

THE
**BUSINESS
 REVIEW**

FEDERAL RESERVE BANK OF PHILADELPHIA



THE BLACK DIAMOND COUNTRY

Over a million people in the five hard-coal counties, directly or indirectly make their livings from anthracite. The industry has lost about half its market to competitive fuels but it is fighting back vigorously by such means as strip mining, culm bank reclamation, furnace design, miner-operator cooperation, and advertising. In the upper end of the coal region where veins are running thin, new manufacturing plants are taking root. The people of the black diamond country are making a readjustment; and as for the anthracite industry, it may be wise not to sell it short.

THE MONTH'S STATISTICS

Most major business indexes continued to decline gradually. Mid-June holdings of Governments by the Federal Reserve System reached the lowest point since early 1945.

THE BLACK DIAMOND COUNTRY

Hard coal had a hard winter. Anthracite producers sent 11 per cent less tonnage to market in the coal year ended March 31, 1949 than was expected. Anthracite is used primarily for household space heating, and last winter was the mildest in 78 years—in the anthracite marketing area. Now if almost any other industry finished its season with an 11 per cent set-back, it would be crying the blues. But not anthracite. Hard coal people are accustomed to hard times; they can take it.

The hard coal industry's troubles are not confined to one mild winter; most of their troubles are more serious and chronic. It is an old industry and therefore it has probably seen its best days. Water is flooding some of its mines; oil and gas are flooding its markets. Coal prices have gone up under pressure of higher wages for miners and higher costs for operators. Together they have already priced themselves out of part of their market. Production is regulated by the state, the United Mine Workers, and the operators, but nobody regulates the bootleg miners. Yet the industry goes on and on—like a wounded lion, licking his sores—and there is still a lot of hard coal in those hills.

THE HARD COAL HILLS

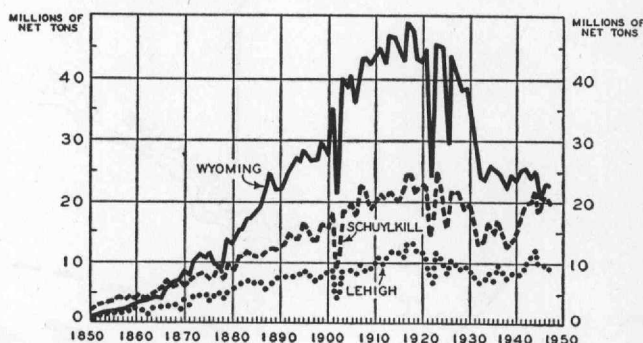
The "black diamond" country is a relatively small but beautiful area of hilly countryside in northeastern Pennsylvania. The coal deposits embrace only 480 square miles, and most of the mines are in five counties: Lackawanna, Luzerne, Carbon, Schuylkill, and Northumberland.

Geologically, there are four coal fields with approximate boundaries indicated in the accompanying map. No two of these fields are alike; about the only similarity is that they all contain anthracite and together contain practically all of the country's known reserves of hard coal. Shifting from geology to economics (but still looking at the map), we note three anthracite regions—the Wyoming, the Lehigh, and the Schuylkill—drained by the Susquehanna, Lehigh, and Schuylkill rivers, respectively. Most of the coal still comes from the Wyoming region but, as

the accompanying chart shows, this area seems to be on the decline. Production in the Schuylkill region now almost equals that of Wyoming.

Though the anthracite coal area never really had a "gold rush" like California in '49 or an "oil rush" like western Pennsylvania in '59, it is, nevertheless, heavily populated as a result of early settlement and rapid growth, until comparatively recent years. The million people now living in the five counties include large number who are of Welsh, Italian, and Polish origin. Scranton, the area's

ANTHRACITE SHIPMENTS BY REGIONS

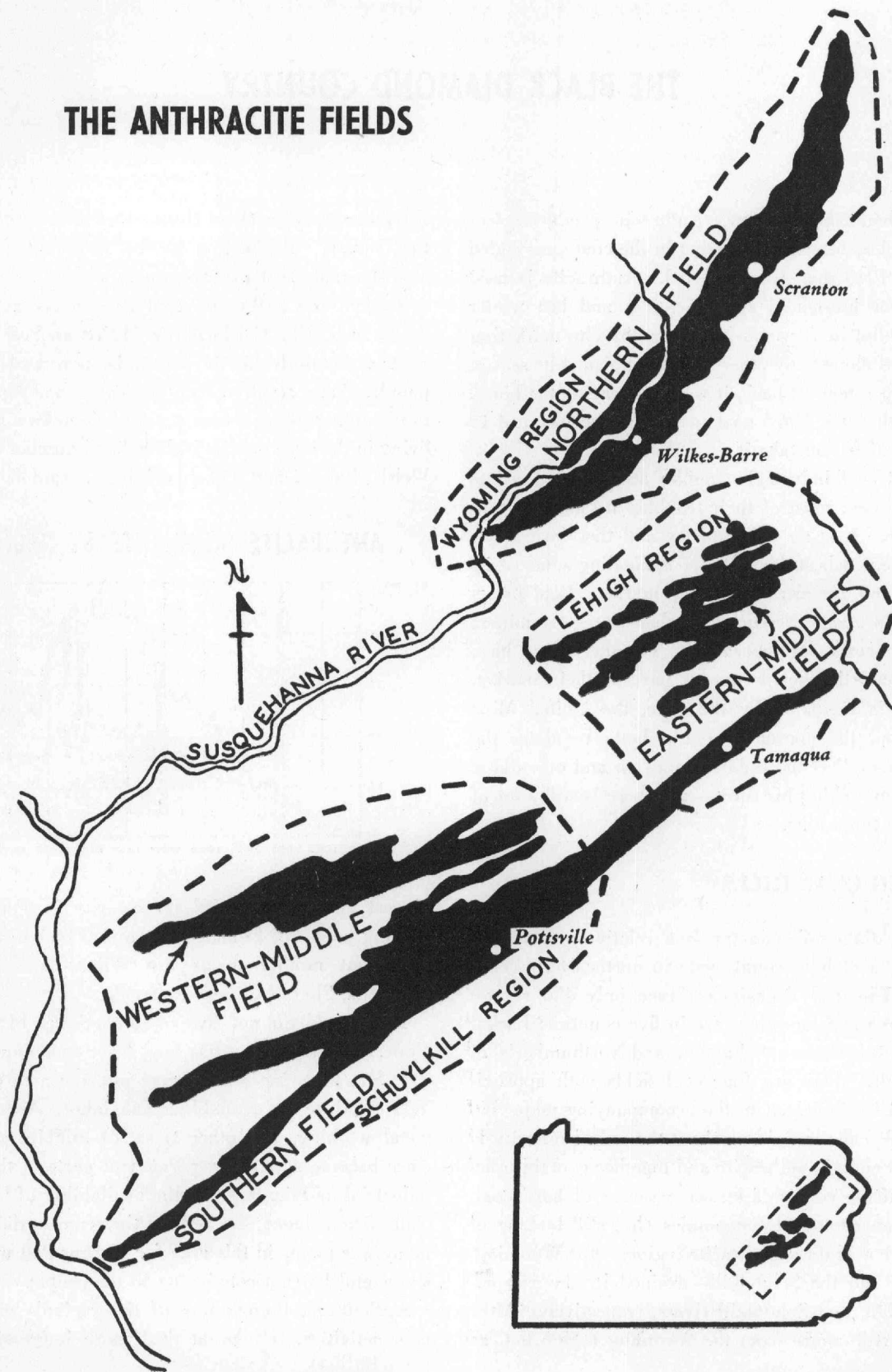


biggest city, is the third largest city in Pennsylvania, ranking next to Philadelphia and Pittsburgh. Other prominent mining towns are Wilkes-Barre, Hazleton, Tamaqua, Shamokin, and Pottsville.

The people do not live on the mining of anthracite alone. Manufacturing has long been an important activity. Silk throwing plants came into the area during the '80's to utilize the available female labor. Apparel, cigar, metal working, and other types of establishments have since become apparently permanent parts of the region's industrial mosaic. Despite the availability of labor, especially female labor, the Federal Government did not build many war plants in this area for reasons that were doubtless sound but not convincing to the people.

Agriculture, though one of the region's minor business activities, is a great deal more impressive to one

THE ANTHRACITE FIELDS



who travels through the area than to one who merely travels through its statistics. One mountain view of the Cunningham Valley any time between May and November makes a deeper impression than pages out of the Census of Agriculture; and there are other valleys.

The region also has scenic beauties—a resource that can always be kept and yet sold over and over. In the Mauch Chunk area, huge mountains rise so abruptly from the little Lehigh River it is no surprise to find the local citizens advertising their community as “The Switzerland of America,” and that is not the only coal community with scenery for sale.

Despite ever-increasing diversification of economic activity, anthracite still sets the tone of the region as a whole. If coal sells well, miners have work and make money, as was the case for eight years ending last December. Miners with money are like anybody else with money—they spend it. But miners do not always have work.

Unfortunately, half time in the mines was matched by part-time employment in surface occupations throughout the hard coal region in recent months. Slackening of orders for the products of manufacturing industries is reflected in falling factory employment and pay rolls—a situation not confined to the “black diamond” country, but just a trifle more acute there than in many other regions.

MINES AND MINERS

Mining anthracite is a highly skilled, highly hazardous, and highly unionized occupation. The veins of coal are sometimes thin, often irregular, usually steep, eventually deep, and most of the shafts are dark, damp, dirty, and dangerous. The miner must be a general practitioner in a number of industrial arts, practical geology, high explosives, electricity, rock surgery, mechanics, and flood control. The miner is always subject to the hazards of the occupation—explosions, rock falls, and cave-ins for sudden death; arthritis or anthracite silicosis for early death. Although much progress has been made in safety and dust control, comparatively few escape all hazards to attain old age comfortably.

For these and other reasons, every miner—of which there are almost 80,000, enough to fill Franklin Field Stadium in Philadelphia—belongs to the union, the United Mine Workers. Year after year the union has gotten them higher wages, shorter hours, pensions, and other

benefits for the workers—but above all, more money. In recent years frequent work stoppages have occurred in the hard and soft coal mines for higher wages, and the great family of miners is seldom disappointed. The big noise, of course, takes place in the huge bituminous industry, which is ten times the size of anthracite. The terms of the annual armistice in bituminous are frequently reflected in the annual anthracite agreement which usually follows. In the anthracite industry, the miners and the operators are on much, much better terms than they were a generation ago.

Anthracite miners are among the highest paid workers in the country, but they still do not make as much, on an hourly basis, as some workers in the building trades. In 1948, anthracite miners made between \$1.70 and \$1.90 an hour, whereas electricians and plasterers averaged as much as \$2.20 an hour. How much the miners make a week depends, of course, on how many hours they put in; and their annual income, similarly, depends on the number of weeks worked. Anthracite people have had to go through some lean years—like 165 working days during the peaceful but badly depressed '30's; throughout most of the fighting '40's, miners have done much better.

As this is being written (mid-June) coal miners are taking a week's holiday, as they were told to do by headquarters which is negotiating a new contract. What the terms will be will soon be known. Latest press reports mention the possibility of a czar for bituminous. Perhaps a little czar for anthracite? Another possibility is an increase over the present 20-cent-per-ton levy for the pension fund which is to have more money. We shall soon see.

OPERATIONS AND OPERATORS

Once upon a time anthracite was almost a monopoly—just a few companies ran the whole show. For various reasons, including Government intervention, it is now less monopolistic than formerly. Operating today are about 276 companies though 18 of these produce about 80 per cent of the tonnage. The original companies are probably better off, on the whole, than the latter-day operators who have to pay royalties, and the older companies doubtless retain the best deposits for their own use.

All operators operate about the same way. Coal is dug (if not stripped) out of the mine, hauled to the surface breaker where it is cleaned of bone, slate, and other

impurities, and otherwise prepared into eight different sizes for market. In the process, machinery is being used more and more for such operations as undercutting, loading, cleaning, grading, and more recently, stripping.

Strip mining, so-called, is really not mining at all; nor is it quarrying. It is a process whereby mountains are chewed up for the coal they contain. Gigantic power-driven shovels, costing up to a half million dollars a piece, scoop away the over-burden at 27 cubic yards a bite, uncovering the vein of coal. Then the colossus on tracks, operated by a four-man crew, goes after the coal, and if you have not been through the area recently, especially in the Schuylkill region, you will find some mountains missing with nothing in their place but big ugly scars—which nature fortunately heals over a period of time.

Stripping, which now accounts for 22 per cent of the annual production (compared with 65 per cent by underground mining, 11 per cent from culm banks, and 2 per cent from river dredging, according to 1947 figures), is not expected to revolutionize the industry. Representatives of both the operators and the union think strip mining is at or near its maximum development because of technical and economic limitations. Much turns on the huge expense of the equipment, the depth and slant of the veins, the amount of over-burden that has to be thrown around before coal is struck, and similar factors.

Standing in sharp contrast with the big strip-mine operator is the bootlegger. He is a little operator who has no mine, no status, no responsibility, practically no equipment but he has a vote and he gets his coal. He enters upon anyone's property, digs a hole, gets the coal out, and in many cases sells it to the operator from whose property he took it, or he may haul it to market himself in a second-hand truck. He flourishes only during periods of adversity, conforms with no laws except the law of survival. Bootleg tonnage at present is small, but increasing. It might be a good barometer of local business conditions if legal figures were available of this illegal activity.

MARKETS

Except for its temporary use as a blast-furnace fuel in the pre-coke era a century ago, anthracite has found its chief use as a fuel for household space heating. Located at the backdoors of New York City and Philadelphia, and connected by nine railroads with the heavily populated

seaboard from Boston to Baltimore and Washington, the region is admirably situated for markets.

Despite accessible markets in the heavily populated eastern states, the industry seems to have stopped growing and started shrinking. (See chart.)

From small beginnings a century and a quarter ago, production expanded more than tenfold during the great canal-building decade ending in 1837. Hard on the heels of the canal era came the railroad-building era—the first phase characterized by the construction of short lines connecting eastern metropolitan areas. Thus, anthracite gained access to still larger markets and production increased phenomenally from 1850 to 1910. Thereafter, the market grew at a slower rate and production hit its peak of almost 100 million tons in 1917, the first year of our participation in World War I. Since that time the trend has been downward. Our big concern is—can the decline be arrested or perhaps reversed?

History offers very little hope. The records show that industries usually go through a life cycle consisting of four phases. The first is a period of experimentation, characterized by slow, indifferent growth. The second, a period of rapid growth, is the stage when the product attains reliability, markets widen often as a result of lower costs and lower prices accompanying larger scale operations. The third stage is one of diminished growth, characterized by such developments as slackening of technical progress, cost rigidities, market saturation, competing products, and reduced exports. The fourth stage is one of stability or decline, and all too often it is decline rather than stability. An industry seldom stands still; usually it either grows or shrinks, relative to other industries. Sometimes a revolutionary invention revives an old industry and touches off a renewed lease on life so that the four-stage cycle is repeated.

These four periods are quite apparent in the long history of anthracite—experimentation until about 1850; rapid growth until about 1910; diminished growth until 1917; decline since. What caused the decline and what efforts have been made to combat it?

The decline was caused by the competition of other space-heating fuels—coke, gas, and especially fuel oil, and the competition continues to this day. Gas and oil are the most serious competitors because they give the householder completely automatic heating. Until recently the householder who burned anthracite either had to be a fireman or employ one to operate his furnace. When fuel oil began to invade the anthracite marketing area a gen-

eration ago, the anthracite industry paid little attention. Conversions from anthracite to fuel oil, or gas, occurred one by one, and fewer and fewer coal furnaces were installed in newly built homes. What first seemed like harmless competition, grew step by step until it became a first-class menace to the anthracite industry.

“When an industry enters into a state of decadence, heroic efforts are often made to give it a new lease on life”—a statement made with respect to manufacturing industries, is just as applicable to the mineral industries. At any rate, heroic efforts have been made and

are being made by not only the anthracite industry, but also some of the communities in the “black diamond” country.

The industry has formed an able and active trade association—The Anthracite Institute—with offices in the heart of the area, Wilkes-Barre. The Association has made notable success in a number of ways. It has persuaded our Canadian neighbors to remove the fifty-cent tariff on imports of American (Pennsylvania) anthracite; it has labored to retard the extension of natural gas lines into the anthracite marketing area; it conducts

A CENTURY AND A QUARTER OF ANTHRACITE PRODUCTION



laboratory research to (a) find new uses for anthracite, (b) improve present usage of anthracite, (c) find uses for anthracite reclaimed from culm banks, and (d) promote the development of new types of furnaces.

Wanted—A Disappearing Ash Can. Through efforts of the Institute, several new types of furnaces like the Anthratube, and the Anthra-Flo, have been especially designed for burning anthracite. These furnaces are small, compact, efficient, and just as nicely painted as competitive units put out by the oil people. Furthermore, the unit has an automatic stoking feature for lack of which anthracite was long at a competitive disadvantage with oil. Curiously, the Institute has encountered great difficulty in finding manufacturers enterprising enough to take on the manufacture of new types of coal furnaces. Nevertheless, at long last, such furnaces are commercially available and a number are in use, and presumably successful. But there is still the vexing problem of ash disposal.

If there is anything in this life that lacks glamor it is an ash can. The ash can is probably the greatest single obstacle to the anthracite industry's household space heating market. Though the anthracite industry has developed modern furnaces, automatic stokers, thermostatic control devices, and other modern appurtenances of household heating plants, there remains the inevitable ash can. People just will not carry out ashes as long as they can buy a fuel that goes up the chimney in smoke. This is a technical problem the anthracite industry has not yet solved completely—the disappearing ash can. The Anthracite Institute is aware of this problem, and is continuing to make progress on the problem of ash disposal.

The union, like the operators, is interested in maintaining or expanding the market for hard coal, but this interest is always secondary. Wages come first, or, in other words, today's wages are more important than tomorrow's wages. Curiously, one of the major union contributions toward the preservation of the industry is the production control agreement. In 1940, when the industry was encountering especially hard times, the union joined with the operators and the commonwealth in the adoption of a voluntary production control plan. The proposal had ample and dignified precedent. Production control plans for the purpose of maintaining orderly marketing conditions had already been used in the petroleum industry and by the farmers with Federal Government

sanction and cooperation. What began as a voluntary plan in anthracite is now also a cooperative venture with governmental sanction. Each week a committee, with representatives of the union, the industry, and the State of Pennsylvania, determines how much anthracite should be produced during the ensuing week and allocates tonnage to the various producers. Thus the industry is in style with what appears to be the prevailing trend, though it is not necessarily good economics.

Metropolitan communities throughout the "black diamond" country are likewise making heroic efforts to survive. One of the most ambitious and most successful is the Scranton Plan. The Scranton people have had to get busy because that part of the Wyoming Field is pretty well mined out. They faced the double adversity of declining markets and no coal. The Scranton Chamber of Commerce "scouts" prospective industries; the Scranton-Lackawanna Industrial Building Company builds the plant to the prospective customer's specifications and leases the plant to him, the tenant having an option to buy the building during the life of the lease, and a group of local banks raises most of the money required for the financing. Thus far 31 new plants have been built, contributing considerably to industrial pay rolls and employment in the area. Other communities taking similar steps to industrialize are Wilkes-Barre, Lansford, Tamaqua, Coaldale, Summit Hill, Nesquehoning, and Freeland.

THE OUTLOOK

The short-run outlook for the anthracite industry is neither glorious nor gloomy. The industry can be counted upon to continue the struggle to hold its markets, which at a 50-million-ton level are about half of what they used to be years ago. Favorable to the industry is an active trade association that is busy in both legislative halls and in laboratories. Favorable also is the willingness on the part of both operators and the union to cooperate. Favorable also are the facts that anthracite is a good, smokeless fuel available in large quantities at mines close to large markets, both connected by an adequate network of transportation facilities. Favorable to the communities involved is the realization on the part of the leading businessmen that a one-crop economy is unreliable, that there is greater safety in diversification.

Unfavorable elements in the short-run outlook are the ash can, the high and rigid price structure, water trouble

(about 35 tons of water have to be pumped out of the mines for every ton of coal extracted), bootlegger trouble, and the infirmities of industrial old age.

While it is difficult to strike a balance between the favorable and unfavorable elements owing to their intangible nature, we venture to say that the odds are on the optimistic side. This judgment is based, not alone on tons in reserve, silt reclamation, or anthracite as a fuel for Synthesis Gas Production, nor any one of a number of developments—new and potential. It is based rather on the people of the “black diamond” country. They have set out to make the most of their resources and they are using the plumb and transit of calculation rather than the trumpet of publicity.

The long-run outlook is, of course, still more obscure, but there is a possibility and indeed a good probability that the anthracite industry may some day stage a first-class come-back. It may very well be that the best use for anthracite has not yet been found. Burning it up to heat our homes may some day be regarded as extremely wasteful. While one-third of the original reserves have been so used, a much more economical use may be developed for the coal still in the mines.

Come what may for anthracite, it is a mistake to look upon the area as a blighted region. The people are making and will continue to make economic readjustments to the changing times—a never-ending process not only in the hard coal area but everywhere else.



THE MONTH'S STATISTICS

Most major indexes of business and banking reveal further gradual declines in April. That goes for physical output of factory goods, factory employment and pay rolls, department store trade, and check payments. Nevertheless, several series, such as bank loans and consumers' prices, still are at levels which equal or exceed last year's. Advance reports for May indicate that despite a continued reduction in the number of factory workers employed in Pennsylvania, the work-week and average weekly earnings recovered somewhat from the April declines which were influenced in part at least by the Easter Holidays.

Retail trade, judging by April department store reports, continued to hold at a dollar volume equal to $2\frac{3}{4}$ times the pre-war performance, but the first four months' business this year was 3 per cent under the first four months of last year. As we come into the hot weather season the stores will doubtless continue to encounter difficulty in meeting last year's performance records, made at a time when employment conditions generally were more favorable. Latest reports confirm this observation.

Apparently business needs less money for the time being. That seems to be the condition in this district, as elsewhere, as indicated by data on commercial, industrial, and agricultural loans. Locally and nationally, bank investments increased during May, part of the securities coming from holdings of the Reserve Banks. System holdings of Government securities decreased considerably following reduction of reserve requirements of member banks in early May, and in the middle of June reached the lowest point since early 1945.

SUMMARY	Third Federal Reserve District			United States			LOCAL CONDITIONS									
	Per cent change			Per cent change			Factory*		Department Store				Check Payments			
	Apr. 1949 from		4 mos. 1949 from year ago	Apr. 1949 from		4 mos. 1949 from year ago	Employment	Payrolls		Sales		Stocks		Per cent change Apr. 1949 from		
	mo. ago	year ago	ago	mo. ago	year ago	ago	mo. ago	year ago	mo. ago	year ago	mo. ago	year ago	mo. ago	year ago	mo. ago	year ago
OUTPUT																
Manufacturing production.....	- 4*	- 9*	- 6*	- 4	- 5	- 3										
Construction contracts.....	+ 9	- 20	- 2	+ 17	0	- 5										
Coal mining.....	+ 65	- 11	- 28	+ 56	+ 29	- 4										
EMPLOYMENT AND INCOME																
Factory employment.....	- 3*	- 7*	- 5*	- 3	- 6	- 5										
Factory wage income.....	- 5*	- 4*	0*													
TRADE**																
Department store sales.....	+ 1	- 2	- 3	+ 6	- 4	- 4										
Department store stocks.....	+ 2	- 5		- 3	- 8											
BANKING (All member banks)																
Deposits.....					- 1											
Loans.....	- 1	+ 7	+ 9	- 3	+ 6	+ 8										
Investments.....		- 4	- 4	+ 2	- 6	- 7										
U. S. Govt. Securities.....		- 5	- 5	+ 2	- 7	- 8										
Other.....	+ 1	+ 4	+ 3		+ 1	+ 1										
PRICES																
Wholesale.....				- 1	- 4	- 3										
Consumers.....	0†	0†	+ 1†	0	0	+ 1										
OTHER																
Check payments.....	- 11	- 5	- 2	- 9	- 3	0										
Output of electricity.....	- 5	- 5	- 1													

* Pennsylvania ** Adjusted for seasonal variation. † Philadelphia.

* Not restricted to corporate limits of cities but covers areas of one or more counties

MEASURES OF OUTPUT

	Per cent change		
	Apr. 1949 from		4 mos. 1949 from year ago
	month ago	year ago	
MANUFACTURING (Pa.)*	- 4	- 9	- 6
Durable goods industries.....	- 4	- 9	- 5
Nondurable goods industries.....	- 5	-10	- 7
Foods.....	- 2	- 5	- 4
Tobacco.....	-15	-23	-13
Textiles.....	- 9	-24	-17
Apparel.....	- 7	-11	-10
Lumber.....	+ 2	- 5	- 5
Furniture and lumber products.....	- 9	-24	-19
Paper.....	- 6	-13	-10
Printing and publishing.....	- 1	- 3	- 3
Chemicals.....	- 6	- 5	0
Petroleum and coal products.....	- 1	- 2	0
Rubber.....	+ 2	- 5	-19
Leather.....	- 8	- 9	-12
Stone, clay and glass.....	- 3	-12	- 7
Iron and steel.....	- 5	- 5	- 1
Nonferrous metals.....	- 9	-19	-12
Machinery (excl. electrical).....	- 3	-13	- 9
Electrical machinery.....	- 5	-10	- 7
Transportation equipment (excl. auto).....	- 3	+ 4	+ 6
Automobiles and equipment.....	- 2	-29	-34
Other manufacturing.....	- 8	-20	-11
COAL MINING†	+65	-11	-28
Anthracite.....	+69	-16	-32
Bituminous.....	+58	+41	+ 1
CRUDE OIL††	- 1	-13	- 9
CONSTRUCTION—			
CONTRACT AWARDS**.....	+ 9	-20	- 2
Residential.....	+14	-38	- 7
Nonresidential.....	+ 9	-32	-11
Public works and utilities.....	+ 5	+21	+17

* Temporary series—not comparable with former production indexes.
 ** Source: F. W. Dodge Corporation. Changes computed from 3-month moving averages, centered on 3rd month.
 † U. S. Bureau of Mines. †† American Petroleum Inst. Bradford field.

EMPLOYMENT AND INCOME

Pennsylvania Manufacturing Industries*	Employment		Payrolls		Average Weekly Earnings		Average Hourly Earnings	
	Apr. 1949 (Index)	Per cent change from	Apr. 1949 (Index)	Per cent change from	Apr. 1949	% chg. from year ago	Apr. 1949	% chg. from year ago
Indexes (1939 avg. =100)								
All manufacturing....	119	- 3 - 7	273	- 5 - 4	\$51.19	+ 3	\$1.349	+ 8
Durable goods industries.....	145	- 2 - 6	316	- 5 - 1	56.65	+ 5	1.470	+ 8
Nondurable goods industries.....	96	- 3 - 8	220	- 6 - 8	43.87	0	1.180	+ 6
Foods.....	116	- 2 - 2	237	- 1 + 4	45.55	+ 6	1.126	+ 7
Tobacco.....	88	- 9 -12	174	-15 -21	25.90	-11	.773	+ 2
Textiles.....	73	- 5 -17	174	- 9 -21	42.82	- 5	1.205	+ 5
Apparel.....	89	- 1 - 5	213	-10 -14	33.61	- 9	.921	- 3
Lumber.....	91	+ 1 - 3	201	- 1 + 1	41.48	+ 4	1.033	+ 7
Furniture and lumber products.....	79	- 6 -21	176	- 9 -22	41.08	- 1†	1.017	+ 2
Paper.....	115	- 1 - 4	245	- 5 - 6	46.09	- 3	1.169	+ 8
Printing and publishing.....	135	0 - 2	290	- 1 + 3	60.86	+ 5	1.630	+ 9
Chemicals.....	118	- 5 - 1	248	- 7 0	49.77	+ 2	1.291	+ 9
Petroleum and coal products.....	149	0 - 1	315	- 1 + 8	64.48	+ 9	1.647	+10
Rubber.....	131	+ 4 -11	256	- 2 - 3	48.51	+ 9	1.386	+ 8
Leather.....	84	- 3 - 7	171	- 9 - 5	34.70	+ 3	1.014	+ 3
Stone, clay and glass.....	122	- 2 -10	273	- 3 - 6	51.10	+ 4	1.273	+ 7
Iron and steel.....	134	- 3 - 4	292	- 5 + 3	58.73	+ 7	1.531	+ 9
Nonferrous metals.....	124	- 5 -15	261	- 9 -12	54.78	+ 4	1.441	+ 9
Machinery (excl. electrical).....	195	- 2 - 8	413	- 3 - 6	53.69	+ 2	1.402	+ 8
Electrical machinery.....	211	- 3 - 6	444	- 5 - 5	58.85	+ 2	1.548	+ 7
Transportation equipment (excl. auto).....	249	+ 2 + 9	495	- 4 +13	60.65	+ 3	1.593	+ 8
Automobiles and equipment.....	115	- 1 -26	253	+ 1 -20	60.24	+ 7	1.538	+13
Other manufacturing.....	110	- 6 -18	221	- 8 -15	42.09	+ 3	1.151	+ 7

* Production workers only.

TRADE

Third F. R. District Indexes: 1935-39 Avg. =100 Adjusted for seasonal variation	April 1949 (Index)	Per cent change		
		April 1949 from		4 mos 1949 from year ago
		month ago	year ago	
SALES				
Department stores.....	274	+ 1	- 2	- 3
Women's apparel stores.....	266	+19	0	- 1
Furniture stores.....		+13*	- 4*	- 5*
STOCKS				
Department stores.....	251p	0	- 5	.....
Women's apparel stores.....	232p	0	- 8	.....
Furniture stores.....		- 1*	-14*	.....
Recent Changes in Department Store Sales in Central Philadelphia				Per cent change from year ago
Week ended May 7.....				+ 9
Week ended May 14.....				- 4
Week ended May 21.....				- 4
Week ended May 28.....				- 7
Week ended June 4.....				- 3

* Not adjusted for seasonal variation. p—preliminary.

Departmental Sales and Stocks of Independent Department Stores Third F. R. District	Sales		Stocks (end of month)		
	% chg. April 1949 from year ago	% chg. 4 mos. 1949 from year ago	% chg. April 1949 from year ago	Ratio to sales (month's supply) April	
				1949	1948
Total — All departments.....	+ 9	- 5	- 6	2.7	3.1
Main store total.....	+ 7	- 6	- 5	2.9	3.3
Piece goods and household textiles.....	-15	- 3	- 9	3.7	3.4
Small wares.....	+ 3	- 1	- 4	3.7	3.9
Women's and misses' accessories.....	+35	- 3	- 4	2.2	3.0
Women's and misses' apparel.....	+22	0	- 1	1.6	1.9
Men's and boys' wear.....	+24	- 4	- 7	3.5	4.6
Housefurnishings.....	-22	-13	- 7	4.4	3.7
Other main store.....	+17	-11	- 6	2.8	3.4
Basement store total.....	+18	- 1	- 6	1.7	2.1
Small wares.....	+63	+ 4	+ 3	1.5	2.4
Women's and misses' wear.....	+35	+ 2	0	1.1	1.5
Men's and boys' wear.....	+32	- 5	-15	1.9	3.0
Housefurnishings.....	-28	- 5	-13	3.2	2.6
Nonmerchandise total.....	+ 6	- 1	.....	.....	.....

CONSUMER CREDIT

Sale Credit Third F. R. District	Sales		Receiv- ables (end of month)
	% chg. April 1949 from yearago	% chg. 4 mos. 1949 from yearago	% chg. April 1949 from yearago
	Department stores		
Cash	+11	- 4	.....
Charge account	+13	0	+ 8
Instalment account	+14	- 7	+11
Furniture stores			
Cash	+ 4	+ 2	.....
Charge account	-15	-10	.....
Instalment account	-12	-15	+ 8

Loan Credit Third F. R. District	Loans made		Loan bal- ances out- standing (end of month)
	% chg. April 1949 from yearago	% chg. 4 mos. 1949 from yearago	% chg. April 1949 from yearago
	Consumer instalment loans		
Commercial banks	-10	- 4	+21
Industrial banks and loan companies	- 7	-10	+ 3
Small loan companies	+24	+ 7	+ 8
Credit unions	+12	+10	+25

BANKING

MONEY SUPPLY AND RELATED ITEMS United States (Billions \$)	April 27, 1949	Changes in—	
		4 weeks	year
Money supply, privately owned	165.5	+1.3	+ .5
Demand deposits, adjusted	82.4	+1.3	- .3
Time deposits	58.1	+ .1	+1.2
Currency outside banks	24.9	- .2	- .5
Turnover of demand deposits	18.6*	-3.1*	.....
Commercial bank earning assets	112.5	+ .1	-1.8
Loans	41.3	-1.0	+2.5
U. S. Government securities	62.0	+1.1	-4.3
Other securities	9.2	.....	.....
Member bank reserves held	19.0	.....	+2.0
Required reserves (estimated)	18.5	- .1	+2.4
Excess reserves (estimated)	.5	+ .1	- .4

Changes in reserves during four weeks ended April 27 reflected the following:

	Effect on reserves
Decline in Reserve Bank holdings of Governments	- .6
Net payments by Treasury	+ .5
Other transactions	+ .1
Change in reserves	.....

* Annual rate for the month and per cent changes from month and year ago at leading cities outside N. Y. City.

PRICES

Index: 1935-39 average = 100	April 1949 (Index)	Per cent change from	
		month ago	year ago
		Wholesale prices — United States	195	- 1	- 4
Farm products	224	- 1	- 9
Foods	206	0	- 8
Other	183	- 1	0
Consumer prices			
United States	170	0	0
Philadelphia	169	0	0
Food	198	+ 1	- 2
Clothing	189	0	- 1
Fuel	140	- 3	+ 4
Housefurnishings	194	- 1	- 2
Other	153	0	+ 3

Source: U. S. Bureau of Labor Statistics.

Weekly Wholesale Prices—U. S. (Index: 1935-39 average = 100)	Allcom- modi- ties	Farm prod- ucts	Foods	Other
Week ended May 3	193	221	205	181
Week ended May 10	193	226	207	181
Week ended May 17	194	226	207	181
Week ended May 24	194	230	209	180
Week ended May 31	194	229	210	180
Week ended June 7	194	229	211	179

OTHER BANKING DATA	June 1, 1949	Changes in—	
		5 weeks	year
Weekly reporting banks — leading cities United States (billions \$):			
Loans —			
Commercial, industrial, and agricultural	13.5	- .7	- .7
Security	2.3	+ .4	+ .4
Real estate	4.1	.....	+ 3
To banks	.3	+ .1	+ .1
All other	3.9	.....	+ .3
Total loans — gross	24.1	- .2	+ .4
Investments	38.5	+1.2	- .9
Deposits	72.1	+ .3	- .5
Third Federal Reserve District (millions \$):			
Loans —			
Commercial, industrial, and agricultural	479	- 30	- 20
Security	32	- 1	.....
Real estate	91	.....	+ 13
To banks	13	+ 10	+ 9
All other	275	.....	+ 25
Total loans — gross	890	- 21	+ 27
Investments	1,620	+ 14	- 26
Deposits	2,844	- 21	+ 6
Member bank reserves and related items United States (billions \$):			
Member bank reserves held	18.1	- .9	+1.0
Reserve Bank holdings of Governments	19.8	-1.4	- .9
Gold stock	24.3	.....	+1.0
Money in circulation	27.5	+ .1	- .4
Treasury deposits at Reserve Banks	.6	- .5	-1.0
Federal Reserve Bank of Phila. (millions \$)			
Loans and securities	1,361	-104	-135
Federal Reserve notes	1,615	+ 6	- 8
Member bank reserve deposits	847	- 44	+ 61
Gold certificate reserves	1,200	+ 32	+111
Reserve ratio (%)	47.3%	+2.7%	+5.0%