

THE BUSINESS REVIEW

THIRD FEDERAL
PHILADELPHIA



RESERVE DISTRICT
MAY 1, 1937

FEDERAL RESERVE BANK OF PHILADELPHIA

Business and Banking Conditions in the United States

In March industrial activity continued to increase and payrolls at factories and mines showed a substantial rise. Prices of basic commodities after advancing rapidly in March declined in the first half of April.

Production and employment. Industrial production increased from February to March and the Board's seasonally adjusted index advanced from 116 per cent of the 1923-1925 average to 118 per cent. The rise reflected a sharp increase in output of minerals, chiefly coal, and an increase of somewhat more than the usual seasonal amount in manufacturing. The larger output of coal in March was due in part to stocking by consumers in anticipation of a possible strike at bituminous coal mines on April 1 when the agreement between mine operators and the miners' union expired.

A new agreement was reached on April 2 but, owing partly to the previous accumulation of stocks, production in the first ten days of April showed a sharp decline. During March activity at steel mills increased seasonally and in the first three weeks of April was over 90 per cent of capacity. In the automobile industry

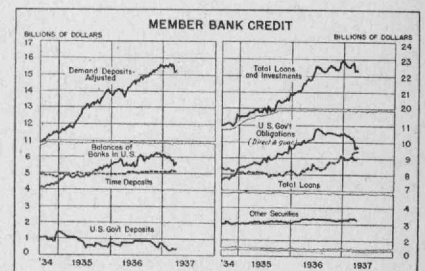
output showed about the usual seasonal increase in March and the first three weeks of April, considerable fluctuations during this period being largely in response to developments in the labor situation. Lumber production expanded considerably in March, and there was a sharp rise in output of nonferrous metals. Cotton consumption, which has been at an unusually high level in recent months, increased further in March and in actual amount was larger than in any previous month. Production at woolen mills and shoe factories continued in large volume.

Value of construction contracts awarded in March, as reported by the F. W. Dodge Corporation, was at about the same level as in February and substantially higher than a year ago. Privately-financed work increased, while the amount of publicly-financed work continued to decline. The increase in privately-financed projects reflected a larger volume of residential building and of factory and commercial construction.

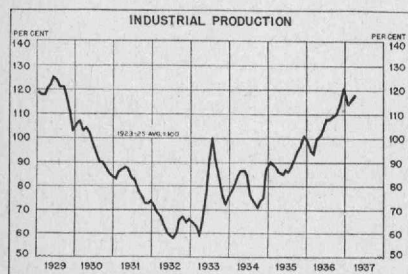
Employment and payrolls increased by considerably more than the usual seasonal amount between the middle of February and the middle of March.

The expansion in payrolls was larger than in employment, reflecting in part a further rise in wage rates. In manufacturing, the principal increases in employment were in industries producing durable goods, particularly steel, machinery and lumber. The number employed in the production of non-durable manufactures showed slightly more than the usual seasonal rise.

Distribution. Distribution of commodities to consumers showed about the usual seasonal increase from February to March. Mail-order sales expanded considerably but the rise in department store sales was less than



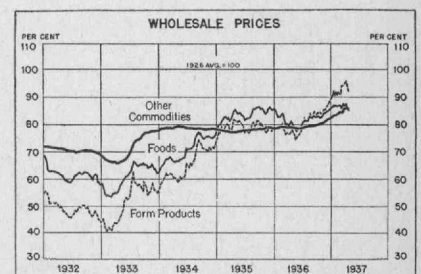
Wednesday figures for reporting member banks in 101 leading cities. September 5, 1934 to April 14, 1937.



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



Indexes of number employed and payrolls, without adjustment for seasonal variation. By months, January 1929 to March 1937. Indexes compiled by the United States Bureau of Labor Statistics.



Indexes compiled by the United States Bureau of Labor Statistics. By weeks, 1932 to date. Latest figure is for week ending April 17, 1937.

seasonal, considering the early date of Easter this year.

Commodity prices. Prices of non-ferrous metals, steel scrap, rubber, cotton and wheat, which had advanced rapidly in March, declined considerably in the first half of April. Since the middle of March prices of coke, tin plate, and rayon have advanced and there have been smaller increases in a wide variety of other industrial products. Dairy products have declined, reflecting in part seasonal developments.

Bank credit. In the four-week period from March 24 to April 21 excess reserves of member banks increased

from \$1,270,000,000 to \$1,590,000,000 reflecting principally disbursements by the Treasury from balances with Federal reserve banks and purchases of U. S. Government obligations by the Federal Reserve System. The bulk of the increase in excess reserves was at banks in New York City and Chicago.

Total loans and investments of reporting member banks, which had declined sharply in March, reflecting sales of U. S. Government obligations, showed little change in the two weeks ending April 14. Loans to brokers and dealers in securities declined from the middle of March to the middle of April, while other loans, which include loans for commercial, industrial, and

agricultural purposes, showed a substantial increase. These loans have increased almost continuously over the past year.

Demand deposits, after declining in March, increased somewhat in the first half of April, and there was an increase in foreign bank balances, reflecting an inward movement of short-term funds from abroad.

Money rates. The rate on prime commercial paper advanced from $\frac{3}{4}$ per cent to 1 per cent in the latter part of March. Bond yields, which had advanced sharply in March, showed no pronounced change in the first three weeks of April.

Business and Banking Conditions in the Philadelphia Federal Reserve District

Business conditions in the Philadelphia Federal Reserve District as a whole reflect a continuance of sustained activity at substantially higher levels than for several years past. Industrial production during March increased, owing to a larger output of coal and manufactures, particularly of durable goods. The value of contracts awarded for construction declined in the month but was larger than last year. The condition of agriculture and spring activity on farms compare well with the average for past years, and cash income from the sale of farm products continues much larger than at the same period in several years.

Industrial employment and payrolls showed additional increases in March and were considerably larger than last year. The majority of the important lines of industry and trade throughout

this district have shared in this expansion. Early reports for April indicate that factory activity has been seasonally well maintained.

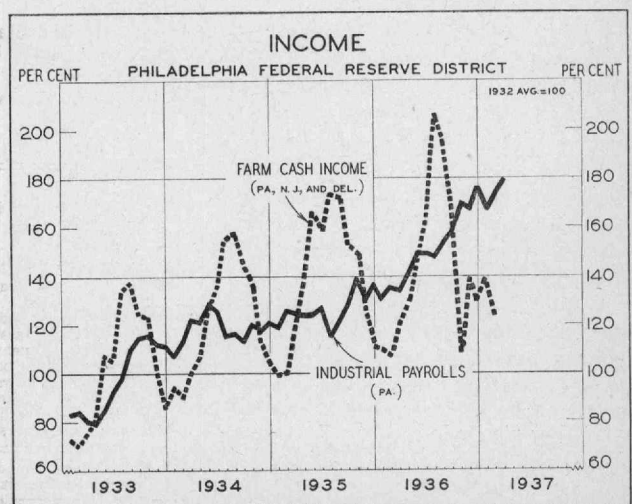
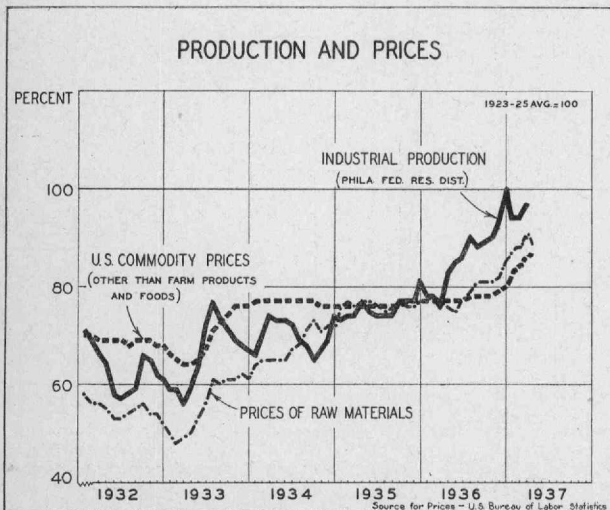
Retail trade sales in March increased sharply but apparently declined somewhat in April as compared with last year largely because of the difference in the Easter season between this year and last. Aggregate sales at wholesale in March failed to equal the usual rate of change from February but were materially larger than a year ago. Shipments of goods to and from this district have been increasing.

Commodity prices have advanced further during the month, particularly in the case of manufactures and farm products. In April, however, prices of certain basic commodities showed erratic fluctuations, generally downward. Retail prices of food and general merchandise have risen somewhat

since the turn of the year and are higher than in recent years.

Manufacturing. Current demand for factory products has continued quite active, although some slackening has been noticeable in certain lines of manufacture. Sales in most cases, however, are larger than for several years past. The volume of unfilled orders has declined somewhat since the middle of last month, except for metal products and building materials, but in virtually all cases the amount of forward business seems to be substantially larger than a year ago.

The metal industry has been especially busy as a result of uninterrupted demand for such products as castings, machinery and tools, hardware, and various other secondary products. Buying by railroads, automobile and construction industries also has been active. Conditions in most textile lines



Business Indicators

Philadelphia Federal Reserve District

as well as in leather products have been relatively quiet, though orders on hand continue larger than in recent years. Building materials, on the other hand, have been in strong demand and prices have been rising.

The trend of prices for commodities other than farm products and foods shows additional advances, as measured by the reports from cooperating concerns and by the official figures. The index compiled by the Bureau of Labor Statistics for this class of goods on April 17 was 86.5, relative to the 1926 average, as compared with 85.6 a month ago and 79.1 a year before. This advance largely reflects increased prices of raw materials and labor, the two principal items in the cost of production.

Inventories of finished goods at reporting plants have increased somewhat during the month as well as in comparison with a year ago. Buying of raw materials including semi-finished goods also shows some further expansion, owing largely to more active business and the upward trend of prices. The supply of raw materials and foodstuffs held at source and in warehouses in this country and elsewhere has been diminishing for several years.

The trend of employment and wage payments in this section has continued almost steadily upward for nearly four years. Marked gains occurred in February and March, and preliminary reports indicate that the April levels have been seasonally well maintained, despite some interruptions by strikes.

The number of wage earners in Pennsylvania manufacturing industries increased about 1 per cent and the amount of wages paid almost 4 per cent from the middle of February to the middle of March. The index number of employment in March was 91 and that of payrolls 98, relative to the 1923-25 average taken as 100. Estimates show that all manufacturing industries in this state employed in the neighborhood of 983,000 wage earners, or 17 per cent more than a year ago. It also appears that the amount paid in wages approximated \$24,965,000 a week, or about 40 per cent larger than in March last year.

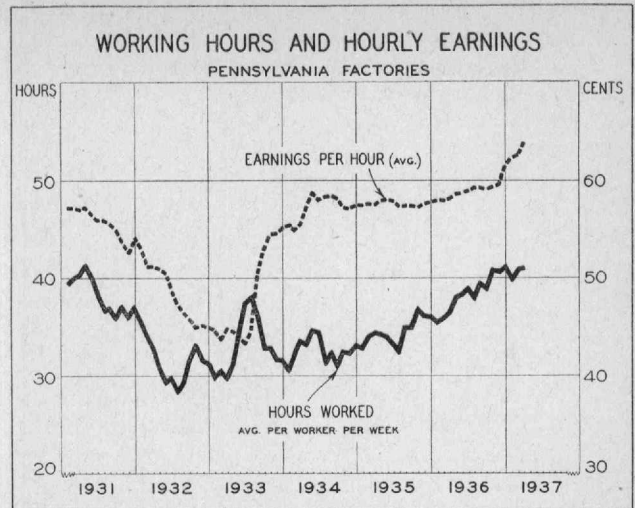
Reports from Delaware factories show that employment increased 4 per cent and payrolls 6 per cent from February to March. They were also respectively larger than a year ago by 25 and 39 per cent. In southern New Jersey, the number of wage earners changed little in the month but was

Adjusted indexes allow for the usual seasonal change in activity.	Index numbers: percentages of the 1923-1925 average as 100										
	Adjusted for seasonal variation						Not adjusted				
	Mar. 1936	Jan. 1937	Feb. 1937	Mar. 1937	Per cent change			Mar. 1936	Jan. 1937	Feb. 1937	Mar. 1937
					Mar. 1937 from		1937 from 3 mos. 1936				
Month ago					Year ago						
Industrial production											
Manufacturing—total	75	93r	94	97p	+ 3	+ 27	+ 22	76	93	95	97p
DURABLE GOODS	61	88	89	91p	+ 2	+ 48	+ 47	69r	101	104r	108p
CONSUMERS' GOODS	85r	97r	98	98p	0	+ 15	+ 15	87r	99r	105	100p
Metal products	67	104	102r	106p	+ 4	+ 58	+ 53	69r	101	104r	108p
Textile products	84r	97r	99	96p	- 2	+ 15	+ 19	87r	99r	105	100p
Transportation equipment	64	82	84	83	- 2	+ 30	+ 32	67	82	85	88
Food products	71	78	76	79p	+ 3	+ 11	+ 7	70	76	75	78p
Tobacco and products	91	101	108	116	+ 8	+ 28	+ 17	84	84	91	107
Building materials	29	42	49r	50p	+ 2	+ 74	+ 80	26	37r	43r	45p
Chemicals and products	108	131	125	117p	- 6	+ 8	+ 14	109	127r	124	117p
Leather and products	120	135	141	137p	- 3	+ 14	+ 12	123	140	150	142p
Paper and printing	81	92	94r	95	+ 1	+ 17	+ 14	82	92	94r	97
Coal mining	54r	58	54	83p	+ 53	+ 53	- 12	46r	64	59	70p
Anthracite	54r	56	50	81p	+ 62	+ 50	- 21	44r	61	54	66p
Bituminous	57	76	87	98	+ 13	+ 72	+ 37	58	86	95	100
Crude oil	406	496	467	459	- 2	+ 13	+ 16	414	476	467	468
Electric power											
Output	216	236	236	244	+ 3	+ 13	+ 11	220	250	250	249
Sales, total†	211	234	240	241	+ 1	+ 14	+ 12	209	241	259	238
Sales to industries†	160	185	185	174	- 6	+ 9	+ 15	152	180	183	166
Employment and wages—Pa.											
Factory—Wage earners					+ 1*	+ 17*	+ 16*	78	88	90	91
Payrolls					+ 4*	+ 41*	+ 39*	69	89	94	98
Man-hours (1927-28=100)					+ 3*	+ 38*	+ 37*	71	91	95	98
General (1932=100)											
Employment					+ 1*	+ 14*	+ 14*	107	119	121	122
Payrolls					+ 3*	+ 34*	+ 30*	134	167	174	179
Building and real estate											
Contracts awarded†—total	48	71	74	60	- 18	+ 24	+ 21	45	55	60	56
Residential†	19	51	46	37	- 19	+ 89	+ 84	19	40	36	35
Non-residential†	65	57	71	64	- 10	- 1	- 4	60	52	61	60
Public works and utilities†	131	112	154	162	+ 5	+ 24	+ 21	86	106	125	107
Permits for building—17 cities	18	24	28	38	+ 34	+ 108	+ 127	23	14	22	48
Real estate deeds—Philadelphia	34	29	25	26	+ 1	- 25	- 28	34	27	25	26
Writs for Sheriff sales—Phila.	458	504	461	498	+ 8	+ 9	- 8	467	580	470	508
Distribution											
Retail trade—sales	80	84	80	86p	+ 7	+ 8	+ 14	73	63	63	83p
stocks	67	79	80	80p	- 1	+ 18	70	71	77	82p	
Wholesale trade—sales	88r	104r	104	102p	- 2	+ 15	+ 22	82r	89r	95	95p
stocks	67r	76r	78	78	+ 1	+ 18	67r	75r	77	79	
Life insurance sales	91	106	100	101	+ 1	+ 11	+ 6	101	94	115	112
New passenger auto. registrations					+ 34*	+ 31*	+ 50*	111	98	109	146
Hotels—Occupancy					+ 2*	+ 8*	+ 9*	119	121	127	129
Income, total					+ 1*	+ 14*	+ 10*	118	130	134	135
Freight car loadings—total	59	84	80	83	+ 4	+ 42	+ 25	56	72	73	78
Merchandise and miscellaneous	61	82	80	82	+ 3	+ 35	+ 30	59	71	73	79
Coal	57	75	75	89	+ 19	+ 58	+ 12	55	81	82	87
Business liquidations											
Number					- 2*	- 9*	- 18*	62	62	58	56
Amount of liabilities					+ 113*	+ 214*	+ 26*	20	35	30	64
Payment of accounts											
Check payments	80	95	92	107	+ 17	+ 34	+ 15	78	97	93	105
Rate of collections (actual)											
Retail trade	32	28	29	33	+ 12	+ 1		31	33	28	33
Wholesale trade	74	79	78	79	+ 1	+ 7		74	77	73	78
Prices—United States											
WHOLESALE (1926=100)					+ 2*	+ 10*	+ 8*	80	86	86	88
Farm products					+ 3*	+ 23*	+ 18*	76	91	91	94
Foods					+ 1*	+ 9*	+ 6*	80	87	87	87
Other commodities					+ 2*	+ 8*	+ 7*	79	83	84	85
RETAIL FOOD					+ 1*	+ 8*	+ 5*	79	85	84	85
Philadelphia					+ 1*	+ 7*	+ 5*	81	88	86	87
Scranton					+ 1*	+ 7*	+ 5*	77	82	81	82

(In millions of dollars)	Mar. 1936	Dec. 1936	Jan. 1937	Feb. 1937	Mar. 1937	% change from	
						Month ago	Year ago
Banking and credit							
Federal Reserve Bank							
Bills discounted	\$ (a)	\$ (a)	\$ (a)	\$ (a)	\$ 1		
Other bills and securities	183	214	200	199	200	+ 1	+ 9
Member bank reserves	295	383	387	365	390	+ 7	+ 32
Reserve ratio (per cent)	73.4	73.1	75.0	74.3	76.1	+ 2	+ 4
Reporting member banks							
Loans to customers	\$ 402	\$ 413	\$ 415	\$ 411	\$ 408	- 1	+ 1
Other loans and investments	745	769	778	776	765	- 1	+ 3
Total deposits (adjusted)	1,382	1,478	1,483	1,437	1,429	- 1	+ 3
Bankers' acceptances outstanding	12.3	13.5	13.8	15.0	17.2	+ 15	+ 40

* Computed from data unadjusted for seasonal variation.
 † 3-month moving daily average centered at 3rd month.
 (a) Less than \$600,000.

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



11 per cent higher than a year before. But factory activity again expanded, since wage payments exceeded those in February by nearly 4 per cent and were 21 per cent larger than in March 1936.

Production increased further when allowance is made for the usual seasonal change and for the number of working days. The adjusted index of productive activity prepared by this bank in March rose to 95 per cent of the 1923-25 average as compared with 94 in February, 93 in January, and 75 in March last year. It now stands at the highest level, except for last December, since the fall of 1930 when it was declining.

Industries manufacturing durable goods, particularly steel and a great variety of fabricated metal products, as well as the principal building materials registered the most pronounced gains in the month and as compared with last year. It is in these industries that the expansion in output and employment has been the sharpest over the past four years, following an extremely low level reached at the bottom of the depression.

Productive activity at consumers' goods industries barely maintained its seasonal level during March but continued noticeably above the rate of recent years. The lack of sustained improvement in the month was due chiefly to some curtailment in the output of shoes and leather as well as of textile products, reflecting in part the restrictive influence of labor difficulties. Most of the industries preparing food and tobacco products, on the other hand, have increased their operating schedules since February.

The rate of productive activity in nearly all important lines of manufacturing and processing has been very

materially higher in the first quarter this year than in the same period since 1929-30. This was also true of employment, payrolls and working time. Moreover, all parts of the district have shared in this recovery from the depression low levels, though in varied degree.

The output of electric power by eight central stations declined by a smaller amount than usual from February to March and was 13 per cent larger than a year ago. Total sales by ten systems about equalled the usual seasonal change from February. Consumption of electrical energy by industries decreased more than was expected, though it continued 9 per cent larger than in March last year.

Coal and other fuels. The anthracite market lately has shown some expansion resulting partly from a more active consumer demand for household fuel incident to the usual spring reduction in prices. Shipments during March increased sharply from the relatively low levels prevailing earlier this year and were the largest for that month since 1934. Since the middle of March colliery output has increased substantially. In the first three months this year, however, both production and shipments were considerably smaller than last year.

Demand for Pennsylvania bituminous coal has slackened somewhat in recent weeks, owing largely to the fact that industrial consumers accumulated fairly large supplies prior to April 1 in anticipation of labor difficulties which threatened to curtail production at about that time. Output of mines during March increased but, following the signing of a new agreement between the operators and labor, production declined sharply.

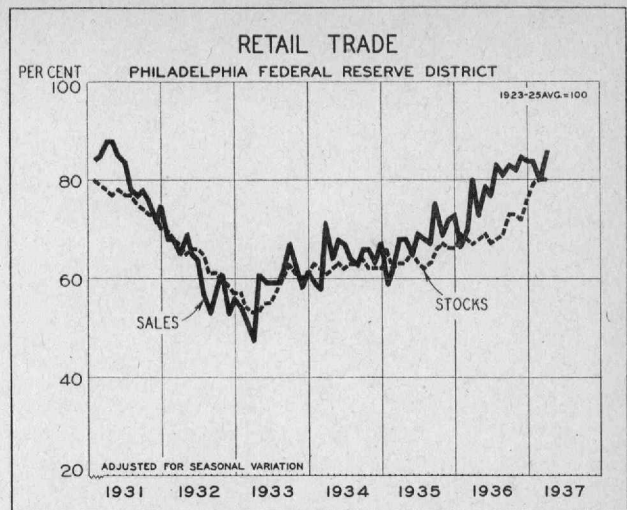
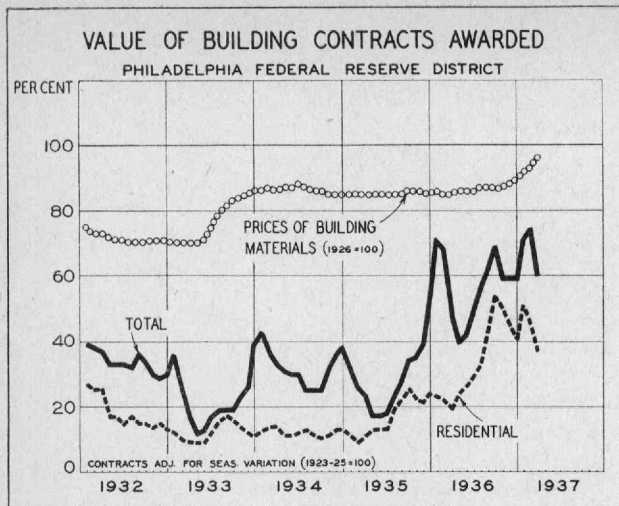
First quarter comparisons show that production was 37 per cent and shipments 14 per cent greater this year than last.

	(Output and shipment figures are daily averages)	March 1937	Per cent change from	
			Month ago	Year ago
Anthracite				
Production..... tons		176,800	+23	+50
Shipments..... tons		169,404	+22	+67
Prices..... (1926=100)		77.8	-5	-6
Employment..... No.		87,607	-7	-7
Bituminous				
Production..... tons		477,593	+5	+72
Shipments..... No. cars		32,676	+3	+50
Prices..... (1926=100)		97.5	+0	-2
Employment..... No.		138,200	+2	+7
Coke				
Prod.... (1923-25=100)		133.9	+2	+38
Prices..... (1926=100)		97.7	+0	+4
Gas and fuel oil				
Prod.... (1923-25=100)		113*	-12	-11
Prices..... (1926=100)		65.5	-2	-10

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

Output of bi-product coke registered a small increase in March instead of the usual seasonal decline; that of gas and fuel oils, however, decreased sharply and was considerably below the volume of a year ago. Coke production thus far this year has been 32 per cent larger than in 1936, while gas and fuel oil output showed a small decrease as compared with a year ago.

Building and real estate. The value of building contracts awarded in this district during March was nearly one-third smaller than in February, although they continued larger than a year ago. The decline in the month reflected chiefly a substantial reduction in the value of contracts awarded for public works and utilities and non-residential structures other than commercial buildings. In the case of residential awards, a decrease in those for one and two-family dwellings was more than offset by a sharp rise in the dollar volume of contracts let for apartments and hotels.



In the first three months this year the value of all contract awards amounted to approximately \$41,000,000. This was a gain of 21 per cent compared with a year earlier and was the largest total of contracts in the first quarter since 1929, when the figure exceeded \$94,000,000.

Building contracts Philadelphia Federal Reserve District	March 1937 (000's omitted)	Per cent change	
		From month ago	1937 from 3 mos. 1936
Residential	\$ 4,152	+ 24	+ 84
Apts. and hotels	1,285	+387	+412
Family houses	2,867	- 7	+ 62
Non-residential	4,803	- 32	- 4
Commercial	1,944	+ 23	+ 72
Factories	1,065	- 20	+181
Educational	860	- 46	- 57
All other	934	- 64	- 14
Total buildings	\$ 8,955	- 14	+ 21
Public works and utilities	2,817	- 59	+ 21
Grand total	\$11,772	- 32	+ 21

Source: F. W. Dodge Corporation.

The demand for building materials has been increasingly active. Prices also have continued to advance and about the middle of April averaged 13 per cent higher than a year earlier. Employment at Pennsylvania plants producing important materials used in building and construction also has increased considerably since early this year.

The real estate situation shows considerable improvement in comparison with other recent years. Renting demand for houses and apartments has been much more active thus far this year than last and rentals continue to show an upward trend. Leasing of commercial space also has increased as a result of the improvement in business conditions. Sales of houses, particularly in the lower and medium price ranges, have increased.

Agriculture. Agricultural conditions in this district at the start of the crop season compare rather well with the situation prevailing in the spring of other recent years. Department of Agriculture reports indicate that the condition of winter grains on April 1, while slightly lower this year than last, was somewhat above the ten-year average for that date in most sections. Pastures and other grasslands, on the other hand, appear to be a little less advanced than usual this year, reflecting chiefly unfavorable weather during March. Grain stocks on farms at the beginning of April were smaller than a year before but were about as large as the average for the five years, 1928-1932.

Department of Agriculture estimates show that in the three states included in this district aggregate sales of farm products in the first two months of 1937 amounted to approximately \$57,000,000, an increase of 17 per cent over a year earlier and the largest total for that interval since 1930. This gain largely reflected the influence of higher prices.

Distribution, trade and service. The dollar volume of retail trade sales by department, apparel, shoe and credit stores in this district was 8 per cent larger in March this year than last when allowance is made for the difference in the date of Easter. All lines participated in this gain, the greatest improvement being reported by shoe stores. At department stores the increase over a year ago was 3 per cent at Philadelphia establishments and 14 per cent elsewhere in this district. In the first three months of 1937 the aggregate sales of all reporting lines exceeded those of a year earlier by 14 per cent; in this quarterly comparison

no allowance is made for the earlier occurrence of Easter this year, which caused the holiday buying to be done in March instead of largely in April, as was the case in 1936.

Total dollar sales increased about 7 per cent more than they usually do from February to March, so that our seasonally adjusted index rose from 80 to 86 per cent of the 1923-1925 average.

Wholesale business in March, as indicated by the dollar volume of sales in eight leading branches, was 15 per cent larger than a year ago and in the first quarter showed a gain of 22 per cent over the same period of 1936. March sales in the aggregate were virtually unchanged as compared with February, whereas ordinarily a small increase occurs.

Inventories of merchandise in both channels of trade increased seasonally and at the end of March were 18 per cent larger than a year earlier. Despite this increase, the rate of stock turnover at retail was approximately the same in the first quarter this year as last and was more rapid than a year ago in wholesale lines.

Freight car loadings in this section increased more than they usually do from February to March, reflecting principally larger deliveries of merchandise and miscellaneous commodities and a sharp gain in coal loadings. In the first three months this year they were 25 per cent greater than in the same interval of 1936. Rail freight shipments consisting largely of manufactures originating in the Philadelphia industrial area also registered an increase that was larger than seasonal.

Business of non-resort commercial hotels showed some further improvement in March, as measured by room

occupancy and revenue from guest rooms. Other details follow:

Hotel business Philadelphia Federal Reserve District	March, per cent change from		1937 from 3 mos. 1936
	Month ago	Year ago	
Capacity.....	+0	- 1	.....
Room occupancy.....	+2	+ 8	+ 9
Per cent of capacity used:			
March 1937.....	60.1		
Feb. 1937.....	56.3		
March 1936.....	53.7		
Income from:			
Guest rooms.....	+2	+12	+13
Food.....	+1	+16	+ 8
Other sources.....	-1	+14	+ 7
Total revenue.....	+1	+14	+10

Banking conditions. The reserve balances of member banks at the Federal reserve bank recently have been at the highest levels on record, even exceeding the peak last fall. Over the first twenty-one days of April the average was 431 millions, comparing with 390 millions in March, when excess reserves of 111 millions were 40 per cent above the requirements in effect at that time. On May 1 requirements again will increase, as announced by the Board of Governors some time ago; this increase will amount to one-seventh of the proportions now in force and will finally raise required percentages to points double those prevailing before August 16, 1936.

Heavier balances to the credit of member banks in Philadelphia accounted for a rise in reserves from 381 millions on March 17 to 429 millions on April 21. In this period the district gained over 83 millions in commercial and financial transactions with other districts, a substantial part of which apparently was due to payments received in connection with a flotation of securities. Twenty-five millions of dollars was absorbed by Treasury operations, partly as a result of income tax payments and withdrawals from depositary banks, and additional sums were used in meeting a 4 million increase in currency demand and a rise of 7 millions in miscellaneous deposits at this bank.

Borrowings of member banks show a slight rise. The principal change in earning assets of this reserve bank was an expansion in United States securities, which represent a participation in holdings of the Federal Reserve System. The rise of 15 millions in the figures of this bank was due principally to a redistribution of System holdings after March 31; such routine adjustments are made quarterly in accordance with the earnings of the various reserve banks. In smaller

measure the gain reflected increased holdings of the System.

In the period under review deposits at weekly reporting member banks increased 56 millions, but remained under the high level of late 1936 and the first reports of 1937. The recent gain was due to the accumulation of funds to the credit of individuals, partnerships and corporations, for inter-bank balances changed little and there was a decline of 15 millions in those held for the Federal Government. Although the greater part of the gain was in deposits payable on demand, which increased 49 millions, there also was a rise of 22 millions in time funds, all of which took place in April.

Federal Reserve Bank of Philadelphia (Dollar figures in millions)	April 21, 1937	Changes in—	
		Five weeks	One year
Bills discounted.....	\$ 1.1	+\$ 0.4	+\$ 0.7
Bills bought.....	0.3	- 0.0	- 0.1
Industrial advances.....	4.2	- 0.0	- 1.1
United States securities.....	209.7	+ 14.9	+ 32.5
Total bills and securities.....	\$215.3	+\$15.3	+\$32.0
Federal res. note circulation.....	308.7	+ 2.6	+ 30.1
Member bank reserve deposits.....	429.3	+ 47.8	+129.4
U. S. Treasurer—general account.....	2.3	+ 1.7	- 27.6
Foreign bank deposits.....	9.7	+ 1.1	+ 1.7
Other deposits.....	8.6	+ 6.7	+ 6.2
Total reserves.....	565.3	+ 44.5	+108.0
Reserve ratio.....	74.5%	- 0.1%	+ 0.6%

Increased deposit balances doubtless were due in part to an expansion of 13 millions in loans to customers. There was a rise of 15 millions in "All other" loans which include the bulk of the accommodation extended to industrial and trade concerns. The trend upward in such loans has continued week by week since early March, and the current total of 203 millions is 27 millions or about 15 per cent above a year ago, owing in substantial measure to the increase in business volume and higher price levels.

Despite the loan increase, the outstanding credit of the member banks

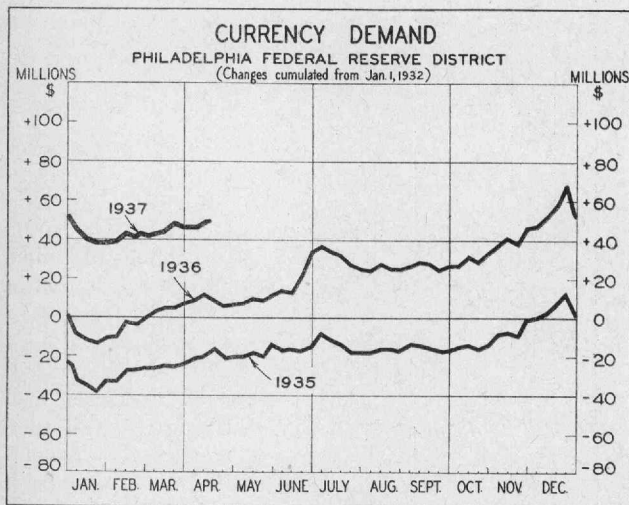
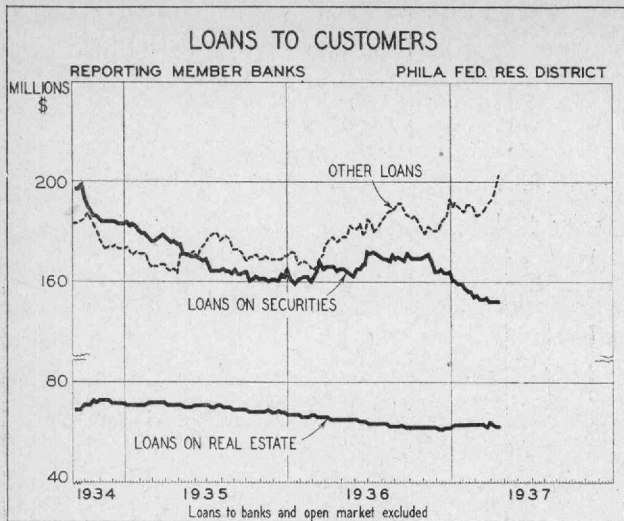
MEMBER BANK RESERVES AND RELATED FACTORS

Philadelphia Federal Reserve District (Millions of dollars)	Changes in weeks ended—					Changes in five weeks
	March 24	March 31	April 7	April 14	April 21	
Sources of funds						
Reserve bank credit extended in district.....	- 0.4	- 1.9	+ 2.0	+ 1.0	- 0.5	+ 0.2
Commercial transfers (chiefly interdistrict).....	+128.5	-37.4	+ 9.9	-11.5	-6.1	+33.4
Treasury operations.....	- 33.6	+ 1.3	- 0.6	+ 5.3	+2.2	-25.4
Total.....	+94.5	-38.0	+11.3	- 5.2	-4.4	+58.2
Uses of funds						
Currency demand.....	+ 3.9	- 2.5	+ 0.0	+ 4.3	-1.9	+ 3.8
Member bank reserve deposits.....	+16.5	+ 8.0	+26.9	- 1.8	-1.8	+47.8
"Other deposits" at reserve bank.....	+74.3	-43.5	-15.5	- 7.7	-0.8	+ 6.8
Unexpended capital funds of reserve bank.....	- 0.2	- 0.0	- 0.1	- 0.0	+0.1	- 0.2
Total.....	+94.5	-38.0	+11.3	- 5.2	-4.4	+58.2

Reporting member banks (000,000's omitted)	April 21, 1937	Changes in	
		Five weeks	One year
Assets			
Loans to brokers and dealers:			
In New York City.....	\$ 9	.....	-\$ 2
Outside New York City.....	17	-\$ 1	- 2
Loans on securities to others (except banks).....	135	.....	- 10
Acceptances and commercial paper bought.....	25	- 5	+ 4
Loans on real estate.....	62	- 1	- 3
Loans to banks.....	2	.....	- 1
Other loans.....	203	+ 15	+ 27
Total loans.....	\$ 453	+\$ 8	+\$ 13
U. S. Government securities.....	335	- 11	+ 13
Obligations fully guaranteed by U. S. Gov't.....	91	- 1	- 8
Other securities.....	291	- 2	- 14
Total loans and investments.....	\$1,170	-\$ 6	+\$ 4
Reserve with Federal Reserve Bank.....	305	+ 50	+ 91
Cash in vault.....	16	+ 1	+ 2
Balances with other banks.....	148	+ 10	- 10
Other assets—net.....	91	+ 1	+ 3
Liabilities			
Demand deposits, adjusted.....	\$ 879	+\$49	+\$118
Time deposits.....	284	+ 22	+ 10
U. S. Government deposits.....	14	- 15	- 43
Interbank deposits.....	301	.....	- 3
Borrowings.....	.....	.....	.....
Other liabilities.....	25	.....	+ 4
Capital account.....	227	.....	+ 4

declined 6 millions in the five-week period and on April 21 was little larger than a year ago. The decrease in recent weeks was due chiefly to a falling off of 11 millions in holdings of United States securities in the last fortnight of March and to a subsequent decrease of 8 millions in other securities and open market paper. The funds resulting from a decline in holdings of open market paper and investments and from deposit gains were instrumental in raising balances at the reserve bank 50 millions and in adding 10 millions to those with correspondents.

National figures of bankers' acceptances outstanding decreased a little in March, but those of banks located in the Philadelphia Federal Reserve District increased from \$15,000,000 to \$17,200,000, rounding out the sixth consecutive month of expansion. The total for this district at the end of the month was 40 per cent above a year ago and the highest since 1931.



City areas*	Percentage change—March 1937 from March 1936				
	Manufacturing		Building permits (value)	Debits	Retail trade sales
	Employment	Wage payments			
Allentown.....	+21	+58	+124	+26	+15
Altoona.....	+9	+8	-18	-19	+12
Harrisburg.....	+14	+53	+431	+38	+31
Johnstown.....	+69	+150	+80	-76	+120
Lancaster.....	+17	+30	+847	-29	+22
Philadelphia.....	+13	+28	+238	+39	+9
Reading.....	+9	+15	-84	-23	+14
Seranton.....	+13	+17	+521	-1	+11
Trenton.....	+15	+33	+446	+8	+10
Wilkes-Barre.....	+3	+16	+8	+29	+23
Williamsport.....	+10	+34	+173	+38	+18
Wilmington.....	+21	+38	-76	+23	+18
York.....	+9	+30	+159	+30	+18

City areas*	March 1937 from February 1937				
	Employment	Wage payments	Building permits (value)	Debits	Retail trade sales
Allentown.....	+4	+13	+10	+21	+17
Altoona.....	-0	+0	+50	+11	+66
Harrisburg.....	+4	+9	+54	+29	+27
Johnstown.....	+3	+15	-87	+26	+8
Lancaster.....	+2	+5	+954	+22	+57
Philadelphia.....	+2	+4	+236	+41	+31
Reading.....	-3	-11	+104	+17	+31
Seranton.....	-2	+1	+18	+10	+23
Trenton.....	+1	+4	+98	-0	+23
Wilkes-Barre.....	-2	+2	-49	+19	+33
Williamsport.....	-2	+2	+112	+24	+18
Wilmington.....	+4	+6	-8	+50	+6
York.....	-1	+1	+1	+22	+18

* 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†	
	Mar. 1937 index	Per cent change from		Mar. 1937 index	Per cent change from		Mar. 1937—per cent change from	
		Mar. 1936	Feb. 1937		Mar. 1936	Feb. 1937	Mar. 1936	Feb. 1937
All manufacturing.....	91	+17	+1	98	+41	+4	+38	+3
Iron, steel and products.....	88	+31	+4	109	+69	+6	+53	+4
Non-ferrous metal prods.....	128	+22	+2	145	+42	+4	+34	+5
Transportation equip.....	72	+24	+3	69	+33	+3	+31	+2
Textiles and clothing.....	108	+10	-2	100	+15	-3	+16	-2
Textiles.....	102	+9	-3	95	+14	-5	+16	-4
Clothing.....	132	+13	+2	122	+18	+7	+14	+5
Food products.....	100	-0	-2	101	+10	+2	+3	-1
Stone, clay and glass.....	90	-25	+3	91	+62	+9	+52	+6
Lumber products.....	57	+10	-3	52	+38	+2	+35	-0
Chemicals and products.....	95	+8	+1	99	+28	+2	+27	+1
Leather and products.....	97	+4	+1	100	+27	+1	+25	-1
Paper and printing.....	99	+8	+1	101	+17	+2	+18	+3
Printing.....	94	+7	+1	96	+13	+1	+17	+3
Others:								
Cigars and tobacco.....	66	+2	+2	58	+14	+8	+7	+7
Rubber tires, goods.....	94	+28	-0	102	+53	+0	+33	-2
Musical instruments.....	54	+2	-1	51	+14	+3	+17	+4

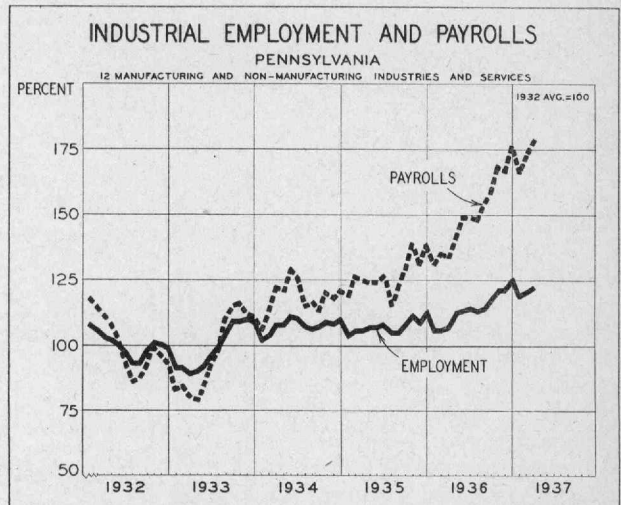
* Figures from 2311 plants.

† Figures from 2067 plants.

General Index Numbers

Covering twelve branches of trade and industry

	Employment			Payrolls		
	Mar. 1937 index	Per cent change from		Mar. 1937 index	Per cent change from	
		Mar. 1936	Feb. 1937		Mar. 1936	Feb. 1937
General index (weighted).....	122	+14	+1	179	+34	+3
Manufacturing.....	144	+17	+1	238	+41	+4
Anthracite mining.....	79	-7	-7	71	-11	-8
Bituminous coal mining.....	131	+7	+2	259	+38	+4
Building and construction.....	71	+39	+3	81	+61	+7
Quarrying and non-met. mining.....	114	+34	+4	217	+77	+0
Crude petroleum producing.....	165	-16	+2	187	-3	+3
Public utilities.....	92	+5	+0	101	+8	+3
Retail trade.....	116	+10	+2	125	+15	+4
Wholesale trade.....	121	+12	+1	118	+13	+1
Hotels.....	110	+6	-0	122	+15	+2
Laundries.....	100	+7	+1	108	+10	+0
Dyeing and cleaning.....	100	+12	+5	105	+8	+16



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					
	Mar. 1936	Jan. 1937	Feb. 1937	Mar. 1937	Per cent change			Mar. 1936	Jan. 1937	Feb. 1937	Mar. 1937	
					Mar. 1937 from		1937 from 3 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	80	84	80	86p	+ 7	+ 8	+ 14	73	63	63	83p	
Department	75	75	76	80p	+ 5	+ 7	+ 13	65	54	57	74p	
Men's apparel	67	79	77	72	- 6	+ 7	+ 16	61	74	62	70	
Women's apparel	102r	104	107	109	+ 2	+ 7	+ 18	113r	93	79	128	
Shoe	77r	82r	72r	89	+24	+15	+ 10	73r	64r	55r	91	
Credit	88r	99	82	94p	+15	+ 7	+ 28	75r	65	73	85p	
Stocks of goods												
Total of all stores	67	79	80	80p	- 1	+18	.....	70	71	77	82p
Department	53	60	63	61p	- 3	+16	.....	54	53	60	63p
Men's apparel	65	92	69	76	+11	+17	.....	66	72	68	77
Women's apparel	97r	118	123	112	- 9	+16	.....	106r	101	116	123
Shoe	72	65	72	71	- 1	- 2	.....	74	59	66	72
Credit	83r	100	107	108p	+ 0	+30	.....	85r	95	105	110p
Rate of stock turnover 3 months (actual, not indexes)							0*	0.89				0.89
Wholesale trade												
Sales												
Total of all lines	88r	104r	104	102p	- 2	+15	+ 22	82r	89r	95	95p	
Boots and shoes	57	81	69	54	-22	- 5	+ 16	64	50	49	61	
Drugs	99	117	111	95	-14	- 4	+ 12	104r	121	113	100	
Dry goods	49r	73	72	60	-17	+22	+ 37	46r	59	61	56	
Electrical supplies	79r	134	124	131p	+ 5	+66	+ 76	68r	90	111	112p	
Groceries	130r	127	132	134	+ 2	+ 3	+ 6	120r	118	123	123	
Hardware	48	53	57	61	+ 6	+26	+ 29	47	42	46	59	
Jewelry	42	54	56	62	+12	+49	+ 45	32	31	39	47	
Paper	72	85	92	86	- 6	+20	+ 25	75	88	90	90	
Stocks of goods												
Total of all lines	67r	76r	78	78	+ 1	+18	.....	67r	75r	77	79
Boots and shoes	28	36	33	37	+12	+31	.....	31	37	40	41
Drugs	110r	102	107	108	+ 0	- 2	.....	111r	100	109	109
Dry goods	41r	49	50	49	- 2	+19	.....	42r	46	48	50
Electrical supplies	96r	160	157	156	- 1	+62	.....	93r	152	147	151
Groceries	66r	74	76	79	+ 4	+19	.....	68r	77	79	81
Hardware	69	74	78	82	+ 5	+19	.....	72	75	80	86
Jewelry	65	56	59	56	- 6	-15	.....	61	49	52	52
Paper	62	64	68	64	- 6	+ 3	.....	63	63	67	65
Rate of stock turnover 3 months (actual, not indexes)							+ 13*	1.36				1.54
Output of manufactures												
Pig iron	29	75	70	66	- 5	+130	+101	33	73	72	76	
Steel	62	100	96	97	+ 2	+ 57	+ 56	66	98	101	104	
Iron castings	55	79	79	86p	+ 8	+ 56	+ 44	58	72	81	90p	
Steel castings	75	119	113	114	+ 1	+ 53	+ 77	84	126	127	128	
Electrical apparatus	84r	120	120r	131	+ 9	+ 55	+ 46	79r	113	115r	122	
Motor vehicles	12	21	25	28	+11	+133	+ 90	13	19	26	31	
Automobile parts and bodies	55	78	68	68	+ 0	+ 24	+ 16	60	77	73	74	
Locomotives and cars	27	40	42	40	- 4	+ 50	+ 37	29	39	43	44	
Shipbuilding	197	231	245	238	- 3	+ 21	+ 27	205	235	240	248	
Silk manufactures	78	101	104r	101	- 3	+ 29	+ 27	81	103	110r	104	
Woolen and worsteds	78	86	87	85	- 2	+ 9	+ 14	75	87	89	82	
Cotton products	47	64	61	62	+ 2	+ 33	+ 36	50	65	65	67	
Carpets and rugs	117	171	181	176	- 2	+ 51	+ 55	116	160	184	175	
Hosiery	110	111	113	100	-11	- 8	+ 4	114	116	117	104	
Underwear	135	148	148	152	+ 2	+ 13	+ 19	147	146	162r	165	
Cement	35	40	61	62p	+ 2	+ 80	+119	27	28	43	48p	
Brick	35	61	63r	66	+ 3	+ 86	+ 76	35	56	61r	64	
Lumber and products	22	34	34	34	+ 0	+ 58	+ 54	21	31	33	33	
Bread and bakery products	.....	.....	.....	.....	+ 0*	+ 2*	+ 0*	88	88	90	90
Slaughtering, meat packing	83	88	92	102	+11	+24	+ 12	79	96	92	98	
Sugar refining	47	119	52	72	+37	+ 52	+ 9	72	82	68	110	
Canning and preserving	56	61	61	61p	+ 0	+ 9	+ 15	50	60	56	56p	
Cigars	90	100	107	115	+ 8	+ 27	+ 16	83	82	89	106	
Paper and wood pulp	62	75	75	75	+ 1	+ 20	+ 18	64	74	75	76	
Printing and publishing	84	95	98r	99	+ 1	+ 17	+ 13	86	95	98r	101	
Shoes	134	165	179	176	- 2	+ 31	+ 24	142	168	188	186	
Leather, goat and kid	106	107	105	100p	- 4	- 5	- 4	105	113	113	99p	
Explosives	76	86	85	89	+ 5	+ 17	+ 9	76	86	85	89	
Paints and varnishes	75	95	91	90	- 1	+ 20	+ 19	76	86	89	91	
Petroleum products	145	167	159	139p	-12	- 4	+ 9	144	165	157	138p	
Coke, by-product	93	130	125	129	+ 3	+ 38	+ 32	97	130	132	134	

* Computed from data unadjusted for seasonal variation.

p—Preliminary.

r—Revised.

