

MONTHLY REVIEW

of Credit and Business Conditions

Second Federal Reserve District

Federal Reserve Agent

Federal Reserve Bank, New York

October 1, 1924

Business Conditions in the United States

PRODUCTION in basic industries was maintained during August at about the same level as in the two preceding months and factory employment showed a slight increase. Wholesale prices, especially those of agricultural products, showed a further advance.

PRODUCTION

The Federal Reserve Board's index of production in basic industries, adjusted to allow for seasonal variations, continued in August at the same level as in June and July. Production of steel was substantially larger than in July and the output of pig iron and mill consumption of cotton also increased. Sugar meltings and production of anthracite and zinc, on the other hand, were smaller. Factory employment increased slightly in August and average weekly earnings increased 4 per cent. owing to less part-time employment. Larger working forces were reported in the textile, leather, and automobile industries. Building contracts awarded, contrary to the usual seasonal trend, were 3 per cent. larger in August than in July.

Crop conditions showed further improvement in August and the September 1 estimates of production by the Department of Agriculture were larger for wheat,

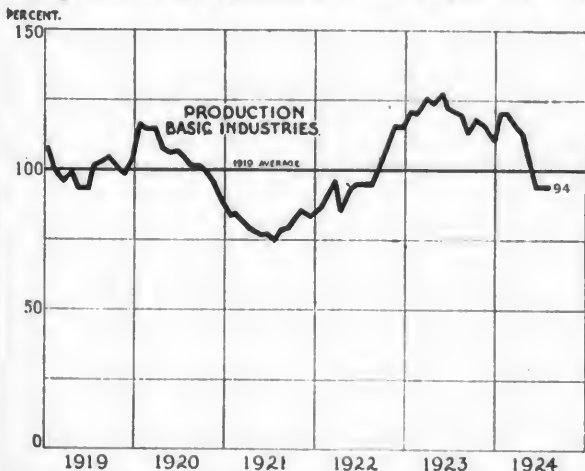
oats, barley, and potatoes. Estimated yields of corn, cotton, and tobacco, however, were smaller. Harvesting has proceeded rapidly this year, and the August marketing of wheat was larger than in either of the past two years.

TRADE

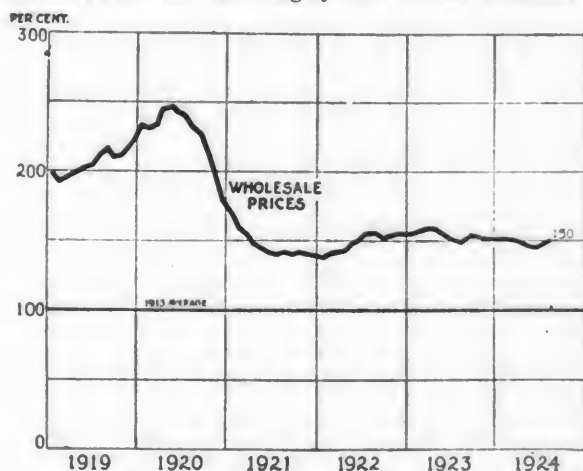
Bank debits, which reflect the volume of business transactions settled by check, showed about the usual seasonal decrease in August, but were larger than a year ago. Railroad shipments increased slightly, as a result of larger loadings of miscellaneous merchandise, grain, and coal. Wholesale trade was 7 per cent. larger than in July, owing to seasonal increases in sales of dry goods, shoes, and meat, but continued to be smaller than a year ago. Department store sales showed less than the usual increase in August and were 7 per cent. smaller than last year. Mail order sales increased more than usual at this season and were one per cent. larger than in August 1923. Merchandise stocks of department stores at the end of August for the first time this year were smaller than on the corresponding date of 1923.

PRICES

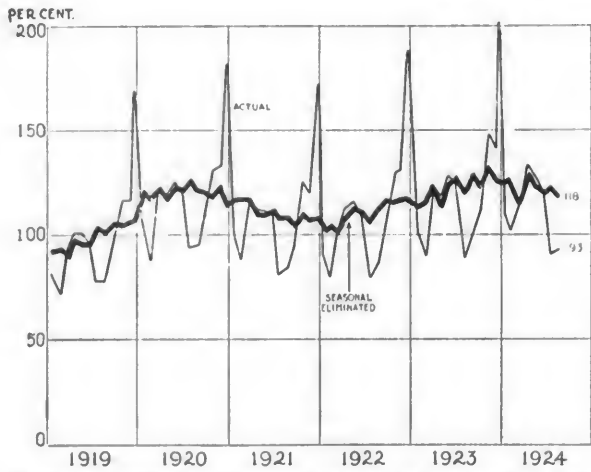
Wholesale prices, as measured by the index of the Bureau of Labor Statistics, increased 2 per cent. in August and were at about the same level as a year ago. The advance was due largely to further increases in



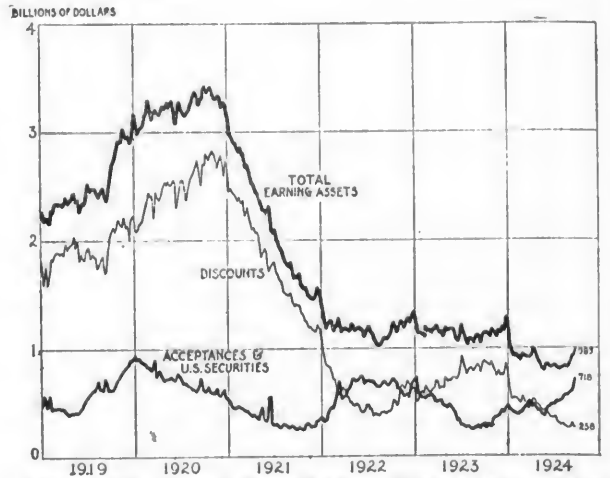
Index of 22 Basic Commodities Corrected for Seasonal Variation (1919 = 100 Per cent. Latest figure, August.)



Index of U. S. Bureau of Labor Statistics (1913 = 100 Per cent. base adopted by Bureau. Latest figure, August.)



Department Store Sales—Index of Sales of 333 Stores in 117 Cities (1919 = 100 Per cent. Latest figures, August.)



Reserve Bank Credit—Weekly Figures for 12 Federal Reserve Banks (Latest figures, September 17)

prices of farm products and foods, though all other commodity groups except metals and fuel also advanced. During the first three weeks of September prices of wheat, rye, wool, and rubber increased while those of cotton, silk, petroleum, and metals declined.

BANK CREDIT

Loans and investments of member banks in leading cities continued to increase during the four-week period ended September 10 and on that date reached a record figure about \$1,000,000,000 above the level of three months earlier. The largest increase was in loans on stocks and bonds, and commercial loans also increased, owing partly to seasonal demands for credit. The growth of investments by member banks continued though at a somewhat slackened rate.

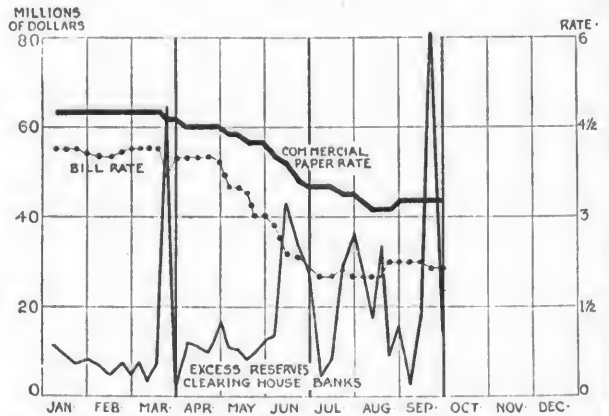
At the Federal Reserve Banks there was a further increase in the holdings of Government securities and of acceptances with the result that in the middle of September, although discounts were at the low point for the year, the total volume of Reserve Bank credit was higher than at any time since last spring. Seasonal increase in the demand for currency was reflected in a decline in cash reserve, and, at the Reserve Banks in certain of the agricultural districts in an increase of Federal Reserve note circulation.

Slightly firmer conditions in the New York money market in late August and early September were reflected in a slight advance in the rate on commercial paper from 3-3/4 to 3 1/4 per cent. After the middle of September a recurrence of easier conditions followed Treasury operations. The September 15 offering of one-year Treasury certificates bore 2 3/4 per cent. interest, the same rate as the six months issue sold in June.

Banking Conditions in the Second District

Between the 20th of August and the middle of September the total volume of credit extended by reporting banks in this district showed some reduction, reflecting a moderate movement of funds to the interior

apparently in response to fall agricultural needs. On the 15th of September the Treasury paid out for maturing notes, Liberty bond interest and miscellaneous items \$171,000,000, against which tax collections and other receipts aggregated only \$32,000,000, leaving a temporary excess of funds in market from Treasury operations amounting to \$139,000,000. As a result of this operation there was a sharp increase in total loans and investments, and deposits of New York City banks to new high figures for the year. As the collection of tax checks continued and funds were redistributed through the country by transfers, the excess of funds was rapidly reduced and a practical equilibrium was reached on September 23. While quoted rates in the money markets were relatively little affected by these changes, considerable amounts of funds were available outside the regular markets at lower rates for a week following the 15th.



Average Weekly Excess Reserves of New York City Clearing House Banks and Open Market Rates for 4 to 6 months Commercial Paper and 90-day Bills (Latest figures week ended September 27)

The accompanying diagram indicates the extent to which funds have accumulated in the New York market from time to time through the summer, and particularly

at the September 15 quarterly tax period. As banks have been largely out of debt to the Reserve Bank, imports of gold, return of currency from circulation, disbursements of government funds, and receipts of funds from other sources, have increased reserves here faster than they could be employed advantageously, with the result that banks have frequently shown substantial excess reserves instead of the very small surplus which has been customary for several years past.

At the Federal Reserve Bank of New York, the volume of discounts for member banks increased only slightly between August 20 and September 24. Bills bought in the open market, however, increased very substantially, and there was a small rise also in holdings of Government securities, so that total earning assets rose nearly \$50,000,000, and were larger than in any previous month since January.

Money Market

Increasing business activity, and the usual seasonal requirements for business and agriculture were reflected by a firmer tendency in the money market in the latter part of August and the first part of September. Following September 15 a large excess of Government disbursements over receipts in this market caused a recurrence of easier conditions which continued until the later part of the month.

An advance of 1/4 of 1 per cent. to 2 1/4 per cent. in the offering rate for 90 day bills in the latter part of August led to more active demand, and despite a seasonal increase in the volume of bills accepted, dealers' portfolios declined by the middle of September to approximately the lowest point of the year. Dealers' offering rates, accordingly, reverted to 2 per cent. but by the end of the month advanced again to 2 1/4 per cent.

Commercial paper rates, which had advanced from a range of 3-3/4 per cent. to 3 1/4 per cent. prior to September 15, held substantially unchanged at the higher level in the latter part of the month. Banks in New York City and other large centers were less active buyers, while supplies of paper were somewhat increased. During August, the volume of paper outstanding through 26 dealers rose \$32,000,000 to \$911,000,000, the highest since December 1920.

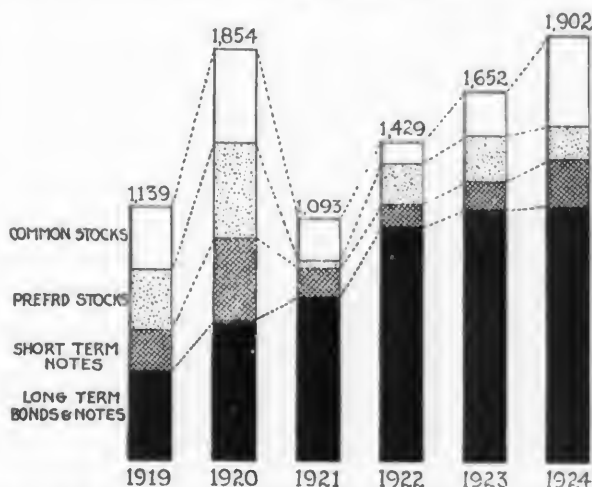
Time money rates on Stock Exchange collateral advanced to 3-3/4 per cent. for 60-90 day loans early in September, but following the 15th reacted to 2 1/4-2 3/4 per cent. After temporary firmness over the first of the month, call money reverted to 2 per cent. on the Exchange, though for a week following the 15th considerable amounts were reported lent outside the Exchange at lower rates. Towards the close of September there were again slight advances in call and time money rates.

Security Markets

Easier money conditions following September 15 were accompanied by increased activity in the bond market, and representative averages of corporation bonds reeov-

ered more than half the loss sustained in August. Liberty bonds likewise advanced, and the Treasury 4 1/4s reached a new high price at 106 7/32.

New security offerings continued in large volume and found a ready market. In the case of State and municipal issues, prices paid were the highest in some cases in recent years. Foreign financing was particularly heavy; the total of \$170,000,000 for the first four weeks of the month brought the amount since July 1 to about \$360,000,000, or only slightly smaller than the total for the entire first six months of the year. Domestic corporation financing was also large, both in August and September, due mainly to public utility and railway issues. The accompanying diagram compares domestic corporation issues, exclusive of refunding issues, by types of securities for the first seven months of this year and previous years, and indicates that new financing has been the heaviest in five years. Most of the issues have been long term bonds, but common stock issues have increased substantially, accompanying easy money conditions, and have been the largest since 1920.



New Issues of Domestic Corporation Securities, exclusive of Refunding Issues, in First Seven Months of the Years 1919-1924, in Millions of Dollars (Source of figures—Commercial and Financial Chronicle)

In the stock market, industrial price averages declined sharply in the early part of September, accompanying a number of announcements of dividend reductions or omissions, but as money grew easier after the 15th prices recovered most of this loss. Railroad stocks declined late in August and early in September, but likewise recovered in the later weeks.

Foreign Exchange

Larger seasonal offerings of cotton and grain bills were presumably factors in a further decline of 7 cents in Sterling early in September to \$4.42, or 15 cents below the high point reached in August, before the conclusion of the London Conference. Later in September, however, there was a recovery to around \$4.46.

Belgian and French francs held relatively steady during the month about $\frac{1}{2}$ cent below the August high point.

Spanish pesetas showed renewed weakness early in the month and reached the lowest levels since April, accompanying continued unfavorable reports of the Moroccan campaign. Danish rates, on the other hand, continued their recovery to the highest since May, and Swiss exchange reached a new high for the year about 1 per cent. of par. Canadian dollars were maintained at or close to par through most of the period.

Among South American exchanges, rates on Argentina and Brazil were both higher during the month. In the Far East quotations on Chinese and Indian exchanges likewise advanced, accompanying a rise in bar silver to $70\frac{1}{2}$ cents, a new high since 1922. Japanese exchange, on the other hand, declined about a cent to the lowest since May, notwithstanding that merchandise exports in August exceeded imports for the first time since 1922.

Gold Movement

Imports of gold in August totaling \$18,000,000 were slightly smaller than the previous low figure of the year, reached in July, and as exports of gold increased to over \$2,000,000, the import balance for the month was approximately \$16,000,000, or the smallest since April 1923. During the first four weeks of September, figures at the Port of New York alone indicated imports of only \$559,000 as against exports of \$2,600,000, the first excess of gold exports at this port since 1920.

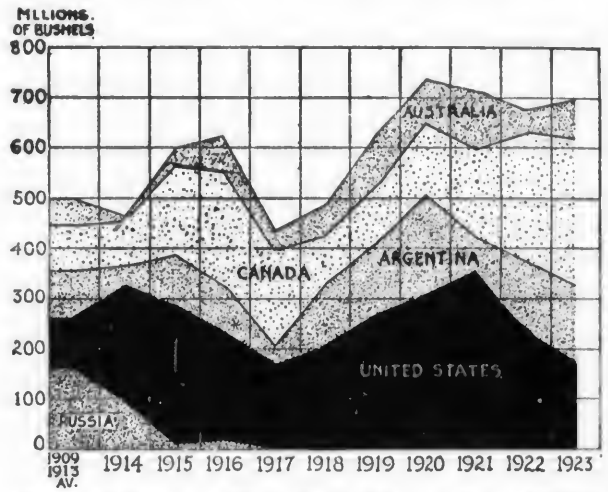
The decline in imports in recent months reflects in part the falling off in the shipments from England, which in August totaled only \$7,000,000, compared with \$23,000,000 in January. During recent months a much increased proportion of the South African gold output has been diverted to India, and Indian buying has likewise largely accounted for the increase in exports from this country. Further probable factors also in reduced gold imports have been the increase in foreign financing in this market, low short time money rates here, and a growing capacity of European countries for the absorption of gold as their finances become stabilized.

Foreign Trade

Increases of \$20,000,000 in shipments of grain and grain products, and of \$9,000,000 in shipments of cotton, were partly responsible for a rise in August of \$54,000,000 in the value of merchandise exports to \$331,000,000, the largest since May. As imports declined slightly to \$270,000,000, the month showed an excess of exports amounting to \$61,000,000, compared with a small excess of imports in July.

Exports of grains and grain products totaling nearly \$34,000,000 were the largest since November 1922, and continued heavy shipments of grain and larger shipments of cotton were reported for the early weeks of September. In the case of grains, the large shipments

reflect partly wheat buying diverted to this market by the shortage of the Canadian crop, which promises to be slightly more than half as large as last year. During the past two years Canada has been supplanting the United States as the principal exporter of wheat. The accompanying diagram, comparing exports of the principal wheat producing countries by calendar years since 1913 reflects this movement, and indicates also the large expansion in wheat shipments from this country that followed the withdrawal of Russia as a wheat exporting country after the beginning of the World War.



Exports of Wheat and Wheat Flour of Principal Wheat Exporting Countries by Calendar Years.

Foreign Shipments of United States Currency

Reports for August from 14 banks in New York City show a continued excess of receipts of United States currency from abroad over shipments to foreign countries. The amount of this excess, or \$7,700,000, however, was somewhat smaller than in July. The receipts of currency during the month were chiefly from Denmark, Finland, Poland, Greece, and Cuba. The following table gives comparative figures from May 1923 to August 1924.

1923 May to Dec. (monthly av.)	Shipments \$3,645,000	Receipts \$2,910,000	Net Shipments	Net Receipts
1924				
Jan.....	\$5,694,000	\$1,374,000	\$4,320,000	.....
Feb.....	6,989,000	1,463,000	5,526,000	.....
Mar.....	2,095,000	2,074,000	21,000	.....
Apr.....	940,000	2,091,000	.....	\$1,661,000
May.....	292,000	5,206,000	.....	4,914,000
June.....	681,000	6,969,000	.....	6,288,000
July.....	199,000	9,234,000	.....	9,035,000
Aug.....	117,000	7,817,000	.....	7,700,000
Total (1924)	\$17,007,000	\$36,738,000	\$9,867,000	\$29,598,000

The banks in this district also have forwarded since May 1923, \$32,000,000 to Cuba by wire transfer through this bank and the Reserve Banks of Boston and Atlanta. Of this amount \$17,000,000 has been forwarded this year.

Production

The increase in activity in some of the major basic industries, begun in June and July, was continued in August and the early part of September. Available indexes for producers' goods generally advanced in August, but indexes of consumers' goods declined in a number of cases.

Pig iron output increased 6 per cent. in August, and steel ingot production 36 per cent. over the July figures, and mills in the first part of September further increased their operations to around 60 per cent. of capacity, at which level they held steady. Unfilled orders of the Steel Corporation at the end of August showed the first increase since February. Larger buying in the industry is attributed chiefly to railway purchases of equipment, particularly freight cars, orders for which thus far this year have equaled the total for all of 1923.

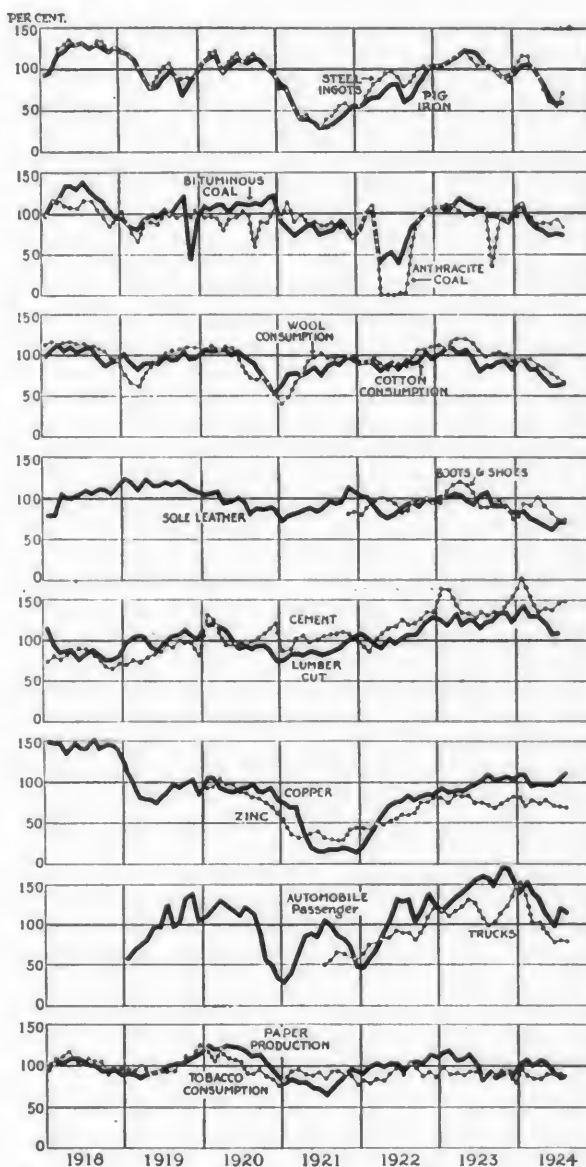
Mill consumption of cotton increased 10,784 bales, or 3 per cent., contrary to the usual seasonal tendency, and woolen mill operations increased for the first time since February. Further resumption of activity by cotton mills was reported during the early part of September.

In the automobile industry the output of cars and trucks increased 2 per cent. over July, and 9 per cent. over the June low point, but this bank's indexes, which allow for seasonal variation, declined slightly. Mining of bituminous coal also showed somewhat less than the

(Computed trend of past years=100 Per cent.)

	1923		1924	
	Aug.	June	July	Aug.
Producers' Goods				
Pig iron.....	110	66	57	58
Steel ingots.....	107	61	55	72
Bituminous coal.....	105	73	75	74
Copper, U. S. mines.....	111	99	104	112
Tin deliveries.....	99	71	60	84
Zinc*.....	73	71	70	68
Petroleum.....	146	124	123	126
Gas and fuel oil.....	92	101	97	.....
Cotton consumption.....	89	61	61	63
Woolen mill activity*.....	98	76	70	74p
Cement.....	130	138	147	149
Lumber.....	125	106	107	.....
Leather, sole.....	106	63	73	72
Consumers' Goods				
Cattle slaughtered.....	109	92	103	.....
Calves slaughtered.....	145	117	133	.....
Sheep slaughtered.....	79	93	93	.....
Hogs slaughtered.....	149	119	136	.....
Sugar meltings, U. S. ports.....	74	108	126	105
Wheat flour.....	116	120	118	113
Cigars.....	88	83	89	84
Cigarettes.....	85	86	80	78
Tobacco, manufactured.....	96	102	103	97
Gasoline.....	108	118	118	.....
Tires*.....	121	125	130	.....
Newsprint.....	115	106	104	104
Paper, total.....	93	90	85	87
Boots and shoes.....	90	82	73	74p
Anthracite coal.....	104	86	93	83
Automobile, all.....	145	92	113	106
Automobile, passenger.....	157	97	122	114
Automobile, truck.....	98	76	80	78

*=Seasonal variation not allowed for. p=Preliminary.



Monthly Production in Basic Industries. Seasonal Variation Allowed for. (Computed trend of past years = 100 Per cent.)

usual seasonal increase, and anthracite production continued below normal.

Cement and copper production, on the other hand, continued unusually large, and increases occurred also in the indexes for production of boots and shoes, and paper. The accompanying diagram shows the changes in a number of this bank's indexes of production during the past 6½ years; and the table gives the index numbers for recent months for a larger number of industries. In both cases, the indexes are expressed as per-

centages of the computed trend, after allowance for seasonal variation.

Indexes of Business Activity

Moderate increases occurred in August in the majority of this bank's indexes of trade and business activity. Bank debits after allowing for seasonal variation were larger than in July, and both in this district and for the country continued to exceed the figures of a year ago. Railway traffic showed a further increase and car loadings for the week of September 13 were the largest for the year. Loadings of grain, and of merchandise and less than car-load lot shipments reached levels higher than ever before, and coal loadings increased to the largest since March. While department store sales declined, sales by chain stores and wholesale trade showed an increase over July, but were not up to the level of last year. The following table gives the indexes of business activity in percentages of the computed trend, with allowance for seasonal variation and, where necessary, for price changes.

(Computed trend of past years=100 per cent.)

	1923	1924		
	Aug.	June	July	Aug.
<i>Primary Distribution</i>				
Car loadings, merchandise and misc.	102	99	96	100
Car loadings, other.	118	96	93	97
Wholesale trade, Second District.	109	76	89	94
Exports.	92	89	89	99p
Imports.	99	105	108	98p
Grain exports.	86	74	42	84
Panama canal traffic.	154	125	123	116
<i>Distribution to Consumer</i>				
Department store sales, Second District	101	91	93	87
Chain store sales.	98	93	93	95
Mail order sales.	81	103	82	81
Life insurance paid for.	112	105	109	100
Amusements receipts.	98	91	114	...
Magazine advertising.	102	103	99	92
Newspaper advertising.	100	93	86	89
<i>General Business Activity</i>				
Bank debits, outside of New York City.	100	99	99	101
Bank debits, New York City.	93	109	112	116
Velocity of bank deposits, outside of New York City.	97	98	95	98
Velocity of bank deposits, New York City	101	108	103	109
Postal receipts.	103	94	99	96
Electric power.	110	105	104	...
Employment, N. Y. State factories.	103	90	88	89
Business failures.	90	111	103	103

p=Preliminary.

Building

After declining steadily between April and July, the F. W. Dodge Corporation's figures of building contracts awarded throughout 36 States increased slightly in August, due chiefly to increases in middle western sections, and were 19 per cent. larger than in August a year ago. In New York City the increase in contracts

over a year ago was 9 per cent., and for the district as a whole 6 per cent.

Residential contracts continued to exceed all other types and were larger than a year ago for all reporting States, though slightly smaller in this district. Industrial building for the country likewise showed a moderate increase, but other types of building showed comparatively little change.

The Department of Labor index of building material prices, after declining 7 per cent. between April and July to the lowest point in more than two years, was unchanged in August. Building wage rates were likewise unchanged, but bonus payments have practically disappeared in recent months.

Employment and Wages

Both in New York State and for the country as a whole, the number of workers employed in manufacturing increased slightly between the middle of July and the middle of August for the first time since March, according to reports of the State and Federal Labor Departments. Average weekly wage earnings increased 1 per cent. and 4 per cent. for the State and country respectively, reflecting a reduction in part time employment. Since August reports have indicated a further gradual increase in factory employment, but a tendency for out-door work to diminish.

The chief increases in employment occurred in industries where it had been most curtailed, such as iron and steel, automobiles, some branches of the textiles, the furniture and piano industries, and plants producing leather, shoes, and leather goods. Road construction continued large, and building labor was generally actively employed.

The chief decreases in employment occurred in the building materials industries, which have heretofore been active, and in knit goods and hosiery mills and food industries, while in the apparel trades the seasonal increase in activity has been slow. A surplus of common labor continues in most sections, and a surplus of skilled mechanics is reported in some localities. The demand for farm labor has declined somewhat, so that despite the moderate increase in industrial activity, employment offices generally continued to find it difficult to place applicants for work.

Changes in wage rates continued comparatively few, and in most cases were reductions. In New England and the South a number of textile mills put into effect wage reductions of 10 to 12½ per cent. upon resuming more active operations.

Crop Conditions

Weather conditions during August benefited the spring wheat, oats, and flaxseed crops, and the Department of Agriculture's September 1 forecasts of yields were larger than on August 1. The corn crop, on the other hand, entered September with the lowest condition in 40 years, with three exceptions, and cool weather in the first half of the month delayed growth further. In this district the quality of the apple crop is far below normal as the result of wet weather, but hay, potatoes, and buckwheat promise good yields.

The severe dry weather in many sections of the cotton belt between August 16 and September 16 resulted in a reduction of 360,000 bales in the estimated yield, which at 12,600,000 bales promises to be one-quarter larger than the average harvest for the last three years. The following table compares the August and September forecasts with the final harvest of last year.

(In millions)

Crop	Unit	1924		1923 Harvest
		August 1 Forecast	September 1 Forecast	
Winter wheat.....	Bushel	589	589	572
Spring wheat.....	"	225	247	213
All wheat.....	"	814	836	785
Corn.....	"	2,576	2,513	3,046
Oats.....	"	1,439	1,486	1,300
Potatoes.....	"	480	488	509
Tobacco.....	Pound	1,202	1,195	1,491
Hay.....	Short ton	89	89	89
Cotton.....	Bale	13.0*	12.6*	10.1
Apples.....	Bushel	184	179	197

* As of the 16th.

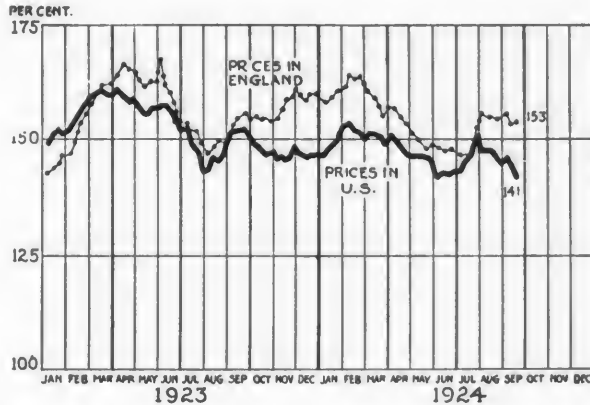
Commodity Prices

The tendency of prices of basic commodities, which was upward during the early summer, turned downward in the later part of August and in September, and this bank's weekly index of the prices of 20 basic commodities reached on September 20 the lowest level in two years. This decline was due principally to a reduction in cotton prices to 22¾ cents, the lowest in nearly two years and approximately 9 cents lower than at the end of July. Following the Government crop report issued on September 23, there was a recovery of about 4 cents.

Corn prices likewise declined in September, so that notwithstanding some recovery late in the month prices on the 27th were approximately 10 cents below the August high point. Hogs and steers fluctuated irregularly, but wheat prices advanced late in the month.

Silk prices were somewhat lower, and copper declined below 13 cents for the first time in two months, while steel prices were generally lower, and petroleum declined nearly to the low levels of last winter. Pig iron, on the

other hand, was steady, and prices of rubber, wool, and bituminous coal showed further advances. The following diagram shows the recent movements of this bank's weekly index of 20 basic commodities, compared with those of a similar index for Great Britain.



Price Indexes of 20 Basic Commodities in the United States and in England (1913 = 100 Per cent. Latest figures, September 20)

Wholesale Trade

Sales in August of representative wholesale dealers in this district showed a further increase of 31 per cent. over July, or more than the usual seasonal advance, and this bank's index of sales, in which adjustment is made for price changes and seasonal variation, rose to 94 per cent. of the computed trend, compared with 89 per cent. in July and 76 per cent. in June.

Sales of apparel showed particularly large increases, but remained smaller than the unusually large sales of August a year ago. Diamond sales, however, were in excess of those of last year, while silk sales were the largest for the month since 1919 and drug sales the largest for any August thus far reported. Trade in

Commodity	Dollar Value of August Sales (August 1923=100 Per cent.)				
	1920	1921	1922	1923	1924
Diamonds.....	90	59	93	100	107
Drugs.....	92	93	95	100	102
Dry goods.....	100	87	88	100	96
(a) Cotton.....	105	85	89	100	77
(b) Silk.....	95	89	87	100	114
Groceries.....	118	101	94	100	93
Stationery.....	141	89	93	100	90
Jewelry.....	153	86	95	100	90
Shoes.....	149	122	99	100	89
Hardware.....	125	70	86	100	82
Clothing.....	85	73	76	100	76
(a) Men's.....	90	56	69	100	86
(b) Women's dresses.....	75	90	86	100	68
(c) Women's coats and suits.....	86	78	75	100	71
Machine tools.....	178	30	60	100	72
Weighted Average.....	102	84	85	100	86

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stationery and hardware, on the other hand, continued the steady decline of recent months, and business in machine tools was again small.

The table at the foot of page 7 shows the detailed changes in the different lines as compared with August in previous years. The decline of 14 per cent. in the total as compared with last year is partly due to the fact that sales last year were unusually large.

Chain Store Sales

Total chain store sales in August were 11 per cent. greater than a year previous, due largely to the opening of new stores. Sales per store averaged 4 per cent. smaller than a year ago, reflecting decreases at shoe, grocery, candy, and drug stores. At dry goods and 10 cent stores, sales per store were larger than last year. The detailed comparisons are shown in the following table.

Type of Store	Number of Stores		Dollar Value of August Sales (August 1923=100 Per cent.)					Per cent. Change in sales per store August 1923 to August 1924
	Aug. 1923	Aug. 1924	1920	1921	1922	1923	1924	
Dry goods.....	543	622	75	75	78	100	121	+6.0
Shoe.....	302	371	102	89	90	100	115	-6.3
Ten cent.....	1,817	1,975	74	76	85	100	112	+3.4
Grocery.....	15,098	18,903	80	70	82	100	111	-6.0
Tobacco.....	2,754	2,797	95	94	94	100	102	+0.4
Candy.....	190	204	78	81	83	100	102	-5.1
Drug.....	312	316	92	89	92	100	98	-3.4
Total.....	21,916	25,188	80	75	84	100	111	-3.7

Department Store Sales

Sales of 63 leading department stores in this district were 7 per cent. smaller in August than a year previous. Among the factors in this decline were one less selling day in August this year than last and reduced employment and wage earnings. Sales of Rochester stores averaged slightly larger than a year ago, and Newark sales were within 1 per cent. of last year's volume. In other localities there were declines ranging from 4 to 13 per cent. in comparison with August 1923.

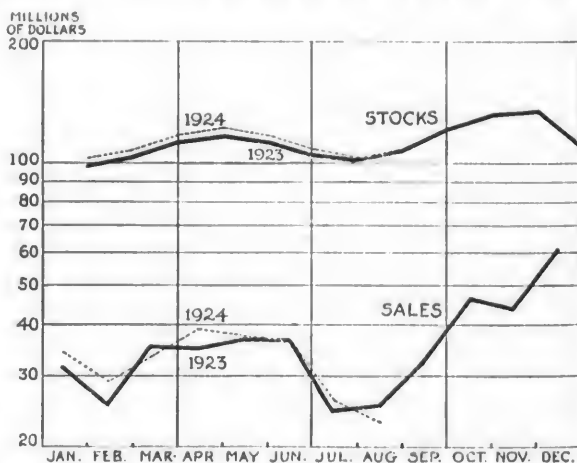
With the exception of hosiery, all major departments had smaller sales than a year ago. The reductions were largest in yard goods and women's clothing, but furniture and home furnishings, shoes, men's clothing, and miscellaneous merchandise also showed reductions. The average transaction amounted to \$2.54, compared with \$2.65 last year.

	Per cent. Change in Sales over August 1923	Per cent. Sales of each Dept. to Sales of all Departments
Hosiery.....	+ 1.0	3.2
Men's and Boys' wear.....	- 2.4	6.5
Women's and Misses' ready-to-wear accessories.....	- 3.2	14.6
Cotton goods.....	- 4.6	4.5
Shoes.....	- 4.7	3.4
Furniture.....	- 5.7	12.5
Home furnishings.....	- 5.7	15.2
Woolen goods.....	-10.2	1.8
Silk goods.....	-12.6	3.8
Women's and Misses' ready-to-wear.....	-12.7	7.7
Miscellaneous.....	- 7.8	26.8

Outstanding orders for merchandise on September 1 showed the usual seasonal increase, but were considerably smaller than last year. The value of stocks of merchandise on hand was the same as a year ago. This is the first time in nearly two years that stocks have failed to show an increase over the previous year.

Mail order sales showed a slight increase over August 1923. This bank's index of such sales, which allows for seasonal variation and price changes, was 81 per cent. of the computed trend, or slightly lower than in July. The following table shows the detailed comparative figures for department stores and mail order houses in August for the last five years.

	Net Sales during August (August 1923=100 Per cent.)					Stock on hand Sept. 1 (Sept. 1, 1923=100 Per cent.)				
	1920	1921	1922	1923	1924	1920	1921	1922	1923	1924
New York.....	88	85	91	100	91	115	92	93	100	100
Buffalo.....	94	89	90	100	89	117	91	89	100	92
Newark.....	97	91	90	100	99	122	97	91	100	101
Rochester.....	98	95	101	100	103	150	112	98	100	103
Syracuse.....	96	87	80	100	87	143	108	80	100	107
Bridgeport.....	117	98	93	100	96	123	106	105	100	103
Elsewhere, 2d Dist.....	94	87	93	100	96	107	98	95	100	98
Apparel.....	84	80	84	100	94	93	83	80	100	101
All dept. stores.....	80	86	90	100	93	115	93	92	100	100
Mail order houses.....	108	78	79	100	103	...	...	...	...	...



Sales and Stocks of Merchandise on Hand of Representative Department Stores in the Second District.