

# MONTHLY REVIEW

## of Credit and Business Conditions

### Second Federal Reserve District

Federal Reserve Agent

Federal Reserve Bank, New York

September 1, 1923

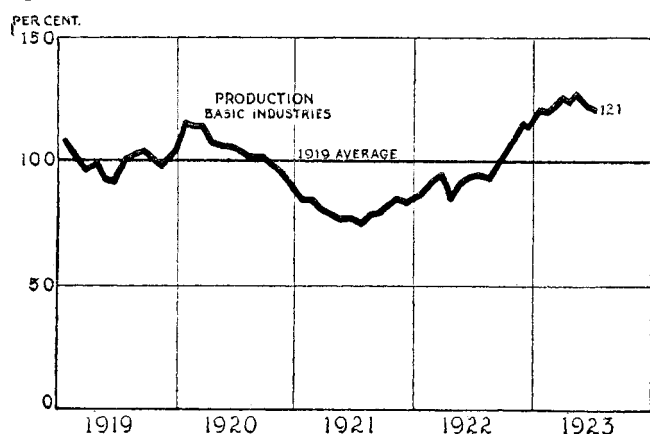
#### Business Conditions in the United States

**P**RODUCTION of basic commodities and employment at industrial establishments declined in July and there was a further decline in wholesale prices. The distribution of goods, as indicated by railroad freight shipments, maintained record totals and the sales of merchandise, though showing the usual seasonal decline, continued to be relatively heavy.

#### PRODUCTION

Production in basic industries, according to the index of the Federal Reserve Board, declined 1 per cent. in July. Mill consumption of cotton, steel ingot production, and sugar meltings were considerably smaller than in June. New building operations during the month, as measured by the value of permits granted and of contracts awarded, showed more than the usual seasonal decline.

Employment at industrial establishments located in various sections of the country decreased 2 per cent. during July. Manufacturers of automobile tires and cotton goods showed large reductions in number of employees. There were some further announcements of wage advances, but these were not so numerous as in the three previous months. Average weekly earnings of factory workers, due to a decrease in full time operations, were 3 per cent. less than in June.



Production in Basic Industries—Combination of 22 Individual series corrected for seasonal variation (1919 average =100 Per cent.)

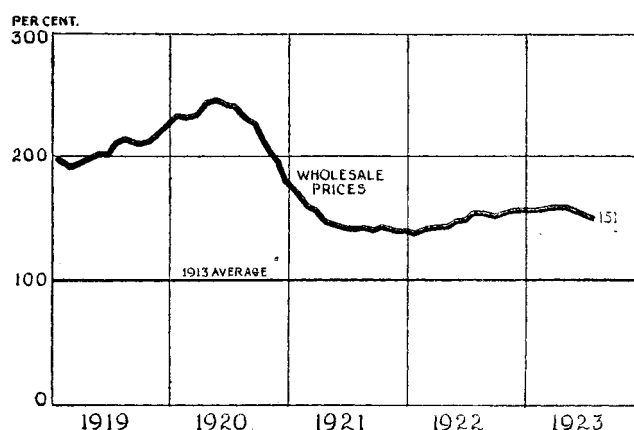
Crop forecasts of the Department of Agriculture on the basis of condition on August 1 indicated that yields of wheat and rye would be below July estimates, while larger yields of cotton, corn, oats, and barley were forecast. Due to a seasonal increase in grain shipments and continued large shipments of industrial raw materials and manufactured goods, car loadings in the last week of July reached the largest total on record.

#### TRADE

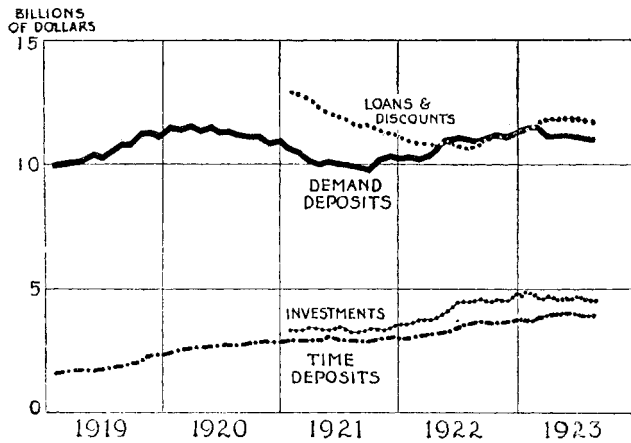
The volume of wholesale trade was about the same in July as in June, while there was a decline in retail trade which was largely seasonal in nature. Among the wholesale lines, sales of dry goods and clothing were larger than in June, while sales of groceries, hardware, and shoes were considerably smaller. Business in all reporting lines was larger than in July 1922, and the average increase, as indicated by the Federal Reserve Board's index of wholesale trade, was 13 per cent. Sales of department stores were 10 per cent. larger than a year ago, while mail order sales showed a gain of 27 per cent. Stocks of department stores showed a seasonal reduction during July and were smaller than in any month since January.

#### PRICES

Wholesale commodity prices declined during July for the third consecutive month and the index of the Bureau



Index of Wholesale Prices, U. S. Bureau of Labor Statistics (1913 average=100 Per cent.)



Bank Credit—800 Member Banks in Leading Cities

of Labor Statistics was 5 per cent. below the April peak. Prices of all groups of commodities, except house furnishings, were lower in July. The largest declines occurred in quotations of clothing, drugs and chemicals, farm products, and building materials. During the first half of August price changes were more moderate and quotations of cotton, spring wheat, hogs, sheep, and rubber advanced.

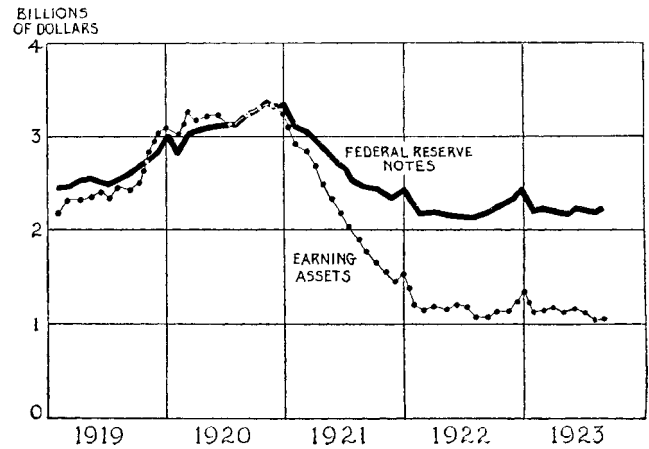
#### BANK CREDIT

Since the middle of July the volume of bank credit in use has shown a reduction, largely because of the substantial liquidation of loans on stocks and bonds at New York City banks. Between July 18 and August 15 loans of member banks in leading cities secured by stocks and bonds decreased by \$94,000,000 to the lowest point for the year, \$258,000,000 below the amount outstanding at the beginning of the year.

Commercial loans, however, increased so that the net reduction in total loans for the period amounted to \$60,000,000. Security investments declined \$73,000,000 to a new low level for the year.

The volume of discounted paper held at the Federal Reserve Banks showed a slight decrease, while their holdings of acceptances and United States securities reached new low points for the year. Between the middle of July and the middle of August gold holdings of the Federal Reserve Banks increased by \$21,100,000, reflecting in part net gold imports during July of \$27,400,000. Federal Reserve note circulation increased by about \$15,000,000 and there were also substantial increases in the volume of gold certificates and National Bank notes in circulation.

Slightly firmer tendencies in money rates during the month were reflected in a gradually increasing proportion of commercial paper sales at  $5\frac{1}{4}$  per cent., as compared with 5 per cent. in the previous month.



Bank Credit—All Federal Reserve Banks

#### Banking Conditions

During the four weeks ended August 15 deposits and total loans and investments of reporting member banks in this district declined to new low points for the year. Loans on stocks and bonds were reduced to the lowest since early 1922, while security investments fell to near the previous low points for this year reached in May. The volume of commercial borrowing, on the other hand, increased.

The following table comparing changes during the past six weeks in member bank figures for this district and for the country as a whole shows that approximately two-thirds of the decline that has taken place in deposits and total loans and investments of all reporting banks has reflected liquidation of investments and loans on securities in this district. Commercial borrowing in this district has been more actively sustained than for the rest of the country.

(In millions of dollars)

	2nd District	All Districts
Loans largely commercial.....	+ 24	- 21
Loans on stocks and bonds.....	- 228	- 229
Investments.....	- 46	- 102
Total loans and investments.....	- 250	- 352
Total deposits.....	- 282	- 380

Accompanying the decrease in member bank loans and deposits, loans of the Federal Reserve Bank of New York on August 22 were slightly lower than on July 18, and were \$93,000,000 lower than on July 3. Combined holdings of bills and Government securities also declined, and total earning assets decreased to \$207,000,000, only slightly above the low point reached in June.

### Rate of Turnover of Bank Deposits

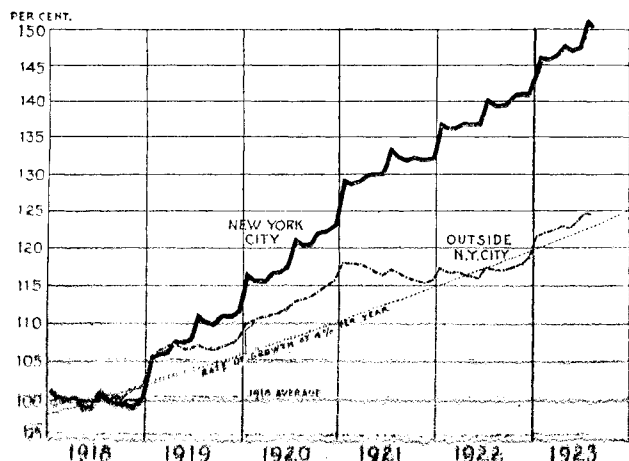
Reflecting decreases in certain phases of business activity in the past few months the rate of turnover of bank deposits during July was slower than for some months past. The following table shows the index numbers for principal cities as computed by this bank, after allowance has been made for the usual seasonal variation. The figures show the annual rate of turnover of bank deposits. These figures in general reached their highest points in March and April of this year and since that time have tended to be somewhat smaller, as available credit has not been used quite as actively.

	Jan.	Feb.	Mar.	Apr.	May	June	July
New York City.....	78.3	84.8	88.4	86.6	81.4	81.0	75.1
Albany.....	24.7	28.9	27.8	25.5	19.5	26.0	24.7
Buffalo.....	24.4	26.1	26.3	29.3	26.5	26.9	25.5
Rochester.....	21.6	22.8	23.3	22.0	23.1	23.8	23.3
Syracuse.....	7.7	8.7	10.8	10.0	10.3	10.3	9.9
Boston.....	33.7	38.0	39.2	39.7	35.5	36.3	32.8
Chicago.....	44.8	50.3	46.9	47.1	44.9	45.8	43.7
San Francisco.....	39.0	40.5	41.0	38.1	40.2	41.9	38.8

### Savings Bank Deposits

Reports by representative savings banks in this district show a small reduction in deposits between July 10 and August 10. The reduction, however, was due to the usual withdrawal of deposits following the crediting of interest July 1, and was less than occurred at the corresponding time a year ago.

Since 1918 the general trend of deposits in New York City savings banks has been upward at the rate of more than 8 per cent. a year, and in representative banks outside New York City at an average rate of a little over 4 per cent. a year. The average rate of interest paid on savings deposits in this district is in the neighborhood of 4 per cent. and hence a 4 per cent. increase each year would be expected if no new deposits were received, but the interest on old deposits was allowed to accumulate. The relationship between the actual increases in deposits for representative banks and steady increase at the rate of 4 per cent. is shown in the following diagram.



Deposits of 15 Savings Banks in New York City and 15 Savings Banks in the Second District Outside New York City

### Money Rates

Seasonal requirements for credit in connection with commercial transactions, offsetting liquidation in the financial markets, resulted in a slightly firmer tendency in money rates during August.

Prevailing rates for prime commercial paper rose from 5 to 5¼ per cent. in New York and other large financial centers. During July there was a further decline in the volume of paper outstanding of 26 reporting dealers from \$867,000,000 to \$835,000,000.

Bills were inactive, but unchanged as to rates which remained 4⅛ to 4¼ per cent. on purchases by dealers and 4 to 4⅛ per cent. on sales by them. Foreign demand continued to absorb an appreciable amount of the moderate supply of new bills, which arose principally out of import transactions.

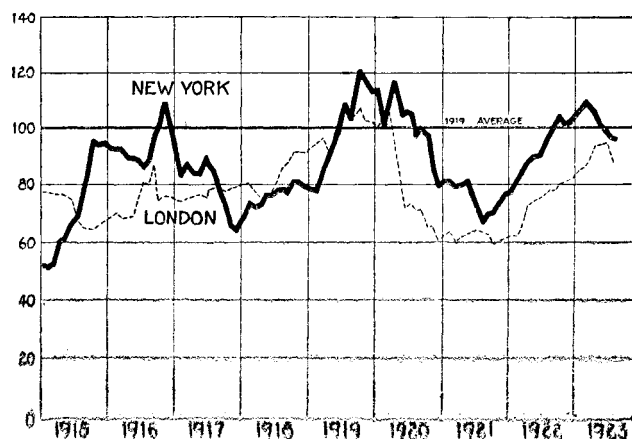
There was practically no change in quoted prices for Government certificates and notes, and the market for these issues was quiet.

Stock market call loan renewals, after touching 6 per cent. at the first of the month, dropped to 4¾ per cent. until after the 20th, when a firmer tone again became manifest. Stock market time money rates were quoted 5¼ to 5½ per cent., compared with 5 to 5¼ per cent. in July.

### Security Markets

Stock prices became firmer in August, and industrial price averages by the 20th of the month gained about 5 points from the summer's low point. Railroad stocks were also stronger, but advanced less than industrials. Trading continued generally light.

The following diagram, comparing representative industrial stock prices in New York and London, shows that the recent decline in American securities has been followed at an interval of several months by a similar decline in British securities. This movement has accompanied lower commodity prices and hesitancy in trade closely resembling developments in this country.



Monthly Average Prices of 25 Industrial Stocks at New York and 98 Industrial Stocks at London

The bond market was generally quiet in August, and except for foreign issues maintained a steady tone. For nearly six months there has been little change in the general level of United States Government and high grade corporation bonds.

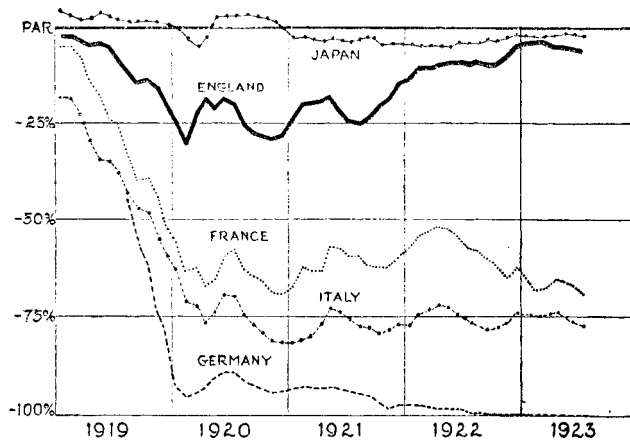
The volume of new financing was moderately large for this season of the year, due to the offering of \$20,000,000 three-year notes of the Swiss Government at a price to yield 6 per cent., and \$20,000,000 twenty-year bonds of the Norwegian Government at a price to yield over 6.30 per cent.

### Foreign Exchange

The continued deadlock over reparations and further collapse of the mark to a new low point of 9 cents per million marks were presumably factors in carrying French and Belgian exchanges during the first part of August to new low points of 5.43 cents and 4.28 cents, 23 and 34 per cent. under levels prevailing in January before the occupation of the Ruhr. There were later partial rallies to 5.69 and 4.51 cents respectively on August 21.

Sterling, after recovering during July to \$4.60, again displayed an easing tendency and touched \$4.54 $\frac{3}{8}$ , slightly under the previous low point for the year reached July 5.

Argentine, Spanish, and Indian exchanges continued downward to new low points since 1922, while Brazilian exchange sagged further to the lowest ever reached. Canadian, Swiss, and Scandinavian rates tended firmer. The following diagram indicates by months the movements of leading rates since 1919.



Depreciation of Foreign Exchange Rates from Par Value

### Gold Movement

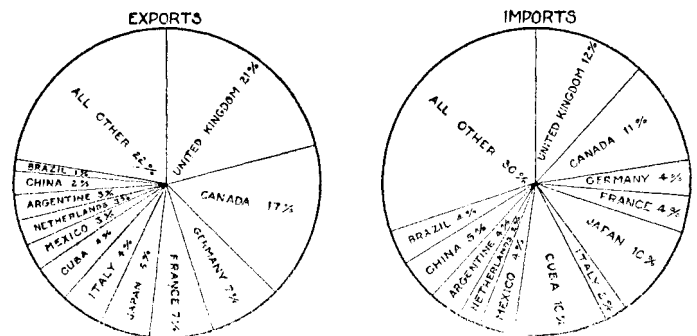
Imports of gold during July amounted to \$27,930,000 as compared with \$19,484,000 in June. Exports were \$523,000. For the seven months ended July 31 net gold imports have been \$137,000,000 as compared with \$155,000,000 during the corresponding period a year ago.

### Foreign Trade

As the result of a decline of \$36,000,000 in July in the value of imports, and a continuation of exports at about the same level as in June, the balance of trade for July was in favor of the United States, after a period of four months during which imports had exceeded exports.

The import balance during the earlier months of the year may be largely ascribed to heavy American purchases abroad of crude or semi-manufactured materials. Manufactured goods formed less than 18 per cent. of total imports for the first six months of the year, as compared with 23 per cent. in 1922 and 1921.

Data just made available for the sources of imports and the destination of exports in the fiscal year ended June 30 show decreases during the year in the proportion of exports to the United Kingdom, Germany, and Japan, and increases in the proportion shipped to a number of the countries currently receiving smaller amounts. The following diagrams show the destination of exports and the sources of imports for the fiscal year ended June 30, 1923.



United States Exports and Imports of Merchandise in the Fiscal Year 1922-23, by Countries of Destination and Origin

As compared with the situation before the war, the United States is exporting somewhat smaller proportions of her products to the United Kingdom, Germany and Holland, and somewhat larger proportions to the Far East and South America. In imports, also, there has been a tendency for a greater scattering in the countries from which imports are received.

### Wholesale Commodity Prices

During the month of July there was a continued decline in the prices of lumber, pig iron, copper, wool, silk, and a number of other commodities directly related to industrial activity. There was an accompanying decline in prices of many of the farm products including wheat which fell to under one dollar during several days of the month. Reflecting these movements the Department of Labor's index number of wholesale prices declined 1.3 per cent. in July to a level 5 per cent. below the maximum of last April. All groups of commodities contributed to the decline in July except household furnishings, which have shown no recession since April.

Fuel and lighting, building materials, and farm products have declined furthest from their high points, while food and house furnishings have declined least. The index of prices of 20 basic commodities maintained by this bank also declined during July to the lowest point since September 1922, and was 12 per cent. lower than the high point of last April.

In the early weeks of August there was some recovery in the prices of wheat, corn, cotton, hogs and steers. There were continued declines in a number of commodities used in industry, but this bank's index of basic commodity prices advanced approximately to its position at the middle of July.

Prices abroad, except in the Scandinavian countries and Germany, show a downward tendency.

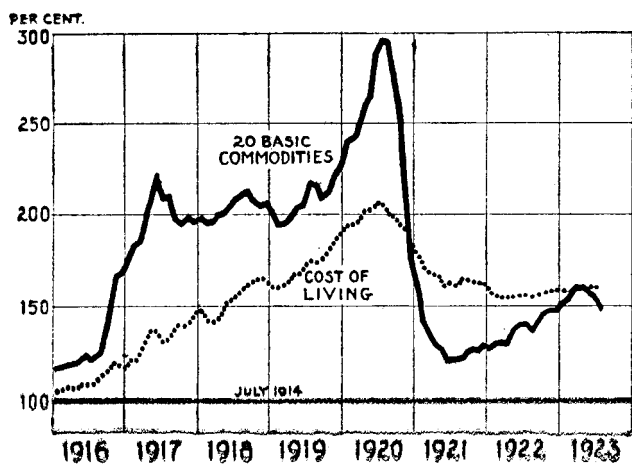
### Cost of Living

The cost of living advanced one per cent. during July due to continued increases in the cost of food, shelter, and clothing. The index compiled by the National Industrial Conference Board was 5 per cent. above the low point of 1922 and 62 per cent. above 1914. Changes in detail are as follows.

(July 1914 = 100 Per cent.)

Items	July	Per cent. change from June	Per cent. change from Low
Food.....	147	+ 2.1	+ 5.8
Shelter.....	175	+ 1.7	+ 6.1
Clothing.....	170	+ 0.6	+ 11.1
Fuel and Light.....	176	- 1.1	+ 1.1
Sundries.....	173	0	+ 1.2
All Items.....	162	+ 1.1	+ 4.9

The slow movement of the cost of living is in sharp contrast to that of wholesale prices of basic commodities as indicated by the accompanying diagram which compares the cost of living index of the National Industrial Conference Board with the index for 20 basic commodities prepared by this bank.

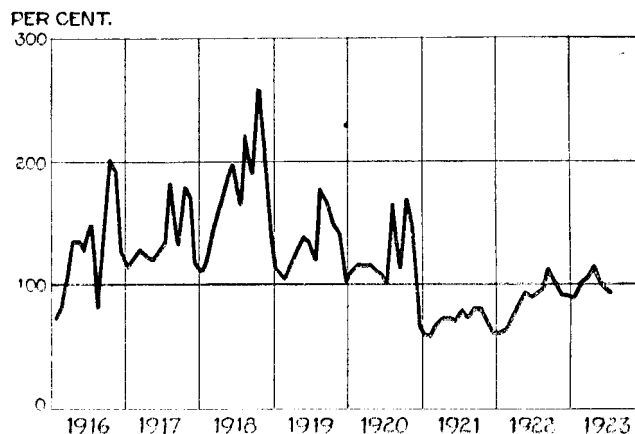


Changes in the Prices of Basic Commodities Compared with Changes in the Cost of Living

### Employment and Wages

Due partly to seasonal influences, the number of factory workers in New York State as reported to the State Department of Labor decreased slightly in July and was almost 3 per cent. under the March high point for the year. In the United States as a whole, employment decreased 2 per cent. in July, the first decrease since April 1922, according to the Bureau of Labor Statistics. The largest reduction in employment occurred in the automobile tire industry where a decrease of 10.3 per cent. accompanied curtailment of production.

Confirmation of the reduction in the pressure for workers in New York is found in figures from the New York State Employment Offices which indicate that the number of jobs open in July was 7 per cent. smaller than the number of applicants for work. The diagram below, expressing orders for workers as a percentage of applications for work, shows that the ratio of orders to applicants has decreased each month since April.



Percentage of Available Positions to Applicants for Positions, New York State Employment Offices

The number of wage increases in industrial establishments throughout the United States, as reported by the National Industrial Conference Board, totaled 77 in the month ended August 14 compared with 137 in July and 287 in June.

### Production in Basic Industries

For the second successive month, there was during July a preponderance of basic industries showing decreases in activity as compared with those showing increases.

Curtailment continued most marked in the cotton industry, where mill consumption of cotton fell 80,600 bales to a point 15 per cent. below consumption in June and 26 per cent. below consumption in March, the high month this year. The index of cotton consumption stood 17 per cent. below the estimated normal for the month, compared with 8 per cent. above in May.

In the steel industry, a further drop of 3,500 tons in daily average ingot production caused a decline of 8 per cent. in the index of ingot output. Active blast furnace capacity between July 1 and August 1 decreased 8,400 tons, but due to the fact that many fur-

naces did not blow out until towards the end of the month pig iron production showed a smaller decline. Unfilled orders of the United States Steel Corporation decreased 7 per cent.

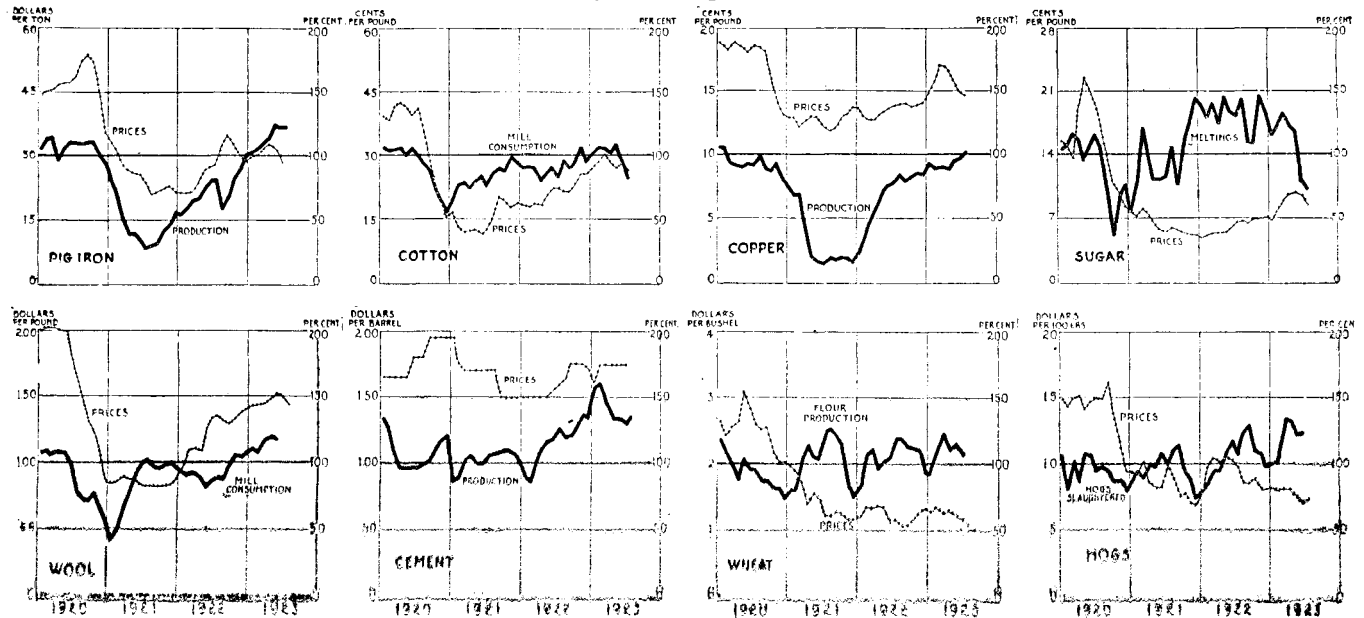
Anthracite coal mined, on the other hand, was slightly larger in July and since the first of the year has amounted to nearly 60,000,000 tons, the largest ever reported for the first seven months of the year. Output of petroleum again increased, resulting in a further increase in stocks of crude petroleum and gasoline. Automobile production was lower than in June, but the decline was less than is usual for the season when considerable production capacity is shifted from open to closed car models.

The diagrams at the foot of this page compare recent changes in production and prices of basic materials and the table immediately following shows indexes of monthly production computed by this bank in percentages of an estimated normal allowing for seasonal variation and year to year growth.

(Estimated Normal = 100 Per cent.)

	1922		1923			
	July	Mar.	Apr.	May	June	July
Pig iron.....	81	110	114	124	122	121
Steel ingots.....	91	114	115	122	114	106
Bituminous coal.....	41†	105	117	114	109	106p
Anthracite coal.....	1†	112	102	98	98	100
Copper, U. S. mine.....	77	90	89	95	98	102p
Tin deliveries.....	75	110	132	114	92	84
Petroleum.....	110	127	134	139	139	.....
Cotton consumption.....	84	107	101	108	96	83
Woolen mill activity*.....	89	118	120	118	113	.....
Wheat flour.....	121	122	110	113	107	122
Meat slaughtered.....	99	119	116	120	111	.....
Sugar meltings, U. S. Ports.....	131	132	122	118	79	70
Wood pulp.....	105	100	102	120	.....	.....
Paper, total.....	93	.....	109	114	.....	.....
Lumber.....	101	136	119	125	123	.....
Tobacco consumption.....	90	91	89	93	.....	.....
Cement.....	126	146	134	133	128	135
Gasoline.....	109	121	115	108	111	.....
Zinc*.....	60	85	82	83	75	75
Leather, sole.....	89	106	103	96	93	.....
Automobile, passenger.....	131	135	142	150	159	161p

\* Seasonal variation not allowed for. † Strike period. p Preliminary.



Monthly Changes in Production and Prices of Basic Commodities. Production figures are shown as percentages of the output normally to be expected when seasonal variation and year to year growth are taken into consideration

### Indexes of Business Activity

The indexes of business activity, computed by this bank, show that during July there was a diminution in the volume of business in six instances, while in four others there was increased activity. The number of business failures declined.

A summary of these index numbers is shown in the following table. In each case the figures are expressed as percentages of the estimated normal and allowance has been made for seasonal variations, year to year growth, and, when necessary, for changes in prices.

(Estimated Normal = 100 Per cent.)

	1922	1923				
	July	Mar.	Apr.	May	June	July
<i>Primary Distribution of Goods—</i>						
Car loadings, mdse. and misc.....	103	108	114	108	106	102
Car loadings, other.....	79	120	125	119	117	119
Wholesale trade, Second District.....	94	111	105	103	100	102
Exports.....	98	83	82	83	90p	97p
Imports.....	99	125	122	130	119p	108p
Cereal exports.....	171	106	107	143	92	.....
<i>General Business Activity—</i>						
Bank debits, outside N. Y. City.....	97	108	111	112	107	99
Bank debits, N. Y. City.....	111	110	104	105	105	98
Electric power.....	102	116	115	118	117p	.....
Postal receipts.....	99	105	99	104	102	99
Building permits.....	118	182	144	122	114	99p
Newspaper advertising.....	94	110	110	110	.....	.....
Magazine advertising.....	83	92	95	91	95	100
Business failures.....	121	103	103	102	101	84

p Preliminary.

### Building

Projects for new building construction in the United States, represented by the value of permits granted in 158 cities, amounted to \$198,222,000 in July or approximately \$40,000,000 less than in June. The decline was general throughout the country and continued the downward movement evident since March. An index prepared by this bank, which allows for changes in cost of construction as well as seasonal variations and annual growth, shows that in July the volume of building for

FEDERAL RESERVE AGENT AT NEW YORK

which permits were issued was 99 per cent. of estimated normal. This index has declined abruptly from 182, the high point reached in March, and now for the first time since August 1, 1921, is below estimated normal.

In 27 Northeastern States the value of contract awards, which appears to follow the granting of permits by some weeks, decreased further in July and at \$274,000,000 was \$100,000,000 below the May high point.

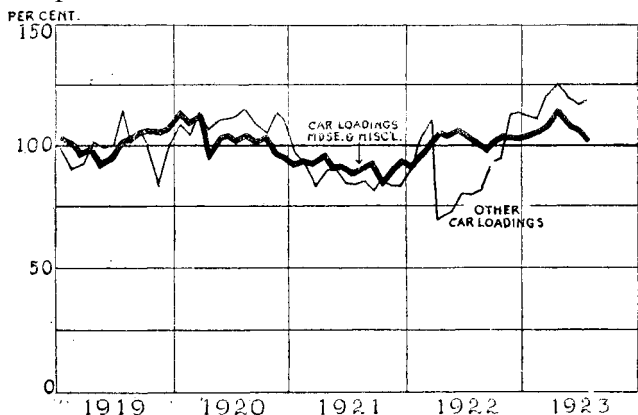
Building wages in principal cities remained in July at the high level reached in June, but the cost of building materials declined further. As a result, the cost of construction index computed by this bank declined to 195 per cent. of 1913 average cost. As shown in the following table, building wages are above the highest point of 1920, but the price of building materials is 37 per cent. less than in 1920.

	Building Materials	Building Wages	Total Cost of Construction
1913 Average	100	100	100
Maximum, 1920	300	179	254
Low, 1922	155	179	165
April, 1923	204	194	200
May, 1923	202	199	201
June, 1923	194	203	198
July, 1923	190	203	195

**Railway Traffic**

For four successive weeks in July and early August car loadings of freight were larger than the previous high weekly figure in October 1920. The increase in loadings as compared with earlier months of this year was due wholly to seasonal influences, and an index prepared by this bank which allows for seasonal fluctuations as well as annual growth shows that car loadings in July were only 10 per cent. above estimated normal as compared with 13 per cent. in June and 18 per cent. in May.

A computation by the Bureau of Railway Economics shows that the net operating income of Class 1 roads during the half year was equal to 5.64 per cent. on their minimum tentative valuation as fixed by the Interstate Commerce Commission, as compared with 5.75, the percentage set by the Commission as a fair return on capital invested. This is the highest rate of earnings since before the war. Southern roads earned 6.64 per cent. on their valuation during the half year, while the Eastern group earned 6.59 per cent., and the Western 4.20 per cent.



Monthly Car Loadings of Merchandise and Freight and all other Car Loadings (coal, ore, grain, etc.) in Percentages of Estimated Normal

**Crops**

In its August forecast, the Department of Agriculture estimates that the corn, oats, and cotton crops will be larger than had been estimated in July, and the spring and winter wheat crops will be smaller. The following table compares the August forecasts of yields of the principal crops with the July forecasts, and with the December estimates for 1922, and a five-year average.

(In Millions)

Crop	Unit	1917-1921 Average	1922			1923	
			December Estimate	July Forecast	August Forecast		
Corn	Bushel	2,931	2,891	2,877	2,982		
Oats	Bushel	1,378	1,201	1,284	1,316		
Wheat	Bushel	835	862	821	793		
Cotton	Bale	11.2	9.8	11.4	11.5		
Hay	Short ton	100	113	99	97		
Tobacco	Pound	1,361	1,325	1,425	1,474		
Potatoes	Bushel	482	561	476	473		
Apples	Bushel	160	201	189	188		

Due partly to the reduced yield of wheat and lower prices for wheat, cotton, and oats, the aggregate farm value of 12 principal crops, computed at August 1 prices, was about \$500,000,000 less than the value computed from July 1 estimates and prices, but about \$500,000,000 larger than the farm value of last year's crops.

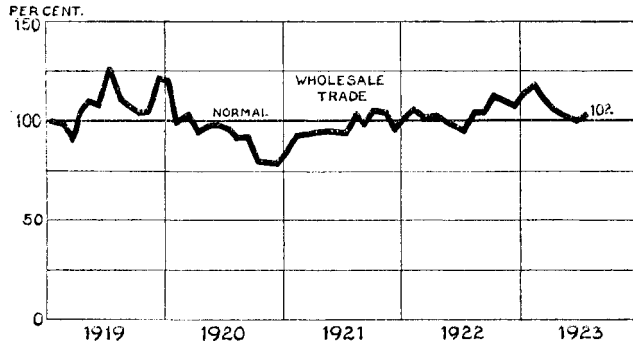
**Wholesale Trade**

Wholesale trade in this district was somewhat more active in July than in June. The index prepared by this bank, in which allowance is made for seasonal variations, price changes, and year to year growth, advanced 2.7 per cent. between June and July and in the latter month was 2 per cent. above the estimated normal. The course of the index in recent months is shown in a diagram on the following page.

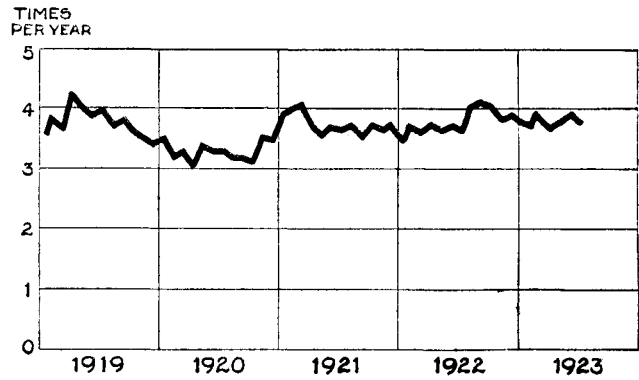
The dollar value of sales in July was 21 per cent. larger than in July last year. Sales of all commodities were above those of last July, the largest gain being recorded by machine tool dealers. Sales of clothing, both men's and women's, were especially large during the month. The smallest gain, 9 per cent., occurred in sales of groceries.

Detailed figures are shown in the following table.

Commodity	DOLLAR SALES DURING JULY (In Percentages)				
	1919	1920	1921	1922	1923
Machine tools	296	392	79	100	232
Clothing	149	121	96	100	137
(A) Men's	90	114	94	100	157
(B) Women's	189	125	97	100	123
Dry goods	155	165	103	100	125
Diamonds	451	124	70	100	119
Jewelry	275	256	82	100	117
Hardware	123	151	88	100	115
Shoes	221	144	127	100	113
Stationery	123	166	99	100	112
Drugs	96	97	94	100	111
Groceries	155	174	96	100	109
Total (weighted)	153	153	98	100	121



Wholesale Trade in the Second Federal Reserve District Compared with Estimated Normal



Annual Rate of Turnover of Stocks of Goods held by Department Stores, at Selling Price. Allowance is made for usual seasonal variation

## Department Store Business

Midsummer price reductions by department stores in this district led to unusually large sales of silk goods, furniture, and women's ready to wear apparel.

Total dollar sales in July were 8.6 per cent. above those of July a year ago, as compared with an increase of 8.1 per cent. during the first six months of the current year. There was more irregularity in July sales however. In previous months all departments showed gains over the same month last year but recently sales in some of the important sections of the stores have been lower. These losses, however, were not large enough to offset the increased sales in other departments. The stores that report sales by major classifications showed the following changes.

	Per cent. Change in Sales, July 1922 to July 1923
Silk Goods.....	+24.3
Furniture.....	+17.4
Women's and Misses' Ready to Wear.....	+15.4
Women's Ready to Wear Accessories.....	+11.1
House Furnishings.....	+7.4
Shoes.....	+5.7
Woolen Goods.....	+1.3
Men's and Boys' Wear.....	-4.4
Hosiery.....	-5.9
Cotton Goods.....	-6.6
Miscellaneous.....	+3.1

The retail value of stock held by department stores on August 1 was 5.8 per cent. larger than that held on August 1 a year ago. The increase in stock has not been as large, proportionately, as the increase in sales and the stock turnover is more rapid. The following diagram shows the fluctuations in the annual rate of stock turnover each month for the past several years. The diagram may well be compared with the diagram at the left showing wholesale trade. A low rate of stock turnover has usually been followed by reduced wholesale buying and a high rate of turnover by increased trade.

July sales of mail order houses were 28 per cent. above those of July a year ago, a somewhat larger advance than that recorded in June. Detailed figures are shown in the following table.

	DOLLAR SALES DURING JULY (In Percentages)					STOCK ON HAND AUGUST 1 (In Percentages)				
	1919	1920	1921	1922	1923	1919	1920	1921	1922	1923
All Dept. Stores.....	94	114	100	100	109	86	124	101	100	106
New York.....	97	112	98	100	109	84	123	99	100	105
Buffalo.....	94	115	104	100	110	92	121	99	100	105
Newark.....	97	121	104	100	118	91	134	101	100	111
Rochester.....	74	106	100	100	96	93	155	108	100	87
Syracuse.....	94	122	105	100	111	111	164	121	100	98
Bridgeport.....	80	130	95	100	112	101	121	101	100	101
Elsewhere, 2nd District.....	78	108	98	100	98	88	117	113	100	114
Apparel Stores.....	96	114	105	100	107	75	107	92	100	108
Mail Order Houses.....	129	135	84	100	128	...	...	...	...	...

## Chain Store Sales

July sales by chain store systems were larger than a year ago because of the opening of new stores. Among all types of chain systems, with the exception of ten cent stores, average sales per store showed a loss this year as compared with last.

TYPE OF STORE	NUMBER OF STORES		NET SALES DURING JULY (In Percentages)					Per cent. Change in Sales per Store, July 1922 to July 1923
	July 1922	July 1923	1919	1920	1921	1922	1923	
Grocery.....	11,300	14,393	75	118	86	100	122	- 4.4
Apparel.....	373	449	61	97	102	100	120	- 0.5
Ten Cent.....	1,761	1,813	70	91	86	100	114	+ 10.5
Drug.....	275	312	88	107	100	100	105	- 7.8
Cigar.....	2,549	2,759	77	108	101	100	100	- 7.3
Shoe.....	210	249	87	121	102	100	97	- 17.9
Total.....	16,468	19,975	74	108	89	100	116	- 4.1

## Agricultural Credits Under Federal Reserve Act

*The Federal Reserve Board has recently prepared and published in the Federal Reserve Bulletin a summary of the ways in which credit may be extended for agricultural purposes under the provisions of the amended Federal Reserve Act and the regulations issued by the Federal Reserve Board. In view of the present widespread interest in this subject extra copies of the statement are being printed and may be secured by addressing the Federal Reserve Agent, Federal Reserve Bank of New York.*