

# THE BUSINESS REVIEW

THIRD FEDERAL  
PHILADELPHIA



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

## Business and Banking Conditions in the United States

In February industrial production increased by less than the usual seasonal amount, following sharp advances in December and January. Wholesale prices of many leading commodities showed little change in February and declined in the early part of March; prices of livestock and meats, however, advanced further in February and continued at relatively high levels during the first three weeks of March.

**Production and employment.** Daily average output of basic industrial commodities increased in February by an amount smaller than is usual at this season and the Federal Reserve Board's index, which makes allowance for seasonal variations, declined from 91 per cent of the 1923-25 average in January to 89 per cent in February. At steel mills activity increased further during the early part of February; later in the month and in the first three weeks of March, however, activity declined, contrary to seasonal tendency. In the automobile industry production continued to increase and the output indicated for the first quarter is larger than in the corresponding period of any other year since 1929. Lumber production remained at a low level.

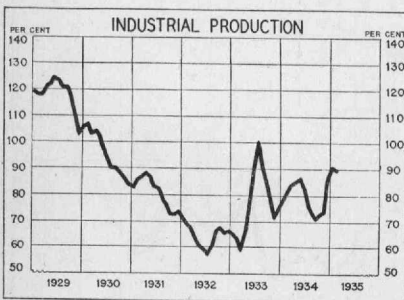
At textile mills activity in February declined somewhat from the relatively high rate of the preceding month. In the meat packing industry output continued to decline.

Factory employment increased between the middle of January and the middle of February by more than the usual seasonal amount, reflecting substantial increases in working forces in the automobile, machinery, iron and steel, and wearing apparel industries and smaller increases in many other lines. At meat packing establishments employment continued to decline and at tobacco factories it showed less than the usual seasonal growth. Payrolls at manufacturing establishments also increased considerably in February. In non-manufacturing industries employment and payrolls showed little change.

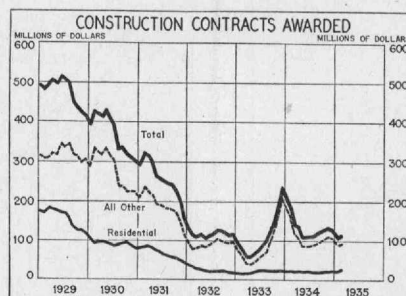
Total value of construction contracts awarded in the period from January 1 to March 15, as reported by the F. W. Dodge Corporation, was smaller than in the corresponding period last year, reflecting a reduction in the volume of public projects. The value of contracts awarded for residential building during this period showed a slight increase over the low level of a year ago.

**Distribution.** Daily average volume of revenue freight-car loadings showed a seasonal increase in February and little change in the first half of March. Department store sales increased in February, a month when there is usually little change, and the combined total for the first two months of the year was larger than a year ago by 5 per cent.

**Wholesale commodity prices.** During the period from the beginning of February to the middle of March there were wide movements in prices of many individual commodities, while the general level of wholesale prices, as measured by the Bureau of Labor Statistics' index, showed little change.



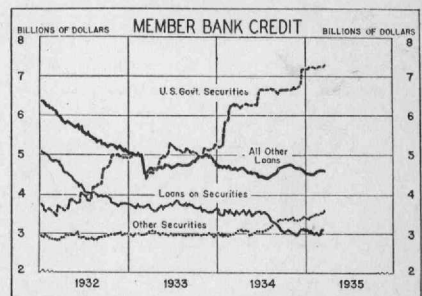
Index of industrial production, adjusted for seasonal variation. (1923-1925 average = 100.)



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



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



Wednesday figures for reporting member banks in 91 leading cities. Latest figures are for March 13.

In the third week of March prices of cotton and other textiles, grains other than wheat, coffee, rubber and tires, scrap steel and tin were considerably lower than at the beginning of February, while prices of livestock, meats and sugar were higher.

**Bank credit.** During the four weeks ended March 20 member bank reserve balances declined by \$280,000,000, principally in consequence of an increase in Treasury deposits with Federal reserve banks built up in connec-

tion with March 15 fiscal operations. Excess reserves of member banks declined to about \$1,950,000,000. Demand deposits (net) of weekly reporting member banks in leading cities increased further by \$380,000,000 during the four weeks ended March 13. The balances of other banks with reporting banks increased by \$100,000,000 while government deposits declined, reflecting the withdrawal of funds from depository banks. Loans and investments of reporting banks in-

creased by \$275,000,000. There was a further growth of \$85,000,000 in holdings of direct obligations of the United States Government and a smaller increase in obligations guaranteed by the government. Loans to brokers and dealers in securities increased by \$130,000,000 while other loans showed little change.

Yields on United States Government obligations declined slightly further, and open market money rates continued at a low level.

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

Business activity in this district generally showed improvement during February but some slackening in March, according to early indications. Industrial production increased slightly more than usual from January to February reflecting wholly larger output of manufactures and bituminous coal. Compared with a year ago, industrial output was 4 per cent greater and the total production in the first two months was nearly 7 per cent larger. Prices of raw materials and finished products were higher while those of partly manufactured goods were somewhat lower in February this year than last.

The value of retail trade sales rose by a larger amount than was expected, following an exceptionally sharp decline in the previous month. Wholesale trade, on the other hand, showed little change. Other indicators relating to distribution failed to measure up to their usual levels, except for the sales of new passenger automobiles which increased greatly since January. Comparisons with last year continue favorable, although in the case of retail trade March sales are reflecting

the influence of the Easter season which occurs about three weeks later this year than last. Collections relative to outstanding balances continue to show improvement over last year.

The value of shipments of dairy and poultry products by farmers in this section to the principal eastern markets has increased materially in comparison with last year, reflecting in part higher prices. Compared with the average for 1931-33, sales of these products early this year were about 40 per cent larger. Estimated cash income of local farmers largely from these products last year amounted to about \$126,495,000, or 65 per cent of their total cash income.

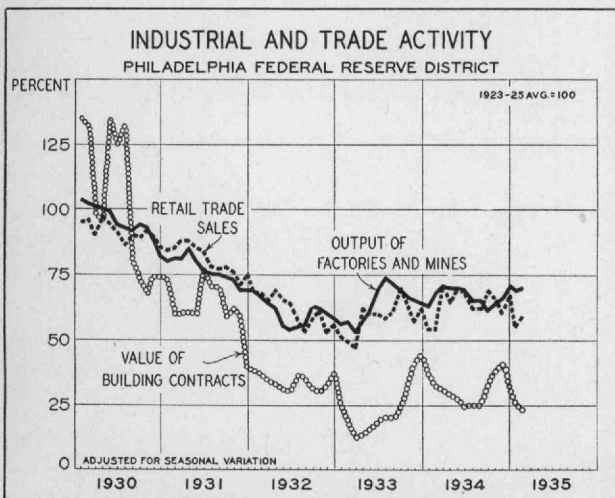
The volume of employment and wage payments by twelve branches of industry and trade increased a little more than usual from the middle of January to the middle of February, according to this bank's indexes prepared from reports of 10,547 establishments in Pennsylvania which employed over 787,000 workers whose earnings amounted to about \$17,364,000 a week. Compared with February 1934 em-

ployment continued 2 per cent and payrolls 11 per cent larger.

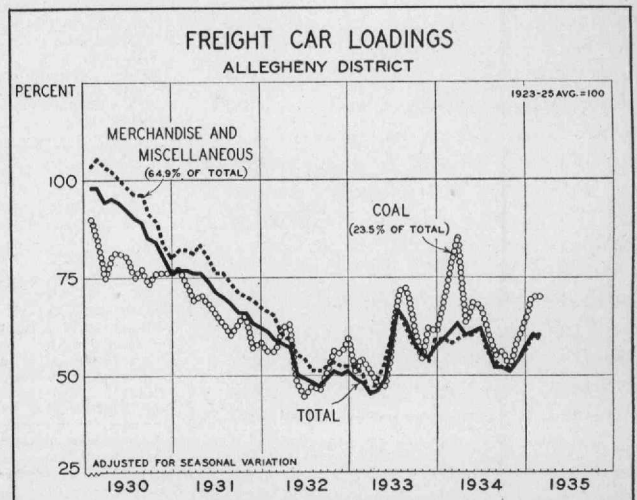
**Manufacturing.** The demand for factory products has slackened and sales generally have declined since the middle of last month. The volume of unfilled orders for most manufactures about the middle of March seemed considerably smaller than in the previous month and somewhat below that of a year ago. Current reports indicate that lately there has appeared a marked degree of hesitation with respect to new business commitments, particularly in the case of most textiles.

Inventories of finished goods showed little change while stocks of raw materials have declined. The majority of reports indicate that in comparison with a year ago holdings of both classes of commodities about the middle of March were smaller, despite some individual cases showing increases in stocks of certain merchandise.

Collections have fallen off noticeably during the month and with a few exceptions have been smaller than last



Source: F. W. Dodge Corporation for building contracts.



Source: American Railway Association.



year. Price concessions at factories lately have been more numerous than for some months past, although wholesale quotations for finished products in the aggregate have registered only a fractional recession since last month. The index number of the Bureau of Labor Statistics based largely on manufactures in the week ended March 16 was 77.3 per cent of the 1926 average as compared with 77.7 a month ago and 78.6 last year.

Factory employment and wage disbursements in this district increased a little more than usual from the middle of January to the middle of February, and both were fairly well maintained about the middle of March, according to preliminary indications.

At Pennsylvania factories, the number of wage earners rose almost 2 per cent and the amount of wages as well as the number of hours actually worked increased about 7 per cent in the month. This upturn was slightly larger than usual; it compares favorably with changes in the same period of the past ten years, though the gains were not as large as they were a year ago.

Wage earners in the payroll period about the middle of February on the average worked around 34 hours a week as compared with 32.8 hours a month ago and 32.5 hours a year before. Average earnings per worker approximated fifty-eight cents an hour, showing little change from the previous month, but in comparison with last year they have continued 5 per cent larger.

The February index of employment in Pennsylvania factories was 76, relative to the average of 1923-25, or 5 per cent higher than a year ago. The payroll index rose to 62, or 16 per cent above last year. The trend of employment, payrolls and working time has been upward since the low levels reached early in 1933, barring the minor and major fluctuations which occurred in the past two years.

Productive activity of manufacturing lines in this district during February expanded to a larger extent than usual. This bank's index of output, which is adjusted for the normal seasonal changes, rose to 70 per cent of the 1923-25 average as 100, compared with 69 in January and 66 in February last year. In consequence, the loss sustained in January was virtually offset, so that the rate of production for the first two months of the year was about 8 per cent higher than in the same period last year.

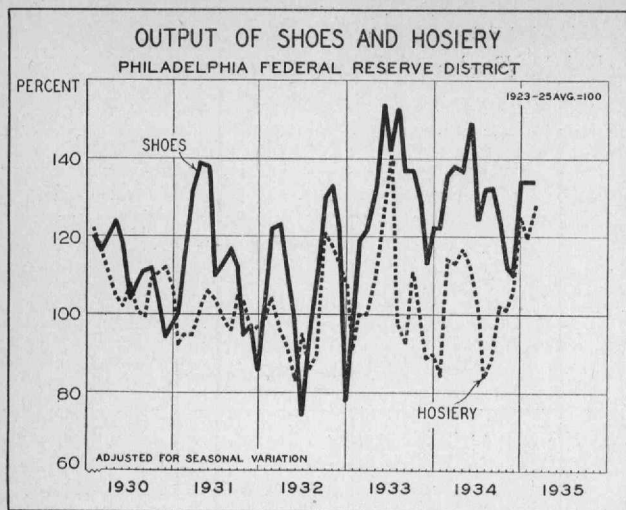
## Business Indicators Philadelphia Federal Reserve District

	Index numbers: percentages of the 1923-1925 average taken as 100 (All figures are rounded from original data)											
	Adjusted for seasonal variation						Not adjusted					
	Feb. 1934	Dec. 1934	Jan. 1935	Feb. 1935	Percentage comparison		Feb. 1934	Dec. 1934	Jan. 1935	Feb. 1935		
					Feb. 1935 with	1935 with 2 mos. 1934						
				Month ago	Year ago							
<b>Adjusted indexes allow for the usual seasonal change which results from an uneven distribution of business between the months of the year.</b>												
<b>Unadjusted indexes reflect merely the actual change which may or may not be up to the usual seasonal expectations.</b>												
<b>Industrial production</b>												
Manufacturing—total	68	71	69	70p	+ 2	+ 3	+ 6	69	68	69	72p	
DURABLE GOODS	66	71	69	70p	+ 3	+ 6	+ 8	67	68	68	72p	
CONSUMERS' GOODS	48	50	51	52p	+ 3	+ 14	+ 15					
Metal products	82	86	82	85p	+ 3	+ 3	+ 7					
Textile products	48	58	61	61	- 0	+ 26	+ 26	49	55	59	62	
Transportation equipment	79	81	83	86p	+ 3	+ 9	+ 20	85	79	86	92p	
Food products	42	53	47	47	- 0	+ 10	+ 12	43	53	46	47	
Tobacco and products	68	76	61	67p	+ 9	- 2	- 7	67	74	61	65p	
Building materials	88	97	79	83	+ 5	- 6	- 8	75	70	65	70	
Chemicals and products	24	23	20	21	+ 4	- 13	- 11	21	21	17	18	
Leather and products	97	102	99	100p	+ 0	+ 3	+ 0	96	102	97	99p	
Paper and printing	128	111	113	118p	+ 4	- 8	- 6	136	105	117	125p	
Electric power output	82	79	79	80	+ 2	- 2	- 2	82	80	79	80	
Industrial use of electricity	185	194	191	187	- 2	+ 1	+ 2	197	207	202	198	
Coal mining	136	151	140	144	+ 3	+ 6	+ 10	135	143	136	143	
Anthracite	86	70	74	68	- 8	- 20	- 13	92	70	80	73	
Bituminous	89	72	76	68p	- 10	- 24	- 16	95	71	82	73p	
Employment and wages—Pa.	61	59	60	70	+ 16	+ 15	+ 11	67	62	69	76	
Factory wage earners					+ 2*	+ 5*	+ 7*	72	75	75	76	
Factory payrolls					+ 7*	+ 16*	+ 19*	53	58	58	62	
Employe-hours (1927-28 = 100)					+ 7*	+ 11*	+ 13*	55	57	57	61	
General—12 occupations:												
Employment (1932 = 100)					+ 1*	+ 2*	+ 2*	104	110	105	106	
Payrolls (1932 = 100)					+ 6*	+ 11*	+ 11*	113	121	118	126	
<b>Building and real estate</b>												
Contracts awarded—total	32	33	26	23p	- 14	- 29	- 28	30	25	21	22p	
Contracts awarded—residential	16	11	10	11p	+ 12	- 31	- 34	14	9	7	9p	
Permits for building—17 cities	11	6	6	4	- 29	- 59	- 48	8	4	3	3	
Mortgages recorded—Philadelphia	19	14	8	6	- 32	- 69	- 58	20	15	10	6	
Real estate deeds—Philadelphia	42	52	45	45	+ 1	+ 8	+ 8	42	51	42	45	
Sheriff deeds (1930 = 100)					+ 12*	- 3*	- 0*	141	98	122	137	
Other deeds (1930 = 100)					+ 5*	+ 22*	+ 16*	46	88	53	56	
Writs for Sheriff sales—Phila.	987	795	892	761	- 15	- 23	- 5	1007	811	1026	776	
<b>Distribution</b>												
Retail trade—sales	54	67	55	59p	+ 7	+ 8	+ 3	45	110	45	48p	
Retail trade—stocks	63	61	63	61p	- 4	- 3	- 1	60	58	56	58p	
Wholesale trade—sales	73	72	79	79p	- 0	+ 8	+ 7	67	81	70	72p	
Wholesale trade—stocks	65	70	67	70p	+ 4	+ 7	...	65	66	66	69p	
Life insurance sales	93	115	146	105	- 28	+ 13	+ 31	107	121	130	121	
New passenger auto. registrations	54	93	83	98	+ 18	+ 80	+ 96	40	50	45	72	
Freight car loadings—total	61	57	60	59	- 1	- 2	0	59	52	55	58	
Mdse. and misc. (64.9% of total)	58	56	60	60	- 1	+ 2	+ 2	54	50	52	55	
Coal (23.5% of total)	77	63	70	70	+ 0	- 9	- 4	84	66	75	76	
<b>Business liquidations</b>												
Number					- 14*	+ 22*	+ 18*	69	54	99	85	
Amount of liabilities					+ 36*	- 16*	- 28*	60	35	36	50	
<b>Payment of accounts</b>												
Check payments	64	75	74	75	+ 0	+ 17	+ 18	64	81	76	75	
Rate of collections (actual)												
Retail trade	26	29	27	28	+ 6	+ 10	...	25	29	32	28	
Wholesale trade	67	67	72	71	- 2	+ 5	...	62	72	71	66	
<b>Prices—United States</b>												
WHOLESALE (1926 = 100)					+ 1*	+ 8*	+ 9*	74	77	79	79	
Farm products					+ 2*	+ 29*	+ 31*	61	72	78	79	
Foods					+ 3*	+ 24*	+ 24*	67	75	80	83	
Other commodities					- 0*	- 2*	- 1*	79	78	78	77	
RETAIL FOOD (1913 = 100)					+ 3*	+ 13*	+ 13*	108	114	118	122	
Philadelphia					+ 3*	+ 8*	+ 9*	117	118	123	126	
Scranton					+ 2*	+ 8*	+ 8*	115	117	121	124	

	(000,000's omitted in dollar figures)					Per cent change from	
	Feb. 1934	Nov. 1934	Dec. 1934	Jan. 1935	Feb. 1935	Month ago	Year ago
<b>Banking and credit</b>							
<b>Federal Reserve Bank</b>							
Bills discounted	\$ 20	\$ 1	\$ 1	\$ 1	\$ 1	0	-95
Other bills and securities	172	169	170	171	171	0	- 1
Member bank reserves	150	198	204	217	216	- 0	+ 44
Ratio	63.1%	66.2%	67.2%	67.2%	67.5%	+ 0	+ 7
<b>Reporting member banks</b>							
Loans to customers	\$471	\$434	\$432	\$428	\$421	- 2	- 11
Other loans and investments	570	613	618	643	661	+ 3	+ 16
Net deposits	988	1051	1068	1107	1112	+ 0	+ 12
Bankers' acceptances outstanding	15.2	13.7	12.3	13.0	12.7	- 2	- 16

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

p—Preliminary.



Source: U. S. Bureau of Labor Statistics.

Output of such textile products as woolens and worsteds, knit goods, and floor coverings showed increases larger than usual while in the case of silk and cotton manufactures gains were smaller than customary. Industries fabricating iron and steel products as well as shipyards reported improvement while activity in the manufacture of electrical apparatus and automobile parts and bodies declined more than was expected.

Production of the principal building materials has continued at extremely low levels, reflecting a similar condition prevailing in building and construction. Nevertheless, output of cement and brick registered rather exceptional gains while that of lumber and its products failed even to maintain the usual rate of activity. Most of the other indicators, particularly those including some of the foods, cigars, leather products, and explosives registered improvement to a larger extent than customary between January and February.

Output of electric power during February was 2 per cent smaller than in the preceding month; usually it shows little change in this period. Compared with a year ago, production of electricity was 1 per cent larger. Total sales for all purposes during the month increased 4 per cent, owing almost entirely to larger consumption of power by industries which purchased about 51 per cent of all electrical energy sold by ten systems during February.

**Coal and other fuels.** Output and shipments of anthracite during February declined by larger than usual volumes, after three months of an exceptionally high rate of activity which was accompanied by sizeable reductions in inventories. Figures for the first part

of March indicate a further drop in productive activity, reflecting largely a seasonal trend and some labor difficulty prevailing in certain anthracite sections. Production and shipments of bituminous coal again increased noticeably instead of declining as usual between January and February. This upward trend has continued since August, reflecting largely increased industrial consumption by steel works and rolling mills, many other manufacturing lines and to some extent electric power plants, railroads and by-product coke ovens. The trend of coal production since September generally has been upward, although in comparison with last year the output of anthracite shows a considerable decline while that of bituminous coal an increase of about 10 per cent.

Output of by-product coke for the third successive month showed an exceptional rise. The volume of gas and fuel oil produced by the petroleum refining industry has fallen off a little further and was considerably smaller than a year ago.

(Output and shipment figures are daily averages)	Feb. 1935	Per cent change from	
		Month ago	Year ago
<b>Anthracite</b>			
Production..... tons	194,000	-11	-23
Shipments..... tons	179,343	-15	-24
Stocks..... 1000 tons	1,415†	-26	+95
Prices..... (1926=100)	82.3	0	+1
Employment..... No.	110,777	+2	+2
<b>Bituminous</b>			
Production..... tons	365,000	+11	+15
Shipments..... No. cars	26,653	+4	+4
Prices..... (1926=100)	96.4	+0	+6
Employment..... No.	132,636	+1	+8
<b>Coke</b>			
Prod. (1923-25=100)	91.7	+10	+11
Prices..... (1926=100)	88.8	+3	+6
<b>Gas and fuel oil</b>			
Prod. (1923-25=100)	98.0*	-1	-13
Prices..... (1926=100)	58.5†	+3	0

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

Wholesale prices of solid fuel have continued firm for several months. The index number of the Bureau of Labor Statistics for fuel and lighting materials was 73.8 for the week of March 16, compared with 74.0 a month ago and 72.6 a year ago.

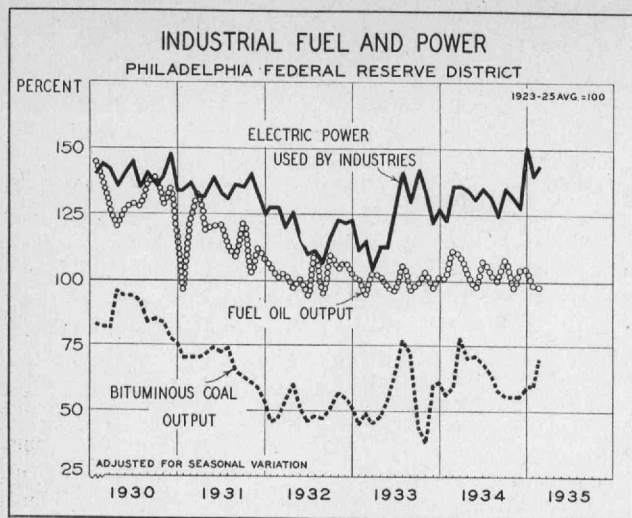
**Building and real estate.** Awards of building contracts in this district in February totaled about \$4,493,000, a decrease of 14 per cent from January and a drop of nearly 17 per cent as compared with a year ago. This decline in the month was contrary to the usual seasonal tendency and continued the downward trend that has been in evidence since last October. Some seasonal upturn in March is indicated by preliminary reports.

The value of contracts awarded largely for apartments and hotels showed an exceptionally large gain from January to February while awards for family houses registered only a small increase. Contract awards for public works and utilities, on the other hand, decreased sharply, while the non-residential class increased owing solely to miscellaneous buildings. Thus far this year the value of all contract awards has been 28 per cent smaller than in the first two months of 1934.

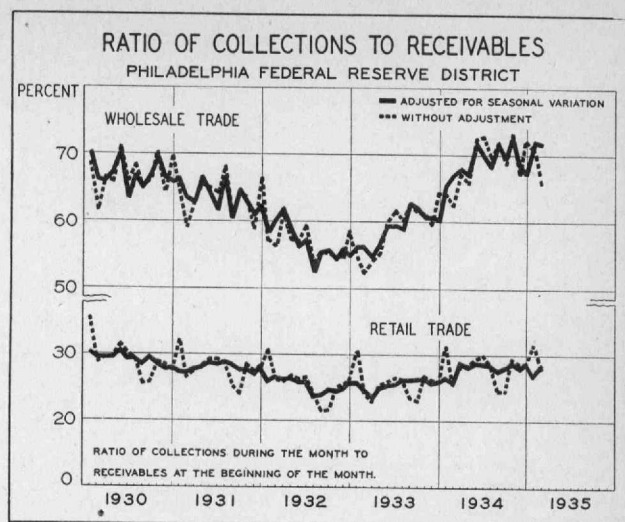
Prices of building materials show only a small degree of fluctuation since early February, following a gradual recession that began in July of last year. The index of the Bureau of Labor Statistics on March 16 was 84.6 per cent of the 1926 average, or the same as a month earlier, and compared with 86.2 per cent a year ago.

Ordinary conveyances in February increased in the city areas of Philadelphia, York and Wilkes-Barre but de-





Source: Bureau of Mines for coal and fuel oil.



Building contracts Philadelphia Federal Reserve District	Feb. 1935 (000's omitted)	Per cent change	
		From month ago	1935 from 2 mos. 1934
<b>Residential</b> .....	\$ 977	+ 53	- 50
Apts. and hotels.....	441	+270	-63
Family houses.....	536	+ 3	-40
<b>Non-residential</b> .....	1,818	+ 16	-15
Commercial.....	522	- 0	+10
Factories.....	386	- 30	+16
Educational.....	136	- 34	-61
All other.....	774	+167	-22
Total buildings.....	2,795	+ 26	-31
<b>Public works and utilities</b> .....	1,698	- 43	-25
Grand total.....	\$4,493	- 14	-28

Source: F. W. Dodge Corporation.

clined in most other sections. The value of mortgages recorded at Scranton and Lancaster showed a large percentage increase while in Philadelphia, as in several other large city areas, they declined sharply. Foreclosures in Philadelphia increased 12 per cent in February and showed practically no change in the first two months this year as compared with last.

**Distribution, trade and service.** Shipments of commodities by railroad freight in this section, which have been well sustained since last November, showed somewhat less than the usual rate of gain from January to February and were about 2 per cent below the level of a year ago. Deliveries of merchandise and miscellaneous commodities, which constitute nearly 65 per cent of all freight car loadings in this region, failed to maintain their customary seasonal level in February, as did those of grain and forest products, while shipments of coal and coke registered further gains. Rail freight load-

ings, chiefly of manufactures, originating in the Philadelphia industrial area showed a larger than usual increase from January to February and were at approximately the same level as a year ago. Shipments in early March were well sustained, though comparisons with last year were less favorable than in previous months.

Business at wholesale, after showing an unusually small decline at the turn of the year, was maintained at about its customary seasonal level in February, when the dollar sales of eight important lines combined registered an increase of 4 per cent over January. As compared with a year ago, dollar sales were 8 per cent larger, all lines with the exception of shoes and jewelry, which declined sharply, reporting increased sales. In early March demand showed little change as compared with the month before, according to preliminary reports. Stocks of merchandise at wholesale establishments increased 5 per cent in February, a somewhat larger gain than is to be expected, and were 7 per cent larger than a year ago. The rate of stock turnover was 6 per cent more rapid in the first two months this year than last.

Retail trade sales of department, apparel, shoe and credit stores combined increased 7 per cent from January to February, after allowance is made for the number of trading days and the usual seasonal change. In early March, however, demand for general merchandise slackened considerably, according to preliminary reports, and was less active than a year earlier, reflecting partly the late occurrence of Easter this year. Our seasonally adjusted in-

dex number of dollar sales was 59 in February, relative to the 1923-25 average as 100, in comparison with 55 in January and 54 a year ago. The value of retail sales in the aggregate was 3 per cent larger in the first two months this year than last. Inventories at retail establishments increased less than usual and at the end of the month were 3 per cent smaller than a year ago. The rate at which stocks of merchandise moved in the first two months this year was 10 per cent higher than last year.

At retail stores the ratio of collections to receivables declined less than usual in February so that there appears to have been an improvement of about 6 per cent, while in wholesale lines the payment of accounts failed to maintain its customary seasonal level by 2 per cent. As compared with a year ago collections in relation to outstanding balances in both channels were larger, the extent of this improvement amounting to 10 per cent at retail and 5 per cent in the case of wholesale.

Sales of new passenger automobiles, as measured by registrations in this district, increased by a much greater percentage than is usual from January to February and were the largest for that month since 1930. Our seasonally adjusted index stood at 98 per cent of the 1923-25 average in February, as compared with 83 in January and 54 a year earlier. In the first two months this year the number of units sold was nearly twice as large as in the same period last year.

Activity of commercial hotels in this district has slackened, following a sharp increase in January. Room occupancy and income from all sources

decreased from January to February but continued substantially above a year ago. Further comparisons follow:

Hotel business Philadelphia Federal Reserve District	Per cent change		
	Feb. 1935 from		1935 from 2 mos. 1934
	Jan. 1935	Feb. 1934	
Capacity.....	-0	-0	...
Room occupancy.....	-1	+11	+11
Per cent of capacity used:			
Feb. 1935.....	51.2		
Jan. 1935.....	52.1		
Feb. 1934.....	44.4		
Revenue from:			
Guest rooms.....	-0	+9	+10
Food.....	-8	+7	+9
Other sources.....	-4	+11	+14
<b>Total revenue.....</b>	<b>-4</b>	<b>+9</b>	<b>+10</b>

**Banking conditions.** Loans to customers at reporting member banks recently have varied little. Those without stock or bond collateral, which probably are most representative of accommodation extended to business, have been running at a level somewhat under that of a year ago. Reserves of member banks in total remain greatly in excess of the requirements of law.

Contrasting with the situation over most of the past year, the balance of payments in commercial and financial transfers to and from other sections of the country was in favor of this district during the four weeks ending March 20. Operations of the Treasury likewise helped to make funds available to local banks, although the 11½ million excess was not as great as in the previous month owing to a sharp rise in receipts caused primarily by income tax payments. Funds acquired in interdistrict transactions and amounts supplied by operations of the Government were absorbed partly by a rise of 2 millions in currency demand and an increase of 9½ millions in non-member deposits at this bank, which was due mainly to outstanding checks issued in connection with the Government's relief program. A sufficient sum remained to add more than 6 millions to the reserve deposits of member banks.

Borrowings of member banks from this bank totaled little over half a million dollars on March 20, much the same as the figure of a month earlier. Industrial advances actually made show a small decline, as repayments exceeded further advances; the total of loans and commitments approved by the bank to provide working capital for established industrial and commer-

cial businesses, however, increased from \$6,828,000 to \$7,280,000.

There was a rise in the reserve ratio of this bank from 67.3 to 69.2 per cent; this reflected a small decline in Federal reserve note circulation and an increase of 26 millions in cash reserves, caused chiefly by transfers and deposits made to the credit of the bank by the Treasury, which were only partly offset by an expansion in the deposit liability.

Deposits of the weekly reporting member banks reached a new high point for the year on March 13 but declined in the following week, owing no doubt largely to income tax payments. Comparison of the figures on March 20 with those for four weeks earlier shows decreases in time funds, in balances to the credit of the Government, and in amounts due to banks, but a rise in demand deposits. Balances held with correspondent banks declined, but there was some increase in reserves at the Federal reserve bank and in the total of loans and investments. The change in the latter was due to a rise of 4 millions in loans to the open market and 4 millions in miscellaneous securities, which more than offset decreases in holdings of securities of the United States and in obligations fully guaranteed by it, and a

falling off of 2 millions in loans to customers.

Average reserves of all member banks declined from 217 millions in January to 216 millions in February. In the latter month reserves in excess of legal requirements amounted to nearly 90 millions or 70 per cent over the required amount; this was far in excess of figures for the years prior to 1934. Actual reserve deposits on March 9 were nearly 234 millions, a new high point.

The only offers of new Government securities for cash during the last four weeks were those of savings bonds, made through the post-offices, and Treasury bills. Treasury bonds and notes were offered under date of March 15, but only in exchange for older securities.

Outstanding acceptances of banks in this district declined from \$13,046,000 to \$12,671,000 during February, and the national total decreased from 516 to 493 millions according to the American Acceptance Council. In the past year the figures for the entire country have dropped 257 millions, or more than one third; 91 millions of this was in bills covering domestic warehouse credits, 80 millions in export bills, and 75 millions in bills based on goods stored in or shipped between foreign countries.

Reporting member banks (000,000's omitted)	Mar. 20, 1935	Feb. 20, 1935	Mar. 21, 1934
Loans on securities:			
To brokers and dealers in N. Y. City.....	\$ 20	\$ 18	\$ 22
To brokers and dealers elsewhere.....	15	15	12
To others.....	164	165	208
<b>Total loans on securities.....</b>	<b>\$ 199</b>	<b>\$ 198</b>	<b>\$ 242</b>
Acceptances and commercial paper.....	24	22	14
Loans on real estate.....	72	72	249
Other loans.....	168	169	
<b>Total loans.....</b>	<b>\$ 463</b>	<b>\$ 461</b>	<b>\$ 505</b>
U. S. Government securities Obligations fully guaranteed by U. S. Government ..	300	301	288
Other securities.....	56	58	245
269	265		
<b>Total loans and invest-   ments.....</b>	<b>\$1,088</b>	<b>\$1,085</b>	<b>\$1,038</b>
Net demand deposits.....	751	735	658
Time deposits.....	306	312	310
Government deposits.....	62	65	74
Due from banks.....	158	165	134
Due to banks.....	248	237	203
Reserve with Federal Re- serve Bank.....	148	144	148

Federal Reserve Bank of Philadelphia (Dollar figures in millions)	Mar. 20, 1935	Changes in—	
		Four weeks	One year
Bills discounted.....	\$ 0.6	-\$0.1	-\$15.5
Bills bought.....	0.5	-0.0	-1.5
Industrial advances.....	3.7	-0.1	+3.7
United States secu- rities.....	167.1	0	0
Other securities.....	0	0	-0.5
<b>Total bills and   securities.....</b>	<b>\$171.9</b>	<b>-\$0.2</b>	<b>-\$13.8</b>
Fed. res. note cir- culation.....	233.5	-1.0	-2.5
Fed. res. bank note circulation—net..	0	0	-17.5
Member bank re- serve deposits.....	223.9	+6.3	+12.6
U. S. Treasurer— general account..	11.4	+10.1	+9.0
Foreign bank de- posits.....	1.7	+0.3	+1.1
Other deposits.....	11.4	+9.6	+0.3
<b>Total reserves.....</b>	<b>333.4</b>	<b>+26.2</b>	<b>+13.5</b>
Reserve ratio.....	69.2%	+1.9%	-0.1%

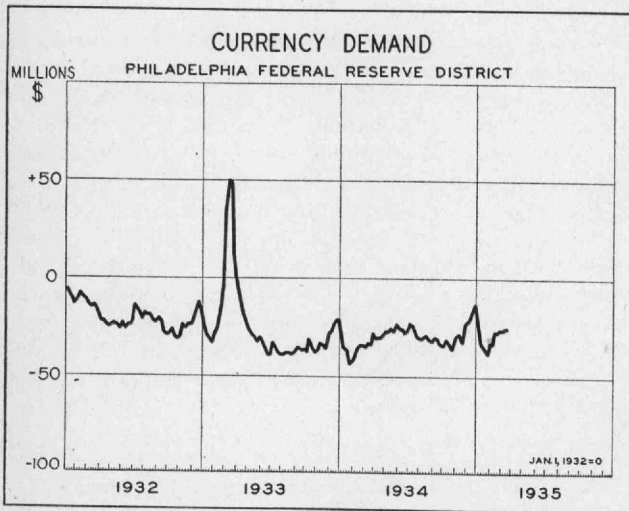
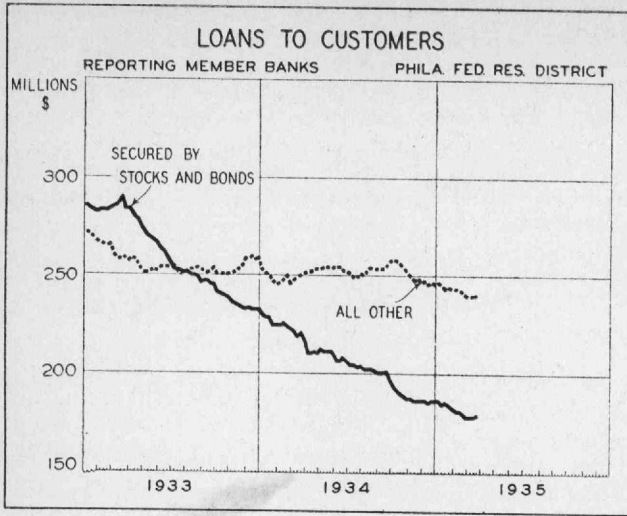
#### RESERVE BANK CREDIT AND THE FACTORS THAT AFFECT IT

Philadelphia Federal Reserve District  
Feb. 21 to Mar. 20 inclusive—in millions of dollars

Sources of funds	Uses of funds
Reserve bank credit extended in district.....	Currency demand.....
Commercial and financial transactions (chiefly interdistrict).....	Member bank reserve deposits.....
Treasury operations.....	Nonmember deposits at reserve bank.....
	Unexpended capital funds of reserve bank.....
<b>Total.....</b>	<b>Total.....</b>

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 this district.





## Employment and Payrolls in Pennsylvania

(All figures are rounded from original data)

### Manufacturing Indexes

	Employment*			Payrolls*			Employe-hours†	
	Feb. 1935 index	Per cent change from		Feb. 1935 index	Per cent change from		Feb. 1935—per cent change from	
		Feb. 1934	Jan. 1935		Feb. 1934	Jan. 1935	Feb. 1934	Jan. 1935
<b>All manufacturing</b> .....	76	+ 5	+2	62	+16	+ 7	+11	+ 8
Iron, steel and prods. ....	62	+ 7	+2	54	+29	+11	+17	+10
Non-fer. metal prods. ....	93	+ 6	+3	85	+15	+ 5	+18	+10
Transportation equip. ....	56	+ 7	+3	37	+ 5	+ 3	+ 5	+ 2
Textiles and clothing. ....	102	+ 2	+3	91	+15	+ 8	+13	+ 8
Textiles.....	100	+ 6	+2	90	+16	+ 5	+18	+ 7
Clothing.....	107	+10	+9	95	+ 9	+21	+ 6	+18
Food products.....	104	+ 8	+2	88	+10	+ 5	+ 9	+ 5
Stone, clay and glass. ....	69	+20	+2	47	+18	+ 0	+13	+ 2
Lumber products.....	49	+ 4	+5	32	+ 2	+ 1	+ 3	+ 1
Chemicals and prods. ....	87	+ 6	+0	75	+ 1	+ 5	+ 1	+10
Leather and products.....	96	+ 5	+6	89	+ 8	+ 9	+ 2	+ 8
Paper and printing.....	90	+ 2	+2	80	+ 6	+ 3	+ 0	+ 2
Printing.....	84	+ 0	+2	80	+ 6	+ 4	+ 2	+ 3
Others:								
Cigars and tobacco.....	62	+ 7	+1	41	+ 9	+ 5	+25	+ 5
Rubber tires, goods.....	77	+ 7	+3	62	+ 6	+ 6	+10	+ 7
Musical instruments.....	53	+ 7	+2	48	+ 6	+ 7	+ 4	+ 6

\* Figures from 2,163 plants.

† Figures from 1,947 plants.

Note: Indexes of factory employment and payrolls for previous years, as revised, are given in our supplements dated August 1933 and February 1935 as well as in the Business Review of the latter date.

### General Index Numbers

Covering twelve branches of trade and industry

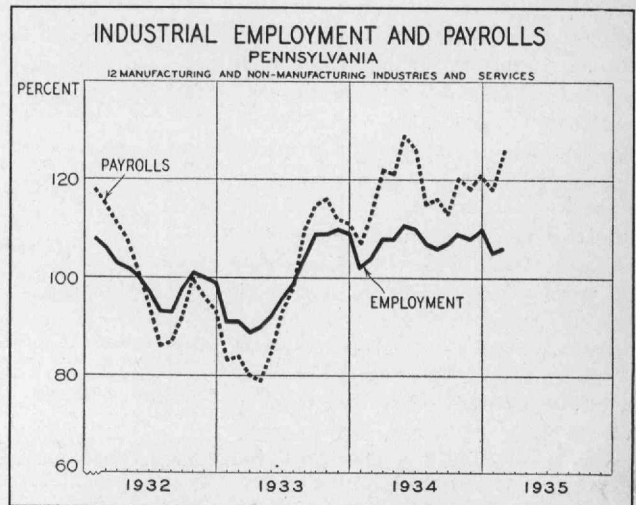
	Employment			Payrolls		
	Feb. 1935 index	Per cent change from		Feb. 1935 index	Per cent change from	
		Feb. 1934	Jan. 1935		Feb. 1934	Jan. 1935
<b>General index (weighted)</b> ....	106	+ 2	+1	126	+11	+ 6
Manufacturing.....	120	+ 5	+2	151	+16	+ 7
Anthracite mining.....	103	+ 2	+2	120	+ 2	+12
Bituminous coal mining.....	125	+ 8	+1	192	+27	+15
Building and construction.....	46	+22	+8	45	+ 7	+ 5
Quarrying and non-met. mining	78	+ 6	+5	106	+38	+24
Crude petroleum producing....	161	+13	+7	154	+ 5	+ 2
Public utilities.....	88	+ 1	+0	90	+ 5	+ 0
Retail trade.....	105	+ 1	+3	103	+ 3	+ 1
Wholesale trade.....	106	+ 5	+3	98	+ 4	+ 3
Hotels.....	106	+ 6	+0	105	+ 9	+ 2
Laundries.....	92	+ 2	+1	90	+ 3	+ 2
Dyeing and cleaning.....	83	+10	+4	83	+ 4	+ 5

City areas*	Percentage change—February 1935 from February 1934				
	Manufacturing		Building permits (value)	Debits	Retail trade sales
	Employment	Wage payments			
Allentown.....	- 1	+ 2	+117	+ 1	- 4
Altoona.....	+ 7	- 0	+ 50	+16	+15
Harrisburg.....	+ 7	+13	+ 7	+ 6	+ 8
Johnstown.....	+ 8	+41	+111	+22	+ 6
Lancaster.....	+11	+19	+422	+43	+12
Philadelphia.....	+10	+15	- 80	+20	+ 3
Reading.....	+18	+30	- 21	+15	+ 6
Seranton.....	- 5	+ 7	+ 46	+ 2	+ 5
Trenton.....	- 4	+ 7	+218	- 0	+22
Wilkes-Barre.....	- 0	+ 0	+146	- 3	+ 3
Williamsport.....	+15	+21	- 67	+ 3	.....
Wilmington.....	- 7	- 4	+240	+21	+ 7
York.....	+ 1	+14	- 54	+11	.....

February 1935 from January 1935					
Allentown.....	+ 1	+ 3	- 59	-16	+ 5
Altoona.....	+ 1	+ 5	+ 85	+ 3	+ 4
Harrisburg.....	+ 3	+10	+ 88	-21	+ 3
Johnstown.....	+ 1	+10	+425	+ 0	+50
Lancaster.....	+ 2	+ 4	- 47	- 3	- 5
Philadelphia.....	+ 3	+ 3	- 22	-19	+ 3
Reading.....	+ 5	+ 8	- 55	-11	+ 7
Seranton.....	- 9	+ 1	+109	-10	+ 9
Trenton.....	+ 1	+ 4	- 38	+ 8	+27
Wilkes-Barre.....	+ 2	+ 5	+110	-16	- 7
Williamsport.....	+ 2	+ 4	- 37	-14	.....
Wilmington.....	- 1	+ 2	+ 6	-26	+ 6
York.....	- 6	- 4	+ 82	-15	.....

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



# Index numbers of individual lines of trade and manufacture

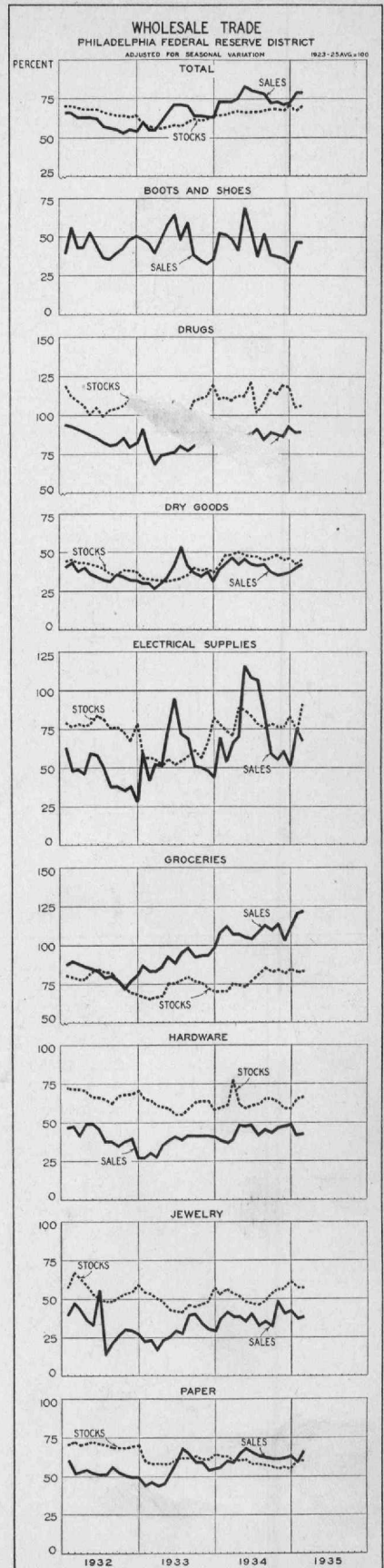
## Philadelphia Federal Reserve District

Index numbers: percentages of the 1923-1925 average taken as 100  
(All figures are rounded from original data)

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.

	Adjusted for seasonal variation							Not adjusted			
	Feb. 1934	Dec. 1934	Jan. 1935	Feb. 1935	Percentage comparison			Feb. 1934	Dec. 1934	Jan. 1935	Feb. 1935
					Feb. 1935 with		1935 with 2 mos. 1934				
					Month ago	Year ago					
<b>Retail trade</b>											
<b>Sales</b>											
Total of all stores.....	54	67	55	59p	+ 7	+ 8	+ 3	45	110	45	48p
Department.....	54	65	54	56p	+ 5	+ 4	+ 3	45	115	44	46p
Men's apparel.....	53	60	54	55p	+ 2	+ 4	+ 11	43	97	55	45p
Women's apparel.....	76	92	78	87p	+ 11	+ 15	+ 5	56	137	70	64p
Shoe.....	51	70	60	53p	- 11	+ 5	+ 0	41	91	47	43p
Credit.....	45	62	44	53p	+ 21	+ 17	+ 5	40	96	29	47p
<b>Stocks of goods</b>											
Total of all stores.....	63	61	63	61p	- 4	- 3	.....	60	58	56	58p
Department.....	56	51	53	53p	0	- 5	.....	53	49	47	50p
Men's apparel.....	55	58	69	58p	- 16	+ 6	.....	54	59	55	57p
Women's apparel.....	86	89	90	89	0	+ 3	.....	81	83	77	84
Shoe.....	59	52	51	55p	+ 7	- 7	.....	55	52	48	52p
Credit.....	73	73	74	69p	- 7	- 6	.....	72	68	71	68p
<b>Rate of stock turnover</b> 2 months (actual, not indexes).....								+10*	0.48	0.53	
<b>Wholesale trade</b>											
<b>Sales</b>											
Total of all lines.....	73	72	79	79p	- 0	+ 8	+ 7	67	81	70	72p
Boots and shoes.....	51	33	46	46	- 0	- 10	- 11	36	32	28	32
Drugs.....	88	93	89	89	- 0	+ 1	+ 1	90	94	92	91
Dry goods.....	42	37	40	42	+ 4	+ 0	+ 2	35	38	33	35
Electrical supplies.....	54	51	75	67p	- 10	+ 24	+ 19	48	84	50	60p
Groceries.....	112	111	120	121p	+ 0	+ 8	+ 9	104	112	112	112p
Hardware.....	37	48	41	42	+ 3	+ 13	+ 8	30	53	32	34
Jewelry.....	41	42	37	38	+ 2	- 6	- 3	29	86	22	27
Paper.....	60	63	59	66	+ 12	+ 11	+ 10	59	60	62	65
<b>Stocks of goods</b>											
Total of all lines.....	65	70	67	70p	+ 4	+ 7	.....	65	66	66	69p
Boots and shoes.....	19	22	21	20	- 4	+ 7	.....	23	17	21	24
Drugs.....	111	118	105	106	+ 1	- 5	.....	113	111	103	108
Dry goods.....	48	46	42r	45	+ 5	- 8	.....	47	40	40r	43
Electrical supplies.....	74	83	74	91p	+ 22	+ 23	.....	70	74	71	86p
Groceries.....	70	84	82	83	+ 2	+ 19	.....	73	86	85	87
Hardware.....	61	59	65	66	+ 1	+ 7	.....	63	56	66	68
Jewelry.....	56	61	57r	57	- 1	+ 2	.....	49	49	50	50
Paper.....	63	55	60	60	- 0	- 5	.....	63	53	59	59
<b>Rate of stock turnover</b> 2 months (actual, not indexes).....								+ 6*	0.81	0.86	
<b>Output of manufactures</b>											
Pig iron.....	28	13	20	23	+ 12	- 17	- 25	28	13	20	24
Steel.....	45	48	51	54	+ 7	+ 21	+ 19	47	45	50	57
Iron castings.....	48	48	52	45	- 15	- 6	- 4	49	45	48	46
Steel castings.....	37	43	47	51	+ 7	+ 36	+ 39	42	41	50	57
Electrical apparatus.....	60	87	89	83	- 7	+ 38	+ 43	57	85	84	79
Motor vehicles.....	13	19	15	14	- 8	+ 7	+ 1	13	15	13	14
Automobile parts and bodies.....	55	79	58	45	- 22	- 19	- 11	60	77	57	48
Locomotives and cars.....	15	19	19	19	+ 1	+ 29	+ 30	15	19	19	20
Shipbuilding.....	108	118	117	134	+ 14	+ 24	+ 24	106	124	120	131
Silk manufactures.....	110	93	100	100	- 0	- 9	+ 4	116	95	102	106
Woolen and worsteds.....	43	53	61	63	+ 4	+ 46	+ 54	44	50	61	65
Cotton products.....	40	38	40	40	- 0	- 0	+ 7	43	41	41	43
Carpets and rugs.....	50	64	76	79	+ 4	+ 58	+ 66	51	61	71	81
Hosiery.....	114	125	120	128	+ 7	+ 13	+ 25	119	121	125	134
Underwear.....	84	121	108	113	+ 5	+ 35	+ 44	91	119	106	123
Cement.....	36	33	23	25	+ 8	- 31	- 26	25	27	16	18
Brick.....	25	27	26	29	+ 12	+ 16	+ 6	24	26	24	28
Lumber and products.....	16	16	15	14	- 7	- 13	- 7	16	15	14	14
Bread and bakery products.....					+ 12*	+ 2*	- 3*	84	89	77	86
Slaughtering, meat packing.....	85	94	82	78	- 5	- 8	- 10	87	101	90	79
Sugar refining.....	60	182	9	35	+ 306	- 41	- 75	78	118	6	46
Canning and preserving.....	48	51	49	49p	- 1	+ 2	+ 8	44	52	48	46p
Cigars.....	88	97	78	82	+ 5	- 7	- 8	74	70	64	69
Paper and wood pulp.....	60	60	61	62	+ 0	+ 2	+ 3	60	60	61	62
Printing and publishing.....	86	83	82	84	+ 2	- 2	- 2	86	84	82	84
Shoes.....	136	134	134	134	+ 0	- 1	+ 4	143	114	137	141
Leather, goat and kid.....	120	89	93	102p	+ 10	- 15	- 16	129	97	98	110p
Explosives.....	77	69	68	77	+ 13	- 0	+ 2	77	68	68	77
Paints and varnishes.....	70	62	65	62	- 4	- 10	- 9	68	60	59	61
Petroleum products.....	126	147	135	134p	- 1	+ 6	+ 1	125	147	135	133p
Coke, by-product.....	78	74	83	87	+ 4	+ 11	+ 12	82	72	83	92



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