

# THE BUSINESS REVIEW

THIRD FEDERAL  
PHILADELPHIA



RESERVE DISTRICT  
AUGUST 2, 1937

FEDERAL RESERVE BANK OF PHILADELPHIA

FEDERAL RESERVE BANK  
OF ST. LOUIS

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## Business and Banking Conditions in the United States

Activity in most manufacturing industries and at mines continued in June at the May level, with allowance for seasonal influences, but the total output was decreased by labor difficulties in steel mills. In July, production at these mills increased.

**Production and employment.** Volume of industrial output, as measured by the Board's seasonally adjusted index, was 115 per cent of the 1923-1925 average in June as compared with 118 per cent maintained in the preceding three months. The decrease was largely accounted for by the decline in steel production. Automobile production declined seasonally and lumber output showed little change. There was considerable reduction in activity at shoe factories and at sugar refineries, while textile production was close to the level of other recent months. At mines output continued in about the same volume as in May.

Value of construction contracts awarded, which had declined in May, increased considerably in June, according to figures of the F. W. Dodge Corporation. There was a marked rise in contracts for public projects, and awards for private building in-

creased somewhat, reflecting chiefly a larger volume of contracts for factories and for apartments.

Factory employment and payrolls declined more than seasonally from the middle of May to the middle of June, largely as a result of strikes in the iron and steel industry. In most other manufacturing industries and also in nonmanufacturing lines changes in employment were chiefly of a seasonal nature.

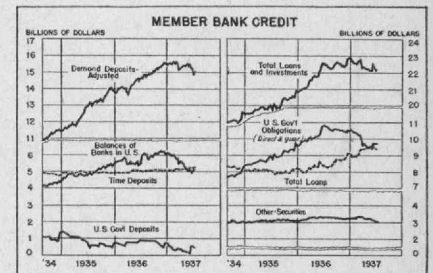
**Agriculture.** The July 1 cotton report of the Department of Agriculture showed an acreage of 34,192,000, which is larger than in any year since 1933, but considerably smaller than the average of 41,424,000 acres for the five years 1928-1932. Reports on other major crops indicate larger production than last season and about equal to the average for 1928-1932.

**Distribution.** Distribution of commodities to consumers was maintained in June at the level of other recent months, with allowance for seasonal influences. Department store sales showed a seasonal decline and there was little change in mail order business. Sales at variety stores increased somewhat. Department store trade in

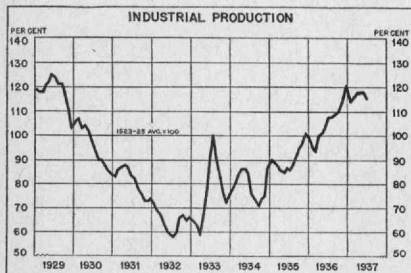
the mid-western industrial area in June and in the first half of the year showed larger increases over a year ago than did sales in other parts of the country.

Freight-car loadings declined somewhat further in June, reflecting largely a decrease in shipments of miscellaneous freight.

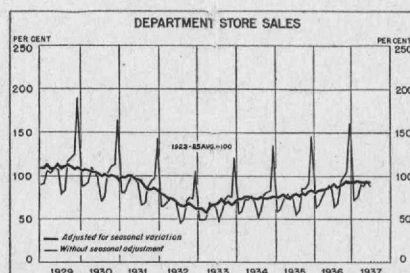
**Wholesale commodity prices.** The general level of wholesale commodity prices, which had declined gradually from the beginning of April to the middle of June, advanced somewhat after that time. Prices of hogs and pork rose considerably and grain prices advanced during most of the period. Steel scrap prices increased sharply



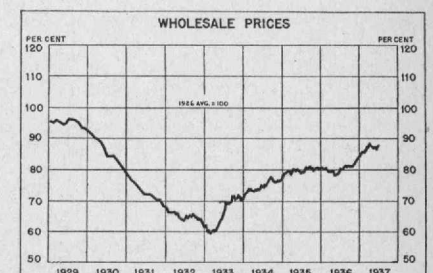
Wednesday figures for reporting member banks in 101 leading cities. September 5, 1934, to July 21, 1937.



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



Indexes of value of sales. By months, January 1929 to June 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 July 17, 1937.

and prices of tin, zinc, and hides also advanced, while cotton goods and rubber continued downward. In the past week prices for grains declined and cotton prices also moved lower.

**Bank credit.** In the four-week period ending July 21 the volume of excess reserves of member banks increased from \$810,000,000 to \$870,000,000, owing principally to a decline in the amount of required reserves resulting

from a decrease in deposits at member banks in leading cities.

Commercial loans of reporting member banks continued to increase both in New York City and in other leading cities during the five weeks ending July 21. There was a substantial decline in adjusted demand deposits, mostly at New York City banks. This decline corresponded to decreases in holdings of United States Government

obligations, following increases at the time of new Treasury note issues at the middle of June, and in holdings of other securities. Loans to brokers and dealers in securities, which increased in June, declined during the first three weeks of July.

**Money rates.** Open-market rates on Treasury bills and yields on Treasury notes and bonds declined in July to the lowest levels since March.

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

Industrial activity in the Philadelphia Federal Reserve District has been well sustained at the levels prevailing for several months past. Output of manufactures in June continued at the same rate as in May, while production of coal and crude oil increased. Industrial production as a whole in the first half of this year was 18 per cent larger than in the same period of 1936, despite interruptions which accompanied industrial disputes. The value of building contracts increased substantially during June and was larger than last year. Farm activity and the condition of various crops have measured up to the average of past years and cash income of farmers, as reported thus far in 1937, has been the largest since 1930.

Industrial employment and payrolls in June have been well maintained at slightly higher levels than in May. Preliminary reports for July indicate that factory employment and payrolls declined seasonally.

The dollar volume of retail and wholesale trade sales in June did not measure up to the usual change but continued larger than last year. Early

reports for July indicate a seasonal decline. Other indicators relating to the distribution of goods and services generally registered seasonal recessions.

**Manufacturing.** The market for most manufactured goods has slackened further since the middle of last month. This appears to have been especially true of certain heavy iron and steel products including castings and machinery and of cotton and woolen textiles, hosiery and floor coverings. Demand for many building materials also decreased early in July, after continuing fairly active for several previous months. Compared with a year before, the volume of sales in most lines other than textiles has been somewhat larger. Unfilled orders quite generally appear to have decreased in recent weeks and for most textile products and some building materials they are smaller than a year earlier.

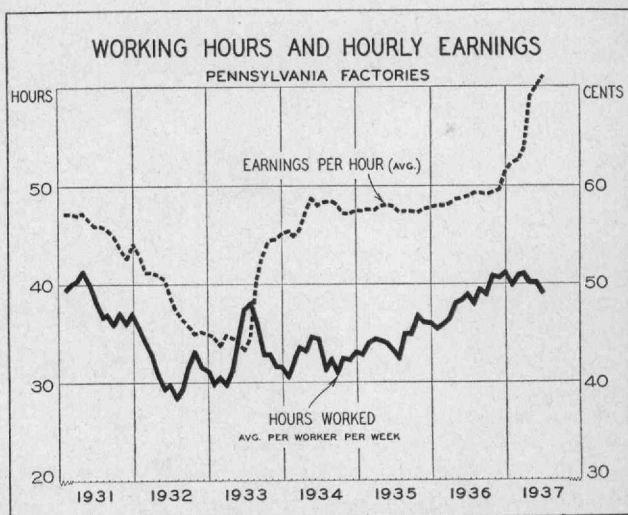
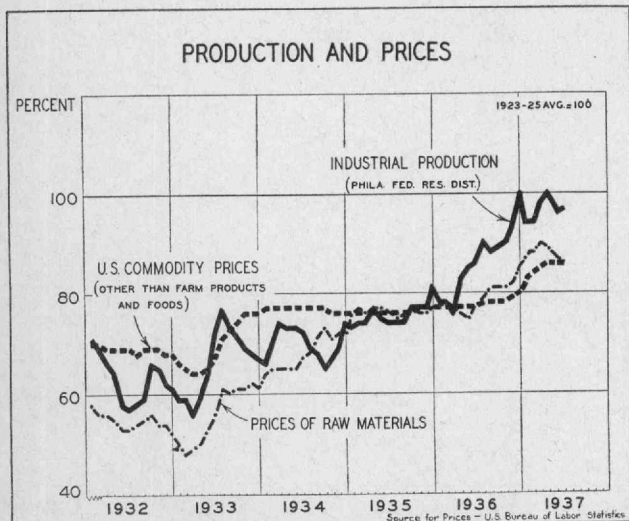
Inventories of finished goods on the whole registered increases during the month under review and currently are larger than last year. Stocks of raw materials, on the other hand, have shown virtually no change of late but

exceed those of a year ago, reflecting in part a higher rate of business activity.

Wholesale prices for manufactured products fluctuated narrowly during June but showed a slight upward trend in the first three weeks of July. The index number compiled by the Bureau of Labor Statistics measuring changes in prices of commodities other than farm products and foods on July 24 was 86.3 relative to the 1926 average, compared with 85.9 a month earlier; a year before this index was 79.5 and two years ago it was 77.9.

Factory employment in this district in June showed virtually no change from the relatively high levels that prevailed during April and May. Wage payments registered a decrease of about one per cent in this period but were substantially greater than in June of last year. Preliminary reports for July show seasonal decreases in employment and payrolls.

Estimates show that Pennsylvania factories about the middle of June employed over 990,000 workers whose



## Business Indicators Philadelphia Federal Reserve District

wages amounted to approximately \$26,400,000 a week. This was an increase over a year ago of 14 per cent in employment and 35 per cent in wage payments. The index of employment continued at about 92 per cent of the 1923-25 average and that of payrolls was 103.

Manufacturing plants in Delaware reported a gain of 2 per cent in employment from May to June but, as in the case of Pennsylvania, a small decline occurred in the amount of wages disbursed. In southern New Jersey about one per cent fewer workers were employed in June than in May but payrolls increased 2 per cent.

Output of factory products showed virtually no change from May to June, despite industrial disputes that were quite prevalent during the greater part of the latter month. This bank's index of productive activity, after adjustment for seasonal variation, was 95 per cent of the 1923-25 average in June, or the same as a month before; in April this index was 97 and a year ago it was 84. During the first half of 1937 the rate of manufacturing output was 20 per cent higher than a year before and exceeded that of any like period since 1930.

Industries producing such durable goods as iron and steel castings, electrical apparatus and automobile parts and bodies showed the greatest improvement in June as compared with May. Production of pig iron and motor vehicles declined sharply. Activity also declined in the case of some of the building materials.

Production of such non-durable goods as silk and cotton manufactures, and hosiery continued at about the same rate as in May, although declines are usual. The output of woolen and worsted goods, underwear, and carpets, and activity in the sugar refining and meat packing industries were substantially below the May levels.

Electric power output by eight central stations increased more than it usually does from May to June and over the first half of the current year was 10 per cent greater than in the same interval of 1937. Total sales of electricity by ten systems expanded in June, following a fairly large decline a month before. They have been 12 per cent greater thus far this year than last. Consumption of electrical energy by industries decreased by a larger percentage than usual from May to June

	Index numbers: percentages of the 1923-1925 average as 100											
	Adjusted for seasonal variation						Not adjusted					
	June 1936	Apr. 1937	May 1937	June 1937	Per cent change		June 1936	Apr. 1937	May 1937	June 1937		
					June 1937							
from 1936					from 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.												
<b>Industrial production</b>	87r	100	96	97p	+1	+12	+18	85	99	95	96p	
<b>Manufacturing—total</b>	84	97	95	95p	+0	+12	+20	84	95	94	94p	
<b>DURABLE GOODS</b>	78r	97	93	93p	+0	+19	+33					
<b>CONSUMERS' GOODS</b>	90	98	96	96p	-0	+6	+13					
Metal products	88r	112	104	109	+5	+24	+39	89r	110	104	110	
Textile products	86	95	93	90p	-3	+5	+15	84	92	90	87p	
Transportation equipment	75	85	88	87	-1	+16	+24	75	90	91	88	
Food products	81	80	84	81p	-3	+1	+6	77	78	82	78p	
Tobacco and products	88	112	102	97	-5	+9	+12	96	102	99	104	
Building materials	41r	54	52	47	-10	+14	+45	45r	53	54	51	
Chemicals and products	116	125	133	130p	-2	+13	+14	117	127	136	131p	
Leather and products	122	143	158r	148p	-6	+22	+18	119	142	144r	144p	
Paper and printing	86	96	96	98	+1	+14	+14	85	97	97	97	
<b>Coal mining</b>	72r	94	64	75p	+16	+3	-2	62r	97	64	65p	
Anthracite	72r	97	63	74p	+17	+4	-7	62r	101	63	65p	
Bituminous	73	70	76	79	+4	+7	+20	65	63	68	69	
<b>Crude oil</b>	404	467	466	481	+3	+19	+15	420	481	485	500	
<b>Electric power</b>												
Output	229	254	247	253	+3	+11	+10	218	249	230	241	
Sales, total	218	241	237	242	+2	+11	+12	212	248	228	235	
Sales to industries†	156	178	181	175	-3	+12	+14	157	180	184	176	
<b>Employment and wages—Pa.</b>												
<b>Factory—Wage earners</b>					-0*	+14*	+16*	81	92	92	92	
Payrolls					-1*	+35*	+39*	76	104	104	103	
Man-hours (1927-28=100)					-1*	+19*	+30*	81	99	97	97	
<b>General (1932=100)</b>												
Employment					+1*	+11*	+12*	114	124	125	127	
Payrolls					+1*	+29*	+30*	149	189	190	193	
<b>Building and real estate</b>												
<b>Contracts awarded†—total</b>	49	51	45	53	+17	+9	+15	56	60	54	61	
Residential‡	29	35	34	38	+13	+33	+52	34	40	43	46	
Non-residential‡	53	56	54	61	+12	+16	+7	62	62	61	72	
Public works and utilities†	92	116	61	67	+10	-27	-5	104	109	72	76	
Permits for building—17 cities	13	22	19	18	-9	+39	+45	16	31	22	22	
Real estate deeds—Philadelphia	55	47	28	30	+9	-45	-26	60	46	30	33	
Writs for Sheriff sales—Phila.	558	600	566	684	+21	+23	-2	558	630	595	684	
<b>Distribution</b>												
<b>Retail trade</b>												
—sales	77	78	86	81p	-6	+5	+9	77	79	89	82p	
—stocks	68	81	82	80p	-2	+19	...	65	83	82	77p	
<b>Wholesale trade</b>												
—sales	87	106	105	103p	-1	+18	+20	84	98	97	98p	
—stocks	67r	79	76	77	+1	+14	...	65r	79	75	75	
<b>Life insurance sales</b>	97	101	97	101	+4	+4	+7	101	113	104	105	
<b>New passenger auto. registrations</b>												
<b>Hotels—Occupancy</b>												
Income, total					-2*	-2*	+6*	127r	137	129	126p	
<b>Freight car loadings—total</b>	68	83	78	78	-0	+15	+21	69	79	81	80	
Merchandise and miscellaneous	69	81	79	78	-1	+14	+23	71	83	83	81	
Coal	65	79	69	74	+7	+14	+10	56	71	63	64	
<b>Business liquidations</b>												
Number					-19*	-37*	-19*	76	61	59	48	
Amount of liabilities					+70*	-17*	+7*	44	18	22	37	
<b>Payment of accounts</b>												
Check payments	81	88	98	92	-6	+13	+15	84	89	97	96	
Rate of collections (actual)												
Retail trade	32	33	32	32	-1	-2	...	34	32	33	33	
Wholesale trade	72	81	74	78	+5	+9	...	74	79	75	81	
<b>Prices—United States</b>												
<b>WHOLESALE (1926=100)</b>												
Farm products					-0*	+10*	+9*	79	88	87	87	
Food					-1*	+13*	+18*	78	92	90	88	
Other commodities					+1*	+6*	+6*	80	85	84	85	
<b>RETAIL FOOD</b>												
Philadelphia					-0*	+3*	+8*	79	86	86	86	
Scranton					-0*	+3*	+6*	86	88	89	89	
					-0*	+5*	+6*	81	82	85	84	
(In millions of dollars)	June 1936	Mar. 1937	Apr. 1937	May 1937	June 1937	% change from						
						Month ago	Year ago					
<b>Banking and credit</b>												
<b>Federal Reserve Bank</b>												
Bills discounted	\$ (a)	\$ 1	\$ 1	\$ 2	\$ 2			0				
Other bills and securities	184	200	214	218	218			0		+18		
Member bank reserves	276	390	430	422	384			-9		+39		
Reserve ratio (per cent)	73.5	76.1	75.0	73.8	73.0			-1		-1		
<b>Reporting member banks</b>												
Loans	\$ 446	\$ 447	\$ 450	\$ 454	\$ 460			+1		+3		
Investments	730	726	719	730	716			-2		-2		
Deposits (b)	1,374	1,429	1,479	1,459	1,420			-3		+3		
Bankers' acceptances outstanding	10.9	17.2	17.2	17.0	16.2			-5		+49		

\* Computed from data unadjusted for seasonal variation.

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

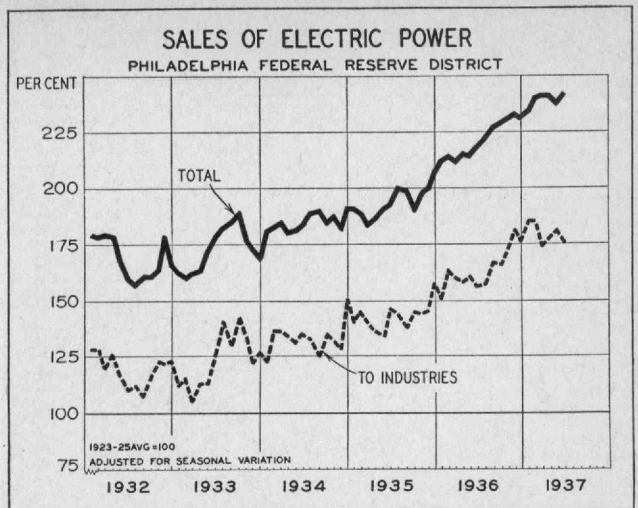
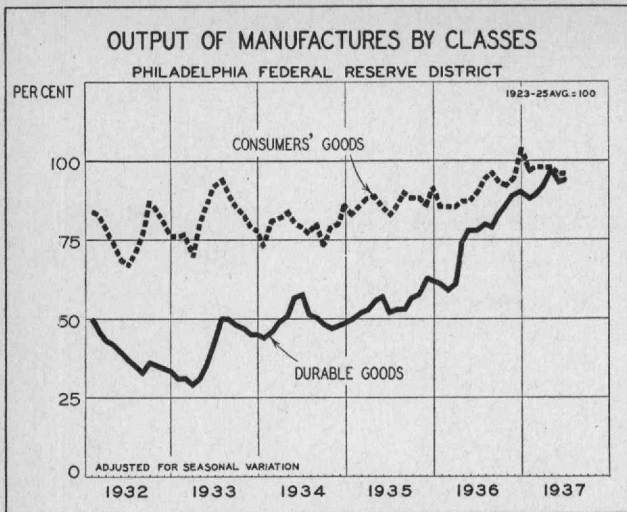
(a) Less than \$500,000.

(b) Less cash items in process of collection.

p—Preliminary.

r—Revised.

† Not included in production index.



but also was substantially greater than a year before.

**Coal and other fuels.** Anthracite output increased in June, following a sharp drop a month before, and was about 4 per cent greater than a year ago. Although shipments fell off somewhat from the May level, they were substantially larger than one and two years earlier. In the first six months of 1937 production showed a decline of nearly 7 per cent and shipments about one per cent, as compared with a year earlier; both were the smallest for that interval since 1933, the low point of the depression.

increases over a year earlier of 20 and 8 per cent, respectively, and were the largest since 1930.

Output of by-product coke decreased in June but was the greatest for that month since 1929. Production of gas and fuel oils showed some decline as compared with May and was considerably below the January peak when it was the largest in recent years. In the first six months this year coke output was 25 per cent greater and that of gas and fuel oils about one per cent smaller than a year before.

**Building.** The value of building contracts awarded in this district during June amounted to \$16,500,000, an increase of 10 per cent as compared with May and a gain of 15 per cent over a year ago. The improvement in the month reflected a larger dollar volume of awards for all classes of construction except family houses and factories. Contracts let for one and two-family dwellings, however, were but slightly smaller than in May and were 42 per cent greater than a year earlier.

In the first six months this year awards of building contracts totaled

\$88,500,000 and were the greatest for that interval since 1931. In comparison with the pre-depression years, 1923-25, however, this contract total was only about 57 per cent as large; it was but 32 per cent of the record high established in 1928. The most pronounced increases over the same period in 1936 and earlier years have occurred in the value of contracts let for residential and factory buildings.

Current reports indicate that while the demand for most building materials has slackened somewhat it continues more active than a year ago. As shown in part by employment, activity at Pennsylvania plants producing important materials used in building and construction was substantially higher in June this year than last. In these establishments the June index of wage earners was 79 per cent of the 1923-25 average, compared with 68 a year before and a depression low of 39.

During the past four months wholesale prices of building materials in the country as a whole have fluctuated narrowly at the highest levels since early 1927. About the middle of July the index number compiled by the Bureau of Labor Statistics was nearly 97 per cent of the 1926 average or 12 per cent higher than a year earlier.

**Agriculture.** The agricultural situation in this district as a whole continues to show improvement over 1936 and earlier years. Sales of farm products thus far have been the largest in several years and the condition of crops compares favorably with a year ago and in some cases appears to be above average.

Weather conditions lately have stimulated growth, although frequent rains have interfered somewhat with such

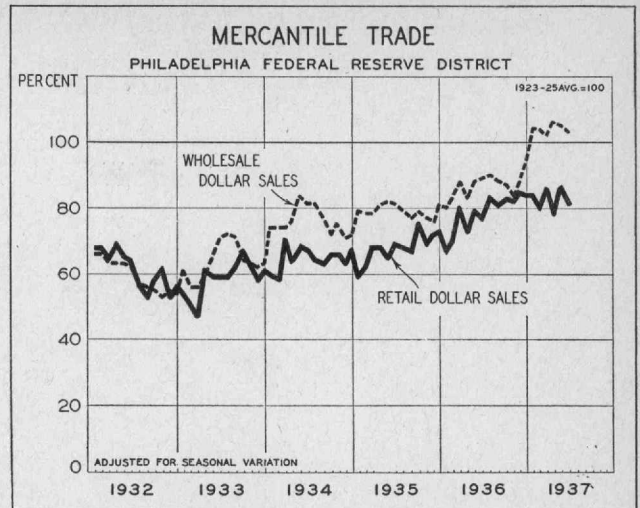
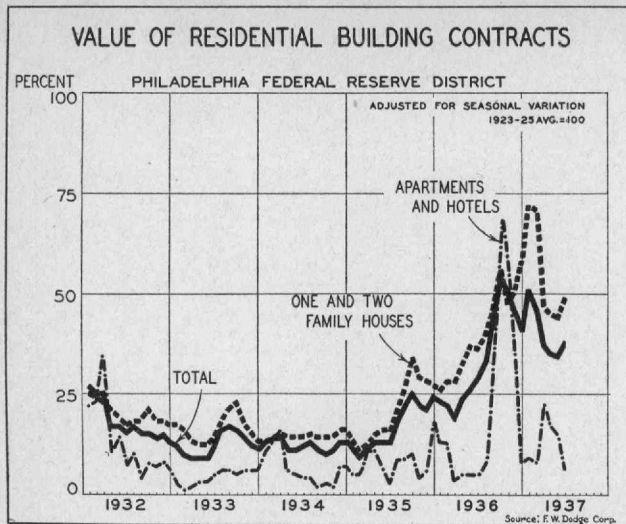
(Output and shipment figures are daily averages)	June 1937	Per cent change from	
		Month ago	Year ago
<b>Anthracite</b>			
Production..... tons	172,000	+2	+4
Shipments..... tons	168,348	-0	+15
Prices..... (1926=100)	74.5	+0	-3
Employment..... No.	98,381	+0	-0
<b>Bituminous</b>			
Production..... tons	330,192	+1	+7
Shipments..... No. cars	22,270	+1	+7
Prices..... (1926=100)	98.5	0	+2
Employment..... No.	129,221	-1	+3
<b>Coke</b>			
Prod. .... (1923-25=100)	123.9	-7	+9
Prices..... (1926=100)	105.0	-0	+12
<b>Gas and fuel oil</b>			
Prod. .... (1923-25=100)	122.7*	-4	+2
Prices..... (1926=100)	66.3	+3	-8

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

Latest available reports indicate that demand for Pennsylvania bituminous coal has been somewhat less active than was the case early this year and during the latter part of 1936. Takings by manufacturing plants especially appear to have decreased in recent weeks. Production and shipments showed some expansion in June following an increase in May from the relatively low level of April. In the first six months of 1937 they registered

Building contracts Philadelphia Federal Reserve District	June 1937 (000's omitted)	Per cent change	
		From month ago	1937 from 6 mos. 1936
Residential.....	\$ 5,134	+3	+52
Apts. and hotels.....	385	+84	+188
Family houses.....	4,749	-1	+44
Non-residential.....	8,023	+9	+7
Commercial.....	1,094	+11	+7
Factories.....	1,179	-39	+200
Educational.....	4,757	+34	-16
All other.....	993	+10	-11
Total buildings.....	\$13,157	+7	+23
Public works and utilities.	3,381	+26	-5
Grand total.....	\$16,538	+10	+15

Source: F. W. Dodge Corporation.



seasonal farming operations as haying, threshing and cultivating. Grain in the shocks was damaged to some extent in certain sections and many fields became weedy. Truck and vegetable crops, however, have grown rapidly and the condition of pastures and meadows has improved considerably since early this season.

Reports from the Department of Agriculture indicate that yields of important field crops with the exception of tobacco will be substantially larger this year than last. These estimates show this to be especially true in the case of hay, the indicated yield of which is about 30 per cent greater than a year ago.

Wholesale prices of farm products in the country as a whole increased appreciably from the middle of June to the middle of July, following a gradual decline from the year's high point reached early in April. In the latest week, however, there was a decline. On July 24 the wholesale price index of the Bureau of Labor Statistics was 88.4, relative to the 1926 average, as compared with 91.1 on July 17, 87.4 on June 19, and 81.4 a year ago.

#### **Distribution, trade and service.**

Retail trade sales by department, apparel, shoe and credit stores were 5 per cent larger in June this year than last and in the first six months showed a gain of about 9 per cent over last year. The value of June sales by department stores exceeded those of a year earlier by 5 per cent at Philadelphia establishments and 8 per cent elsewhere in this district. Total dollar sales decreased more sharply than usual from May to June; consequently this bank's seasonally adjusted index dropped from 86 to 81 per cent of the

1923-25 average. Declines in sales occurred in all reporting lines except men's apparel, which were considerably larger than in May, particularly at Philadelphia stores.

Wholesale trade sales in June were 18 per cent larger than in the same month last year and in the first half of 1937 exceeded those of a year before by 20 per cent. An increase of about one per cent from May to June in the total dollar sales of eight important branches was a somewhat smaller gain than ordinarily occurs in this interval; consequently our index, after adjustment for seasonal variation, was 103 in June as compared with 105 in May. Sales of groceries, shoes, drugs and jewelry were maintained above their customary level in June but those of electrical supplies, dry goods, paper and hardware registered declines.

In retail lines inventories decreased by a somewhat larger percentage than usual during June but they showed virtually no change at wholesale. At the end of the month stocks in these channels of trade exceeded those of a year earlier by 19 and 14 per cent, respectively. During the first half of 1937 stock turnover at retail was less rapid than a year before but it was much more active in wholesale lines.

Sales of new passenger automobiles in this district showed some decrease in June, following a marked upward trend since early this year. The number of new units sold in the first six months of 1937 was substantially greater than a year before and the largest on record for that interval. In the country as a whole manufacturers' sales of passenger cars and commercial

vehicles declined further during June. As in the case of this district, however, comparisons with 1936 and earlier years continued favorable.

Distribution of commodities by railroad freight in this section was nearly as large in June as in May. Increases in loadings of coal, coke, livestock and forest products were offset by declines in the movement of merchandise and miscellaneous commodities and grain and by a smaller than seasonal gain in ore shipments. The volume of rail freight consisting mainly of manufactures originating in the Philadelphia industrial area declined further in June, continuing a downward movement since March. In the first half of this year, however, the amount of freight handled locally exceeded that of a year before by nearly 12 per cent and was the largest for that interval since 1931.

Activity of non-resort commercial hotels slackened further in June, as indicated by a decline in room occupancy and a decrease in revenue from sources other than guest rooms. In the first six months of 1937 room occupancy was 6 per cent and total revenue 5 per cent greater than a year before. Other details follow:

Hotel business Philadelphia Federal Reserve District	June per cent change from		1937 from 6 mos. 1936
	Month ago	Year ago	
Capacity.....	0	+ 0	.....
Room occupancy.....	- 2	- 2	+ 6
Per cent of capacity used:			
June 1937.....	56.2		
May 1937.....	59.9		
June 1936.....	59.4		
Income from:			
Guest rooms.....	+ 1	-12	+ 7
Food.....	- 9	- 9	+ 5
Other sources.....	- 7	-20	+ 2
Total revenue.....	- 4	-13	+ 5

**Banking conditions.** Shortly after the middle of June the reserves of member banks declined to 368 millions, the lowest since February. Over the balance of June the trend was generally upward and in the first three weeks of July reserves averaged \$387,000,000, a level approximately \$70,000,000 higher than a year ago. Recent changes follow:

(Averages of daily figures; dollar figures in millions)	1937			1936
	June 1-15	June 16-30	July 1-15	July 1-15
<b>Reserve city banks</b>				
Reserves at Federal Reserve Bank.....	\$241.0	\$237.1	\$241.3	\$210.2
Required reserves.....	198.8	200.4	200.9	99.9
Excess reserves.....	42.2	36.7	40.4	110.3
Ratio of excess to required.....	21%	18%	20%	110%
<b>Country banks</b>				
Reserves at Federal Reserve Bank.....	\$145.8	\$144.1	\$146.2	\$102.6
Required reserves.....	114.1	115.5	116.3	53.9
Excess reserves.....	31.7	28.6	29.9	48.7
Ratio of excess to required.....	28%	25%	26%	90%

Outstanding credit of the Federal Reserve Bank of Philadelphia has changed little in recent weeks. Thus far in July bills discounted for member banks have averaged little over \$1,000,000 and industrial advances show a slight decline. This bank's participation in Federal Reserve System holdings of United States securities has remained at \$213,300,000 for more than two months.

The increase of \$11,000,000 in the reserve balances of member banks during the four weeks ended July 21 reflected chiefly funds gained through the settlements in the last week of June, when reporting bank loans and investments declined. The period as a whole shows a favorable balance of about \$15,000,000 in commercial and financial transactions with other districts. Other changes tending to sustain reserves were of small amount. The only offsetting factors were an excess of local Treasury receipts over disbursements of \$2,300,000 and a rise of \$3,200,000 in currency demand. The increased call for currency prior to July 4 was not exceptionally large.

Deposits of reporting member banks were at the lowest point of 1937 on June 16, when they totaled \$1,396,000,000. The rise to \$1,443,000,000 on the 23rd was followed by little change in the last week of June; but by July 21 deposits had declined to \$1,420,-

Federal Reserve Bank of Philadelphia (Dollar figures in millions)	July 21, 1937	Changes in—	
		Four weeks	One year
Bills discounted.....	\$ 1.1	-\$0.1	+\$0.9
Bills bought.....	0.3	- 0.0	+ 0.0
Industrial advances.....	3.9	- 0.1	- 1.2
United States securities.....	213.3	0	+ 2.1
Total bills and securities.....	\$218.6	-\$0.2	+\$1.8
Federal res. note circulation.....	313.6	+ 3.0	+16.5
Member bank reserve deposits.....	389.1	+10.9	+69.6
U. S. Treasurer—general account.....	3.2	- 6.7	-16.5
Foreign bank deposits.....	15.9	- 0.1	+10.3
Other deposits.....	9.2	+ 0.0	+ 7.6
Total reserves.....	533.5	+ 6.3	+83.9
Reserve ratio.....	73.0%	+ 0.2%	+ 3.1%

000,000. The decrease of \$23,000,000 in the last four weeks reflected chiefly a falling off in demand deposits and to a lesser extent withdrawals by the Treasury; time and interbank deposits increased. The loss in deposits was more than compensated for by decreases of \$15,000,000 in earning assets and \$21,000,000 in funds held with correspondents. Consequently, reserves with the Federal Reserve Bank increased \$10,000,000.

The principal changes in loans and investments were declines of \$11,000,000 in loans to brokers and dealers in securities and \$13,000,000 in holdings of direct obligations of the United States Government, most of which occurred in the last week of June. Small increases were reported in a number of other items, the largest being a rise of \$3,000,000 in commercial loans. Such loans have moved irregularly upward in recent months; the trend thus far this year has been quite similar to that in 1936.

Although total deposits at the reporting banks on July 21 were \$90,000,000 smaller than at the peak on January 6, they were only \$8,000,000 less than a year ago. In the course of the year

Reporting member banks (000,000's omitted)	July 21, 1937	Changes in—	
		Four weeks	One year
<b>Assets</b>			
Commercial, industrial and agricultural loans:			
On securities.....	\$ 43	.....	*
Otherwise secured and unsecured.....	163	+\$ 3	*
Open market paper.....	26	+ 1	*
Loans to brokers and dealers in securities.....	25	- 11	-\$ 8
Other loans to purchase or carry securities.....	39	.....	*
Loans on real estate.....	60	.....	- 3
Loans to banks.....	2	.....	.....
Other loans:			
On securities.....	48	+ 1	*
Otherwise secured and unsecured.....	57	+ 1	*
Total loans.....	\$ 463	-\$ 5	+\$15
United States Government securities.....	331	- 13†	+ 9
Obligations fully guar. by U. S. Government.....	99	+ 1†	- 6
Other securities.....	284	+ 2	- 29
Total loans and investments.....	\$1,177	-\$15	-\$11
Reserve with Federal Reserve Bank.....	255	+ 10	+ 30
Cash in vault.....	16	- 1	+ 1
Balances with other banks.....	132	- 21	- 23
Other assets—net.....	87	- 2	.....
<b>Liabilities</b>			
Demand deposits, adjusted.....	\$ 837	-\$33	+\$74
Time deposits.....	285	+ 3	+ 9
U. S. Government deposits.....	18	- 5	- 53
Interbank deposits.....	280	+ 12	- 38
Borrowings.....	.....	.....	.....
Other liabilities.....	20	- 6	- 1
Capital account.....	227	.....	+ 6

\* Comparable figures not yet available.  
† Revised.

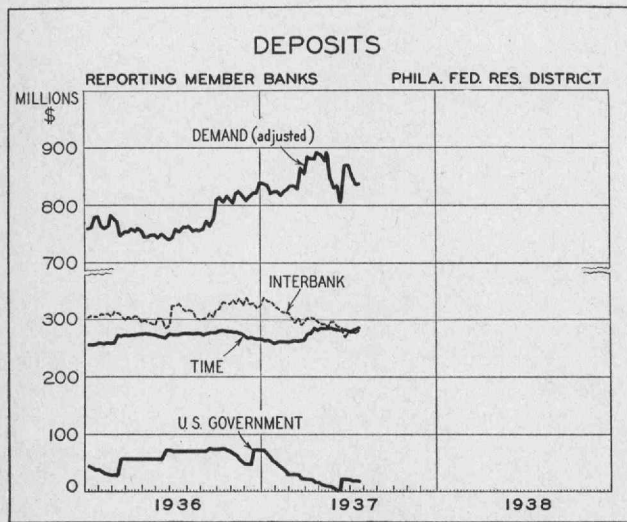
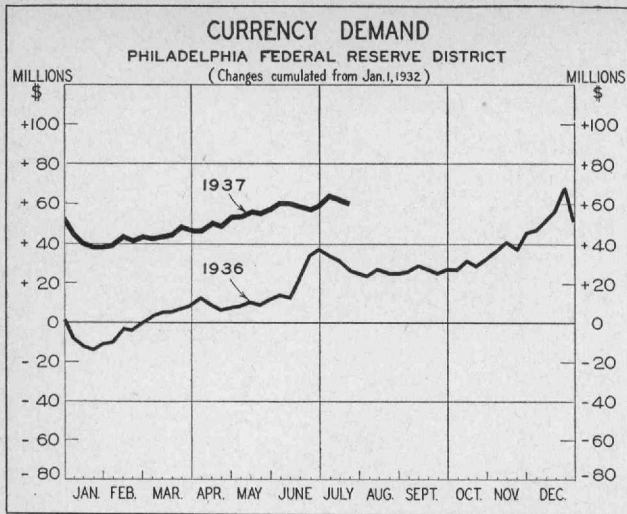
loans have increased and there has been an expansion of \$30,000,000 in reserve balances, but security holdings and balances with correspondents have fallen off.

Outstanding acceptances of member banks in this district declined about \$1,000,000 in the second quarter of 1937. The total of \$16,200,000 remaining at the end of June, however, was \$5,300,000 greater than a year ago, reflecting gains in a number of classifications. The largest were increases of \$3,200,000 in import bills, which constitute about two-thirds of the total outstanding, and over \$1,200,000 in those covering warehouse credits.

#### MEMBER BANK RESERVES AND RELATED FACTORS

Philadelphia Federal Reserve District (Millions of dollars)	Changes in weeks ending—				Changes in four weeks
	June 30	July 7	July 14	July 21p	
<b>Sources of funds:</b>					
Reserve bank credit extended in district.....	+ 0.1	+0.5	+1.5	-1.7	+ 0.4
Commercial transfers (chiefly interdistrict).....	+15.9	+9.7	-8.5	-1.5	+15.6
Treasury operations.....	- 1.1	-4.3	+1.3	+1.8	- 2.3
Total.....	+14.9	+5.9	-5.7	-1.4	+13.7
<b>Uses of funds:</b>					
Currency demand.....	+ 2.9	+5.0	-2.9	-1.8	+ 3.2
Member bank reserve deposits.....	+12.3	+1.0	-3.0	+0.6	+10.9
"Other deposits" at reserve bank.....	+ 0.0	-0.1	+0.3	-0.2	+ 0.0
Unexpended capital funds.....	- 0.3	-0.0	-0.1	+0.0	- 0.4
Total.....	+14.9	+5.9	-5.7	-1.4	+13.7

p—Preliminary.



City areas*	Percentage change—June 1937 from June 1936				
	Manufacturing		Building permits (value)	Debits	Retail trade sales
	Employment	Wage payments			
Allentown.....	+17	+47	+184	+14	+13
Altoona.....	+2	-3	+82	+11	+6
Harrisburg.....	+17	+51	-20	+19	+3
Johnstown.....	+41	+42	-76	+20	-12
Lancaster.....	+15	+39	-17	+22	+23
Philadelphia.....	+11	+27	+95	+7	+6
Reading.....	+11	+35	-18	+17	+10
Seranton.....	+13	+19	-68	-1	+4
Trenton.....	+12	+27	+91	-6	+18
Wilkes-Barre.....	+9	+21	-71	-7	+7
Williamsport.....	+7	+19	-69	-2	.....
Wilmington.....	+23	+36	-49	+47	+12
York.....	+11	+33	+138	+16	.....

June 1937 from May 1937					
Allentown.....	+0	-3	+91	+3	-8
Altoona.....	+1	+0	-5	+6	-23
Harrisburg.....	-1	+4	-56	+6	-12
Johnstown.....	+1	-23	-61	+0	-16
Lancaster.....	-1	-1	-34	+1	-10
Philadelphia.....	+3	+4	+2	-2	-3
Reading.....	-1	-4	-52	+2	-15
Seranton.....	-0	+6	-65	-1	-18
Trenton.....	-0	+1	+318	+3	+3
Wilkes-Barre.....	-0	+2	-27	-2	-11
Williamsport.....	-0	+1	-59	+2	.....
Wilmington.....	+1	-0	+116	+54	+4
York.....	-4	-3	+125	+2	.....

\* 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†	
	June 1937 index	Per cent change from		June 1937 index	Per cent change from		June 1937 per cent change from	
		June 1936	May 1937		June 1936	May 1937	June 1936	May 1937
<b>All manufacturing.....</b>	92	+14	-0	103	+35	-1	+19	-1
Iron, steel and products.....	92	+26	+3	122	+52	-0	+24	-0
Non-ferrous metal prods.....	130	+11	-4	159	+28	-1	+10	-2
Transportation equip.....	72	+20	-1	72	+33	+0	+22	+1
Textiles and clothing.....	101	+4	-4	90	+8	-5	+9	-5
Textiles.....	98	+6	-1	89	+9	-4	+11	-4
Clothing.....	113	-2	-11	94	+4	-7	+1	-8
Food products.....	103	+2	+1	108	+12	+1	+1	-1
Stone, clay and glass.....	92	+16	0	98	+42	-0	+27	-2
Lumber products.....	69	+10	+0	65	+24	+2	+11	+2
Chemicals and products.....	97	+11	-1	110	+29	-1	+12	-2
Leather and products.....	94	+9	-1	93	+29	+4	+21	+4
Paper and printing.....	100	+9	+0	104	+20	+0	+13	-1
Printing.....	95	+8	+0	99	+17	+1	+14	-0
<b>Others:</b>								
Cigars and tobacco.....	67	+2	+1	63	+15	+2	+6	+3
Rubber tires, goods.....	89	+10	+4	97	+16	-6	+2	-6
Musical instruments.....	54	+7	-1	53	+27	-4	+19	-1

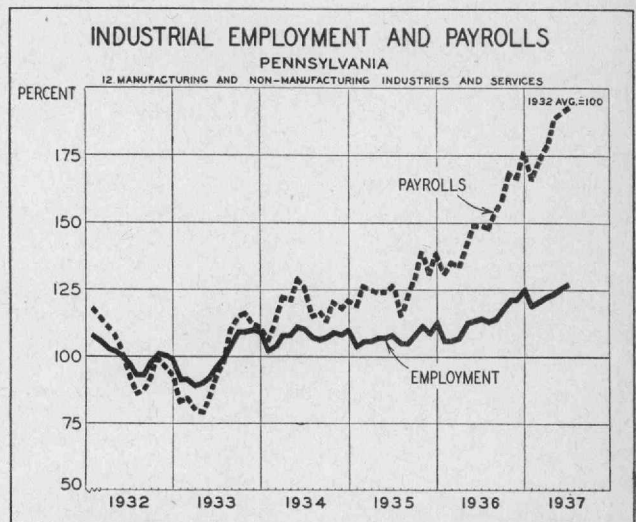
\* Figures from 2,319 plants.

† Figures from 2,071 plants.

### General Index Numbers

Covering twelve branches of trade and industry

	Employment			Payrolls		
	June 1937 index	Per cent change from		June 1937 index	Per cent change from	
		June 1936	May 1937		June 1936	May 1937
<b>General index (weighted)....</b>	127	+11	+1	193	+29	+1
Manufacturing.....	145	+14	-0	251	+35	-1
Anthracite mining.....	83	-0	+0	95	+21	+15
Bituminous coal mining.....	122	+3	-1	222	+24	+9
Building and construction.....	97	+24	+6	123	+32	+7
Quarrying and non-met. mining	127	+11	+2	265	+32	-1
Crude petroleum producing.....	159	-3	+0	177	+11	+1
Public utilities.....	95	+4	-1	106	+8	+3
Retail trade.....	123	+6	+3	136	+14	+3
Wholesale trade.....	117	+6	-0	118	+11	+0
Hotels.....	111	+3	-0	120	+7	-2
Laundries.....	110	+11	+5	131	+21	+8
Dyeing and cleaning.....	117	+9	+8	149	+19	+8



# Index numbers of individual lines of trade and manufacture

## Philadelphia Federal Reserve District

Adjusted indexes allow for the usual seasonal change in activity.  Unadjusted indexes reflect merely the actual change which may or may not be typical.	Index numbers: percentages of the 1923-1925 average as 100												
	Adjusted for seasonal variation						Not adjusted						
	June 1936	Apr 1937	May 1937	June 1937	Per cent change			June 1936	Apr 1937	May 1937	June 1937		
					June 1937 from	1937 from 6 mos. 1936	Month ago					Year ago	mos. 1936
<b>Retail trade</b>													
<b>Sales</b>													
Total of all stores.....	77	78	86	81p	- 6	+ 5	+ 9	77	79	89	82p		
Department.....	71	68	80	75p	- 6	+ 6	+ 8	71	69	80	75p		
Men's apparel.....	70	67	80	85	+ 5	+ 21	+ 13	75	64	77	91		
Women's apparel.....	89	92	105	98	- 7	+ 10	+ 12	87	108	108	95		
Shoe.....	76r	68	93	79p	-15	+ 4	+ 0	90r	74	110	94p		
Credit.....	91r	104	94	88p	- 7	- 3	+ 16	86r	100	99	83p		
<b>Stocks of goods</b>													
Total of all stores.....	68	81	82	80p	- 2	+ 19	.....	65	83	82	77p		
Department.....	53	62	62	60p	- 3	+ 14	.....	51	64	62	58p		
Men's apparel.....	71	77	91	88	- 4	+ 24	.....	67	82	91	84		
Women's apparel.....	100	106	111	110	- 1	+ 10	.....	89	114	112	98		
Shoe.....	68	77	73	71	- 3	+ 5	.....	66	79	76	70		
Credit.....	81r	108	106	106p	- 0	+ 30	.....	79r	108	103	103p		
Rate of stock turnover 6 months (actual, not indexes).....							- 5*	2.00			1.90		
<b>Wholesale trade</b>													
<b>Sales</b>													
Total of all lines.....	87	106	105	103p	- 1	+ 18	+ 20	84	98	97	98p		
Boots and shoes.....	59	47	55	57	+ 5	- 3	- 1	51	50	54	49		
Drugs.....	102r	105	108	109	+ 1	+ 8	+ 11	98r	107	108	105		
Dry goods.....	47r	67	59	57	- 4	+ 20	+ 31	43r	58	55	52		
Electrical supplies.....	98r	145	172	148p	-14	+ 51	+ 63	80r	133	131	121p		
Groceries.....	117	129	118	127	+ 7	+ 8	+ 9	119	119	117	129		
Hardware.....	55	64	63	63	- 0	+ 13	+ 19	58	66	69	65		
Jewelry.....	54	77	59	59	+ 0	+ 10	+ 33	45	50	49	49		
Paper.....	73	95	93	90	- 3	+ 23	+ 25	70	95	92	86		
<b>Stocks of goods</b>													
Total of all lines.....	67r	79	76	77	+ 1	+ 14	.....	65r	79	75	75		
Boots and shoes.....	20	36	30	37	+ 25	+ 86	.....	19	36	29	35		
Dry goods.....	40r	52	51	50	- 2	+ 24	.....	40r	52	50	50		
Electrical supplies.....	106r	158	124	120	- 3	+ 14	.....	104r	155	118	117		
Groceries.....	72r	79	81	82	+ 1	+ 15	.....	65r	79	77	75		
Hardware.....	66	79	83	79	- 5	+ 19	.....	68	84	86	81		
Jewelry.....	53	54	48	49	+ 2	- 8	.....	58	52	51	53		
Paper.....	62	65	68	66	- 3	+ 6	.....	62	65	68	66		
Rate of stock turnover 6 months (actual, not indexes).....							+ 13*	2.84			3.22		
<b>Output of manufactures</b>													
Pig iron.....	53	73	80	73	- 9	+ 38	+ 78	50	83	84	70		
Steel.....	82	102	101	102	+ 1	+ 24	+ 42	84	107	106	104		
Iron castings.....	84r	88	91	100	+ 10	+ 20	+ 37	83r	91	94	99		
Steel castings.....	93	122	101	120	+ 19	+ 30	+ 43	96	125	105	125		
Electrical apparatus.....	104r	140	116	126	+ 9	+ 22	+ 32	104r	122	107	126		
Motor vehicles.....	12	25	26	23	- 13	+ 85	+ 106	15	32	33	28		
Automobile parts and bodies.....	60	68	73	76	+ 4	+ 27	+ 19	60	74	77	76		
Locomotives and cars.....	32	44r	45r	46	+ 1	+ 44	+ 50	33	47r	44r	47		
Shipbuilding.....	240	247	250	244	- 2	+ 2	+ 15	237	251	257	242		
Silk manufactures.....	88	101	98	99	+ 2	+ 13	+ 21	83	99	94	94		
Woolen and worsteds.....	78	76	80	72	- 10	- 8	+ 9	74	70	75	69		
Cotton products.....	50	63	65	67	+ 4	+ 34	+ 36	48	65	64	64		
Carpets and rugs.....	123	152	158	143	- 9	+ 16	+ 39	118	143	153	137		
Hosiery.....	105	106	110	113	+ 3	+ 7	+ 5	103	106	110	110		
Underwear.....	149	160	148	140	- 6	+ 6	+ 10	149	157	149	140		
Cement.....	52r	69	62	50	- 19	- 4	+ 33	62r	68	70	60		
Brick.....	45	67	67r	64	- 5	+ 41	+ 39	47	70	71r	66		
Lumber and products.....	32	37	39r	36	- 8	+ 11	+ 33	33	35	36	36		
Bread and bakery products.....							- 0*	+ 5*	+ 3*	90	88	94r	94
Slaughtering, meat packing.....	96	102	92	89	- 3	- 7	+ 10	91	100	92	85		
Sugar refining.....	74	74	109	67	- 39	- 10	+ 2	79	96	134	71		
Canning and preserving.....	70	65	66	67p	+ 1	- 4	+ 7	50	55	50	48p		
Cigars.....	87	110	101	95	- 5	+ 9	+ 11	95	100	98	103		
Paper and wood pulp.....	68	76	76	77	+ 1	+ 14	+ 15	67	77	76	76		
Printing and publishing.....	90	100	100	102	+ 1	+ 14	+ 14	89	102	101	101		
Shoes.....	133	167	181r	181	- 0	+ 36	+ 30	126	167	165r	172		
Leather, goat and kid.....	111	121	136	117p	- 13	+ 5	+ 4	113	117	124	119p		
Explosives.....	75	94	93	92	- 1	+ 22	+ 16	75	95	94	92		
Paints and varnishes.....	87	95	98r	101	+ 3	+ 16	+ 19	89	100	104r	103		
Petroleum products.....	148	152	170	163p	- 4	+ 10	+ 9	149	152	170	164p		
Coke, by-product.....	114	129	128	124	- 4	+ 9	+ 25	114	134	133	124		

\* Computed from data unadjusted for seasonal variation.

p—Preliminary.

r—Revised.

