

MONTHLY REVIEW

of Credit and Business Conditions

Second Federal Reserve District

Federal Reserve Agent

Federal Reserve Bank, New York

November 1, 1925

Business Conditions in the United States

PRODUCTION in basic industries and factory employment increased in September. Distribution of commodities, both at wholesale and at retail, continued in large volume, and the level of prices remained practically unchanged.

PRODUCTION

The Federal Reserve Board's index of production advanced 2 per cent in September, notwithstanding the suspension of anthracite mining. The volume of output increased considerably in the iron and steel, bituminous coal, and textile industries, while the decreases which occurred in some other industries were relatively small. Automobile production was larger than in August, but continued to reflect the effects of curtailment incidental to changes in models. Number of employees on factory payrolls in September was larger than in August in nearly all reporting industries. Building contracts awarded during September did not equal the record level of August, but continued large as compared with earlier months. Total contracts awarded during the first nine months of this year were nearly as large as for the entire year 1924.

Crop conditions, as reported by the Department of Agriculture, showed considerable improvement in September, and the indicated yields of cotton, corn, oats, barley, and hay were larger than a month earlier, while

forecasts of wheat and tobacco production were slightly smaller. Marketing of crops increased further in September, but was smaller than last year.

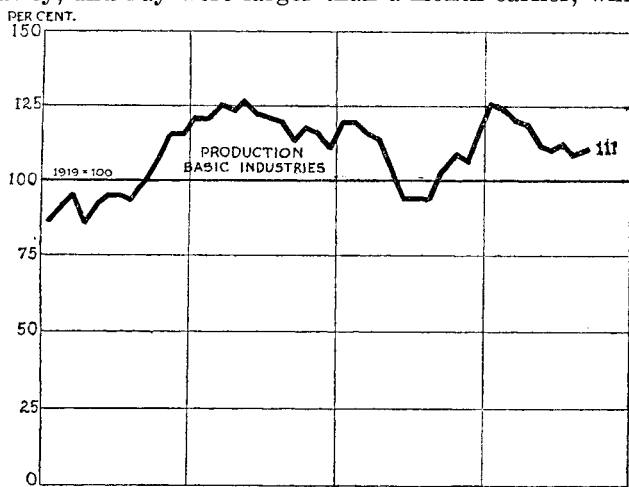
TRADE

Wholesale trade was 9 per cent larger in September than in August, and sales in all lines except dry goods were larger than a year ago. Sales of department store and mail order houses showed considerably more than the usual increase in September and were larger than a year ago. Stocks of merchandise at department stores also increased in September more than usual and at the end of the month were 4 per cent greater than a year ago. Wholesale firms in all leading lines except groceries reported smaller stocks on September 30 than a month earlier.

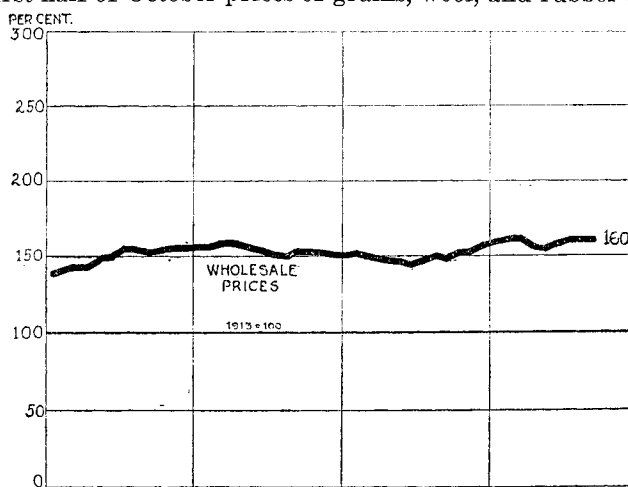
Total and merchandise freight car loadings in September were larger than during the same month of any previous year. Coal shipments were smaller than in August, owing to the anthracite strike, and shipments of coal and of grain products were smaller than in September of last year.

PRICES

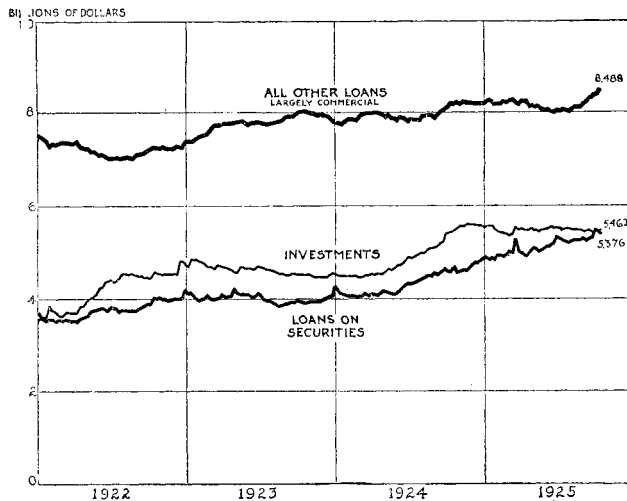
The level of wholesale prices, as measured by the index of the Bureau of Labor Statistics, declined slightly in September. Among groups of commodities grains, woolen goods, and furniture showed price declines, while prices of coal and building materials advanced. In the first half of October prices of grains, wool, and rubber in-



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



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



Member Bank Credit
Weekly Figures for Member Banks in 101 Leading Cities.
(Latest Figures, October 14.)

creased, while prices of sheep, hogs, sugar, and cotton declined.

BANK CREDIT

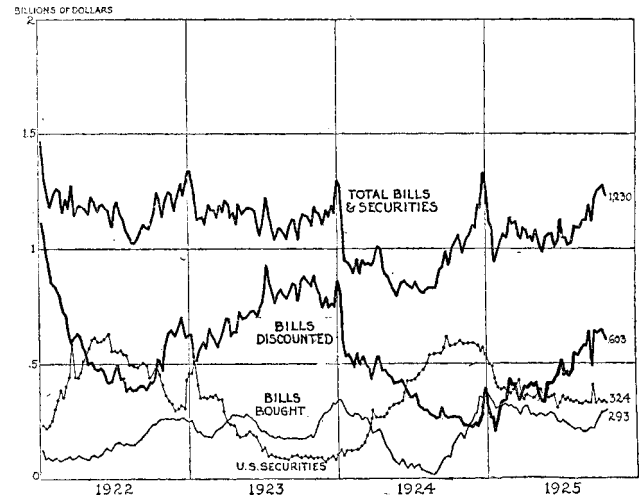
At member banks in leading cities the volume of loans, both for commercial purposes and on securities, increased further between September 16 and October 14, and at the middle of October total loans of these banks were nearly \$650,000,000 larger than at the end of July. Since July demand deposits of these banks increased by about \$360,000,000, but were below the level of the beginning of the year, while the volume of their borrowings at the Reserve Banks increased by about \$200,000,000 to the highest point of the year.

Total volume of Reserve Bank credit outstanding was larger in October than at any other time during 1925, reflecting increases during the two preceding months both in discounts for member banks and in acceptances bought in open market. This growth has been due primarily to the seasonal increase during the period of about \$100,000,000 in currency in circulation and there has also been a considerable increase in member bank reserve balances, accompanying a growth in their deposits.

In October the rates on prime commercial paper were firmer and the renewal rate on call loans averaged higher than in September.

Banking Conditions in the Second District

In keeping with the tendencies elsewhere, the volume of loans and investments of reporting member banks in this district increased moderately during the four weeks ended October 14, with the difference, however, that in this district the total still remains slightly smaller than at the beginning of the year, whereas for the rest of the country the totals are much above the January levels. The principal change during the month was in commercial loans, which increased by October 14 to \$2,713,000,000 and were \$229,000,000 or 9 per cent above the July low point of the year. Member bank investments in securities held at about the same levels as a month previous, while loans secured by stocks and bonds, which



Reserve Bank Credit: Weekly Figures for 12 Federal Reserve Banks. (Latest figures, October 21.)

in other districts have been advancing rapidly, were likewise little changed and close to the levels prevailing since the beginning of the year.

The following table, comparing the changes in loans and investments of reporting member banks in this district and in principal cities of other districts since June and the first of the year, reflects the greater stability shown by the figures for this district and indicates that recent increases in member bank credit have taken place largely in banks located in other centers.

(In millions of dollars)

| | Oct. 14, 1925 | Since June 24 | Since Jan. 7 |
|----------------------------------|---------------|---------------|--------------|
| <i>Second District</i> | | | |
| Commercial loans..... | 2,713 | + 210 | — 7 |
| Loans on stocks and bonds..... | 2,258 | — 26 | + 43 |
| Investments..... | 2,185 | — 38 | — 96 |
| Total loans and investments..... | 7,156 | + 146 | — 60 |
| <i>Other Reporting Centers</i> | | | |
| Commercial loans..... | 5,960 | + 292 | + 272 |
| Loans on stocks and bonds..... | 2,934 | + 134 | + 451 |
| Investments..... | 3,277 | — 5 | + 3 |
| Total loans and investments..... | 12,171 | + 471 | + 726 |

At the Federal Reserve Bank of New York the volume of discounts for member banks continued at comparatively high levels during the latter part of September and early part of October, reflecting in part withdrawals of currency from the Reserve Bank amounting since August to about \$50,000,000 more than receipts. Discounts later declined considerably, accompanying gold imports and a gain of funds by this district in the inter-district settlements.

Money Market

Increased demands for funds for commercial purposes, with a considerable increase in currency requirements, together with continued activity in the security markets, were accompanied by firmer money conditions during the first part of October. Later in the month, gold imports and an inflow of funds from the interior caused slightly easier conditions.

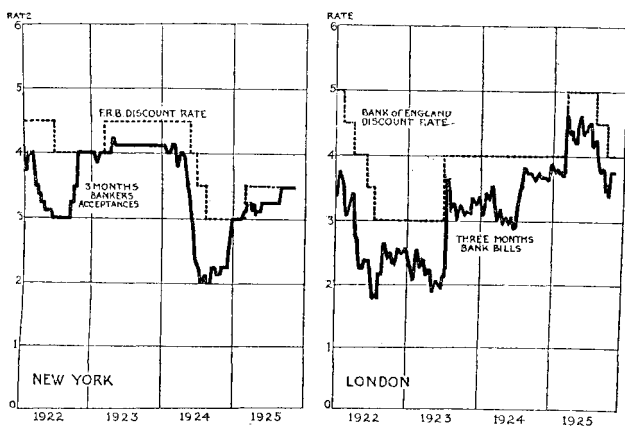
As New York banks generally remained out of the commercial paper market dealers relied chiefly on in-

terior banks for sales, and rates on prime names, averaging 4¼-4½ per cent, were slightly higher than in September. Supplies of paper continued unusually small, and the volume outstanding through 26 reporting dealers at the close of September was 2 per cent lower than in August and at the lowest point since January 1922.

In the bill market the number of bills was increased by the usual seasonal creation of bills to finance crop movements. Despite substantial sales to the Reserve Bank, dealers' portfolios rose gradually until after the 15th of the month, when they held about steady as the demand for bills increased. The open market offering rate on 90 day bills remained unchanged at 3½ per cent. Yields on short term Government issues advanced between ⅛ and ¼ of one per cent, reflecting firmer money conditions during the early part of the month.

Stock Exchange time money rates were about ¼ of one per cent higher than at the end of September. Call money was also distinctly firmer during the first part of the month, as shown by a rise in the average renewal rate above 5 per cent.

The accompanying diagram compares certain money rates in New York and London and indicates that during the summer and early fall rates in the two centers were moving in opposite directions. Rates were rising in New York but declining in London. More recently following a considerable shipment of gold to this country, London rates have stiffened by about ½ of one per cent, while the New York rates have shown comparatively little change.



Money Rates—New York and London

Security Markets

Renewed rise of prices in October with heavy trading carried averages of industrial stocks 35 points above the low of March, and 30 points above the high of previous years, reached in 1919. Railroad stocks were also strong and reached new high levels since 1917. Reflecting these advances, a computation on October 22 indicated the average yield on 69 active dividend paying stocks of both classes to be approximately 5 per cent.

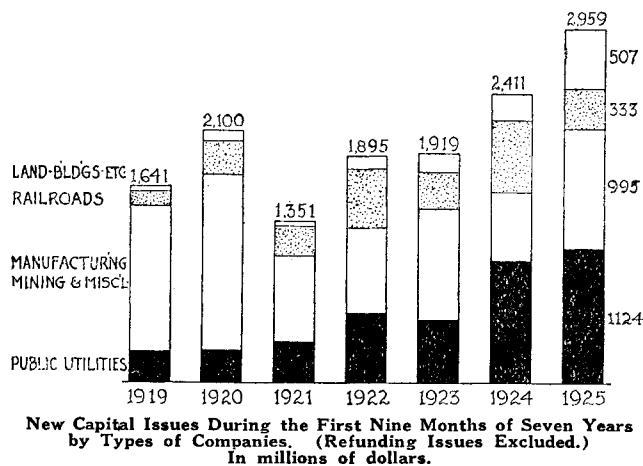
Corporation bonds showed little net change for the month. In United States Government securities, however, the tax exempt 3½'s and the Liberty 2nd and 3rd

4¼'s declined to new low points for the year. French securities were lower, but other foreign issues generally firm, following the Locarno conference.

The volume of new security offerings declined in October, due chiefly to a decline in large municipal and foreign issues. Domestic corporate financing, on the other hand, continued active and, as in past months, included numerous stock issues. The growth of the stock method of financing during the past 9 months is shown in the following table, which indicates also that the proportion of such issues to total financing is still considerably below the high levels reached in 1919 and 1920.

| | 1919 | 1920 | 1921 | 1922 | 1923 | 1924 | 1925 |
|--|-------|-------|-------|-------|-------|-------|-------|
| Percentage of stock issues to total..... | 56.0 | 44.6 | 17.7 | 25.8 | 23.6 | 27.4 | 29.1 |
| Percentage of bond and note issues to total..... | 44.0 | 55.4 | 82.3 | 74.2 | 76.4 | 72.6 | 70.9 |
| Total..... | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

For the first nine months of the year, total new security issues of all types, exclusive of refunding loans, have reached a new high level of approximately 4½ billions, compared with 4 billions in the corresponding period of last year. The extent to which corporate financing, particularly of public utilities and of land and building projects, has contributed to this expansion is indicated in the following diagram based on tables appearing in the Commercial and Financial Chronicle.



New Capital Issues During the First Nine Months of Seven Years by Types of Companies. (Refunding Issues Excluded.) In millions of dollars.

Foreign Exchange

Accompanying seasonal offerings of commercial bills and easier money conditions in London, sterling exchange declined further during the first weeks of October to \$4.83⅞, the lowest point since the resumption of gold payments. Later in the month, following gold shipments and somewhat firmer money in London, the exchange rate recovered to above \$4.84½.

French exchange declined sharply to nearly 4 cents on October 24, and then recovered to 4¼ cents. Belgian francs advanced slightly to above 4½ cents and were thus quoted substantially above French exchange. Of other European exchanges, lire showed reactionary ten-

dencies, while Danish and Norwegian rates were again strong at close to their recent high levels.

Argentine exchange showed a further gain, and Brazilian milreis rose above 15 cents for the first time since 1921. Reflecting seasonal grain exports, the premium on Canadian dollars was further increased and as a consequence there were substantial gold shipments from New York, together with some movement from London.

Gold Movement

The decline in sterling exchange below the gold point in October was followed by gold shipments from England amounting to \$32,000,000 during the first 27 days of the month. In addition to these shipments, \$4,000,000 was received in San Francisco from Japan and an additional \$9,500,000 was reported en route to New York from England. While this inflow of gold is the heaviest for any month since May of last year, it has been offset in part by exports of \$23,000,000, of which \$22,000,000 has gone to Canada and the remainder chiefly to the Straits Settlements.

For the month of September the gold movement for the country showed exports of \$6,800,000 and imports of \$4,100,000, which resulted in a net export balance of \$2,700,000 for the month, and of \$144,400,000 for the first nine months of the year.

Foreign Trade

A further increase in both import and export trade, largely seasonal, occurred in September, but while imports of \$349,000,000 were 22 per cent larger than a year previous, exports amounting to \$422,000,000 were slightly smaller, and the export balance was the smallest for any September in the last ten years, except 1922.

The decline in exports compared with a year ago was due entirely to much smaller shipments of raw foodstuffs, especially rye and wheat, resulting from smaller crops in the United States and larger crops in Europe. Exports of manufactured products were about 14 per cent larger than in September 1924, and raw cotton exports, which constituted nearly one-fourth of total exports in September, were slightly larger in quantity and about the same in value as a year ago.

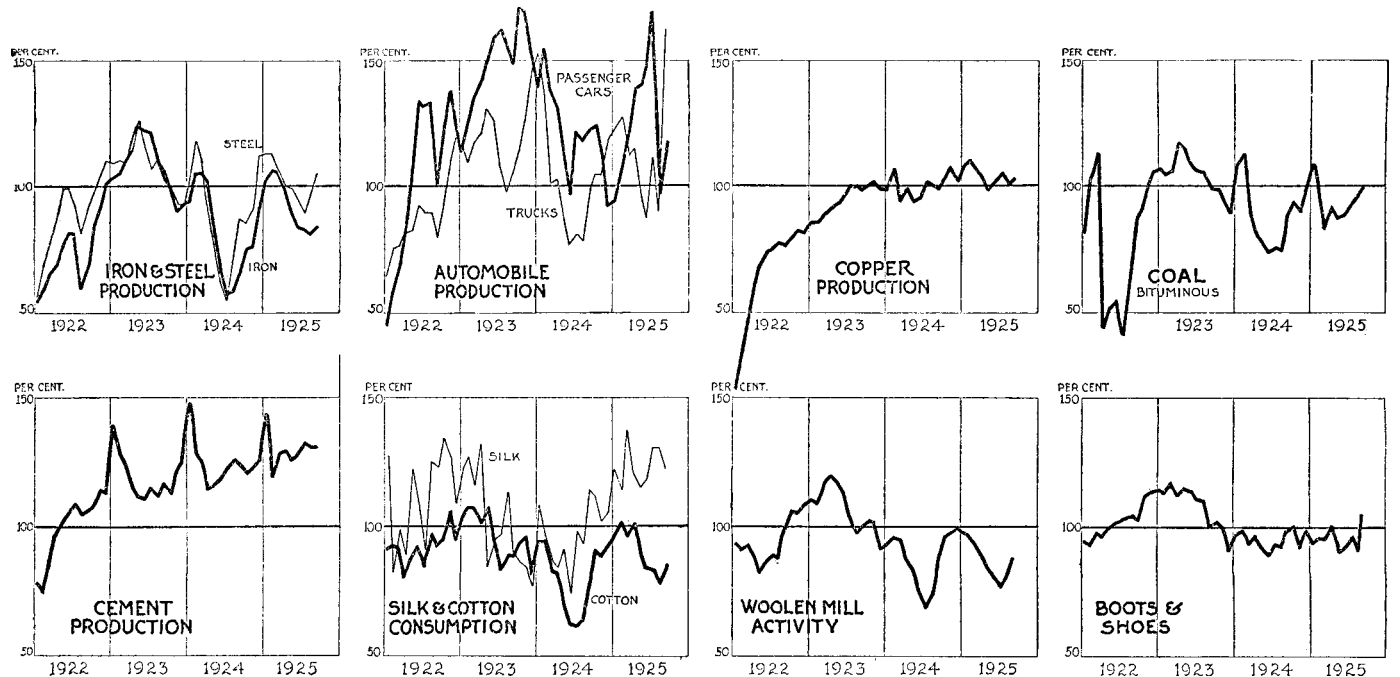
The substantial increase in import trade over September of last year was due chiefly to an increase of nearly 50 per cent in the value of raw materials received, especially silk and rubber. Imports of raw foodstuffs also were considerably larger in value than a year ago.

Production

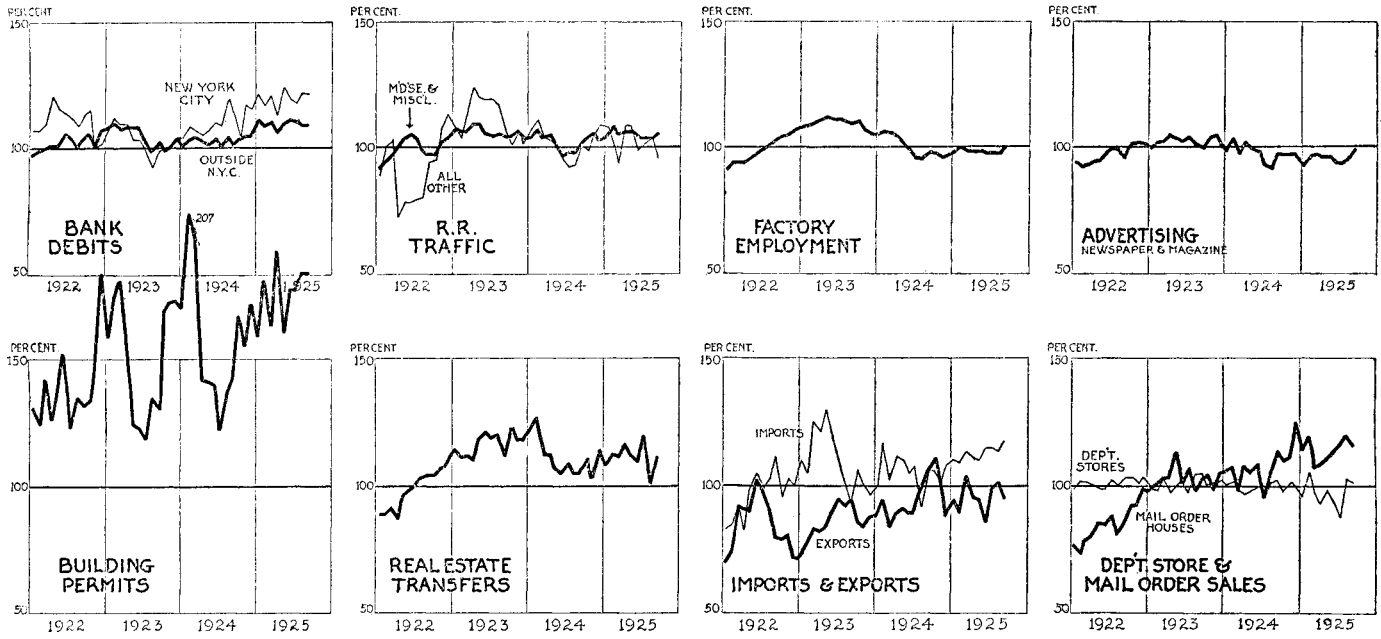
Indexes of production computed by this bank generally indicated an expansion of manufacturing activity in September.

Pig iron production showed an increase and the output of steel ingots rose above estimated normal for the first time since April. Additional evidence of increased buying during the month appeared in an increase of 204,000 tons in unfilled orders of the Steel Corporation, and October orders in most companies were generally reported as showing moderate increases over the September averages.

Accompanying the stoppage of anthracite coal mining, production of bituminous coal increased further to 46,700,000, the highest since January, when output was unusually heavy. Reflection of the coal strike appeared also in increased activity in the production of coke for use as a substitute for anthracite.



Monthly Changes in Production of Basic Commodities. Production Figures are in Percentages of Computed Trend of Past Years which is taken as a Base of 100. (Latest figures, September.)



Monthly Changes in Indexes of Distribution and General Business Activity. (Computed trend = 100 Per cent. Latest figures, September.)

In the automobile industry, figures on passenger cars, while increased over August, continued to reflect temporary production difficulties in one of the leading companies.. The output of other companies was exceptionally heavy, and the production of trucks, amounting to 57,883 vehicles, reached a new high level, 88 per cent above that of September last year.

Increased activity in the textile trade was shown by

an increase of 34,600 bales in the consumption of cotton to 85 per cent. of estimated normal, and a further rise in the index of woolen mill activity. In the case of silk consumption, on the other hand, the index, while continuing high, showed a decline as compared with the August level.

Of other major lines of activity, copper output continued slightly above normal, and cement mill activity remained at high levels. The accompanying table shows this bank's indexes of production in percentages of the computed trend, after allowance for seasonal variation.

(Computed trend of past years=100 per cent)

| | 1924 | 1925 | | |
|----------------------------------|-------|------|------|-------|
| | Sept. | July | Aug. | Sept. |
| Producers' Goods | | | | |
| Pig iron..... | 65 | 83 | 81 | 84 |
| Steel ingots..... | 87 | 89 | 98 | 105 |
| Bituminous coal..... | 88 | 92 | 96 | 99p |
| Copper, U. S. mines..... | 99 | 105 | 100r | 103 |
| Tin deliveries..... | 85 | 96 | 110 | 105 |
| Zinc..... | 99 | 102 | 107 | 110 |
| Petroleum..... | 124 | 126 | 127 | ... |
| Gas and fuel oil..... | 94 | 117 | 108 | ... |
| Cotton consumption..... | 78 | 83 | 78 | 85 |
| Woolen mill activity*..... | 87 | 77 | 83 | 88p |
| Cement..... | 124 | 132 | 131 | 131 |
| Lumber..... | 100 | 116 | 103 | 105p |
| Leather, sole..... | 78 | 82 | 79 | 71 |
| Silk consumption*..... | 114 | 130 | 130 | 122 |
| Consumers' Goods | | | | |
| Cattle slaughtered..... | 104 | 122 | 105 | 102 |
| Calves slaughtered..... | 112 | 114 | 114 | 107 |
| Sheep slaughtered..... | 100 | 103 | 93 | 94 |
| Hogs slaughtered..... | 127 | 91 | 99 | 113 |
| Sugar meltings, U. S. ports..... | 134 | 103 | 99 | 110 |
| Wheat flour..... | 112 | 107 | 86 | 109p |
| Cigars..... | 106 | 105 | 100 | 105 |
| Cigarettes..... | 82 | 79 | 74 | 80 |
| Tobacco, manufactured..... | 107 | 111 | 101 | 108 |
| Gasoline..... | 116 | 137 | 137 | ... |
| Tires..... | 131 | 145 | 125 | ... |
| Newsprint..... | 110 | 111 | 108 | 114 |
| Paper, total..... | 92 | 83 | 81 | 85 |
| Boots and shoes..... | 99 | 106 | 101 | 105p |
| Anthracite coal..... | 96 | 104 | 108 | ... |
| Automobile, all..... | 118 | 158 | 95 | 126 |
| Automobile, passenger..... | 122 | 169 | 96 | 117 |
| Automobile, truck..... | 99 | 111 | 90 | 163 |

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

Indexes of Business Activity

A further increase of general business activity appears to be indicated by this bank's indexes for September and preliminary figures for October, most of which stand at levels close to or above estimated normal as measured by the trend of past years.

Bank debits outside of New York, which closely reflect trade conditions, were 15 to 16 per cent higher in recent weeks than in 1924, and approximately 10 per cent above the trend of past years. Railway traffic continues heavy, despite smaller shipments of coal and grain, and in merchandise and miscellaneous freight particularly was much above the totals of previous years.

Continued activity in real estate in September was indicated by large totals of building permits and real estate transfers. Department store and mail order sales were also at high levels, and factory labor generally well employed. The diagram at the top of the page and the following table show this bank's indexes of business activity expressed as percentages of the computed

trend, with allowance for seasonal variation and, where necessary, for price changes.

(Computed trend of past years=100 per cent)

| | 1924 | 1925 | | |
|--|-------|------------------|------------------|------------------|
| | Sept. | July | Aug. | Sept. |
| <i>Primary Distribution</i> | | | | |
| Car loadings, merchandise and misc..... | 102 | 103 | 103 | 106 |
| Car loadings, other..... | 100 | 101 | 104 | 96 |
| Wholesale trade, Second District..... | 105 | 94 | 91 | 90 |
| Exports..... | 106 | 99 | 102 ^r | 95 ^p |
| Imports..... | 106 | 115 | 114 ^r | 118 ^p |
| Grain exports..... | 86 | 76 | 83 | ... |
| Panama Canal traffic..... | 125 | 96 | 94 | ... |
| <i>Distribution to Consumer</i> | | | | |
| Department store sales, Second District..... | 102 | 88 | 103 | 102 |
| Chain store sales..... | 95 | 93 | 98 | 94 |
| Mail order sales..... | 114 | 117 | 120 | 116 |
| Life insurance paid for..... | 109 | 123 | 120 | 122 |
| Real estate transfers..... | 105 | 120 | 101 | 112 |
| Magazine advertising..... | 99 | 96 | 94 | 105 |
| Newspaper advertising..... | 96 | 92 | 95 | 95 |
| <i>General Business Activity</i> | | | | |
| Bank debits, outside of New York City..... | 101 | 110 | 109 | 110 |
| Bank debits, New York City..... | 113 | 118 | 122 | 122 |
| Bank debits, 2nd Dist. excl. New York City..... | 102 | 103 | 107 | 105 |
| Velocity of bank deposits, outside of New York City..... | 92 | 103 | 105 | 99 |
| Velocity of bank deposits, New York City..... | 104 | 114 | 121 | 122 |
| Postal receipts..... | 100 | 105 | 99 | 103 |
| Electric power..... | 102 | 108 | 107 | ... |
| Employment, N. Y. State factories..... | 98 | 98 | 98 | 100 |
| Business failures..... | 87 | 106 ^r | 101 | 97 |
| Building permits..... | 142 | 177 | 184 | 184 |

^p=Preliminary. ^r=Revised.

Employment and Wages

An increase of nearly 3 per cent from August to September in factory employment was reported by the New York State Department of Labor, and substantial gains in other localities within the district were reported by the Manufacturers Association of Bridgeport and the United States Employment Service. For the country as a whole factory employment gained 1½ per cent over August and nearly 8 per cent over September 1924.

In New York State the gains over August were fairly general, but were especially noteworthy in metal products, textiles, and house furnishing industries. In addition to the usual seasonal gains in clothing, food products, and holiday lines, important increases occurred also in machinery and electrical goods, while automobile employment continued at unusually high levels. Practically the only industries failing to gain were shipbuilding and railway equipment, and industries which are past their seasonal high points.

Wage rates in the state generally remained little changed in September, but owing to slightly fuller working time, average weekly earnings of factory workers increased slightly to \$28.32, which was close to the highest level since 1920, and 123 per cent above the 1914 average.

Building

The continuation of heavy building in September was indicated by the reports of the F. W. Dodge Corporation, which showed total contracts awarded in 36 states to be only 7 per cent below the high level of August and 59 per cent larger than in September 1924. Permits issued,

as tabulated by S. W. Straus and Co., also recorded large gains, as shown by a rise of 38 per cent over a year ago in the total for 369 leading cities.

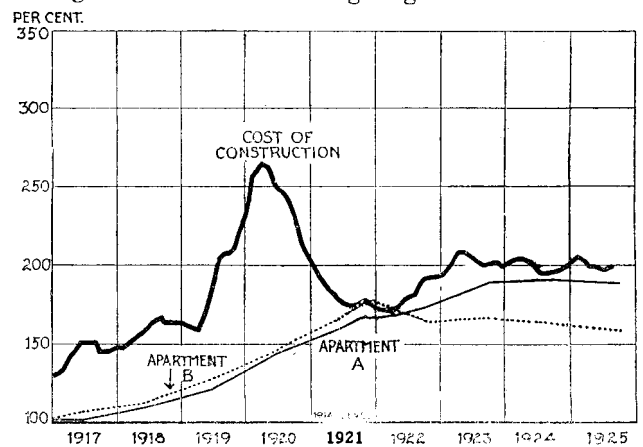
While in this district September contracts were considerably below the high level of August, they were larger than in any previous September and 56 per cent above September last year. Outside of this district the volume of building was larger than ever before, and in three important districts, New England, Pittsburgh, and the Central West, was larger for the nine months since January than for the entire year 1924. Both in this district and for the country as a whole the percentage of residential construction continued high and close to the level of last year.

Reflecting heavy building, prices of building materials, according to the Department of Labor index, advanced 2.4 per cent between July and September, and were slightly higher than last year, though much below the high levels of 1920 and 1923. Basic building wage rates continued comparatively steady at the high levels of recent months.

Apartment Rents

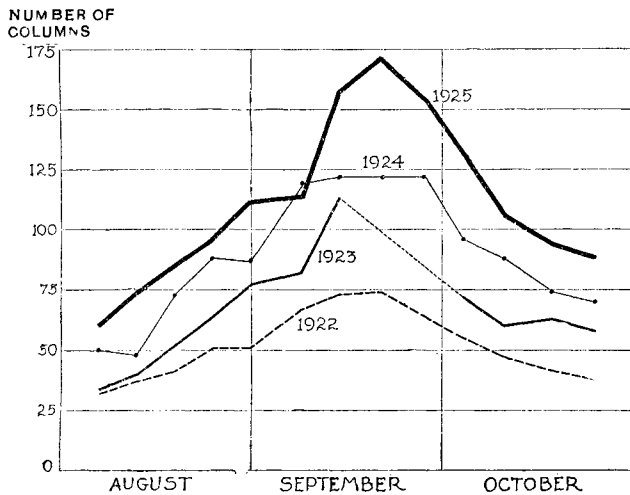
Reports from representative apartment house owners and agents in the New York Metropolitan area indicate a decrease of about 2 per cent from last year in rents of apartments which rented in 1920 for over \$15 monthly per room and a reduction of about 1 per cent in rents of lower priced apartments. In addition to this slight downward tendency in quoted rents, the offering of concessions to prospective tenants is reported to be frequent, especially in the higher priced apartments.

Compared with 1914 levels, present rental rates for the cheaper apartments have advanced about 90 per cent, and are now only slightly below the highest point. Rents of medium priced apartments (renting in 1920 for from \$15 to \$30 per room monthly) are approximately 60 per cent higher than in 1914 but are 9 per cent lower than the maximum of 1921. The accompanying diagram compares the movement of the two rent indexes with this bank's index of the cost of construction, including both building materials and building wages.



Rents of Apartments in New York City compared with Changes in the Cost of Building Construction. Apartment A is the Typical Apartment renting for less than \$15 per room in 1920. Apartment B is the Typical Apartment renting for between \$15 and \$30 per room in 1920.

Further indication of a large supply of medium and high priced apartments, resulting from extensive new building operations, appears in the larger volume of advertising of vacant apartments during the fall renting season of 1925 than in past years. The accompanying diagram compares the number of columns of apartment house advertising in the Sunday edition of a leading New York newspaper during the renting seasons of the past four years.



Columns of "Apartments for Rent" Advertising in the Sunday edition of a New York Newspaper during the Renting Seasons of 1922, 1923, 1924 and 1925.

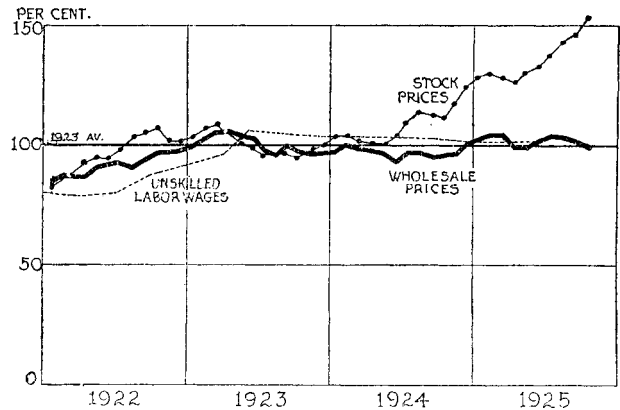
The demand for mortgage loans, though somewhat diminished in the past year, continues large and the supply of funds for high grade mortgages is reported to be ample. Rates, which are about the same as those prevailing a year ago, are reported to be 5 to 6 per cent, depending upon location and character of the property. Lenders report that they are making loans rather freely for the smaller type of residences but are proceeding cautiously with loans on high priced apartments and office buildings.

Commodity Prices

A slight decline in the Department of Labor's wholesale price average for September was followed by further declines in October in this bank's price index of 20 basic commodities to the lowest point since May. This decrease was due chiefly to lower prices for agricultural products, as non-agricultural products in many cases tended to be firmer. Spot cotton declined sharply to 20¼ cents, the lowest since May 1922, due to prospects for a large crop. Corn and meats were also reactionary, and raw sugar weakened further to the lowest levels since 1922. Partly offsetting these decreases were increases in prices of iron and steel, rubber, copper, coal, and coke.

Recent moderate declines in general wholesale prices, in the face of high and apparently increasing business activity, are some indication of the country's large productive capacity and the marked unwillingness of purchasers to enter into any competitive bidding up of prices. The accompanying diagram, comparing this

bank's index of 20 basic commodities and also an index of unskilled labor wages in this district, indicates the maintenance of a fair degree of stability during the past few years in these basic elements entering into costs of manufacture. This stability is in contrast with the sharp advances which have occurred in stock prices, and the active speculation in real estate in many sections.



Prices of 20 Basic Commodities and Wages of Unskilled Labor in the Second District Compared with Prices of 50 Stocks in Percentages of the 1923 Average.

Crops

Crop conditions in New York State continued generally satisfactory during September and compared favorably with the ten year average. While the forecasts for potatoes and beans were much smaller than the final yields last year, fruit crops, except grapes, were reported good in most localities, hay has been abundant, and corn and oats were expected to be larger than last year.

For the country as a whole crop conditions improved during the month, but remained slightly below the ten year average. Of the principal crops, the estimate for corn was increased 33 million bushels to nearly 500 million bushels above the 1924 harvest. Spring wheat, on the other hand, showed little change either from August or from the 1924 final crop, but, owing to deficiency of winter wheat, the total crop of 697 million bushels promises to be the smallest in 8 years.

In the case of cotton, estimates were further increased to 15,226,000 bales, which would be the largest crop since 1914.

Wholesale Trade

Wholesale trade in this district, measured by a weighted index of the sales of 200 principal dealers, showed a seasonal increase from August to September, but was 6 per cent smaller than a year ago, due to substantially smaller sales of women's apparel and drugs, and to slight declines in groceries, jewelry, and diamonds.

Sales of machine tools, which reflect industrial activity, showed a large gain over last year. Commission house sales of cotton goods were also much heavier than

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a year ago, while substantial gains occurred also in sales of silk goods, stationery, paper, and hardware.

Stocks of shoes continued substantially larger than a year ago, and silk goods stocks also showed a considerable increase, after showing decreases during the early months of the year. Jobbers' stocks of cotton goods and hardware, on the other hand, continued smaller than a year ago, and stocks of jewelry and diamonds were also below those of last year.

| Commodity | Net Sales Percentage Change | | Stock at end of month Percentage Change | |
|-------------------------------|-----------------------------|----------------------------|---|----------------------------|
| | Sept. 1925 from Aug. 1925 | Sept. 1925 from Sept. 1924 | Sept. 1925 from Aug. 1925 | Sept. 1925 from Sept. 1924 |
| Groceries..... | +18.4 | - 3.4 | +14.2 | + 1.8 |
| Men's clothing..... | - 7.2 | - 0.6 | ..... | ..... |
| Women's dresses..... | - 5.9 | -20.9 | ..... | ..... |
| Women's coats and suits..... | -12.1 | -34.4 | ..... | ..... |
| Cotton-Jobbers..... | +18.0 | + 4.3 | - 1.0 | -12.9 |
| Cotton-Commission houses..... | +31.4 | +19.7 | ..... | ..... |
| Silk goods..... | + 5.7 | + 6.3 | + 7.1* | +21.1* |
| Shoes..... | + 6.3 | + 1.2 | -11.0 | +34.6 |
| Drugs..... | +17.7 | -13.2 | ..... | ..... |
| Hardware..... | +19.0 | + 7.5 | - 5.2 | -13.1 |
| Machine tools..... | +27.5 | +80.8 | ..... | ..... |
| Stationery..... | +12.6 | + 9.4 | ..... | ..... |
| Paper..... | + 9.1 | + 7.8 | ..... | ..... |
| Diamonds..... | + 5.1 | - 3.2 | ..... | ..... |
| Jewelry..... | +21.7 | - 3.2 | - 1.2 | - 4.0 |
| Weighted Average..... | + 6.2 | - 5.9 | ..... | ..... |

*Stock at first of month—quantity not value

Department Store Trade

Reports from 72 leading department stores in this district showed the usual seasonal increase in sales from August to September, and a gain of 2 per cent over the unusually large sales in September last year. For the fourth consecutive month more stores reported increases than decreases in sales compared with a year previous. In the case of apparel stores, however, sales were 4 per cent smaller than a year ago.

Department store stocks of merchandise on hand at the end of the month were nearly 4 per cent larger than last year, a slightly greater increase than occurred in sales, so that the rate of stock turnover was somewhat smaller than in September last year. For the year to date, however, the rate of turnover has been almost identical with that of the corresponding period last year.

| | Net Sales Percentage Change September 1925 from September 1924 | Stock on Hand Percentage Change September 30, 1925 from September 30, 1924 |
|-----------------------------------|--|--|
| New York..... | + 2.3 | + 3.8 |
| Buffalo..... | + 1.2 | + 3.0 |
| Rochester..... | +11.5 | +12.0 |
| Syracuse..... | + 0.8 | + 1.4 |
| Newark..... | - 1.1 | + 2.0 |
| Bridgeport..... | + 4.2 | + 2.2 |
| Elsewhere..... | + 1.5 | + 4.0 |
| Northern New York State..... | - 6.2 | ..... |
| Central New York State..... | - 3.3 | ..... |
| Southern New York State..... | - 3.3 | ..... |
| Hudson River Valley District..... | + 6.5 | ..... |
| Capital District..... | + 6.0 | ..... |
| Westchester District..... | + 5.9 | ..... |
| All department stores..... | + 2.1 | + 3.7 |
| Apparel stores..... | - 3.8 | +11.0 |
| Mail order houses..... | + 6.2 | ..... |

Comparison of sales by departments showed large sales of articles more or less of luxury character, such as toys and sporting goods, toilet articles and drugs, silks and velvets, books and stationery, and luggage and leather goods. Sales of furniture and cotton goods, especially sheets, pillow cases, etc., also showed substantial gains, while sales of woollens dropped behind last year, and business in men's and women's clothing was also generally slow.

The average amount of the individual sales transaction in September was \$3.01, compared with \$3.02 a year previous.

| | Net Sales Percentage Change September 1925 from September 1924 | Stock on Hand Percentage Change Sept. 30, 1925 from Sept. 30, 1924 |
|--|--|--|
| Toys and sporting goods..... | +19.8 | - 1.2 |
| Toilet articles and drugs..... | +14.1 | +11.0 |
| Cotton goods..... | +13.7 | +19.6 |
| Silks and velvets..... | +12.0 | - 5.3 |
| Books and stationery..... | + 9.0 | + 8.5 |
| Hosiery..... | + 7.5 | +13.8 |
| Luggage and other leather goods..... | + 7.4 | + 7.1 |
| Furniture..... | + 7.3 | + 7.6 |
| Linens and handkerchiefs..... | + 6.8 | + 7.7 |
| Shoes..... | + 6.7 | +10.3 |
| Men's furnishings..... | + 6.7 | - 2.0 |
| Home furnishings..... | + 4.5 | + 1.3 |
| Musical instruments and radio..... | + 2.8 | - 5.8 |
| Silverware and jewelry..... | + 1.5 | - 2.8 |
| Women's ready-to-wear accessories..... | - 1.7 | - 2.4 |
| Women's and Misses' ready-to-wear..... | - 1.8 | - 9.8 |
| Men's and Boys' wear..... | - 8.6 | + 8.7 |
| Woolen goods..... | -18.0 | - 2.0 |
| Miscellaneous..... | - 0.8 | - 5.6 |

Chain Store Sales

All types of chain stores continued in September to report larger sales than a year ago, and in most cases the comparisons with the sales of a year previous were much more favorable than those reported at this time last year. Sales per store, however, were smaller than a year ago in four out of seven lines.

The outstanding gain in September was in chain drug stores, where total sales showed the largest increase over a year previous in a long period. Ten cent store systems, variety stores, and tobacco chains showed increases of about the usual amount, but the gains in grocery, shoe, and candy sales were smaller than those reported in the three months preceding.

Percentage comparisons of the number of stores operated, total sales, and sales per store with those of a year ago are shown in the following table.

| Type of Store | Percentage Change September 1925 from September 1924 | | |
|---------------|--|-------------|-----------------|
| | Number of Stores | Total Sales | Sales per Store |
| Variety..... | +14.7 | +21.6 | + 6.0 |
| Drug..... | + 4.0 | +17.7 | +13.2 |
| Grocery..... | +23.2 | +15.7 | - 6.1 |
| Ten Cent..... | + 6.1 | +12.9 | + 6.4 |
| Candy..... | + 9.4 | + 7.8 | - 1.5 |
| Tobacco..... | +10.8 | + 3.7 | - 6.4 |
| Shoe..... | +20.4 | + 3.5 | -14.0 |
| Total..... | +19.9 | +14.2 | - 4.7 |