

# THE BUSINESS REVIEW

THIRD FEDERAL  
PHILADELPHIA



RESERVE DISTRICT  
MAY 1, 1935

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FEDERAL RESERVE BANK of PHILADELPHIA



## Business and Banking Conditions in the United States

Volume of industrial production, which usually increases somewhat at this season, showed little change in March. Building activity in the residential field increased in March and the first half of April, reflecting in part seasonal factors. Wholesale prices of farm products and foods, after declining in March, showed a considerable increase in the first three weeks of April.

**Production and employment.** The Federal Reserve Board's adjusted index of industrial production, which makes allowance for changes in the number of working days and for usual seasonal variations, was 88 per cent of the 1923-1925 average in March as compared with 89 per cent in February and 90 in January. Steel production, after declining in the latter part of February, showed little change during March and the first three weeks of April. Output of automobiles increased further and was larger than in the corresponding period of any other year since 1929. In the cotton textile industry daily average output declined in March and, according to trade reports, showed a further considerable decrease in the early part of

April. Activity at woolen mills also decreased somewhat in March, while shoe production showed little change. Activity in the meat-packing industry in March, as in other recent months, was at a lower level than a year ago. Output of bituminous coal declined sharply in the early part of April, following an increase earlier in the year.

Factory employment and payrolls increased between the middle of February and the middle of March by somewhat more than the usual seasonal amount. The most marked increases were in industries producing machinery, furniture and clothing, while employment in industries producing textile fabrics and foods showed a decline.

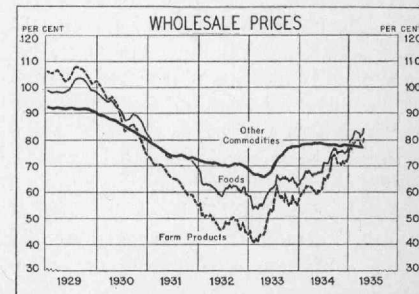
Value of construction contracts awarded for residential building increased in March and the first half of April, according to reports by the F. W. Dodge Corporation, while contracts for public projects continued at a lower level than a year ago.

**Distribution.** Distribution of commodities by rail showed little change in March; in the early part of April, however, shipments declined, reflecting a sharp reduction in loadings of coal. Department store sales increased

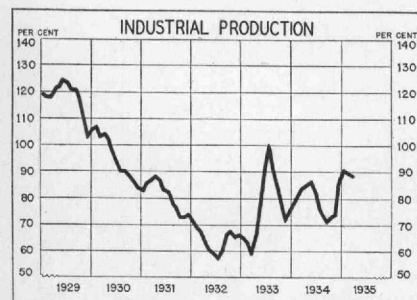
from February to March by more than the estimated seasonal amount.

**Commodity prices.** The general level of wholesale commodity prices, as measured by the index of the Bureau of Labor Statistics, advanced from 78.8 per cent of the 1926 average in the week ending March 23 to 80.3 per cent in the week ending April 20, reflecting chiefly advances in the prices of farm products and foods. The increase in the general index followed a decline from a level of 79.6 per cent in the early part of March.

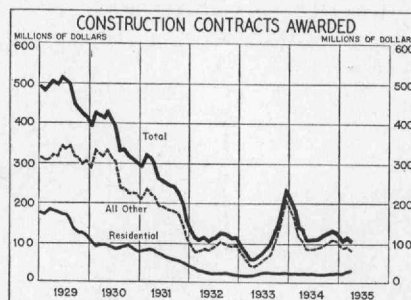
**Bank credit.** During the four weeks ended April 17 member bank balances



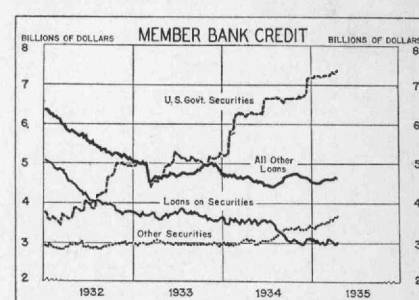
Indexes of the United States Bureau of Labor Statistics. (1926=100.) By months 1929 to 1931; by weeks 1932 to date.



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 January and February and estimate for March.



Wednesday figures for reporting member banks in 91 leading cities. Latest figures are for April 17.

with the Federal reserve banks increased by \$140,000,000 and excess reserves rose to \$2,100,000,000. This increase reflected gold imports of \$120,000,000 and disbursement of \$105,000,000 by the Treasury from the balance with the reserve banks, offset in part by an increase of \$60,000,000 in the demand for currency.

Total loans and investments of weekly reporting member banks in leading cities increased by \$150,000,000 in the four weeks ended April 17. Loans on securities declined somewhat during this period, while other loans and holdings of investments increased. Net demand deposits of these banks increased by \$380,000,000.

The rate for call money on the New York Stock Exchange was reduced in April to  $\frac{1}{4}$  per cent from the one per cent level that had been in effect for more than a year. Quotations for 90-day time money were also lowered to  $\frac{1}{4}$  per cent and there was a reduction in rates on acceptances of the longer maturities.

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

Business activity in the Philadelphia Federal Reserve District on the whole has been well sustained since early February. Industrial production was slightly larger in March than in February, owing mainly to increased operations in manufacturing. The value of building contracts awarded turned sharply upward as it usually does in this period, the most noticeable gains taking place in awards for residential and non-residential construction. Agricultural activity appears to measure up to a normal spring level and farmers are disposed to increase the planting of some spring and summer crops. Income from dairy and poultry products continues larger than in the past two years; prices of farm products and foods declined in March but advanced steadily in the first three weeks of April.

The value of retail trade sales showed an increase from February to March but was smaller than last year both on a monthly and quarterly basis. Dollar sales by wholesale dealers have continued to increase for the third month and exceeded those of last year. Sales of new passenger automobiles maintained the usual level during the month and were much larger than last year. Shipments of merchandise by

railroad freight to and from this section showed gains during March and early April in the case of the Philadelphia area; but the volume has changed little as compared with last year.

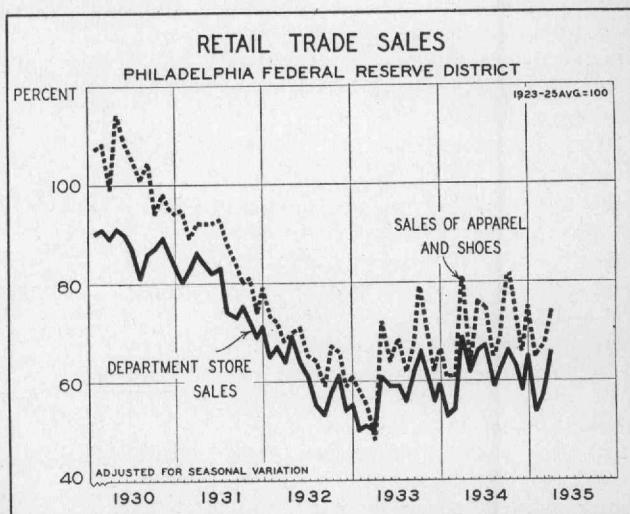
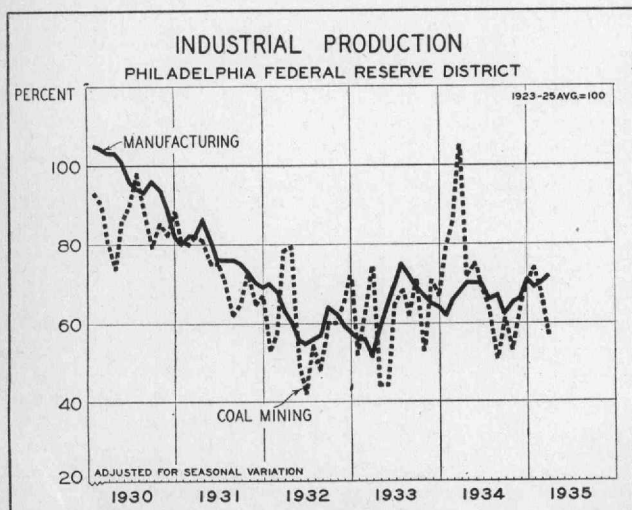
Industrial employment and payrolls, as measured by twelve branches of industry and trade, decreased somewhat from the middle of February to the middle of March. Compared with a year ago, employment registered a small decline while payrolls were slightly larger. This bank's index number of general employment in March was 106 per cent of the 1923 average as 100 and the payroll index was 125; these indexes have been constructed from the reports of 10,837 establishments in Pennsylvania employing about 767,000 workers whose earnings approximated \$16,591,000 a week. Preliminary reports indicate that factory employment and wage payments in April were well maintained, though the usual seasonal influences were evidenced by the recession in activity of several important industries.

**Manufacturing.** The market for products manufactured in this district reflects seasonal slackening, although demand for some of the textile and leather products, paper, chemicals and most of the building materials appears

to have been slightly more active since the middle of last month. The largest decline in the volume of unfilled orders during the month seems to have occurred in the case of fabricated metals and textiles, while forward commitments for paper, sole leather, cement and lumber show some upturn.

Inventories of finished goods have registered no significant changes in the month, except for some increases in such lines as cotton goods, clothing, paper, lumber and pottery; compared with a year ago, most industries report that their stocks are smaller. The supply of raw materials generally has shown little change and the volume in the aggregate continues smaller than it was at this time last year.

Reports from local manufacturers on prices of their products indicate some weakness during the month. The index number, compiled by the Bureau of Labor Statistics covering largely manufactured products and relating to the 1926 average as 100, was 77.3 in the week ended April 20, showing virtually no change from a month ago; at the same time last year this index was 78.8. Recent increases in the price of raw materials reflect chiefly sharp advances in wholesale quotations for foods and farm products.



The number of factory wage earners and the amount of their weekly earnings show a further upturn since the middle of February. Employment in Pennsylvania factories rose over one per cent and wage disbursements 2 per cent from the middle of February to the middle of March. Operating time, as measured by employee-hours actually worked, also showed a gain of nearly 3 per cent. These changes indicate that factory activity since early February has been somewhat more than well maintained. Incomplete reports for April disclose little change in employment and payrolls from the March levels.

Factory wage earners on the average worked about 34.4 hours in the payroll week about the middle of March as compared with 34.0 in the previous month and 33.6 a year ago. Average earnings per worker amounted to \$.576 an hour indicating virtually no change from a month ago, but as compared with last year they were nearly 4 per cent larger.

The March index of employment for Pennsylvania factories was 77, relative to the 1923-25 average as 100, or about 3 per cent higher than in March 1934. The payrolls index advanced to over 63 and was 10 per cent higher than a year ago.

Output of manufactures in this district generally showed an increase of a somewhat greater proportion than usual. This bank's index number of productive activity, which is adjusted for the usual seasonal variation, rose to 72, on the basis of the 1923-25 average as 100, compared with 70 in February, 69 in January, and 68 in March 1934. The rate of factory production was about 7 per cent greater in the first quarter this year than last. The output of both durable and non-durable goods shared in this gain, though the increase in the latter class was somewhat less pronounced than in the case of durable products such as machinery and equipment.

Most of the industrial groups registered during March either increases larger than usual or declines that were not as large as is ordinarily expected. The greatest relative gain over March 1934 occurred in the output of metal and textile products, and building materials, chiefly brick and cement.

Output of electric power was 5 per cent smaller in March than in February, a slightly larger drop than usual; it was also 3 per cent less than a year ago, reflecting mainly reduced consumption of power by municipali-

## Business Indicators

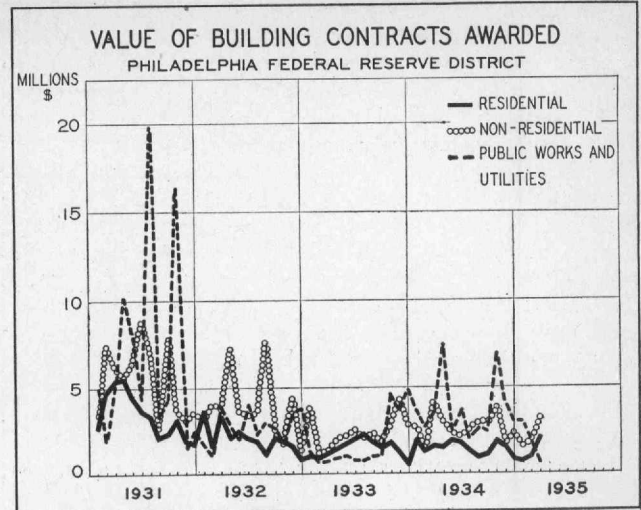
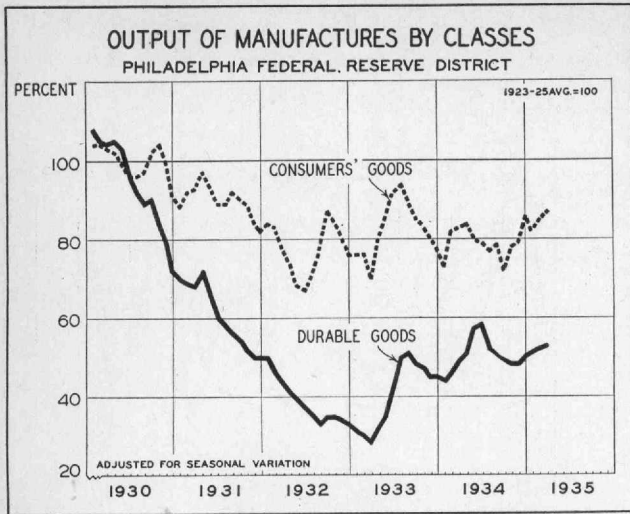
### Philadelphia Federal Reserve District

Index numbers: percentages of the 1923-1925 average taken as 100 (All figures are rounded from original data)												
Adjusted indexes allow for the usual seasonal change which results from an uneven distribution of business between the months of the year.	Adjusted for seasonal variation							Not adjusted				
	Mar. 1934	Jan. 1935	Feb. 1935	Mar. 1935	Percentage comparison			Mar. 1934	Jan. 1935	Feb. 1935	Mar. 1935	
					Mar. 1935 with		1935 with 3 mos. 1934					
					Month ago	Year ago						
Unadjusted indexes reflect merely the actual change which may or may not be up to the usual seasonal expectations.												
<b>Industrial production</b>	71	69	70	71p	+ 1	- 1	+ 4	71	69	72	71p	
Manufacturing—total	68	69	70	72p	+ 2	+ 5	+ 7	69	68	72	73p	
Durable goods	49	51	52	53p	+ 2	+ 10	+ 13					
Consumers' goods	83	82	85	87p	+ 3	+ 5	+ 7					
Metal products	54	61	61	62	+ 2	+ 14	+ 22	55	59	62	63	
Textile products	80	84	86	89p	+ 3	+ 11	+ 17	83	86	93	92p	
Transportation equipment	45	47	47	43	- 7	- 3	- 6	48	46	47	46	
Food products	70	61	66	68p	+ 3	- 1	- 5	70	61	65	67p	
Tobacco and products	86	79	83	85	+ 3	- 1	- 6	80	65	70	79	
Building materials	23	20	21	24	+ 13	+ 5	+ 1	20	17	18	21	
Chemicals and products	98	99	100	99p	- 2	+ 0	+ 1	99	97	100	99p	
Leather and products	130	114	117	121p	+ 3	- 7	- 6	133	118	125	124p	
Paper and printing	80	79	80	80	- 1	- 0	- 1	82	79	80	81	
Electric power output	190	191	187	185	- 1	- 3	+ 0	194	202	198	189	
Industrial use of electricity	136	140	144	140	- 3	+ 3	+ 7	129	136	143	133	
Coal mining	105	74	67	57p	- 15	- 46	- 27	88	80	72	49p	
Anthracite	109	76	67	54p	- 19	- 50	- 30	89	82	72	45p	
Bituminous	77	60	69	82p	+ 19	+ 7	+ 9	78	69	75	84p	
<b>Employment and wages—Pa.</b>												
Factory wage earners					+ 1*	+ 3*	+ 6*	75	75	76	77	
Factory payrolls					+ 2*	+ 10*	+ 15*	58	58	62	63	
Employe-hours (1927-28=100)					+ 3*	+ 6*	+ 11*	59	57	61	63	
General—12 occupations:												
Employment (1932=100)					- 0*	- 2*	+ 1*	108	105	106	106	
Payrolls (1932=100)					- 1*	+ 2*	+ 8*	122	118	126	125	
<b>Building and real estate</b>												
Contracts awarded—total	31	26	22	21p	- 3	- 30	- 29	36	21	21	25p	
Contracts awarded—residential	10	10	12	15p	+ 28	+ 49	- 10	13	7	11	19p	
Permits for building—17 cities	5	6	4	10	+ 142	+ 104	- 17	6	3	3	13	
Mortgages recorded—Philadelphia	6	8	6	13	+ 117	+ 121	- 32	6	10	6	13	
Real estate deeds—Philadelphia	40	45	45	41	- 10	+ 3	+ 6	40	42	45	41	
Sheriff deeds (1930=100)					- 27*	- 8*	- 2	109	122	137	100	
Other deeds (1930=100)					+ 8*	+ 10*	+ 14*	55	53	56	61	
Writs for Sheriff sales—Phila.	816	892	761	750	- 1	- 8	- 6	832	1026	776	765	
<b>Distribution</b>												
Retail trade—sales	71	55	59	68p	+ 16	- 5	- 3	70	45	48	62p	
Retail trade—stocks	61	63	60	61p	+ 1	- 0	- 63	56	58	63p		
Wholesale trade—sales	74	79	79	80p	+ 1	+ 7	+ 8	69	70	73	74p	
Wholesale trade—stocks	66	67	70	69p	- 0	+ 5	- 67	66	69	70p		
Life insurance sales	100	146	105	98	- 7	- 2	- 111	130	121	108		
New passenger auto. registrations	60	83	98	98	+ 0	+ 63	+ 83	67	45	72	110	
Freight car loadings—total	63	60	59	64	+ 7	+ 0	- 0	61	55	57	61	
Mdse. and misc. (64.9% of total)	59	60	60	61	+ 2	+ 2	+ 2	58	52	55	59	
Coal (23.5% of total)	85	70	70	82	+ 16	- 4	- 4	82	75	76	79	
<b>Business liquidations</b>												
Number					+ 20*	+ 43*	+ 26*	71	99	85	101	
Amount of liabilities					+ 22*	- 48*	- 38*	117	36	50	61	
<b>Payment of accounts</b>												
Check payments	70	74	75	80	+ 8	+ 15	+ 17	68	76	75	79	
Rate of collections (actual)												
Retail trade	29	27	28	30	+ 5*	+ 4*		28	32	28	29	
Wholesale trade	68	72	71	72	+ 2*	+ 6*		67	71	66	71	
<b>Prices—United States</b>												
Wholesale (1926=100)					- 0*	+ 8*	+ 8*	74	79	79	79	
Farm products					- 1*	+ 28*	+ 30*	61	78	79	78	
Foods					- 1*	+ 22*	+ 23*	67	80	83	82	
Other commodities					- 0*	- 1*	- 1*	78	78	77	77	
Retail Food (1913=100)					- 0*	+ 12*	+ 12*	108	118	122	122	
Philadelphia					- 1*	+ 7*	+ 8*	117	123	126	125	
Scranton					- 2*	+ 5*	+ 7*	115	121	124	122	

(000,000's omitted in dollar figures)	March 1934	Dec. 1934	Jan. 1935	Feb. 1935	March 1935	Per cent change from	
						Month ago	Year ago
<b>Banking and credit</b>							
Federal Reserve Bank							
Bills discounted	\$ 17	\$ 1	\$ 1	\$ 1	\$ 1	0	-94
Other bills and securities	170	170	171	171	171	0	+ 1
Member bank reserves	196	204	217	216	222	+ 3	+ 13
Ratio	68.2%	67.2%	67.2%	67.5%	68.8%	+ 2	+ 1
Reporting member banks							
Loans to customers	\$468	\$432	\$428	\$421	\$418	- 1	- 11
Other loans and investments	565	618	643	661	667	+ 1	+ 18
Net deposits	1,036	1,068	1,107	1,112	1,123	+ 1	+ 8
Bankers' acceptances outstanding	15.8	12.3	13.0	12.7	13.2	+ 4	- 16

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

p—Preliminary.



Source: F. W. Dodge Corporation

ties, street cars and railroads. Purchases by industries, which in March used over one-half of the total energy sold in this district, decreased by a larger quantity than customary but continued 3 per cent larger than a year ago. In the first quarter of this year industrial consumption of power was 7 per cent larger than in the same quarter of 1934.

**Coal and other fuels.** Anthracite production and shipments during March showed additional decreases which were larger than usual as compared with the previous month. Figures for early April, however, show a customary upturn, reflecting partly increased demand incident to spring reductions in prices for household fuel.

The volume of bituminous coal mined increased about 11 per cent in March, though usually there is a seasonal trend downward beginning with February; in early April production declined. Industrial consumption of soft coal has been increasing since last fall, especially in the case of steel works and rolling mills, and beehive and by-product coke ovens. For the period from August to March, anthracite production was about 15 per cent below the same interval a year ago, while the output of bituminous coal was 5 per cent above last year.

Production of by-product coke declined 4 per cent more than the usual amount, after two months of exceptional activity; for the first quarter of the year it was somewhat above that period last year. Output of gas and fuel oils turned slightly upward in March, following a decline since December, but for the year to date the volume has been 9 per cent smaller than in the like period in 1934.

(output and shipment figures are daily averages)	March 1935	Per cent change from	
		Month ago	Year ago
<b>Anthracite</b>			
Production..... tons	118,500	-38	-50
Shipments..... tons	108,734	-39	-50
Stocks..... 1000 tons	921†	-35	+191
Prices.... (1926=100)	81.1	-1	0
Employment..... No.	88,400	-20	-24
<b>Bituminous</b>			
Production..... tons	400,346*	+11	+7
Shipments..... No. cars	28,648	+7	+5
Prices.... (1926=100)	96.3	-0	+6
Employment..... No.	137,543	+4	+7
<b>Coke</b>			
Prod.. (1923-25=100)	86.7	-5	-2
Prices.... (1926=100)	88.8	0	+6
<b>Gas and fuel oil</b>			
Prod.. (1923-25=100)	97.8*	+2	-11
Prices.... (1926=100)	58.5†	0	+8

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

Employment and payrolls at anthracite mines fell off considerably from the middle of February to the middle of March, after a steady rise since August. At bituminous collieries, employment and payrolls increased further from February to March. At coke establishments, both employment and wage payments declined a little, following seasonal gains in the previous two months.

Wholesale prices of solid fuels have remained steady for several months, except for the usual seasonal reduction in the case of anthracite and some advances in prices for petroleum products. The Bureau of Labor Statistics' price index for the week of April 20 was 74.0 for fuel and lighting materials, or the same as a month ago, and 73.1 in the same week last year.

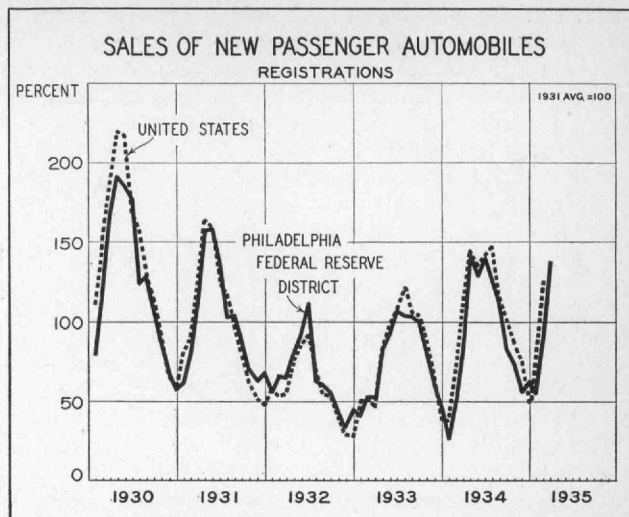
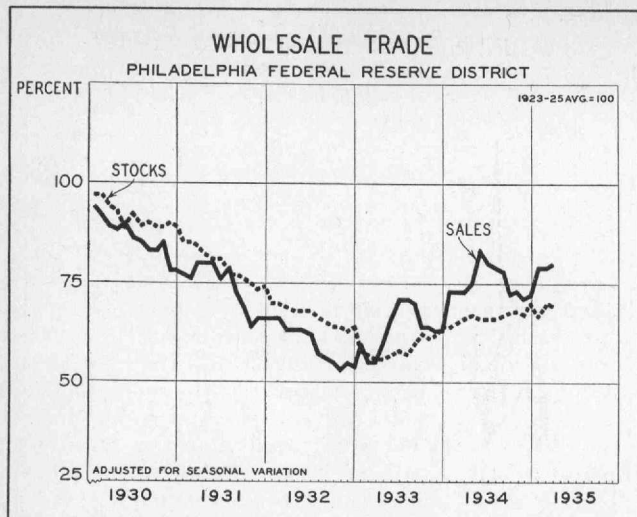
**Building and real estate.** Awards of building contracts in this district totaled nearly \$6,000,000 in March or about one-third larger than the month before but were still 35 per cent below the amount of a year ago. In

early April they showed a further rise, owing chiefly to a gain in contracts let for residential structures. The increase in March was larger than usual and reflected substantial gains in awards for residential and non-residential buildings, which more than offset a further sharp decline in the value of contracts let for public works and utilities. Awards for all classes of buildings, with the exception of factories, registered fairly large increases in this period; the most pronounced gains, however, occurred in contracts let for family houses and certain unclassified structures constituting 26 and 32 per cent respectively of all awards in March.

Building contracts Philadelphia Federal Reserve District	Mar. 1935 (000's omitted)	Per cent change	
		From month ago	1935 from 3 mos. 1934
<b>Residential.....</b>	<b>\$2,137</b>	<b>+119</b>	<b>-23</b>
Apts. and hotels.....	592	+34	-30
Family houses.....	1,545	+188	-19
<b>Non-residential.....</b>	<b>3,298</b>	<b>+81</b>	<b>-17</b>
Commercial.....	886	+69	+18
Factories.....	279	-28	-47
Educational.....	209	+53	-72
All other.....	1,924	+149	+40
<b>Total buildings....</b>	<b>5,435</b>	<b>+94</b>	<b>-19</b>
<b>Public works and utilities.....</b>	<b>553</b>	<b>-67</b>	<b>-47</b>
<b>Grand total.....</b>	<b>\$5,988</b>	<b>+33</b>	<b>-31</b>

Source: F. W. Dodge Corporation.

The value of all contracts awarded in the first quarter of this year amounted to approximately \$15,700,000, which was a decrease of 31 per cent from a year ago. Contracts let for public works and utilities, including engineering projects undertaken by the Public Works Administration, accounted for about one-third of this total and were 47 per cent smaller



than in the first three months last year.

Awards for non-residential buildings, making up nearly 43 per cent of the amount awarded in the first quarter, were 17 per cent smaller this year than last, reflecting sharp declines in the value of contracts let for factory and educational buildings. Contracts awarded for residential structures, of which family houses constitute by far the largest part, showed a decline of 23 per cent as compared with the first three months of 1934. The value of awards for one and two-family dwellings declined 19 per cent in this period, although thus far this year they have accounted for a somewhat larger percentage of the total awards than was the case in 1934.

Wholesale prices of building materials continue to fluctuate within relatively narrow limits, although at somewhat lower levels than a year ago. On April 20 the index of the Bureau of Labor Statistics at 84.3 per cent of the 1926 average compared with 85.0 four weeks earlier and 86.3 a year ago.

The real estate situation lately has shown some upturn, although the present level of activity is still low in comparison with other years. Demand for tenant houses has been slightly more active and rents have displayed an upward tendency since the turn of the year. Ordinary conveyances increased in March and registered fairly large gains over the first quarter of 1934 in the city areas of Philadelphia, Scranton and Wilkes-Barre. In Philadelphia the value of mortgages recorded increased from the low level of February but was nearly one-third smaller in the first three months this year than last. Foreclosures in this city declined sharply in March, following a

rising tendency for several months; thus far this year they have shown a decline of about 2 per cent as compared with the same period of 1934.

**Distribution, trade and service.** Total freight car loadings in this section increased about 7 per cent more than usual from February to March, owing to a larger than seasonal increase in deliveries of merchandise and miscellaneous commodities, which constitute nearly 65 per cent of all car loadings in this region, and to the fact that coal shipments were maintained considerably above their customary seasonal level. Loadings of grain and forest products showed fairly large increases in March, which were contrary to seasonal tendency, while shipments of coke and livestock declined by somewhat larger percentages than usual. In early April total shipments by rail declined. Thus far this year total loadings of revenue freight have shown practically no change as compared with the first quarter of 1934. The volume of rail freight originating in the Philadelphia industrial area increased a little less than was to be expected in March; in early April shipments from this territory increased and were slightly larger than a year ago.

Business at wholesale in March, as indicated by the combined dollar sales of eight important lines, showed an increase of one per cent over February, owing chiefly to unusual gains in the sale of electrical supplies, jewelry and a somewhat larger than seasonal increase in hardware. As compared with a year ago, March sales in the aggregate were 7 per cent larger, all lines with the exception of dry goods and shoes reporting a larger dollar volume of business this year. In early

April demand for hardware increased further, while in other lines little change occurred, according to preliminary reports. Stocks of merchandise at wholesale establishments at the end of March were one per cent larger than a month before, which is about the usual rate of change for that month; they were 5 per cent greater than a year ago. The rate of stock turnover in the first quarter this year was 5 per cent more rapid than in 1934.

Retail trade sales of department, apparel, shoe and credit stores combined increased 16 per cent from February to March, after allowance is made for the number of trading days, the change in the date of Easter and the usual seasonal variation. In early April demand increased considerably, reflecting the Easter season. Our adjusted index of dollar sales was 68 in March, relative to the 1923-25 average as 100, as compared with 59 in February and 71 a year ago. In comparison with last year, March sales were 5 per cent smaller, even after allowance is made for the difference in the date of Easter. Merchandise sold by retail establishments was 3 per cent smaller in the first three months this year than last, all lines with the exception of men's apparel showing a smaller dollar volume of business this year. Inventories at retail establishments increased 9 per cent in March, a slightly larger gain than usual, and were about as large as a year ago. The rate of stock turnover in the first quarter this year showed virtually no change as compared with 1934.

The ratio of collections to receivables at wholesale and retail stores increased more than usual in March, so

that the extent of improvement appears to have been 2 and 5 per cent respectively. As compared with a year ago collections in relation to outstanding balances were larger in both channels of trade, increases amounting to 6 per cent at wholesale and 4 per cent in the case of retail trade.

Following an exceptionally large gain in February, sales of new passenger automobiles, as measured by registrations in this district, maintained slightly more than their customary seasonal level in March and were 63 per cent larger than a year ago. In the first quarter this year aggregate sales exceeded those of 1934 by 83 per cent.

Activity of commercial hotels in this district showed little change from February to March but continued at a higher rate than a year ago. Room occupancy was slightly larger while revenue was smaller in March than in February. Compared with March 1934, both room occupancy and income were from 7 to 8 per cent larger. For the year to date the revenue from all sources was approximately 10 per cent larger than in the first quarter last year. Details follow:

Hotel business Philadelphia Federal Reserve District	Per cent change		
	Mar. 1935 from		1935 from 3 mos. 1934
	Feb. 1935	Mar. 1934	
Capacity.....	+0	-0	.....
Room occupancy.....	+1	+8	+11
Per cent of capacity used:			
March 1935.....	51.6		
February 1935.....	51.2		
March 1934.....	46.0		
Revenue from:			
Guest rooms.....	-2	+7	+9
Food.....	-0	+8	+10
Other sources.....	-6	+8	+13
Total revenue.....	-2	+7	+10

**Banking conditions.** Treasury disbursements continued to exceed local receipts during the past month and currency demand increased prior to the holiday. At the reporting member banks there was an expansion in deposits and in balances with other banks, but a reduction in outstanding credit.

Treasury receipts in this district in the four weeks ending April 17 included payments of national banks to retire their liability for outstanding currency and additional income tax receipts, but no funds were withdrawn from depository banks and the Treasury disbursed substantial amounts in connection with interest on the public debt, redemptions of called securities and relief. The increase in the local

supply of funds through net Treasury disbursements was 16½ millions, and an additional 4½ millions was contributed by a decline in nonmember deposits at the reserve bank. The major part of these funds was absorbed by payments to other districts in excess of amounts received as a result of commercial and financial transactions. Over 9 millions also was needed to care for an increase in the demand for currency, part of which represented the usual requirements incident to the Easter season. Some decline also was recorded in reserve bank float, which measures the extent to which credit is given by the reserve bank for checks before payment actually has been received. The result was a small decline in the reserve deposits of member banks.

Apart from the decrease in reserve bank float, there was very little change in the total amount of reserve bank credit that has been extended locally. The total of loans and commitments approved by the reserve bank to provide working capital for established industrial and commercial businesses on April 17 was \$7,846,000; actual advances by this bank up to the close of business April 17 have amounted

to \$4,659,000 of which \$939,000 has been repaid, leaving \$3,720,000 as the net amount outstanding.

An increase in deposits at the reporting member banks in the last four weeks was accompanied by an expansion in balances held with other banks. Outstanding credit of these banks decreased from 1,088 to 1,078 millions, 5 millions of the drop being in investments and loans to the open market and a like amount in loans to customers. Customers' loans on security collateral on April 17 were 16 per cent less than a year ago, and those not so secured were 6 per cent smaller. The recent decline in the latter class of loans contrasts with a small rise in the corresponding four weeks last year, but figures for several years prior thereto do not evince any trend for the period which might be termed usual.

The monthly average of reserve deposits of all member banks in this district rose from 216 millions in February to 222 millions in March, exceeding the high point of last July by 4 millions. A rise from 2,003 to 2,125 millions in average net demand and time deposits at licensed member banks in the last eight months has caused an increase of 9½ millions in required reserves, so that the 93½ million excess above legal requirements in March still was 5 millions below that of last July.

Reporting member banks (000,000's omitted)	Changes in		
	April 17, 1935	Four weeks	One year
Loans on securities:			
To brokers and dealers in N. Y. City.....	\$ 18	-\$ 2	-\$ 5
To brokers and dealers elsewhere.....	15	0	+ 2
To others.....	162	- 2	- 36
Total loans on securities.....	\$ 195	-\$ 4	-\$ 39
Acceptances and commercial paper.....	25	+ 1	+ 12
Real estate loans.....	71	+ 1	- 16
Other loans.....	166	- 2	
Total loans.....	\$ 457	-\$ 6	-\$ 43
U. S. Government obligations.....	295	- 5	+ 11
Obligations fully guaran- teed by U. S. Govern- ment.....	56	0	
Other securities.....	270	+ 1	+ 84
Total loans and in- vestments.....	\$1,078	-\$10	+\$52
Net demand deposits.....	753	+ 2	+ 98
Time deposits.....	313	+ 7	- 10
Government deposits.....	62	0	+ 2
Due from banks.....	179	+ 21	+ 27
Due to banks.....	261	+ 13	+ 46
Reserve with Federal Re- serve Bank.....	150	+ 2	+ 16

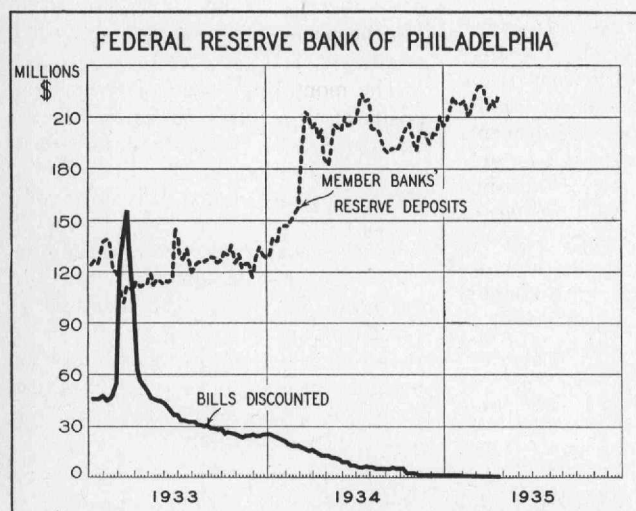
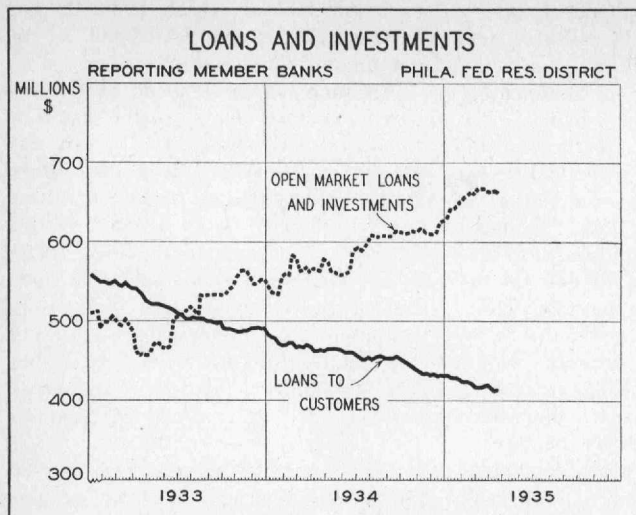
Federal Reserve Bank of Philadelphia (Dollar figures in millions)	Changes in		
	April 17, 1935	Four weeks	One year
Bills discounted.....	\$ 0.5	-\$ 0.1	-\$12.9
Bills bought.....	0.5	+ 0.0	- 0.7
Industrial advances.....	3.7	- 0.0	+ 3.7
U. S. securities.....	167.1	0	0
Other securities.....	0	0	- 0.5
Total bills and securities.....	\$171.8	-\$ 0.1	-\$10.4
Fed. res. note circula- tion.....	239.2	+ 5.7	- 3.4
Fed. res. bank note circulation—net.....	0	0	- 7.6
Member bank re- serve deposits.....	222.6	- 1.3	+ 20.0
U. S. Treasurer— general account.....	0.2	- 11.2	- 2.1
Foreign bank de- posits.....	2.2	+ 0.5	+ 1.8
Other deposits.....	6.8	- 4.6	- 14.8
Total reserves.....	324.0	- 9.4	+ 9.7
Reserve ratio.....	68.8%	- 0.4%	+ 1.9%

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

Philadelphia Federal Reserve District  
March 21 to April 17 inclusive—in millions of dollars

Sources of funds	Uses of funds
Reserve bank credit extended in district.. - 1.2	Currency demand..... +9.3
Commercial and financial transactions (chiefly interdistrict)..... -11.9	Member bank reserve deposits..... -1.3
Treasury operations..... +16.6	Nonmember deposits at reserve bank..... -4.6
Total..... +3.5	Unexpended capital funds of reserve bank.. +0.1
	Total..... +3.5

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.



City areas*	Percentage change—March 1935 from March 1934				
	Manufacturing		Building permits (value)	Debits	Retail trade sales
	Employment	Wage payments			
Allentown.....	- 1	+ 1	+ 404	+ 1	-18
Altoona.....	+ 9	- 5	+ 987	+ 3	+ 2
Harrisburg.....	+ 3	+ 9	+ 230	+15	-11
Johnstown.....	+ 3	+ 2	- 22	+20	-11
Lancaster.....	+ 7	+14	+3353	+22	- 0
Philadelphia.....	+ 6	+11	+ 87	+18	- 9
Reading.....	+12	+22	+ 30	+20	- 7
Scranton.....	-11	- 4	+ 11	- 9	-29
Trenton.....	- 7	+ 4	- 53	+34	- 8
Wilkes-Barre.....	- 5	- 4	+ 356	-18	-20
Williamsport.....	+ 9	+18	+ 45	+ 6	.....
Wilmington.....	-10	- 7	+ 13	+22	-11
York.....	+ 3	+17	+ 390	+10	.....

March 1935 from February 1935					
Allentown.....	+ 1	+ 3	+ 515	+16	+22
Altoona.....	- 1	+11	+ 295	+ 5	+71
Harrisburg.....	+ 2	+ 8	+ 38	+27	+40
Johnstown.....	+ 1	- 4	+119	+16	- 9
Lancaster.....	- 1	- 0	+ 648	+10	+63
Philadelphia.....	+ 2	+ 3	+336	+25	+26
Reading.....	+ 2	+ 1	+ 357	+21	+36
Scranton.....	+ 0	- 4	- 84	+ 5	+ 8
Trenton.....	- 0	- 1	- 23	+ 8	+16
Wilkes-Barre.....	- 1	- 4	+ 648	+ 4	+31
Williamsport.....	+ 0	+ 1	+ 302	+17	.....
Wilmington.....	+ 0	+ 2	+ 5	+36	+ 4
York.....	+ 5	+ 9	+ 154	+23	.....

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

## Employment and Payrolls in Pennsylvania

(All figures are rounded from original data.)

### Manufacturing Indexes

	Employment*			Payrolls*			Employee-hours†	
	Mar. 1935 index	Per cent change from		Mar. 1935 index	Per cent change from		Mar. 1935 per cent change from	
		Mar. 1934	Feb. 1935		Mar. 1934	Feb. 1935	Mar. 1934	Feb. 1935
<b>All manufacturing.....</b>	<b>77</b>	<b>+ 3</b>	<b>+1</b>	<b>63</b>	<b>+10</b>	<b>+ 2</b>	<b>+ 6</b>	<b>+ 3</b>
Iron, steel and products.....	63	+ 5	+2	55	+17	+ 2	+ 8	+ 2
Non-ferrous metal products.....	96	+ 4	+3	89	+12	+ 7	+ 9	+ 1
Transportation equip.....	55	+ 0	-2	38	- 8	+ 2	- 9	+ 2
Textiles and clothing.....	103	+ 2	+1	92	+12	+ 2	+13	+ 2
Textiles.....	100	+ 4	-1	89	+13	- 0	+16	+ 0
Clothing.....	117	- 5	+9	107	+ 8	+12	+ 1	+11
Food products.....	105	+ 7	+1	90	+ 9	+ 2	+ 7	+ 2
Stone, clay and glass.....	70	+13	+2	51	+20	+ 8	+15	+10
Lumber products.....	49	- 2	+1	32	+ 1	- 2	+ 4	+ 1
Chemicals and products.....	88	- 5	+2	76	- 2	+ 1	- 3	- 0
Leather and products.....	96	+ 1	-0	87	+ 1	- 0	- 2	- 2
Paper and printing.....	91	+ 1	+1	84	+ 8	+ 4	+ 2	+ 3
Printing.....	85	- 1	+0	82	+ 6	+ 3	- 1	+ 1
Others:								
Cigars and tobacco.....	63	- 2	+2	46	- 5	+12	-13	+12
Rubber tires, goods.....	78	-13	+0	63	-10	- 1	-14	- 2
Musical instruments.....	55	+11	+4	52	+15	+ 8	+11	+ 8

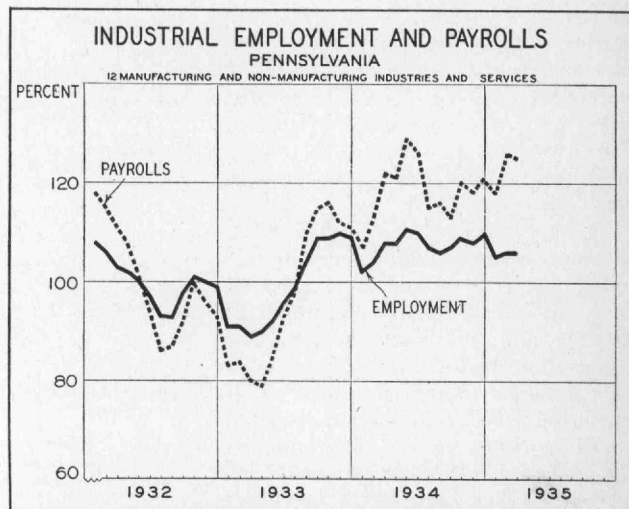
\* Figures from 2171 plants.

† Figures from 1968 plants.

### General Index Numbers

Covering twelve branches of trade and industry

	Employment			Payrolls		
	Mar. 1935 index	Per cent change from		Mar. 1935 index	Per cent change from	
		Mar. 1934	Feb. 1935		Mar. 1934	Feb. 1935
<b>General index (weighted).....</b>	<b>106</b>	<b>- 2</b>	<b>- 0</b>	<b>125</b>	<b>+ 2</b>	<b>- 1</b>
Manufacturing.....	121	+ 3	+ 1	154	+10	+ 2
Anthracite mining.....	82	-24	-20	73	-53	-39
Bituminous coal mining.....	130	+ 7	+ 4	204	+18	+ 6
Building and construction.....	50	-23	+ 7	46	-13	+ 4
Quarrying and non-met. mining.....	84	+ 4	+ 7	110	+24	+ 4
Crude petroleum producing.....	177	- 9	+ 9	163	- 0	+ 6
Public utilities.....	88	- 1	+ 0	90	+ 4	+ 0
Retail trade.....	104	- 8	- 1	104	+ 0	+ 1
Wholesale trade.....	107	+ 5	+ 1	100	+ 3	+ 1
Hotels.....	105	+ 2	- 2	105	+ 7	- 0
Laundries.....	95	+ 3	+ 3	92	+ 3	+ 2
Dyeing and cleaning.....	87	- 8	+ 4	93	- 5	+12



# 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.

### Retail trade

Sales											
Total of all stores.....	71	55	59	68p	+16	- 5	- 3	70	45	48	62p
Department.....	70	54	57	66p	+17	- 5	- 3	65	44	47	59p
Men's apparel.....	60	54	55	63	+16	+ 5	+ 3	59	55	45	57
Women's apparel.....	100	78	86	88p	+ 2	-12	- 6	116	70	63	95p
Shoe.....	81	61	54	69p	+28	-14	-11	81	48	44	64p
Credit.....	63	44	53	63	+19	- 1	- 0	56	29	47	53
Stocks of goods											
Total of all stores.....	61	63	60	61p	+ 1	0	.....	63	56	58	63p
Department.....	53	53	53	52p	- 2	- 2	.....	54	47	50	53p
Men's apparel.....	56	68	56	61	+10	+11	.....	56	54	55	62
Women's apparel.....	86	90	89	90	+ 1	+ 6	.....	93	77	84	99
Shoe.....	57	51	55	55p	+ 0	- 4	.....	58	48	52	56p
Credit.....	73	74	69	71	+ 2	- 3	.....	74	71	68	72
Rate of stock turnover											
3 months (actual, not indexes).....							0*	0.86			0.86

### Wholesale trade

Sales											
Total of all lines.....	74	79	79	80p	+ 1	+ 7	+ 8	69	70	73	74p
Boots and shoes.....	48	46	46	44p	- 3	- 8	- 4	55	28	32	50p
Drugs.....	81	89	89	84	- 6	+ 3	+ 2	85	92	91	88
Dry goods.....	46	40	42	39	- 6	-14	- 5	42	33	35	36
Electrical supplies.....	66	75	65	83p	+27	+25	+19	57	50	58	71p
Groceries.....	109	122	122	117p	- 4	+ 8	+ 8	100	113	113	108p
Hardware.....	39	41	42	44	+ 4	+14	+11	38	32	34	43
Jewelry.....	38	37	38	49	+29	+31	+10	29	22	27	37
Paper.....	59	59	66	62p	- 6	+ 5	+12	62	62	65	66p
Stocks of goods											
Total of all lines.....	65	67	70	69p	- 0	+ 5	.....	67	66	69	70p
Boots and shoes.....	20	21	20	24	+18	+20	.....	22	21	24	26
Drugs.....	109	105	106	104	- 2	- 5	.....	111	103	108	105
Dry goods.....	48	42	45	43	- 4	-10	.....	49	40	43	44
Electrical supplies.....	71	74	90	95	+ 5	+33	.....	69	71	85	92
Groceries.....	78	82	83	84	+ 1	+ 9	.....	79	85	87	86
Hardware.....	63	65	66	66	+ 0	+ 6	.....	66	66	68	69
Jewelry.....	53	57	57	53	- 6	+ 1	.....	49	50	50	50
Paper.....	60	60	60	59p	- 1	- 2	.....	62	59	59	61p
Rate of stock turnover											
3 months (actual, not indexes) .....							+ 5*	1.34			1.41

### Output of manufactures

Pig iron.....	28	20	23	21	-10	-26	-25	32	20	24	24
Steel.....	51	51	54	54	- 1	+ 5	+14	55	50	57	58
Iron castings.....	43	52	45	46	+ 3	+ 6	- 1	46	48	46	48
Steel castings.....	39	47	51	48	- 5	+23	+33	44	50	57	54
Electrical apparatus.....	68	89	83	88	+ 7	+31	+38	63	84	79	82
Motor vehicles.....	17	15	14	14	- 1	-17	- 5	18	13	14	15
Automobile parts and bodies.....	63	58	45	38	-15	-40	-21	69	57	48	41
Locomotives and cars.....	15	19	19	19	- 0	+26	+28	17	19	20	21
Shipbuilding.....	106	117	134	126	- 6	+19	+22	110	120	131	131
Silk manufactures.....	105	100	100	93	- 7	-12	- 2	108	102	106	95
Woolen and worsteds.....	45	61	63	65	+ 4	+45	+51	43	61	65	63
Cotton products.....	42	40	40	41	+ 2	- 3	+ 3	45	41	43	43
Carpets and rugs.....	51	76	79	98	+24	+91	+75	51	71	81	97
Hosiery.....	113	120	128	125	- 3	+11	+20	117	125	134	130
Underwear.....	89	108	113	122	+ 8	+37	+42	97	106	123	133
Cement.....	26	23	25	34	+36	+32	-10	20	16	18	26
Brick.....	27	26	29	30	+ 4	+13	+ 9	26	24	28	30
Lumber and products.....	18	15	14	14	- 2	-24	-13	17	14	14	13
Bread and bakery products.....	82	82	78	76	+ 2*	+ 3*	- 1*	85	77	86	88
Slaughtering, meat packing.....	77	9	35	65	+85	-15	-57	118	6	46	100
Sugar refining.....	55	49	50	52p	+ 3	+ 6	+ 4	49	48	46	47p
Canning and preserving.....	85	78	82	85	+ 3	- 0	- 5	78	64	69	78
Cigars.....	58	61	62	63	+ 3	+ 9	+ 5	59	61	62	64
Paper and wood pulp.....	84	82	84	83	- 1	- 1	- 2	86	82	84	85
Printing and publishing.....	138	134	134	136	+ 1	- 1	+ 2	146	137	141	145
Shoes.....	122	94	101	106p	+ 5	-13	-15	121	100	109	105p
Leather, goat and kid.....	69	68	77	65	-15	- 5	- 0	69	68	77	65
Explosives.....	67	65	62	62	- 1	- 7	- 9	68	59	61	63
Paints and varnishes.....	132	135	136	137p	+ 1	+ 4	+ 3	131	135	134	137p
Petroleum.....	85	83	87	83p	- 4	- 2	+ 7	88	83	92	87
Coke, by-product.....											

\* Computed from data unadjusted for seasonal variation.

p—Preliminary.

