

THE BUSINESS REVIEW

THIRD FEDERAL
PHILADELPHIA



RESERVE DISTRICT
APRIL 1, 1937

FEDERAL RESERVE BANK OF PHILADELPHIA

FEDERAL RESERVE BANK
OF ST. LOUIS
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STATISTICAL DIVISION

Business and Banking Conditions in the United States

Volume of production, employment, and trade increased more than seasonally in February and wholesale prices of industrial commodities continued to advance.

Production and employment. The Board's index of industrial production, which makes allowance for changes in the number of working days and for usual seasonal variations, was 116 per cent of the 1923-1925 average in February as compared with 114 in January and an average of 115 in the last quarter of 1936. At steel mills activity continued to increase in February and the first three weeks of March and, although the growth was somewhat less than seasonal, output currently is at about the peak level reached in the summer of 1929. Automobile production, while fluctuating considerably with strikes at important plants, has been larger for the year to date than in the corresponding period last year. Output of plate glass in February showed a sharp rise from the low level of the two preceding months when strikes curtailed production. At textile mills and shoe factories activity continued at a high level, while output at meat packing

establishments declined somewhat further. Mineral production increased, reflecting chiefly greater output of coal and a further rise in crude petroleum production.

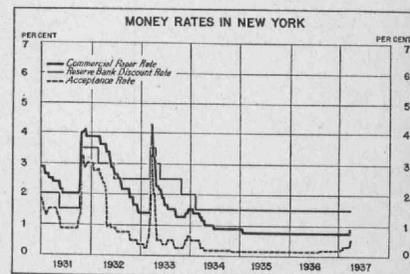
Value of construction contracts awarded this year, according to the F. W. Dodge Corporation, has been considerably larger than a year ago, reflecting an increased volume of private residential building and other types of private construction, while the volume of publicly-financed work has been smaller.

Factory employment and payrolls increased from the middle of January to the middle of February by more than the usual seasonal amount. The number employed in the machinery industries increased considerably and there were smaller increases at automobile and plate glass factories. In the nondurable goods industries as a group there was a seasonal rise in employment.

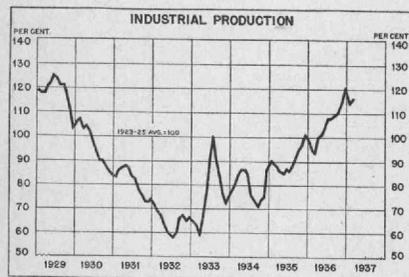
Distribution. Department store sales increased from January to February and the Board's seasonally adjusted index advanced from 93 to 95 per cent of the 1923-1925 average. Sales at variety stores also increased more

than seasonally, while mail order sales, largely in rural areas, showed less expansion than is usual at this time of year. Total freight-car loadings increased in February and the first half of March, owing in part to seasonal influences.

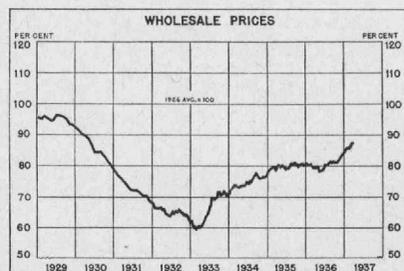
Commodity prices. The general level of wholesale commodity prices advanced from the middle of February to the third week of March, reflecting principally further substantial increases in the prices of industrial materials. Prices of iron and steel,



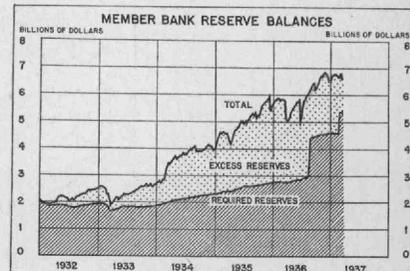
Minimum rate on rediscounts for and advances to member banks by Federal Reserve Bank, and weekly prevailing rates on prime commercial paper, 4 to 6 months, and prime bankers' acceptances, 90 days. For weeks ending January 3, 1931, to March 27, 1937.



Index of physical volume of production, adjusted for seasonal variation. By months, January 1929 to February 1937.



Index compiled by the United States Bureau of Labor Statistics. By months, 1929 to 1931; by weeks, 1932 to date. Latest figure is for week ending March 20, 1937.



Wednesday figures of total member bank reserve balances at Federal Reserve banks, with estimates of required reserves, January 6, 1932 to March 24, 1937.

nonferrous metals, lumber, cotton, rubber, and hides advanced considerably and there were also increases in the prices of cotton goods, paper, and furniture. Wheat prices have advanced in recent weeks following a decline in the latter part of February.

Bank credit. On March 1, when the first half of the recent increase in reserve requirements went into effect, excess reserves of member banks declined from \$2,100,000,000 to about \$1,300,000,000. In the next three weeks, which included the March tax collection period, excess reserves showed moderate fluctuations around the new

level. In connection with the increase in reserve requirements there were some withdrawals of bankers' balances from city banks but practically no borrowing by member banks from the reserve banks.

Holdings of United States Government obligations at reporting member banks in leading cities declined by \$280,000,000 in the four weeks ending March 17, a part of the decline reflecting large maturities of Treasury bills. Commercial loans increased further at reporting banks and on March 17 were above last year's high level reached on December 30. Loans

to brokers and dealers in securities increased sharply.

Money rates. Since the beginning of March the rate on 90-day bankers' acceptances advanced from 5/16 of 1 per cent to 9/16 of 1 per cent and commercial paper rose from a flat 3/4 per cent to a range of between 3/4 and 1 per cent.

Bond yields, which until recently had been near the extreme low point reached last December, advanced by between 1/4 and 1/2 per cent and on March 24 were at about the levels prevailing early in 1936.

Business and Banking Conditions in the Philadelphia Federal Reserve District

Industrial activity in the Philadelphia Federal Reserve District has been well maintained and lately improvement has been evident in certain lines, particularly those related to the durable goods industries. The increase in industrial production during February was fractionally smaller than usual but it continued substantially larger than in former years. Output of manufactures and bituminous coal increased, while production of crude oil and anthracite fuel decreased from the January level and in the case of the latter was considerably smaller than last year. The value of building contracts awarded for all types of construction continues noticeably larger than last year. Cash income of farmers is well sustained for this season and the acreage intended for planting to some of the principal crops is larger this year than last.

The number of workers in twelve branches of industry and trade and the

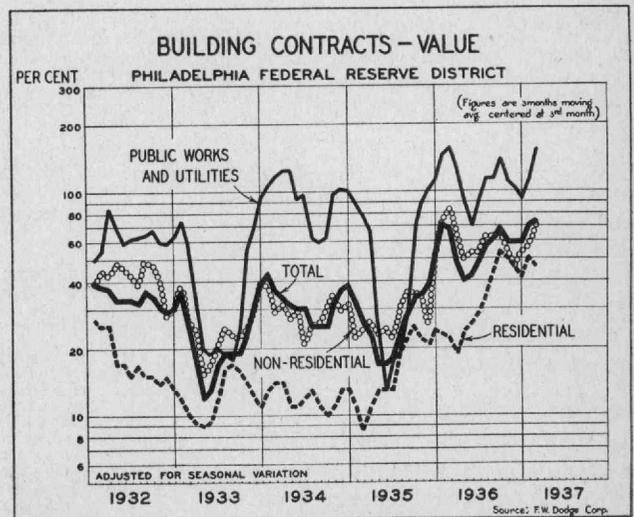
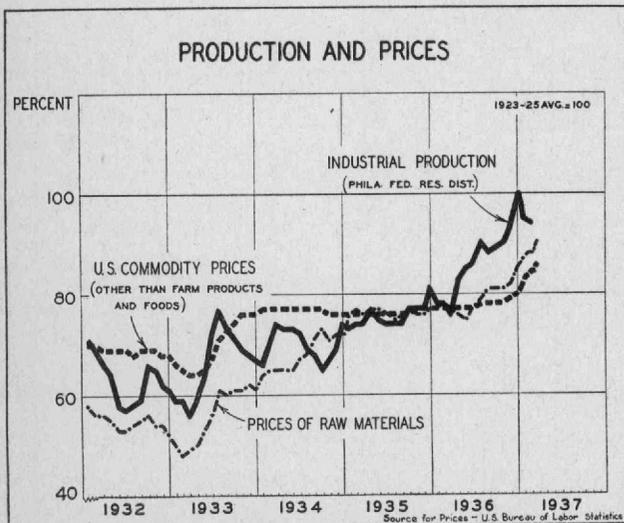
amount of their compensation increased from January to February and was substantially larger than a year ago as well as other recent years. Preliminary reports for March indicate that factory employment and payrolls increased more than seasonally.

The value of retail trade sales, while failing to maintain the usual seasonal level from January to February, was appreciably larger than last year. Business at wholesale establishments increased by about the customary seasonal proportion and continued materially in excess of last year, owing in part to higher prices. Sales of new passenger automobiles increased less than usual in February but were much larger than a year ago. Activity of commercial hotels increased both in the month and in the year. Shipments of commodities by rail, water and motor truck appear to have expanded considerably since the middle of February, although increases in freight car load-

ings in the first half of that month did not reflect the usual seasonal rate of activity.

Commodity prices have shown additional advances and in early March several commodities of importance to this district reached the highest levels in the post-war period. Recent increases have been especially pronounced in the case of industrial commodities. Retail food prices declined somewhat in the month but continued about 5 per cent above a year ago.

Manufacturing. Demand for factory products in this district continues active and the volume of sales has increased, particularly in the case of metal products, building materials, leather and shoes, paper, clothing, and rubber products. The volume of unfilled orders for durable and non-durable goods generally shows an additional expansion and in numerous instances future commitments have been growing more pronounced.



Business Indicators

Philadelphia Federal Reserve District

The majority of reporting concerns show further advances in prices of their finished products, owing principally to increased costs of raw materials and labor. The price index compiled by the Bureau of Labor Statistics for industrial commodities other than farm products and foods on March 20 reached 85.6 per cent of the 1926 average or the highest since early 1930. As shown by the accompanying chart, the advance has been almost continuous since the fall of last year, following rather narrow fluctuations over a period of nearly three years.

Stocks of finished products at reporting factories appear smaller than a year ago. With a few exceptions, goods produced currently seem to have been moving into the channels of consumption with a fair degree of regularity. The supply of raw materials is well maintained and on the whole the volume is noticeably larger than at the same time last year, reflecting principally improved business conditions. Withdrawals from warehouses and other sources have been active, indicating current purchases by factories with a consequent decline of stocks at source. The index of the Department of Commerce, including some of the most important raw commodities, at the end of January was 138 per cent of the 1923-25 average as compared with 144 a year before, a high of over 200 on the same date in 1934, and 148 in 1929.

Factory employment and payrolls expanded seasonally between January and February and continued at relatively high levels during March, early reports showing unusual increases since February. This is also substantially true of employee-hours actually worked. The current levels are the highest since 1929-30.

The index of factory employment in Pennsylvania reached almost 90 and the payroll index 94 per cent of the 1923-25 average. Our estimates show that manufacturing industries in this state in February employed approximately 967,000 wage earners and paid out in wages about \$23,900,000 a week. These figures represent gains over a year ago amounting to 16 per cent in employment and about 39 per cent in payrolls and working time.

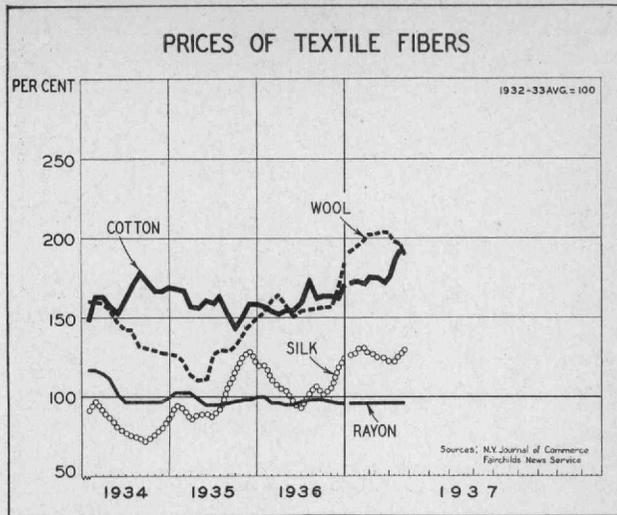
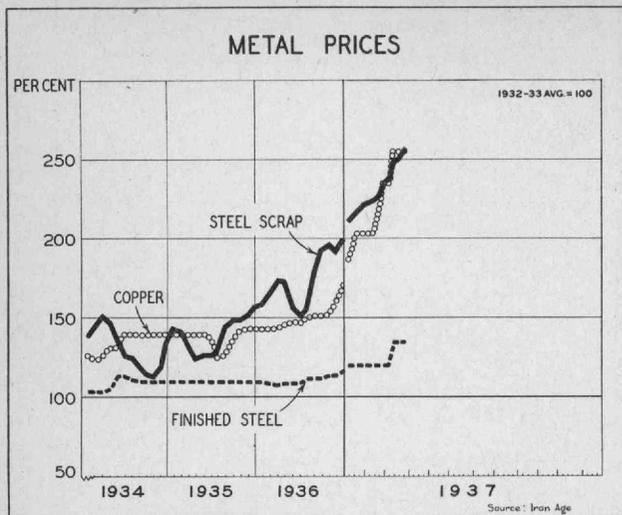
Factories in Delaware reported an increase of over 2 per cent in employment and payrolls between January and February. Compared with a year ago, the number of wage earners was 20 per cent larger and payrolls nearly 30 per cent greater. In the case of south-

	Index numbers: percentages of the 1923-1925 average as 100											
	Adjusted for seasonal variation						Not adjusted					
	Feb. 1936	Dec. 1936	Jan. 1937	Feb. 1937	Per cent change		Feb. 1936	Dec. 1936	Jan. 1937	Feb. 1937		
					Month ago	Year ago					Feb. 1937 from 2 mos. 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	79r	100	95	94p	- 0	+ 19	+ 21	81r	96	93	96p	
DURABLE GOODS	74r	98	94	94p	+ 0	+ 28	+ 26	75	94	92	95p	
CONSUMERS' GOODS	85	104	98	99p	+ 1	+ 17	+ 17					
Metal products	65r	109	104	100	- 4	+ 54	+ 50	66r	104	101	102	
Textile products	80	109	100	100p	+ 1	+ 25	+ 23	86	105	102	107p	
Transportation equipment	62	73	82	84	+ 2	+ 36	+ 32	63	73	82	85	
Food products	73	77	78	76p	- 3	+ 4	+ 6	73	76	76	75p	
Tobacco and products	101	111	101	108	+ 7	+ 6	+ 11	85	81	84	91	
Building materials	25	49	42	48	+ 15	+ 89	+ 80	23	45	36	42	
Chemicals and products	109	129	131	132p	+ 1	+ 21	+ 21	109	127	128	132p	
Leather and products	120	141	135	143p	+ 6	+ 20	+ 12	127	134	140	152p	
Paper and printing	83	94	92	93	+ 2	+ 12	+ 12	83	95	92	93	
Coal mining	97r	75	58	54p	- 7	- 44	- 33	104r	74	64	59p	
Anthracite	100r	73	56	50p	- 11	- 50	- 40	107r	72	61	54p	
Bituminous	70	88	76	87	+ 15	+ 25	+ 20	76	92	86	95	
Crude oil	395	487	496	467	- 6	+ 18	+ 17	395	458	476	467	
Electric power												
Output	217	237	236	236	+ 0	+ 9	+ 9	230	254	250	250	
Sales, total	214	231	234	240	+ 2	+ 12	+ 11	231	238	241	259	
Sales to industries	163	176	185	185	- 0	+ 14	+ 18	161	167	180	183	
Employment and wages—Pa.												
Factory—Wage earners					+ 2*	+ 16*	+ 15*	77	88	88	90	
Payrolls					+ 5*	+ 39*	+ 37*	67	91	89	94	
Man-hours (1927-28=100)					+ 5*	+ 38*	+ 37*	69	96	91	95	
General (1932=100)												
Employment					+ 1*	+ 14*	+ 13*	106	125	119	120	
Payrolls					+ 4*	+ 28*	+ 28*	135	176	167r	173	
Building and real estate												
Contracts awarded—total	68	59	71	74	+ 4	+ 8	+ 26	55	54	55	60	
Residential	22	41	51	46	- 10	+ 105	+ 135	17	39	40	36	
Non-residential	84	53	57	71	+ 24	- 15	- 6	72	48	52	61	
Public works and utilities	156	94	112	154	- 38	- 1	+ 27	126	110	106	125	
Permits for building—17 cities	9	20	24	29p	+ 20	+ 242	+ 171	7	14	14	23p	
Real estate deeds—Philadelphia	37	39	29	25	- 12	- 31	- 32	37	38	27	25	
Writs for Sheriff sales—Phila.	487	905	504	461	- 9	- 5	- 15	497	923	580	470	
Distribution												
Retail trade—sales	70	84	84	80	- 5	+ 14	+ 14	55	138	63	63	
stocks	68	76	79	81	+ 1	+ 19	.....	65	72	71	77	
Wholesale trade—sales	84	94	106	106p	- 0	+ 26	+ 26	76	108	91	97p	
stocks	68	74	78	80p	+ 2	+ 17	.....	68	69	77	79p	
Life insurance sales	88	95	106	100	- 5	+ 14	+ 4	101	99	94	115	
New passenger auto. registrations	74	323	182	147	- 19	+ 98	+ 69	55	174	98	109	
Hotels—Occupancy					+ 6*	+ 13*	+ 10*	112	111	121	128p	
Income, total					+ 3*	+ 12*	+ 8*	119	136	131	134p	
Freight car loadings—total	64	83	84	80	- 5	+ 25	+ 16	62	74	72	73	
Merchandise and miscellaneous	60	83	82	80	- 3	+ 34	+ 25	55	72	71	73	
Coal	84	78	75	75	+ 0	- 10	- 6	92	83	81	82	
Business liquidations												
Number					- 7*	+ 20*	- 21*	48	49	62	58	
Amount of liabilities					- 14*	+ 1*	- 21*	30	18	35r	30	
Payment of accounts												
Check payments	86	97	95	92	- 3	+ 8	+ 5	86	104	97	93	
Rate of collections (actual)												
Retail trade	31	30	28	29	+ 3	- 6	.....	30	30	33	28	
Wholesale trade	75	76	79	78	- 0	+ 4	.....	70	81	77	73	
Prices—United States												
WHOLESALE (1926=100)					+ 0*	+ 7*	+ 7*	81	84	86	86	
Farm products					+ 0*	+ 15*	+ 16*	79	88	91	91	
Foods					+ 0*	+ 5*	+ 4*	83	85	87	87	
Other commodities					+ 1*	+ 6*	+ 6*	79	82	83	84	
RETAIL FOOD					- 0*	+ 4*	+ 4*	81	83	85	84	
Philadelphia					- 2*	+ 4*	+ 5*	83	86	88	86	
Scranton					- 1*	+ 4*	+ 4*	78	81	82	81	

(In millions of dollars)	Feb. 1936	Nov. 1936	Dec. 1936	Jan. 1937	Feb. 1937	% change from	
						Month ago	Year ago
Banking and credit							
Federal Reserve Bank							
Bills discounted	$ (a)	$ (a)	$ (a)	$ (a)	\$ (a)	.....	.....		
Other bills and securities	184	214	214	200	199	- 1	+ 8
Member bank reserves	283	397	383	387	365	- 6	+ 29
Reserve ratio (per cent)	71.4	73.3	73.1	75.0	74.3	- 1	+ 4
Reporting member banks							
Loans to customers	\$ 398	\$ 413	\$ 413	\$ 415	\$ 411	- 1	+ 3
Other loans and investments	746	763	769	778	776	- 0	+ 4
Total deposits (adjusted)	1,369	1,480	1,478	1,483	1,437	- 3	+ 5
Bankers' acceptances outstanding	12.2	13.1	13.5	13.8	15.0	+ 9	+ 23

* Computed from data unadjusted for seasonal variation.
 † 3-month moving daily average centered at 3rd month.
 (a) Less than \$700,000.

p—Preliminary. r—Revised.
 ‡ Not included in production index.



ern New Jersey, a slight seasonal decline occurred in the month but in comparison with last year employment was 10 per cent larger and payrolls 18 per cent greater. Figures for this district as a whole indicate that manufacturing industries in the first two months this year on the average employed 15 per cent more wage earners and their wage payments were 35 per cent larger than in the first two months last year.

Output of manufactures increased seasonally during February and showed further expansion in early March. This bank's index of productive activity, which is adjusted for the number of working days and seasonal changes, in February continued at 94 per cent of the 1923-25 average or the highest level since 1930 with the exception of last December.

The group comprising industries manufacturing durable goods maintained slightly more than its seasonal level between January and February. Improvement in the production of building materials and certain lines of transportation equipment offset such seasonal losses as were sustained by some of the primary and secondary metals. Early reports for March, however, show a considerable expansion of activity in this group as a whole, as indicated by the volume of unfilled orders and rate of operation.

The average rate of productive activity in the first two months this year was 26 per cent larger than in the same period last year. The level of output of durable goods in this period showed a gain of 46 per cent while that of consumers' goods 17 per cent. By far the greatest expansion over last year occurred in production of building materials, metal products, and transportation equipment.

Production of electric power in February continued at about the same high level as in the preceding month. Total consumption of electricity also has been fluctuating around the largest quantity in many years. Purchases of electrical energy by industry, the largest consumer of this energy, during February about equalled the volume used in the preceding month.

Coal and other fuels. Anthracite production thus far this year shows a marked decline in comparison with other years. Output of collieries decreased in February and was nearly 50 per cent below that of a year earlier. In fact, production was the smallest of any month since August 1935 with the exception of last March, when widespread floods restricted mine operations. Owing largely to mild weather, demand for this fuel by householders has been unusually curtailed, as evidenced in part by a sharp decline in shipments.

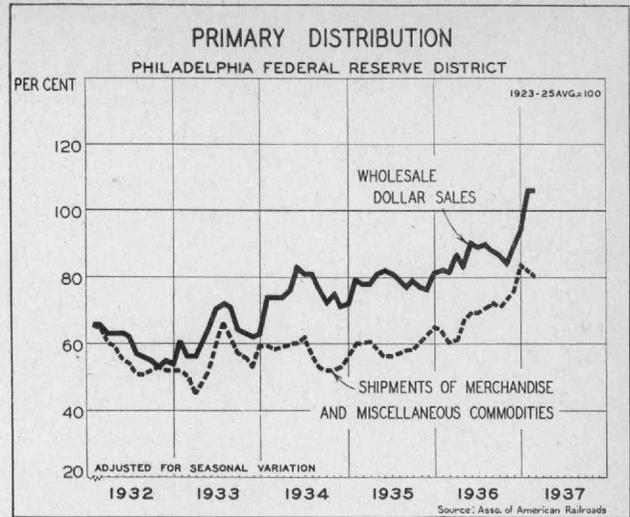
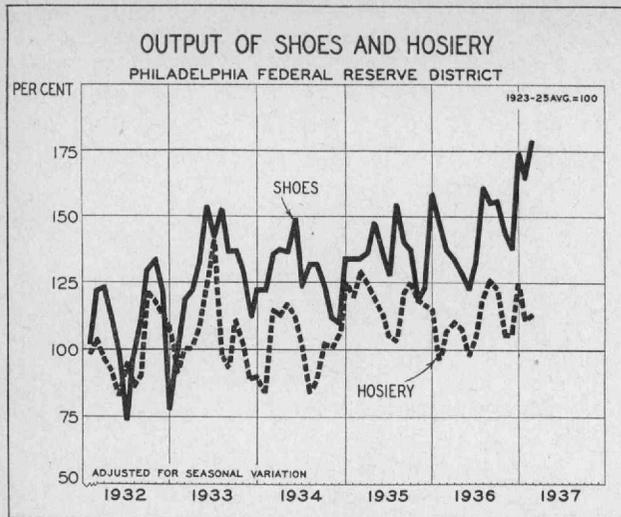
On the other hand, the market for Pennsylvania bituminous coal since the turn of the year has been much more active than was the case in the early months of 1936. Sales to industrial consumers, including railroads, public utilities and manufacturing plants have been increasing steadily for several months and at present are substantially larger than a year ago. Output of mines increased sharply in February and was the largest for that month since 1929. In early March production continued in about the same volume as in February. In recent months shipments of soft coal from this section have expanded considerably, the number of cars loaded being close to the average for the year 1928.

(Output and shipment figures are daily averages)	Feb. 1937	Per cent change from	
		Month ago	Year ago
Anthracite			
Production tons	143,300	-11	-50
Shipments tons	138,295	-15	-48
Prices (1926=100)	81.6	0	-1
Employment No.	94,506	-3	-14
Bituminous			
Production tons	452,900	+10	+25
Shipments No. cars	31,712	+5	-2
Prices (1926=100)	97.4	+1	-3
Employment No.	136,158	+1	+6
Coke			
Prod. (1923-25=100)	131.7	+1	+32
Prices (1926=100)	97.6	0	+4
Gas and fuel oil			
Prod. (1923-25=100)	160.2*	+5	+9
Prices (1926=100)	66.8	-4	-4

Sources: Bureau of Mines and Bureau of Labor Statistics. * Estimated.

Output of bi-product coke increased less than usual in February; production of gas and fuel oils expanded further, continuing an upward trend that has been very pronounced since the fall of last year. Compared with a year ago, coke production was 32 per cent greater and that of gas and fuel oils showed a gain of about 9 per cent.

Building. The value of building contracts awarded in this district in February amounted to nearly \$17,300,000, a gain of 41 per cent over a month before and an increase of 84 per cent as compared with a year ago. The improvement in the month reflected a sharp rise in the dollar volume of contracts let for public works and utilities and non-residential structures other than commercial buildings. Awards for one and two-family dwellings were considerably smaller than in January, when they were the largest for that month since 1929, but were nearly double those a year ago. In the first two months this year the value of all contract awards exceeded that of any like period in the past seven years.



Building contracts Philadelphia Federal Reserve District	February 1937 (000's omitted)	Per cent change	
		From month ago	1937 from 2 mos. 1936
Residential	\$ 3,350	- 31	+135
Apts. and hotels.....	264	- 56	+200
Family houses.....	3,086	- 28	+129
Non-residential	7,094	+ 59	- 6
Commercial.....	1,585	- 10	+ 43
Factories.....	1,326	+ 34	+243
Educational.....	1,578	+ 76	- 60
All other.....	2,605	+218	+ 14
Total buildings.....	\$10,444	+ 12	+ 26
Public works and utilities.....	6,848	+134	+ 27
Grand total.....	\$17,292	+ 41	+ 26

Source: F. W. Dodge Corporation.

Demand for building materials, including lumber, cement, electrical supplies and plumbing fixtures, has been more active lately, reflecting in part seasonal influences. The number of wage earners employed in Pennsylvania plants producing materials of importance in building and construction increased slightly in February, following a downward trend for about four months. The index of employment in these establishments was 70.2, relative to the 1923-1925 average, compared with 68.6 in January and 55.7 a year ago. This index registered a low of 39 in February 1933 and a record high of 107 in 1923.

Wholesale prices of building materials in the country have advanced further in recent weeks, continuing an upward trend since about the middle of last year. Higher quotations for lumber, structural steel, brick and certain unclassified materials have contributed largely to the increases of late. The Bureau of Labor Statistics' index for the week ended March 20 was 96.2 per cent of the 1926 average, or 4 per cent higher than a month before and 13 per cent above a year

earlier. This was the peak level reached thus far in the recovery period and compared with a depression low of about 70 four years ago.

Distribution, trade and service. The value of retail trade sales in this district in February was 14 per cent larger this year than last, all reporting lines continuing to show improvement over a year ago; increases ranged from 11 per cent at department and shoe stores to 21 per cent at credit stores. In the first two months this year total dollar sales exceeded those of a year earlier by 14 per cent; the sharpest gain in this interval was that of 38 per cent at credit stores which deal chiefly in furniture and other household equipment.

Sales in the aggregate decreased about one per cent from January to February, although usually there is an increase in this period; consequently our seasonally adjusted index measuring the combined sales of department, apparel, shoe and credit stores declined to 80 per cent of the 1923-25 average in February from 84 a month earlier. At department stores a gain of 5 per cent from January to February corresponded closely to the usual seasonal change and the decrease in the case of women's apparel was smaller than customary, but in other lines the dollar volume of sales compared less favorably with January.

Business at wholesale in February continued substantially greater than in the same month last year, the combined figures covering eight important branches registering an increase of 26 per cent in dollar sales. Gains over a year ago of approximately one-third or more occurred in all lines except groceries and drugs. The increase of 6 per cent in total sales from January to

February was of about the usual proportion, so that our seasonally adjusted index for February remained at 106 per cent of the 1923-25 average. There was improvement in the sale of groceries, hardware, jewelry and paper, but sales in other lines did not maintain their customary levels.

Inventories of merchandise in both channels of trade increased a little more than they usually do in February and at the end of that month were substantially larger than a year earlier. Thus far this year the rate of stock turnover in retail lines has been much the same as in the first two months of 1936; at wholesale establishments, on the other hand, sales increased more sharply than did stocks of goods, so that the turnover was 15 per cent more rapid this year than last.

Owing to less than seasonal gains in the first half of the month, shipments of commodities by railroad freight in February increased by a smaller percentage than usual, after continuing at higher than seasonal levels since early last fall. Loadings expanded in the last two weeks of the month and in the first half of March. Rail shipments consisting largely of manufactures originating in the Philadelphia industrial area also increased less than they usually do in February but showed some gain in the first half of March, when they were the largest in several years.

Sales of new passenger automobiles in this district expanded in February by a smaller percentage than was to be expected, but were nearly double those of a year earlier. Although the number of new units sold in the first two months this year showed a marked decline from the relatively high levels reached in the closing months of 1936,

it exceeded that of any like period on record.

Business at non-resort commercial hotels improved in February, although there was a further decrease in revenue from food. Compared with a year ago both room occupancy and total revenue registered substantial increases. Details follow:

Hotel business Philadelphia Federal Reserve District	Feb., per cent change from		1937 from 2 mos. 1936
	Month ago	Year ago	
Capacity.....	-0	-1	.....
Room occupancy.....	+6	+13	+10
Per cent of capacity used:			
Feb. 1937.....	56.3		
Jan. 1937.....	57.9		
Feb. 1936.....	47.5		
Income from:			
Guest rooms.....	+7	+17	+12
Food.....	-3	+7	+4
Other sources.....	+5	+9	+5
Total revenue.....	+3	+12	+8

Banking conditions. Reserve balances of member banks in this district averaged 383 millions over the first half of March. While this represented an increase of 20 millions over the average for the last thirteen days of February, the excess over requirements declined from 125 to 105 millions, owing to an increase of one-sixth in percentages of required reserves which went into effect on March 1. In the latest period reserves of Philadelphia banks were 39 per cent in excess of requirements and those of banks outside of this city were 35 per cent in excess.

Member bank reserve deposits Phila. Fed. Res. District (Millions of dollars)	Averages of daily figures		
	Mar. 1936	Feb. 16-28, 1937	March 1-15, 1937
On deposit at reserve bank:			
Philadelphia banks.....	201.7	238.3	247.0
Country banks.....	93.5	125.3	136.2
Total.....	295.2	363.6	383.2
Excess over requirements:			
Philadelphia banks.....	106.6	86.0	69.6
Country banks.....	42.9	39.5	35.7
Total.....	149.5	125.5	105.3

In the four weeks from February 17 to March 17 member bank reserves increased 15 millions. This was due largely to a favorable balance of 60 millions in commercial and financial transactions with other districts. The substantial size of this balance may have been due in part to the recall of funds held with correspondents. A flow of funds to this district in connection with tax payments to state and Federal treasuries also may have been reflected. The influence of sums so gained upon reserve balances was partly offset by several other factors, chief among which was a 36 million excess of Treasury receipts over

expenditures. The Government continued to disburse substantial amounts in connection with work relief as well as its many other activities and also made large interest payments on the public debt, but its receipts were greatly augmented by income taxes, unemployment insurance funds, and amounts withdrawn from depository banks. The only other factors of consequence tending to reduce member bank reserves were a decrease in reserve bank float and an increase of 3 millions in currency demand.

Federal Reserve Bank of Philadelphia (Dollar figures in millions)	March 17, 1937	Changes in—	
		Four weeks	One year
Bills discounted.....	\$ 0.7	+\$ 0.1	+\$ 0.2
Bills bought.....	0.3	+ 0.0	- 0.2
Industrial advances.....	4.2	- 0.1	- 1.2
United States securities.....	194.8	0	+ 17.7
Total bills and securities.....	\$200.0	+\$ 0.0	+\$16.5
Federal res. note circulation.....	306.0	+ 0.9	+ 29.0
Member bank reserve deposits.....	381.5	+ 14.9	+101.3
U. S. Treasurer—general account.....	0.6	- 11.7	- 43.7
Foreign bank deposits.....	8.6	- 2.2	+ 2.5
Other deposits.....	1.9	+ 0.2	- 0.0
Total reserves.....	520.8	+ 8.0	+ 70.0
Reserve ratio.....	74.6%	+ 1.0%	+ 0.6%

Reporting member banks in leading cities accounted for only 6 millions of the increase in reserve balances with the Federal Reserve Bank. Their figures show decreases aggregating 18 millions in Government and interbank deposits, but the effect of this upon reserves was more than offset by funds derived from an increase of 6 millions in deposits held for individuals, partnerships and corporations, the repayment by customers of 6 millions of loans, and a reduction of 7 millions in balances held with other banks. Open market loans and investments changed little in total, for a rise of 7 millions in holdings of obligations fully guaranteed by the Federal Government was accompanied by declines aggregating 8 millions in other classifications, most of

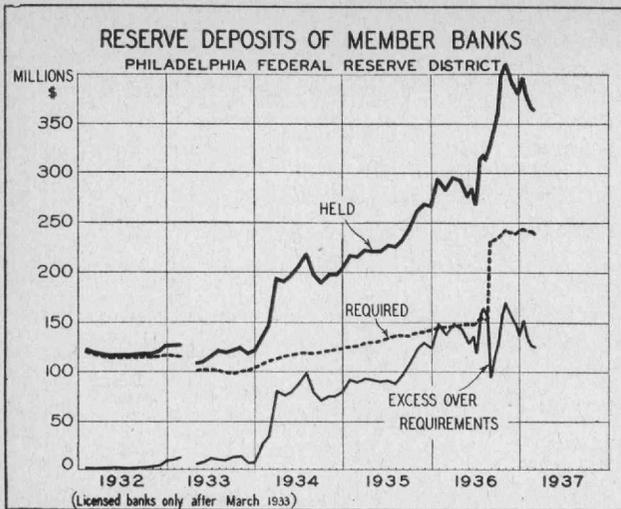
MEMBER BANK RESERVES AND RELATED FACTORS

Philadelphia Federal Reserve District (Millions of dollars)	Changes in weeks ending—				Changes in four weeks
	Feb. 24	Mar. 3	Mar. 10	Mar. 17	
Sources of funds					
Reserve bank credit extended in district.....	-5.6	+ 0.7	- 1.7	+ 1.1	- 5.5
Commercial transfers (chiefly interdistrict).....	+5.3	+18.9	+26.7	+ 9.7	+60.6
Treasury operations.....	-6.7	+ 1.9	-18.9	-12.7	-36.4
Total.....	-7.0	+21.5	+ 6.1	- 1.9	+18.7
Uses of funds					
Currency demand.....	+1.9	- 1.0	+ 0.5	+ 1.8	+ 3.2
Member bank reserve deposits.....	-8.0	+22.4	+ 5.3	- 4.8	+14.9
"Other deposits" at reserve bank.....	-0.8	+ 0.3	+ 0.1	+ 0.6	+ 0.2
Unexpended capital funds of reserve bank.....	-0.1	- 0.2	+ 0.2	+ 0.5	+ 0.4
Total.....	-7.0	+21.5	+ 6.1	- 1.9	+18.7

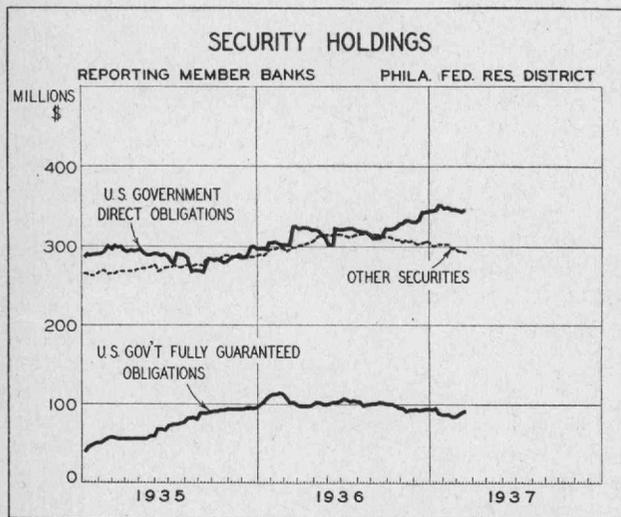
Reporting member banks (000,000's omitted)	March 17, 1937	Changes in	
		Four weeks	One year
Assets			
Loans to brokers and dealers:			
In New York City.....	\$ 9	.....	-\$ 1
Outside New York City.....	18	-\$1	- 2
Loans on securities to others (except banks).....	135	- 2	- 13
Acceptances and commercial paper bought.....	30	- 2	+ 9
Loans on real estate.....	63	.....	- 3
Loans to banks.....	2	.....	- 1
Other loans.....	188	- 3	+ 19
Total loans.....	\$ 445	-\$8	+\$ 8
U. S. Government securities	346	- 1	+ 20
Obligations fully guaranteed by U. S. Gov't.....	92	+ 7	- 10
Other securities.....	293	- 5	- 6
Total loans and invest- ments.....	\$1,176	-\$7	+\$12
Reserve with Federal Re- serve Bank.....	255	+ 6	+ 60
Cash in vault.....	15	- 1	+ 1
Balances with other banks.....	138	- 7	- 32
Other assets—net.....	90	+ 1	+ 4
Liabilities			
Demand deposits, adjusted.....	\$ 830	+\$4	+\$80
Time deposits.....	262	+ 2	- 8
U. S. Government deposits	29	- 6	- 28
Interbank deposits.....	301	-12	- 7
Borrowings.....	25	.....	+ 5
Other liabilities.....	25	+ 4	.....
Capital account.....	227	.....	+ 3

which was in miscellaneous securities. The falling off in loans to customers was equally divided between those made on securities and the unclassified, so-called "commercial" loans, there being negligible changes in loans on real estate or in those made to banks. The decrease during the four-week period from 191 to 188 millions in commercial loans contrasts with an increase from 4,130 to 4,318 millions in those of reporting banks in 101 leading cities of the country. Locally these loans continued 11 per cent above a year ago, but this was much less than the 26 per cent increase recorded at banks in 101 cities.

Outstanding acceptances of banks in this district in May of last year amounted to only \$10,600,000, the lowest point since the spring of 1933. Over the last nine months the trend has been distinctly upward, so that at the end of February \$15,000,000 was outstanding. This was 23 per cent greater than a year earlier.



Latest figures: averages for February 16-28, 1937.



Employment and Payrolls in Pennsylvania

(All figures are rounded from original data)

Manufacturing Indexes

	Employment*			Payrolls*			Employe-hours†	
	Feb. 1937 index	Per cent change from		Feb. 1937 index	Per cent change from		Feb. 1937—per cent change from	
		Feb. 1936	Jan. 1937		Feb. 1936	Jan. 1937	Feb. 1936	Jan. 1937
All manufacturing.....	90	+16	+2	94	+39	+5	+38	+5
Iron, steel and products . . .	84	+27	+2	102	+63	+4	+52	+4
Non-ferrous metal prods. . .	125	+18	+5	139	+33	+6	+26	+6
Transportation equip. . .	68	+19	-1	68	+34	+4	+39	+4
Textiles and clothing . . .	110	+11	+1	102	+23	+5	+23	+5
Textiles	104	+11	+1	99	+24	+5	+24	+4
Clothing	129	+11	+4	113	+17	+7	+15	+6
Food products	102	+2	-1	99	+9	0	+5	-1
Stone, clay and glass	85	+21	+19	81	+45	+28	+39	+19
Lumber products	59	+8	-6	51	+35	-2	+32	-0
Chemicals and products . . .	94	+9	+1	97	+27	+2	+30	+0
Leather and products	97	+5	+2	99	+20	+6	+21	+8
Paper and printing	98	+8	+1	99	+16	+3	+14	+3
Printing	93	+9	+1	95	+12	+2	+11	+2
Others:								
Cigars and tobacco	62	-5	+7	52	+8	+13	+2	+17
Rubber tires, goods	94	+30	+6	102	+69	+8	+47	+6
Musical instruments	54	+4	+1	49	+13	+6	+21	+6

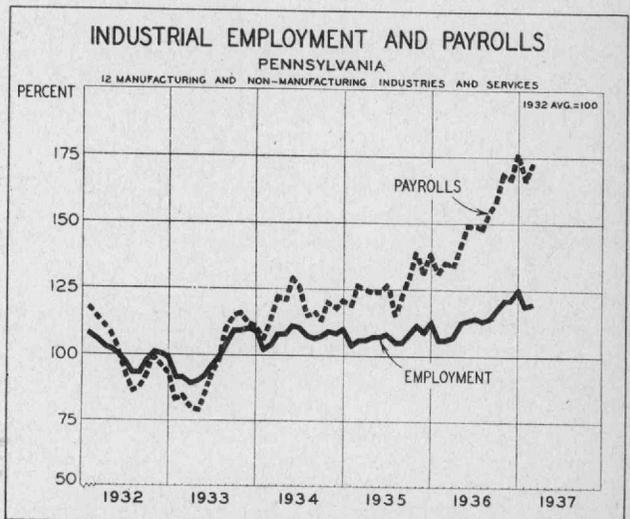
* Figures from 2303 plants.

† Figures from 2062 plants.

General Index Numbers

Covering twelve branches of trade and industry

	Employment			Payrolls		
	Feb. 1937 index	Per cent change from		Feb. 1937 index	Per cent change from	
		Feb. 1936	Jan. 1937		Feb. 1936	Jan. 1937
General index (weighted) . . .	120	+14	+1	173	+28	+4
Manufacturing	141	+16	+2	228	+39	+5
Anthracite mining	85	-14	-3	77	-47	-4
Bituminous coal mining	129	+6	+1	249	+22	+10
Building and construction . . .	69	+59	-3	80	+88	-4
Quarrying and non-met. mining	109	+42	+2	204	+102	+10
Crude petroleum producing . . .	161	-17	0	179	-2	+6
Public utilities	92	+5	-0	98	+2	+1
Retail trade	110	+9	-1	120	+15	-1
Wholesale trade	121	+14	+5	117	+15	+4
Hotels	110	+6	+3	120	+12	+3
Laundries	99	+6	-3	107	+14	-2
Dyeing and cleaning	95	+11	-1	90	+14	-7



City areas*	Percentage change—February 1937 from February 1936				
	Manufacturing		Building permits (value)	Debits	Retail trade sales
	Employment	Wage payments			
Allentown	+21	+51	+267	+25	+15
Altoona	+6	+25	+33	+21	+18
Harrisburg	+13	+46	+423	+12	+8
Johnstown	+64	+124	+2241	+36	+15
Lancaster	+17	+30	+30	+41	+25
Philadelphia	+12	+26	+263	+0	+14
Reading	+15	+37	-32	+24	+11
Scranton	+16	+17	+2366	-1	+3
Trenton	+14	+27	+1476	+3	+18
Wilkes-Barre	+2	+18	-28	-2	+3
Williamsport	+13	+24	+34	+6	.....
Wilmington	+16	+29	+288	+4	+29
York	+5	+19	+329	+21	.....
	February 1937 from January 1937				
Allentown	+3	+7	+22	-14	+5
Altoona	-3	+3	+13	-14	+0
Harrisburg	+2	+4	+14	-17	+3
Johnstown	+3	+4	+119	-8	+27
Lancaster	+2	+2	+52	+0	-3
Philadelphia	+0	+2	+51	-13	+2
Reading	+2	+8	+32	-13	+6
Scranton	+2	+7	+240	-18	+5
Trenton	+2	+2	+60	-7	+6
Wilkes-Barre	+1	+6	+24	-21	-1
Williamsport	+0	+0	+60	-16	.....
Wilmington	+2	+2	+117	-42	+10
York	-5	-6	-34	-13	.....

* 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 as 100										
	Adjusted for seasonal variation						Not adjusted				
	Feb. 1936	Dec. 1936	Jan. 1937	Feb. 1937	Per cent change			Feb. 1936	Dec. 1936	Jan. 1937	Feb. 1937
					Feb. 1937 from		1937 from 2 mos. 1936				
Month ago		Year ago									
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	84	84	80	- 5	+ 14	+ 14	55	138	63	63
Department.....	68	76r	75	75	- 0	+ 11	+ 13	51	137r	54	57
Men's apparel.....	65	74	79	77	- 3	+ 18	+ 15	53	124	74	62
Women's apparel.....	94	115	104	107	+ 3	+ 14	+ 22	69	173	93	79
Shoe.....	67	77	83	74	-10	+ 11	+ 10	51	98	65	56
Credit.....	68r	95r	98r	82	-17	+ 21	+ 38	61r	146r	65r	73
Stocks of goods											
Total of all stores.....	68	76	79	81	+ 1	+ 19	.....	65	72	71	77
Department.....	54	57	60	63	+ 5	+ 17	.....	51	55	53	60
Men's apparel.....	62	78	92	69	-25	+ 11	.....	61	80	72	68
Women's apparel.....	98	109	118	123	+ 4	+ 25	.....	92	101	101	116
Shoe.....	73	67	65	72	+10	- 1	.....	67	63	59	66
Credit.....	82r	101r	100	107	+ 7	+ 31	.....	80r	94r	95	105
Rate of stock turnover 2 months (actual, not indexes).....							- 2*	0.55			0.54
Wholesale trade											
Sales											
Total of all lines.....	84	94	106	106p	- 0	+ 26	+ 26	76	108	91	97p
Boots and shoes.....	52	43	81	69	-16	+ 33	+ 34	37	41	50	49
Drugs.....	96	106	119p	112p	- 5	+ 16	+ 22	98	108	122p	115p
Dry goods.....	50r	57	73	72	- 1	+ 44	+ 46	42r	59	59	61
Electrical supplies.....	75r	95	149p	138p	- 7	+ 84	+ 80	67r	158	100p	123p
Groceries.....	123r	128	127	132	+ 4	+ 7	+ 8	114r	129	118	123
Hardware.....	42	69	53	57	+ 8	+ 35	+ 31	34	75	42	46
Jewelry.....	41	62	54	56	+ 2	+ 36	+ 41	29	126	31	39
Paper.....	69	91	85	92	+ 8	+ 33	+ 27	68	87	88	90
Stocks of goods											
Total of all lines.....	68	74	78	80p	+ 2	+ 17	.....	68	69	77	79p
Boots and shoes.....	33	44	36	33	- 8	+ 1	.....	39	34	37	40p
Drugs.....	110	121	104p	109p	+ 5	- 1	.....	112	114	102	111
Dry goods.....	42r	44	49	50	+ 2	+ 20	.....	40r	38	46	48
Electrical supplies.....	106r	133	178p	174p	- 2	+ 65	.....	100r	119	169p	164p
Groceries.....	66r	72r	74r	76	+ 2	+ 15	.....	68r	74r	77r	79
Hardware.....	69	69	74	78	+ 5	+ 12	.....	71	65	75	80
Jewelry.....	68	66	56	59	+ 6	- 13	.....	60	53	49	52
Paper.....	65	61	64	68	+ 6	+ 5	.....	64	59	63	67
Rate of stock turnover 2 months (actual, not indexes).....							+ 15*	0.87			1.00
Output of manufactures											
Pig iron.....	34	65	75	70	- 7	+103	+ 88	35	65	73	72
Steel.....	60	102	100	96	- 4	+ 61	+ 56	63	96	98	101
Iron castings.....	50	80	79	79	+ 0	+ 57	+ 38	51	74	72	81
Steel castings.....	60	123	119	113	- 5	+ 87	+ 88	68	118	126	127
Electrical apparatus.....	83r	132	120	115	- 4	+ 39	+ 39	80r	128	113	111
Motor vehicles.....	12	26	21	25	+19	+114	+ 70	12	21	19	26
Automobile parts and bodies.....	56	88	78	68	-12	+ 22	+ 13	60	86	77	73
Locomotives and cars.....	25	37	40	42	+ 5	+ 65	+ 61	26	37	39	43
Shipbuilding.....	191	169	231	245	+ 6	+ 28	+ 30	187	178	235	240
Silk manufactures.....	74	106	101r	102	+ 1	+ 37	+ 25	79	108	103r	108
Woolen and worsteds.....	75	97	86	87	+ 1	+ 15	+ 17	77	90	87r	89
Cotton products.....	44r	60	64	61	- 5	+ 39	+ 37	47r	64	65	65
Carpets and rugs.....	109	182	171	181	+ 6	+ 66	+ 57	111	172	160	184
Hosiery.....	107	125	111	113	+ 2	+ 6	+ 11	111	121	116	117
Underwear.....	126	156	148	148	- 0	+ 17	+ 22	137	154	146r	161
Cement.....	21r	64	40	61	+52	+188	+161	15r	53	28	43
Brick.....	36	58	58	60	+ 4	+ 68	+ 62	34	56	54	58
Lumber and products.....	22	35	34	34	+ 0	+ 52	+ 51	22	34	31	33
Bread and bakery products.....					+ 2*	- 0*	- 0*	90	90	88	90
Slaughtering, meat packing.....	84	90	88	92	+ 4	+ 9	+ 6	85	96	96	92
Sugar refining.....	79	58	119	52	-56	- 34	- 13	103	37	82	68
Canning and preserving.....	53	63	61	60p	- 2	+ 14	+ 17	49	64	60	56p
Cigars.....	101	110	100	107	+ 7	+ 6	+ 6	85	79	82	89
Paper and wood pulp.....	63	72	75r	75	+ 0	+ 18	+ 17	63	73	74	75
Printing and publishing.....	87	98	95r	97	+ 2	+ 12	+ 11	87	99	95r	97
Shoes.....	137	174	165	179	+ 9	+ 30	+ 21	144	148	168	188
Leather, goat and kid.....	103	110	107	109p	+ 3	+ 6	- 3	111	120	113	118p
Explosives.....	81	107	86r	85	- 1	+ 5	+ 6	81	106	86r	85
Paints and varnishes.....	76	90	97r	91	- 6	+ 19	+ 20	75	87	87	89
Petroleum products.....	144	159	167	176p	+ 6	+ 23	+ 21	143	158	165	174p
Coke, by-product.....	95	134	130	125	- 3	+ 32	+ 29	100	130	130	132

* Computed from data unadjusted for seasonal variation.

p—Preliminary.

r—Revised.

