

# MONTHLY REVIEW

## of Credit and Business Conditions

### Second Federal Reserve District

Federal Reserve Agent

Federal Reserve Bank, New York

March 1, 1927

#### Business Conditions in the United States

**I**NDUSTRIAL activity has been slightly larger since the turn of the year than at the close of 1926. Seasonal liquidation of Reserve Bank credit has been in unusually large volume owing chiefly to the inflow of gold from abroad, and conditions in the money market have been easy. Wholesale prices have continued to decline.

#### PRODUCTION

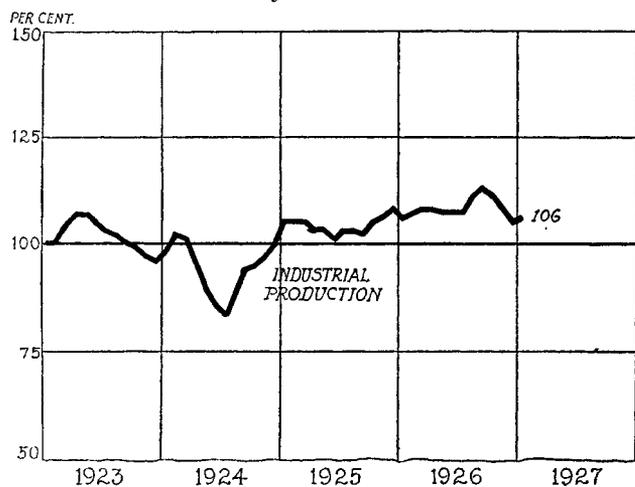
Output of factories was larger in January than in December but smaller than in January 1926 or 1925. Mineral production, though somewhat below the December level, continued in unusually large volume, reflecting the maintenance of production of bituminous coal, crude petroleum, and copper. Manufacture of iron and steel, which was sharply curtailed in December, increased in January and February. Automobile output was increased considerably from the unusually low level of production reached last December, but the number of passenger cars produced since the beginning of the year has been smaller than for the corresponding period of the past four years. The textile industries have continued active since December without, however, showing the usual seasonal increase.

Building contracts awarded in 37 states during the first seven weeks of the year were smaller in value than

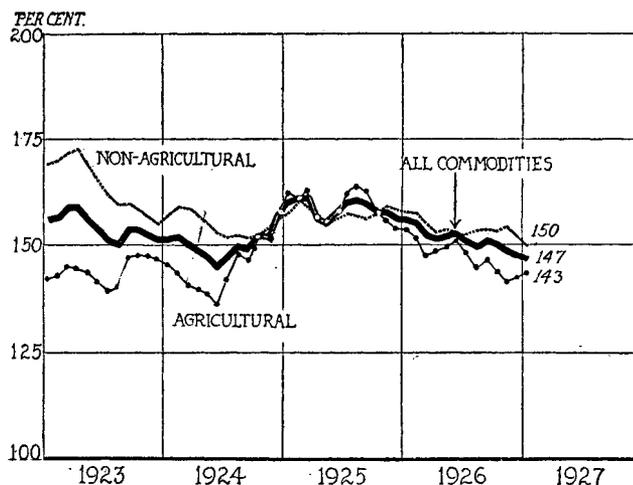
those for the same period of 1926. Decreases have been largest in New York and in the New England, Southeastern, and Northwestern states, while increases occurred in the Middle Atlantic and Central Western states. By types of building, contracts awarded for residential and industrial building in January showed large reductions as compared with December and with January 1926, while contracts for commercial buildings were larger than a month or a year ago.

#### TRADE

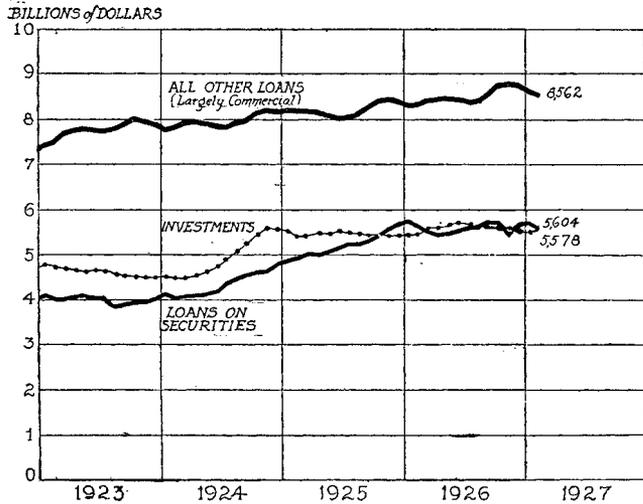
Retail trade showed more than the usual seasonal decline between December and January. Sales of department stores were in about the same volume as a year ago, while those of mail order houses were 7 per cent smaller. Wholesale trade declined in nearly all leading lines in January and was considerably smaller than a year ago. Inventories of department stores were reduced less than is customary, and at the end of the month were in about the same volume as in January 1926. Stocks of merchandise carried by wholesale firms increased slightly, but continued in smaller volume than in the corresponding month of the previous year. Freight car loadings declined by somewhat more than the usual seasonal amount between December and January, but, owing chiefly to heavier shipments of coal this year, weekly loadings since the beginning of the year



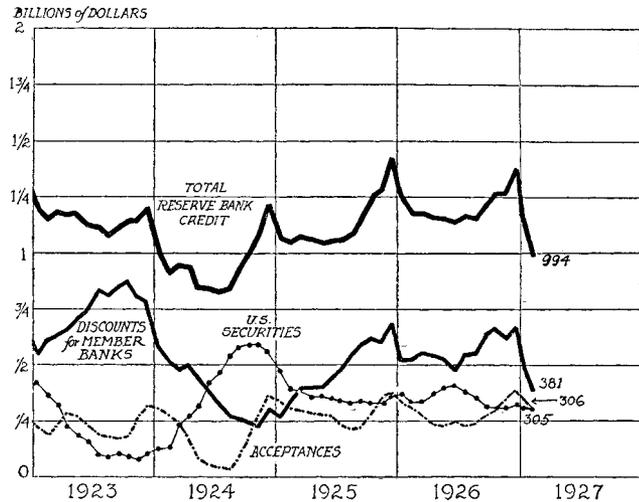
Index Number of Production of Manufactures and Minerals Combined, Adjusted for Seasonal Variations (1923-25 average = 100 per cent).



Price Indexes of United States Bureau of Labor Statistics (1913 average = 100 per cent).



Monthly Averages of Weekly Figures for Member Banks in 101 Leading Cities. Latest Figures are Averages for Three Weekly Report Dates in February.



Monthly Averages of Daily Figures for 12 Federal Reserve Banks. Latest Figures are Averages of First 23 Days in February.

were larger than for the same period of 1926. Shipments of merchandise in less than carload lots were also slightly larger than last year, but those of most basic commodities were smaller.

#### PRICES

The general level of wholesale prices declined fractionally in January, according to the index of the Bureau of Labor Statistics, considerable advances in prices of livestock being somewhat more than offset in the total by decreases in nearly all other commodity groups included in the index. Prices of non-agricultural products, as a group, declined to the lowest level since early in 1922. In February there were decreases in the prices of iron and steel, non-ferrous metals, bituminous coal, grains, and hides, while prices of cattle, sheep, cotton, and gasoline increased.

#### BANK CREDIT

Commercial loans of member banks in leading cities continued to decline during the four weeks ended February 16, although at a less rapid rate than in earlier weeks, and in the middle of February the volume of these loans was about \$270,000,000 below the seasonal peak reached in the middle of November, though about \$200,000,000 above last year's level. Loans on securities also declined during the period, while the banks' investment holdings increased somewhat.

The volume of Reserve Bank credit remained during the four weeks ended February 23 near the low level reached at the end of January. Liquidation of Reserve Bank credit since the high point of last December has been in excess of \$500,000,000, the unusual extent of this reduction being due chiefly to the large inflow of gold from abroad. Total bills and securities of the Reserve Banks on February 23 were about \$200,000,000 smaller than on the corresponding date of last year.

Easier money conditions in February were reflected in a decline in the rate on prime commercial paper from  $4\frac{1}{4}$  per cent to 4 per cent after the first week of the month.

### Money Market

The principal influence on the money market since the first of the year, aside from ordinary seasonal movements, has been the import of about 77 million dollars of gold. Exports of gold amounted to about 17 millions, but these consisted principally of exports to Germany of gold which had previously been earmarked and hence their export had no effect on the money market. The total gold movement has therefore resulted in a net gain of over 70 million dollars to the market.

The gold imports were made up largely of two movements, an import of 39 million dollars from Canada, in keeping with the usual seasonal movement, and an import of 21 million dollars from France, representing part of the gold which the Bank of France had purchased from French citizens. There have been no arrivals from France since February 2—and the discount on Canadian exchange which caused the Canadian movement has been reduced so that the rate is just above the gold shipping point.

In considering the factors which are likely to influence gold movements in the future, more interest attaches to the import of about \$7,300,000 of new gold from London. The amount of new gold production destined for monetary use, which is sold largely in London, amounts ordinarily to about \$150,000,000 a year, and the distribution of this gold reflects the relative position of money rates and the exchanges, freight rates, and fluctuations in the price of gold in different markets.

The movement of \$7,300,000 from London to New York in 5 shipments in the past six weeks appears to represent a coincidence of the sailing of a fast boat with unusually low freight rates, a low price of gold in London, and a low sterling exchange rate on two or three separate occasions. In the past two weeks London money

rates have grown slightly firmer, sterling exchange has risen slightly and as a consequence none of the gold sales in London in the past two weeks has been reported as destined for this country.

The result to the money market of gold imports in January and February has been to accentuate the usual seasonal tendency toward easy money. Member banks in New York City were able to reduce their borrowings at the Federal Reserve Bank to around 60 million dollars on February 23, as compared with about 150 million dollars at this time last year, and member banks throughout the system were able to reduce their borrowings to about 400 million dollars, compared with 540 a year ago. Total earning assets of the Reserve System on February 23 were approximately one billion dollars, compared with 1,200 millions a year ago. The greater part of this difference is accounted for by the net gold imports during the past 12 months, although there is at the present time also a slightly smaller demand for currency due to smaller payrolls than a year ago.

A curious development in connection with the easing in money rates which has taken place since the first of the year has been a tendency for a greater concentration of rates. Rates above 4 per cent have tended to be reduced, while there has been a comparatively small amount of money available at rates below 4 per cent.

This tendency is nowhere better illustrated than in the commercial paper market and in the bill market. Since the first of the year the offering rate on prime commercial paper has declined from 4½ to 4 per cent and the market for this paper has been excellent. In fact the amount of paper available has been inadequate to meet the demand, particularly from the interior.

In the bill market, on the other hand, the rates on bills are now at approximately the same levels as in the early part of January. For a time during the period the rate on 90-day bills was reduced to 3⅞ per cent, but due to a lack of demand the rate was later advanced again to 3¾ per cent. During most of this period the supply of bills has tended to be larger than the demand and dealers' portfolios have been in the neighborhood of 90 million dollars, which is considerably above the average, until the past few days when there has been some reduction in these portfolios.

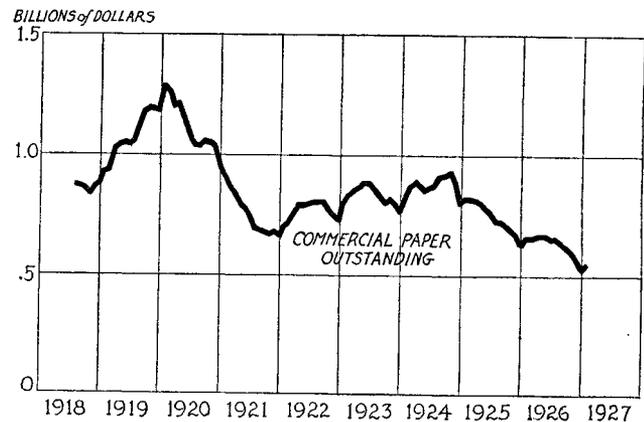
The much greater concentration of rates than was true a year ago is shown by the figures for money rates in the following table.

Money Rates at New York

	Feb. 25, 1926	Jan. 28, 1927	Feb. 25, 1927
Call Money.....	*5	*4	*4
Time Money-90 day.....	4¾	4½	4½
Prime Commercial Paper.....	4½	4-4¼	4
Bills-90 day unendorsed.....	3⅞	3⅞-3¾	3⅞-3¾
Treasury Certificates and Notes			
Maturing March 15.....	3.65	3.40	2.85
Maturing June 15.....	3.07	3.31	3.15
Federal Reserve Bank of New York Rediscout Rate.....	4	4	4
Federal Reserve Bank of New York Buying Rate for 90 day Bills.....	3⅞	3¾	3¾

\*=Prevailing rate for preceding week.

In connection with the situation in the commercial paper market it should perhaps be noted that the limitation in the supply of available paper as compared with the demand is in part due to a tendency for some months past for the amount of paper offered in the open market to diminish, due to a number of causes which include competition with direct loans by banks and a considerable reduction in the amount of borrowing in the textile industry, which has always been one of the largest factors in the commercial paper market. Reports to this bank of the commercial paper outstanding through 26 dealers show total outstandings at the end of January at 551 million dollars. This is an increase of about 5 per cent from the end of December, in keeping with the usual seasonal tendency, but it is about 16 per cent smaller than the amount of paper outstanding a year ago and there has been a steady decline in the amount of paper outstanding as indicated in the accompanying diagram.

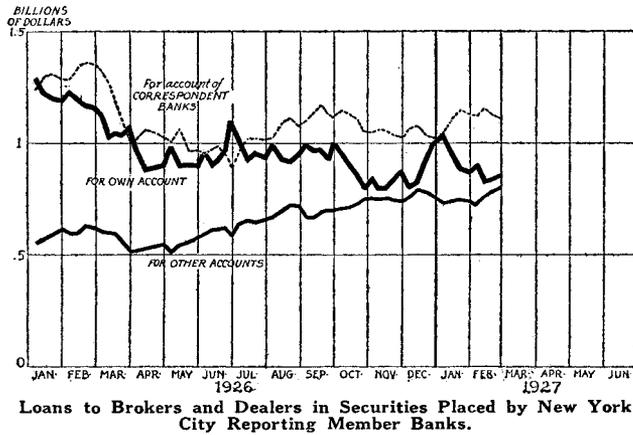


Outstanding Paper of 26 Commercial Paper Dealers.

Rates in the call loan market have been unusually steady for the first two months of the year. In fact during the past month the renewal rate has not departed from 4 per cent except on February 28 when the rate was 4½ per cent. On several days the rate rose as high as 4½ or 5 per cent for a short time, or declined to 3¾. These rates for February represent a substantially lower level of rates than were maintained during February 1926, when rates of 4½ to 5 per cent prevailed.

MEMBER BANK CREDIT

Loans on stocks and bonds by reporting member banks in this district were reduced about \$80,000,000 further during the four weeks ended February 16, and commercial loans continued to decline gradually, but investments were increased slightly. Compared with a year ago, however, security loans of banks in this district show a decline of \$160,000,000, investments are practically unchanged, and commercial loans are \$190,000,000 higher, whereas reports from member banks in other districts show an increase of \$140,000,000 in security loans, and an increase of similar amount in investments, but little change in commercial loans.



Total security loans of reporting banks in all districts combined show little change from a year ago, but loans to brokers and dealers in securities placed by New York City banks for their own account, for correspondent banks, and for others are over \$400,000,000 smaller than a year ago. As the following diagram shows, the principal reduction has been in loans for their own account, while loans for correspondent banks remain fairly high, and loans for others are close to the highest level reached since these records were inaugurated.

### Foreign Exchange

The principal European exchanges were in general either stable or slightly firmer in February than in the preceding month. Practically no change occurred in Austrian, Belgian, German, and Danish rates. Sterling fluctuated narrowly, remaining close to the gold export point. The French franc sagged toward the close of the month to 3.91 cents, and Swiss francs at 19.23 cents were likewise weak. The Italian lira was somewhat stronger and reached 4.42 cents toward the close of February.

Dutch rates rose above 40 cents for the first time since October, and the Norwegian krone continued upward to 25.94 cents. The Spanish peseta at 16.97 cents also established a new high point for recent years, although quotations receded to 16.74 cents toward the end of the month. While part of the recent advance in the peseta appears to be due to speculation, some real improvements in Spanish conditions have taken place, such as the cessation of hostilities in Morocco, smaller budgetary deficits, and the consolidation of a large portion of the floating debt.

The Canadian dollar remained stationary at 99.84 cents, and after one shipment during the early part of the month, no more gold imports were received.

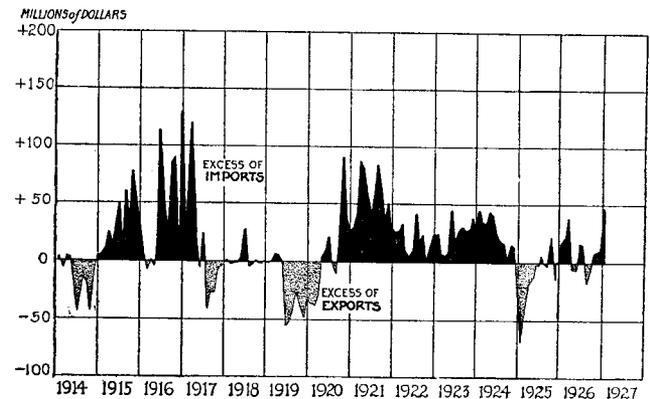
Argentine rates advanced steadily throughout the month, and at 42.09 cents were less than half a cent below parity. Brazilian quotations ranged from 11.75 to 11.85 cents.

The yen strengthened during the latter part of the month, reaching 48.90 cents, but the Chinese exchanges

lost part of their recent gains in sympathy with the decline in silver from the January high of 60.38 cents to 56.50 cents per ounce.

### Gold Movement

The net import of gold in January amounting to \$47,000,000 was nearly half as large as during the entire year 1926, and, as the accompanying diagram shows, was larger than in any previous month since 1921. In



Monthly Gold Export or Import Balance of the United States.

the first 26 days of February the movement slackened but gold imports continued to exceed exports, and the net receipts through the Port of New York and from Canada amounted to about \$13,000,000.

The principal gold movements in January and the greater part of February are summarized below.

(In thousands of dollars)

Source or Destination	January United States		February 1 to 26 New York and St. Lawrence Districts	
	Imports	Exports	Imports	Exports
Canada .....	\$37,975	.....	\$1,200	.....
France .....	14,695	.....	6,283	.....
England .....	.....	.....	7,274	.....
Chile .....	2,629	.....	.....	.....
China .....	3,243	.....	.....	.....
Japan .....	2,000	.....	.....	.....
Germany .....	.....	\$12,590	.....	1,065
All Other .....	1,420	2,300	546	1,028
Total .....	\$61,962	\$14,890	\$15,303	\$2,093

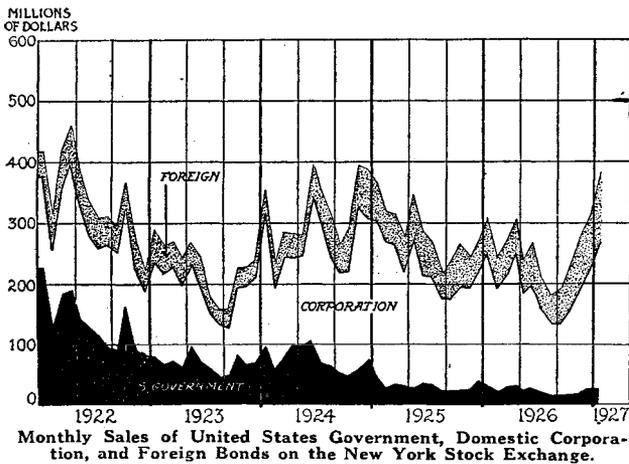
### Security Markets

Heavy trading in railroad shares resulted in an increase during February in the average turnover of stocks to well over two million shares a day. Average prices of high grade railroad stocks rose 8 points during the month to the highest levels since early in 1910. Industrial stocks also were firmer and representative price averages rose to approximately the highest levels ever reached.

Corporation bond averages, after reaching the highest levels in recent years toward the end of January,

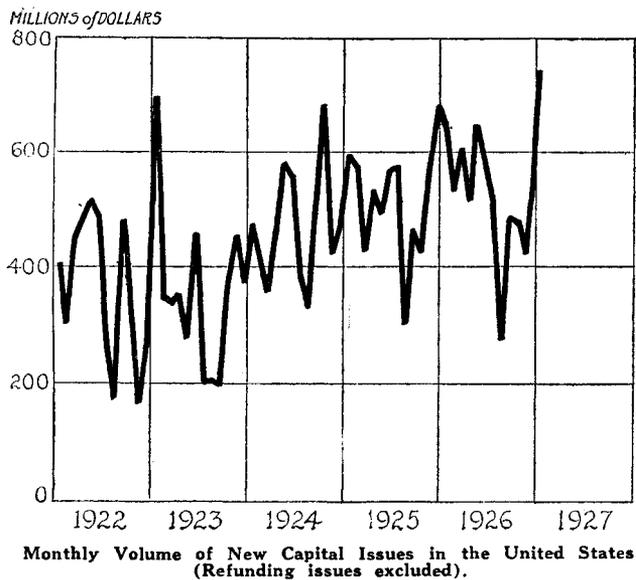
eased about one-third of a point and subsequently remained steady at this level. Foreign bond prices also declined slightly from the high levels of late January and early February. In the case of United States Government obligations, however, the fourth Liberty 4 1/4's, and the Treasury 3 3/4's, 4's, and 4 1/4's advanced to the highest levels since issuance, and other issues were steady.

Bond trading on the New York Stock Exchange remained fairly active in February, although there was some decline from the large turnover of the previous month. As the accompanying diagram shows, the volume of bond sales on the New York Stock Exchange has been increasing rapidly since last summer, and in January reached the highest level since 1924. Sales of foreign bonds were larger than in any previous month.



**New Financing**

Offerings of new securities continued very large in the first part of February; so that the total for the month as a whole was only moderately below the excep-



tionally large amount of January, and was larger than a year ago. A \$95,000,000 issue of Missouri Pacific Railroad Company 5 per cent bonds was the largest issue of the month, and was one of the largest pieces of railway financing ever undertaken. Public utility and industrial offerings continued large and included numerous substantial stock issues. The principal foreign issues were one of \$26,000,000 for the Republic of Chile and one of \$23,000,000 for the State of New South Wales. The latter was the first financing arranged publicly for that State in this market. The accompanying diagram shows that new financing increased rapidly, along with the volume of trading, toward the end of last year, and in January was the largest in recent years. Refunding issues have been excluded from the totals.

**Foreign Trade**

Exports of merchandise valued at \$419,000,000 in January were seasonally less than in December, but \$22,000,000 larger than a year ago, despite lower commodity prices this year. Imports valued at \$359,000,000 were practically the same as in December, and were \$58,000,000 less than in January 1926.

Raw cotton exports continued heavy, and, although smaller than in December, were 50 per cent above last year in quantity, but the value was 6 per cent smaller than a year ago. Total grain exports also showed a decline from December, but were 50 per cent greater in value than in January 1926. Quantity receipts of crude rubber were the largest on record. In value, however, they were considerably less than a year ago, owing to the price drop of about 50 per cent, and no doubt were a large factor in the decline in value of total imports. The quantity of raw silk imported was large and exceeded that of December or January 1926. Imports of coffee also were larger than in January of last year.

**Indexes of Business Activity**

January changes in business activity and general distribution were mixed compared with the previous month and with January 1926. Bank debits in 140 centers outside of New York City, which have been found to closely follow changes in the general volume of trade, increased after allowance for seasonal variation to about the level of a year ago. Car loadings of merchandise and miscellaneous freight compared somewhat more favorably with those of a year ago than in December, and loadings of the heavier commodities remained larger than a year ago, due chiefly to much larger movements of coal and coke.

In distribution to the consumer, department store sales continued slightly larger than a year ago, but mail order sales which reflect largely purchasing by rural communities, showed more than the usual seasonal de-

cline from December and were 7 per cent smaller than a year ago. Other indexes of business activity such as advertising, postal receipts, employment, stock trading, and building permits all were lower than in December or in January 1926.

In the following table this bank's indexes of business activity are given in percentages of the computed trend, with allowance for seasonal variations, and, where necessary, for price changes.

(Computed trend of past years=100 per cent)

	1926			1927
	Jan.	Nov.	Dec.	Jan.
<i>Primary Distribution</i>				
Car loadings, merchandise and misc. . . . .	110	108	105	106
Car loadings, other . . . . .	100	113	112	104
Exports . . . . .	82	96	92	90p
Imports . . . . .	130	124	117	116p
Grain exports . . . . .	47	70	63	...
Panama Canal traffic . . . . .	97	84	84	...
<i>Distribution to Consumer</i>				
Department store sales, 2nd Dist. . . . .	97	102	107	104
Chain store sales . . . . .	97	98	101	94
Mail order sales . . . . .	122	120	138	117
Life insurance paid for . . . . .	99	117	121	101
Real estate transfers . . . . .	110	100	...	...
Magazine advertising . . . . .	103	111	103	99
Newspaper advertising . . . . .	107	108	103	100
<i>General Business Activity</i>				
Bank debits, outside of N. Y. City . . . . .	114	106	108	115
Bank debits, New York City . . . . .	128	112	126	132
Bank debits, 2nd Dist. excl. N. Y. City . . . . .	110	102	103	107
Velocity of bank deposits, outside of New York City . . . . .	106	99	101	108
Velocity of bank deposits, New York City . . . . .	120	115	124	127
Shares sold on N. Y. Stock Exchange* . . . . .	186	146	195	159
Postal receipts . . . . .	97	98	105	94
Electric power . . . . .	109	113	116	...
Employment in the United States . . . . .	104	102	101	100p
Business failures . . . . .	97	111	110	103
Building permits . . . . .	149	137	158	130
New corporations formed in N. Y. State . . . . .	128	112	114	114
General price level . . . . .	188	185	186	185

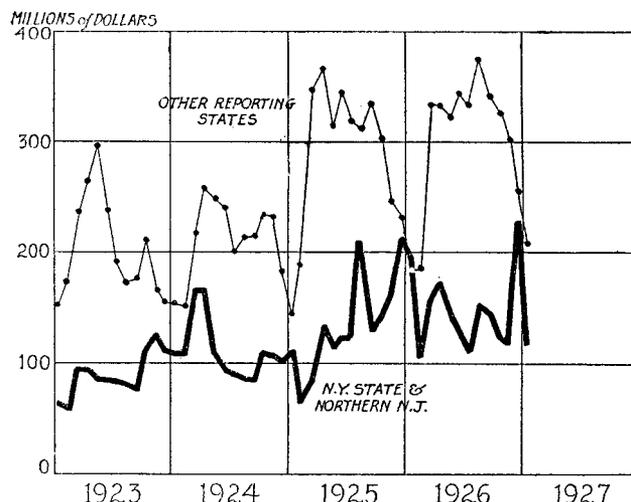
\*=Seasonal variation not allowed for.  
p=Preliminary.

## Building

January awards of building and engineering contracts showed a decrease of 16 per cent from the high level of a year ago and of 28 per cent from December, according to reports received by the F. W. Dodge Corporation from 37 states east of the Rockies. The total, however, was the second largest for any January on record. The entire decline from a year ago was due to a smaller volume of contracts in New York and Northern New Jersey than in January 1926, when the figures included the contract for a very large power project.

The accompanying diagram indicates that, while building activity in this district in most recent months has been at a lower level than a year previous, construction in other districts has continued slightly above the level of a year ago.

The S. W. Straus & Co. report of building permits issued in 467 cities throughout the country in January shows a total 29 per cent smaller than in December and



Building Contracts Awarded in New York State and Northern New Jersey and in Other Reporting States for which Comparative Data are Available since January 1923.

12 per cent smaller than in January 1926. January was the seventh consecutive month to show a decrease from the corresponding month of the previous year.

## Employment and Wages

Factory employment in New York State continued in January to show a decline that cannot be attributed wholly to seasonal conditions. The State Department of Labor reported a reduction of nearly 2 per cent from December, and of 5 per cent from January 1926. For the country as a whole, the average decline in factory employment and payrolls compared with a year ago was about 3 per cent.

The principal decline in New York State continued to be in the metal working industries; working forces in railway equipment plants showed especially large reductions. Increased activity was reported in the silk goods and rug industries, but at least small declines in most other textile lines. A much larger curtailment of activity than a year ago occurred in the cement mills, and the number employed in the automobile industry remained considerably smaller.

Although wage rates paid to common labor appear to have become fairly well stabilized, there still appears to be a tendency for wages of more skilled labor to advance. Early in February a 7½ per cent increase in wages was granted to firemen and enginemen of Eastern railways, and reports received by the State Labor Department continue to show scattering increases in factory wages, with practically no wage reductions.

## Production

Actual production in a number of lines was larger in January than in December, but after allowance for the usual seasonal tendencies, increases during the month were relatively few. Automobile production increased substantially, but the total output remained

about 20 per cent below the high level of a year ago, although truck production was considerably larger. Increases occurred also in the output of copper and cement, and in mill consumption of silk, but production in most other lines showed reductions after allowance for the usual seasonal changes.

Further increases in the activity of the iron and steel industry have been reported in February, and bituminous coal output has been maintained at a high level in anticipation of a possible suspension of mining in union fields on April 1 if a new wage contract cannot be agreed upon before that time.

January indexes, in which allowance has been made for the usual seasonal variations and year-to-year growth, are shown below, with comparable figures for recent months and a year ago.

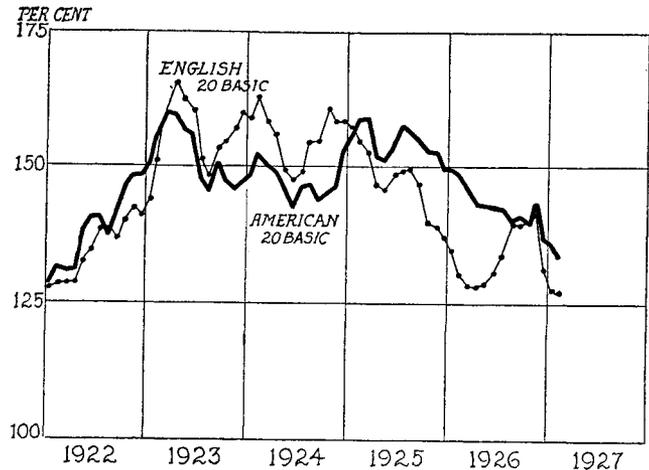
(Computed trend of past years=100 per cent)

	1926			1927
	Jan.	Nov.	Dec.	Jan.
<b>Producers' Goods</b>				
Pig iron.....	112	108	105	104
Steel ingots.....	112	103	105	99
Bituminous coal.....	113	129	126	118 <sub>p</sub>
Copper, U. S. mines.....	103	114	105	110
Tin deliveries.....	129	124	112	107
Zinc.....	105	116	115	102
Petroleum.....	114	125	127	.....
Gas and fuel oil.....	107	100	107	.....
Cotton consumption.....	96	102	110	98
Woolen mill activity*.....	93	102	99	95 <sub>p</sub>
Cement.....	123	123	120	124
Lumber.....	104	99	110	.....
Leather, sole.....	64	79	80	71
Silk consumption*.....	132	129	107	129
<b>Consumers' Goods</b>				
Cattle slaughtered.....	104	101	102	99
Calves slaughtered.....	116	107	115	106
Sheep slaughtered.....	103	105	123	110
Hogs slaughtered.....	82	82	76	81
Sugar meltings, U. S. ports.....	139	126	138	106
Wheat flour.....	90	86	94	84
Cigars.....	86	119	100	100
Cigarettes.....	80	69	72	72
Tobacco, manufactured.....	111	101	101	110
Gasoline.....	137	148	158	.....
Tires.....	132	119	134	.....
Newsprint.....	119	129	119	115
Paper, total.....	94	93	89	.....
Boots and shoes.....	84	95	98	86 <sub>p</sub>
Anthracite coal.....	**	90	92	84 <sub>p</sub>
Automobile, all.....	143	105	79 <sub>r</sub>	109
Automobile, passenger.....	148	104	73	103
Automobile, truck.....	121	110	102 <sub>r</sub>	133

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

### Commodity Prices

Prices of basic commodities, after holding fairly steady during most of December and January, again resumed in February the decline which had been in progress since the summer of 1925. As the accompanying diagram shows, this bank's index of prices of 20 basic commodities in this country declined in February to the lowest level since the Spring of 1922. Basic commodity prices in England have shown comparatively little change since December, when a sharp decline followed the relatively high level caused by high prices of fuel and basic metals during the coal strike, but this



Basic Commodity Prices in the United States and England. (Monthly averages of weekly indexes of the Federal Reserve Bank of New York. 1913 average=100 per cent).

index also was lower in February than at any time since 1922.

The sharp drop in raw cotton prices and lower level of other farm products, while an important factor, was not the sole cause of the decline during the last year and a half. The price of crude rubber in February was less than half that prevailing in the summer of 1925; raw silk, hides, and newsprint were considerably lower; and crude petroleum, cement, copper, and lead showed moderate declines.

During the past month, corn and livestock prices resumed their decline following somewhat firmer tendencies in January, but cotton held its partial recovery from the low level reached last fall. Raw silk advanced moderately in February, and crude rubber was slightly higher, but bituminous coal, pig iron, copper, hides, and sugar declined.

### Department Store Trade

Total sales of leading department stores in this district in January were somewhat above those of a year ago, but conditions in the different localities varied considerably. Sales of Westchester stores continued much larger than a year previous, and moderate increases continued to be reported from New York City, Newark, and Bridgeport, but sales of stores in Northern New York State, the Capital district, and the Hudson River Valley showed the largest decreases in a number of months and sales in Buffalo and Syracuse also were considerably smaller. Apparel store sales averaged 4 per cent larger than in January 1926, but mail order sales were 7 per cent smaller.

Stocks of merchandise on hand in department stores at the end of the month were slightly smaller than a year ago, and the rate of stock turnover was higher. Collections on charge and instalment accounts were somewhat larger than in January of last year, but

charge accounts outstanding at the end of the month averaged 10 per cent higher for all reporting stores, while instalment accounts receivable averaged only slightly larger.

Locality	Percentage Change January 1927 from January 1926			
	Net Sales	Stock on hand end of month	Collections*	Acct's Receivable*
New York.....	+ 4.5	- 1.1	+ 4.8	+ 8.7
Buffalo.....	- 6.2	- 9.4	+ 3.3	+ 9.2
Rochester.....	- 0.8	+ 4.5	+14.5	+20.2
Syracuse.....	- 8.2	-18.0	.....	.....
Newark.....	+ 4.3	+ 3.5	+25.2	+25.6
Bridgeport.....	+ 3.1	+ 1.5	.....	.....
Elsewhere.....	- 4.7	+ 0.5	- 1.8	+ 7.3
Northern New York State.....	-12.3	.....	.....	.....
Central New York State.....	- 4.6	.....	.....	.....
Southern New York State.....	+ 1.4	.....	.....	.....
Hudson River Valley District.....	-11.3	.....	.....	.....
Capital District.....	-13.4	.....	.....	.....
Westchester District.....	+14.5	.....	.....	.....
All department stores.....	+ 2.8	- 1.3	+ 6.6	+10.4
Apparel stores.....	+ 4.0	+ 9.0	.....	.....
Mail order houses.....	- 7.2	.....	.....	.....

\*=Exclusive of instalment accounts.

Comparisons of January sales and stocks of merchandise on hand at the end of the month in the principal departments with those of a year previous are shown in the following table.

	Net Sales Percentage Change January 1927 from January 1926	Stock on Hand Percentage Change January 31, 1927 from January 31, 1926
Books and stationery.....	+19.0	+ 4.6
Toys and sporting goods.....	+13.2	- 6.2
Men's furnishings.....	+ 8.7	- 0.7
Linens and handkerchiefs.....	+ 8.6	+ 2.7
Women's ready-to-wear accessories.....	+ 6.4	+ 4.2
Shoes.....	+ 6.4	+ 1.1
Furniture.....	+ 6.2	+ 3.1
Hosiery.....	+ 5.6	- 5.3
Women's and Misses' ready-to-wear.....	+ 5.3	- 2.1
Toilet articles and drugs.....	+ 5.3	- 1.0
Luggage and other leather goods.....	+ 4.1	- 0.1
Men's and Boys' wear.....	+ 3.9	+ 2.3
Silverware and jewelry.....	+ 3.0	- 6.9
Cotton goods.....	+ 1.3	- 9.8
Home furnishings.....	- 1.0	+ 5.0
Silks and velvets.....	- 1.3	-13.2
Woolen goods.....	-19.7	-31.7
Musical instruments and radio.....	-30.9	- 8.0
Miscellaneous.....	- 3.1	- 9.4

## Wholesale Trade

Wholesale trade in this district in January showed a seasonal increase over December, especially in the apparel trades, but remained substantially smaller than a year ago, according to reports from representative dealers in fifteen important lines.

Men's clothing and dress sales continued much smaller than last year, but sales of women's coats and suits showed the first increase since last summer. Silk goods sales remained well below those of a year ago, and shoe sales were considerably smaller, following increases in most recent months. Actual quantity sales of cotton goods in January are reported to have been large, but

probably due to lower prices this year, dollar sales continued smaller than last year.

Diamond sales showed a large decline from the high level of January 1926, and sales of jewelry, drugs, and hardware, were considerably smaller. Machine tool sales, however, were somewhat larger than a year previous for the first time since last summer, paper sales continued larger, and stationery sales showed little change.

Stocks of groceries and cotton goods at the end of January were smaller than a year ago, but stocks of hardware, and diamonds and jewelry were larger.

Commodity	Percentage Change January 1927 from December 1926		Percentage Change January 1927 from January 1926			
	Net Sales	Stock end of month	Net Sales	Stock end of month	Collections	Acct's Receivable
Groceries.....	-10.7	- 0.7	-10.3	- 4.8	- 7.8	-11.0
Men's clothing.....	+39.0	.....	-22.4	.....	- 0.4	+ 0.1
Women's dresses.....	+28.9	.....	-14.3	.....	-18.3	- 3.0
Women's coats and suits.....	+96.7	.....	+ 3.5	.....	- 8.6	.....
Cotton goods—Jobbers.....	-30.5	+20.3	- 6.6	- 8.6	- 4.6	-13.5
Cotton goods—Com'n.....	- 5.6	.....	-10.5	.....	.....	.....
Silk goods.....	+ 8.8	.....	-11.9	.....	- 6.9	- 8.6
Shoes.....	-42.4	+27.7	-11.6	- 0.4	-13.3	- 6.0
Drugs.....	+11.3	.....	- 8.4	.....	.....	.....
Hardware.....	-36.4	+ 6.9	- 7.6	+ 7.9	+ 8.1	- 1.9
Machine tools.....	- 2.2	.....	+ 4.6	.....	.....	.....
Stationery.....	+ 0.2	.....	- 0.2	.....	- 1.7	- 0.3
Paper.....	+ 2.3	.....	+ 3.6	.....	-12.5	-11.7
Diamonds.....	+ 2.9	.....	-35.1	.....	+ 2.7	+ 0.4
Jewelry.....	-69.8	+ 0.6	-11.4	+13.3	+ 2.7	+ 0.4
Weighted Average.....	+ 9.4	.....	-10.4	.....	- 6.4	- 5.0

## Chain Store Sales

Total sales of reporting chain store systems in January were nearly 14 per cent larger than a year ago, or about the same increase as in December. Variety and drug chains continued to report largest gains over last year, followed closely by grocery systems. Ten Cent and tobacco chains also reported moderate increases, but shoe and candy sales were somewhat smaller, following increases in most recent months.

Sales per store in a majority of lines were smaller than in January 1926, but owing to considerably larger sales in variety and grocery stores, the average for all types of stores was nearly 5 per cent larger.

Type of Store	Percentage Change January 1927 from January 1926		
	Number of Stores	Total Sales	Sales per Store
Grocery.....	+ 9.2	+16.9	+ 7.1
Ten Cent.....	+ 7.2	+ 7.0	- 0.2
Drug.....	+30.8	+20.0	- 8.2
Tobacco.....	+ 4.4	+ 5.5	+ 1.0
Shoe.....	+10.3	- 5.0	-13.9
Variety.....	+ 3.8	+20.2	+15.7
Candy.....	+ 2.8	- 5.2	- 7.9
Total.....	+ 8.6	+13.8	+ 4.8