

MONTHLY REVIEW

of Credit and Business Conditions

Second Federal Reserve District

PERIODICAL ROOM
GENERAL LIBRARY
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Federal Reserve Agent

Federal Reserve Bank, New York

December 1, 1924

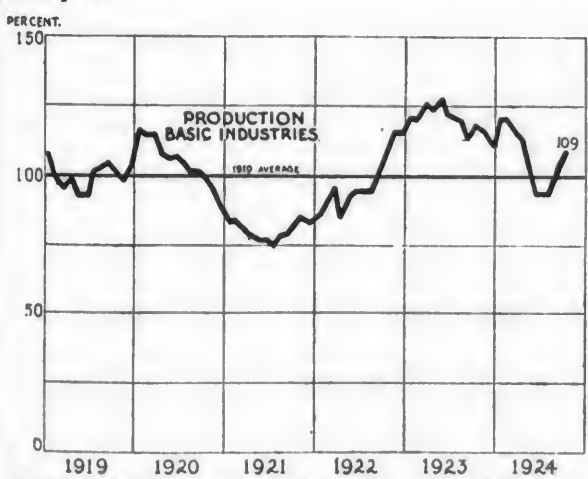
Business Conditions in the United States

PRODUCTION of basic commodities and factory employment showed further increases in October, and distribution of merchandise was in large volume. The general level of wholesale prices advanced, reflecting largely a rise in the prices of agricultural products.

PRODUCTION

The Federal Reserve Board's index of production in basic industries, adjusted to allow for seasonal variations, increased 6 per cent. in October, and was 16 per cent. above the low point of midsummer, though still considerably below the level of the early months of this year. Output of iron and steel, cotton and woolen textiles, lumber, and bituminous coal was substantially larger than the month before. Factory employment increased 2 per cent. in October, reflecting larger working forces in most of the manufacturing industries. Building contract awards increased and were 14 per cent. above a year ago.

Crop estimates by the Department of Agriculture in November showed increases in the expected yields of corn, cotton, tobacco, and potatoes. The movement of crops to market in October reached the largest volume in five years and exports of grain and cotton were in greater volume than in the corresponding month of any recent year.



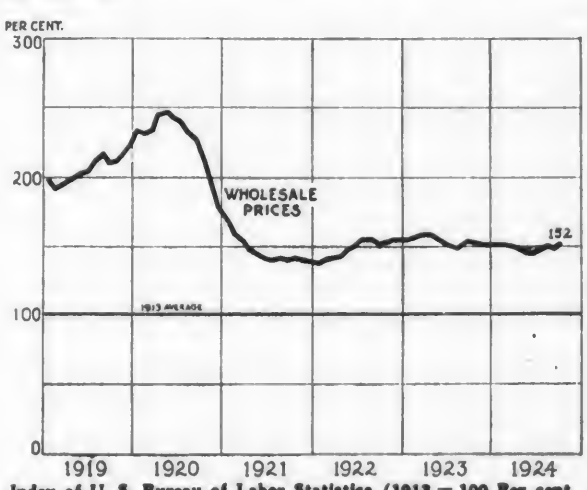
Index of 22 Basic Commodities Corrected for Seasonal Variation but not for year to year growth. (1919 = 100 Per cent. Latest figure, October.)

TRADE

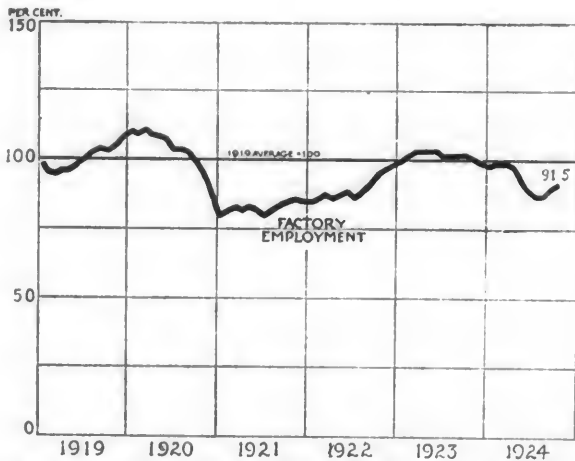
Railroad freight shipments were larger in October than in any previous month, owing to exceptionally heavy loadings of miscellaneous merchandise and grain. Wholesale trade increased 3 per cent., but was 2 per cent. less than in October 1923. Sales of dry goods, shoes, and hardware were considerably smaller than a year ago, while sales of groceries and drugs were larger. Department store sales showed a seasonal increase but were 4 per cent. less than last year, and sales of mail order houses and chain stores also increased and were in greater volume than in 1923. In preparation for Christmas trade merchandise stocks at department stores increased substantially and were 2 per cent. larger than a year ago.

PRICES

The wholesale price index of the Bureau of Labor Statistics rose 2 per cent. in October as a result of considerable advances in the prices of farm products and foods, and slight increases in the prices of clothing and chemicals. Fuel and metal prices declined and prices of building materials and house furnishings were practically unchanged. During the first half of November quotations on all grains, cotton, silk, copper, and rubber advanced, while prices of raw sugar and bituminous coal declined.



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



Index of Employment in Manufacturing Industries (1919 Average = 100 Per cent. Latest figure, October.)

BANK CREDIT

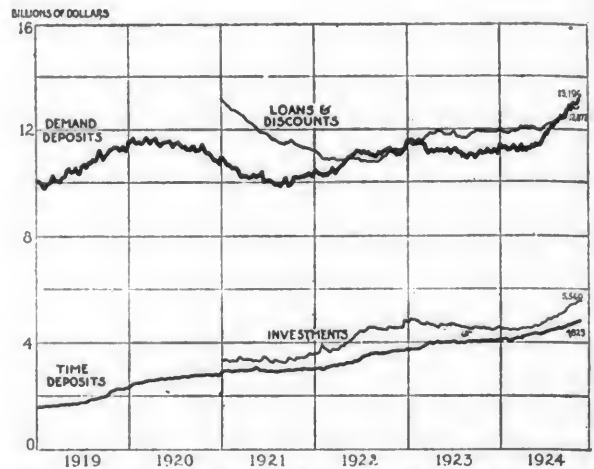
Loans for commercial purposes at member banks in leading cities, which had increased rapidly from the beginning of September to the middle of October, advanced only slightly in the following four weeks. The growth of loans secured by stocks and bonds was also relatively small, notwithstanding great activity in the securities market. Holdings of investments by these banks continued the increase which began in the early months of the year. A large part of the increase in demand deposits during the four weeks ended November 12, when they were higher than at any previous time, was in bankers' balances indicating a continued movement of funds to the large centers.

At the Reserve Banks an increase in earning assets was the result of larger offerings of acceptances, reflecting firmer money conditions. While discounts and holdings of United States securities remained practically unchanged during the four weeks ended November 19, the increase in acceptances carried total earning assets to the highest point since the early part of the year. Money in circulation increased in October for the third successive month and the total on November 1 was \$215,000,000 larger than in August.

Money rates continued to show a firmer tendency and by November 23 were generally from $\frac{1}{4}$ to $\frac{1}{2}$ of one per cent. higher than in October.

Banking Conditions in the Second District

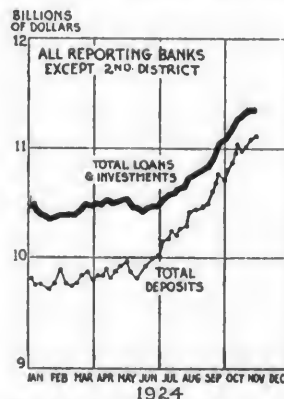
The volume of bank credit outstanding in this district showed some further increase in November and both the total loans and investments and the total deposits of the weekly reporting member banks reached levels somewhat higher than any previously touched this fall. The expansion, however, was not as rapid as during the summer and early fall, due partly to the termination of the seasonal increase in commercial loans. These loans remained close to the high point of the year, whereas ordinarily they decline considerably after the middle of



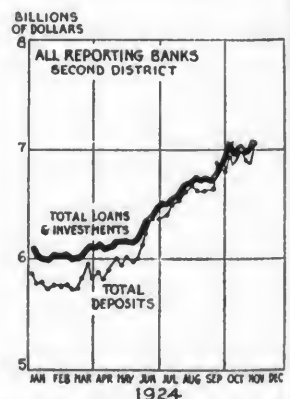
Member Bank Credit—Weekly Figures for Member Banks in 101 Leading Cities (Latest Figures, November 12.)

October. The volume of total loans secured by stocks and bonds has also been fairly constant, notwithstanding the activity and rising prices in the stock markets, but banks have continued to increase their holdings of investments, so that on November 19 both their holdings of United States Government securities and of other types of stocks and bonds stood at the highest levels of the year.

The following diagram indicates, through November 12, the recent course of loans and deposits of reporting member banks in this district and in all other sections of the country. On that date, loans and investments of these banks in the Second District were \$834,000,000 higher than on June 4, while deposits in the same period showed an increase of \$936,000,000.



Total Loans and Investments and Total Deposits of 636 Reporting Member Banks in Principal Cities Outside the Second District. (Latest figures, November 12.)



Total Loans and Investments and Total Deposits of 108 Reporting Member Banks in the Second District. (Latest figures, November 12.)

During the latter part of October and in November, the total earning assets of the New York Reserve Bank fluctuated about a fairly constant level, and at \$303,000,000 on November 26, were approximately \$70,000,000

below the highest point reached in October. This decline occurred in all forms of earning assets, including loans to member banks, and holdings of purchased bills and United States securities. Reflecting a larger demand for currency and some reduction of gold certificates in circulation, the volume of Federal Reserve notes in circulation increased and on November 26 was the largest since early in the year.

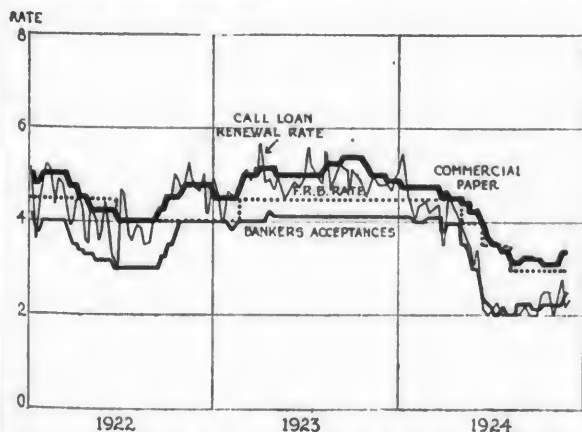
Money Rates

The slightly firmer money conditions apparent during the early fall became somewhat more marked during November, notwithstanding the completion of the harvesting and major marketing of the crops. Rates generally showed a further small advance, due to more active business conditions, a larger absorption of funds by the stock market, and an increase in currency in circulation.

In the bill market, firmer conditions were manifested by higher rates and a substantial increase in sales to the Reserve Bank. At $2\frac{3}{4}$ per cent. on purchases and $2\frac{5}{8}$ per cent. on sales of 90-day bills, dealers' open market rates at the end of the month were approximately $\frac{1}{2}$ of 1 per cent. above the summer low point. Yields offered on Government short term securities also showed considerable increases over the summer levels.

The open market rate on commercial paper advanced about $\frac{1}{4}$ of 1 per cent. to $3\frac{1}{2}$ per cent., or slightly higher than at any time since July. While demand in New York City decreased, supplies of paper were reported larger than at the end of October when the amount outstanding by 26 dealers stood practically at the high level since 1920.

In the Stock Exchange money market rates for 60-90 day time loans advanced to $3-3\frac{1}{2}$ per cent., compared with $2\frac{3}{4}-3$ per cent. during most of October, and $2\frac{1}{2}-2\frac{3}{4}$ per cent. at the summer low point. Call loan renewals continued to be typically $2\frac{1}{2}$ per cent., but late in the month the rate for new loans touched 4 per cent. for the first time since May.



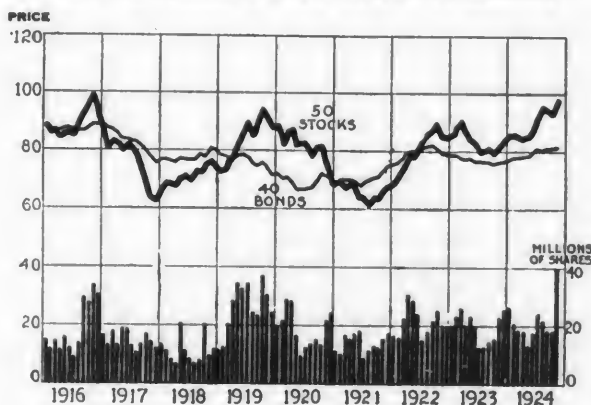
Call Loan Renewal Rates, Open Market Rates for 4-6 Months Commercial Paper and 90-Day Bankers Acceptances, and the Federal Reserve Bank Rediscount Rate by Weeks. (Latest figures, week of November 22)

Security Markets

Accompanying the most active trading since 1901, price averages of railway and industrial stocks rose after the election $6\frac{1}{2}$ to 7 points, and in the latter part of November stood at the highest levels in recent years. In the case of railway stocks, averages reached the highest points since 1917, but industrial stocks, despite large advances, remained generally about 10 points below the 1919 high levels. On 11 days trading exceeded 2 million shares, and the number of separate issues traded in during the month was larger than ever before.

The bond market following the election was also active and strong, particularly in the railway group, and corporation issues generally sold for a brief period at the highest level since 1922. Later in the month, however, as money conditions grew firmer, prices showed a reaction which was especially marked in United States securities.

The following diagram shows the monthly average movement of 50 stocks, both railway and industrial combined, since 1916, together with the movement of bond prices and the volume of stock market transactions.



Average Prices of 50 Stocks, both Railway and Industrial, and 40 Bonds, and number of Shares Sold on the New York Stock Exchange by Months. (November sales estimated)

The volume of new securities offered declined during the first part of November, but again became large later in the month, when the offerings included an issue of \$100,000,000 25 year 7 per cent. bonds of the French Government, sold at a price to yield about $7\frac{1}{2}$ per cent. Noteworthy among the offerings also were several domestic railway common stock issues, which have been rare in recent years, and the appearance of which reflects increased confidence in railway securities on the part of investors.

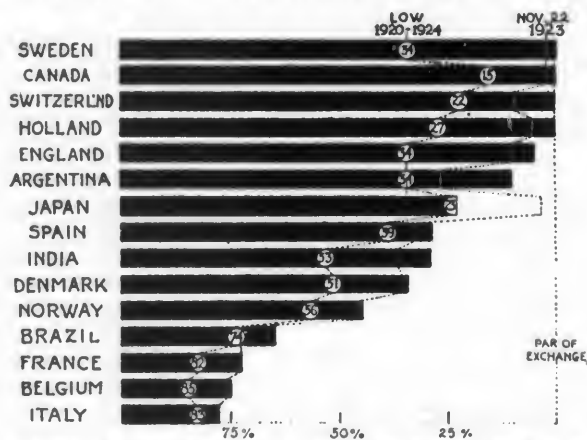
Foreign Exchange

Increased confidence with regard to European political and economic conditions, further American investment in foreign securities, and some transfer of balances overseas to take advantage of higher money rates there were major factors in a rising market for the principal exchanges except those of France, Belgium, Italy, and Austria.

Sterling advanced about 13 cents to \$4.64, the highest level since May 1923. Swedish exchange sold slightly above par, Dutch guilders reached par for the first time in five years, and Swiss francs were only slightly below parity. Rupees continued to establish new high levels since 1920, and substantial advances occurred also in Spanish, Norwegian, and Danish currencies. Japanese exchange, on the other hand, after a slight recovery, fell again practically to the October low point.

On October 29 trading was begun in New York in the new German reichsmark at its par value of 23.80 cents, and this quotation has since been maintained. The new unit is officially reckoned as equivalent in value to the former gold mark, to one rentenmark, or to one trillion paper marks.

The accompanying diagram, comparing a number of leading exchanges in per cent. depreciation from par in November this year with the depreciation existing last November and at the 1920-1924 low points, indicates the return of four exchanges to, or practically to, par. In addition to those represented in the diagram, a number of exchanges, including those of Austria, Italy, Hungary, and Czecho-slovakia, have been substantially stabilized, and currencies of Germany, Poland, Russia, and Latvia have been revaluated and held at the new par.



Foreign Exchange Rates in Per cent. Depreciation from Par in November 1924, November 1923, and at the 1920-1924 Low Points Compared.

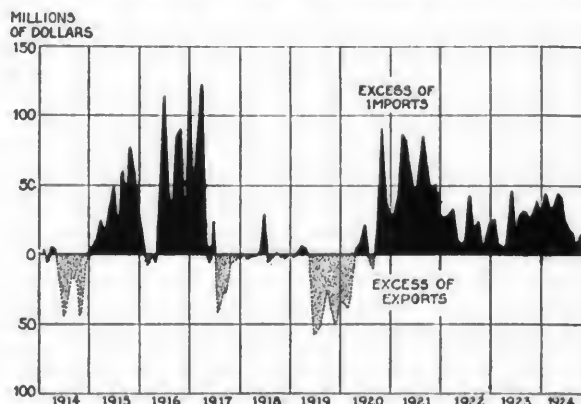
Gold Movement

Imports of gold, after declining to \$6,600,000 in September, increased in October to \$20,000,000, due chiefly to the receipt of \$13,000,000 from the Netherlands. As exports aggregated \$4,000,000, the excess of imports was \$16,000,000, an amount larger than in September, but otherwise the smallest since April 1923.

October imports from the Netherlands brought the total from that country for the first ten months of the year to \$48,000,000, or the largest amount from any country except Great Britain. During recent months

British shipments to this country have fallen off rapidly and in October there were no such shipments for the first time since January 1920.

For the first three weeks of November imports at the port of New York alone totaled \$14,000,000, representing about the same daily rate as in October. Exports totaling \$5,500,000, chiefly to England and South America, were at a somewhat higher rate than in October. The following diagram indicates the balance of trade in gold for the entire country by months through October.



United States Net Imports and Exports of Gold. (Latest figure, October.)

Foreign Shipments of United States Currency

The return flow of United States currency from circulation abroad continued in September and October with but little diminution, according to reports to this bank from 14 large banks in New York City which ordinarily handle a large part of this business. A feature of the movement lately, has been the large increase in the receipts from Germany, accompanying the stabilization of German currency. Such receipts in October amounted to over \$5,000,000, or more than two-thirds the total, compared with \$2,300,000 in June, and negligible amounts in the early months of the year. The following table gives comparative figures of shipments and receipts for all countries since May 1923.

	Shipments	Receipts	Net Shipments	Net Receipts
1923				
May to Dec. (monthly av.)	\$3,645,000	\$2,910,000	.....	.....
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	2,601,000	.....	\$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	7,317,000	.....	7,200,000
Sept.....	251,000	7,393,000	.....	7,142,000
Oct.....	247,000	7,248,000	.....	7,001,000
Total (1924)	\$17,505,000	\$51,379,000	\$9,867,000	\$43,741,000

Foreign Trade

For the second successive month merchandise exports in October increased by about \$100,000,000, and at \$527,000,000 were \$128,000,000 above October last year and the largest since January 1921. As imports increased by only \$23,000,000 to \$310,000,000, the excess of exports was \$217,000,000, likewise the largest since 1921.

Heavy exports of wheat and cotton continue to account in large part for the larger export totals. Wheat shipments increased \$24,000,000 over September and \$58,000,000 over October last year, to the highest value of any month, excepting one, since 1920. Cotton exports rose \$25,000,000 over September, and were \$7,000,000 greater than in October 1923, notwithstanding that prices were lower this year. There was also a moderate increase in the shipments of manufactured goods ready for consumption.

Among the imports, those of rubber increased 28 per cent. in tonnage, and were near the largest in recent years. Silk imports declined as compared with September, but remained 21 per cent. larger than October last year.

Indexes of Business Activity

Most of this bank's available indexes of distribution and general business activity reflect a continued expansion of trade in October.

Railway carloading of revenue freight reached in the week of October 25 the largest total ever recorded, due partly to new high levels reached in the movement of merchandise and miscellaneous freight, and in grain and grain products. The accompanying diagram indicates that the amount of wheat marketed prior to November 1 this year has been far in excess of that in any corresponding period in seven years. This heavy marketing has been reflected also in the greatly increased exports, the liquidation of much farm indebtedness, and a substantial gain of mail order sales in agricultural districts.

Bank debits in 140 centers, excluding New York City, in October were the largest for any month since early 1920, when prices were much higher. Increases occurred also in the indexes of factory employment and wholesale trade in October, but the index of department store sales was somewhat lower. The following table gives this bank's indexes of business activity in percentages of the computed trend, after allowance for seasonal variation and, where necessary, for price changes.

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

	1923		1924	
	Oct.	Aug.	Sept.	Oct.
Primary Distribution				
Car loadings, merchandise and misc.	107	100	103	108
Car loadings, other	101	97	100	98
Wholesale trade, Second District	113	94	102	103
Exports	85	98	106	111 ^p
Imports	106	92	106	106 ^p
Grain Exports	58	84	86	201
Panama canal traffic	132	116	125	
Distribution to Consumer				
Department store sales, Second Dist. ic.	100	87	101	96
Chain store sales	97	95	92	93
Mail order sales	100	81	103	103
Life insurance paid for	113	100	110	112
Magazine advertising	107	92	99	100
Newspaper advertising	98	89	93	
General Business Activity				
Bank debits, outside of New York City	101	101	99	105 ^p
Bank debits, New York City	92	116	111	105
Velocity of bank deposits, outside of New York City	98	98	92	94
Velocity of bank deposits, New York City	95	109	103	92
Postal receipts	101	96	100	101
Life insurance paid for	111	106	108	
Electric power	103	89	90	91
Employment, N. Y. State factories	104	103	87	105
Business failures	104			

^p=Preliminary

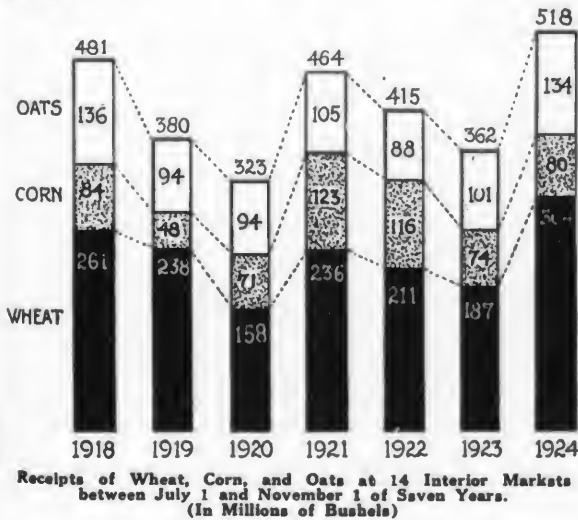
Production

The expansion of industrial activity in progress since midsummer continued during October and the first three weeks of November. Increases of output occurred in most of the major industries, but particularly in textile and iron and steel manufacturing.

Cotton consumption in October rose nearly 100,000 bales to 91 per cent. of normal, as measured by this bank's index, and in November some of the more important mills announced preparations for resuming full time operations. In the woolen industry many of the mills reported full time and in some cases overtime operations in October, and this bank's index of woolen mill activity rose above the computed trend, or normal, for the first time since November 1923.

Iron and steel production increased 10 to 20 per cent. in October to a point averaging about 50 per cent. above the July low point, and unfilled orders of the Steel Corporation at the end of the month showed the third successive increase. During the first three weeks of November total purchases of pig iron were said to have reached the unusually high figure of 1,000,000 tons, and more furnaces were put into blast.

Bituminous coal output in October amounting to 47,000,000 tons exceeded the September figure by 6,000,000 tons, and was the largest since January. Cement production was only 2 per cent. below the high



record reached in August, while copper mining was the largest since 1918. In the automobile industry, the output of passenger cars was slightly smaller than in September, and nearly one-fourth smaller than a year ago, but truck production was somewhat larger than in September, and in both cases the indexes of production show a slight increase, after allowance for seasonal variation.

The table gives the index numbers of production in recent months in percentages of the computed trend, after allowance for seasonal variation.

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

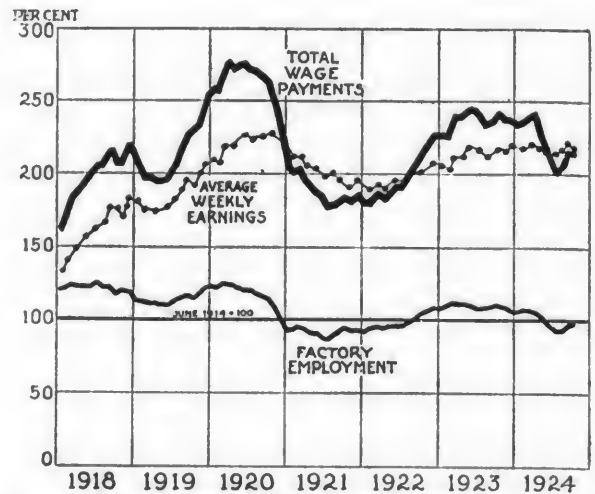
	1923		1924	
	Oct.	Aug.	Sept.	Oct.
Producers' Goods				
Pig iron.....	98	58	65	75
Steel ingots.....	101	72	82	86
Bituminous coal.....	99	74	88	94
Copper, U. S. mines.....	106	112	104	111p
Tin deliveries.....	98	84	85	88
Zinc*.....	73	68	66	69
Petroleum.....	142	126	124p	....
Gas and fuel oil.....	99	97	94	....
Cotton consumption.....	94	63	78	91
Woolen mill activity*.....	102	74	87p	102p
Cement.....	135	149	148	147
Lumber.....	137	104	113	123p
Leather, sole.....	91	72	78	81p
Consumers' Goods				
Cattle slaughtered.....	100	103	104	105p
Calves slaughtered.....	146	130	142	161p
Sheep slaughtered.....	77	87	87	94p
Hogs slaughtered.....	139	126	127	110p
Sugar meltings, U. S. ports.....	137	105	131	114
Wheat flour.....	104	114	125	111p
Cigars.....	95	84	91	86
Cigarettes.....	88	78	82	78
Tobacco, manufactured.....	96	97	107	102
Gasoline.....	107	116	119	....
Tires*.....	126	168	183	....
Newsprint.....	107	104	110	113
Paper, total.....	90	87	92	95
Boots and shoes.....	98	75	89	96p
Anthracite coal.....	95	83	91	83
Automobile, all.....	159	110	118	120
Automobile, passenger.....	171	118	122	124
Automobile, truck.....	113	78	99	104

*=Seasonal variation not allowed for p=Preliminary r=Revised

Employment and Wages

Factory employment in New York State showed a further increase of 1.2 per cent. in the month ended October 15, and on that date was nearly 5½ per cent. above the summer low point. While average weekly earnings of workers and total wage payments in the State were somewhat smaller than in September, due to the observance of religious holidays and Columbus Day, an upward tendency generally throughout the country, due to less part time operations, was indicated by increases of 2 per cent. in per capita wage earnings, and 3.7 per cent. in total wage payments reported by the Federal Department of Labor. The diagram below indicates the recent changes in factory employment, average weekly wage earnings, and total pay rolls of reporting firms in New York State.

The October increase in factory employment in this State was due partly to seasonal activity in the production of holiday articles, such as confectionery, neckwear,



Changes in Employment, in Total Wage Payments, and Average Weekly Wage Earnings in New York State Factories. (June 1914 = 100 Per cent. Latest figures, October.)

and leather goods, but was caused also by further gains in working forces of basic industries, such as the metals and textiles. In food products, clothing, and some branches of the building materials industries, on the other hand, employment showed a seasonal decrease. The following table indicates the changes in employment conditions in a number of basic industries of the State since the summer low point.

Per cent. Change from July to October

Industry	Number of Employees	Total Wage Payments
Iron and steel.....	+34	+49
Automobiles.....	+17	+27
Machinery.....	+3	+1
Cotton goods.....	+81	+106
Woolens and worsteds.....	+10	+13
Knit goods.....	+19	+29
Shoes.....	+5	+9
Men's clothing.....	-1	-7
Women's clothing.....	+63	+102
Furniture.....	+7	+14
Carpets and rugs.....	+7	+17
Cement.....	-4	-10
Brick.....	-29	-37

Notwithstanding these increases and some further gains in the first part of November, factory employment remained substantially below the high levels of the early months of the year, and State employment offices continue to report some surplus of labor, chiefly among unskilled and clerical workers, but, in some localities, among skilled workers as well. While employment in building and road construction has been unusually well maintained, due to the mild weather, completion of fruit picking released considerable labor from the farms.

The prevailing level of wage rates remains little changed, although scattered instances of decreases continue to occur, principally in the metals and textile industries. In New England, wage reductions by textile mills, accompanying the resumption of more active operations were a frequent, though not general, occurrence.

Building

Measured either by permits issued or contracts actually placed, the value of new building planned continued at high levels in October. Permits granted in 338 cities were 16 per cent. larger than in September and 3 per cent. above October last year, while contracts awarded gained 19 per cent. over September and were 14 per cent. greater than a year ago.

Comparison of the figures by districts, however, reveals considerable change recently in the sections of the country contributing most to continued expansion. Whereas during the early part of the year the New York district showed considerably larger gains over 1923 in contracts awarded than did the country as a whole, the reverse has been true in the past few months. The following table based on the figures of the F. W. Dodge Corporation reflects these tendencies.

	Per cent. Increase 1924 over 1923									
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.
New York State and Northern New Jersey...	69	87	77	79	27	8	7	6	9	1
All reporting districts...	23	7	15	19	-13	5	10	19	19	14

In the New York district, the October contracts, while only slightly above the unusually large total of October 1923, were 31 per cent. larger than in September and the largest since May. Both in the New York district, and for the country, a considerable factor in the larger contracts in October was increased totals for public works.

Wholesale Trade

Wholesale trade in this district in October continued at about the same level as in September but was smaller than in October 1923, due to unusually large sales last year in some lines, particularly clothing. This bank's index of trade, after allowance for seasonal variation and price changes, has advanced steadily since June, and in October stood at 103 per cent. of the computed trend, or normal.

Sales of women's coats and suits were somewhat smaller than in September, due possibly to the mild weather, and much below the large totals of last year, while business in shoes, dresses, and men's clothing was also smaller than a year ago. In the case of drugs, sales were below last October, but were otherwise the largest ever recorded, and trade in hardware and machine tools showed an improvement over recent months.

Sales of diamonds, stationery, and silk goods continued above last year, and those of jewelry were slightly larger than in any corresponding month since 1920. The following table gives comparative figures for October sales with those of previous years.

Commodity	Dollar Value of October Sales (October 1923=100 Per cent.)				
	1920	1921	1922	1923	1924
Diamonds.....	85	79	103	100	144
Stationery.....	138	80	105	100	115
Jewelry.....	136	73	96	100	102
Drugs.....	80	75	85	100	98
Dry goods.....	65	78	93	100	97
(a) Cotton.....	65	81	88	100	86
(b) Silk.....	65	76	98	100	108
Groceries.....	104	85	93	100	93
Hardware.....	94	72	85	100	93
Clothing.....	82	70	87	100	93
(a) Men's.....	80	84	76	100	98
(b) Women's dresses.....	93	61	107	100	90
(c) Women's coats and suits..	62	61	83	100	82
Shoes.....	86	106	97	100	91
Machine tools.....	169	33	116	100	85
Weighted Average.....	86	77	90	100	93

Chain Store Sales

October sales by reporting chain store systems were the largest since December 1923 and 14 per cent. larger than in October last year, due partly to the opening of new stores. The volume of sales per store, however, also increased and was slightly larger than a year previous for the first time since April. This was due to increases in the sales of 10-cent and grocery stores. In other reporting lines, sales per store remained below last year, although, except in shoe stores, the percentage of decrease was smaller than has recently been the rule. The following table indicates the changes in chain store trade in October, as compared with October of previous years.

Type of Store	Per cent. Change in Number of Stores October 1923 to October 1924	Dollar Value of October Sales (October 1923=100 Per cent.)					Per cent. Change in Sales per store October 1923 to October 1924
		1920	1921	1922	1923	1924	
Grocery.....	+16.6	74	70	80	100	118	+ 4.4
Dry goods.....	+16.7	69	69	77	100	114	- 2.6
Ten cent.....	+ 8.1	73	78	86	100	113	+ 4.4
Candy.....	+ 8.6	81	76	81	100	107	- 1.3
Tobacco.....	+ 4.3	109	100	92	100	104	- 0.3
Drug.....	+ 1.7	92	91	92	100	102	- 0.2
Shoe.....	+20.6	103	94	87	100	101	-16.5
Total.....	+13.8	77	76	83	100	114	+ 0.5

Department Store Sales

October sales of department and apparel stores in this district were 3 per cent. larger than in October last year, whereas in September they were 12 per cent. larger, and in August 7 per cent. smaller than a year previous. Sales of Newark and Bridgeport department stores showed considerable increases, and smaller gains occurred in the sales of reporting stores in Buffalo, Rochester, and New York City. In Syracuse and other localities not shown separately, October sales were slightly below those of a year previous. A substantial increase in the sales of the large apparel stores was due largely to an expansion of store facilities.

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Furniture and cotton goods showed the largest increases in sales over a year ago, but smaller gains appeared in home furnishings, hosiery, men's clothing, shoes, women's ready-to-wear accessories, and woolen goods. Sales of women's clothing and silk goods were somewhat smaller than in October 1923. The average amount of each sales check was \$3.26, compared with \$3.29 last year.

	Per cent. Change in Sales over Oct. 1923	Per cent. Sales of each Dept. to Sales of all Departments
Furniture.....	+16.6	7.5
Cotton goods.....	+12.8	3.0
Home furnishings.....	+ 5.6	19.4
Hosiery.....	+ 4.6	2.7
Mens' and Boys' wear.....	+ 2.3	7.9
Shoes.....	+ 1.9	3.1
Women's ready-to-wear accessories.....	+ 1.5	13.2
Woolen goods.....	+ 0.5	3.7
Women's and Misses' ready-to-wear.....	- 3.8	11.0
Silk goods.....	- 4.8	3.7
Miscellaneous.....	+ 0.9	24.8

Stocks of goods on hand on November 1 were 4 per cent. larger than a year ago, partly due to the retarding effect of mild weather on sales of apparel, and to the store expansion previously referred to. Excluding the apparel stores, stocks of merchandise were little changed from a year ago. The percentage of outstanding orders for merchandise to total purchases of the stores during the previous year shows a seasonal decline from 8.2 per cent. on October 1 to 6.8 per cent. on November 1, a figure practically the same as that on November 1, 1923.

Mail order sales increased about one-third from September to October, or approximately the usual seasonal amount, and were 6 per cent. above October last year. This bank's index of mail order sales, in which allowance is made for seasonal variation and price changes, was 3 per cent. above normal, as determined by the trend of past years.

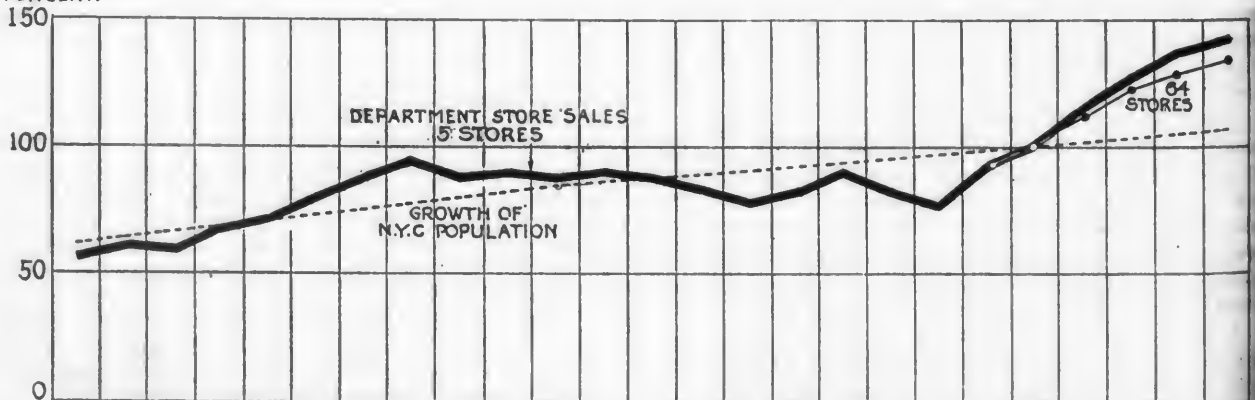
	Net Sales during October (October 1923=100 Per cent.)					Stock on hand Nov. 1 (Nov. 1, 1923=100 Per cent.)				
	1920	1921	1922	1923	1924	1920	1921	1922	1923	1924
New York.....	84	87	90	100	101	104	90	87	100	100
Buffalo.....	87	88	96	100	102	115	100	92	100	108
Newark.....	82	80	88	100	106	107	89	86	100	102
Rochester.....	90	86	92	100	103	120	88	85	100	101
Syracuse.....	96	89	92	100	99	138	92	90	100	100
Bridgeport.....	108	95	98	100	106	118	100	100	100	99
Elsewhere, 2d Dist.....	98	104	94	100	98	98	96	89	100	99
Apparel.....	83	89	95	100	114	80	81	87	100	137
All stores.....	85	87	91	100	103	105	90	88	100	104
Mail order houses.....	76	66	82	100	100	...	...	...	...	...

Department Store Sales Since 1900

Through the courtesy of five large department stores located in New York or nearby cities this bank has been able to secure a continuous annual record of department store sales extending back to 1900. The figures supplied include the sales of five stores from 1911 to 1924, of four stores from 1902 to 1910, and of three stores for 1900 and 1901. These figures adjusted for price changes and reduced to percentages of 1920 sales, have been plotted in the accompanying diagram, together with the sales of the 64 department stores reporting in this district since 1919, and growth of population in New York City over the 24 years.

In general, it is clear that the long term trend of department store growth has conformed fairly closely to the rate of growth of the population, which has ranged from 2 to 4 per cent. a year. While the period of generally increasing prosperity and rising wages extending from 1900 to 1907 witnessed a relatively rapid growth in department store business, this was followed by a long period during which sales fell below the population trend. Beginning again in 1919, and corresponding with a period of high real wages, department store trade has experienced another very rapid expansion, approximating 8 per cent. a year in this district. It is noticeable, however, that during the past two years the curve of this increase has tended to flatten out somewhat.

PERCENT.



Annual Sales of Selected Department Stores in New York and Nearby Cities, 1900-1924, Compared with Growth of New York City Population and Sales of 64 Stores from 1919 to 1924. (1920 = 100 Per cent., 1924 Sales Estimated)

