hosiery.....	89	102	101	102p	+ 1	-14	- 3	102	102	111	116
Underwear.....	103	95	109	121	+12	+18	-27	104	95	118	123
Cement.....	19	45	29	29	- 2	+48	+26	19	52	33	28
Brick.....	29	26	28	28	+ 1	- 4	- 1	29	26	28	28
Lumber and products.....	20	17	18	18	- 1	-14	+ 6	21	18	18	18
Bread and bakery products.....					+ 0*	+ 6*	+ 3*	82	89	87	87
Slaughtering, meat packing.....	89	98	102	96	- 5	+ 8	- 4	99	100	107	106
Sugar refining.....	64	46	85	102	+20	+58	+ 5	42	39	72	66
Canning and preserving.....	43	50	47	53p	+13	+22	+46	47	65	61	59p
Cigars.....	82	88	90	85	- 5	+ 3	+ 9	98	103	110	102
Paper and wood pulp.....	61	59	61	61	- 1	+ 0	+ 2	61	59	62	61
Printing and publishing.....	85	81	81	80	- 1	- 5	- 2	86	80	82	81
Shoes.....	113	123	112	110	- 2	- 3	- 1	107	140	121	104
Leather, goat and kid.....	113	98	95	108p	+14	- 4	+ 3	110	102	99	105p
Explosives.....	79	67	69	76	+10	- 3	+35	79	67	70	76
Paints and varnishes.....	65	64	60	60	0	- 7	+ 4	67	61	64	62
Petroleum products.....	139	137	134	131p	- 2	- 5	+ 1	139	138	134	132p
Coke, by-product.....	75	70	70	73	+ 3	- 3	+16	72	67	69	70

\* Computed from data unadjusted for seasonal variation.

p—Preliminary.

