

THE BUSINESS REVIEW



FEDERAL RESERVE BANK OF PHILADELPHIA

MAY, 1947

DEPARTMENT STORE PRICES ARE LOWER

Last year Philadelphia department stores surpassed all records. Dollar volume of sales was 25 per cent above the previous year but some of the increase is accounted for by rising prices, especially during the last quarter.

While business is continuing at a high level, important changes have occurred in recent months. Although dollar volume of sales in the first quarter of this year was 16 per cent above a year ago, seasonally adjusted sales reached a peak several months ago. Prices are lower, inventories are being checked, customers are returning to bargain basements, and an increasing proportion of buying is on a credit basis. In view of these developments, this Bank made a survey of department stores in Philadelphia to appraise conditions of the moment in a rapidly changing environment.

Sales

People are not buying as freely as they did heretofore. Since last fall seasonally adjusted sales have leveled off—which means that in view of the rising trend in prices physical volume has declined. Declining sales first occurred

about the middle of last year in such luxury items as furs and jewelry, which was attributed to a jolt in the stock market. Subsequently, sales fell off in so-called soft goods—particularly in women's and children's apparel. A variety of explanations have been offered: unseasonable weather, an early Easter, and the growing resistance to high prices.

It appears that it is not so much the weather or an early Easter, as a real squeeze on consumer budgets brought about by high prices and particularly the high cost of food. In pre-war days, food represented one-third of the expenditures of moderate-income families. Now, food takes 42 per cent. This is pointed out as the basic reason for curtailment in expenditures for clothing and other necessities less urgent than food. As a result, customers are resisting high prices and are more selective in their buying. Trade in basement stores is increasing, indicating that women are again looking for bargains. During the war, basement shoppers moved upstairs because they had more money to spend. Now, under pressure of the rising cost of living, more and more shoppers are returning to the bargain basement.

In Philadelphia department stores there have been substantial price reductions. This applies not only to distress merchandise but to many major lines. Lower prices have occurred for three reasons: first, to pass on to their customers some of the benefits of lower prices obtained from suppliers; second, to reduce inventories; and, third, to maintain dollar volume.

Maintenance or expansion of dollar volume is always one of the yardsticks of good store operation. Efforts to increase sales are redoubled at a time like this, when sales are faltering in the face of high operating costs. Stores are getting lower price quotations from some of their suppliers in such lines as shoes, women's dresses and men's tweeds. On the other hand, it is reported that very few price concessions are offered by manufacturers of hard goods such as major household appliances.

Inventories

Retailers are readjusting their inventories and commitments to bring them in line with sales. This is being accomplished in several ways. Some orders have been cancelled, and it is now a growing practice to cancel overdue orders. Placements of new orders are being curtailed. Inventory policies are being refined by such means as more frequent review, price reductions to move goods, and more cautious buying from suppliers. In advance of a season orders are placed for only a part of expected requirements, which allows a margin for fill-ins at lower prices as the season approaches. The combination of cancellations, cut-backs, and partial ordering is beginning to soften prices on the part of manufacturers and suppliers.

Credit

The pressure on family budgets is reflected in the shift from cash to credit buying at department stores. Cash sales are now 47 per cent of all sales in contrast to 54 per cent in March a year ago. In their efforts to maintain dollar volume, stores are actively promoting credit sales and are offering more liberal terms of pay-

ment. All types of credit are expanding—installment accounts, charge accounts, and coupon accounts and their variations. Coupon credit was introduced to stimulate sales during the depression of the thirties. Customers are supplied with booklets containing detachable coupons that may be used in lieu of cash. Currently this type of credit is used extensively in basement stores for the purchase of soft goods.

Selling on instalment is not confined to durable goods and high-priced articles. Even small items like neckties, handkerchiefs, and other nondurables are being bought on deferred payment plans. Collection rates are falling off and receivables are increasing.

Implications and Prospects

The sharp rise in the cost of living has forced the consumer to curtail his spending, and as long as food takes such a large slice out of the consumer's budget, purchases of soft goods are restrained. In so-called hard goods like washing machines and refrigerators, for which stores had accumulated a large backlog of orders, sales are increasing but waiting lists are rapidly disappearing. Many of these orders have been cancelled by the customers and down payments have been returned.

It is quite apparent that important changes are taking place in retail trade. For a long time cash was plentiful and goods were scarce. Now the tide seems to be shifting from a seller's to a buyer's market. The development may be interpreted as a healthy readjustment, as it is in the direction of greater competitive freedom or choice in the market. Readjustments at the retail level, already in process, are now filtering back to suppliers and manufacturers.

The pattern of consumer buying is always sensitive to price changes. We are in a readjustment period characterized by rapidly changing prices. Substantial price adjustments in foods and other commodities could easily stimulate the market for soft goods.

BUSINESS IN THE FIRST QUARTER

Business activity was at a high level during the first quarter of 1947. Employment was close to the peacetime record. Prices, far from turning downward, took a spurt of such proportions that they became a source of public concern to businessmen, consumers, and Government. The seriousness with which the price situation was regarded, in fact, makes it unfair to set aside as completely unfounded the predictions of those who expected an early end to the post-war boom. The stock market, the tenor of the business press, and the opinions of many businessmen reflected an expectation of some type of readjustment in the near future. The spotlight had definitely shifted from problems of production and manpower, though these still exist, to problems of internal adjustment—to the achievement of balance among the up-rights and crossbeams of the economic structure we live in.

Compare the business environment of January, February, and March, 1947, with that of last year. At one time during the first quarter of 1946 over a million and a half workers were on strike. Steel production fell to a small fraction of capacity, and shortages of all types of materials plagued plants that were trying to complete reconversion and turn out goods. New designs, new processes, and in many cases new workers, made a combination that was full of production "bugs". Efficiency and quality were generally poor. The first quarter of 1947 was in sharp contrast to the clash and clamor of reconversion. Few strikes of more than local importance occurred. Labor-management relations were marked by moderation and restraint, and most major issues that could not be resolved, such as steel workers' wages, were postponed. Most of these issues have since been settled without work stoppages.

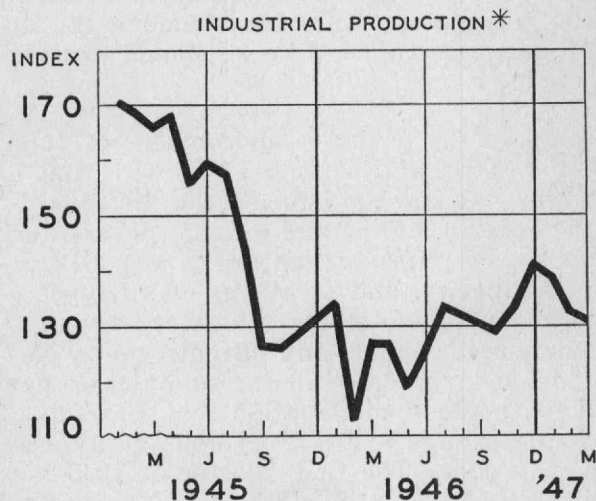
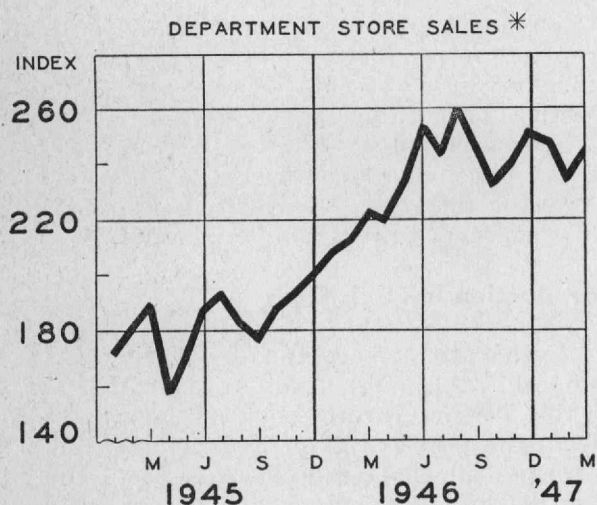
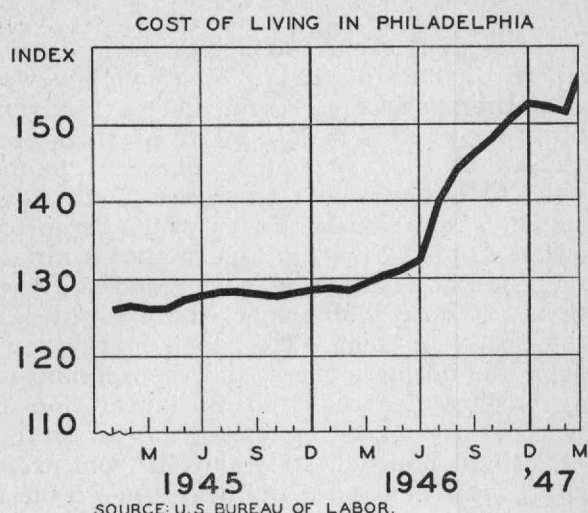
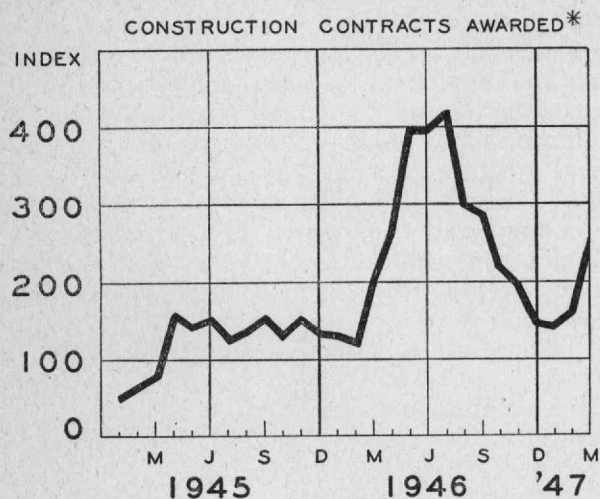
There were several important reasons for the difference. First, most Government controls were no longer in effect. Negotiations with respect to price changes were not necessary. Second, problems of physical reconversion were passé. A smoother production flow, growing

efficiency, and an increased ability on the part of management to plan ahead allowed for greater leeway in wage negotiations. Third, although the value of the worker's pay dollar was declining, wage rates were high by past standards. Consumption had not noticeably declined and the dearth of purchasing power which some feared might cause a recession had not developed during preceding months. Labor was therefore inclined to moderate its demands. The over-all earnings position of industry and trade was, with some exceptions, excellent. Management was inclined to grant wage concessions. Most important of all, however, was the fact that the experience of the previous year was well remembered. More people were conscious of the danger involved in continuing the wage-price spiral, and no one wanted to repeat the production losses which occurred in the first half of 1946. In this atmosphere collective bargaining gave promise of peaceful labor-management relations. A 10 per cent wage boost at northern textile mills in February, for instance, was made without fanfare, and scarcely caused public comment.

Production in High Gear

In this atmosphere, too, production was fairly smooth. Although industrial output in the Third District during the first quarter was down from the post-war high in December 1946, the average for three months was about the same as that of the previous quarter. The January decline was marked by a particularly large drop in shipbuilding activity, and February saw some curtailment in steel output, caused partly by a shortage of natural gas in certain areas. A few lines were hit hard by raw material shortages. But for the most part changes were caused by normal industrial fluctuations. Gains from this point on will probably be much more gradual than those that were made after February 1946. It is altogether possible that we have reached what is, for the time being, our peacetime capacity output. It is not unlikely that some soft goods producers will curtail production slightly in the near future. Cutbacks

BUSINESS TRENDS IN THE THIRD DISTRICT (1935-39=100)



*SEASONALLY ADJUSTED

have recently been made in some lines such as wool textiles, apparel, and foot wear.

On a nation-wide basis, first quarter production made a sharp gain over the preceding three-month period. This appears to be a continuation of the 1946 trend, which saw national production increase more rapidly than Third District output. That trend merely reflects the varying reactions of the national and district economies to the change-over from war to peace.

National production fell off more rapidly than that of the district in 1945. Largely because of a continued decline in shipbuilding and a smaller proportion of hard goods production, the district's industrial recovery appeared somewhat slower during 1946. But relative positions did not change significantly over the entire two-year period. It may be that the leveling off of production under conditions of more complete industrial readjustment in the Third Federal Reserve District foreshadows the national trend.

High Levels of Employment

Employment in the district, as in the nation, was steady at a record peacetime level throughout the first quarter. Factory employment in Pennsylvania and Delaware showed virtually no change from the end of 1946, and payrolls fluctuated only slightly. The fact that employment is no longer gaining is not a cause for pessimism. Unemployment, at about $2\frac{1}{2}$ million for the nation, is even lower than it was during the first quarter of 1946. But the labor market is different now in at least one respect. As the Department of Labor stated in a recent review of employment conditions, much of the urgency in hiring has disappeared. Employers are cautious; there is increased selectivity in hiring. The labor turnover rate has declined. Reports from many areas in the Third District echo these observations and, indeed, such developments were to be expected. They signify, however, that there is less resilience in the employment structure than formerly, and that declines in textiles, apparel, and certain service fields, if they occur later in the year, may be more difficult to absorb.

Job openings that exist are not matched by the qualifications and location of unemployed persons. Labor shortages persist in a few skilled trades, and in general there is a relatively greater need for additional women workers than for men. Inexperienced veterans are a difficult placement problem. While unemployment is at a minimum in most areas, there are a few sections where it is of great concern. One of these is the Pennsylvania anthracite region. Special circumstances, unusually difficult and complex, exist in this area and the communities concerned are hard at work on constructive, corrective measures. The existence of low-employment "pockets" in the midst of general prosperity, however, is a serious problem for the district and for the entire nation.

Construction Behind Schedule

Job openings in the construction industry will undoubtedly call for workers in the coming months. It is now doubtful, however, that building activity in 1947 will come up to expectations. The index of the value of building contracts awarded is an indicator of prospective construction activity. In the Third Federal Re-

serve District that index had declined from a post-war high of 418 per cent of the 1935-1939 average in July 1946 to 143 in January of this year. It has since risen to about 245. The total for the first quarter is less than 20 per cent above the same period last year, when building materials were much harder to get than now. In fact, if rising costs are taken into consideration it is probable that there has been no physical increase at all. The physical volume of building represented by nonresidential contracts appears to have declined substantially; physical volume of urgently needed family homes apparently was up, but only by a small percentage.

It may be that we are experiencing a temporary lag in new construction because of the need for finishing a great many buildings that could not be completed on schedule for lack of materials. In this case the upturn in contracts awarded during March might indicate the beginning of a return to a high level of activity. But many would-be builders are quite outspoken as to the reasons for the construction decline. They say that high prices are choking off many projects. Since 1941, according to National Housing Administration estimates, building costs in Philadelphia, including both materials and labor, have risen 70 per cent. Even with today's high incomes, it is becoming increasingly clear that relatively few of those who would like to buy a new home can afford one. Even with earnings at peak levels, many companies are reluctant to undertake construction of buildings at costs that appear inflated. Unless construction activity achieves and maintains a high level during the coming months, there will be a big question mark alongside the favorable evaluation of employment prospects.

Real estate activity likewise appears to have diminished in recent months, although there are few indications of substantial price reductions. It is generally conceded that the residential market has "topped out"; but business properties are still at peak levels, and agricultural land values continue to advance. During four months ending March 1, farm land prices in the Third Federal Reserve District rose an additional 2 per cent, bringing them 66 per cent above the 1935-1939 average. For the nation, over half the farm sales during 1946 were on an all-cash basis. Only one-third of all sales involved debts of 50 per cent or more. Numerous cases exist, however, in

which a substantial decline in farm real estate values would leave both owner and mortgageholder high and dry.

Prices Distort Consumer Budgets

Farm land values were undoubtedly sustained by the continued rise of agricultural commodity prices. After steadying at the beginning of the year, farm and food products again led a sharp rise in the wholesale price level during February and March. Cash receipts of farmers in the Third District for three months ending March 1 were about one-third higher than the previous year. Added to the steady rise of industrial prices, the good fortune of the farmers began to put the squeeze on consumers' pocketbooks. The "cost of living" in Philadelphia, after declining fractionally in January and February, rose to a new post-war high in March. In a year it had risen about 19 per cent. By comparison, over the same period, average weekly earnings of factory workers in Pennsylvania, though they were nearly as high as peak wartime levels, failed to keep pace. Salaries and wages were, of course, substantially above pre-war averages in real terms, but consumer expenditures, geared to the current income-expense situation to a large degree, are bound to be keenly affected by events of the immediate past.

First quarter department store sales in the Third Federal Reserve District were well above dollar amounts registered the previous year, but somewhat below those of the preceding six months. The index of sales shown in the chart is adjusted for seasonal variation. This series has just been revised to take account of changes in the seasonal buying pattern that apparently shifted heavier selling to March and November. Preliminary national figures for the Easter season are not so favorable as those of the Third District, although they still exceed last year's total. In spite of a large volume of sales, however, there were complaints that Easter business was not as great as expected, and "pre-Easter" clearance sales were frequent. It is true that gains have not continued to pile up as in 1945 and 1946, but the complaints arise mainly from two other factors. First, sales have not been spread proportionately among all types of goods. Luxury items and some women's apparel lines have fallen off noticeably, and increased selectivity and "resistance" on the part of buyers has been noted in many other fields. Second, dollar

sales figures fail to take account of price rises. In terms of the physical amount of goods sold, department stores probably sold a little less during the first quarter of 1947 than the previous year. Physical volume appears to have leveled off in the third quarter of 1946 and declined gradually since that time.

CASH AND CREDIT SALES AT DEPARTMENT STORES
Third Federal Reserve District

| | Percentage of Total Sales | | |
|-----------------------|---------------------------|----------------|------------|
| | Cash | Charge Account | Instalment |
| 1946 | | | |
| January..... | 57 | 38 | 5 |
| February..... | 55 | 40 | 5 |
| March..... | 54 | 41 | 5 |
| April..... | 51 | 43 | 6 |
| May..... | 52 | 44 | 4 |
| June..... | 52 | 44 | 4 |
| July..... | 53 | 42 | 5 |
| August..... | 52 | 42 | 6 |
| September..... | 50 | 44 | 6 |
| October..... | 48 | 46 | 6 |
| November..... | 49 | 45 | 6 |
| December..... | 49 | 44 | 7 |
| 1947 | | | |
| January..... | 48 | 45 | 7 |
| February..... | 47 | 46 | 7 |
| March..... | 47 | 45 | 8 |
| Average for 1941..... | 41 | 49 | 10 |

A further increase in the proportion of charge and instalment sales by department stores was a significant development in the first quarter, indicating that consumer purchases are being stimulated by the continued extension of new credit. A steady decline from the high proportion of cash sales during wartime began in 1946, as shown in the accompanying table. There is still considerable room for credit expansion before pre-war ratios are reached, and strong demand can be generated by this means. However, the rapid approach to "normal" standards forecasts slackened sales stimulation from this source in the future. The increase in instalment sales was to be expected as durable goods became available in large quantity; but some of the recent gains in instalment credit are the result of new practices in soft goods merchandising. In general, the fact that consumers are forced to obtain more and more credit to maintain their volume of purchases strengthens the "bearish" outlook of some observers. A decline in the ratio of collections to receivables outstanding also lends support to this view.

Readjusting Prices and Inventories

Department store inventories in the Third District continued to rise and in March stood at an all-time high—230 per cent of the 1935-1939 average. Total stocks are still somewhat below

pre-war ratios to sales, but they have increased rapidly during the past year and promise to catch up completely very shortly. Moreover, inventories are not perfectly balanced. As recent clearance sales show, there are pile-ups in some soft lines, while many hard goods are relatively short. Declines in outstanding orders, however, indicate an awareness that large-scale retail inventory accumulation is at an end. In fact retailers now seem determined to reduce inventories and to replenish their stocks more cautiously than heretofore.

The seriousness of those readjustments that may occur from now on depends upon the extent to which the volume of sales can be maintained. It is generally agreed that high prices are becoming a serious deterrent to volume sales. The solution of this problem, however, is not one for the retailers alone. Although they have pledged themselves to lower prices wherever possible, substantial reductions, in the final analysis, must result from price cuts at all stages of production, beginning with raw materials. To be more than temporarily effective, price reductions must come from the bottom up. Manufacturers' inventories have not increased so greatly in re-

lation to sales as those of retailers; demand for producers' goods is high, and foreign demands for agricultural production are large. Regardless of its other effects, a second round of wage increases, while it may not necessarily call for proportionate price boosts, will tend to raise production costs—not lower them. On the monetary side, a huge credit potential exists which could buoy money-demand and prices. Under these conditions price cuts at the top will have a hard time filtering through the industrial machine.

The experience of the first quarter shows that the achievement of business stability requires basic readjustments in prices and costs. Some price adjustments have already occurred in commodities where increases had been far above the average level. Continued high volume production is bringing about a favorable realignment of costs and improved cost-price relationships. If the benefits of these changes accrue to special groups, further distortions may be caused. Only if the entire consuming public shares the gains will the purchasing power of the dollar be prevented from declining further and standards of living be maintained.

TRENDS IN BANK DEPOSITS SINCE THE WAR

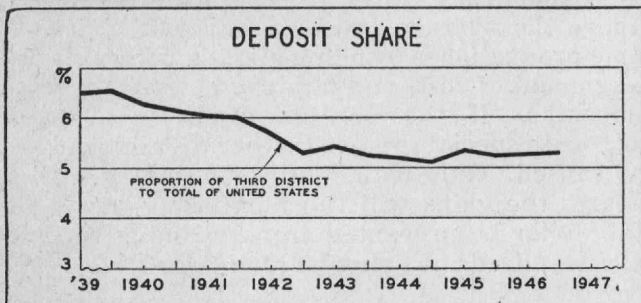
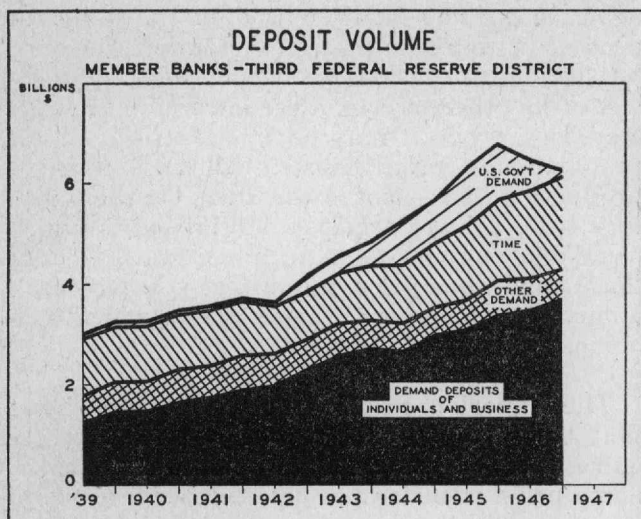
Bank deposits until recently continued to expand, largely as a result of extension of private credit and a shift of Government funds into private deposits. This trend thus has sustained the unprecedented volume of money supply in spite of the reduction in holdings of Government securities by banks. Treasury deposits at commercial banks have declined steadily during the past year, when repayment of maturing public debt was being made on a large scale.

There has been virtually no change in the share of the nation's deposits held by banks in this district, contrary to earlier expectations. But there have been noticeable changes in the ownership of deposits, as is to be expected when businessmen and individuals use their funds for producing, selling and buying goods and services.

Deposit Distribution

During the war, deposits had grown rapidly throughout the country but various factors contributed to much more rapid expansion in the South and West than in the Northeast. Deposits of member banks in the Third Federal Reserve District had grown less rapidly than deposits in any other district. This area's share of deposits in 1939 was 6.5 per cent of the national total, but by the end of the war the proportion had fallen to 5.3 per cent.

The return to peacetime conditions was expected to reverse the wartime process to some extent. It appeared at the outset that this district could easily resume production of civilian goods, and should be less affected by cutbacks in war production, by population shifts, curtailment of expenditures for military personnel



and facilities, and by any declines in farm incomes that might occur. This relatively favorable economic picture, so far as this district was concerned, would bring about a flow of funds from the agricultural and war-boom areas to this section of the country. While it was not expected that the Third District would regain its pre-war share of deposits, it was thought likely that its share would soon increase.

Thus far these expectations have not been realized. As the following table indicates, areas of the South and West continued to claim an increasing share of the total, and the share held by the Northeast at the end of 1946 was still declining. This district appears to be about holding its own. The picture, of course, is distorted somewhat by the Treasury's retirement program, for war loan accounts were a more important part of the deposit structure in some areas than in others. But even allowing for this factor, it is clear that geographical shifts in economic activity and deposit distribution have not followed expectations. Post-war adjustment in all areas has been accomplished much more rapidly than was thought possible.

DEPOSIT DISTRIBUTION

(Member banks)

| Federal Reserve District | Dec. 1939 | June 1945 | Dec. 1946 |
|--------------------------|-----------|-----------|-----------|
| Boston..... | 5.55% | 5.30% | 4.76% |
| New York..... | 35.85 | 30.58 | 27.82 |
| Philadelphia..... | 6.54 | 5.32 | 5.30 |
| Cleveland..... | 7.84 | 7.81 | 7.79 |
| Richmond..... | 3.95 | 4.54 | 4.69 |
| Atlanta..... | 3.53 | 4.46 | 4.78 |
| Chicago..... | 14.08 | 15.13 | 15.02 |
| St. Louis..... | 3.51 | 3.67 | 3.95 |
| Minneapolis..... | 2.29 | 2.49 | 2.81 |
| Kansas City..... | 3.75 | 4.37 | 4.71 |
| Dallas..... | 3.20 | 4.16 | 4.56 |
| San Francisco..... | 9.91 | 12.17 | 13.81 |
| Total—United States..... | 100.00% | 100.00% | 100.00% |

Some of the economic conditions assumed in making the predictions, therefore, have not materialized.

Along with a geographical redistribution, some shift of deposits from the smaller to the larger banks was considered likely. During the war the country banks of this district had enjoyed a relatively greater deposit expansion than had the Philadelphia institutions. For some time after the war this trend continued. Withdrawals from war loan accounts had less effect on the total deposits of country banks, while their time deposits and other demand balances continued to grow more rapidly. Recent data for accounts other than war loan deposits show no definite signs either of a continuation of this trend or of a shift toward Philadelphia banks. Between July 1946 and February 1947, however, there was a noticeable tendency for demand deposits of individuals, partnerships, and corporations to decline more in the smaller institutions than in the larger.

Deposit Ownership

Just as war brought about shifts in the ownership of deposits, so readjustment to peacetime conditions was expected to affect the various owners of deposits in different ways. In fact, the forces which had a major influence in determining the wartime pattern of ownership were expected to be reversed. And this is essentially what has happened.

The accompanying chart indicates the impact of peace on the three major owners of deposits—manufacturing and mining concerns, trade enterprises, and individuals. Deposits held by **manufacturing and mining concerns** were the first to be affected by reconversion, just as they

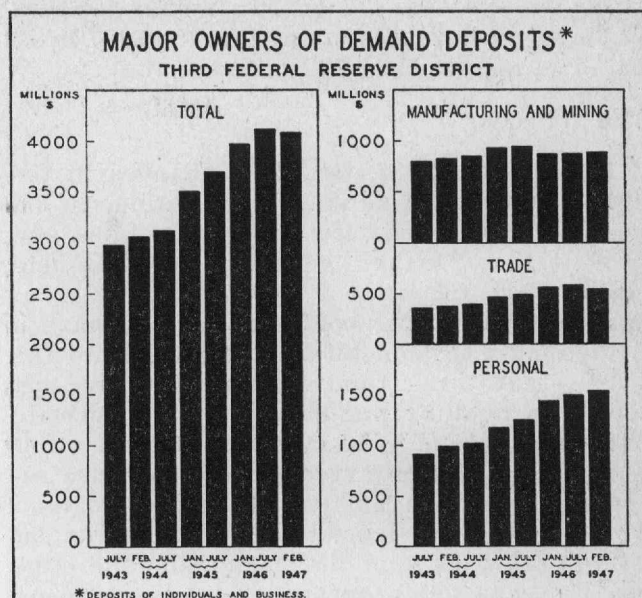
were affected at an early date during the war. At the outbreak of war, balances of these concerns rose rapidly as demands of the war machine replaced demands for civilian goods, causing an accumulation of idle funds which normally would have been used for replacement of materials and equipment. Large deposits also were maintained by war industries needing more working capital to support expanded production. In contrast, after 1943 the expansion of these deposits slackened. Production had reached a peak and businesses were investing heavily in Government securities. Nevertheless, these deposits continued to grow until July 1945. Then as the supply of materials became freer and capital goods were made available for civilian production, industry reconverted and expanded to meet civilian demands for goods. Businesses thus used their funds, with the result their deposits declined.

The reconversion period, however, was much shorter than anticipated. The draft on deposits for reconversion expenses was soon neutralized by an inflow of funds as goods moved to distributors. By July of 1946 the decline had ceased and in the period ending February 1947 industrial deposits rose slightly.

CHANGES IN DEPOSIT OWNERSHIP

| Demand Deposits of Individuals and Business Concerns— All Commercial Banks; Third Fed. Res. Dist. | Feb. 1947 (Mil. \$) | Per Cent Change | | |
|---|------------------------|------------------------------|------------------------------|------------------------------|
| | | July 1946 to Feb. 1947 | July 1943 to July 1945 | July 1945 to Feb. 1947 |
| Domestic Business | | | | |
| Nonfinancial: | | | | |
| Manufacturing and mining | \$ 885 | + 1.1% | +17.5% | - 6.7% |
| Public utilities | 216 | - 6.5 | - 3.2 | -10.4 |
| Trade | 549 | - 5.0 | +40.2 | +11.6 |
| Other nonfinancial | 199 | - 5.2 | +16.6 | +17.8 |
| Total | \$1,849 | - 2.4% | +19.2% | - 0.1% |
| Financial: | | | | |
| Insurance | \$ 88 | - 2.2% | | + 8.6% |
| Other | 246 | + 4.2 | +32.8 | +35.2 |
| Total business | \$2,183 | - 1.7% | +19.4% | + 3.3% |
| Trust funds | 219 | -14.8 | + 6.8 | - 0.9 |
| Non-profit associations | 157 | + 8.3 | +34.1 | +42.7 |
| Personal | 1,527 | + 2.0 | +37.1 | +22.2 |
| Foreign | 3 | | | |
| Total | \$4,089 | - 0.8% | +24.3% | +10.6% |

Deposits of **trade concerns** reacted similarly, but later, to peacetime readjustment. Throughout the war period they had risen rapidly and continuously. Consumer spending was higher than ever before but retailers were unable to maintain inventories on a par with increased sales and were forced to accumulate idle funds. Trade deposits continued to increase rapidly



for some time after V-J Day, while manufacturing and mining deposits were being drawn down for reconversion expenditures. But as industry became able to produce more civilian goods, trade concerns began to build up their inventories. The expansion in deposits of these businesses consequently slowed down in the first half of 1946. Finally, by February 1947 deposits of trade concerns showed a decline of 5 per cent from the preceding July. Wholesale and retail businesses were, in a sense, undergoing their reconversion.

In contrast to industrial and trade deposits, **personal deposits** are still increasing, but at a much slower rate than in the past. During the war they had risen more rapidly than business accounts. Although consumer spending was unprecedented, the increase in incomes was even greater. Spending for soft goods was fairly normal in relation to incomes, but durable goods were almost completely blocked from consumers. Individuals were forced to accumulate idle funds. From V-J Day until July 1946 personal deposits continued to expand, rising by almost one-fifth. Unemployment during this period had been far less than expected, and total incomes actually increased as civilian employment expanded and wages rose to compensate for shorter working hours.

As more goods moved from distributors to consumers, spending increased relative to incomes. Consequently, the leveling off process—previously observed in trade and industrial de-

posits—has now appeared in personal deposits. In the seven months ending February 1947 these balances increased only 2 per cent.

The Outlook

First of all, it is clear that changes in the over-all volume of deposits will continue to depend largely on the trend of bank loans and investments. Further retirement of bank-held Government securities by withdrawals of War Loan accounts would continue to have a depressing effect on total deposits. But to the extent that these funds are used to redeem securities held by non-bank investors, private deposits will tend to be increased. On the other hand, use of budgetary surpluses to retire securities held by commercial banks would tend to reduce private deposits directly. Retirement of Federal Reserve holdings, as under the present Treasury bill program, exerts pressure on member bank reserves and tends to make the expansion of deposits more difficult. Any further expansion in bank lending, however, would be an offsetting factor to whatever reduction in deposits might be achieved through Treasury operations.

Secondly, it is possible that some of the expected geographical shifts in deposits and a consequent gain in this district's share of the total volume may yet take place. Part of the wartime shift to the South and West appears

to be permanent; and readjustment was accomplished without creating many of the situations which, it was believed, would bring about some return flow to the Northeast. Other conditions, such as a decline in agricultural prices and incomes, may develop, raising this area's share of deposits. A downturn of business activity might also have this effect; past experience shows that while deposits do not rise as rapidly here as in other areas during periods of expansion, they do not decline as rapidly during periods of contraction.

Finally, deposit ownership will shift in response to the flow of goods through the economy as they become available. Manufacturing and mining concerns may continue to draw upon their deposits to finance expansion. But income to industry from the sale of goods may also increase as goods are moved to distributors, tending to stave off further declines in these accounts. Balances of trade enterprises will tend to be drawn down as inventories are built up, but will be offset to some extent by a flow of funds from consumers. Deposits of individuals may eventually experience the same decline as the others when the final phase of readjustment is completed. For a time, deposits of all groups may be sustained through loans. Eventually, however, the ownership pattern should reflect the more or less normal flow of goods and money through the economy.



BUSINESS STATISTICS

Production Philadelphia Federal Reserve District

Production Workers in Pennsylvania Factories

Summary Estimates--March 1947

| Indexes: 1923-5 = 100 | Adjusted for seasonal variation | | | | | | Not adjusted | | |
|----------------------------------|---------------------------------|-----------|-----------|-----------------|----------|----------------------|--------------|-----------|-----------|
| | Mar. 1947 | Feb. 1947 | Mar. 1946 | Per cent change | | | Mar. 1947 | Feb. 1947 | Mar. 1946 |
| | | | | March 1947 from | | 1947 from 3 mos. ago | | | |
| | | | | Mo. ago | Year ago | 1946 | | | |
| INDUSTRIAL PRODUCTION | 10 p | 108 | 103r | -2 | +4 | +8 | 106p | 108 | 103 |
| MANUFACTURING | 107p | 110 | 102 | -2 | +5 | +9 | 107p | 109 | 103 |
| Durable goods..... | 115p | 119 | 110 | -3 | +4 | +11 | ..... | ..... | ..... |
| Consumers' goods..... | 101p | 102 | 97r | -1 | +4 | +8 | ..... | ..... | ..... |
| Metal products..... | 136 | 136r | 90 | 0 | +51 | +59 | 136 | 137r | 93 |
| Textile products..... | 71p | 70 | 69r | +1 | +3 | +7 | 73p | 74 | 71r |
| Transportation equipment..... | 112p | 121 | 216 | -8 | +48 | +46 | 119p | 124 | 227 |
| Food products..... | 125 | 125 | 122 | 0 | +2 | +5 | 120p | 120r | 117 |
| Tobacco and products..... | 119 | 145 | 123 | -18 | -3 | +6 | 110 | 122 | 114 |
| Building materials..... | 52p | 57 | 48 | -10 | +8 | +21 | 45p | 47 | 42 |
| Chemicals and products..... | 154p | 164 | 142r | -6 | +8 | +15 | 155p | 163r | 143r |
| Leather and products..... | 85p | 84 | 84 | +1 | +1 | +3 | 87p | 89 | 86r |
| Paper and printing..... | 116 | 118 | 117 | -2 | -1 | +2 | 118 | 118 | 120 |
| Individual lines | | | | | | | | | |
| Pig iron..... | 86 | 104r | 81r | -18 | +6 | +30 | 99 | 108r | 93r |
| Steel..... | 101 | 104r | 92 | -3 | +10 | +52 | 108 | 109r | 98r |
| Iron castings..... | 85 | 94 | 78 | -10 | +9 | +17 | 89 | 96 | 82 |
| Steel castings..... | 98 | 93 | 73 | +6 | +35 | +49 | 110 | 104 | 81 |
| Electrical apparatus..... | 223 | 216r | 91 | +4 | +145 | +74 | 208 | 207r | 85 |
| Motor vehicles..... | 45 | 48 | 34 | -2 | +34 | +19 | 49r | 49 | 36 |
| Automobile parts and bodies..... | 122 | 124 | 76 | -2 | +60 | +52 | 133 | 134 | 83 |
| Locomotives and cars..... | 58 | 67 | 36 | -13 | +61 | +50 | 63 | 68 | 39 |
| Shipbuilding..... | ..... | ..... | ..... | -13 | -75 | -72 | ..... | ..... | ..... |
| Silk manufacturers..... | 85 | 84 | 83 | +1 | +2 | +5 | 88 | 89 | 86 |
| Woolen and worsteds..... | 75 | 73 | 76r | +3 | -1 | +6 | 72 | 76 | 73r |
| Cotton products..... | 45p | 47 | 47 | -4 | -4 | +2 | 48p | 50 | 50 |
| Carpets and rugs..... | 87 | 85 | 72r | +3 | +21 | +26 | 87 | 86 | 72r |
| Hosiery..... | 74 | 75 | 72 | 0 | +3 | +7 | 77 | 78 | 75 |
| Underwear..... | 127 | 131 | 130 | -3 | +3 | +2 | 138 | 142 | 142 |
| Cement..... | 84p | 103 | 74 | -18 | +14 | +33 | 65p | 72 | 57 |
| Brick..... | 58 | 60 | 55 | -3 | +5 | +13 | 57 | 58 | 54 |
| Lumber and products..... | 29 | 28 | 28 | +1 | +3 | +9 | 27 | 27 | 26 |
| Bread and bakery products..... | ..... | ..... | ..... | +4* | +7* | +8* | 115 | 111r | 124 |
| Slaughtering, meat packing..... | 105 | 103 | 118 | +1 | -11 | -7 | 99 | 102 | 111 |
| Sugar refining..... | 64 | 66 | 61 | -4 | +5 | +4 | 98 | 86 | 93 |
| Canning and preserving..... | 202p | 203 | 170 | -1 | +19 | +24 | 180p | 188 | 151 |
| Cigars..... | 120 | 146 | 124 | -18 | -4 | +6 | 110 | 123 | 115 |
| Paper and wood pulp..... | 91 | 93r | 91 | -2 | 0 | -1 | 93 | 93r | 93 |
| Printing and publishing..... | 121 | 124 | 123 | -2 | -1 | +2 | 123 | 124 | 125 |
| Shoes..... | 90 | 89 | 106 | +1 | -15 | -13 | 95 | 93 | 112 |
| Leather, goat and kid..... | 80p | 79 | 63r | +1 | +27 | +28 | 79p | 86 | 62r |
| Explosives..... | 77 | 84r | 73 | -9 | +6 | +20 | 77 | 84r | 73 |
| Paints and varnishes..... | 107 | 107 | 90r | 0 | +18 | +14 | 109 | 105 | 92r |
| Petroleum products..... | 212p | 228 | 198r | -7 | +7 | +10 | 211p | 224 | 197r |
| Coke, by-product..... | 146p | 161 | 143 | +9 | +2 | +39 | 152p | 169 | 149 |
| COAL MINING | 74 | 71r | 82 | +5 | -10 | -5 | 74 | 72r | 82 |
| Anthracite..... | 71 | 67 | 79 | +6 | -10 | -7 | 71 | 67 | 79 |
| Bituminous..... | 100 | 101r | 107r | -1 | -7 | +3 | 102 | 110r | 109r |
| CRUDE OIL | 273 | 281 | 300r | -3 | -9 | -5 | 279 | 281 | 306r |
| ELECTRIC POWER | 450 | 445 | 401r | +1 | +12 | +11 | 459 | 472 | 409r |
| Sales, total..... | 460 | 464 | 413 | -1 | +11 | +11 | 455 | 501 | 409 |
| Sales to industries..... | 343 | 344 | 305 | 0 | +12 | +13 | 326 | 341 | 290 |
| BUILDING CONTRACTS | | | | | | | | | |
| TOTAL AWARDS† | 128 | 84 | 107 | +52 | +19 | +20 | 111 | 83 | 93 |
| Residential..... | 157 | 111 | 93 | +41 | +69 | +100 | 119 | 79 | 71 |
| Nonresidential..... | 107 | 96 | 132 | +12 | -19 | -22 | 107 | 97 | 132 |
| Public works and utilities..... | 101 | 52 | 73 | +95 | +38 | +39 | 92 | 62 | 67 |

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

Local Business Conditions*

| Percentage change—March 1947 from month and year ago | Factory employment | | Factory payrolls | | Building permits value | | Retail sales | | Debits | |
|--|--------------------|-----------|------------------|-----------|------------------------|-----------|--------------|-----------|-----------|-----------|
| | Feb. 1947 | Mar. 1946 | Feb. 1947 | Mar. 1946 | Feb. 1947 | Mar. 1946 | Feb. 1947 | Mar. 1946 | Feb. 1947 | Mar. 1946 |
| Allentown..... | 0 | +13 | -1 | +25 | +90 | -72 | +31 | +15 | +14 | +23 |
| Altoona..... | -2 | 0 | +1 | +17 | +104 | -58 | +50 | +8 | +11 | +18 |
| Harrisburg..... | +1 | +10 | 0 | +18 | -29 | -26 | +40 | +17 | +33 | +15 |
| Johnstown..... | +1 | +7 | 0 | +10 | +363 | -74 | +26 | +20 | +9 | +22 |
| Lancaster..... | 0 | +6 | +1 | +25 | -12 | -40 | +35 | +16 | +8 | +35 |
| Philadelphia..... | -1 | +15 | -1 | +29 | +14 | -72 | +34 | +16 | +13 | +3 |
| Reading..... | 0 | +13 | -1 | +28 | -40 | -84 | +21 | -12 | +12 | +14 |
| Scranton..... | -1 | +11 | -2 | +24 | +1 | -17 | +42 | +21 | +11 | -7 |
| Trenton..... | ..... | ..... | ..... | ..... | +246 | -50 | +27 | +13 | +10 | +26 |
| Wilkes-Barre..... | 0 | +19 | -4 | +33 | +90 | -21 | +43 | +24 | +24 | +19 |
| Williamsport..... | -1 | +11 | -4 | +22 | -29 | -92 | ..... | ..... | +15 | +25 |
| Wilmington..... | +1 | +3 | +2 | +18 | +88 | -75 | +10 | +6 | +30 | +13 |
| York..... | -2 | +22 | -1 | +37 | +392 | +8 | +35 | +9 | +29 | +25 |

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

| | Employment | Weekly Payrolls | Weekly Man-Hours Worked |
|----------------------------------|------------|-----------------|-------------------------|
| All manufacturing..... | 1,112,300 | \$48,631,000 | 43,726,000 |
| Durable goods industries..... | 632,200 | 29,653,000 | 24,693,000 |
| Nondurable goods industries..... | 480,100 | 18,978,000 | 19,033,000 |

Changes in Major Industry Groups

| Indexes (1939 average =100) | Employment | | Payrolls | | | |
|--|----------------------------|----------------------------|----------------------------|----------------------------|-----|------|
| | Mar. 1947 In- dex | Per cent change from | Mar. 1947 In- dex | Per cent change from | | |
| | Feb. 1947 | Mar. 1946 | Feb. 1947 | Mar. 1946 | | |
| All manufacturing..... | 130 | 0 | +15 | 253 | 0 | + 28 |
| Durable goods industries.. | 156 | 0 | +25 | 282 | 0 | + 36 |
| Nondurable goods industries..... | 106 | 0 | + 5 | 217 | 0 | + 17 |
| Food..... | 124 | -1 | + 1 | 210 | -1 | + 8 |
| Tobacco..... | 101 | -3 | +22 | 217 | -2 | + 41 |
| Textiles..... | 85 | -1 | + 4 | 188 | 0 | + 17 |
| Apparel..... | 94 | +1 | +10 | 220 | +1 | + 24 |
| Lumber..... | 91 | -1 | + 7 | 163 | -2 | + 13 |
| Furniture and lumber prods. | 103 | -2 | +21 | 216 | 0 | + 49 |
| Paper..... | 121 | 0 | + 5 | 232 | +2 | + 18 |
| Printing and publishing..... | 136 | +1 | + 3 | 250 | +2 | + 17 |
| Chemicals..... | 132 | -1 | + 2 | 230 | -2 | + 17 |
| Petroleum and coal prods.... | 140 | 0 | + 1 | 239 | +1 | + 8 |
| Rubber..... | 184 | 0 | +10 | 380 | +1 | + 18 |
| Leather..... | 97 | 0 | - 1 | 190 | -1 | + 8 |
| Stone, clay and glass..... | 135 | +2 | +11 | 255 | +6 | + 25 |
| Iron and steel..... | 138 | -1 | +14 | 241 | 0 | + 19 |
| Nonferrous metals..... | 169 | -1 | +16 | 307 | -1 | + 29 |
| Machinery (excl. electrical). | 199 | +3 | +50 | 366 | +4 | + 67 |
| Electrical machinery..... | 235 | -1 | +92 | 417 | 0 | +141 |
| Transportation equip. (excl. auto)..... | 241 | -3 | +13 | 387 | -10 | + 14 |
| Automobiles and equipment | 189 | 0 | +33 | 356 | 0 | + 59 |
| Other manufacturing..... | 145 | +1 | +10 | 274 | +4 | + 33 |

Average Earnings and Working Time

| March 1947 Per cent change from year ago | Weekly Earnings | | Hourly Earnings | | Weekly Hours | |
|--|-----------------|-------|-----------------|-------|--------------|-------|
| | Average | Ch'ge | Average | Ch'ge | Average | Ch'ge |
| All manufacturing..... | \$43.72 | +11 | \$1.112 | +12 | 39.3 | -1 |
| Durable goods indus..... | 46.90 | +9 | 1.201 | +9 | 39.1 | 0 |
| Nondurable goods industries..... | 39.53 | +11 | .997 | +14 | 39.6 | -3 |
| Food..... | 37.81 | +7 | .924 | +11 | 40.9 | -4 |
| Tobacco..... | 28.26 | +15 | .742 | +19 | 38.1 | -3 |
| Textiles..... | 39.54 | +13 | 1.008 | +16 | 39.2 | -3 |
| Apparel..... | 32.98 | +13 | .858 | +15 | 38.4 | -2 |
| Lumber..... | 33.46 | +6 | .861 | +10 | 38.9 | -4 |
| Furniture and lumber products..... | 38.89 | +24 | .917 | +21 | 42.4 | +2 |
| Paper..... | 41.59 | +12 | .945 | +15 | 44.0 | 0 |
| Printing and publishing..... | 52.10 | +14 | 1.341 | +20 | 38.9 | -5 |
| Chemicals..... | 44.93 | +15 | 1.102 | +16 | 40.8 | -1 |
| Petrol. & coal prods..... | 52.02 | +7 | 1.302 | +6 | 39.9 | 0 |
| Rubber..... | 51.46 | +7 | 1.252 | +14 | 41.1 | -6 |
| Leather..... | 33.47 | +8 | .878 | +10 | 38.1 | -2 |
| Stone, clay and glass..... | 43.15 | +12 | 1.073 | +15 | 40.2 | -3 |
| Iron and steel..... | 47.09 | +4 | 1.229 | +1 | 38.3 | +3 |
| Nonferrous metals..... | 47.52 | +11 | 1.188 | +8 | 40.0 | +3 |
| Machinery (excl. elec.)..... | 46.70 | +11 | 1.180 | +15 | 39.6 | -3 |
| Electrical machinery..... | 49.63 | +25 | 1.272 | +29 | 39.0 | -3 |
| Transportation equip. (excl. auto)..... | 49.07 | +1 | 1.342 | +17 | 36.6 | -14 |
| Automobiles & equip..... | 51.71 | +19 | 1.216 | +12 | 42.5 | +6 |
| Other manufacturing..... | 39.49 | +21 | 1.003 | +20 | 39.4 | +1 |

Distribution and Prices

| Wholesale trade Unadjusted for seasonal variation | Per cent change | | |
|---|--------------------|-------------|-----------------------------------|
| | March 1947 from | | 1947 from 3 mos. 1946 |
| | Month ago | Year ago | |
| Sales | | | |
| Total of all lines..... | + 4 | +17 | + 13 |
| Boots and shoes..... | +46 | -16 | ..... |
| Drugs..... | + 7 | +18 | + 7 |
| Dry goods..... | 0 | +11 | +16 |
| Electrical supplies..... | + 4 | +65 | +87 |
| Groceries..... | + 7 | +10 | + 1 |
| Hardware..... | + 8 | +24 | +18 |
| Jewelry..... | + 4 | - 6 | - 9 |
| Paper..... | - 2 | +21 | +36 |
| Inventories | | | |
| Total of all lines..... | + 4 | +57 | ..... |
| Dry goods..... | +17 | +81 | ..... |
| Electrical supplies..... | - 4 | +80 | ..... |
| Groceries..... | - 2 | +48 | ..... |
| Hardware..... | + 7 | +48 | ..... |
| Paper..... | + 9 | + 5 | ..... |

Source: U. S. Department of Commerce.

| Prices | Mar. 1947 | Per cent change from | | |
|--|--------------|----------------------|-------------|--------------|
| | | Month ago | Year ago | Aug. 1939 |
| Basic commodities (Aug. 1939=100)..... | 334 | + 7 | +76 | +224 |
| Wholesale (1926=100)..... | 150 | + 3 | +37 | + 99 |
| Farm..... | 183 | + 7 | +37 | +199 |
| Food..... | 168 | + 3 | +53 | +149 |
| Other..... | 131 | + 2 | +28 | + 64 |
| Living costs (1935-1939=100)..... | | | | |
| United States..... | 156 | + 2 | +20 | + 59 |
| Philadelphia..... | 156 | + 3 | +21 | + 59 |
| Food..... | 186 | + 5 | +34 | +100 |
| Clothing..... | 181 | + 2 | +19 | + 82 |
| Fuels..... | 125 | 0 | + 9 | + 30 |
| Housefurnishings..... | 180 | 0 | +19 | + 79 |
| Other..... | 134 | 0 | +10 | + 33 |

Source: U. S. Bureau of Labor Statistics.

| Indexes: 1935-1939=100 | Adjusted for seasonal variation | | | | | | Not adjusted | | |
|------------------------------------|---------------------------------|--------------|--------------|------------------------------------|-------------|-----------------------------------|--------------|--------------|--------------|
| | Mar. 1947 | Feb. 1947 | Mar. 1946 | Per cent change | | 1947 from 3 mos. 1946 | Mar. 1947 | Feb. 1947 | Mar. 1946 |
| | | | | March 1947 from Month ago | Year ago | | | | |
| RETAIL TRADE | | | | | | | | | |
| Sales | | | | | | | | | |
| Department stores—District..... | 243 | 234r | 221r | + 4 | + 10 | + 15 | 255 | 192r | 219 |
| Philadelphia..... | 226 | 211r | 201r | + 7 | + 13 | + 16 | 235 | 177 | 199 |
| Women's apparel..... | 265 | 273 | 286 | - 3 | - 7 | - 1 | 282 | 197 | 284 |
| Men's apparel..... | 318 | 239 | 278 | + 33 | + 14 | + 21 | 279 | 187 | 224 |
| Shoe..... | 245p | 222r | 240 | + 11 | + 2 | + 5 | 250p | 162r | 228 |
| Furniture..... | ..... | ..... | ..... | + 21* | + 6* | ..... | ..... | ..... | ..... |
| Inventories | | | | | | | | | |
| Department stores—District..... | 230p | 219r | 160r | + 5 | + 44 | ..... | 230p | 213r | 160r |
| Philadelphia..... | 215p | 203r | 157r | + 6 | + 37 | ..... | 217p | 197r | 159r |
| Women's apparel..... | 221 | 251 | 192 | - 12 | + 15 | ..... | 242 | 245 | 211 |
| Shoe..... | 112p | 112r | 53 | 0 | +113 | ..... | 125p | 115r | 59 |
| Furniture..... | ..... | ..... | ..... | 0* | + 51* | ..... | ..... | ..... | ..... |
| FREIGHT-CAR LOADINGS | | | | | | | | | |
| Total..... | 143 | 140 | 142 | + 2 | + 1 | + 13 | 135 | 129 | 133 |
| Merchandise and miscellaneous..... | 138 | 136 | 129 | + 1 | + 7 | + 21 | 132 | 124 | 124 |
| Merchandise—l.c.l..... | 95 | 93 | 95 | + 2 | + 1 | + 3 | 95 | 88 | 95 |
| Coal..... | 145 | 148 | 166 | - 2 | - 12 | - 4 | 150 | 154 | 171 |
| Ore..... | 159 | 140 | 138 | + 13 | + 16 | + 65 | 70 | 53 | 61 |
| Coke..... | 200 | 175 | 185 | + 15 | + 8 | + 39 | 188 | 187 | 174 |
| Forest products..... | 95 | 101 | 107 | - 6 | - 11 | - 4 | 83 | 82 | 93 |
| Grain and products..... | 147 | 150 | 123 | - 2 | + 19 | + 4 | 140 | 132 | 117 |
| Livestock..... | 91 | 111 | 125 | - 18 | - 27 | - 16 | 84 | 101 | 116 |
| MISCELLANEOUS | | | | | | | | | |
| Life insurance sales..... | 194 | 202 | 219 | - 4 | - 12 | 0 | 201 | 219 | 228 |
| Business liquidations | | | | | | | | | |
| Number..... | ..... | ..... | ..... | +248* | +943* | +280* | 31 | 9 | 3 |
| Amount of liabilities..... | ..... | ..... | ..... | +508* | - 4* | + 54* | 47 | 8 | 49 |
| Check payments..... | 220 | 231 | 206 | - 5 | + 6 | + 10 | 217 | 224 | 204 |

* Computed from unadjusted data. p—Preliminary. r—Revised.

BANKING STATISTICS

MEMBER BANK RESERVES AND RELATED FACTORS

| Reporting member banks (Millions \$) | April 23, 1947 | Changes in | |
|--|----------------------|---------------|---------------|
| | | Four weeks | One year |
| Assets | | | |
| Commercial loans..... | \$ 421 | -\$ 4 | +\$152 |
| Loans to brokers, etc..... | 19 | - 1 | - 25 |
| Other loans to carry secur..... | 18 | + 1 | - 52 |
| Loans on real estate..... | 52 | + 2 | + 14 |
| Loans to banks..... | 4 | + 2 | + 3 |
| Other loans..... | 182 | + 2 | + 28 |
| Total loans..... | \$ 696 | +\$ 2 | +\$120 |
| Government securities..... | \$1323 | +\$ 1 | -\$573 |
| Obligations fully guar'eed..... | 210 | - 6 | + 17 |
| Other securities..... | ..... | ..... | ..... |
| Total investments..... | \$1533 | -\$ 5 | -\$556 |
| Total loans & investments..... | \$2229 | -\$ 3 | -\$436 |
| Reserve with F. R. Bank..... | 425 | + 8 | + 5 |
| Cash in vault..... | 33 | - 2 | ..... |
| Balances with other banks..... | 83 | + 2 | + 2 |
| Other assets—net..... | 47 | + 3 | - 1 |
| Liabilities | | | |
| Demand deposits, adjusted..... | \$1830 | +\$39 | +\$ 97 |
| Time deposits..... | 309 | + 12 | + 69 |
| U. S. Government deposits..... | 71 | - 16 | - 533 |
| Interbank deposits..... | 315 | - 27 | - 59 |
| Borrowings..... | 5 | + 2 | - 8 |
| Other liabilities..... | 26 | - 1 | + 1 |
| Capital account..... | 261 | - 1 | + 3 |

| Third Federal Reserve District (Millions of dollars) | | | | | Changes in weeks ended— | | | | Changes in four weeks |
|---|-----------------|----------------|---|--------------|--|---------------|--------------|--------------|-----------------------------|
| Sources of funds: | April 2 | April 9 | April 16 | April 23 | April 2 | April 9 | April 16 | April 23 | |
| | | | | | | | | | |
| Reserve Bank credit extended in district..... | +21.6 | - 4.5 | -18.6 | + .2 | - 1.3 | - 3.3 | +26.5 | +14.2 | +48.4 |
| Commercial transfers (chiefly interdistrict)..... | - 8.9 | -12.6 | - 8.1 | -13.3 | -42.9 | - 8.9 | -12.6 | - 8.1 | -13.3 |
| Treasury operations..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Total..... | + 9.4 | + 9.4 | -12.5 | - 2.1 | + 4.2 | + 9.4 | + 9.4 | -12.5 | - 2.1 |
| Uses of funds: | April 2 | April 9 | April 16 | April 23 | April 2 | April 9 | April 16 | April 23 | |
| | | | | | | | | | |
| Currency demand..... | + 4.9 | - .5 | - 5.6 | - 3.3 | - 4.5 | + 2.9 | +11.5 | - 6.2 | + 9.0 |
| Member bank reserve deposits..... | + 1.3 | - 1.8 | - .6 | + .4 | - .7 | + 1.3 | - 1.8 | - .6 | + .4 |
| "Other deposits" at Reserve Bank..... | + .3 | + .2 | - .1 | ..... | + .4 | + .3 | + .2 | - .1 | ..... |
| Other Federal Reserve accounts..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Total..... | + 9.4 | + 9.4 | -12.5 | - 2.1 | + 4.2 | + 9.4 | + 9.4 | -12.5 | - 2.1 |
| Member bank reserves (Daily averages; dollar figures in millions) | | | | | Federal Reserve Bank of Phila. (Dollar figures in millions) | | | | Changes in |
| Held | Re- quired | Ex- cess | Ratio of excess to re- quired | | April 23, 1947 | Four weeks | One year | | |
| | | | | | | | | | |
| Phila. banks | | | | | | | | | |
| 1946: April 1-15..... | \$405 | \$397 | \$ 8 | 2% | | | | | |
| 1947: Mar. 1-15..... | 406 | 398 | 8 | 2 | | | | | |
| Mar. 16-31..... | 411 | 404 | 7 | 2 | | | | | |
| April 1-15..... | 410 | 404 | 6 | 2 | | | | | |
| Country banks | | | | | | | | | |
| 1946: April 1-15..... | 368 | 305 | 63 | 21 | | | | | |
| 1947: Mar. 1-15..... | 383 | 330 | 53 | 16 | | | | | |
| Mar. 16-31..... | 379 | 330 | 49 | 15 | | | | | |
| April 1-15..... | 379 | 330 | 49 | 15 | | | | | |
| Discounts and advances..... | \$ 13.1 | -\$ 2.4 | -\$ 8.0 | | | | | | |
| Industrial loans..... | 1.0 | ..... | - .3 | | | | | | |
| U. S. securities..... | 1608.4 | - 44.6 | + 7.6 | | | | | | |
| Total..... | \$1622.5 | -\$47.0 | -\$.7 | | | | | | |
| Fed. Res. notes..... | 1637.5 | - 12.5 | + 34.2 | | | | | | |
| Member bk. deposits..... | 789.2 | + 9.0 | + 13.5 | | | | | | |
| U. S. general account..... | 29.7 | + 71.8 | + 9.6 | | | | | | |
| Foreign deposits..... | 44.3 | + 8.4 | - 12.8 | | | | | | |
| Other deposits..... | 2.1 | - .7 | - 1.7 | | | | | | |
| Gold certificate res..... | 897.8 | - 9.7 | + 58.3 | | | | | | |
| Reserve ratio..... | 35.9% | + 0.6% | + 1.8% | | | | | | |