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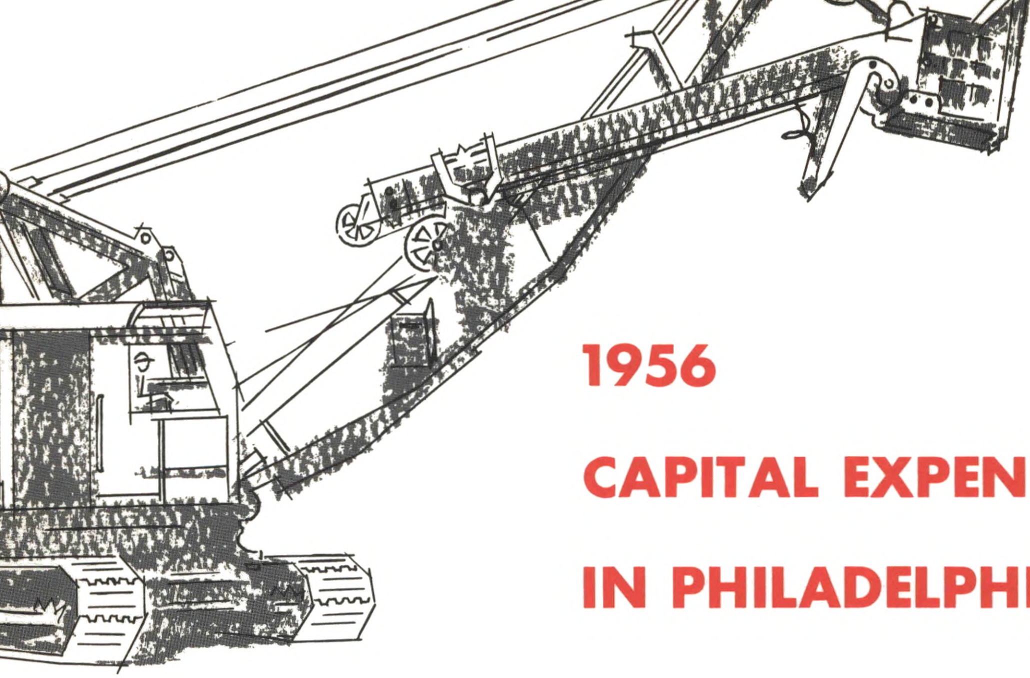
1956 CAPITAL EXPENDITURES IN PHILADELPHIA

Manufacturers in the Philadelphia metropolitan area plan to spend $288 million on plant expansion and modernization of equipment in 1956. Outlays in 1955 were $307 million. Questions concerning inventory plans and employment prospects are also answered.

A RECORD YEAR FOR STEELMAKERS

Third District steel men are optimistic. Activity has reached a new peak in basic steel; it is increasing in fabricating lines.



1956 CAPITAL EXPENDITURES IN PHILADELPHIA

Manufacturing industries in the Philadelphia area plan to spend $288 million for plant expansion and modernization of equipment in 1956. This is 6 per cent less than actual capital outlays of $307 million made in 1955.

The area covered by our survey is the Philadelphia metropolitan region embracing eight counties: Philadelphia, Bucks, Chester, Delaware, and Montgomery counties on one side of the Delaware River, and Burlington, Camden, and Gloucester counties on the other side of the river.

The prospective decline, though small, comes as a surprise in view of the U. S. Department of Commerce report on expansion in manufacturers' orders, rising backlogs, and generally rising levels of business activity. Before attempting to interpret the meaning or significance of the expected decline, let us point out some additional facts revealed by the survey.

Most of the drop is in durables

Most of the expected decline in capital outlays is to occur in industries manufacturing durable goods. They plan to spend $107 million in 1956, or 12 per cent less than the $121 million of outlays for the current year. The largest decline in prospect, dollar-wise but not percentage-wise, is in the fabricated metals division. Companies in this group of industries are cutting down capital expenditures from $25 million this year to $14 million next year—a 42 per cent decline. Largest cutback, percentage-wise, is expected in the lumber and furniture division—a 70 per cent decline.

Expansion in some durables

Although the durables, as a whole, point toward smaller capital expenditures next year, half of them run counter to the trend. Those contemplating larger outlays are stone, clay, and glass; primary metals; non-electrical machinery; and the transportation equipment industries. Prospective increases in capital outlays among these four major groups of industries range from 4 to 13 per cent, as indicated in the accompanying table. These four industries are either part of or closely associated with the current boom in automobile production, residential, industrial, and commercial construction, and highway construction. The continuing high rate of operations in the steel industry is pointed out elsewhere in this Review.

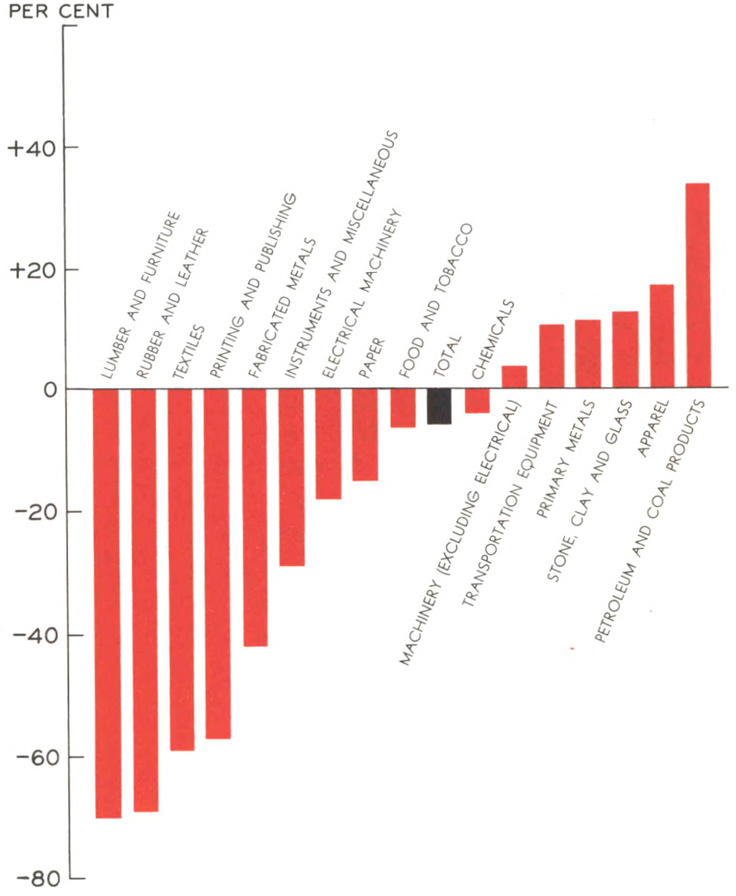
Diverse prospects in nondurables

Nondurables, as a group, contemplate smaller cutbacks in capital expenditures than the durables group. In the nondurable category, next year's capital expenditures are expected to be only 2 per cent below the 1955 outlays, in contrast with 12 per cent in the case of durables.

Among the nondurables, the smallest declines are expected in chemicals, 4 per cent, and in the food and tobacco group 6 per cent. The largest prospective decline—69 per cent—is registered in the rubber and leather division. In textiles and apparel, industries that are often linked together because of their close association, the prospects are diametrically opposed. Apparel manufacturers plan to increase their capital expenditures 17 per cent, but textile manufacturers plan a 59 per cent cutback. The printing and publishing industry also plans to reduce capital expenditures by more than half (57 per cent).

With the exception of apparel, already mentioned, there is only one other industry in the group of nondurables that plans to increase capital outlays—producers of petroleum and coal products. "Petroleum and coal products" in this area means essentially petroleum refining—one of the major industries in the Delaware Valley, which ranks as the second largest petroleum refining center of the country. Capital outlays in this group of industries were $63 million this year and are expected to rise to $84 million next year. Both dollar-wise ($21 million) and percentage-wise (34 per cent) the increase is greater than that of any other industrial group.

CHANGES IN CAPITAL EXPENDITURES—1956 COMPARED WITH 1955



Plans are subject to modification

In our revised survey of a year ago, manufacturers indicated plans to spend $237 million for plant expansion and new equipment in 1955. Our

1956 CAPITAL EXPENDITURE EXPECTATIONS OF PHILADELPHIA METROPOLITAN AREA MANUFACTURERS

(In millions of dollars)

Industries	Total actual expenditures 1955	Anticipated expenditures 1956	Per cent change
All manufacturing	307.2	288.3	— 6
Durables	121.2	106.5	—12
Lumber and furniture	3.0	.9	—70
Stone, clay and glass	7.1	8.0	+13
Primary metals	29.3	32.6	+11
Fabricated metals	24.6	14.2	—42
Machinery (excluding electric)	17.5	18.2	+ 4
Electrical machinery	16.3	13.4	—18
Transportation equipment	6.6	7.3	+11
Instruments and miscellaneous	16.8	11.9	—29
Nondurables	186.0	181.8	— 2
Food and tobacco	33.2	31.1	— 6
Textiles	11.3	4.6	—59
Apparel	2.3	2.7	+17
Paper	16.1	13.7	—15
Printing and publishing	13.8	6.0	—57
Chemicals	38.2	36.8	— 4
Petroleum and coal products	63.0	84.4	+34
Rubber and leather	8.1	2.5	—69

latest survey, just completed, shows that they actually spent $307 million. The question that naturally arises is, did they underestimate by the amount of the difference. The most likely and plausible answer is that businessmen modified their expenditure plans as the business situation improved. In September 1954, when businessmen gave us their estimates for 1955, the prevailing business indicators, for the most part, still had a recessionary look. In retrospect, it is easy enough to see that by September 1954 the 1953-1954 recession had already run its course, but at the time it was by no means apparent; so that the planned capital expenditures as of September 1954 were no doubt influenced by the none-too-favorable business outlook then prevailing.

As the business climate improved, businessmen revised their expenditure plans upward, and we had some advance notice thereof in the spring of this year when we made a spot re-check. Our April survey showed that manufacturers had raised their sights 10 to 15 per cent above the levels reported in September 1954. And, as our latest survey shows, actual expenditures this year turned out to be 32 per cent higher than planned expenditures reported a year ago.

Capital expenditure plans as a business indicator

Business plant and equipment expenditures are important in their own right. Currently, they amount to $30 billion a year—a substantial prop in the national economy. Moreover, capital goods have a long production cycle. Any foreknowledge of businessmen's plans, which in the nature of things precede actual expenditures, is useful for predicting the future course of business. Plans come first, then decisions, then the letting of contracts or the placing of orders, and finally the actual expenditures themselves.

Ordinarily, the time required to build a plant is much longer than that required to install equipment and machinery. The longer the lead time of plans the greater their forecasting value, but the less their reliability because businessmen may change their plans any time before making actual commitments. Granting the usefulness of capital expenditure plans as a business indicator because of their long lead time, what are their limitations with respect to lack of accuracy?

Since our latest survey is the tenth in our series of annual surveys on capital expenditure plans, we might throw some light on this question within the limits of our own local experience. As already indicated, our latest survey shows that actual expenditures in 1955 turned out to be 32 per cent larger than the plans anticipated a year ago. Experience over the years is summarized in the accompanying table.

The revised record shows a mixed pattern. In 1953 and again in 1954 actual expenditures were close enough to the advance estimates to be scored as a bull's-eye. In 1950 and again in 1951, however, the advance estimates fell considerably short of subsequent outlays actually made. Those were the years when strenuous efforts were made to expand output and capacity as a result of the Korean crisis. If current expansionary developments and optimism on the business outlook for 1956 continue to grow, it is conceivable that the 6 per cent decline indicated for next year may be modified by upward revision in manufacturers' plans.

DEVIATION OF ACTUAL EXPENDITURES FROM PLANNED EXPENDITURES ANTICIPATED THE PRECEDING YEAR

Year	Percent deviation
1955	+32
1954	− 1
1953	+ 1
1952	n.a.*
1951	+25
1950	+12
1949	− 2
1948	− 6
1947	− 8

* Comparison invalidated when the area of survey was enlarged from Phila. County to the Phila. 8-county region.

Construction vs. equipment

No significant change is in prospect with respect to the proportion of total planned expenditures that are to go into new plant, as contrasted with new machinery and equipment. According to the expected plans, 59 per cent of next year's total outlays is to go for new machinery and equipment, which is almost the same proportion of this year's expenditures so invested. The fact that more than half goes into machinery and equipment occasions no surprise because machines wear out faster than buildings, and machinery is also subject to faster obsolescence. Moreover, rising wage rates are a constant stimulus to install the latest equipment to keep labor costs at a minimum.

In every major industry group, except chemicals and petroleum, the larger part of planned expenditures is earmarked for machinery and equipment. Perhaps the fact that chemicals and petroleum are exceptions is none too significant because the technology in those industries is such that it is hard to draw the line between plant and equipment.

Replacement or expansion

In our survey we also asked manufacturers whether their proposed expenditures for 1956 would result in increased capacity. Of those who replied to this question, slightly over one-third said yes. Apparently for the majority who said no, expenditures are for replacement purposes rather than for expanding capacity. Of course a new piece of equipment usually means larger output at lower cost than before, so that capacity is in fact increased.

A technical note

Like our former surveys, the current projection is a blow-up of sample reports. The estimates are based on more than 500 returns from companies whose employment accounts for almost 60 per cent of the manufacturing employment of the area. The sample includes both large and small companies. In the case of large multi-plant companies with plants in various parts of the country, we included only the plants located within the Philadelphia metropolitan area, as described. Throughout this report, we have referred to the $308 million of expenditures in 1955 as *actual* outlays in contrast with *estimates* made a year ago. It should be recognized, however, that there is an element of estimate in the $308 million for 1955 because the reports were submitted in September and October.

CAPITAL OUTLAYS BY UTILITIES AND RAILROADS

The railroads and utilities serving the Philadelphia metropolitan area plan to increase capital outlays by $10 million in 1956. Their expenditures for new plant and equipment in 1955 amounted to $139 million, and current estimates for 1956 expenditures come to $150 million—an increase of 7 per cent. The present survey also shows that their 1955 actual outlays were $18 million, or 15 per cent higher than planned expenditures as reported a year ago.

INVENTORY INTENTIONS

The record shows that every so often manufacturers and other businessmen can scarcely help getting too eager in their inventory buying. It seems inevitable that stocks get too high and orders are cancelled. Cancelled orders usually spell lay-offs for some workers and this cuts purchasing power. Business activity recedes.

This is precisely what happened in 1949 and in 1954. Some say it will happen soon again. Actually, however, the results of our survey of the short-term inventory intentions of Philadelphia area manufacturers show no such indication. The fact is, manufacturers in this area express more optimism in their inventory plans than they revealed a year ago.

The level is right

For the past three years, we have included questions on manufacturers' inventory plans with our capital expenditures survey. We ask manufacturers whether they intend to increase, maintain, or decrease inventories over the period ending December 31. This year a record 84 per cent of the manufacturers surveyed said they would maintain inventories over the October, November, and December period. About 7 per cent of the firms said they are going to increase stocks, and 9 per cent said a decrease is due in the near future. In the two previous inventory surveys conducted by this Bank—in 1953 and in 1954—firms saying decrease outnumbered the increases by four and three times, respectively. Seasonal considerations have been excluded from all surveys.

The re-checks that we make six months after our original surveys indicate that many of the firms who say "maintain" are actually adopting a wait-and-see attitude. Roughly, twice as many firms as said they would have in the past changed their inventory policies. A great preponderance of those who change move in the same direction as general business activity. Thus in the last quarter of 1953, many firms who replied "maintain" actually decreased inventory buying. Conversely, in the final quarter a year ago, when business started to pick up, a lot of the "maintainers" switched to accumulation.

Nondurables makers are more satisfied

Present inventory levels look very good to makers of nondurable goods. In this broad grouping, 89 per cent of the firms say present levels are where they want them. Just 6 per cent of these makers say a decrease in buying is ahead, and 5 per cent say they will step up purchases.

There are some rather sharp differences in intentions among the categories within the nondurables group. For example, 12 per cent of the paper makers say they will do some stocking up, but not one firm intends to work off stocks. In petroleum and coal products, 12 per cent of the firms plan to shrink their inventory holdings. No firms in this group plan to expand inventory holdings. More chemicals firms plan changes in their inventory levels than any other category. In this group, 15 per cent say higher levels are in prospect, and 11 per cent look forward to some decline.

PERCENTAGE DISTRIBUTION OF MANUFACTURERS' SHORT-RUN INVENTORY PLANS

Industries	No change	Increase	Decrease
All manufacturing	84	7	9
Durables	77	10	13
Lumber and furniture	92	0	8
Stone, clay and glass	82	12	6
Primary metals	67	22	11
Fabricated metals	72	7	21
Machinery (excluding elec.)	76	14	10
Electrical machinery	80	12	8
Transportation equipment	80	7	13
Instruments and miscellaneous	76	4	20
Nondurables	89	5	6
Food and tobacco	87	5	8
Textiles	87	3	10
Apparel	92	3	5
Paper	88	12	0
Printing and publishing	97	3	0
Chemicals	74	15	11
Petroleum and coal products	88	0	12
Rubber and leather	96	0	4

Durables firms plan some changes

Firms making durable goods are somewhat less satisfied with their current inventory positions. This shows up in that 77 per cent say they will maintain present levels, 10 per cent plan some increase, and 13 per cent see liquidation of inventory ahead.

Among makers of primary metals, there is considerable divergence of opinion. Just two-thirds of these firms say they are going to maintain stocks. About 22 per cent want to accumulate more inventory and 11 per cent will cut back buying. On the other hand, 21 per cent of the firms in the fabricated metals category plan to cut inventories. Only 7 per cent of these makers want to increase their present inventory holdings. Another noteworthy category is instruments and miscellaneous, where 20 per cent say decrease and just 4 per cent plan increases.

Conclusions

Our past experience with the inventory survey leads us to play down its value as a forecast. Inventory policies are subject to sudden, wide changes. Even the three-month forecast we ask for is probably too long for a prediction. Last year, for example, our September survey indicated manufacturers, on balance, would liquidate inventories in October, November, and December. A subsequent re-check showed just the opposite actually happened.

There are certain useful things we learn from this survey, however. We know that over the past 12 months of rising business activity, manufacturers' stocks increased by only 2 per cent. We know too that manufacturers' inventory intentions show more optimism than in our past surveys. These two factors lead us to conclude that inventory purchases will continue to be a force stimulating business activity in this area.

EMPLOYMENT MAY EDGE HIGHER

Employment will edge higher over the next six months, according to manufacturers in the Philadelphia area. The increase will come mainly because nondurable goods makers are going to add to their payrolls. Manufacturers of durables looked for a reduction in employment at the time our survey was made. A subsequent Government contract awarded to a shipbuilder in this area probably revises the estimates upward.

Most manufacturers of nondurables say they will enlarge their work forces somewhat by March. Textile makers plan the largest increase. They expect to have 1,700 more workers on their payrolls six months from now. Apparel is the only category within the nondurables group that looks for a decrease in employment.

Makers classified under durables planned, on balance, to cut back employment. Since our survey was conducted, however, the New York Shipbuilding Corporation, Camden, New Jersey, received a $120 million contract for a supercarrier. The contract is expected to result in a substantial increase in employment and suggests an upward revision in anticipated employment for transportation equipment makers. Notice that this category — transportation equipment — had expected the largest decline in employment.

The recent past

In addition to prospective changes, the accompanying table shows manufacturing employment for the past three Septembers. As can be seen, total manufacturing employment is at about the same level as a year ago but is 10 per cent below September 1953. In addition, over the three years measured, the industrial composition of the Philadelphia area has been altered. In 1953, about 52 per cent of our manufacturing workers were employed in durables. In 1954, durable makers lost their dominance, and again in 1955 only 48 per cent of manufacturing employment is in durable goods manufacturing.

It is not surprising that durable goods manufacturers cut back employment twice as much as nondurables in 1954. Employment totals in durables are expected to respond more sharply to changes in the general business environment. What is surprising is that employment in durables was shaved again in 1955 despite a general quickening of the business tempo.

Contrast the way employment totals moved for the country as a whole with what happened here. Nationally, employment in durables decreased by 12 per cent and nondurables by 4 per cent from September 1953 to September 1954. This is not unlike the Philadelphia area where employment in durables and nondurables declined by 14 per cent and 7 per cent, respectively, over the same period. But look at the disparity in 1955. Employment in durable goods jumped 8 per cent for the nation as a whole, and nondurables 3 per cent from September 1954. In the Philadelphia area, employment in durables actually decreased further by 1 per cent, and the number of workers in nondurables was just 1 per cent higher.

The largest cutbacks to occur in any one category of manufacturing employment in the Philadelphia area have come in transportation equip-

ESTIMATED EMPLOYMENT IN THE PHILADELPHIA METROPOLITAN AREA

(In thousands)

Industries	Sept. 1953	Sept. 1954	Sept. 1955	Dec.* 1955	March* 1956
All manufacturing	617.8	554.4	554.6	555.2	555.6
Durable goods	313.5	270.4	267.0	266.2	264.9
Lumber and furniture	10.8	10.1	9.7	9.4	9.7
Stone, clay and glass	12.9	12.2	12.7	12.8	12.9
Primary metals	39.7	33.9	37.5	37.7	37.7
Fabricated metals	46.5	40.9	41.4	40.5	40.7
Machinery (excluding electric)	50.3	44.9	45.5	45.2	44.6
Electrical machinery	63.0	57.0	55.9	56.8	57.0
Transportation equipment	59.6	44.6	37.1	36.2	34.3
Instruments and miscellaneous	30.7	26.8	27.2	27.6	28.0
Nondurable goods	304.3	284.0	287.6	289.0	290.7
Food and tobacco	55.6	52.9	51.1	51.6	51.5
Textiles	54.2	46.2	46.4	47.2	48.1
Apparel	61.1	58.1	60.5	59.7	60.3
Paper	21.1	21.1	21.4	21.4	21.5
Printing and publishing	33.9	33.9	33.3	34.1	33.6
Chemicals	36.3	33.4	35.2	35.4	35.8
Petroleum and coal products	24.1	22.5	22.5	22.5	22.5
Rubber and leather	18.0	15.9	17.2	17.1	17.4

*Estimated

ment. From a high of 59,600 workers in September 1953, employment dwindled to 44,600 in 1954 and 37,100 in September of this year. Makers of railroad equipment, aircraft, ships, and motor vehicles are included as transportation equipment. Most of the decline in employment that has taken place in this category has affected aircraft and ship workers.

A RECORD YEAR FOR STEELMAKERS

With the continuing expansion in economic activity, demands of record and near-record proportions are taxing productive facilities in some sectors of the economy. One such area is steel. Basic steel in particular has been feeling it for months. And more recently pressure has spread from the furnaces to various semi-finishing plants like rolling and blooming mills where productive facilities are in closest balance with ingot capacity.

The supply of basic steel has continued to run far short of the demand, even with the mills maintaining operations close to their rated capacity over much of the year. The rate at which finished steel is being taken up by fabricators would suggest that inventories at these establishments are rising. But this does not appear to be the case. Current reports indicate that steel fabricating plants have very little so-called "free inventory" because tonnages are going into process about as fast as received. For a time, the steel warehouses were a source of supply for those whose mill shipments were delayed. The drain on distributors' holdings, however, has become severe, leaving them with small, poorly assorted stocks that cannot be replenished in a hurry.

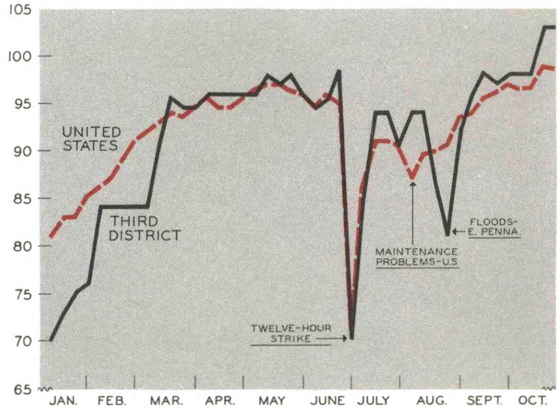
Where the steel has been going

By mid-summer the four largest steel-consuming industries had set new tonnage records, according to data published by the American Iron and Steel Institute. Record automobile production had absorbed 11 million tons of flat rolled products by the end of July. The nation's construction industry, also operating at a new peak, had received 7½ million tons of structural and other building steels. Manufacturers of steel containers, taking more than ever before, accounted for 4 million tons of light-gauge sheets. And the machinery industry, experiencing more than the looked-for upsurge in demand, received shipments of heavy steels totaling another 4 million tons in the first seven months this year. The steel requirements of these and a multitude of smaller steel-consuming industries have not lessened since mid-summer. On the contrary, demand has been increasing almost steadily and on an even broader front.

Crude steel tonnage approaches an all-time high

This could become a 115 million ton year for crude steel production. The nation's ingot mills reached near-capacity levels—95 per cent or better—around the middle of last April, and maintained approximately this rate until late in June. Then the shortest steel strike in history, followed by vacation shut-downs and pressing maintenance problems, cost producers a loss in ingot steel they scarcely could afford. It was mid-September before operations were back in stride. But even with this unfortunate break, nearly 86 million tons of ingots and steel for castings were turned out in the nine months ended September. As operations recently have been within a percentage point or two of rated capacity, further tonnage gains will be small. Nevertheless, barring serious breakdowns, it is entirely possible that fourth-quarter output will make 1955 the greatest tonnage year in history.

1955 STEEL PRODUCTION AS A PERCENTAGE OF CAPACITY



Third District operations at a new peak

Production of basic steel in this area occupies an important spot in the national picture—tonnagewise and from the standpoint of operating efficiency, because many of our facilities are relatively new. As shown in the accompanying chart, ingot mills in the Third Federal Reserve District have operated a little above the national average almost continuously since the early spring. Production here suffered a sharper set-back during the recession, but subsequent recovery progressed somewhat faster. About the only time local operations trailed the country's average was in late August when the floods of Hurricane Diane struck eastern Pennsylvania. This interruption was relatively brief, so our loss in steel tonnage was not too severe. The chart also suggests that Third District steel producers experienced less in the way of maintenance problems around mid-summer than was the case in some other areas. The middle of October saw our steel furnaces operating at a new high of 103 per cent of rated capacity.

Employment in basic steel is rising

Although operations in district steel mills have risen above their 1953 peak, neither employment nor working time have staged so full a recovery. Nevertheless, the extent of improvement since the turn of the year has been substantial. Employment had increased nearly 15 per cent by mid-September. The gain in working time in this period was 25 per cent and more nearly in line with the rise in steelmaking operations. It is not inconsistent that the rise in hours has led the upswing in employment. For one thing, working time was cut back more sharply when recessionary tendencies first appeared two years ago. Moreover, it is probably true that some former steel workers found jobs in other industries, so it would seem that new training programs might be called for. Looking back, it is apparent that in 1954 there was no need to train new personnel; with the pressure for production thus far in 1955 there has been little opportunity.

. . . and the trend also is upward in some fabricating lines

Producers of a fairly wide range of fabricated metal products, manufacturers of machinery, and the railroad division of the transportation equipment industry in this district also have made significant additions to their working forces this year. Hours of work have lengthened and, as in the case of basic steel, most of these increases have been more pronounced than the gains in employment. By September, activity in these lines was appreciably above year-ago levels although still short of their 1953 peaks. Thus far, gains in both employment and total working time have been less pronounced in fabricating lines than at steel works and rolling mills.

"Optimistic" is the way Third District steel men put it

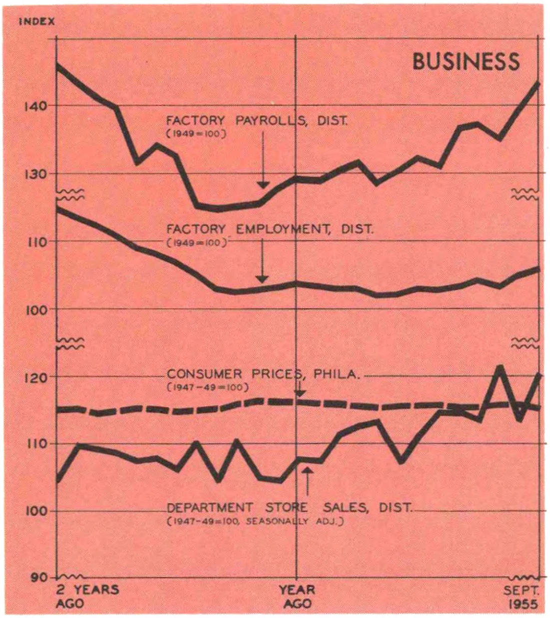
Interviews with steel-industry representatives in this area reveal a considerable degree of optimism—for the near future and over the longer run, in some cases to mid-1956.

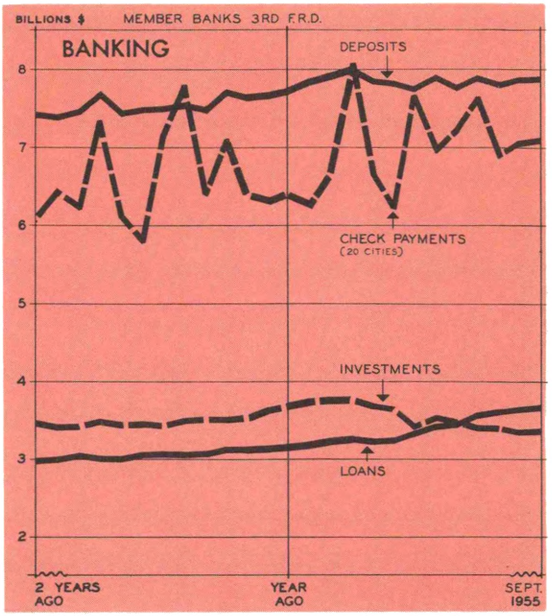
The automotive and construction industries seem to be the weightiest factors influencing present judgments. Most steel men appear to feel that another big year is ahead for automobiles. A heavy carryover in construction seems implicit in the volume of work under way, and the new programs taking shape give added encouragement.

But there are other lines that currently lend much support to present-day thinking in terms of over-all steel requirements. The local shipbuilding industry, for one, has been given a much-needed shot in the arm with the recent award of a contract to build an aircraft carrier. Railroad equipment is another line in which prospects have brightened considerably since early summer. The demand for machinery continues to exceed earlier expectations and this is being reflected on the order books of some parts manufacturers in this district. Producers of wire products tell us they are accumulating backlogs that assure a high level of operations into the first quarter of next year. Business in steel wire is still competitive but improvement in recent weeks has been pretty much "across the board" and from diversified sources.

Producers with basic steel capacity see these facilities fully engaged for months ahead. Their backlogs have been mounting for weeks. Order books are full to the end of this year and in many cases heavy bookings extend through the first quarter of 1956. How to satisfy the pressing needs of steel consumers is the number-one problem for Third District steelmakers today.

FOR THE RECORD...





SUMMARY	Third Federal Reserve District — Per cent change: September 1955 from mo. ago	September 1955 from year ago	9 mos. 1955 from year ago	United States — Per cent change: September 1955 from mo. ago	September 1955 from year ago	9 mos. 1955 from year ago
OUTPUT						
Manufacturing production	+2	+6	+2	+1	+13	+11
Construction contracts*	+1	+9	+14	−7	+8	+25
Coal mining	+11	+22	+13	+1	+19	+19
EMPLOYMENT AND INCOME						
Factory employment (Total)	+1	+2	−1	+1	+6	+2
Factory wage income	+3	+11	+5	......	......	......
TRADE**						
Department store sales	+6	+11	+7	+3	+9	+7
Department store stocks	+3	+9	......	0	+5	......
BANKING (All member banks)						
Deposits	0	+2	+3	0	+3	+5
Loans	+1	+16	+12	+1	+18	+12
Investments	0	−9	−1	−1	−7	+2
U.S. Govt. securities	+1	−8	−2	−1	−9	+1
Other	−1	−11	+3	0	+5	+10
Check payments	0†	+11†	+7†	+1	+13	+7
PRICES						
Wholesale	......	......	......	+1	+1	0
Consumer	−1‡	−1‡	0‡	0	0	0

*Based on 3-month moving averages.
**Adjusted for seasonal variation.
†20 Cities
‡Philadelphia

LOCAL CHANGES	Factory* Employment — Per cent change Sept. 1955 from mo. ago	year ago	Factory* Payrolls — Per cent change Sept. 1955 from mo. ago	year ago	Department Store Sales — Per cent change Sept. 1955 from mo. ago	year ago	Department Store Stocks — Per cent change Sept. 1955 from mo. ago	year ago	Check Payments — Per cent change Sept. 1955 from mo. ago	year ago
Allentown	+1	+7	+8	+24	......	......	......	......	+5	+16
Harrisburg	0	+6	+3	+27	......	......	......	......	−1	+11
Lancaster	0	+8	+2	+14	+21	+10	+9	+6	+2	+17
Philadelphia	+1	0	+3	+7	+42	+7	+15	+10	−3	+10
Reading	−1	+6	−2	+15	+36	+14	+11	+2	−4	+25
Scranton	0	+2	+2	+6	+65	+16	+12	+4	+7	+9
Trenton	+2	+9	+4	+16	+40	+3	+17	+4	−5	+4
Wilkes-Barre	−1	+4	−1	+7	+27	+11	+7	+14	+2	+21
Wilmington	−2	+8	+3	+17	+21	+11	+9	+9	+31	+5
York	0	+1	−1	+7	+5	+41	+9	+19	+9	+11

*Not restricted to corporate limits of cities but covers areas of one or more counties.