

# THE BUSINESS REVIEW

THIRD FEDERAL  
PHILADELPHIA



RESERVE DISTRICT  
JANUARY 1, 1937

FEDERAL RESERVE BANK OF PHILADELPHIA

FEDERAL RESERVE BANK  
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## Business and Banking Conditions in the United States

Production, wage payments, and the distribution of commodities to consumers increased considerably from October to November. Wholesale commodity prices have advanced steadily since the end of October.

**Production and employment.** The Board's index of industrial production, which makes allowance for changes in the number of working days in the month and for the usual seasonal variations, was 114 per cent of the 1923-1925 average in November as compared with 109 per cent in October. Output of both durable and non-durable manufactures showed a considerable rise. Production of steel ingots increased further to a rate of 79 per cent of capacity in November, and output of automobiles also increased. Figures for the first three weeks of December indicate continued expansion in output of both steel and automobiles. In the plate glass industry, where there has been a strike, production was sharply reduced in November and activity at lumber mills declined, reflecting the effects of the maritime shipping strike on the Pacific coast. Increases in output were reported at meat-packing

establishments and textile mills, and sugar meltings and output of tobacco products declined by less than the usual seasonal amount. At mines, coal production increased and output of crude petroleum and iron ore showed a smaller than seasonal reduction.

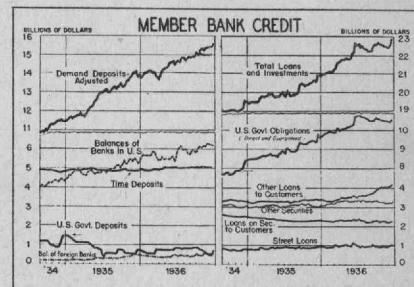
Value of construction contracts awarded, according to figures of the F. W. Dodge Corporation, continued at about the same rate in November as in the previous month.

Factory employment showed little change from October to November, although a decrease is usual at this season of the year, and the Board's seasonally adjusted index advanced to 96 per cent of the 1923-1925 average. The number employed at factories producing durable goods continued to increase, with the largest expansion in the automobile and machinery industries. There was a decline in employment at lumber mills and in the glass industry. In the non-durable goods industries as a group employment showed a smaller decline than is usual in November. At shoe factories and establishments producing wearing apparel smaller than seasonal declines

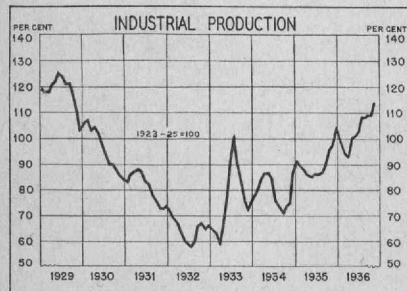
were reported and there were increases in employment at cotton and woolen textile mills and at meat-packing plants.

**Distribution.** Department store sales increased substantially in November, and there was also a rise in sales at variety stores and at chain grocery stores. Sales by general merchandise stores and mail order houses serving rural areas declined from the high level reported for October.

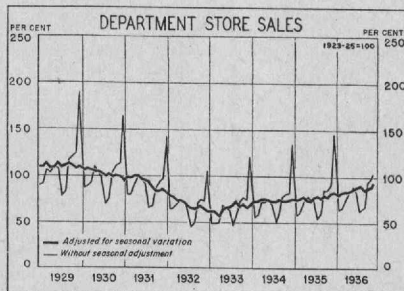
Freight-car loadings showed a smaller than seasonal decrease in November. Loadings of coal, coke, and



Wednesday figures for reporting member banks in 101 leading cities. September 5, 1934, to December 16, 1936. Loans on real estate, loans to banks, and acceptances and commercial paper bought included in total loans and investments but not shown separately.



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 December 19, 1936.

grain increased contrary to the usual seasonal tendency, and shipments of miscellaneous commodities and of most other classes of freight declined by less than the seasonal amount.

**Commodity prices.** The general level of wholesale commodity prices continued to advance from the middle of November to the third week of December. There were substantial increases in the prices of wheat, flour, non-ferrous metals, and rubber. Prices of wool, cotton yarns, and worsted yarns advanced somewhat further and cotton, pig iron, and steel scrap prices also increased in this period.

**Bank credit.** The reserve position of member banks in recent weeks has been influenced largely by temporary seasonal developments in connection with holiday currency requirements and mid-December financing by the United States Treasury.

Notwithstanding the increased demand for currency for Christmas shopping, there was a further growth in demand deposits at weekly reporting member banks through the first half of December, reflecting additions to monetary gold stock, as well as a sharp increase in bank loans.

At reporting banks outside New York City, holdings of government securities increased by \$140,000,000 in the four weeks ending December 16 while at New York City banks they showed a further small decline. There was an increase of \$100,000,000 in loans to brokers and dealers in securities in New York, largely for the purpose of buying United States Government securities. Commercial loans showed a further increase of \$150,000,000 carrying the total volume of such loans to a level of \$800,000,000 higher than a year ago.

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

Industries and trade in the Philadelphia Federal Reserve District showed considerable expansion during November and a comparatively high level has been maintained since then when allowance is made for the usual seasonal variations. Industrial production of factories, mines and crude oil fields, combined proportionately, registered an additional gain of 4 per cent during the month and was 20 per cent over a year ago; the average rate of output this year has been 13 per cent higher than in the same period last year. This bank's index of industrial output in November was 93 relative to the 1923-25 average as compared with 89 in the previous month and 77 a year ago. The depression low was around 56.

The dollar value of building contracts awarded during November increased as compared with October and was substantially larger than a year ago. For the year to date the increases over last year have been considerable

in both residential and non-residential buildings. Cash income of farmers from the sale of crops and animal products continues much in excess of that realized in several years past, reflecting largely higher prices.

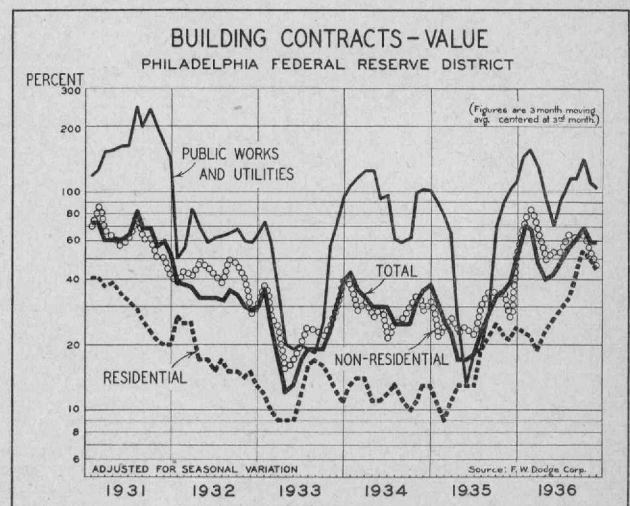
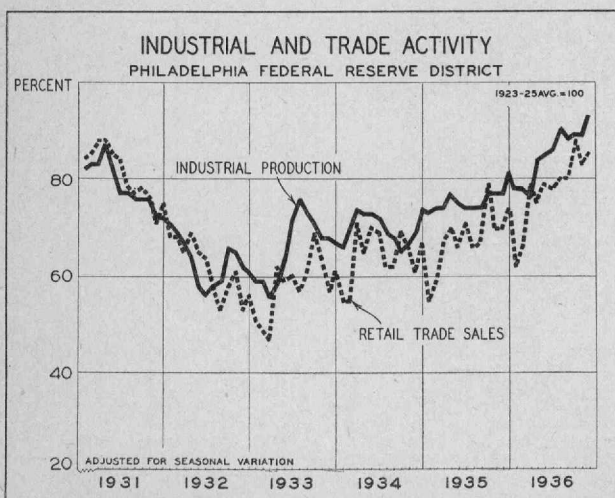
Retail and wholesale trade sales showed appreciable improvement from October to November. Holiday business in December has been quite active and dollar sales appeared to be running considerably above those in comparable periods of recent years. Sales of new passenger automobiles increased very sharply during November and continued larger than last year. Deliveries of goods by railroad freight have been relatively more active than usual during November; the index has been rising almost steadily since spring.

Industrial employment and payrolls have been well maintained as shown by reports from twelve branches of trade and industry in Pennsylvania. Relative to the 1932 average, the employ-

ment index was 121 and the payroll index was 167. Virtually all lines of occupation showed considerable gains over a year ago and as compared with the low levels in 1932-33. Incoming reports from manufacturing industries indicate that employment, payrolls and working time continued well sustained in early December.

**Manufacturing.** The market for factory products has been active and sales of finished goods have increased further since the middle of last month, particularly in the case of textile, leather and rubber products, and cigars. Current sales continue to exceed the volume of a year ago by substantial margins. The volume of unfilled orders shows additional increases during the month and is considerably larger than a year ago. Such recessions as are reported by various lines of industry are principally seasonal in character.

Reporting concerns generally show that factory prices of finished goods



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# Business Indicators

## Philadelphia Federal Reserve District

have advanced further since the middle of last month and that they continue noticeably above those of a year ago. The index compiled by the Bureau of Labor Statistics, which covers manufactures and fuel and lighting materials but excludes farm products and foods, on December 19 was 82.2 relative to the 1926 average as compared with 81.2 on November 21 and 78.8 on December 21, 1935. The sharpest increases lately have occurred in prices of semi-manufactured articles and raw materials, although finished products also showed marked gains.

Inventories of finished goods at reporting plants generally show additional declines from the volume reported last month, reductions being especially pronounced in the case of such consumers' goods as textile products. Compared with a year ago stocks of manufactures continue in smaller volume. The supply of raw materials and semi-finished products likewise has been reduced during the month. In several instances reports indicate difficulties in obtaining raw materials, purchases of which have been larger than a year ago, reflecting more active business.

Factory employment, payrolls and working time in this section showed about the usual seasonal changes from October to November. In the case of wage disbursements a decline of somewhat less than usual proportions reflected partly wage increases during the first part of November. The general level of employment and payrolls has been well sustained at the highest rate since 1930.

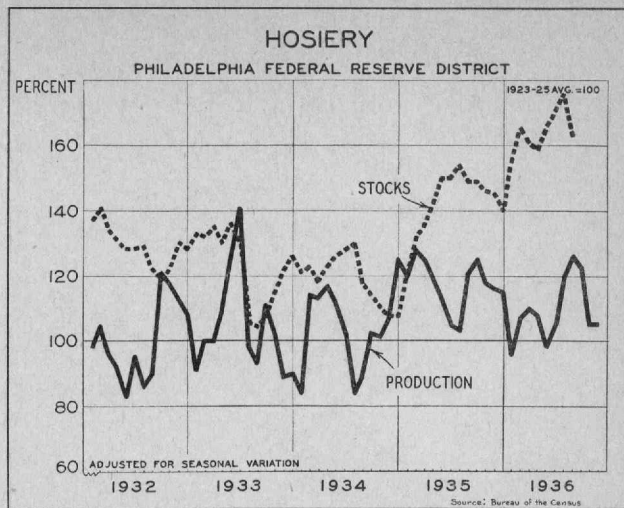
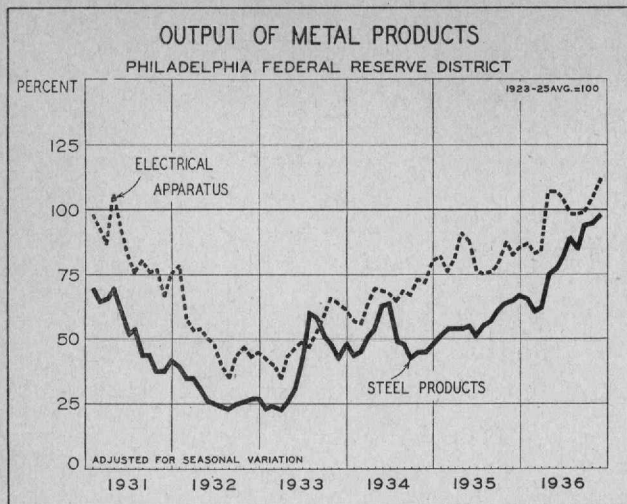
The employment index for Pennsylvania factories in November was 87, relative to the 1923-25 average, or about 10 per cent higher than a year ago; the payroll index also was 87 but was 27 per cent higher than in November last year. Estimates show that all Pennsylvania factories about the middle of November employed approximately 950,000 wage earners and the amount paid these workers in wages appears to have been around \$22,300,000 a week.

Reports from Delaware factories show a slight decline in employment but a gain of 2 per cent in wage payments from October to November. Compared with a year ago, the number of wage earners registered a gain of 12 per cent and the amount of wages paid was nearly 29 per cent larger. The changes in employment and payrolls reported by manufacturers in

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				
	Nov. 1935	Sept. 1936	Oct. 1936	Nov. 1936	Per cent change			Nov. 1935	Sept. 1936	Oct. 1936	Nov. 1936
					Nov. 1936 from		1936 from 11 mos. 1935				
Month ago					Year ago						
<b>Industrial production</b>											
Manufacturing—total.....	77	89	89	93p	+ 4	+ 20	+ 13	79	91	94	95p
Durable goods.....	76	88	89	91p	+ 2	+ 20	+ 15	78	90	93	93p
CONSUMERS' GOODS.....	63r	83r	86	89p	+ 3	+ 42	+ 37	.....	.....	.....	.....
Metal products.....	86	93	92	93p	+ 1	+ 8	+ 4	.....	.....	.....	.....
Textile products.....	68	94r	96r	100	+ 5	+ 46	+ 35	68r	94r	98r	100
Transportation equipment.....	85	91	90	92p	+ 3	+ 9	+ 0	88	93	94	87p
Food products.....	62	80	91	88	- 3	+ 42	+ 68	59	75	87	85p
Tobacco and products.....	72	76	74	77p	+ 5	+ 8	+ 8	72	80	78	79p
Building materials.....	86	99	99	98	- 1	+ 14	+ 9	103	114	121	117
Chemicals and products.....	36	43	47	47	+ 1	+ 33	+ 32	36	47	50	47
Leather and products.....	111	122	121	132p	+ 9	+ 19	+ 13	111	121	123	132p
Paper and printing.....	125	133	122	130p	+ 6	+ 4	+ 2	119	145	130	124p
Coal mining.....	81	87	93	91	- 3	+ 12	+ 6	82	86	94	91
Anthracite.....	49	59	51	67p	+ 31	+ 36	+ 2	52	60	64	70p
Bituminous.....	48	56	48	65p	+ 35	+ 35	- 0	50	57	62	67p
Crude oil.....	61	80	78	84	+ 7	+ 38	+ 17	67	81	84	92
Electric power	406	461	459	461	+ 0	+ 13	+ 10	394	461	459	447
Output.....	202r	235	232	232	- 0	+ 15	+ 13	210r	230	239	241
Sales, total†.....	200	229	231	233	+ 1	+ 17	+ 14	205	227	231	241
Sales to industries‡.....	145	166	173	181	+ 4	+ 24	+ 15	148	176	168	184
<b>Employment and wages—Pa.</b>											
Factory—Wage earners.....	.....	.....	.....	.....	- 1*	+ 10*	+ 7*	79	87	88	87
Payrolls.....	.....	.....	.....	.....	- 1*	+ 27*	+ 21*	69	83	88	87
Man-hours (1927-28=100).....	.....	.....	.....	.....	- 1*	+ 31*	+ 27*	69	86	92r	91
General (1932=100)	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Employment.....	.....	.....	.....	.....	+ 0*	+ 11*	+ 6*	109	118	121	121
Payrolls.....	.....	.....	.....	.....	- 1*	+ 27*	+ 19*	131	158	169	167
<b>Building and real estate</b>											
Contracts awarded†—total.....	39	69	59	59	+ 0	+ 51	+ 104	39	68	60	59
Residential†.....	21	54	50	45	- 9	+ 113	+ 103	22	49	49	47
Non-residential†.....	26	64	54	46	- 14	+ 76	+ 109	28	63	52	49
Public works and utilities†.....	103	141	111	104	- 6	+ 1	+ 97	115	130	108	117
Permits for building—17 cities.....	10	15	18	17	- 9	+ 73	+ 95	9	13	19	15
Real estate deeds—Philadelphia.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Writs for Sheriff sales—Phila.....	610	631	525	460	- 12	- 25	- 29	683	732	262	515
<b>Distribution</b>											
Retail trade —sales.....	70	88	83	85p	+ 2	+ 18	+ 11	84	79	94	100p
stocks.....	66	73	73	72p	- 1	+ 9	.....	76	76	81	83p
Wholesale trade—sales.....	76r	87r	84	89p	+ 5	+ 17	+ 10	87r	99r	97	101p
stocks.....	68r	70	73	73p	+ 1	+ 8	.....	79r	73	76	75p
Life insurance sales.....	105	103	104	102	- 2	- 2	- 7	111	83	95	108
New passenger auto. registrations.....	143	92	83	154	+ 86	+ 8	+ 25	100	89	68	108
Hotels—Occupancy.....	.....	.....	.....	.....	- 14*	+ 12*	+ 12*	109r	124	140	121p
Income, total.....	.....	.....	.....	.....	- 11*	+ 12*	+ 15*	122r	115	153	130p
Freight car loadings—total.....	61	71	73	76	+ 5	+ 25	+ 17	62	80	80	77
Merchandise and miscellaneous.....	63	71	73	76	+ 4	+ 19	+ 16	63	80	79	75
Coal.....	56	68	69	75	+ 9	+ 33	+ 9	61	71	78	82
<b>Business liquidations</b>											
Number.....	.....	.....	.....	.....	+ 23*	- 18*	- 23*	63r	42	42	52
Amount of liabilities.....	.....	.....	.....	.....	+ 2*	- 43*	- 47*	35r	18	19	20
<b>Payment of accounts</b>											
Check payments.....	81	90	88	96	+ 8	+ 18	+ 9	87	85	91	102
Rate of collections (actual).....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Retail trade.....	32	31	32	33	+ 2	+ 2	.....	33	27	32	33
Wholesale trade.....	68	76	77	75	- 2	+ 11	.....	66	75	78	74
<b>Prices—United States</b>											
WHOLESALE (1926=100).....	.....	.....	.....	.....	+ 1*	+ 2*	+ 1*	81	82	81	82
Farm products.....	.....	.....	.....	.....	+ 1*	+ 10*	+ 2*	77	84	84	85
Foods.....	.....	.....	.....	.....	+ 2*	- 1*	- 2*	85	83	83	84
Other commodities.....	.....	.....	.....	.....	+ 1*	+ 3*	+ 2*	79	80	80	81
RETAIL FOOD.....	.....	.....	.....	.....	- 0*	+ 2*	+ 2*	81	84	83	82
Philadelphia.....	.....	.....	.....	.....	- 0*	+ 2*	+ 3*	83	85	85	85
Scranton.....	.....	.....	.....	.....	0*	+ 2*	+ 2*	78	80	80	80

(In millions of dollars)	Nov. 1935	Aug. 1936	Sept. 1936	Oct. 1936	Nov. 1936	% change from	
						Month ago	Year ago
<b>Banking and credit</b>							
<b>Federal Reserve Bank</b>							
Bills discounted.....	\$ (a)	\$ (a)	\$ (a)	\$ (a)	\$ (a)	.....	.....
Other bills and securities.....	185	217	217	214	214	0	+ 16
Member bank reserves.....	269	320	354	406	397	- 2	+ 48
Reserve ratio (per cent).....	70.1	69.6	71.0	73.3	73.3	0	+ 5
<b>Reporting member banks</b>							
Loans to customers.....	\$ 402	\$ 421	\$ 423	\$ 417	\$ 413	- 1	+ 3
Other loans and investments.....	698	767	762	764	763	- 0	+ 9
Total deposits (adjusted).....	1,306	1,412	1,433	1,491	1,480	- 1	+ 13
Bankers' acceptances outstanding.....	13.7	12.3	11.4	12.7	13.1	+ 3	- 4

\* 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.



southern New Jersey were about what was to be expected between October and November and the levels continued substantially higher than a year ago.

This bank's seasonally adjusted index of manufacturing activity increased further from 89 in October to 91 per cent of the 1923-25 average in November or the highest since the fall of 1930. The rise since February this year has been very sharp and steady. A year ago this index stood around 76 and at the depression low it was about 55. The average rate of productive activity in the first eleven months this year was 15 per cent higher than in the same period last year.

The most pronounced improvement continued in durable goods industries, such as primary and secondary metal products, automobile parts and bodies, and lumber products. The chemical industry also registered substantial gains. The index of the durable goods group as a whole reached 89 as compared with 86 a month ago and 63 in November last year. The rate of operation in this group this year has averaged 37 per cent higher than in the same period last year.

Industries manufacturing consumers' goods also showed slight improvement during the month, the aggregate index rising to 93 as compared with 92 in October and 86 a year ago. This was due largely to sharp increases in operating schedules of the woolen and worsted industries, carpets and rugs, and a smaller decline than usual in the underwear industry. Output of hosiery just about maintained its normal seasonal level, while shoe production declined more sharply than is to be expected from October to November. The food group as a whole registered improvement, reflecting chiefly greater

than reasonable activity in meat packing, sugar refining and canning and preserving. Cigar production declined in the month but continued noticeably larger than a year ago.

Output of electric power, which has been maintained at record high levels in recent months, showed about the customary rate of gain from October to November. Total sales of electricity increased 4 per cent in the month and were 17 per cent greater than in November 1935. Industrial consumption of electrical energy was expanded further. The November index after allowance is made for the usual seasonal variation, stood at approximately 181 per cent of the 1923-25 average, or slightly above the previous high point of September 1929.

**Coal and other fuels.** The anthracite market has been more active of late, reflecting an increasing demand for household fuel that usually accompanies colder weather. Colliery output in November was 9 per cent larger than a month before and showed an additional gain in early December, when production exceeded that of any like period in the past five years. Shipments of anthracite increased further during November. Thus far this year output and shipments have about equalled those of a year ago.

Demand for Pennsylvania bituminous coal has improved further since the middle of last month, as indicated by the larger takings of such industrial consumers as factories, railroads and public utility companies. Output of mines increased more than seasonally in November, after being unusually well maintained since early this year. In the first fortnight of December production showed some additional expansion and continued in much greater

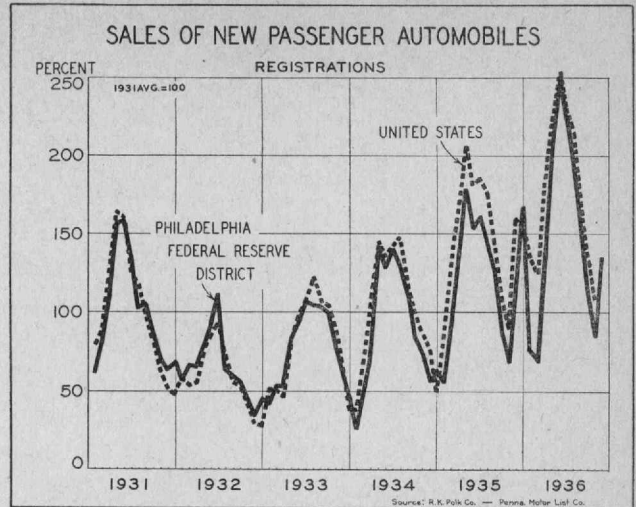
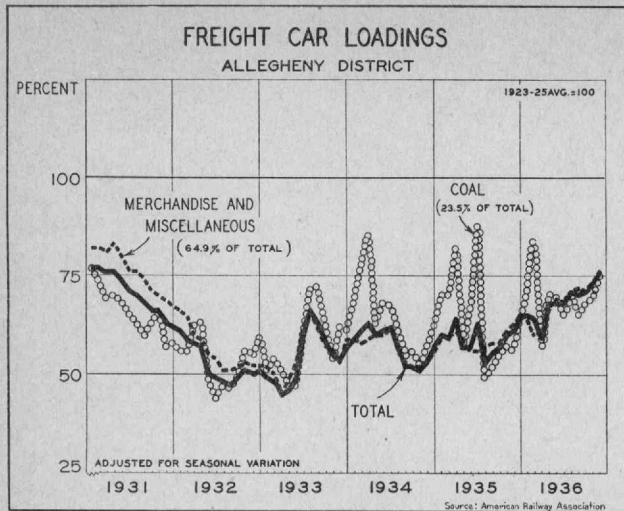
volume than a year before. Shipments of soft coal exceeded 700,000 car loads in November and were the largest for that month since 1929. In the first eleven months this year production showed an increase of 17 per cent and shipments a gain of 15 per cent over the same interval of 1935.

Output of bi-product coke, and gas and fuel oils registered increases in November, continuing the rise since mid-summer. Compared with a year ago coke production was 30 per cent larger and that of gas and fuel oils 46 per cent greater.

(Output and shipment figures are daily averages)	Nov. 1936	Per cent change from	
		Month ago	Year ago
<b>Anthracite</b>			
Production..... tons	177,600	+ 9	+35
Shipments..... tons	180,161	+ 7	+35
Stocks..... 1000 tons	1,771†	-25	-21
Prices..... (1926=100)	82.4	+ 1	- 1
Employment..... No.	92,307	+ 3	+11
<b>Bituminous</b>			
Production..... tons	439,130	+10	+38
Shipments..... No. cars	31,867	+ 6	+24
Prices..... (1926=100)	97.2	- 0	- 1
Employment..... No.	131,643	+ 0	+ 6
<b>Coke</b>			
Prod.... (1923-25=100)	124.7	+ 3	+30
Prices..... (1926=100)	97.8	0	+10
<b>Gas and fuel oil</b>			
Prod.... (1923-25=100)	146.3*	+14	+46
Prices..... (1926=100)	70.2	+ 3	+10

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

**Building.** The value of all building contracts awarded in this district amounted to approximately \$14,000,000 in November, a gain of 20 per cent from a month before and an increase of 44 per cent over a year ago. The increase in the month was contrary to seasonal tendency and reflected a marked expansion in the dollar volume of contracts let for public works and utilities and such non-residential structures as factories and commercial buildings. Contracts awarded for residences, which have been unusually



well maintained since early this year, declined slightly in November instead of showing a small increase as they ordinarily do in that month. The value of all contract awards thus far this year has been a little more than double that of a year earlier and the largest for that interval since 1931.

Building contracts Philadelphia Federal Reserve District	Nov. 1936 (000's omitted)	Per cent change	
		From month ago	1936 from 11 mos. 1935
Residential.....	\$ 4,852	+ 1	+103
Apts. and hotels.....	367	+72	+145
Family houses.....	4,485	- 2	+ 96
Non-residential.....	4,621	+36	+109
Commercial.....	1,377	+58	+ 65
Factories.....	1,517	+95	+ 47
Educational.....	554	-29	+510
All other.....	1,173	+21	+ 43
Total buildings.....	\$ 9,473	+15	+106
Public works and utilities	4,604	+29	+ 97
Grand total.....	\$14,077	+20	+104

Source: F. W. Dodge Corporation.

As indicated by employment, operations on contracts previously awarded declined slightly in November, following a marked upward trend since early this year. Current reports show that demand for building materials has slackened seasonally since the middle of last month although it continues much more active than a year ago. Employment in plants supplying materials used in building construction showed a small decline from October to November, but as in other recent months was maintained at substantially higher levels than in the past five years.

Wholesale prices of building materials have increased further, continuing a slow advance that has been in evidence since early October. About the middle of December the Bureau of Labor Statistics' index stood at 89 per cent of the 1926 average, compared

with 87 two months earlier and about 85 a year ago.

**Agriculture.** The agricultural situation in this district at the close of the crop season compares quite favorably with that of other recent years. Although the output of several important commercial crops as well as that of others used principally as feed for livestock was somewhat below average this year, rising prices for farm products generally more than offset these smaller yields and have resulted in a substantial increase in the cash income of farmers in this district.

Department of Agriculture reports indicate that in the first ten months this year sales of all farm products in the three states covering this district exceeded \$275,000,000, a gain of 11 per cent over a year ago and an increase of nearly 50 per cent as compared with the same period of 1933. But in comparison with 1929 total cash income is still about 18 per cent smaller.

Wholesale prices of farm products have increased sharply, reflecting chiefly market advances in quotations for grains, potatoes, livestock and livestock products. The Bureau of Labor Statistics' index on December 19 was 87.7 relative to the 1926 average, as compared with 85.2 four weeks earlier and 77.3 a year ago.

**Distribution, trade and service.** The value of retail trade sales by department, apparel, shoe and credit stores, computed on a daily basis, was 18 per cent larger in November this year than last. All lines participated in this gain, although the greatest percentage increases were reported by credit and men's apparel stores. November sales by department stores in this district as a whole were 13 per

cent and at Philadelphia establishments 11 per cent larger than in the same month last year. Dollar sales in the aggregate showed somewhat more than the usual rate of increase in November, so that our seasonally adjusted index rose to 85 per cent of the 1923-1925 average from 83 in October. Thus far this year the value of all retail trade sales has been 11 per cent greater than a year ago.

Business at wholesale, as indicated by the total dollar sales of eight important lines in November, was about 17 per cent larger than a year ago. Increases ranged from one per cent in shoes to 42 per cent in dry goods. Combined figures indicate a gain of 5 per cent in sales from October to November, a period in which ordinarily little change occurs. For the year to date the dollar volume of sales has been 10 per cent above that of a year ago, owing in part to higher prices.

Stocks of goods at both retail and wholesale showed about the usual rate of change from October to November and were somewhat larger than a year earlier. The rate of stock turnover at retail was 7 per cent and at wholesale 5 per cent more rapid in the first eleven months this year than last.

Sales of new passenger automobiles in this district increased very sharply in November, following a marked downward trend for four months previous. The number of new units sold was 8 per cent larger than in November last year and exceeded that of any like month on record. Thus far this year sales have shown an increase of 25 per cent over 1935 and have been the largest for that interval since 1929.

Total freight car loadings in this section in November were maintained

above their customary seasonal level for the third successive month. In the first eleven months this year shipments in the aggregate have been 17 per cent greater than in the same interval of 1935. The volume of rail freight consisting largely of manufactures originating in the Philadelphia industrial area also has registered larger than seasonal gains since early fall and in November was the greatest for that month since 1931.

Activity of non-resort commercial hotels declined in November but continued substantially above a year ago, as the following table shows.

Hotel business Philadelphia Federal Reserve District	Nov. per cent change from		1936 from 11 mos. 1935
	Month ago	Year ago	
Capacity	- 0	- 0	.....
Room occupancy	-14	+12	+12
Per cent of capacity used:			
Nov. 1936	56.3		
Oct. 1936	64.6		
Nov. 1935	44.9		
Income from:			
Guest rooms	-20	+13	+15
Food	- 5	+13	+13
Other sources	- 3	+10	+16
Total revenue	-11	+12	+15

**Banking conditions.** Over the period from November 18 to December 16, marked throughout by seasonal demand for currency and in the latter part by new United States Treasury security issues in substantial volume and the payment of quarterly installments on the income taxes, reserve balances of member banks in this district declined from 404 to 378 millions. This figure, while over 40 millions below the all-time high reached in October, still was 108 millions above a year ago and continued to reflect substantial excesses above legal requirements both in Philadelphia and outside of the city.

The rise in currency demand at this season of expanding retail trade amounted to from 19 to 20 millions and was larger than in the corresponding period last year. The other

Federal Reserve Bank of Philadelphia (Dollar figures in millions)	Dec. 16, 1936	Changes in—	
		Four weeks	One year
Bills discounted	\$ 0.5	+\$0.2	-\$ 0.0
Bills bought	0.3	0	- 0.2
Industrial advances	4.8	- 0.2	- 2.1
United States securities	209.0	0	+ 31.9
Total bills and securities	\$214.6	+\$0.0	+\$29.6
Federal res. note circulation	314.7	+13.1	+ 41.1
Member bank reserve deposits	378.1	-25.8	+108.5
U. S. Treasurer—general account	4.9	+ 2.1	- 10.7
Foreign bank deposits	5.6	+ 0.7	+ 2.4
Other deposits	1.7	- 0.1	- 8.5
Total reserves	515.6	-11.3	+108.1
Reserve ratio	73.1%	- 0.6%	+ 1.9%

principal factor tending to reduce reserve deposits was a 9½ million excess of local Treasury receipts over disbursements. These factors were offset only in part by a small favorable balance of payments in commercial transactions with other districts and other items of minor size.

Deposits declined 31 millions at the reporting member banks in the three weeks ended December 9, owing to decreases in those of individuals, firms, corporations, etc., as well as in inter-bank and Treasury balances. The decrease in the latter was due to withdrawals from special balances earlier set up in payment for new securities; some part of these funds doubtless found its way back into other classes of deposits as a result of Government disbursements. The falling off in other classifications reflected directly or indirectly seasonal currency demand and the flow of funds to other sections of the country. In this period there was a small decline in loans and a decrease of 4 millions in security holdings of the reporting banks. The funds derived from these sources however served only in small measure to counterbalance the drop in deposits and to offset a rise of 3 millions in the banks' cash holdings, so that reserves at the reserve bank and balances with other banks declined 26 millions.

Figures of reporting banks for the week of December 16 reflected Treasury operations. These banks were allotted 28 millions of the new securities, excluding exchange transactions, payment for 23 millions being made by deposit credit and 5 millions in cash. Twelve millions of the total was for their own account; apparently the greater part of these was retained, for their holdings of United States securities increased 10 millions in the week. Payments by customers for bonds allotted to them, whether made in cash or by charges against their deposit accounts, obviously exceeded the 5 millions of cash payments made

Reporting member banks (000,000's omitted)	Dec. 16, 1936	Changes in	
		Four weeks	One year
<b>Assets</b>			
Loans to brokers and dealers:			
In New York City	\$ 9	.....	.....
Outside New York City	18	- 3	+ 3
Loans on securities to others (except banks)	145	- 2	- 3
Acceptances and commercial paper bought	23	.....	+ 2
Loans on real estate	62	.....	- 6
Loans to banks	2	.....	- 1
Other loans	185	+ 4	+ 16
Total loans	\$ 444	-\$ 1	+\$11
U. S. Government securities	344	+ 11	+ 44
Obligations fully guaranteed by U. S. Government	93	.....	- 2
Other securities	304	- 2	+ 16
Total loans and invest- ments	\$1,185	+\$ 8	+\$69
Reserve with Federal Re- serve Bank	263	- 23	+ 70
Cash in vault	20	+ 3	+ 3
Balances with other banks	183	+ 13	+ 27
Other assets—net	88	.....	- 7
<b>Liabilities</b>			
Demand deposits, adjusted	\$ 820	-\$ 3	+\$77
Time deposits	267	- 8	+ 16
U. S. Government deposits	72	+ 17	+ 26
Interbank deposits	329	- 8	+ 37
Borrowings	.....	+ 2	+ 3
Other liabilities	24	+ 2	+ 3
Capital account	227	+ 1	+ 3

by the banks to the Government. Moreover, collected deposit balances, other than those to the credit of the United States, actually increased 6 millions. The additional funds so placed at the disposal of the banks were absorbed only in small measure by the acquisition of 3 millions of miscellaneous securities, the bulk being manifested in a rise of 17 millions in balances with correspondents to the highest point this year.

Total loans to customers did not change materially over the four-week period. Those made on the security of stocks and bonds dropped off 5 millions and at current levels are practically the same as a year ago. Real estate loans have changed little recently and are in smaller volume than at that time. On the other hand the miscellaneous group of loans, usually identified with commercial accommodation, moved up 4 millions in the four weeks and, though still 6 millions under the September peak, continues 16 millions or 9 per cent above a year ago.

#### MEMBER BANK RESERVES AND RELATED FACTORS

Philadelphia Federal Reserve District (Millions of dollars)	Changes in weeks ending—				Changes in four weeks
	Nov. 25	Dec. 2	Dec. 9	Dec. 16p	
<b>Sources of funds:</b>					
Reserve bank credit extended in district	+ 2.5	+2.9	-3.9	+ 0.2	+ 1.7
Commercial transfers (chiefly interdistrict)	- 6.5	-8.0	+3.8	+12.5	+ 1.8
Treasury operations	- 7.3	+5.8	+5.0	-13.0	- 9.5
Total	-11.3	+0.7	+4.9	- 0.3	- 6.0
<b>Uses of credit:</b>					
Currency demand	+ 8.4	+1.0	+4.7	+ 5.4	+19.5
Member bank reserve deposits	-19.9	-1.6	+1.5	- 5.8	-25.8
"Other deposits" at reserve bank	- 0.0	+1.2	-1.4	+ 0.1	- 0.1
Unexpended capital funds of reserve bank	+ 0.2	+0.1	+0.1	- 0.0	+ 0.4
Total	-11.3	+0.7	+4.9	- 0.3	- 6.0

p—Preliminary.

# Employment and Payrolls in Pennsylvania

(All figures are rounded from original data)

## Manufacturing Indexes

	Employment*			Payrolls*			Employment-hours†	
	Nov. 1936 index	Per cent change from		Nov. 1936 index	Per cent change from		Nov. 1936—per cent change from	
		Nov. 1935	Oct. 1936		Nov. 1935	Oct. 1936	Nov. 1935	Oct. 1936
<b>All manufacturing</b> . . . . .	87	+10	-1	87	+27	-1	+31	-1
Iron, steel and products . . . . .	80	+20	+1	90	+44	+1	+44	-0
Non-ferrous metal prods. . . . .	116	+9	-1	127	+23	-1	+22	-3
Transportation equip. . . . .	69	+29	+1	69	+57	0	+57	+0
Textiles and clothing . . . . .	107	+5	-1	97	+8	+0	+10	+1
Textiles . . . . .	101	+3	-1	94	+6	+0	+9	+1
Clothing . . . . .	128	+12	+1	106	+18	-0	+18	+3
Food products . . . . .	107	+1	-1	100	+8	-2	+7	-2
Stone, clay and glass . . . . .	76	-4	-12	70	+5	-14	+6	-10
Lumber products . . . . .	67	+12	-0	58	+24	-3	+24	-3
Chemicals and products . . . . .	92	+6	+1	91	+19	-0	+29	+1
Leather and products . . . . .	93	-2	-3	78	-0	-12	+3	-11
Paper and printing . . . . .	97	+5	+1	96	+12	-1	+13	-1
Printing . . . . .	93	+6	+1	92	+12	-3	+11	-4
<b>Others:</b>								
Cigars and tobacco . . . . .	69	-1	+0	64	+11	+2	+15	+3
Rubber tires, goods . . . . .	86	+14	+1	84	+42	+0	+34	-1
Musical instruments . . . . .	54	-5	-1	51	-17	+3	-11	+1

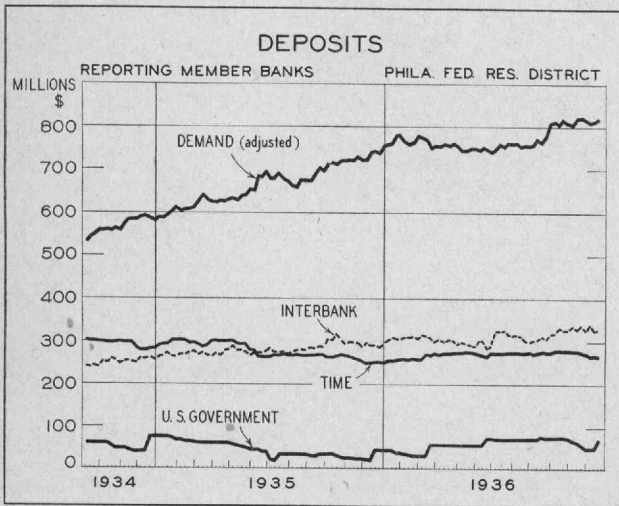
\* Figures from 2284 plants.

† Figures from 2047 plants.

## General Index Numbers

Covering twelve branches of trade and industry

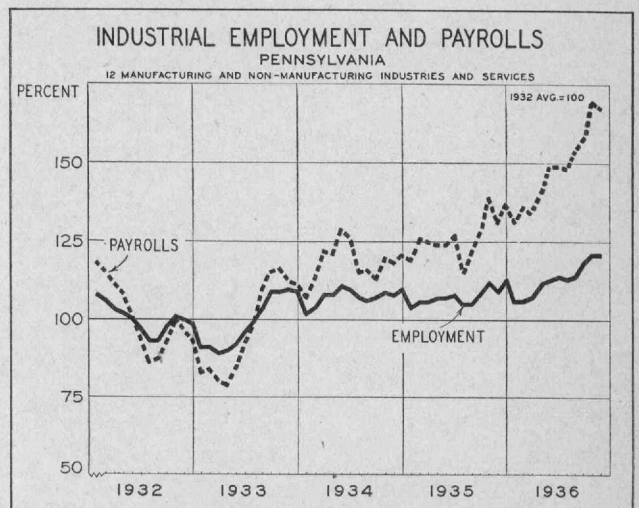
	Employment			Payrolls		
	Nov. 1936 index	Per cent change from		Nov. 1936 index	Per cent change from	
		Nov. 1935	Oct. 1936		Nov. 1935	Oct. 1936
<b>General index (weighted)</b> . . . . .	121	+11	+0	167	+27	-1
Manufacturing . . . . .	138	+10	-1	211	+27	-1
Anthracite mining . . . . .	83	+11	+3	75	+41	-17
Bituminous coal mining . . . . .	124	+6	+0	225	+36	-0
Building and construction . . . . .	85	+41	-0	109	+78	-3
Quarrying and non-met. mining . . . . .	118	+20	-1	217	+61	-8
Crude petroleum producing . . . . .	164	-18	-2	165	-8	-4
Public utilities . . . . .	93	+3	-1	99	+7	-1
Retail trade . . . . .	122	+7	+3	127	+14	+3
Wholesale trade . . . . .	115	+6	+1	113	+11	+2
Hotels . . . . .	108	+5	-0	108	+13	+0
Laundries . . . . .	101	+6	-0	108	+13	-1
Dyeing and cleaning . . . . .	102	+9	-5	107	+10	-12



City areas*	Percentage change—November 1936 from November 1935				
	Manufacturing		Building permits (value)	Debits	Retail trade sales
	Employment	Wage payments			
Allentown . . . . .	+12	+32	+333	+21	+16
Altoona . . . . .	+8	+50	+37	+25	+31
Harrisburg . . . . .	+11	+38	-44	+10	+10
Johnstown . . . . .	+36	+84	+971	+31	+31
Lancaster . . . . .	+10	+10	+326	+24	+12
Philadelphia . . . . .	+10	+17	+40	+17	+13
Reading . . . . .	+9	+20	+232	+17	+9
Scranton . . . . .	+7	+7	+41	+4	+10
Trenton . . . . .	+9	+18	-52	-12	+21
Wilkes-Barre . . . . .	-3	+1	+82	+1	+10
Williamsport . . . . .	+10	+19	+93	+20	.....
Wilmington . . . . .	+16	+29	+290	+16	+21
York . . . . .	+6	+21	-46	+14	.....

City areas*	November 1936 from October 1936				
	Employment	Wage payments	Building permits (value)	Debits	Retail trade sales
Allentown . . . . .	-0	+1	+29	-9	+1
Altoona . . . . .	-1	-1	-54	-8	+7
Harrisburg . . . . .	-2	-6	-82	-14	+10
Johnstown . . . . .	+2	+6	-31	-8	-4
Lancaster . . . . .	-0	-4	+1	-12	+3
Philadelphia . . . . .	+1	+0	-36	-2	+6
Reading . . . . .	-4	-1	-30	-7	+13
Scranton . . . . .	+3	-3	-30	-5	+14
Trenton . . . . .	+1	+0	-71	-21	+14
Wilkes-Barre . . . . .	+2	+0	-16	-9	+18
Williamsport . . . . .	+2	+4	-2	-1	.....
Wilmington . . . . .	+1	+3	+54	-8	+3
York . . . . .	-1	-1	-44	-13	.....

\* 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 as 100										
	Adjusted for seasonal variation					Not adjusted					
	Nov. 1935	Sep. 1936	Oct. 1936	Nov. 1936	Per cent change		Nov. 1935	Sep. 1936	Oct. 1936	Nov. 1936	
					Nov. 1936 from	1936 from 11 mos. 1935					
				Month ago	Year ago						
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	72r	88	83	85p	+ 2	+ 18	+11	84	79	94	100p
Department	69r	79	74	79p	+ 6	+ 13	+10	80	71	84	91p
Men's apparel	64	76	81	78p	- 3	+ 23	+15	72	63	85	89p
Women's apparel	88	120	108	104	- 4	+ 18	+13	107	104	121	125
Shoe	79	85	90	81	-10	+ 3	+ 4	76	87	91	79
Credit	72r	98	92	95	+ 3	+ 33	+32	92r	93	112	122
<b>Stocks of goods</b>											
Total of all stores	66	73	73	72p	- 1	+ 9	.....	76	76	81	83p
Department	53	56	56	56p	- 0	+ 6	.....	62	58	64	66p
Men's apparel	67	66	71	68p	- 5	+ 1	.....	77	71	75	77p
Women's apparel	90	113	101	105	+ 4	+ 16	.....	111	122	128	128
Shoe	72	67	66	67	+ 1	- 7	.....	76	72	73	70
Credit	78r	95r	96r	95	- 2	+ 22	.....	88r	97r	102r	107
<b>Rate of stock turnover</b> 11 months (actual, not indexes)							+ 7*	3.65			3.89
<b>Wholesale trade</b>											
<b>Sales</b>											
Total of all lines	76r	87r	84	89p	+ 5	+ 17	+10	87r	99r	97	101p
Boots and shoes	45	53	54	46	-15	+ 1	+13	48	76	67	48
Drugs	87	100	106	105	- 1	+ 20	+11	90	103	104	108
Dry goods	41r	50	51	58	+14	+ 42	+18	53r	66	68	75
Electrical supplies	67	78	74	78p	+ 4	+ 17	+ 17	87	94	95	101p
Groceries	108r	119	111	119	+ 7	+ 10	+ 3	118r	132	121	129
Hardware	54	63	62	66	+ 5	+ 22	+15	60	66	71	73
Jewelry	52	70	71	67	- 6	+ 30	+23	74	87	95	96
Paper	73	79	80	81	+ 2	+ 11	+11	77	81	86	85
<b>Stocks of goods</b>											
Total of all lines	68r	70	73	73p	+ 1	+ 8	.....	70r	73	76	75p
Boots and shoes	28	30	30	27	- 9	- 2	.....	26	30	29	25
Drugs	116	110	113	119	+ 6	+ 3	.....	117	113	116	120
Dry goods	43r	42r	45	43	- 4	- 1	.....	42r	46r	47	42
Electrical supplies	92	106	110	123p	+12	+ 32	.....	100	113	123	132p
Groceries	68	78	78	75	- 4	+ 10	.....	74	78	84	81
Hardware	67	73	80	76	- 5	+ 12	.....	63	71	76	70
Jewelry	69	56	59	64	+ 8	- 8	.....	70	60	62	64
Paper	59	61	60	61	+ 0	+ 3	.....	59	63	62	61
<b>Rate of stock turnover</b> 11 months (actual, not indexes)							+ 5*	5.34			5.60
<b>Output of manufactures</b>											
Pig iron	35	58	58	59	+ 0	+ 67	+74	35	54	58	59
Steel	65	94	95r	98	+ 4	+ 50	+42	63	89	95r	95
Iron castings	56	81	69	68	- 1	+ 21	+32	57	82	73	69
Steel castings	46	125	120	125	+ 4	+173	+92	43	114	114	116
Electrical apparatus	83r	99r	105r	112	+ 7	+ 35	+21	88r	109r	114r	119
Motor vehicles	17	18	19	23	+19	+ 33	+34	15	15	17	20
Automobile parts and bodies	80	66	75	79	+ 5	- 2	+34	74	63	71	73
Locomotives and cars	26	35	37	37	+ 0	+ 45	+60	24	34	35	34
Shipbuilding	153	243	287	263	- 9	+ 72	+92	153	230	276	263
Silk manufactures	92	97	102	101	- 1	+ 9	- 2	93	97	104	102
Woolen and worsteds	71	67	70	80	+13	+ 12	- 1	77	74	77	87
Cotton products	48	56	56r	56	- 1	+ 17	+21	50	53	58r	59
Carpets and rugs	87	133	130	146	+13	+ 68	+16	99	147	148	168
Hosiery	116	123	105	105	- 0	- 10	- 7	132	123	115	119
Underwear	135	138	137	146	+ 6	+ 8	+14	136	138	150r	148
Cement	44	56	64	64	+ 0	+ 45	+40	43	66	72	63
Brick	43	53	53	53	- 0	+ 22	+33	43	54	53	53
Lumber and products	27	29	33	34	+ 3	+ 30	+29	27	31	35r	35
Bread and bakery products	.....	.....	.....	.....	- 0*	+ 2*	+ 3*	89	88	90r	90
Slaughtering, meat packing	85	83	87	95	+ 9	+ 11	+17	93	83	91	105
Sugar refining	65	89	43	47	+ 8	- 28	+22	42	77	36	30
Canning and preserving	48	59	57	62p	+ 9	+ 29	+15	52	78	75	69p
Cigars	85	98	98	96	- 1	+ 13	+ 9	102	114	120	116
Paper and wood pulp	61	68	69	72	+ 5	+ 18	+12	61	68	71r	72
Printing and publishing	85	91	98	94	- 4	+ 11	+ 5	86	90	99	95
Shoes	123	156	144	138	- 4	+ 12	+ 4	116	178	155	130
Leather, goat and kid	126	110	101	122p	+21	- 3	- 1	122	114	105	118p
Explosives	82	91	98	100	+ 2	+ 21	+13	82	91	99	100
Paints and varnishes	73	87	85r	83	0	+ 14	+14	75	82	89r	86
Petroleum products	147	155	151	173p	+15	+ 18	+ 9	147	157	152	174p
Coke, by-product	100	123	124	130	+ 5	+ 30	+30	96	118	121	125

\* Computed from data unadjusted for seasonal variation.

p—Preliminary.

r—Revised.

