

# MONTHLY REVIEW

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

FEDERAL RESERVE BANK OF BOSTON

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## THE SITUATION

The level of general business activity in New England during May was maintained at about the same level as that which prevailed during April, after allowances had been made for customary seasonal changes. Consumption both of raw wool and raw cotton in mills in New England during May was larger than in April and larger than in May last year. Building contracts awarded in this district and production of boots and shoes, however, decreased between April and May and both were lower than in May last year. New England freight carloadings during the five-week period ending June 10 were 8.4 per cent higher than in the corresponding period last year and the sales volume of New England department stores and apparel shops in May exceeded that of May last year by 10.8 per cent.

The amount of raw cotton consumed by mills in New England during May was 72,713 bales, as compared with 67,776 bales in April and 56,647 bales in May last year. The amount consumed during the first five months of the current year was 371,538 bales, or 33.7 per cent greater than in the corresponding period last year. Raw wool consumption, on a daily average basis, exceeded that of April by 24.3 per cent and was larger than in May last year by about 67 per cent.

In New England during May boot and shoe production is estimated to have been 11,715,000 pairs, an amount 1.2 per cent less than in April and 6.4 per cent under the total of May last year. Cumulative shoe production for the first five months of the current year is estimated to have been 4.5 per cent higher than that during the corresponding period last year.

During May the value of total construction contracts awarded in New England amounted to \$23,242,000. In April the total was \$29,336,000 and it was \$28,495,000 in May last year. During the first

five months of 1939 total building contracts in this district amounted to \$103,533,000. This total exceeded that of the corresponding period a year ago by 35.7 per cent, and increases took place in each of the four major classifications.

In Massachusetts during May there was a decrease of 1.9 per cent in the total number of wage-earners employed in representative manufacturing establishments, as compared with the number employed in April, and a decrease of 1.8 per cent was reported in the amount of aggregate weekly payrolls, according to the Massachusetts Department of Labor and Industries. These decreases in employment and payrolls between April and May were slightly larger than the average change over the 14-year period 1925-1938, inclusive, during which employment decreased 1.3 per cent and the amount paid in wages declined 1.2 per cent. Between

May this year and last year there was an increase of 9.1 per cent in the number of wage-earners employed in manufacturing establishments in Massachusetts and the amount paid in wages increased by 15.9 per cent.

During May in Rhode Island there was a decrease of 1/2 of one per cent from April in the number of wage-earners employed in manufacturing establishments but the total number in May exceeded that of a year ago by 20.4 per cent, according to the Department of Labor of Rhode Island. Factory payrolls in Rhode Island were practically the same as in April but were 30.1 per cent higher than in May last year.

The sales volume of 677 retail establishments in Massachusetts during May was \$18,823,391, an amount 12.4 per cent higher than the total of \$16,750,573 reported by these concerns for May last year. Increases were reported in each of the 11 major classifications.

**RETAIL SALES IN MASSACHUSETTS**  
May, 1939, compared with May, 1938

GROUP	Total Number Reporting	Number Reporting Increase	Number Reporting Decrease	Number Reporting No Change	Percentage Change in Dollars
Food.....	85	35	44	6	+ 0.4%
General Merchandise...	114	94	19	1	+12.2
Automotive...	53	44	8	1	+28.0
Apparel.....	88	73	13	2	+12.5
Furniture and Household Radio.....	66	53	11	2	+16.3
Restaurants and Eating Places.....	36	19	11	6	+ 3.5
Lumber.....	41	33	8	0	+14.8
Coal.....	78	40	35	3	+ 8.0
Drugs.....	42	31	9	2	+ 4.9
Hardware.....	42	35	6	1	+24.5
Miscellaneous	32	22	7	3	+12.1
<b>TOTAL.....</b>	<b>677</b>	<b>479</b>	<b>171</b>	<b>27</b>	<b>+12.4%</b>

## MONEY AND BANKING

Money rates in the Boston money market remained unchanged during the month ending June 14. The asking rate of bankers' 90-day acceptances was  $\frac{7}{16}$  of one per cent and  $\frac{1}{2}$  to  $\frac{5}{8}$  of one per cent for open-market commercial paper. Treasury bills dated June 14 were sold at prices which gave an average yield at the time of original offering of .003 which was slightly lower than the month ago figure, indicating the steady decline in the average return on new issues. The average yields in the open market on long-term United States Treasury bonds showed little change while the average yield on United States Treasury notes increased slightly.

## MONEY RATES AT BOSTON

	1939 June 14	Month Ago	Year Ago
Brokers' quick call loans.....	$1\frac{1}{4}\%$	$1\frac{1}{4}\%$	$1\frac{1}{4}\%$
Open-market commercial paper — four to six months.....	$\frac{1}{2}-\frac{5}{8}$	$\frac{1}{2}-\frac{5}{8}$	$\frac{3}{4}$
Bankers' acceptances — 90 days.....	$\frac{7}{16}$	$\frac{7}{16}$	$\frac{7}{16}$
Treasury Securities:			
Average yield on Treasury bonds (more than five years to earliest call date).....	1.61	1.62	2.05
Average yield on Treasury notes (one to five years).....	.21	.16	.35
Average rate on latest Treasury bill sale; 91-day issue.....	.003	.005	.02
Rediscount rate (Boston).....	$1\frac{1}{2}$	$1\frac{1}{2}$	$1\frac{1}{2}$
Buying rate for 90-day endorsed bills (Boston).....	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$

In the weekly reporting member banks in Boston total net deposits (adjusted to exclude items in process of collection) rose \$9,000,000 between May 17 and May 31, the following week, however, showed a reduction of \$5,000,000; this decrease was partially canceled by an increase the week of June 14 and remained at a figure approximately that of a month ago and substantially higher than a year ago. Demand deposits (likewise adjusted) which have fluctuated very slightly during the rise of the past year reached an all-time peak on May 31; despite the decline of \$7,000,000 in the ensuing two weeks the total remained far in excess of that on the corresponding date of last year. Balances due to domestic banks also reached a record high of \$254,000,000 on June 14, as compared with \$212,000,000 on June 14, 1938; balances due to foreign banks showed little variation during the four-week period, while United States deposits and time deposits remained stationary.

In these weekly reporting Boston member banks total loans and discounts on June 14 stood at \$413,000,000, as compared with \$406,000,000 a month ago and \$422,000,000 a year ago. Commercial, industrial, and agricultural loans increased slightly; the same trend likewise was noted in open-market paper, in loans to brokers and dealers in securities, and in

real estate loans; loans to banks remained unchanged. Holdings of United States direct obligations were reduced \$8,000,000 during the past four weeks, while securities guaranteed by the United States showed little or no variation; other bonds and stocks owned, however, expanded slightly. Despite the wide fluctuations during the four weeks ending June 14, reserves of these Boston member banks carried with the Federal Reserve Bank of Boston stood at a record peak of \$330,000,000, as compared with \$260,000,000 on the corresponding date a year ago.

In the weekly reporting member banks outside of Boston total deposits (adjusted to exclude items in process of collection) remained substantially at the same high level as the previous month. This is due to the fact that the slight reduction in demand deposits was offset by increases in balances due to domestic banks and time deposits; however, an increase of \$31,000,000 in these deposits was noted when compared with the year ago figure. Total loans and discounts remained relatively unchanged during the four-week period, with only slight variations occurring in commercial, industrial, and agricultural loans and open-market paper. All other types of loans remained the same as the previous month. Since May 17 holdings of United States direct obligations decreased \$6,000,000 and on June 14 stood at about the lowest level since June 8 a year ago. Guaranteed United States obligations showed just the reverse trend during that same period and were appreciably higher when compared with a year ago. On May 31 reserves carried by these outside member banks with the Federal Reserve Bank of Boston stood at the highest point in several weeks; a decline of \$6,000,000, however, took place during the following two weeks and as in the Boston banks the volume far exceeds that of a year ago; vault cash remained approximately unvaried.

Member bank reserve deposits carried at the Federal Reserve Bank of Boston on June 14 were \$12,000,000 higher than on May 17 and \$96,000,000 higher than a year ago. The volume of Federal reserve notes in circulation and total cash reserves declined somewhat during recent weeks, while total deposits and industrial advances showed an increase during this same period.

Reports received at the Federal Reserve Bank of Boston from 61 New England mutual savings banks showed a decline in deposits in all New England states with the exception of Vermont; however, the total remains slightly higher than at year ago at this time.

### CONDITION OF REPORTING NEW ENGLAND MEMBER BANKS

(Amounts in Millions of Dollars)

		BOSTON			One Year's Change	
		1939	Month Ago	Year Ago	Gain (+) or	Loss (-)
		June 14	June 14	June 14	Gain (+) or	Loss (-)
<b>Deposits:</b>						
Demand Deposits (adjusted)		\$ 771	\$ 768	\$ 725	\$ + 46	+ 6.3%
Balances Due to Domestic Banks		254	247	212	+ 42	+ 19.8
Balances Due to Foreign Banks		23	26	9	+ 14	+155.6
United States Deposits		12	12	11	+ 1	+ 9.1
Time Deposits		100	100	107	- 7	- 6.5
<b>TOTAL DEPOSITS (adjusted)</b>		<b>\$1,160</b>	<b>\$1,153</b>	<b>\$1,064</b>	<b>\$+ 96</b>	<b>+ 9.0%</b>
<b>Reserves:</b>						
Reserve with Federal Reserve Bank		330	320	260	+ 70	+ 26.9
Vault Cash		127	127	112	+ 15	+ 13.4
Balances with other Domestic Banks		65	70	64	+ 1	+ 1.6
<b>TOTAL RESERVES</b>		<b>\$ 522</b>	<b>\$ 517</b>	<b>\$ 436</b>	<b>\$+ 86</b>	<b>+ 19.7%</b>
<b>Loans and Investments:</b>						
Commercial, Industrial and Agricultural Loans		207	205	215	- 8	- 3.7
Open market paper		45	43	50	- 5	- 10.0
Loans to brokers and dealers in securities		26	24	22	+ 4	+ 18.2
Other loans for purchasing or carrying securities		11	11	14	- 3	- 21.4
Real Estate Loans		37	37	40	- 3	- 7.5
Loans to Banks		2	2	3	- 1	- 33.3
Other loans		85	84	78	+ 7	+ 9.0
<b>TOTAL LOANS AND DISCOUNTS</b>		<b>\$ 413</b>	<b>\$ 406</b>	<b>\$ 422</b>	<b>\$- 9</b>	<b>- 2.1%</b>
United States obligations owned		\$ 257	\$ 265	\$ 252	\$+ 5	+ 2.0%
Securities guaranteed by U. S.		30	31	18	+ 12	+ 66.7
Other bonds and stocks owned		75	71	78	- 3	- 3.8
<b>TOTAL BONDS AND STOCKS OWNED</b>		<b>\$ 362</b>	<b>\$ 367</b>	<b>\$ 348</b>	<b>\$+ 14</b>	<b>+ 4.0%</b>
<b>TOTAL LOANS AND INVESTMENTS</b>		<b>\$ 775</b>	<b>\$ 773</b>	<b>\$ 770</b>	<b>\$+ 5</b>	<b>+ .6%</b>

		FIVE CITIES OUTSIDE OF BOSTON			One Year's Change	
		1939	Month Ago	Year Ago	Gain (+) or	Loss (-)
		June 14	June 14	June 14	Gain (+) or	Loss (-)
<b>Deposits:</b>						
Demand Deposits (adjusted)		\$ 331	\$ 334	\$ 306	\$ + 25	+ 8.2%
Balances Due to Domestic Banks		30	29	26	+ 4	+ 15.4
Balances Due to Foreign Banks		*	*	*	0	0
United States Deposits		5	5	2	+ 3	+150.0
Time Deposits		157	155	158	- 1	- .6
<b>TOTAL DEPOSITS (adjusted)</b>		<b>\$ 523</b>	<b>\$ 523</b>	<b>\$ 492</b>	<b>\$+ 31</b>	<b>+ 6.3%</b>
<b>Reserves:</b>						
Reserve with Federal Reserve Bank		67	70	52	+ 15	+ 28.8
Vault Cash		14	13	12	+ 2	+ 16.7
Balances with other Domestic Banks		82	75	72	+ 10	+ 13.9
<b>TOTAL RESERVES</b>		<b>\$ 163</b>	<b>\$ 158</b>	<b>\$ 136</b>	<b>\$+ 27</b>	<b>+ 19.9%</b>
<b>Loans and Investments:</b>						
Commercial, Industrial and Agricultural Loans		59	58	62	- 3	- 4.8
Open market paper		20	21	25	- 5	- 20.0
Loans to brokers and dealers in securities		1	1	1	0	0
Other loans for purchasing or carrying securities		12	12	18	- 6	- 33.3
Real Estate Loans		45	45	45	0	0
Loans to banks		0	0	*	0	0
Other loans		45	44	45	0	0
<b>TOTAL LOANS AND DISCOUNTS</b>		<b>\$ 182</b>	<b>\$ 181</b>	<b>\$ 196</b>	<b>\$- 14</b>	<b>- 7.1%</b>
United States obligations owned		\$ 147	\$ 153	\$ 148	\$- 1	- .7%
Securities guaranteed by U. S.		18	16	9	+ 9	+100.0
Other bonds and stocks owned		66	67	56	+ 10	+ 17.9
<b>TOTAL BONDS AND STOCKS OWNED</b>		<b>\$ 231</b>	<b>\$ 236</b>	<b>\$ 213</b>	<b>\$+ 18</b>	<b>+ 8.5%</b>
<b>TOTAL LOANS AND INVESTMENTS</b>		<b>\$ 413</b>	<b>\$ 417</b>	<b>\$ 409</b>	<b>\$+ 4</b>	<b>+ 1.0%</b>

\*Indicates less than \$500,000.

### CONDITION OF FEDERAL RESERVE BANK OF BOSTON

(Amounts in Millions of Dollars)

Member Bank Reserve Deposits		\$ 489	\$ 477	\$ 393	\$ + 96	+ 24.4%
U. S. Deposits		53	68	24	+ 29	+120.8
All Other Deposits		31	25	15	+ 16	+106.7
<b>Total Deposits</b>		<b>\$ 573</b>	<b>\$ 570</b>	<b>\$ 432</b>	<b>\$+141</b>	<b>+ 32.6%</b>
Federal Reserve Notes in actual circulation		381	381	354	+ 27	+ 7.6
Total Cash Reserves		773	776	617	+156	+ 25.3
Loans to Member Banks Secured by U. S. Obligations		**	**	1	- 1	-100.0
All Other Loans to Member Banks		*	*	*	0	0
<b>Total Loans to Member Banks</b>		<b>\$ *</b>	<b>\$ *</b>	<b>\$ 1</b>	<b>\$- 1</b>	<b>-100.0%</b>
Acceptances Bought in Open Market		*	*	*	0	0
Industrial Advances		2	2	2	0	0
United States Obligations		191	191	185	+ 6	+ 3.2
<b>Total Bills and Securities</b>		<b>\$ 193</b>	<b>\$ 193</b>	<b>\$ 188</b>	<b>\$+ 5</b>	<b>+ 2.7%</b>
Commitments to make Industrial Advances		1	1	1	0	0

\*Indicates less than \$500,000.

### CHECK TRANSACTIONS

(Weekly Totals in Millions of Dollars)

		1939			One Year's Change				
		June 14	Month Ago	Year Ago	Gain (+) or	Loss (-)			
		June 14	Month Ago	Year Ago	Gain (+) or	Loss (-)			
Bangor		\$ 3.4	\$ 3.0	\$ 3.6	\$- .2	- 5.6%	Portland		
Brockton		3.7	3.9	3.2	+ .5	+ 15.6	Providence		
Burlington		2.3	2.6	2.3	0	0	Springfield		
Fall River		3.8	4.6	3.7	+ .1	+ 2.7	Waterbury		
Hartford		42.4	44.0	39.8	+ 2.6	+ 6.5	Worcester		
Holyoke		2.1	2.3	2.3	-	8.7			
Lowell		2.9	3.2	3.2	- .3	- 9.4	Total 16 Cities	\$153.1	
Lynn		3.9	4.3	3.7	+ .2	+ 5.4	Boston	\$264.3	
Manchester		3.6	3.8	3.0	+ .6	+ 20.0			
New Bedford		3.5	4.3	3.2	+ .3	+ 9.4	<b>GRAND TOTAL</b>		
New Haven		15.7	16.2	14.7	+ 1.0	+ 6.8	17 Cities	\$417.4	
								\$436.0	
								\$433.2	
								\$- 15.8	
								- 3.6%	

NEW ENGLAND INDUSTRIAL CONDITIONS

**Carloadings:**—Total revenue freight carloadings originating on the six New England railroads, exclusive of the Boston and Albany, which reports under the New York Central Lines, amounted to 109,237 during the five-week period ending June 10, as compared with a total of 100,733 during the corresponding five-week period last year. Increases occurred in each of the five weeks over the corresponding week last year, with a fairly constant percentage increase in each week. The aggregate gain for the five-week period was 8.4 per cent:

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
May 13 .....	22,356	21,034	+ 6.3%
May 20 .....	22,574	20,777	+ 8.6
May 27 .....	22,774	21,013	+ 8.4
June 3 .....	19,102	17,668	+ 8.1
June 10 .....	22,431	20,241	+10.8

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

Week Ending:	1939	1938	Per Cent Change 1939 compared with 1938
May 13 .....	10,903	10,620	+ 2.7%
May 20 .....	11,040	10,528	+ 4.9
May 27 .....	10,742	10,410	+ 3.2
June 3 .....	9,100	8,692	+ 4.7
June 10 .....	10,976	10,296	+ 6.6

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

Week Ending:	1939	1938	Per Cent Change 1939 compared with 1938
May 13 .....	9,168	8,444	+ 8.6%
May 20 .....	9,433	8,177	+15.4
May 27 .....	9,570	8,075	+18.5
June 3 .....	8,011	6,864	+16.7
June 10 .....	9,218	7,232	+27.5

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

Week Ending:	1939	1938	Per Cent Change 1939 compared with 1938
May 13 .....	2,285	1,970	+16.0%
May 20 .....	2,101	2,072	+ 1.4
May 27 .....	2,462	2,528	- 2.6
June 3 .....	1,991	2,112	- 5.7
June 10 .....	2,237	2,713	-17.5

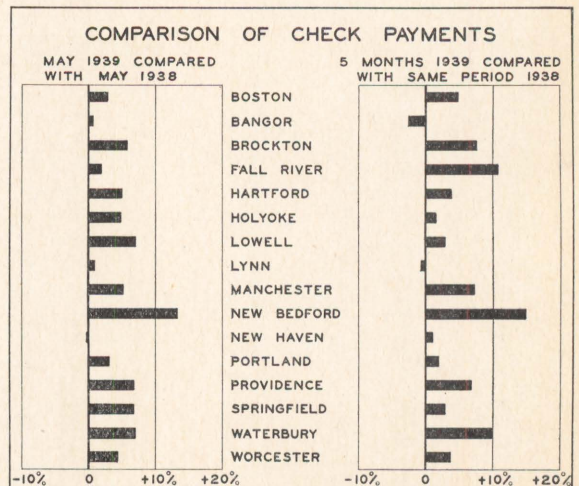
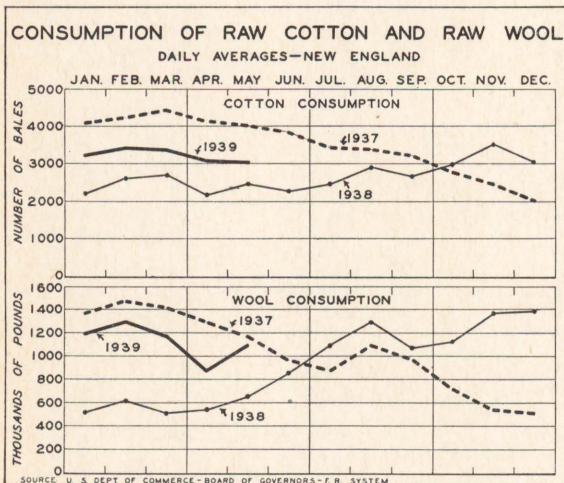
**Boots and Shoes:**—Production of boots and shoes in New England during May is estimated to have been 11,715,000 pairs, as compared with 11,857,000 pairs in April and 12,513,000 pairs in May last

year. The estimated May total was 1.2 per cent below April and 6.4 per cent below May last year but sizable increases during each of the first three months of the current year over the corresponding month last year resulted in an aggregate increase of 4.5 per cent for the first five months of 1939, as compared with the five-month total a year ago.

**Textiles:**—During May raw wool consumption by mills in New England, on a daily average basis, was 24.3 per cent higher than in April and was 67.4 per cent greater than in May last year. Wool consumption in New England on a daily average basis was considerably higher in each of the first five months of the current year, as compared with the corresponding month a year ago.

During May cotton consumption by mills in this district was 72,713 bales, which was a total 7.3 per cent higher than in April and 28.4 per cent larger than in May last year. Cumulative cotton consumption for the first five months of the current year was 371,538 bales, an amount 33.7 per cent greater than the total of 277,942 bales during the first five months of 1938.

**Building:**—The value of total construction contracts awarded in New England during May was \$23,242,000, as compared with \$29,336,000 in April and \$28,495,000 in May last year. The F. W. Dodge Corporation stated in connection with the New England figures for building that with considerably fewer large projects reported in May, it was not unusual for the May contract record to decline somewhat from the high level which had been maintained for the past 14 months. It was further stated that although total contracts for all classes of construction declined 18.0 per cent, compared with May, 1938, residential building continued to exceed the corresponding totals for a year ago.



The detailed changes for the first five months of the current year, as compared with a year ago, were:

CLASSIFICATION	First Five Months		Per Cent Change
	1939	1938	
Commercial Buildings.....	\$ 7,012,000	\$ 7,494,000	- 6.4%
Manufacturing Buildings.....	6,832,000	3,866,000	+ 76.7
Educational and Science.....	5,833,000	4,853,000	+ 20.2
Hospitals and Institutions.....	4,985,000	5,402,000	- 7.7
Public Buildings.....	2,151,000	2,226,000	- 3.4
Religious Buildings.....	1,160,000	1,202,000	- 3.5
Social and Recreational.....	1,871,000	2,604,000	- 28.1
Misc. Non-Residential.....	717,000	475,000	+ 50.9
<b>Total Non-Residential.....</b>	<b>\$ 30,561,000</b>	<b>\$28,122,000</b>	<b>+ 8.7%</b>
Residential Building.....	\$ 29,237,000	\$23,657,000	+ 23.6%
<b>Grand Total Building.....</b>	<b>\$ 59,798,000</b>	<b>\$51,779,000</b>	<b>+ 15.5%</b>
Public Works.....	\$ 37,234,000	\$21,923,000	+ 69.8%
Public Utilities.....	6,501,000	2,615,000	+148.6
<b>Grand Total Construction..</b>	<b>\$103,533,000</b>	<b>\$76,317,000</b>	<b>+ 35.7%</b>

During the first five months of the current year public works contracts constituted 35.96 per cent of the \$103,533,000 total, as compared with 28.73 per cent of the \$76,317,000 total last year. Public utilities contracts for the first five months increased from 3.43 per cent of the total last year to 6.28 per cent of the total this year. The proportions of non-residential and residential construction to total construction decreased, the former from 36.84 per cent to 29.52 per cent and the latter from 31.00 per cent to 28.24 per cent.

The following table shows the five months' cumulative figures for residential building and total construction over the nine-year period 1931-1939, inclusive:

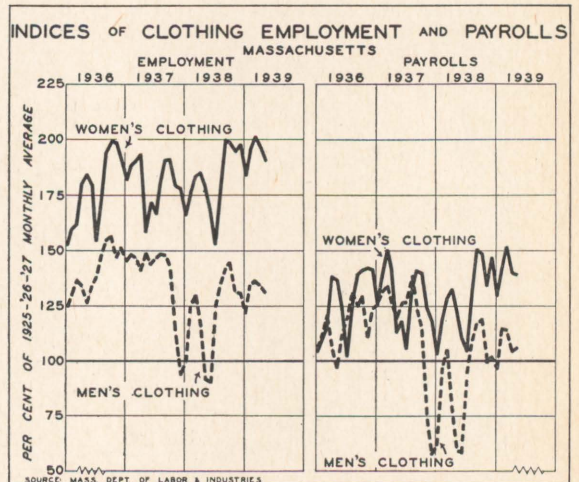
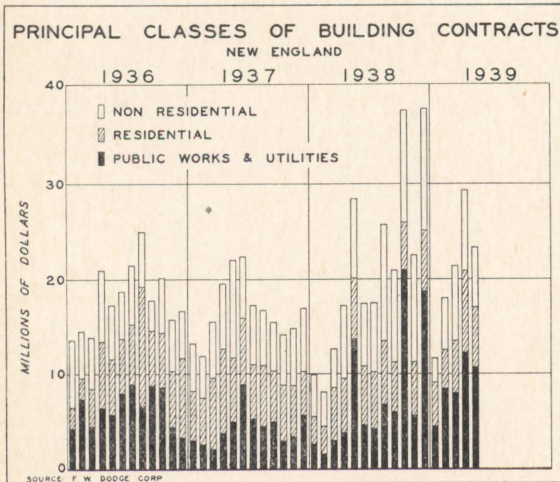
	CONSTRUCTION CONTRACTS — NEW ENGLAND (In Thousands of Dollars)	
	Residential Contracts	Total Construction
January-May, inclusive, 1931.....	\$36,825	\$136,997
January-May, inclusive, 1932.....	19,099	49,486
January-May, inclusive, 1933.....	11,834	30,808
January-May, inclusive, 1934.....	12,741	57,278
January-May, inclusive, 1935.....	11,628	44,526
January-May, inclusive, 1936.....	21,184	80,093
January-May, inclusive, 1937.....	33,639	82,181
January-May, inclusive, 1938.....	23,657	76,317
January-May, inclusive, 1939.....	29,237	103,533
<b>Average.....</b>	<b>\$22,205</b>	<b>\$ 73,469</b>

**Employment:**—The total number of wage-earners employed in 1,815 representative manufacturing establishments in Massachusetts was 262,932 for the week including or ending nearest May 15, a decrease of 5,121 employees, or 1.9 per cent, when compared with the number employed in these same establishments during the corresponding week in April. The amount of the weekly payrolls for all manufacturing establishments reporting was \$5,727,104 for the same week in May, a decrease of \$105,799, or 1.8 per cent, below the amount for the corresponding week in April, according to the Massachusetts Department of Labor and Industries.

The records for the 14-year period 1925-1938, inclusive, have shown mostly decreases in May, as compared with April. Employment during this period showed an average decrease of 1.3 per cent and the amount paid in wages showed an average decrease of 1.2 per cent. The changes this year were slightly larger than the average.

The following table shows the changes in many of the principal industries in Massachusetts in the number of wage-earners and the amount paid in wages between April and May:

MAJOR INDUSTRIES	Number of Wage-Earners	Amount of Payrolls
Bakery products.....	+ 1.2%	+ 5.7%
Boots and shoes.....	- 14.2	- 24.2
Clothing, men's.....	- 2.5	+ 1.7
Clothing, women's.....	- 3.1	- 0.8
Confectionery.....	- 0.2	+ 1.0
Cotton goods.....	- 3.2	- 6.0
Dyeing-finishing.....	- 1.3	- 4.8
Electrical machinery:		
Excluding radio.....	- 0.1	+ 0.3
Radio apparatus.....	- 2.0	+ 9.1
Foundry and machine-shop products:		
Foundry products.....	+ 2.3	+ 2.8
Machine shops.....	+ 0.7	+ 0.8
Furniture.....	- 0.3	- 1.7
Hosiery-knit goods:		
Hosiery.....	- 0.9	- 4.4
Knit goods.....	+ 0.9	+ 7.2
Jewelry.....	+ 1.6	+ 3.5
Leather tanning.....	- 3.9	- 5.3
Machine and small working tools.....	+ 1.2	+ 3.5
Paper and wood pulp.....	- 1.5	- 1.7
Printing, book-job.....	- 0.3	+ 1.2
Printing, newspaper.....	+ 1.8	+ 1.8
Silk-rayon goods.....	- 13.8	- 11.9
Textile machinery and parts.....	+ 1.0	+ 2.4
Woolen and worsted goods.....	+ 6.8	+ 10.3



During May the number of wage-earners employed in manufacturing establishments in Massachusetts was 9.1 per cent greater than the number employed in May last year and the amount paid in wages was larger by 15.9 per cent.

In many of the leading industrial cities in Massachusetts the changes between April and May in employment and payrolls were:

LEADING INDUSTRIAL CITIES	Number of Establishments	Number of Wage-Earners	Amount of Payrolls
Boston.....	348	- 3.0%	- 2.2%
Brocton.....	51	-28.3	-33.2
Cambridge.....	91	- 0.2	+ 2.3
Fall River.....	30	- 1.6	- 2.0
Fitchburg.....	42	+ 0.1	+ 3.1
Haverhill.....	54	- 9.6	-25.1
Holyoke.....	37	- 0.6	- 1.3
Lawrence.....	38	+ 2.7	+ 1.8
Lowell.....	58	+ 0.5	+ 2.3
Lynn.....	71	- 2.4	- 0.3
New Bedford.....	37	- 7.4	- 7.4
Peabody.....	21	- 2.6	- 6.4
Springfield.....	58	- 2.6	- 1.6
Worcester.....	109	+ 1.2	+ 1.8

In Rhode Island there was a decline of 1/2 of one per cent from the middle week in April to the corresponding week in May in manufacturing employment, according to the State Department of Labor. The falling off in the number of wage-earners from 71,758 to 71,393 was less than the usual seasonal change for this reporting period, and with the exception of May, 1937, more persons were employed in manufacturing industries than in the corresponding month for eight years. There were 20.4 per cent more workers in May than a year ago.

Factory payrolls aggregating \$1,536,586 for the middle week in May were 30.1 per cent higher than a year ago, but only a fraction of one per cent more than in April of this year. The aggregate totals were \$1,536,586 in May; \$1,530,319 in April; and \$1,181,239 in May a year ago.

Woolen firms hired nearly 10 per cent more workers in May than the previous month. Employment in worsteds, the principal industry, was up 7.3 per cent. Metal trades and miscellaneous employment remained practically the same as in April. The total number of textile wage-earners was frac-

tionally higher than in April. Monthly reductions in personnel, largely due to seasonal influences, were shown in jewelry, cotton, silks, finishing, and rubber lines. The number of jewelry workers reduced 8.4 per cent; silks were down 7.3 per cent; finishing, 4.7 per cent; cotton, 3.0 per cent; rubber goods, 1.3 per cent.

A comparison of employment with May, 1938, revealed gains in all lines except metals, which fell off less than one per cent. The combined "All Textiles" heading, which includes over 75 per cent of the textile workers in the state, indicated that nearly 30 per cent more wage-earners were employed than a year ago. Woolens and worsteds were up about 50 per cent, and finishing 25.3 per cent. Gains in jewelry, rubber, and cotton ranged from 12.8 per cent to 17.5 per cent.

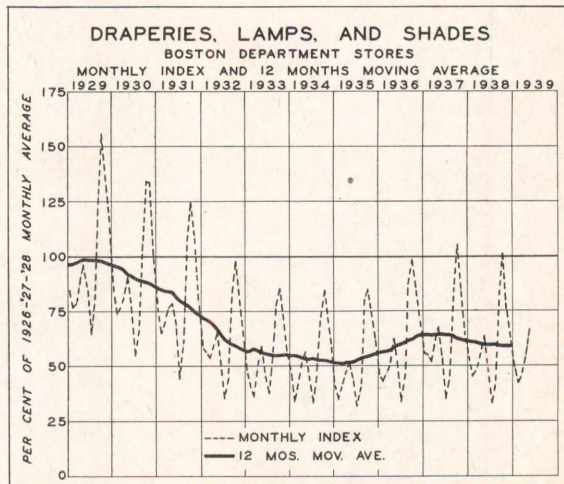
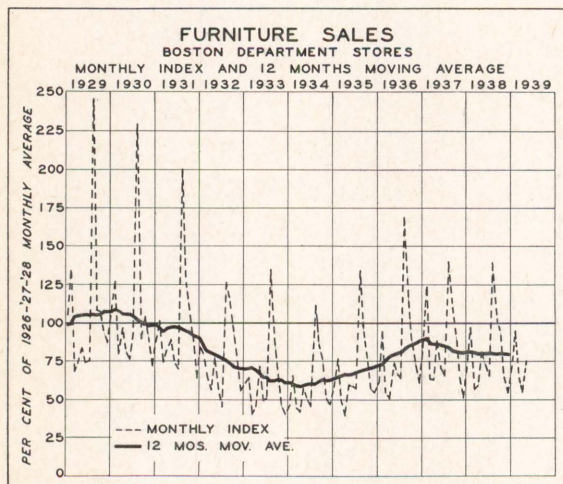
\*EMPLOYMENT BY INDUSTRIES—RHODE ISLAND

INDUSTRY	Number Employed		Per Cent Change from May 1938
	May 1939	May 1938	
Jewelry.....	5,121	4,360	+ 17.5%
Metal Trades.....	10,268	10,325	- 0.6
All Textiles.....	42,530	32,941	+ 29.1
Cottons.....	17,837	15,816	+ 12.8
Silks.....	1,998	1,172	+ 70.5
Woolens.....	2,895	1,948	+ 48.6
Worsteds.....	13,281	8,803	+ 50.9
Finishing.....	6,519	5,202	+ 25.3
Rubber Goods.....	3,980	3,505	+ 13.6
Miscellaneous.....	9,494	8,189	+ 15.9
Total Manufactures.....	71,393	59,320	+ 20.4%

CONSTRUCTION			
1. Building.....	904	409	+121.0%
2. Road, Bridge.....	685	513	+ 33.5

Total Construction..... 1,589 922 + 72.3%  
 \*Based on figures for week ending May 20, 1939.

**Orders:**—There was an increase in manufacturers' orders in Massachusetts in May, as compared with April, which appeared favorable, according to the Associated Industries of Massachusetts, but it was further stated that the increase was not of general character. The greatest strength was reported in the orders for the metal trades especially in those for tools and equipment. A slight change was reported in the textile group and the paper industry reported a smaller volume for the month of May.



## RETAIL TRADE

The sales volume of reporting department stores and apparel shops in New England during May was 10.8 per cent higher than in May last year, with increases reported in each of the six New England states. Cumulative sales for the first five months of 1939 were 1.3 per cent over the volume reported for the corresponding period last year.

During May, as compared with May last year, in Boston stores cash sales increased 6.7 per cent, charge sales rose 11.5 per cent, and instalment sales advanced 16.2 per cent. Similarly in stores in other New England cities there were increases of 11.3 per cent in cash, 13.5 per cent in charge, and 20.7 per cent in instalment sales between May, 1939, and May, 1938.

The percentage of regular charge accounts outstanding at the first of May, which was collected during May, was 49.9 in New England department stores, as compared with 48.4 in May last year. Increases occurred in each of the three cities from which collection data are available.

SALES CONDITIONS  
1938 = 100

	Month of May				January through May			
	1936	1937	1938	1939	1936	1937	1938	1939
Connecticut Department Stores.....	113	122	100	111	96	109	100	100
Maine Department Stores.....	109	116	100	109	100	110	100	98
Massachusetts Department Stores.....	108	112	100	110	99	105	100	101
New Hampshire Department Stores.....	108	110	100	104	96	102	100	102
Rhode Island Department Stores.....	116	125	100	115	103	112	100	103
Vermont Department Stores.....	132	133	100	112	110	112	100	100
Boston Department Stores.....	108	110	100	109	99	104	100	101
New Haven Department Stores.....	111	118	100	109	96	106	100	98
Providence Department Stores.....	116	125	100	115	103	112	100	103
New England Department Stores.....	110	115	100	111	99	106	100	101

## CREDIT CONDITIONS

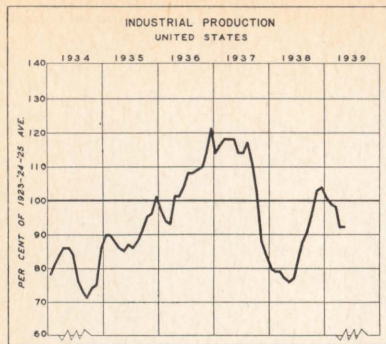
Percentage of Regular Charge Accounts Outstanding at the First of May  
Collected during May

	1936	1937	1938	1939
Boston Department Stores.....	50.5%	51.2%	50.2%	51.9%
New Haven Department Stores.....	50.1	47.4	44.6	45.2
Providence Department Stores.....	44.6	45.6	44.8	45.2
New England Department Stores.....	48.9	49.5	48.4	49.9

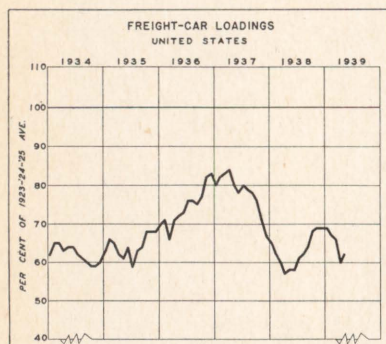
SALES BY DEPARTMENTS — NEW ENGLAND DEPARTMENT STORES  
1938 = 100

	Month of May				January through May			
	1936	1937	1938	1939	1936	1937	1938	1939
Silk and Velvet Dress Goods.....	138	119	100	95	121	119	100	86
Woolen Dress Goods.....	158	175	100	113	121	130	100	100
Cotton Dress Goods.....	125	119	100	102	112	110	100	88
Jewelry.....	75	96	100	127	79	97	100	112
Men's Clothing.....	107	110	100	105	110	111	100	101
Men's Furnishings.....	120	114	100	102	109	106	100	96
Boys' Wear.....	123	130	100	116	105	108	100	102
Women's, Misses', and Juniors' Ready-to-Wear.....	118	122	100	113	101	109	100	99
Women's, Misses', and Juniors' Accessories.....	110	114	100	111	98	103	100	101
Millinery.....	121	116	100	120	102	104	100	106
Women's and Children's Gloves.....	125	130	100	117	104	106	100	98
Corsets and Brassieres.....	113	110	100	110	100	103	100	103
Women's and Children's Hosiery.....	97	103	100	106	90	97	100	101
Knit Underwear, including Glove Silk.....	111	115	100	108	103	103	100	98
Silk and Muslin Underwear.....	129	128	100	105	119	118	100	99
Women's and Children's Shoes.....	114	119	100	117	95	103	100	101
Furniture.....	99	119	100	102	98	122	100	102

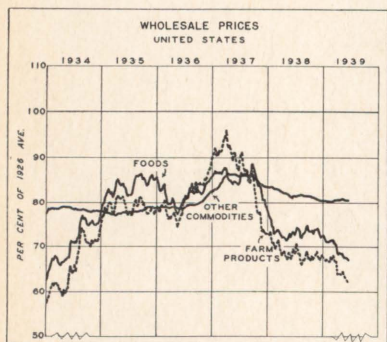
## SUMMARY OF BUSINESS CONDITIONS IN THE UNITED STATES



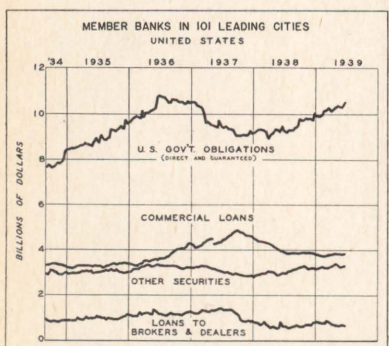
Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average = 100. By months, January, 1934, to May, 1939.



Index of total loadings of revenue freight, adjusted for seasonal variation, 1923-1925 = 100. By months, January, 1934, to May, 1939.



Indexes compiled by the United States Bureau of Labor Statistics, 1926 = 100. By weeks, 1934 to week ending June 17, 1939.



Wednesday figures for reporting member banks in 101 leading cities, September 5, 1934, to June 17, 1939. Commercial loans, which include industrial and agricultural loans, represent prior to May 19, 1937, so-called "Other loans" as reported by the FRASER.

Industrial production, which had been receding on a seasonally adjusted basis during the first four months of this year, showed little change in May and increased considerably in the first three weeks of June. The advance reflected principally larger output of steel and coal, which had previously shown considerable declines.

*Production:*—In May the Board's seasonally adjusted index of industrial production was at 92 per cent of the 1923-1925 average, the same as in April. Volume of manufacturing production declined somewhat further, owing chiefly to reductions in output of steel and automobiles, but mineral production increased as most bituminous coal mines were reopened after the middle of the month.

Steel ingot production, which had been at an average rate of 52 per cent of capacity in April, declined to 45 per cent in the third week of May. About this time prices of some types of steel were reduced considerably and orders were placed in substantial volume. Subsequently steel output increased and the current rate is about 55 per cent of capacity, approximately the level maintained during the first quarter of this year.

In the automobile industry output was reduced by about one-fifth at the beginning of May, and in the latter part of the month there was further curtailment partly as a result of a strike at a body plant which led to the closing of most assembly lines of one major producer. In the early part of June the strike was settled and by the middle of the month output had risen to a level higher than that prevailing during most of May. Lumber production increased further in May following less than the usual seasonal rise during the first quarter of this year.

Output of nondurable manufactures in the aggregate was at about the same rate in May as in April. At woolen mills activity increased sharply, following a decline in April, and at cotton and rayon mills output was maintained. Mill consumption of raw silk showed a further sharp decline. At meat-packing establishments output increased more than seasonally, and as in March and April was considerably larger than a year ago, reflecting a sharp increase in the number of hogs slaughtered. Flour production continued in larger volume than is usual at this season, while at sugar refineries there was a decrease in output.

Mineral production increased in May owing chiefly to the reopening of most bituminous coal mines. Anthracite production, which had been in large volume in April, declined in May, while output of crude petroleum increased somewhat further.

Value of residential building contracts, which had shown a considerable decline in April, increased in May, according to figures of the F. W. Dodge Corporation. Public residential awards were higher owing to a greater volume of United States Housing Authority projects; private awards also increased but on a seasonally adjusted basis were below the high level reached in February and March. Contracts for both public and private non-residential construction declined in May, following increases in the preceding two months.

*Employment:*—Factory employment and payrolls showed little change from the middle of April to the middle of May, according to reports for a number of states.

*Distribution:*—Department store sales declined from April to May, while sales at variety stores and by mail order houses showed little change. In the first two weeks of June department store sales increased.

Freight carloadings increased in the latter half of May, reflecting chiefly expansion in coal shipments. In the first half of June loadings of coal increased further and shipments of other classes of freight also were in larger volume.

*Commodity Prices:*—Prices of industrial materials, such as steel scrap, hides, wool, and print cloths, advanced somewhat from the middle of May to the third week of June. Wheat, silk, and coal prices declined early in June, following increases in May, and there were further declines in prices of live stock and meats.

*Bank Credit:*—During the four weeks ending June 14 total loans and investments at member banks in 101 leading cities increased by \$270,000,000, following a decline of \$200,000,000 in the preceding four weeks. The major increase was in holdings of Treasury notes and bonds at New York City banks. Demand deposits increased sharply to new high levels both in New York and in the leading cities outside New York.

During the first three weeks of June excess reserves of member banks showed little change from the new high level of \$4,300,000,000 reached on May 24. Continued gold imports largely went into earmarked gold and into balances held for foreign account at the Federal reserve banks.

*Money Rates:*—Prices of United States Government securities, which had advanced sharply from April 11 to June 5, reaching a new high level, eased slightly during the next two weeks. The yield on the longest-term Treasury bond outstanding declined from 2.49 per cent on April 11 to 2.26 per cent on June 5 and increased to 2.32 per cent on June 19. Other money rates showed little change.