

Mr. Hagedorn

THE BUSINESS REVIEW

FEDERAL RESERVE BANK
OF ST. LOUIS

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THIRD FEDERAL
PHILADELPHIA



RESERVE DISTRICT
JUNE 1, 1936

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

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Business and Banking Conditions in the United States

Industrial production increased in April, reflecting principally larger output of steel and of automobiles. Employment and payrolls in the durable goods industries showed advances.

Production and employment. Volume of industrial production, as measured by the Board's seasonally adjusted index, increased from 93 per cent of the 1923-1925 average in March to 100 per cent in April. The average rate of production at steel mills in April was 69 per cent of capacity as compared with 59 per cent for the preceding month. At automobile factories output amounted to 503,000 passenger cars and trucks and, except for the spring months of 1929, was larger than in any previous month. In the first three weeks of May activity in both the steel and automobile industries was maintained at about the levels reported for April. Output of non-durable manufactures in April was slightly larger than in March, due chiefly to increases at cotton textile mills, meatpacking establishments, and tobacco factories. Activity at woolen and silk mills declined. Bituminous coal production showed little

change from March to April, although a considerable decrease is usual at this season, while at anthracite mines there was a sharp rise from the low level of March. Output of crude petroleum continued to increase.

Factory employment and payrolls were larger in the middle of April than a month earlier. Increases in the number of workers were general in the durable goods industries, with the most marked advances at steel mills and at plants producing machinery, automobiles, and building materials. There was an increase in employment at rubber tire factories, which in March had been affected by a strike, while at woolen mills employment declined.

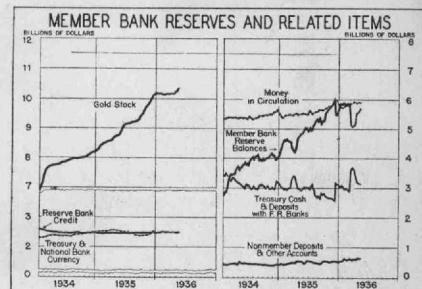
Value of construction contracts awarded, according to figures of the F. W. Dodge Corporation, increased in April by somewhat more than the usual seasonal amount. Contracts for residential building were in considerably larger volume, and privately-financed projects other than residential continued to increase.

Distribution. Retail trade showed a seasonal increase in April, following

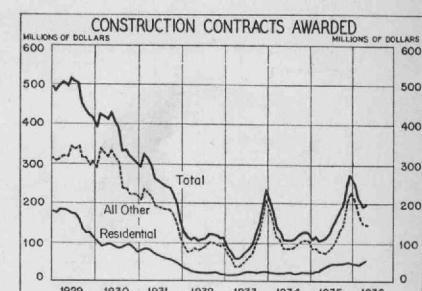
a considerable advance in March. Department store sales rose by less than the usual seasonal amount, while at variety stores and mail-order houses there were further increases. Freight-car loadings increased from March to April.

Commodity prices. Wholesale prices of commodities showed little change during April and declined during the early part of May, reflecting decreases in the prices of farm products and foods, while prices of other commodities as a group continued to show little change.

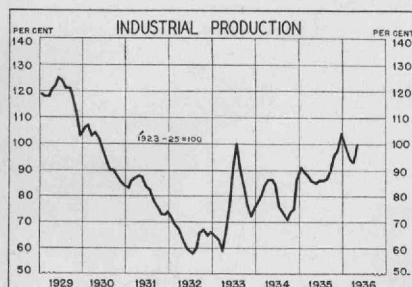
Bank credit. Excess reserves of member banks have increased steadily since



Wednesday figures. January 31, 1934, to May 20, 1936.



Three-month moving averages of F. W. Dodge data for value of contracts awarded in 37 Eastern States, adjusted for seasonal variation. Latest figures based on data for February and March and estimate for April.



Index of physical volume of production, adjusted for seasonal variation.



Index of number employed, adjusted for seasonal variation.

the latter part of March and by May 20 amounted to \$2,860,000,000. The growth was due in April to Treasury disbursements from accumulated balances and in May to continued disbursements together with substantial imports of gold.

Treasury disbursements and gold imports have also been reflected in a sharp increase of deposits at reporting member banks in leading cities since

the beginning of April. Adjusted demand deposits at these banks increased to a new high level and time deposits rose to the highest figure in three years. Holdings of United States Government obligations by the reporting banks have increased further, while holdings of other securities and loans to customers have remained at the levels reached early in April. Loans to brokers and dealers in secur-

ties, which increased considerably in March and April, declined in the first half of May.

The rate charged on call loans with stock exchange collateral was raised on May 11 by New York City banks from $\frac{3}{4}$ of one per cent to one per cent and that on time loans from one per cent to $1\frac{1}{4}$ per cent. Rates on other open-market loans have continued at low levels.

Business and Banking Conditions in the Philadelphia Federal Reserve District

Business conditions in the Philadelphia Federal Reserve District during April reflected substantial gains in productive activity, reaching the highest level in several years, but since then the usual seasonal slackening in output has been in evidence. This bank's seasonally adjusted index of industrial production, comprising manufacturing and mining, in April rose to about 84 per cent of the 1923-1925 average and this level was virtually the highest since 1930. Activity in the construction field has expanded further as it usually does at this time and the value of contracts awarded during April was three times as large as that of a year ago. Conditions of farm crops seem to show little change from the average and current income of farmers, chiefly from livestock products, appears to be satisfactory as compared with that of a few years earlier.

Retail trade sales in April failed to measure up to the usual rate of gain from March but continued appreciably larger than last year. Marked gains over a year ago also were indicated in early May. Sales at wholesale like-

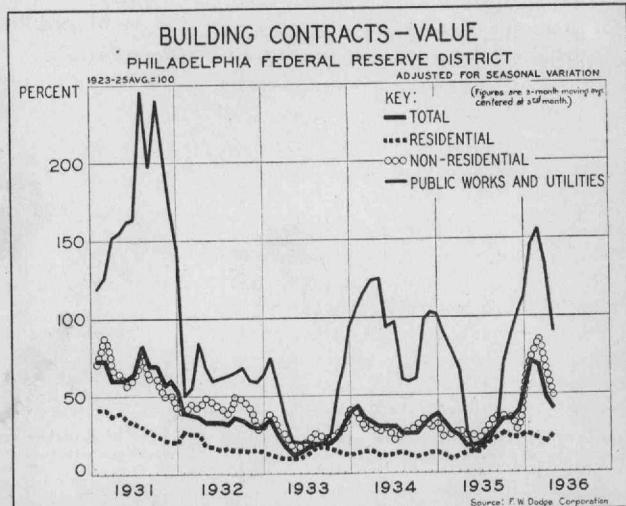
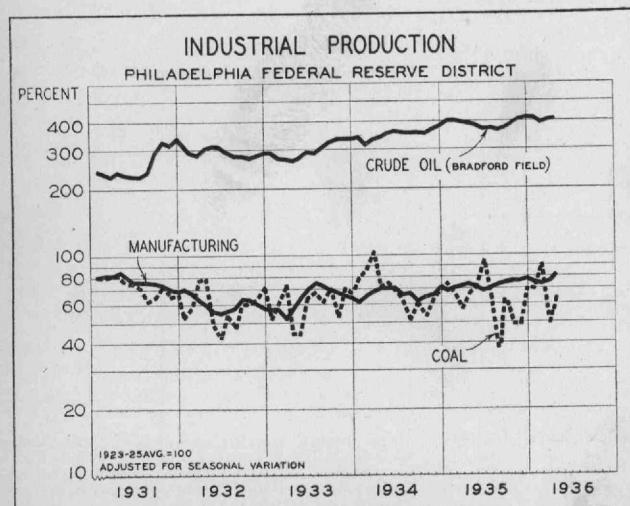
wise declined in the month but were larger than a year before. Collections in proportion to receivables outstanding by retail stores generally fell off in the month and from a year ago, while in the case of wholesale trade there was a small decline in April but an increase over the same month last year. Purchases of new passenger automobiles showed additional increases and the total volume sold thus far this year is substantially larger than last year. Transportation of commodities by rail, water and motor freight appears to have increased materially from March to April and as compared with a year ago.

Industrial employment and wage disbursements increased noticeably from the middle of March to the middle of April and continued well above the levels of the previous years. Early reports from manufacturing industries in Pennsylvania indicate that in May declines from April in the number of factory workers and the amount of wages paid were relatively small.

Manufacturing. Demand for goods manufactured in this district has slack-

ened seasonally since late April, but generally it compares well with the volume of sales a year ago. Numerous reports from this district indicate some recession in prices during the past month but the majority of them show that prices continue higher than a year ago. The price index of the Bureau of Labor Statistics for all commodities, other than farm products and foods, on May 16 was 78.9 per cent of the 1926 average as compared with 80.2 a month ago and 79.7 a year ago.

The sharpest gains have occurred in the demand for the principal building materials and supplies not only as compared with the previous month but also with a year ago, reflecting a higher rate of activity in building trades. The market for fabricated metal products generally also has been well maintained though lately a seasonal let-down has been noticeable. Sales of cigars and rubber products show marked increases, while the market for textile products has declined in the month and as compared with a year ago. The sharpest decreases appear to have occurred in the case of



Business Indicators

Philadelphia Federal Reserve District

silk goods, cotton yarns, wool fibers and manufactures, and hosiery. Activity at carpet and rug and clothing plants continues at a higher level than a month ago and as compared with the previous year. Sales of sole leather and shoes have been slow but generally compare well with a year ago.

Current reports from a limited number of manufacturing companies in this district do not indicate any material change in holdings of finished goods or raw materials. Both appear to be no larger than a year ago, except for a few instances such as hosiery, sole leather and shoes. The index of inventories compiled by the Department of Commerce for the country as a whole shows that at the end of March stocks of raw materials declined rather sharply from the previous two months and were about 15 per cent smaller than a year ago.

Factory employment and payrolls in this section increased from the middle of March to the middle of April by a slightly larger amount than usual. Marked increases in the case of Pennsylvania reflected partly unusual activity resulting from the rehabilitation of flooded plants.

The index of employment in Pennsylvania factories was 79 per cent of the 1923-25 average or 4 per cent higher than a year ago; similarly, the payroll index was 74 or nearly 17 per cent higher than in April 1935. Estimates indicate that the number of wage earners in all factories of this state in April approximated 853,000 and the amount of wage disbursements totaled about \$18,844,000 a week.

The number of employee-hours actually worked increased noticeably in the month and as compared with last year.

Preliminary figures from about one-half of the reporting factories indicate that there was a seasonal decline in employment and payrolls from the middle of April to the middle of May and in some instances the decreases were somewhat larger than usual.

Output of manufactures increased sharply during April, reaching the highest level since 1930. The April index of productive activity, which is adjusted for seasonal variation and the number of working days, was 82 per cent of the 1923-25 average as compared with 75 in March, 73 in February and 75 in January; in April 1935 this index was 74. The average rate of output in the first four months of this year was 7 per cent higher than a year ago and considerably

	Index numbers: percentages of the 1923-1925 average as 100																							
	Adjusted for seasonal variation								Not adjusted															
	Apr. 1935	Feb. 1936	Mar. 1936	Apr. 1936	Per cent change		Month ago	Year ago	Apr. 1935	Feb. 1936	Mar. 1936	Apr. 1936												
Adjusted indexes allow for the usual seasonal change in activity.																								
Unadjusted indexes reflect merely the actual change which may or may not be typical.																								
Industrial production																								
Manufacturing total	77	78	76	84p	+10	+ 9	+ 6	75	80	76	82p													
DURABLE GOODS	74	73	75	82p	+10	+ 11	+ 7	72	75	76	80p													
Consumers' goods	56	59	61	73p	+20	+ 31	+ 20																	
Metal products	63	64	67	82	+23	+ 30	+ 18	62	65	68	80													
Textile products	91	80	85	90p	+ 5	- 2	- 4	86	86	88	85p													
Transportation equipment	41	62	64	70	+10	+ 70	+ 48	43	63	67	73													
Food products	72	73	71	74p	+ 3	+ 2	+ 6	71	73	70	73p													
Tobacco and products	93	101	91	98	+ 8	+ 6	+ 11	85	85	84	89													
Building materials	31	25	29	38	+34	+ 25	+ 13	30	23	26	38													
Chemicals and products	97	109	108	111p	+ 3	+ 15	+ 10	98	109	109	113p													
Leather and products	134	120	120	121p	+ 1	- 9	- 0	132	127	123	120p													
Paper and printing	81	83	81	83	+ 3	+ 3	+ 3	82	83	82	85													
Coal mining	67	90	49	64	+31	- 4	+ 3	69	96	42	66													
Anthracite	89	93	48	63	+31	- 9	+ 4	72	99	40	66													
Bituminous	52	70	57	73	+27	+ 39	- 1	47	76	58	66													
Crude oil	396	395	406	409	+ 1	+ 3	+ 3	408	395	414	422													
Electric power																								
Output	201r	217	216	229	+ 6	+ 14	+ 13	197r	230	220	224													
Sales, total†	186	214	211	215	+ 2	+ 16	+ 14	192	231	209	222													
Sales to industries‡	136	163	160	158	- 1	+ 16	+ 13	138	161	152	160													
Employment and wages—Pa.																								
Factory—Wage earners					+ 1	+ 4	+ 3	76	77	78	79													
Payrolls					+ 6	+ 17	+ 12	63	67r	69r	74													
Man-hours (1927-28 = 100)					+ 8*	+ 23*	+ 16*	62	69	71r	77													
General (1932 = 100)																								
Employment					+ 4*	+ 4*	+ 2*	107	106	107	112													
Payrolls					+ 6*	+ 15*	+ 10*	124	135r	134	142													
Building and real estate																								
Contracts awarded†—total	17	68	48	40	-18	+129	+142	20	55	45	47													
Residential†	13	22	19	24	+21	+ 81	+ 93	15	17	19	27													
Non-residential†	23	84	65	49	-24	+116	+174	25	72	60	55													
Public works and utilities†	26	156	131	90	-31	+243	+144	25	126	86	85													
Permits for building—17 cities	6	9	18	24	+32	+277	+144	9	7	23	34													
Mortgages recorded—Philadelphia	7	30	8	7	-10	+ 1	+ 58	8	31	9	8													
Real estate deeds—Philadelphia	44	37	34	36	+ 4	- 18	- 14	43	37	34	35													
Sheriff deeds (1930 = 100)					-15*	- 59*	- 42*	117	74	57	48													
Other deeds (1930 = 100)					+11*	+ 16*	+ 12*	60	61	63	69													
Wrists for Sheriff sales—Phila.	801	487	458	676	+48	- 16	- 29	841	497	467	709													
Distribution																								
Retail trade —sales	70	67	79	75p	- 5	+ 8	+ 10	74	54	73	79p													
stocks	63	67	67	68p	+ 0	+ 6	+ 6	66	65	69	70p													
Wholesale trade—sales	81	80	86	82p	- 4	+ 2	+ 6	75	73	80	77p													
stocks	68	68	67	69p	+ 4	+ 1	+ 1	68	67	67	69p													
Life insurance sales	93	88	91	88	- 3	- 6	- 15	105	101	101	98													
New passenger auto. registrations	94	74	99	110	+11	+ 16	+ 8	142	55	111	165													
Hotels—Occupancy (1934 = 100)					+ 6*	+ 4*	+ 5*	119	111	111	124p													
Income, total (1934 = 100)					+15*	+ 7*	+ 6*	125	118	117	134p													
Freight car loadings—total	57	64	59	68	+16	+ 20	+ 7	55	62	56	66													
Merchandise and miscellaneous	58	60	61	67	+11	+ 16	+ 7	59	55	59	69													
Coal	58	84	57	70	+24	+ 20	+ 1	53	92	55	63													
Business liquidations																								
Number					+ 7*	- 4*	- 21*	69r	48	62	66													
Amount of liabilities					+11*	- 55*	- 38*	51r	30	20	23													
Payment of accounts																								
Check payments	77	86	80	77	- 4	- 1	+ 7	78	86	78	77													
Rate of collections (actual)								30	30	31	30													
Retail trade	30	31	31	30	- 4	- 1	- 1																	
Wholesale trade	71	75	74	74	- 1	+ 5	- 1	69	70	74	72													
Prices—United States																								
WHOLESALE (1926 = 100)					+ 0*	- 1*	+ 1*	80	81	80	80													
Farm products					+ 1*	- 4*	- 1*	80	79	76	77													
Foods					+ 0*	- 5*	- 1*	84	83	80	80													
Other commodities					+ 0*	+ 2*	+ 2*	77	79	79	79													
RETAIL FOOD (1913 = 100)					+ 0*	- 1*	+ 2*	125	126	123	123													
Philadelphia					+ 1*	+ 1*	+ 3*	128	130	128	129													
Scranton					- 0*	+ 1*	+ 3*	124	127	125	124													

(In millions of dollars)	Apr. 1935	Jan. 1936	Feb. 1936	Mar. 1936	Apr. 1936	% change from
Banking and credit						
Federal Reserve Bank						
Bills discounted	\$ 1	\$ (a)	\$ (a)	\$ (a)	\$ (a)	
Other bills and securities	171	184	184	183	183	0 + 7
Member bank reserves	221	294	283	295	292	-1 + 32
Reserve ratio (per cent)	68.8	72.6	71.4	73.4	74.1	+1 + 8
Reporting member banks						
Loans to customers	\$ 413	\$ 400	\$ 398	\$ 402	\$ 410	+2 - 1
Other loans and investments	665	727	746	745	757	+2 + 14
Total (gross) deposits	1,265	1,373	1,370	1,383	1,389	+0 + 10
Bankers' acceptances outstanding	12.6	12.2	12.2	12.3	.....

* Computed from data unadjusted for seasonal variation.

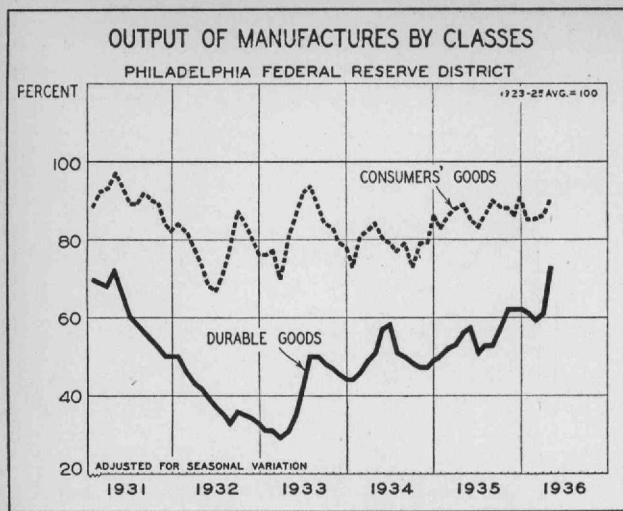
† 3-month moving daily average centered at 3rd month.

‡ Not included in production index.

p—Preliminary.

r—Revised.

(a) Less than \$500,000.



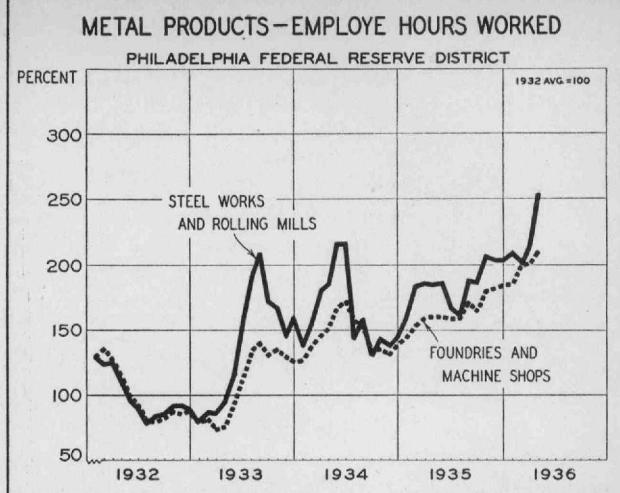
greater than in any of the three preceding years, 1932-1934.

This unusual rise may be attributed to a further expansion in the output of durable goods, particularly iron and steel products, automobile bodies and parts, railway equipment, shipbuilding and basic materials for construction purposes. The adjusted index for this whole group rose to 73 as compared with 61 in March and 56 a year ago. The gain in this branch of heavy manufacturing during the first four months of this year amounted to about 20 per cent as compared with last year.

Factory output of consumers' goods including textile products, foods, cigars and shoes also registered a somewhat larger gain than usual from March to April but the rate of operation so far has been about the same as a year ago. The output of silk manufacturers, hosiery, and shoes alone has been smaller thus far this year than last, although their current levels as compared with many other lines have continued fairly high relative to the base years, 1923-1925.

Output of electric power rose by a larger amount than usual from March to April, after declining slightly in March. Compared with last year total production has been approximately 13 per cent larger. Total sales of electricity for all purposes increased more than was to be expected, but the rate of gain in industrial consumption was not as high as usually occurs between March and April. Sales of electricity in the aggregate during the first four months of this year have been approximately 14 per cent larger than last year.

Coal and other fuels. Production of anthracite advanced 31 per cent more than usual in April, reflecting an in-



creased demand induced largely by the customary spring reduction in prices. Shipments likewise moved decidedly upward following a sharp decline the month before. Figures for early May indicate a continuance of the April level of output. For the year to date, production was 4 per cent and shipments 11 per cent above the same interval a year ago. Mine operators and workers have agreed on a new two-year contract, beginning May 1, providing for the continuance of existing hour and wage rates for the first year and a reduction of hours in the second year.

Output of bituminous coal increased 13 per cent in April, contrary to the usual decline at this time, after a noticeable drop the previous month. Figures for the first part of May show a further upward movement. Production for the first four months of the year was a little below that of the same period last year, while shipments were 8 per cent above a year ago.

duction for the year to date surpassed that of the same period last year by 18 per cent. The employment index fell off 4 per cent in April and the payroll index 6 per cent. Output of gas and fuel oil turned up slightly after a sharp drop in the previous month; for the first four months of the year production was 41 per cent larger than for the same interval a year ago.

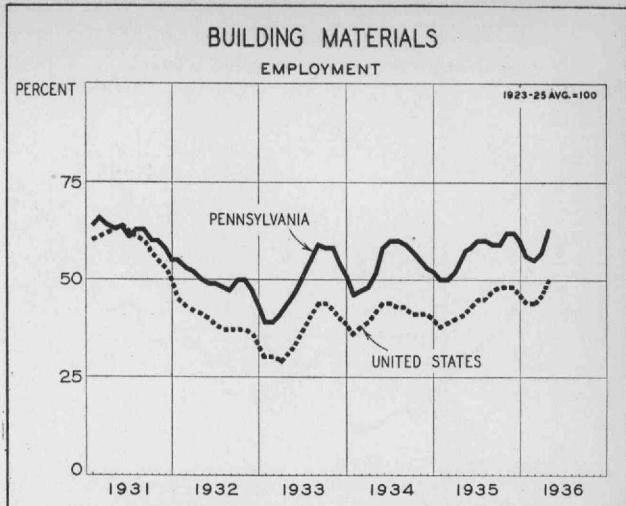
Building and real estate. The value of all contract awards in this district amounted to approximately \$14,800,000 in April, an increase of 38 per cent from a month before and more than three times as large as in the same month last year. Contracts let for all classes of construction except factories and certain unclassified structures were larger in April than in March, the largest relative gains occurring in the value of awards for commercial buildings, family houses and public works and utilities. In the case of one and two-family dwellings the trend has been continuously upward since the turn of the year, while in other types of building construction the monthly totals have fluctuated widely.

In the first four months of this year awards of building contracts totaled \$49,023,000, an increase of 142 per cent over a year before and the largest for that interval since 1931. Awards for one and two-family residences accounted for a large part of this contract total, constituting 22 per cent of all contract awards, or about the same proportion as in the January to April period of 1935, when the improvement in this type of construction first became apparent. Pronounced increases also have occurred this year over last in the dollar volume of contracts let

(Output and shipment figures are daily averages)	April 1936	Per cent change from	
		Month ago	Year ago
Anthracite			
Production.....tons	174,400	+66	- 9
Shipments.....tons	175,695	+74	+ 1
Stocks.....1000 tons	458†	-13	-41
Prices.....(1926=100)	80.0	- 3	+ 6
Employment.....No.	89,265	- 5	- 5
Bituminous			
Production.....tons	314,560	+13	+39
Shipments.....No. cars	21,442	- 2	+37
Prices.....(1926=100)	96.8	- 3	+ 1
Employment.....No.	124,780	- 4	- 3
Coke			
Prod. . . (1923-25=100)	106.7	+10	+30
Prices.....(1926=100)	98.7	0	+ 6
Gas and fuel oil			
Prod. . . (1923-25=100)	130.0*	+ 2	+45
Prices.....(1926=100)	74.1	+ 2	+19

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

Output of by-product coke advanced 10 per cent in April, in contrast to the usual steadiness at this time and pro-



for such non-residential structures as educational and commercial buildings and public works and utilities.

Building contracts Philadelphia Federal Reserve District	April 1936 (000's omitted)	Per cent change	
		From month ago	1936 from 4 mos. 1935
Residential.....	\$ 4,509	+ 40	+ 93
Apts. and hotels.....	237	+ 80	- 51
Family houses.....	4,272	+ 38	+ 136
Non-residential.....	6,346	+ 33	+ 174
Commercial.....	3,493	+374	+ 157
Factories.....	357	- 32	+ 1
Educational.....	1,507	+ 2	+1191
All other.....	989	- 51	+ 62
Total buildings.....	10,855	+ 35	+ 141
Public works and utilities	3,955	+ 45	+ 144
Grand total.....	\$14,810	+ 38	+ 142

Source: F. W. Dodge Corporation.

Ordinary conveyances of real estate have shown an upward trend since early this year in most of the larger city areas including Philadelphia, where they were 12 per cent larger in the first four months this year than last. Foreclosures, on the other hand, have decreased rapidly in this period, indicating a marked improvement over earlier years in this phase of the real estate situation. Inquiries show that the renting demand for small houses, apartments, and commercial space has been increasing steadily since the fall of last year. Sales of houses also have increased appreciably as compared with a year ago. Although there has been no general increase in rentals, they have shown a rising tendency for several months, particularly on properties leased by new tenants.

Agriculture. Favorable weather conditions prevailing earlier in the season were followed by a period of light rainfall and unseasonably low temperatures, which have retarded the normal growth of many crops. Seeds

have been slow to germinate and early plantings have come up very unevenly. In some sections, where there has been no rain of consequence for several weeks, the top soil has dried out to such a depth as to interfere with plowing and seeding operations. Frosts have occurred on several dates since the middle of last month, damaging some of the less hardy garden and truck crops including strawberries, but have not seriously affected the tree fruits.

As indicated by the May 1 condition of winter wheat and rye, the Department of Agriculture has estimated that production of these crops in the country as a whole will be somewhat smaller this year than last and below the average of the five years, 1928-1932. In this district the condition of winter grains on May 1 compared favorably with the five-year average but, because of reductions in the acreage planted, the harvest this year is expected to be smaller than in 1935 and slightly below the 1928-1932 average.

Distribution, trade and service. The value of retail trade sales of department, apparel, shoe and credit stores in April was 8 per cent larger than a year ago, when allowance is made for the difference in the date of Easter. Dollar sales during March and April this year showed a gain of 12 per cent in comparison with the same two months last year, both periods including the spring holiday season. Our seasonally adjusted index number measuring total dollar sales in April was 75 per cent of the 1923-25 average, as compared with 79 in March. This index, when not adjusted for the usual seasonal change, showed a gain of 9 per cent over March, a smaller

increase than customarily occurs in this period. Aggregate sales in the first four months this year were 10 per cent larger than a year ago, the largest percentage gain occurring in the sales of credit stores, which handle chiefly furniture. Preliminary reports for early May indicate a substantial increase in sales over a year ago.

Business at wholesale failed to maintain its customary seasonal level in April, when the dollar sales of eight important lines combined were 5 per cent smaller than in March. Compared with a year ago, however, they showed a gain of 2 per cent, all lines except groceries sharing in the increase. Total sales in the first four months this year were 6 per cent larger than in the same period of 1935. In early May demand for hardware increased seasonally, while little change occurred in other lines, according to preliminary reports.

The value of inventories at retail showed virtually no change from March to April but increased about 3 per cent at wholesale establishments. The rate of stock turnover in retail lines was 6 per cent and at wholesale 4 per cent more rapid in the first four months this year than last.

Sales of new passenger automobiles, as measured by April registrations in this district, increased more sharply than usual for the second consecutive month and showed a gain of 16 per cent over a year ago. In the first four months this year the number of units sold was 8 per cent greater than in the same period of 1935. According to figures compiled by the Bureau of the Census for the country as a whole, the dollar volume of new cars financed at retail was 64 per cent larger in March

than a month before and showed a 46 per cent increase in the first quarter this year over last. Manufacturers' sales of passenger autos increased sharply in April for the second consecutive month and were above the level of the same month last year.

Total freight-car loadings in this section increased in April by a much larger percentage than usual, following a downward trend for three months previous. Compared with a year ago, they showed a gain of 20 per cent and were 7 per cent larger in the first four months this year than last. The volume of rail freight, consisting chiefly of manufactures originating in the Philadelphia industrial area, also showed a larger than seasonal increase in April, continuing the upward trend that has been in evidence since February.

Business at commercial hotels, other than resort hotels, increased more than seasonally from March to April and continued larger than at the same time in the past three years. For the year to date room occupancy showed a gain of 5 per cent and revenue from all sources 6 per cent over last year.

Hotel business Philadelphia Federal Reserve District	Apr. per cent change from		1936 from 4 mos. 1935
	Month ago	Year ago	
Capacity.....	+ 0	+ 0	.....
Room occupancy.....	+ 6	+ 4	+ 5
Per cent of capacity used:			
April 1936.....	57.4		
March 1936.....	53.7		
April 1935.....	58.9		
Income from:			
Guest rooms.....	+13	+ 3	+ 4
Food.....	+19	+11	+ 9
Other sources.....	+14	+11	+ 7
Total revenue.....	+15	+ 7	+ 6

Banking conditions. Payments to other Federal reserve districts arising out of commercial and financial transactions exceeded receipts from them by nearly 27 millions in the four weeks from April 22 to May 20. The excess would have been even larger save for a sale of securities to a New York concern by a Government agency, payment being made through the settlements to the local office of the agency. Although this transaction had no direct effect on reserve balances here, Treasury receipts were correspondingly enlarged so that the excess of local Government disbursements over receipts amounted to only 3 millions. In its absence the figures would show more substantial net Treasury disbursements, to which the cashing of work relief checks contributed materially. Although these funds, together with smaller sums derived from other

sources, tended to increase member bank reserve deposits, there was an actual decline in the latter from 300 to about 275 millions owing to the influence of adverse settlement balances and an accompanying expansion of 3½ millions in currency demand.

In April reserve deposits averaged 292½ millions and the average excess above legal requirements was 144 millions. This excess, while not equal to the high of 149½ millions attained in March, was more than 50 millions above that of a year ago.

Federal Reserve Bank of Philadelphia (Dollar figures in millions)	May 20, 1936	Changes in—	
		Four weeks	One year
Bills discounted.....	\$0.3	-\$0.1	-\$0.2
Bills bought.....	0.5	- 0.0	- 0.0
Industrial advances.....	5.2	- 0.1	+ 1.8
United States securities.....	177.1	0	+ 10.0
Total bills and securities.....	\$183.1	-\$0.2	+\$11.6
Fed. res. note circulation.....	280.7	+ 2.1	+ 47.4
Member bank reserve deposits.....	274.7	-25.2	+ 55.5
U. S. Treasurer—general account.....	25.6	- 4.3	+ 24.6
Foreign bank deposits.....	7.8	- 0.2	+ 5.7
Other deposits.....	1.9	- 0.5	- 6.8
Total reserves.....	429.7	-27.6	+113.6
Reserve ratio.....	72.7%	- 1.2%	+ 4.6%

Over the four week period there was a further increase of more than quarter of a million dollars in the total of loans and commitments approved by this bank to provide working capital for established businesses. Banking institutions participated substantially in the new amounts approved. Additional advances by this bank did not equal repayments, so that there was a small decline in outstanding advances to about 5½ millions, which compares with less than 3½ millions a year ago. Bills discounted for member banks continue at a very low point.

Figures of the weekly reporting member banks, which hold over half of the resources of all members in this district, reveal that their reserve balances declined 25 millions in the month, accounting for practically all of the change in reserve deposits held

at this bank. It is to be noted that, despite a rise of 4 millions in loans, deposits decreased 24 millions at the reporting banks, half of this being in demand deposits adjusted and the remainder in balances held for other banks. In view of facts noted heretofore it appears that customers' payments to other sections were quite heavy, whether for business, investment, or other reasons, and that this outflow was only partially met by such funds as may have been gained through Treasury disbursements. The decline in reserves and a falling off of 6 millions in balances held with correspondents reflect both this situation and an increase of 3 millions in the banks' security holdings.

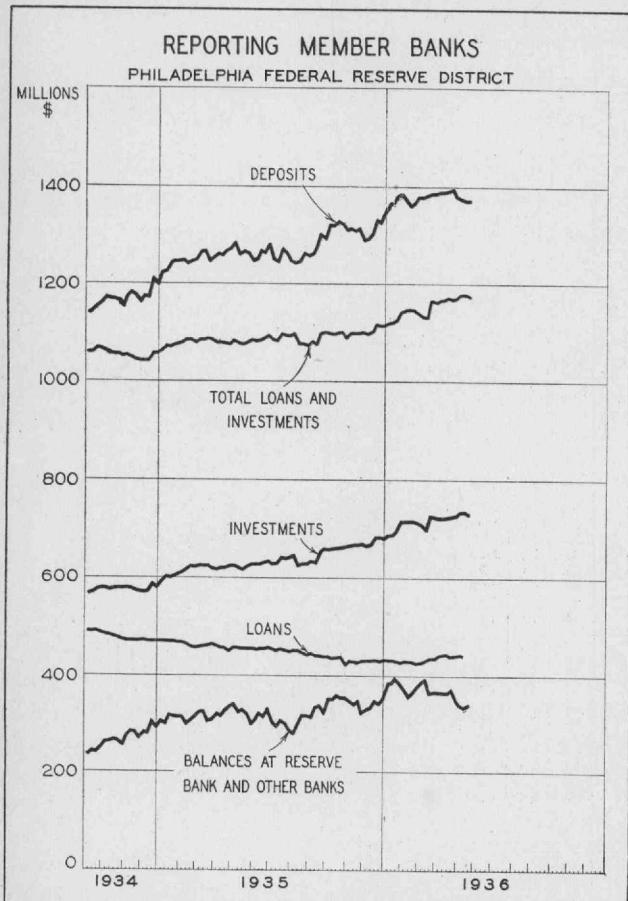
Direct securities of the Federal Government held by the reporting banks declined 7 millions during the period, but this was more than offset by increases of one million in obligations having the full Federal guarantee and 9 millions in miscellaneous securities.

Reporting member banks (000,000's omitted)	May 20, 1936	Changes in	
		Four weeks	One year
Assets			
Loans to brokers and dealers:			
In New York City.....	\$10	-\$ 1	-\$ 5
Outside New York City.....	17	- 2	+ 5
Loans on securities to others (except banks).....	146	+ 1	- 12
Acceptances and commercial paper bought.....	22	+ 1	- 4
Loans on real estate.....	65	.....	5
Loans to banks.....	2	- 1	+ 2
Other loans.....	182	+ 6	+ 11
Total loans.....	\$444	+\$ 4	-\$ 12
U. S. Government securities.....	315	- 7	+ 26
Obligations fully guaranteed by U. S. Gov't.....	100	+ 1	+ 40
Other securities.....	314	+ 9	+ 39
Total loans and investments.....	\$1,173	+\$ 7	+\$ 93
Reserve with Federal Reserve Bank.....	189	- 25	+ 48
Cash in vault.....	14	.....	1
Balances with other banks.....	152	- 6	+ 29
Other assets—net.....	89	+ 1	+ 1
Liabilities			
Demand deposits, adjusted.....	749	- 12	+ 107
Time deposits.....	274	.....	- 22
U. S. Government deposits.....	57	.....	+ 8
Interbank deposits.....	292	- 12	+ 16
Borrowings.....	22	+ 1	+ 3
Other liabilities.....	223	.....	+ 2

MEMBER BANK RESERVES AND RELATED FACTORS

Philadelphia Federal Reserve District (In millions of dollars)	Changes in weeks ending				Changes in four weeks
	April 29	May 6	May 13	May 20	
Sources of funds:					
Reserve bank credit extended in district.....	- 0.5	- 0.2	+ 0.4	+0.1	- 0.2
Commercial transfers (chiefly interdistrict).....	+ 3.0	-14.5	-12.5	-1.2	-25.2
Treasury operations.....	-13.2	+ 7.9	+ 4.9	+3.5	+ 3.1
Total.....	-10.7	- 6.8	- 7.2	+2.4	-22.3
Uses of funds:					
Currency demand.....	+ 0.6	+ 1.5	+ 2.1	-0.8	+ 3.4
Member bank reserve deposits.....	-10.9	- 8.3	- 9.2	+3.2	-25.2
"Other deposits" at reserve bank.....	- 0.4	+ 0.0	- 0.1	-0.0	- 0.5
Unexpended capital funds of reserve bank.....	- 0.0	- 0.0	+ 0.0	-0.0	- 0.0
Total.....	-10.7	- 6.8	- 7.2	+2.4	-22.3

Loans on securities at reporting banks in this district recently have fallen off somewhat, with the result that they totaled 173 millions on May 20, as against a high this year of 178 millions in mid-March. Loans on real estate, purchased paper, and loans to banks have fluctuated little of late. Other loans, which often are referred to as "Commercial," have again turned upward, following a slight falling off in the third week of April; the total of 182 millions in the latest report exceeded the figure of a year ago by 11 millions and was the largest since the fall of 1934.



City areas*	Percentage change—April 1936 from April 1935				
	Manufacturing		Building permits (value)	Debits	Retail trade sales
	Employment	Wage payments			
Allentown.....	+ 4	+15	- 4	- 1	+ 3
Altoona.....	+ 8	+45	+ 170	- 1	+ 32
Harrisburg.....	+ 6	+20	+ 68	+ 8	+ 13
Johnstown.....	+ 9	+71	+ 867	+12	+ 35
Lancaster.....	+ 9	+10	- 26	+26	+ 11
Philadelphia.....	+ 4	+ 3	+ 514	- 4	+ 2
Reading.....	+ 7	+18	- 21	+11	+ 3
Scranton.....	- 2	+ 7	+ 423	- 3	+ 7
Trenton.....	- 2	+ 5	+ 176	- 5	+ 2
Wilkes-Barre.....	+10	+13	+ 59	+14	+ 13
Williamsport.....	+ 5	+15	+ 118	+28	.....
Wilmington.....	+ 6	+13	+ 62	+22	+ 5
York.....	- 3	+ 4	+ 92	+17	.....
April 1936 from March 1936					
Allentown.....	+ 2	+ 5	+ 148	- 0	+ 13
Altoona.....	+ 2	+ 9	+ 129	- 3	- 18
Harrisburg.....	- 1	+ 7	+ 329	+ 7	+ 29
Johnstown.....	+12	+43	+1,350	+14	+146
Lancaster.....	- 1	- 3	+ 43	+ 0	- 11
Philadelphia.....	0	- 4	+ 71	- 6	+ 1
Reading.....	+ 1	+ 4	+ 85	+ 3	+ 10
Scranton.....	+ 1	+ 1	+4,264	-17	+ 16
Trenton.....	- 0	+ 3	+ 177	- 5	+ 10
Wilkes-Barre.....	+ 0	+ 1	+ 53	+21	+ 37
Williamsport.....	+ 3	+18	+ 575	+25	.....
Wilmington.....	- 1	+ 1	- 87	-17	+ 13
York.....	- 3	- 1	+ 114	+ 4	.....

* 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*		Employe-hours†	
	April 1936 index	Per cent change from April 1936 index	April 1936 index	Per cent change from April 1936 index	April 1935	Mar. 1936
(Indexes are percentages of the 1923-25 average taken as 100. Total and group indexes are weighted proportionately.)						
All manufacturing.....	79	+ 4 + 1	74	+17 + 6	+23 + 8	+ 8
Iron, steel and products.....	69	+ 9 + 3	74	+33 +15	+34 +15	
Non-ferrous metal prods.....	110	+12 + 5	111	+19 +10	+27 + 8	
Transportation equip.....	59	+24 + 0	57	+54 + 5	+56 + 6	
Textiles and clothing.....	99	- 2 + 0	83	- 6 - 4	+ 0 - 4	
Textiles.....	94	- 3 - 0	80	- 4 - 4	+ 2 - 3	
Clothing.....	117	- 0 + 1	95	-11 - 8	- 6 - 8	
Food products.....	101	- 1 + 0	90	+ 2 - 1	+ 1 - 1	
Stone, clay and glass.....	76	+ 2 + 7	65	+18 +15	+13 +17	
Lumber products.....	51	+ 7 - 1	40	+23 + 7	+20 +11	
Chemicals and products.....	90	+ 0 + 1	79	+ 4 + 1	+ 8 + 2	
Leather and products.....	91	- 5 - 2	72	-14 - 9	-14 - 11	
Paper and printing.....	92	+ 1 + 1	89	+ 5 + 3	+ 6 + 4	
Printing.....	88	+ 3 + 1	87	+ 5 + 2	+ 2 + 3	
Others:						
Cigars and tobacco.....	62	+ 2 - 3	45	+ 0 -10	- 6 -12	
Rubber tires, goods.....	78	+ 1 + 7	77	+20 +15	+16 +14	
Musical instruments.....	52	- 6 - 2	38	-23 -16	-18 -15	

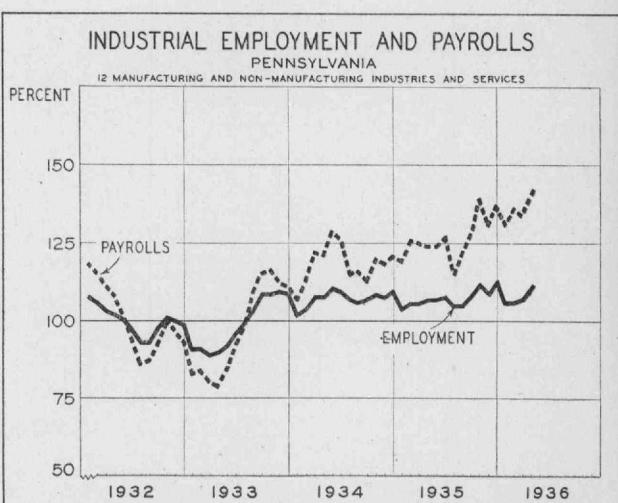
* Figures from 2,222 plants.

† Figures from 2,004 plants.

General Index Numbers

Covering twelve branches of trade and industry

	Employment		Payrolls	
	April 1936 index	Per cent change from April 1936 index	April 1936 index	Per cent change from April 1936 index
(Indexes are percentages of the 1932 average taken as 100. Individual indexes are combined proportionately into general index number.)				
General index (weighted).....	112	+ 4 + 4	142	+15 + 6
Manufacturing.....	125	+ 4 + 1	179	+17 + 6
Anthracite mining.....	80	- 5 - 5	54	-43 -33
Bituminous coal mining.....	118	- 3 - 4	171	+31 - 9
Building and construction.....	76	+33 +49	87	+63 +73
Quarrying and non-met. mining.....	104	+ 2 +22	170	+37 +38
Crude petroleum producing.....	202	+14 + 3	199	+22 + 3
Public utilities.....	90	+ 2 + 2	96	+ 8 + 3
Retail trade.....	113	+ 1 + 7	115	+ 6 + 6
Wholesale trade.....	114	+ 7 + 5	107	+ 8 + 2
Hotels.....	104	- 0 + 1	107	+ 3 + 1
Laundries.....	96	+ 1 + 2	100	+ 7 + 2
Dyeing and cleaning.....	96	- 2 + 8	115	+ 3 +18



Index numbers of individual lines of trade and manufacture

Philadelphia Federal Reserve District

	Index numbers: percentages of the 1923-1925 average as 100											
	Adjusted for seasonal variation						Not adjusted					
					Per cent change							
	Apr. 1935	Feb. 1936	Mar. 1936	Apr. 1936	Month ago	Year ago	April 1936 from 1936 from 4 mos. 1935	Apr. 1935	Feb. 1936	Mar. 1936	Apr. 1936	
Adjusted indexes allow for the usual seasonal change in activity.												
Unadjusted indexes reflect merely the actual change which may or may not be typical.												
Retail trade												
Sales												
Total of all stores.....	70	67	79	75p	-	5	+ 8	+10	74	54	73	79p
Department.....	65	62	73	69p	-	5	+ 7	+ 8	65	51	65	69p
Men's apparel.....	60	65	67	65	-	4	+ 9	+13	63	53	61	67
Women's apparel.....	90	93	104	93	-	10	+ 3	+11	113	69	115	115
Shoe.....	78	67	79	78	-	0	- 0	+ 3	92	51	75	91
Credit.....	74r	63	88	86	-	3	+ 15	+25	76r	56	75	87
Stocks of goods												
Total of all stores.....	63	67	67	68p	+	0	+ 6	.....	66	65	69	70p
Department.....	53	54	52	53p	+	2	+ 2	.....	55	51	54	56p
Men's apparel.....	61	62	65	66	+	0	+ 8	.....	64	61	66	69
Women's apparel.....	84	97	97	89	-	9	+ 6	.....	90	91	106	95
Shoe.....	68	73	72	72	+	0	+ 6	.....	70	67	74	75
Credit.....	75	81	82	84	+	2	+ 11	.....	75	80	84	84
Rate of stock turnover												
4 months (actual, not indexes).....	.....	.....	.....	.....	.....	.....	+	6*	1.24	.....	.....	1.31
Wholesale trade												
Sales												
Total of all lines.....	81	80	86	82p	-	4	+ 2	+ 6	75	73	80	77p
Boots and shoes.....	54	52	57	55	-	4	+ 1	+11	57	37	64	58
Drugs.....	87	96	96	93	-	3	+ 8	+ 8	88	98	101	94
Dry goods.....	40	42	45	45p	-	1	+ 13	+ 8	35	35	42	39p
Electrical supplies.....	80	74	87	95p	+	9	+ 19	+13	73	66	74	87p
Groceries.....	118r	116	124	108	-	13	- 8	- 0	108r	108	114	99
Hardware.....	49	44	47r	55p	+	16	+ 12	+ 9	50	36	47	56p
Jewelry.....	50	41	42	51	+	22	+ 1	- 4	33	29	32	33
Paper.....	69	69	72	74	+	4	+ 8	+10	69	68	75	74
Stocks of goods												
Total of all lines.....	68	68	67	69p	+	4	+ 1	.....	68	67	67	69p
Boots and shoes.....	22	33	28	28	-	3	+ 26	.....	22	39	31	28
Drugs.....	111	108	110	114	-	4	+ 3	.....	112	110	111	116
Dry goods.....	44r	41	40	40p	+	0	- 10	.....	44r	40	41	40p
Electrical supplies.....	108	105	105	118	+	13	+ 9	.....	105	98	102	115
Groceries.....	71r	65	65	68	-	6	- 3	.....	71r	68	66	68
Hardware.....	65	69	66	67p	+	2	+ 3	.....	69	71	70	72p
Jewelry.....	54	68	65	61	-	6	+ 14	.....	51	60	61r	59
Paper.....	60	65	62	62	-	1	+ 2	.....	60	64	63	62
Rate of stock turnover												
4 months (actual, not indexes).....	.....	.....	.....	.....	.....	.....	+	4*	1.78	.....	.....	1.85
Output of manufacturers												
Pig iron.....	20	34	29	43	+	51	+113	+75	23	35	33	49
Steel.....	54	60	62	75	+	21	+ 38	+23	57	63	66	79
Iron castings.....	44	50	55	56	+	1	+ 27	+21	46	51	58	58
Steel castings.....	44	60	75	101	+	36	+133	+56	44	68	84	103
Electrical apparatus.....	91	80	82	103	+	26	+ 13	+ 6	80	77	76	90
Motor vehicles.....	10	12	12	9	-	25	- 7	+16	12	12	13	11
Automobile parts and bodies.....	34	56	55	57	+	3	+ 68	+38	37	60	60	62
Locomotives and cars.....	20	25	27	30	+	11	+ 49	+41	21	26	29	32
Shipbuilding.....	122	191	197	224	+	14	+ 83	+58	125	187	205	229
Silk manufactures.....	89	74	78	87	+	11	- 2	- 15	87	79	81	85
Woolen and worsteds.....	72	75	78	69	-	11	- 4	+ 9	66	77	75	63
Cotton products.....	41	46	48	49	+	2	+ 19	+18	43	49	51	51
Carpets and rugs.....	124	109	117	118	+	1	- 5	+18	117	111	116	110
Hosiery.....	119	107	110	108	-	1	- 9	- 15	119	111	114	108
Underwear.....	133	126	135r	147	+	9	+ 10	+10	131	137	147r	144
Cement.....	44	20	35	54	+	56	+ 22	+ 2	44	14	27	53
Brick.....	33	36	35	42	+	20	+ 28	+24	35	34	35	44
Lumber and products.....	21	22	22	27	+	25	+ 27	+18	20	22	21	26
Bread and bakery products.....	.....	.....	.....	.....	-	2*	+ 0*	+ 5*	86	90	88	86
Slaughtering, meat packing.....	75	84	83	83	+	1	+ 11	+ 7	74	85	79	82
Sugar refining.....	89	79	47	95	+	102	+	7	+36	116	103	72
Canning and preserving.....	55	53	56	57p	+	2	+ 3	+ 4	47	49	50	50p
Cigars.....	92	101	90	97	+	8	+ 6	+12	84	85	83	89
Paper and wood pulp.....	60	63	62	66	+	6	+ 10	+ 6	61	63	64	67
Printing and publishing.....	85	87	84r	87	+	3	+ 2	+ 3	86	87	86	88
Shoes.....	148	137	134	129	-	4	- 13	- 1	148	144	142	129
Leather, goat and kid.....	120	103	106	114p	+	7	- 5	+ 1	116	111	105	110p
Explosives.....	65	81	76	75	-	2	+ 15	+14	66	81	76	76
Paints and varnishes.....	73	76	75	79	+	5	+ 8	+13	77	75	76	83
Petroleum products.....	128	144	145	147p	+	2	+ 14	+ 8	128	143	144	147p
Coke, by-product.....	79	95	93	103	+	10	+ 30	+18	82	100	97	107

* Computed from data unadjusted for seasonal variation.

p—Preliminary.

r—Revised.

