

# MONTHLY REVIEW

## of Credit and Business Conditions

### Second Federal Reserve District

Federal Reserve Agent

Federal Reserve Bank, New York

April 1, 1925

#### Business Conditions in the United States

**P**RODUCTION in basic industries declined in February from the high rate of output in January, but continued above the level of a year ago. Notwithstanding a decline in prices of agricultural commodities, the average of wholesale prices rose slightly owing to a further advance in prices of certain other commodities.

##### PRODUCTION

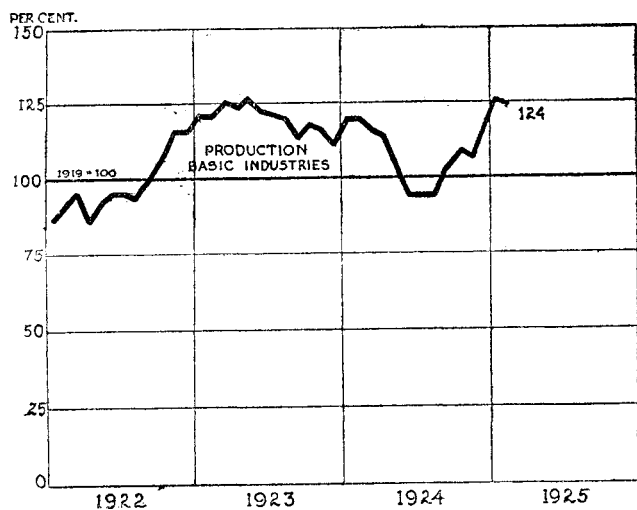
The Federal Reserve Board's index of production in 22 basic industries, which is adjusted to allow for differences in the number of working days and for seasonal variations, declined 3 per cent. in February, but continued to be higher than at any time since the peak reached in May 1923. Average daily output of iron and steel was exceptionally heavy, and copper production per day was the largest since 1918. There was a slight decline in activity in the woolen industry, and more considerable reductions in the output of lumber, cement, bituminous coal, and crude petroleum. Production of automobiles increased 19 per cent. in February, the largest monthly increase in nearly two years, but the output was still over 25 per cent. smaller than a year ago. Factory employment increased by 2 per

cent. in February, considerable increases being reported for the automobile, iron and steel, and clothing industries, while the number of workers in the packing and cement industries declined. Earnings of industrial workers in February were larger than in January, reflecting in part the resumption of full-time work after the inventory period.

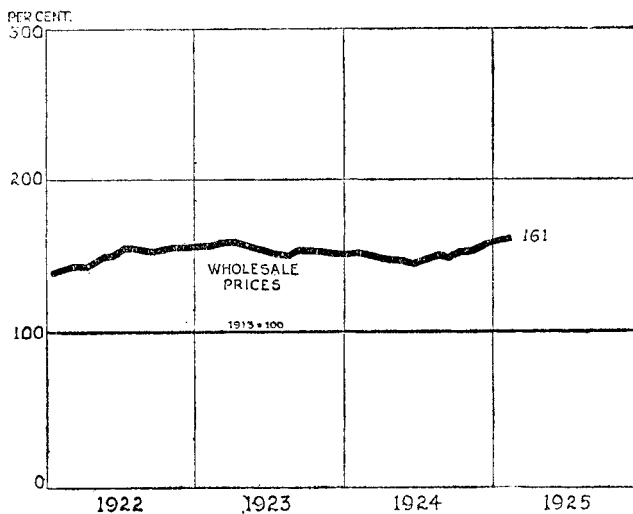
Reports to the Department of Agriculture of intentions to plant in 1925 indicate that the acreage of practically all grains and of tobacco will be larger, and that of white potatoes smaller than in 1924.

##### TRADE

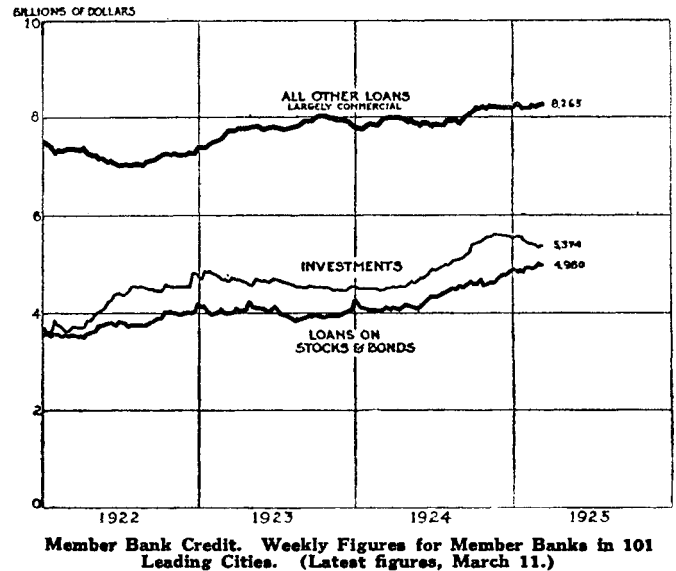
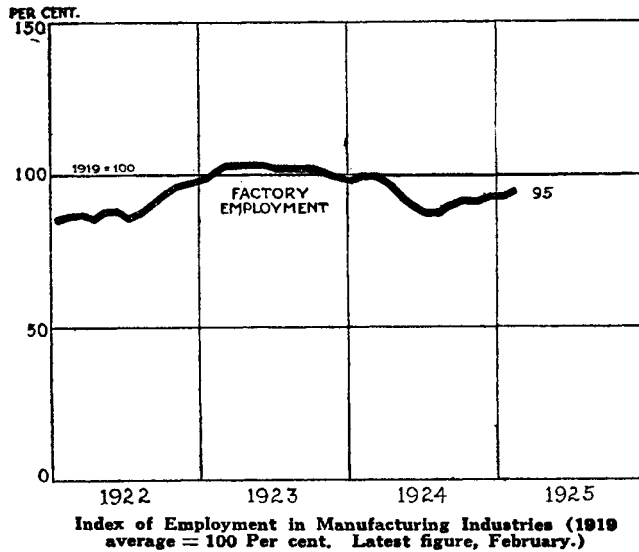
Total railroad freight movements continued at approximately the same daily rate in February as in January, and shipments of merchandise increased in recent weeks and were much larger than a year ago. Wholesale and retail sales were smaller during February than a year ago, owing partly to the fact that this year February had one less business day. Department store sales were one per cent. smaller in February than in the corresponding month of 1924. Wholesale trade in all lines, except meats and hardware, was less than a year ago, and showed in February about the usual seasonal changes. Sales of groceries, meats, and drugs decreased, while sales of dry goods and shoes increased.



Index of 22 Basic Commodities Corrected for Seasonal Variation—(1919 = 100 Per cent. Latest figure, February.)



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



### PRICES

The slight rise in the wholesale price index of the Bureau of Labor Statistics was due to advances in the fuel and lighting group, largely in petroleum, and in building materials, while prices of all the other commodity groups declined. In the first three weeks of March prices of hogs, cotton goods, and rubber increased, while prices of many other commodities decreased, the largest decreases being those for wheat and other grains.

### BANK CREDIT

Loans of member banks in principal cities continued to increase between the middle of February and the middle of March and on March 11 were larger than at any time in the past four years. The volume of loans for commercial purposes has been at a high and almost constant level since last autumn, and loans on stocks and bonds, which have increased continuously since the summer of 1924, reached in March the largest amount on record. Increases in loans were accompanied by further reduction in the holdings of securities to the lowest point since last September.

At the Reserve Banks demand for credit increased between the end of January and the middle of March, chiefly as the result of the export demand for gold and the growth in domestic currency requirements, with the consequence that earning assets increased. After March 15, however, temporary abundance of funds arising out of Treasury operations resulted in a sharp reduction in member bank borrowings.

Somewhat firmer conditions in the money market in the latter part of February and the early weeks of March were indicated by a rise of the rate on 4-6 months prime commercial paper from  $3\frac{3}{4}$  to 4 per cent.

### Banking Conditions in the Second District

The chief banking developments in this district during March were the usual Treasury transactions which occur at the quarterly tax period, and a decrease late

in the month in the amount of funds employed in the security markets. Commercial borrowing showed no increase, notwithstanding a generally high level of production and trade.

The Treasury security redemptions and interest payments on March 14 and 16 of approximately \$290,000,000 were considerably in excess of income tax receipts and other collections in this district, resulting in a temporary abundance of funds in this market which enabled member banks to reduce their borrowings at the Reserve Bank. As the tax checks were collected and funds were transferred to other districts money rates late in the month again became firmer and there was an increase in member bank borrowing at the Reserve Bank.

Despite the increased borrowing late in the month loans of the Reserve bank remained substantially below the levels prevailing in late February and early March. This followed a decrease during the month of approximately \$120,000,000 in the loans, discounts, and investments of the New York City Clearing House banks. This decrease apparently reflects in large part a decline in loans on securities, accompanying the decline in stock prices. Commercial borrowing tended to decline somewhat, contrary to the usual tendency towards an increase at this season of the year, and contrary to the tendency in other districts.

### Money Market

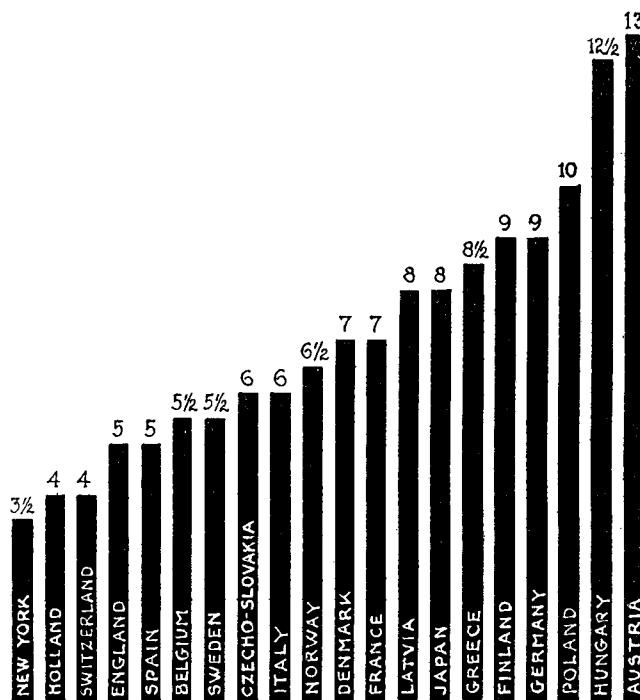
Following further advances in the latter part of February and first few days of March, money rates held generally steady until after the 15th, when the market was eased, chiefly by the Treasury disbursements on tax days. Other factors making for easier conditions late in the month were liquidation in securities, the moderate character of seasonal commercial demands, and falling off in exports of gold.

After advancing to 4 per cent. early in the month following the increase in the discount rate, commercial paper rates held steady. Dealers reported extreme scarcity of paper owing to lack of demand for money on the part of their customers. Reflection of this scarcity appeared in the outstandings of 26 dealers, which, as indicated in the accompanying diagram, showed at the end of February much less than the usual seasonal increase from the first of the year.

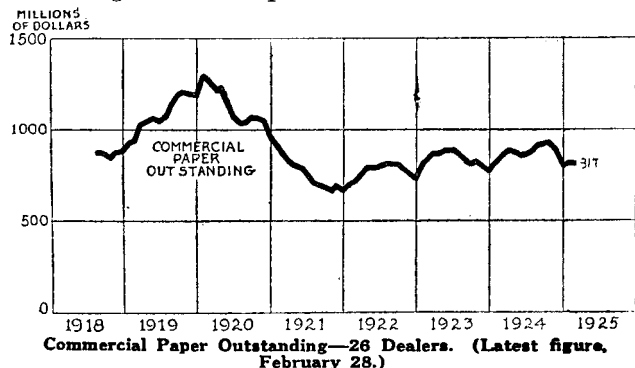
In the bill market supplies were also small and as demand increased, particularly for short maturities, following the advance in rates of late February dealers' portfolios fell to close to the lowest of the year. Rates held unchanged at  $3\frac{3}{8}$  per cent. on dealers' purchases of 90-day bills and  $3\frac{1}{4}$  per cent. on their sales.

The March Treasury combined offering of approximately \$450,000,000 nine month 3 per cent. certificates, and additional 4 per cent. Treasury bonds of 1944-54 at  $100\frac{1}{2}$ , compared with par on the first offering of this issue in December, was oversubscribed.

In stock exchange time money rates for 60-90 day loans advanced from 4 to  $4\frac{1}{4}$  early in the month, compared with  $2\frac{3}{4}$  per cent. at the summer low point. Call loan renewals during the first half of March were generally 4 per cent. or higher, so that notwithstanding declines to  $3\frac{1}{2}$  per cent. in the latter half, the average was the highest since April.



Rediscount Rates of Banks of Issue in Twenty Countries.



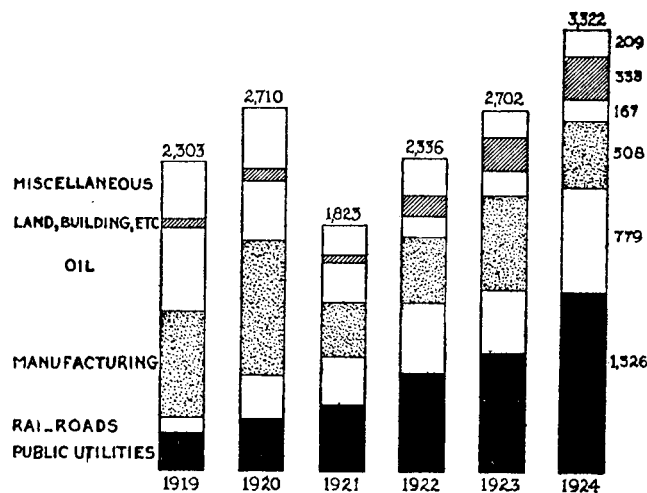
### Security Markets

Following intense activity and rapid advances in prices since last November, stocks declined sharply under heavy liquidation in March. Averages of representative railway and industrial issues fell from 6 to 9 points from their high levels, and at the close of the month were back practically to the levels of November and December.

In the bond market semi-speculative and convertible issues reacted with the decline in stocks. High grade corporation bonds, however, held comparatively close to the year's high levels, and United States securities were generally firm.

### Money Rates in the U.S. and Abroad

Comparison of money rates in the principal financial markets of leading countries indicates that despite the small advances here since last summer, New York remains one of the lowest money markets of the world. The accompanying diagram comparing the rediscount rate of the Federal Reserve Bank of New York with the rates of other central banks reflects the great scarcity of capital existing in many other parts of the world, and particularly in the countries of Europe where inflation has practically wiped out large amounts of liquid capital or caused it to seek investment in countries of more stable currencies. The scarcity of working capital has constituted a serious handicap to commercial and financial recovery. During the past year, however, corrective tendencies have been at work, largely in the form of short and long term credits extended by banks and investors mainly in England and the United States. Low money rates in this market have facilitated this movement.



New Capital Issues Each Year by Types of Companies. (Refunding Issues Excluded.) In Millions of Dollars.

The volume of new securities was large and offerings were generally rapidly sold. While the volume of foreign issues was not as large as in recent months, the total sold here thus far this year continues larger than a year ago. Public utility issues continued to constitute an important share of the domestic offerings. The diagram on page 3, comparing new capital issues, exclusive of refunding issues, by years, reflects the steady expansion of public utility capitalization. Railroads have likewise been using increased amounts of new capital, and new capital has also gone into land and building enterprises. In the cases of manufacturing and oil companies, however, the volume of new capital has fallen off considerably from the totals reached in 1919 and 1920.

### Foreign Exchange

February's reaction in foreign exchange rates was followed by a generally rising tendency in March. Sterling rose from \$4.74 to \$4.78, Norwegian and Danish exchanges advanced strongly to new high levels since 1923, and French, Italian, and Swiss exchanges were slightly firmer. Swedish and German rates were little changed at par or above, and Dutch guilders held steady somewhat under par.

Among Far Eastern rates the Japanese yen continued to advance and at 42 cents on March 16 was nearly 4 cents above the low point reached last December. Indian rupees were likewise strong, but Chinese exchanges declined accompanying a reaction in silver to approximately the January low point of 67 cents. In South America, Argentine rates showed a further recession from their recent high levels, but Brazilian exchange was somewhat firmer.

Austria, after maintaining the stabilized value of the krone since August 1922, introduced the schilling, a new unit of currency for which the conversion rate was 10,000 krone. This was quoted in the New York market at 14.125 cents. Other revaluated currencies created in Europe have been the Russian chervonetz, the Polish zloty, the German reichsmark, the Latvian lat and the Lithuanian lit.

### Gold Movement

A decrease in the outward movement of gold during March was indicated by shipments of \$19,000,000 from the Port of New York during the first 25 days of the month. Of this amount, \$5,000,000 represented a shipment to Argentina and \$12,500,000 withdrawals by Germany from deposits which had been earmarked for some time at the Reserve Bank. There were practically no shipments to India, following the heavy movement of recent months, but substantial exports of silver continued to be made to that country. As imports of gold at the Port of New York in the 25 days of March were about \$3,000,000, chiefly from England, the net export balance for the period was \$16,000,000.

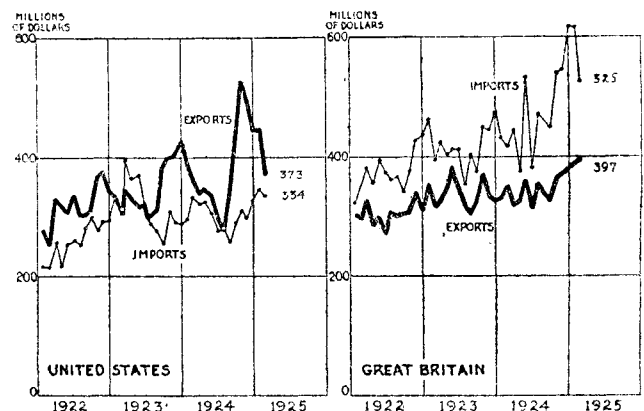
Final figures on the February gold movement for the United States showed total exports of \$51,000,000, including \$17,000,000 to Australia, \$16,000,000 to British India, \$12,500,000 to Germany, and \$1,000,000 each to

Poland, Holland, and England. Of imports of \$3,600,000, approximately two-thirds came from Canada. For the three months from December 1 to February 28 the net gold export was \$145,000,000.

### Foreign Trade

Both imports and exports of merchandise fell off in February largely from seasonal causes, but the decline in exports was \$74,000,000 while that of imports was only \$12,000,000, so that the export balance was reduced further to \$39,000,000, compared with \$216,000,000 at the high point of the cotton and grain movement last fall.

The accompanying diagram showing recent foreign trade tendencies of this country reflects the large increase in the export balance last fall and compares it with the even sharper rise in the import balance shown by the British trade figures. In both cases these movements reflect heavy trade in cotton and grain at high prices, and it is notable that despite this heavy debit balance of merchandise sterling should have made so strong a recovery during the year. One explanation apparently lies in Great Britain's large invisible exports in the form of income from investments abroad and profits on shipping, banking, and other services, which are estimated by the British Board of Trade to have more than covered the merchandise import excess in 1924. A further highly important influence in the strength of sterling has been the heavy European loans in this market which have tended to lighten the burden of financing heretofore resting on the pound.



United States and British Exports and Imports (Pounds converted to Dollars at the Current Rates of Exchange). Latest figures, February.

### Production

Most of this bank's indexes of basic production in individual lines continued at high levels in February, though in some industries there was little further expansion, and in others some decrease in activity.

The daily rate of pig iron production increased an additional 5½ per cent. in February, but the rate of steel output was little changed from that of January, and in March a slight reduction in mill operations occurred. Much of the mill activity was reported to be the result of calls for delivery against orders already placed, and

new buying was said to be considerably below production. While unfilled orders of the Steel Corporation showed an unexpectedly large increase at the end of February, unfilled orders of independent mills were generally believed to be smaller.

Cotton consumption in February was the largest for that month of any year excepting 1923, and silk mill operations were apparently close to or above all previous high levels. Woolen mill activity, while somewhat lower than in January, continued at a rate close to estimated normal as measured by the trend of past years.

Production of automobiles increased substantially and was larger in the case of trucks than in any previous February, though smaller in the case of passenger cars than in February of either 1923 or 1924. Copper production was exceptionally heavy, and increases occurred in the indexes for production of wheat flour, newsprint paper, and boots and shoes.

In bituminous coal mining, on the other hand, activity fell rapidly, and by the middle of March the daily rate was nearly 32 per cent. below the January high point. Cement production was likewise curtailed, and for the first time in recent years fell below the corresponding month of the year previous.

The following table gives this bank's indexes of production as percentages of estimated normal, after allowance for seasonal variation.

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

	1924		1925	
	Feb.	Dec.	Jan.	Feb.
<b>Producers' Goods</b>				
Pig iron.....	105	92	102	106
Steel ingots.....	118r	112r	113r	113r
Bituminous coal.....	113	98	103	96
Copper, U. S. mines.....	107r	102r	109r	111r
Tin deliveries.....	151	75	130	119
Zinc.....	95r	105r	97r	97r
Petroleum.....	134	116	122	...
Gas and fuel oil.....	111	107	111	...
Cotton consumption.....	95	92	98	101
Woolen mill activity*.....	96	100	98	97p
Cement.....	129r	126r	145r	119r
Lumber.....	145	122	146	139p
Leather, sole.....	84	87	78	...
<b>Consumers' Goods</b>				
Cattle slaughtered.....	105	109	110	102
Calves slaughtered.....	148	174	149	158
Sheep slaughtered.....	92	81	83	85
Hogs slaughtered.....	118	119	112	103
Sugar meltings, U. S. ports.....	120r	85r	116r	...
Wheat flour.....	107r	101r	103r	104r
Cigars.....	101	100	102	95
Cigarettes.....	79	84	90	78
Tobacco, manufactured.....	106	98	111	103
Gasoline.....	130	133	138	...
Tires*.....	149	165	169	...
Newsprint.....	115	106	109	iii
Paper, total.....	107	102	105	...
Boots and shoes.....	94	79	76	91p
Anthracite coal.....	109	86	90	102
Automobile, all.....	151	97	100	110
Automobile, passenger.....	155	92	94	106
Automobile, truck.....	137	118	123r	126

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

### Indexes of Business Activity

Indexes of distribution of goods and general business activity generally showed trade in February and early March proceeding at an exceptionally high level.

Bank debits were larger than in corresponding weeks of any previous year, and even excluding New York City, where speculative activity was intense, averaged 10 to 13 per cent. above estimated normal as measured by the trend of past years. Railway carloadings of merchandise and miscellaneous freight likewise continued larger than ever before at this season, but loadings of other freight, while at high levels, tended during the latter part of February and first two weeks of March to fall below a year ago.

Evidence also of active trade appeared in advances in the indexes for wholesale trade, department store and chain store sales, and sales by mail order houses. The following table reflects these changes, and gives also other indexes of business 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.)

	1924		1925	
	Feb.	Dec.	Jan.	Feb.
<b>Primary Distribution</b>				
Car loadings, merchandise and misc.....	111	103	104	112
Car loadings, other.....	119	110	113	109
Wholesale trade, Second District.....	111	93	96	102
Exports.....	95	89	94	90p
Imports.....	117	108	110	109p
Grain exports.....	64	93	67	...
Panama Canal traffic.....	147	120	95	...
<b>Distribution to Consumer</b>				
Department store sales, Second Dist.....	100r	103	97	107
Chain store sales.....	101	99	92	95
Mail order sales.....	95	104	98	101
Life insurance paid for.....	96	125	98	99
Magazine advertising.....	98	98	92	98
Newspaper advertising.....	102	92	91	93
<b>General Business Activity</b>				
Bank debits, outside of New York City.....	109	104	112	111
Bank debits, New York City.....	118	118	122	127
Velocity of bank deposits, outside of New York City.....	101r	92r	101r	99r
Velocity of bank deposits, New York City.....	111r	107r	111r	112r
Postal receipts.....	104	103	98	98
Electric power.....	108	107	106	...
Employment, N. Y. State factories.....	99	91	92	92
Business failures.....	94	111	98	96
Building permits.....	207r	171r	159r	181r

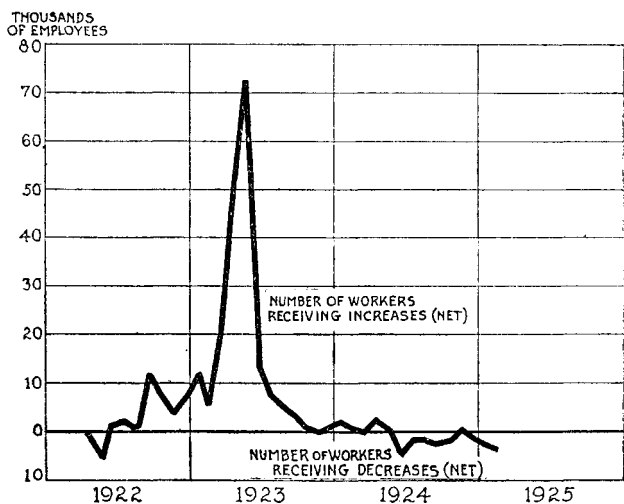
p= Preliminary  
r= Revised

### Employment and Wages

After a slight seasonal decline in January, factory employment in New York State increased nearly 2 per cent. in February to a point 8 per cent. above the low point of the summer. Employment in the iron and steel industry, which has accounted for much of the gain in past months, was practically unchanged at the high levels recently attained, but increases were rather general in other lines, including particularly clothing, shoes, automobiles, and textiles other than cotton goods which were affected by a strike against wage reductions. In cement and brick plants, on the other hand, employment fell to the lowest level in three years, accompanying reduction in building operations within the district.

Apart from the wage decreases announced in some branches of the cotton goods industry, no important wage changes were made within the district during the past month. Over the past year, however, a review of

the figures indicates that in almost every month since last May there have been more persons affected by wage reductions than by wage increases. The accompanying diagram shows this, but indicates also that the number included in reductions has been small compared with the general movement towards higher wages in 1923. Apparently manufacturers thus far at least have been meeting high labor costs in a large measure by increasing industrial efficiency, rather than by cutting wages, a conclusion which is supported by other evidences of increased output of goods per worker.

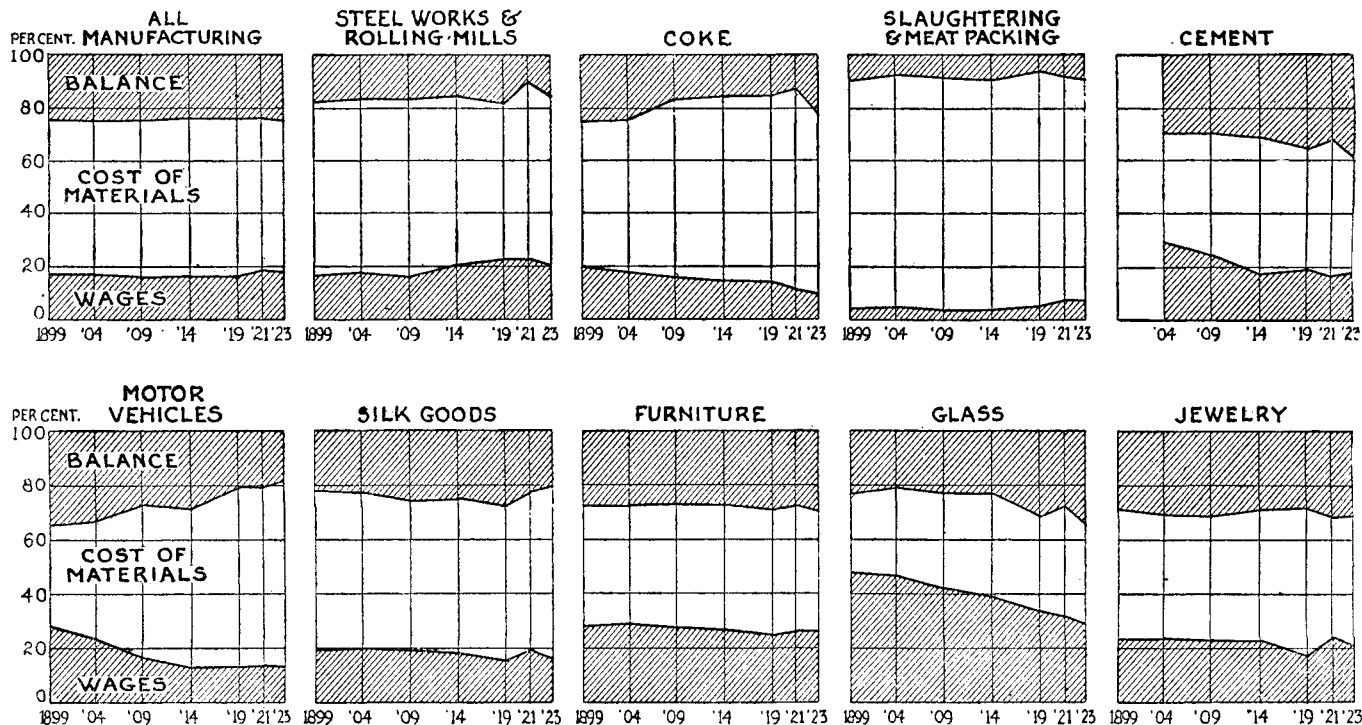


Wage Changes in New York State by Months. (Latest figure, February.)

### Wages and Other Costs in Production

Despite the prevailing high level of wages, figures recently made public from the 1923 Census of Manufactures indicate no important change in recent years in the proportion of the total value of manufactured products represented by wages. While considerable variations have occurred in individual industries, due to special conditions within those industries, it seems apparent that for manufacturing as a whole the higher wage rates have been largely offset by increased output of goods per worker, so that fewer workers have been required, and the aggregate wage bill in consequence kept down.

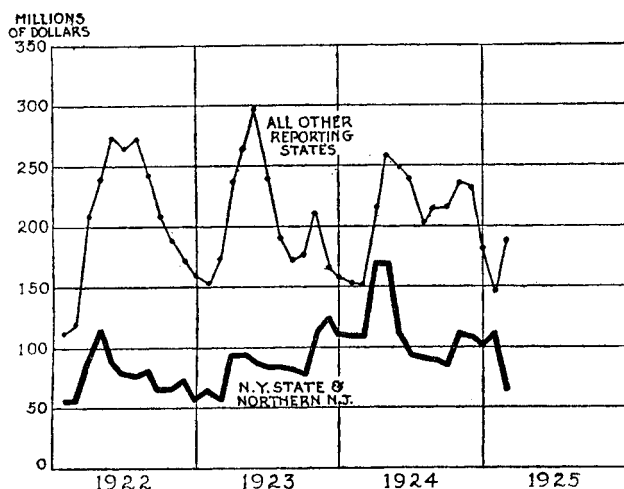
The diagram at the foot of the page shows for census years since 1899 the percentages of the total value of manufactured products paid out in wages and compares them with the percentages paid for materials, and with the balance left for salaries, interest, selling expense, profit, etc., both for all manufacturing industries and for various selected industries. It will be seen that, for all industries combined, wages come second to materials as a major item of cost. The proportion varies, however, in the separate industries; it is comparatively high in industries involving relatively skilled labor, such as jewelry, glass, and furniture, and low in industries requiring a large amount of unskilled labor, such as meat packing, and iron and steel making. These proportions likewise often vary considerably within the same industry over a period of years, as is indicated in the diagram, particularly by the figures for the automobile, cement, and glass industries.



Percentages of Total Value of Manufactured Products Represented by Wages and Cost of Materials. Balance Represents Percentage Remaining for Interest, Dividends, Taxes, Selling Expenses, etc.

## Building

Building figures for February show a substantial falling off in contracts awarded in the New York district, but due to increases elsewhere the total figures for the country continued close to the high levels of a year ago. As shown by the diagram below, contracts placed in this district were the smallest for any month in two years and more than 40 per cent. below February 1924. This decline was due chiefly to a decrease in residential contracts in New York City, where the volume of such building has been unusually large for the past two years.



Value of Building Contracts Awarded in New York State and Northern New Jersey and in other Reporting States. (Latest figures, February.)

Figures for the first two months of the year reflect a change since last year in the type of construction. Decline in residential and industrial building for all reporting States was practically offset by an increase in commercial buildings, public works and utilities, and miscellaneous projects. The following table comparing contracts for the New York district and all districts in January and February by types of construction, reflects these tendencies.

(000 omitted)

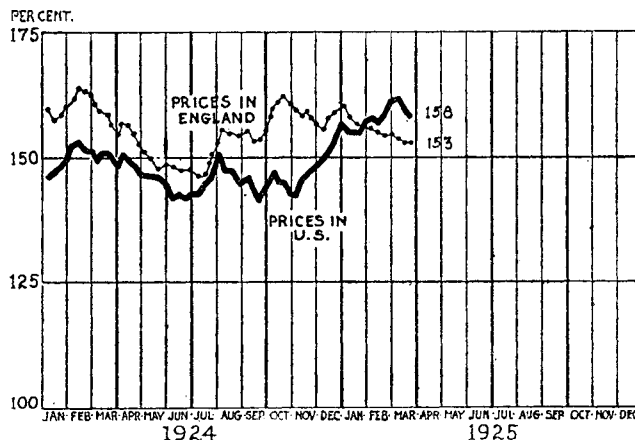
Type	New York State and Northern New Jersey		36 States	
	First 2 mos. 1925	Change from 1924	First 2 mos. 1925	Change from 1924
Residential.....	\$ 77,208	-\$66,059	\$263,175	-\$49,090
Commercial.....	43,195	+ 13,283	106,197	+ 20,680
Public Works and Utilities.....	17,813	+ 6,966	88,327	+ 21,991
Industrial.....	8,836	— 26	40,222	— 3,607
Educational.....	9,216	+ 4,643	35,617	+ 14,057
All other.....	18,084	+ 8,203	62,115	+ 17,855
Total.....	\$174,352	-\$42,276	\$595,653	-\$ 6,228

## Commodity Prices

The symptoms of irregularity which appeared in many of the commodity markets at the high points reached in January and February were followed in March by a reactionary tendency which was pronounced

in many individual lines. The break was particularly sharp in wheat, which at the low point of \$1.51 a bushel at Chicago for the May delivery was down 50 cents from the high point. Later, however, there was a recovery to \$1.66. Corn prices on March 27 showed a net decline of 29 cents, and there were decreases during the month in a large number of industrial raw materials. Both the pig iron and finished steel price indexes maintained by the Iron Age reverted to the levels of last December, copper at 13<sup>7</sup>/<sub>8</sub> cents was down over a cent from the high point, while silk, wool, lead, hides, lumber, and petroleum all showed decreases of varying amounts.

Partly offsetting these declines were advances averaging over a cent a pound in cotton, and a rise in hog prices to the highest level since 1920. Cattle prices remained generally steady, and rubber continued its recovery to new high levels for recent years. Due largely to these advances, this bank's weekly index of 20 basic commodities, while 1.9 per cent. lower on March 21 than at the beginning of the month, continued at relatively high levels. The accompanying diagram shows the course of this index and compares it with a similar index for Great Britain, which in the last two months is shown to be below the American index for the first time since March 1923.



Price Indexes of 20 Basic Commodities in the United States and in England. 1913 = 100 Per cent. (Latest figures, March 21.)

This bank's index of the general price level, which includes not only wholesale prices but retail prices, rents, and wages, stood in February at 185 per cent. of the 1913 average, the same as in January, compared with 182 per cent. in February of last year.

## Wholesale Trade

February sales of representative wholesale dealers in this district averaged 4 per cent. smaller than a year ago, when sales were large partly because of one more selling day in the month due to leap year. This bank's index, which measures trade in percentages of estimated normal as shown by the general trend of past years, advanced from 96 in January to 102 in February and was the highest since October 1924.

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Sales of silk goods and commission house sales of cotton goods continued to make the best showing as compared with a year previous. Men's clothing, diamonds, drugs, and shoes, however, also showed increases, but in other lines losses occurred ranging from 1 per cent. in the case of stationery to 27 per cent. in the case of machine tools.

Available figures on wholesale stocks showed for the second month decreases as compared with the year previous in the cases of shoes, hardware, silks, and cotton goods in jobbers' hands, but increases in the stocks of groceries, jewelry, and diamonds. The following table gives detailed comparisons on sales and stocks in February of this year and last year.

Commodity	Net Sales Percentage Change		Stock at end of month Percentage Change	
	Jan. 1925 to Feb. 1925	Feb. 1924 to Feb. 1925	Jan. 1925 to Feb. 1925	Feb. 1924 to Feb. 1925
Groceries.....	-11.6	-7.4	+4.2	+19.8
Men's clothing.....	+69.7	+8.4	.....	.....
Women's dresses.....	-15.9	-13.2	.....	.....
Women's coats and suits.....	+54.7	-9.4	.....	.....
Cotton-Jobbers.....	+38.0	-18.8	+6.0	-17.3
Cotton-Commission houses.....	-6.2	+18.4	.....	.....
Silk goods.....	+5.3	+15.7	-2.2*	-7.5*
Shoes.....	+5.3	+0.8	+10.2	-16.4
Drugs.....	-2.1	+1.1	.....	.....
Hardware.....	+2.4	-2.0	+7.8	-26.2
Machine tools.....	-1.5	-27.4	.....	.....
Stationery.....	+2.0	-0.8	.....	.....
Paper.....	-10.5	-11.4	.....	.....
Diamonds.....	-2.3	+5.1	.....	.....
Jewelry.....	+4.2	-10.8	+14.8	+26.4
Weighted Average.....	+10.1	-4.4	.....	.....

\*Stock at first of month—quantity not value

Chain Store Sales

February combined sales by reporting chain store systems show an increase of nearly 14 per cent. over a year previous. As the number of stores increased by approximately the same amount, sales are shown to have kept pace with store expansion despite the shorter month this year than last. This has been due largely, however, to increases in sales per store of 10-cent, grocery, and drug chains, which offset substantial decreases in sales per store of shoe and tobacco chains. In the cases of dry goods and candy chains, sales per store also showed decreases, but these were small enough to be accounted for by the shorter month.

Type of Store	Percentage Change February 1924 to February 1925		
	Number of Stores	Total Sales	Sales per Store
Grocery.....	+15.8	+17.9	+1.7
Dry goods.....	+19.0	+15.9	-2.6
Ten Cent.....	+7.5	+11.5	+3.7
Shoe.....	+22.8	+7.1	-12.8
Candy.....	+4.8	+1.4	-3.2
Drug.....	-0.7	+1.0	+1.7
Tobacco.....	+4.1	-4.2	-8.0
Total.....	+13.7	+13.6	-0.1

Department Store Business

Department store sales in this district were 4 per cent. larger in February than a year ago, notwithstanding the fact that there was one less selling day this year than last. Apparel stores continued to report a substantial increase, due partly to store expansion, and mail order sales throughout the country were nearly 10 per cent. above February last year.

Department store stocks of merchandise on hand at the end of the month were 3 per cent. larger than at the end of February 1924, the largest increase over a year previous since last April. Owing, however, to the increase in sales, the ratio of sales to average stocks valued at selling price was practically the same as last year, or 28 per cent. The average amount of the individual sales transaction was \$2.75, compared with \$2.60 in February 1924.

	Net Sales Percentage Change February 1924 to February 1925	Stock on Hand Percentage Change February 29, 1924 to February 28, 1925
New York.....	+3.8	+4.1
Buffalo.....	+3.9	-3.2
Rochester.....	+8.2	+2.5
Syracuse.....	-5.2	+7.2
Newark.....	+8.6	+7.4
Bridgeport.....	+3.8	+4.0
Elsewhere.....	+1.3	-3.7
Northern New York State.....	-8.9	.....
Central New York State.....	-1.6	.....
Southern New York State.....	+0.3	.....
Hudson River Valley District.....	+1.6	.....
Capital District.....	+8.6	.....
Westchester District.....	-6.7	.....
All department stores.....	+4.0	+3.3
Apparel stores.....	+21.3	+42.9
Mail order houses.....	+9.8	.....

Comparison of sales by major departments indicated large increases in the sales of furniture and of men's and women's apparel. Sales of radio also showed a large increase after running somewhat below a year previous in January. Changes in sales and stocks of various major departments, as compared with a year ago, are shown in the following table.

	Net Sales Percentage Change February 1924 to February 1925	Stock on Hand Percentage Change February 29, 1924 to February 28, 1925
Furniture.....	+22.5	-2.7
Men's and Boys' wear.....	+13.2	+9.0
Hosiery.....	+11.3	-8.8
Women's and Misses' ready-to-wear.....	+8.6	-2.5
Linens and handkerchiefs.....	+6.7	+2.9
Cotton goods.....	+5.3	-4.3
Men's furnishings.....	+5.2	+11.0
Shoes.....	+4.8	-7.0
Silk goods.....	+4.3	-1.9
Women's accessories.....	+3.7	-0.3
Home furnishings.....	+2.6	+0.6
Silverware and jewelry.....	+1.7	+2.5
Toilet articles and drugs.....	+1.1	+13.6
Woolen goods.....	-0.6	-4.2
Miscellaneous.....	+8.4	-1.4