

MONTHLY REVIEW

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

During October a slight improvement occurred in the level of general business activity in New England, as compared with September, the principal gains reflecting increased production in the textile industry. In the textile centers, however, retail sales during September and October showed a less favorable comparison with 1933 sales than in communities relatively unaffected by the textile strike which occurred during the first half of September.

Two important divisions of the building industry continued at low levels during October. An index, corrected for seasonal, of the volume (square feet) of residential building in this district stood at 18.3 per cent of the 1923-24-25 average, while a similar index of the volume of commercial and factory building was 22.6 per cent. A slight increase occurred between September and October in the volume of residential building, while a small decline was recorded in commercial and factory construction.

According to the Massachusetts Department of Labor and Industries, an increase of 19.6 per cent took place in October compared with the preceding month in the number of wage earners in textile manufacturing establishments in Massachusetts. The amount of aggregate weekly payrolls rose during this period 11.8 per cent, although a decrease of 6.6 per cent occurred in average weekly earnings per person employed. These percentage changes were influenced considerably by

conditions existing in the textile industry during September.

Although the volume of boot and shoe production in New England during September and October was somewhat less than in the corresponding months of 1933, the cumulative output for the first 10 months of 1934 was practically the same as in the similar period a year ago. Between September and October a decrease of more

than 12 per cent occurred in the number of wage-earners employed in boot and shoe establishments in Massachusetts, but employment in leather tanneries rose nearly six per cent.

The aggregate volume of sales of 1,040 retail establishments in Massachusetts during October was 4.7 per cent larger than in the corresponding month a year ago. The largest gain over October, 1933, occurred in the hardware group (13.3 per

cent), an increase of 11 per cent in the apparel group, and a gain of 10.3 per cent in the lumber group. In each of the 11 major classifications an increase was recorded, except in the automotive and coal groups, which declined 4.6 per cent and 0.5 per cent, respectively. Nearly 60 per cent of the concerns reported a gain, 33 per cent reported a decrease, and seven per cent reported no change in the value of retail sales between October, 1933, and the corresponding month this year.

The amount of new ordinary life insurance written in New England during October exceeded the amount for October, 1933, by 1.3 per cent.

RETAIL SALES IN MASSACHUSETTS
October, 1934, compared with October, 1933

GROUP	Total Number Reporting	Number Reporting Increase	Number Reporting Decrease	Number Reporting No Change	Percentage Change in Dollars
Food.....	149	103	33	13	+ 9.2%
General Merchandise..	154	99	40	15	+ 3.7
Automotive..	103	38	60	5	- 4.6
Apparel.....	144	81	56	7	+11.0
Furniture and Household, Radio....	90	49	36	5	+ 9.9
Restaurants and Eating Places....	64	45	11	8	- 7.0
Lumber.....	61	38	20	3	+10.3
Coal.....	96	50	45	1	- 0.6
Drugs.....	66	37	22	7	+ 4.9
Hardware....	68	45	13	10	+13.3
Miscellaneous	45	30	13	2	+ 6.0
TOTAL.....	1040	615	349	76	+ 4.7

MONEY AND BANKING

Contrary to the usual seasonal upswing in commercial money rates, which, according to an index of bankers' prime 90-day acceptances and brokers' prime commercial paper, frequently commences about the end of September, a slight downward tendency occurred this year. The asking rate on bankers' prime 90-day acceptances, which had remained at $\frac{3}{16}$ of one per cent since the last of April, declined on October 24 to $\frac{1}{8}$ of one per cent, a new all-time low record rate. The quotation on the highest grade of brokers' prime commercial paper has remained at $\frac{3}{4}$ of one per cent since the middle of May. A slight downward trend has been apparent in the yield on new issues of 182-day United States Treasury bills. Compared with the offering rate of .28 per cent on October 3, the yield dropped on October 31 to .19 per cent, rising slightly to .21 per cent on November 21. This movement in Treasury bills is reflected in the long-term Government issues, on which the yield has fluctuated within narrow margins.

The following table shows the changes in the principal resources and liabilities of the member banks in Boston and in eight cities outside of Boston from which weekly reports are received. The contraction between October 3 and November 14 this year is probably seasonal in character, although it began nearly a month earlier than usual.

CHANGES IN CONDITION OF REPORTING MEMBER BANKS BETWEEN OCTOBER 3 AND NOVEMBER 14

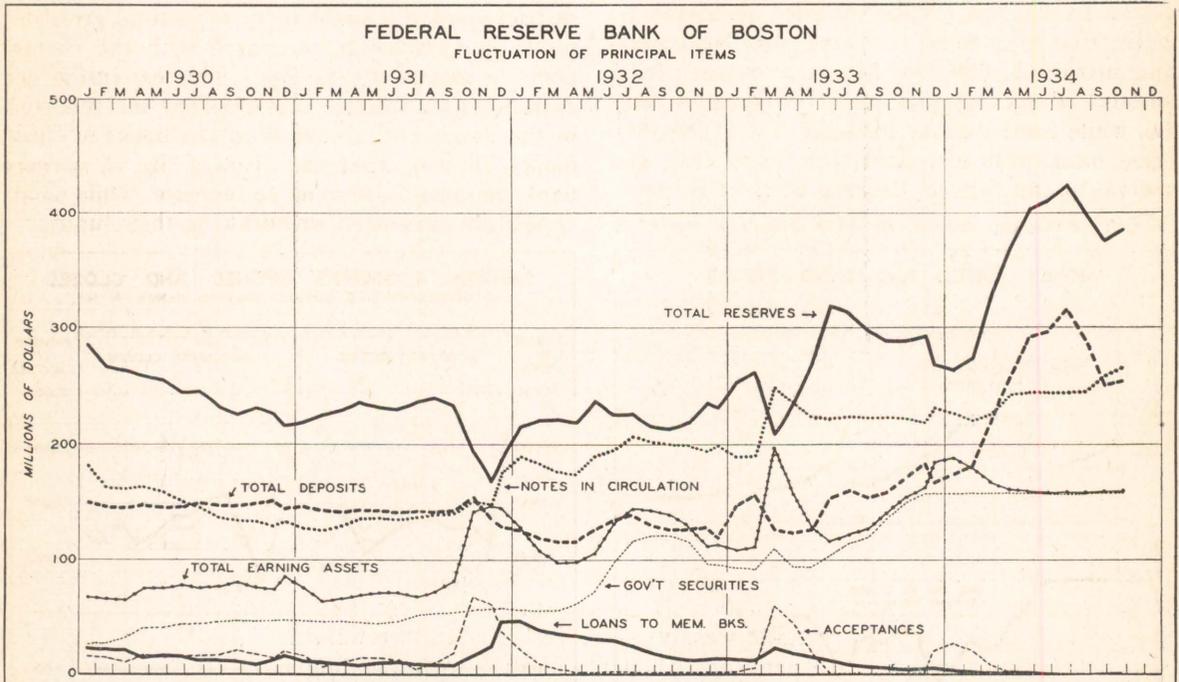
(Amounts in Millions of Dollars)

Resources	Boston	Outside
Open Market Paper	-\$ 2	-\$ 4
Commercial Loans (Customers)	- 23	- 5
Collateral Loans (Customers)	- 3	- 1
Brokers' Loans	+ 6	*
Real Estate Loans	+ 1	- 1
United States Securities	- 14	- 1
Other Stocks and Bonds	- 6	+ 2
Total Loans and Investments	- 41	- 10
Cash in Vaults	+\$ 1	+\$ 2
Reserve with Federal Reserve Bank	+ 20	+ 3
Float	- 3	+ 4
Due from Banks in United States	- 8	- 1
Total	- 31	- 2
Liabilities		
Demand Deposits	-\$15	+\$10
Due to Banks in United States	+ 18	- 4
United States Deposits	- 29	- 3
Time Deposits	- 10	- 2
Total Deposits	- 36	+ 1

* Change of less than \$500,000.

Between October 3 and November 14 total gross deposits in the Boston member banks declined \$36,000,000. The major portion of this decline was caused by a shrinkage of \$29,000,000 in the volume of United States deposits, while demand and time deposits dropped \$15,000,000 and \$10,000,000 respectively. The reduction in demand deposits was of non-seasonal character. Items due to banks in the United States rose \$18,000,000.

Total loans and investments of the Boston



Through October the volume of total deposits and notes in circulation of the Federal Reserve Bank of Boston continued to increase, with a corresponding rise in total reserves.

member banks which report weekly to the Federal Reserve Bank of Boston declined \$41,000,000 between October 3 and November 14. The major portion of this decline, amounting to \$23,000,000, was in commercial loans, reflecting the reduction in demand deposits. Total stocks and bonds eased \$20,000,000, liquidation taking place in both United States securities and other stocks and bonds. Holdings of open market paper were reduced \$2,000,000, and collateral loans to customers fell off \$3,000,000. A slight gain during the period occurred in brokers' loans, which rose \$6,000,000, and for the first time in many months real estate loans moved upward. The Boston reporting member banks expanded their vault cash by \$1,000,000 during the six weeks ending November 14, and increased their reserves with the Federal Reserve Bank of Boston by \$20,000,000.

A somewhat different trend was evident in the figures from the reporting member banks in eight New England cities outside of Boston. Total deposits rose \$1,000,000, the entire increase being caused by a seasonal expansion of \$10,000,000 in demand deposits. United States deposits and time deposits eased slightly. Items due to banks in the United States declined \$4,000,000.

Total loans and investments of these outside reporting member banks decreased \$10,000,000 between October 3 and November 14. As in the Boston banks, this decline included a substantial contraction in demand for loans from customers, amounting to \$5,000,000. During the same period holdings of open market paper dropped \$4,000,000, while total security holdings rose \$1,000,000. These banks also increased their vault cash and reserves at the Federal Reserve Bank of Boston.

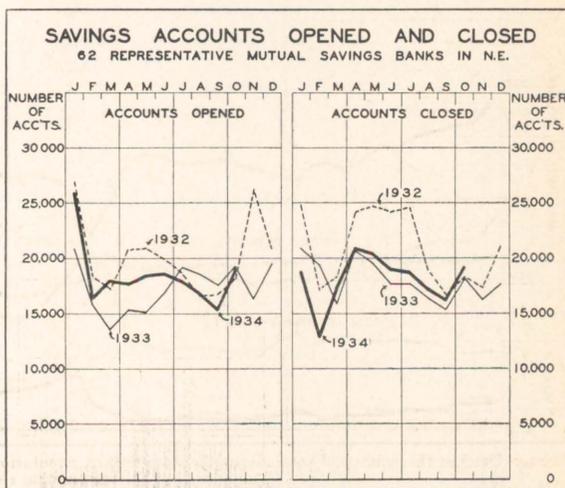
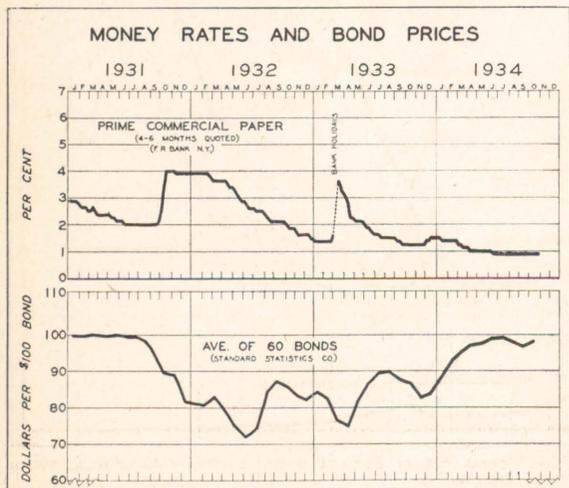
Total earning assets of the Federal Reserve

Bank of Boston from October 3 to November 14 rose from \$159,000,000 to \$162,000,000, a net gain of \$3,000,000. The larger part of this increase was caused by industrial advances and by foreign loans on gold. No change was recorded in the banks' holdings of United States securities.

Between October 3 and November 14 total cash reserves of the Federal Reserve Bank of Boston rose from \$370,000,000 to \$405,000,000, declining during the following week to \$394,000,000. A similar trend was shown by total deposits, which rose from \$247,000,000 on October 3 to \$287,000,000 on November 14, easing during the week ending November 21 to \$271,000,000. The volume of Federal reserve notes in circulation showed no significant change between October 3 and November 14. The reserve ratio of the Federal Reserve Bank of Boston, which represents the relationship between cash reserves and Federal reserve notes and deposits, rose from 72.4 per cent on October 3 to 73.5 per cent on November 14.

A comparison of check transactions in 17 New England cities during October showed a gain of 0.6 per cent over the volume for October, 1933. Gains in debits to individual accounts were recorded in Boston, Brockton, Manchester, New Haven, Portland, Springfield, Waterbury, and Burlington, while the other nine cities showed a slight decline.

Reports from 61 mutual savings banks in this district showed a slight increase in total gross deposits in October as compared with the corresponding month a year ago. This expansion occurred despite the fact that a decline was reported in the number of accounts on the books of these banks, showing that the average size of savings bank deposits is tending to increase, while small depositors have been withdrawing their funds.



No significant changes have occurred in the level of money rates during October, and bond prices have regained some of the decline recorded in August and September.

Sources of data—Federal Reserve Bank of New York and Standard Statistics Company, Inc.

The number of new savings accounts opened in 62 identical mutual savings banks in New England during October was offset by the number of accounts closed, the increases in both classifications being of a seasonal nature.

NEW ENGLAND INDUSTRIAL CONDITIONS

Carloadings:—During the first six weeks of the fourth quarter of 1934 total carloadings originating in the New England district amounted to only 159,802 cars, as compared with a total of 191,528 in the corresponding weeks of last year. The only classes of freight shipments showing any consistent gains over the corresponding weeks in 1933 were livestock and miscellaneous freight. Livestock shipments represent an unusual development, while the strength in miscellaneous carloadings are indications of the slightly improved industrial and commercial situation in this district. The weekly average volume of merchandise, l.c.l., and miscellaneous carloadings during October was 800 cars below the October, 1933, volume of shipments. The increase over the September carloadings of merchandise, l.c.l., and miscellaneous freight was sufficient to cause a rise of two points in the seasonally adjusted index for October, the first gain recorded in this series since March, 1934.

Building:—The total value of new construction contracts awarded in New England during October was \$16,126,000, compared with \$12,444,000 in September and \$11,852,000 in October, 1933. This rise in the value of new contracts represented an increase of 29.6 per cent over September and 36.0 per cent over October a year ago. The principal causes of this gain of nearly \$4,000,000 in the value of new building between September and October was noted in the following types of construction, which recorded increases of \$600,000 or more during October over the preceding month: banks, \$600,000; hospitals, \$1,400,000; highways, \$600,000, and sewerage systems, \$2,000,000.

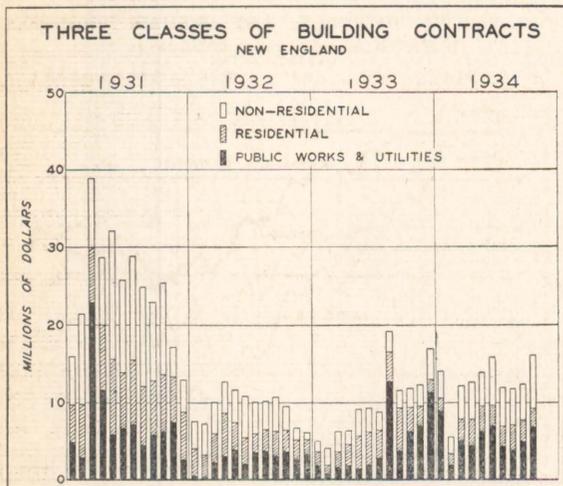
According to the F. W. Dodge Corporation, contracts awarded in New England during the

first 10 months of 1934 totaled \$125,159,300 for all classes of construction, as against \$91,412,800 for the corresponding 10 months of 1933. Cumulative gains over 1933 were recorded for non-residential building awards and public works; the gain in the former was about \$21,000,000, while the increase in the latter amounted to approximately \$22,000,000. Cumulative losses of about \$5,500,000 were shown in residential building and of \$4,000,000 in public utilities.

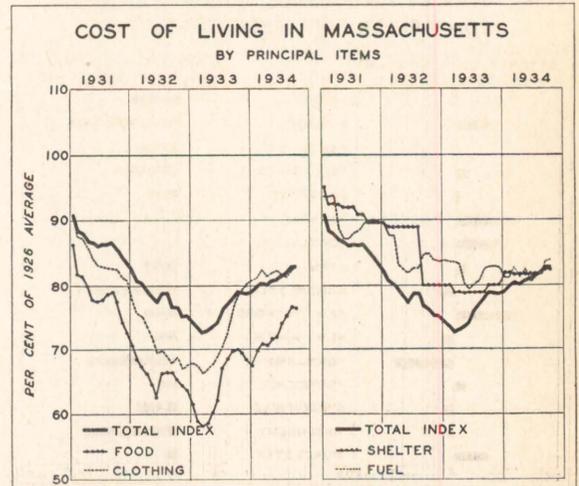
October awards for construction were greater than those reported for September in each of the six states in this district except Connecticut, which recorded a slight decline. Increases in construction totals over October, 1933, were shown in Vermont, Massachusetts, Rhode Island, and Connecticut. For the year to date gains over the corresponding 10 months last year were shown in each New England state except Connecticut, where the cumulative decline was less than six per cent.

Increases in October over the same month in 1933 were reported in building contracts awarded in Boston, Cambridge, Lawrence, Somerville, Fall River, New Bedford, Springfield, Worcester, Providence, and Hartford, while declines were shown for the other important cities in this district. Gains for the year to date in comparison with the first 10 months of 1933 were reported in each principal city except Cambridge, Fall River, Lowell, and New Haven.

During the first half of November the only class of building to show an increase in the daily average value of new contracts awarded over the daily average for October or the first half of November last year was public works and utilities. This type of construction recorded a gain of 4.2 per cent over the daily average value for October



The total value of new construction contracts awarded during October was the largest since December, 1933, with an increased value of new non-residential and public works and utilities contracts. Source of data—F. W. Dodge Corporation.



The cost of living in Massachusetts continued to advance, although at a somewhat lower rate, during October. A decline in food prices checked the forward movement in the other elements of the index. Source of data—Massachusetts Department of Labor and Industries.

and a rise of 8.3 per cent over the first half of November, 1933.

Employment:—In 3,100 identical New England manufacturing establishments a rise of 27.1 per cent was recorded in the number of wage-earners employed and a gain of 21.0 per cent in payroll disbursements in October, as compared with September, according to the data compiled by the United States Department of Labor. Employment in October this year was 6.4 per cent less than in the same month of 1933, and payrolls were 5.6 per cent lower on the same basis of comparison.

Reports from 1,589 manufacturing establishments in Massachusetts showed an increase of 19.6 per cent in the number of wage-earners employed in October, compared with September, in these establishments and an increase of 11.8 per cent in total weekly payrolls. These gains were largely attributable to the resumption of activity in the several branches of the textile industry, following the close of the general strike in September.

The records of the Massachusetts Department of Labor and Industries show that during the nine years from 1925 through 1933 the percentages representing the September-to-October changes were an increase of 1.0 per cent in employment and a decrease of 0.6 per cent in amount of weekly payrolls.

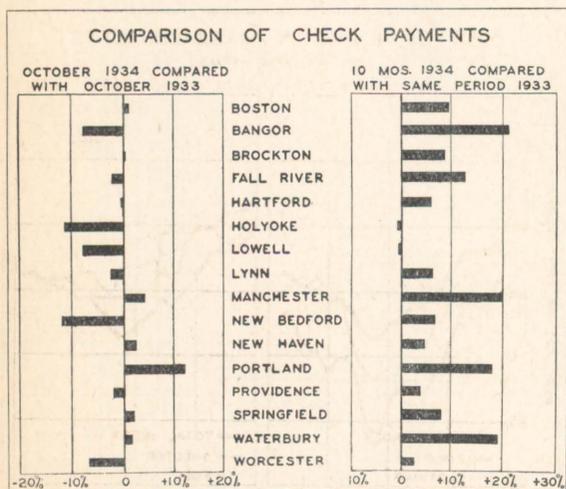
The changes in various textile industries were of outstanding importance. In the 63 Massachusetts cotton goods establishments employment and wages paid were restored to the August level. In the 56 woolen and worsted goods mills corresponding gains were reported, the October level for both employment and payrolls being slightly higher than in August. In 15 dyeing and finishing establishments gains occurred, nearly offset-

ting the losses noted in the preceding month. In 30 hosiery and knit goods plants the October increases brought employment and wages to a level higher than in any month since May, 1934. The decreases of 7.1 per cent in employment and 14.8 per cent in payrolls in 20 textile machinery establishments indicated that this industry still felt the effects of the textile strike.

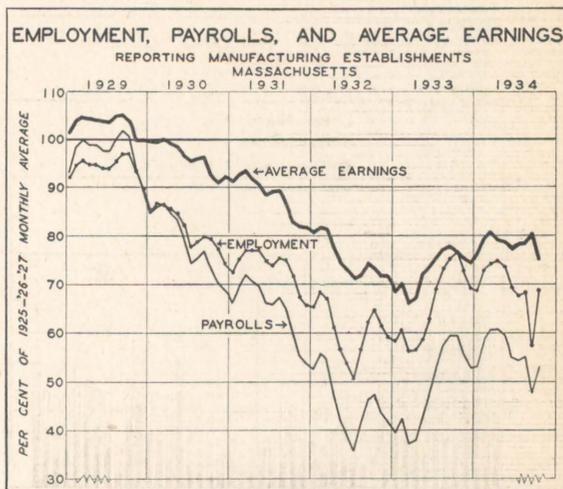
Decreases of 12.7 per cent in employment and 19.1 per cent in payrolls were shown by 129 boot and shoe establishments in Massachusetts, although at this season there is usually little change in this industry. A gain of 5.6 per cent in employment was reported by 30 leather tanneries, together with an increase of 6.3 per cent in payrolls, and relatively large seasonal increases occurred in the manufacture of confectionery.

The outstanding changes in employment and payrolls were recorded in cities in which are located one or more branches of the textile industry. In Fall River employment as a whole was restored in October to within five per cent of the pre-strike level, although the amount paid in wages did not quite keep pace. In New Bedford a slightly greater number was employed in October than before the strike, and payrolls were restored to within about five per cent. Employment and payrolls in Holyoke were restored during October to slightly above the August level. In Lowell neither employment nor wages was fully restored in October. Employment in Lawrence was nearly 15 per cent greater in October than in August, and payrolls rose about 10 per cent.

The 270 selected manufacturing plants regularly reporting to the Commissioner of Labor of Rhode Island had 65,570 workers employed at the end of October, compared with 62,096 at the end of September, and 72,449 at the end of Octo-



The general level of activity in the 16 cities shown in the chart above was lower in October, 1934, than in the same month a year ago. Certain textile areas showed a more pronounced decline than was evident in cities having more diversified industries.



For the most part the wide fluctuations in the above indices between August and October represent the effect of the textile strike on employment and payroll aggregates in Massachusetts.

Source of data—Massachusetts Department of Labor and Industries.

ber, 1933. The total number employed by these plants was 5.6 per cent greater than at the close of September, but 9.5 per cent smaller than at the end of October a year ago. Increased numbers were reported employed in all branches of the textile group over the end of September, as well as in the jewelry and miscellaneous groups, while decreases occurred in the metal trades and rubber groups.

The general textile strike during the middle of September ended in most Rhode Island plants during the week of September 22. Most of the establishments which had been closed on account of the strike reopened on September 24, and were operating to some degree during the last week of the month. The increases in the textile groups over the end of September were particularly reflected by the increases shown throughout Providence County, in which most of the textile plants affected by the strike were located.

According to the Brown Business Service, total payrolls in Rhode Island during October increased 24.5 per cent to \$12,141,096, compared with \$9,754,860 in September, and decreased 5.3 per cent from the total for October, 1933. The effects of the return to work in the textile industry are again apparent. Most of the gain in payrolls occurred in the textile, jewelry, silverware, and miscellaneous industries. Although no industry reported significantly lower payrolls in October than in the preceding month, textile machinery, rubber, and public utilities reported small declines. The payroll gain was reported in all parts of the state except in the Bristol and Newport area, where it remained practically constant. The greatest proportional increases took place in the textile centers: Blackstone Valley, 47 per cent; Pawtucket, 31 per cent; East Greenwich-Wakefield, 29 per cent; Pawtuxet Valley, 25 per cent, and Westerly, 25 per cent.

Boots and Shoes:—Little change occurred in the estimated volume of boot and shoe production in this district during October, with 9,370,000 pairs produced as compared with 9,405,000 pairs in September. The October output was 4.1 per cent lower this year than in 1933. During the first 10 months of 1934 and 1933 the total volume of boot and shoe production was almost identical, with 104,250,000 pairs manufactured this year and 104,275,000 pairs produced in the same period of 1933.

The following table presents the percentage changes in employment and payrolls in five principal Massachusetts shoe centers, based on data compiled by the Massachusetts Department of Labor and Industries:

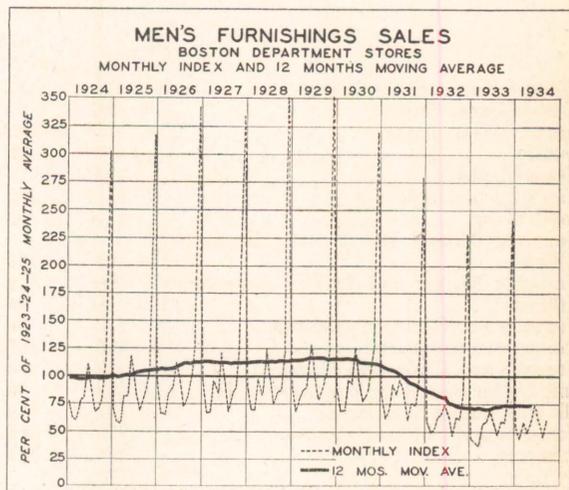
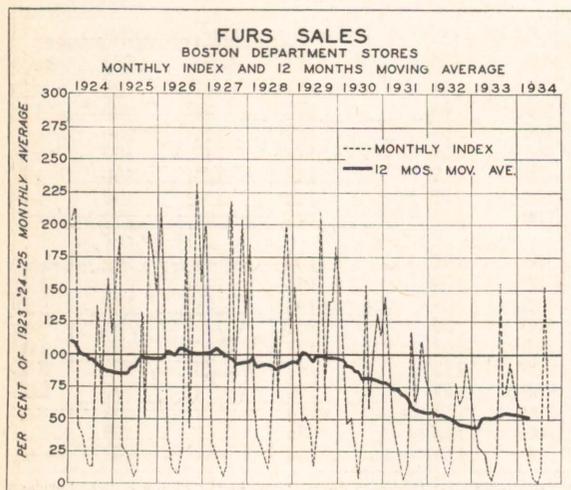
PERCENTAGE CHANGES IN EMPLOYMENT AND PAYROLLS IN BOOT AND SHOE ESTABLISHMENTS
5 Massachusetts Cities

	1934 September to October	
	Employment	Payrolls
Boston.....	-26.3%	-24.1%
Brockton.....	-1.4	-9.3
Lowell.....	-32.0	-30.4
Lynn.....	-19.0	-25.3
Worcester.....	-7.1	-15.0

Textiles:—Recovery from the effects of the textile strike which occurred during September is indicated by the increases recorded in the daily average volume of raw cotton and wool consumed in this district during October, as compared with the two preceding months.

	Daily Average Consumption	
	Cotton (bales)	Wool (pounds, grease)
August.....	2,900	1,139,773
September.....	1,525	778,745
October.....	3,695	1,407,137

The daily average volume of consumption of both cotton and wool during October was considerably larger than that which prevailed in August, just prior to the strike, with a gain of approximately 27.5 per cent in cotton and 23.5 per cent in wool.



RETAIL TRADE

Reports from representative New England department and specialty stores showed an increase of seven per cent in the dollar volume of their sales during October as compared with sales in October, 1933. Gains were recorded in each of the states in this district with the exception of Maine, in which sales were about two per cent lower than in October a year ago. The largest increase, amounting to eighteen per cent, was reported by the Vermont group. For the first 10 months of 1934, sales of the New England stores were approximately six per cent ahead of those for the corresponding period last year.

Stores in Boston, New Haven, and Providence reported a higher rate of collection of regular accounts during October this year than in the same month in 1932 and 1933. In the New England group as a whole collections were made at a more favorable rate than in October of the three preceding years.

Among the departments listed below, the men's furnishings classification showed the most marked gain in sales during October this year compared with the same month in 1933, with an increase of 23 per cent. Other departments to record improvement during the year were men's clothing and silk and muslin underwear, with gains of 19 per cent, and boys' wear, in which sales increased 17 per cent. In the yard goods groups sales were smaller than in October last year, the declines amounting to two per cent in silk and velvets, 14 per cent in woolens, and six per cent in cotton dress goods. For the year to date sales in all the departments listed were in greater volume than in the first 10 months of 1933, with the exception of the furniture division, in which sales declined six per cent.

SALES CONDITIONS

	1933 = 100				January through October			
	Month of October							
	1931	1932	1933	1934	1931	1932	1933	1934
Connecticut Department Stores.....	132	96	100	106	135	106	100	107
Maine Department Stores.....	119	100	100	98	132	105	100	106
Massachusetts Department Stores.....	135	105	100	107	145	114	100	106
New Hampshire Department Stores.....	136	96	100	109	154	111	100	118
Rhode Island Department Stores.....	130	106	100	107	131	106	100	106
Vermont Department Stores.....	150	111	100	118	167	127	100	112
Boston Department Stores.....	138	106	100	107	147	115	100	105
New Haven Department Stores.....	139	97	100	101	135	106	100	104
Providence Department Stores.....	130	106	100	107	131	106	100	106
New England Department Stores.....	135	105	100	107	144	112	100	106

CREDIT CONDITIONS

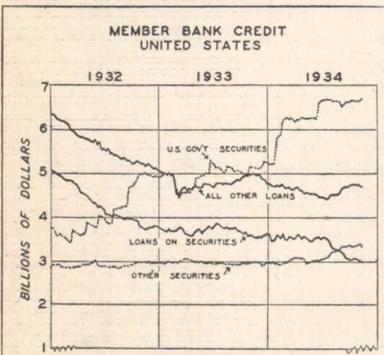
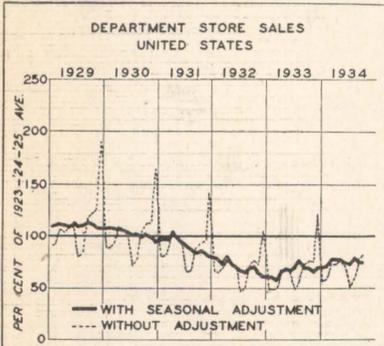
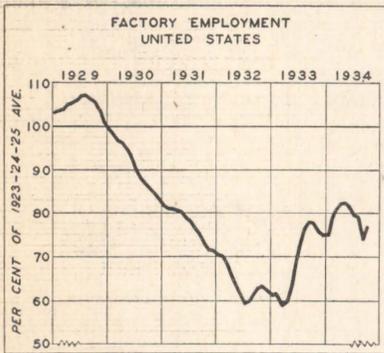
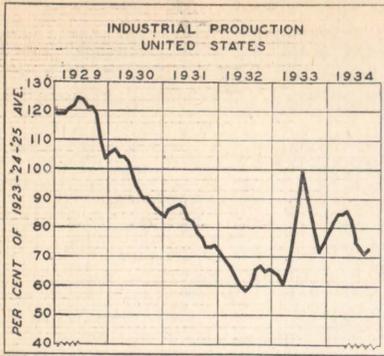
Percentage of Regular Accounts Outstanding at the First of October
Collected during October

	1931	1932	1933	1934
Boston Department Stores.....	43.6%	45.5%	45.6%	50.3%
New Haven Department Stores.....	49.9	47.8	47.1	48.7
Providence Department Stores.....	46.0	42.1	43.7	45.4
New England Department Stores.....	44.3	44.5	44.5	48.5

SALES BY DEPARTMENTS—NEW ENGLAND DEPARTMENT STORES

	1933 = 100				January through October			
	Month of October							
	1931	1932	1933	1934	1931	1932	1933	1934
Silk and Velvet Dress Goods.....	111	85	100	98	168	119	100	112
Woolen Dress Goods.....	89	67	100	86	127	94	100	111
Cotton Dress Goods.....	117	85	100	94	167	110	100	121
Jewelry.....	170	120	100	106	178	132	100	103
Men's Clothing.....	108	94	100	119	143	104	100	107
Men's Furnishings.....	131	102	100	123	145	114	100	110
Boys' Wear.....	119	93	100	117	142	108	100	112
Women's, Misses' and Juniors' Ready-to-Wear.....	139	105	100	106	152	112	100	107
Women's, Misses' and Juniors' Accessories.....	128	104	100	109	140	114	100	108
Millinery.....	118	98	100	104	146	112	100	109
Women's and Children's Gloves.....	127	94	100	99	153	114	100	103
Corsets and Brassieres.....	127	106	100	108	133	111	100	103
Women's and Children's Hosiery.....	133	104	100	112	147	120	100	113
Knit Underwear, including Glove Silk.....	125	98	100	111	146	112	100	105
Silk and Muslin Underwear.....	131	114	100	119	134	112	100	112
Women's and Children's Shoes.....	129	105	100	113	136	111	100	113
Furniture.....	156	125	100	113	139	109	100	94

SUMMARY OF BUSINESS CONDITIONS IN THE UNITED STATES



Volume of industrial production and factory employment, which usually shows little change at this season, increased in October, reflecting chiefly the resumption of activity at textile mills. Wholesale commodity prices, after declining in September and October, advanced in the first half of November.

Industrial Production and Employment:—Activity at industrial establishments, as measured by the Board's seasonally adjusted index, showed an increase from 71 per cent of the 1923-1925 average in September to 73 per cent in October. Among the industries producing durable manufactures, output at steel mills increased from 23 per cent of capacity for the month of September to 25 per cent for October, while output of automobiles and lumber declined. In November activity at steel mills continued to increase, and in the week ending November 24 was at about 28 per cent of capacity. Automobile production has declined further in connection with the preparation of new models. The production of non-durable manufactures in the aggregate showed a considerable growth in October, reflecting sharp increases at cotton, woolen, and silk mills, offset in part by a decline in activity at meat packing establishments. The increase in output at textile mills after the strike in September brought output to a higher level than in August. Among the minerals, daily output of crude petroleum declined in October and that of anthracite increased by an amount smaller than is usual at this season.

Factory employment and payrolls in the country as a whole increased considerably between the middle of September and the middle of October. Sharp increases were reported at mills producing textile fabrics, while in the automobile, shoe, and canning industries there were declines of a seasonal nature.

The value of construction contracts awarded was somewhat larger in October than in any recent months. There was an increase in residential work, as well as in publicly-financed projects.

Agriculture:—Department of Agriculture estimates, based on November 1 conditions, indicate a cotton crop of 9,634,000 bales, 26 per cent smaller than the 1933 crop, and a corn crop of 1,372,000,000 bushels, 41 per cent smaller than last season and 45 per cent smaller than the 1927-1931 average. The tobacco crop is also considerably smaller than usual, while the white potato crop is slightly above the five-year average.

Distribution:—The number of freight cars loaded per working day decreased from September to October. Department store sales showed a seasonal increase, and were at about the same level, on a seasonally adjusted basis, as in most other months since March. Rural sales of general merchandise, as reported by the Department of Commerce, increased by less than the usual seasonal amount, following an unusually large increase in September.

Commodity Prices:—Wholesale commodity prices, as measured by the Bureau of Labor Statistics' weekly index, declined from 77.8 per cent of the 1926 average in the week ending September 8 to 76.0 per cent in the week ending November 3, and then rose in the following two weeks to 76.7 per cent. The decline was largely in prices of farm products and foods, but there were also some decreases in the prices of textiles and building materials. Increases in the first half of November were largely in the prices of farm products. The price of scrap steel also advanced, while lead and zinc declined.

Bank Credit:—Excess reserves of member banks were about \$1,910,000,000 on November 21, showing an increase of \$150,000,000 in the preceding five weeks. The increase in reserves held was \$200,000,000, of which \$50,000,000 covered a growth in required reserves. Additions to reserves resulted mainly from gold imports and further issues of silver certificates.

Loans and investments of reporting member banks in leading cities declined somewhat in the four weeks ending November 14, following an increase in the previous month. Substantial declines were shown in loans on securities and in holdings of securities other than those of the United States Government. Other loans, which had increased considerably in previous months, also showed some decline, while holdings of direct obligations of the United States Government and of securities fully guaranteed by the Government increased considerably. Customers' deposits continued to increase, while Government deposits declined.

There was a further decline in open-market rates on bankers' acceptances at the end of October to an offering rate of $\frac{1}{8}$ of one per cent. Yields on short-term Government securities and other short-term open-market money rates showed little change.