It is gradually becoming possible to discern a distinct line of demarkation between industries that are essential and those that are not essential. This District, and, of course, the whole country, is on a war basis. Conservation orders, fixation of maximum prices, and most recently, the fuelless order of Administrator Garfield, bring personally to every man and woman a vivid realization that this war is a serious business, requiring the co-ordination of all resources and the co-operation of every citizen. It is this individual appeal that prompts abstinence from non-essentials and this is reflected in the diminishing volume of business in luxuries.

Heavy snowfall in this District completely paralyzed transportation for practically two days and greatly aggravated the already serious shortage of coal at industrial centers and elsewhere.

The coal situation had been a cause of anxiety for months. Stocks were low and many large consumers were able to maintain only small surpluses, sufficient for a few days. With the complete tie-up of the railroads even these surpluses were wiped out and this District found itself in a coal famine. Radical steps had to be taken and the recent edict of the Fuel Administrator forbidding the use of coal for a period of days, except by essential enterprises, should furnish a means of replenishing the depleted coal bunkers.

Necessary industries of the District have in general been working to capacity, meeting the shortage of fuel, material and transportation with the means at hand, though not a few have been compelled to close.

There continues to be a scarcity of labor. Wages are the highest ever paid. The demand is so great in some localities that it has been found impossible to house the necessary men, though otherwise they could be used to advantage. Very little labor difficulty is experienced.

Quiet reigns in the investment market, the chief subject of interest being prospective government financing. One authority believes there is a great deal of investment money awaiting higher rates for miscellaneous securities, which, it is thought, will advance proportionately should there be an increase in the rate of Liberty Bonds. There is a consistent, though small, demand for municipal securities. Short-time obligations of public utilities and large industrials appear to have a ready sale.

Bank deposits are high throughout the district. Rates hold firm and no softening is anticipated. While banks are in comfortable position, there is some discrimination between one borrower and another, the legitimate borrower finding no difficulty in securing accommodation, however.

A heavy snow blanket provides protection for winter wheat. Some bad freezes last fall in certain localities found the ground bare and did damage estimated at as high as 10%. No improvement is reported in the corn crop, which was universally soft. Snow blockade is seriously hampering the marketing of last year’s crops.
In the agricultural implement line, shortage of transportation, materials and fuel is acute, and this will render it a difficult matter to fill the orders which are being received in good quantity. Considering the season, receivables are in good condition, no particular difficulty being experienced in this direction. The labor situation is reported unsatisfactory in some departments of the industry.

In many cases automobile manufacturers have turned to government work. This foreshadows a limited output of pleasure cars.

As reported above, the scarcity of coal had been aggravated by the temporary collapse of transportation from January sixth to eleventh, but the heavy snowfall, in addition to preventing the moving of cars, has even made the operation of the mines impossible. Hence, it is said, production will be very light for several days and mines in Illinois and Indiana will have produced less coal in January of this year than for any like period for many years.

As there has been no distillation of beverage spirits since September 8, 1917, distillers are disposing of accumulated stocks and at high prices in fair volume. The use of molasses in the manufacture of commercial alcohol has supplanted corn, hence distillers cannot turn to this business. Such concerns are either liquidating, which at present prices is possible without material loss, or are branching into chemical manufacture, corn products, cattle feeding and the like. Maltsters suffer radical reduction in volume due to shipping restrictions and railroad embargo. They report a number of inquiries for their product which would forecast a satisfactory resumption of business when restrictions have been removed.

Dry-goods houses report a good volume of sales, the preference running to necessities. Seasonable weather had its usual good effect on buying. Speculative purchases are still a factor in volume. Collections are fair to good.

This is the semi-annual sale period for furniture manufacturers. Buyers appear in the market as in past sales and volume is expected to be close to normal. Retailers complain somewhat about holiday business. The principal difficulty among manufacturers has been with labor and transportation. Collections are reported very good.

Conditions in the grain business are described as extremely unsatisfactory. For some time receipts at terminals had been light, and when the bad weather came, blockading or seriously hampering car movement, grain receipts were reduced to a minimum. The result is that farmers hold enormous amounts of grain which they are unable to market, while different localities throughout the country are suffering.

Wholesale grocers looking back on the past year's business, report general satisfaction both with tonnage and volume, and losses have been held to the usual fractional percentage. They report that adjustments have been made in line with governmental restrictions. There is some uncertainty as to the future but no misgivings. It is expected that buying power will continue strong, due to the large wages being paid labor. For the present, on account of weather conditions, collections will probably fall short of normal.

Prospects for a good spring business in the hardware line are reported good. There are expressions of satisfaction with regard to present business, and though salesmen have been snow bound for the past two weeks and shipments delayed, this is, of course, only temporary. Collections are good.

Jewelry houses succeeded in maintaining sales for December at the normal for the corresponding month in the pre-war years but ran considerably behind the 1916 and 1915 figures. Thus far in January this retrogression has continued at an increased percentage. Collections are said to be very good. Manufacturers are unable to keep abreast of the demand for military wrist watches, but business in other directions is not at all brisk.

Leather industry is active where government orders have been placed, quiet in civilian lines. As to all other industries, railroad embargoes are the chief concern. Collections are good, labor satisfied and general situation satisfactory.
Prices in the live stock market have eased off somewhat. Railroad situation has reduced receipts at yards temporarily. Quality of stock is good. Farmers have their farms well stocked with beef cattle. Number of young hogs is reported large and it is anticipated that supply during spring and summer will be plentiful. Foreign demand, of course, continues strong, with the usual obstructions, scarcity of rail and water transportation.

Lumber for building is not in demand to an appreciable extent. Government is taking some material for use in cantonments and panel work for aeroplane manufacture. Retail business is at a standstill. Few inquiries are received from railroads and car manufacturers.

Mail order houses report usual increase in volume of December 1917 business over the same period in 1916. It is expected bad weather will affect collections for a time.

Piano orders are fair in number but show a decided drop over last year. Dealers are not pessimistic but look for favorable conditions in their line. Output has been reduced or hampered by scarcity of raw materials and by uncertainty in railroad situation. Labor is still in short supply. Collections are satisfactory.

No change is reported in the shipbuilding industry, production being pushed to the limit established by the scarcity of essential factors. War orders are, of course, the life of the steel business, though domestic consumers are beginning to buy more freely. Demand is expected to continue indefinitely with an active market for all products.

It is estimated that about half the woolen and worsted factories in the country are employed at government work. This quite logically has tended to advance prices materially for civilians. Mills are offering to wholesalers for future sale the highest priced fabrics ever known and these prices are being met as purchasing power is strong due to high salaries and wages. The usual inventory sale is not so much in evidence this year, retailers being unwilling to sacrifice goods which they can only replace at higher figures. Some relief for the serious shortage of wool stocks is promised by the release to this country of wool controlled by the English government.

Clearings in Chicago for the first 16 business days of January were $1,303,000,000.00, being $32,000,000.00 less than for the corresponding 16 business days in January, 1917. Clearings reported by 23 cities in the district outside of Chicago amounted to $288,000,000.00 for the first 15 days of January, 1918, as compared with $290,000,000.00 for the first 15 days of January, 1917. Deposits in the twelve Central Reserve City member banks in Chicago were $807,000,000.00 at the close of business January 21, 1918, and loans were $614,000,000.00. Deposits show a decrease of approximately $38,000,000.00 over last month and loans an increase of approximately $8,000,000.00.