

# THE BUSINESS REVIEW

THIRD FEDERAL  
PHILADELPHIA



RESERVE DISTRICT  
NOVEMBER 1, 1935

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FEDERAL RESERVE BANK of PHILADELPHIA

## Business and Banking Conditions in the United States

Industrial production and employment increased in September and distribution of commodities to consumers was in larger volume, reflecting in part seasonal influences. The general level of wholesale prices showed little change.

**Production and employment.** Output at factories and mines, as measured by the Board's seasonally adjusted index of industrial production, advanced from 87 per cent of the 1923-1925 average in August to 88 per cent in September, reflecting chiefly increases in the output of iron and steel, lumber, cotton and silk textiles, and anthracite, offset in part in the total by declines in the production of automobiles and woolen textiles. At steel mills activity increased from 49 per cent of capacity in August to 51 per cent in September, and during the first three weeks of October continued at about the September level. At automobile factories a sharp decline in output during September, as preparations were made for new models, was followed in the early part of October by a rapid advance. Lumber production continued to increase in September. In the cotton textile industry, where output had been at a relatively low level since April, activity showed a marked increase in

September and there was also an increase in output at silk mills, while at woolen mills, where activity has been at an exceptionally high level for several months, there was a decline.

Factory employment showed a seasonal increase between the middle of August and the middle of September. The number employed at foundries and in the lumber, nonferrous metals, and machinery industries increased substantially, while in the automobile industry there was a considerable decline. At cotton mills employment showed a seasonal increase and at silk and rayon mills there was an increase of more than the usual seasonal amount, while employment at woolen mills and shoe factories declined.

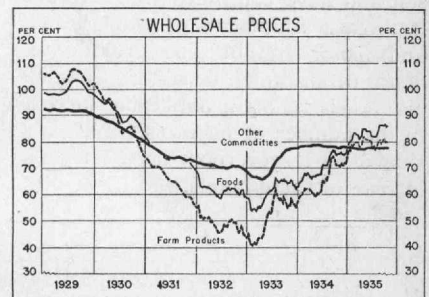
The value of construction contracts awarded, as reported by the F. W. Dodge Corporation, was about the same in the six weeks ending October 15 as in the previous six weeks, reflecting an increase in residential building, partly of a seasonal character, and a slight decline in other types of construction.

**Distribution.** Freight-car loadings showed an increase of more than the usual seasonal amount in September and increased further in the first half of October. Department store sales

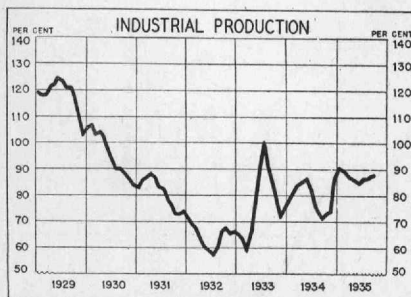
also increased by more than the estimated seasonal amount in September, and for the third quarter the average of the Board's seasonally adjusted index was 80 per cent of the 1923-1925 average as compared with 75 per cent a year ago.

**Commodity prices.** The general level of wholesale commodity prices, as measured by the index of the Bureau of Labor Statistics, showed little change during September and the first three weeks of October. Prices of grains decreased in the middle of October, following a considerable advance, while prices of silk, hides, and copper increased throughout the period.

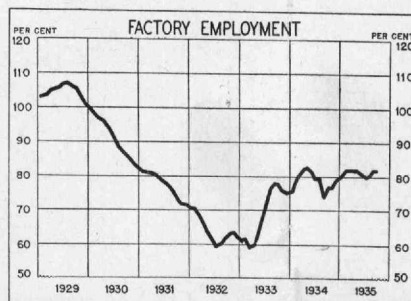
**Bank credit.** Reserves of member



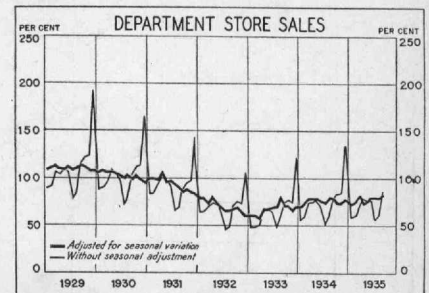
Indexes of the United States Bureau of Labor Statistics. (1926=100.) By months 1929 to 1931; by weeks 1932 to date.



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



Index of factory employment, adjusted for seasonal variation. (1923-1925 average=100.)



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

banks continued to increase during the five weeks ending October 23, reflecting chiefly imports of gold from abroad. At the end of the period reserves in excess of legal requirements at \$2,930,000,000 were at the highest level on record.

At weekly reporting member banks

in 91 leading cities, adjusted demand deposits increased by \$40,000,000 during the four weeks ending October 16, while United States Government deposits declined and interbank balances rose to a new high level. Loans on securities decreased by \$40,000,000, while other loans, including commer-

cial credits, increased by \$80,000,000.

Yields on both short-term and long-term government obligations increased from the last week in August to the first part of October and subsequently declined. Other short-term open-market money rates remained at previous low levels.

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

Business conditions in the Philadelphia Federal Reserve District have continued to reflect moderate improvement this autumn with respect to output and sale of goods, and income from most sources. Industrial production during September increased considerably and was 7 per cent larger in the first nine months this year than last. The value of contracts awarded for nearly all types of building and the rate of construction have continued increasing since late spring, though the gain in contracts during September was due entirely to public works. Farm activity on the whole has measured up to the average for this season, and income of farmers from the sale of various products continues larger than in recent years, mainly because of higher prices. The general level of prices for commodities has been firm.

Distribution of commodities through the usual channels has been increasing. Retail and wholesale trade sales in September showed gains of larger proportions than customary at this season and have continued well ahead of last year. Shipments of goods by rail and motor freight also provide evidence of sustained demand. Commercial hotels report a noticeable increase in the number of business travelers as shown by larger room occupancy and income of these hotels.

The number of workers in twelve branches of trade and industry in Pennsylvania was about 3 per cent larger in the middle of September than a month ago. Earnings of these workers also increased 5 per cent in the month. Compared with a year ago, general employment was approximately one per cent larger and income, principally from wages, 13 per cent greater. Early reports for October indicate that the levels of general employment and earnings have continued well maintained.

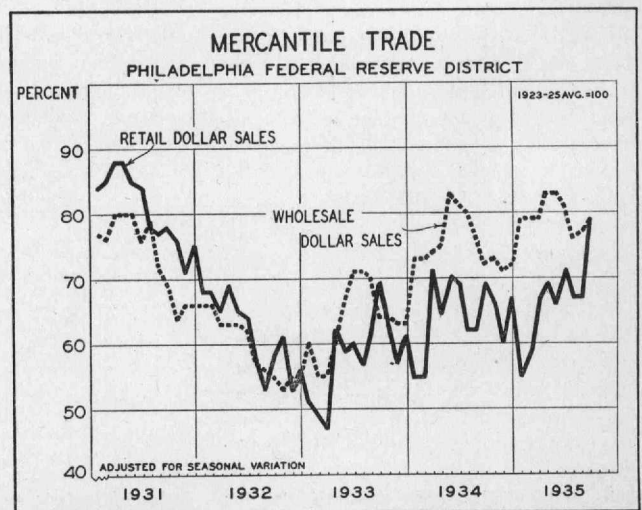
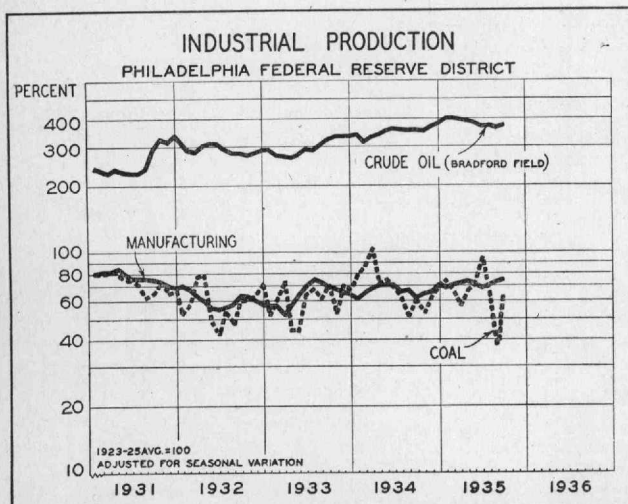
**Manufacturing.** The demand for manufactured products in this district has been increasingly active since mid-summer and sales have continued in October to be larger than a year ago. The volume of unfilled orders for various manufactures in the aggregate has expanded further in early October and appears to be appreciably greater than at the same time last year. Prices have been firm and in many cases, particularly textiles, foods and leather, advances have been reported by local factories. The price index of the Bureau of Labor Statistics for commodities exclusive of farm products and foods on October 19 was 78.4, relative to the 1926 average, as compared with 78.2 a month ago and 77.9 a year before.

This improvement in the market for manufactures is largely seasonal in

character and appears to be well diversified, not only among the principal industrial groups but also among the individual lines of manufacture. Textile and related industries in particular seem to have had an active fall season so far, as shown by forward commitments, repeat orders and shipments. The metal group comprising primary and secondary iron and steel products also has registered further increases in the volume of business as has the transportation equipment group. Nor do the reports from most of the other manufacturing groups lack evidence of seasonal activity and more favorable trend than at the same time in the past two years.

Stocks of finished products have been reduced further during the month and, with but few exceptions, are smaller than a year ago, reflecting more active buying. With respect to inventories of raw materials, there is some evidence that the purchase of commodities for manufacturing purposes has slackened somewhat since the middle of September but the aggregate volume seems to continue larger than a year earlier. Settlements for purchases by manufacturers and distributors likewise appear to be larger and more prompt than was the case last year.

The number of wage earners and



# Business Indicators

## Philadelphia Federal Reserve District

the amount of wage payments expanded by about the usual seasonal volume from the middle of August to the middle of September and have continued to maintain the customary levels in October as shown by preliminary reports. The trend of factory employment, payrolls and employee-hours actually worked has been generally steady and slightly upward during the past two years.

The employment index for Pennsylvania factories in September was 78.3, relative to the 1923-25 average, or nearly 8 per cent higher than a year ago. The index of wage disbursements was about 65, showing a gain of 21 per cent over last year. These comparisons reflect in part the fact that in September last year there was an unusually large number of strikes and lockouts in this section. In the case of many textile industries a complete shutdown occurred for periods running from several days to two weeks or longer, so that the gains of 22 per cent in employment, 38 per cent in payrolls and 47 per cent in the volume of work done in September this year over last naturally reflect the influence of an abnormal condition.

The trend of factory production in this district has been steadily upward since June. Our index number of productive activity, which is adjusted for working days and seasonal influences, rose in September to 75 per cent of the 1923-25 average as compared with 74 in August, 72 in July and 69 in June; a year ago it was 62. The average of this index in the first nine months this year was 8 per cent higher than that in the same period last year.

Productive activity in the durable goods industries showed an improvement of 8 per cent from August to September, owing principally to activity of steel works and rolling mills, electrical apparatus plants, and most of the transportation equipment industries, particularly shipbuilding, and automobile parts and bodies. The non-durable goods group as a whole showed a slight drop during the month, reflecting chiefly a falling off in activity of silk and wool manufactures, carpets and rugs, sugar refining, and canning and preserving.

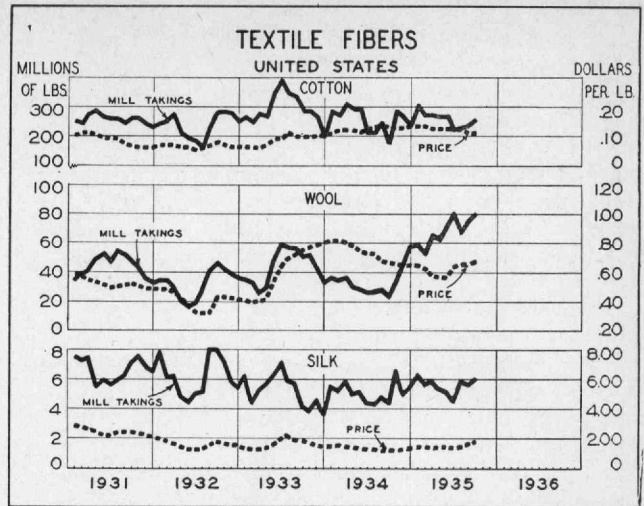
Output of electric power during September failed to maintain the usual seasonal rate of change by about 3 per cent but for the year to date production was 2 per cent larger than in the same period last year. Industrial consumption of electrical energy in September was 5 per cent greater than was to be normally expected and 7

Adjusted indexes allow for the usual seasonal change in activity.	Index numbers: percentages of the 1923-1925 average as 100											
	Adjusted for seasonal variation						Not adjusted					
	Sept. 1934	July 1935	Aug. 1935	Sept. 1935	Per cent change		Sept. from 9 mos. 1934	Sept. 1934	July 1935	Aug. 1935	Sept. 1935	
					Month ago	Year ago						
<b>Industrial production</b>	65	74	74	77p	+ 5	+ 18	+ 7	67	70	73	79p	
<b>Manufacturing—total</b>	62	72	74	75p	+ 2	+ 21	+ 8	64	69	74	77p	
<b>DURABLE GOODS</b>	48	53	53	57p	+ 8	+ 20	+ 6					
<b>CONSUMERS' GOODS</b>	73	86	91	89p	- 1	+ 22	+ 10					
Metal products	50	60	62	65p	+ 4	+ 29	+ 12	51	58	65	65p	
Textile products	59	85	96	90p	+ 6	+ 52	+ 24	60	79	91	92p	
Transportation equipment	43	33	36	51	+ 42	+ 18	- 4	40	32	34	48	
Food products	76	75	71	69p	3	- 9	- 6	80	73	72	73p	
Tobacco and products	89	88	84	92	+ 9	+ 3	- 0	103	94	90	106	
Building materials	29	30	28	28	+ 1	- 2	- 2	31	32	31	30	
Chemicals and products	99	103	104	110p	+ 6	+ 11	+ 1	98	101	104	109p	
Leather and products	110	141r	128	127p	- 1	+ 15	+ 3	121	128r	130	138p	
Paper and printing	77	80	80	83	+ 4	+ 8	+ 2	76	77	78	82	
<b>Coal mining</b>	61	61	38	63p	+ 65	+ 3	- 11	61	51	38	63p	
Anthracite	62	62	36	65p	+ 81	+ 5	- 11	62	51	36	65p	
Bituminous	55	54	56	49	- 12	- 11	- 1	57	48	53	50	
<b>Crude oil</b>	362	375	365	377	+ 3	+ 4	+ 10	362	386	376	377	
<b>Electric power</b>												
Output	190	209	201	196	- 3	+ 3	+ 2	186	195	191	192	
Sales, total†					0*	+ 1*	+ 1*					
Sales to industries†	135	144	138	145	+ 5	+ 7	+ 7	143	146	143	153	
<b>Employment and wages—Pa.</b>												
<b>Factory—Wage earners</b>					+ 2*	+ 8*	+ 3*	73	75	77	78	
Payrolls					+ 2*	+ 21*	+ 9*	53	58	64	65	
Man-hours (1927-28=100)					+ 1*	+ 25*	+ 6*	52	58	64	65	
<b>General (1932=100)</b>												
Employment					+ 3*	+ 1*	- 1*	107	105	105	108	
Payrolls					+ 5*	+ 13*	+ 4*	113	115	122	128	
<b>Building and real estate</b>												
Contracts awarded†—total	25	23	28	34	+ 24	+ 38	- 15	24	24	28	34	
Residential†	10	19	22	25	+ 11	+ 147	+ 33	9	20	21	23	
Non-residential†	30	30	35	35	- 1	+ 14	+ 0	30	29	35	34	
Public works and utilities†	62	19	28	70	+ 149	+ 14	- 48	57	20	31	64	
Permits for building—17 cities	8	8	13	15	+ 14	+ 84	+ 30	7	10	12	14	
Mortgages recorded—Philadelphia	6	7	7	4	- 4	- 27	- 20	5	7	6	4	
Real estate deeds—Philadelphia	32	39		26		- 20		30	38		24	
Sheriff deeds (1930=100)						+ 14*		15	76		17	
Other deeds (1930=100)						- 22*		69	64		54	
Writs for Sheriff sales—Phila.	805	667	946	673	- 29	- 16	- 3	934	634	908	781	
<b>Distribution</b>												
Retail trade—sales	69	67	67	79p	+ 18	+ 14	+ 2	62	49	52	71p	
stocks	64r	61	62	64p	+ 4	+ 0		67	55	59	67p	
Wholesale trade—sales	72	76	77	79p	+ 4	+ 10	+ 5	82	70	72	90p	
stocks	65	62	63	63p	+ 1	- 2		67	62	64	66p	
Life insurance sales	106	99	105	111	+ 6	+ 5	+ 2	85	95	88	89	
New passenger auto. registrations	69	100	90	71	- 21	+ 2	- 26	66	113	99	68	
Hotels—Occupancy (1934=100)					+ 15*	+ 2*	+ 7*	103	90	91	105p	
Income, total (1934=100)					+ 20*	+ 4*	+ 8*	95	77	82	98p	
Freight car loadings—total	52	53	56	57	+ 1	+ 9	+ 0	57	55	58	63	
Merchandise and miscellaneous	52	57	58	58	- 0	+ 12	+ 1	58	58	60	65	
Coal	56	49	52	55	+ 6	- 2	- 1	58	43	50	57	
<b>Business liquidations</b>												
Number					0*	+ 16*	+ 20*	60	61	69	69	
Amount of liabilities					+ 6*	- 22*	- 38*	62	45	61	64	
<b>Payment of accounts</b>												
Check payments	66	77	80	81	+ 2	+ 23	+ 21	62	75	68	77	
Rate of collections (actual)												
Retail trade	28	30	30	30	- 1	+ 7		25	30	27	26	
Wholesale trade	69	67	66	67	+ 1	- 3		69	68	66	67	
<b>Prices—United States</b>												
<b>WHOLESALE (1926=100)</b>					+ 0*	+ 4*	+ 7*	78	79	80	81	
Farm products					+ 0*	+ 8*	+ 24*	73	77	79	79	
Foods					+ 1*	+ 13*	+ 20*	76	82	85	86	
Other commodities					- 0*	- 1*	- 1*	78	78	78	78	
<b>RETAIL FOOD (1913=100)</b>					+ 1*	+ 6*	+ 12*	117	122	123	124	
Philadelphia					+ 1*	+ 4*	+ 7*	123	125	127	127	
Scranton					+ 1*	+ 5*	+ 7*	120	123	124	125	

(In millions of dollars)	Sept. 1934	June 1935	July 1935	Aug. 1935	Sept. 1935	% change from	
						Month ago	Year ago
<b>Banking and credit</b>							
<b>Federal Reserve Bank</b>							
Bills discounted	\$ 5	\$ 1	\$ 1	\$ 1	\$ 1	0	-80
Other bills and securities	168	178	181	181	181	0	+ 8
Member bank reserves	190	227	226	232	242	+ 4	+ 27
Reserve ratio (per cent)	65.9	67.4	66.6	67.1	69.9	+ 4	+ 6
<b>Reporting member banks</b>							
Loans to customers	\$454	\$417	\$417	\$414	\$408	- 1	- 10
Other loans and investments	611	670	674	668	681	+ 2	+ 11
Total (gross) deposits	1,194	1,318	1,307	1,300	1,332	+ 2	+ 12
<b>Bankers' acceptances outstanding</b>	13.2	12.9	12.2	12.9	13.4	+ 4	+ 2

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

p—Preliminary. r—Revised.  
‡ Not included in production index.



per cent larger than last year. Total sales of electricity for all purposes declined from August to September but increased somewhat in October, according to preliminary reports.

**Coal and other fuels.** Production and shipments of anthracite turned sharply upward in September, indicating the beginning of customary fall activity after two months of unusual decline. Figures for early October indicate a further increase in output. At the beginning of September, stocks held by retail dealers and electric power plants were about 5 per cent below those of a month ago, but supplies at producers' yards and railroads were over 20 per cent larger than on August 1. Output of bituminous coal fell off in September, in contrast to the usual upward tendency, reflecting largely labor difficulties of brief duration. Shipments, however, continued to increase. The volume of coal mined in August and September combined was 6 per cent smaller in the case of bituminous and 10 per cent less in anthracite fuel than in the same two months last year.

(Output and shipment figures are daily averages)	Sept. 1935	Per cent change from	
		Month ago	Year ago
<b>Anthracite</b>			
Production..... tons	174,000	+81	+ 5
Shipments..... tons	163,100	+67	+ 3
Stocks..... 1000 tons	1,758†	+20	-20
Prices.... (1926=100)	80.6	+ 3	- 1
Employment..... No.	79,173	+19	-18
<b>Bituminous</b>			
Production..... tons	238,700	- 5	-11
Shipments..... No. cars	20,651	+ 9	- 9
Prices.... (1926=100)	96.2	+ 0	- 0
Employment..... No.	126,704	+ 4	- 2
<b>Coke</b>			
Prod.... (1923-25=100)	87.3	+ 5	+30
Prices.... (1926=100)	88.6	0	+ 4
<b>Gas and fuel oil</b>			
Prod.... (1923-25=100)	107.2*	+12	- 1
Prices.... (1926=100)	62.4†	- 2	+ 8

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

Production of by-product coke increased further in September, contrary

to the customary decline at this time. For the year to date, it was 4 per cent above the corresponding period of 1934. Output of gas and fuel oils advanced more noticeably in September than in the previous month. For the first nine months of 1935 compared with the same interval a year ago, there was a 6 per cent decline.

**Building and real estate.** Awards of building contracts in September totaled \$10,085,500, a gain of 12 per cent over August and an increase of 56 per cent as compared with a year ago. This improvement was contrary to seasonal tendency and reflected an exceptionally sharp rise in the value of contracts let for public works and utilities. Residential contract awards declined in September by a smaller percentage than usual, as did those for such non-residential structures as factory and commercial buildings. Thus far this year the dollar volume of contracts let for family houses has shown a marked increase over a year ago, constituting nearly 27 per cent of all contract awards in the first nine months this year as compared with 16 per cent in the same period of 1934.

Building operations on contracts previously awarded continued to expand during September, as indicated by additional gains in employment, payrolls and working time. Activity in miscellaneous types of contracting work decreased somewhat from the August level, while street and highway construction declined sharply.

The local real estate market has shown more activity of late as evidenced by a further improvement in the renting demand for small houses and apartments and some increase in the sale of properties, largely those in the \$4,000 to \$5,000 class. Rentals

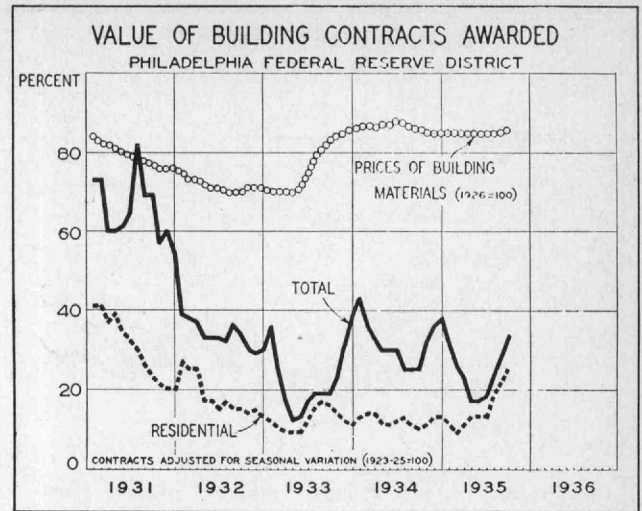
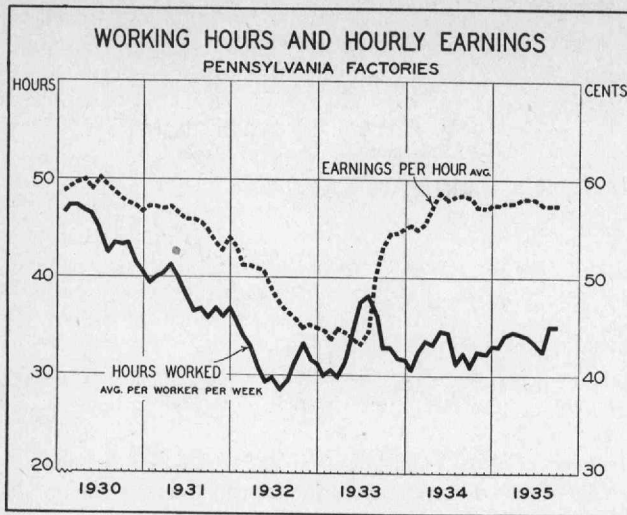
Building contracts Philadelphia Federal Reserve District	Sept. 1935 (000's omitted)	Per cent change	
		From month ago	1935 from 9 mos. 1934
<b>Residential</b> .....	\$ 2,283	- 6	+33
Apts. and hotels.....	137	-11	+ 3
Family houses.....	2,146	- 6	+40
<b>Non-residential</b> .....	2,478	-45	+ 0
Commercial.....	601	-60	+ 5
Factories.....	311	-60	- 8
Educational.....	439	- 7	-56
All other.....	1,127	-36	+72
Total buildings.....	\$ 4,761	- 31	+12
<b>Public works and utilities</b> .....	5,324	+160	-48
<b>Grand total</b> .....	\$10,085	+ 12	-15

Source: F. W. Dodge Corporation.

also have shown an upward tendency for several months. Thus far this year ordinary conveyances in some of the larger city areas including Philadelphia, Harrisburg, Scranton and Lancaster have increased by fairly large percentages over the same period of 1934. Real estate foreclosures have declined in most sections, although they continue more numerous than in the pre-depression years.

**Agriculture.** The agricultural situation in general has improved further since the middle of last month and compares favorably with that of a year ago. Seasonal farming operations have progressed at about the usual rate and estimated yields of important field crops in this district have been revised upward.

Department of Agriculture reports based on the October 1 condition of six leading field crops indicate that yields this year of corn, hay and white potatoes may exceed the average of the five years, 1928-32. Compared with last year's harvest, production of white potatoes will be smaller, while that of corn, wheat, oats, hay and tobacco is expected to show some increase. Estimates of the fruit crop also indicate



Source: F. W. Dodge Corporation

that yields this year will be substantially larger than in 1934.

Sales of farm products have been considerably larger thus far this year than last, owing mainly to higher prices, particularly for meat animals and dairy and poultry products. In Pennsylvania, for example, the Bureau of Agricultural Economics has estimated that cash income from farm production, including rental and benefit payments, totaled \$119,292,000 in the first seven months this year, as compared with \$102,436,000 a year earlier.

Wholesale prices of farm products have fluctuated narrowly in recent weeks but at higher levels than a year ago. At 79.5 per cent of the 1926 average, the Bureau of Labor Statistics' index for the week ended October 19 compared with 81.3 a month earlier and 70.9 a year ago.

**Distribution, trade and service.** Freight car loadings in this section increased about one per cent more than usual from August to September owing mainly to larger than seasonal gains in shipments of coal, livestock, coke and forest products. Deliveries of merchandise and miscellaneous commodities were maintained at about their customary seasonal level in September, while grain shipments declined more sharply than was to be expected. Rail freight consisting largely of manufactures originating in the Philadelphia industrial area also increased in September by a larger percentage than usual and continued in somewhat greater volume than a year ago.

Business at wholesale, as measured by the dollar sales of eight important lines combined, increased 4 per cent from August to September, after allowance is made for the usual seasonal change. Improvement in the sales of drugs, dry goods, groceries, hardware,

jewelry and paper was partially offset by the failure of boots and shoes and electrical supplies to maintain their customary seasonal level. As compared with a year ago, aggregate sales in September were 10 per cent larger and in the first nine months this year showed a gain of 5 per cent from the same period of 1934, reflecting partly higher prices. Early reports for October indicate some improvement in demand for dry goods, jewelry and electrical supplies.

Retail trade sales of department, apparel, shoe and credit stores were 35 per cent larger in September than in August; this was a much higher rate of increase than usual and indicated an improvement of about 18 per cent after allowance is made for the number of trading days and the customary seasonal change. Total dollar sales in September showed an increase of 14 per cent over a year ago and were 2 per cent larger in the first nine months this year than last. Preliminary reports for October show further seasonal gains in sales of general merchandise.

Inventories of merchandise in both channels of trade increased somewhat more than usual from August to September. As compared with a year ago they were 2 per cent smaller at wholesale but showed virtually no change at retail establishments. Rate of stock turnover in wholesale lines was one per cent and at retail stores 6 per cent more rapid in the first nine months this year than last.

Sales of new passenger automobiles, as measured by registrations in this district, declined more sharply than usual from August to September, owing partly to the early introduction of new models. As compared with a year ago, however, they were 2 per

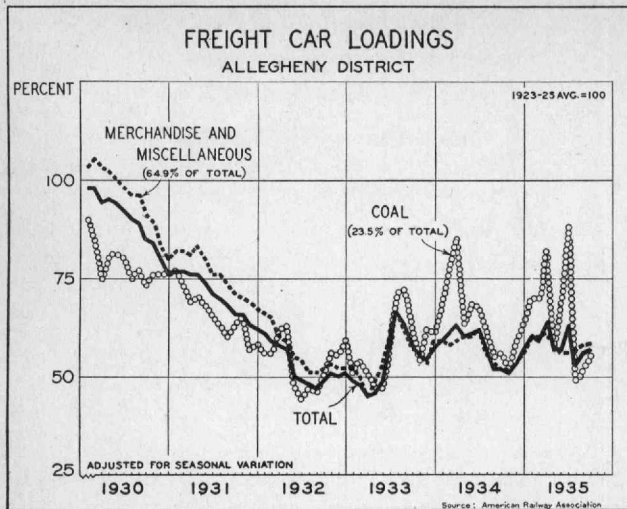
cent larger, and the number of units sold thus far this year was 26 per cent greater than in the first nine months of 1934.

Reflecting improvement in general business conditions, activity of commercial hotels, exclusive of resort hotels, increased substantially during September as contrasted with the previous month and last year. The accompanying table gives comparisons.

Hotel business Philadelphia Federal Reserve District	Sept., per cent change from		1935 from 9 mos. 1934
	Month ago	Year ago	
Capacity .....	+ 0	- 0	.....
Room occupancy .....	+15	+ 2	+ 7
Per cent of capacity used:			
Sept. 1935 .....	48.5		
Aug. 1935 .....	41.5		
Sept. 1934 .....	46.8		
Income from:			
Guest rooms .....	+17	+ 0	+ 6
Food .....	+29	+ 3	+ 7
Other sources .....	+17	+13	+11
Total revenue .....	+20	+ 4	+ 8

**Banking conditions.** Borrowings of members from this bank declined from approximately half a million dollars on September 18 to only 131 thousands on October 23, a new low point. The total of reserve bank credit extended locally, however, increased 3 millions, owing to a rise in the amount of checks for which credit had been given to banks prior to collection and an expansion from 4¼ to nearly 7 millions in outstanding industrial advances made to provide established businesses with working capital. This figure is net, representing the difference between advances of over 9½ millions and repayments of more than 2½ millions. To date this bank has approved loans and commitments for working capital purposes in the aggregate amount of 22¼ millions.

The local supply of funds also was



augmented by a favorable balance of payments in commercial and financial transactions with other districts of about 2½ millions, and by a 17¼ million excess of Treasury disbursements over receipts. In the disbursements were included relief funds and substantial amounts of cash redemptions of Government securities and interest on Federal debt. Among the receipts were 11 millions received from depository banks; the bulk of this was upon call by the Treasury, but part also represented amounts turned over voluntarily by the banks.

The sums derived from these varied sources were offset partially by a small increase in currency demand and a rise of 6½ millions in miscellaneous deposits at this bank. The greater part of the funds, however, appeared

Reporting member banks (000,000's omitted)	Oct. 23, 1935	Changes in—	
		Five weeks	One year
Loans on securities:			
To brokers and dealers in N. Y. City.....	\$ 13	\$0	-\$ 3
To brokers and dealers elsewhere.....	13	+ 1	- 2
To others.....	151	- 2	- 22
Total loans on securities	\$ 177	-\$ 1	-\$ 27
Acceptances and commercial paper bought.....	22	+ 1	+ 2
Loans on real estate.....	68	- 1	- 4
Other loans.....	172	- 1	- 10
Total loans.....	\$ 439	-\$ 2	-\$ 39
U. S. Government securities.....	281	- 1	- 8
Obligations fully guaranteed by U. S. Gov't.....	93	+ 4	+ 72
Other securities.....	288	+ 3	+ 19
Total loans and investments.....	\$1,101	+\$ 4	+\$ 44
Reserve with Federal Reserve Bank.....	186	+ 8	+ 61
Due from banks.....	168	+ 7	+ 29
Deposits: Interbank balances.....	303	+ 13	+ 48
Demand.....	769	+ 21	+ 172
Time.....	270	- 1	- 29
United States.....	27	- 9	- 20
Other.....	8	0	0
Total (gross) deposits.....	\$1,377	+\$24	+\$171

as an increase of 16½ millions in member bank reserve deposits, which totaled 265 millions on October 23 and a week earlier had reached a record at over 270 millions.

In September reserve deposits of member banks as a whole averaged over 242 millions, a rise of 10 millions over August. As there also was a decline in legal requirements, excess reserves rose from 96 to 107 millions, the largest so far attained in the monthly figures. The excess was 88 per cent in the case of banks in Philadelphia and 63 per cent for those elsewhere in the district.

Deposits reached a peak of 1,399 millions at reporting member banks on October 16; the total of 1,377 millions on October 23 was 24 millions greater than the amount on September 18. The increase in the five weeks was chiefly in demand deposits and interbank balances, while United States deposits declined and time funds fell off slightly. Outstanding credit of these banks increased 4 millions. This was due mainly to the purchase of 4 millions of obligations fully guaranteed by the Federal Government and 3 millions of miscellaneous securities; holdings of direct issues of the United States declined a little, and there also was a decrease of 3 millions in loans to customers. Loans on stock and bond collateral have declined 11 per cent at these banks since the middle of March despite an advance in corporate bond prices and a much more pronounced rise in stock prices.

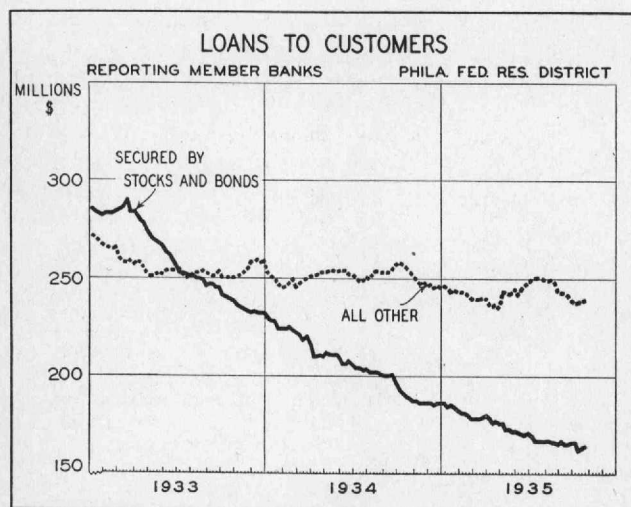
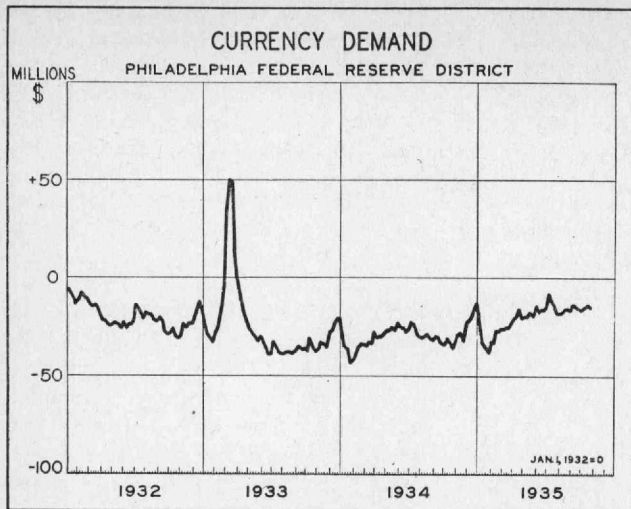
Deposits are 171 millions or 14 per cent greater than a year ago, with demand deposits showing much the greatest rise of any classification and doubtless reflecting in a measure Government expenditures. The increased supply of funds in the hands of the banks has been used mainly to add to holdings of securities other than those of the United States Government, holdings of which decreased 8 millions, and to increase balances at the reserve bank.

According to the American Acceptance Council, outstanding acceptances of banks in this district increased from \$12,852,000 to \$13,423,000 during September and at the end of the month were a little in excess of a year ago. The national figures, however, continue materially under last year's figures. Bills covering exports have declined 61 millions despite the fact that exports (including re-exports) in the third quarter of the year were slightly greater than a year ago. The largest decline was that of nearly 100 millions in bills covering domestic warehouse credits; such bills now total 58 millions as compared with 223 millions two years ago.

Federal Reserve Bank of Philadelphia (In millions of dollars)	Oct. 23, 1935	Changes in—	
		Five weeks	One year
Bills discounted.....	\$ 0.1	-\$ 0.4	-\$ 2.2
Bills bought.....	0.5	- 0.0	- 0.1
Industrial advances.....	6.9	+ 2.6	+ 6.7
United States securities.....	177.1	0	+ 10.0
Other securities.....	0	0	- 0.3
Total bills and securities.....	\$184.6	+\$ 2.2	+\$ 14.1
Fed. res. note circulation.....	254.5	+ 6.3	+ 17.8
Member bank reserve deposits.....	265.1	+ 16.4	+ 66.1
U. S. Treasurer—general account.....	2.9	- 2.4	- 1.2
Foreign bank deposits.....	2.2	+ 0.3	+ 1.3
Other deposits.....	66.2	+ 6.5	+ 63.0
Total reserves.....	425.9	+ 23.7	+ 131.5
Reserve ratio.....	72.1%	+ 0.8%	+ 5.8%

MEMBER BANK RESERVES AND RELATED FACTORS

Philadelphia Federal Reserve District (In millions of dollars)	Changes in weeks ending—					Changes in five weeks
	Sept. 25	Oct. 2	Oct. 9	Oct. 16	Oct. 23	
<b>Sources of funds:</b>						
Reserve bank credit extended in district.....	+ 0.4	+ 0.8	+ 2.5	+ 1.7	- 2.4	+ 3.0
Commercial transfers (chiefly interdistrict).....	- 5.8	+ 13.2	+ 2.7	+ 1.0	- 7.9	+ 3.2
Treasury operations.....	- 2.7	- 1.6	+ 14.1	+ 5.5	+ 1.9	+ 17.2
Total.....	- 8.1	+ 12.4	+ 19.3	+ 8.2	- 8.4	+ 23.4
<b>Uses of funds:</b>						
Currency demand.....	- 0.8	+ 0.8	+ 1.3	+ 1.0	- 1.8	+ 0.5
Member bank reserve deposits.....	- 10.8	+ 13.4	+ 9.9	+ 8.9	- 5.0	+ 16.4
"Other" deposits at reserve bank.....	+ 3.5	- 1.7	+ 8.0	- 1.7	- 1.6	+ 6.5
Unexpended capital funds of reserve bank.....	- 0.0	- 0.1	+ 0.1	- 0.0	+ 0.0	+ 0.0
Total.....	- 8.1	+ 12.4	+ 19.3	+ 8.2	- 8.4	+ 23.4



## Employment and Payrolls in Pennsylvania

(All figures are rounded from original data.)

### Manufacturing Indexes

	Employment*			Payrolls*			Employe-hours†	
	Sept. 1935 index	Per cent change from		Sept. 1935 index	Per cent change from		Sept. 1935 per cent change from	
		Sept. 1934	Aug. 1935		Sept. 1934	Aug. 1935	Sept. 1934	Aug. 1935
<b>All manufacturing</b> .....	78	+ 8	+2	65	+21	+ 2	+25	+ 1
Iron, steel and products . . .	65	+ 7	+2	57	+31	- 0	+33	- 0
Non-ferrous metal products . .	103	+12	+1	94	+24	- 3	+33	- 2
Transportation equip. . . . .	52	+ 3	+4	34	- 1	- 4	- 2	- 2
Textiles and clothing . . . . .	102	+16	+1	89	+33	+ 3	+41	+ 3
Textiles . . . . .	99	+22	+1	88	+38	+ 3	+47	+ 3
Clothing . . . . .	112	- 2	+1	95	+16	+ 5	+16	+ 2
Food products . . . . .	110	- 0	+7	98	+ 5	+ 9	+ 4	+13
Stone, clay and glass . . . . .	75	+11	+2	57	+29	+ 2	+29	+ 4
Lumber products . . . . .	61	+ 5	+0	47	+14	- 1	+15	- 4
Chemicals and products . . . .	84	- 6	+2	71	- 1	0	+ 5	+ 0
Leather and products . . . . .	97	+ 8	-2	85	+12	- 7	+17	- 5
Paper and printing . . . . .	91	+ 3	+2	84	+ 9	+ 7	+ 9	+ 5
Printing . . . . .	85	+ 3	+2	82	+ 8	+ 7	+ 7	+ 6
Others:								
Cigars and tobacco . . . . .	71	+ 3	+3	62	+ 8	+10	- 0	+ 7
Rubber tires, goods . . . . .	71	- 2	+1	54	- 2	- 7	+ 4	- 6
Musical instruments . . . . .	53	+16	+8	47	+21	+19	+26	+20

\* Figures from 2281 plants.

† Figures from 2054 plants.

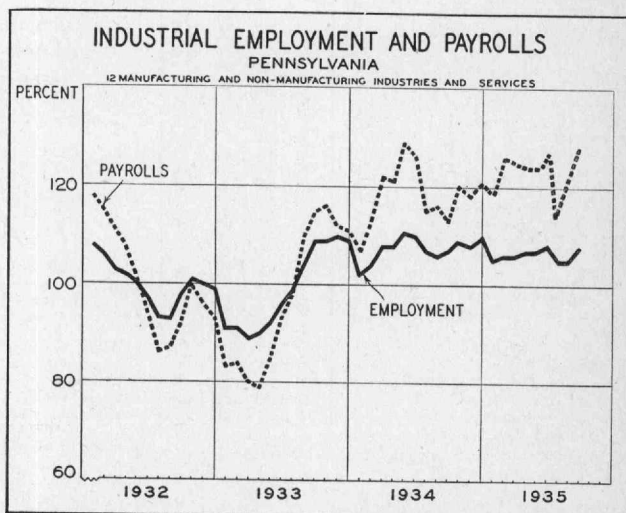
### General Index Numbers

Covering twelve branches of trade and industry

	Employment			Payrolls		
	Sept. 1935 index	Per cent change from		Sept. 1935 index	Per cent change from	
		Sept. 1934	Aug. 1935		Sept. 1934	Aug. 1935
<b>General index (weighted)</b> . . . .	108	+ 1	+ 3	128	+13	+ 5
Manufacturing . . . . .	123	+ 8	+ 2	157	+21	+ 2
Anthracite mining . . . . .	74	-18	+19	72	-18	+35
Bituminous coal mining . . . . .	119	- 2	+ 4	165	+18	+35
Building and construction . . . .	68	-19	- 1	70	- 3	+ 5
Quarrying and non-met. mining . .	101	-17	- 3	141	+ 4	- 2
Crude petroleum producing . . . .	202	+20	- 2	186	+24	+ 7
Public utilities . . . . .	90	- 0	+ 0	90	+ 2	- 1
Retail trade . . . . .	107	+ 1	+ 7	107	+ 3	+ 7
Wholesale trade . . . . .	107	+ 3	+ 2	103	+ 6	+ 4
Hotels . . . . .	101	- 8	- 1	98	- 4	+ 1
Laundries . . . . .	95	- 1	- 0	95	+ 4	+ 2
Dyeing and cleaning . . . . .	98	- 2	+ 4	111	+ 4	+16

City areas*	Percentage change—September 1935 from September 1934				
	Manufacturing		Building permits (value)	Debits	Retail trade sales
	Employment	Wage payments			
Allentown . . . . .	+ 2	+16	- 22	+ 8	+14
Altoona . . . . .	+ 7	- 3	- 42	+ 1	+ 8
Harrisburg . . . . .	+10	+22	+ 312	+16	+ 6
Johnstown . . . . .	- 2	+25	- 51	+16	+ 4
Lancaster . . . . .	+17	+31	+ 72	+11	+ 0
Philadelphia . . . . .	+11	+20	+ 81	+32	+13
Reading . . . . .	+14	+20	+ 92	+19	+ 3
Scranton . . . . .	+ 2	+ 6	- 38	+ 4	+ 3
Trenton . . . . .	- 4	+19	- 7	+ 4	+ 8
Wilkes-Barre . . . . .	+ 9	+25	- 62	+ 1	+ 4
Williamsport . . . . .	+13	+26	+ 235	+17	.....
Wilmington . . . . .	- 1	+ 4	+1667	+21	+ 8
York . . . . .	+11	+25	+ 67	+20	.....
	September 1935 from August 1935				
Allentown . . . . .	- 1	- 4	- 78	- 7	+18
Altoona . . . . .	- 0	-14	+ 3	- 5	+ 4
Harrisburg . . . . .	+ 2	+ 2	+ 15	- 4	+21
Johnstown . . . . .	+ 0	- 2	- 6	- 5	+ 7
Lancaster . . . . .	+ 6	+11	+ 26	- 2	+10
Philadelphia . . . . .	+ 3	+ 4	- 26	+ 4	+41
Reading . . . . .	+ 1	+ 4	- 35	- 6	+17
Scranton . . . . .	- 5	- 5	- 62	- 6	+41
Trenton . . . . .	+ 2	+ 6	+173	-13	+30
Wilkes-Barre . . . . .	+ 1	- 4	- 85	- 8	+22
Williamsport . . . . .	+ 1	- 2	+122	- 8	.....
Wilmington . . . . .	+ 1	+ 4	+ 321	+21	+21
York . . . . .	+ 7	+ 9	- 43	- 1	.....

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



# Index numbers of individual lines of trade and manufacture

## Philadelphia Federal Reserve District

	Index numbers: percentages of the 1923-1925 average taken as 100										
	Adjusted for seasonal variation						Not adjusted				
	Sept. 1934	July 1935	Aug. 1935	Sept. 1935	Per cent change			Sept. 1934	July 1935	Aug. 1935	Sept. 1935
					Month ago	Year ago	1935 from 9 mos. 1934				
Adjusted indexes allow for the usual seasonal change in activity.											
Unadjusted indexes reflect merely the actual change which may or may not be typical.											
<b>Retail trade</b>											
<b>Sales</b>											
Total of all stores	69	67	67	79p	+18	+14	+2	62	49	52	71p
Department	66r	62	65	72	+11	+9	+2	59r	46	49	65
Men's apparel	61r	64r	59r	72p	+22	+18	+4	50r	52r	46r	60p
Women's apparel	104	85	110	119p	+9	+15	+3	90	56	75	103p
Shoe	83	56	53	82p	+54	-1	-2	77	51	44	76p
Credit	58	75	57	75p	+33	+29	+7	55	49	54	72p
<b>Stocks of goods</b>											
Total of all stores	64	61	62	64p	+4	+0	.....	67	55	59	67p
Department	54r	50	51	54p	+5	+0	.....	56r	46	48	56p
Men's apparel	55	74	59	60p	+2	+9	.....	60	60	61	65p
Women's apparel	93	87	94	97	+3	+5	.....	100	66	83r	104
Shoe	57	53	59	57	-3	-0	.....	60	49	57	60
Credit	82r	68	74	78p	+5	-5	.....	83r	68	72	79p
Rate of stock turnover 9 months (actual, not indexes)							+6*	2.71			2.87
<b>Wholesale trade</b>											
<b>Sales</b>											
Total of all lines	72	76	77	79p	+4	+10	+5	82	70	72	90p
Boots and shoes	38	41	49	44	-11	+15	+2	55	34	56	64
Drugs	89	88	88	92	+4	+4	+1	91	83	82	95
Dry goods	37	38	34	38	+11	+2	-8	49	29	32	51
Electrical supplies	59	85	76	64p	-16	+8	+2	71	69	62	77p
Groceries	109	105	112	119p	+6	+9	+6	121	106	110	132p
Hardware	44	47	48	51	+7	+18	+10	46	46	43	54
Jewelry	32	37	35	51	+45	+60	+18	39	25	31	63
Paper	61	64	68	74	+8	+21	+7	62	61	65	75
<b>Stocks of goods</b>											
Total of all lines	65	62	63	63p	+1	-2	.....	67	62	64	66p
Boots and shoes	24	26	24	27	+12	+11	.....	25	26	26	28
Drugs	116	97	107	108	+1	-7	.....	120	96	110	111
Dry goods	46	38	40	40	-1	-14	.....	51	38	43	44
Electrical supplies	78	94	86	87	+1	+12	.....	83	94	92	93
Groceries	70	67	66	65	-1	-6	.....	70	62	61	65
Hardware	61	69	70	69	-1	+13	.....	60	69	70	68
Jewelry	53	46	49	54	+11	+2	.....	58	53	54	59
Paper	56	61	57	56	-2	+2	.....	57	61	59	58
Rate of stock turnover 9 months (actual, not indexes)							+1*	4.20			4.24
<b>Output of manufactures</b>											
Pig iron	22	26	33	33	-0	+52	-12	20	24	29	31
Steel	43	55	57	61	+6	+42	+7	41	50	58	58
Iron castings	52	59	64	53p	-18	+1	+9	52	57	62	53p
Steel castings	62	62	56	53	-5	-15	-9	57	55	54	48
Electrical apparatus	67	75	76	80	+5	+20	+24	73	79	84	88
Motor vehicles	12	11	13	9	-34	-28	+4	10	11	11	7
Automobile parts and bodies	36	42	47r	58	+23	+59	+6	35	40	44r	55
Locomotives and cars	14	16	18	20	+12	+42	-11	13	16	18	19
Shipbuilding	118	75	78	142	+81	+21	-1	112	73	78	135
Silk manufactures	65	83	106r	97	-8	+49	+3	65	81	103r	97
Woolen and worsteds	27	88	81	70	-13	+157	+87	30	82	83	77
Cotton products	30	43	43	45	+4	+48	+9	29	38	38	42
Carpets and rugs	42	133	131	102	-22	+145	+125	45	121	120	111
Hosiery	102	103	121	125	+4	+22	+16	102	85	105	125
Underwear	95	124	126r	121	-4	+27	+20	95	103	117r	121
Cement	45	37	28	30	+5	-33	-12	52	44	36	35
Brick	27	34	36	41	+15	+51	+7	28	33	37	42
Lumber and products	20	23	23	20	-13	-1	+2	21	25	25	21
Bread and bakery products	+6* -0* -1*										
Slaughtering, meat packing	98	69	69	68	-1	-30	-21	100	62	61	70
Sugar refining	42	106	115	49	-57	+17	-16	36	108	99	42
Canning and preserving	50	65	54	51p	-5	+1	-4	34	54	57	65p
Cigars	88	87	84	91	+9	+3	+0	103	94	90	106
Paper and wood pulp	56	58	60	61	+0	+8	+6	56	55	60	61
Printing and publishing	81	84	84	87	+4	+8	+1	80	82	81	87
Shoes	123	155	140	137	-2	+12	+5	140	144	150	157
Leather, goat and kid	98	128r	116	116p	+1	+19	+1	102	113r	111	121p
Explosives	67	70	81	69	-14	+4	-6	67	69	81	69
Paints and varnishes	68	78	71	73	+3	+8	+3	64	73	73	69
Petroleum products	137	136	137	152p	+11	+11	+2	138	137	138	154p
Coke, by-product	70	78	84	91	+8	+30	+4	67	76	83	87

\* Computed from data unadjusted for seasonal variation.

p—Preliminary.

r—Revised.

