

# MONTHLY REVIEW

*Of Industrial and Financial Conditions in the New England District*

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FEDERAL RESERVE BANK OF BOSTON

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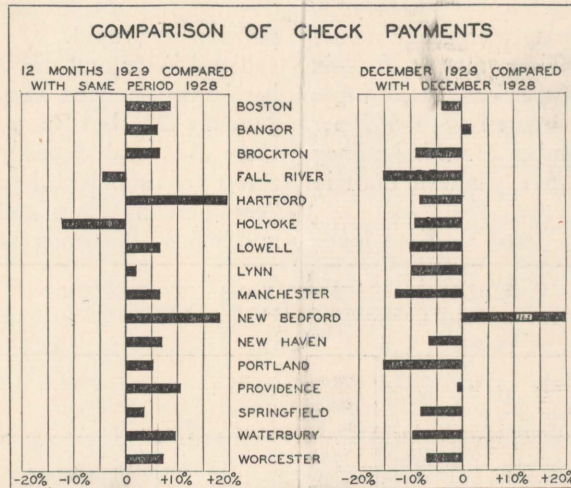
## THE SITUATION

Industrial activity in New England during 1929 was at an unprecedented high level on the whole, but it is significant that the high point of the year occurred in August, and recessions took place during each of the last four months. In September and October the recessions in activity were moderate, and in each of these months the level remained above that which prevailed in September and October, 1928. A sharp curtailment was reported in November which continued in December, and at the end of the year the general level of New England industrial activity was at the lowest ebb since 1924. Just as practically all lines of industry shared in the increasing activity during the first six months of 1929, so the curtailment during the latter part of the year was general, and almost all industries were affected. The amount of raw cotton consumed in New England mills in December was the smallest reported during the past 11 years. A sharp decline took place in November and again in December, and although total 1929 cotton consumption in New England was about 6.7 per cent larger than in 1928, it should be recalled that 1928 was the smallest post-war year. Carloadings (merchandise and miscellaneous) in New England fell off in November and December to lower levels than had prevailed since 1924. Both residential building and commercial and industrial building in New England continued to decline in volume toward the close of 1929, and in December were

at the lowest levels of several years. New England shoe production was slightly larger during 1929 than in the preceding year, but in December a sharp curtailment in production was reported. During 1929 one of the most active industries in this district was the metal trades and machine tools, and although a recession in activity took place at the close of the year, it is probable that 1929 was a record year for the metal trades, only

excepting the abnormal war period. Sales of new motor cars in New England in 1929 were about 21 per cent greater than in 1928, and increases were reported in each of the six states. In December, however, registrations were smaller than in the corresponding month of 1928. The number of commercial failures reported by R. G. Dun & Company in this district in 1929 was nearly two per cent larger than during the preceding

year, while during the same period total liabilities increased more than 12 per cent. The volume of retail trade of reporting New England department stores was approximately one per cent larger in 1929 than in 1928. In December sales of New England reporting stores were 1.6 per cent less than in December, 1928, but Boston department stores reported practically no change in total net sales. Money rates in New York were generally easier on January 25 than at the first of the year. Quotations for brokers' prime commercial paper during the two weeks ending January 25 were  $4\frac{3}{4}$  to five per cent.



In contrast to the volume of check payments in September and October, 1929, in which months payments were greater than in the corresponding months of 1928, only two cities out of 16 showed a volume of check transactions above that of 1928.

## MONEY AND BANKING

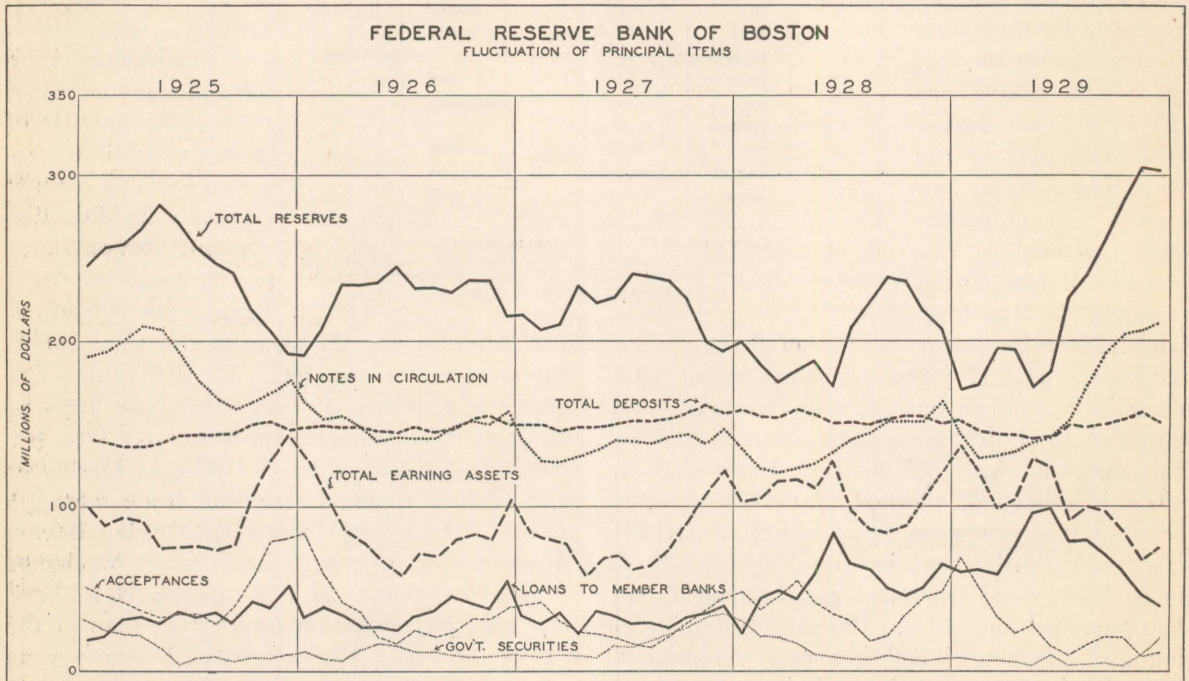
Changes in the rates of interest for the various classes of money in the Boston money market were not uniformly in the same direction between December 23 and January 23. Despite a distinct seasonal tendency for rates to decline in January, the asking rate on bankers' prime 90-day acceptances rose from  $3\frac{7}{8}$  per cent to four per cent on January 11. The reason for rising acceptance rates at this time may lie in the continued rapid growth in the supply which the market has had to absorb, even in spite of the apparently large demand. On December 31 there were \$1,732,000,000 of bankers' acceptances outstanding. This was a gain of \$74,000,000 in one month, and was \$448,000,000 higher than a year ago. Similarly, the yield on short-term United States Treasury Certificates of Indebtedness, rose from 2.9 per cent on December 23 to 3.5 per cent on January 23, using the March maturity as a base. On the other hand, the prevailing rate on brokers' prime commercial paper early in January was five per cent, but by January 20 the rate had eased somewhat, with some names as low as  $4\frac{3}{4}$  per cent. Time money for six months in Boston was  $5\frac{1}{4}$  per cent to  $5\frac{1}{2}$  per cent on January 23, as compared with  $5\frac{1}{2}$  per cent to six per cent on December 23. Call money in Boston was available at five per cent both in December and in January.

At the Boston banks the rate on time loans

secured by prime Stock Exchange collateral showed practically no change in January as compared with December, whereas the rate charged customers for "commercial" loans was  $5\frac{1}{2}$  per cent, as against  $5\frac{1}{2}$ -6 per cent a month previous, the decline in this latter class of credit being due largely to lack of active commercial demand during January.

Total deposits reached a peak in the Boston banks soon after the stock market crash, and since October 30 have continued to decline, the temporary rise between December 18 and January 15 being probably seasonal in nature, and reversed by a sharp drop late in January. This decline was the result of large withdrawals, \$72,000,000 in demand deposits, which more than offset a fairly substantial rise (\$23,000,000) in time deposits. Time deposits on January 22 were at the highest point since the end of May, 1928. Following the break in the stock market, the trend in time deposits had been steadily downward until January 8, after which the expansion was rapid.

Total loans and discounts in the Boston member banks declined also between October 30 and January 22, but to a considerably less extent than did total deposits. This decline was the result of smaller demand for both so-called "commercial" loans and loans secured by stocks and bonds. Commercial loans did not reach their



The above chart indicates the strong position of cash reserves of the Federal Reserve Bank of Boston at the end of 1929. The volume of Federal reserve credit in use in this district declined considerably between May and November, the principal change being in reductions of loans to member banks.

autumn peak until November 20, but since then the decline has been rapid, amounting by January 22 to \$41,000,000. Collateral loans declined much more moderately from their October 30 peak. Holdings of securities have been liquidated moderately.

Significant changes occurred in the weekly reporting New England member banks outside of Boston between November 27 and January 15, the latest date for which data are available. Total deposits rose \$22,000,000, mostly representing the rise in demand deposits, whereas loans and discounts increased only nominally during this period. As a result, these country New England banks have been rapidly liquidating their obligations at the Federal Reserve Bank of Boston. Nevertheless, the expansion in collateral loans was slightly more than the decline in commercial loans.

Changes in the different items of the condition statement of the Federal Reserve Bank of Boston between December 24 and January 22 were more or less of a seasonal character. Although total earning assets during this period declined only \$14,000,000, loans to member banks were smaller by \$20,000,000, due to the liquidation of rediscounts made during the holiday season, counterbalanced by moderate increases in holdings of acceptances and United States obligations. Nevertheless, the \$18,000,000 of acceptances held on January 22 was little more than one-quarter of the \$69,000,000 held one year ago,—this in spite of an increase of \$26,000,000 in the amount of acceptance liabilities of New England banks and acceptance corporations between December 31, 1928, and December 31, 1929. It is significant to note that loans made by the Federal reserve bank to Boston member banks reached an exceed-

ingly low volume of \$2,800,000 on January 15, and on January 22 were but slightly higher at \$3,500,000. Rhode Island member banks on January 22 were practically out of debt to the Federal Reserve Bank of Boston. This liquidation of member bank discounts represented a continuation of the decline which has been in progress, with only brief and minor interruptions, since June 26. During this period member banks reduced their borrowings from \$108,000,000 to \$22,000,000, a drop of nearly 80 per cent.

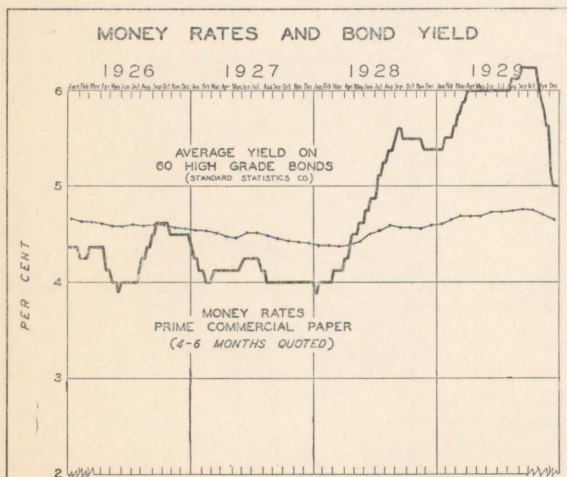
Federal reserve note circulation in this district was lower on January 22 than at any time since the middle of August. Deposits, on the other hand, stood at a relatively high level.

Total cash reserves continued the generally downward trend which has characterized their somewhat irregular movement since the peak was reached on December 4. During this period they declined from \$321,000,000 to \$274,000,000 on January 22. Nevertheless, the reserve ratio is still high (85.2 per cent), because Federal reserve note liabilities dropped almost as rapidly as did reserves during this period. The January 22 reserve ratio of 85.2 per cent compares with 55.2 per cent on January 23, 1929.

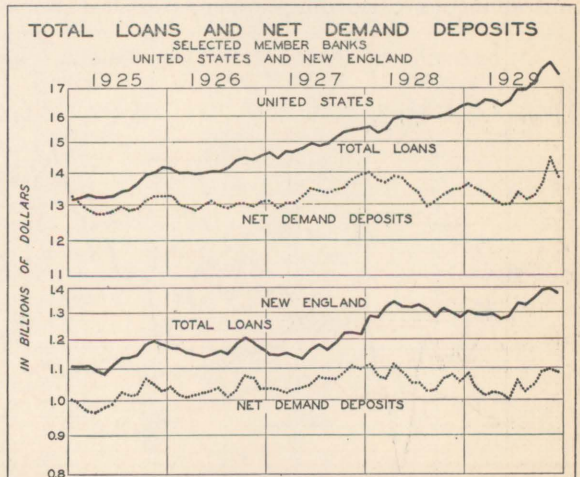
CHANGES IN CONDITION OF THE FEDERAL RESERVE BANK OF BOSTON

(in thousands of dollars)

	1930 Jan. 29	1929 Jan. 30	Change
Loans to Member Banks	\$26,456	\$73,598	—\$47,142
Acceptances Purchased in			
Open Market	16,443	63,179	— 46,736
Government Securities	26,892	8,191	+ 18,701
Total Earning Assets	70,791	144,968	— 74,177
Total Reserves	268,769	150,878	+117,891
Total Deposits	150,018	147,884	+ 2,134
Federal Reserve Notes in			
Circulation	166,958	132,057	+ 34,901
Federal Reserve Ratio	84.8%	53.9%	+ 30.9%



Money rates, as measured by quotations for brokers' prime commercial paper, dropped sharply during November and December, and at the end of 1929 were at levels similar to those which prevailed in July, 1928.



The monthly average of total loans of reporting member banks—U.S.—in November marked the high point of a steady expansion during the past five years. In December a considerable reduction was reported, although the level remained unusually high.

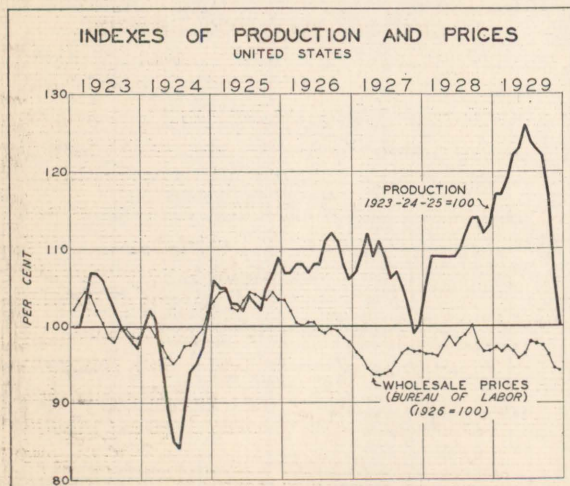
## NEW ENGLAND INDUSTRIAL CONDITIONS

**Electric Power.**—Total electric power production within the six New England states for 1929 is estimated at 6,650,000,000 kilowatt-hours, or 11.7 per cent above that of last year. In the past five years the average annual percentage increase in power production has been approximately seven per cent, with a tendency for this percentage increase to become constantly larger. In employing total electric power production as an index of industrial activity, full allowance must be made for the presence of the growth element and the fact that a certain percentage of the power purchased is used for domestic and similar non-industrial purposes. Electrical production for December, after seasonal allowances, indicates further reduction in total output. Reports from power companies serving the principal industrial centers also show that the production of electricity for industrial purposes was in most instances below the usual monthly change between November and December. The index of industrial activity for New England, as compiled by the "Electrical World", based on the consumption of electricity for industrial purposes, indicated a substantial decline in industrial activity throughout New England. The curtailment thus indicated coincides with the intensity of the movement within the principal industries, as shown by the indices of production, activity, and employment pertaining to these particular industries.

**Carloadings.**—Total freight carloadings for the United States have continued to decline uninterruptedly throughout December, so that the monthly adjusted total was some half-million cars below that for November, and the lowest monthly total during 1929. Merchandise and miscellaneous carloadings during the last weeks

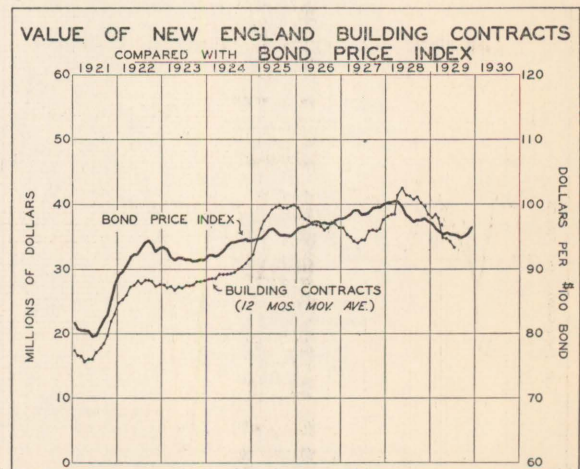
of 1929 were 46 per cent below the fall peak, which occurred in the week ending September 28. Total carloadings in New England during 1929 were slightly below last year. At the end of the third quarter carloadings for 1929, compared with the corresponding nine months of 1928, were approximately 11,000 cars ahead. The closing weeks of the year, however, witnessed a continuous falling off in the volume of shipments, and the year ended with a total that was some 22,000 cars, or 0.5 per cent, below that of 1928. Merchandise, l.c.l., and miscellaneous carloadings for December, after seasonal allowances, were the lowest for any month since July, 1924. In actual volume the monthly figure has not been so low since the opening months of 1923. For the year as a whole, merchandise and miscellaneous carloadings were only 0.5 per cent below the total for 1928.

**Employment.**—Industrial conditions in New England during 1929, as measured by the demand for labor at eight public employment offices, was 5.2 per cent above that of 1928. As in practically all measures of the volume of New England activity except carloadings and building, the total annual data for 1929 show increases over 1928, while the monthly figures indicate a rapidly receding rate of output as the year closes, similarly employment demand in December was the lowest since early in 1928. The call for workers at three public employment offices in Massachusetts dropped five per cent in December. While the aggregate figures for help wanted in four Connecticut cities (Hartford, New Haven, Bridgeport, and Waterbury) were the lowest in 1929 with the exception of February, the data, after seasonal allowances, showed some improvement over the November demand. Help wanted advertisements



The declining volume of production is reflected in the quiescence which pervades wholesale markets and the further weakness in the price structure.

Sources of data—Federal Reserve Board and Bureau of Labor Statistics.



The bond price index continued to show steady improvement during the last quarter of 1929. The value of building contracts, however, has not as yet given any indication of reversing the downward tendency which has been in evidence in the past year and a half.

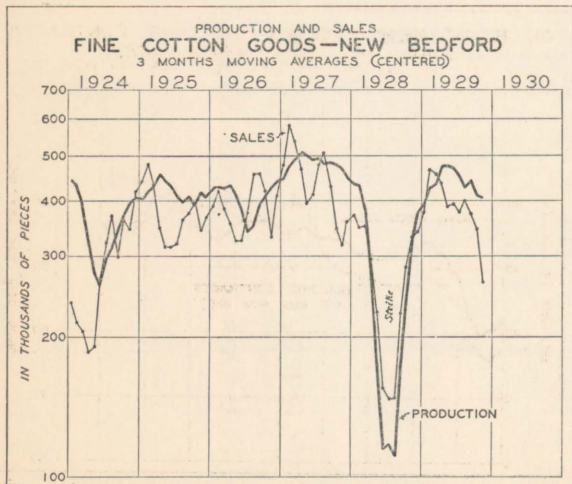
Sources of data—F. W. Dodge Corporation and Standard Statistics Company, Inc.

appearing in four Boston newspapers also declined, but not as much as is normally expected in December. Early January reports indicate further decreases in employment demand in general, but some slight improvement in the demand for machinists and metal tradesmen.

The declines that prevailed in industrial production throughout December correspond to the seasonal quiescence that is usually evident in the midsummer months. This year industrial activity did not manifest the typical summer let-down, and continued at a high rate of productivity through August, and was fairly well sustained in the early fall. Curtailment became more pronounced in the fourth quarter, and the rate of activity at the close of 1929 was substantially below that obtaining four or five months ago. This reduction in output has naturally resulted in a more than seasonal reduction in the numbers employed in certain lines of industry. The report issued by the Massachusetts Department of Labor and Industries shows a decline of 3.8 per cent for December both in the number employed and in aggregate payrolls. The principal decrease occurred in the boot and shoe establishments, which reported a decline of 16.1 per cent in aggregate payrolls, and a decrease of 14.1 per cent in numbers employed. December is the second successive month in which sharp curtailment has occurred in the boot and shoe industry. Approximately 75 per cent of the reporting Massachusetts establishments were operating on full-time schedules, which represents only a slight reduction from the November level in full-time operations. The principal activity was in the rubber footwear industry. Employment in Rhode Island was reported at 12.8 per cent below that at the end of November. The major part of the decrease was attributable to shut-downs in the jewelry, textile,

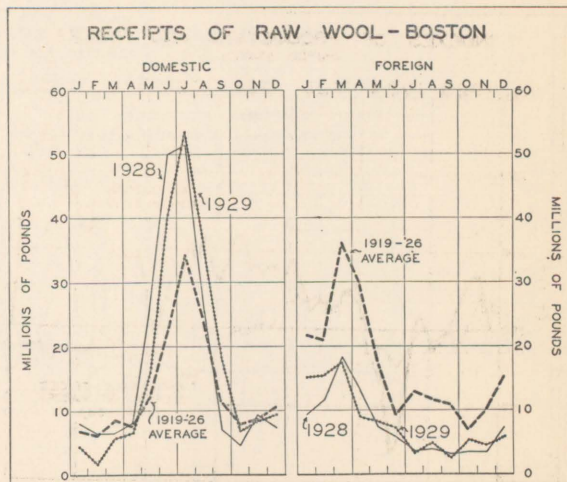
and rubber industries. The largest decrease was registered in employment among the cotton textile operatives, because of the lack of orders. Jewelry manufacturers have passed the peak, with the end of the Christmas holidays, and now have curtailed production or closed down entirely for a short period. While the leading industrial centers in Connecticut, where the metal trades are an important factor, reported decreases in employment for December, the curtailment was of a seasonal nature. Most brass concerns are now operating slightly below December, 1928, which fact, however, is rather to be expected, in view of the high rate of production during the last quarter of 1928 and the first nine months of 1929.

*Building:*—The value of new construction contracts awarded in New England for 1929 was the lowest recorded since 1924. New building and engineering work contracted for in the entire year of 1929, according to the F. W. Dodge Corporation, amounted to \$398,382,400, compared with \$495,581,000 in the year 1928, a decrease of 20 per cent, whereas the decline in total construction for 1929 in the 37 eastern states was 13 per cent. The December total contracts awarded in New England amounted to only \$15,946,000, a decrease of 34 per cent from November, and were the lowest recorded since February, 1923. Residential building (number of square feet of new building contracts awarded in New England) has declined approximately 40 per cent in the past year, with the December figure the lowest recorded in the past six years. Commercial and industrial building in New England during December from a value point of view was the lowest in any month since December, 1927. Reports for the first two weeks in January, furthermore, have not indicated any substantial recovery



The coordination of production and sales of fine cotton goods that was in evidence at the beginning of 1929 appears to have diminished as the year progressed.

Source of data—*Fine Cotton Goods Exchange—New Bedford.*



While the receipts of domestic wool at the port of Boston were below those of 1928, the volume of foreign wool received during 1929 was slightly larger.

Source of data—*Boston Grain & Flour Exchange, Inc.*

in the value of new contracts. The principal increases in building contracts awarded in December occurred in Boston and Providence, but neither city showed a monthly total substantially above the usual monthly average. These two cities registered a corresponding increase in building permits issued. New Haven also showed a large rise in permits issued during December. For the entire year 1929, however, only Hartford showed an increase over 1928 in the value of permits issued.

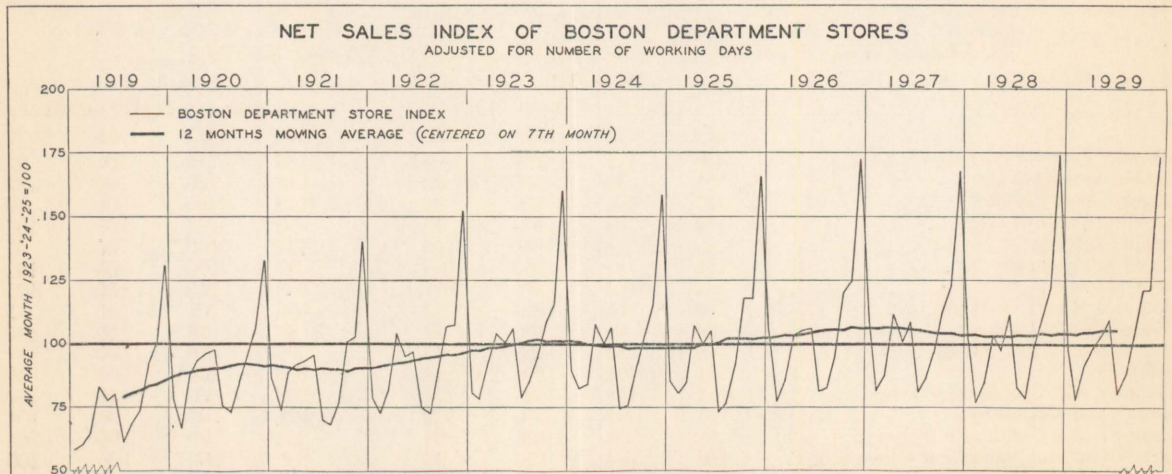
*Boots and Shoes:*—Shoe production for the entire country in 1929 was 4.5 per cent above that of 1928, while in New England the increase over 1928 was less than one per cent. Since 1924 the total output of shoes, both in the United States and in New England has been increasing each year, the percentage increase in annual output in the five years ending December 31, 1929 (1929 compared with 1924) shows for the entire country a rise of 15.2 per cent and for New England 14.6 per cent, and the average rate of increase from year to year to be 2.8 per cent for the United States and 2.9 per cent for New England during this period.

The output of shoes in New England for December declined about 20 per cent from the November total. When allowance is made for the seasonal decrease that is to be expected in December, in which month shoe production is normally at the lowest volume of the year, the total output was five per cent below expectations. The Massachusetts cities to show the principal decreases in numbers employed were those which have among their major industries shoe manufacturing. Brockton reported a decrease in employment for December of 25 per cent, Lynn of six per cent, and Haverhill of four per cent. Shoe shipments from Brockton were 12 per cent below

those of November, but as the November-to-December decrease is usually 16 per cent, the adjusted figures showed a corresponding increase. Shipments from Haverhill also declined less than the normal December curtailment. Prices of hides and leather throughout 1929 were somewhat uncertain. After a spring of easing prices, summer brought some firmness, but the year closed with further weakness in a dull market.

*Textiles:*—New England textile activity during December declined to the rate of production which obtained during the 1924 recession. Of the three major divisions of the textile industry, woolens and worsteds, cotton, and silk, the manufacture of woolens and worsteds has on the whole been the strongest in the past 12 months. The consumption of raw wool in 1929 was in the largest volume of any year since 1923, and exceeded that of 1928 by 11.1 per cent. The decline in consumption for December, while considerable, was not as great as that which occurred in November. The volume of wool consumption is now about 30 per cent below the rate which prevailed earlier in 1929. Spindle activity in the worsted mills has shown an increase of 8.3 per cent in the first 11 months of 1929, while woolen spindle activity actually decreased 2.2 per cent.

Cotton consumption, although showing an increase of 6.7 per cent over 1928, still continues to reveal a constantly declining total annual volume of cotton consumed in New England. December consumption, moreover, was the lowest recorded in recent years. Average cotton spindles in place in 1929 continued to show a decrease, while average spindle activity reported an increase of 2.6 per cent. Production of fine cotton goods recovered sharply from the low level of 1928, which was brought about through labor difficulties, but was below the level of 1927.



Net sales of Boston reporting department stores in 1929 were approximately 1.8 per cent larger than in 1928, and were in about the same volume as reported during the record year, 1927. December, 1929, sales were 0.1 per cent less than the record December business of 1928.

## RETAIL AND WHOLESALE TRADE

Sales during December in the group of reporting New England department stores were about two per cent lower than in December of the two previous years, and three per cent below sales in December, 1926. A smaller volume of sales was reported by stores in each of the New England states except Connecticut, where sales were two per cent higher than in the corresponding month a year earlier. In the group of representative Boston department stores sales were about equal to the total for December, 1928, while in both the Providence and the New Haven groups sales were approximately five per cent lower than in the same month of the previous year. For the entire year 1929 sales of the New England department stores were in about the same volume as in 1926, approximately one per cent below 1927, and one per cent larger than in 1928. Reporting New England wholesale shoe and grocery concerns had smaller sales in 1929 than in the three preceding years.

During December the rate of collection of open accounts by the reporting retail stores and wholesale shoe concerns in this district was slower than in the same month of 1926, 1927, and 1928, while an improvement in credit conditions was shown by the wholesale grocery concerns.

Among the departments listed below, the largest sales increase during December took place in corsets and brassieres, amounting to eight per cent over December sales a year ago. For the entire year 1929 the largest gain in sales was recorded in the juniors' and girls' ready-to-wear, while the most marked decrease during the year occurred in the sales of woolen dress goods.

## SALES CONDITIONS

1928 = 100

	Month of December				January through December			
	1926	1927	1928	1929	1926	1927	1928	1929
Connecticut Department Stores.....	95	98	100	102	97	99	100	103
Maine Department Stores.....	89	96	100	93	86	94	100	101
Massachusetts Department Stores.....	103	101	100	99	101	102	100	98
New Hampshire Department Stores.....	105	106	100	82	105	108	100	98
Rhode Island Department Stores.....	97	99	100	95	99	101	100	102
Vermont Department Stores.....	94	94	100	96	94	94	100	94
Boston Department Stores.....	103	100	100	100	102	102	100	102
New Haven Department Stores.....	96	99	100	95	97	100	100	100
Providence Department Stores.....	97	99	100	95	98	100	100	101
New England Department Stores.....	101	100	100	98	101	102	100	101
New England Wholesale Shoe Concerns...	193	137	100	102	112	111	100	98
New England Wholesale Grocery Concerns	111	108	100	95	107	104	100	97

## CREDIT CONDITIONS

Percentage of Open Accounts Outstanding at the First of December  
Collected during December

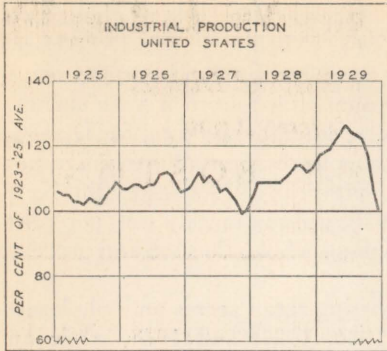
	1926	1927	1928	1929
Boston Department Stores.....	51.8%	50.5%	51.1%	47.1%
New Haven Department Stores.....	54.0	53.5	55.1	51.5
Providence Department Stores.....	50.4	52.4	52.0	50.3
New England Department Stores.....	50.6	50.2	50.0	46.7
New England Wholesale Shoe Concerns.....	49.4	43.0	40.8	39.0
New England Wholesale Grocery Concerns.....	70.1	70.8	70.5	72.7

## SALES BY DEPARTMENTS—NEW ENGLAND DEPARTMENT STORES

1928 = 100

	Month of December				January through December			
	1926	1927	1928	1929	1926	1927	1928	1929
Silk and Velvet Dress Goods.....	128	116	100	95	130	114	100	92
Woolen Dress Goods.....	168	135	100	92	146	119	100	82
Cotton Dress Goods.....	121	109	100	94	122	106	100	93
Silverware and Jewelry.....	94	101	100	98	93	102	100	101
Men's Clothing.....	111	108	100	102	104	102	100	97
Men's Furnishings.....	100	99	100	100	97	100	100	101
Boys' Wear.....	102	104	100	101	105	103	100	102
Women's Ready-to-Wear.....	106	100	100	84	104	103	100	95
Misses' Ready-to-Wear.....	80	89	100	98	86	96	100	103
Juniors' and Girls' Ready-to-Wear.....	79	85	100	101	78	86	100	111
Millinery.....	111	108	100	114	105	104	100	101
Women's and Children's Gloves.....	112	105	100	99	102	100	100	101
Corsets and Brassieres.....	101	99	100	108	104	103	100	104
Women's and Children's Hosiery.....	93	99	100	95	88	98	100	102
Knit Underwear, including Glove Silk....	108	104	100	98	101	103	100	100
Silk and Muslin Underwear.....	97	98	100	95	110	106	100	97
Women's and Children's Shoes.....	118	110	100	86	101	101	100	99
Furniture.....	93	97	100	87	98	103	100	103

## SUMMARY OF BUSINESS CONDITIONS IN THE UNITED STATES



Industrial activity declined further in December, there was little change in commodity prices, and conditions in the money market continued easy.

*Production and Employment:*—Industrial production, as measured by the Federal Reserve Board's index, which is adjusted for seasonal variations, declined by six per cent in December, following upon a decline of nine per cent for the preceding month. Nearly all industries reported larger than seasonal reductions in December, except the food industries, which showed little change, and coal, in which output increased. The largest declines in December, as in earlier months, were in automobiles and iron and steel. Production in the textile, shoe, lumber, and the nonferrous metals industries also decreased considerably. Stocks of cotton textiles, copper, zinc, and lumber increased in December.

In the first three weeks in January steel plants increased their operations somewhat from the low rate prevailing at the holiday season, but were considerably less active than in January, 1928 or 1929. There were further decreases in the output of copper and lumber, while production of crude petroleum increased.

Employment in factories in December declined more than the usual amount in the automobile, steel, textile, clothing, and lumber industries. Little change was reported for the food industries and car repair shops, while at meat-packing plants and in the paper and printing industries there was some increase in employment.

Building contract awards also declined further in December. Residential contracts continued to be in small volume, and there were large decreases in awards for commercial building and public works and utilities. During the first half of January awards were larger on a daily average basis than in December.

*Distribution:*—Freight carloadings in December, as in the preceding month, showed more than the usual seasonal decline. The decline occurred principally in shipments of merchandise and of lumber products, while loadings of coal and grain were larger than in November.

Sales at department stores in leading cities were about three per cent smaller than in December, 1928, according to reports to the Federal reserve system. Decreases in sales were reported for 10 Federal reserve districts, an increase of two per cent for the Richmond district, and little change for the San Francisco district.

*Wholesale Prices:*—During December wholesale prices of commodities fluctuated rather narrowly. Grain, livestock, meat, and bituminous coal prices increased somewhat, while prices of hides and leather products, textiles, petroleum, and pig iron declined. In the first half of January there was little further change in prices.

*Bank Credit:*—Member bank credit increased less than usual over the year-end, and in January continued to reflect the liquidation which began early in November. On January 15 total loans and investments of member banks in leading cities were \$478,000,000 below the level of December 11, 1929. This decline occurred both at banks in New York City and outside, and was in "all other loans", apparently reflecting a seasonal decrease in interbank loans, together with a decreased demand for credit by commercial borrowers. Investments and loans on securities increased slightly during the period.

Reserve bank credit outstanding increased during the latter half of December, in response to seasonal demands for currency and gold exports, but declined in January, as currency returned from circulation. Between the week ending December 14 and the week ending January 18, there was a net decline of \$277,000,000 in currency in circulation, and also a decline of \$37,000,000 in member bank reserve balances. Of the funds thus released, \$64,000,000 served to offset a loss in the monetary gold stock of the country, and \$244,000,000 was used to retire reserve bank credit. Reserve bank holdings of Government securities showed an increase of \$90,000,000 for the period. Acceptances showed little change, while discounts for member banks declined by \$347,000,000.

Money rates in the short-term open markets firmed somewhat over the year-end, but eased early in January, and throughout the first half of the month remained generally at the lowest levels since the spring of 1928. The discount rate at the Federal Reserve Bank of Philadelphia was lowered on January 16 from five to 4½ per cent, the rate prevailing at six other Federal reserve banks.

