

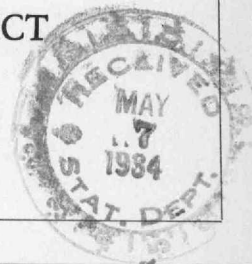
THE BUSINESS REVIEW

THIRD FEDERAL
PHILADELPHIA



RESERVE DISTRICT
MAY 1, 1934

By RICHARD L. AUSTIN, Chairman and Federal Reserve Agent
FEDERAL RESERVE BANK of PHILADELPHIA



Business and Banking Conditions in the United States

Volume of industrial production increased further in March and there was considerable growth in factory employment and payrolls. The general level of commodity prices showed little change between the middle of March and the middle of April but in the third week of April there was a sharp decline in grain prices.

Production and employment. Output of manufactures and minerals, as measured by the Federal Reserve Board's seasonally adjusted index of industrial production, advanced from 81 per cent of the 1923-1925 average in February to 84 per cent in March. The advance reflected chiefly increases of more than the usual seasonal amount in the output of steel, automobiles and lumber and an increase contrary to seasonal tendency in the output of coal. Production of textiles showed little change in volume on a daily average basis. In the early part of April, activity at steel mills and automobile factories increased further, according to trade reports, while coal production declined by a more than seasonal amount.

Volume of employment at factories increased further between the middle of February and the middle of March

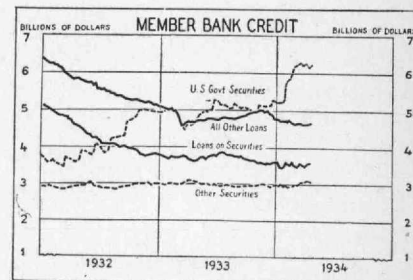
by about 4 per cent, an amount larger than is usual at this season. Employment on the railroads and at mines also showed an increase. The number on the payrolls of the Civil Works Administration was reduced from about 3,700,000 in the middle of February to about 2,400,000 in the middle of March and 1,900,000 at the end of the month.

The value of construction contracts awarded in March, as reported by the F. W. Dodge Corporation, showed a considerable increase from the low level of February followed in the first half of April by a decline. For the first quarter as a whole, the value of contracts was somewhat smaller than in the last quarter of 1933; publicly-financed projects continued to make up about three-fourths of the total.

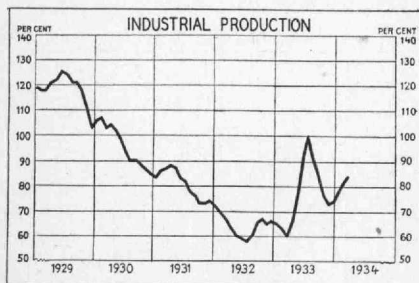
Distribution. Volume of freight car loadings showed a further increase in March, reflecting chiefly seasonal increases in shipments of merchandise and miscellaneous freight and a continued large volume of coal shipments, which usually decline in March. In the early part of April, total car loadings showed a decline, reflecting a sharp reduction in coal shipments. Dollar volume of trade at department

stores increased in March by considerably more than the estimated seasonal amount, after allowance for the early date of Easter this year.

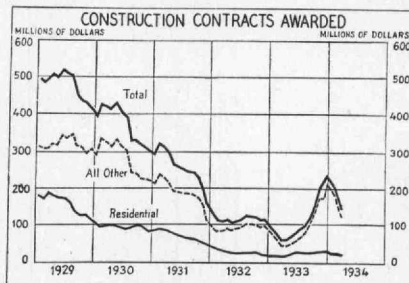
Prices. The general level of wholesale commodity prices, as measured by the index of the Bureau of Labor Statistics, was 73.3 per cent of the 1926 average in the week ending April 14 as compared with 73.8 per cent in the week ending March 10. During this period prices of steel, copper and automobiles advanced, while prices of farm products decreased somewhat. In the third week of April, wheat prices declined sharply and there were also declines in the prices of other grains, cotton and silver.



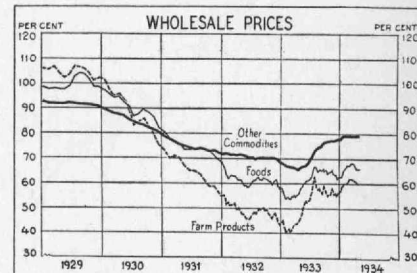
Wednesday figures for reporting member banks in 90 leading cities. Latest figures are for April 11.



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



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



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

Bank credit. During the four weeks ending April 18 member bank reserve balances increased by \$220,000,000, raising the volume of reserves in excess of legal requirements to \$1,600,000,000. This increase reflected a growth of \$105,000,000 in the monetary gold stock and further disbursements by the Treasury of funds from its cash holdings and its deposits with the reserve banks.

At reporting member banks in leading cities an increase of \$400,000,000

in net demand and time deposits for the four-week period ending April 11 reflected chiefly the deposit by the public of funds disbursed by the Treasury as well as a growth in bankers' balances. Government deposits were reduced by about \$200,000,000. Holdings by these banks of securities, other than United States Government obligations, increased by \$64,000,000, and their loans both on securities and all other also increased

slightly, with the consequence that total loans and investments showed a growth of \$100,000,000 for the period.

Money rates in the open market declined further in April. Rates on prime 4-6 months commercial paper were reduced from a range of 1-1/4 per cent to 1 per cent, and rates on 90-day acceptances were reduced from 1/4 per cent to a range of 1/8-1/4 per cent. Yields on government securities also declined.

Business and Financial Conditions in the Philadelphia Federal Reserve District

Business conditions showed a considerable improvement in March and general activity continued well sustained in April, although lately seasonal slackening has been in evidence. Industrial production in March registered exceptional gains in addition to those reported for the previous month. Building activity also expanded seasonally. The value of retail trade sales increased greatly in the month while that of wholesale business just about equaled the usual seasonal rate of activity. The majority of business indicators show uncommonly large gains over a year ago but this comparison, as in the case of the previous month, unavoidably reflects an extremely low state of business in March 1933 when, among other depressing factors, banks were closed for a part of the month.

General employment in the twelve branches of industry and trade again registered an increase of 4 per cent and earnings 9 per cent from February to March, according to reports from establishments in Pennsylvania which in March employed over 700,000

workers and whose average payroll amounted to about \$15,500,000 a week. Virtually all lines shared in this general upturn, and some of them indicate further gains in April.

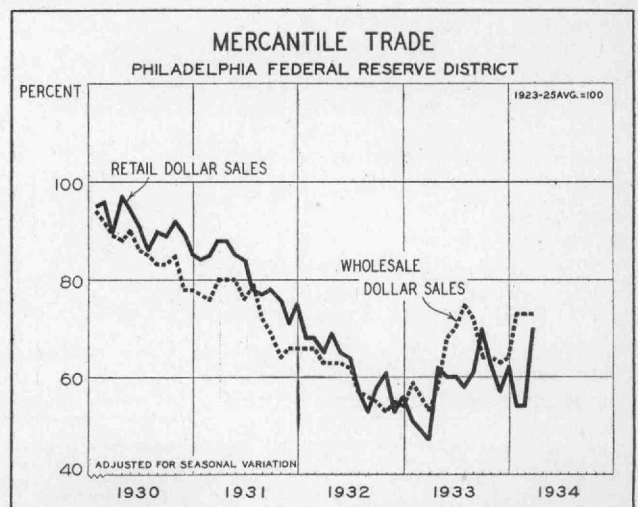
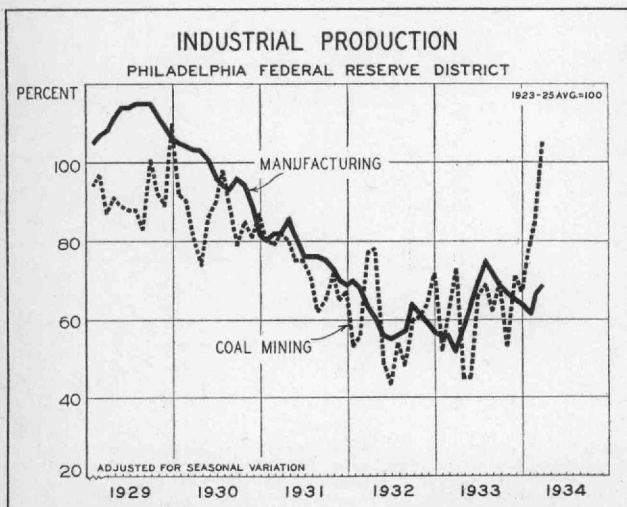
Manufacturing. Demand for manufactured products showed little change during March and early April, although lately buying has slackened somewhat as is to be expected at this time. Since the middle of March there has been little variation in prices of semi-manufactured goods and finished products, while raw materials showed some decline in April. Some price advances on products such as chemicals, building materials, and certain textiles, however, have taken place. A number of reports indicate that there has been a noticeable resistance by buyers to further price increases. Compared with last year, sales of factory products since the first of the year have been substantially larger, as indicated by both dollar volume and tonnage.

In most cases the volume of unfilled orders has declined since last

month, and at present many plants, particularly in the case of textiles, are working on contracts secured in earlier months. Fabricators of iron and steel products, on the contrary, report a larger number of orders on their books, owing in part to more active buying by railroads and other important consumers of metal products for further manufacture and equipment purposes.

Employment and payrolls in factories of this district registered additional increases in March. Original reports from 1732 representative establishments in Pennsylvania, which employed about 391,000 wage earners whose weekly earnings amounted to \$7,266,000, showed that the number of workers on the rolls was 3 per cent larger and the amount of wages disbursed was 8 per cent greater in March than in February. These figures compare with increases of 4 per cent in employment and 7 per cent in payrolls for the entire country.

That these gains were more than seasonal is evidenced by the fact that the average change in Pennsylvania



Business Indicators

Philadelphia Federal Reserve District

between February and March during the previous eleven years was a decline in employment and an increase in payrolls of less than one per cent. Even excluding the past four years, when for the most part there was a downward trend, average gains between February and March from 1923 to 1929 were less than one per cent in employment and slightly over one per cent in payrolls.

Compared with March 1933, which was the record low point in volume of employment and wage disbursements, the number of wage earners this year was 30 per cent and their earnings 75 per cent larger. During the first quarter of the year employment was 21 per cent and payrolls 54 per cent higher than in the same period last year.

From current reports and census figures it is estimated that the number of wage earners in all Pennsylvania factories in March totaled about 789,000, a gain of 24,000 over February and 177,000 more than in March of last year. Likewise, average earnings approximated \$15,000,000 a week, or \$1,100,000 higher than in February and \$6,400,000 larger than a year ago. Working time, as recorded by over 80 per cent of reporting companies, increased 8 per cent from February to March and was 53 per cent greater than a year ago.

Usually factory activity slackens in April, but preliminary reports indicate that, in spite of a number of scattered strikes particularly in textile industries, both employment and working time were holding up to March levels while payrolls were running even slightly ahead of the previous month, reflecting in some measure an unusual number of increases in wage rates which became effective on April 1.

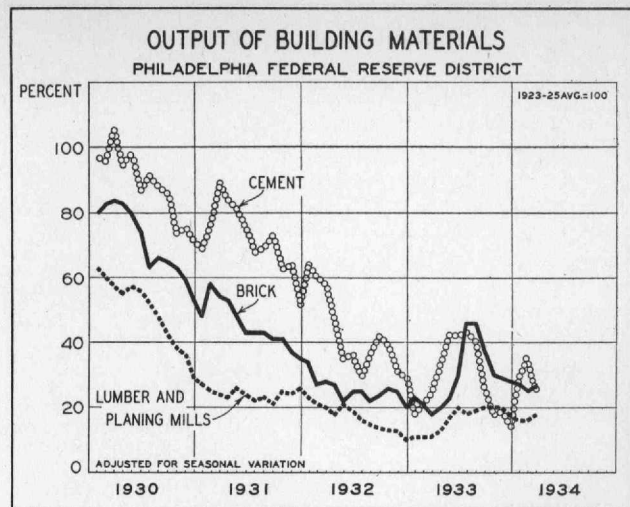
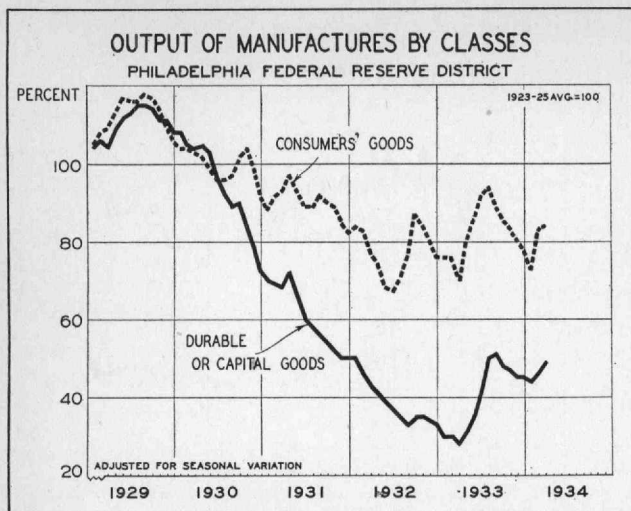
Output of manufactures in this district increased in March for the second consecutive month. This bank's index number of factory production, which is adjusted for the number of working days and seasonal change, rose to 69 from 67 in February and 61 in January, showing a gain of 3 per cent in the month as was the case in a similar index of the Federal Reserve Board for the country as a whole. While the rate of expansion was not as great as in the previous month, it was above the usual seasonal expectations, as ordinarily there is practically no change between February and March.

Heavy industries such as those producing fabricated metal products,

	Index numbers: percentages of the 1923-1925 average taken as 100												
	Adjusted for seasonal variation									Not adjusted			
	Mar. 1933	Jan. 1934	Feb. 1934	Mar. 1934	Percentage comparison			Mar. 1933	Jan. 1934	Feb. 1934	Mar. 1934		
					Mar. 1934 with	To date with year ago							
				Month ago	Year ago	Year ago							
Adjusted indexes allow for the usual seasonal change which results from an uneven distribution of business between the months of the year.													
Unadjusted indexes reflect merely the actual change which may or may not be up to the usual seasonal expectations.													
Industrial production													
Manufacturing—total	53	63	68	72	+ 5	+ 34	+22	53	63	70	71		
Durable or capital goods	28	44	46	49	+ 7	+ 73	+56	28	44	49	55		
Consumers' goods	70	73	83	84	+ 1	+ 19	+ 7	70	73	83	84		
Metal products	26	48	48	54	+12	+110	+84	26	46	49	55		
Textile products	64	62	80	83p	+ 3	+ 30	+ 6	66	65	86	86p		
Transportation equipment	24	41	42	45	+ 6	+ 85	+43	25	41	43	48		
Food products	66	69	68	69p	+ 2	+ 4	+ 2	66	68	67	69p		
Tobacco and products	70	87	88	86	- 3	+ 22	+13	65	71	75	80		
Building materials	17	22	24	23	- 7	+ 35	+40	15	19	21	20		
Chemicals and products	84	100	100	97p	- 3	+ 16	+15	84	97	99	97p		
Leather and products	107	117	128	134p	+ 5	+ 25	+22	110	122	136	137p		
Paper and printing	76	80	82	80	- 2	+ 6	+ 4	77	80	82	82		
Electric power output	171	186	185	190	+ 2	+ 11	+12	175	197	197	194		
Industrial use of electricity	105	123	136	136	- 1	+ 29	+19	100	119	135	129		
Coal mining	73	78	85	105p	+24	+ 44	+44	61	85	91	88p		
Anthracite	77	82	89	109p	+22	+ 41	+44	63	89	95	89p		
Bituminous	47	56	59	80p	+34	+ 71	+38	48	64	65	81		
Employment and wages—Pa.													
Factory wage earners					+ 3*	+ 30*	+21*	59	70	74	76		
Factory payrolls					+ 8*	+ 75*	+54*	32	47	53	57		
Employe-hours (1927-28 = 100)					+ 8*	+ 53*	+34*	39	49	55	59		
General—12 occupations:													
Employment (1932=100)					+ 4*	+ 23*	+16*	89	102	104	109		
Payrolls (1932=100)					+ 9*	+ 53*	+38*	80	106	112	122		
Building and real estate													
Contracts awarded—total	17	44	36	32	-12	+ 89	+43	16	34	29	30		
Contracts awarded—residential	10	13	15	16	+ 3	+ 57	+34	9	11	11	14		
Permits for building—17 cities	3	9	11	5	-52	+ 82	+21	3	5	8	6		
Mortgages recorded—Philadelphia	20	21	24					21	24	26			
Real estate deeds—Philadelphia	30	41	42					30	39	42			
Sheriff deeds (1930=100)								41	117	141			
Other deeds (1930=100)								60	49	46			
Writs for Sheriff sales—Phila.	1088	746	987	816	-17	- 25	-22	1109	858	1007	832		
Distribution													
Retail trade—sales	47	54	54	70p	+29	+ 50	+24	43	45	45	69p		
Retail trade—stocks	53	64	63	61p	- 2	+ 16		55	67	60	63p		
Wholesale trade—sales	55	73	73	73p	- 1	+ 31	+27	52	64	67	69p		
Wholesale trade—stocks	56	62	64	65p	+ 0	+ 16		56	61	64	65p		
Life insurance sales	80	99	93	100	+ 8	+ 25	+ 1	89	89	107	111		
New passenger auto. registrations	38	38	54	60	+11	+ 59	- 2	42	20	40	67		
Freight car loadings—total	45	59	61	63	+ 5	+ 42	+29	43	55	59	61		
Misc. and misc. (64.9% of total)	45	59	58	59	+ 2	+ 30	+20	45	52	54	58		
Coal (23.5% of total)	51	68	77	85	+10	+ 67	+47	49	73	84	82		
Business liquidations													
Number					+ 2*	- 47*	-62*	133	86	69	71		
Amount of liabilities					-34*	+ 96*	-63*	179	60	60	117		
Payment of accounts													
Check payments	62	64	70		+ 9			64	64	68			
Rate of collections (actual)													
Retail trade	24	26	26	29	+12	+ 23		23	31	25	28		
Wholesale trade	55	65	67	68	+ 1	+ 24		54	64	62	67		
Prices—United States													
Wholesale (1926=100)					+ 0*	+ 22*	+21*	60	72	74	74		
Farm products					0*	+ 43*	+43*	43	59	61	61		
Foods					+ 1*	+ 23*	+21*	55	64	67	67		
Other commodities					- 0*	+ 19*	+18*	66	78	79	78		
Retail food (1913=100)					+ 0*	+ 20*	+16*	90	105	108	108		
Philadelphia					- 0*	+ 26*	+22*	92	112	117	117		
Seranton					- 0*	+ 19*	+15*	97	112	115	115		
Banking and credit													
Federal Reserve Bank													
Bills discounted	\$130	\$ 26	\$ 24	\$ 20	\$ 17	-15	-87						
Other bills and securities	141	174	175	172	170	- 1	+21						
Member bank reserves	107	126	138	150	196	+31	+83						
Ratio	44.3%	61.7%	60.6%	63.1%	68.2%	+ 8	+54						
Reporting member banks													
Loans to customers	\$544	\$491	\$476	\$471	\$468	- 1	-14						
Other loans and investments	495	550	541	570	564	- 1	+14						
Net deposits	842	949	948	988	1036	+ 5	+23						
Bankers' acceptances outstanding	10.4	15.5	14.7	15.2	15.8	+ 4	+52						

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

p—Preliminary



transportation equipment and some of the building materials, industries generally described as producers of durable or capital goods and which comprise about 40 per cent of those covered by the index, account for the largest portion of the increase in the month. For example, the index number for this type of industry rose from 46 in February to 49 in March as compared with an increase from 83 to 84 in the output of consumers' goods industries.

Unusually large increases in the output of finished steel, motor vehicles, and automobile bodies and parts accounted for the greater part of the general advance, although unusual gains also occurred in many other individual lines, particularly electrical apparatus, leather, sugar refining, and such textiles as carpets and rugs, wool and cotton products, hosiery, and underwear. A sharp falling off in cement production at a time when such plants usually expand operations, more than offset a substantial rise in the output of lumber and brick, so that the building material industries as a group declined.

With the exception of midsummer last year, the present level of factory production is the highest since early 1932. After declining for about six months from the July high peak, the upturn in February and March was sufficiently large to raise the quarterly average 20 per cent above that of last year and almost equal that in the first quarter of 1932. The trend this year on the whole also has been more favorable than in the past four years, despite more numerous labor controversies tending to hamper productive activity.

Total output of electric power declined less than it usually does be-

tween February and March, and the seasonally adjusted index number reached the highest point since last fall. Industrial consumption of power registered about the usual seasonal decline but was much larger compared with a year ago. Sales for other purposes decreased seasonally but on the whole continued about 14 per cent larger than in March 1933.

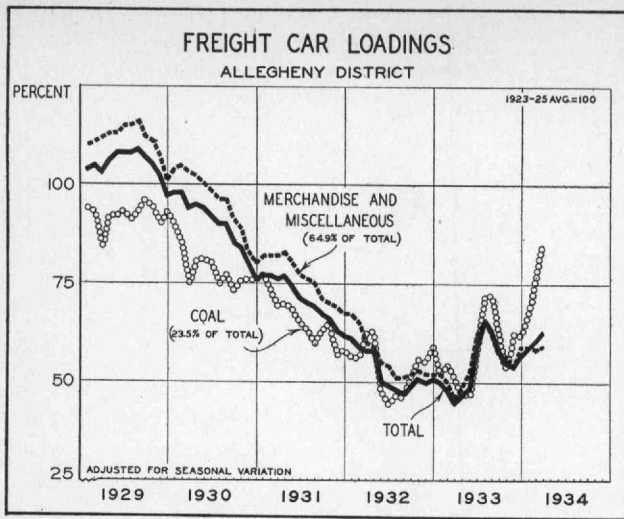
Coal. The supply of anthracite coal in producers' storage yards has continued to decline since the turn of the year, reaching early in March the lowest level since late 1922; this reduction was due in the main to an exceptionally cold winter with consequent increase in demand by householders. Stocks in dealers' yards were 32.8 per cent less than at the end of January. Hard coal supplies held by electric power plants and railroads also were smaller. Shipments for the first quarter of the year were the greatest for that period since 1929; daily deliveries in March showed a seasonal decline from February, which has been continued through the first week of April. Production during the first quarter of the year was the largest for that period since 1925, reaching the seasonal peak in February instead of October. The daily average output in March was 6 per cent lower than in February, compared with the usual seasonal decline of about 23 per cent. Output in April fell off, though it continued much larger than a year ago. The customary spring reductions in prices were announced around the first of April.

The demand for bituminous coal was active through March but in the first two weeks of April it slackened. Stocks in the hands of industrial con-

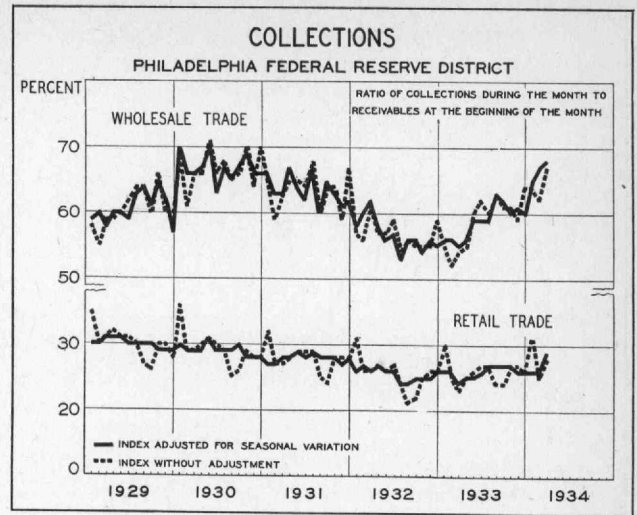
sumers have decreased noticeably since the first of the year, the greatest reduction in March occurring at by-product coke ovens, coal-gas works and general manufacturing plants. Stocks at retail yards showed a similar decline. For the first quarter of the year, shipments were greater than for a like period of any year since 1931. Daily average deliveries in March were the largest since January 1931. Since December of last year, daily average production has increased steadily, the gain in February and March being contrary to the seasonal trend. Allowing for seasonal effects, output in March reached the highest peak, with one exception, since October 1930. Early in April minimum code prices of bituminous coal in central Pennsylvania were advanced about 25 cents a ton, reflecting a further adjustment of wages and hours.

Building and real estate. Reflecting partly seasonal influences, building and construction activity in Pennsylvania has increased appreciably since the middle of February, following a steady decline for about three months. Reports from approximately 1,200 contractors, which covered construction work other than that sponsored by the Federal Government through the Public Works Administration, showed increases in March amounting to nearly 8 per cent in employment and 11 per cent in wage payments and working time.

Awards of building contracts, which have been declining for several months, showed an exceptionally sharp rise from February to March, reflecting chiefly substantial gains in contracts let for public utilities and commercial buildings. The value of residential awards increased less than 8 per cent in this period, as compared



Source: American Railway Association



with an estimated usual seasonal rise of nearly 38 per cent. Contracts rise for public works showed some further expansion during March, and there was a small increase in awards for factory buildings. In early April the dollar volume of total awards declined, owing to a sharp decrease in contracts let for dwellings, which more than offset gains in other classes of building construction.

Estimated cost of proposed building under permits issued in 17 cities of this district declined more sharply than usual in March, after showing a substantial gain in the previous month. First quarter comparisons show that, while the value of permits was about 21 per cent larger this year than last, it was considerably smaller than in any other recent year.

Although the number of ordinary conveyances continues exceedingly small as compared with other years, reports from some sections indicate that they have shown a rising tendency for several months.

Agriculture. Spring farm activity, plowing and seeding, is well under way, particularly in the southeastern parts of this district. Preliminary reports show that farmers this year intend to reduce their acreage of corn, spring wheat, hay and sweet potatoes but to increase the acreage of oats, barley and white potatoes. Pennsylvania tobacco growers expect to plant some 27,800 acres to this crop, an increase of about 10 per cent over the 25,300 acres harvested in 1933.

As indicated by the condition on April 1, production of winter wheat in the country will amount to about 492 million bushels as compared with 351 million bushels in 1933 and the average of 632 million bushels for the years 1927-1931, according to figures

from the Department of Agriculture. In this district production is expected to be about 3 per cent larger this year than last, the greatest increase being in Pennsylvania. The growth of pastures and meadows has been retarded by the lateness of the season and the unusually severe weather of last winter.

Output of dairy products has been smaller this spring than last. The trend of milk production has been downward for several months, owing chiefly to decreased feeding in response to increased costs of feed. Although receipts of milk and cream in the Philadelphia area have increased since the turn of the year, the total volume received in the three months was the smallest for that period in several years. Creamery butter production in Pennsylvania, which has been decreasing since October of last year, declined sharply in March, reaching the lowest level in the past three years.

Distribution, trade, service. The movement of commodities in this section, as measured by freight car loadings, increased more sharply than usual during March but declined somewhat in early April. Continuing the upward trend of recent months, total loadings of revenue freight were 5 per cent larger in March than in February, reflecting chiefly exceptionally large shipments of coal, grain products, and ore. Deliveries of merchandise and miscellaneous commodities, which make up nearly 65 per cent of all car loadings in this region, showed somewhat more than the usual rate of gain from February to March.

Dollar volume of wholesale trade showed slightly less than the usual rate of increase in March, sales of eight leading lines being about one per

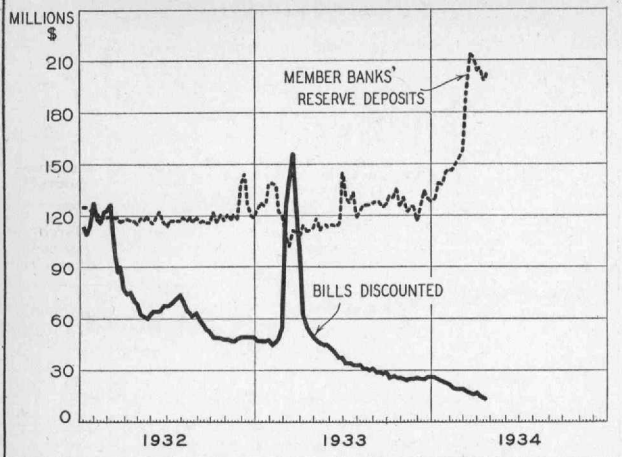
cent smaller, on a seasonally adjusted basis, than in February. In early April demand for hardware increased seasonally, while in other lines sales indicated no marked change. As compared with a year ago, all lines registered substantial increases, as might be expected in view of the interruption to business occasioned by the temporary closing of the banks in the early part of March 1933.

Inventories at wholesale establishments expanded 2 per cent in the month, which is about the usual rate of change for March; as compared with a year ago they were 16 per cent larger, reflecting partly higher prices. The rate of stock turnover was about 14 per cent higher in the first quarter this year than last. Collections have improved steadily since the turn of the year, the percentage of payments to receivables in March rising to the highest level since 1930.

Dollar sales of department, apparel, shoe and credit stores in this district during March showed an increase of 29 per cent as compared with February, after allowance is made for the usual seasonal change and the early occurrence of the spring holiday. All lines shared in this improvement. The combined adjusted index number rose from 54 in February to 70 in March or the highest since 1931. In April retail trade activity declined somewhat.

Unusually large increases were shown as compared with last year even after adjustment is made for the fact that the Easter date this year was about two weeks earlier. The combined index was 50 per cent higher, reflecting partly the banking crisis which occurred in early March of last year and partly higher prices. Estimates show that retail prices of general merchandise and food articles

FEDERAL RESERVE BANK OF PHILADELPHIA



were from 25 to 30 per cent higher in March this year than last.

Collections by retail establishments in March were more rapid than usual, the percentage of payments to receivables increasing 12 per cent from February, even after seasonal influences are removed. Compared with March 1933, collections this year were 23 per cent more prompt. This improvement in collections seems to be fairly general with respect to both regular charge accounts and those generally called installment accounts.

The rate of stock turnover was 12 per cent higher in the first quarter this year than last, all lines indicating a more rapid movement of goods. The dollar volume of inventories increased but not as much as it usually does between February and March.

Sales of new passenger automobiles in this district as in the country showed extraordinarily large increases

Hotel business Philadelphia Federal Reserve District	Per cent change March 1934 compared with		Jan. 1- Mar. 31 1934 with
	Feb. 1934	Mar. 1933	Jan. 1- Mar. 31 1933
Capacity	-0.2	-0.0
Occupancy	+3.2	+25.3	+16.7
% of capacity used:			
Mar. 1934	46.0		
Feb. 1934	44.4		
Mar. 1933	36.6		
Revenue from:			
Guest rooms	+0.5	+20.3	+8.4
Food	+0.8	+35.5	+17.4
Other sources	-0.2	+99.5	+78.0
Total revenue	+0.4	+38.8	+23.4

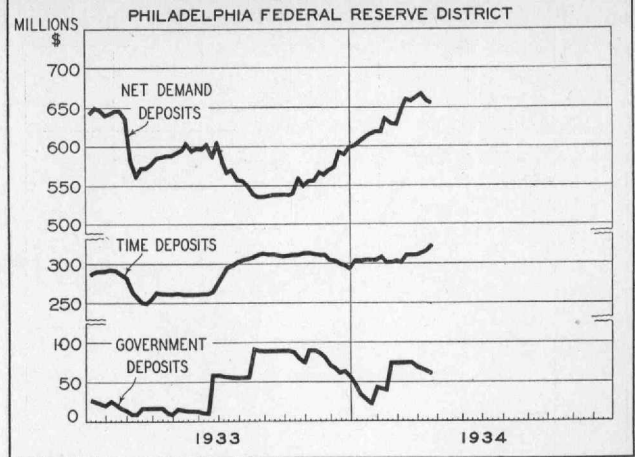
in March as compared with February or a year ago. Our seasonally adjusted index of registrations rose 11 per cent in the month and was 59 per cent higher than last year. Life insurance sales also registered an improvement of about 8 per cent in the month and were 25 per cent larger than in March last year.

The movement of business travelers shows an additional increase from February to March. Room occupancy of commercial hotels showed a gain of 3 per cent, according to reports from 28 typical hotels whose revenue in March amounted to \$783,344. Income from both guest rooms and food also was larger than in the previous month, but revenue from other sources declined slightly. Compared with a year ago, room occupancy was 25 per cent larger and the total revenue nearly 39 per cent greater.

Banking conditions. Total member bank reserve deposits in this district continue substantially in excess of legal requirements. During the past month government expenditures here exceeded receipts and there was a further decline in borrowings from this bank.

On April 16 the reserve bank made a final payment of more than 7 millions to the government on its subscription to stock of the Federal Deposit Insurance Corporation. This payment, while increasing the government's supply of funds, did not constitute a withdrawal from the general money market of the district; other receipts of the Treasury included 19 millions withdrawn from depository banks, but failed by 23 millions to equal local disbursements, which were unusually large. Of the funds pro-

REPORTING MEMBER BANKS



vided by Treasury expenditures and by a reduction of nearly 9 millions in the reserve balances of member banks, 14 millions was absorbed by a loss in commercial and financial transfers, which represented an excess of payments to other districts over amounts received from them; non-member deposits at this bank increased 10½ millions and the demand for currency increased 4½ millions.

Bills discounted decreased from 16 millions on March 21 to less than 13½ millions on April 18, probably the lowest point since 1917. The reserve ratio of the bank, owing to a decline in cash reserves and increases in the Federal reserve note and deposit liabilities, decreased from 69.3 to 66.9 per cent.

Fourteen millions was withdrawn from government deposits at the weekly reporting member banks in

Reporting member banks (000,000's omitted)	Apr. 18, 1934	Mar. 21, 1934	Apr. 19, 1933
Loans to customers:			
On securities	\$ 211	\$ 220	\$278
All other	254	250	256
Loans to open market ..	36	36	8
United States securities ..	283	287	204
Other securities	242	245	246
Total loans and investments	\$1,026	\$1,038	\$992
Net demand deposits	655	658	589
Time deposits	323	310	261
Government deposits	60	74	10
Amounts due from banks ..	152	134	83
Amounts due to banks ..	215	203	144

RESERVE BANK CREDIT AND THE FACTORS WHICH AFFECT IT

Philadelphia Federal Reserve District
Mar. 22 to Apr. 18 inclusive—in millions of dollars

Sources of funds	Uses of funds
Reserve bank credit extended in this district	Currency demand
Commercial and financial transfers (chiefly interdistrict)	Member bank reserve deposits
Treasury operations	Nonmember deposits at res. bank
	Unexpended capital funds of reserve bank
Total	Total

Note: This table gives, in balance sheet form, a summary of the banking changes which have had an influence on the amount of reserve bank credit in use in the district.

the past four weeks, but time deposits increased 13 millions; a decrease of 3 millions in net demand deposits possibly was due to the fact that an expansion of 12 millions in balances held for other banks was more than offset by a rise of 18 millions in amounts due from banks. Investment holdings declined 7 millions; loans to customers on securities are 9 millions lower than they were four weeks ago, while other loans, which are more typical of commercial accommodation, are 4 millions higher, showing a slow but steady rise week by week since the end of February. These banks now are completely out of debt to the reserve bank.

Time deposits of the reporting member banks on April 18 were at the highest point since the fall of 1931, and the average of demand deposits during the past five or six weeks has been the largest since the beginning of 1932.

Member bank reserve deposits held at this bank during March were larger than at any time in its history. The total for all licensed member banks averaged 194 millions, or nearly 81 millions in excess of requirements under the law; excess reserves at country banks averaged 193 1/4 millions and at Philadelphia banks, 61 millions. Early April figures indicate that the excess, though somewhat reduced, still was large.

In contrast with a decline of nearly 9 per cent in the national total of outstanding bankers' acceptances, bills executed by banks in this district increased from \$15,232,000 to \$15,793,000 during March, reflecting chiefly a rise in those covering imports.

Federal Reserve Bank of Philadelphia (Dollar figures in millions)	Apr. 18, 1934	Changes in—	
		Four weeks	One year
Bills discounted...	\$ 13.4	-\$ 2.7	-\$39.8
Bills bought.....	1.3	- 0.8	- 5.0
United States securities.....	167.1	0	+ 30.0
Other securities.....	0.5	0	0
Total bills and securities.....	\$182.3	-\$ 3.5	-\$14.8
Fed. res. note circulation.....	242.6	+ 6.5	- 13.4
Fed. res. bank note circulation—net.	7.6	- 9.9	+ 2.9
Member bank reserve deposits.....	202.7	- 8.7	+ 90.4
Government deposits.....	2.4	0	+ 1.3
Foreign bank deposits.....	0.4	- 0.1	- 0.7
Other deposits.....	21.6	+ 10.5	+ 14.0
Total reserves.....	314.2	+ 5.7	+ 91.3
Reserve ratio.....	66.9%	- 2.4%	+ 7.9%

Employment and Payrolls in Pennsylvania

(All figures are rounded from original data)

Manufacturing indexes

	Employment*			Payrolls*			Employe-hours†	
	Mar. 1934 index	Per cent change from		Mar. 1934 index	Per cent change from		March—per cent change from	
		Mar. 1933	Feb. 1934		Mar. 1933	Feb. 1934	Mar. 1933	Feb. 1934
All manufacturing...	76	+30	+ 3	57	+ 75	+ 8	+53	+ 8
Iron, steel and prods...	62	+42	+ 4	47	+123	+12	+96	+12
Non-fer. metal prods...	84	+38	+ 4	67	+ 66	+ 6	+62	+10
Transportation equip...	61	+34	+ 8	42	+ 73	+21	+79	+17
Textiles and clothing...	100	+24	+ 2	82	+ 71	+ 4	+16	+ 2
Clothing.....	97	+32	+ 1	80	+ 80	+ 3	+28	+ 2
Textiles.....	111	+ 1	+ 3	91	+ 41	+11	-17	+ 1
Food products.....	101	+22	+ 1	82	+ 35	+ 1	+19	+ 2
Stone, clay and glass...	66	+30	+ 5	34	+ 76	+ 7	+51	+ 8
Lumber products.....	40	+19	- 4	25	+ 67	- 4	+28	- 0
Chemicals and prods...	95	+37	+ 1	78	+ 57	+ 4	+51	+ 5
Leather and products...	96	+19	+ 5	87	+ 55	+ 4	+ 5	+ 2
Paper and printing...	89	+15	+ 2	74	+ 22	+ 2	+ 8	+ 1
Printing.....	87	+ 9	+ 1	77	+ 17	+ 3	+ 5	- 0
Others:								
Cigars and tobacco...	63	+22	+11	43	+ 47	+ 7	+ 7	- 4
Rubber tires, goods...	96	+36	+ 8	72	+ 72	+ 5	+27	+ 6
Musical instruments.	50	+40	0	45	+ 80	+ 0	+68	+ 1

* Figures from 1732 plants.

† Figures from 1433 plants.

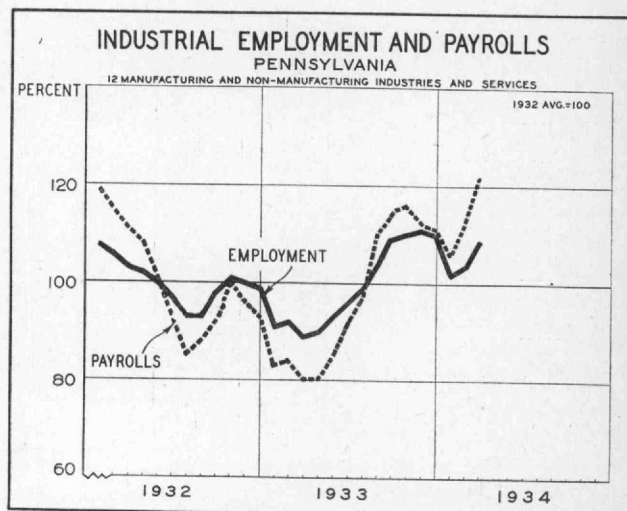
Indexes of twelve occupations

	Employment			Payrolls		
	Mar. 1934 index	Per cent change from		Mar. 1934 index	Per cent change from	
		Mar. 1933	Feb. 1934		Mar. 1933	Feb. 1934
General index (weighted).....	109	+23	+4	122	+ 53	+ 9
Manufacturing.....	118	+30	+3	139	+ 75	+ 8
Anthracite mining.....	108	+24	+7	154	+ 69	+25
Bituminous coal mining.....	121	+26	+5	173	+112	+14
Building and construction.....	65	-11	-8	53	- 10	+11
Quarrying and non-metallic mining.....	80	+27	+9	88	+ 71	+15
Crude petroleum producing.....	193	+80	+4	163	+ 57	+ 0
Public utilities.....	89	- 6	-0	86	- 5	+ 1
Retail trade.....	114	+31	+7	104	+ 27	+ 4
Wholesale trade.....	101	+ 8	+0	97	+ 9	+ 2
Hotels.....	102	+12	+2	98	+ 18	+ 1
Laundries.....	92	+ 1	+1	89	+ 12	+ 1
Dyeing and cleaning.....	94	+ 8	+2	98	+ 44	+13

City areas*	Percentage change—March 1934 from March 1933				
	Manufacturing		Building permits (value)	Debits	Retail trade sales
	Employment	Wage payments			
Allentown.....	+28	+ 94	+ 34		+54
Altoona.....	+ 4	+105	- 64		+73
Harrisburg.....	+48	+ 97	+ 13		+52
Johnstown.....	+36	+143	+218		+82
Lancaster.....	+40	+ 90	- 40		+58
Philadelphia.....	+37	+ 65	+107		+42
Reading.....	+21	+ 84	+201		+56
Seranton.....	+33	+ 57	+ 55		+63
Trenton.....	+40	+ 72	+420		+53
Wilkes-Barre.....	+25	+ 68	+ 73		+67
Williamsport.....	+39	+ 73	+ 79		+68
Wilmington.....	+35	+ 51	+126		+68
York.....	+35	+ 75	- 61		

March 1934 from February 1934					
Allentown.....	+ 1	+ 4	+164	+17	+42
Altoona.....	- 2	+ 16	- 82	+18	+92
Harrisburg.....	+ 6	+ 12	- 55	+18	+63
Johnstown.....	+ 7	+32	+497	+18	+ 7
Lancaster.....	+ 3	+ 4	- 2	+29	+84
Philadelphia.....	+ 3	+ 5	- 21	+28	+42
Reading.....	+ 7	+ 7	+177	+16	+43
Seranton.....	+ 7	+ 8	+142	+19	+59
Trenton.....	+ 3	+ 3	+ 32	-19	+44
Wilkes-Barre.....	+ 2	+ 1	+304	+22	+61
Williamsport.....	+ 5	- 2	- 10	+14	
Wilmington.....	+ 2	- 1	+216	+36	+27
York.....	+ 3	+ 6	- 76	+24	

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



Index numbers of individual lines of trade and manufacture

Philadelphia Federal Reserve District

Index numbers: percentages of the 1923-1925 average taken as 100

Adjusted indexes allow for the usual seasonal change which results from an uneven distribution of business between the months of the year.

Unadjusted indexes reflect merely the actual change which may or may not be up to the usual seasonal expectations.

Retail trade

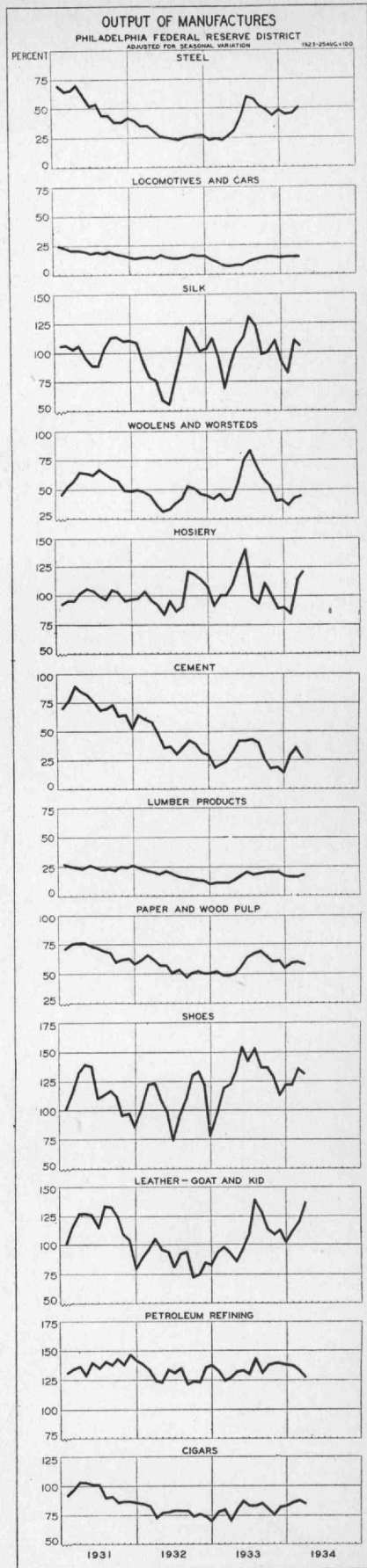
	Adjusted for seasonal variation						Not adjusted				
	Mar. 1933	Jan. 1934	Feb. 1934	Mar. 1934	Percentage comparison		Mar. 1933	Jan. 1934	Feb. 1934	Mar. 1934	
					Month ago	Year ago					
Sales											
Total of all stores	47	54	54	70p	+29	+50	+24	43	45	45	69p
Department	50	54	55	68p	+25	+37	+22	44	44	45	64p
Men's apparel	38	46	53	59p	+13	+57	+33	34	47	44	59p
Women's apparel	57	74	76	99p	+30	+74	+39	62	66	56	115p
Shoe	47	62	51	80p	+57	+70	+31	44	49	41	81p
Credit	39	47	44	62	+41	+60	+37	33	31	39	55
Stocks of goods											
Total of all stores	53	64	63	61p	-2	+16	55	57	60	63p	
Department	47	56	56	54p	-3	+14	49	49	53	56p	
Men's apparel	52	64	55	56p	+2	+6	53	51	54	57p	
Women's apparel	76	86	86	86p	-1	+13	83	73	81	93p	
Shoe	56	54	59	57	-3	+2	57	51	55	58	
Credit	54	74	73	71	-3	+32	55	70	72	72	
Rate of stock turnover 3 months (actual, not indexes)							+12*	0.76			0.85

Wholesale trade

	Adjusted for seasonal variation						Not adjusted				
	Mar. 1933	Jan. 1934	Feb. 1934	Mar. 1934	Percentage comparison		Mar. 1933	Jan. 1934	Feb. 1934	Mar. 1934	
					Month ago	Year ago					
Sales											
Total of all lines	55	73	73	73p	-1	+31	+27	52	64	67	69p
Boots and shoes	39	51	50	48p	-4	+22	+17	44	31	35	54p
Drugs	68	88	88	81	-8	+20	+11	71	91	90	85
Dry goods	27	39	42	46	+9	+68	+47	25	32	35	42
Electrical supplies	53	68	53	66p	+25	+25	+24	46	45	47	57p
Groceries	83	109	113	108p	-5	+30	+31	76	101	105	99p
Hardware	27	38	37	37p	0	+36	+40	27	30	30	37p
Jewelry	16	37	41	38	-8	+136	+97	12	21	29	29
Paper	44	56	60	60p	+0	+35	+30	46	58	58	63p
Stocks of goods											
Total of all lines	56	62	64	65p	+0	+16	56	61	64	65p	
Boots and shoes	19	18	13	14p	+6	-30	21	18	15	15p	
Drugs	98	110	111	109	-1	+12	99	108	113	111	
Dry goods	32	42	48	48	-2	+47	33	40	47	49	
Electrical supplies	55	78	74	71p	-4	+30	53	74	70	69p	
Groceries	66	68	70	75	+8	+14	68	71	73	77	
Hardware	61	59	64	63p	-2	+3	64	60	66	66p	
Jewelry	50	53	56	53	-5	+6	47	46	49	49	
Paper	58	63	63	60	-5	+3	60	62	63	62	
Rate of stock turnover 3 months (actual, not indexes)							+14*	1.12			1.28

Output of manufactures

	Adjusted for seasonal variation						Not adjusted				
	Mar. 1933	Jan. 1934	Feb. 1934	Mar. 1934	Percentage comparison		Mar. 1933	Jan. 1934	Feb. 1934	Mar. 1934	
					Month ago	Year ago					
Pig iron	12	31	28	28	+1	+128	+116	14	30	28	32
Steel	23	44	45	51	+15	+124	+100	24	43	47	55
Iron castings	16	50	44	40	-9	+158	+88	16	45	45	42
Steel castings	17	33	37	39	+5	+128	+159	19	35	42	44
Electrical apparatus	36	61	60	68	+13	+88	+57	33	57	57	63
Motor vehicles	9	16	13	17	+27	+83	+18	10	14	13	18
Automobile parts and bodies	12	60	55	63	+14	+441	+144	13	59	60	69
Locomotives and cars	8	15	15	15	+2	+97	+42	8	14	15	17
Shipbuilding	87	95	108	106	-2	+22	+9	90	96	106	110
Silk manufactures	69	83	110	105	-4	+52	+8	71	85	116	108
Woolens and worsteds	40	37	43	45	+5	+11	-3	39	37	44	43
Cotton products	26	35	40	42	+5	+59	+68	28	36	43	45
Carpets and rugs	21	34	43	52	+20	+142	+60	22	34	44	53
Hosiery	100	84	114	113	-1	+13	+7	95	87	119	117
Underwear	112	69	84	89	+6	-21	-32	122	68	91	97
Cement	24	29	36	26	-29	+5	+44	19	20	25	20
Brick	18	27	25	27	+8	+52	+27	17	25	24	26
Lumber and products	11	16	16	18	+12	+60	+49	11	14	16	17
Bread and bakery products					+1*	+5*	+4*	81	83	84	85
Slaughtering, meat packing	91	93	85	82	-4	-10	-7	87	104	87	78
Sugar refining	55	95	64	84	+32	+52	+19	84	66	83	129
Canning and preserving	33	43	48	51p	+7	+54	+46	30	42	44	47p
Cigars	70	86	88	85	-3	+21	+13	65	70	74	78
Paper and wood pulp	48	59	60	58	-3	+21	+21	49	58	60	59
Printing and publishing	81	84	86	84	-2	+4	+2	83	84	86	86
Shoes	122	122	136	131p	-4	+7	+15	129	125	143	139p
Leather, goat and kid	93	112	120	137p	+14	+47	+30	92	119	129	135p
Explosives	43	66	77	69	-11	+58	+48	43	66	77	69
Paints and varnishes	52	71	70	67	-4	+27	+27	53	64	68	68
Petroleum products	127	137	133	127p	-4	+0	+3	126	135	131	127
Coke, by-product	48	74	78	89p	+13	+87	+58	50	74	82	93



* Computed from data unadjusted for seasonal variation. p—Preliminary.