

MONTHLY REVIEW

of Credit and Business Conditions

Second Federal Reserve District

Federal Reserve Agent

Federal Reserve Bank, New York

October 1, 1923

Business Conditions in the United States

THE volume of merchandise distributed during August as indicated by railway traffic and wholesale and retail trade was large. Production of certain basic commodities and industrial employment showed further slight decreases.

PRODUCTION

The Federal Reserve Board's index of production in basic industries declined 2 per cent. during August and was at the lowest point for this year. The August output, however, was 27 per cent. larger than a year ago and production in every month this year has been at a higher level than in any month of the previous five years. Lower production index in August reflected reduced output, after a correction for the usual seasonal trend, of pig iron, woolen goods, flour, and cement. Cotton consumption, sugar meltings, lumber cut, and bituminous coal production increased. The number and value of new building projects as measured by permits granted in 168 leading cities, increased during August, but actual contract awards were smaller than in July.

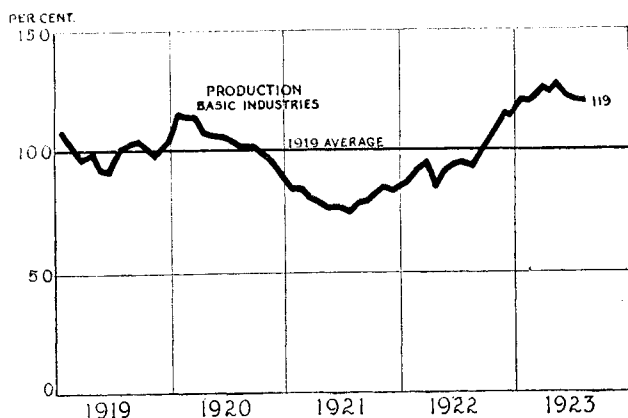
Employment at industrial establishments throughout the United States was slightly smaller in August, while average weekly earnings advanced about one per cent.

Increases in wages amounting to 10 per cent. were granted to anthracite coal miners, and readjustments of wages and hours in the steel industry continued, but wage advances during August were fewer than in any month since last winter.

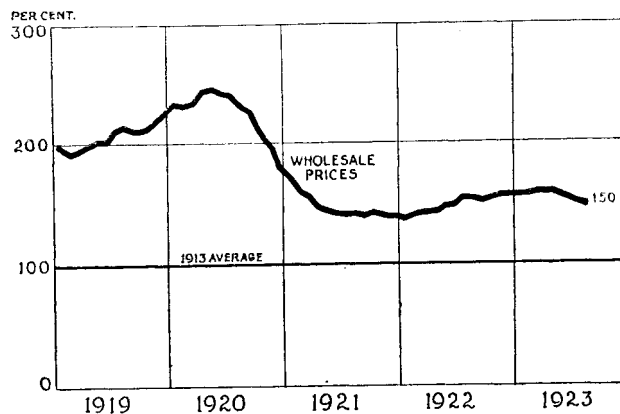
The principal changes in crop estimates shown by the September 1 forecast of the Department of Agriculture were a large reduction in the expected cotton crop, slight decreases in the probable yields of wheat, barley, and oats, and increases of yields of corn, tobacco, and potatoes.

TRADE

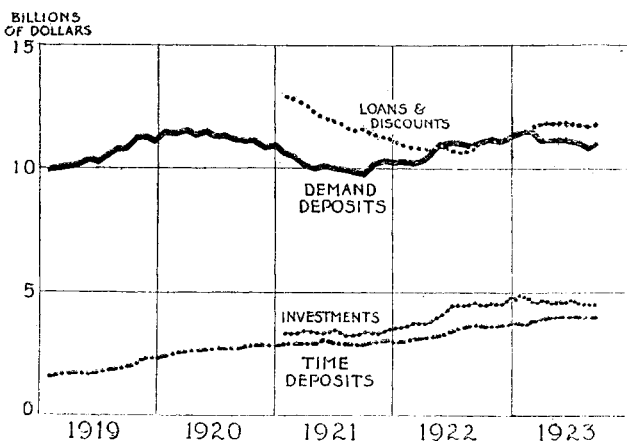
Railroad freight shipments were larger in August than in any previous month on record. This was due to a seasonal increase in shipments of coal, miscellaneous merchandise, and agricultural products. Wholesale trade, according to the index of the Federal Reserve Board, increased 12 per cent. in August, which is more than usual at this season of the year. Sales of clothing, drygoods, and shoes showed substantial gains as compared with July and were larger than a year ago. Retail trade also increased in August and sales in all reporting lines were larger than in August 1922. Depart-



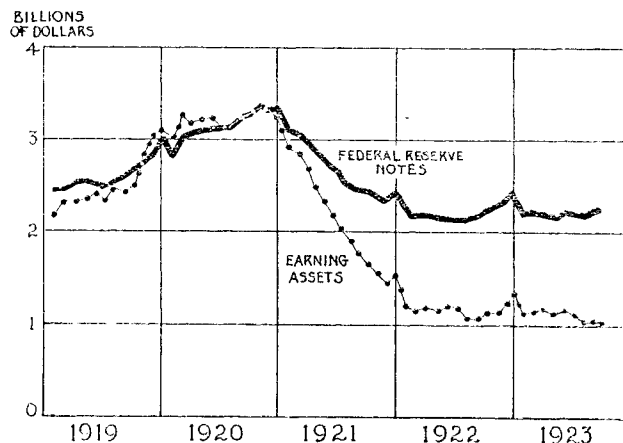
Production in Basic Industries—Combination of 22 Individual Series corrected for Seasonal Variation (1919 average = 100 Per cent.)



Index of Wholesale Prices, U. S. Bureau of Labor Statistics (1913 average = 100 Per cent.)



Bank Credit—800 Member Banks in Leading Cities



Bank Credit—All Federal Reserve Banks

ment store sales in all sections of the country averaged 12 per cent. above last year's level.

PRICES

The general level of wholesale prices, according to the index of the Bureau of Labor Statistics, remained relatively constant in August, the change for the month being a reduction of less than one-fifth of one per cent., compared with declines of about 2 per cent. in each of the three preceding months. Prices of building materials, house furnishings, and fuel were materially reduced, while prices of farm products and foods increased. Prices of certain raw materials, particularly cotton and silk, advanced substantially during September, while prices of petroleum and copper declined.

BANK CREDIT

After a decline during July and the first part of August the volume of bank credit in use showed a seasonal increase during the last week of August and the first two weeks of September. Total loans and demand deposits of member banks in principal cities increased during recent weeks, reversing the trend of the preceding two months. Loans chiefly for commercial and agricultural purposes increased by \$122,000,000 and reached a high point for the year. Investment holdings of these banks, on the contrary, continued to decline and on September 12 were lower than at any time since the middle of October of last year.

Between August 22 and September 19 the amount of accommodation extended to member banks by Federal Reserve Banks in industrial districts declined, while in agricultural districts the seasonal demand for credit and currency resulted in a considerable growth of Reserve Bank credit in use.

The demand for currency arising out of crop moving and fall trade has been reflected in an increase of \$82,000,000 in money in circulation between August 1 and September 1. Of this amount about \$44,000,000 represents an increase in Federal Reserve note circulation.

Money rates were firmer during the first two weeks of September, but eased somewhat after the 15th, partly

because Government disbursements were temporarily in excess of tax collections.

The Treasury issued on September 15, \$200,000,000 of six months certificates bearing $4\frac{1}{4}$ per cent. interest, compared with 4 per cent. borne by six months certificates issued in June.

Banking Conditions, Second District

There was a rise of approximately \$70,000,000 in total loans and investments and of \$80,000,000 in total deposits of reporting member banks in this district in the last week of August and first two weeks of September. Loans made largely for commercial purposes advanced nearly \$50,000,000 to a new high point for the year, and there was a moderate recovery in loans on securities, but investments in securities fell to a new low point for the year. The recent advance constitutes a reversal of a declining tendency of deposits in this district during the past few months.

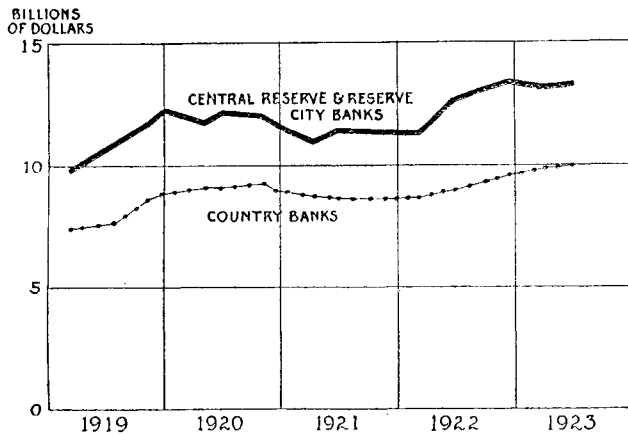
The banking transactions arising out of the Government operations on September 15 followed the sequence familiar at quarterly tax dates, and were reflected in temporary easing in money rates and decline in loans of the Federal Reserve Bank. Payment of Government certificates and interest due that date exceeded tax collections here, necessitating transfer of funds to this district by the Treasury from other parts of the country. Reflecting these disbursements, total earning assets of the Federal Reserve Bank of New York in the week ended September 19 declined \$88,000,000 to \$172,000,000, the lowest since 1917. Later in the month there was again an advance in the loans of the Reserve Bank.

Changes in Bank Deposits

Statistics of all member banks recently made available for the quarter ended June 30, indicate important changes in bank deposits that have not been clear from figures of the 800 weekly reporting member banks located chiefly in the principal cities. The figures show that while deposits of banks in central reserve and reserve

cities remained practically stationary between December 29 of last year and June 30 of this year, deposits of banks outside these cities which are termed country banks in the reports increased from \$9,534,000,000 to \$9,995,000,000 or \$461,000,000, and there was a nearly equivalent increase in the deposits of all member banks.

The accompanying diagram compares the changes in deposits of city and country banks since 1919, and indicates that the pause in the increase of deposits of city banks during the first half of this year followed an unusually large increase last year which carried them temporarily out of proportion to deposits for the country as a whole. Both city and country deposits, however, on June 30 were much above the highest levels of 1920, and together well over two billions higher.



Total of Demand, Time and Government Deposits in all Member Country Banks and all Member Banks in Central Reserve and Reserve Cities

While figures for all member banks are not yet available for the late summer, the following table comparing changes in deposits in different classes of cities in the Second District alone between June 27 and August 29 indicates that so far as this district is concerned such losses of deposits as occurred during the summer were confined to banks in the larger cities, where the declines were accompanied by extensive liquidation in securities.

CHANGES IN DEPOSITS OF ALL MEMBER BANKS—SECOND DISTRICT
JUNE 27 TO AUGUST 29, 1923

(In millions of dollars)

Cities with Population of	Time Deposits	Net Demand Deposits
Less than 5,000.....	- 7	+ 11
5,000 to 15,000.....	+ 1	+ 6
15,000 to 100,000.....	+ 17	0
Over 100,000.....	- 3	- 218
Total.....	+ 8	- 201

Money Rates

The trend of money rates continued moderately upward in September, in accordance with the seasonal tendency, until after the 15th when Government operations caused a temporary easing for several days.

Commercial paper dealers reported good buying in the interior where rates were somewhat easier than in New York. Banks here remained out of the market and rates stiffened slightly to 5¼ to 5½ per cent., compared with 5¼ per cent. a month previous. Most dealers reported little increase in supplies of paper compared with August when the outstanding paper of 26 dealers declined \$20,000,000 to \$815,000,000.

Bills moved somewhat more actively in September, due partly to increased demand from city and out-of-town banks, and continuance of buying for foreign account. Supplies continued moderate, and rates remained 4½ to 4¾ per cent. on purchases by the dealers, and 4 to 4⅓ per cent. on sales by them.

The new offering of \$200,000,000 six months Treasury certificates, dated September 15 and bearing 4¼ per cent. interest compared with a 4 per cent. issue of similar maturity sold during June, was heavily oversubscribed and subsequently traded in at par in the open market.

In the Stock Exchange money market, call money ranged chiefly 5 per cent. or higher until after September 15 when tax day operations caused a marked easing. On September 21, the rate again rose to 4½ and 5 per cent. Time money rates touched 5½ to 5¾ per cent. early in the month, but eased slightly after the 15th.

Security Markets

Following a gradual advance during August, stock prices about the middle of September experienced a reaction sufficient to offset nearly all of the increase from the summer's low point. The reaction was accompanied by more active trading, and transactions on September 13 exceeded a million shares for the first time since June.

Though somewhat lower in September, bond prices show no large change since last spring. Japanese bonds were lower in September as a result of the earthquake, while French and Belgian issues advanced.

The volume of new security issues during the first three weeks of the month was larger than in the summer but less than for corresponding periods of previous years. Figures for the first seven months of the year indicate an output of new issues, excluding refunding loans, smaller than in the corresponding period of last year, but larger than in the preceding three years. The following table from compilations by the Commercial and Financial Chronicle compares by groups the total issues, exclusive of those for refunding purposes, for the first seven months of the years 1919-1923.

(In millions of dollars)

	1919	1920	1921	1922	1923
Corporate:					
Foreign.....	19	27	15	80	24
Domestic.....	1,139	1,854	1,093	1,430	1,652
Foreign Government.....	65	125	157	354	101
Farm Loan.....	68	...	40	214	243
War Finance Corporation..	200
Municipal:					
Domestic.....	379	375	566	734	623
Canadian.....	12	23	22	70	26
U. S. Possessions.....	10	...	14	32	0.6
Total.....	1,892	2,404	1,907	2,914	2,670

Foreign Exchange

News of the earthquake disaster in Japan was followed by a sharp break in sterling exchange by which Japanese trade is largely financed. On September 4 and 5, the demand rate sold down approximately 4 cents to about \$4.50 $\frac{1}{4}$, the lowest since the latter part of November. There was later a recovery to around \$4.55. Seasonal commercial bill offerings were probably an additional factor in low quotations. Japanese exchange showed only a moderate net decline between September 1 and 20.

French and Belgian exchanges were stronger and rose nearly $\frac{3}{4}$ of a cent to 6 and 5 cents respectively, the highest since midsummer. Italian rates were also firmer, but mark exchange continued its rapid decline to new low points accompanying further increase in note circulation.

Gold Movement

August imports of gold, largely from England, Canada, Germany, and the Netherlands, amounted to \$32,837,397. Exports, amounting to \$2,200,961, were chiefly to China and Hongkong and Colombia.

The excess of gold imports during the first eight months of the current year has amounted to \$167,683,967 as compared with \$173,347,594 during the corresponding period last year.

Foreign Trade

Exports during August were valued at \$313,000,000, not far from the average of the previous months of the year. August imports were valued at \$275,000,000, practically the same as in July, but approximately 31 per cent. lower than in March, the high month this year. Notwithstanding a moderate surplus of exports in July and August, figures for the first eight months of the year show a surplus of imports amounting to \$88,000,000.

A factor in lower imports in recent months has been a falling off in receipts of sugar and coffee, which in March had reached the highest totals in more than two years. Exports during August were sustained partly by increased shipments of cotton and grains. During September there was an increased inquiry from Japan for steel for reconstruction purposes, but little increase in actual orders was reported.

Prices

The index of wholesale prices of the Bureau of Labor Statistics remained practically unchanged during August, and was approximately 6 per cent. lower than in April, the high month of the year.

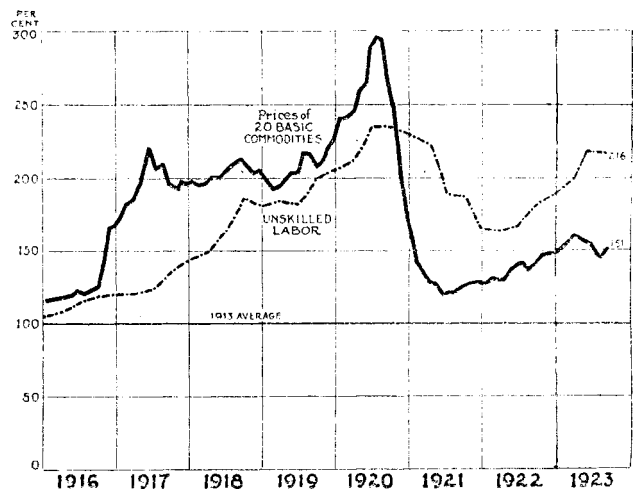
Prices of a number of important basic commodities, particularly farm products, advanced substantially during August and the first three weeks of September, and the index of twenty basic commodities computed by this bank recovered to approximately midway between the

July low point for the year of 142 and the April high of 161. Cotton in September reached 30 cents a pound for the first time since April. After remaining closed from September 5 to 18 the raw silk market reopened with prices over \$10 a pound as compared with \$7.50 a pound before the earthquake. At the conclusion of the coal strike prices of anthracite coal at the mines were quoted at an increase of 90 cents a ton.

The cost of living index of the National Industrial Conference Board which advanced slightly in July was practically unchanged during August at a level 5 per cent. above the low point of 1922 and 62 per cent. higher than in 1914.

Wages and Employment

Evidence of the reduction in pressure for workers which has accompanied some decrease recently in industrial production is found in the fact that wages of unskilled male labor in the Second District, computed quarterly by this bank, were practically unchanged in September at \$23.59 a week, following a continued rise since April 1922. These wages are only 8 per cent. below the maximum reached in 1920 in contrast to basic commodity prices which are about 50 per cent. below the maximum, according to an index maintained by this bank. This relationship is illustrated in the accompanying diagram.



Wages of Unskilled Labor compared with Prices of Basic Commodities (1913 average = 100 Per cent.)

Additional evidence of the reduced pressure for workers is found in the lessened number of wage increases reported monthly by the National Industrial Conference Board and summarized in the table below.

Month Ended	Reductions	Increases	Total Changes	Month Ended	Reductions	Increases	Total Changes
Dec. 14	1	12	13	May 14	1	201	202
Jan. 14	1	23	24	June 14	1	287	288
Feb. 14	0	42	42	July 14	0	137	137
Mar. 14	1	37	38	Aug. 14	0	77	77
Apr. 14	0	229	229	Sept. 14	1	22	23

Wage increases in September included a 10 per cent. increase to anthracite coal miners as one of the conditions on which the coal strike was settled. Steel workers are also receiving a 10 per cent. increase in wage rates as the adjustment is made to the shorter working day. The following table compares changes in index numbers of wage rates in several industries since 1914 and since the high level of 1920. The figures are from various sources believed to be reliable.

Industry	1914	1920 High	1923	
			Latest	Per cent. Change since 1920
Anthracite, contract miners	100	177	195	+10.0
Building, skilled and unskilled	100	195	205	+5.1
Street railway, platform men	100	223	215	-3.6
Unskilled labor, 2nd District	100	234	216	-7.7
Textile, all classes	100	269	234	-13.0
Steel, unskilled	100	253	220	-13.0
Steam railway, all classes	100	272	234	-14.0
Packing, unskilled	100	290	232	-20.0
Farm labor, male	100	217	139	-35.9

Production

The index of production maintained by the Federal Reserve Board declined in August for the third successive month. Irregularity marked the month's developments, however, and there were as many increases in output as there were declines.

Pig iron production declined from 3,678,000 tons in July to 3,435,000 tons in August, but the output of steel ingots rose from 3,514,000 tons to 3,679,000 tons. Unfilled orders on the books of the United States Steel Corporation during August declined 496,000 tons to 5,415,000 tons.

Anthracite coal mined increased 548,000 tons to 8,863,000 tons in August and the output of bituminous coal increased 3,738,000 tons to 48,864,000 tons in August, but this latter gain was not so large as that which usually occurs at this period and the index of production accordingly showed a small decline.

Cotton consumption by domestic mills increased from 462,000 bales in July to 492,000 bales in August. A number of New England mills which had been closed during July were reopened in August.

The number of passenger automobiles produced in August was 304,000 or 7,000 more than were manufactured in July. For the first eight months of the current year there have been produced 2,431,000 passenger cars, or more than the 2,339,000 cars which were manufactured during the entire calendar year of 1922, which up to the present had been the year of greatest activity in this industry.

The following table shows the indexes of production computed by this bank in percentages of estimated normal production. Allowance has been made for seasonal variations and year to year growth. The table has been divided into producers' goods and consumers' goods.

(Estimated Normal = 100 Per cent.)

	1922	1923				
	Aug.	Apr.	May	June	July	Aug.
<i>Producers' Goods</i>						
Pig iron	59	114	124	122	121	109
Steel ingots	79	115	122	114	105 _r	107
Bituminous coal	60 _o	117	114	109	106	105
Copper, U. S. mine	85	89	95	98	102	109 _p
Tin deliveries	77	132	114	92	84	99
Petroleum	111	134	139	139	142	...
Cotton consumption	97	101	108	96	83	89
Woolen mill activity*	87	120	118	113	104	97 _p
Wood pulp	105	102	120	Not	available	...
Lumber	108	119	125	123	114	...
Cement	120	134	133	128	135	130
Zinc*	59	82	83	75	75	73
Leather, sole	93	103	96	93	105 _p	...
<i>Consumers' Goods</i>						
Anthracite coal	2 _o	102	98	98	100	104
Wheat flour	119	110	113	107	122	116
Cattle slaughtered	102	109	118	104	105	109
Sheep slaughtered	127	115	130	114	123	145
Swine slaughtered	86	101	104	89	88	79
Hogs slaughtered	124	132	122	122	135	149
Sugar meltings, U. S. ports	144	122	118	79	70	74
Paper, total	103	109	114	Not	available	...
Tobacco consumption	102	89	93	93	88	...
Gasoline	102	115	108	111	110	...
Automobile, all	124	138	146	152	151 _r	141 _p
Automobile, passenger	133	142	150	159	162 _r	152 _p
Automobile, truck	89	120	130	126	109 _r	97 _p
Boots and shoes	84	118	114	105	89 _p	91 _p
Automobile tires	137	159	162	134	94	...

* Seasonal variation not allowed for.
_o Strike period.
_p Preliminary.
_r Revised.

Indexes of Business Activity

The index numbers of business activity, which have been computed by this bank, are brought together in summary form in the following table. These have been divided into three major groups—primary distribution, distribution to the consumer, and general business activity. In each case the figures are expressed as percentages of the estimated normal. Allowance has been made for seasonal fluctuations, year to year growth and, when necessary, for changes in prices.

(Estimated Normal = 100 Per cent.)

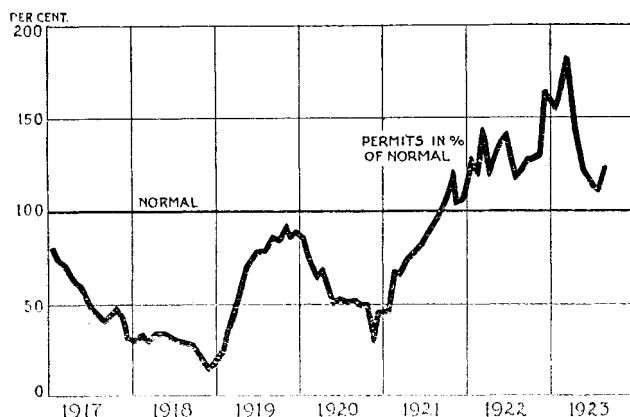
	1922	1923				
	Aug.	Apr.	May	June	July	Aug.
<i>Primary Distribution</i>						
Car loadings, mdse. and misc.	100	114	108	106	102	102
Car loadings, other	81	125	119	117	119	118
Wholesale trade, Second District	105	105	103	100	102	112
Exports	90	82	83	90	95 _p	91 _p
Imports	102	122	130	119	110 _p	97 _p
Cereal exports	203	107	143	92	73	86
<i>Distribution to Consumer</i>						
Department store sales	103	98	99	101	93	101
Chain store sales	99	96	99	103	94	98
Mail order sales	69	100	110	103	91	81
New life insurance written	104	103	105	108	103	112
Amusement receipts	83	95	108	93	94	...
Magazine advertising	86	95	91	95	100	98
Newspaper advertising	97	110	110	105	107	106
<i>General Business Activity</i>						
Bank debits, outside N. Y. City	100	111	112	107	99	102
Bank debits, New York City	110	104	105	105	98	93
Electric power	106	115	118	116	115	...
Postal receipts	105	99	104	102	99	103
Building permits	124	144	122	114	111 _r	124 _p
Business failures	125	103	102	101	84	95

_p Preliminary.
_r Revised.

Building

An increase of \$20,600,000 during August in the value of building permits granted in 158 principal cities brought the total of permits granted during the month to the highest figure for any month since May. The increase was due partly to expansion of building in New York City, but there were also gains in other cities particularly in the far west.

Building wages remained in August at the high level reached in July, but the price of building materials continued to decline. As a result the cost of construction index computed by this bank receded further to 194 per cent. of the 1913 average cost and was 3 per cent. below the May high point. Allowing for this recession in costs, as well as for seasonal variation and normal growth, this bank's index of the volume of building for which permits were issued was 124 per cent. of estimated normal, compared with 111 per cent. in July. The accompanying diagram shows the course of the volume of building index since 1917.



Volume of Building in Per cent. of Estimated Normal. Allowance is made for Changes in Cost of Construction as well as Seasonal Variations and Annual Growth

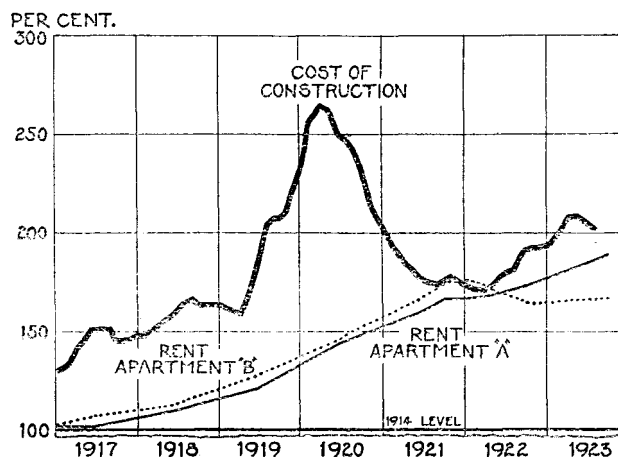
Awards for building contracts in 27 Northeastern States, which usually follow changes in building permits by some weeks, decreased \$21,000,000 during August, according to reports of the F. W. Dodge Company, and at \$253,000,000 were \$121,000,000 below the May high point. The aggregate value of contracts awarded during the first 8 months of 1923 was only slightly larger than in the corresponding period of 1922.

Apartment Rents

Reports from representative apartment house owners and operators in New York City indicate an increase of approximately 9 per cent. over a year ago in rents of apartments which rented for less than \$15 monthly per room in 1920, but show practically no change in rents of higher priced apartments. The advance in rents of low priced apartments continues the tendency of previous years, and reflects the fact that during the past two years apartment construction in New York City has been largely of the more expensive types. Compared with 1914 rents, present levels for low priced apartments show an advance of 89 per cent. Rents of high priced

apartments are 66 per cent. higher than in 1914, and 5 per cent. lower than the maximum of 1921.

The accompanying diagram compares the movement of the two rent indexes with this bank's index of the cost of construction.



Rents of Apartments in New York City compared with Changes in the Cost of Building Construction. Apartment A is the Typical Apartment renting for less than \$15 per room in 1920. Apartment B is the Typical Apartment renting for between \$15 and \$30 per room in 1920

An index of rents paid by workingmen's families in the United States, prepared by the National Industrial Conference Board, was 6 per cent. higher in August 1923 than in October 1922 and 75 per cent. higher than in 1914. A similar tendency is reported by the Massachusetts Commission on the necessities of life.

Wholesale Trade

Largely because of heavy sales of clothing, both men's and women's, the weighted index of wholesale trade in this district, maintained by this bank, advanced from 2 per cent. above normal in July to 12 per cent. above in August, the highest figure since February. August sales were 20 per cent. larger than those of August a year ago.

This month for the first time sales of women's clothing were divided into two groups—women's coats and suits and women's dresses—as these industries are separate. Sales of coats and suits increased 35 per cent.

Commodity	Dollar Value of August Sales (August 1922=100 Per cent.)				
	1919	1920	1921	1922	1923
Machine tools.....	276	296	49	100	166
Clothing.....	99	111	92	100	135
(a) Men's and boys'.....	78	122	73	100	149
(b) Women's coats and suits.....	132	119	105	100	135
(c) Women's dresses.....	93	88	105	100	117
Hardware.....	116	146	81	100	117
Dry goods.....	142	116	98	100	115
Stationery.....	117	152	97	100	108
Diamonds.....	357	97	64	100	108
Groceries.....	133	126	108	100	106
Jewelry.....	205	161	90	100	105
Drugs.....	93	96	97	100	105
Shoes.....	197	151	123	100	102
Total (weighted).....	124	127	98	100	120

over a year ago and sales of dresses 17 per cent. Sales of men's clothing were nearly 50 per cent. larger than those of August 1922.

Each of the ten commodities for which figures are received showed August sales larger than a year ago. The largest increase was in the case of machine tools and the smallest in shoes.

Department Store Business

Annual August sales by department stores in this district yielded a large volume of business. Total sales were 11 per cent. above those of August a year ago and were 2.7 per cent. above those of July, whereas usually August sales are less than those of July.

The increases were well distributed among the various departments of the stores. Sales of women's and misses' ready to wear garments were unusually good and the demand for men's and boys' wear was well ahead of that of last year. Shoe sales were also much larger than last August. There was a continued demand for furniture and house furnishing goods. The following table shows the percentage change in sales from August last year to August this year by major groups of departments.

Women's and Misses' ready to wear	+ 23.5
Men's and Boys' wear	+ 19.6
Shoes	+ 17.1
Women's ready to wear accessories	+ 15.2
Furniture	+ 14.6
Cotton goods	+ 14.5
House furnishings	+ 12.3
Silk goods	+ 7.5
Hosiery	+ 5.1
Woolen goods	- 0.1
Miscellaneous	+ 12.2

In order to show the changes from month to month in department store sales independent of price changes and the usual seasonal variations and growth in the size of stores an index has been computed showing department store sales compared with an estimated normal in which allowance has been made for these various factors affecting sales. The index is an attempt to discover whether sales are increasing or decreasing from month to month, a thing which can hardly be determined from the raw figures because they are distorted by price

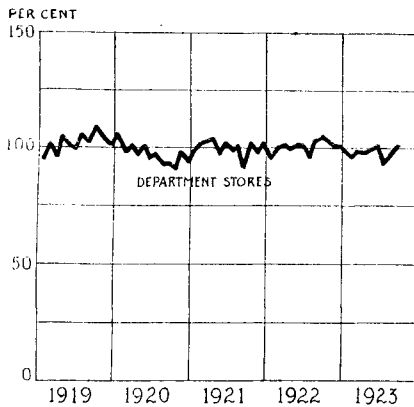
changes, seasonal changes, and growth from year to year. The data now available indicate for example that department store sales in the cities of the Second District normally increase at the rate of 8 per cent. a year and that December sales are normally twice as large as February sales. The index is tentative and subject to amendment as more experience accumulates concerning the factors affecting retail trade.

In August this index was one per cent. above the estimated normal for that month, a marked gain over July when it was 7 per cent. below the estimated normal. The diagram on this page shows the index of department store sales during the past several years. The volume of business has not fluctuated in any month more than 10 per cent. from what might have been normally expected. Companion diagrams show indexes of chain store and mail order sales computed in similar fashion. Chain store sales show even less fluctuation from estimated normal than do department stores. On the other hand mail order business showed heavy losses during 1920 and 1921 reflecting lowered purchasing power in rural districts. In 1922 and early this year there was a recovery but August sales were 19 per cent. below normal.

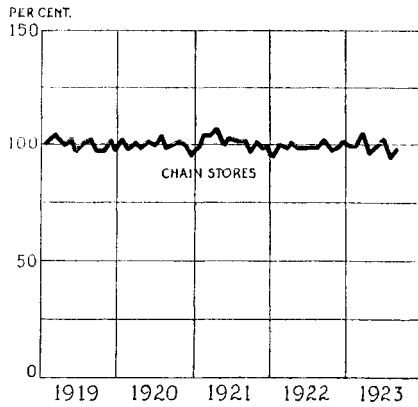
Stocks carried by department stores on September 1 were 8 per cent. larger than those on the same date last year. Stocks increased 7 per cent. between August 1 and September 1 because of the receipt of fall and winter merchandise.

Detailed figures by cities are shown in the following table.

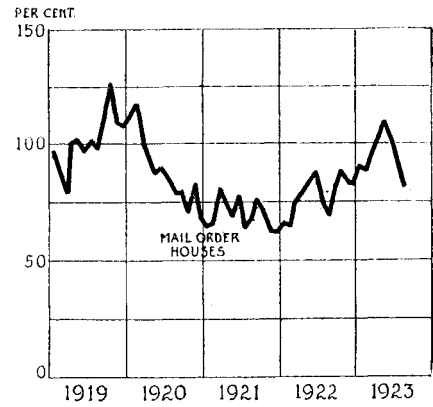
	NET SALES DURING AUGUST (August 1922=100 Per cent.)					STOCK, RETAIL VALUE, SEPT. 1 (Sept. 1, 1922=100 Per cent.)				
	1919	1920	1921	1922	1923	1919	1920	1921	1922	1923
All dept. stores.....	87	101	95	100	111	94	126	101	100	108
New York.....	87	98	93	100	110	94	126	99	100	108
Buffalo.....	86	104	98	100	111	100	131	103	100	113
Newark.....	85	108	101	100	111	95	134	108	100	110
Rochester.....	72	97	94	100	99	98	153	115	100	102
Syracuse.....	100	119	108	100	125	116	161	121	100	112
Bridgeport.....	107	125	105	100	107	103	118	102	100	95
Elsewhere in 2nd District.....	89	101	93	100	107	88	113	104	100	106
Apparel stores.....	84	99	94	100	119	80	104	94	100	113
Mail order houses	142	137	99	100	127



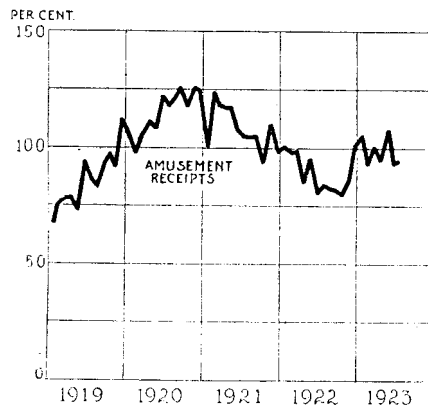
Department Store Sales in the Second Federal Reserve District. Allowance is made for Price Changes, Seasonal Variation, and Year to Year Growth



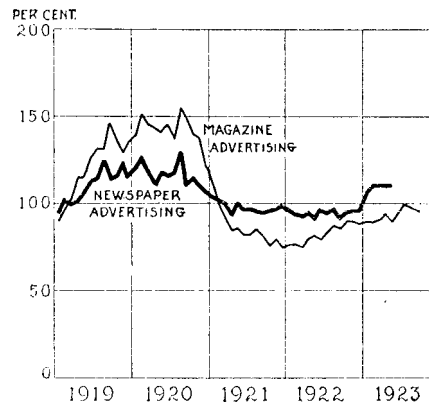
Chain Store Sales, exclusive of Groceries. Allowance is made for Price Changes, Seasonal Variation, and Year to Year Growth



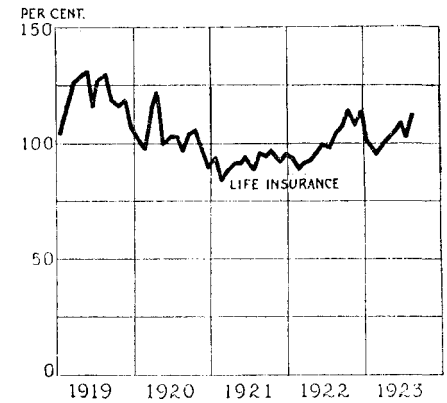
Sales by Mail Order Houses. Allowance is made for Price Changes, Seasonal Variation, and Year to Year Growth



Amusement Receipts, based on Amusement Tax Collections reported by Commissioner of Internal Revenue. Allowance is made for Seasonal Variation



Advertising in Newspapers and Magazines compared with Estimated Normal. Allowance is made for Seasonal Variation and Year to Year Growth



Sales of new Life Insurance, exclusive of group and Industrial Insurance compared with Estimated Normal. Allowance is made for Price Changes, Seasonal Variation, and Year to Year Growth

Newark department stores reported a gain in August of 11 per cent. in sales as compared with August a year ago in spite of a strike which tied up all the street rail-ways.

Department store business in New York City was disturbed during the latter part of September by the strike of newspaper pressmen which prevented the stores from carrying on the usual newspaper advertising programs. At this time it is difficult to determine the effect upon sales, but merchants assert that business this September compares favorably with that of last year.

Life Insurance Sales

Sales of life insurance, in common with savings bank deposits, are an index of one type of purchasing power of the consumer. The accompanying diagram compares life insurance sales, exclusive of group and industrial insurance, during recent years with an estimated normal which allows for seasonal variation, and normal year to year growth. Allowance has also been made for changing price conditions by dividing insurance sales by the cost of living. The index figures therefore show the purchasing power of insurance written. The figures are based upon statistics reported to the Life Insurance Sales Bureau by 48 companies having in force approximately 80 per cent. of the outstanding insurance in this country. As shown by the diagram, life insurance sales were largest in 1919 just after the close of the war, possibly partly due to a more widespread familiarity with insurance resulting from Government insurance. During 1921 and part of 1922 sales were below normal, but in recent months have been slightly above normal.

Amusement Receipts

The volume of amusement receipts may also be considered as a measure of the margin of purchasing power of the consumer in excess of the ordinary necessities. The amount of these receipts is indicated by the taxes collected each month by the Commissioner of Internal Revenue as a 10 per cent. levy on receipts at various places

of amusement. The accompanying diagram shows the trend of receipts in terms of the average for the past four and a half years which is taken as the normal, with allowance made for seasonal variation. Comparison with other indexes of business activity indicates a considerable lag in the movement of amusement receipts which reached their maximum late in 1920 and their later minimum towards the end of 1922. During this year amusement receipts have been close to the average of the preceding five years.

Chain Store Sales

August sales by all types of chain stores reporting regularly showed increases compared with a year ago ranging from 7 per cent. for cigar stores to 28 per cent. for apparel stores. The increases in some cases were due to the opening of new stores but for ten cent stores average sales per store showed a gain. The increase in the value of shoe sales was due to an advance of 15.8 per cent. in prices, as the number of pairs sold declined 2 per cent. Detailed figures follow.

Type of Store	Number of Stores		NET SALES DURING AUGUST August 1922 = 100 Per Cent.					Per cent. Change in Sales per Store, Aug. 1922 to Aug. 1923
	Aug. 1922	Aug. 1923	1919	1920	1921	1922	1923	
Apparel.....	373	543	66	96	96	100	128	-12.0
Ten Cent.....	1,763	1,817	73	87	89	100	118	+14.4
Grocery.....	11,560	14,757	71	102	88	100	117	- 8.3
Shoe.....	213	244	122	108	103	100	114	- 0.9
Drug.....	279	312	87	100	97	100	109	- 2.8
Cigar.....	2,591	2,754	79	102	101	100	107	+ 0.3
Total.....	16,779	20,427	73	98	91	100	117	- 4.2

An index computed by this bank of sales of chain stores other than groceries shows an increase of 4 per cent. between July and August as illustrated in the diagram on page 7. Sales of these stores are exceptionally steady and are little affected by changes in business conditions.