

MONTHLY REVIEW

Of Industrial and Financial Conditions in the New England District

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THE SITUATION

Industrial activity in New England was slightly less in May than during April, and the Index of New England Business Activity declined by about one-half of one per cent. The index, which is corrected for seasonal variations, in both April and May was less than in the average month of 1923-1924-1925. The rate of activity which was evident during the first three months

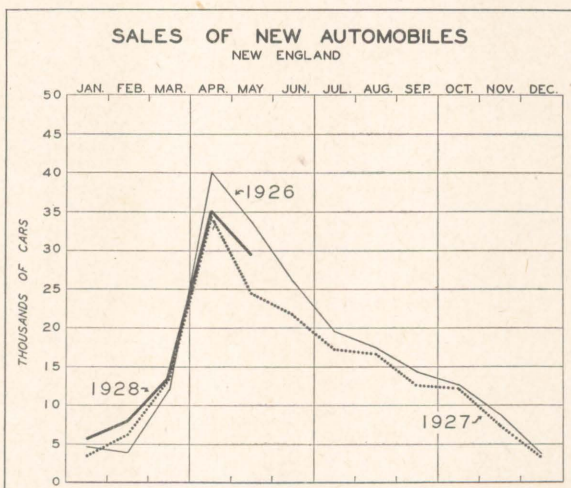
of this year has not been sustained. Since the first quarter the principal factors in which lessened activity has affected the total index have been shoe production, cotton consumption, carloadings, and residential building. There was an increase in May in the level of wholesale commodity prices, and the index of "all commodities" advanced to 98.6 per cent of the 1926 average from 97.4 per cent in April. Farm products

and food groups showed the largest increases, while chemicals and drugs declined. New England mills consumed less raw cotton per working day during May than in any month since July, 1926. In both April and May there was a sharp curtailment in the amount of the daily average cotton consumption, compared with the first quarter of 1928. Raw wool consumed by New England mills increased in May, compared with April, although there usually has been a decline during this period. The daily average production of boots and shoes in New England was smaller

in May than in April, but was slightly larger than during May a year ago. Total production in New England during the first five months of 1928 was about seven per cent greater than in the corresponding period of 1927, while production in the rest of the country was about equal to that of a year ago. New high monthly records for new building contracts awarded were established

both in New England and in the United States as a whole during May. The majority of industries in Massachusetts showed a decline in employment from April, and reports indicate that there are fewer employees on payrolls than at this time a year ago. Sales of new automobiles in New England during the first five months of 1928 were about 12 per cent larger than during the same period a year ago, but were approximately

three per cent less than the first five months of 1926. Sales of reporting New England department stores in May were slightly ahead of the corresponding month a year ago, but for the period January-May, inclusive, were about four per cent less this year. Money rates have continued to strengthen during recent weeks, and during the week ending June 23 were at the highest levels of the current year. Time money secured by mixed collateral was quoted at $5\frac{3}{4}$ — $5\frac{7}{8}$ per cent during the week ending June 23, the highest rate on this class since 1921.



Sales of new automobiles in New England during the first three months of 1928 ran ahead of the corresponding months of either 1926 or 1927, but during April and May the sales this year, although slightly better than those of 1927, were materially less than those of 1926.

Source of data—Direct Mail Service, Inc.

MONEY AND BANKING

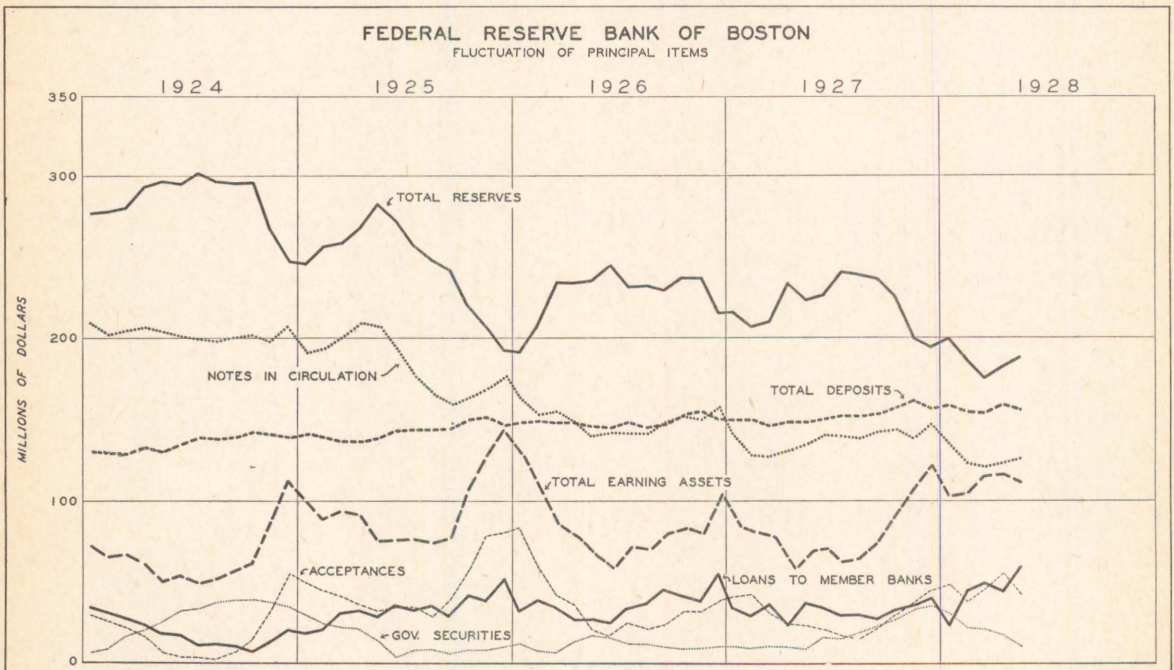
During the week ending June 23 money rates in the New York market reached the highest levels of the current year. The rising tendency which prevailed during May and June was contrary to the customary seasonal movement. During recent weeks there has been a loss of monetary gold through net gold exports, a steadily increasing volume of Federal reserve credit, some slowing up in the rate of industrial activity, and unusual stock market activity. Quotations for brokers' prime commercial paper, four to six months' maturity, ranged at $4\frac{3}{4}$ -5 per cent during the week ending June 23, which is the highest rate since December, 1923, on this class of paper. Time money secured by mixed collateral was $5\frac{3}{4}$ - $5\frac{7}{8}$ per cent during the week ending June 23, while during the corresponding week a year ago this rate was $4\frac{1}{2}$ per cent. Not since 1921 has time money commanded so high a rate. Quotations on bankers' acceptances, 90-day bills, advanced to $4\frac{1}{8}$ per cent during the week ending June 23, the highest level since March, 1924. Call money during the five weeks ending June 23 averaged slightly over six per cent, a condition which has not existed since 1921. The June 15 offerings of the United States Treasury were in the form of two issues of Certificates of Indebtedness, one bearing a $3\frac{7}{8}$ per cent rate and due in nine months, and the other yielding four per cent

and due in six months. On June 7 the rediscount rate of all 12 Federal reserve banks was $4\frac{1}{2}$ per cent.

Total loans and investments of reporting New England member banks declined \$69,081,000 between April 18 and June 6, increased \$21,421,000 during the week ending June 13, and then declined by \$11,406,000 on June 20. Notwithstanding the substantial reduction from the peak reported April 18, total loans and investments on June 20 were \$126,537,000 larger than on June 22, 1927, of which \$83,295,000 was in Boston reporting member banks and \$43,242,000 in reporting member banks in eight other New England cities. Between June 22, 1927, and June 20 this year the following changes were reported:

	Actual Change in Dollars	Percentage Changes
Boston Reporting Member Banks		
Collateral Loans	+\$72,804,000	+27.2%
Security Investments	+ 484,000	+0.2
Commercial Loans	+ 10,007,000	+1.8
Total Loans and Investments	+ 83,295,000	+8.2
Other N. E. Reporting Member Banks		
Collateral Loans	+ 31,168,000	+23.0
Security Investments	+ 19,279,000	+6.7
Commercial Loans	- 7,205,000	-3.0
Total Loans and Investments	+ 43,242,000	+6.5
All New England Reporting Member Banks		
Collateral Loans	+103,972,000	+25.8
Security Investments	+ 19,763,000	+3.8
Commercial Loans	+ 2,802,000	+0.4
Total Loans and Investments	+126,537,000	+7.5

During the year ending May 16, total loans and investments of reporting New England member



Although there has been a sharp decline since the first of the year in holdings of Government securities, the total bills and securities of the Federal Reserve Bank of Boston have been higher during recent weeks than at the first of the year, due chiefly to material increases in loans to member banks. The weekly report for June 20 showed loans to member banks in this district at the highest point since June, 1921.

banks increased 11.8 per cent, while for the year ending June 20, the increase was 7.5 per cent.

Total loans and investments of reporting member banks of the entire country reached a new high record on May 16, but had declined about \$114,000,000 by June 20. On this latter date, however, total loans and investments were \$1,796,000,000 greater than on the corresponding date a year ago, the increase being composed of \$844,000,000 collateral loans, \$322,000,000 commercial loans, and \$630,000,000 security investments, percentage changes of +14.1, +3.7, and +10.4, respectively.

Between April 18 and June 20, net demand deposits of New England reporting member banks declined \$91,527,000, of which \$67,095,000 took place in Boston banks and \$24,432,000 in "outside" banks; time deposits decreased during this period by \$9,184,000:—Boston banks, \$5,089,000, outside banks \$4,095,000. On April 18 Government deposits with New England reporting member banks amounted to \$14,908,000, and on June 20 the total was \$12,130,000, a reduction during the period of \$2,778,000. On June 6 and 13 there were no Government deposits with reporting New England member banks.

Total deposits of reporting member banks of the Federal reserve system declined about \$367,000,000 between April 18 and June 20, due to a decrease in net demand deposits of \$558,000,000, although Government deposits increased \$43,000,000, and time deposits increased by \$148,000,000 during these two months. The per cent of reserve to deposits of all reporting member banks on June 22, 1927, was 8.7, and on June 20, 1928, was 8.4.

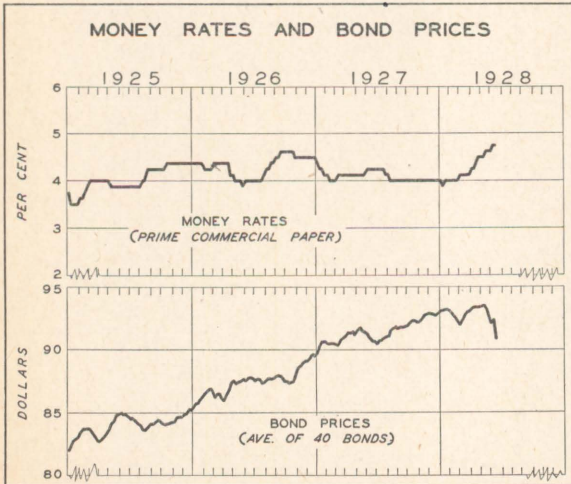
Total bills and securities of the Federal Reserve

Bank of Boston increased \$22,391,000 between May 16 and June 20. Although holdings of acceptances purchased in the open market declined \$6,530,000, and Government securities were reduced \$2,839,000, loans to member banks increased by \$31,760,000 to the highest weekly figure since June, 1921. The volume of Federal reserve notes in circulation increased between May 16 and June 20 by about \$8,374,000 to the largest amount this year, except during the first two weeks in January. The reserve ratio of the Federal Reserve Bank of Boston on June 20 at 59.8 per cent was 23.3 per cent less than the ratio on June 22 a year ago.

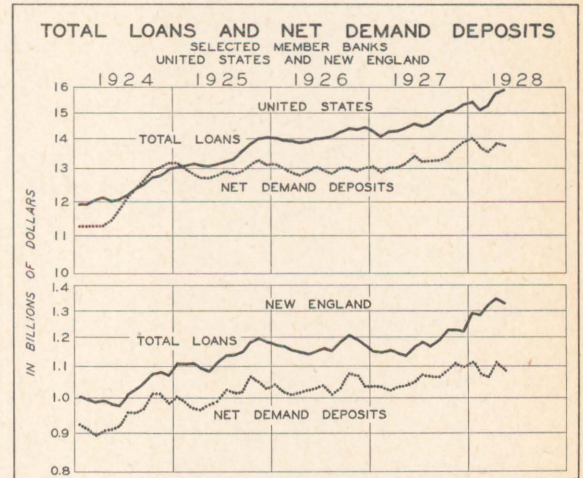
Total bills and securities of all Federal reserve banks combined increased about \$20,000,000 between May 16 and June 20. Loans to member banks expanded by about \$184,000,000 during this period to more than offset declines of \$123,000,000 in holdings of Government securities. During the 12 months' period between June 22, 1927, and June 20, 1928, the changes in condition of all Federal reserve banks were:

	June 20, 1928	June 22, 1927	Change
(in millions of dollars)			
Loans to Member Banks.....	\$ 991	\$ 439	+\$552
Acceptance Holdings.....	224	183	+ 41
Government Securities.....	223	369	- 146
Total Bills and Securities.....	1,438	991	+ 447
Total Cash Reserves.....	2,737	3,194	- 457
Reserve Ratio.....	69.0	78.8	- 9.8%
Federal Reserve Notes in Circulation.....	1,599	1,689	- 90
Total Deposits.....	2,366	2,365	+ 1

On June 6 loans to brokers by New York reporting member banks were at a record high of \$4,563,000,000, but between June 2 and June 12 a substantial decline in security prices took place in the New York Stock Exchange, and brokers' loans on June 20 were \$293,000,000 less than the peak two weeks earlier.



Quotations for brokers' prime commercial paper, 4-6 months' maturity, have steadily increased since the middle of January, and at the middle of June were higher than at any time during the last three and one-half years. Between the middle of May and the middle of June, bond prices slumped sharply to the lowest level of the current year, far below those prevailing a year ago.



Total loans of selected member banks of the United States increased steadily during the three months ending with May, while total loans of selected New England reporting member banks declined slightly in May from a high point reached in April. Net demand deposits, both in New England and in the United States as a whole, declined in May as compared with April.

NEW ENGLAND MARKETS

NEW ENGLAND BUSINESS ACTIVITY INDEX

Per Cent of 1923-24-25 Average

	1928	1927	1926
January.....	100.0	99.5	103.8
February.....	103.1	97.6	104.1
March.....	104.8	102.5	104.3
April.....	99.4r	102.6	100.2
May.....	98.9p	102.3	102.0
June.....		103.1	101.4

p-preliminary r-revised

The New England Business Activity Index was again lower in May, declining to 98.9 per cent of the 1923-25 average. The decline between April and May was by no means as extensive as from March to April. Further declines after seasonal corrections were recorded in the volumes of residential building, cotton consumption, telephone calls, fine cotton goods production, silk mill activity, and shoe shipments. Increases occurred in shoe production, wool consumption, carloadings, commercial and industrial building, and in the demand for labor. Check payments in May in most cities were larger than a year ago.

Boston:—Demand for workers in May continued larger than last year. Value of building contracts above same period a year ago. Increase in volume of carloadings. Retail trade improved in May, but still in smaller volume than in 1927.

Bridgeport:—Carloadings and employment show increases. Building contracts decreased from April, but have been larger than a year ago.

Brockton:—Shoe shipments declined from April, and were lower than in May last year. Carloadings increased. Building permits unusually large. Improvement shown in employment conditions.

Fall River:—Coarse goods markets continue quiet. Slight increase in carloadings. Building contracts for past five months above same period a year ago. Employment declined from April.

Hartford:—Carloadings continue above last

year. Employment conditions improved. Building contracts for past three months above same period last year. Business in general active, as shown by continued large volume of check payments.

New Haven:—Carloadings declined slightly. Sharp increase in employment. Building contracts decreased sharply from last month, but still above any other month this year. Retail trade good. Sales first five months equal to same period of 1927.

Lowell:—Cotton receipts for May low in comparison with year ago. No improvement shown in carloadings. Building contracts less than in May last year. Volume of check payments slightly above same period a year ago.

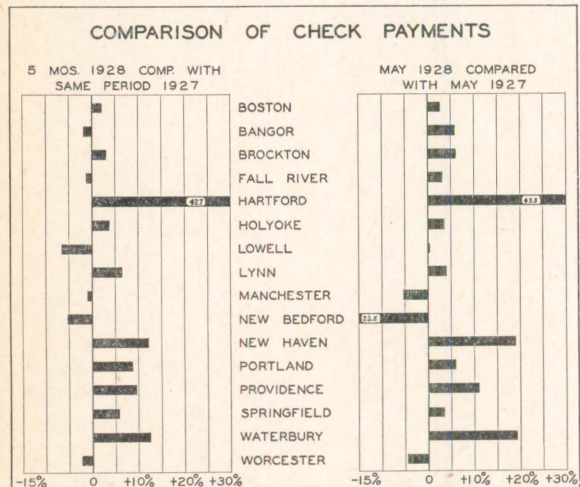
Manchester:—Total cotton receipts for five months this year less than for same period in 1927, although some improvement shown in May. Number of building permits issued running behind last year.

New Bedford:—Fine goods market slow. Exceptionally large decrease in employment caused by strike. Carloadings continue less than last year. Check payments still below May, 1927.

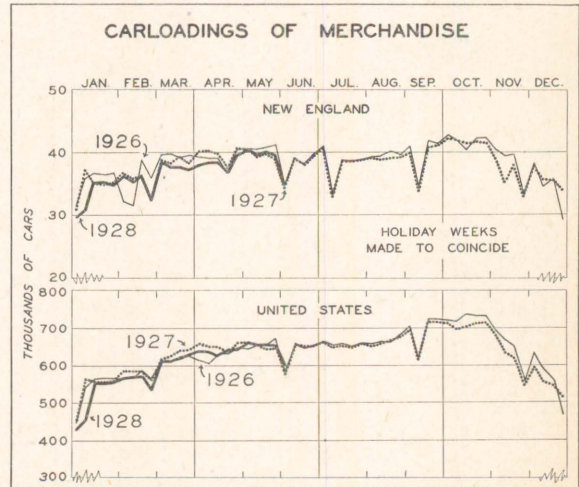
Providence:—Employment generally improving. Building operations steadily increasing. Carloadings running on even level. Check transactions above May last year. Retail trade fair.

Springfield:—Employment off slightly in comparison with a year ago. Carloadings above last month and May, 1927. Decrease in value of contracts for building.

Worcester:—Employment off slightly. Carloadings continue less than year ago. Building contracts show large increase over last month. Payments by check in May slow.



In May the majority of New England cities showed increases over a year ago in the volume of trade, as indicated by check payments. New Bedford showed a large decline, no doubt resulting from the strike.



Carloadings of merchandise and miscellaneous classifications of freight continue below 1926 and 1927 records, although some improvement has taken place during May and the first week of June.

Source of data—American Railway Association.

COMMODITY PRICES AND INDUSTRIAL CONDITIONS

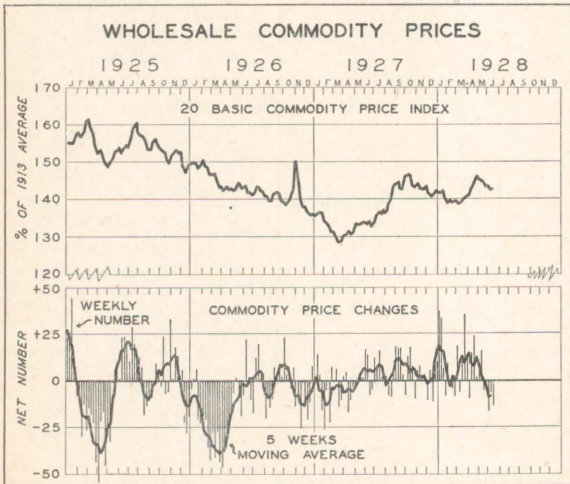
Wholesale Commodity Prices:—Another increase in the level of wholesale commodity prices was recorded by the "All Commodities" index of the Bureau of Labor Statistics, which rose from 97.4 per cent of the 1926 average in April to 98.6 in May. The farm products and foods groups showed the largest increases, although there were also increases in the fuel and lighting and building materials groups. Only slight changes were reported in textiles, metals, house furnishings, and miscellaneous commodities, while chemicals and drugs were lower. Compared with a year ago, farm products have risen 14 per cent, while non-agricultural commodities have increased 2.5 per cent. Classified in still another way, raw materials have risen eight per cent, semi-manufactured articles, 2.7 per cent, and finished products, 3.7 per cent. Since May 15, however, wholesale prices have decreased. An index of basic materials compiled by the Federal Reserve Bank of New York, reproduced below in chart form, has been declining since the first of May, and at the middle of June was on about the same level as at the middle of April. The price change curve on this chart has also shown a sharp downward movement since the middle of May.

Employment:—Massachusetts industrial concerns reported the rather sharp reduction of 6.2 per cent in the number of workers on their payrolls between April 15 and May 15. This curtailment was influenced chiefly by the New Bedford strike, which for the first time has been included in that report, and by the seasonal lull in the shoe factories. Employment in cotton goods factories, already at a low level, was further reduced in May to less than half the average number employed

by that industry in the years 1919-1923. The majority of industries showed a decline from April, and nearly all are now operating with fewer employees than at this time last year. Those still on the payrolls in May, however, were working more hours and receiving a slightly higher weekly wage than in April. There has been a more active demand for skilled workers in this district, especially for machinists and metal workers, reflecting the recently improved position of those industries in Massachusetts, Connecticut, and Rhode Island.

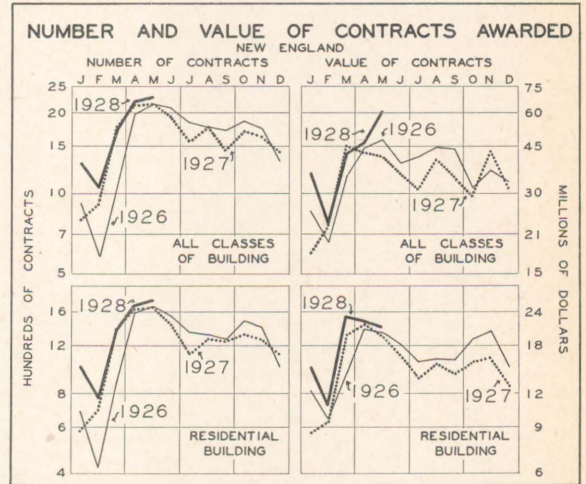
Building:—A further expansion in building and construction activity in May was reported by the F. W. Dodge Corporation. New high monthly records for contract awards were established both in New England and in the United States as a whole. In New England the value of all classes of construction contracted for amounted to \$60,229,800, an increase of 30 per cent over April and of 45 per cent over May last year. The volume of new construction started since the first of the year has exceeded by 23 per cent the amount that was begun during the corresponding period of 1927. This high level was maintained through the first part of June.

Although the amount of residential building was large, no increase over April was reported. Chiefly responsible for the large increase in the total between April and May was a sum of nearly \$9,000,000 expended for water supply systems and of \$6,500,000 for educational buildings. Industrial building was in small volume, but commercial building was larger than in April. There has been little change in building costs recently, although some decline, especially in the cost



Since the first of May the general level of wholesale commodity prices has been declining, and more commodities have shown decreases than in the two previous months.

Sources of data—Federal Reserve Bank of New York and Dun's Review.



While the total value of contracts awarded in New England increased in May, a decline occurred in the amount of residential building contracts. The number of contracts in the total, as well as residential building, showed an increase in May over April.

Source of data—F. W. Dodge Corporation

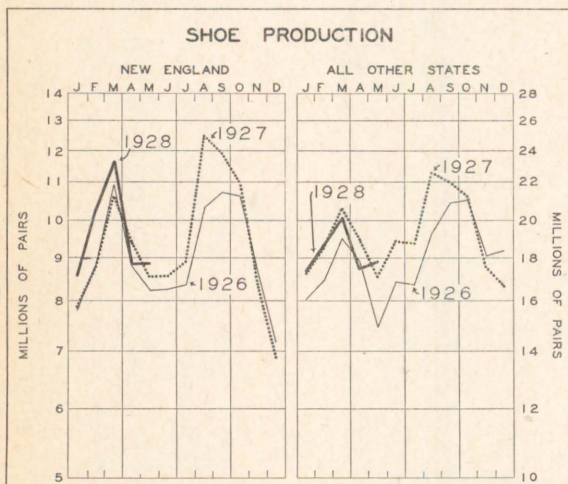
of materials, has taken place since a year ago.

Boots and Shoes:—The daily average production of boots and shoes in New England was smaller in May than in April, but slightly larger than in May last year. The decline between April and May, normally about 10 per cent, was this year only seven per cent, and consequently the corrected index of shoe production rose three per cent. Because of the sharp decline in output between March and April, the corrected index is still considerably below the level of the first three months of the year. In each of the first four months, the New England factories had been making a comparatively better showing than those in other districts, but in May the situation was reversed. In New England the total production in the first five months, however, was nearly seven per cent larger than in the corresponding period of 1927, while production in the rest of the country for the same period was hardly equal to that of last year.

Metals:—Current reports indicate that steel operations in June were still further reduced, and probably are now below a year ago. In April steel production was at 91 per cent of capacity, in May at 83, and during the third week of June at 73, although the average for the month will probably be slightly higher. Blast furnace activity and pig iron production in May had not yet felt the curtailment by the steel mills. Third quarter buying so far has been very light, and prices have been rather weak. In this district the iron and steel markets are fairly quiet. Machine tool orders continue large, and the metal-working plants and machine and tool industries in this district have been active. The non-ferrous metal markets have recently been quieter, although deliveries for the first five months have

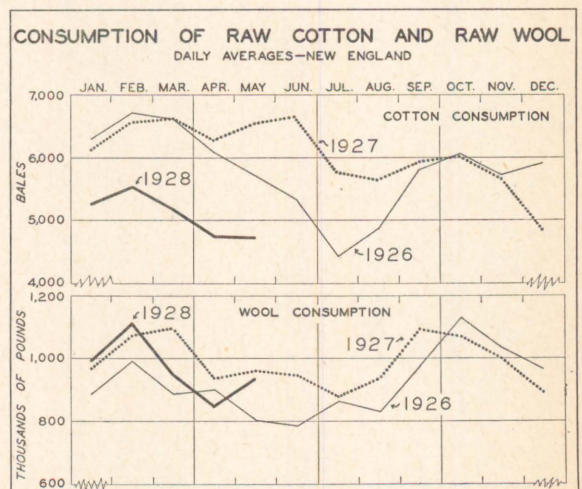
been large. Prices have been fairly steady. The demand for copper continues active, especially for export. Stocks of that metal at the end of May were the lowest of any recent year, and prices were strong at 14.75 cents per pound.

Textiles:—The preliminary index of textile activity in this district showed some improvement over April, due to an increase in wool consumption in a month when a decline of about 10 per cent is usual. The daily average volume of cotton consumed by New England mills in May was the same as in April, although 25 per cent less than in May, 1927. Since January 1, the loss from a year ago has been 20 per cent. Reflecting the curtailed schedules, the movement of cotton into the mill centers has been unusually light. The New Bedford strike was responsible for another shrinkage in the quantity of fine cotton goods produced, although the markets have been so quiet that sales have barely exceeded the small output. For all classes of cotton cloth, sales in the United States in May were considerably less than production. The New Bedford market has recently reported some improvement in sales volume, and more numerous inquiries for goods, although prices as yet have been unaffected. The price of raw cotton, after breaking to 20 cents the first week in June, increased to 21.80 cents by June 22. New England wool consumption in May increased 18 per cent over April, and was slightly larger than in May last year. The wool market has been less active than a month ago. Trading has been confined almost entirely to domestic grades. Prices have been strong, although increases have been less numerous. Silk mills have reduced their operations, and prices of raw silk have slumped to the low point for the year.



May production of shoes in New England was approximately the same as in April, while an increase was shown between those two months in all other states. Production was again higher than a year ago in New England.

Source of data—U. S. Department of Commerce.



Wool consumption moved upward in May, contrary to the usual seasonal movement, while the volume of cotton consumed was about the same as in April but considerable less than a year ago.

Source of data—U. S. Department of Commerce

RETAIL AND WHOLESALE TRADE

Sales of reporting New England Department stores in May were approximately one per cent ahead of the corresponding month a year ago, but cumulative sales of the period January–May, inclusive, were about four per cent less in 1928 than in 1927. Stores in each New England state except New Hampshire reported an increase in May compared with April, while the decrease in the New Hampshire aggregate was small. There was one more working day in May, 1928, than in May, 1927, and if allowance is made for this condition, it is doubtful if a gain in New England department store sales would have resulted.

SALES CONDITIONS

	1927 = 100				January through May			
	Month of May							
	1925	1926	1927	1928	1925	1926	1927	1928
Connecticut Department Stores.....	96	101	100	108	95	97	100	101
Maine Department Stores.....	95	101	100	110	91	93	100	107
Massachusetts Department Stores.....	99	104	100	101	93	97	100	95
New Hampshire Department Stores.....	..	114	100	98	..	96	100	93
Rhode Island Department Stores.....	99	100	100	101	100	100	100	99
Vermont Department Stores.....	113	108	100	108	102	97	100	101
Boston Department Stores.....	99	104	100	100	94	98	100	95
Boston Women's Apparel Shops.....	100	106	100	108	88	92	100	98
New Haven Department Stores.....	96	102	100	107	94	95	100	100
Providence Department Stores.....	97	99	100	102	99	99	100	99
New England Department Stores.....	101	104	100	101	95	98	100	96
New England Wholesale Grocery Concerns....	102	100	100	101	106	101	100	97
New England Wholesale Shoe Concerns.....	102	115	100	106	102	102	100	98

In each of the subdivisions below the percentages of open accounts outstanding at the first of May collected during May compared favorably with the same period a year ago. The Boston women's apparel shops had the largest increase from a year ago, but the percentage in May, 1927, was low. During the last four years the New England department store percentage ratios in May have varied less than two per cent, those of Boston department stores less than one and one-half per cent, and Boston women's apparel shops more than six per cent.

CREDIT CONDITIONS

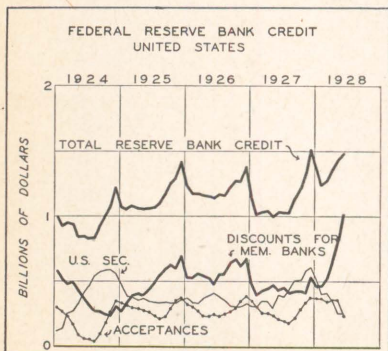
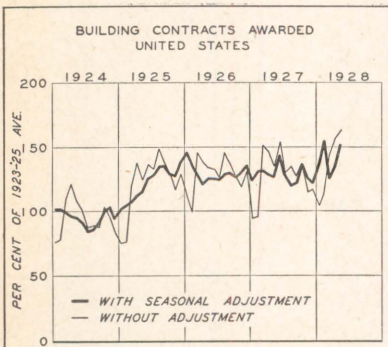
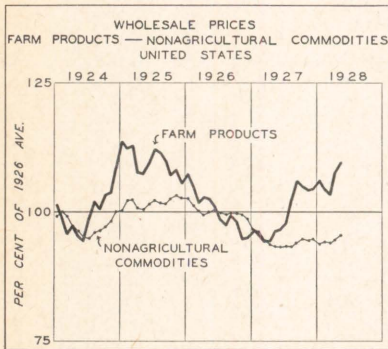
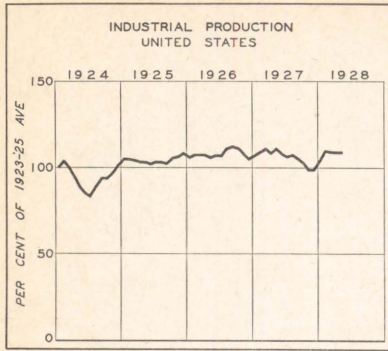
Percentage of Open Accounts Outstanding at the First of May
Collected During May

	1925	1926	1927	1928
Boston Department Stores.....	53.1%	53.8%	52.4%	53.1%
Boston Women's Apparel Shops.....	45.4	50.4	45.7	51.6
New Haven Department Stores.....	56.5	51.6	52.0	53.6
Providence Department Stores.....	54.9	51.9	52.6	53.7
New England Department Stores.....	51.6	50.8	50.3	50.8
New England Wholesale Grocery Concerns.....	71.8	70.8	70.6	72.6
New England Wholesale Shoe Concerns.....	34.1	35.6	36.2	37.3

SALES BY DEPARTMENTS—NEW ENGLAND DEPARTMENT STORES

	1927 = 100				January through May			
	Month of May							
	1925	1926	1927	1928	1925	1926	1927	1928
Silk and Velvet Dress Goods.....	127	131	100	92	114	114	100	89
Woolen Dress Goods.....	143	114	100	89	158	121	100	89
Cotton Dress Goods.....	139	118	100	99	130	115	100	94
Silverware and Jewelry.....	84	84	100	99	80	87	100	96
Men's Clothing.....	108	110	100	102	97	101	100	96
Men's Furnishings.....	99	104	100	100	89	96	100	100
Boy's Wear.....	100	116	100	105	95	101	100	95
Women's Ready-to-Wear.....	111	115	100	101	106	102	100	95
Misses' Ready-to-Wear.....	86	102	100	111	83	90	100	99
Juniors' and Girls' Ready-to-Wear.....	84	102	100	125	84	91	100	108
Millinery.....	91	153	100	110	96	98	100	94
Women's and Children's Gloves.....	90	104	100	106	87	98	100	96
Corsets and Brassieres.....	103	103	100	100	105	101	100	96
Women's and Children's Hosiery.....	85	92	100	102	82	85	100	102
Knit Underwear, inc. Glove Silk.....	91	100	100	102	88	96	100	98
Silk and Muslin Underwear.....	105	109	100	93	102	104	100	91
Women's and Children's Shoes.....	97	107	100	101	94	99	100	98
Furniture.....	93	105	100	98	91	98	100	100

SUMMARY OF BUSINESS CONDITIONS IN THE UNITED STATES



Industrial production continued during May in about the same volume as in the three preceding months. Wholesale and retail trade increased in May, and the general level of commodity prices showed a further advance. Security loans of member banks, which were in record volume in May, declined considerably during the first three weeks in June. Conditions in the money market remained firm.

Production:—Production of manufactures was slightly smaller in May than in April, when allowance is made for usual seasonal variations, while the output of minerals increased somewhat. Production of steel declined in May from the high level attained in April, but was in about the same volume as a year ago. Since the first of June buying of steel products has been light, and there have been further decreases in production. Daily average production of automobiles was in about the same volume in May as in April, and preliminary reports for the first three weeks in June indicate that factory operations were maintained at practically the same level. Activity of textile mills was somewhat larger in May, and there were also increases in the slaughter of livestock and in the production of building materials, non-ferrous metals, and coal, while the production of petroleum declined. The value of building contracts awarded during May, as reported by the F. W. Dodge Corporation for 37 states east of the Rocky Mountains, was larger than in any previous month, and awards during the first half of June exceeded those for the corresponding period of last year. Indicated production of winter wheat, as reported by the Department of Agriculture on the basis of June 1 condition, amounted to 512,000,000 bushels, 40,000,000 bushels less than the harvested production of 1927.

Trade:—Distribution of merchandise, both at wholesale and retail, was in larger volume in May than in April. Making allowances for customary seasonal influences, sales in all lines of wholesale trade showed increases, although in most lines they continued in smaller volume than a year ago. Department store sales were larger than in April, and at about the same level as a year ago, while sales of chain stores and mail order houses showed increases both over last month and over last year.

Volume of freight carloadings increased further during May, but continued smaller than during the corresponding month of either of the two previous years. Loadings of miscellaneous commodities, however, which represent largely manufactured products, were larger in May of this year than in that month of any previous year.

Prices:—The general level of wholesale commodity prices, as indicated by the Bureau of Labor Statistics index, increased in May by over one per cent to 98.6 per cent of the 1926 average, the highest figure recorded for any month since October, 1926. There were increases in most of the principal groups of commodities, but the largest advances in May, as in April, occurred in farm products and foods. Contrary to the general trend, prices of pig iron, hides, raw silk, fertilizer materials, and rubber showed declines during the month. Since the middle of May there have been decreases in prices of grains, hogs, sheep, pig iron, and hides, while prices of raw wool, non-ferrous metals, lumber, and rubber have advanced.

Bank Credit:—Loans and investments of member banks in leading cities on June 20 showed a decline from the high point which was reached on May 16. Loans on securities, which had increased by more than \$1,000,000,000 since May, 1927, declined \$200,000,000, while all other loans, including loans for commercial and agricultural purposes, increased somewhat. There was a small increase in total investments.

During the four weeks ending June 20 there were withdrawals of nearly \$75,000,000 from the country's stock of gold, and the volume of reserve bank credit outstanding increased somewhat, notwithstanding a decline in member bank reserve requirements.

Member bank borrowing at the reserve banks continued to increase, and early in June exceeded \$1,000,000,000 for the first time in more than six years. Acceptance holdings of the reserve banks declined considerably, while there was little change in their holdings of United States securities.

After the middle of May, firmer conditions in the money market were reflected in advances in open market rates to the highest levels since the early part of 1924.