

# MONTHLY REVIEW

## of Credit and Business Conditions

### Second Federal Reserve District

Federal Reserve Agent

Federal Reserve Bank, New York

January 1, 1925

#### Business Conditions in the United States

**P**RODUCTION in basic industries and factory employment continued at about the same level in November as in October. There was a further slight rise in the level of commodity prices reflecting advances in nearly all groups of commodities.

##### PRODUCTION

Production of basic commodities was at about the same rate in November as in October, but owing to the smaller number of working days not allowed for in the adjustment for usual seasonal variations, the Federal Reserve Board's index of production declined by about 2 per cent. Increased activity was shown in the iron and steel industry and in cotton and woolen textiles, while production of food, coal, lumber, paper, and automobiles declined. There was little change in the volume of factory employment in November. Building contracts awarded declined somewhat in November, but the total was considerably larger than for the corresponding month of any recent year.

Final estimates by the Department of Agriculture of crop yields in 1924 showed a greater aggregate production than in 1923 and an increase of about 9 per cent. in the total value of all crops. Yields of wheat, oats, cotton,

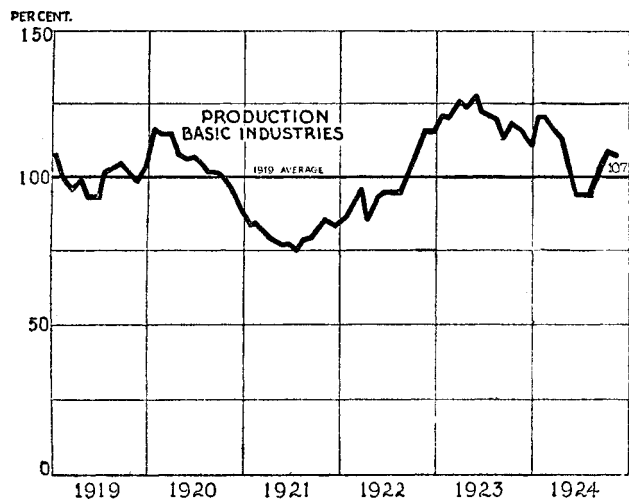
potatoes, and hay were larger than in 1923, but the production of corn and tobacco was smaller. Marketing continued in large volume in November and exports of agricultural products were the largest for that month in any recent year.

##### PRICES

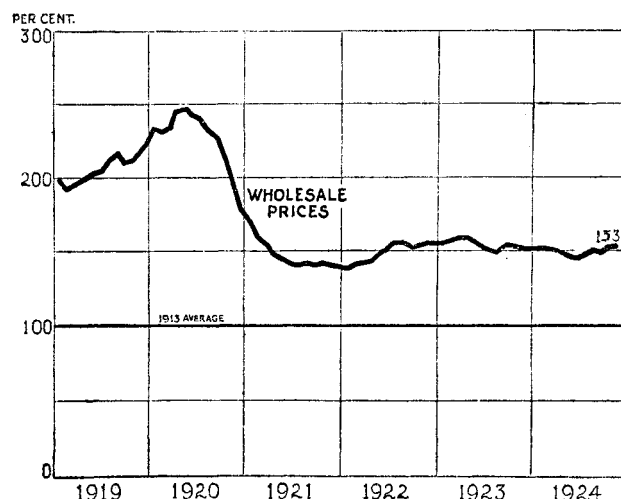
The level of wholesale prices, as measured by the index of the Bureau of Labor Statistics, advanced slightly in November, price increases in most of the commodity groups being nearly offset by a considerable decline in the prices of animal products. During the first half of December there were further advances in the prices of grains, flour, sheep, metals, and lumber, while the prices of beef, hides, silks, and brick declined.

##### TRADE

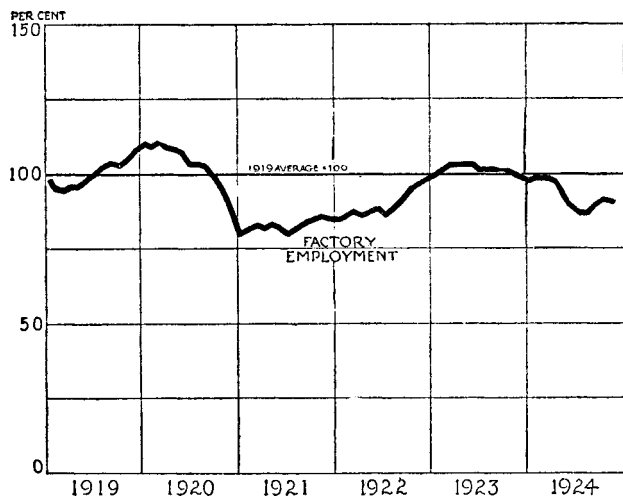
Railroad freight shipments though smaller in November than in October, owing to seasonal influences, were in about the same volume as in 1923. Wholesale trade showed the usual decline in November and was about as active as a year ago. Sales of furniture and meat were larger than last year, while the volume of business in nearly all other lines was smaller. Retail trade was somewhat more active in November and sales of mail order houses and chain stores were larger than last year. Merchandise stocks at department stores were slightly reduced and were 2 per cent. less than a year ago.



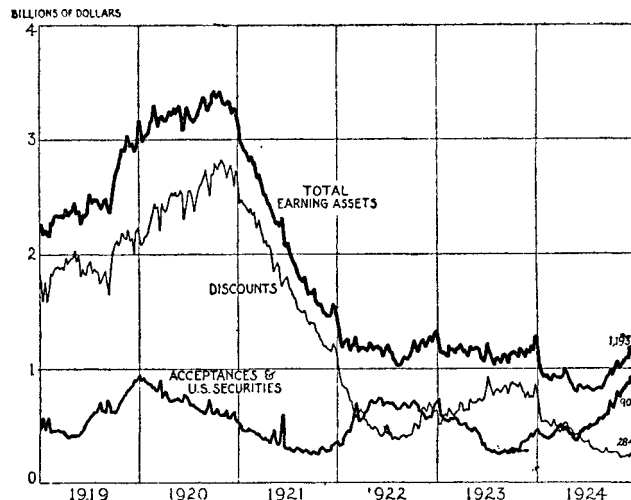
Index of 22 Basic Commodities corrected for seasonal variation (1919 = 100 Per cent. Latest figure November)



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



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



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

### BANK CREDIT

Total loans and investments of member banks in leading cities continued to increase during the four weeks ended December 10 and on that date were in larger volume than at any previous time. The increase during the period was chiefly in loans secured by stocks and bonds and accompanied continued activity in the security markets. Commercial loans showed a seasonal decline from the high point of the year reached in the middle of November but continued above the level of a year ago. Security holdings, after increasing rapidly since the spring of the year reached a peak on November 19 and after that time showed a slight decline.

At the Reserve Banks total earning assets increased considerably during the four weeks ended December 17 reflecting the seasonal demand for currency and the export of gold. The volume of discounts of the Reserve Banks increased between the middle of November and the middle of December. Their holdings of acceptances also showed a net increase, while United States security holdings declined somewhat.

Firmer conditions in the money market during the last half of November and the first half of December were indicated by higher rates on bankers acceptances and a rise of one half per cent. in the rate on commercial paper.

### Banking Conditions in the Second District

Banking transactions in December reflected the usual holiday trade activity, preparations for the year-end disbursements, and the large Government operations falling due December 15. Accompanying a large demand for currency and withdrawals of gold for export, money rates became firmer and the volume of credit required of the Federal Reserve Bank of New York rose to a new high point for the year.

Government operations throughout the country centering about the 15th aggregated approximately \$1,500,000,000, including the flotation of a new Treasury refunding loan, redemption of approximately \$325,000,000 maturing securities and payment of interest on the public debt, payment by the British Government of \$91,500,000, chiefly in United States securities, on account of interest and principal on its debt to this Government, and the collection of income taxes.

In this district the events of the tax period followed the usual course, except that the amount of Government funds paid out in this market was larger than usual in proportion to the rest of the country. Against total disbursements on December 15 of \$233,000,000, the Treasury balance with the Reserve Bank, together with tax and other collections on that date, aggregated only \$89,000,000, leaving a debit balance of \$144,000,000, which was covered by a temporary loan by the Federal Reserve Bank to the Treasury. As income tax checks were collected, and the proceeds of tax collections were transferred here from other districts, the Treasury was able gradually to reduce, and by December 18 extinguish its borrowing at the Federal Reserve Bank.

The heavy volume of Government disbursements on the 15th created a large supply of excess funds in the market, and this was reflected in easier money conditions and a decline in call loan rates. As income tax checks were collected and funds were withdrawn from New York by interior banks to replace funds transferred by the Treasury to New York, the equilibrium of the market was restored and conditions became firm again.

Between November 19 and December 17 there was a further slight increase in total loans and investments and in deposits of reporting member banks in this district. The increase in loans and investments was due to a further rise in loans secured by stocks and bonds

to a new high level. Commercial loans showed a moderate seasonal decline, and investments were also lower, due partly to the redemption of Government issues maturing December 15.

At the Federal Reserve Bank of New York discounts for member banks rose sharply during the week ended December 24 to \$134,000,000, the highest since April. Bills bought in the open market were also larger than a month previous, but holdings of United States securities were smaller. In consequence of these changes, total earning assets increased over \$100,000,000 during the month to \$410,000,000, a new high point for the year.

### Money Market

Except for several days following the large Treasury disbursements on December 15, the money market showed increased firmness in December and rates generally advanced to levels from  $\frac{3}{4}$  to one per cent. above the summer low points. Among the contributing factors were loss of funds to the interior, holiday currency requirements, the activity of the stock market, and an outward movement of gold.

A less active demand for commercial paper in middle western cities caused a further slight advance in open market rates to  $3\frac{1}{2}$ - $3\frac{3}{4}$  per cent. Supplies of paper were reported smaller than in November when the amount outstanding through 26 dealers declined 3 per cent., or approximately the average decline in November of the two preceding years.

Firmer conditions in the bill market were reflected by further advances in rates and increased sales to the Reserve Banks. Dealers' open market rates at  $3\frac{1}{8}$  per cent. on their purchases of 90 day bills and 3 per cent. on their sales were about  $\frac{1}{2}$  of one per cent. higher than at the end of November. Yields on near maturities of Government short term issues, on the other hand, declined, due to stimulation of demand by the conversion privileges offered by the new Treasury loan.

Rates for 60-90 day loans on stock market collateral advanced another  $\frac{1}{2}$  of one per cent. to  $3\frac{1}{2}$ - $3\frac{3}{4}$  per cent., or about 1 per cent. above the summer low point. Call loan renewals were almost continuously  $3$ - $3\frac{1}{2}$  per cent., the highest average since May, and late in the month the rate for new loans reached 5 per cent.

### Security Markets

The stock market continued active and strong in December. Daily transactions on the New York Stock Exchange averaged considerably over  $1\frac{1}{2}$  million shares, and on 7 days exceeded 2 million shares. Price averages of industrial issues rose to within 5 points of the high level touched in November 1919 and railroad stocks reached new high levels since 1917.

Bond prices, on the other hand, receded slightly in December, accompanying firmer money conditions. Liberty bonds also reacted moderately and Treasury  $4\frac{1}{4}$ 's declined about a point. The new Treasury 4's offered in December were first traded in on the New York Stock Exchange on December 15 at about 100 18/32.

Offerings of new securities continued large and were generally oversubscribed. Sales, particularly of the large issues, are being made with comparatively little of the usual circularization of mailing lists by bond houses. Foreign offerings, including \$50,000,000 Belgian Government, \$30,000,000 Argentine Government, and \$11,000,000 Greek Government bonds, contributed largely to the totals for the month, and brought the amount of foreign issues sold here since January 1 to over \$1,240,000,000. The following table, showing the par value of issues sold, indicates the wide diversification of foreign offerings by countries. Refunding issues, so far as possible, have been excluded from the table.

Canada.....	\$235,000,000
Japan.....	187,000,000
France.....	161,000,000
Germany.....	115,000,000
Argentina.....	75,000,000
Belgium.....	50,000,000
Holland.....	46,000,000
Sweden.....	46,000,000
Chile.....	40,000,000
Norway.....	33,000,000
Cuba.....	30,000,000
Switzerland.....	30,000,000
Finland.....	19,000,000
Czecho-Slovakia.....	11,000,000
Greece.....	11,000,000
All other.....	46,000,000
Total.....	\$1,135,000,000

### Foreign Exchange

The general advance in foreign exchange rates of the past few months continued in December. Sterling at \$4.72 $\frac{5}{8}$  on December 29 was the highest since March 1919, when free transactions in sterling were resumed. Swedish, Dutch, and Swiss exchanges were quoted above par, and Norwegian, Spanish, and Indian rates showed substantial advances.

Both French and Belgian currencies averaged slightly higher than in November. Austrian exchange was unchanged, and the new German reichsmark held steady around the par of 23.82 cents. Argentine pesos rose above 39 cents for the first time since 1920.

Shanghai taels, on the other hand, declined in December, accompanying a sharp drop in silver to 67  $\frac{1}{2}$  cents, or more than 4 cents below the October high point; possible influences in connection with this decline were smaller purchases by continental European countries, Chinese selling, and the diversion of Indian buying to gold. Italian exchange was also slightly lower in December, and Canadian rates declined about one half cent from par.

### Gold Movement

Gold exports from the Port of New York during the first 27 days of December totaled \$40,242,000, the largest export movement since June 1919. Shipments were largest to Germany, representing withdrawals of proceeds of the German loan, but substantial amounts were forwarded also to England, India, Holland, and Sweden. Imports during the same period at this port totaled

\$6,100,000 almost entirely from France and Argentina. The following table shows gold exports from this port by principal countries for the first 27 days of December.

Countries	Amount
Germany.....	\$20,000,000
England.....	9,993,000
India.....	5,918,000
Holland.....	1,603,000
Sweden.....	1,000,000
South America.....	739,000
Mexico.....	500,000
Spain.....	230,000
Other Countries.....	259,000
<b>Total.....</b>	<b>\$40,242,000</b>

During November exports of gold for the entire country were \$6,700,000. Imports for the entire country totaled slightly under \$20,000,000, more than half from France, and there was a net import balance for the month of \$13,000,000.

### Foreign Trade

Exports of merchandise in November valued at \$494,000,000 were \$33,000,000 below the high figure reached in October, but otherwise the largest since 1921. Imports of \$296,000,000 were \$15,000,000 below a month previous, and slightly larger than a year ago.

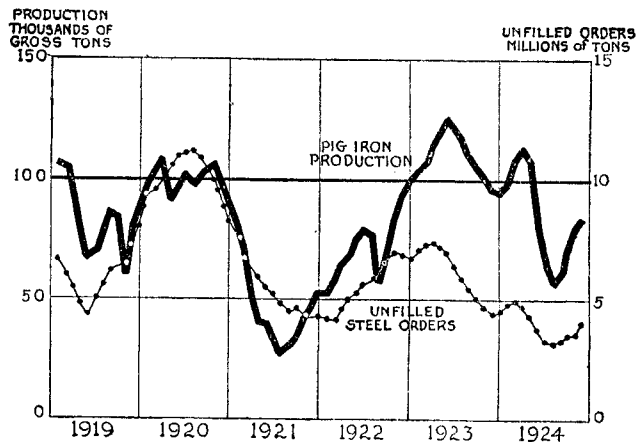
The decline in exports was due chiefly to a decrease of \$43,000,000 in the value of grain exports. Due to heavy grain shipments in recent months, as well as higher prices, the total value of grain shipments for the eleven months ended November was \$97,000,000 larger than in the corresponding period of 1923. Cotton exports increased in November and at 1,307,000 bales were the largest in quantity ever shipped in one month, while the total value was not far from the high figures reached early in 1920, when cotton was selling around 40 cents a pound.

The volume of silk imports increased in November, and, excepting the September total, was the largest since October 1922.

### Production

The blowing in of 23 blast furnaces in the steel industry in November contributed to a further gain of 4.7 per cent. in average daily iron output. The rate of steel ingot production increased 7.9 per cent., and there was a rise of over 500,000 tons in the unfilled orders of the Steel Corporation. In December larger calls for delivery against orders previously placed raised steel mill operations to about 80 per cent. of capacity, the highest since March.

The accompanying diagram reflects the recent increase in iron production and unfilled steel orders, but indicates that the totals are still considerably lower than at the high points in 1923 and 1924. The much lower level of unfilled orders in recent years in relation to production of iron and steel reflects both the tendency to short commitments and prompter deliveries aided by greater transportation efficiency.



Unfilled Orders of the Steel Corporation and Average Daily Production of Pig Iron by months. (Latest figures, November.)

Cotton consumption in November was slightly smaller than in October, but the daily rate of consumption was larger, and some further expansion in mill activities was reported in December.

Bituminous coal production in November reached the highest daily rate since February, and copper and cement production continued at high levels. Passenger automobile output, on the other hand, fell 24.3 per cent. to the smallest since 1922, and there was a decrease also in truck output. The accompanying table shows this bank's indexes in percentages of the computed trend, or normal, with allowance for seasonal variation. A factor tending to limit advances in the indexes in November was a partial celebration of Armistice Day in some industries, and a wider observance of Election Day this year.

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

	1923		1924	
	Nov.	Sept.	Oct.	Nov.
<b>Producers' Goods</b>				
Pig iron.....	90	65	75	76
Steel ingots.....	90	82	86	87
Bituminous coal.....	94	88	94	90p
Copper, U. S. mines.....	107	104	110r	113p
Tin deliveries.....	150	85	88	124
Zinc*.....	77	66	69	69
Petroleum.....	145	124	120	....
Gas and fuel oil.....	102	94	98	....
Cotton consumption.....	96	78	91	87
Woolen mill activity*.....	101	87	97	99p
Cement.....	148	148	147	152
Lumber.....	136	113	123	....
Leather, sole.....	92	78	81	....
<b>Consumers' Goods</b>				
Cattle slaughtered.....	94	104	105	104p
Calves slaughtered.....	142	142	161	146p
Sheep slaughtered.....	75	87	84	77p
Hogs slaughtered.....	130	127	110	110p
Sugar meltings, U. S. ports.....	116	131	114	91
Wheat flour.....	95	125	111	96
Cigars.....	93	91	86	86
Cigarettes.....	81	82	78	69
Tobacco, manufactured.....	100	107	102	93
Gasoline.....	106	119	114	....
Tires*.....	119	183	198	....
Newsprint.....	110	110	113	107
Paper, total.....	93	92	95	96
Boots and shoes.....	88	89	95	80p
Anthracite coal.....	90	91	83	80p
Automobile, all.....	161	118	120	109
Automobile, passenger.....	170	122	124	110
Automobile, truck.....	125	99	104	105

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

### Indexes of Business Activity

Indexes of trade and general business activity computed by this bank were generally lower in November than in October.

Bank debits outside of New York were below the unusually large total of October, but 1.8 per cent. larger than in November last year. In New York City, however, debits continued unusually large, apparently reflecting activity in the security markets. Railway car loadings, both of merchandise and other freight, showed the usual seasonal decrease, but both in November and early December continued larger than a year ago.

Indexes of wholesale trade and department store sales likewise decreased in November, but that of chain stores advanced and in December Christmas sales of department stores exceeded all previous records. Factory employment in New York State remained little changed. The following table gives this bank's indexes of business activity in percentages of the computed trend, after allowance for seasonal variation and, where necessary, for price changes.

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

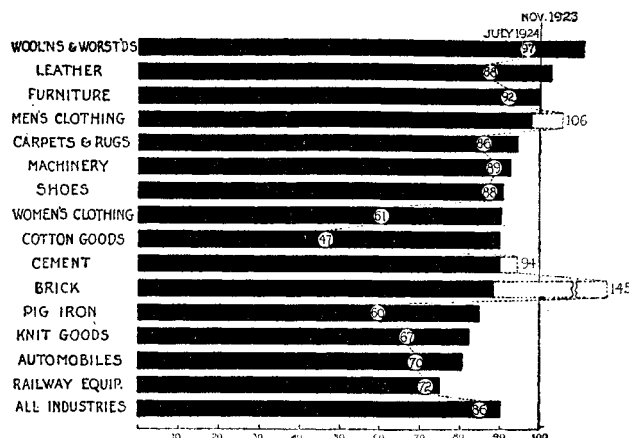
	1923		1924	
	Nov.	Sept.	Oct.	Nov.
<i>Primary Distribution</i>				
Car loadings, merchandise and misc.....	105	103	108	102
Car loadings, other.....	105	100	98	105
Wholesale trade, Second District.....	100	102	103	91
Exports.....	83	106	111	102p
Imports.....	100	106	106	101p
Grain exports.....	42	86	201	119p
Panama Canal traffic.....	144	125	103	....
<i>Distribution to Consumer</i>				
Department store sales, Second District.....	96	101	96	92
Chain store sales.....	97	92	93	97
Mail order sales.....	85	103	103	90
Life insurance paid for.....	113	110	112	107
Magazine advertising.....	105	99	100	99
Newspaper advertising.....	100	93	92	92
<i>General Business Activity</i>				
Bank debits, outside of New York City.....	100	99	105	99
Bank debits, New York City.....	100	111	105	110
Velocity of bank deposits, outside of New York City.....	98	92	94	92
Velocity of bank deposits, New York City.....	102	103	92	102
Postal receipts.....	102	100	101	94
Electric power.....	107	108	110	....
Employment, N. Y. State factories.....	101	90	91	91
Business failures.....	106	87	105	102

p= Preliminary.

### Employment and Wages

After increasing 5 per cent. from the summer low point, factory employment in New York State showed practically no change from October to November. In the textile, steel, and a few other industries, there were further increases in working forces, but these were offset by reductions, partly seasonal, in apparel, shoe, holiday goods, and building materials industries.

Compared with a year ago, when factory employment in the State was comparatively high, practically all the important industries in November show a reduction. For all industries combined the reduction was about 10 per cent., representing approximately 130,000 workers. This

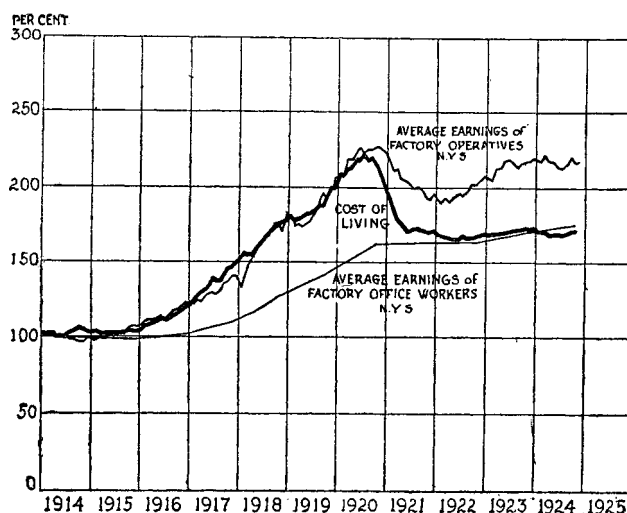


November Factory Employment in New York State and the July Low Point in Percentages of Employment in November 1923.

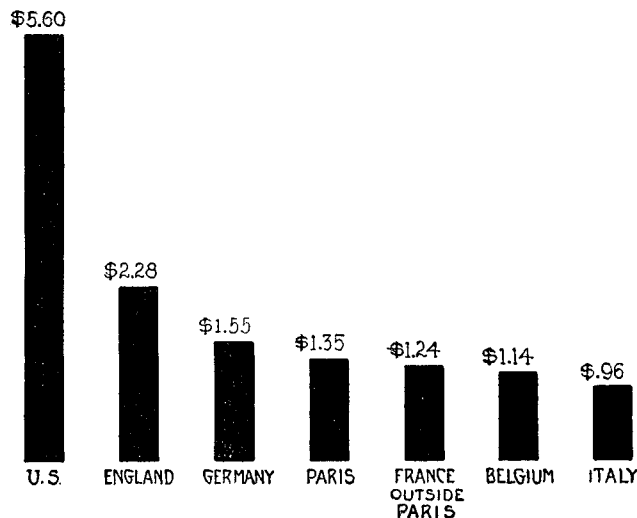
decrease, coupled with the cessation of outdoor work and advent of colder weather, has been accompanied by more marked indications of considerable unemployment. The State employment office ratio of workers wanted to workers applying for jobs declined from 82 per cent. for October to 69 per cent. for the first half of December, the lowest since July.

The preceding diagram compares November employment in leading industries of the State this year with employment a year ago and at the summer low point.

Occasional wage reductions continued to be reported in the textile industries, chiefly in New England, but rates in most other lines remained steady as has been the case for more than a year, despite considerable unemployment. The diagram below indicates that the present average weekly earnings of factory operatives are close to the 1920 high level, while living costs have fallen considerably below this level. Factory office salaries, which advanced much more slowly than wages or the cost of living up to 1920, continued to rise during the past year to the highest level yet reached.



Changes in Average Weekly Earnings of Operatives and Office Workers in New York State Factories and the Cost of Living in the U. S. (1914 = 100 Per cent.)



Average Daily Wage Paid in November 1924 by a large American Industrial Corporation in Factories in this Country and Abroad.

### Wages in the United States and Foreign Countries

Figures supplied to this bank by one of many large American industrial companies maintaining factories in other countries afford a means of comparing wage levels in this country and abroad for precisely the same types of labor engaged in the production of identical commodities. The figures supplied are average daily wages paid in November in the company's various factories in this country, England, Germany, France, Belgium, and Italy converted to dollars at prevailing rates of exchange. The accompanying diagram compares these figures and indicates that the wages in the American factories are more than twice those in the next highest country, England, and approximately six times those of the lowest country, Italy. It is noteworthy that the German factory ranks third in order of highest wages paid. During 1923, however, when the mark was depreciating rapidly, the wage rate in the German factory averaged as low as 50 cents a day.

### Building

The value of new building contracted for in November was seasonably smaller than in October, but 19 per cent. larger than in November 1923, an increase equal to the largest shown for any month since January. Permits applied for, however, which precede contracts, were not only smaller in November than in October, but for 354 cities were 13 per cent. below a year ago.

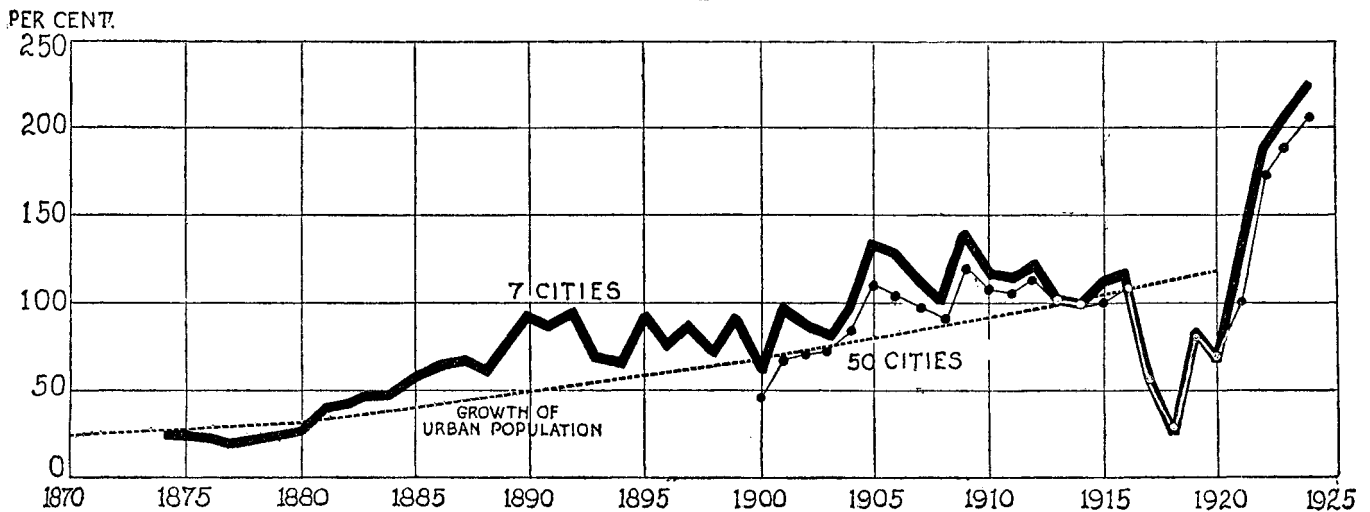
The chief increases in contracts occurred in the middle Atlantic, southeastern, Pittsburgh, and central western districts, where gains, according to the F. W. Dodge Corporation, ranged from 30 to 61 per cent. over last year. In New York City contracts continued above October and were 13 per cent. above the year previous, but for the district as a whole the total fell 12 per cent. under last year.

The decline in permits was chiefly due to a drop of 34 per cent. in New York City. Permits in western cities averaged about 10 per cent. below last year, but in the central and southern districts averaged about the same as in 1923.

### Building Over Fifty Years

The course of building through the last half century as shown by annual permit records for 7 selected cities, including about one-quarter of the total urban population of the country, is presented in the accompanying diagram, together with an index of building in 50 cities since 1900, and the trend of growth of urban population.

The figures for permits for 7 cities, which include those for Boston and New York from 1874, for Chicago from 1882, for Minneapolis from 1885, for Cleveland from 1888, for Philadelphia from 1894 and for San Francisco from 1895, were obtained from the municipal building departments through the cooperation of the Federal Reserve Banks of those cities. Adjusted for changes in costs of construction and reduced to percentages of 1913, they make available for the first time a continuous record of building growth extending back of 1900.



Annual Building Permits in 7 Selected Cities, 1874-1924, Compared with Growth of Urban Population in the United States, and Annual Permits in 50 Cities from 1900-1924. 1913 = 100 Per Cent. (Figures adjusted for Changes in Costs of Construction.)

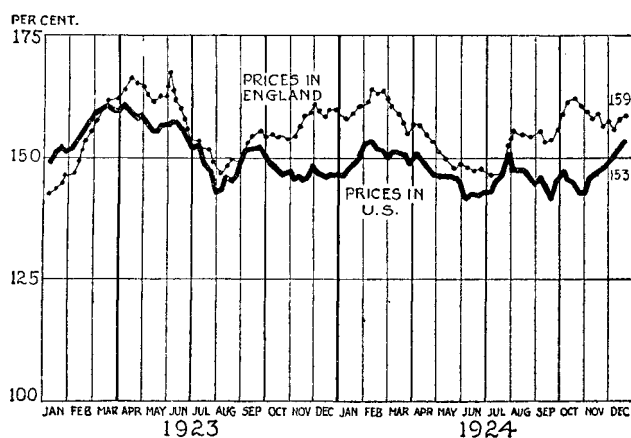
It will be observed that the index of building in 7 cities follows a course closely similar to that of the index for 50 cities, and throughout the greater part of the period increases at a rate approximately equal to that of population growth. Beginning about 1910, however, building tended to decline, and during the war fell far below the population trend, leaving an accumulated shortage from which the recent activity appears to have been a normal consequence.

### Commodity Prices

Beginning about the first of November this bank's index of 20 basic commodities has advanced continuously and on December 20 stood at a level slightly higher than at any previous time this year. The advance was of a general character, and among the various commodities included in the index which reached new high prices for the year were wheat, corn, wool, rubber, lead, copper, and steers.

The advance was particularly strong in wheat, which rose 39 cents to \$1.83½ a bushel, the highest since 1921, and corn likewise reached a new high for recent years. Rubber and wool showed advances of 105 and 32 per cent. since early summer, and reached new high levels for recent years, while lumber, following some decline in October, recovered strongly in late November and December. Metal prices were also generally higher, and copper above 14½ cents was the highest since July 1923.

Outstanding exceptions to the general trend were cotton, which continued to fluctuate around 23 to 24 cents, and sugar, which declined sharply under prospects of an unusually large world crop. The accompanying diagram reflects the recent trend of this bank's American index of 20 basic commodities, and compares it with the movement of a similar index of British commodities.



Price indexes of 20 Basic Commodities in the United States and in England. (1913 = 100 Per cent.)

The increase in prices since last summer, indicated by this bank's index, was reflected also by the November figures of other standard indexes of prices. The Department of Labor index of wholesale prices rose 6 per cent. between June and November, and was slightly higher than at any time since October 1923. The index of the

cost of living increased 1 per cent., while this bank's index of the general price level, including not only wholesale and retail prices, but rents and wages also, likewise rose 1 per cent. to 182, a level, however, slightly lower than in November 1923. The following table shows the changes in these various indexes, and in the Economist's index of British wholesale prices, since June of this year and November a year ago.

	Nov. 1923	June 1924	Nov. 1924
20 Basic Commodities (F. R. B. of N. Y.) . . .	145.7	142.3	*153.4
General Price Level (F. R. B. of N. Y.) . . . . .	183	180	182
Wholesale Prices, Dept. of Labor . . . . .	152.0	144.6	152.7
Cost of Living in U. S. . . . .	172	169	171
Economist (British) . . . . .	168.6	168.2	179.5

\*December 20.

### Business Profits

Available financial statements of important manufacturing and distributing concerns for the second and third quarters of 1924 generally reflect the decline in production and trade that occurred in those quarters. The following table, showing net profits of 86 industrial corporations in different lines of trade, indicates considerable decreases in 1924, due to lessened profits in the automobile, steel, metals and mining, and machine manufacturing industries. Profits of oil companies, on the other hand, concerns engaged in the manufacture of food and food products, and miscellaneous companies, while in some cases below 1923 in the second quarter, generally showed increases in the third quarter.

Net profits of telephone companies were larger than a year ago in the second and third quarters, and for all three quarters combined. Profits of Class I railroads, on the other hand, while largest during the third quarter for any quarter since 1918, for the nine months fell somewhat below the figures for 1923.

(Net profits in millions of dollars)

Group	No. of Corporations	1923				1924			9 Mos of 1923	9 Mos of 1924
		1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.	2nd Qtr.	3rd Qtr.		
Motor and accessories . . .	13	35	43	25	17	31	18	17	103	66
Oil . . . . .	12	11	16	10	2	19	14	13	37	46
Steel . . . . .	13	28	43	40	43	43	31	17	111	91
Food and food products . .	12	11	12	11	10	11	13	14	34	38
Metal and mining . . . . .	12	10	11	10	4	8	8	8	31	24
Machine manufacturing . . .	12	5	6	5	3	5	5	5	16	15
Miscellaneous . . . . .	12	7	6	2	1	4	5	7	15	16
<b>Total 7 groups . . . . .</b>	<b>86</b>	<b>107</b>	<b>137</b>	<b>103</b>	<b>80</b>	<b>121</b>	<b>94</b>	<b>81</b>	<b>347</b>	<b>296</b>
Telephone . . . . .	72	36	35	30	35	35	37	36	101	108
Class I railroads . . . . .	201	185	262	277	255	203	188	287	724	678
<b>Total . . . . .</b>	<b>359</b>	<b>328</b>	<b>434</b>	<b>410</b>	<b>370</b>	<b>359</b>	<b>319</b>	<b>404</b>	<b>1172</b>	<b>1082</b>

### Wholesale Trade

November sales of reporting wholesale dealers in this district averaged 7 per cent. smaller than a year ago, partly due to fewer selling days this year than last. This bank's index of sales fell from 103 per cent. of the

MONTHLY REVIEW, JANUARY 1, 1925

computed trend or normal in October to 91 per cent. in November.

The decrease in sales was particularly large in women's apparel and shoes, but declines occurred also in the sales of groceries, hardware, stationery, cotton goods, and jewelry. Trade in silks, drugs, machine tools, men's clothing, and diamonds, on the other hand, was larger than a year ago. The following table compares November 1924 sales with those of previous years.

Commodity	Dollar Value of November Sales (November 1923=100 Per cent.)				
	1920	1921	1922	1923	1924
Diamonds.....	51	61	100	100	108
Dry goods.....	72	90	110	100	107
(a) Cotton.....	77	93	105	100	91
(b) Silk.....	67	88	115	100	123
Machine tools.....	180	36	95	100	104
Drugs.....	79	87	99	100	103
Stationery.....	118	83	87	100	94
Groceries.....	110	86	98	100	93
Jewelry.....	116	77	105	100	92
Hardware.....	100	73	90	100	90
Clothing.....	78	85	105	100	89
(a) Men's.....	73	100	100	100	104
(b) Women's dresses.....	81	65	110	100	80
(c) Women's coats and suits.....	81	84	107	100	78
Shoes.....	80	117	104	100	85
Weighted Average.....	91	87	102	100	93

Chain Store Sales

November sales by most types of chain stores continued larger than a year previous, due partly to the opening of new stores. Sales per store of ten cent, drug, and dry goods chains were also larger than last year, but those of grocery, tobacco, shoe, and candy chains fell below a year previous. The following table gives the detailed figures for November as compared with November of previous years.

Type of Store	Per cent. Change in Number of Stores November 1923 to November 1924	Dollar Value of Nov. Sales (Nov. 1923=100 Per cent.)					Per cent. Change in Sales per Store November 1923 to November 1924
		1920	1921	1922	1923	1924	
Dry goods.....	+19.6	65	65	80	100	129	+ 7.8
Ten cent.....	+ 7.4	73	74	86	100	113	+ 5.4
Grocery.....	+16.5	71	69	83	100	112	+ 3.6
Shoe.....	+23.8	104	90	93	100	112	+ 9.9
Candy.....	+ 6.9	78	74	83	100	103	+ 3.4
Tobacco.....	+ 4.9	100	93	95	100	103	+ 1.7
Drug.....	- 1.6	88	88	93	100	100	+ 1.7
Total.....	+14.2	74	73	85	100	113	- 1.3

Department Store Business

Reports from 17 leading department stores in New York City and Newark on holiday business from December 1 to 24 show sales 5½ per cent. larger than last year, partly because there was one more selling day in December this year previous to Christmas. During the early part of the month sales ran behind those of last year, but in the week before Christmas showed a substantial increase and were larger than a year ago.

In the case of apparel stores a large increase in sales was almost entirely due to increased store facilities, as it was generally reported that sales of apparel, especially women's, compared less favorably with a year ago than other lines. Most department stores reported that customers showed a preference for moderately priced goods and articles such as home furnishings, rather than jewelry and novelties.

Total sales for the year 1924 for all stores in the district will probably be about 4 per cent. larger than in 1923, compared with a gain in 1923 of 8 per cent. over the previous year.

Complete reports for November showed department store sales about equal to those of the year previous, except in the large apparel houses, where store facilities have been greatly expanded during the year. Stocks in stores other than apparel stores on December 1 were somewhat smaller than a year previous. The following table compares sales and stocks in November this year with the corresponding month of previous years.

	Net Sales during Nov. (November 1923=100 Per cent.)					Stock on hand Dec. 1 (Dec. 1, 1923=100 Per cent.)				
	1920	1921	1922	1923	1924	1920	1921	1922	1923	1924
New York.....	92	86	92	100	100	98	90	91	100	99
Buffalo.....	106	98	102	100	105	105	101	98	100	103
Newark.....	88	81	92	100	104	101	88	94	100	103
Rochester.....	94	86	89	100	101	116	88	87	100	108
Syracuse.....	102	90	93	100	98	130	92	91	100	98
Bridgeport.....	107	89	98	100	101	104	97	100	100	99
Elsewhere, 2d Dist.....	99	92	98	100	100	99	98	90	100	92
Apparel.....	98	87	97	100	113	87	84	88	100	141
All stores.....	94	87	93	100	102	99	90	91	100	104
Mail order houses.....	103	67	91	100	109	...	...	...	...	...

The distribution of sales in November by major departments, as compared with the year previous, is shown in the following table. The average sales check was \$3.18, compared with \$3.21 in November 1923.

	Per cent. Change in Sales over November 1923	Per cent. Sales of each Dept. to Sales of all Departments
Hosiery.....	+10.2	2.9
Woolen goods.....	+ 9.2	2.9
Furniture.....	+ 8.5	5.6
Men's and Boys' wear.....	+ 4.0	8.7
Women's ready-to-wear accessories.....	+ 2.6	12.9
Cotton goods.....	+ 2.5	2.4
Shoes.....	+ 0.3	3.0
Home furnishings.....	- 0.9	18.6
Women's and Misses' ready-to-wear.....	- 2.8	10.9
Silk goods.....	- 5.5	3.6
Miscellaneous.....	+ 1.4	28.5

Index of the Monthly Review

For the convenience of readers of the Review, an index of contents for 1924 has been prepared and may be received by addressing the Federal Reserve Agent, Federal Reserve Bank, New York.