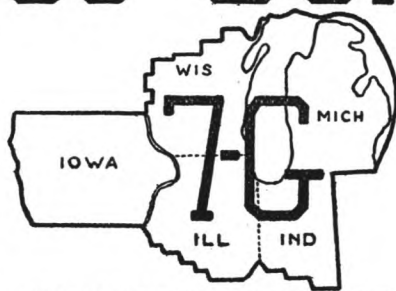


# BUSINESS CONDITIONS

SEVENTH  
FEDERAL



RESERVE  
DISTRICT

Volume 8, No. 5

MONTHLY REVIEW PUBLISHED BY THE  
FEDERAL RESERVE BANK OF CHICAGO

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## BUSINESS CONDITIONS IN THE UNITED STATES

**P**RODUCTION in basic industries was smaller in March than in the two preceding months but was as large as at any time in 1924. Distribution of merchandise both at retail and wholesale was in greater volume than a year ago. Wholesale prices, after increasing since the middle of 1924, remained in March at about the same level as in February.

**PRODUCTION**—The Federal Reserve Board's index of production in basic industries declined in March to a level 5 per cent below the high point reached in January. Iron and steel production and cotton consumption showed less than the usual seasonal increase during March and activity in the woolen industry declined. There was a further decrease in the output of bituminous coal. Increased activity in the automobile industry was reflected in larger output, employment, and payrolls. In general, factory employment and payrolls increased during the month. Value of building contracts awarded in March was the largest on record, notwithstanding the recent considerable reduction in awards in New York City.

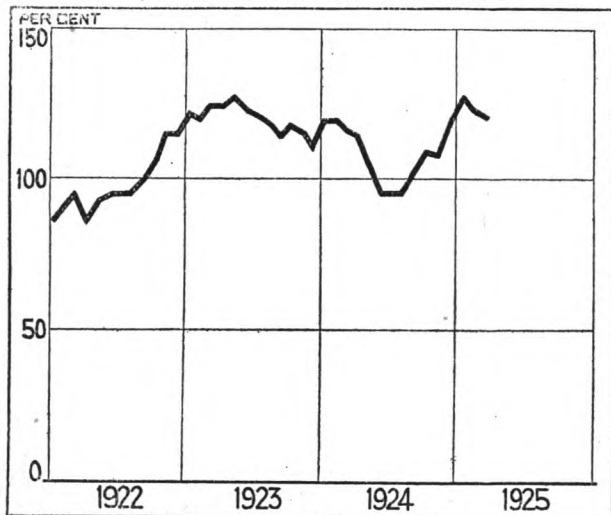
**TRADE**—Wholesale trade in all principal lines increased in March and the total was larger than a year ago. Sales

at department stores and by mail order houses increased less than is usual at this time of the year. Stocks of shoes and groceries carried by wholesale dealers were smaller at the end of March than a month earlier, and stocks of dry goods, shoes, and hardware were smaller than last year. Stocks of merchandise at department stores showed more than the usual seasonal increase and were somewhat larger than last year.

**PRICES**—Wholesale prices of most groups of commodities included in the index of the Bureau of Labor Statistics declined somewhat in March but owing to an advance of food prices, particularly of meats, the general level of prices remained practically unchanged. Prices of many basic commodities, however, were lower at the middle of April than a month earlier.

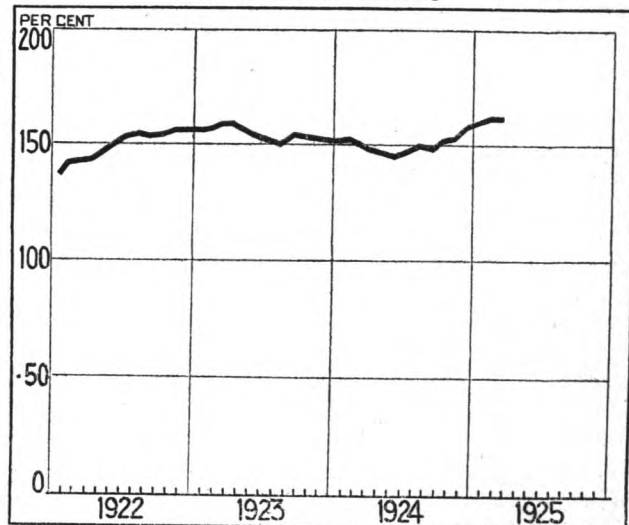
**BANK CREDIT**—Volume of loans and investments at member banks in principal cities continued at a high level during the five-week period ending on April 15. Total loans declined, reflecting chiefly a reduction in loans on stocks and bonds, and also some decrease in loans for commercial purposes. Investment holdings, which early

PRODUCTION IN BASIC INDUSTRIES



Index of 22 basic commodities corrected for seasonal variation (1919=100). Latest figure, March, 1925: 120.

WHOLESALE PRICES



Index of U. S. Bureau of Labor Statistics (1913=100, base adopted by the Bureau). Latest figure, March, 1925: 161.

Compiled April 27, 1925

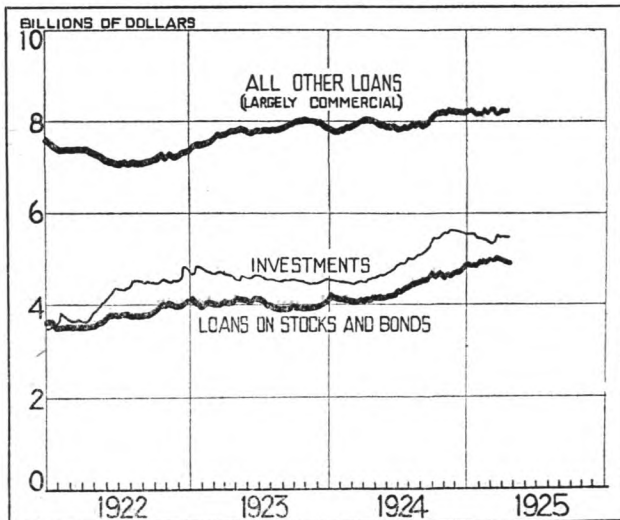
in March had been nearly \$300,000,000 below the high point of last Autumn increased by the middle of April by about half this amount. Demand deposits, after declining rapidly between the middle of January and March 25, increased during the following weeks, but on April 15 were still \$633,000,000 below the maximum reached in January.

At the Reserve banks the volume of earning assets on April 22 was about \$75,000,000 below the high point at the end of February, but continued above the level of

a year ago. Discounts for member banks were about twice as large in April as at the exceptionally low point in the middle of January, while total United States securities and acceptances held were in smaller volume than at any time during the year.

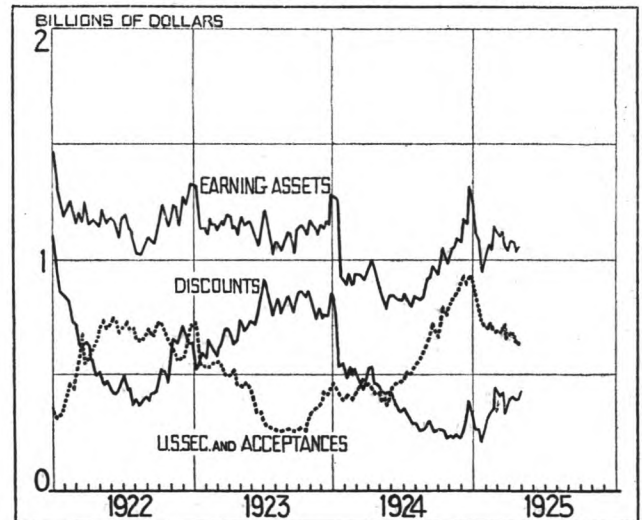
Somewhat easier money conditions in April were indicated by a decline of one-eighth of one per cent in the open market rate on 90-day acceptances to  $3\frac{3}{8}$  per cent and by sales of prime commercial paper at below 4 per cent.

MEMBER BANK CREDIT



Weekly figures for member banks in 101 leading cities. Latest figures, April 15, 1925: All Other Loans, 8,220 million; Investments, 5,482 million; Loans on Stocks and Bonds, 4,908 million.

FEDERAL RESERVE BANK CREDIT



Weekly figures for 12 Federal Reserve banks. Latest figures, April 22, 1925: Total Earning Assets, 1,053 million; Discounts, 412 million; United States Securities and Acceptances, 629 million.

## BUSINESS CONDITIONS IN THE SEVENTH RESERVE DISTRICT

CONSIDERABLE unevenness continues in the business situation of the Seventh district. Of the statistics reported to this bank for March, however, the majority indicate some improvement during the month. Large increases took place both over the preceding month and a year ago in the number of building contracts and permits issued with a consequently accelerated movement of construction materials—an activity which tended to offset general declines in other industries and to keep aggregate employment in the district nearly at the previous month's level.

The February-March expansion in automobile output was pronounced, reflecting increased sales and bringing production schedules closer to last year's mark. Iron and steel plants maintained a high rate of activity, daily production for both exceeding that for February; demand, however, has been quiet, and production is being gradually modified. Shoe production and shipments during March were larger than in February or a year ago. In agricultural machinery and equipment sales continued to increase and are considerably ahead of the previous year. Similarly, distribution of other goods as reflected by the wholesale and department store trade data showed general expansion.

Agricultural developments of the month were the new monthly record for future grain contracts, reduced operations at mills of reporting flour companies, and the increase in output and receipts of dairy products. The movement

of livestock during March was smaller than in February, and meat packing production declined; sales increased in the last named industry, but export trade was curtailed.

In the money market demand changed little in volume, with rates relatively stable. Bonds were less active than during February. The volume of payment by check increased over the preceding month, and savings deposits reached a new high point. A larger number of business failures than a year ago was reported for the district but with a much smaller aggregate liability.

### CREDIT CONDITIONS AND MONEY RATES

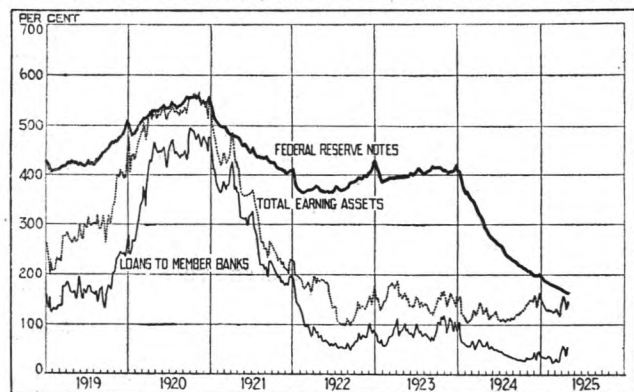
Little change from those obtaining a month ago has taken place in credit conditions in the Seventh district; bankers in sections primarily identified with manufacturing report continued fair demand for accommodation, but in agricultural areas little difference, or a tendency toward lessened credit requirements, is indicated. In Chicago, the tightening of the money market noted a month ago appears to have been but transitory, for general ease has again become the rule, with rates generally holding their own, however. Current quotations are as follows: Commercial paper,  $3\frac{3}{4}$  to 4 per cent compared with  $3\frac{1}{2}$  to 4 a month ago; over-the-counter loans  $4\frac{3}{4}$  to  $5\frac{1}{2}$  and collateral loans  $4\frac{1}{2}$  to  $5\frac{1}{4}$  as against  $4\frac{1}{2}$  to  $5\frac{1}{2}$  the middle of March.

Total earning assets of the Federal Reserve Bank of Chicago have been on a higher level during the five-week period beginning March 18, on April 1 reaching \$154,230,-

000, the highest figure since December 24. On April 22, however, the total declined \$8,500,000 from April 1. Loans to member banks have followed a similar trend, the figure of \$57,893,000 on April 1 being the highest aggregate since May 7, 1924, when \$65,206,000 was shown. A drop from the preceding week of about \$8,000,000 was reported on April 8, and a further decline of \$10,000,000 the subsequent week, but on April 22, loans to members increased to \$54,906,000. Federal Reserve notes in circulation continued to lessen in volume, \$162,784,000 on April 22 comparing with \$169,188,000 on March 25.

Loans and discounts of reporting member banks displayed considerable week-to-week fluctuation, showing a distinct downward trend the second half of March, but on April 8 reacting to \$1,943,754,000 compared with \$1,927,842,000 the preceding week. This increase was the result of heavier loans on stocks and bonds, particularly in Chicago, and also of slightly increased loans on collateral other than United States securities and stocks and bonds in Detroit. Practically no change from the preceding week was shown in loans and discounts on April 15. Investments continued to show a lowering trend though reports have exhibited considerable weekly changes, aggregate holdings of reporting members on April 15 representing a decline of about \$2,500,000 from the preceding week, and a decrease of over \$10,000,000 from the corresponding reporting date in the preceding month, March 18. Demand deposits since that date have been at a lower level than in the preceding five-week period, continuing a generally downward tendency since January 14, subject, however, to increases from the preceding week on several reporting dates. On April 15, the aggregate of \$1,709,461,000 was nearly \$31,000,000 above April 1 but less than on March 18 by approximately the same amount. Time deposits have increased quite steadily during recent months; an aggregate of \$943,197,000 April 15 compared with \$936,407,000 on April 1, and with \$937,766,000 on March 18.

#### POSITION OF THE FEDERAL RESERVE BANK OF CHICAGO



Latest figures, April 22, 1925, in thousands of dollars: Federal Reserve Notes, 162,784; Total Earning Assets, 145,778; Loans to Member Banks, 54,906.

Seventh district commercial paper dealers reported 8.1 per cent more sales in March than in February. Marked firming up in rates brought the prevailing quotation from  $3\frac{3}{4}@4$  per cent in February to 4 per cent in the month under review. Demand for paper has been fair, although spotty, with the large Chicago banks continuing small purchasers. The supply of paper was moderately good. Paper outstanding throughout the country by twenty-three deal-

ers amounted to \$735,449,000 on March 31, compared with \$743,790,000 at the close of February.

Reports from Chicago dealers in the open bill market for the four-week period ended April 15 show a reduction of 38.8 per cent in purchases of bills, and of 25.3 per cent in sales, compared with the preceding equal period. While the aggregate of sales was reduced, those to the Federal Reserve bank increased considerably. Holdings at the close of the period were but slightly over one-half those of March 18. Softening in rates was reflected by April 15 bid quotations for 90-day bills at  $3\frac{1}{8}@3\frac{1}{4}$  per cent compared with  $3\frac{3}{8}$  per cent at the close of the preceding reporting period. Offered rates (90-day) moved down from  $3\frac{1}{4}$  per cent to  $3@3\frac{1}{8}$  per cent. Bills were in fair supply and demand, three months and shorter maturities going best. Commodities involved were grain, harvesting machinery, oil, cotton, and provisions.

Operations of accepting banks in this district during March were on a markedly smaller scale than in the prior heavy month. The volume of bills accepted was 25.4 per cent less than in February, while purchases were reduced 4.6 per cent, and sales 24.2 per cent. These operations resulted in a reduction of 3.1 per cent in the aggregate of acceptances held on March 31, and diminished the liability of the banks for their outstanding acceptances 1.0 per cent. Holdings by the banks of their own acceptances advanced 1.5 per cent. Federal Reserve bank operations in the market resulted in purchases of \$26,558,354, holdings of \$43,429,069 on March 31 comparing with \$42,923,912 on February 28.

**Agricultural Financing**—Total loans outstanding in the five states including the Seventh Federal Reserve district on March 31 of twenty-two Joint Land banks represented a gain of nearly \$5,000,000 over February 28, and four Federal Land banks showed an increase of \$1,300,000 in the corresponding comparison. The respective aggregates on March 31 were \$174,471,313 and \$151,772,382. Loans and discounts of four Federal Intermediate Credit banks in the same territory at the close of March were \$956,255, compared with \$1,063,663 on February 28 and \$1,118,577 on January 31.

**Volume of Payment by Check**—Thirty-five clearing house centers in the district reported an increase in the aggregate of check payment in March of 22.2 per cent over February, and of 13.6 per cent over March, 1924. The four larger cities, Chicago, Detroit, Milwaukee, and Indianapolis, showed a gain in the total of 22.8 per cent above March, and 14.2 per cent greater than a year ago. In thirty-one smaller reporting centers the total volume of payment by check increased 19.0 per cent from last month, and 10.2 per cent from the corresponding month in 1924.

**Savings**—Aggregate savings deposits on April 1, 1925, for 197 reporting banks were 0.2 per cent heavier than on March 1, representing for the district as a whole and by states for Indiana and Iowa, the highest amounts on record, while for Michigan and Illinois the totals have been exceeded but once before—Michigan in the previous month and Illinois at the beginning of the year. Nearly two-thirds of the banks reported larger April 1 balances than a year ago, increases ranging from 1.8 per cent for Wisconsin to 8.0 per cent for Iowa, and amounting for the district to 3.1 per cent, as compared with 3.7 per cent, the net gain for the first three months of 1925.

In the average size of account, increases in Indiana and

Iowa, and decreases in the three other states—all less than one per cent—averaged for the entire group a drop of 0.3 per cent from the preceding month. Compared with April 1, 1924, Illinois and Wisconsin registered 0.2 per cent gains, Iowa 1.8, and Indiana and Michigan over 2 per cent.

**Bonds**—Demand in the bond market slackened during the latter part of March and the first week of April with prices showing a reactionary tendency. Since then there

## AGRICULTURAL PRODUCTION AND FOODSTUFFS

On the basis of the Government report for April, the production of winter wheat in the five states including the Seventh district has been forecast by a reliable crop estimator as 90,000,000 bushels for 1925 as compared with the 94,990,000 crop last year, although the plant in Illinois is in better condition than last spring. Largely due to damage by winter killing and drought in Nebraska, Kansas, Oklahoma, New Mexico, and Texas and also because of freezes in Oregon, Washington, and Idaho, the production for the United States was forecast at 474,255,000 bushels compared with 590,037,000 bushels harvested last year, according to an estimate for April 1, released by the Bureau of Agricultural Economics. Conditions in the United States at the beginning of April indicated a total yield of 61,652,000 bushels of rye compared with 63,446,000 bushels, the final figures for 1924.

The Des Moines office of the Bureau of Agricultural Economics estimates that the number of cattle on feed declined 15 per cent in Iowa, 20 per cent in Indiana, 10 per cent in Illinois, and 5 per cent in Michigan on April 1, 1925, from holdings on the corresponding date last year. A total reduction of 12 per cent was shown for the eleven corn belt states, although in Kansas and Wisconsin the number remained unchanged from April 1, 1924.

**Grain Marketing**—The daily volume of grain receipts at terminals of the United States showed some recession after the middle of March, due to the unsettled condition of the market and to the favorable weather which in a measure turned farmers' attention toward preparation of the soil for spring planting. During March a greater quantity of grain moved out of interior primary markets than in the prior month, although arrivals of wheat and oats at these centers totaled less than in February or the corresponding month of last year. Receipts of corn, however, rose slightly above the February figures.

Contracting for future delivery of grain reached a higher level on the Chicago Board of Trade during March than for any other calendar month on the records of the Exchange Supervisor, while preliminary reports indicate that exportations increased slightly over totals for February.

Although visible supplies of wheat, oats, rye, and barley for April showed a reduction from March, the holdings of oats, barley, and corn at points of accumulation in the United States exceeded figures for the corresponding month of 1924. Stocks of corn and barley are not burdensome, on account of the limited supply of these grains remaining on farms.

Grain prices rallied slightly in April, following a series of sharp declines which by the end of March had carried quotations for corn and wheat back to November levels and those of oats to the lowest point since December, 1923.

**Flour**—Declining prices of flour apparently offered no stimulation to trading during March, as sales by mills in

has been a slight strengthening both in demand and prices. The municipal market has shown considerable activity recently, no doubt partly attributable to the large amount of money available for investment from the sale of a Detroit automobile plant. First mortgage real estate bonds were in good demand as were public utilities, but foreign bonds, owing to the French situation have not been so popular as they were earlier in the year.

this district decreased for the second successive month. Operations of the reporting firms were considerably curtailed, while figures furnished by the Chicago Board of Trade indicate that the movement of flour through the city was lighter than in February. The following table will show the developments which took place in the Seventh district:

	CHANGES IN MARCH, 1925, FROM PRECEDING MONTHS			
	PER CENT CHANGE FROM		COMPANIES INCLUDED	
	FEBRUARY 1925	MARCH 1924	FEBRUARY 1925	MARCH 1924
Production (bbls.) .....	-15.6	- 7.9	38	38
Stocks of flour at end of month (bbls.) .....	+ 5.1	-19.1	32	32
Stocks of wheat at end of month (bu.) .....	- 6.5	+11.4	33	33
Sales (volume) .....	- 9.5	+ 1.5	17	15
Sales (value) .....	-16.5	+44.6	17	15

Production includes wheat and other flours. Balance of items refer to wheat flour only.

**Movement of Live Stock**—The increase in lamb receipts during March to levels slightly greater than in January was due partly to the more extensive liquidation than a year ago of heavy-weights from Colorado and Nebraska feeding stations and to the unusually early opening of the 1925 shipping season for springers in California, Arizona, and Tennessee. Although the supply of good quality butcher cows was none too liberal, fed steers continued to arrive from corn belt states so that the aggregate showed the usual seasonal increase over February. Hog marketings receded toward summer levels while continuing to reflect the result of curtailed pig production last fall.

### LIVE STOCK SLAUGHTER

	CATTLE	HOGS	LAMBS AND SHEEP	CALVES
Yards in Seventh District, March, 1925 .....	244,296	754,236	270,972	165,666
Public Stock Yards in U. S. March, 1925 .....	728,661	2,284,998	835,782	450,376
February, 1925 .....	624,508	3,063,008	725,309	360,654
March, 1924 .....	632,886	2,975,596	719,010	358,083
March, 1923 .....	610,571	3,233,638	805,096	345,138

Shipments of cattle and calves to corn belt feed lots gained in March and were slightly greater than a year ago but the movement of lambs lessened from February.

### AVERAGE PRICES OF LIVE STOCK

	PER HUNDRED POUNDS AT CHICAGO			
	WEEK ENDED		MONTHS OF	
	APRIL 11, 1925	MARCH 1925	FEB. 1925	MARCH 1924
Native Beef Steers (average).....	\$10.25	\$10.25	\$ 9.35	\$ 9.55
Fat Cows and Heifers.....	7.25	6.65	5.65	6.05
Hogs (bulk of sales).....	13.25	13.55	11.05	7.35
Yearling Sheep .....	9.25	13.50	14.05	12.50
Lambs .....	14.35	16.20	17.50	15.65

**Meat Packing**—Increased activity in beef, veal, and mutton departments was apparently offset by a decline in the pork section, a condition which resulted in lower production during March than in February at slaughtering establishments in the United States. Employment declined 5.6 per cent in number, 3.7 per cent in hours worked, and 4.3 per cent in value for the period covered by the last payroll in March compared with corresponding figures for the prior month. Sales in dollars reported by fifty-seven packers in the United States totaled 3.5 per cent greater than

in February and increased 18.2 per cent over March last year. Demand was rather limited because of religious holidays; inventories showed some reduction during March. Stocks of pork in the United States were slightly greater than the 1920-24 five-year average for April 1, although less than a year ago. Lard holdings rose above levels for April 1, 1924, as well as the five-year average for this season.

Pork prices continued to advance at Chicago until late in March after which time they eased off slightly. Quotations for beef tended to strengthen, those for mutton held firm, while both veal and lamb showed an easier tone than in February. A vertical advance the first week in March carried the price of pork loins to very high levels; later in the month quotations showed a decided recession, although continuing to average considerably above February.

Export trade failed to show any improvement, partly because foreign producers seemed disposed to offer large supplies of their product at lower prices than their American competitors were compelled to ask and because of a seasonal lull in consumption demand. The curtailment in consignments and straight sales resulted in a smaller total volume of meats and lard being forwarded in March for export than in February.

Reports from representative firms indicate that stocks abroad increased slightly over the holdings of March 1.

**Dairy Products and Poultry**—Aggregate production of

butter reported for March by seventy-eight creameries in the Seventh district totaled 14.5 per cent more than in February but declined 1.3 per cent from the corresponding period last year. Statistics issued weekly by the American Association of Creamery Butter Manufacturers indicate March output in the United States as larger than that for the prior month although a decline was shown from March, 1924. Sales by producers in the Seventh district increased 15.7 per cent above those for February and were 4.6 per cent greater than a year ago.

Wisconsin factories manufactured a greater quantity of cheese in March than in the preceding month or in the corresponding period of 1924.

Owing to favorable weather conditions resulting in a greater supply, receipts of dairy products showed seasonal increases at Chicago during March but the quantity of poultry that arrived was limited. Heavy withdrawals from warehouses before the beginning of the new fiscal year on that date reduced April 1 inventories of cheese, butter, and poultry in the United States to a lower level than at the beginning of the preceding month, while the early movement of eggs into storage resulted in stocks of that commodity showing more than the usual gain at this season.

Prices of eggs and turkeys declined in March but those for other products strengthened. Quotations for butter, cheese, eggs, and live fowls tended to decline in early April, but those for most kinds of poultry held moderately firm.

## INDUSTRIAL EMPLOYMENT CONDITIONS

The main increases in industrial employment during the month of March were furnished by industries affected by the seasonal expansion of building and construction activity. Stone quarries, brick yards, and cement plants made substantial additions to their working forces while lumber manufacturers slightly expanded their operations. Paper and printing was the only other reporting industrial group that showed a gain in either men or payrolls for the month. The decreases, however, except where seasonal, were not heavy, and the aggregate loss for all the groups, employing 382,087 men, was 0.7 per cent in men and 1.5 per cent in payrolls. The most significant change was in the metals and metal products group, where the trend turned downward after a steady expansion since early last fall. The decreases in this group were 0.5 per cent in employment and 1.0 per cent in payrolls. In the vehicles group, representing mainly the automobile industry and railroad

shops, no change was recorded in employment but payrolls receded slightly. Reports from the Employers Association of Detroit indicate a gain of 6 per cent in the employment of that city during the month.

The heaviest declines reported for the district were of a seasonal nature, food products and textiles curtailing employment by 2.0 and 3.0 per cent, respectively. Leather and rubber products also suffered definite declines, the former showing a reduction of 6 per cent in its payrolls.

Changes in outdoor employment caused some increases in the demand for labor. While building and construction work engaged more men, however, the coal mines laid off a still greater number. Employment offices report a lessening ratio of applicants to positions available. In Indiana this ratio declined from 128 the first week in March to 113 early in April, and in Illinois from 174 to 161 during the same period.

### EMPLOYMENT AND EARNINGS—SEVENTH FEDERAL RESERVE DISTRICT

INDUSTRIAL GROUP	NUMBER OF WAGE EARNERS WEEK ENDED			TOTAL EARNINGS WEEK ENDED		
	MARCH 15	FEBRUARY 15	PER CENT CHANGE	MARCH 15	FEBRUARY 15	PER CENT CHANGE
All groups (10).....	382,087	384,570	-0.7	\$9,761,408	\$9,913,874	-1.5
Metals and metal products (other than vehicles).....	150,355	151,050	-0.5	3,635,764	3,671,248	-1.0
Vehicles.....	44,538	44,534	+0.0	1,317,331	1,327,274	-0.7
Textiles and textile products.....	39,435	31,061	-2.0	722,871	758,557	-4.7
Food and related products.....	48,204	49,943	-3.5	1,256,019	1,318,455	-4.7
Stone, clay, and glass products.....	12,050	11,702	+3.0	338,034	329,456	+2.6
Lumber and its products.....	37,006	36,707	+0.8	869,512	869,503	+0.0
Chemical products.....	10,125	10,180	-0.5	261,874	264,275	-0.9
Leather products.....	16,127	16,366	-1.5	355,377	377,890	-6.0
Rubber products.....	3,096	3,130	-1.1	83,032	84,909	-2.2
Paper and printing.....	30,151	29,897	+0.9	921,594	912,307	+1.0

## COAL

A substantial reduction in Midwest bituminous output was recorded during March. Production for Illinois aggregated 4,214,136 tons, a decline from February of 14 per cent and of 16 per cent from March, 1924. Curtailment of operations has been greater in Indiana and Illinois than

in the districts where production costs are less. The percentage of working time lost due to lack of orders increased during March in both the states named. Demand for domestic sizes is practically non-existent and, while screenings display strength because of the scarcity of sup-

ply, the contracts usually placed at this season of the year have not been forthcoming. Prices of screenings are firm, while those of the coarser coals weakened after the middle of March but have changed little the past few weeks.

For the United States, total bituminous output of 37,-

626,000 tons represented a decline of 3.5 per cent from February and of 8.8 per cent from March last year. Anthracite production for March totaled only slightly less than in the preceding month but was considerably under that of March in several previous years.

## MANUFACTURING ACTIVITIES AND OUTPUT

**Automobile Production and Distribution**—Decided expansion in operations was recorded for March in the automobile industry. Identical American manufacturers produced 326,140 passenger cars during that month, compared with 246,671 in February, or a gain of 32.2 per cent; in March, 1924, output exceeded that of the preceding month by only 3.6 per cent. In the year-to-year comparison the decline of 6.4 per cent was the smallest since last April when the curtailment in production schedules began. Output of trucks continued to display healthy gains during March, total production of 42,274 cars representing an increase of 32.0 per cent over February and 27.9 per cent over March, 1924.

Receipts of cars by dealers from manufacturers producing 62.6 per cent of the March output increased 31.2 per cent over the preceding month, while sales by these dealers to consumers gained 50.8 per cent. In consequence, the ratio of sales to receipts climbed from 87.2 in February to 100.2 in March; the ratio was 103.6 last year and 115.6 in March, 1923. Seventy-seven dealers and distributors in the Middle West reported to this bank that their March sales of new cars at both wholesale and retail, as well as those of used cars, gained substantially over the preceding month, although the number of new cars sold at retail was somewhat smaller than a year ago. About fifty per cent of their month's retail sales were made on the deferred payment plan, according to forty-seven dealers reporting this item. The number of cars held by dealers on March 31 was slightly less than on February 28 and decidedly lower than last year.

### DISTRIBUTION OF AUTOMOBILES

Changes in March, 1925, from previous months

	PER CENT CHANGE FROM		COMPANIES INCLUDED	
	FEBRUARY 1925	MARCH 1924	FEBRUARY 1925	MARCH 1924
<b>New cars</b>				
<b>Wholesale—</b>				
Number sold .....	+14.5	+ 1.7	45	40
Value .....	+12.1	+ 3.2	45	40
<b>Retail—</b>				
Number sold .....	+48.9	— 6.1	74	69
Value .....	+45.8	+ 7.4	74	69
<b>On hand March 31—</b>				
Number .....	— 4.4	—51.3	77	71
Value .....	— 3.2	—44.1	77	71
<b>Used cars</b>				
Number sold .....	+34.1	+50.6	75	71
<b>Salable on hand—</b>				
Number .....	— 0.8	+ 6.5	75	70
Value .....	— 0.3	+ 4.8	75	70

**Agricultural Machinery and Equipment**—Sales of agricultural machinery and equipment during March showed further seasonal expansion in the United States with the total value for the first quarter of 1925 of manufacturers' domestic and export billings continuing considerably ahead of the corresponding quarter in either 1924 or 1923. Since January, production has risen slightly above last year but monthly totals remain under the average level for the first half of 1923. Employment for March was equivalent to 61.1 per cent of the estimated normal for that month. Thirty-three of the manufacturers reported practically no change from a year ago in volume of bookings for future delivery, sixteen showed increases while commitments to four concerns declined.

### PRODUCTION AND SALES OF FARM EQUIPMENT IN THE UNITED STATES

Changes in March, 1925, from the previous months

	PER CENT CHANGE FROM		COMPANIES INCLUDED	
	FEBRUARY 1925	MARCH 1924	FEBRUARY 1925	MARCH 1924
Domestic sales .....	+27.1	+41.6	109	109
Sales billed for export .....	+ 0.7	—10.5	109	109
Total sales .....	+23.9	+33.7	109	109
Production .....	+ 2.7	+ 3.5	104	103

Sales based on dollar amounts. Production computed from employment.

**Iron and Steel Products**—A gradual recession in production schedules is taking place in the iron and steel industry, but operations are still at a high rate and first-quarter output of both pig iron and steel ingots exceeded that of any corresponding period on record. Average daily production of steel ingots in the United States totaled 160,782 tons for March, an increase of 3.2 per cent over February, while average daily pig iron output of 114,975 tons gained 0.2 per cent over the preceding month; in the Illinois and Indiana district the increase in the latter was 1.9 per cent. For the first time since last July unfilled orders of the United States Steel Corporation registered a decline, the amount on the books March 31 aggregating 4,863,564 tons, a decrease from February of 8.0 per cent, although a gain over last March of 1.2 per cent. Demand has been quiet in both the iron and finished steel markets, with the building, automobile, and farm implement industries furnishing most of the new business developing. Order books of Chicago mills showed a falling off during March in the volume of new tonnage purchased, the first recession reported in some time. March shipments were heavy in this territory, however, and sufficient business still remains to assure a fair rate of output throughout the balance of the second quarter.

The tendency of both iron and finished steel prices has been slightly downward, with levels in the Chicago district more stable than elsewhere, although reductions have taken place here in the price of pig iron while scrap iron and steel prices have declined further. A lowering in the price of Lake Superior iron ore also has been announced recently. The *Iron Trade Review* composite average of fourteen leading iron and steel products was \$39.05 on April 22, in comparison with the high for this year of \$41.22 on February 4 and with \$42.01 on April 23, 1924.

Foundry conditions in the Seventh district continued unusually good during March. Production of twenty-eight iron and steel casting foundries reporting to this bank increased 12.7 per cent over the preceding month and 15.5 per cent over March last year. Shipments were 11.1 per cent heavier in tonnage and 12.2 per cent greater in value than in February and exceeded those of a year ago by 15.5 and 1.2 per cent, respectively. Stove and furnace manufacturers also increased their shipments during March, though orders were below the February volume, as well as slightly under a year ago.

**Shoe Manufacturing, Tanning, and Hides**—Shoe output for the district, although somewhat under March, 1923, reached a higher level in March this year than at any time since last December and exceeded that of March, 1924, and

1922. Shipments rose 4.1 per cent above March production. Stocks on April 1 were about at the same level as those in the beginning of the prior month. Inventories reported by twenty-nine of the companies were equivalent to 82.9 per cent of their volume of shipments for March. Twenty-six companies held a sufficient quantity of unfilled orders on April 1 to assure them of slightly more than one month's business based on their present operating schedules.

**CHANGES IN THE SHOE MANUFACTURING INDUSTRY IN MARCH, 1925, COMPARED WITH PREVIOUS MONTHS**

	PER CENT CHANGE FROM		COMPANIES INCLUDED	
	FEBRUARY	MARCH	FEBRUARY	MARCH
	1925	1924	1925	1924
Production .....	+10.1	+12.8	35	34
Shipments .....	+10.1	+11.0	35	34
Inventories .....	+ 0.9	- 7.1	27	25
Unfilled orders .....	- 8.0	-17.3	26	26

Except for improved demand for specialties from the automobile trade and for belting from industrial concerns, business at tanneries was rather quiet which accounted for the aggregate sales of leather being indicated as slightly lower than those for February. Production continued at comparatively low levels with half the reporting concerns showing a slight increase from a month ago, although output in a few tanneries declined while in others it remained nearly stationary. Prices are tending toward easiness due to limited trading.

At Chicago, trading for packer hides and calf skins was slightly more active, at lower prices, however, than in February. Statistics compiled by the Board of Trade show that March receipts and shipments of hides and skins at Chicago totaled less than in the prior month.

**Furniture**—Although half of the firms reported gains, the

aggregate amount of orders booked during March by twenty furniture manufacturers in the Seventh district decreased 18.9 per cent from the preceding month. New business received increased 3.1 per cent over March a year ago, but was 11.2 per cent less than in March, 1923. Shipments—15.7 per cent heavier than in February—kept pace with incoming business so that unfilled orders on hand March 31 were 3.9 per cent less than on February 28, but exceeded those of the same date in 1924 by 72.2 per cent. March cancellations were 7.1 per cent of orders, in comparison with a ratio of 3.5 per cent in the preceding month. Last year manufacturers had only four weeks' business on their books at the rate of the March shipments, while this year it would take about eight weeks to move the orders still unfilled. Mills are now running at 85.5 per cent of capacity, compared with 87.0 in February and 82.5 in March a year ago.

**Raw Wool and Finished Woolens**—No improvement was noted in the domestic wool market during March. Prices followed a downward trend, while the volume of sales was very light, buying being entirely of a hand-to-mouth nature. The supply of domestic wools still remains below normal, but the new clip has now started to arrive from the West so that this condition may shortly be alleviated; slight interest has so far been displayed in buying of the new wool. Foreign markets continued to decline during March but closed somewhat firmer at the end of the month. Little change is to be reported in the finished goods market, as development of both men's and women's wear goods for the fall season has been slow.

**BUILDING MATERIALS AND CONSTRUCTION ACTIVITIES**

A break in the prevailing quiet of the lumber industry became apparent during March, sales for the month aggregating 18 per cent more than for the previous month and 2 per cent more than the March, 1924, volume. The activity was still below expectations of manufacturers and dealers of the district who report an exceedingly cautious attitude on the part of consumers as well as a somewhat unsatisfactory price situation. Stocks have accumulated slightly during the past month and are generally reported as larger than a year ago. For the first quarter of the year, the volume of lumber received at Chicago was 13 per cent more than in 1924, while the volume shipped out was 4 per cent less, leaving a net volume in Chicago that surpassed that of the first quarter of 1924 by 48 per cent.

While the movement of cement was greatly accelerated during March, the volume of shipments remains lighter than a year ago and producers report heavier stocks in warehouses with indications that the producing capacity exceeds that of consumption. A heavy demand is anticipated, however, with the expansion of construction and road work

this spring. Throughout the United States, the operations recorded for March were large; production increased 33.7 per cent over the preceding month, shipments 70.9 per cent, and stocks showed a further accumulation of 2.7 per cent. In comparison with these items of a year ago, the figures were 6.4, 14.3, and 12.4 per cent larger, respectively.

Brick yards are operating at full capacity but shipments are unusually heavy, and stocks are somewhat reduced. Both demand and shipments in this industry are ahead of a year ago.

**Building Construction**—The contracts awarded during March amounted to \$90,304,813, or 72.7 per cent more than in February and 49.5 per cent ahead of the March, 1924, volume. This brings the cumulative awards for the first quarter of the year to an aggregate value of 15.4 per cent in excess of the corresponding period a year ago. A large volume of permits also was recorded for March, those issued in forty-seven cities of the district exceeding those of February by about 60 per cent in number and 30 per cent in estimated cost. The gains over a year ago were respectively 6.0 per cent in number and 0.9 per cent in cost.

**MERCHANDISING CONDITIONS**

**Wholesale Trade**—With the exception of three grocery and three dry goods dealers, all wholesalers reporting to this bank indicated a larger volume of goods distributed during March than in February; this increase reflected the longer month and the broadening in activity apparent in the spring. For groceries, hardware, and drugs, the gains were more marked than corresponding increases in 1924, and for dry goods contrasted with a general drop in sales last year.

In the year-to-year comparison, the majority of hardware and drug dealers and about half the grocery firms showed increases over March, 1924, bringing aggregate first-quarter sales for hardware to practically the same level as a year ago, and for drugs and groceries to within 1.0 per cent of the 1924 volume. Dry goods and shoe firms, however, continued as during January and February below last year, business for the three months averaging for the

former a decline of 14 per cent and for the latter 25 per cent.

Collection comparisons are similar to those for sales, the five commodity groups reporting larger amounts received in March than during February, with groceries, hardware, and drugs registering gains over a year ago as well. All hardware firms furnishing figures for accounts outstanding March 31, and except for groceries most of the dealers in other groups, showed net increases since February 28. For thirty-eight out of seventy-nine firms accounts outstanding were likewise heavier than at the end of March, 1924; in proportion to sales, however, forty-five of these firms have smaller amounts on their books this year than last.

In the value of stocks held March 31 changes from the preceding month ranged from 3.6 per cent decline for shoe firms to 8.2 per cent increase for hardware. Grocery stocks for the eighth consecutive month were above the corresponding date of the previous year; for the other groups average inventories during the first quarter of 1925 have been below last year.

**Department Store Trade**—For nearly three-fourths of the department stores reporting to this bank, the volume of goods sold during March was heavier than a year ago, the earlier Easter this year contributing more substantially to the month's business. This factor likewise affected the February-March comparisons in which all but five stores showed gains, averaging for the district much higher than

last year, although somewhat less than in the three years 1921-1923. Aggregate sales for the first quarter of 1925 for half the stores were larger than during the corresponding period in 1924.

Accompanying the March expansion in trade was the usual seasonal increase in accounts outstanding, the balance at the end of the month for sixty stores being 2.6 per cent heavier than on February 28; nearly two-thirds of the firms were carrying larger amounts on their books than a year ago. Collection trends during the month varied, about half the stores receiving smaller amounts than in February; comparisons with a year ago were similarly divided. For forty-two firms the ratio of collections during March to accounts receivable at the beginning of the month was 43.0 per cent, as compared with 44.1 per cent a year ago.

With three exceptions all stores recorded net gains in stocks during the month, increasing the aggregate for fifty-nine firms on March 31 to 8.4 per cent above February 28. Lower inventories than a year ago at thirty-four out of forty-four stores reduced total stocks to 4 per cent below the March 31, 1924, amount. Unfilled orders for new goods at the end of March amounted to 7.9 per cent of total purchases during 1924 and compared with 8.4 per cent on February 28, eighteen of the twenty-six stores furnishing data on this item showing reductions from the preceding month.

### MONTHLY BUSINESS INDICES COMPUTED BY FEDERAL RESERVE BANK OF CHICAGO

(Index numbers express a comparison of unit or dollar volume for the month indicated, using the monthly average for 1919 as a base, unless otherwise indicated. Where figures for latest month shown are partly estimated on basis of returns received to date, revisions will be given the following month. Data refer to the Seventh Federal Reserve district unless otherwise noted.)

	No. of Firms	Mar. 1925	Feb. 1925	Mar. 1924	Feb. 1924		No. of Firms	Mar. 1925	Feb. 1925	Mar. 1924	Feb. 1924
<b>Meat Packing—(U. S.)—</b>						<b>Wholesale Trade—</b>					
Sales (in dollars) <sup>1</sup> .....	64	101.7	96.9	87.2	87.7	Net Sales (in dollars):					
<b>Casting Foundries—</b>						Groceries.....	43	70.3	62.7	69.0	67.0
Shipments (in dollars).....	28	97.5	86.8	96.9	82.4	Hardware.....	21	110.6	82.6	106.0	85.7
<b>Stoves and Furnaces—</b>						Dry Goods.....	14	84.0	75.3	87.6	89.6
Shipments (in dollars).....	17	79.3	68.1	97.7	82.2	Drugs.....	14	105.7	88.9	100.9	91.8
<b>Agricultural Machinery &amp; Equipment—(U. S.)<sup>2</sup>—</b>						Shoes.....	7	44.1	32.6	58.1	41.3
Domestic Sales (in dollars).....	130	157.3	121.4	113.3	96.7	<b>Retail Trade (Dept. Stores)—</b>					
Exports (in dollars).....	130	113.6	106.5	133.6	105.6	Net Sales (in dollars):					
Total Sales (in dollars).....	130	151.6	119.2	116.4	98.0	Chicago.....	9	123.2	100.5	127.3	117.7
Production.....	120	102.2	99.7	98.6	99.1	Detroit.....	4	143.3	127.2	137.5	129.3
<b>Agricultural Pumps—(U. S.)<sup>2</sup>—</b>						Des Moines.....	4	122.0	103.4	109.9	89.9
Shipments (in dollars).....	19	111.3	107.4	105.4	96.0	Indianapolis.....	5	142.0	104.7	130.8	112.0
<b>Furniture<sup>3</sup>—</b>						Milwaukee.....	5	128.3	114.6	128.7	117.2
Orders (in dollars).....	21	144.4	178.5	142.7	136.9	Outside.....	39	100.6	80.6	96.1	86.6
Shipments (in dollars).....	21	160.7	139.2	166.2	142.4	Seventh District.....	65	127.3	107.4	122.7	111.6
<b>Shoes<sup>4</sup>—</b>						<b>Retail Trade—(U. S.)—</b>					
Production (in pairs).....	35	169.9	154.3	152.1	147.7	Department Stores.....	359	121	100	115	102
Shipments (in pairs).....	35	176.9	160.7	160.3	152.1	Mail Order Houses.....	4	120	105	105	96
<b>Electric Energy—</b>						<b>Chain Stores:</b>					
Output of Plants (KWH).....	9	176.7	162.6	172.2	161.7	Grocery.....	27	255	236	200	201
Industrial Sales (KWH).....	9	188.3	172.2	178.1	172.0	Drug.....	9	160	146	149	143
<b>Flour Production—</b>						Shoe.....	6	127	100	118	93
(In bbls.).....	39	93.2	110.4	101.6	97.1	Five and Ten Cent.....	5	177	156	163	140
<b>Output of Butter by Creameries<sup>2</sup>—</b>						Candy.....	5	188	175	184	167
Production.....	81	87.5	73.9	85.6	81.5	Music.....	4	105	99	99	97
Sales.....	81	92.5	83.0	91.5	87.7	Cigar.....	3	131	119	136	124
<b>Freight Carloadings—(U. S.)—</b>						<b>U. S. Primary Markets<sup>10</sup>—</b>					
Grain and Grain Products.....		95.0	112.3	102.6	129.5	<b>Grain Receipts:</b>					
Live Stock.....		83.1	97.0	91.9	103.6	Oats.....		67.8	72.1	86.0	99.4
Coal.....		90.3	108.8	98.8	121.1	Corn.....		161.3	141.4	196.3	291.9
Coke.....		135.1	149.0	145.0	147.0	Wheat.....		55.1	61.8	55.2	61.3
Forest Products.....		142.1	146.1	142.8	147.1	<b>Grain Shipments:</b>					
Ore.....		32.1	31.6	31.6	26.6	Oats.....		88.1	69.6	78.0	71.0
Merchandise and Miscellaneous.....		130.1	124.9	123.0	119.7	Corn.....		91.5	81.4	112.3	140.9
Total.....		114.8	117.3	113.2	117.7	Wheat.....		59.5	51.1	37.8	34.1
<b>Iron and Steel—</b>						<b>Building Construction—</b>					
Pig Iron Production: <sup>5</sup>						Contracts Awarded (in dollars):					
Illinois and Indiana.....		170.7	167.5	152.8	140.6	Residential.....		276.9	132.7	169.2	112.9
United States.....		137.2	137.0	133.4	126.5	Total.....		164.3	95.2	109.9	83.3
Steel Ingot Production—(U. S.) <sup>6</sup> .....		142.6	138.2	142.9	135.1	<b>Permits:</b>					
Unfilled Orders U. S. Steel Corp.....		81.1	88.2	79.8	82.0	Chicago.....		347.9	258.3	300.7	163.4
<b>Automobiles—(U. S.)—</b>						Cost.....		340.3	313.5	307.6	215.3
Production: Passenger Cars.....		236.1	178.6	252.1	243.4	Indianapolis.....		287.8	181.2	245.9	126.2
Trucks.....		163.5	123.8	127.9	117.6	Cost.....		230.2	178.7	207.6	254.6
Shipments: <sup>8</sup>						Des Moines.....		242.2	162.7	202.0	124.5
Carloads.....		243.8	189.8	260.2	249.6	Cost.....		148.6	248.3	126.8	89.2
Driveaways.....		110.9	79.5	105.9	108.5	Detroit.....		205.5	133.8	211.3	116.8
Boat <sup>7</sup> .....		29.5	14.4	14.6	12.6	Cost.....		269.5	141.3	256.0	162.8
<b>Excise Tax Collections<sup>9</sup>—</b>						Milwaukee.....		151.0	115.3	165.6	124.3
New Automobiles.....		104.2	97.9	177.1	119.5	Cost.....		145.7	147.6	260.8	77.7
New Automobile Trucks.....		17.8	13.0	56.5	65.4	Others (45).....		203.3	99.0	179.7	71.4
Parts and Accessories.....		38.7	34.7	60.3	32.2	Cost.....		200.4	136.7	215.4	108.8
<b>Stamp Tax Collections<sup>9</sup>—</b>						Fifty Cities.....		210.3	129.8	198.5	105.4
Sales or Transfers of Capital Stock.....		293.5	162.8	148.2	103.5	Cost.....		259.3	198.7	256.8	159.9
Sales of Produce on Exchange—Futures.....		100.6	88.4	28.9	31.2						

1. Monthly average 1920-1921=100; 2. Monthly average 1923=100; 3. production and shipments in 1919=100; 4. Monthly average of mean of 1921-1923; 5. Average daily production; 6. Monthly average 1920=100; 7. Base figures (1920) partly estimated; 8. 7th F. R. District; 9. First Illinois internal revenue district; 10. Monthly average receipts 1919=100.