

MONTHLY REVIEW

of Credit and Business Conditions

Second Federal Reserve District

Federal Reserve Agent

Federal Reserve Bank, New York

January 1, 1927

Business Conditions in the United States

ACTIVITY in manufacturing industries decreased in November and December, while production of important minerals continued at a high level. Wholesale prices declined to the lowest level in more than two years. Firmer money conditions in December reflected the usual seasonal requirements in connection with holiday and end-of-year activity.

PRODUCTION

Factory employment and pay rolls declined in November, reflecting decreased activity in many important industries, but owing to the large output of minerals, the Federal Reserve Board's index of production in basic industries advanced somewhat during the month. Production of bituminous coal and petroleum in recent weeks has exceeded all previous records, and output of copper and zinc during the month of November was in unusually large volume. Pig iron production also increased slightly in November, but steel mill operations in that month and in December were considerably reduced. Automobile production, which is not included in the index of production in basic industries, declined sharply in November for the second consecutive month and was smaller than in any month since August 1925. Textile-mill activity was maintained during November at ap-

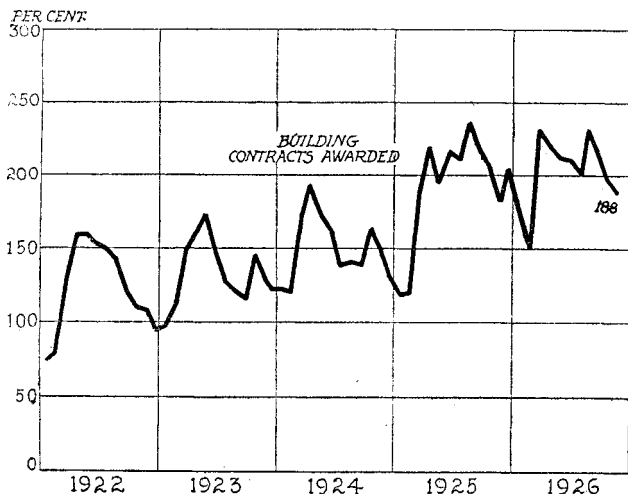
proximately the same rate as in October. The value of building contracts awarded showed less than the usual seasonal decline in November and was slightly larger than in November 1925. Awards for the first half of December likewise exceeded those reported in the corresponding period of last year.

AGRICULTURE

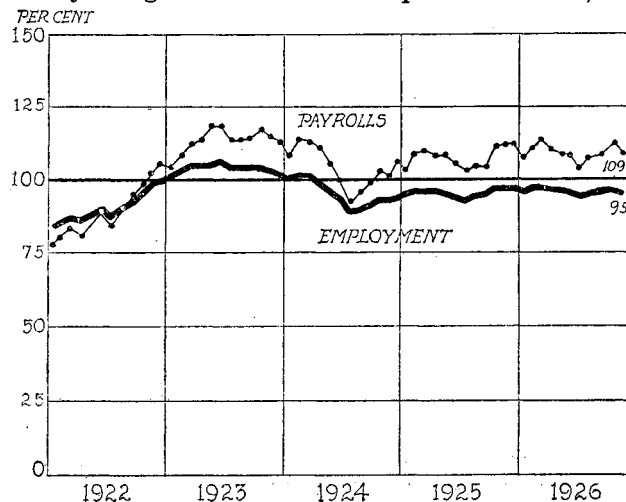
The Department of Agriculture estimates the value of 55 principal crops raised in 1926, on the basis of December 1 farm prices, at \$7,802,000,000, compared with \$8,950,000,000 in 1925. Of the decrease in the value of crops the decline in the value of the cotton crop accounts for \$580,000,000, and that of the corn crop for about \$260,000,000, while the total value of the wheat crop increased by nearly \$40,000,000.

TRADE

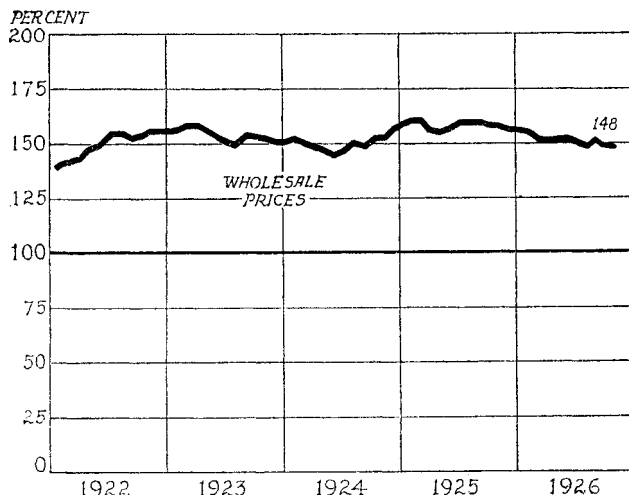
In November distribution of merchandise at wholesale and retail showed the usual decline from the activity earlier in the autumn. Compared with a year ago, however, wholesale trade was in about the same volume and retail trade larger. Sales of department stores were about 7 per cent larger than last year and those of leading mail order houses were 6 per cent larger. Stocks of merchandise carried by wholesale firms declined further in November and were smaller at the end of the month than a year ago. Inventories of department stores, how-



Index of Value of Contracts awarded in 7 Federal Reserve Districts, reported by the F. W. Dodge Corporation (1919 = 100 per cent). Latest figure, November.



Indexes of Factory Employment and Factory Payrolls in Manufacturing Industries (1919 average = 100 per cent). Latest figures, November.



Index of United States Bureau of Labor Statistics. (1913 = 100 per cent; base adopted by Bureau). Latest figure, November.

ever, increased slightly more than is usual in November. Freight car loadings declined considerably in November and December from the record high levels of October, although the movement of coal continued heavy.

PRICES

The general level of wholesale prices declined in November and prices of many important basic commodities decreased further in the first half of December. The Bureau of Labor Statistics index of wholesale commodity prices for November was 148, the lowest level since July 1924. Bituminous coal prices increased sharply during October and the early part of November, but in recent weeks have declined by about two-thirds of the previous rise. Petroleum prices have been reduced since early in November, and there have also been declines in pig iron, copper, zinc, lead, and silver. The fall in prices of agricultural commodities, which has lasted with few interruptions for over a year, continued in November. Grains, however, have risen somewhat since the latter part of that month. The clothing-materials and house-furnishings groups have declined steadily in price during recent months to the lowest levels of the post-war period.

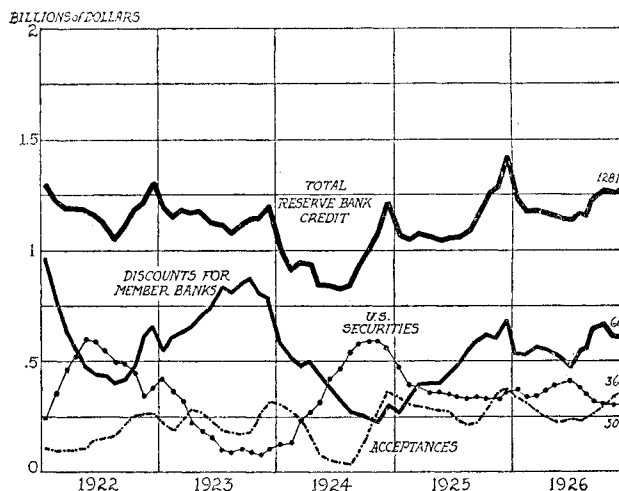
BANK CREDIT

Loans and investments of member banks in leading cities increased by over \$100,000,000 during the four weeks ending December 15, reflecting in part the growth in the demand for credit and currency that usually occurs in December. The increase was in loans on securities, while commercial loans declined somewhat from their seasonal high point in November.

The volume of Reserve Bank credit showed the usual seasonal increase after the middle of November but was lower than in the corresponding period of 1925, partly because there was a smaller increase this year in the amount of money in circulation.

Money Market

Holiday and year-end demands for funds resulted in higher call loan rates in December than in November,



Reserve Bank Credit: Monthly Averages of Daily Figures for 12 Federal Reserve Banks. Latest Figures are Averages of First 21 Days in December.

but other money rates showed little change. Rates on 60 and 90 day bills were advanced $\frac{1}{8}$ per cent in December, but yields on short-term Treasury obligations declined, accompanying a shortage in the supply of these securities and a general advance in bond prices. Time money and commercial paper rates showed no quotable change.

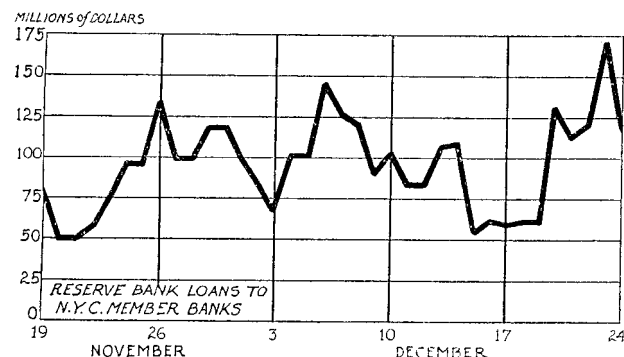
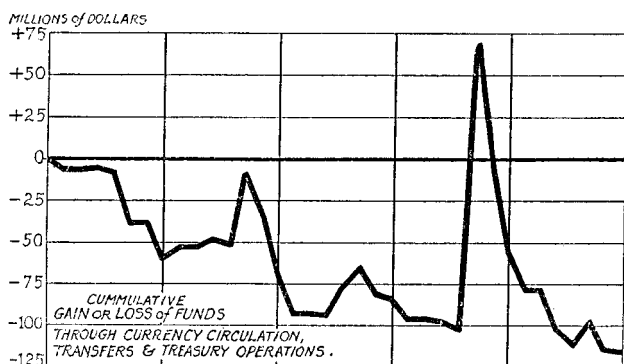
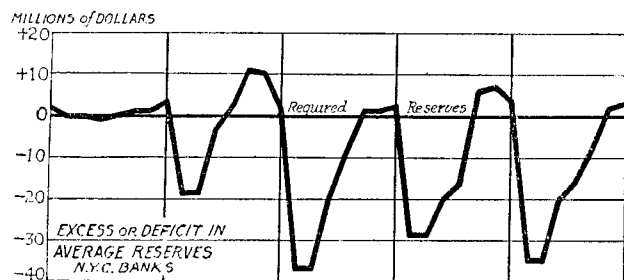
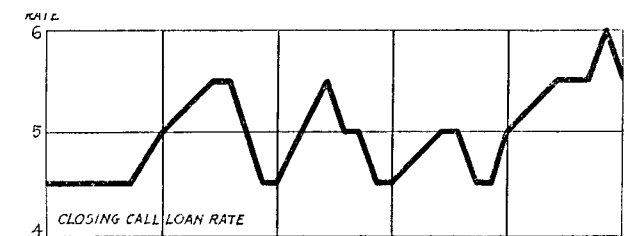
Money Rates at New York

	Dec. 28 1925	Nov. 29 1926	Dec. 27 1926
Call Money.....	*6	*4 $\frac{1}{8}$ -5 $\frac{1}{4}$	*5 $\frac{1}{4}$ -6
Time Money—90 day.....	4 $\frac{7}{8}$ -5	4 $\frac{3}{8}$ -4 $\frac{3}{4}$	4 $\frac{3}{4}$
Prime Commercial Paper.....	4 $\frac{1}{4}$ -4 $\frac{1}{2}$	4 $\frac{1}{2}$	4 $\frac{1}{2}$
Bills—90 day unendorsed.....	3 $\frac{1}{2}$	3 $\frac{3}{4}$	3 $\frac{3}{4}$ -3 $\frac{7}{8}$
Treasury Certificates and Notes			
Maturing March 15.....	3.50	3.10	2.97
Maturing June 15.....	3.54	3.38	3.02
Federal Reserve Bank of New York—			
Rediscount Rate.....	3 $\frac{1}{2}$	4	4
Federal Reserve Bank of New York—			
Buying Rate for 90-day Bills.....	3 $\frac{3}{8}$	3 $\frac{3}{4}$	3 $\frac{3}{4}$

* = Prevailing rate for preceding week.

The principal cause of the firmer call loan market was the usual large increase in currency requirements for the holiday trade. New York City banks withdrew from the Reserve Bank approximately \$45,000,000 of additional currency in the latter part of November and the first half of December, and an additional loss of funds to the New York money market was caused by outgoing transfers to replace similar currency withdrawals from banks in other districts. This double drain on New York banks necessitated a substantial increase in the use of Reserve Bank credit to maintain reserve balances at the required levels.

Around the middle of December there were the usual heavy movements of funds incident to the Treasury tax period operations, with a consequent minor unsettlement of the call money market. The redemption of maturing Treasury certificates and the payment of interest on Government obligations on the 15th exceeded actual collections of income taxes by \$117,000,000, and a similar, though smaller, excess of Treasury disbursements in other districts resulted in an inflow of funds from other centers. Consequently, a considerable surplus in actual



Gain or Loss of Funds to Leading New York City Banks, Borrowings from the Federal Reserve Bank, Reserve Position, and Closing Call Loan Rate, Showing Effects of Holiday Currency Withdrawals and Treasury Tax Period Operations.

reserve balances of leading New York City banks developed, notwithstanding a reduction in borrowing from the Federal Reserve Bank to the lowest level since the latter part of November, average reserves for that reserve week were carried somewhat above requirements, and call loan rates declined temporarily.

During the following week the collection of income tax checks greatly exceeded Government disbursements, and

resulted in outgoing transfers from New York, as well as a direct loss of funds to banks in this district, which coincided with the time of largest demand for holiday currency. The movements of bank reserves, call money rates, and bills discounted for New York City banks are shown in the accompanying diagram.

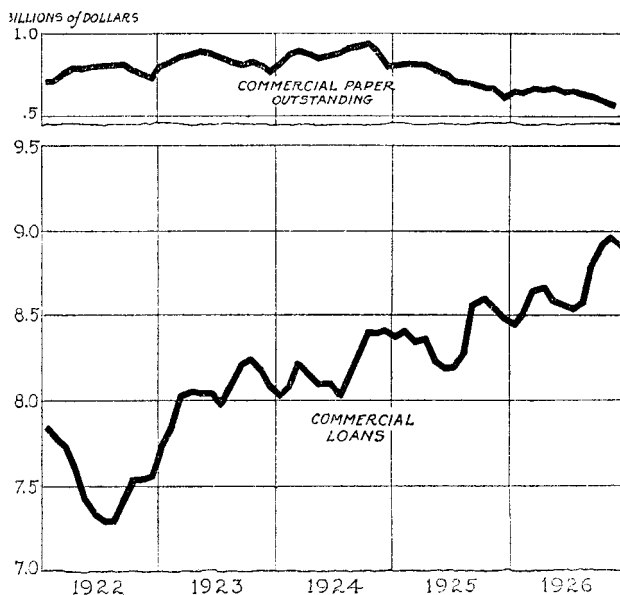
A contraction in currency circulation usually begins immediately after Christmas, but preparations for year-end statements and disbursements tend ordinarily to keep money rates firm in the final week of December.

MEMBER BANK CREDIT

Loans on stocks and bonds by all reporting member banks increased \$250,000,000 in the latter part of November and the first three weeks of December, accompanying rising security prices, and on December 22 were less than \$200,000,000 below the high point reached at the end of last year. The greater part of the increase was in the loans of New York City banks. Commercial loans showed a gradual seasonal decline from the high level of November in this district and elsewhere, while investments showed little net change.

COMMERCIAL PAPER MARKET

The commercial paper market was seasonally quiet during December. Although the demand for paper continued fairly active in interior markets, the total sales volume was limited due to the small supplies of new paper being created. Dealers continued to offer paper at 4¼-4½ per cent, but the bulk of the business was at 4½ per cent. The volume of commercial paper outstanding through 26 dealers at the end of November showed a further decline of 5 per cent to \$566,000,000, an amount 15 per cent below that of a year ago. While a decrease in open market outstandings is not unusual at this time of the year, this most recent decrease followed an almost continuous decline during the past two years, so that total outstandings at the end of November



Outstanding Commercial Paper of 26 Dealers, and Commercial Loans of All Reporting Member Banks.

were at the lowest level in at least 8 years. As the accompanying diagram shows, commercial loans of banks throughout the country, which also include banks' holdings of commercial paper, increased about \$500,000,000 during the two years.

BILL MARKET

Seasonal drawings of bills continued to increase the supply in the market rapidly early in December, while the investment demand for bills diminished, due to the somewhat firmer money conditions prevailing. As a result, dealers' portfolios reached by the end of the first week of December approximately 100 million dollars, the largest total since May. Reflecting these conditions, open market rates on 60 and 90 day bills reverted to the level current previous to the November reduction, making the offering rate on 90 day unindorsed bills 37/8 per cent. At the higher rate level, the demand improved slightly, owing principally to buying for foreign account, dealers' portfolios were reduced, and in the final week of the month the 90 day rate was reduced to 33/4 per cent.

Security Markets

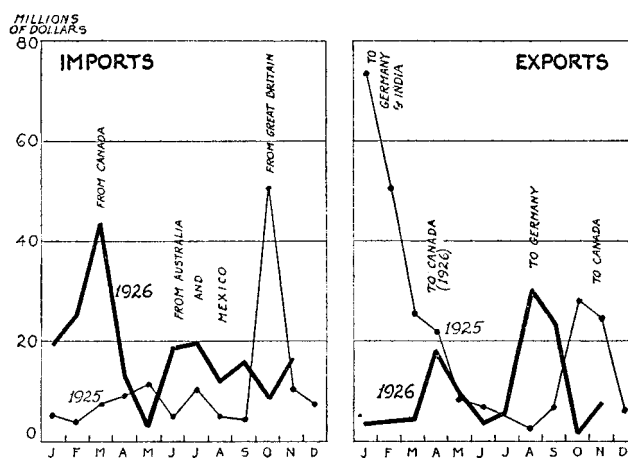
Following irregular movements in the latter part of November, representative price averages of both industrial and railroad shares advanced in December to approximately the highest levels of the year. Trading was broader and around the middle of the month the daily turnover averaged close to 2,000,000 shares. Toward the close of the month, however, the tendency was reactionary.

Further strength and activity in the bond market carried average prices of high grade corporation bonds to the highest levels in at least 10 years. United States Government securities likewise were strong and four issues, the Fourth Liberty 4 1/4's, and the Treasury 3 3/4's, 4's, and 4 1/4's reached the highest levels since issuance, and other issues generally sold at the highest prices of the year. Average prices of foreign bonds rose to new high levels since the War, led by advances in Belgian and French issues.

New security offerings continued large in December but were in smaller volume than in the previous month or in December of last year, both periods of exceptionally heavy security flotations. Public utility offerings were the largest class, followed closely by industrial financing which included a \$50,000,000 issue of Standard Oil Company of New York debentures. State and municipal financing was heavier than in several months, due partly to the issuance during the month of \$20,000,000 Port of New York Authority bonds in connection with the projected Hudson River bridge at New York City. Foreign financing was slightly larger than in November of this year or in December of last year.

Gold Movement

Gold imports during November reached a total of \$16,700,000, due chiefly to the receipt of \$5,000,000 from Mexico, \$4,900,000 from Australia, \$4,000,000 from



Gold Imports and Exports in 1926 Compared with 1925.

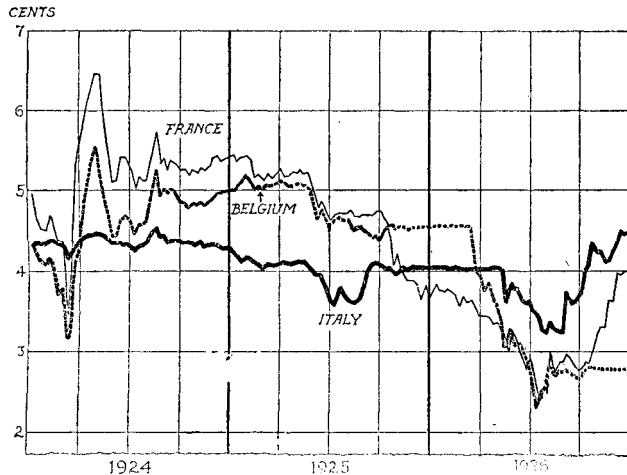
Japan, and \$1,000,000 from Hong Kong. The first three of these shipments continued movements from those countries in previous months. Gold exports amounted to \$7,700,000, of which \$6,000,000 was sent to Canada in consequence of the rise in Canadian exchange. The autumn export movement to Canada was, however, much smaller this year than last, as shown in the accompanying diagram, which compares gold movements this year and last, and indicates the principal sources or destinations of the larger movements during the two years. The net import of gold for the first 11 months of 1926 was \$88,000,000, as compared with a net export of \$136,000,000 last year.

During the first 28 days of December, imports at the Port of New York totaled \$6,500,000, which included approximately \$5,000,000 from Chile and \$1,000,000 from England. Exports amounted to \$1,700,000, of which \$1,000,000 was sent to Java. An import of \$2,000,000 from Mexico was also received, and additional shipments from Japan were announced.

The Foreign Exchanges

The month of December was marked by a general rise in the exchange rates of all the leading European countries now on the gold standard. The pound sterling, which was as low as \$4.8413 in November, did not fall below \$4.8444, and near the close of the year was above \$4.8480. The German mark, from a November low of 23.73 cents, rose to 23.84 cents, two points above par, and a similar rise above dollar parity took place in Swiss francs. The Netherlands florin and the Swedish crown also were firmer, while the belga was quoted throughout the month slightly above par.

The French franc rose from 3.71 cents at the beginning of the month to 4.07 cents on the 20th. This renewed rise was followed, December 23, by the announcement that the Bank of France was prepared to buy and sell at the rate of 25.19 francs to the dollar, or just under 3.97 cents to the franc. The lira rose from 4.25 cents on the first of December to 4.60 cents on the 13th, but thereafter was quiet at about 4.50 cents. The Norwegian rate declined slightly during the month.



Belgian, French and Italian Exchange Rates at New York. Last Quotations in Each Week, 1924 to 1926.

After several months of de facto stabilization just under parity, it was announced that the Danish crown would return to the gold standard de jure with the first day of 1927. Denmark thus becomes the fifth country to take this step formally since the beginning of 1926, the others being Finland on January 1, Chile on January 11, Canada on July 1, and Belgium on October 25.

The Canadian dollar, which stood above the United States dollar in early December, declined to a small discount. The rupee, which had been heavy in November, rose moderately toward the end of the year; but yen declined to somewhat lower levels.

The price of silver scarcely moved during the month, and the silver exchanges fluctuated in a correspondingly narrow range, the Hong Kong rate being somewhat stronger than that on Shanghai.

The following table shows the current quotations of a number of exchanges, compared with those prevailing a year ago.

(In cents per unit of national currency)

	December 22, 1925	December 22, 1926
<i>Europe</i>		
Austria.....	14.05	14.05
Belgium.....	4.53	13.91
Denmark.....	24.83	26.63
England.....	484.56	484.75
France.....	3.64	3.97
Germany.....	23.81	23.82
Holland.....	40.14	39.97
Italy.....	4.03	4.46
Norway.....	20.29	25.15
Spain.....	14.13	15.24
Sweden.....	26.84	26.72
Switzerland.....	19.31	19.33
<i>America</i>		
Argentina.....	41.47	41.35
Brazil.....	14.27	11.85
Canada.....	99.92	99.92
<i>Asia</i>		
India.....	36.50	36.00
Japan.....	43.15	48.75
Shanghai.....	75.88	58.63

Among the gold standard countries, it will be noted that rates are generally slightly higher, while among the other countries, only Brazil and China are materially

lower than a year ago, the latter reflecting the fall in the price of silver. Rates for Norway, Argentina, and Japan are almost at parity, although no formal action towards stabilization has been taken by those countries. Several other countries have maintained stability through the year, or over the latter part of the year, without formal announcement of either de facto or de jure stabilization. Among them may be mentioned Jugo-Slavia, whose dinar has remained at 1.77 cents for many months; the Bulgarian lev has been stable at about .72 cents, over a longer period, and the Polish zloty has for several months been quoted at about 11 cents.

The progress of currency reform in 1926 was therefore more general than would be appreciated merely from the list of those countries which formally returned to gold in the course of the year. In a considerable group of countries the success of de facto stability has furnished strong evidence of capacity for de jure stabilization; while in others reforms have been undertaken in recent months, particularly in the government finances, which are the necessary preliminaries of eventual monetary reconstruction.

Changes in Central Bank Rates

Two changes in the discount rates of foreign central banks were announced during the month. On December 10, the Bank of Poland reduced its rate from 10 per cent to 9½ per cent and on December 16, the Bank of France from 7½ per cent to 6½ per cent.

Foreign Trade

Exports of merchandise in November valued at \$481,000,000 were the largest since October 1925. They were \$25,000,000 larger than in October of this year and were \$33,000,000 larger than in November 1925, notwithstanding a considerable decline in commodity prices during the year. Cotton exports in quantity were the largest in any month since February 1915, but in value were slightly smaller than in October, and 19 per cent smaller than in November of last year. Grain shipments continued to decline, both in quantity and in value, but exports of manufactured and semi-manufactured goods showed considerable increases, both as compared with the preceding month and with November 1925.

Imports valued at \$376,000,000 showed little change from October or from a year ago. The value of raw materials imported was smaller than in November 1925, but this decline was offset by increases in all other groups of merchandise. Crude rubber imports in quantity were only slightly under the large volume of March 1926, and were 14 per cent larger than a year ago, but in value were undoubtedly smaller than in November 1925. The quantity of raw silk imported in November was 21 per cent larger than a year ago, and was the largest for any month on record.

Indexes of Business Activity

This bank's indexes of business activity in general were lower for November than for October, and in a number of cases were lower also than those of a year ago.

Retail sales were fairly large, but loadings of merchandise and miscellaneous freight, and bank debits in this district and throughout the country showed more than the usual seasonal declines.

(Computed trend of past years=100 per cent)

	1925		1926	
	Nov.	Sept.	Oct.	Nov.
Primary Distribution				
Car loadings, mdse. & misc.....	106	103	104	102
Car loadings, other.....	104	107	107	113
Exports.....	86	106	92	96 _p
Imports.....	120	121	124	125 _p
Grain exports.....	40	112	71	70
Panama Canal traffic.....	91	92	84	84
Distribution to Consumer				
Department store sales, 2nd Dist.....	99	109	105	102
Chain store sales.....	99	95	99	98
Mail order sales.....	116	126	119	120
Life insurance paid for.....	112	116	109	117
Real estate transfers.....	110	103	102	111
Magazine advertising.....	109	106	108	111
Newspaper advertising.....	113	107	111	108
General Business Activity				
Bank debits, outside of N. Y. City.....	111	110	113	106
Bank debits, New York City.....	125	123	122	112
Bank debits, 2nd Dist. excl. N. Y. City	107	105	108	102
Velocity of bank deposits, outside of New York City.....	102	98	105	99
Velocity of bank deposits, New York City	120	127	129	115
Shares sold on N. Y. Stock Exchange*..	236	173	189	146
Postal receipts.....	99	100	98	98
Electric power.....	108	116	117	111
Employment in the United States.....	104	104	103	102
Business failures.....	102	94	107	111
Building permits.....	166	133	169	137
New corporations formed in N. Y. State	125	112	122	112
General price level.....	187	186	186	185

*=Seasonal variations not allowed for. p=Preliminary

Production

Irregular tendencies in principal lines of production in November, both as compared with October and with November of last year, are shown by this bank's indexes of production. Cotton consumption was somewhat larger than in October, and nearly 8 per cent larger than a year ago, and mill consumption of silk and the activity of woolen mills, though slightly smaller than in the previous month, were larger than last year. Bituminous

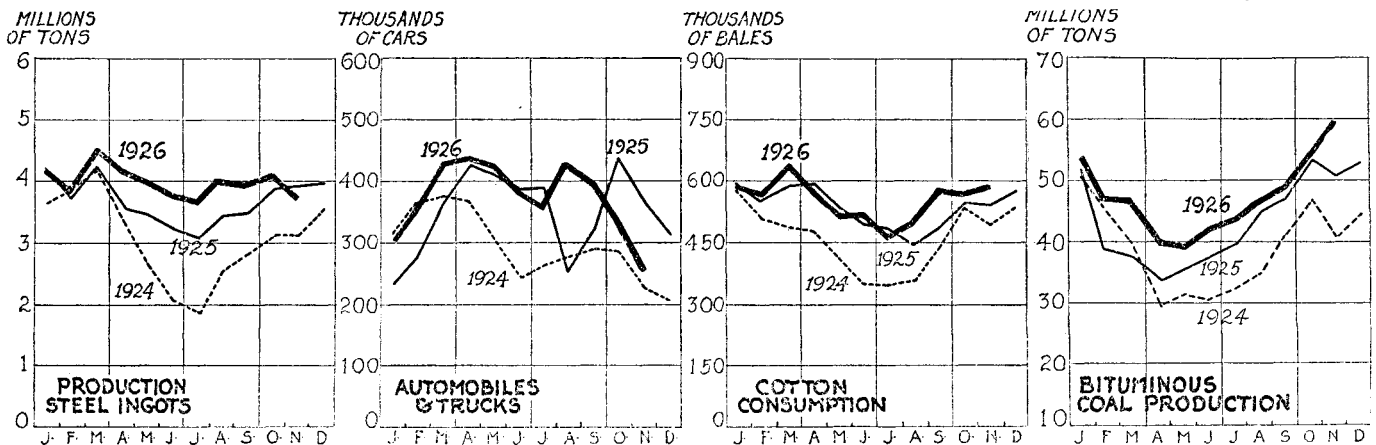
coal production exceeded even the high level of a year ago when the anthracite strike was in force, and reached the highest levels on record, reflecting at least in part the effects of the British coal strike. Steel ingot output, however, was 9 per cent smaller than in October and 5 per cent smaller than a year ago, following the maintenance during the spring and summer of a much higher rate of activity than in either of the two previous years. Further curtailment occurred in the automobile industry, and the production of passenger cars in November was one-third smaller than a year ago.

This bank's indexes of production, in which allowance is made for seasonal variations and year-to-year growth, are shown below.

(Computed trend of past years=100 per cent)

	1925		1926	
	Nov.	Sept.	Oct.	Nov.
Producers' Goods				
Pig iron.....	102	109	111	108
Steel ingots.....	110	116	107	103
Bituminous coal.....	110	104	109	129
Copper, U. S. mines.....	104	108	109	114
Tin deliveries.....	118	93	96	124
Zinc.....	111	116	118	116
Petroleum.....	119	116	118	118
Gas and fuel oil.....	100	93	98	98
Cotton consumption.....	96	107	98	102
Woolen mill activity*.....	101	93	103	102 _p
Cement.....	123	132	126	123
Lumber.....	102	88	104	101 _p
Leather, sole.....	73	74	74	74
Silk consumption*.....	121	120	130	129
Consumers' Goods				
Cattle slaughtered.....	93	113	101	101
Calves slaughtered.....	104	97	102	107
Sheep slaughtered.....	89	106	102	105
Hogs slaughtered.....	85	111	90	82
Sugar meltings, U. S. ports.....	99	132	144	126
Wheat flour.....	83	100	93	86
Cigars.....	105	110	111	119
Cigarettes.....	71	77	70	69
Tobacco, manufactured.....	96	112	101	101
Gasoline.....	133	140	142	142
Tires.....	120	147	127	127
Newsprint.....	120	129	125	129
Paper, total.....	90	91	86	93
Boots and shoes.....	89	110 _r	100	95 _p
Anthracite coal.....	**	106	98	90
Automobile, all.....	156	144	112	105
Automobile, passenger.....	163	151	112	104
Automobile, truck.....	130	115	110	110

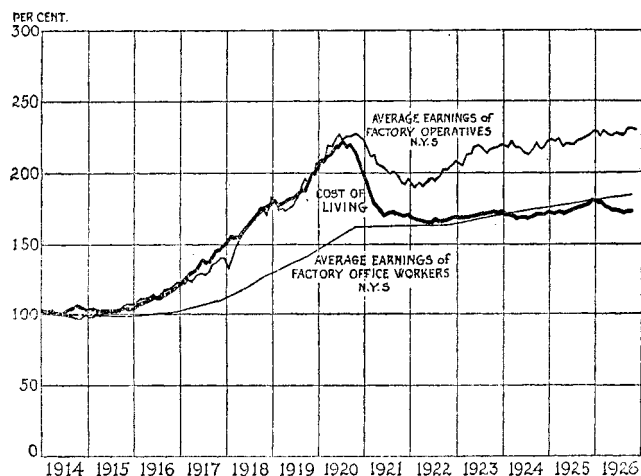
*=Seasonal variation not allowed for. **=Strike. p=Preliminary. r=Revised.



Production of Steel Ingots, Automobiles and Bituminous Coal and Mill Consumption of Cotton in 1926, Compared with 1924 and 1925.

Wages and Employment

Office workers' earnings have continued to rise during the past year along with the earnings of factory operatives, according to the annual computation made by the New York State Department of Labor. The accompanying diagram indicates that office salaries, which for a number of years during and following the War increased much less rapidly than the cost of living, have now reached a level which gives a noticeable increase in purchasing power compared with pre-war conditions. Earnings of factory operatives, however, continue to show a much larger gain in purchasing power than those of office workers.



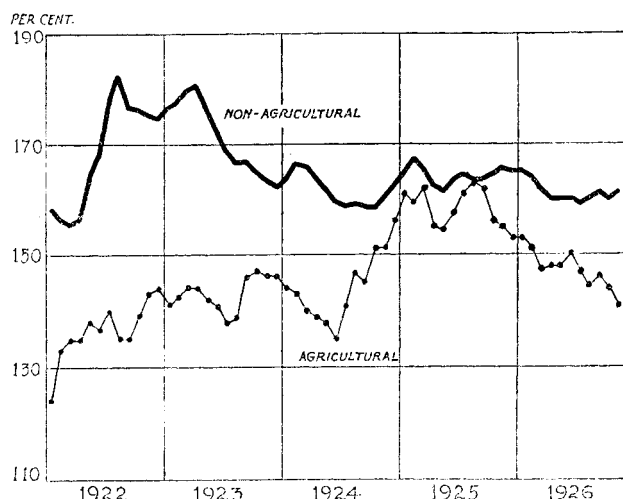
Average Weekly Earnings of Factory Operatives and Factory Office Workers in New York State and the Cost of Living in the United States. (1914 = 100 per cent).

Factory employment showed a 1 per cent decline in New York State from October to November, whereas last year a moderate increase occurred. Consequently, the number employed in November was 3 per cent smaller than a year previous. The principal reductions in activity which cannot be attributed to seasonal changes were in the metal working industries. Working forces in iron and steel, brass and copper, machinery, railway equipment, and automobile factories showed average reductions ranging from 2 to 5 per cent compared with October.

Commodity Prices

The Department of Labor general index of wholesale prices declined in November to the lowest point since the summer of 1924, and this bank's weekly index of the prices of 20 basic commodities declined during the first three weeks of December to the lowest levels since 1922.

As the accompanying diagram shows, price movements in recent months have continued to be chiefly in agricultural products. The Department of Labor index of agricultural prices has declined nearly 14 per cent from August of last year, when the high point of the past five years was reached, to the lowest level since the summer of 1924. The index of non-agricultural products, while somewhat lower than a year ago, has shown no im-



Agricultural and Non-Agricultural Prices Since 1921 (U. S. Bureau of Labor Statistics Indexes; 1910-1914 average = 100 per cent).

portant change in the past three years. During this period textile prices have declined substantially, and moderate price reductions have occurred in metals and house furnishings, but fuel prices have advanced, and other groups have shown little net change.

Building

The volume of building and engineering contracts awarded in 37 states east of the Rockies in November was 3 per cent larger than a year previous, following decreases from last year in each of the previous 5 months. For the 11 completed months of this year, total contract awards were 6 per cent larger than a year ago, reflecting the very heavy building program of the first part of this year. In the New York and New Jersey district November building contracts were 27 per cent smaller than a year ago, but the total for the 11 months period was 11 per cent larger than last year.

The demand for building materials fell off considerably in November. New business in softwood lumber, reported by the National Lumber Manufacturers Association, declined about 25 per cent below the volume of a year previous, although, because of heavy demand earlier in the year, total orders for the first eleven months of the year remained larger than in the corresponding period of 1925. Structural steel sales also have been considerably smaller in recent months than a year previous.

Wholesale Trade

Sales of nearly 200 reporting wholesale houses in this district during November averaged 10 per cent lower than a year ago, despite the additional selling day this year. The decrease, as in previous months, was largely due to smaller sales of clothing and textiles. Sales of men's clothing had an unusually large year-to-year decrease, and sales of women's coats and suits continued much smaller than a year ago. The decline in dress

MONTHLY REVIEW, JANUARY 1, 1927

sales, however, was smaller than in any month this year. Leading silk houses and cotton commission houses reported sales considerably smaller than a year ago, but jobbers' sales of cotton goods were slightly larger for the first time in a year.

Wholesale grocers reported the smallest sales for any November in the last eight years, and machine tool sales remained considerably below the moderately high level of a year ago, but paper and jewelry sales showed the largest increases since June, and shoe sales were the largest for the month of November in five years.

Commodity	Percentage Change November 1926 from October 1926		Percentage Change November 1926 from November 1925			
	Net Sales	Stock end of month	Net Sales	Stock end of month	Collections	Acct's Receivable
Groceries.....	- 4.2	+ 6.9	- 9.4	- 1.3	- 9.5	- 7.6
Men's clothing.....	-41.8	.....	-18.6	.....	+14.1	- 3.2
Women's dresses.....	-49.1	.....	- 6.7	.....	.....	.....
Women's coats and suits	-02.4	.....	-24.2	.....	- 5.3	-21.5
Cotton goods—Jobbers	-12.0	-14.0	+ 0.7	- 8.9	- 1.7	- 8.3
Cotton goods—Commission.....	- 4.4	.....	-12.5	.....	.....	.....
Silk goods.....	- 2.7	+16.1*	-16.9	+ 9.3*	+ 6.4	- 4.3
Shoes.....	- 5.0	- 0.1	+ 8.0	-16.5	+ 9.1	+ 2.0
Drugs.....	-23.7	.....	- 4.5	.....	.....	.....
Hardware.....	- 8.5	- 3.1	- 2.9	+ 3.8	0	+ 0.9
Machine tools.....	+ 3.6	.....	-11.0	.....	.....	.....
Stationery.....	- 2.7	.....	- 0.9	.....	- 5.9	+ 5.6
Paper.....	- 5.9	.....	+ 6.3	.....	.....	.....
Diamonds.....	-22.3	.....	- 5.6	.....	.....	.....
Jewelry.....	+22.0	- 4.7	+ 6.5	+ 7.7	- 1.6	+ 6.3
Weighted Average...	-21.2	.....	- 9.5	.....	+ 0.7	- 5.6

*=Quantity not value.

Department Store Trade

Reports from leading department stores in New York and vicinity on sales from December 1 to 24 inclusive, indicate that December sales in this district will average about 5 per cent larger than last year, and will substantially exceed sales in any previous December. This would make total sales for the year 4 per cent larger than last year, compared with an increase of 5½ per cent in 1925.

Locality	Percentage Change November 1926 from November 1925			
	Net Sales	Stock on hand end of month	Collections*	Acct's Receivable*
New York.....	+ 6.3	+ 1.0	- 5.7	+ 9.8
Buffalo.....	+ 3.2	- 3.9	- 0.6	+ 0.2
Rochester.....	+ 4.7	+ 4.3	+12.2	+21.4
Syracuse.....	+ 2.3	-11.4	.....	.....
Newark.....	+12.1	+ 6.3	+ 8.9	+13.0
Bridgeport.....	+11.3	+ 4.7	.....	.....
Elsewhere.....	+ 5.4	+ 8.9	+ 3.0	- 0.7
Northern New York State.....	+ 1.0	.....	.....	.....
Central New York State.....	- 2.6	.....	.....	.....
Southern New York State.....	+ 6.7	.....	.....	.....
Hudson River Valley District.....	+11.8	.....	.....	.....
Capital District.....	- 1.0	.....	.....	.....
Westchester District.....	+19.7	.....	.....	.....
All department stores.....	+ 6.7	+ 1.5	- 1.5	+10.1
Apparel stores.....	+ 9.4	+22.0	.....	.....
Mail order houses.....	+ 6.3	.....	.....	.....

*=Exclusive of instalment accounts.

Final reports on November business showed an average increase of nearly 7 per cent over a year ago in department store sales, 9 per cent in apparel store sales, and 6 per cent in sales of leading mail order houses. A considerable part of these increases may be attributed to one more selling day in November this year, however.

Stocks of merchandise in department stores at the end of November were 1½ per cent larger than a year previous, and the ratio of sales to average stock on hand during the month was slightly higher than in November 1925. Collections on charge accounts were somewhat smaller than last year, and accounts outstanding at the end of the month were 10 per cent higher. Instalment collections were larger than a year ago, however, and accounts receivable showed little change.

November sales and stocks in the principal departments are compared below with those of a year ago.

	Net Sales Percentage Change November 1926 from November 1925	Stock on Hand Percentage Change November 30, 1926 from November 30, 1925
Books and stationery.....	+19.4	- 6.8
Shoes.....	+18.9	+ 1.2
Men's and Boys' wear.....	+18.7	+ 4.2
Furniture.....	+17.4	+ 4.1
Hosiery.....	+13.9	- 0.1
Luggage and other leather goods.....	+13.8	- 0.5
Women's ready-to-wear accessories.....	+13.1	+ 0.2
Linens and handkerchiefs.....	+12.7	+ 5.6
Men's furnishings.....	+10.7	- 5.8
Home furnishings.....	+ 9.4	+ 4.1
Toys and sporting goods.....	+ 9.1	+ 0.8
Women's and Misses' ready-to-wear.....	+ 6.1	+ 2.1
Silks and velvets.....	+ 5.9	+ 1.3
Toilet articles and drugs.....	+ 5.7	- 3.2
Cotton goods.....	+ 4.7	- 6.5
Silverware and jewelry.....	+ 4.5	+ 2.0
Woolen goods.....	-14.2	-39.0
Musical instruments and radio.....	-20.6	- 5.7
Miscellaneous.....	- 3.4	-10.4

Chain Store Sales

Leading chain store systems reported for November the unusually large increase of 10 per cent in average sales per store compared with a year ago. A part of the increase was due to the extra selling day this year, and the less rapid opening of new stores, which have smaller average sales than established units, accounted for a part of the increase in some lines.

Variety, drug, and grocery chains continued to show the largest gains in total volume of business, but all types reported substantial increases over last year in November.

Type of Store	Percentage Change November 1926 from November 1925		
	Number of Stores	Total Sales	Sales per Store
Variety.....	+13.2	+33.7	+18.1
Drug.....	+34.0	+24.5	- 7.1
Grocery.....	+10.1	+24.2	+12.8
Candy.....	+ 8.0	+15.3	+ 6.7
Ten Cent.....	+ 7.0	+12.1	+ 4.7
Tobacco.....	+ 6.7	+11.6	+ 4.6
Shoe.....	+10.4	+ 9.7	- 0.7
Total.....	+ 9.9	+20.8	+10.0