

THE BUSINESS REVIEW

THIRD FEDERAL
PHILADELPHIA



RESERVE DISTRICT
DECEMBER 1, 1936

FEDERAL RESERVE BANK OF PHILADELPHIA

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Business and Banking Conditions in the United States

Volume of industrial production increased seasonally in October and there was a substantial rise in employment and payrolls. Prices of a number of industrial raw materials and finished products have advanced.

Production and employment. In October the Board's seasonally adjusted index of industrial production was at 109 per cent of the 1923-1925 average, about the level of the three preceding months. Steel production was in larger volume than in any other month since 1929, and the rate of activity was sustained in the first three weeks of November. Output of automobiles rose sharply from September to October. The increase in this period was less than a year ago, reflecting the fact that this year the date of the shift to production of new models was less uniform among the leading producers, but in the first three weeks of November production increased further and was larger than last year. Activity at textile mills, which usually increases in October, declined slightly from the high level of September. In the meat-packing industry output showed a further increase. Coal production in-

creased seasonally and production of crude petroleum continued at recent high levels.

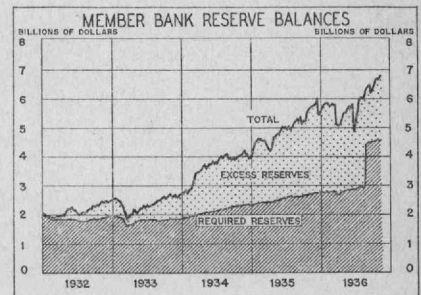
Factory employment increased by more than the usual seasonal amount between the middle of September and the middle of October. Increases in employment were general among the durable goods industries, with the largest expansion reported at factories producing automobiles and machinery, while changes in employment in the non-durable goods industries were largely of a seasonal character. Factory payrolls rose by considerably more than the usual seasonal amount.

Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, was slightly smaller in October than in September, with a decline in publicly-owned projects partly offset in the total by an increase in awards for private non-residential construction.

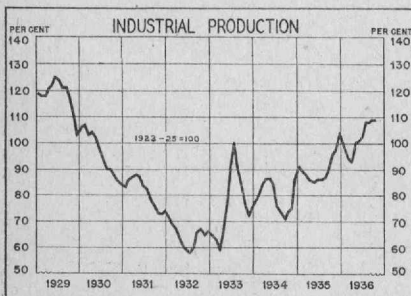
Distribution. Sales by department stores and by mail order houses serving rural areas increased from September to October by a larger amount than is usual at this season. Variety

store sales showed a less than seasonal rise. Freight-car loadings increased further in October, reflecting chiefly a larger volume of shipments of miscellaneous freight and of coal.

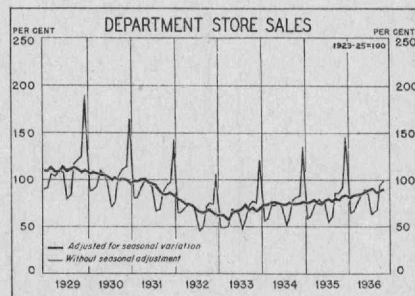
Commodity prices. The general level of wholesale commodity prices advanced somewhat during the first three weeks of November, following two and a half months of little change. Since the middle of October prices of a number of industrial raw materials, particularly nonferrous metals, hides, rubber, silk, and wool, have shown a considerable rise and there have also



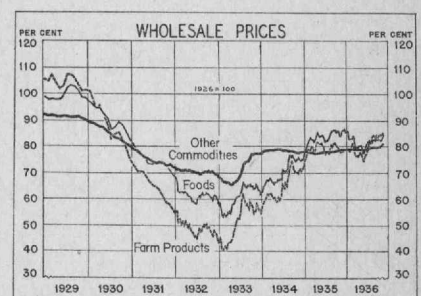
Wednesday figures of total member bank reserve balances at Federal Reserve banks, with estimates of required and excess reserves, January 6, 1932 to November 18, 1936.



Index of physical volume of production, adjusted for seasonal variation.



Indexes of value of sales.



Indexes compiled by the United States Bureau of Labor Statistics. By months, 1929 to 1931; by weeks, 1932 to date. Latest figure is for week ending November 21, 1936.

been substantial increases in the prices of some finished products, including automobile tires, glass, woolen goods, and cotton goods.

Bank credit. Member bank reserves increased in the four weeks ended November 18, chiefly as the result of transfers of gold to the United States. On that date member bank reserves were \$2,270,000,000 larger than legal requirements, the highest level since the increase in reserve requirements

which became effective in the middle of August.

Adjusted demand deposits at weekly reporting member banks in leading cities have continued to increase, and on November 18 amounted to about \$15,400,000,000. Since the end of last May these deposits have increased by over \$800,000,000, reflecting a rise in deposits outside New York City. Time deposits at reporting banks have remained at about the \$5,000,000,000 level.

Holdings of United States government obligations at reporting banks have recently declined somewhat further. Since the end of June the decline has amounted to about \$300,000,000 and has been at New York City, with little change elsewhere. Holdings of other securities have declined in recent weeks, reflecting chiefly a reduction in the amount held by New York City banks. Loans to customers have shown some further increase.

Business and Banking Conditions in the Philadelphia Federal Reserve District

Industrial conditions in the Philadelphia Federal Reserve District have continued to reflect steady improvement. Production and employment in October reached the highest level since 1930. Output of manufactures, coal and crude oil combined was 89 per cent of the 1923-25 average as compared with 77 a year ago; the trend has been almost steadily upward since early 1933.

The value of contracts awarded for construction declined from September to October, except in the case of house building, but the volume continues substantially above last year. Operations on contracts awarded this year expanded further during the month.

The agricultural situation continues favorable and income from sales of crops and animal products has been larger than in previous years, reflecting in part the influence of higher prices. Prices of commodities, agricultural as well as industrial, have increased during the month ending November 21.

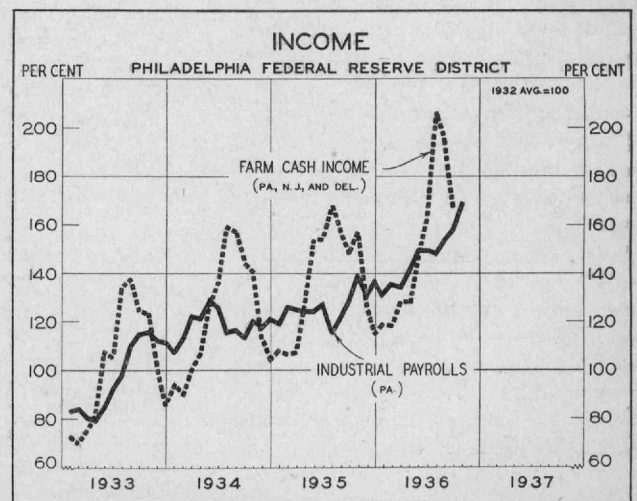
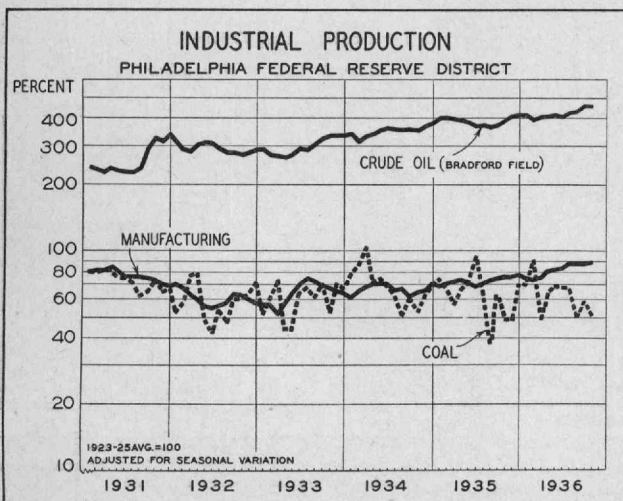
Retail trade sales did not increase as much as they usually do from September to October but gains over last year

continued well maintained into November. Sales at wholesale establishments, while declining slightly during the month, also were appreciably larger than last year. Some improvement occurred in the sale of ordinary life insurance. Sales of new passenger automobiles showed additional decreases in the month, but the total for the year is still substantially larger than last year. Shipments of commodities by rail and truck have increased somewhat.

General employment, as measured by our index number covering 12 branches of trade and industry in Pennsylvania, increased 2 per cent and payrolls 7 per cent from the middle of September to the middle of October. The employment index expressed in the percentage of the 1932 average was 121, or 8 per cent higher than in October 1935. The payroll index was 169, or 21 per cent higher than a year ago. Early figures for November indicate that this level has been either maintained or increased by greater activity in trade, services, and in certain lines of manufacturing.

Manufacturing. Demand for products manufactured in this district has continued active and has been running substantially ahead of last year. The volume of unfilled orders appears much larger than a month ago or at the same time for several years. Shipments of manufactures by railroad freight have been maintained at approximately the same level for two successive months and the expansion this year has been quite pronounced, reaching in August the highest point in the past four years. Deliveries by motor trucks also have been increasing. The movement of goods by water to and from the Port of Philadelphia, extending from Trenton to the sea, also showed considerable gains over last year, although recently shipping has been greatly interrupted by the strike of coastwise longshoremen and seamen.

The supply of finished manufactures at reporting plants appears to be the smallest in several years, except for certain lines particularly in the consumers' goods groups. Purchases of raw materials in various stages, on the



Business Indicators

Philadelphia Federal Reserve District

other hand, have been increasing as is to be expected in a period of sustained or improving business. The latest report from the Department of Commerce also indicates a further decline in the stocks of finished goods and an almost steady decrease this year in the country's supply of raw materials, reflecting chiefly active demand by the producers of finished goods.

Cooperating concerns almost uniformly report further advances in prices for most of their products. The index number of the Bureau of Labor Statistics covering prices of all commodities, excluding farm products and foods, on November 21 was 81 per cent of the 1926 average as compared with 80 a month ago and 79 a year before. The depression low was about 65 in the spring of 1933.

The number of factory wage earners and their payrolls showed additional increases from the middle of September to the middle of October, and early reports for November indicate that the seasonal volume was more than maintained at the usual rate for that period. The index number of employment computed for this district reached almost 88, relative to the 1923-25 average, and the payroll index rose to 86, both being the highest since 1930.

Estimates for Pennsylvania indicate that the number of factory wage earners in October approximated 945,000 and the amount of their wages averaged about \$22,344,000 a week. These figures represent gains of 10 per cent in employment and almost 24 per cent in payrolls over last year. The sharpest relative increases occurred in industries producing durable goods including iron and steel products and transportation equipment.

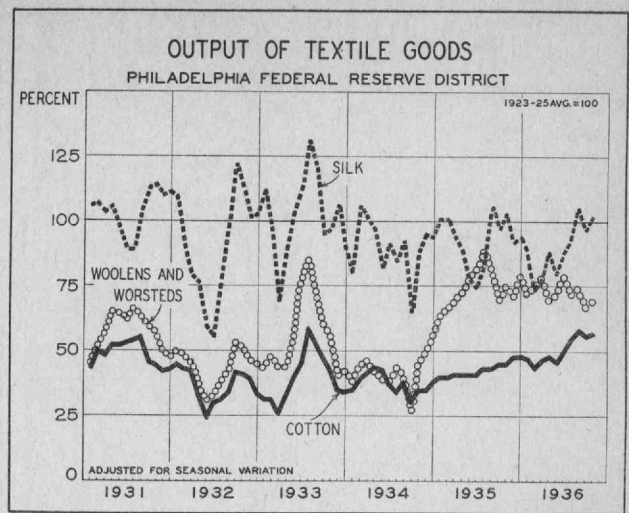
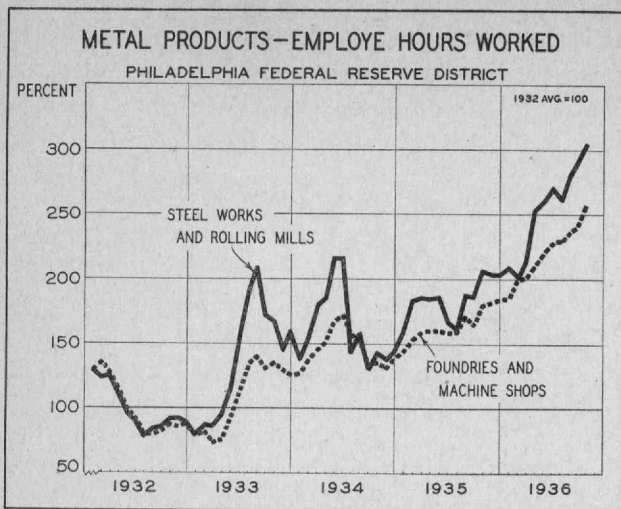
Reports from Delaware factories showed declines in employment, payrolls and working time from September to October, reflecting largely seasonal recessions in the canning industry. Compared with a year ago, the number of wage earners employed in October was 14 per cent larger and their compensation was 24 per cent greater. Conditions in southern New Jersey also reflect the usual seasonal drop in activity of the canning and preserving industry, so that factory employment showed a slight decline in October but wage payments were 5 per cent greater than in September, owing largely to increased activity in industries other than those concerned with food preparation. The volume of employment and wages continued the

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					
	Oct. 1935	Aug. 1936	Sept. 1936	Oct. 1936	Per cent change		Oct. 1935	Aug. 1936	Sept. 1936	Oct. 1936		
					Oct. 1936 from	1936 from 10 mos. 1935						
Unadjusted indexes reflect merely the actual change which may or may not be typical.												
	Month ago	Year ago										
Industrial production	77	88	89	89p	+ 0	+ 16	+ 12	81	88	91	94p	
Manufacturing—total	76	88	88	89p	+ 1	+ 17	+ 14	80	88	90	93p	
DURABLE GOODS.....	62	78	82	85p	+ 4	+ 38	+ 35	.....	.....	.....	.....
CONSUMERS' GOODS.....	88	96	93	92p	- 1	+ 5	+ 3	.....	.....	.....	.....
Metal products.....	69	87	93	94	+ 1	+ 38	+ 32	71	91	93	97	
Textile products.....	90	99	92	92p	- 0	+ 2	- 0	94	93	94	95p	
Transportation equipment.....	58	80	80	91	+15	+56	+72	56	78	75r	87	
Food products.....	67	77	76	72p	- 5	+ 9	+ 8	69	78	80	79p	
Tobacco and products.....	92	95	99	99	+ 0	+ 7	+ 9	113	102	114	121	
Building materials.....	34	42	43	47	+ 8	+ 36	+ 32	36	48	47r	50	
Chemicals and products.....	104	117	122	116p	- 5	+ 11	+ 11	106	118	121	118p	
Leather and products.....	118	135	133	124p	- 5	+ 5	+ 2	125	137	145	132p	
Paper and printing.....	82	85	87	93	+ 7	+ 13	+ 4	5	83	83	86	
Coal mining.....	49	50	59	51p	-13	+ 4	- 1	62	50	60	64p	
Anthracite.....	48	47	56	48p	-14	- 0	- 2	62	47	57	62p	
Bituminous.....	61	76	80	78	- 2	+ 29	+ 16	65	72	81	84	
Crude oil.....	390	430	461	459	- 0	+ 18	+ 10	390	443	461	459	
Electric power.....												
Output.....	203	234	235	232	- 1	+ 15	+ 13	209	222	230	239	
Sales, total.....	198	227	229	231	+ 0	+ 17	+ 14	198	216	227	231	
Sales to industries.....	144	167	166	173	+ 5	+ 20	+ 26	140	172	176	168	
Employment and wages—Pa.												
Factory—Wage earners.....					+ 1*	+ 10*	+ 7*	79	84	87	88	
Payrolls.....					+ 6*	+ 24*	+ 20*	70	81	82	87	
Man-hours (1927-28=100).....					+ 6*	+ 28*	+ 26*	71	85	86	91	
General (1932=100).....												
Employment.....					+ 2*	+ 8*	+ 5*	112	114	118	121	
Payrolls.....					+ 7*	+ 21*	+ 17*	139	154	158	169	
Building and real estate												
Contracts awarded†—total.....	35	62	69	59	-15	+ 66	+112	36	63	68	60	
Residential.....	22	43	54	50	- 8	+129	+100	21	40	49	49	
Non-residential.....	34	62	64	54	-16	+ 60	+113	33	63	63	52	
Public works and utilities.....	89	115	141	111	-22	+ 25	+124	86	126	130	108	
Permits for building—17 cities.....	10	24	15	18	+25	+ 73	+ 97	11	22	13	19	
Real estate deeds—Philadelphia.....	52	28	23	32	+40	- 37	- 12	54	25	21	34	
Writs for Sheriff sales—Phila.....	1212	515	631	525	-17	- 57	- 30	606	494	732	262	
Distribution												
Retail trade—sales.....	70	80	88	83	- 5	+ 19	+ 11	80	64	79	94	
stocks.....	67	70	73	73	+ 0	+ 9	.....	74	67	77	81
Wholesale trade—sales.....	76	87	86	84p	- 2	+ 11	+ 9	87	82	98	96p	
stocks.....	67	68	70	73p	+ 3	+ 9	.....	70	69	73	76p
Life insurance sales.....	106	100	103	104	+ 1	- 2	- 7	97	84	83	95	
New passenger auto. registrations.....	66	112	92	83	-10	+ 25	+ 27	54	124	89	68	
Hotels—Occupancy.....					+14*	+ 21*	+ 11*	116	104	124	141p	
—Income, total.....					+33*	+28*	+15*	119	90	115	153p	
Freight car loadings—total.....	60	70	71	73	+ 2	+ 22	+ 17	65	74	80	80	
Merchandise and miscellaneous.....	61	72	71	73	+ 2	+ 19	+ 17	66	75	80	78	
Coal.....	57	65	68	69	+ 1	+ 21	+ 7	65	63	71	78	
Business liquidations												
Number.....					0*	- 43*	- 23*	75	41	42	42	
Amount of liabilities.....					+ 6*	- 62*	- 47*	51r	20	18	19	
Payment of accounts												
Check payments.....	77	88	90	88	- 2	+ 15	+ 8	79	75	85	91	
Rate of collections (actual).....												
Retail trade.....	29	32	31	32	+ 1	+ 8	.....	30	29	27	32
Wholesale trade.....	72	74	76	77	+ 1	+ 7	.....	73	74	75	78
Prices—United States												
WHOLESALE (1926=100).....					- 0*	+ 1*	+ 1*	80	82	82	81	
Farm products.....					0*	+ 7*	+ 1*	78	84	84	84	
Foods.....					- 1*	+ 3*	- 2*	85	83	83	83	
Other commodities.....					+ 1*	+ 2*	+ 2*	78	80	80	80	
RETAIL FOOD.....					- 2*	+ 3*	+ 14*	80	84	84	83	
Philadelphia.....					- 0*	+ 5*	+ 3*	81	86	85	85	
Seranton.....					- 1*	+ 3*	+ 3*	78	81	80	80	

(In millions of dollars)	Oct. 1935	July 1936	Aug. 1936	Sept. 1936	Oct. 1936	% change from	
						Month ago	Year ago
Banking and credit							
Federal Reserve Bank							
Bills discounted.....	\$ (a)	\$ (a)	\$ (a)	\$ (a)	\$ (a)	.....	.....
Other bills and securities.....	184	217	217	217	214	- 1	+16
Member bank reserves.....	262	316	320	354	406	+15	+55
Reserve ratio (per cent).....	72.1	69.9	69.6	71.0	73.3	+ 3	+ 2
Reporting member banks							
Loans to customers.....	\$ 402	\$ 419	\$ 421	\$ 423	\$ 417	- 1	+ 4
Other loans and investments.....	695	770	767	762	764	+ 0	+10
Total deposits (adjusted).....	1,319	1,423	1,412	1,433	1,491	+ 4	+13
Bankers' acceptances outstanding	14.1	11.3	12.3	11.4	12.7	+11	-10

* Computed from data unadjusted for seasonal variation.
 † 3-month moving daily average centered at 3rd month.
 (a) Less than \$500,000.

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



largest for several years as in the case of other parts of the district.

Output of factory products in this district during October increased slightly, continuing the steady upward trend since the fall of 1934, barring two minor declines. Our adjusted index of productive activity rose to 89 per cent of the 1923-25 average from 88 in the previous three months; in October last year this index was 76, or about 14 per cent lower than at present. The depression low reached in 1932-33 was around 54.

As was the case in the previous months, the sharpest gains occurred in industries producing durable goods. The gain in the output of this group as a whole has been almost continuous and the total for the year to date is about 35 per cent larger than in the same period last year. The demand for durable and semi-durable products has been expanding at a considerable pace during the past seven months and current purchases appear to continue in substantial volume. The trend of prices is decidedly upward, reflecting largely increasing costs of raw materials and labor.

Productive activity of industries producing consumers' goods generally barely maintained the normal seasonal level between September and October but the average rate of activity was 5 per cent higher than a year ago. In the case of textiles, production of silk, wool and cotton goods increased while the output of carpets and rugs, hosiery and underwear either decreased or was not up to the expected change from September to October. Recessions in the output of shoes and leather were more pronounced than usual, though in the case of shoes production continued noticeably larger than a year ago. Prices of foods, textile products,

hides and leather, and housefurnishing goods have shown a rising tendency in sympathy with advances in the raw material markets.

Output of electric power has continued at a record level despite a slight decline during October. Total sales of electricity have been well maintained. Industrial consumption of electrical energy declined from September to October by a smaller quantity than usual so that the adjusted index rose to the highest point in thirteen years except for two months in 1929.

Coal and other fuels. Production of anthracite showed less than the customary rate of gain from September to October and declined seasonally in early November, according to preliminary reports. Shipments during October registered a further substantial increase and were 9 per cent larger than a year before. In the first ten months this year anthracite output was 2 per cent smaller while shipments were 3 per cent greater than in the same interval of 1935.

Bituminous coal production in Pennsylvania also failed to increase by as large a percentage as it ordinarily does in October. Compared with a year ago, however, the output of mines was 29 per cent greater and was the largest since 1930. In the first fortnight of November production continued at about the same level as in October. Car loadings of soft coal have shown a sharp upward trend since last June, reflecting in part an expanding demand for industrial fuel by manufacturers and other industrial consumers. For the year to date both output and shipments have been substantially larger than in 1935 and have exceeded those of any like interval in several years.

Production of bi-product coke about maintained its customary seasonal level

in October, following substantial gains for two months previous. Output of gas and fuel oils in October was smaller than a month before. Compared with a year ago, coke production was 33 per cent larger and that of gas and fuel oils was 34 per cent greater.

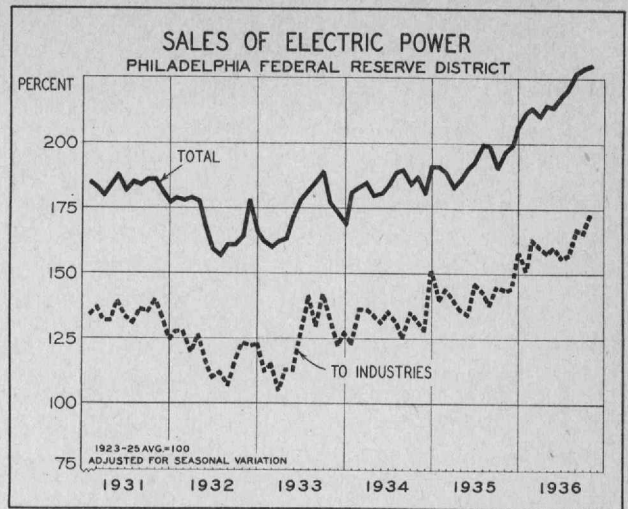
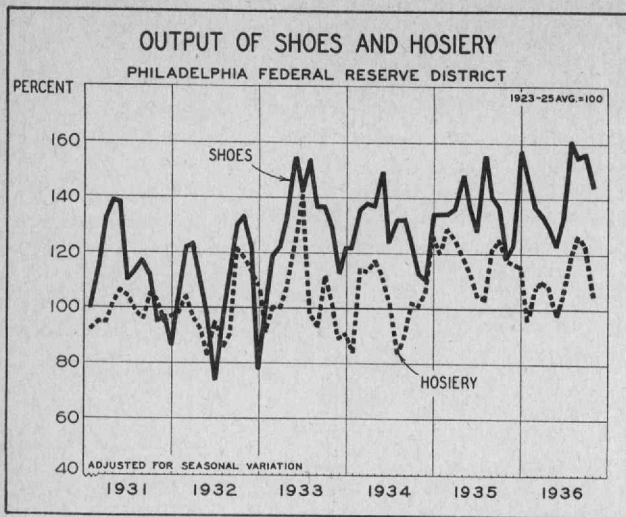
(Output and shipment figures are daily averages)	October 1936	Per cent change from	
		Month ago	Year ago
Anthracite			
Production..... tons	163,600	+ 9	- 1
Shipments..... tons	167,765	+12	+ 9
Stocks.....1000 tons	2,347†	+18	+10
Prices.....(1926=100)	81.8	+ 1	- 1
Employment.....No.	89,445	+ 5	-15
Bituminous			
Production..... tons	398,300	+ 3	+29
Shipments.....No. cars	30,193	+10	+19
Prices.....(1926=100)	97.3	+ 0	- 1
Employment.....No.	130,736	+ 2	+ 7
Coke			
Prod....(1923-25=100)	121.3	+ 3	+33
Prices.....(1926=100)	97.8	+ 4	+10
Gas and fuel oil			
Prod....(1923-25=100)	115.5*	- 8	+34
Prices.....(1926=100)	68.3	+ 3	+ 9

Sources: Bureau of Mines and Bureau of Labor Statistics. * Estimated. † October 1.

Building. Awards of building contracts in this district totaled approximately \$11,770,000 in October, a decrease of 34 per cent from September but an increase of 30 per cent over a year ago. The decline in the month was of greater than seasonal propor-

Building contracts Philadelphia Federal Reserve District	October 1936 (000's omitted)	Per cent change	
		From month ago	1936 from 10 mos. 1935
Residential	\$ 4,803	-29	+100
Apts. and hotels.....	214	-92	+161
Family houses.....	4,589	+16	+ 92
Non-residential	3,400	-37	+113
Commercial.....	871	- 0	+ 63
Factories.....	780	-32	+ 30
Educational.....	776	-24	+598
All other.....	973	-59	+ 45
Total buildings	\$ 8,203	-32	+108
Public works and utilities	3,566	-36	+124
Grand total	\$11,769	-34	+112

Source: F. W. Dodge Corporation.



tions and reflected a substantial reduction in the value of contracts let for all types of construction other than family dwellings and commercial buildings. The dollar volume of all contract awards, while still below the level of the pre-depression years, was 112 per cent greater in the first ten months this year than last and was the largest for that interval since 1931. Contracts awarded for residential buildings, particularly one and two-family houses, have shown a sharp and almost continuous gain since February.

Operations on contracts previously awarded increased further in October and were in larger volume than last year. Current reports show that the demand for building materials continues to be quite active for this season and that unfilled orders exceed those of a year ago. In recent months employment in plants producing building materials has been maintained at the highest levels since 1930. The October index of wage earners employed in seven industries of Pennsylvania manufacturing important materials used in building and construction stood at 72.1 per cent of the 1923-25 average or nearly 16 per cent higher than a year earlier. This compares with a depression low of 39.0 in early 1933. Latest reports indicate some shortage of skilled labor in certain building trades.

Prices of building materials have increased during the past three months. The Bureau of Labor index about the middle of November reached nearly 88 per cent of the 1926 average, after fluctuating around 85 in the earlier months of the year. A year ago this index was about 86.

Agriculture. Estimated yields of late field crops including corn, tobacco and white potatoes have been revised up-

ward since October 1, according to the Department of Agriculture. Indications now are that the harvest of corn, while smaller than a year ago, will compare favorably with the average for the five years 1931-1935. In the case of tobacco and white potatoes, production this year is expected to about equal this average and to be somewhat larger than in 1935. Output of several other important commercial crops, as well as that of certain ones used principally as feed for livestock, was substantially smaller this year than last. Higher prices for farm products generally more than offset the smaller yields.

Cash income of farmers has continued to expand. Preliminary reports show that in the first nine months this year receipts from the sale of farm products in Pennsylvania, New Jersey and Delaware totaled \$245,236,000. This figure represents a gain of 11 per cent over a year ago and an increase of 51 per cent as compared with the same interval of 1933, which was a record low year in point of farm cash income. In comparison with the January to September period of 1929, however, sales were still about 18 per cent smaller.

Sales of farm products Penna.—N. J.—Del.	9 months 1936 (000's omitted)	Per cent change from		
		1935	1933	1929
Crops.....	\$ 76,006	+33.4	+51.8	-12.7
Livestock and products.....	169,230	+ 3.3	+50.9	-21.2
Total.....	\$245,236	+11.1	+51.1	-18.7

Source: Bureau of Agricultural Economics.

Distribution, trade and service. Dollar sales by department, apparel, shoe and credit stores, computed on a daily basis, were 19 per cent greater in October this year than last. All lines

shared in this gain, although the largest increases were reported by credit, shoe and men's apparel stores. October sales by department stores in the district as a whole were 13 per cent and at Philadelphia establishments 10 per cent larger than a year earlier. The value of retail trade sales in the aggregate increased about 5 per cent less than it usually does in October, so that our seasonally adjusted index declined to 83 per cent of the 1923-1925 average from 88 a month before. In the first ten months this year total dollar sales exceeded those of a year ago by 11 per cent.

The value of wholesale trade sales by eight important lines in October was 11 per cent larger than last year. Increases ranged from 35 per cent in the case of jewelry to 4 per cent in groceries. Compared with September combined dollar figures showed a decline of about 2 per cent. Thus far this year total dollar sales have been 9 per cent greater than a year ago, owing in part to higher prices.

Stocks of goods at retail stores showed about the customary rate of expansion from September to October but increased somewhat more than usual in wholesale lines. Compared with a year earlier they were 9 per cent larger in both channels of trade, reflecting partly increased prices and a greater volume of business. Collections were effected at a more rapid rate than a year ago.

Sales of new passenger automobiles in this district decreased further during October as was to be expected in view of the introduction of new models, which occurred in early November. Compared with a year ago, however, the number of new units sold was 25 per cent greater and exceeded that of

any other October in the past five years. For the year to date sales have shown an increase of 27 per cent over 1935 and have been the largest since 1929, which was a peak year in point of both production and sales.

Total freight car loadings in this section have been well sustained since early fall at the highest levels since 1930. In the first ten months this year total shipments were 17 per cent greater than in the same period of 1935. The tonnage of rail freight, consisting largely of manufactures originating in the Philadelphia industrial area, decreased less than usual from September to October and continued substantially greater than in the past four years.

Activity of commercial hotels showed a further sharp increase in October. Thus far this year room occupancy has been 11 per cent and total revenue 15 per cent larger than in the same interval of 1935. Details follow.

Hotel business Philadelphia Federal Reserve District	Oct., per cent change from		1936 from 10 mos. 1935
	Month ago	Year ago	
Capacity	+ 0	+ 0	.....
Room occupancy	+14	+21	+11
Per cent of capacity used:			
Oct. 1936	64.6		
Sept. 1936	57.0		
Oct. 1935	53.3		
Income from:			
Guest rooms	+24	+29	+15
Food	+46	+24	+14
Other sources	+37	+33	+16
Total revenue	+33	+23	+15

Banking conditions. Reserve balances to the credit of members at the reserve bank have averaged over 400 millions during the past month. The highest point recorded in any weekly statement thus far was 420 millions on October 21st; despite the decline to 404 millions on November 18, reserves still materially exceed the levels in earlier months of the year. The extraordinary increase in the summer and early fall was largely reflected in the figures of member banks in Philadelphia, but substantial gains also were reported by banks outside of this city. Excess reserves of both groups of banks, though diminished by the increase in reserve requirements effective August 16th,

continue very large, as the preceding ratios show.

The principal factors contributing to the decrease in member bank reserve deposits over the last four weeks were the net outflow of 7 millions to other districts incident to commercial payments, a decline of 3 millions in reserve bank float, and a seasonal increase of 8 millions in currency demand which compared with 7 millions in the corresponding period last year. To assist in meeting its disbursements the Treasury withdrew 26 millions from deposits which banks had set up in payment for new issues of Government securities; although such withdrawals materially augmented local Treasury receipts, disbursements exceeded receipts by 2 millions.

Federal Reserve Bank of Philadelphia (Dollar figures in millions)	Nov. 18, 1936	Changes in—	
		Four weeks	One year
Bills discounted	\$0.2	+\$0.1	-\$0.1
Bills bought	0.3	- 0.0	- 0.2
Industrial advances	5.0	- 0.0	- 1.9
United States securities	209.0	0	+ 31.9
Total bills and securities	\$214.5	+\$0.1	+\$29.7
Federal res. note circulation	301.6	+ 5.4	+ 38.9
Member bank reserve deposits	403.9	-16.4	+130.8
U. S. Treasurer—general account	2.8	+ 0.7	- 0.3
Foreign bank deposits	4.8	- 1.2	+ 1.8
Other deposits	1.8	+ 0.2	- 16.2
Total reserves	526.9	- 8.2	+132.6
Reserve ratio	73.7%	.....	+ 3.3%

Over the last fortnight deposits have increased at the weekly reporting member banks, but the change in the four weeks ending November 18 was a decrease from the 1936 high of 1,498 millions to 1,490 millions. This falling off was due principally to a decline of 19 millions in funds standing to the credit of the United States Government. Balances held for other banks increased to the highest level in the past two years.

There was little change in total earning assets of the reporting banks, as an increase of 10 millions in holdings of United States securities was slightly

more than offset by declines of 7 millions in other securities and 4 millions in loans. Three millions of the latter were in the unclassified (largely "Commercial") group, which now totals 181 millions and is 10 millions below the 1936 peak attained over two months ago. The increase in these loans over a year ago has not equaled in percentage the gains recorded by most of the local indicators of productive and trade activity.

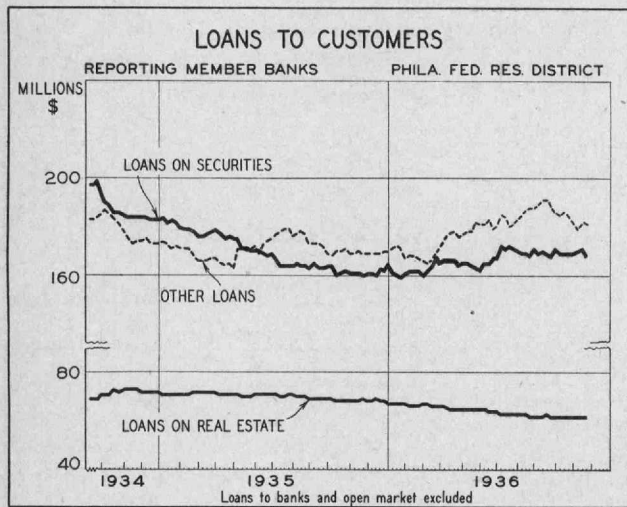
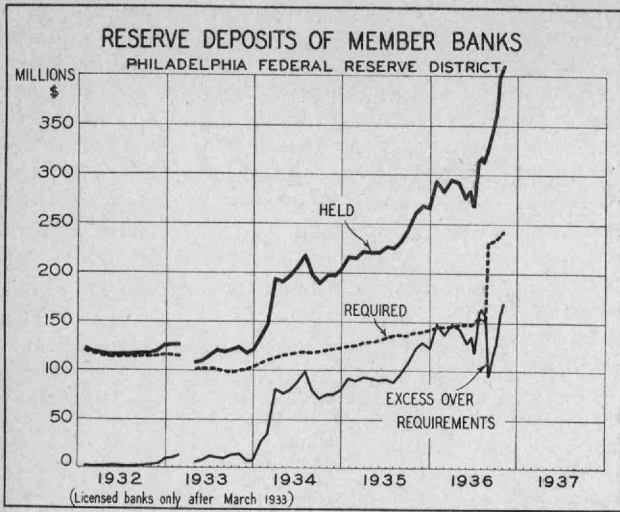
Reporting member banks (000,000's omitted)	Nov. 18, 1936	Changes in	
		Four weeks	One year
Assets			
Loans to brokers and dealers:			
In New York City	\$ 9	.....	+\$ 3
Outside New York City	21	.....	+ 9
Loans on securities to others (except banks)	147	-\$ 1	-\$ 1
Acceptances and commercial paper bought	23	.....	+ 1
Loans on real estate	62	.....	- 7
Loans to banks	2	.....	- 1
Other loans	181	- 3	+ 12
Total loans	\$ 445	-\$ 4	+\$16
U. S. Government securities, Obligations fully guaranteed by U. S. Government	333	+ 10	+ 46
Other securities	93	- 4	- 1
Other securities	306	- 3	+ 18
Total loans and investments	\$1,177	-\$ 1	+\$79
Reserve with Federal Reserve Bank	286	- 14	+ 93
Cash in vault	17	+ 2	+ 2
Balances with other banks	170	+ 5	+ 14
Other assets—net	88	+ 1	- 7
Liabilities			
Demand deposits, adjusted	\$ 823	+\$ 6	+\$90
Time deposits	275	- 4	+ 17
U. S. Government deposits	55	- 19	+ 31
Interbank deposits	337	+ 9	+ 39
Borrowings .....	.....	.....	.....
Other liabilities	22	.....	+ 2
Capital account	226	+ 1	+ 2

Though broken by several substantial recessions, the trend of deposits at the weekly reporting member banks has been strongly upward over most of the past year. Deposit expansion up to July was accompanied by a rising volume of earning assets, mostly in the form of investments. Reserves with the reserve bank showed little net change in this period. Since July 1st a further accumulation of deposits has been reflected in a large increase in reserve balances, while loans and investments have dropped off somewhat.

MEMBER BANK RESERVES AND RELATED FACTORS

Member bank reserve deposits Philadelphia Federal Reserve District	Ratio of excess to required reserves			Changes in weeks ending—				Changes in four weeks
	Phila- delphia banks	Out- side banks	Dis- trict totals	Oct. 28	Nov. 4	Nov. 11	Nov. 18*	
Sources of funds:								
Reserve bank credit extended in district				- 1.0	- 1.2	+ 2.1	- 2.9	- 3.0
Commercial transfers (chiefly interdistrict)				-12.4	+ 1.0	+ 3.0	+ 1.4	- 7.0
Treasury operations				+ 3.6	- 2.6	+ 3.5	- 2.5	+ 2.0
Total				- 9.8	- 2.8	+ 8.6	- 4.0	- 8.0
Uses of funds:								
Currency demand				+ 3.2	+ 4.7	+ 3.4	- 3.1	+ 8.2
Member bank reserve deposits				-13.1	- 7.5	+ 5.2	- 1.0	-16.4
"Other deposits" at reserve bank				+ 0.0	+ 0.1	- 0.3	+ 0.4	+ 0.2
Unexpended capital funds of reserve bank				+ 0.1	- 0.1	+ 0.3	- 0.3	+ 0.0
Total				- 9.8	- 2.8	+ 8.6	- 4.0	- 8.0

*Preliminary



City areas*	Percentage change—October 1936 from October 1935				
	Manufacturing		Building permits (value)	Debits	Retail trade sales
	Employment	Wage payments			
Allentown.....	+12	+27	+72	+27	+16
Altoona.....	+4	+33	0	+30	+40
Harrisburg.....	+10	+29	+237	+17	+15
Johnstown.....	+33	+59	+649	+41	+31
Lancaster.....	+8	+5	+218	+29	+18
Philadelphia.....	+8	+17	+42	+9	+11
Reading.....	+12	+15	+768	+24	+17
Scranton.....	+4	+8	+46	-3	+13
Trenton.....	+9	+15	+152	-4	+32
Wilkes-Barre.....	-5	-2	-45	+5	+8
Williamsport.....	+5	+12	+20	+25	.....
Wilmington.....	+13	+26	+17	+15	+31
York.....	+2	+9	+261	+30	.....
October 1936 from September 1936					
Allentown.....	+1	+4	+78	+21	+27
Altoona.....	-1	+2	-37	+12	+10
Harrisburg.....	+0	+4	+88	+19	+8
Johnstown.....	+5	+7	+80	+16	+17
Lancaster.....	+1	+4	+375	+15	+31
Philadelphia.....	+1	+6	+66	+8	+21
Reading.....	+1	+5	+76	+17	+18
Scranton.....	+2	+6	+36	+12	+1
Trenton.....	+5	+14	+48	+8	+17
Wilkes-Barre.....	+0	+4	-70	+12	+17
Williamsport.....	+0	+2	-64	+25	.....
Wilmington.....	+1	+3	-35	+3	+37
York.....	+6	+7	+10	+20	.....

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

Employment and Payrolls in Pennsylvania

(All figures are rounded from original data)

Manufacturing Indexes

(Indexes are percentages of the 1923-25 average taken as 100. Total and group indexes are weighted proportionately.)

	Employment*			Payrolls*			Employe-hours†	
	Oct. 1936 index	Per cent change from		Oct. 1936 index	Per cent change from		Oct. 1936—per cent change from	
		Oct. 1935	Sept. 1936		Oct. 1935	Sept. 1936	Oct. 1935	Sept. 1936
All manufacturing.....	88	+10	+1	87	+24	+6	+28	+6
Iron, steel and products..	79	+21	+2	89	+40	+6	+40	+7
Non-ferrous metal prods..	117	+12	-0	128	+27	+4	+24	+6
Transportation equip. . .	67	+28	+2	66	+47	+11	+48	+9
Textiles and clothing . . .	107	+4	+0	96	+3	+4	+5	+5
Textiles.....	103	+3	+1	94	+2	+4	+5	+5
Clothing.....	126	+8	-0	106	+10	+4	+7	+0
Food products.....	108	-1	+0	102	+6	-0	+5	+0
Stone, clay and glass....	86	+8	+2	81	+23	+9	+15	+6
Lumber products.....	67	+7	+1	60	+14	+8	+14	+8
Chemicals and products..	91	+6	-0	90	+18	+1	+26	+0
Leather and products....	96	-1	+0	89	+5	-0	+7	-1
Paper and printing.....	96	+4	+2	96	+12	+7	+12	+7
Printing.....	92	+6	+4	95	+15	+8	+13	+10
Others:								
Cigars and tobacco....	69	-3	+2	62	-4	+4	-4	+4
Rubber tires, goods....	85	+14	+3	84	+27	+1	+24	+4
Musical instruments..	55	+2	-3	49	-18	-11	-8	-8

* Figures from 2275 plants.

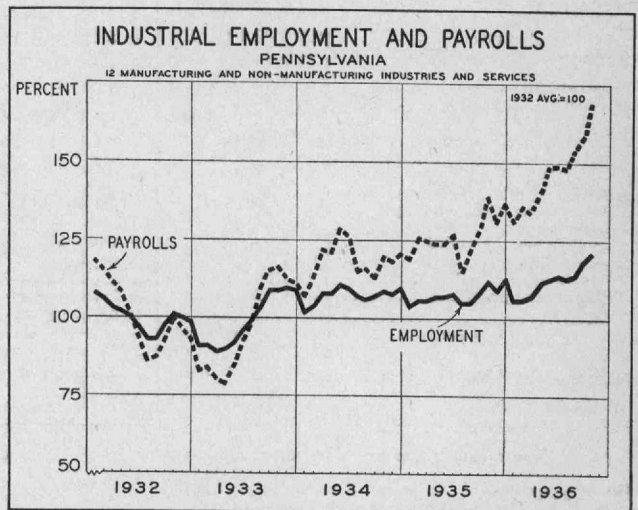
† Figures from 2035 plants.

General Index Numbers

Covering twelve branches of trade and industry

(Indexes are percentages of the 1932 average taken as 100. Individual indexes are combined proportionately into general index number.)

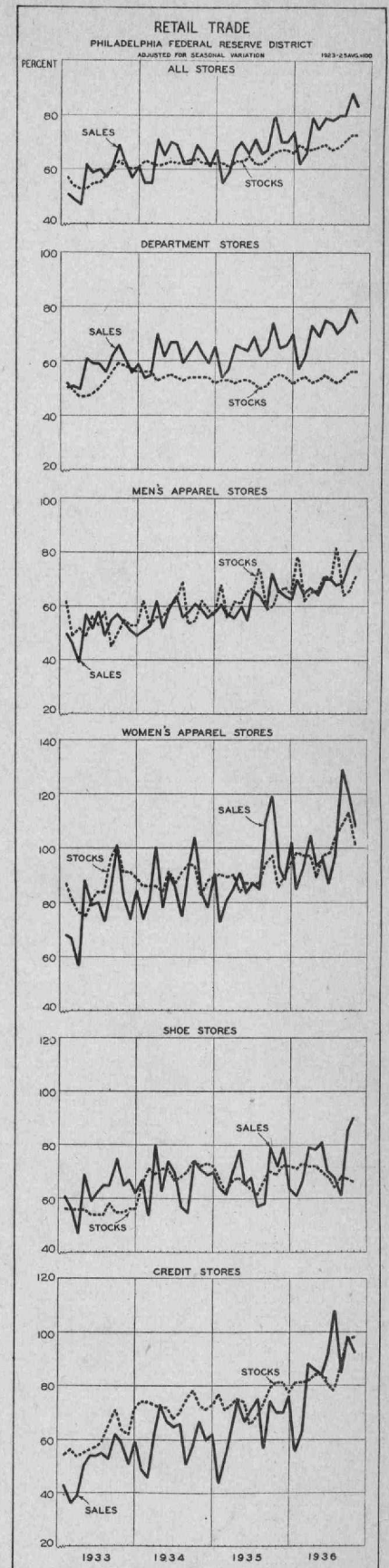
	Employment			Payrolls		
	Oct. 1936 index	Per cent change from		Oct. 1936 index	Per cent change from	
		Oct. 1935	Sept. 1936		Oct. 1935	Sept. 1936
General index (weighted)....	121	+8	+2	169	+21	+7
Manufacturing.....	138	+10	+1	212	+24	+6
Anthracite mining.....	81	-15	+5	91	-13	+39
Bituminous coal mining....	123	+7	+2	226	+30	+9
Building and construction..	85	+25	+1	112	+48	+8
Quarrying and non-met. mining	118	+18	-3	235	+62	+4
Crude petroleum producing..	167	-17	-3	171	+3	-1
Public utilities.....	94	+5	+0	100	+8	+2
Retail trade.....	118	+4	+7	123	+10	+7
Wholesale trade.....	114	+7	+1	111	+9	+2
Hotels.....	108	+5	+1	120	+14	+7
Laundries.....	101	+7	-0	109	+13	+2
Dyeing and cleaning.....	108	+11	+1	122	+11	+10



Index numbers of individual lines of trade and manufacture

Philadelphia Federal Reserve District

	Index numbers: percentages of the 1923-1925 average as 100											
	Adjusted for seasonal variation					Not adjusted						
	Oct. 1935	Aug. 1936	Sep. 1936	Oct. 1936	Per cent change			Oct. 1935	Aug. 1936	Sep. 1936	Oct. 1936	
					Month ago	Year ago	1936 from 10 mos. 1935					
Adjusted indexes allow for the usual seasonal change in activity.												
Unadjusted indexes reflect merely the actual change which may or may not be typical.												
Retail trade												
Sales												
Total of all stores	70	80	88	83	- 5	+ 19	+11	80	64	79	94	
Department	65	73	79	74	- 7	+ 13	+10	74	56	71	84	
Men's apparel	66	69	76	81	+ 6	+ 22	+14	69	54	63	85	
Women's apparel	93	129	120	108	-10	+ 16	+12	105	88	104	121	
Shoe	72	61	85	90	+ 5	+ 24	+ 5	74	46	87	91	
Credit	71r	85	98	92	- 6	+ 29	+32	87r	81	93	112	
Stocks of goods												
Total of all stores	67	70	73	73	+ 0	+ 9	.....	74	67	77	81
Department	54	54	56	56	+ 0	+ 4	.....	61	51	58	64
Men's apparel	66	64	66	71	+ 8	+ 7	.....	70	66	71	75
Women's apparel	91r	109	113	101	-11	+12	.....	115r	96	122	128
Shoe	69	68	67	66	- 1	- 4	.....	76	68	72	73
Credit	82	88	97	98	+ 1	+ 20	.....	86	87	99	104
Rate of stock turnover 10 months (actual, not indexes)							+ 8*	3.27				3.53
Wholesale trade												
Sales												
Total of all lines	76	87	86	84p	- 2	+ 11	+ 9	87	82	98	96p	
Boots and shoes	48	63	53	54	+ 2	+ 13	+14	59	71	76	67	
Drugs	87	99	100	106	+ 5	+ 21	+11	85	92	103	104	
Dry goods	39	45p	44p	45p	+ 2	+ 14	+16	52	42p	58p	60p	
Electrical supplies	64	86p	78p	76p	- 3	+ 18	+16	82	71p	94p	97p	
Groceries	108r	122	119	113	- 6	+ 4	+ 3	118r	120	132	123	
Hardware	54	56	63	62	- 1	+ 15	+15	62	50	66	71	
Jewelry	53	47	70	71	+ 1	+ 35	+22	70	41	87	95	
Paper	73	74	79	80	+ 1	+ 10	+11	78	70	81	86	
Stocks of goods												
Total of all lines	67	68	70	73p	+ 3	+ 9	.....	70	69	73	76p
Boots and shoes	28	27	30	30	+ 2	+ 8	.....	27	29	30	29
Drugs	113	109	110	113	+ 2	- 0	.....	117	112	113	116
Dry goods	43r	42r	42r	45	+ 6	+ 4	.....	45r	45r	46r	47
Electrical supplies	89	100p	106p	110p	+ 4	+ 23	.....	100	107p	113p	123p
Groceries	69	75	78	78	+ 1	+ 13	.....	74	69	78	84
Hardware	68r	72	73	80	+ 9	+ 17	.....	65r	71	71	76
Jewelry	62	55	56	59	+ 6	- 5	.....	65	61	60	62
Paper	58	62	61	60	- 2	+ 5	.....	59	63	63	62
Rate of stock turnover 10 months (actual, not indexes)							+ 6*	5.01				5.29
Output of manufactures												
Pig iron	37	61	58	58	+ 1	+ 57	+75	37	54	54	58	
Steel	64	85	94	94	+ 0	+ 47	+41	64	87	89	94	
Iron castings	50	75	81	69	-15	+ 36	-33	53	73	82	73	
Steel castings	55	110	125	120	- 4	+119	-86	52	106	114	114	
Electrical apparatus	86	94	95	100	+ 6	+ 17	+15	94	104	104	110	
Motor vehicles	14	18	18	19	+ 8	+ 36	+34	13	15	15	17	
Automobile parts and bodies	68	75	66	75	+13	+ 10	+40	65	70	63	71	
Locomotives and cars	24	35	35r	37	+ 4	+ 51	+63	23	36	34	35	
Shipbuilding	156	236	243	287	+18	+ 84	+94	150	233	230	276	
Silk manufactures	103	105	97	102	+ 5	- 1	- 3	106	101	97	104	
Woolens and worsteds	75	74	67	70	+ 4	- 7	- 2	83	76	74	77	
Cotton products	45	58	56	57	+ 1	+ 25	+21	47	52	53	59	
Carpets and rugs	102	150	133	130	- 2	+ 27	+12	117	137	147	148	
Hosiery	118	126	123	105	-15	- 11	- 7	130	110	123	115	
Underwear	129	150	138	137	- 1	+ 6	+15	141	139	138	149	
Cement	38	57	56	64	+14	+ 70	+39	42	72	66	72	
Brick	46	52	53r	53	- 1	+ 16	+34	46	54	54r	53	
Lumber and products	26	27	29r	33	+12	+ 27	+29	27	30	31	34	
Bread and bakery products	.....	.....	.....	.....	+ 1*	+ 1*	+ 3*	88	88	88r	89
Slaughtering, meat packing	70	89	83	87	+ 5	+ 23	+18	74	77	83	91	
Sugar refining	55	69	89	43	-51	- 21	+26	47	59	77	36	
Canning and preserving	41	62	59	53p	- 9	+ 31	+13	53	70	78	80p	
Cigars	92	95	98	98	- 0	+ 7	+ 9	113	101	114	120	
Paper and wood pulp	62	69	68	69	+ 1	+ 12	+11	63	69	68	70	
Printing and publishing	86	88	91	98	+ 7	+ 13	+ 4	87	86	90	99	
Shoes	119	155	156r	144	- 8	+ 21	+ 4	129	166	178r	155	
Leather, goat and kid	117	115	110	105p	- 4	- 10	- 0	122	111	114	110p	
Explosives	77	81	91	98	+ 8	+ 27	+12	78	81	91	99	
Paints and varnishes	71	82	87r	82	- 5	+ 15	+14	76	83	82r	88	
Petroleum products	137	151	155	142p	- 8	+ 4	+ 7	138	152	157	144p	
Coke, by-product	93	118	123	124	+ 1	+ 33	+30	91	115	118	121	



* Computed from data unadjusted for seasonal variation.

p—Preliminary.

r—Revised.