

BUSINESS CONDITIONS

SEVENTH FEDERAL



RESERVE DISTRICT

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JANUARY 1, 1923

BEGINNING WITH THIS ISSUE WE PUBLISH A NATIONAL summary of business and credit conditions, which is to be prepared each month by the statistical services of the Federal Reserve Board and the Federal Reserve Banks. This summary will deal with the latest available facts regarding production, prices, trade, and bank credit. The figures for banking will be those of the current month, but the other figures will necessarily relate to the preceding month.

The index of production includes the following twenty-two series: pig iron, steel ingots, cotton, wool, wheat flour, sugar, hogs slaughtered, cattle slaughtered, calves slaughtered, sheep slaughtered, lumber, bituminous, anthracite, copper, zinc, leather, newsprint, cement, petroleum, cigars, cigarettes and manufactured tobacco. In combining these series in a single index the different items have been weighted in accordance with their relative importance. Allowance has been made for seasonal variations, so that the index does not reflect changes due to seasonal causes. The combined production index compares current output with the production in 1919. The wholesale price index is that of the Bureau of Labor Statistics which uses average prices in 1913 as a base.

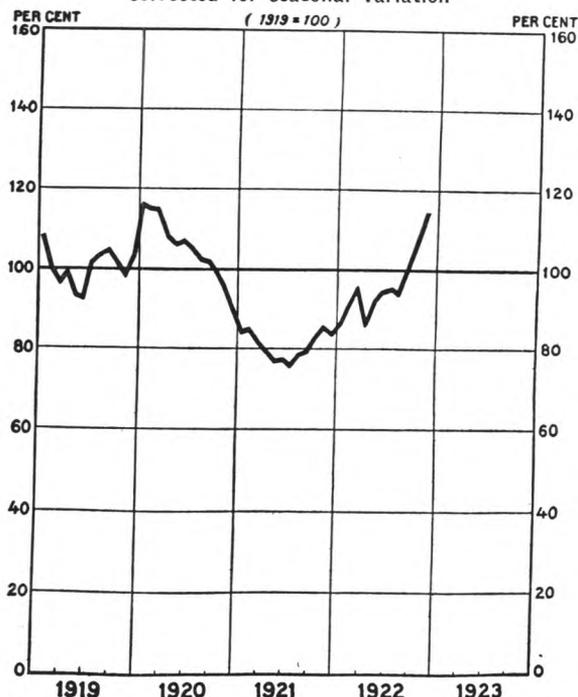
SUMMARY OF BUSINESS CONDITIONS IN THE UNITED STATES

THE volume of production and employment continued upward in November, and prices registered a further advance.

PRODUCTION: Contrary to the usual trend at this season of the year, production in basic industries in November continued to increase. Since July, 1921, when production was lower than at any time in recent years, there has been an almost uninterrupted rise month by month. The index, illustrated in the chart, in which allowance has been made for seasonal changes, shows that production in basic industries during November was 52 per cent higher than in July, 1921, and seven per cent higher than in October, 1922. The chief advances from October to November were in mill consumption of cotton which reached a monthly total exceeded only once since 1917, and in the production of pig iron which was larger than at any time in the past two years. Building operations were maintained on a large scale despite the approach of winter.

Final estimates for the year placed the yields of all principal crops ahead of 1921 except that of corn, which was unusually large in 1921. As a result of these larger yields and the higher prices as well, the total farm value of crops grown in 1922, based on prices received at the farm, as of December 1, is estimated to be 25 per cent larger than in 1921, but 17 per cent less than in 1920.

INDEX OF PRODUCTION IN BASIC INDUSTRIES
Combination of 22 individual series
corrected for seasonal variation

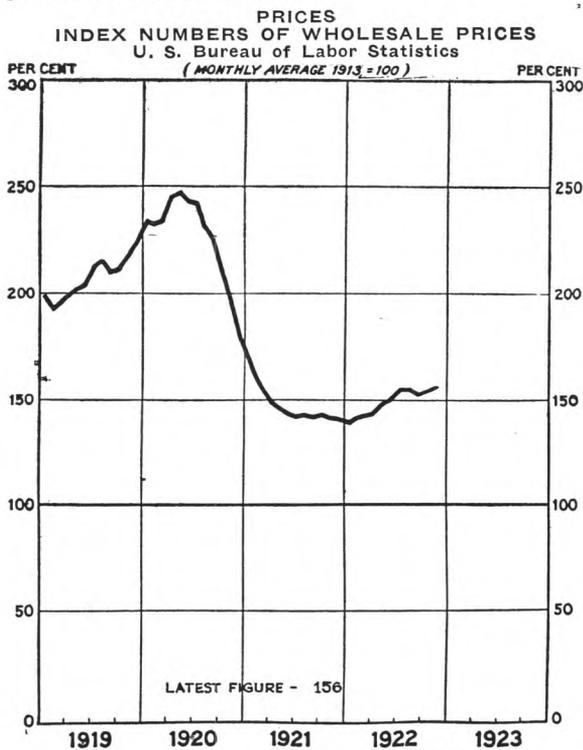


COMPILED DECEMBER 27, 1922

Increased production was accompanied by continued heavy freight movement. The total number of railroad cars loaded during November was substantially larger than in the corresponding month of previous years, although five per cent less than in October. The decline in the demand for cars and a further decrease in the proportion of cars out of repair have resulted in a considerable reduction in the freight car shortage.

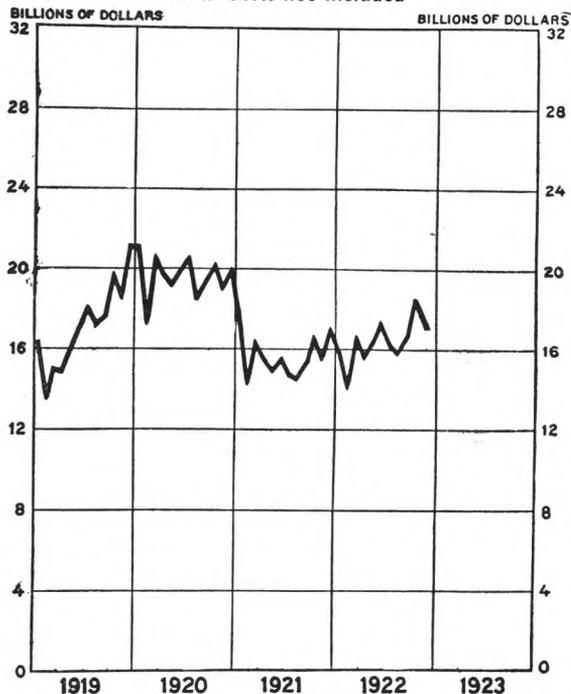
Demand for labor continued to increase, as shown by the volume of employment at industrial establishments. Local shortages of labor were reported by steel mills, textile mills, and building contractors in eastern districts, but some surplus of common labor was reported from agricultural districts.

WHOLESALE PRICE: Wholesale prices advanced during November and reached the highest level since March, 1921. The rise of two points in the Bureau of Labor Statistics index to 156 was due chiefly to advances in the prices of farm products, foods, and clothing, which rose to the highest point of the year. These advances more than offset the decline in the prices of fuels and metals.

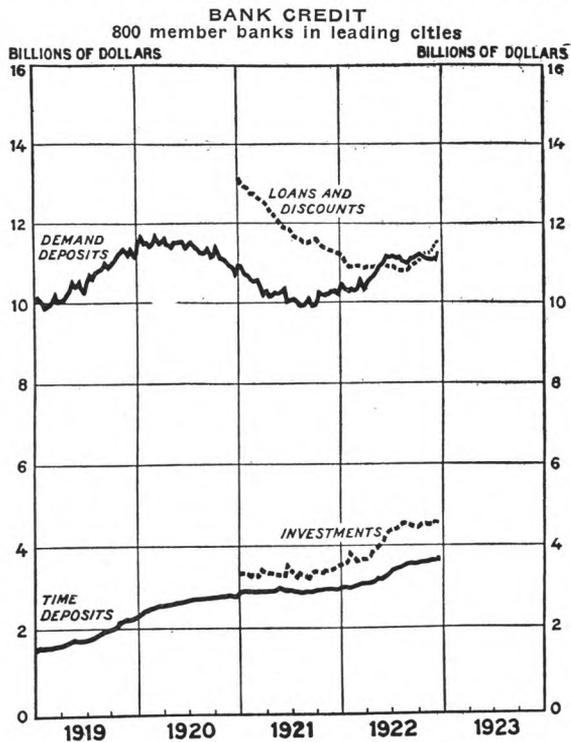


VOLUME OF TRADE: Wholesale trade in lines reported to Federal Reserve banks was substantially larger during November than in the corresponding month last year. Sales of department stores and mail order houses during November were also larger than a year ago, and reports on Christmas trade thus far received indicate sales larger than in either 1920 or 1921. The volume of payments by check was seven per cent smaller in November than in October, due partly to the smaller number of business days, but was ten per cent larger than in November, 1921.

VOLUME OF PAYMENTS BY CHECK
Checks drawn on banks in 140 centers,
New York not included



BANK CREDIT: During the period between November 22 and December 20, Federal Reserve banks have been called upon to supply the extra currency needs of holiday trade, and this demand is reflected in an increase of \$157,000,000 in federal reserve note circulation, bringing the total to the highest point for the year. A decline of \$43,000,000 in gold reserve was also largely



due to increased use of gold for currency purposes. The total earning assets of the Federal Reserve banks rose during the period \$145,000,000 partly in response to the demand for currency, and partly in consequence of heavy government operations on December 15.

BUSINESS CONDITIONS IN SEVENTH RESERVE DISTRICT

BUSINESS in the Seventh Federal Reserve District was much more active in November than a year ago. A striking comparison is in building which, on account of the open weather, continued active, and stimulated a demand unusually late in the season in affiliated industries such as brick, cement, and lumber. Lumber was further affected by railroad orders. Heavier carloadings than a year ago were due in part to gains in movement of grain, live stock, meats, and provisions. Other November improvements over 1921 were in sales by department stores, mail order houses, and chain stores. All groups of wholesale merchandising except shoes increased. Manufacture of shoes, however, as well as production of leather, was larger than last year, with sales of hides increasing after the December cut in prices. Manufacturing in other lines generally continued active. Production of iron and steel was ahead of both the previous month and a year ago, while coal was maintained at the high rate reported last month. Flour production in the district was 45 per cent higher than a year ago.

Increased loans to member banks, gains in savings deposits, and a decrease in the volume of checks cancelled at clearing house banks, were features in the operations for the month.

MONEY AND BANKING

While no outstanding demands on banks for accommodation from particular lines of trade and industry appeared generally through the district during November, a moderate increase in the use of bank accommodation was noticed. In some cases this may be attributed to exceptional conditions resulting from the fuel situation and from transportation delays. However, the increased demand is partly due to increased activity in business. Both the transportation and fuel situations appear to be improving and as this improvement progresses, a certain amount of credit, which had to be negotiated to accommodate business concerns during the period when operations were restricted, is gradually being retired.

In the agricultural sections, the demand continued larger than usual during November for the purchase of feeders and was increased also because of delay in shipments of grain. By the middle of December, however, there was considerable easing in demand caused by these factors. Farmers have been able in many instances to ship their hogs and to move quite a number of the early fall purchases of cattle now ready for the market. Some corn for

In the four weeks prior to December 13, the loans and investments of member banks in leading cities were little changed, though in the latter part of the period renewed demand was manifested for commercial loans, offset to some extent by a decline in investments.

feeding has been shipped to points west and southwest, as well as to interior points of the district. The outlet so formed has enabled the farmer to dispose of a considerable portion of his crop at increased prices. The demand to finance building activities continues in parts of the district.

November commercial failure statistics for this district indicate very little change in the number of insolvencies as compared with October, although the total indebtedness involved was considerably greater; conditions in the country as a whole correspond very closely to those of the district.

COMMERCIAL PAPER AND ACCEPTANCES

Prevailing commercial paper rates during November reported to this bank by nine dealers in the district were $4\frac{3}{4}$ to 5 per cent, which was again one-fourth of 1 per cent higher than the preceding month, and an increase of three-fourths of 1 per cent from last July, when the prevailing rates were 4 to $4\frac{1}{4}$ per cent. However, the range in rates during the month were from $4\frac{1}{2}$ to $5\frac{1}{2}$ per cent, although only one dealer reported the higher rate.

November sales of commercial paper show a gain of 14.4 per cent over October, and 8.3 per cent over a year ago; five dealers report small decreases from October and four show decreases from a year ago. On account of increasing rates, out-of-town banks were again active buyers. Large city banks were practically out of the market, but outlying banks bought moderately. Reports on the supply of paper vary, some dealers finding moderate to increasing supply, with one dealer reporting the supply limited. The demand for paper was fair at the increased rates.

The volume of bills accepted during November, and sales of bankers' acceptances reported to this bank by twenty-seven banks, representing the bulk of the accepting business in the district, decreased markedly from October, following the same trends as last year at this time. Bills bought showed considerable increase over October largely because of purchases made by one bank that had done no buying for some time. Holdings by these banks at the close of November amounted to \$1,704,000, almost three times those held at the close of October. Ten banks reported no transactions in bankers' acceptances during the month.

Purchase rates during November were at 4 to $4\frac{1}{4}$ per cent continuing the upward trend in that no purchases were made at less than the 4 per cent rate, while last month a low of $3\frac{3}{4}$ per cent was reached. Maturities of bills purchased were: 30-day, 41 per

cent; 60-day, 45 per cent; 90-day, 14 per cent. Commodities against which bills were reported drawn were: coffee, grain, nuts, provisions, agricultural implements, cotton, wool, silk, and miscellaneous food products.

Bankers' acceptances purchased by this bank during November amounted to fifteen million, approximately the same as in October. Sales from holdings increased from eight million during October to nine million during November; bills held at the close of November decreased one and one-half million from those at the close of October.

Average weekly purchases of bankers' acceptances by six bill dealers in the district decreased from \$2,601,000 in the four-week period ending November 11, to \$2,453,000 for the five-week period ending December 16; while average sales were \$2,724,000, a decrease of \$2,138,000 from the preceding period. Sales decreased more than purchases because of transfers of bills from branches of the same house not included in purchases for the period of November 11. Bills held at the close of the period decreased slightly from those held at the close of the preceding period. Sales to the reserve bank decreased markedly and were only 18 per cent of the total compared with 65 per cent in the preceding period; average weekly sales to other banks were more than doubled.

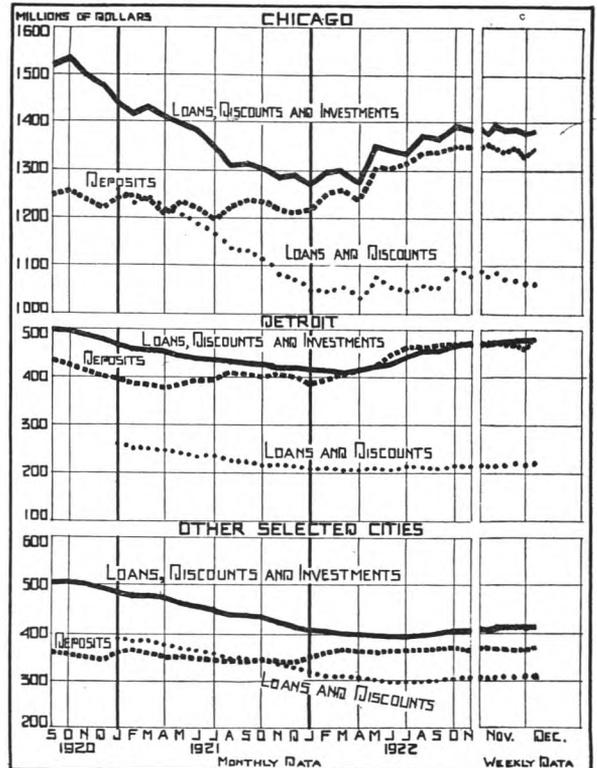
MEMBER BANKS IN THE DISTRICT

Continued increase in demand for accommodation by reporting member banks outside of Chicago and Detroit was in evidence during November. The increase in the weekly average of loans and discounts for the weeks of November over October was at practically the same rate as for the two preceding months. At Chicago member banks there was some decrease from October, but the weekly average remained higher than that of September. Investment holdings increased slightly over October at member banks in Chicago and Detroit, while deposits remained at practically the same level at banks in these cities, with a slight decrease at outside banks.

POSITION OF THE RESERVE BANK

Increased demand for accommodation at member banks is reflected in the increase in their borrowings at the reserve bank. As shown in the weekly statement on December 6, their total borrowings were 103 million, the highest of any week since February 8, and more than double the low point of the year, 49 million on September 13. The daily average of borrowings for November was 83 million, compared with 72 million for October and 52 million for August, the low month of the year. Federal Reserve notes in circulation continued to increase during November, while reserves and the reserve ratio continued to decline. On December 13, loans showed a decline to 88 million, while reserves and the reserve ratio increased materially. On December 20, there

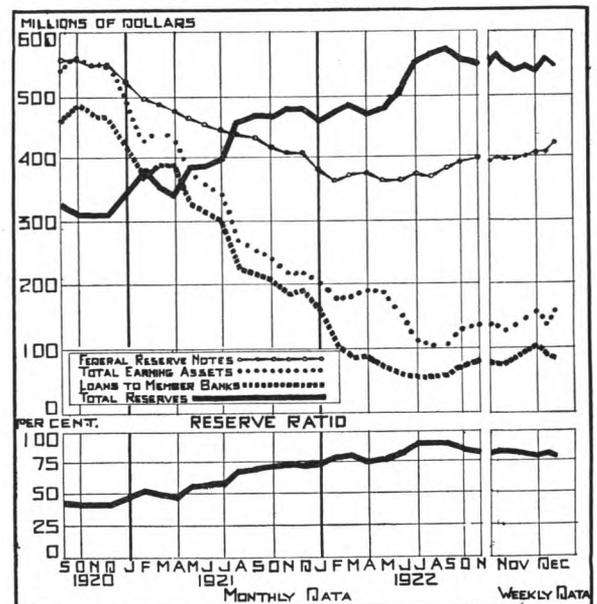
REPORTING MEMBER BANKS, SEVENTH DISTRICT COMPARATIVE POSITION



Monthly data are averages of weekly figures.

was a marked increase in Federal Reserve notes, loans showed further decline, while earning assets increased.

FEDERAL RESERVE BANK OF CHICAGO COMPARATIVE POSITION

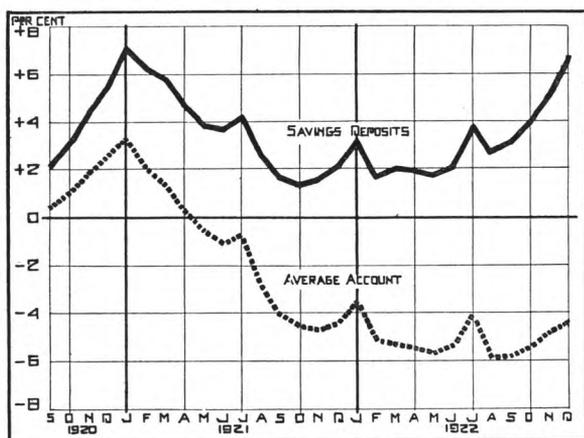


Monthly data are daily averages; weekly data are those of statements published each week.

SAVINGS ACCOUNTS AND DEPOSITS

Savings deposits on December 1, show a continuation of the gradual improvement that has been taking place for the past six months. This is indicated by reports from banks representing approximately 40 per cent of the total for the district. The gain over a year ago for the district is due chiefly to the rather large increase reported by Michigan banks. The average account on December 1, increased at very nearly the same rate as shown last month, while very little change is shown from a year ago. Reports from a number of banks scattered throughout the district showing increased saving deposits and savings accounts attributed the gains to savings campaigns, as well as to the improved business conditions.

SAVINGS COMPARED WITH 1920 AVERAGE



Data as of the first of each month

DEBITS TO INDIVIDUAL ACCOUNTS

Debits to individual accounts at clearing house banks of the district averaged somewhat less for the weeks of November than for October, but part of this decrease may be attributed to the holidays. Of the four largest centers, Chicago and Milwaukee, which had shown large increases in October, showed

the largest decreases in November compared with October. Debits at Detroit and Indianapolis banks were a fractional per cent larger.

The volume of debits continues considerably higher than for the corresponding periods last year.

BONDS AND INVESTMENTS

Dullness characterized the bond market for the first half of November with a slight improvement in the last half of the month and in the first part of December. Prices on domestic issues held reasonably firm. Foreign government issues recovered somewhat after the decline the early part of November. The municipal market was very quiet, and practically no new issues of foreign governments were brought out.

Subscriptions in this district, December 15, to the issue of 4½ per cent Treasury notes, due June 15, 1925, were considerably in excess of the quota, while those to the one year 4 per cent and three months 3½ per cent certificates of indebtedness were considerably less than the quota. The total issue of Treasury notes was for approximately \$300,000,000, of which the quota for cash subscriptions for this district was \$42,000,000; the total of such subscriptions received was approximately \$65,000,000, of which \$55,000,000 were allotted. Additional subscriptions paid for by Victory notes and certificates of indebtedness amounted to \$16,000,000. The total issue of certificates of indebtedness was for approximately \$400,000,000, of which the quota for cash subscriptions for this district was \$56,000,000. Cash subscriptions were approximately \$24,000,000, of which \$20,000,000 were for the one year certificates. A small amount of additional subscriptions were paid for by Victory notes and certificates of indebtedness.

While considerable effort had been made to avoid congestion on the fifteenth of December resulting from the payment of the Victory notes that had been called for payment at that time, comparatively few of the bonds were sent in for payment prior to that date, but immediately thereafter they were received in large volume.

AGRICULTURAL PRODUCTION AND CONDITIONS

Reports issued by the Bureau of Agricultural Economics show that the acreage of winter wheat sown in the United States last autumn is 3.2 per cent less than the revised acreage for the fall of 1921. The condition of the crop on December 1 is indicated to be above that of last year but below the five-year average. The winter wheat acreage for the five states lying largely within the Seventh Federal Reserve District is 7,494,000 acres compared with 7,153,000 acres in the autumn of 1921.

The Bureau of Agricultural Economics on November 29 estimated the corn production for sixteen

countries of the world at 3,455,712,000 bushels compared with 3,792,537,000 bushels a year ago and 3,573,096,000 bushels the yearly average for 1909-13. The International Institute of Agriculture at Rome in its November report estimates the 1922 production of potatoes in eighteen countries of the world at 2,463,478,200 centals (100 pounds each) compared with 1,637,861,100 centals in 1921 and 1,687,228,000 centals the average for 1916-20. Sugar beet production for fourteen countries of the world was estimated at 625,226,800 centals compared with 611,034,900 for 1921 and 544,861,000 for 1916-20 average. Of this the United States' production is 100,180,000 centals.

The Bureau of Agricultural Economics on December 1, estimates the value of principal crops in United States at \$7,572,890,000 compared with \$5,729,912,000 a year ago and \$9,125,620,000 for 1920.

PRODUCTION AND VALUATION OF CROPS

1922	SEVENTH DISTRICT		UNITED STATES	
	PRODUCTION	VALUE	PRODUCTION	VALUE
Wheat	119,429	\$128,955	856,211	\$ 864,139
Corn	1,103,930	644,284	2,890,712	1,900,287
Oats	512,623	192,286	1,215,496	478,548
Rye	24,485	18,328	95,497	66,085
Barley	28,299	16,132	186,110	97,751
White Potatoes	62,731	66,122	451,185	262,608
Hay	24,883	277,701	112,791	1,331,679
1921				
Wheat	96,354	97,243	814,905	754,834
Corn	1,083,826	389,439	3,068,569	1,297,213
Oats	413,934	115,051	1,078,341	325,954
Rye	21,060	15,244	61,675	43,014
Barley	24,445	12,089	154,946	64,934
White Potatoes	62,672	66,011	361,659	398,362
Hay	19,057	238,255	97,770	1,099,518

Note—Figures in thousands; production for all except hay expressed in bushels, hay expressed in tons. Based on prices of December 1, compiled by Bureau of Agricultural Economics.

The American, Canadian, and British visible supply of wheat was 190,545,000 bushels on December 2, compared with 172,796,000 bushels on November 2, 1922, and 191,148,000 bushels a year ago.

GRAIN MARKETING

Although November receipts of grain were considerably more at primary markets than a year ago, they were seasonally less than in October. November shipments from primary markets were more than in November, 1921, except for oats, which were less than in October.

Smaller movement from country elevators than anticipated; good domestic market for grain; continued liberal export demand for wheat and rye, together with moderate export business for oats and corn—these were factors in the upward trend of prices despite gradual easing of the transportation situation.

CHICAGO SHIPMENTS OF FLOUR AND GRAIN

BY BOAT—	In thousands					
	FLOUR	WHEAT	CORN	OATS	RYE	BARLEY
11 Months, 1922	731	35,900	44,322	11,722	2,410	78
11 Months, 1921	27,045	78,245	19,339	2,140	78	
BY RAIL—						
11 Months, 1922	9,417	12,556	70,008	57,163	2,253	3,008
11 Months, 1921	7,084	13,304	32,757	35,140	1,179	3,977

FLOUR PRODUCTION

Production of flour in the district reported to this bank by forty-two millers showed a slight increase in the aggregate during November, although the majority of reports show decreased production when compared with October on account of fewer working days. Measured with a year ago a very marked increase is in evidence in production of both wheat and other flour. A year ago at this time total production of flour decreased 22.8 per cent.

PRODUCTION PER CENT CHANGE FROM NOVEMBER, 1922, OCTOBER, NOVEMBER, 1921

Wheat Flour.....(bbls.)	510,153	+1.0	+44.2
All Other Flour.....(bbls.)	45,917	-1.4	+52.3
Total	556,070	+0.8	+44.8

Operations of these mills—based on a 24-hour working day—were at 63.7 per cent of capacity during November, while in October they were at 60.8 per cent and in November, 1921, at 44.0 per cent.

November demand for flour was reported slow by

several millers. Sixteen reports show the sales of flour in barrels decreased 19.5 per cent during November, while dollar sales receded 17.0 per cent; production at these mills decreased 6.1 per cent. The stocks of flour on hand November 29 increased 7.3 per cent at twenty-nine mills from those on hand October 31, while stocks of wheat decreased 2.0 per cent from the preceding month.

MOVEMENT OF LIVE STOCK

Receipts and slaughter of cattle, calves, and sheep declined in November from October but hog receipts and slaughter were more, while that of all except sheep were ahead of a year ago.

SLAUGHTER IN NOVEMBER

District	CATTLE	HOGS	SHEEP	CALVES
Sixty-eight markets in the United States	247,873	1,040,857	242,713	97,189
United States	778,823	2,917,935	880,648	359,230

The movement of feeder cattle, calves, and sheep back to the farms was smaller than in October although remaining considerably ahead of a year ago.

AVERAGE PRICES OF LIVE STOCK

Per hundred pounds at Chicago

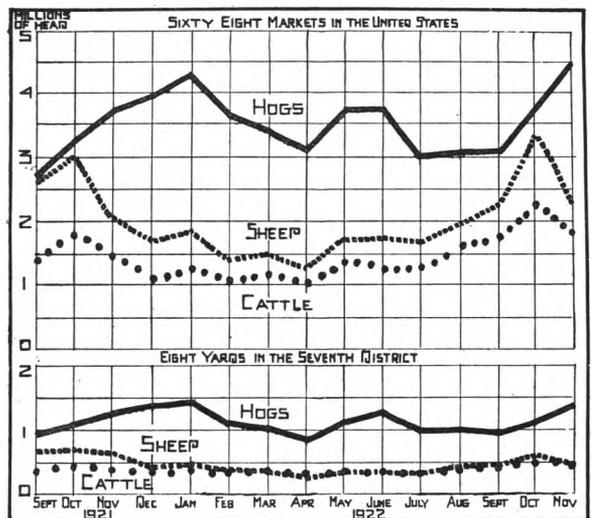
CLASS	MONTHS OF			
	WEEK ENDED DEC. 9, 1922	Nov., 1922	Oct., 1922	Nov., 1921
Native Beef Steers				
750-1,050 lbs.	\$ 8.90	\$ 8.45	\$ 8.90	\$ 5.90
1,500-1,800 lbs.	11.85	12.20	12.60	8.40
General average		9.85	10.65	7.40
Fat Cows and Heifers	5.15	4.90	5.35	4.30
Canners and Cutters	2.90	3.10	3.10	2.55
Calves	9.30	9.40	10.55	9.15
Stockers and Feeders	6.60	6.30	6.70	5.45
Hogs	8.18*	8.10	8.85	7.05
Sheep	6.40@7.50	7.05	6.40	4.15
Yearling Sheep	11.70	11.20	11.50	7.00
Lambs	14.45	14.10	13.80	8.95

*Average price December 1 to 13, inclusive.

MEATS AND PROVISIONS

Demand for packing house products continues to improve over a year ago. Fifty meat packing companies in the United States reporting direct to this bank show total sales in dollars 22.4 per cent less than October, but 16.7 per cent more than a year ago. The Thanksgiving holiday had a seasonal effect on

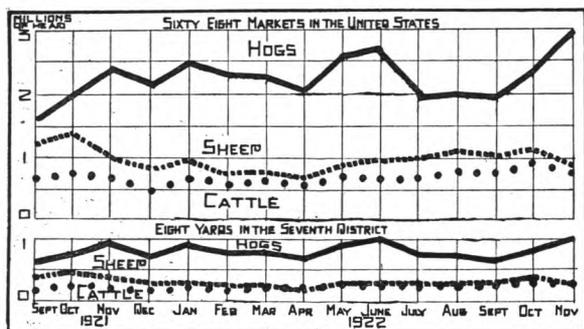
RECEIPTS OF LIVE STOCK



domestic trade. The volume of November shipments of meats and lard from Chicago was slightly less than in October or a year ago. Factory employment in the district and in the United States showed only a little change in November from the previous month.

Compared with a month ago, Chicago wholesale prices in November for pork and veal declined, lamb and mutton were unchanged, while lard advanced. Pork, lard, lamb, and mutton prices range from 15 to 30 per cent higher than a year ago, but beef and veal show little change. Cold storage supplies of meat and lard in the United States were slightly

SLAUGHTER OF LIVE STOCK



more on December 1 than on November 1 or a year ago.

Owing to limited supplies rather than lack of demand, shipments forwarded by reporting companies in November for export were less than in October, although a few companies had a larger volume than in the previous month. Consigned stocks already

INDUSTRIAL EMPLOYMENT CONDITIONS

Most of the seasonal increases in employment that were apparent at the close of October were maintained during November; further gains for the month were most marked in metal industries other than those of iron and steel, and in railroad repair shops where employment conditions are still undergoing readjustments. Marked decreases in employment occurred in tailoring and in the manufacture of knit goods and wearing apparel. Increased payrolls reflect greater activity in packing plants.

Iron and steel mills, foundries, steam-pipe fittings, hardware, and machine tools industries made further gains, so that the iron and steel group as a whole, represented by sixty-three firms employing 46,634 men, showed an increase of 1.7 per cent in the volume of employment. Stoves and furnaces declined from the seasonal improvement of the previous month.

The upward trend in wages that has been noticeable for several months past was less in evidence during November. Only two out of 274 firms report a change in the rate of wages; one an increase of 10 per cent for knit goods workers, and the other a slight advance for lumber mill workers. The decline in pay per man reflected by the total returns for the

abroad continue to decline because of the rapidity in the sale of consignments on arrival. Prices abroad are on a parity with those in United States, plus cost of transportation, although fats for immediate delivery are at a premium. A few companies report a seasonal falling off in export demand the first part of December on account of the approaching holidays, but orders for early 1923 delivery continue to arrive in good volume.

BUTTER, CHEESE, EGGS, AND POULTRY

Production of butter* and cheese declined in November when compared with October. Cheese production exceeded that of a year ago but the output of creamery butter declined. Sales of creamery butter by companies in the district were less than in the previous month or a year ago.

Receipts of dairy products were less at Chicago during November than they were in October, although butter and cheese were more than in November, 1921. Poultry arrivals increased at Chicago during November because of the holiday trade but they were not equal to those for the same period last year.

Prices of butter and cheese trend upward at Chicago and the Wisconsin markets; egg and poultry prices were higher in November than in October; all prices with the exception of eggs tended to weaken somewhat in the first part of December.

Cold storage holdings of eggs, cheese, and butter in the United States were less on December 1 than the previous month, but poultry increased.

*Based on direct reports to this bank by manufacturers in the district and on statistics furnished by the American Association of Creamery Butter Manufacturers and by the Iowa Butter Manufacturers' Association.

district is partly a result of the increase in employment of common labor whose average earnings are lower than for the average manufacturing workman.

Employment within the state of Illinois, according to the State Department of Labor report, gained 2 per cent in volume from October 15 to November 15. The free state employment offices report an increase in the number of applicants for available positions, the ratio having gone from 96.4 to 112.2 for each 100 positions. The cessation of much of the outdoor work is adding to the available supply of common labor.

LABOR REPORTS FROM FIRMS IN THE SEVENTH DISTRICT

	DISTRICT	CHICAGO
Number of firms reporting.....	274	61
Total number employed November, 1922.....	177,389	69,831
Percentage change in number employed as compared with		
(a) the preceding month.....	+ 1.5	+ 1.4
(b) the same month a year ago.....	+24.4	+10.4
Percentage change in amount of payroll as compared with		
(a) the preceding month.....	- 0.5	+ 0.4
(b) the same month a year ago.....	+26.7	+ 3.6
Percentage change in pay per man as compared with		
(a) the preceding month.....	- 2.0	- 1.0
(b) the same month a year ago.....	+ 1.0	- 6.2
Percentage of production to ordinary capacity		
(a) November, 1922	78	76
(b) October, 1922	79	78
(c) November, 1921.....	60	63

FUEL AND POWER PRODUCTION

COAL

Production of bituminous coal was maintained well through December at the high rate of output reached during the third week in November, but the increased demand for current needs has resulted in the absorption of practically the entire tonnage. Approximately 11,000,000 tons were mined in the bituminous fields of the country during the week ended December 16, a tonnage about equal to that produced in the corresponding period of 1920. Cumulative production of soft coal for the calendar year to December 9 was still some 27 per cent less than in the same period two years ago. In Illinois and Indiana, mining operations continue to be curtailed by the lack of adequate transportation facilities. Some improvement was noticeable during the first week of December, but later reports indicate that a number of mines have since been forced to close because of the lack of cars. Total production for Illinois during the month of November amounted to 7,339,840 tons, a decrease of 2.7 per cent from October.

Anthracite production also continues at about the same rate as that reported a month ago, with a total output of nearly 2,200,000 tons for the week ended December 16. While the present weekly rate of output is somewhat greater than that of a year ago, the cumulative production for the calendar year to date is still more than 46 per cent below the 1921 output for the same period.

There has been no general movement on the part of large consumers to meet their storage requirements, and the smaller consumer, including the domestic buyer, has been governed almost entirely in his purchases of fuel by current weather conditions. There was a decided strengthening in local demand during the first part of December when the cold wave forced users of steam and domestic sizes into the market. The tonnage of anthracite and West Virginia smokeless reaching the Chicago market is still less than the demand, but Illinois and Indiana coal is being produced in sufficient quantity to meet the needs for those grades. Some dealers have found it

difficult to meet the peak of the fluctuating demand on account of low stocks and the car situation.

Prices have been following demand, with a continued softening in steam sizes through November and into early December and a decided stiffening of all grades about the middle of December. December 26 spot (mine) prices on Illinois coal ranged from \$1.55 to \$5.50 per ton, while Western Kentucky was quoted at from \$2.25 to \$4.50. Eastern Kentucky ranged from \$2.75 to \$6.50 and Pocahontas from \$6.00 to \$6.25; anthracite remains at \$3.57 to \$12.00 per ton.

ELECTRIC ENERGY

The daily output of electric power by nine central station companies in the district reporting direct to this bank, increased 5.3 per cent in November over that for October, while the aggregate output of 492 million K.W.H. for the month increased only 1.9 per cent. A gain of 19.4 per cent was made over the same month a year ago. The load factor of these companies decreased from 55.8 per cent in October to 53.1 per cent in November. A year ago the load factor was at 51.7 per cent.

Sales of electric power for industrial purposes, decreased 5.5 per cent from October, partly because of the holiday and shorter month, the daily average showing a decrease of only 1.7 per cent. Sales for industrial purposes were 39.8 per cent greater than November last year. The number of industrial users increased 0.2 per cent and 7.4 per cent over the preceding month and a year ago, respectively.

ELECTRIC ENERGY IN THE DISTRICT FOR OCTOBER, 1922*

	NUMBER REPORTING	OCT., 1922	PER CENT CHANGE FROM	
			SEPT., 1922	OCT., 1921
**Plant Capacity (K.W.).....	11	1,776,430	+1.7	+ 6.1
Plant Output (K.W.H.).....	11	533,338,570	+8.4	+18.1
Peakload (K.W.)	11	1,301,938	+6.3	+14.6
Number of Industrial Users.....	11	67,051	+0.3	+11.6
Connected Industrial Load (H.P.)	8	1,034,370	+0.4	+15.4
Sales to Industrial Users (K.W.H.)	11	201,995,440	+1.5	+36.3

*Complete November comparisons not available.

**Plant Capacity includes battery capacity.

MANUFACTURING ACTIVITIES AND OUTPUT AUTOMOBILES

Automobile production increased slightly during November from October, and, when consideration is given to the shorter month, the increased activity shows greater than the actual production increase indicates. Manufacturers reporting through the National Automobile Chamber of Commerce and direct to this bank, representing approximately 99 per cent of total October production, built 215,408 passenger cars during November compared with 214,090 in October, an increase of 0.6 per cent. Truck production increased at a slightly higher rate; the output from manufacturers, whose October production was 20,591 trucks, was 20,876 during November, an increase of 1.4 per cent. An increase in the proportion

of closed cars, more than seasonal, caused a curtailment in actual output of some manufacturers, owing to inability to supply the demand.

The transportation situation continues a serious factor, as the lake traffic season is at an end and manufacturers must depend on railroad equipment and driveways to nearby points to a greater extent. There appears to be a greater disposition to store cars for spring delivery than a year ago, made possible by the improved financial condition of distributors and dealers.

Driveways and boat shipments decreased in November, while shipments by rail increased slightly.

All classes of shipments are far in excess of last year.

FACTORY SHIPMENTS BY ALL MANUFACTURERS*

	CARLOADS		DRIVEAWAYS		BOAT	
	1922	1921	1922	1921	1922	1921
November	27,232	14,264	27,376	10,528	5,070	1,402
October	27,100	17,808	35,203	12,971	7,605	2,226
September	26,335	19,002	30,177	13,840	8,118	2,959
August	32,817	20,758	36,768	15,218	10,104	3,595
July	29,116	19,514	28,100	15,533	7,030	3,726
June	34,230	20,269	33,857	18,834	7,737	3,947
May	33,416	18,608	28,827	15,193	7,406	2,381
April	31,334	20,187	22,381	14,197	2,960	1,619
March	27,753	16,287	16,917	9,939	560	75
February	19,636	9,986	10,173	7,507	180	99
January	15,357	6,485	7,479	3,185	143	93

*Reported by National Automobile Chamber of Commerce.

The Rubber Association of America reports production and shipments of casings by sixty-four companies during October slightly larger than in September; shipments of inner tubes decreased, while production increased. Inventories for October were somewhat larger than for September.

IRON, STEEL AND OTHER METALS

Improvement in the transportation and fuel situations, although gradual, has not been sufficient to permit production and deliveries of steel to keep pace with demand. Prices show little change from the previous month and collections are good.

PIG IRON AND STEEL PRODUCTION IN GROSS TONS

	NOVEMBER, 1922		OCTOBER, 1921	
	1922	1921	1922	1921
Pig Iron Production	458,956	416,073	252,566	
Illinois and Indiana	2,849,703	2,637,844	1,415,481	
United States	2,889,297	2,872,415	1,660,001	
Steel Ingot Production (Thirty Companies)	2,889,297	2,872,415	1,660,001	
*Unfilled Orders—				
United States Steel Corporation	6,840,242	6,902,287	4,250,542	

*At close of month.

The American Zinc Institute reports 40,200 tons of zinc produced and 38,746 tons shipped in November compared with 39,940 and 40,703 tons for October. Prices of zinc and lead ores trend upward. Improvement in the zinc mining industry is reported by the Joplin field.

STOVES AND FURNACES

Compared with October, orders for and shipments of stoves and furnaces declined in November, but were practically double those of a year ago. Production was not quite so large as in October but was twice as great as that of November, 1921, when some of the reporting companies were not operating.

PERCENTAGE CHANGES IN NOVEMBER FROM PREVIOUS MONTHS

Based on dollar values and compiled from direct reports to this bank

	NUMBER OF FIRMS	OCT., 1922	NUMBER OF FIRMS	NOV., 1921
Shipments	12	-18.3	12	+ 83.4
Orders accepted	10	-31.3	10	+107.9
Stocks of finished goods on hand at end of month	7	- 2.0	6	- 30.9
Cancellations	7	-36.9	.....	.....

AGRICULTURAL MACHINERY

Production of agricultural implements showed little change in November from October, although two companies that had started their 1923 schedules showed a slight increase. Sales declined nearly 50 per cent from October, but this was seasonal; they were considerably ahead of a year ago. Some orders for 1923 delivery are being received and indications

are that more contracts are being placed than a year ago. Sales of agricultural pumps showed a decrease from October, both for the district and for the United States.

SHOE MANUFACTURING, TANNING AND HIDES

Shipments of shoe manufacturers in the district were less in November than in the previous month, while production showed little change from October, but exceeded shipments by 4.2 per cent. Production, unfilled orders, shipments, and stocks on hand were greater than a year ago.

PERCENTAGE CHANGES IN NOVEMBER FROM PREVIOUS MONTHS

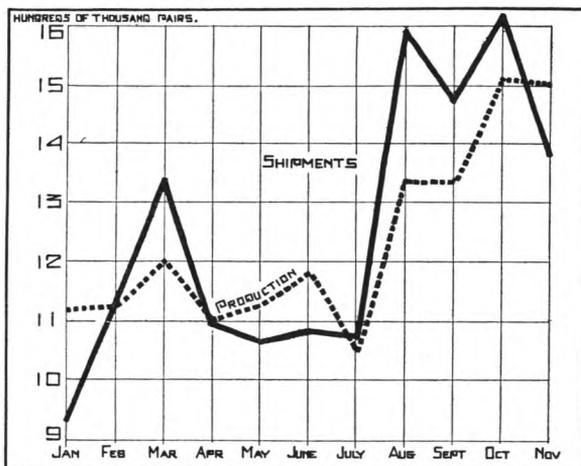
Based on pairs and compiled from direct reports to this bank

	NUMBER OF FIRMS	OCT., 1922	NUMBER OF FIRMS	NOV., 1921
Production	30	- 2.3	29	+36.3
Shipments	30	-12.4	27	+27.0
Unfilled orders on hand at end of month	19	+ 3.0	17	+88.7
Stocks on hand at end of month	21	+17.0	19	+24.1

Sales and production of leather increased in November from the previous month, with sales ahead of those for a year ago. Purchases of green hides by tanners in the district decreased from October. The somewhat smaller demand for leather recently is attributed chiefly to the uncertainty regarding future prices on hides.

Receipts and shipments of green hides and skins were smaller in November at Chicago than in October. The November market for hides and skins was less active at Chicago and eastern points than it was in October, but in the first part of December there was a large movement of hides with prices from 2 1/2 to 3 cents a pound lower. Price of lamb skins held firm.

PRODUCTION AND SHIPMENT OF SHOES, 35 FIRMS SEVENTH FEDERAL RESERVE DISTRICT, 1922



October and November figures partly estimated

RAW WOOL AND FINISHED WOOLENS

Although the market has been active, shipments of raw wool from Chicago during November were only two-thirds of those for October. Some companies, however, report a larger volume of sales of raw wool

than in October. A quiet market prevailed during the first part of December. Prices of medium grades have advanced 5 to 10 per cent in the last month with mills reporting less resistance on the part of buyers to the advancing prices of woolsens.

Imports continue because there is a small available domestic supply, but the recent survey by the Department of Commerce shows that while combing and carpet wools comprised only 24 per cent of the total imports of wool for the years 1916-1921, in 1922 they were 89 per cent of the total with a corresponding loss in clothing grades.

CLOTHING AND TAILORING INDUSTRY

Reports from manufacturers of ready-made clothing in this district indicate that spring orders are still slightly below those of a year ago, while production and shipments show a marked decline. Compared with the month of October, current figures on production and shipments emphasize the decreased activity in the industry due to seasonal fluctuations.

A seasonal decline is also noticeable in the Tailor-to-the-Trade industry, where November orders dropped over 6 per cent below those of October, with production and shipments showing more or less similar decreases. Compared with a year ago, however, orders are approximately 69 per cent greater.

PERCENTAGE CHANGES IN TAILORS-TO-THE-TRADE

Number of firms reporting.....	8
Orders for suits compared with—	
(a) October, 1922.....	— 6.8
(b) November, 1921.....	+69.0
Number of suits made as compared with—	
(a) October, 1922.....	— 3.5
(b) November, 1921.....	+66.3
Number of suits shipped as compared with—	
(a) October, 1922.....	— 5.1
(b) November, 1921.....	+63.3

FURNITURE

While the volume of November orders booked by the furniture manufacturing industry of this district is considerably below the high level attained during the month of October, household furniture, especially, is reported as continuing in very good demand. Many reporting firms are working at full capacity, and total returns for the district show production

BUILDING MATERIALS AND CONSTRUCTION ACTIVITIES

CEMENT

An unusually brisk demand for the season prevailed within the cement industry during November. Shipments, while less heavy than for October, were made in considerable volume both by local dealers and by producers. As the requirements for road work fell off, new construction work carried beyond the usual season created a further demand for cement. Production has been carried on at a heavy rate and stocks at the plants are accumulating, although stocks in the hands of dealers are very low. Prices have remained fairly steady.

The report by the Geological Survey for the whole country shows a decrease of about 8 per cent in production and 21 per cent in shipments for the month. November production exceeded shipments and stocks increased 28.5 per cent.

and shipments about on a par with last month. Collections showed little or no improvement during the month.

PERCENTAGE CHANGES IN MOVEMENT OF FURNITURE

	DISTRICT		UNITED STATES	
	NOVEMBER, 1922	CHANGE FROM OCTOBER	NOVEMBER, 1922	CHANGE FROM OCTOBER
Number reporting*..	36	.....	91	.....
Orders	\$2,728,428	—22.1	\$5,484,520	—13.5
Shipments	2,548,741	— 4.5	4,689,563	— 1.2
Cancellations	158,825	+30.5	254,311	+49.4
Unfilled orders, Dec. 1	4,817,116	.....	8,694,161	.....
Production percentage of normal.....	89.2	.....	91.6	.....

*Based on combined returns to Associated Furniture and to this bank.

November orders of fourteen manufacturers in this district were 44.2 per cent greater than in November, 1921, while shipments increased 36.3 per cent and unfilled orders 103.4 per cent. Cancellations increased 47.1 per cent.

BOXES AND CONTAINERS

Although the volume of November sales in the box and container industry declined slightly from the high level reached in October, the seasonal demand for the products of this industry continues. Current production figures show very little change, with twelve reporting firms averaging 90.3 per cent of ordinary capacity. The improvement which has been shown during the past months over conditions of a year ago continues. Below are percentage comparisons of November with October, 1922, and November, 1921.

	NUMBER REPORTING	OCTOBER, 1922	NOVEMBER, 1921
Sales in dollars.....	14	—5.0	+26.2
Boxboard consumption	10	—5.0	+21.7
Lumber consumption	4	+8.3	+51.9

PAPER INDUSTRY

Eleven paper factories in the district report a larger increase over 1921 in number of men employed than for any previous month this year. Measured with October, 1922, there was no material change.

Sales and stocks on hand as reported by three wholesalers are above November, 1921.

LUMBER

The demand resulting from orders for new railroad equipment in car material of all kinds was a marked feature in the lumber industry during November. Building requirements, while showing a decline from the previous month, still continued active, especially for flooring and interior finish. Industrial demand for both hardwoods and softwoods improved, and lumber requirements for crating are especially good. Hardwood is going to the factories in greater volume than earlier in the season. The veneer business has shown a decided improvement over a month ago; buyers are ordering in larger quantities and further ahead of their requirements. Business at retail country yards is quiet.

Shipments of lumber are coming through very slowly and many millwork houses are still reported to

be running several weeks behind on orders. Yard shipments have been heavier than usual on account of transportation delays affecting direct mill shipments. Stocks in the hands of retail dealers are uniformly reported as low or slightly below normal, while those of the large distributing yards show a divergence, some reporting low and others normal. Northern mills are pretty well sold up and are shipping stock practically green.

Prices on hardwoods and the upper grades of softwoods are stiff and showing a tendency to advance.

BRICK

The brick industry also showed an unusual activity during the month of November. Demand, except in some of the larger cities where building is still carried on extensively, was not as strong as in October; but cars for shipping were more available and shipments were made in heavier volume. The volume is reported by several of the large brick plants as twice that of a year ago. Production has been maintained at a fair rate and some of the Chicago plants will continue operating throughout the winter. Practically all the stock of brick is in the sheds of the manufacturers and is below normal. The price for common brick has not changed.

CONTRACTS AND PERMITS

November building construction throughout the district was large including both new work and the completion of work begun. Contracts awarded show a decline in valuation slight for this season of the year, while the value of permits issued in the larger cities of the district increased over the previous month. Total contracts amounted to \$45,428,673; a drop of 12.7 per cent from the October level and an advance of 39.6 per cent over November, 1921. For residential building alone, the contracts awarded increased 9.9 per cent and were higher than during any previous month since June.

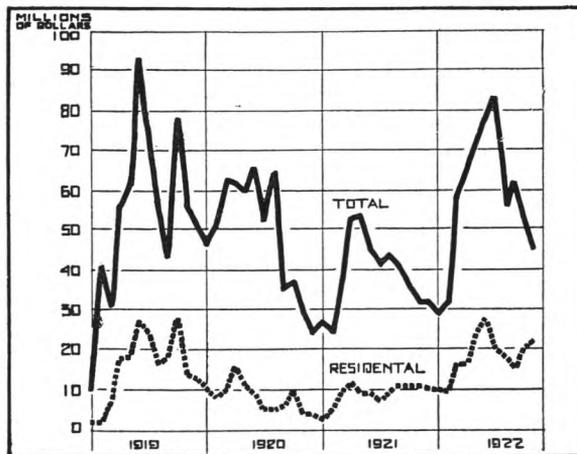
Contract figures for Iowa and Wisconsin show declines of approximately 50 per cent for the month. In Illinois where residential building increased 42 per cent other building decreased proportionately, leaving the total practically unchanged. Michigan showed a slight change in total contracts, while Indiana was the only state of the district to show a definite increase in contracts awarded.

Des Moines, Iowa, made a heavy gain in valuation of permits, reaching a figure almost 14 times that of a year ago. Chicago also shows a heavy increase while Detroit and Milwaukee show declines.

PERMITS AND COST OF BUILDING CONSTRUCTION

	NOVEMBER, 1922		PER CENT CHANGE FROM			
	ESTIMATED	OCTOBER, 1922	OCTOBER, 1922	NOVEMBER, 1922	NOVEMBER, 1921	NOVEMBER, 1921
	PERMITS	COST	PERMITS	COST	PERMITS	COST
Chicago	1,131	\$20,443,000	+ 2.5	+ 36.3	+ 56.9	+ 65.0
Ind'apolis..	983	2,503,014	-30.1	+ 2.9	+ 53.6	+ 133.6
Des Moines	177	4,165,100	+ 7.3	+156.0	+77.0	+1,272.9
Detroit	2,203	7,734,527	+19.9	- 10.7	+98.1	+ 91.4
Milwaukee	3,069	2,523,776	+20.3	- 11.9	+13.9	+ 45.6
36 other cities	3,655	9,873,871	-26.3	+ 9.1	+43.3	+ 43.1
Total	11,218	47,243,288	-21.2	+ 19.2	+43.5	+ 78.7

VALUE OF BUILDING CONTRACTS AWARDED SEVENTH FEDERAL RESERVE DISTRICT



MERCHANDISING CONDITIONS

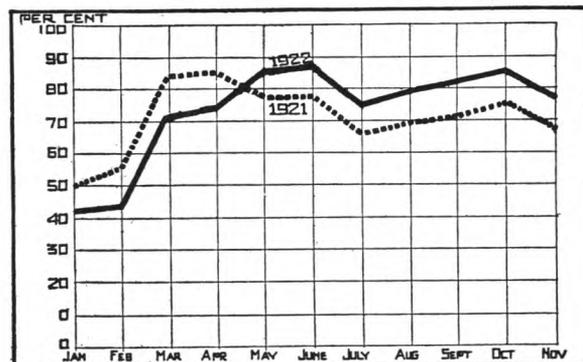
WHOLESALE TRADE

Improvement in wholesale trade during November compared with a year ago was especially pronounced in hardware and automobile accessories, sales of both groups aggregating the largest gains of the year. The general falling off from last month is seasonal, accentuated by the fewer trading days in November.

No stocking up is yet in evidence, the majority of returns showing recessions from both October, 1922, and November, 1921. A few hardware dealers, however, were able to make sales for spring delivery. Dollar collections for this group are nearly 20 per cent larger than last November.

MERCHANDISE	NUMBER	NET SALES—CHANGE FROM	
		OCT., 1922	NOV., 1921
Groceries	34	- 3.0	+ 6.4
Hardware	16	-10.9	+24.3
Shoes	12	-19.0	- 9.9
Drugs	10	- 9.7	+13.2
Dry Goods	9	-13.9	+ 6.8
Automobile Accessories.....	7	-13.4	+93.4

WHOLESALE TRADE—HARDWARE Ratio of sales to average in 1920



Based on returns to this bank of 19 hardware wholesalers

CHAIN STORE SALES

Two grocery chain stores reporting monthly sales to this bank made new records during November. Four other chains show increases over October, while sales for three are below; compared with November, 1921, five out of six made gains.

FEDERAL RESERVE BOARD STATISTICS OF RETAIL TRADE THROUGHOUT THE UNITED STATES

(1919 Monthly Average—100)

	NUMBER	Nov., 1922	Oct., 1922	Nov., 1921
Department Stores.....	176	127.4	131.2	121.3
Mail Order Houses.....	4	112.5	110.0*	83.3
Chain Stores				
Grocery	16	159.1	148.4*	133.5
Drug	7	122.2	133.0	115.2
Shoe	5	122.0	121.2	119.1
Five & Ten.....	4	152.3	156.6	134.1
Music	4	120.7	118.8	107.0
Cigar	3	126.9	127.1	124.8

*Estimated.

RETAIL TRADE

November returns from sixty-two department stores in the district compare most favorably with 1921 sales of any month this year. For the second time the outside group shows an increase while Chicago stores exceed all previous gains. Individually more than 60 per cent of the firms made gains over both last month and a year ago.

Stocks on hand November 30 were larger than at the beginning of the month for nearly half the dealers, and the majority were inventoried higher than in November, 1921. Of forty-two returns showing dollar collections, all but ten are above last year.

	NUMBER	SALES CHANGE FROM		STOCKS CHANGE FROM		TURN- OVER RATE*
		Oct., 1922	Nov., 1921	Oct., 1922	Nov., 1921	
Chicago	10	+ 4.5	+ 8.2	-1.3**	+ 3.5**	4.1**
Detroit	6	+10.2	+28.2	+2.5†	+ 1.5†	3.9†
Des Moines....	3	+ 0.3	- 1.9	+3.5	+13.2	3.7
Outside	43	+ 6.3‡	+ 7.7	+0.6§	- 2.2§	2.4§
District	62	+ 7.6||	+15.7	+1.3||	+ 0.1||	3.0||

*Period, July to November, inclusive.

** 7 firms; † 5; ‡ 42; § 36; || 61; ¶ 51.

MAIL ORDER TRADE

November merchandising as reflected by combined dollar sales of the two leading mail order houses in Chicago is heaviest in two years, and for the first time in 1922, each firm shows total sales for the year ahead of the corresponding 1921 period.

Compared with a year ago, a gain of 31.3 per cent was made, while the decrease from November, 1920, is only 14.4 per cent, which is considerably less than the percentage decline in prices; this would indicate a gain in actual goods shipped.

Wearing apparel continued one of the main features of the increase.

MUSICAL INSTRUMENT AND JEWELRY TRADE

As sensitive barometers of purchasing power, the jewelry and musical instrument trade both show the result of increased buying activity in this district. Total retail sales of two musical instrument firms operating several stores are ahead of last year. In amount of goods handled, jewelry sales for November are well in advance of a year ago, silverware and gold jewelry selling at approximately 1921 prices, with diamonds 20 per cent lower. The watch trade also is considerably better than last year.

TRANSPORTATION CONDITIONS

The seasonal decrease in carloadings for November, 1922, was not as rapid as those of previous years. While November loadings were less than those of the preceding months, they were considerably more than for November of 1921 or 1920. The increase over previous years seems to be evenly distributed among the different commodities.

Measures taken by the Interstate Commerce Commission to relieve the shortage of equipment begin to show their effect. The freight car shortage decreased slightly during the period from November 1 to November 23, partly because of more efficient distribution. More locomotives were repaired from October 15 to November 1 than in any other semi-monthly period in the past two years.

As pointed out by the American Railway Association, during the 130-month period ending October, 1922, the freight car surplus prevailed 87 months and the shortage of cars 43 months. Both of these periods proved to be expensive to the public and increased distribution costs. This indicates a great need, where the commodity will permit, for even distribution of shipments throughout the year.