

MONTHLY REVIEW

of Credit and Business Conditions

Second Federal Reserve District

Federal Reserve Agent

Federal Reserve Bank, New York

August 1, 1925

Business Conditions in the United States

PRODUCTION of basic commodities and factory employment declined further in June, while railway freight shipments and the volume of wholesale trade increased. Wholesale prices, after declining for two months, advanced in June.

PRODUCTION

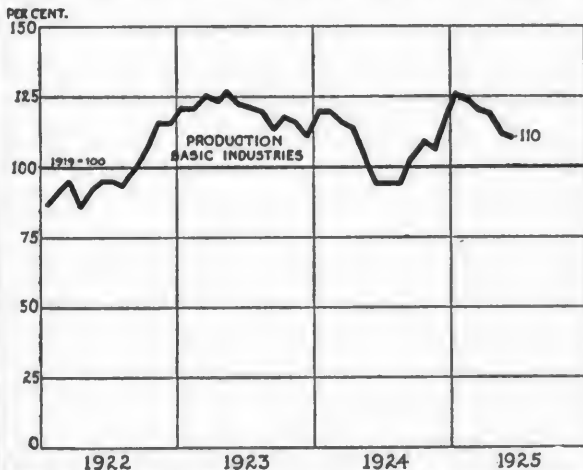
Production in basic industries, as indicated by the Federal Reserve Board's index, declined about one per cent in June to the lowest level since the autumn of 1924, but was 17 per cent above the low point of last summer. Output of pig iron, steel ingots, lumber, newsprint, and petroleum, and mill consumption of cotton declined in June, while production of bituminous coal, sole leather, and wheat flour increased. The number of automobiles manufactured during June was slightly less than in May. Factory employment declined one per cent and factory pay rolls over 2 per cent between May 15 and June 15, reflecting substantial declines in the automobile, boot and shoe, textile, and iron and steel industries. Building contracts awarded during June were larger in value than during May and almost equaled the peak figure for April. In square feet of floor space the June awards were a little smaller than those for May. Residential

contracts in June were the smallest for any month since February, but greatly exceeded those of a year ago.

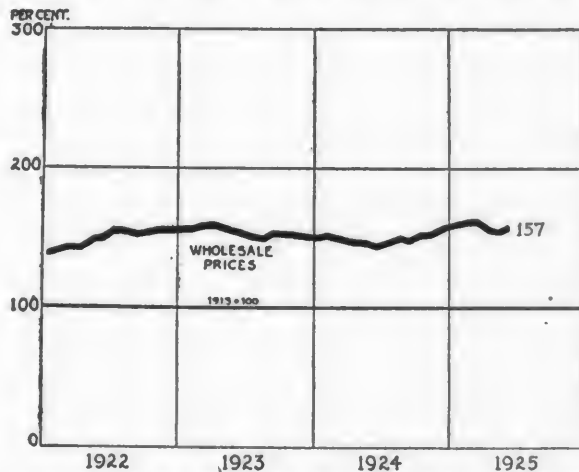
The Department of Agriculture estimate of the condition of all crops combined on July 1 showed some improvement from the month before. The corn crop forecast places it at approximately 650,000,000 bushels above last year. The July 16 cotton crop estimate was 13,588,000 bales, compared with a forecast of 14,339,000 bales on June 25.

TRADE

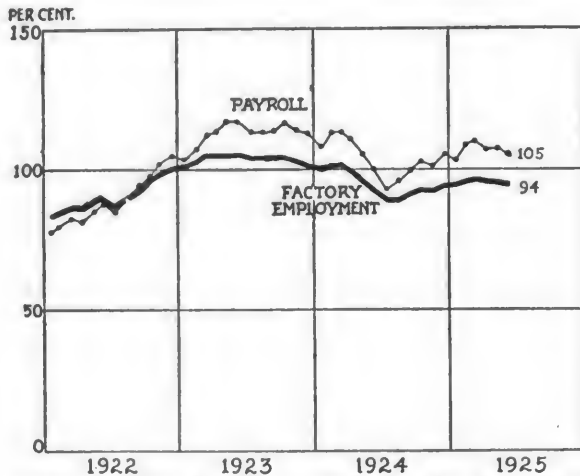
Freight car loadings were larger during June than during May, as is usual at that season, and also considerably exceeded the figures for June 1924, the low point of last year. Sales at department stores during June were seasonally smaller than in May, but totaled 5 per cent more than last year. It should be borne in mind, however, that in June of this year there were 4 Sundays as compared with 5 in the preceding month as well as in June 1924. Mail order sales were 6 per cent larger than in May and exceeded the amount for June 1924. Sales of wholesale firms were 5 per cent greater than in May and larger than in any June in the last five years. Department store stocks were reduced further in June, but were slightly larger than a year ago. Wholesale stocks of groceries, shoes, and hardware were smaller at the end of June than a month earlier, but those of dry



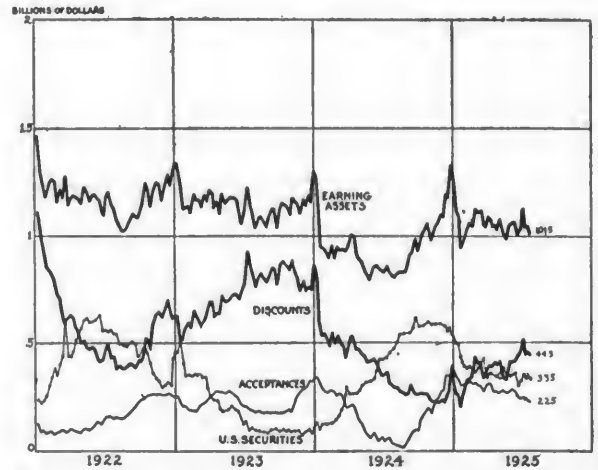
Index of 22 Basic Commodities Corrected for Seasonal Variation. (1919 = 100 Per cent. Latest figure, June.)



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



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



Reserve Bank Credit—Weekly Figures for 12 Federal Reserve Banks. (Latest figure, July 22.)

goods and drugs were larger. Compared with a year ago stocks of groceries and drugs were larger in value while stocks of dry goods, shoes, and hardware were smaller.

PRICES

Wholesale commodity prices advanced 1.4 per cent in June, according to the index of the Bureau of Labor Statistics, following declines in April and May. The largest increase for any commodity group was for the miscellaneous group which includes crude rubber; prices of farm products, foods, and fuel and lighting also advanced, while prices of building materials declined considerably. In the first half of July quotations on flour, beef, hogs, wool, copper, petroleum, hides, and rubber increased, while prices of sugar, bituminous coal, and hardwood lumber declined.

BANK CREDIT

At member banks in leading cities the volume of loans on securities continued to increase after the middle of June and during the first half of July was at a higher level than at any previous time. Demand for bank credit for commercial purposes was relatively inactive and the volume of commercial loans at reporting member banks remained near the low level for this year, although considerably above the amount for the corresponding period in 1924.

At the Reserve Banks the seasonal demand for credit and currency was reflected in increased borrowing by member banks which carried discounts at the beginning of July to the highest level in more than a year, and notwithstanding the subsequent decline the total on July 22 was still at a relatively high level. Total earning assets on that date showed little change as compared with the figures for four weeks earlier.

Firmness in the money market at the close of the fiscal year was followed by an easing of money after the first week of July. In the latter part of the month there was again evidence of firmer money conditions.

Banking Conditions in the Second District

In July of this year, as in previous years, the demand for credit incident to the mid-year settlements fell chiefly upon New York City banks. The withdrawal of funds from the New York market by out-of-town banks was met by a temporary increase of loans on securities by New York City banks. After the first week of July out-of-town money returned to New York and loans by New York banks were restored to the level which has been maintained with a good deal of consistency since the first of the year. By the middle of July, in fact, the figures for various types of loans and investments by New York City banks were slightly lower than at the middle of June.

Figures for the loans and investments of reporting member banks in New York City are shown in the following table for July 22, June 17, and for January 7, to indicate the changes over a longer period.

New York City Reporting Member Banks
(In millions of dollars)

	Jan. 7	June 17	July 22
Commercial loans.....	2,420	2,205	2,185
Investments (including Government securities).....	1,876	1,813	1,807
Loans on stocks and bonds.....	2,002	2,000	1,977
Total loans and investments.....	6,298	6,018	5,979

As the table shows there has been a decline of over 300 millions since the first of the year in the total amount of credit extended by these New York City banks. Of this 300 million decline, over 200 millions was in commercial loans, while 80 millions was in holdings of Government securities.

The principal feature in which these New York City banks have differed since the first of the year from the banks outside New York which report weekly has been in the movement of loans on stocks and bonds. While loans of this character by these New York City banks have remained steady since the first of the year, such

loans by outside banks have increased about 375 million dollars. Aggregate commercial loans and investments of outside banks show practically no change since the first of the year.

Temporary extensions of credit over the mid-year, together with a fourth of July demand for extra currency amounting to about 35 million dollars led to an increase for a few days in borrowings by New York City banks at the Federal Reserve Bank. The average amount of credit extended by the Reserve Bank, however, during the month of July was only slightly larger than in June.

Money Market

Demands for additional credit and currency in late June and the first week in July were reflected in firm money conditions and the highest call money rates since March. This condition was temporary and call rates during most of the month were around 4 per cent. As the month progressed, however, a firmer tendency became apparent in the markets for commercial paper, government securities, and time money.

The New York market for commercial paper remained inactive owing to more attractive yields offered on other investments, but a steady demand continued in the interior. Sales were generally made at 3¾ to 4 per cent, but towards the close of the month some dealers reported a tendency for sales to be chiefly at 4 per cent. Paper supplies continued generally small, and the amount outstanding through 26 dealers at the end of June was 2 per cent lower than at the end of May and lower than in any June since 1921.

An inactive demand, together with a decreasing supply, caused a dull bill market during the month. The volume of bills in dealers' portfolios showed little change and rates remained 3⅜ per cent on purchases of 90 day bills and 3¼ per cent on sales. In Government short term securities firmer conditions were indicated by an advance of ⅙ to nearly ½ of one per cent in yields of issues maturing in 8 to 14 months.

A continuance of the firmer trend in stock market time money rates brought rates for 60 to 90 day loans to 4-4¼ per cent, compared with 3¾-3⅞ in May.

Security Markets

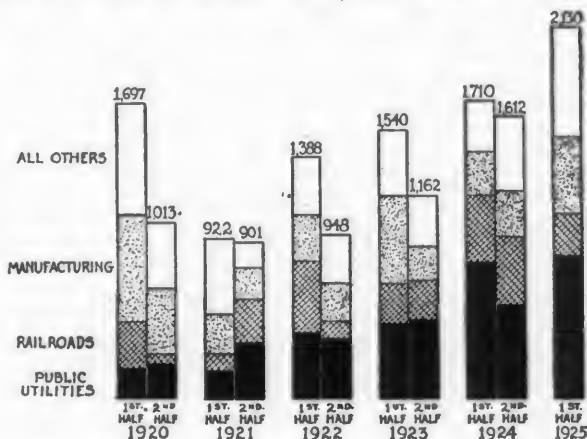
The rise of industrial stocks continued in July and carried averages to new high prices, 20 points above the lowest levels touched in March, and 15 points above the high levels of previous years reached in 1919. Railway stocks generally held steady, and failed to parallel the advance of industrial issues.

Bonds showed a slight reactionary tendency, accompanying firmer money conditions. Corporation averages declined somewhat below the high levels of May and June, and United States Government issues, after advancing early in July to new high prices for the year and in some cases since the date of issuance, later showed net losses ranging from ¼ to over a point.

The volume of new securities issued was heavy in both foreign and domestic classes. Chief among the foreign

issues was an offering of \$75,000,000 bonds of the Commonwealth of Australia, while foreign securities of all types issued during the month aggregated \$168,000,000, and brought the total since the first of the year to \$740,000,000.

Domestic issues during the month were widely diversified, but included a larger proportion of railway issues than in June. In the diagram below is shown the steady expansion in the past few years in the volume of corporate financing. The figures, which are taken from the Commercial and Financial Chronicle, do not include refunding loans. Despite active financing in 1923 and 1924, the volume of new issues put out in the first six months of this year has been larger than ever before. A chief factor in this increase has been the expansion in public utility financing. Issues by manufacturing companies likewise increased sharply, while railway financing declined after being heavy last year. A feature of the financing, shown by the diagram, is the marked tendency for new security offerings to be larger in the first half than in the second half of the year.



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

Foreign Exchange

Following declines in June to lowest levels of the year, French, Belgian, and Italian exchanges showed firmer tendencies in July. Greater confidence regarding French finances, caused partly by the favorable reception accorded the new internal loan was accompanied by a recovery in the French franc from below 4½ cents to nearly 4¾ cents. Belgian exchange was also stronger, and Italian lire rallied from 3 1/3 cents to around 3.70 cents.

Sterling held generally about \$4.85¾ until late in the month when threat of a coal strike caused a temporary reaction of about a cent. Receipts of gold at the Bank of England have continued to exceed withdrawals, and the net gain since the reestablishment of the gold standard has been nearly £7,000,000.

Increased strength occurred also in Dutch guilders, which had declined somewhat in June, and Swiss, Swedish, and Canadian exchanges continued strong at

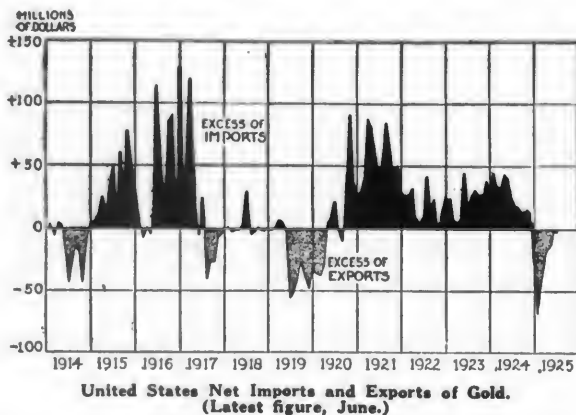
or above par. Accompanying active foreign trade and prospects for large crops Canadian exchange reached a premium of $\frac{1}{8}$ of one per cent, a new high level since November 1922. Danish and Norwegian exchanges continued their rapid advances, and while still considerably below par are more than 30 per cent higher than last fall when the upward movement became marked.

Gold Movement

The gold movement at the Port of New York in July was even smaller than in June. For the first 28 days of the month exports totaled only \$2,100,000, and imports \$500,000, leaving an export balance of \$1,600,000.

June reports for the whole country show that both exports and imports were smaller than in May, though the export balance of \$2,300,000, was slightly larger. Of the exports, which aggregated \$6,700,000, approximately \$3,600,000 went to Hong Kong and \$1,000,000 each to Mexico and Italy. Nearly two-thirds of the \$4,400,000 imported came from Canada.

During the first half of 1925 total exports amounted to \$190,900,000 and imports to \$40,700,000, making a net export of \$150,200,000. The following diagram reflects the extent of the recent export movement and its gradual decline in the past few months.



European Movement of United States Currency

Since May 1923 this bank has received monthly figures from 14 large New York City banks showing the volume of American currency shipped to and received from foreign countries. The table below gives a summary of this movement for European countries where the demand for American currency during recent years reached large proportions, due to unstable local currencies. During 1923 and the early months of 1924 this demand was reflected by substantial net exports from this country. Later, as European stabilization progressed, there was an equally marked return flow of currency from abroad. The continuation of this flow in recent months suggests that money is now going over in other ways than through banking channels, such as in the pockets of tourists, or in the form of remittances by emigrants through the mail.

(In thousands of dollars)

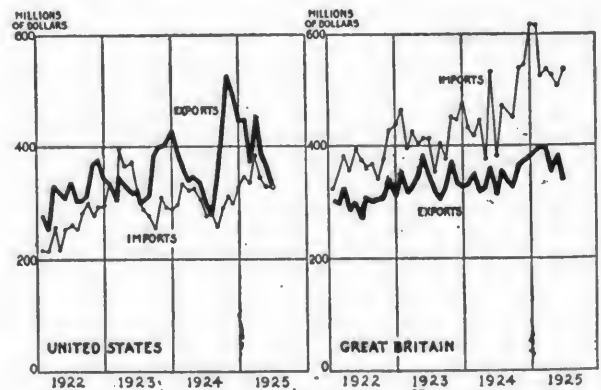
1923	Shipments	Receipts	Net Shipments	Net Receipts
May.....	2,696	482	2,214	.....
June.....	899	1,691	.....	792
July.....	2,966	1,123	1,843	.....
August.....	1,607	1,148	459	.....
September.....	7,535	537	6,998	.....
October.....	2,951	580	2,371	.....
November.....	3,076	1,462	1,614	.....
December.....	3,570	344	3,226	.....
1924				
January.....	5,487	318	5,169	.....
February.....	5,630	621	5,018	.....
March.....	485	1,505	.....	1,020
April.....	177	2,162	.....	1,985
May.....	172	4,554	.....	4,382
June.....	107	6,558	.....	6,451
July.....	61	8,260	.....	8,199
August.....	67	6,058	.....	5,991
September.....	72	6,637	.....	6,565
October.....	62	7,097	.....	7,035
November.....	69	6,133	.....	6,064
December.....	2	9,156	.....	9,154
1925				
January.....	500	5,680	.....	5,180
February.....	514	7,575	.....	7,061
March.....	47	5,056	.....	5,009
April.....	0	3,097	.....	3,097
May.....	10	3,444	.....	3,434
June.....	37	6,716	.....	6,679
Total.....	38,808	97,994	28,912	88,098
Net Receipts..				59,186

Foreign Trade

An even balance of merchandise exports and imports was reached in June at \$326,000,000. This was due to a further decline of \$45,000,000 in exports, as imports were practically unchanged from the May figures. Compared with June 1924, both exports and imports showed increases, but the increase in exports was only 6 per cent, while that of imports was 19 per cent.

For the fiscal year ended June 30 the increase in exports amounted to \$556,000,000, about 80 per cent of which could be attributed to shipments of grain and cotton. While imports increased \$270,000,000, the excess of exports was over a billion dollars.

The following diagram shows by months the tendency of the foreign trade of the United States, and compares with this the tendencies of British trade. British exports during the past year have shown little increase, whereas



United States and British Exports and Imports (Pounds converted to dollars at the current rates of exchange. Latest figures, June.)

imports have risen sharply, so that the spread between exports and imports has been larger than at any time since 1920. That sterling has advanced during this period reflects among other factors the heavy volume of foreign financing in this market which has lightened the burden on the pound, and the fact that Great Britain has income from investments abroad as well as large invisible exports in the form of banking, shipping, and other services. In the diagram British pound figures are converted to dollars at current rates of exchange.

Production

Although curtailment of output continued in June in leading industries such as iron and steel and cotton and woolen goods manufacturing, in other lines, including the manufacture of silk goods, automobiles, cement, and wheat flour, activity showed an increase, after allowance for seasonal variation. Compared with last year nearly all lines of production showed increases.

In the steel industry, operations in June decreased moderately to around 70 per cent of maximum capacity, notwithstanding which production for the first six months of the year was greater than in any six months period except the last half of 1918 and the first half of 1923. While there was some further decrease in operations early in July, production thereafter held relatively steady at a rate nearly 50 per cent higher than a year ago.

Automobile production in June, while seasonably smaller than in April and May, was larger than in any previous June. For the first six months of the year the output of 2,082,550 passenger cars and trucks was likewise higher than in any previous six months period.

Anthracite coal mining, on the other hand, decreased in June, but recovered in July to around normal, accompanying threats of a strike. Coal stocks at the mines are generally estimated at about 10,000,000 tons, an unusually large figure. In the bituminous fields mining continued relatively slack in June and showed little increase in July.

A further decrease of 38,000 bales in cotton consumption reduced this bank's index to 84 per cent of the computed trend, and woolen mill activity decreased to

(Computed trend of past years=100 per cent)

	1924	1925		
	June	April	May	June
Producers' Goods				
Pig iron.....	66	99	89	84
Steel ingots.....	62	100	99	94
Bituminous coal.....	73	92	87	88
Copper, U. S. mines.....	95	104	99	103
Tin deliveries.....	71	122	87	99
Zinc.....	96	96	96	...
Petroleum.....	124	122 ^r	132	...
Gas and fuel oil.....	101	111	107	...
Cotton consumption.....	61	101	89	84
Woolen mill activity*.....	76	89	83	81
Cement.....	118	129	125	128
Lumber.....	99	113	105	...
Leather, sole.....	61	80	74	...
Silk consumption*.....	74	121	115	118
Consumers' Goods				
Cattle slaughtered.....	92	112	113	99
Calves slaughtered.....	96	106	97	105
Sheep slaughtered.....	99	115	110	101
Hogs slaughtered.....	119	92	86	101
Sugar moltings, U. S. ports.....	99	113	93	100
Wheat flour.....	109	90	88	102
Cigars.....	97	95	96	...
Cigarettes.....	86	82	79	...
Tobacco, manufactured.....	102	104	104	...
Gasoline.....	114	129	130	...
Tires.....	86	128	121	...
Newsprint.....	106	118	115	113 ^p
Paper, total.....	90	106	97	87 ^p
Roots and shoes.....	89	101	90	93 ^p
Anthracite coal.....	92	98	97	93 ^p
Automobile, all.....	92	134	132	136
Automobile, passenger.....	97	139	140	145
Automobile, truck.....	76	115	97	87

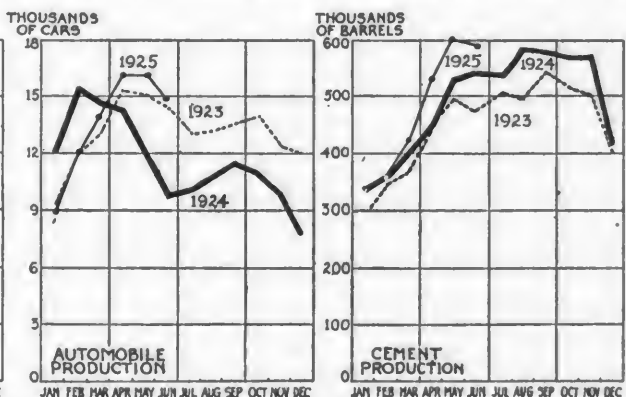
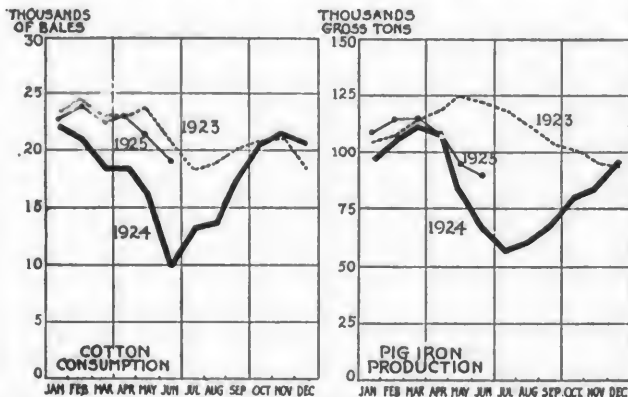
*=Seasonal variation not allowed for

p=Preliminary
r=Revised

81 per cent, whereas the index of mill consumption of silk rose slightly and was 18 per cent above the normal. Mining of copper continued heavy and the output of cement was again larger than in any previous year. The diagrams at the foot of the page compare the daily rate of output in four leading industries thus far this year with production in 1923 and 1924, and the table gives in percentages of normal this bank's indexes of production for a larger number of basic lines.

Indexes of Business Activity

Evidence of a continued high level of general business activity appeared in a further rise in June in the index of bank debits outside of New York City to 11 per cent above the computed trend, or estimated normal. Car-



Average Daily Consumption of Cotton and Production of Pig Iron, Automobiles, and Cement, by Months for 1923, 1924, and 1925. (Latest figures June, 1925.)

loading of merchandise and miscellaneous freight was also above the normal for the season, and building operations continued at an unusually high level.

While retail distribution of goods was generally above last year, as shown in succeeding paragraphs, the indexes of department and chain store sales declined somewhat, after allowance for price changes, seasonal variation, and year to year growth. Mail order sales, however, provided an exception to this tendency and were 14 per cent above estimated normal in June. In the case of foreign trade, the index of exports showed a further considerable decline, while that of imports was substantially higher.

The following table gives for recent months this bank's indexes of business activity as 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	
	June	April	May	June
Primary Distribution				
Car loadings, merchandise and misc.	96	106	106	103
Car loadings, other.	95	108	108	99
Wholesale trade, Second District.	88	93	91r	90
Exports.	89	95	94	87p
Imports.	105	111	110	116p
Grain exports.	74	146	...	...
Panama Canal traffic.	125	97	83	98
Distribution to Consumer				
Department store sales, Second District.	100	93	98r	93
Chain store sales.	98	93	96	94
Mail order sales.	109	109	111	114
Life insurance paid for.	108	117	114	112
Real estate transfers.	105	116	112	...
Magazine advertising.	103	97	97	100
Newspaper advertising.	96	95	95	91
General Business Activity				
Bank debits, outside of New York City.	103	106	110	111
Bank debits, New York City.	110	113	124	119
Bank debits, 2nd District, excl. N.Y.C.	101	99	103	105
Velocity of bank deposits, outside of N. Y. C.	99	98	103	101
Velocity of bank deposits, New York City.	107	101	115	118
Postal receipts.	94	103	99	100
Electric power.	99	106	104	...
Employment, N. Y. State factories.	98	99	99	98
Business failures.	111	122	108	119
Building permits.	139	192	160	177

p—Preliminary
r—Revised

Building

The continuance of building operations at high levels was indicated by the figures on June contract awards which for 36 states totaled \$541,000,000, an increase of 40 per cent over a year previous and larger than in any previous month except April of this year. Building permits issued in 370 cities were 33 per cent larger than a year ago, reflecting increases in a majority of the leading cities. For the first six months of 1925, contracts and permits gained 15 per cent and 5 per cent, respectively, over the first half of 1924, and were larger than in any corresponding period.

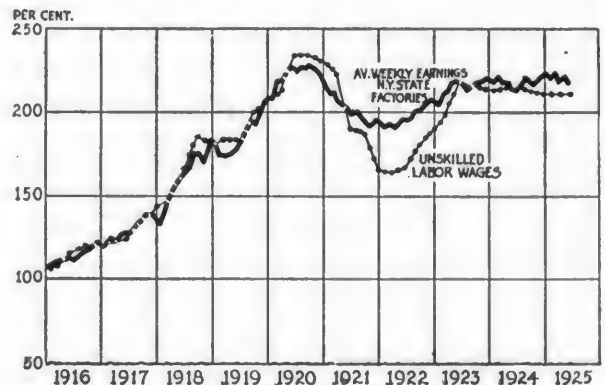
In the New York State and Northern New Jersey district, contracts awarded in June were one-third larger than a year previous, but the total for the first six months of the year was 17 per cent below the corresponding period last year. Residential building contracts in

June again exceeded those of a year ago after falling heavily below in the first four months of the year. Commercial building continued substantially larger than in 1924, but industrial and educational projects were relatively small.

Wages and Employment

Continued stability in the wage rates paid to unskilled labor is shown by replies from representative employers in this district to an inquiry made by this bank. In most cases the hourly hiring rate is between 40 and 50 cents, though the scale for building laborers is 20 to 30 cents higher.

As the following diagram shows, the somewhat slack demand for labor during the past year has had comparatively little effect on wage scales even of unskilled labor which are usually most sensitive to changes in working conditions. The stability of wage rates of more skilled labor is reflected by average weekly earnings of factory workers in New York State which have also shown only minor variations in the past two years and held close to the 1920 high levels. In the case of average weekly earnings the figures are influenced also by changes in working time and the relative amount of employment in high and low paid trades.



Changes in Average Weekly Earnings of Factory Operatives in New York State and Wages of Unskilled Labor. Latest figures, June. (1914 = 100 Per cent.)

Most employers continue to report a surplus of unskilled labor, though less apparently than early in the year, and in a few cases there has been difficulty in securing high class labor for industrial plants or less skilled labor for railway track work. Labor turnover has increased somewhat, largely due to the summer season, but is still low compared with periods of active demand for labor.

June reports on factory employment in New York State showed a further decline of about 1 per cent, or considerably less than occurred last year at this time. Most of the decrease was due to seasonal reductions in the automobile and women's clothing industries, declines in cotton and woolen mills, and moderate curtailment in iron and steel, furniture and carpet plants. In the building materials, food products, leather, and men's clothing industries, employment increased.

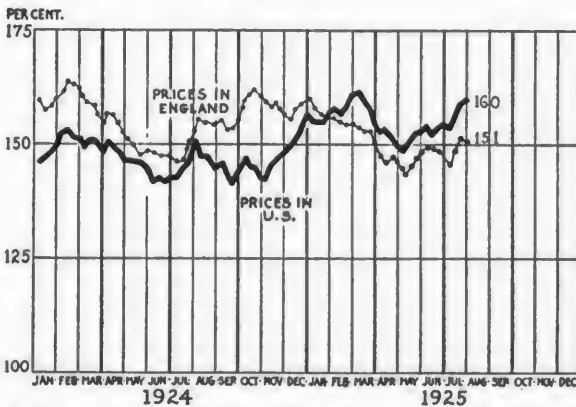
Commodity Prices

The rise in basic commodity prices, which started in May, continued with only minor interruptions through the greater part of July. On July 25 this bank's weekly index reached the highest point in four months and was close to the highest level in two years.

Firmer grain markets during most of the month were reflected by a rise in July wheat from \$1.41 at Chicago early in the month to \$1.61, from which there was later a reaction to \$1.56. Livestock markets were also stronger, and steers and hogs reached the highest prices in recent years. Hides advanced to the highest level since December.

Further advance in rubber prices carried quotations to \$1.21 a pound, from which prices later reacted to \$0.96. Of the textile raw materials, cotton held generally around 24½ cents most of the month, but rose nearly to 26 cents following official reports showing deterioration of the crop. Wool held steady, after the partial recovery in June, and silk reacted slightly.

Pig iron and steel prices declined to the lowest levels in approximately three years, but late in the month scrap steel became firmer, and copper advanced ½ cent to 14⅜ cents, following reports of further curtailment of output. Lumber and petroleum prices were likewise firmer. Sugar, on the other hand, continued weak and reached new low levels for the last three years. The following diagram compares this bank's weekly index of 20 basic commodities in this country with a similar index for Great Britain.



Price Indexes of 20 Basic Commodities in the United States and in England. 1913 = 100 Per cent. (Latest figures, July 25.)

This bank's index of the general price level, which includes rents and wages, as well as retail and wholesale prices, was unchanged from May to June at 184 per cent of the 1913 level, compared with 180 per cent in June 1924.

During July noteworthy changes in prices of manufactured goods included further advances in rubber tire prices to levels nearly 40 per cent above the early spring quotations, the pricing of spring 1926 worsteds at 2 to 10 per cent reductions from last spring, and the announcement by a number of automobile companies of price cuts following the passing of the spring peak of production.

Crops

In its July report the Department of Agriculture forecast the yield of corn at more than 3,000,000,000 bushels, or 27 per cent more than last year's small crop, and 5 per cent above the five year average. The forecast of wheat was slightly higher than in June, but nearly 200,000,000 bushels below the harvest last year. In the world market, however, smaller American supplies apparently will be offset by a substantially larger Canadian crop and larger yields throughout Europe and North Africa.

From an unusually large estimate of 14,339,000 bales on June 25, the Department's estimates of the cotton crop were reduced 751,000 bales on July 16 to 13,588,000 bales, slightly lower than last year's crop, but considerably above the five year average. The following table compares prospective yields of leading crops with the harvests of former years. In the case of potatoes the yield promises to be the smallest since 1919.

(In millions)

Crop	Unit	1920-1924 Average Harvest	1924 Harvest	1925 July Forecast
Winter wheat.....	Bushel	592	590	404
Spring wheat.....	Bushel	245	283	276
All wheat.....	Bushel	837	873	680
Corn.....	Bushel	2,935	2,437	3,095
Oats.....	Bushel	1,328	1,542	1,292
Barley.....	Bushel	182	188	208
Rye.....	Bushel	70	63	54
Hay.....	Ton	107	112	93
Potatoes.....	Bushel	418	455	350
Tobacco.....	Pound	1,331	1,241	1,283
Cotton.....	Bale	11.0	13.6	13.6

Crop conditions in New York State were somewhat more favorable than for the country as a whole. While some sections suffered from drought in June, the condition of fruit was generally reported good. While the hay crop promises to be smaller than last year, indicated yields of wheat, oats, rye, and potatoes compare more favorably with a year ago in this state than in the United States.

Wholesale Trade

Aggregate sales in June of 200 representative wholesale dealers in this district continued at about the May level, but were 16 per cent larger than in June 1924, when sales were the smallest in the past three years.

More active demand for industrial equipment was reflected in an increase in sales of machine tools to nearly double those of a year ago, and the largest since the spring of 1923. Silk goods sales, while smaller than in the spring, continued unusually heavy for the season, and there were substantial gains over last year in women's dresses, men's clothing, diamonds, hardware, stationery, and cotton goods. Sales of women's coats and suits, on the other hand, were the smallest in several years, due partly to the preference shown for dresses.

Silk goods stocks increased in June, accompanying the summer slackening in sales, but were smaller than a year ago. Wholesalers' stocks of cotton goods and hardware continued substantially smaller than a year ago, while

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stocks of groceries, shoes, and jewelry and diamonds remained larger.

Commodity	Percentage Change			
	June 1925 from June 1924		First Six Months 1925 from 1924	
	Sales	Stock on Hand at end of month	Sales	Stock on Hand
Groceries.....	+ 4.9	+ 6.8	- 3.7	+12.4
Men's clothing.....	+18.6	.....	+ 7.9	.....
Women's dresses.....	+46.0	.....	+ 3.9	.....
Women's coats and suits.....	-32.8	.....	- 8.4	.....
Cotton-Jobbers.....	+10.3	-16.7	- 5.6	-17.1
Cotton-Com'ion houses.....	+12.1	.....	+19.3	.....
Silk goods.....	+50.4	- 6.6*	+25.9	-11.2*
Shoes.....	+ 6.3	+20.6	- 2.9	- 0.9
Drugs.....	- 5.3	.....	- 4.2	.....
Hardware.....	+11.5	-15.5	- 2.3	-17.7
Machine tools.....	+87.1	.....	+ 6.6	.....
Stationery.....	+10.1	.....	- 1.3	.....
Paper.....	+ 4.7	.....	- 2.6	.....
Diamonds.....	+11.9	.....	+ 8.1	.....
Jewelry.....	-17.9	+11.1	-10.8	+16.1
Weighted Average....	+16.0	.....	+ 0.4	.....

*Stock at first of month—quantity not value.

Chain Store Sales

Aggregate June sales of reporting chain store systems were 22 per cent larger than in June last year, an unusually large increase, and sales per store likewise compared more favorably with last year than at any time in recent months. As has been the case for some time past the largest expansion of business occurred in grocery and variety chains, although drug chains reported the largest increase in sales per store.

For the first six months of the year the increase in sales of all stores amounted to 17 per cent. Grocery, variety, and ten cent chains showed the largest increases, although gains occurred in other lines except tobacco stores, for which sales were approximately the same as last year.

The following table gives detailed comparisons for June and for the first six months of the year.

Type of Store	Percentage Change			
	June 1925 from June 1924			Total Sales First Six Months 1925 from 1924
	Number of Stores	Total Sales	Sales per Store	
Grocery.....	+18.8	+28.6	+ 8.3	+23.3
Variety.....	+17.5	+26.1	+ 7.3	+20.6
Ten cent.....	+ 6.5	+15.3	+ 8.3	+11.9
Drug.....	+ 3.7	+14.7	+10.6	+ 7.2
Candy.....	+ 3.0	+10.0	+ 6.9	+ 3.0
Shoe.....	+19.8	+ 8.1	- 9.8	+ 4.1
Tobacco.....	+ 7.0	+ 2.3	- 4.4	0
Total.....	+16.2	+21.8	+ 4.9	+17.3

Department Store Sales

Sales of leading department stores in this district averaged 4 per cent larger in June than a year previous, due partly, however, to the fact that June this year contained an extra working day. Adjusted to a year

day basis the increase in sales was less than 1 per cent. In the case of apparel stores, actual sales increased 8 per cent, and the daily rate of sales about 4 per cent.

For the first half of the year the increase in sales, amounting to 3 per cent, was also slightly below the usual year to year increase. As stocks of merchandise showed approximately the same increase, the rate of turnover was virtually unchanged from last year. This rate varied widely from New York City, where sales were nearly double the average stocks, to the smaller cities, where sales averaged 112 per cent of the average stocks.

	Percentage Change			
	Net Sales June 1925 from June 1924	Stock on Hand June 30, '25 from June 30, '24	Net Sales First Six Months 1925 from 1924	Stock on Hand First Six Months 1925 from 1924
New York.....	+ 3.0	+ 4.8	+ 3.2	+ 3.7
Buffalo.....	+ 5.9	+ 4.8	+ 2.5	- 0.1
Rochester.....	+ 7.6	+ 8.1	+ 6.4	+ 6.8
Syracuse.....	+ 8.0	+ 3.8	+ 0.5	+ 3.2
Newark.....	+ 6.1	+ 4.3	+ 4.8	+ 6.7
Bridgeport.....	+ 9.1	+ 6.9	+ 0.9	+ 5.5
Elsewhere, Second Dist.....	+ 5.5	+ 4.6	+ 1.9	- 2.9
Northern New York State.....	- 0.6	.....	- 5.4	.....
Central New York State.....	- 4.6	.....	- 4.7	.....
Southern New York State.....	+ 1.4	.....	- 0.3	.....
Hudson River Valley Dist.....	+10.1	.....	+ 3.4	.....
Capital District.....	+ 7.5	.....	+ 6.5	.....
Westchester District.....	+ 5.9	.....	- 0.7	.....
All department stores.....	+ 4.2	+ 4.0	+ 3.2	+ 3.4
Apparel stores.....	+ 8.4	- 2.4	+ 8.0	+ 1.9
Mail order houses.....	+14.1	.....	+ 9.4	.....

Comparison of sales by departments, both for June and the six months revealed particularly large increases over last year in silks, luggage and leather goods, and shoes. In June men's clothing and furnishings also made a good showing, while for the six months the largest increase occurred in radio business, due to heavy clearance sales.

During June the average value of the individual sales check was \$2.84, compared with \$2.80 in June last year.

	Percentage Change			
	Net Sales June 1925 from June 1924	Stock on Hand at end of month June 1925 from June 1924	Net Sales First Six Months 1925 from 1924	Stock on Hand First Six Months 1925 from 1924
Silk goods.....	+26.8	+20.0	+11.9	- 2.4
Luggage and other leather goods.....	+19.3	+11.4	+10.3	+ 7.0
Men's furnishings.....	+19.0	+25.4	+ 6.6	+16.9
Men's and Boys' wear.....	+12.5	+ 6.3	+ 6.4	+ 6.3
Toilet articles and drugs.....	+12.5	-12.4	+ 6.7	+11.5
Linens and handkerchiefs.....	+12.3	+ 4.8	+ 5.9	+ 2.7
Shoes.....	+11.5	+ 5.6	+ 9.2	+ 4.1
Hosiery.....	+ 9.9	+11.3	+ 7.4	- 0.7
Home furnishings.....	+ 9.2	- 3.9	+ 5.6	- 1.2
Furniture.....	+ 7.3	+ 1.1	+ 9.7	+ 0.7
Women's and Misses' ready-to-wear.....	+ 5.8	+ 5.9	+ 8.4	+ 2.7
Women's accessories.....	+ 5.6	0	+ 1.7	- 0.7
Silverware and jewelry.....	+ 1.2	- 2.9	+ 1.2	- 0.9
Cotton goods.....	- 0.3	+ 2.2	+ 5.3	+ 0.8
Woolen goods.....	-24.7	+ 3.6	- 5.9	- 4.1
Musical inst's and radio.....	-25.9	+14.7	+80.8	- 0.5
Miscellaneous.....	+ 2.6	+ 2.2	- 1.2	+ 1.0