

MONTHLY REVIEW

of Credit and Business Conditions

Second Federal Reserve District

Federal Reserve Agent

Federal Reserve Bank, New York

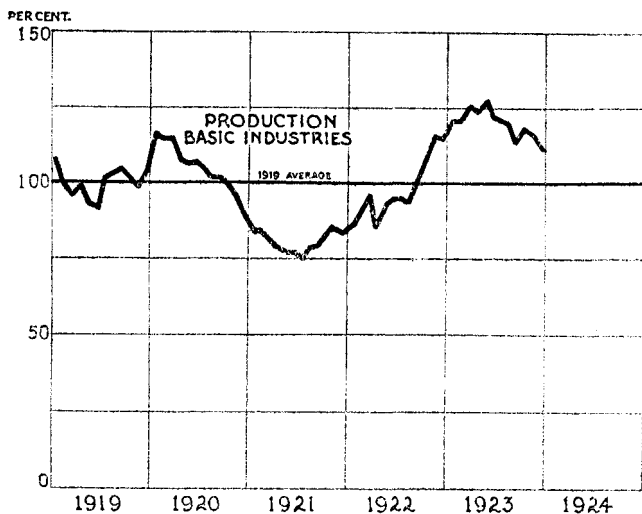
February 1, 1924

Business Conditions in the United States

PRODUCTION of basic commodities showed further decline in December and wholesale prices receded slightly. Christmas trade was somewhat larger than a year ago. Changes in the banking situation in January reflected chiefly an unusually large return flow of currency after the holiday season.

PRODUCTION

The index of production in basic industries declined 4 per cent. in December to the low point of the year. The decrease for the month reflected principally a large reduction in consumption of cotton, but also reduced operations in the woolen, petroleum, sugar, and lumber industries. Production of pig iron and anthracite coal increased. The Federal Reserve Board's index of factory employment decreased 1 per cent. and was 4 per cent. lower than in the spring. The largest decreases were at plants manufacturing food products and railroad equipment. Building contract awards in December were smaller than in November, but almost 25 per cent. larger than a year ago.



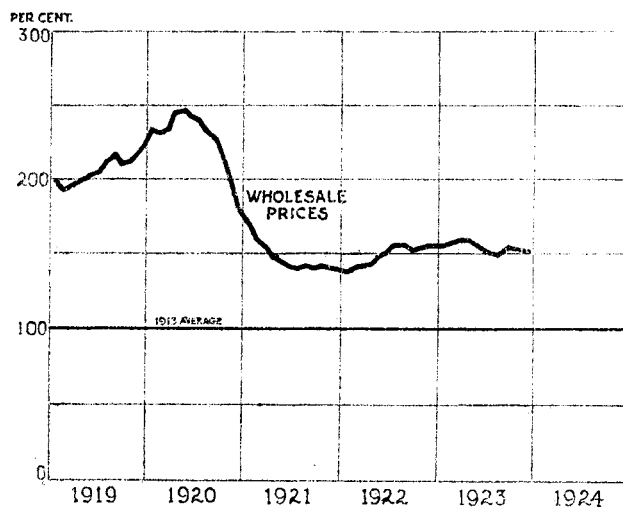
Index of 22 Basic Commodities corrected for seasonal variation (1919 = 100 Per Cent. Latest figure December)

TRADE

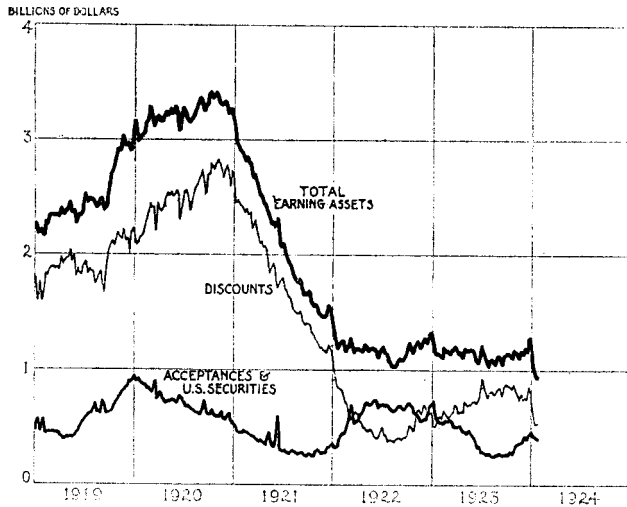
Railroad shipments continued to decrease during December and were slightly less than in December 1922. Loadings of coal and grain were smaller than a year ago, while loadings of miscellaneous merchandise and live stock were in larger volume. The volume of wholesale trade showed more than the usual seasonal decrease and was at about the same level as a year ago. Sales of meat, hardware, and drugs were larger than in December 1922, while sales of dry goods and shoes were smaller. Retail trade, though larger in December 1923 than in any other month on record, did not show as large an increase over November as is usual at the Christmas season.

PRICES

Wholesale prices, according to the index of the Bureau of Labor Statistics, decreased less than 1 per cent. during December. The chief reductions occurred in prices of fuel and building materials, while prices of clothing and metals increased, and prices of farm products remained unchanged. During the first two weeks of January prices of corn, wheat, pig iron, petroleum, and lumber advanced, while quotations on cotton, sugar, and copper were lower.



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



Reserve Bank Credit—Weekly Figures for 12 Federal Reserve Banks. (Latest figure January 23)

BANK CREDIT

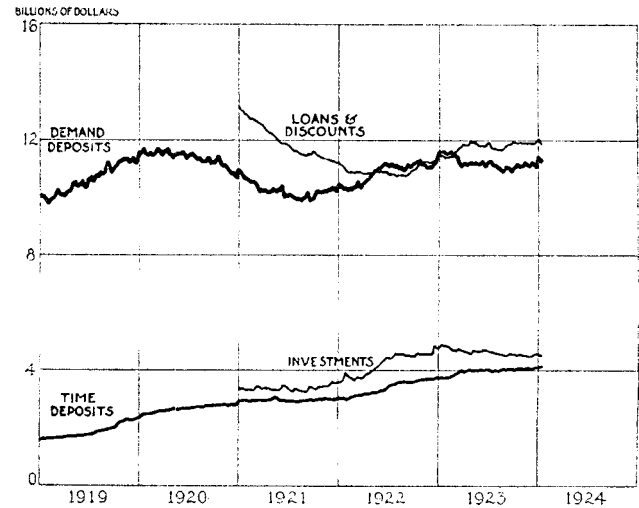
The volume of credit extended by the Federal Reserve Banks showed the usual sharp increase during the latter part of December in response to holiday requirements for credit and currency and financial settlements falling due on the first of January. With the passing of the seasonal demands there was an unusually rapid return flow of currency to the Reserve Banks, reflected both in an increase of reserves and a decrease of Federal Reserve note circulation. Member banks used the currency returned from circulation to reduce their borrowings, with the consequence that the earning assets of the Federal Reserve Banks declined by \$360,000,000 during the four weeks following Christmas, or approximately \$150,000,000 more than during the corresponding period of 1923. At the middle of January the volume of Reserve Bank credit outstanding was below \$1,000,000,000 for the first time since early in 1918.

Loans made largely for commercial purposes by member banks in principal cities declined between December 12 and January 16 to a point \$264,000,000 lower than at the peak in October and to about the level of July 1923. This decrease in loans, which was general throughout the country, was accompanied by a movement of funds to the financial centers and an increase in loans on securities, principally in New York.

Easier money conditions in January were reflected in a further slight decline in the rate on prime commercial paper to $4\frac{3}{4}$ per cent., compared with $4\frac{3}{4}$ to 5 per cent. in December, and in increased activity in the investment markets.

Banking Conditions, Second District

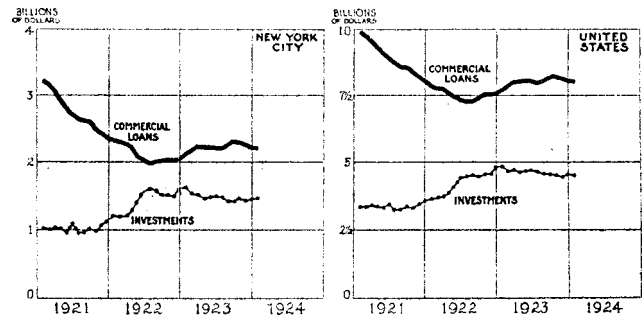
Passing of the holiday trade requirements for credit and currency, movement of funds toward this center, and distribution of January 1 interest and dividends were followed by an accumulation of funds in the New York money market in the first three weeks of January. This return flow of funds was larger than is usual at



Member Bank Credit—Weekly Figures for Member Banks in 101 Leading Cities. (Latest figure January 16)

this season, due apparently to the lessened activity in trade and industry, which has been indicated not only by statistics of production and distribution of goods, and factory employment, but also by the continued decline in the volume of commercial borrowing at banks and the unusually large decrease since the first of the year in the amount of currency in circulation.

Loans of reporting member banks in the Second District, made largely for commercial purposes, declined in the last three weeks of December \$48,000,000 to the lowest total since the end of July, and showed only a slight increase in the first two weeks of January. As shown by the accompanying diagram, the decline in such loans had been continuous, both in this city and for the country as a whole, since October. Bank investments show comparatively little change, but there have been substantial increases in loans on stocks and bonds.



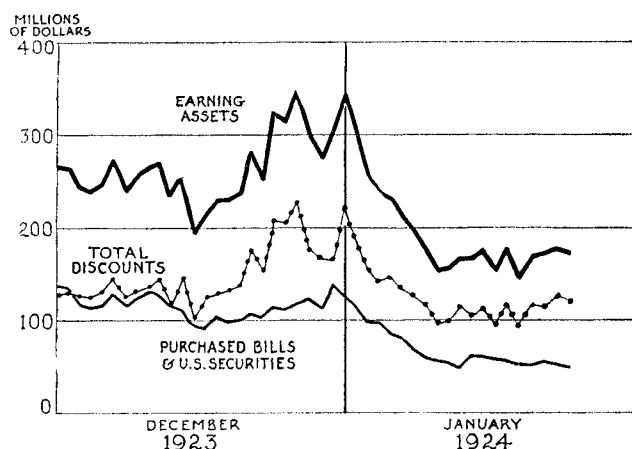
Loans largely for Commercial purposes and Total Investments of Reporting Member Banks in New York City

Loans largely for Commercial purposes and Total Investments of Reporting Member Banks in the United States

Between January 2 and January 24 total earning assets of the Federal Reserve Bank of New York declined more than \$174,000,000 to a total of \$171,000,000. On January 25 there was a further decline to \$125,000,000, a new low since 1917 and \$143,000,000 lower than on December 1 before the usual increases to provide funds for Christmas trade and first-of-the-year

FEDERAL RESERVE AGENT AT NEW YORK

settlements. The accompanying diagram showing total earning assets of this bank by days from the first of December to January 24, inclusive, indicates the rapidity with which the volume of Reserve Bank credit was adjusted to rapidly changing business and financial requirements. As a result of this elasticity the year-end demands were met without marked stringency in the money market, and the accumulation of funds in early January was accompanied by only moderate further net declines in prevailing money rates.



Total Earning Assets, Federal Reserve Bank of New York, by Days from December 1 to January 24 inclusive, Special Certificates excluded

Money Rates

Open market rates for commercial paper continued in January the gradual decline begun in October and sales of prime paper were chiefly at $4\frac{3}{4}$ per cent. as compared with $4\frac{3}{4}$ to 5 per cent. in December. New York City banks were limited buyers, but demand in the interior was sufficient to offset a moderate seasonal increase in the amount of paper offered. During December the outstanding paper of 26 reporting dealers had declined \$28,377,000 to \$768,765,000, or the lowest since December 1922.

The market for short term Government securities was also stronger, due both to an increased demand and to a marked scarcity in the floating supply of these issues. Prices of all maturities tended upward and by January 26 showed advances which, in the case of the issues maturing in from 4 to 6 months, reduced the yield from slightly under 4 per cent. to 3.69 per cent., the lowest quotation since February 1923.

Easier money conditions, together with a broader demand and a somewhat decreased supply of new bills were reflected in a reduction of $\frac{1}{8}$ th to 4 per cent. in dealers' offering rates for 60-90 day bills, the first change for these maturities since April.

Stock market time money was easier and the prevailing rate declined from 5 to $4\frac{1}{2}$ - $4\frac{3}{4}$ per cent. Stock market call money, after the first few days of the month, tended lower and following the 17th renewals declined to 4 per cent. for the longest period since January a year ago.

Acceptances Outstanding

During recent months the large volume of dollar acceptances created against cotton has resulted in a considerable increase in the total amount of acceptances outstanding. According to an estimate made by this bank, the total of bankers and foreign trade bills circulating in the open market at the close of the year was approximately \$650,000,000. This represents an increase of about \$50,000,000 compared with the end of 1922, when the total was about \$600,000,000. The following table shows the estimated amount of such acceptances outstanding at the end of each year since 1916.

End of	Estimated Amount Outstanding
1916.....	\$250,000,000
1917.....	450,000,000
1918.....	750,000,000
1919.....	1,000,000,000
1920.....	1,000,000,000
1921.....	600,000,000
1922.....	600,000,000
1923.....	650,000,000

Security Markets

Easier money conditions in January were accompanied by a broad and active bond market. Representative price averages of high grade corporation bonds rose over a point during the first three weeks of the month to the highest level since the spring of 1923, and several of the active Liberty issues sold at the highest prices since the fall of 1922. Foreign issues, on the other hand, showed little advance.

The volume of new securities offered increased in January, but did not reach the totals of January a year ago, which were the largest ever reported. Domestic corporation issues in particular were in smaller volume. Farm loan issues continued large, due to the offering of \$60,000,000 $4\frac{3}{4}$ per cent. Federal Land Bank bonds, while foreign issues included the offering of \$40,000,000 6 per cent. Argentine Government bonds, for the purpose of funding short term notes.

Dealings in the stock market continued in large volume in January. Price averages of industrial stocks rose to within 3 to 5 points of the March high point of last year, and railroad stock averages recovered most of the loss sustained in December.

Foreign Shipments of United States Currency

Since May this bank has been receiving, from the member banks in this district which are the principal shippers of currency, monthly reports of shipments of United States currency to foreign countries and receipts from foreign countries. A summary of the reports for the 8 months ended December 31, segregated by countries, is given in the following table and shows shipments amounting to \$29,000,000, as against total re-

ceipts of nearly \$22,500,000, leaving net shipments for the 8 months period of about \$6,500,000. In addition to direct shipments reported, banks in this district forwarded \$7,745,000 to Cuba by means of wire transfer through the Reserve Banks of New York and Atlanta.

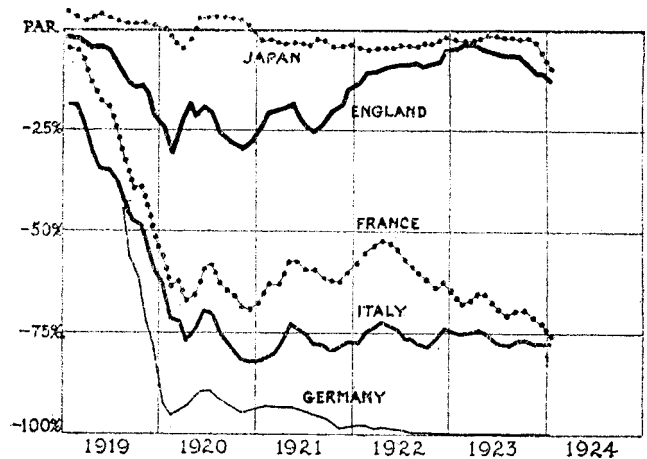
It will be seen that the bulk of shipments has gone to Europe, and that shipments to Europe have exceeded receipts from Europe by about \$18,500,000. The largest receipts of currency, on the other hand, have been from Caribbean countries, particularly Cuba, and receipts from these countries have considerably exceeded exports to them, a difference largely accounted for by shipments through the Atlanta bank.

Country	Exports to	Imports from	Net Exports	Net Imports
Austria.....	\$1,254,900	.....	\$1,254,900	.....
Belgium.....	20,000	\$47,600	.....	\$27,600
Bulgaria.....	.....	3,566	.....	3,566
Danzig.....	414,000	37,178	376,822	.....
Denmark.....	10,000	92,500	.....	82,500
England.....	2,715,000	1,028,945	1,686,055	.....
Estonia.....	500,000	.....	500,000	.....
Finland.....	22,000	.....	22,000	.....
France.....	250,000	766,132	.....	516,132
Germany.....	5,851,485	634,752	5,216,733	.....
Greece.....	.....	586,357	.....	586,357
Holland.....	1,615,000	815,238	799,762	.....
Italy.....	.....	763,898	.....	763,898
Latvia.....	11,975,000	.....	11,975,000	.....
Lithuania.....	6,000	.....	6,000	.....
Poland.....	125,500	.....	125,500	.....
Portugal.....	.....	136,200	.....	136,200
Saarbrucken.....	10,000	.....	10,000	.....
Scotland.....	.....	237,997	.....	237,997
Spain.....	5,200	159,150	.....	153,950
Sweden.....	165,000	55,660	109,340	.....
Switzerland.....	360,000	1,194,800	.....	834,800
Turkey.....	.....	63,349	.....	63,349
TOTAL EUROPEAN COUNTRIES.....	\$25,299,085	\$ 6,623,322	\$18,675,763	.....
Cuba.....	\$ 1,475,000	\$ 6,934,000	.....	\$5,459,000
Porto Rico.....	1,088,000	1,039,611	.....	551,611
All other Caribbean countries.....	903,900	4,862,249	.....	3,958,349
TOTAL CARIBBEAN COUNTRIES.....	\$ 3,466,900	\$13,435,860	.....	\$ 9,968,960
ALL OTHER COUNTRIES.....	\$ 316,000	\$ 2,421,085	.....	\$ 2,105,085
GRAND TOTAL ALL COUNTRIES.....	\$29,081,985	\$22,480,267	\$ 6,601,718	.....

Foreign Exchange

Sterling, after closing the year at \$4.32, or 40 cents below the February high point, declined by January 21 to \$4.21, the lowest rate in two years. French francs were weak and broke $\frac{3}{4}$ of a cent to a new low point of $4\frac{1}{4}$ cents, from which there was partial recovery, following an advance in the discount rate of the Bank of France from 5 to 6 per cent. The Italian lira remained relatively steady and was temporarily quoted above the franc.

Japanese rates fell to less than 44 cents on January 12, a loss of 5 cents since the earthquake in September, but recovered slightly during the next week. Exchange on Argentina and Brazil showed a rising tendency, probably reflecting the commencement of the export season in those countries. The following diagram compares the movements of the leading exchanges by months since 1919.



Depreciation of Foreign Exchange Rates from Par Value

Foreign Trade

Exports of merchandise during December totaling \$425,000,000 were \$25,000,000 larger than in November and the largest for any month since February 1921. Imports declined slightly to \$285,000,000, so that there was a net export balance of \$140,000,000, the largest since October 1921.

In December, as in the preceding three months, cotton shipments were a large factor in increased exports. Since the beginning of the cotton marketing year August 1, shipments have exceeded those of last year 14 per cent. in quantity and 47 per cent. in value.

The total exports for the entire year 1923 amounted to \$4,165,000,000, or \$333,000,000 more than in 1922. As imports increased nearly \$680,000,000 to \$3,789,000,000, the net export balance was only about half that of 1922 and the smallest since 1914. The following table compares the figures by years since 1913 and shows also the corresponding figures for Great Britain, which converted into dollars at average rates of exchange during each year, show an increase in the import balance during 1923.

(In millions of dollars)

Year	UNITED STATES			GREAT BRITAIN		
	Exports	Imports	Excess Exports	Exports	Imports	Excess Imports
1913.....	\$2,484	\$1,793	\$ 691	\$3,088	\$3,739	\$ 651
1914.....	2,114	1,789	325	2,592	3,431	839
1915.....	3,555	1,779	1,776	2,294	4,038	1,744
1916.....	5,483	2,392	3,091	2,873	4,513	1,640
1917.....	6,234	2,952	3,282	2,841	5,066	2,225
1918.....	6,149	3,031	3,118	2,531	6,258	3,727
1919.....	7,920	3,904	4,016	4,266	7,201	2,935
1920.....	8,228	5,278	2,950	5,692	7,064	1,372
1921.....	4,485	2,509	1,976	3,114	4,172	1,058
1922.....	3,832	3,113	719	3,643	4,439	796
1923.....	4,165	3,789	376	4,051	5,020	969

Reflecting a larger movement of freight during the latter part of the year, ocean freight rates were advanced in January an average of 25 per cent. on the

leading trade routes. This continued the upward tendency begun last August when the general level of ocean rates, as computed by the Federal Reserve Board, was 80 per cent. lower than in January 1920.

Gold Movement

Gold amounting to \$32,641,000 was imported during December, of which nearly half was from England and the remainder largely from France, Argentina, the Netherlands, and Canada. The receipt of \$5,000,000 from Argentina was the largest single shipment from that country for several years.

Gold exports, which totaled about \$712,000, were almost entirely to Mexico, Hongkong, and Canada.

For the year 1923 net gold imports amounted to \$294,000,000. The following table shows by countries the gold movement during the past two years. Imports continued large from England and France, showed a marked increase from Germany and Canada, but decreased sharply from Scandinavian countries. Export totals showed a decline in shipments to Canada, but an increase in the movement to India, which country also took nearly £19,000,000 from England during the year.

(000 omitted)

Country	Imports		Exports	
	1922	1923	1922	1923
England.....	\$121,732	\$147,112	\$ 21	\$ 138
France.....	27,043	19,036	...	2,660
Germany.....	35	49,552	...	...
Sweden.....	32,886	5	78	...
Norway.....	8,424	...	...	...
Denmark.....	17,770	3,562	...	...
Netherlands.....	9,958	13,292	19	90
Canada.....	10,372	49,375	21,624	1,705
Mexico.....	5,913	6,581	4,841	4,706
Colombia.....	6,848	4,452	500	700
British India.....	...	...	4,445	14,637
China and Hongkong.....	8,953	5,907	3,933	2,488
All other.....	25,236	23,842	1,414	1,519
Total.....	\$275,170	\$322,716	\$36,875	\$28,643

Prices

Due partly to further recessions in fuel and lighting and building materials, the index of wholesale prices of the Department of Labor declined an additional 1 per cent. in December to 51 per cent. above the 1913 level and 5 per cent. below the spring high point. Cloths and clothing rose 1 per cent., due largely to increases in cotton and wool. Other group indexes were stationary or showed only fractional changes.

During the four weeks ended January 26, this bank's index of prices of 20 basic commodities advanced 2 per cent., reflecting chiefly a sharp advance in corn to above 78 cents at Chicago, the highest price of the season, higher lumber prices, and further advances in crude oil in various fields. Cotton, on the other hand, declined nearly 3 cents to 33½ cents, and there were declines also in prices of copper, sugar, rubber, and tobacco.

The Department of Labor's quarterly index of the cost of living for 32 cities in the United States for December was .7 per cent. higher than in September, largely because of advances in the cost of food, shelter, and fuel and lighting. Compared with December 1922, the increase in living costs was 2.2 per cent. For New York City alone the increase in living costs during the quarter amounted to 1.1 per cent., and the advance over a year previous was 1.8 per cent.

Employment and Wages

Decreases in the food products, clothing, and metal products industries caused a further decline of 1 per cent. in factory employment in New York State during the month ended December 15 to a point 5 per cent. under the March high level for the year and 1 per cent. below December 1922.

Average weekly earnings of factory operatives in New York State increased 1 per cent. in December to \$27.97, or only 3 per cent. below the maximum level of 1920. This increase occurred chiefly outside New York City and was probably partly due to release of some of the lower paid workers during the month. In general, there was little change in wage rates.

Production

A decline in the composite production index of the Federal Reserve Board, noted on the first page, was accompanied by a preponderance of declines in this bank's indexes of production in individual lines.

The decline was particularly marked in cotton consumption in mills, which decreased 70,000 bales to the smallest amount since last July. This was reflected in a decrease in the index of consumption from 96 to 82 per cent. of the computed trend.

The production of steel ingots declined an additional 9 per cent. to the lowest point since the fall of 1922, but pig iron output was slightly larger and unfilled orders of the United States Steel Corporation increased 76,755 tons, following a prolonged decline from the March high point of last year.

The output of automobiles continued to show a seasonal decline, but was 33 per cent. larger than the December figure of last year. Mining of bituminous coal showed a further decrease and at slightly over 40,000,000 tons was the smallest since September 1922. Output of anthracite coal, on the other hand, increased slightly. The following table shows this bank's indexes of production as percentages of the computed trend of past years and with allowance made for seasonal variation.

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

	1923				Average for	
	Sept.	Oct.	Nov.	Dec.	1923	1922
<i>Producers' Goods</i>						
Pig iron.....	102	98	90	93	108	74
Steel ingots.....	100	101	90	84	106	87
Bituminous coal.....	99	99	94	89	104	77
Copper, U. S. mine.....	102	106	107	103 ^p	99	67
Leather, sole.....	90	91	92	83	97	91
Tin deliveries.....	80	98	150	91	107	90
Petroleum.....	144	142	145	134 ^p	137 ^p	113
Cotton consumption.....	88	94	96	82	96	92
Woolen mill activity**.....	100	102	101	92 ^p	107 ^p	94
Zinc**.....	68	73	77	81	77	58
Cement.....	136	135	148	153	142	116
Lumber.....	125	137	136	...	126*	107
<i>Consumers' Goods</i>						
Anthracite coal.....	35	95	90	97	96	54
Wheat flour.....	109	104	95	99	108	106
Cattle slaughtered.....	98	100	94	...	103*	97
Cavies slaughtered.....	118	146	142	...	130*	125
Sheep slaughtered.....	76	77	75	...	87*	83
Hogs slaughtered.....	146	139	130	...	128*	104
Sugar meltings, U. S. ports.....	102	137	116	96	107	133
Paper, total.....	85	90	93	90	100	103
Tobacco, consumption.....	89	93	90	81	90	89
Gasoline.....	107	107	106	...	112*	103
Automobile, all.....	140	159	161	152	143	101
Automobile, passenger.....	149	171	170	153 ^p	149	104
Automobile, truck.....	104	113	125	146 ^p	118	87
Automobile, tires**.....	107	126	119	...	136*	117
Boots and shoes.....	90	98	88 ^p	74 ^p	99 ^p	93

* Average of 11 months.

^p Preliminary.

** Seasonal variation not allowed for.

Indexes of Business Activity

In December as in November this bank's indexes of the distribution of goods and general business activity showed slightly more decreases than increases. Among the indexes showing decreases were those for railway traffic, wholesale trade, advertising, and factory employment. The indexes for department store and mail order trade and for bank debits outside of New York were unchanged, while those for exports, life insurance written, chain store sales, building permits, and bank debits in New York City, increased. The following table shows

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

	1923				Average	
	Sept.	Oct.	Nov.	Dec.	1923	1922
<i>Primary Distribution</i>						
Car loadings, mdse. and misc.....	103	107	105	103	106	101
Car loadings, other.....	106	101	103	103	113	91
Wholesale trade, Second District.....	100	116	103	91	106	103
Exports.....	95	85	83	87 ^p	86	85
Imports.....	94	106	100	96 ^p	110	96
Grain exports.....	86	58	42	53	89	164
<i>Distribution to Consumer</i>						
Department store sales, Second District.....	97	100	96	96	98	101
Chain store sales.....	96	97	97	103	99	99
Mail order sales.....	91	100	85	85	93	78
Life insurance written.....	112	113	113	120	107	100
Amusement receipts.....	84	104	108	...	99*	89
Magazine advertising.....	96	98	98	93	95	82
Newspaper advertising.....	90	92	93	90	93	95
<i>General Business Activity</i>						
Bank debits, outside New York City r.....	95	101	100	100	104	101
" " New York City.....	93	92	100	102	102	110
Electric power.....	108	111 ^r	107 ^p	...	109*	99
Postal receipts.....	97	101	102	102	102	100
Building permits.....	127	159	153	155	143	132
Business failures r.....	83	104	106	101	94	120
Employment, N. Y. State factories.....	101	103	101	99	102	92

* Average of eleven months.

^r Revised.^p Preliminary.

the available indexes for recent months in percentages of the computed trend, allowance being made for seasonal variation. Averages for the entire year are in most cases substantially higher than in 1922.

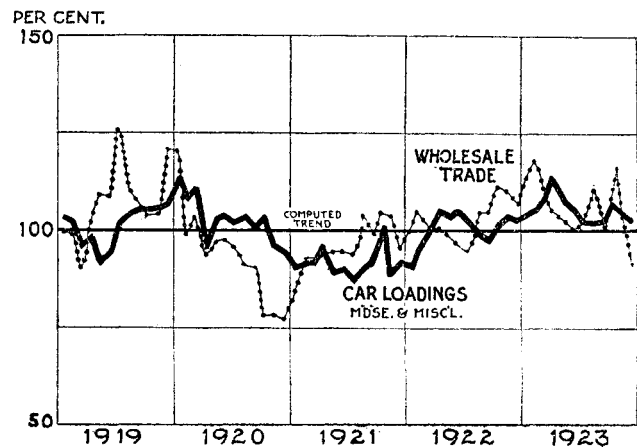
Building

Building contracts awarded in 27 northeastern States declined 7 per cent. in December to \$267,900,000, due mainly to declines in the New York and central western districts, but were almost 25 per cent. larger than in December 1922, according to reports of the F. W. Dodge Corporation.

For the entire year contract awards in these States totaled \$3,500,000,000, or 5 per cent. more than in 1922. Building costs, as computed by this bank, however, averaged nearly 12 per cent. higher than in 1922, and the volume of building represented by the contracts awarded was probably slightly smaller than in 1922.

Wholesale Trade

Wholesale trade in this district showed a further decline in December, and this bank's weighted index of the sales of 164 dealers in 11 principal lines was 5 per cent. below that of December a year ago, compared with a decrease of 2 per cent. in November and an increase of 11 per cent. in October. Allowing for seasonal variation and price changes, the index was approximately 9 per cent. below the computed trend of past years. The accompanying diagram shows the course of this index compared with an index of railway car loadings of merchandise and miscellaneous freight, also expressed in percentages of the computed trend.



Wholesale Trade in the Second Federal Reserve District and Car Loadings of Merchandise and Miscellaneous Freight (Computed trend = 100 Per cent.)

FEDERAL RESERVE AGENT AT NEW YORK

The smaller sales in December, as compared with December 1922, were due chiefly to a sharp decline in the sales of groceries, and to smaller sales of shoes and dry goods, which were also relatively light in November. Sales of women's clothing were substantially higher than a year ago, while sales of hardware continued to show consistent gains.

The total sales of dealers for the entire year were 15 per cent. larger than in 1922 but were considerably less in dollar value than in 1919 and 1920 when prices were higher. The largest gains were shown in machine tools, clothing, dry goods, diamonds, and hardware. The following table shows the detailed figures for December sales and for the entire year 1923, as compared with the previous years.

Commodity	DECEMBER SALES Dollar Value (December 1922=100 Per cent.)					ANNUAL SALES Dollar Value (Year 1922=100 Per cent.)				
	1919	1920	1921	1922	1923	1919	1920	1921	1922	1923
Diamonds.....	180	75	72	100	151	260	152	68	100	122
Hardware.....	132	97	83	100	117	120	137	93	100	120
Clothing.....	149	85	85	100	108	101	117	92	100	120
(a) Men's.....	172	76	84	100	90	97	132	90	100	123
(b) Women's dresses.....	148	91	101	100	106	102	104	93	100	110
(c) Women's coats & suits.....	120	90	72	100	135	104	109	93	100	125
Stationery.....	116	113	83	100	104	115	143	102	100	111
Machine tools.....	233	95	35	100	100	293	314	77	100	182
Drugs.....	93	76	82	100	99	94	98	90	100	111
Dry goods.....	175	86	98	100	97	124	125	104	100	120
(a) Cotton goods.....	148	82	100	100	94	104	117	99	100	115
(b) Silk goods.....	201	90	96	100	101	144	133	110	100	124
Groceries.....	155	93	79	100	88	130	138	96	100	107
Shoes.....	174	89	90	100	87	184	149	113	100	108
Jewelry.....	138	70	65	100	82	194	180	88	100	115
Total (weighted)	146	89	85	100	95	122	129	97	100	115

Department Store Business

Complete reports on December sales by department stores in the Second District showed a volume of business 7 per cent. larger than in December a year ago, approximately the same increase as was shown in November but less than that shown in October. This bank's index of sales, after allowing for seasonal variation and price changes, was 4 per cent. below the computed trend of past years.

For the entire year 1923 the total sales were 8 per cent. above those of 1922, and 6 per cent. larger than in 1920, heretofore the year of largest sales in dollar value.

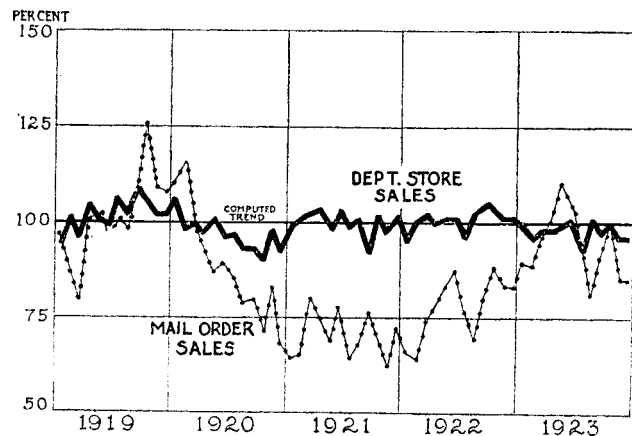
The only decreases in sales in December occurred in shoes and in woolen goods. The following table shows the percentage change in the major departments, compared with a year ago.

Men's and boys' wear.....	+11.9
Hosiery.....	+ 7.3
Furniture.....	+ 6.6
House furnishings.....	+ 6.5
Silk goods.....	+ 5.7
Cotton goods.....	+ 5.1
Women's and misses' ready-to-wear.....	+ 4.9
Women's ready-to-wear accessories.....	+ 3.5
Shoes.....	- 1.9
Woolen goods.....	-10.4
Miscellaneous.....	+ 4.9

Stocks of goods on hand January 1 were 9 per cent. larger than a year ago, compared with an increase of 10 per cent. on December 1 and of 14 per cent. on November 1. The table below compares December sales and stocks as of January 1 with the figures of previous years.

	Net Sales During December (Dec. 1922=100 Per cent.)					Stock on Hand January 1 (Jan. 1, 1923=100 Per cent.)				
	1919	1920	1921	1922	1923	1920	1921	1922	1923	1924
All dept. stores.....	92	93	95	100	107	104	104	99	100	109
New York.....	95	93	96	100	105	102	102	98	100	108
Buffalo.....	95	107	99	100	107	109	107	107	100	95
Newark.....	83	87	90	100	108	107	102	91	100	107
Rochester.....	81	91	87	100	118	120	122	95	100	105
Syracuse.....	92	101	92	100	111	133	140	105	100	117
Bridgeport.....	108	105	96	100	104	107	99	97	100	99
Elsewhere, 2d Dis.	95	104	100	100	109	107	112	119	100	126
Apparel.....	80	87	95	100	106	88	95	90	100	116
Mail order houses.....	134	90	74	100	110	...	...	...	...	...

December mail order sales were 10 per cent. larger than last year, although 12 per cent. smaller than in October, when they were the largest for any month since 1919. This bank's index of mail order sales stood at 85 per cent. of the computed trend, a figure practically identical with that shown in November. The accompanying diagram compares this bank's index of mail order sales with sales of department stores, in percentages of the computed trend, with allowance for seasonal variation and changes in prices.



Sales of Department Stores in the Second Federal Reserve District and Mail Order Houses (Computed trend = 100 Per cent.)

"—of Service to Banks and Business"

This bank has for distribution a limited number of copies of a pamphlet of diagrams descriptive of the operations of the Federal Reserve System, and entitled "—of Service to Banks and Business." The pamphlet contains material prepared by the Federal Reserve Bank of Philadelphia for an exhibit at the Annual Convention of the American Bankers Association. Copies may be secured by addressing the Federal Reserve Agent.

New York Reserve Bank Operations in 1923

THE following table presents in comparative form for the past three years the volume of the principal operations of the Federal Reserve Bank of New York, which are of such character that they can be expressed in quantitative terms. About one-third of all the banking resources of the country are within this Federal Reserve district, and the New York Reserve Bank conducts about one-third of the business of the entire Federal Reserve System. At the close of business on December 31, the total personnel of the New York Reserve Bank, including the Buffalo Branch, numbered 2,738 persons.

SUPPLYING CURRENCY AND COIN	1921	1922	1923
CURRENCY PAID OUT, RECEIVED, OR REDEEMED.			
Individual notes counted.....	411,515,000	412,347,000	477,257,000
Dollar amount paid and received.....	**	*\$4,952,308,000	*\$5,807,207,000
COIN PAID OUT OR RECEIVED, a service previously performed largely by the Subtreasury, but now entirely in the hands of the Federal Reserve Bank.			
Number of coins handled in paying, receiving, and counting.....	*1,813,252,000	*2,269,651,000	*2,545,487,000
Tons of coin handled in paying, receiving, and counting.....	*8,551	*10,812	*12,456
Dollar amounts paid out and received.....	\$164,000,000	\$186,500,000	\$228,798,000
 MAKING LOANS AND INVESTMENTS			
BILLS DISCOUNTED FOR MEMBER BANKS, either discounted customers' paper or advances against the notes of member banks secured by collateral in the form of Government securities or commercial or agricultural paper.			
Number of bills discounted.....	150,000	61,000	72,000
Dollar amount.....	\$30,768,990,000	\$9,206,364,000	\$17,951,843,000
ACCEPTANCES AND GOVERNMENT OBLIGATIONS purchased for the account of this bank and other Federal Reserve Banks.			
Dollar amount.....	\$3,479,000,000	\$3,750,000,000	\$3,528,000,000
 COLLECTING CHECKS, DRAFTS, NOTES, AND COUPONS			
CASH ITEMS, mostly checks, handled for collection for banks in all parts of the country.			
Number of items.....	104,519,000	118,589,000	128,396,000
Dollar amount.....	\$36,101,511,000	\$62,280,122,000	\$65,518,030,000
NON-CASH ITEMS, handled for collection, including drafts, notes, and coupons.			
Number of items.....	1,430,000	1,741,000	2,177,000
Dollar amount.....	\$1,580,526,000	\$1,519,894,000	\$1,920,719,000
 SUPPLEMENTARY SERVICES			
SECURITIES HELD in safekeeping for the United States Government, the War Finance Corporation, and others.			
Average dollar amount.....	\$1,200,000,000	\$1,000,000,000	\$1,010,000,000
ACCEPTANCES AND OTHER SECURITIES BOUGHT OR SOLD for member banks, and foreign banks.			
Dollar amount.....	\$415,256,000	\$302,000,000	\$237,712,000
FUNDS TRANSFERRED BY TELEGRAPH to and from all parts of the country for the Treasury Department and member banks.			
Number of transfers.....	215,000	236,000	284,000
Dollar amount.....	\$18,160,300,000	\$25,126,090,000	\$28,031,500,000
 SERVICES IN CONNECTION WITH GOVERNMENT LOANS			
UNITED STATES GOVERNMENT SECURITIES issued, redeemed, or exchanged, including Government bonds, notes, and certificates of indebtedness.			
Number of items.....	8,368,000	7,030,000	8,247,000
Dollar amount.....	\$7,206,611,000	\$6,449,625,000	\$3,148,870,000
COUPONS PAID ON GOVERNMENT SECURITIES.			
Number of coupons.....	26,126,000	22,685,000	17,684,000
Dollar amount.....	\$312,873,000	\$336,468,000	\$337,344,000
(In addition to these operations for the Treasury, the bank performed other work for the Government connected with the currency, the collection of checks, the custody, purchase and sale of securities, the transfer of funds, etc., which have been referred to under their respective headings.)			

* Buffalo Branch operations excluded.

** Figures not available on same basis as 1922 and 1923.