



MONTHLY REVIEW

Of Industrial and Financial Conditions in the New England District

FEDERAL RESERVE BANK OF BOSTON

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THE SITUATION

In New England during January the level of general business activity was moderately lower than that which prevailed in December, after allowances had been made for customary seasonal changes. The reduction in total construction contracts awarded in this district between December and January was the principal retarding influence, although wool consumption also decreased more than seasonally. On the other hand, there were increases between December and January in boot and shoe production and in raw cotton consumption. Total revenue freight carloadings during the four-week period ending February 4 in New England were about three per cent larger than in the corresponding period in 1938, and sales of New England department stores and apparel shops during January were 1.8 per cent lower than in January last year. Sales in Boston department stores during the period February 1-18, 1939, were 0.2 per cent lower than in the corresponding period a year ago.

Cotton consumption by mills in New England during January was 74,312 bales, as compared with 71,253 bales in December and 49,865 bales in January last year. Average consumption for the month of January in this district has been 76,295 bales over the past seven years. The amount of raw wool consumed in New England during January, on a daily average basis, was nearly 17 per cent less than in December, but was more than double the amount consumed in January, 1938.

Production of boots and shoes during January in New England is estimated to have been 12,273,000 pairs. This total was 28.8 per cent higher than the December figure and was 30.7 per cent larger than the production of 9,389,000 pairs in January last

year. During each of the last five months of 1938 shoe production in this district was larger than in the corresponding month of 1937, with an aggregate increase amounting to 26.0 per cent for the entire five months' period.

There was a sharp decline to \$11,620,000 in January in New England in the total value of new construction contracts awarded from the total reported in December of \$37,490,000, but in January, 1938, the amount

was \$9,939,000. Between December, 1938, and January, 1939, there were sizable decreases in each of the four major building classifications, the smallest of which was a 24.1 per cent reduction in residential contracts. In January, as compared with a year ago, total contracts increased 16.9 per cent, with gains of about 170 and 60 per cent in public works and residential contracts, respectively, and decreases of 66.0 and 44.4 per cent, respectively, in the public

utilities and non-residential groups.

The total number of wage-earners employed in representative manufacturing establishments in Massachusetts during January was 1.1 per cent smaller than in December and the amount of aggregate weekly payrolls was 1.7 per cent less, but these declines were not as large as the average decreases between December and January of 2.0 per cent in employment and 2.9 per cent in payrolls which have occurred over the 13-year period 1926-1938, inclusive, according to the Massachusetts Department of Labor and Industries.

Manufacturing employment in Rhode Island during January was 1.3 per cent under that in December, but was 19.6 per cent larger than in January last year, and, although in January the amount of aggregate payrolls dropped 2.1 per cent from December, it was 20.5 per cent over January, 1938.

RETAIL SALES IN MASSACHUSETTS

January, 1939, compared with January, 1938

GROUP	Total Number Reporting	Number Reporting Increase	Number Reporting Decrease	Number Reporting No Change	Percentage Change in Dollars
Food.....	89	27	54	8	- 2.7%
General Merchandise...	109	58	42	9	+ 0.1
Automotive...	50	36	13	1	+14.9
Apparel....	93	39	51	3	- 5.8
Furniture and Household, Radio....	67	44	22	1	- 5.7
Restaurants and Eating Places....	34	16	13	5	+ 0.9
Lumber....	45	36	8	1	+23.9
Coal.....	75	33	39	3	- 0.3
Drugs.....	44	27	14	3	+ 2.8
Hardware...	55	29	21	5	+ 4.3
Miscellaneous	32	15	15	2	- 0.5
TOTAL....	693	360	292	41	+ 0.7%

MONEY AND BANKING

Money rates in the Boston money market showed little fluctuation during the past four weeks ending February 15. The asking rate of bankers' 90-day acceptances continued unchanged at $\frac{1}{16}$ of one per cent. Open market commercial paper remained the same as reported a month ago, namely, $\frac{1}{2}$ to $\frac{5}{8}$ of one per cent; customers' rates on commercial loans also remained at the month ago figure of $1\frac{1}{2}$ to four per cent. The average yields in the open market on both long-term United States Treasury bonds and short-term Treasury notes revealed a slight downward tendency, while the rate of the February 15 issue of 91-day Treasury bills showed a fractional increase to .005 per cent:

MONEY RATES AT BOSTON

	1939 Feb. 15	Month Ago	Year Ago
Brokers' quick call loans.....	$1\frac{1}{4}\%$	$1\frac{1}{4}\%$	$1\frac{1}{4}\%$
Loans secured by bonds and stocks..	$1\frac{1}{4}-4$	$1\frac{1}{4}-4$	$3-4\frac{1}{2}$
Open market commercial paper — four to six months.....	$\frac{1}{2}-\frac{5}{8}$	$\frac{1}{2}-\frac{5}{8}$	$\frac{1}{2}$
Bankers' acceptances — 90 days.....	$\frac{1}{16}$	$\frac{1}{16}$	$\frac{1}{16}$
Customers' rate on commercial loans.	$1\frac{1}{2}-4$	$1\frac{1}{2}-4$	$1\frac{1}{2}-4\frac{1}{2}$
Treasury Securities:			
Average yield on Treasury bonds (more than five years to earliest call date).....	1.99	2.01	2.26
Average yield on Treasury notes (one to five years).....	.33	.34	.72
Average rate on latest Treasury bill sale: 91-day issue.....	.005	0+	.08
Rediscount rate (Boston).....	$1\frac{1}{2}$	$1\frac{1}{2}$	$1\frac{1}{2}$
Buying rate for 90-day endorsed bills (Boston).....	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$

Total deposits (exclusive of items in process of collection) in the weekly reporting member banks in Boston stood at \$1,086,000,000 on February 15, showing a decline of \$36,000,000 during the past four weeks; despite this fact the figure remains at a level \$54,000,000 higher than the figure of a year ago. Demand deposits (also excluding items in process of collection) declined \$34,000,000 between January 18 and February 15 and yet were, on this latter date, \$27,000,000 higher than on the corresponding date a year ago. United States deposits remained relatively unchanged during the four-week period, while balances due to domestic banks showed a decline of \$2,000,000; balances due to foreign banks, however, rose \$2,000,000 so that on February 15 they stood at \$20,000,000, as compared with \$8,000,000 a year ago. During the past four weeks commercial loans, open market paper, brokers' loans and real estate loans have shown a slight decrease; all, with the exception of brokers' loans are appreciably lower when compared with the corresponding date of a year ago. Total loans and investments declined \$27,000,000 between January 25 and February 8; the following week, however, they rose \$19,000,000 recovering much of the loss sustained in the previous weeks. This is due for the most part to the wide fluctuations of United States direct obligations;

guaranteed United States obligations continued to rise in this four-week period to reach an all-time peak of \$26,000,000. Reserves of these reporting Boston member banks carried with the Federal Reserve Bank of Boston showed wide and frequent fluctuations between January 18 and February 15. On the latter date the figure stood at \$261,000,000, a decrease of \$38,000,000, compared with a month ago. Vault cash showed little or no change.

In the weekly reporting New England member banks outside of Boston the downward trend in total deposits (exclusive of items in process of collection) was less marked than in the Boston banks, as the decline in these deposits amounted to \$11,000,000, as compared with \$36,000,000 in the Boston group. Demand deposits (similarly adjusted) showed a sharp drop during the four weeks, which was also true of balances due to domestic banks, while United States deposits and balances due to foreign banks showed slight variation. Total loans and discounts declined sharply owing to the decrease in other loans for purchasing and carrying securities, and miscellaneous loans; open market paper, real estate and brokers' loans varied imperceptibly. Total loans and investments of these outside reporting member banks showed an increase of \$2,000,000 between January 18 and February 15, and a loss of \$7,000,000 when compared with the same date a year ago. Reserves held by these banks with the Federal Reserve Bank of Boston declined slightly and holdings of vault cash in these banks' own vaults decreased \$1,000,000 in the past four weeks.

In the Federal Reserve Bank of Boston no marked change took place in the composition of total bills and securities owned. During the four-week period industrial advances decreased \$7,000,000 as repayments exceeded new loans, dropping to the lowest level since January, 1935, while acceptances showed a slight gain over the month ago figure. Total cash reserves increased to \$743,000,000 between January 18 and February 15. The volume of Federal reserve notes in actual circulation showed little or no fluctuation during this period, remaining, however, at a figure considerably higher than that of a year ago. Member bank reserve deposits carried by all banks at the Federal Reserve Bank of Boston decreased \$45,000,000 when compared with the month ago figure. The increase in United States deposits is for the most part responsible for the slight rise which took place in total deposits.

Savings on deposit in 61 mutual savings banks in New England showed an increase when compared with a month ago in each of the six states; despite this increase, however, the total remains \$7,000,000 lower than a year ago at this time.

CONDITION OF REPORTING NEW ENGLAND MEMBER BANKS

(Amounts in Millions of Dollars)

		BOSTON			One Year's Change	
		Feb. 15, 1939	Month Ago	Year Ago	Gain (+) or Loss (-)	
Deposits:						
Demand Deposits (adjusted)		\$ 730	\$ 764	\$ 703	\$ + 27	+ 3.8%
Balances Due to Domestic Banks		225	227	186	+ 39	+ 21.0
Balances Due to Foreign Banks		20	19	8	+ 12	+150.0
United States Deposits		11	12	26	- 15	- 57.7
Time Deposits		100	100	109	- 9	- 8.3
TOTAL DEPOSITS (adjusted)		\$1,086	\$1,122	\$1,032	\$ + 54	+ 5.2%
Reserves:						
Reserve with Federal Reserve Bank		261	299	266	- 5	- 1.9
Vault Cash		127	127	25	+102	+408.0
Balances with other Domestic Banks		74	70	58	+ 16	+ 27.6
TOTAL RESERVES		\$ 462	\$ 496	\$ 349	\$ +113	+ 32.4%
Loans and Investments:						
Commercial, Industrial and Agricultural Loans		199	200	228	- 29	- 12.7
Open market paper		48	50	54	- 6	- 11.1
Loans to brokers and dealers in securities		28	30	24	+ 4	+ 16.7
Other loans for purchasing or carrying securities		12	18	16	- 4	- 25.0
Real Estate Loans		37	39	41	- 4	- 9.8
Loans to Banks		2	2	4	- 2	- 50.0
Other loans		83	74	77	+ 6	+ 7.8
TOTAL LOANS AND DISCOUNTS		\$ 409	\$ 413	\$ 444	\$ - 35	- 7.9%
United States obligations owned		\$ 255	\$ 260	\$ 289	\$ - 34	- 11.8%
Securities guaranteed by U. S.		26	18	9	+ 17	+188.9
Other bonds and stocks owned		70	73	76	- 6	- 7.9
TOTAL BONDS AND STOCKS OWNED		\$ 351	\$ 351	\$ 374	\$ - 23	- 6.1%
TOTAL LOANS AND INVESTMENTS		\$ 760	\$ 764	\$ 818	\$ - 58	- 7.1%

EIGHT CITIES OUTSIDE OF BOSTON

		Feb. 15, 1939	Month Ago	Year Ago	One Year's Change	Gain (+) or Loss (-)
Deposits:						
Demand Deposits (adjusted)		\$ 329	\$ 339	\$ 316	\$ + 13	+ 4.1%
Balances Due to Domestic Banks		28	30	25	+ 3	+ 12.0
Balances Due to Foreign Banks		*	*	*	*	*
United States Deposits		5	5	2	+ 3	+150.0
Time Deposits		155	154	160	- 5	- 3.1
TOTAL DEPOSITS (adjusted)		\$ 517	\$ 528	\$ 503	\$ + 14	+ 2.8%
Reserves:						
Reserve with Federal Reserve Bank		63	65	57	+ 6	+ 10.5
Vault Cash		13	14	12	+ 1	+ 8.3
Balances with other Domestic Banks		80	92	65	+ 15	+ 23.1
TOTAL RESERVES		\$ 156	\$ 171	\$ 134	\$ + 22	+ 16.4%
Loans and Investments:						
Commercial, Industrial and Agricultural Loans		54	53	67	- 13	- 19.4
Open market paper		21	21	31	- 10	- 32.3
Loans to brokers and dealers in securities		1	1	1	*	*
Other loans for purchasing or carrying securities		13	17	18	- 5	- 27.8
Real Estate Loans		45	45	45	0	0
Loans to banks		*	*	*	*	*
Other loans		42	45	43	- 1	- 2.3
TOTAL LOANS AND DISCOUNTS		\$ 176	\$ 182	\$ 205	\$ - 29	- 14.1%
United States obligations owned		\$ 157	\$ 157	\$ 145	\$ + 12	+ 8.3%
Securities guaranteed by U. S.		16	13	13	+ 3	+ 23.1
Other bonds and stocks owned		65	60	58	+ 7	+ 12.1
TOTAL BONDS AND STOCKS OWNED		\$ 238	\$ 230	\$ 216	\$ + 22	+ 10.2%
TOTAL LOANS AND INVESTMENTS		\$ 414	\$ 412	\$ 421	\$ - 7	- 1.7%

*Indicates less than \$500,000.

CONDITION OF FEDERAL RESERVE BANK OF BOSTON

(Amounts in Millions of Dollars)

		Feb. 15, 1939	Month Ago	Year Ago	One Year's Change	Gain (+) or Loss (-)
Member Bank Reserve Deposits		\$ 404	\$ 449	\$ 410	\$ - 6	- 1.5%
U. S. Deposits		111	71	7	+104	+1485.7
All Other Deposits		25	16	15	+ 10	+ 66.7
Total Deposits		\$ 540	\$ 536	\$ 432	\$ +108	+ 25.0%
Federal Reserve Notes in actual circulation		378	376	275	+103	+ 37.5
Total Cash Reserves		743	739	534	+209	+ 39.1
Loans to Member Banks Secured by U. S. Obligations		*	*	*	*	*
All Other Loans to Member Banks		*	*	*	*	*
Total Loans to Member Banks		\$ *	\$ *	\$ *	\$ *	*%
Acceptances Bought in Open Market		*	*	*	*	*
Industrial Advances		2	2	3	- 1	- 33.3
United States Obligations		188	188	188	0	0
Total Bills and Securities		\$ 190	\$ 190	\$ 191	\$ - 1	- .5%
Commitments to make Industrial Advances		1	1	1	0	0

*Indicates less than \$500,000.

CHECK TRANSACTIONS

(Weekly Totals in Millions of Dollars)

		Feb. 15, 1939	Month Ago	Year Ago	One Year's Change	Gain (+) or Loss (-)
Bangor		\$ 2.8	\$ 3.0	\$ 3.1	\$ - .3	- 9.7%
Brockton		3.4	3.7	3.2	+ .2	+ 6.3
Burlington		2.0	2.7	1.8	+ .2	+ 11.1
Fall River		4.2	4.4	3.3	+ .9	+ 27.3
Hartford		39.7	42.8	40.5	- .8	- 2.0
Holyoke		2.0	2.4	2.2	- .2	- 9.1
Lowell		2.8	3.3	2.9	- .1	- 3.4
Lynn		3.7	4.2	3.7	0	0
Manchester		3.4	3.6	3.1	+ .3	+ 9.7
New Bedford		3.8	4.6	3.4	+ .4	+ 11.8
New Haven		13.8	19.1	15.5	- 1.7	- 11.0
Portland		\$ 7.0	\$ 8.4	\$ 7.0	\$ 0	0%
Providence		26.8	32.0	26.5	+ .3	+ 1.1
Springfield		12.5	16.0	13.6	- 1.1	- 8.1
Waterbury		5.1	7.5	5.1	0	0
Worcester		10.5	12.7	10.7	- .2	- 1.9
Total 16 Cities		\$143.5	\$170.4	\$145.6	\$ - 2.1	- 1.4%
Boston		261.8	313.5	251.8	+ 10.0	+ 4.0
GRAND TOTAL		\$405.3	\$483.9	\$397.4	\$ + 7.9	+ 2.0%

NEW ENGLAND INDUSTRIAL CONDITIONS

Carloadings:—Total revenue carloadings during the four-week period ending February 4 originating on the six New England railroads, exclusive of the Boston and Albany, which reports under the New York Central Lines, amounted to 92,324, as compared with 89,558 during the corresponding four-week period in 1938. During the weeks ending January 14 and January 28 there were increases of 10.8 and 4.0 per cent, respectively, but there were decreases of 0.9 per cent and 1.2 per cent during the weeks ending January 21 and February 4, respectively. There was an aggregate increase of 3.1 per cent during the four-week period:

TOTAL REVENUE FREIGHT LOADED — SIX NEW ENGLAND RAILROADS EXCLUSIVE OF BOSTON AND ALBANY (Number of Cars)

Week Ending:	1939	1938	Per Cent Change 1939 compared with 1938
January 14.....	24,487	22,110	+10.8%
January 21.....	23,023	23,229	- 0.9
January 28.....	22,588	21,728	+ 4.0
February 4.....	22,226	22,491	- 1.2

MERCHANDISE, L.C.L., FREIGHT LOADED SIX NEW ENGLAND RAILROADS (Number of Cars)

Week Ending:	1939	1938	Per Cent Change 1939 compared with 1938
January 14.....	10,927	9,782	+11.7%
January 21.....	10,485	10,138	+ 3.4
January 28.....	10,204	9,997	+ 2.1
February 4.....	10,051	10,350	- 2.9

MISCELLANEOUS FREIGHT LOADED SIX NEW ENGLAND RAILROADS (Number of Cars)

Week Ending:	1939	1938	Per Cent Change 1939 compared with 1938
January 14.....	10,203	8,712	+17.1%
January 21.....	9,119	8,940	+ 2.0
January 28.....	8,860	8,532	+ 3.8
February 4.....	8,820	8,551	+ 3.1

ALL OTHER CLASSES OF FREIGHT LOADED SIX NEW ENGLAND RAILROADS (Number of Cars)

Week Ending:	1939	1938	Per Cent Change 1939 compared with 1938
January 14.....	3,357	3,616	- 7.2%
January 21.....	3,419	4,151	-17.6
January 28.....	3,524	3,199	+10.2
February 4.....	3,355	3,590	- 6.5

Boots and Shoes:—Production of boots and shoes in New England during January is estimated to have been 12,273,000 pairs. This was an increase of 28.8 per cent over December and a gain of 30.7 per cent over January last year.

During the last five months of 1938 shoe production in this district was 26.0 per cent larger than in the last five months of 1937, with increases in each of the five months over the corresponding month of the previous year.

In January, 1939, New England shoe production is estimated to have been 36.5 per cent of the United States total.

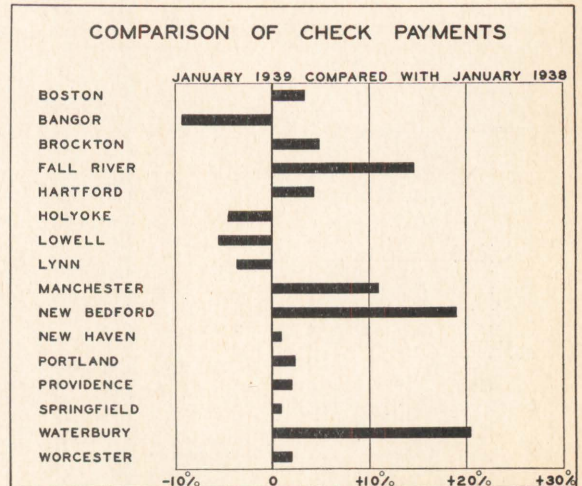
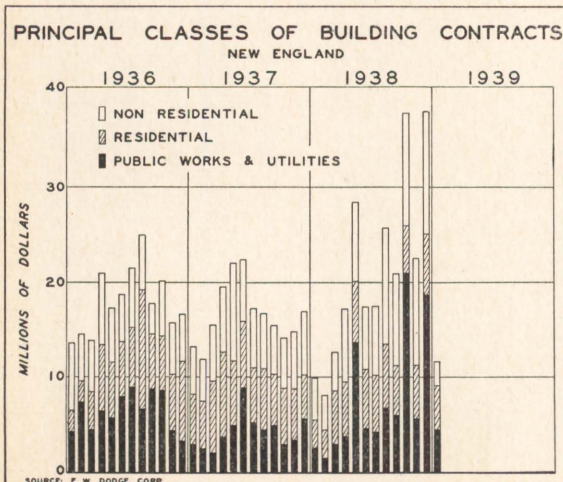
SHOE PRODUCTION — NEW ENGLAND (In Thousands of Pairs)

Last Five Months 1938	Number	Last Five Months 1937	Number	Per Cent Change
August.....	16,007	August.....	14,385	+11.3%
September....	14,385	September....	11,931	+20.6
October.....	12,002	October.....	9,319	+28.8
November.....	8,733	November.....	5,915	+47.6
December.....	9,529	December.....	6,575	+44.9
Total.....	60,656	Total.....	48,125	+26.0%

Building:—In New England during January the value of total construction contracts awarded was \$11,620,000, an amount 69.0 per cent under the total for December of \$37,490,000, but 16.9 per cent larger than the January, 1938, total. Between December, 1938, and January, 1939, there were sharp reductions in each of the four major building classifications. These reductions were 91.4 per cent in public utilities, 80.3 per cent in non-residential, 72.0 per cent in public works and 24.1 per cent in residential contracts. In January, 1939, as compared with January, 1938, public works contracts increased 170.3 per cent and residential contracts increased 59.8 per cent, but utilities contracts decreased by 66.0 per cent and total non-residential contracts decreased by 44.4 per cent.

The changes in the proportions of the four major classifications to total building in New England for January, 1939, December, 1938, and January, 1938, were:

	January 1939	December 1938	January 1938
Non-Residential.....	21.1%	33.2%	44.4%
Residential.....	40.6	16.6	29.7
Public Works.....	35.2	39.1	15.2
Public Utilities.....	3.1	11.1	10.7
Total.....	100.0%	100.0%	100.0%



The detailed changes between January, 1939, and January, 1938, within the major classifications are shown in the following table:

CLASSIFICATION	January 1939	January 1938	Per Cent Change
	Valuation	Valuation	
Commercial Buildings.....	\$ 770,000	\$1,456,000	- 47.1%
Manufacturing Buildings.....	423,000	276,000	+ 53.3
Educational and Science.....	801,000	1,102,000	- 27.3
Hospitals and Institutions.....	78,000	237,000	- 67.1
Public Buildings.....	273,000	779,000	- 65.0
Religious Buildings.....	9,000	187,000	- 95.2
Social and Recreational.....	70,000	241,000	- 71.0
Misc. Non-Residential.....	29,000	136,000	- 78.7
Total Non-Residential.....	\$ 2,453,000	\$4,414,000	- 44.4%
Residential Buildings.....	\$ 4,713,000	\$2,949,000	+ 59.8%
Grand Total Building.....	\$ 7,166,000	\$7,363,000	- 2.7%
Public Works.....	\$ 4,093,000	\$1,514,000	+170.3%
Public Utilities.....	361,000	1,062,000	- 66.0
Grand Total Construction...	\$11,620,000	\$9,939,000	+ 16.9%

The value of residential contracts awarded in New England during January, the value of total construction contracts, and the floor area of total construction, for the nine-year period 1931-1939, inclusive, are shown in the following table:

	CONSTRUCTION CONTRACTS—NEW ENGLAND		TOTAL CONSTRUCTION VALUE (Thousands Dollars)
	RESIDENTIAL CONTRACTS (Thousands Dollars)	FLOOR AREA (Thousands Sq. Ft.)	
January, 1931.....	\$4,894	1,856	\$15,920
January, 1932.....	3,617	1,388	7,589
January, 1933.....	1,783	591	5,006
January, 1934.....	1,754	644	13,030
January, 1935.....	1,247	545	6,619
January, 1936.....	2,240	1,902	13,584
January, 1937.....	5,280	2,002	13,211
January, 1938.....	2,949	1,109	9,939
January, 1939.....	4,713	1,345	11,620
Average.....	\$3,164	1,265	\$10,724

Textiles:—During January the amount of raw cotton consumed by mills in New England was 74,312 bales, an amount 49.0 per cent larger than in January, 1938, but 19.1 per cent smaller than cotton consumption in January, 1937. In the month of January during the seven-year period 1933-1939, inclusive, average cotton consumption in New England was 76,295 bales. In January of 1934, 1935, 1936, and 1937 consumption was over the seven-year average and in January of 1933, 1938, and 1939 consumption was below the seven-year average. The January, 1939, consumption was 2.6 per cent under the average.

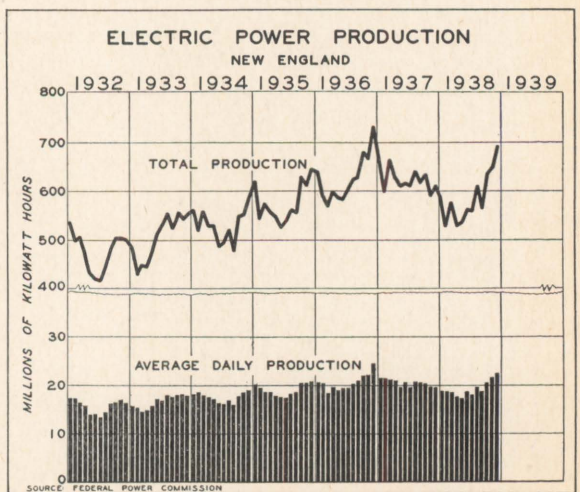
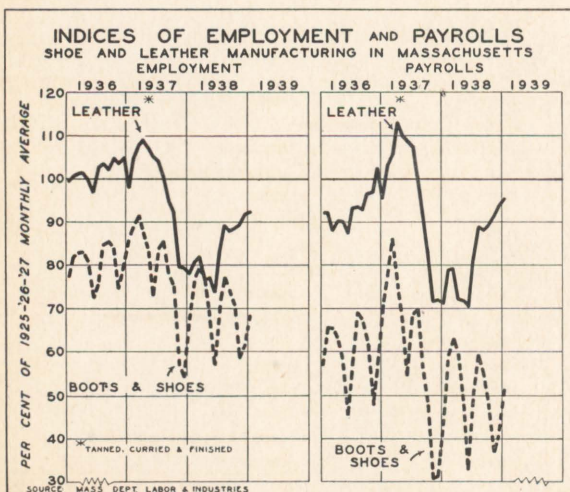
Wool consumption by mills in this district during January, on a daily average basis, was about 17 per cent under that of December, but was more than double the daily average wool consumption of January, 1938.

Employment:—The total number of wage-earners employed in 1,789 representative manufacturing establishments in Massachusetts was 267,168 for the week including or ending nearest January 15, a decrease of 3,029 employees, or 1.1 per cent, when compared with the number of 270,197 employed in these same establishments during the corresponding week in December, according to the Massachusetts Department of Labor and Industries. The amount of weekly payrolls for all manufacturing establishments reporting was \$5,890,277 for the same week in January, a decrease of \$99,462, or 1.7 per cent, below the amount of \$5,989,739 for the corresponding week in December.

The records for the 13-year period 1926-1938, inclusive, show decreases in January, as compared with December, in nearly all of the years. Employment during this period showed an average decrease of 2.0 per cent, and the amount paid in wages showed an average decrease of 2.9 per cent. The decreases between December, 1938, and January, 1939, were smaller than the average.

The following table presents the changes in the principal industries in Massachusetts from December, 1938, to January, 1939, in the number of wage-earners and the amount paid in wages:

MAJOR INDUSTRIES	Number of Wage-Earners	Amount of Payrolls
Boots and shoes.....	+11.1%	+26.2%
Bread and other bakery products.....	- 2.9	- 1.6
Clothing, men's.....	- 6.5	- 5.4
Clothing, women's.....	- 7.0	-12.0
Cotton goods.....	+ 0.7	+ 1.6
Dyeing and finishing textiles.....	+ 0.6	- 3.3
Electrical machinery, apparatus, and supplies.....	- 0.1	+ 1.3
Foundry and machine-shop products.....	- 1.3	- 2.3
Hosiery and knit goods.....	- 5.0	- 7.1
Leather (tanned, curried, and finished).....	+ 0.5	+ 2.1
Paper and wood pulp.....	+ 0.5	- 0.3
Printing and publishing, book and job.....	- 1.7	- 7.7
Silk and rayon goods.....	+ 1.9	+ 2.1
Textile machinery and parts.....	+ 0.2	- 2.4
Woolen and worsted goods.....	- 2.2	- 4.4



In January, 1939, as compared with January, 1938, the number of wage-earners employed was 5.5 per cent larger and the amount paid in wages was 11.4 per cent higher.

The changes in many of the leading industrial cities in Massachusetts in employment and payrolls between December, 1938, and January, 1939, were:

LEADING INDUSTRIAL CITIES	Number of Establishments	Number of Wage-earners	Amount of Payrolls
Boston	352	- 6.6%	- 6.1%
Brockton	44	+15.1	+32.0
Cambridge	93	- 1.1	- 5.0
Fall River	29	- 1.3	- 2.9
Pitchburg	44	- 0.6	+ 1.0
Haverhill	52	+ 8.3	+24.8
Holyoke	34	+ 1.2
Lawrence	38	- 2.3	- 5.3
Lowell	50	+ 1.9	+ 3.2
Lynn	74	- 2.9	- 0.8
New Bedford	34	+ 3.4	+ 5.2
Peabody	22	- 5.8
Springfield	58	- 1.6	- 0.6
Worcester	110	- 2.5	- 4.3

According to the State (R. I.) Department of Labor, employment in Rhode Island firms declined 1.3 per cent from 72,125 wage-earners in December to 71,178 in January. This was the first report since last June showing a downward trend, although employment was 19.6 per cent ahead of January a year ago. An aggregate weekly payroll for the same firms also fell off. A reduction of 2.1 per cent from \$1,559,917 in December, 1938, to \$1,527,081 in January was distributed in most lines, but was 20.5 per cent above the total of \$1,266,770 for January, 1938.

Considerable advances in employment in most lines were noted in a comparison with the figures for January, 1938. The most significant gains were registered in the textile industry. Worsteds employment was 50.0 per cent higher than a year ago. Cotton and finishing plants hired over 28 per cent more workers. Silks were up 17.5 per cent, but the number of woolen workers remained about the same. The heading "All Textiles", an aggregate of employment in 143 plants, revealed a rise of 32.1 per cent in wage-earners. Jewelry firms hired 7.9 per cent more than a year ago and rubber employment was

up 13.2 per cent. The only loss, 3.4 per cent in metals, had little effect on total employment.

*EMPLOYMENT BY INDUSTRIES — RHODE ISLAND

INDUSTRY	Number Employed January 1939	Number Employed January 1938	Per Cent Change from January 1938
Jewelry	5,152	4,774	+ 7.9%
Metal Trades	9,576	9,909	- 3.4
All Textiles	43,663	33,051	+ 32.1
Cottons	17,676	13,791	+ 28.2
Silks	1,816	1,545	+ 17.5
Woolens	2,551	2,535	+ 0.6
Worsteds	14,757	9,837	+ 50.0
Finishing	6,863	5,343	+ 28.4
Rubber Goods	4,092	3,616	+ 13.2
Miscellaneous	8,695	8,148	+ 6.7
Total Manufactures	71,178	59,498	+ 19.6%

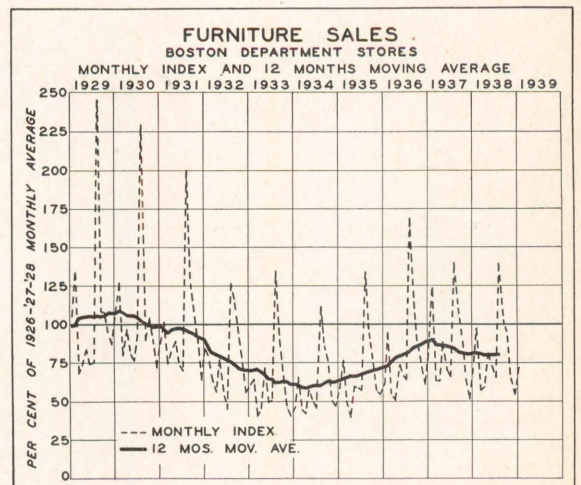
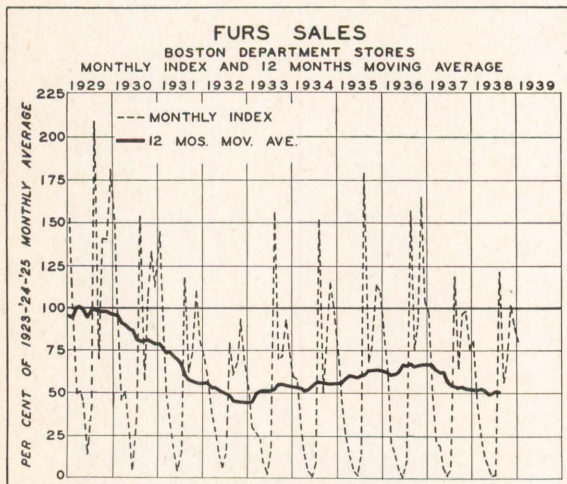
CONSTRUCTION	Number	Per Cent Change
1. Building	511	+204.4%
2. Road, Bridge	384	+380.2
Total Construction	895	+255.0%

*Based on figures for week ending January 21, 1939.

Commercial Failures:—In 1938 the number of commercial failures in New England was 1,192, as compared with 865 for the year 1937:

COMMERCIAL FAILURES — NEW ENGLAND
(In Thousands of Dollars)

1937	Source: Dun & Bradstreet, Inc.	
	Number	Liabilities
January	87	\$ 620
February	65	1,972
March	81	837
April	72	1,685
May	86	822
June	66	889
July	60	1,977
August	72	1,129
September	42	432
October	60	654
November	71	1,242
December	103	2,218
Year	865	\$14,477
1938		
January	141	\$ 4,026
February	105	2,008
March	100	1,890
April	112	1,639
May	111	1,262
June	111	1,042
July	98	1,200
August	85	1,806
September	81	993
October	85	1,036
November	77	1,067
December	86	1,332
Year	1,192	\$19,301
1939		
January	100	\$ 1,211



RETAIL TRADE

The sales volume of reporting department stores and apparel shops in New England during January was 1.8 per cent less than in January, 1938, although there were increases of 7.9 per cent in New Hampshire stores and 2.1 per cent in Rhode Island stores. Decreases in the other four New England states ranged from 2.1 per cent in Massachusetts stores to 6.6 per cent in Connecticut stores.

The percentage of regular charge accounts outstanding at the first of January, which was collected during January, at 48.8 in New England stores, was lower than in January of the preceding three years. In Boston stores the collection ratio decreased from 50.8 in 1938 to 49.7 in 1939, in New Haven it increased from 47.3 to 47.6, and in Providence it increased from 45.9 to 46.0.

At the end of January, 1939, inventories in Boston department stores and apparel shops were 2.6 per cent lower in the aggregate than at the end of January, 1938, and inventories in stores in other New England cities were 6.3 per cent smaller.

During the week ending February 25, 1939, sales of Boston department stores were 7.5 per cent larger than during the week ending February 26, last year, and during the period February 1-25, this year, sales in Boston department stores were 2.4 per cent higher than in the period February 1-25, 1938. The 1939 period contained four Saturdays, as compared with three Saturdays in the period last year.

SALES CONDITIONS
1938 = 100

	Month of January			1939
	1936	1937	1938	
Connecticut Department Stores.....	87	100	100	94
Maine Department Stores.....	95	108	100	96
Massachusetts Department Stores.....	94	104	100	97
New Hampshire Department Stores.....	100	110	100	108
Rhode Island Department Stores.....	105	118	100	102
Vermont Department Stores.....	98	109	100	97
Boston Department Stores.....	94	103	100	96
New Haven Department Stores.....	91	101	100	92
Providence Department Stores.....	105	118	100	102
New England Department Stores.....	95	105	100	97

CREDIT CONDITIONS

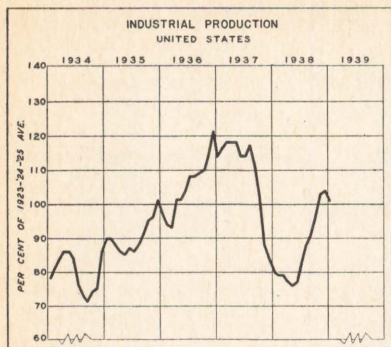
Percentage of Regular Charge Accounts Outstanding at the First of January
Collected during January

	1936	1937	1938	1939
Boston Department Stores.....	51.4%	50.1%	50.8%	49.7%
New Haven Department Stores.....	51.9	50.0	47.3	47.6
Providence Department Stores.....	46.9	47.4	45.9	46.0
New England Department Stores.....	50.2	49.5	49.5	48.8

SALES BY DEPARTMENTS — NEW ENGLAND DEPARTMENT STORES
1938 = 100

	Month of January			1939
	1936	1937	1938	
Silk and Velvet Dress Goods.....	113	125	100	86
Woolen Dress Goods.....	102	106	100	86
Cotton Dress Goods.....	107	106	100	85
Jewelry.....	83	105	100	109
Men's Clothing.....	103	105	100	93
Men's Furnishings.....	104	103	100	97
Boys' Wear.....	96	109	100	92
Women's, Misses', and Juniors' Ready-to-Wear.....	91	105	100	92
Women's, Misses', and Juniors' Accessories.....	99	105	100	98
Millinery.....	103	112	100	102
Women's and Children's Gloves.....	99	106	100	91
Corsets and Brassieres.....	94	103	100	100
Women's and Children's Hosiery.....	93	98	100	102
Knit Underwear, including Glove Silk.....	106	95	100	93
Silk and Muslin Underwear.....	112	110	100	88
Women's and Children's Shoes.....	102	110	100	100
Furniture.....	93	123	100	104

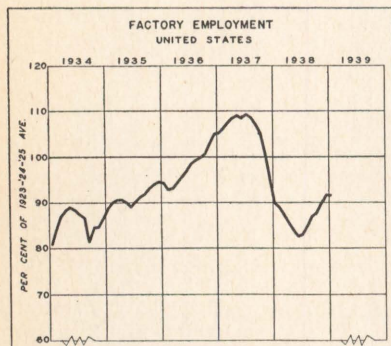
SUMMARY OF BUSINESS CONDITIONS IN THE UNITED STATES



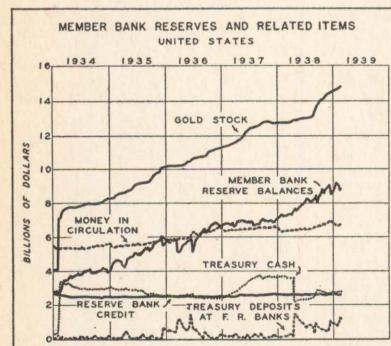
Industrial production increased less than seasonally in January and the first three weeks of February, following a rapid advance in the latter half of 1938. Wholesale commodity prices continued to show little change.

Production:—In January volume of industrial production, as measured by the Board's seasonally adjusted index, was at 101 per cent of the 1923-1925 average, as compared with 104 in December. At steel mills, where activity usually increases considerably at this season, output in January and the first three weeks of February was at about the same rate as in December. Automobile production declined seasonally in the first two months of the year as retail sales showed about the usual decrease and dealers' stocks reached adequate levels. Output of cement declined in January, and there was also some reduction in output of lumber and plate glass. In the nondurable goods industries, where production had been at a high level in December, activity increased less than seasonally. Increases at cotton, silk, and tobacco factories were smaller than usual and at woolen mills there was a decline. Shoe production and sugar refining continued in substantial volume, and activity at meat-packing establishments showed little change, following a decline in December. Mineral production increased somewhat in January, reflecting an increase in output of crude petroleum.

Value of construction contracts awarded declined in January, according to F. W. Dodge Corporation figures, owing principally to a reduction in awards for publicly-financed projects, which had been in large volume in December. Contracts for privately-financed residential building continued at the recent advanced level, while awards for private non-residential building remained in small volume.



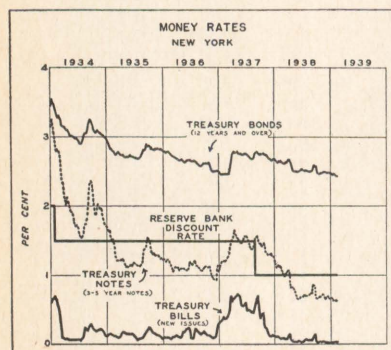
Employment:—Factory employment and payrolls showed the usual decline between the middle of December and the middle of January. In most individual industries, as well as in the total, changes in the number of employees were of approximately seasonal proportions. In trade, employment declined somewhat more than is usual after Christmas.



Distribution:—Sales at department and variety stores and by mail order houses showed the usual sharp seasonal decline from December to January. In the first two weeks of February department store sales continued at the January level.

Volume of freight carloadings in January and the first half of February was at about the same rate as in December.

Commodity Prices:—Wholesale commodity prices generally continued to show little change in January and the first three weeks of February. Grain prices declined somewhat, following a rise in December, while prices of hogs increased seasonally. Changes in prices of industrial materials were small.



Bank Credit:—Excess reserves of member banks, which reached a record high level of \$3,600,000,000 on January 25, declined somewhat in February. This decline resulted chiefly from a temporary increase in Treasury balances with the Reserve banks representing cash receipts from the sale of the new United States Housing Authority and Reconstruction Finance Corporation notes. Purchases of these notes were also responsible for an increase in total loans and investments of reporting member banks in 101 leading cities, following a decline during January.

Money Rates:—Average yields on United States Government securities declined further during the first three weeks of February to about the lowest levels ever reached. New issues of 91-day Treasury bills, after selling at par or at a slight premium in late December and early January, were again on a slight discount basis during February. Other open-market rates continued unchanged.