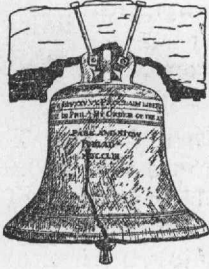


1944 APR 10 AM 11 06

RECEIVED SECRETARY TO
HENRY H. EDMISTON
V. PRESIDENT

THE BUSINESS REVIEW



FEDERAL RESERVE BANK OF PHILADELPHIA

APRIL 1, 1944

MANPOWER remains the most critical factor in war production, as supplies of most basic materials balance, and in some cases exceed the military demand, and processing and fabricating facilities generally are adequate to implement the programs scheduled in 1944. The magnitude of the manpower problem was suggested earlier this year by the President's recommendations to Congress for national service legislation. Its persistence is reflected in the War Production Board's refusal to permit excess supplies of certain war metals to be used in any considerable resumption of manufacturing on civilian account, and the continued delay in beginning even the limited production contemplated by so-called "pilot" plants in the Philadelphia, Cleveland, and Kansas City areas. That it is still serious is emphasized also by the insistence of military authorities that the transfer of manpower from factories and farms to the fighting fronts be accelerated by prompt revocation of deferments for physically fit men from eighteen through twenty-five.

The over-all manpower stringency has grown less severe in recent months to the extent that total requirements appear to be moderating as the nation's labor force, including personnel in the armed services and in civilian occupations, approaches the record level of 65.7 million persons anticipated by July 1, 1944. Thus, apart from a net increase of 800,000 in the armed forces and the seasonal expansion of 3.4 million in the demand for agricultural workers, total manpower needs will not change substantially during the current six months, according to re-

vised estimates by the War Manpower Commission. The anticipated increase in military personnel compares with 2.3 million inducted during the first half of 1943; expanded agricultural requirements may be discounted in part, since it is quite possible they can be met largely as in other years by the employment of members of farm families and youth of school age not in the labor market at other seasons.

The need for workers in the munitions industries is expected to remain at 9.8 million persons throughout the first six months, as against an increase of 500,000 reported in the same period last year. Moreover, recent declines in the rate of labor turnover at war plants indicate that the resources currently available are being used more efficiently.

Partly in consequence of these encouraging trends, but principally because of increased production goals in a number of munitions categories and the military urgency of meeting them promptly, the character of the manpower problem has changed considerably as compared with a few months ago. The current situation reflects the development of localized scarcities in certain areas and throughout specific industries, rather than an intensification of the nation-wide shortage of labor which became acute in the latter part of 1943. Accordingly, emphasis has shifted since the turn of the year to the task of achieving maximum efficiency in the use of all available resources, making the immediate problem one of redistribution by directing man-

Continued on page 5

The Economy of The Third Federal Reserve District

Agriculture

Present-day agriculture in the Third Federal Reserve District is characterized by a great variety of products. Diversification dominates the utilization of land in this section of the country, unlike other areas of the United States which are more dependent upon one cash crop such as cotton in the South and wheat in the Midwest.

The variety of farms in this district is due very largely to the many types of soil and different kinds of land formation. The soil map of the district has the appearance of a patchwork quilt with a different agricultural product for each color in the pattern.

The accessibility of large urban markets is another factor which has brought about the development of diversified agriculture. The dairy farms of southeastern Pennsylvania supply milk for the Philadelphia metropolitan area; those of the northeastern part of the state ship their products into the New York market. The New Jersey truck farms yield an abundance of green vegetables for the nearby fresh vegetable markets. Most of their high-grade tomatoes are packed by the huge canning industry of Camden. Delaware has become a prominent center of poultry farming in response to the growing consumer demand for eggs and related poultry products.

Scattered throughout the district are other types of specialty farms. The potato farms of Lehigh and Potter counties, mushroom growing in Chester county, and tobacco production in Lancaster and York counties are outstanding examples of local specialization. Apples are the principal crop of specialty fruit farms in Adams and adjoining counties. Peaches and apples are important tree crops of southern New Jersey. Animal specialty farms have recently developed in Lancaster county where beef cattle are fattened for market. Cash grain farms producing wheat and other grains are found in areas remote from population centers.

Agriculture in this district has undergone considerable change which reflects the adaptation of land utilization in a highly industrialized region. Like the other primary industries al-

ready analyzed, agriculture will be appraised with reference to its importance in the Third District, its growth since 1900 and its contribution to the nation's agricultural economy.

Agriculture in the Economy of the Third Federal Reserve District

In 1940, agriculture in the Third Federal Reserve District employed 170,000 workers, which represented 15 per cent of all workers employed in the three primary branches of productive activity—mining, agriculture, and manufacturing. In 1939 agriculture produced, however, only 9 per cent of total income derived from the three primary industries, as shown in Table 1. The value of farm products sold and traded together with those used by farm households, amounted to \$229 million in 1939, as compared with \$1,994 million value added by manufacturing, and \$311 million worth of mineral products.

TABLE 1
VALUE OF OUTPUT OF THE
PRIMARY INDUSTRIES — 1939

	Third District	United States
Agriculture.....	9%	21%
Mining.....	12	11
Manufacturing (value added).....	79	68
Total.....	100%	100%

Source: Census of Agriculture, U. S. Department of Commerce, Bureau of the Census.

Agriculture does not readily adjust its output to changes in demand because labor is essentially a fixed cost and by curtailing production a farmer puts himself out of work. At the same time output varies from year to year because of climatic conditions and it is difficult to forecast supply conditions a year in advance and, once the crop is in, it is impossible to change the direction of production. In contrast to this, labor in most industries is a variable cost; and when prices fall, production may be cut, resulting in unemployment. Production in most industries is not dependent upon weather conditions and its direction and output can be changed readily any time in the year. For these reasons production responses in agriculture and industry are quite different; agriculture tends to have more stable production with large fluctu-

tuations in price, while in industry production tends to fluctuate more and prices less.

While total demand for agricultural products is less elastic than for industrial products there is considerable elasticity of demand for individual products. Also an increase in purchasing power leads to an increased demand for the more expensive foods such as beef, butter, milk, eggs, green vegetables, and fruits. By adding greater variety to the diet, these products contribute materially to the enjoyment of food consumption which satisfies more than mere physiological needs.

Secular Trends in Agriculture

The proportion of the population gainfully employed in an industry is a rough measure of the importance of that industry. In this district workers gainfully employed in agriculture were 264,000 in 1900 but by 1940 the industry employed only 170,000 workers, a shrinkage of 36 per cent. The decline in employment is a reflection of both the growing industrialization of the district and to some extent the mechanization of agriculture.

There are other indications of a decline in the importance of agriculture in the Philadelphia district. Both number of farms and acres in farms have been decreasing since 1900, as Table 2 shows. In 1900 more than three-fifths of the total land area of the district was in farms, in contrast to less than one-half in 1940, as a constantly smaller proportion of the total land area was put to this use. Since the diminishing acreage closely parallels the decline in number of farms, the average size of farms has remained practically stationary around 85 acres.

TABLE 2

NUMBER OF FARMS AND LAND IN FARMS IN THE THIRD FEDERAL RESERVE DISTRICT

	Farms (000 omitted)	Index (1900 = 100)	Acres (000 omitted)	Index (1900 = 100)
1900.....	171	100.0	14,648	100.0
1910.....	170	99.9	14,170	96.7
1920.....	158	92.4	13,416	91.6
1930.....	137	80.2	11,788	80.5
1940.....	132	77.4	11,378	77.7

Source: Census of Agriculture; U. S. Department of Commerce, Bureau of the Census.

A striking contrast to the impression created by the absolute decline in the number of farms, land in farms, and employment, is provided by the value of agricultural production. The com-

bined value of crops harvested and selected livestock products¹ shows an increase of 122 per cent between 1900 and 1940. This, of course, reflects changes in both prices and physical output. During World War I, for example, value of agricultural output of the district attained a peak almost four times the 1900 level, owing primarily to wartime inflation of agricultural prices. A rough estimate of the value of selected products in terms of constant prices, which approximates actual physical production, shows an increase of 56 per cent over the past four decades, with a particularly marked rise during the decade of the thirties.

The disparity between the expanding volume of agricultural production and the shrinkage of land in cultivation is the result of changes in the type of products produced and improved technology. During the four decades ending in 1939 a considerable change has taken place in the character of agriculture in the district. Crops have contributed a declining proportion, and livestock products an increasing proportion of the total agricultural output. In Pennsylvania, New Jersey and Delaware the physical volume of corn and wheat production declined 16 and 24 per cent respectively, whereas production of milk increased 6 per cent and eggs 110 per cent. The rising importance of livestock products as a source of agricultural income continued during the pre-war decade, as shown in Table 3. The shift was an indication of fundamental change taking place in the agricultural economy.

Changes in dietary habits led to changes in food production. Since the end of the nineteenth century the dietary pattern has shifted from grain products to dairy products, fruits and vegetables. The growing urbanization of the district, accompanied by a generally rising standard of living, created new and large markets for these products. The growth of poultry and dairy farming took place in response to the changing demand. Smaller proportions of grain crops raised here led to a growing dependence on feed shipped in from other parts of the country.

Estimates of productivity per worker, per farm, and per acre, reveal an increase in agricultural productivity in every decade since 1909. Higher productivity of farms and farm labor has

¹Items included are all crops harvested and the following livestock products: poultry and eggs, dairy products, wool, and honey. It is not total farm output because some livestock, such as pork and beef products, are not included. Data for these products are not available prior to 1929.

been attained by the greater use of machines and mechanical power for seed-bed preparation, tillage, and harvesting, greater use of fertilizers, improved plant and animal breeding, better control of disease and insect pests, and scientific animal nutrition.

TABLE 3

TYPE OF AGRICULTURAL PRODUCTION IN THE THIRD FEDERAL RESERVE DISTRICT

	Percentage Distribution		Dollar Value (thousand ds)	
	1929	1939	1929	1939
Livestock products.....	43.3	46.6	\$131,544	\$106,765
Crops.....	32.2	31.7	97,765	72,747
Livestock.....	11.1	9.3	33,615	21,429
Products used by farm households.....	13.4	12.4	40,693	28,415
	100.0	100.0	\$303,617	\$229,356

Source: Census of Agriculture; U. S. Department of Commerce, Bureau of the Census.

Relation of the Third Federal Reserve District to United States Agriculture

Since 1900 land brought under cultivation expanded in areas outside the district. Opening up of new land in the West and reclamation of desert land by irrigation was stimulated by inflated agricultural prices during the First World War, while greater use of agricultural machinery facilitated the exploitation of this new land.

Land in farms in the United States increased 27 per cent, as shown in the chart. This is in striking contrast to the 23 per cent decrease in farm land cultivated in the Third District. While the average size of farms in this district has remained unchanged, the average size of farms for the country as a whole has increased from 146 to 174 acres.

The decline in number of farms and the shrinkage of land in farms within the Third District has reduced its relative importance in United States agriculture, as shown in Table 4.

TABLE 4

PROPORTION UNITED STATES FARMS AND LAND IN FARMS WITHIN THE THIRD FEDERAL RESERVE DISTRICT

	Number of farms	Land in farms
1900.....	3.0%	1.7%
1910.....	2.7	1.6
1920.....	2.4	1.4
1930.....	2.2	1.2
1940.....	2.2	1.1

Source: Census of Agriculture; U. S. Department of Commerce, Bureau of the Census.

Agricultural employment also declined at a faster rate in this district than in the country as a whole. On the other hand, production of selected agricultural products in the district rose somewhat faster than that of the country, and as a result the district increased slightly its share of national output, as shown in Table 5. It should be noted, however, that livestock production as distinguished from livestock prod-

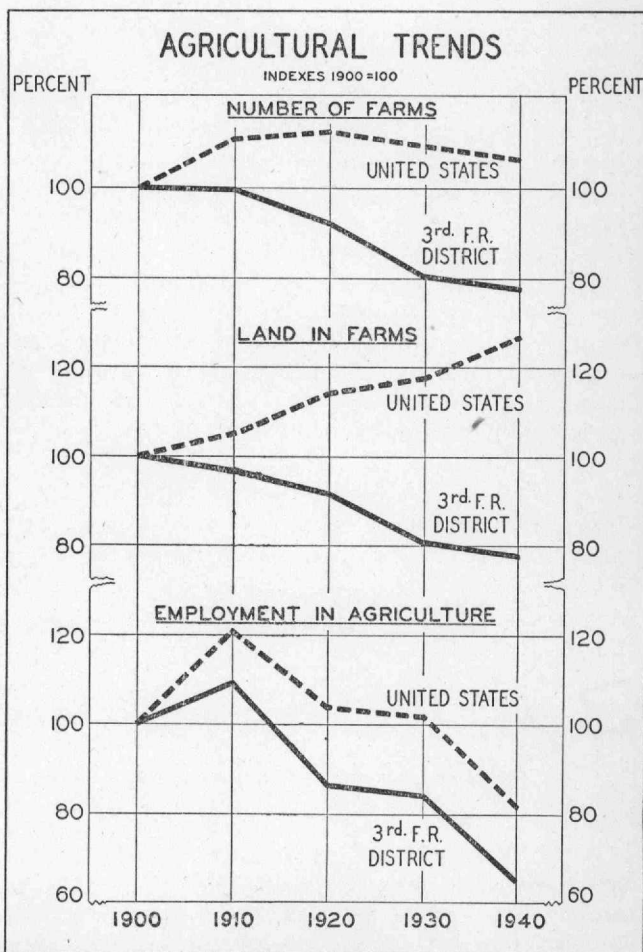
TABLE 5

UNITED STATES AGRICULTURAL EMPLOYMENT AND PRODUCTION OF SELECTED PRODUCTS CONTRIBUTED BY THE THIRD FEDERAL RESERVE DISTRICT

	Employment	Production
1899.....	2.6%	3.4%
1909.....	2.3	3.2
1919.....	2.1	3.8
1929.....	2.1	3.2
1939.....	2.0	3.6

Source: Estimates based on Census of Agriculture and Census of Occupations U. S. Dept. of Commerce, Bureau of the Census.

ucts, is not included in this table. For the country as a whole, the ratio of livestock production to total agricultural output is larger than that



of the district, due to the large range cattle industry of the West.

The shift from crops to livestock products which characterizes one aspect of the district agriculture, also took place in the country as a whole, but to a lesser degree. The growth of dairy and poultry production has enabled the district to increase its proportion of national livestock products and in the face of a declining proportion of crops, accounted for the slight increase in the total of the two groups.

Agriculture has lost the dominant position it once occupied in the economy of the Third Federal Reserve District. The decline, however, has been relative only; physical volume of agricultural production in the Third District has risen more than 50 per cent in the four decades following the turn of the century. This is a remarkable achievement in view of the peculiar character of the Third District, whose indus-

trialization started early and developed rapidly, drawing labor from farms and decreasing the proportion of rural to total population. The absolute growth of production was made possible by increased productivity and a shift in the type of farm products produced. Its relative decline was caused by a more rapidly growing demand for manufactured products than for agricultural products and the enormous strides of manufacturing, which utilized science and machinery more widely and more effectively.

Instead of attempting to compete with the more productive grain growing areas of the West, farmers in the Third District have turned to specialized agriculture. General farming has given place very largely to dairy farming, poultry raising, and fruit and vegetable production. Nearness to large metropolitan markets and the growing urbanization of the district, pointed out in the first instalment of this series, are important factors that have favored this transition in the character of the district agriculture.

Business and Banking

Continued from page 1

power from purely civilian to war-supporting occupations.

The initial programs undertaken by the War Manpower Commission, which included such drastic measures as the mandatory adoption of a 48-hour work-week by all employers in critical areas, and the diversion of war contracts to localities where labor was in relatively easy supply, have been supplemented by the creation of manpower priorities committees, the establishment of hiring ceilings, and controlled referral of workers through the United States Employment Service. These latter measures, designed especially to improve labor utilization, have been applied on an increasing scale in localities imminently threatened with a critical manpower shortage. Taken in whole or in part, they provide a means of budgeting the supply of workers available in a single locality or an entire industrial area.

Such a system of manpower budgeting was established on March 1 in the Philadelphia area, considered for the purpose of the program to include the nearby counties of Montgomery,

Bucks, Chester, Delaware, Camden, Gloucester, and part of Burlington. Although labor supply within the limits of the city proper and in the county areas designated has not been classified officially as critical, and War Manpower Commission reports indicate that labor turnover in Philadelphia war plants has been reduced to the lowest level in five years, the development of an increasingly tight labor market suggested the need of measures to promote maximum utilization of manpower resources by all employers.

Accordingly essential establishments in the eight-county area have been divided into two categories: Class A consists of producers of urgently needed materials and equipment who are experiencing a production lag directly attributable to a shortage of manpower; and Class B includes essential establishments not qualifying for the higher rating on the basis of type of products produced. Hiring quotas subject to review every sixty days by the area office of the War Manpower Commission will limit the number of persons that may be given employment in both industry classifications. All other establishments in the area are grouped into Class C, a category in which employers are forbidden

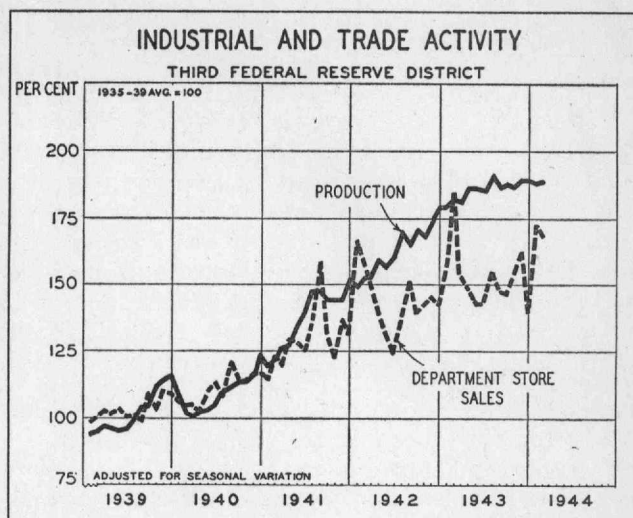
to hire additional full-time workers except those under eighteen years, veterans of the present war, and others who might be cleared through the United States Employment Service.

The program establishes a rigid system of labor priorities giving preferential treatment in the referral of workers by the Employment Service. The necessary flexibility in operation is assured by the provisions for reviewing at regular intervals the hiring quotas of establishments in Classes A and B, and for immediate adjustments by a priorities committee in cases of emergency.

Industry and trade. Industrial activity in the Philadelphia Federal Reserve District was maintained at a high level in February. The output of factory products was within 2 per cent of the wartime peak reached last November and 4 per cent greater than a year ago. Production of durable goods increased slightly in the month, while a small decline was reported in the case of nondurables. Both heavy and light industries operated at somewhat higher levels than in February 1943. Output of anthracite and bituminous coal expanded from January to February, but the production of crude petroleum increased less than usual.

Factory employment in Pennsylvania in February continued at approximately the level of a month and year earlier. Changes have been very narrow since last fall, with the number of wage earners fluctuating a little above 1¼ million. Payrolls, estimated at over \$55 million a week, were larger than in January and close to the record high reached last November. Increases over last year in the volume of wages paid by the durable goods industries have narrowed with the approach of peak operations in certain munitions categories. In February the gain amounted to little more than 10 per cent, or about the same as that reported for establishments turning out nondurable products.

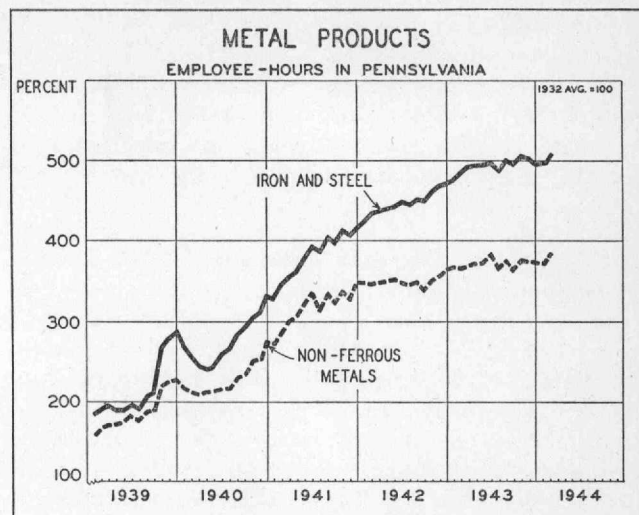
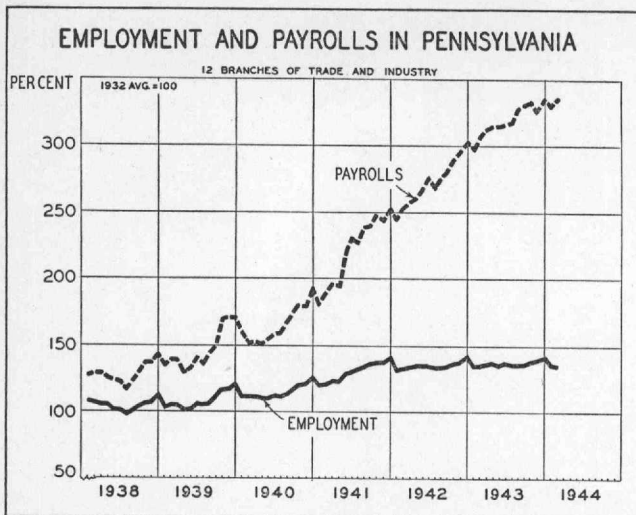
The weekly income of wage earners at reporting plants in Pennsylvania rose to a new high average of \$47.03 in February. Average hourly earnings remained at a peak of about \$1.04, but the average number of hours worked per employee increased to 45½ a week, the highest in fourteen years. Working time has averaged 45 or more hours a week for five successive months, and for employees in steel and certain other war industries it has been considerably above this level.



Production of a large tonnage of coal during February further eased the tight supply situation which developed last fall and became progressively more acute through the balance of the year. By the middle of March conditions in the country as a whole had improved to the extent that the War Production Board decided against coupon rationing of solid fuels, favoring continued use of the allocations plan with some modifications. The present low level of reserves, however, suggests that the output of both bituminous coal and anthracite must be maintained in large volume to meet continuing heavy demands from industrial consumers and a sharp expansion in the requirements of householders when the next heating season begins.

With anthracite collieries operating seven days a week through February, production of the fuel expanded nearly 17 per cent to a seven-year peak of approximately 5.9 million tons. Output in early March declined to about the 1943 level, as working time was reduced according to plan to the six-day basis which had become standard in the industry somewhat more than a year ago. The production of bituminous coal in Pennsylvania also increased from January to February and was approximately maintained in the first half of March.

Construction activity has continued to decline locally and nationally, reflecting further reductions in both the residential and industrial fields. Manpower stringency remains the principal obstacle to a resumption of large-scale operations, restricting the output of building materials, and necessitating the transfer of additional construction workers to other industries contributing



more directly to the war effort.

The value of new contracts awarded in this district declined 40 per cent in February to \$5,700,000, the smallest since 1935 and less than one-fourth the dollar volume of a year ago. Placements decreased in the month in all categories except public works and utilities, where exceptionally low levels prevailed during December and January. Total awards in the two months ended February were down 60 per cent from a year earlier, reflecting principally reductions of more than one-half in contracts for multiple family dwellings, industrial structures, and public works and utilities.

In response to the higher production goals set for agriculture this year, farmers throughout the country are expected to increase their total crop acreage about 3½ per cent to a near-record of 374 million. Department of Agriculture reports summarizing prospective plantings as of March 1 indicate increases this season in the acreage to be allocated to the principal feed grains, sorghums, and tobacco, partly offset by declines in the case of oil-bearing crops, white potatoes, hay, and several less important categories. Farmers in this district intend to plant more corn, and soybeans, but less tobacco, hay, oats, and white potatoes; the acreage to be planted to spring wheat may be about the same as in 1943. These plans may be modified considerably by circumstances prevailing prior to planting time, including weather conditions, labor supply, price changes and other factors.

More farm machinery and supplies will be available this year than either of the two pre-

ceding ones, owing to substantial upward revisions in the production schedules of equipment makers. Labor supply in 1944 is expected to remain an acute problem for farmers in most sections, although intensive recruitment programs to be carried out on a broader scale than last year, and plans to create a large mobile working force may go a long way toward meeting over-all agricultural requirements.

Primary distribution by rail has continued to expand with total freight-car loadings in this section in February rising 5 per cent on an adjusted basis to a level 7 per cent above a year ago. Increases in the month were reported in all major classifications but ore, and gains over a year ago ranging from 1 to 38 per cent occurred without exception.

The value of wholesale trade sales in eight reporting branches increased slightly from January to February, as retailers continued to add to the substantial commitments made immediately following the turn of the year. Sales during February and in the first two months were above 1943 levels in a majority of lines. Inventories showed a small gain in the month, but were little larger than a year earlier.

Retail sales by reporting stores in this district showed mixed changes from January to February. Dollar volume increased less than seasonally at department stores and was below expectations at shoe stores; but sales were unusually well maintained at establishments specializing in men's and women's apparel, and they increased substantially in the case of furniture stores. All reporting lines showed de-

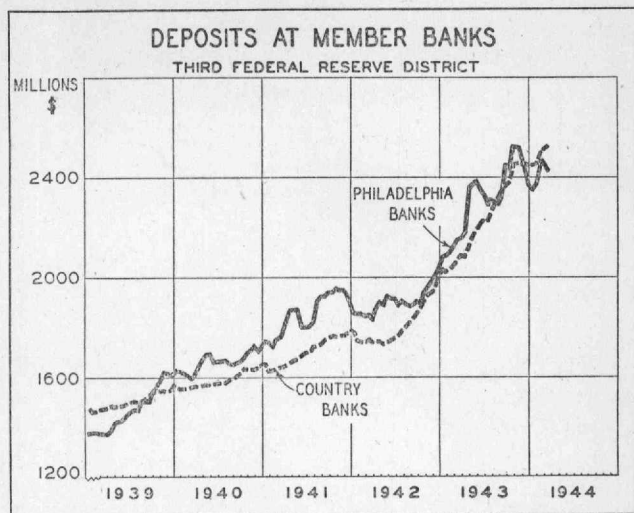
creases from a year ago, when an extraordinary buying wave was in progress. The exceptionally heavy purchases by consumers in February 1943 were concentrated in clothing lines, a condition that was strongly reflected by declines over the twelve months of about one-fifth and one-third respectively in sales by men's and women's apparel stores.

Inventory changes in February were in line with expectations at department stores; they increased more than seasonally at women's apparel stores, but less than usual at shoe stores. Stocks at establishments dealing largely in furniture were about the same as reported in January. Supplies of merchandise at department and women's apparel stores at the end of February were sharply larger than a year earlier, after the buying wave had reached its peak. Rationing of shoes and restrictions on the manufacture of furniture are reflected in substantially smaller inventories in these lines this year.

Banking conditions. Continued improvement in the condition of member banks in this district during 1943 was reflected in earnings reports for the year. Net profits increased to \$30.5 million from \$18 million in 1942, the largest gain in several years. About one-half of this amount was added to capital accounts, affording a greater measure of protection and preparing the banks to assume appropriate risks in the future. The principal changes in the sources of current operating income included sharp increases in holdings of Government securities, which now constitute about 70 per cent of earning assets, and declines in loans. Most of the increase in net profits last year was due to large reductions in charge-offs. Current expenses were relatively steady. The operating experience of the banks in 1943 is summarized in a circular, copies of which are available upon request.

Final reports on the Fourth War Loan Drive for the sixty counties in the Third Federal Reserve District show aggregate sales of \$856 million to non-bank investors, including E bonds sales of \$173 million, amounts which were respectively 13 per cent and 2½ per cent above quotas. For the country as a whole the quota of \$14 billion was exceeded by nearly 20 per cent and the E bond goal by 6 per cent. The over-all goal of \$16 billion announced for the Fifth Drive sets a new high, but one which was exceeded by actual sales in each of the two preceding drives.

Bank statements since the middle of February show usual post-drive changes and, in



March, the effect of quarterly tax collections. In the period from February 16 to March 22 customers' deposits at reporting banks in this district increased considerably as the Treasury drew upon heavy war loan accounts accumulated earlier; they would have shown even greater growth had it not been for tax payments toward the end of the period. Compared with a year ago adjusted demand deposits show only a slight increase, as against expansion of 7 per cent at reporting banks in the nine Federal Reserve districts outside the northeast.

Outstanding credit at the banks in this district declined \$31 million to \$2,299 million in the five latest weeks. Repayments on loans, principally on advances to purchase or carry Governments, and a decline in holdings of Governments were largely responsible. Locally and nationally bank investments reflected exchanges made under the recent offer of the Treasury. Holders of \$4.7 billion of maturing and called obligations were offered a new series of Treasury notes of 1948; non-bank holders had the further option of choosing additional issues of 2¼ or 2½ per cent bonds. Most of the securities turned in were exchanged for Treasury notes.

A decline of \$21 million to \$111 million in Treasury bills held by this Bank under repurchase option since the middle of February has been due to substantial redemptions at maturity. Purchases exceeded resales, accounting for most of the increase of \$19 million in member bank reserves reported in this period. The district gained heavily in commercial transactions with other parts of the country, but drafts upon reserves to make payments to the Treasury and obtain currency were nearly as large.

BUSINESS STATISTICS

Production

Philadelphia Federal Reserve District

Employment and Income

in Pennsylvania

Industry, Trade and Service

Indexes: 1923-5=100	Adjusted for seasonal variation						Not adjusted		
	Feb. 1944	Jan. 1944	Feb. 1943	Per cent change			Feb. 1944	Jan. 1944	Feb. 1943
				Feb. 1944 from		1944 from 2 mos. 1943			
				Mo. ago	Year ago				
INDUSTRIAL PRODUCTION	153p	153	148r	0	+ 3	+ 4	153p	151	147
MANUFACTURING	157p	158	151	0	+ 4	+ 4	157p	156	151r
Durable goods	252p	250	246	+ 1	+ 2	+ 3			
Consumers' goods	92p	93	89	- 1	+ 3	+ 4			
Metal products	185	190r	171r	- 2	+ 9	+ 8	187	183r	172r
Textile products	67p	67	68r	- 1	- 1	0	71p	69	72
Transportation equipment	677	664r	658r	+ 2	+ 3	+ 4	671	671r	651r
Food products	115p	118	98r	- 2	+ 17	+ 16	113p	115	96r
Tobacco and products	106	117	134	- 10	- 21	- 18	89	97	113
Building materials	41p	41	52	0	22	- 23	36p	35	44
Chemicals and products	165p	171r	151r	- 3	+ 10	+ 12	164p	167r	150
Leather and products	97p	99	104	- 2	- 6	- 6	103p	103	110
Paper and printing	95	95	91	0	+ 4	+ 5	95	95	91
Individual lines									
Pig iron	110	107r	110	+ 3	0	+ 3	113	103r	113
Steel	137	144r	130	- 5	+ 6	+ 6	144	141r	136
Silk manufactures	85	83	80	+ 2	+ 6	+ 7	90	85	85
Woolen and worsteds	57p	57	60r	0	- 5	- 3	59p	58	62r
Cotton products	45	47	56	- 3	- 20	- 20	48	47	60
Carpets and rugs	49p	51	54r	- 3	- 9	- 4	50p	51	55r
Hosiery	73	72	79	+ 1	- 7	- 7	76	75	82
Underwear	136	150	147	- 9	- 7	- 6	149	147	160
Cement	40p	40	78	0	- 49	- 49	28p	28	54
Brick	56	56	67	- 1	- 17	- 19	54	52	65r
Lumber and products	33	33	28	0	+ 17	+ 14	31	30	27
Bread and bakery products				+ 2*	+ 14*	+ 11*	123	120r	109
Slaughtering, meat packing	127	127	93	- 1	+ 36	+ 38	128	139	94
Sugar refining	63	141	63	- 56	- 1	+ 14	81	97	82
Canning and preserving	139p	141	116r	- 1	+ 20	+ 19	130p	136	108r
Cigars	106	117	134	- 10	- 21	- 15	89	96	112
Paper and wood pulp	85	86	84	- 2	+ 1	+ 2	85	85	84
Printing and publishing	97	97	93	0	+ 5	+ 5	97	97	93
Shoes	116	120	125	- 3	- 7	- 6	122	123	131
Leather, goat and kid	79p	80	84	- 1	- 5	- 2	85p	84	90
Paints and varnishes	98	107	94	- 9	+ 4	+ 5	96	96	92
Coke, by-product	162	168	154	- 4	+ 5	+ 7	170	168	162
COAL MINING	90	77r	82r	+ 17	+ 9	+ 12	91	78r	83
Anthracite	89	75r	81r	+ 19	+ 10	+ 1	89	75r	81
Bituminous	97	89r	94r	+ 8	+ 4	+ 6	106	102	102r
CRUDE OIL	373	383	423	- 3	- 12	- 12	373	368	423
ELEC. POWER—OUTPUT	411	405	378	+ 2	+ 9	+ 10	436	429	401
Sales, total	429	430	390	0	+ 10	+ 12	464	442	422
Sales to industries	359	368	318	- 2	+ 13	+ 13	356	357	314
BUILDING CONTRACTS									
TOTAL AWARDS†	35	38	131	- 8	- 74	- 76	34	42	130
Residential†	35	38	82	- 9	- 57	- 50	25	31	58
Nonresidential†	47	54	163	- 14*	- 71	- 71	47	59	165
Public works and utilities†	26	26	214	- 2	- 88	- 92	31	33	256

* Unadjusted for seasonal variation. p—Preliminary.
† 3-month moving daily average centered at 3rd month. r—Revised.

Indexes: 1932=100	Employment			Payrolls		
	Feb. 1944 index	Per cent change from		Feb. 1944 index	Per cent change from	
		Jan. 1944	Feb. 1943		Jan. 1944	Feb. 1943
GENERAL INDEX	134	0	- 1	336	+ 2	+ 10
Manufacturing	189	0	0	505	+ 2	+ 11
Anthracite mining	50	+ 1	- 7	118	+ 29	+ 25
Bituminous coal mining	80	0	- 11	391	+ 3	+ 7
Building and construction	40	- 2	0	101	- 5	+ 13
Quar. and nonmet. mining	82	- 3	- 21	265	- 1	- 12
Crude petroleum prod.	133	- 1	- 2	246	+ 6	+ 17
Public utilities	97	0	- 3	139	+ 1	+ 7
Retail trade	109	+ 3	+ 3	149	- 4	+ 5
Wholesale trade	106	- 1	- 6	147	+ 2	+ 2
Hotels	101	0	+ 4	164	+ 2	+ 14
Laundries	102	+ 2	- 7	171	- 1	+ 5
Dyeing and cleaning	95	0	+ 4	153	+ 2	+ 11

Manufacturing

Indexes: 1923-5=100	Employment*			Payrolls*		
	Feb. 1944 index	Per cent change from		Feb. 1944 index	Per cent change from	
		Jan. 1944	Feb. 1943		Jan. 1944	Feb. 1943
TOTAL	122	0	0	206	+ 2	+ 11
Iron, steel and products	132	0	+ 1	285	+ 2	+ 11
Nonferrous metal products	197	+ 2	+ 2	434	+ 3	+ 16
Transportation equipment	176	- 2	+ 5	305	+ 1	+ 12
Textiles and clothing	83	+ 1	- 7	125	+ 4	+ 4
Textiles	76	+ 1	- 6	116	+ 3	+ 3
Clothing	110	0	- 8	170	+ 6	+ 4
Food products	122	0	+ 9	183	+ 1	+ 23
Stone, clay and glass	88	0	- 3	131	+ 3	+ 9
Lumber products	50	+ 2	- 3	80	+ 4	+ 12
Chemicals and products	121	- 1	+ 1	213	0	+ 13
Leather and products	76	- 1	- 16	117	0	- 9
Paper and printing	102	0	+ 2	148	0	+ 10
Printing	94	0	+ 2	129	+ 1	+ 11
Others:						
Cigars and tobacco	57	0	- 11	80	- 1	0
Rubber tires, goods	155	+ 1	+ 25	312	+ 1	+ 40
Musical instruments	98	+ 2	+ 33	185	+ 3	+ 55

* Figures from 2886 plants.

Hours and Wages

Factory Workers Averages February 1944 and per cent change from year ago	Weekly working time*		Hourly earnings*†		Weekly earnings†	
	Average hours	Ch'ge	Average	Ch'ge	Average	Ch'ge
TOTAL	45.6	+ 3	\$1.037	+ 7	\$47.03	+ 10
Iron, steel and prods.	47.4	+ 5	1.095	+ 5	51.84	+ 10
Nonfer. metal prods.	46.8	+ 6	.991	+ 9	46.31	+ 15
Transportation equip.	46.8	- 2	1.211	+ 8	56.58	+ 6
Textiles and clothing	40.5	+ 2	.750	+ 9	30.31	+ 11
Textiles	41.6	+ 2	.767	+ 8	31.90	+ 10
Clothing	38.0	0	.705	+ 12	27.01	+ 12
Food products	43.8	+ 3	.802	+ 10	35.41	+ 12
Stone, clay and glass	40.9	+ 6	.906	+ 6	36.90	+ 12
Lumber products	44.8	+ 3	.746	+ 10	33.12	+ 12
Chemicals and prods.	45.5	+ 6	1.031	+ 5	46.89	+ 12
Leather and products	41.8	+ 2	.730	+ 5	30.52	+ 8
Paper and printing	43.3	+ 3	.889	+ 5	38.89	+ 8
Printing	40.4	+ 2	1.036	+ 6	42.24	+ 9
Others:						
Cigars and tobacco	42.1	+ 3	.605	+ 8	25.48	+ 12
Rubber tires, goods	44.4	+ 2	1.010	+ 9	44.85	+ 12
Musical instruments	49.8	+ 3	.989	+ 13	49.25	+ 16

* Figures from 2736 plants.

† Figures from 2886 plants.

Local Business Conditions*

Percentage change—February 1944 from month and year ago	Factory employment		Factory payrolls		Building permits value		Retail Sales		Debits	
	Jan. 1944	Feb. 1943	Jan. 1944	Feb. 1943	Jan. 1944	Feb. 1943	Jan. 1944	Feb. 1943	Jan. 1944	Feb. 1943
Allentown	- 2	- 3	- 1	+ 12	+ 8		0	- 13	- 7	+ 34
Altoona	0	+ 10	+ 9	+ 20	+ 104	+ 115	+ 6	- 6	- 10	+ 25
Harrisburg	0	- 3	0	+ 9	- 69	+ 168	- 7	- 16	- 18	+ 29
Johnstown	0	- 6	+ 2	- 15	- 37	+ 241	+ 10	- 9	- 2	+ 25
Lancaster	- 3	+ 7	- 2	- 19	+ 168	+ 224	+ 3	- 11	+ 4	+ 30
Philadelphia	0	+ 1	0	- 10	- 71	- 69	+ 1	- 12	- 8	+ 21
Reading	- 1	- 4	+ 2	+ 6	- 49	- 7	+ 2	- 13	- 10	+ 24
Scranton	+ 4	+ 21	+ 11	+ 40	- 57	+ 53	+ 1	- 1	- 3	+ 22
Trenton					- 17	+ 129	+ 9	- 8	+ 6	+ 22
Wilkes-Barre	- 2	- 5	+ 2	- 8	+ 134	+ 201	- 1	- 3	- 6	+ 36
Williamsport	- 3	- 7	- 4	+ 1	+ 11	+ 69				- 3
Wilmington	- 2	+ 2	- 3	+ 14	- 74	- 76	+ 16	- 10	- 17	+ 30
York	- 2	- 7	- 1	+ 1	- 71	- 25	+ 4	- 8	- 1	+ 32

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

Distribution and Prices

Wholesale trade Unadjusted for seasonal variation	Per cent change		
	Feb. 1944 from		1944 from 2 mos. 1943
	Month ago	Year ago	
Sales			
Total of all lines.....	+ 2	+12	+15
Boots and shoes.....	+10	+ 7	- 3
Drugs.....	- 9	- 4	- 1
Dry goods.....	-11	+18	+25
Electrical supplies.....	+43	+26	+12
Groceries.....	- 5	+ 9	+17
Hardware.....	+12	+ 5	+ 9
Jewelry.....	0	- 6	+ 5
Paper.....	-12	+12	+28
Inventories			
Total of all lines.....	+ 2	+ 1	.....
Dry goods.....	+ 4	-10	.....
Electrical supplies.....	+ 1	-14	.....
Groceries.....	+ 1	+22	.....
Hardware.....	+ 5	0	.....
Jewelry.....	- 1	- 3	.....
Paper.....	+ 6	-12	.....

Source: U. S. Department of Commerce.

Prices	Feb. 1944	Per cent change from		
		Month ago	Year ago	Aug. 1939
Basic commodities (Aug. 1939=100)....	180	0	+ 3	+ 80
Wholesale (1926=100).....	104	0	+ 1	+ 38
Farm.....	123	+ 1	+ 3	+101
Food.....	105	0	- 1	+ 56
Other.....	98	0	+ 2	+ 22
Living costs (1935-1939=100)				
United States.....	124	0	+ 2	+ 25
Philadelphia.....	123	0	+ 3	+ 25
Food.....	133	- 1	+ 3	+ 43
Clothing.....	133	0	+ 5	+ 34
Rent.....	107	0	0	+ 4
Fuels.....	111	+ 2	+ 5	+ 15
Housefurnishings.....	125	0	+ 2	+ 25
Other.....	117	0	+ 2	+ 16

Source: U. S. Bureau of Labor Statistics.

Indexes: 1935-1939=100	Adjusted for seasonal variation						Not adjusted		
	Feb. 1944	Jan. 1944	Feb. 1943	Per cent change		Feb. 1944	Jan. 1944	Feb. 1943	
				Feb. 1944 from	1944 from 2 mos. 1943				
				Month ago	Year ago				
RETAIL TRADE									
Sales									
Department stores—District Philadelphia.....	168p	173	184r	- 3	- 9	+ 1	124p	122	137
Women's apparel.....	163	164	182r	- 1	-10	- 1	122	120	136r
Men's apparel.....	172p	153	216	+12	-21	- 4	124p	132	156
Shoe.....	133	111	201	+20	-34	-18	104	112	157
Furniture.....	135	141	188	- 4	-28	-21	98	110	135
				+ 9*	- 1*				
Inventories									
Department stores—District Philadelphia.....	149p	149	131	0	+14	.....	147p	130	129
Women's apparel.....	151	147	131	+ 3	+15	.....	148	131	128
Shoe.....	202p	195	144	+ 4	+40	.....	198p	170	141
Furniture.....	87	98	99	-11	-12	.....	90	85	101
				- 1*	-11*				
FREIGHT-CAR LOADINGS									
Total	147	140	138	+ 5	+ 7	-11	135	133	127
Merchandise and miscellaneous.....	141	136	135	+ 4	+ 4	+ 8	129	126	123
Merchandise—l.c.l.....	90	89	85	+ 2	+ 6	-11	85	83	80
Coal.....	152	136	138	+12	+10	-16	158	152	143
Ore.....	175	200	173	-12	+ 1	+ 5	66	76	66
Coke.....	201	189	181	+ 7	-12	-12	216	218	193
Forest products.....	146	129	134	+13	+ 9	+ 9	118	105	108
Grain and products.....	152	139	144	+10	+ 6	+ 9	134	135	126
Livestock.....	154	153	111	+ 1	+38	+38	140	154	101
MISCELLANEOUS									
Life insurance sales.....	115	113	93	+ 2	+23	+28	124	107	101
Business liquidations				-13*	-75*	-74*	9	10	36
Number.....				-80*	-95*	-83*	2	8	29
Amount of liabilities				+ 3	+17	+22	187	186	160
Check payments.....	193	188	165						

* Computed from unadjusted data.

p—Preliminary.

r—Revised.

BANKING STATISTICS

MEMBER BANK RESERVES AND RELATED FACTORS

Reporting member banks (000,000's omitted)	Mar. 22, 1944	Changes in—	
		Five weeks	One year
Assets			
Commercial loans.....	\$ 262	+\$ 1	+\$ 16
Loans to brokers, etc.....	39	- 7	+ 12
Other loans to carry secur.....	15	- 5	+ 4
Loans on real estate.....	38	.....	- 6
Loans to banks.....	.....	+ 4	.....
Other loans.....	110	+ 3	- 7
Total loans.....	\$ 464	-\$ 12	+\$ 19
Government securities.....	\$1628	+\$ 18	+\$499
Obligations fully guar'eed.	33	- 36	- 36
Other securities.....	174	- 1	- 54
Total investments.....	\$1835	-\$ 19	+\$409
Total loans & investments.	\$2299	-\$ 31	+\$428
Reserve with F. R. Bank.....	378	+ 16	- 59
Cash in vault.....	28	.....	.....
Balances with other banks.....	75	- 9	- 27
Other assets—net.....	57	- 5	- 6
Liabilities			
Demand deposits, adjusted.	\$1604	+\$116	+\$ 2
Time deposits.....	169	.....	+ 3
U. S. Government deposits.....	493	- 126	+ 386
Interbank deposits.....	326	- 22	- 68
Borrowings.....	1	.....	+ 1
Other liabilities.....	15	+ 2	+ 3
Capital account.....	229	+ 1	+ 9

Philadelphia Federal Reserve District (Millions of dollars)	Changes in weeks ended—					Changes in five weeks
	Feb. 23	Mar. 1	Mar. 8	Mar. 15	Mar. 22	
Sources of funds:						
Reserve Bank credit extended in district.....	- 2.2	+24.0	+ 9.9	-27.6	-29.9	- 25.8
Commercial transfers (chiefly interdistrict)....	+25.1	-10.5	+15.8	+48.4	+53.5	+132.3
Treasury operations.....	-27.5	+ 0.4	-12.0	+ 7.7	-40.3	- 71.7
Total.....	- 4.6	+13.9	+13.7	+28.5	-16.7	+ 34.8
Uses of funds:						
Currency demand.....	+ 7.8	+ 5.6	+ 9.4	+ 0.8	- 3.9	+ 19.7
Member bank reserve deposits.....	-10.1	+10.6	+ 3.8	+27.4	-12.8	+ 18.9
"Other deposits" at Reserve Bank.....	- 2.3	- 2.3	+ 0.6	+ 0.3	+ 0.0	- 3.7
Other Federal Reserve accounts.....	+ 0.0	- 0.0	- 0.1	- 0.0	- 0.0	- 0.1
Total.....	- 4.6	+13.9	+13.7	+28.5	-16.7	+ 34.8

Member bank reserves (Daily averages; dollar figures in millions)	Held	Re- quired	Ex- cess	Ratio of excess to re- quired
Phila. banks				
1943: Mar. 1-15..	\$433	\$372	\$61	16%
1944: Feb. 1-15..	354	336	18	6
Feb. 16-29..	344	331	13	4
Mar. 1-15..	350	340	10	3
Country banks				
1943: Mar. 1-15..	261	187	74	40
1944: Feb. 1-15..	271	208	63	30
Feb. 16-29..	262	207	55	26
Mar. 1-15..	266	211	55	26

Federal Reserve Bank of Phila. (Dollar figures in millions)	March 22, 1944	Changes in	
		Five weeks	One year
Disc'ts. & advances.....	\$ 1.9	+\$ 0.8	+\$ 1.5
Industrial advances.....	3.9	- 0.5	- 0.6
U. S. securities.....	788.8	- 21.4	+ 386.3
Total.....	\$794.6	-\$21.1	+\$387.1
Fed. Res. notes.....	1177.4	+ 14.2	+ 282.3
Member bk. deposits.....	628.2	+ 18.9	+ 49.6
U. S. general account.....	38.4	+ 16.6	+ 38.2
Foreign deposits.....	135.0	+ 0.9	+ 63.2
Other deposits.....	6.2	- 3.7	- 6.8
Total reserves.....	1201.1	+ 73.4	- 66.5
Reserve ratio.....	60.5%	+ 2.3%	- 16.0%