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SUMMARY FOR MARCH.

The chief outstanding features of the March industrial figures are the marked increases in iron and steel activity, the big increase in construction, and the improvement in the automobile and accessory business. The first two of these are fundamental industries in which a sustained increase is bound to be of more than ordinary importance. Production in almost all lines is on a distinctly higher level than it was a few months ago. The security markets are reflecting confidence in the future.

Business men, including those in the agricultural districts, are more optimistic than at any time in the preceding 18 months.

In estimating the present situation, the unsettled world conditions must be taken into account. Reconstruction in Europe is far behind what it is in this country. Domestic conditions give every reason to expect a steady improvement in business, but with the present foreign situation there is little likelihood of any immediate boom movement.

BUSINESS INDICATORS.

The diagrams on the following page have been prepared to facilitate comparisons between a few of the more important business movements. The lines are plotted on what are known as ratio charts (logarithmic scale). These charts show the percentage increase and allow direct comparisons between the slope of one curve and that of any other curve regardless of what part of the diagram it is located in. That is, a 10 per cent increase in an item is given the same vertical movement whether its curve is near the bottom or near the top of the chart.

The difference between this and the ordinary form of a chart can be made clear by an example. If a certain item has an index number of 400 in one month

and it increases 10 per cent, its index number will be 440, and on an ordinary chart, the next month would be plotted 40 scale points higher than the preceding month. Another movement with an index number of, say, 50 also increases 10 per cent, making its index number 55. On the ordinary (arithmetic) scale this item would rise only 5 points, whereas the previous item rose 40 points, yet each showed the same percentage increase. The ratio charts avoid this difficulty and give to each of the two movements exactly the same vertical rise and hence the slopes of the two lines are directly comparable. The ratio charts compare percentage changes, while the arithmetic charts compare absolute changes.