

SEP 13 1924

# MONTHLY REVIEW

## of Credit and Business Conditions

### Second Federal Reserve District

Federal Reserve Agent

Federal Reserve Bank, New York

September 1, 1924

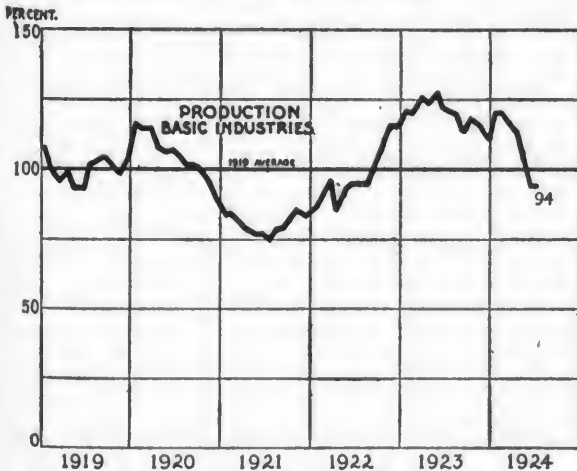
#### Business Conditions in the United States

**P**RODUCTION in basic industries, after a considerable decline in recent months, was maintained in July at the same level as in June. Factory employment continued to decline. Wholesale prices increased for the first time since early in the year, reflecting chiefly the advance in the prices of farm products.

#### PRODUCTION

The Federal Reserve Board's index of production in basic industries, which had declined 22 per cent. between February and June, remained practically unchanged during July. Iron and steel and woolen industries showed further curtailment, while production of flour, cement, coal, and copper was larger than in June. Factory employment decreased 4 per cent. in July owing to further reduction of forces in the textile, metal, and automobile industries. Building contract awards showed more than the usual seasonal decline in July, but were 10 per cent. larger than a year ago.

Crop conditions, as reported by the Department of Agriculture, were higher on August 1 than a month earlier. Estimated production of nearly all of the principal crops except tobacco was larger than in July and the yields of wheat, oats, rye, and cotton are expected to be considerably larger than last year.



Index of 22 Basic Commodities corrected for seasonal variation (1919 = 100 Per cent. Latest figure July)

#### TRADE

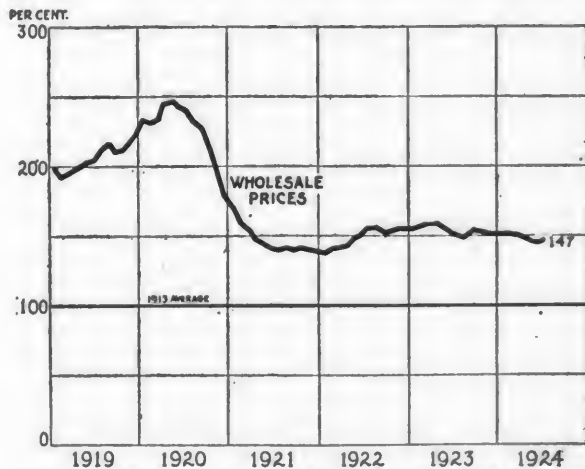
Railroad shipments increased in July owing to larger loadings of miscellaneous merchandise, grain, and coal. Wholesale trade was 3 per cent. larger than in June, owing to increased sales of meat, dry goods, and drugs, but was 3 per cent. smaller than a year ago. Retail trade showed the usual seasonal decline in July, and department store sales were one per cent. greater and mail order sales 7 per cent. less than a year ago. Merchandise stocks at department stores continued to decline during July and were only slightly larger at the end of the month than a year earlier.

#### PRICES

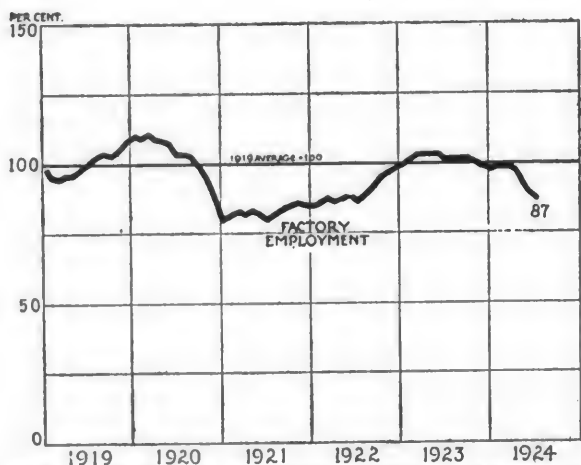
Wholesale prices, as measured by the index of the Bureau of Labor Statistics, increased more than one per cent. in July. Prices of farm products, foods, and clothing increased, while prices of building materials again declined sharply, and prices of metals, fuel, and house furnishings also decreased. During the first half of August quotations on corn, beef, sugar, silk, copper, rubber, and anthracite advanced, while prices of cotton, flour, and bricks declined.

#### BANK CREDIT

Commercial loans of member banks in leading cities, owing partly to seasonal influences, increased considerably early in August. Loans secured by stocks and



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



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

bonds and investments continued to increase, so that at the middle of August total loans and investments of those banks were larger than at any previous time. Further growth of demand deposits carried them also to the highest level on record.

Between the middle of July and the middle of August, Federal Reserve Bank discounts for member banks declined further and their holdings of acceptances decreased somewhat. United States security holdings increased, however, and total earning assets of Federal Reserve Banks remained practically unchanged.

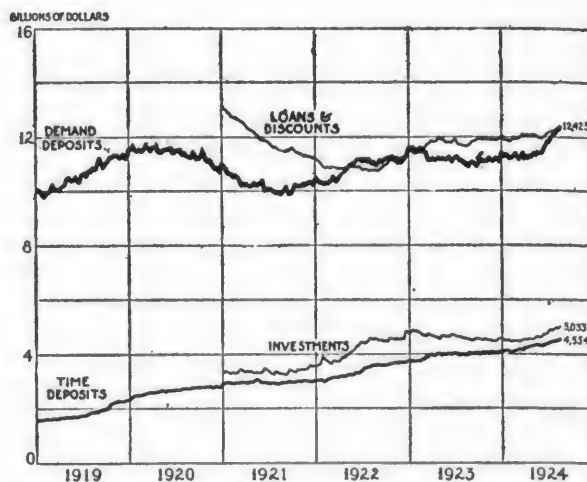
Continued easing in money rates in the New York market during July and early in August is indicated by a decline of  $\frac{1}{4}$  of one per cent. in prevailing rates for commercial paper to  $3\frac{3}{4}$  per cent. After the middle of August there was some advance in open market rates for bankers acceptances and short term Government securities. During August the discount rate at the Federal Reserve Bank of New York was reduced from  $3\frac{1}{2}$  to 3 per cent. and at the Federal Reserve Banks of Cleveland and San Francisco from 4 to  $3\frac{1}{2}$  per cent.

### Banking Conditions in the Second District

During the four weeks ended August 13 the expansion of bank credit in this district continued at a rapid pace. The total loans and investments of the weekly reporting member banks in principal cities rose an additional \$166,000,000 and exceeded the highest point reached in 1919, while total deposits increased by a nearly equal amount and likewise reached levels higher than ever before.

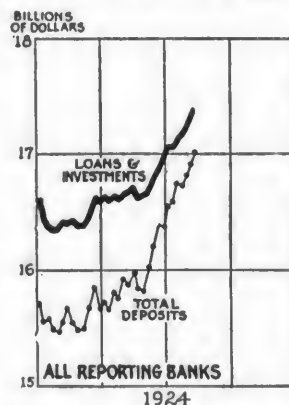
As in the preceding months, these increases reflected chiefly further advances in investments and in loans on stocks and bonds. Loans made largely for commercial purposes, however, showed some upward tendency early in August, accompanying other evidences of somewhat more active business conditions within the district.

Both in this district and elsewhere the expansion of bank credit has occurred chiefly in the financial centers,

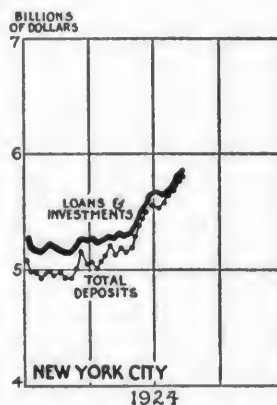


Member Bank Credit—Weekly Figures for 750 Member Banks in 101 Leading Cities (Latest figures August 13)

and particularly in New York City. The accompanying diagram shows the degree of expansion since March this year in the loans and deposits of the reporting member banks in leading cities throughout the country, and indicates that about \$700,000,000 of the increase in loans and \$900,000,000 of the increase in deposits occurred in the New York City banks alone.



Total Loans and Investments and Total Deposits of 750 Reporting Member Banks in Principal Cities in the United States (Latest figures August 13)



Total Loans and Investments and Total Deposits of 87 Reporting Member Banks in New York City (Latest figures August 13)

The cause of these increases in loans and deposits of New York City banks may be found in a movement of funds from the interior, the return of currency from circulation resulting from reduced business activity, and continued gold imports (though in smaller amounts than formerly). The effect of these movements on the volume of credit has been accentuated by the fact that the New York banks have largely extinguished their indebtedness at the Reserve Bank and any additional funds received may be added to their reserve balances and form a basis for increased loans and investments. The following table, giving a rough balance sheet of changes from the middle of July to the middle

of August and since March 5, in the major resource and liability items of reporting member banks in this city, reflects the increases that have taken place in reserve balances, despite declines in rediscounts and bills payable, and indicates the character of the expansion of loans and deposits.

(In millions of dollars)

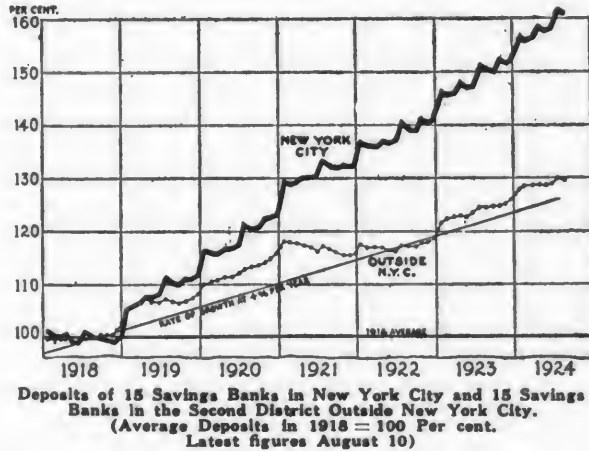
	Reporting Member Banks in New York City	
	July 16 to Aug. 13	March 5 to Aug. 13
<b>RESOURCES:</b>		
Loans on stocks and bonds.....	+ 57	+372
All other loans (commercial).....	+ 43	- 11
Investments.....	+ 51	+322
<b>Total loans and investments.....</b>	<b>+151</b>	<b>+683</b>
Balances at Federal Reserve Banks.....	+ 16	+151
Due from banks.....	- 3	+ 21
Cash.....	+ 1	0
<b>Total (selected items only).....</b>	<b>+165</b>	<b>+855</b>
<b>LIABILITIES:</b>		
Net demand deposits.....	+120	+776
Time deposits.....	+ 34	+118
Government deposits.....	0	- 17
<b>Total deposits.....</b>	<b>+154</b>	<b>+877</b>
Bills payable and rediscounts.....	- 5	- 20
<b>Total (selected items only)<sup>1</sup>.....</b>	<b>+149</b>	<b>+848</b>

<sup>1</sup> The difference between this total and total resources may be accounted for by changes in items not reported and the fact that net demand deposits as reported do not include all "due to banks," which have increased 56 millions since July 16 and 302 millions since March 5.

During the greater part of the past month the volume of member bank borrowing from the Federal Reserve Bank of New York continued to decline, and on August 20 reached a new low point since 1917. At the same time, member bank reserve balances continued to increase and on August 13 reached levels higher than ever before. In the latter part of the month, however, a change occurred in the direction of certain of these movements. Accompanying some increase in general business activity and enlarged seasonal demands from agricultural sections, there was a movement of funds out of this district, resulting in a decrease in member bank reserves and an increase in the volume of borrowing from the Reserve Bank.

### Savings Bank Deposits

Deposits of representative savings banks in this district decreased slightly between July 10 and August 10, due to withdrawals following the crediting of semi-annual interest, but were above the average for the first quarter of the year, notwithstanding recessions in business activity in recent months. The accompanying diagram shows the growth of deposits since 1918 in New York City and elsewhere in the district, together with the increase which would have taken place if no new deposits had been made but the interest on old deposits left to accumulate at an annual rate of 4 per cent. For banks outside of New York City the increase since March has been somewhat below the 4 per cent. rate, whereas for New York City banks the increase has been considerably in excess of this rate.



### Money Markets

The easy money conditions of July continued during the first two weeks of August, but after the middle of the month the money market became slightly firmer, reflecting seasonal requirements for credit for commercial purposes, increased demand from the financial markets, and some tendency for funds to move from New York to the interior.

An inactive demand for bankers bills, together with an increase in the supply resulting from a partial liquidation by banks of their holdings, led to a moderate increase in dealers' portfolios, and rates on 90 day bills were generally raised 1/4 of one per cent. to 2 3/8 per cent. on purchases by dealers and 2 1/4 on sales by them. Yields on short Treasury securities also tended upward, particularly on issues maturing in 10-12 months.

The open market rate on prime commercial paper declined early in August an additional 1/4 of one per cent. to 3-3 1/4 per cent., as the result of active buying by banks in New York and other large centers. Later in the month the undertone became slightly firmer. The total volume of paper outstanding through 26 reporting dealers increased slightly in July to \$879,000,000.

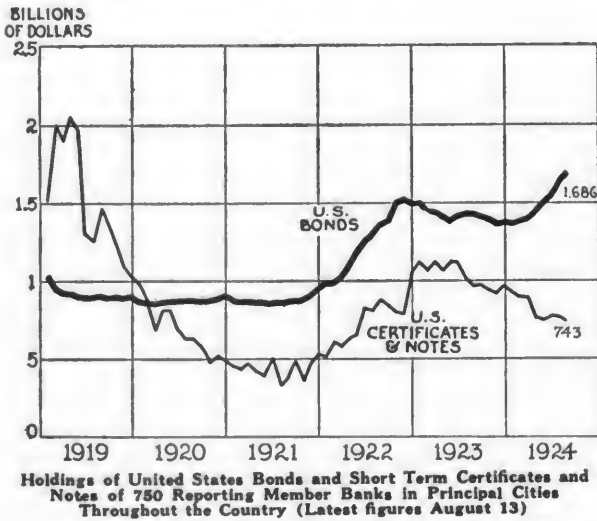
Time money rates on stock exchange collateral, after declining slightly early in August reverted to approximately the average level of July, which was 2 3/4-3 per cent. for 60-90 day loans and 3 1/4-3 1/2 per cent. for four to six months maturities. The rate on call money remained 2 per cent.

### Security Markets

Easy money conditions during the greater part of August were accompanied by continued activity and strength in the bond market. Nearly all the active Government issues reached new high prices, and foreign bonds were conspicuously strong and active, reflecting a more favorable prospect for the adoption of the Dawes plan in Europe. In many cases prices in this group reached new high levels since the date of issuance. Late in the month as money conditions grew firmer there

were reactions of  $\frac{3}{4}$  to over a full point in Government issues and corporation bond averages.

The extent to which bank buying has been a factor in higher bond prices this year is indicated by a rise of nearly \$600,000,000 since the March low point of the year in the security investments of the weekly reporting member banks. The accompanying diagram comparing the changes in the Government security holdings of these banks by months for recent years, indicates that in this group at least the increases in holdings in past months have been in long term bonds, as holdings of short term securities have declined to the lowest since 1922. During this period, the amounts both of long term and short term Treasury issues outstanding have been reduced, but the reductions have been larger in the short term issues. Furthermore, since the end of last year, the holdings of Treasury short term issues by the Reserve Banks have considerably increased.



The volume of new security issues was exceptionally large in August. Offerings included a large railway re-funding loan and several important foreign issues in addition to a variety of smaller industrial and public utility issues. Since the first of the year issues involving new capital have continued to be substantially larger than last year, due mainly to larger flotations of common stocks, foreign bonds, and bonds of domestic States and municipalities.

In the stock market trading continued generally active and prices advanced to new high levels for the year. Railroad price averages rose above the 1922 high levels, which were the highest for recent years, while industrial stock averages reached the highest levels since April 1920. Later in the month there was some reaction from these levels.

### Foreign Shipments of United States Currency

The return flow of United States currency from circulation abroad continued to increase in July, when net receipts of \$9,035,000 by banks in this district were the

largest thus far reported. As in the previous months the larger net receipts were due chiefly to smaller shipments to central and eastern Europe, where currency reforms have been in progress, and to larger receipts from Germany, Holland, England, and Switzerland. The following table gives the detailed figures by months.

	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.....	2,005,000	2,074,000	21,000	.....
Apr.....	640,000	2,601,000	.....	\$1,661,000
May.....	292,000	5,206,000	.....	4,914,000
June.....	681,000	6,989,000	.....	6,288,000
July.....	199,000	9,234,000	.....	9,035,000
Total (1924).	\$16,890,000	\$28,921,000	\$9,867,000	\$21,898,000

In addition to direct shipments since May 1923, banks in this district have forwarded \$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.

### Foreign Exchange

Progress of negotiations at the London Conference of Allied and German representatives on the Dawes plan was presumably an important factor in a further rise of nearly 16 cents in sterling exchange early in August to \$4.57, a new high level for the year. French and Belgian francs also advanced substantially and at 5.74 and 5.25 cents respectively were the highest in three months. Following the conclusion of the conference, sterling and francs lost about one-third of the advances previously made in the month.

The Canadian dollar in August reached par for the first time since 1922. Dutch and Swiss exchanges also advanced considerably in August, and other European exchanges were generally little changed, or somewhat firmer. Brazilian quotations fluctuated irregularly, according to reports of internal political conditions.

Among the far eastern exchanges Indian rupees advanced over  $2\frac{1}{4}$  cents to the highest since January 1923, apparently reflecting increased export trade and higher prices for silver. Chinese rates were also higher, while Japanese yen continued comparatively steady at about 3 cents above the April low point.

### Gold Movement

The decline in the volume of gold imports which began in June continued in July. The total of \$19,000,000 for the month was the smallest since April last year and less than half the average of the first five months of this year, and at the Port of New York imports in the first twenty-seven days of August were at about the same rate as in July. Gold exports in July totaled only \$327,000.

The decline in gold imports accompanied a larger volume of foreign issues sold in this market, a decline in

the export trade balance of the United States, and larger competition by India in the London market for South African gold. During recent months imports to this country from England have declined from around \$20,000,000 monthly to about \$13,000,000. The accompanying table shows the total gold imports and exports of this country for the first seven months of the year.

Month	Imports	Exports	Excess of Imports
January.....	\$45,135,760	\$ 280,723	\$44,855,037
February.....	35,111,269	505,135	34,606,134
March.....	34,322,375	817,374	33,505,001
April.....	45,418,115	1,390,537	44,027,578
May.....	41,073,650	593,290	40,480,360
June.....	25,181,117	268,015	24,913,102
July.....	18,834,423	327,178	18,507,245
Total.....	245,076,709	4,182,252	240,894,457

**Silver Exports**

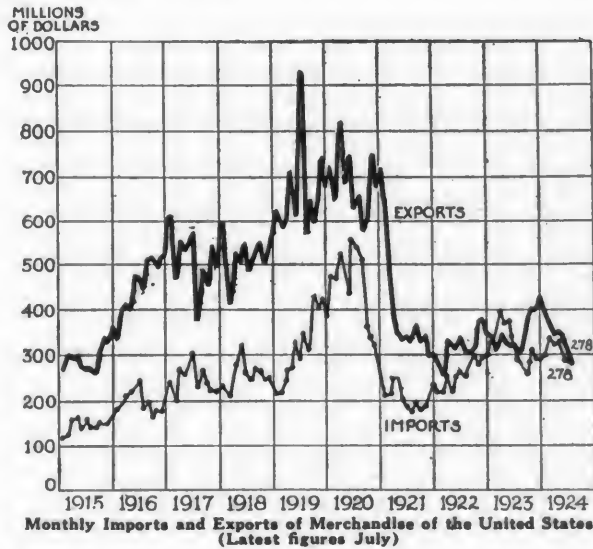
During the first seven months of this year exports of silver from this country have exceeded imports by \$19,000,000, compared with excess imports of nearly \$8,000,000 in the same period of 1923 and over \$3,000,000 in 1922. This reversal of the silver movement accompanies larger requirements for settling trade balances with India, whose export trade, particularly in cotton, has been unusually large, and reflects also a revival of the demand for silver from Poland, Germany, and other European countries in connection with their recoinage programs. Recent instances of substantial purchases by foreign governments in this market were an order in June for 6,400,000 ounces of silver by the Polish Government, to be coined in this country, and an order by the German Government in August for 4,000,000 ounces.

The prices of bar silver in New York, which, since the cessation of purchases by the Treasury under the Pittman Act, have been holding at about 64 cents, have advanced in the past three months to above 69 cents, the highest since October 1922.

**Foreign Trade**

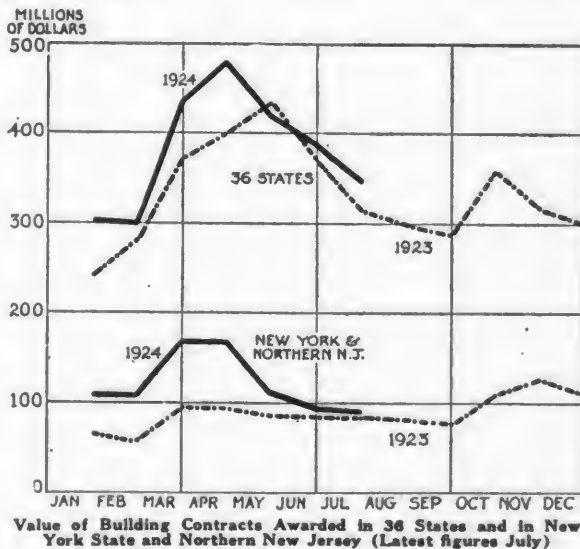
A further decline of \$29,000,000 in the value of merchandise exports in July reduced the total for the month to \$278,000,000, the smallest, with the exception of the first two months of 1922, since August 1915. Imports increased slightly to \$278,400,000, so that there was a small import balance for the first time since June 1923. The diagram which follows shows the recent changes in foreign trade and compares these with the previous figures since 1914.

The decline in exports in July was due principally to decrease of \$18,000,000 in shipments of manufactures ready for consumption. Cotton imports likewise declined both in quantity and value, while grain shipments decreased about \$4,000,000 to the smallest total, excepting May 1924, in recent years. During the early weeks of August there was a seasonal increase in grain shipments, but cotton exports showed a further decline.



**Building**

A further reduction of about one-tenth occurred in July in new building construction, measured by the F. W. Dodge Corporation's reports of building contracts awarded in 36 States. The decline reflected chiefly smaller totals in New York City, where earlier in the year an unusually large amount of new construction was begun, and decreases also in mid-western sections and in New England. Notwithstanding the decline from June, however, July contracts both in this district and in all reporting districts continued to be larger than a year ago. The accompanying diagram compares the monthly contract figures of this year with last year, and indicates that, except for May in the case of all reporting districts, the figures consistently have run higher than last year, although the margin of increase has been smaller in recent months.



## Production

The decline in industrial activity generally in progress since March came to a pause in July, and in some industries production showed an upward tendency which was sustained in August.

While iron and steel production for July reached new low levels since the winter of 1921-22, the rate of steel mill operations gradually increased from approximately 40 per cent. of capacity in the middle of the month to about 55 per cent. by the latter part of August. Unfilled orders of the Steel Corporation at the end of July showed the smallest decrease since November 1922, and bookings in the first three weeks of August were reported to be 10 per cent. larger than in July.

Production of passenger automobiles, after declining steadily for three months, showed an increase of 9 per cent. in July, notwithstanding that a seasonal decrease usually occurs in that month. Production of trucks, however, was somewhat smaller than in June.

In the textile industry cotton mill consumption was only slightly smaller in July than in June. In New England, mill operations were larger than in June, and in this district and in the South there was increased activity in August. Woolen mill activity, on the other hand, showed a further decline in July.

Weekly figures of bituminous coal production continued to show gradual increases, but output continued far below normal as measured by the trend of past years. Cement production, on the other hand, was the largest ever reported, and the copper output was also above the computed trend. The following table gives this bank's indexes of production in percentages of the computed trend of past years and after allowance for seasonal variation.

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

	1923		1924	
	July	May	June	July
<b>Producers' Goods</b>				
Pig Iron.....	121	81	66	57
Steel ingots.....	105	74	61	55
Bituminous coal.....	106	77	73	75
Copper, U. S. mines.....	102	98	99	104
Tin deliveries.....	84	96	71	60
Zinc*.....	75	78	71	70
Petroleum.....	142	129	124	123
Gas and fuel oil.....	102	105	101	.....
Cotton consumption.....	83	70	61	61
Woolen mill activity*.....	104	84	76	70 <sup>p</sup>
Cement.....	135	139	138	147
Lumber.....	114	120	106	.....
Leather, sole.....	105	66	63	73
<b>Consumers' Goods</b>				
Cattle slaughtered.....	105	118	92	.....
Calves slaughtered.....	123	127	117	.....
Sheep slaughtered.....	86	101	93	.....
Hogs slaughtered.....	135	118	119	.....
Sugar meltings, U. S. ports.....	70	103	108	126
Wheat flour.....	122	122	120	118
Cigars.....	86	85	.....	.....
Cigarettes.....	83	92	.....	.....
Tobacco, manufactured.....	100	101	.....	.....
Gasoline.....	110	122	118	.....
Tires*.....	95	138 <sup>r</sup>	125	.....
Newsprint.....	115	119	106	104
Paper, total.....	84	102	90	85
Boots and shoes.....	89	91	82	75 <sup>p</sup>
Anthracite coal.....	100	88	86	93
Automobiles, all.....	151	108	92	113
Automobiles, passenger.....	162	113	97	122
Automobiles, truck.....	109	89	76	80

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

## Indexes of Business Activity

Reports on distribution of goods and general business activity generally indicated increases in July compared with June. Department store and chain store sales in this district were larger than a year ago, and wholesale trade was more active than in June, though smaller than last year. Railroad shipments of merchandise and miscellaneous freight and grain increased in July and the first half of August, and averaged slightly larger than a year ago. Other loadings, however, continued smaller than last year, owing chiefly to smaller shipments of coal.

Both in New York City and outside, bank debits in July and early August were larger than last year. The following table gives the indexes of business activity in percentages of the computed trend, with allowance for seasonal variations and, where necessary, for price changes.

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

	1923	1924		
	July	May	June	July
<b>Primary Distribution</b>				
Car loadings, merchandise and misc.....	102	99	99	96
Car loadings, other.....	119	100	96	93
Wholesale trade, Second District.....	100	86	78	89
Exports.....	95	91	89 <sup>r</sup>	89
Imports.....	110	110	105 <sup>r</sup>	109
Grain exports.....	73	65	74	42
Panama canal traffic.....	166	129	125	.....
<b>Distribution to Consumer</b>				
Department store sales, Second District.....	93	93	91	94
Chain store sales.....	94	97	93	93
Mail order sales.....	91	99	103	82
Life insurance paid for.....	103	101	105	109
Amusement receipts.....	94	108	.....	.....
Magazine advertising.....	105	102	103	99
Newspaper advertising.....	99	94	93	86
<b>General Business Activity</b>				
Bank debits, outside of New York City.....	98	105	99	99
Bank debits, New York City.....	98	109	109	112
Postal receipts.....	99	101	94	99
Electric power.....	109	108	105	.....
Employment, N. Y. State factories.....	103	93	90	88
Business failures.....	80	113	111	103

r=Revised

## Employment and Wages

Between the middle of June and the middle of July there were further decreases of about 4 per cent. in the number of factory workers employed in New York State and in the United States, which brought the total to the lowest since early in 1922 and approximately 13 per cent. below the number employed in March this year. Except for a slight further seasonal increase in the food products industries all groups of manufacturing industries reported reductions in employes, and the reductions were especially large in the metal working and textile industries. Since the end of July, however, current incomplete reports indicate little net change in employment, as extended vacation periods in some industries have been offset by increased operations in others.

The percentage reduction shown for factory employment in New York State since March represents the

release of over 175,000 workers from the factories and a decrease of approximately \$25,000,000 or 17 per cent. in monthly wage payments. Notwithstanding these large decreases, the State employment offices report that, while there is some unemployed labor of various types, including even building labor, serious unemployment has so far been averted by the unusual volume of outdoor work. Road construction has been particularly heavy, owing to the fact that last year's program was restricted by labor shortage. Building continues larger than last year. Special efforts have been made by the State employment offices to place unemployed factory workers on the farms. In addition to the usual advertising, radio broadcasting was used to find places for workers.

Per capita weekly wage earnings in July were \$27.12, a decline of more than a dollar since March, due largely to part time work. A few wage rate reductions were put into effect throughout the district, but the number of workers affected by these was not large.

**Crop Conditions**

The composite condition of all crops, excluding cotton, on August 1 was 1.9 per cent. higher than the month earlier, but 4.1 per cent. below the ten year average condition at this season, according to the Department of Agriculture. Forecasts of the wheat, corn, oats, barley, rye, and potato crops were larger than on July 1, but those for fruits, hay, and tobacco were smaller.

More favorable weather conditions for cotton, combined with less than the usual amount of boll weevil damage, resulted in an increase of more than 1,000,000 bales between July 16 and August 16 in the probable yield of cotton, which, at about 13,000,000 bales, promises to be the largest in four years.

Calculated on the basis of July 15 prices at the farm and August 1 crop estimates, the value of the principal crops this year is approximately \$8,150,000,000, a large increase over the amounts received by producers in the previous three years, as shown in the diagram below. In the case of the corn crop, the increase in value in 1924 reflects higher prices, as the prospective yield is smaller than last year, while the reverse is true of the cotton crop. In the cases of the wheat and oats crops the larger value reflects both increased production and higher prices.

**Commodity Prices**

Lateness of the corn crop and consequent danger of frost damage led to further advances in corn prices during the greater part of August, so that, notwithstanding a late reaction, prices on the 27th were over 40 cents higher than at the end of May and close to the highest since 1920. Reflecting higher corn, hogs rose to \$10.35, the highest in over two years. Wheat, on the other hand, reacted during the month, due to improved crop prospects in this country and in Canada, but, at \$1.27 a bushel on August 27, was still 21 cents above the low of the year.

While prices of grains and live stock showed irregular tendencies, prices of industrial raw materials were more generally higher than in previous months. Pig iron and lumber, which had been declining for several months, became firmer, and there were advances also in copper and lead. At 27<sup>3</sup>/<sub>4</sub> cents crude rubber was up 8<sup>1</sup>/<sub>2</sub> cents in less than two months, and hides at 16 cents showed an increase of 50 per cent. since April. Silk and wool were likewise firmer, but cotton and petroleum declined under pressure of larger production.

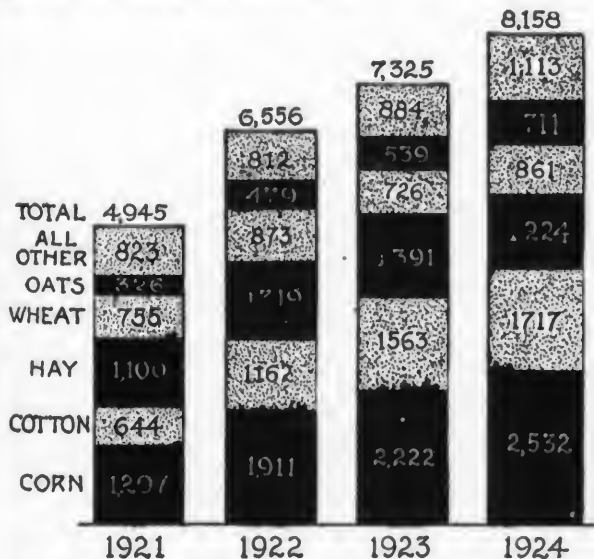
Reflecting these various tendencies, this bank's weekly index of 20 basic commodities was somewhat lower in August, following a marked advance in July. In July the Department of Labor price index of more than 400 commodities advanced 1.6 per cent. due to rise in prices of farm products and foods.

**Wholesale Trade**

Wholesale trade was more active in this district in July than in June, as shown by an increase of 13 per cent. in the sales of representative dealers reporting to this bank, whereas in July there is ordinarily a small decline. Compared with July last year, however, the total still showed a considerable decrease.

In the individual lines, sales of diamonds, drugs, and stationery were substantially larger than a year ago, and sales of hardware, groceries, shoes, drygoods, dresses, and men's clothing compared more favorably with a year ago than in June. Sales of women's coats and suits, on the other hand, were adversely affected by labor troubles, and machine tool sales also continued far below last year's levels.

The following table gives the detailed figures on July wholesale trade for the past five years.



Estimated Value of Principal 1924 Crops at July 15 Prices at the Farm compared with Dec. 1 Value of Crops Harvested in 1921, 1922, and 1923 (In millions of dollars)

MONTHLY REVIEW, SEPTEMBER 1, 1924

Commodity	Dollar Value of July Sales (July 1923 = 100 Per cent.)				
	1920	1921	1922	1923	1924
Diamonds.....	104	59	84	100	121
Drugs.....	88	85	90	100	108
Stationery.....	149	89	90	100	105
Shoes.....	124	112	88	100	100
Groceries.....	160	88	92	100	98
Dry Goods.....	115	86	75	100	97
(a) Cotton.....	122	80	81	100	92
(b) Silk.....	108	92	69	100	103
Hardware.....	131	77	87	100	95
Jewelry.....	219	70	85	100	91
Clothing.....	101	76	74	100	74
(a) Men's.....	99	67	68	100	92
(b) Women's dresses.....	110	90	90	100	94
(c) Women's coats and suits.....	95	75	66	100	35
Machine Tools.....	166	34	49	100	58
Weighted Average.....	129	83	82	100	92

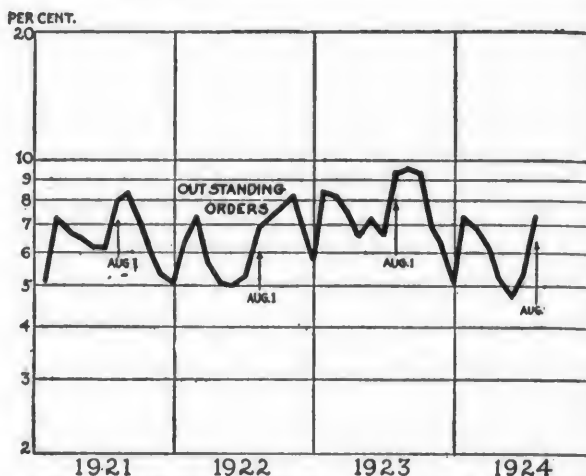
Department Store Business

July sales by department stores in this district were 8 per cent. larger than a year ago, whereas June sales were 2 per cent. smaller than a year previous. Stores in most of the principal cities of the district reported larger sales than a year ago, and apparel store sales were substantially larger.

All major departments of the stores showed increased business compared with a year ago. Sales of men's and boys' clothing increased by one-third, and sales of furniture, hosiery, and women's ready-to-wear accessories showed increases of more than 10 per cent. In silk, woolen, and cotton goods, and women's outer wear, smaller increases occurred. The average sale was \$2.26 as compared with \$2.23 in July 1923.

	Per cent. Change in Sales over July 1923	Per cent. Dept. to Sales of all Departments
Men's and Boys' wear.....	+33.8	8.1
Furniture.....	+13.7	7.1
Hosiery.....	+12.5	3.8
Women's ready-to-wear accessories.....	+11.6	17.8
Silk goods.....	+ 5.8	5.0
Shoes.....	+ 5.0	3.9
Home furnishings.....	+ 3.2	12.9
Women's and Misses' ready-to-wear.....	+ 2.8	8.5
Woolen goods.....	+ 1.1	1.0
Cotton goods.....	+ 0.4	5.8
Miscellaneous.....	+ 5.1	26.1

Stocks of merchandise in department stores on August 1 were 1 per cent. larger than a year ago, the smallest increase in nearly two years. As sales increased 8 per cent., the ratio of stocks to sales was about 6 per cent. smaller than last year. Larger buying, however, by the stores in preparation for the autumn season was reflected by an increase in the outstanding orders of these stores for goods. The percentage of these orders to total purchases of the stores the year before was substantially larger on August 1 than on July 1, and while smaller than on August 1 a year ago, was larger than in August 1922.



Monthly Percentages of Outstanding Orders to Total Purchases in Previous Year of Representative Department Stores in the Second District (Latest figure August 1)

Notwithstanding recent advances in prices of farm products, sales by the principal mail order houses in July were 8 per cent. smaller than a year previous, compared with an increase of 4 per cent. in June. The following table gives the detailed changes in department store sales in July and stocks on August 1 of this year and previous years.

	Net Sales during July (July 1923 = 100 Per cent.)					Stock on hand Aug. 1 (Aug. 1, 1923 = 100 Per cent.)				
	1920	1921	1922	1923	1924	1920	1921	1922	1923	1924
New York.....	103	90	92	100	105	116	94	95	100	100
Buffalo.....	104	95	91	100	103	115	94	95	100	102
Newark.....	103	89	85	100	112	121	91	90	100	98
Rochester.....	111	104	104	100	121	156	109	101	100	109
Syracuse.....	110	94	90	100	115	166	123	102	100	113
Bridgeport.....	118	85	89	100	99	119	100	99	100	106
Elsewhere, 2d Dist.....	110	100	102	100	99	103	99	88	100	90
Apparel.....	106	98	93	100	116	99	85	92	100	112
All dept. stores.....	105	92	92	100	108	117	95	94	100	101
Mail order houses.....	106	66	78	100	92	...	...	...	...	...

Chain Store Sales

July sales by chain stores were 14 per cent. larger than last year, compared with an increase of 5 per cent. in June. Sales per store, which in June had averaged 10 per cent. below the previous year, were only 1 per cent. lower in July, and in the case of ten cent stores showed an increase of nearly 5 per cent.

Type of Store	Number of Stores		Dollar Value of July Sales (July 1923 = 100 Per Cent.)					Per cent. Change in sales per store July 1923 to July 1924
	July 1923	July 1924	July 1920	July 1921	July 1922	July 1923	July 1924	
Dry Goods.....	449	578	81	85	83	100	122	-5.5
Grocery.....	15,795	18,726	89	87	81	100	116	-1.8
Ten Cent.....	1,813	1,969	80	75	85	100	114	+4.9
Shoe.....	307	367	124	97	105	100	112	-6.3
Candy.....	135	148	79	81	80	100	105	-4.6
Drug.....	312	318	102	95	96	100	102	+0.4
Tobacco.....	2,759	2,760	108	101	100	100	101	+0.6
Total.....	21,570	24,866	89	75	85	100	114	-1.1