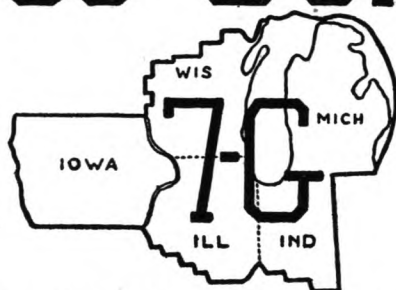


BUSINESS CONDITIONS

SEVENTH
FEDERAL



RESERVE
DISTRICT

Volume 9, No. 1

MONTHLY REVIEW PUBLISHED BY THE
FEDERAL RESERVE BANK OF CHICAGO

January 1, 1926

BUSINESS CONDITIONS IN THE UNITED STATES

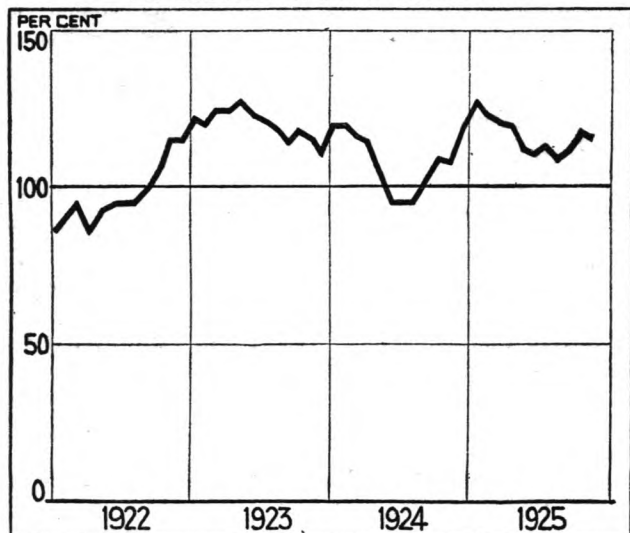
PRODUCTION of basic commodities in November continued in about the same volume as the month before, and the general level of prices remained unchanged. Activity of wholesale and retail trade was below the record level of October, but larger than in November of last year.

PRODUCTION—Output of basic industries included in the Federal Reserve Board's index of production was at about the same rate in November as in October, but owing to a smaller number of working days the index declined by about one per cent. Increases occurred in average daily production of pig iron, steel ingots, copper, and bituminous coal, and in the consumption of cotton while the production of flour, sugar, and meat products declined. Automobile production in November was seasonally less than in October, but continued large for this time of the year. Employment and payrolls in manufacturing industries showed small increases in November as compared with October. Employment and workmen's earnings increased in the machinery industries, while in food products and tobacco and in the clothing industry there were seasonal declines. Building contracts awarded were smaller in November than in October, but were large when compared with the volume for November of previous years. Final estimates by the Department of Agriculture in 1925 indicate that the acreage of all crops harvested was slightly

larger than in 1924, but that the aggregate production of crops was in about the same volume. Yields of cotton, corn, and tobacco were considerably larger than last year, while the production of wheat, oats, potatoes, and hay was smaller.

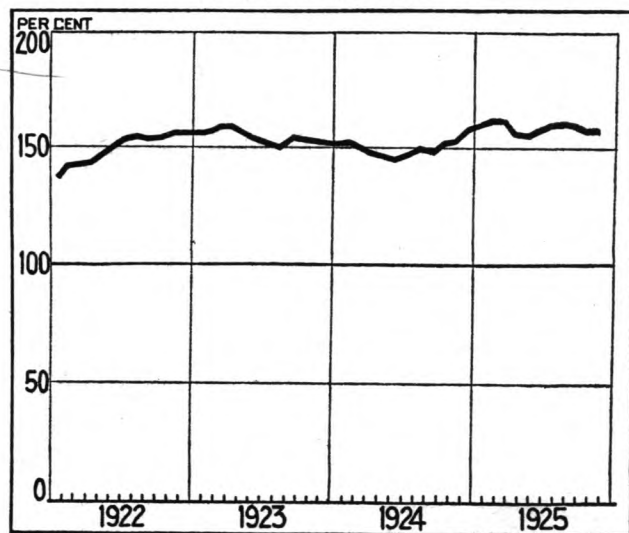
TRADE—Sales in leading lines of wholesale trade showed the usual decline in November from the seasonally high levels in October but continued larger than in the corresponding month of any of the past five years. Total volume of trade at department stores and mail order houses was smaller than in October, owing largely to the smaller number of business days in November. Compared with earlier years, however, department store sales were the largest on record for November and sales at mail order houses were the largest for that month in the past six years. Merchandise stocks at department stores showed considerably more than the usual increase in November and were 4 per cent larger than in November of last year. Distribution of commodities by railroads during November reached new high levels for the month. Movements of merchandise and miscellaneous commodities, coal, and coke were larger, while those of livestock, grain, and forest products were somewhat smaller than in November of the two preceding years.

PRODUCTION IN BASIC INDUSTRIES



Index of 22 basic commodities corrected for seasonal variation (1919=100). Latest figure, November, 1925: 115.

WHOLESALE PRICES



Index of U. S. Bureau of Labor Statistics (1913=100, base adopted by the Bureau). Latest figure, November, 1925: 158.

Compiled December 26, 1925

Page 1

PRICES—Wholesale prices, according to the index of the Bureau of Labor Statistics, remained the same in November as in October. Prices of livestock, meats, and cotton goods declined, but these decreases were offset in the general average by advances in the price of grains, fuel, lumber, and rubber. In the first three weeks of December prices of wheat, flour, and hardwood lumber were slightly higher than in November, while quotations on cattle, cotton, coke, copper, and hides were lower.

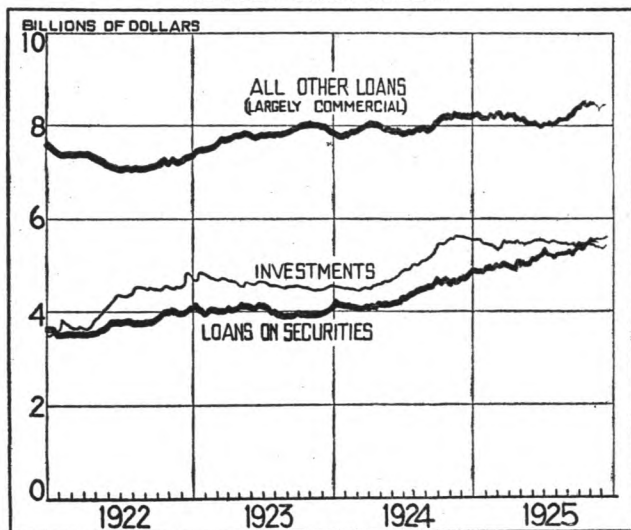
BANK CREDIT—At member banks in leading cities the volume of credit outstanding on December 9 was near the high level reached early in November. Loans for commercial and agricultural purposes declined somewhat during the period, and there was also a decrease in the banks' security holdings; continued growth of loans on securities, however, was sufficient to offset these reductions and the total of loans and investments remained practically unchanged.

At the reserve banks the seasonal demand for currency

and credit resulted in an increase of total bills and securities in December to the highest level in nearly four years. This increase in reserve bank credit in use has been in the form of discounts for member banks, as the volume of purchased bills held changed but little between the middle of November and the middle of December, and holdings of United States securities also remained constant, except for a temporary increase connected with treasury financing on December 15. Money in circulation increased by \$71,000,000 between November 1 and December 1 and the continued demand for currency in December was reflected at the reserve banks both in increased Federal Reserve note circulation and in a decline in cash reserves.

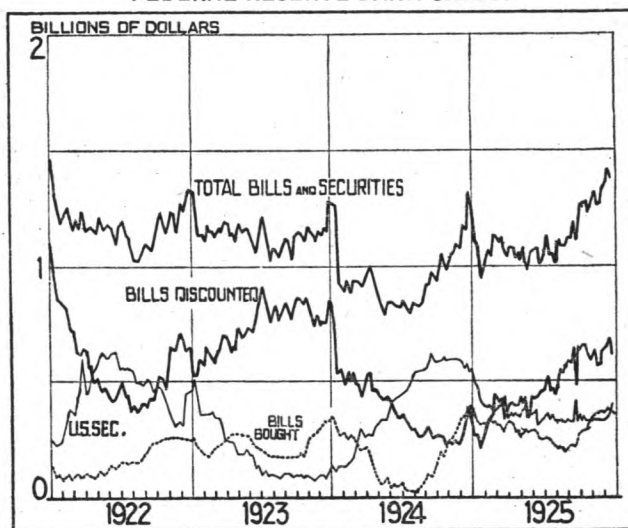
During the latter part of November and the early part of December open-market rates on commercial paper and acceptances remained substantially unchanged. Later in December increased demand for credit and currency, largely seasonal in character, was reflected in firmer money conditions.

MEMBER BANK CREDIT



Weekly figures for member banks in 101 leading cities. Latest figures, December 9, 1925: All Other Loans, 8,436 million; Investments, 5,417 million; Loans on Stocks and Bonds, 5,616 million.

FEDERAL RESERVE BANK CREDIT



Weekly figures for 12 Federal Reserve banks. Latest figures, December 16, 1925: Total Bills and Securities, 1,382 million; Bills Discounted, 619 million; Bills Bought, 353 million; United States Securities, 398 million.

BUSINESS CONDITIONS IN THE SEVENTH RESERVE DISTRICT

CURRENT reports to this bank reflect the year-end developments customary in business and industry, although indicating for both a larger volume of operations than a year ago. Thus, automobile output during November made a new record for the month, but declined seasonally from October, distribution of cars following the same trends. Building contracts for November likewise fell below the previous month's awards but outnumbered those of last year. Other activities for which similar comparisons may be made are shipments of shoes and furniture, sales by meat packing companies, and output and sales of dairy products.

Coal production, well above a year, nearly equaled the volume mined in October, while in iron and steel, orders and output exceeded the October levels. Manufacturers of farm machinery also showed gains over both October and last year, with sales, however, below the previous month. In the aggregate, employment statistics for the district indicated about the same number at work as a month earlier.

Reporting mail order houses and chain and department stores sold a smaller volume of goods than the month before, but registered increases over 1924; wholesale distribution, however, declined in both comparisons. Prices

continued firm through the month, strengthening in the case of some commodities.

Of financial changes may be noted the new records for savings deposits both in number and amount; commercial failures totaled the heaviest liability since June, and check payments continued above a year ago, reflecting, however, the general contraction in business activity from the preceding month.

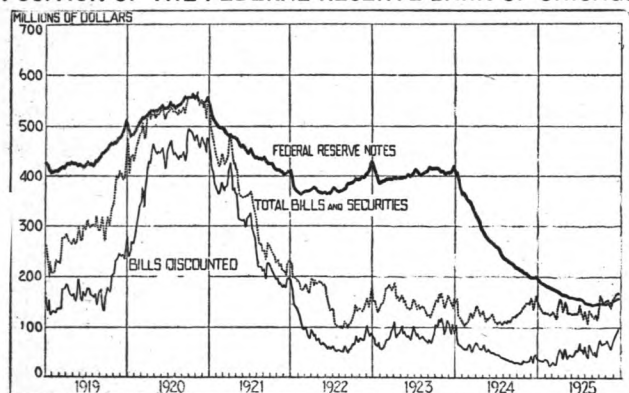
CREDIT CONDITIONS AND MONEY RATES

Credit demand throughout the district continues active, reports from some sections indicating considerably heightened employment of funds in business and industry during the past thirty days, while others show little or no change from conditions existing a month ago. Except for a rising tendency on the part of brokers' loan rates, quotations in Chicago have not altered, and are as follows: Commercial paper $4\frac{1}{4}$ to $4\frac{1}{2}$ per cent, customers' over-the-counter accommodation $4\frac{3}{4}$ to $5\frac{1}{2}$ per cent, and collateral loans $4\frac{3}{4}$ to $5\frac{1}{2}$ per cent with an increasing volume at the higher figure.

Total bills and securities held by the Federal Reserve Bank of Chicago have increased steadily since the middle of November, and on December 16 the \$179,205,000 reported constituted the highest figure for this item since

April 4, 1923, when \$188,406,000 was shown. On December 17, 1924, the corresponding reporting date in that year, the figure was \$149,614,000. Loans to member banks have followed the same movement; the amount on December 16 of \$97,584,000 was the highest since the \$104,800,000 given on January 2, 1924. A year ago, loans to member banks aggregated \$42,487,000 on December 17. Federal Reserve notes in actual circulation on December 16 amounted to \$161,111,000, a rise of nearly \$13,000,000 from the corresponding reporting date a month ago; compared with December 17, 1924, however, the current figure is less by about \$37,000,000. Gains over the preceding week were shown by all the above items on December 23, total bills and securities aggregating \$189,962,000, the highest since May 3, 1922.

POSITION OF THE FEDERAL RESERVE BANK OF CHICAGO



Latest figures, December 16, 1925, in thousands of dollars: Federal Reserve Notes, 161,111; Total Bills and Securities, 179,205; Bills Discounted, 97,584.

Loans and discounts of reporting member banks in the Seventh district on December 16 aggregated \$2,105,043,000 compared with \$2,112,507,000 November 18, and with \$1,923,553,000 on December 17, 1924, the corresponding reporting dates last month and last year, respectively. Following a drop from the high point of November 11, loans and discounts have shown a rising trend on the last three reporting dates. Investments of reporting members have been moving upward since November 11; the \$753,308,000 reported on December 16 represented a rise of approximately \$17,000,000 over November 18, and one of \$6,000,000 over the preceding week. Net demand deposits during recent weeks have been at lower levels than in the earlier months of the autumn; the change for the most part arises from the smaller volume of these deposits in Chicago and Detroit reporting members, though institutions reporting the item from other selected cities show a similar tendency. A rising trend has been operative since December 2. Time deposits have moved upward since November 11, except on one reporting date when the change from the preceding week was negligible; on December 9 they stood at \$1,027,704,000, a gain of over \$7,000,000 from the preceding week and of over \$16,000,000 as compared with November 11, remaining practically unchanged December 16. On December 17, 1924, the total was \$917,042,000.

Ten reporting Chicago brokers sold during November a volume of commercial paper 17.8 per cent less in the aggregate than in the preceding month, only two houses registering increases. For five dealers the amount outstanding at the end of November was within 2.7 per cent of the October 31 balance. Firms reported the same range of rates during November as October; the customary rate for two tended higher, but the average for the group remained at $4\frac{1}{4}$ @ $4\frac{1}{2}$. Since December 1, the volume of

sales has continued to diminish, affected as during the past few years by payments of Christmas savings funds; rates are unchanged. Outstandings throughout the country, reported by twenty-six dealers, aggregated \$665,952,598 on November 30, as compared with \$685,000,000 at the close of October.

Five Chicago brokers operating in the open bill market in this district purchased from November 19 to December 16 an aggregate volume of bills 13.5 per cent less than during the four weeks immediately preceding. Sales for the same period increased 6.8 per cent, the marked gains in the amount bought by the Federal Reserve and other Chicago banks being partly offset by smaller sales to out-of-town banks and non-banking investors. Bills held at the close of the period, however, were 32.2 per cent heavier than on November 18, the totals affected by inter-office transactions not included in the purchases and sales data. Ninety-day maturities were most general, although one firm indicated 30-45 day best in demand and another 120-180. The movement of bills was fair, with demand reported poor to fair, and supply small to good. Commodities principally involved were grain, packing house products, cotton, tobacco, canned goods, dairy products, and motor cars.

The volume of bills accepted during November by sixteen Chicago banks was 18.0 per cent larger than the aggregate for the preceding month. Of six banks reporting purchases for November, two had made none during October, two showed pronounced increases, and two decreases. For the majority sales were heavier than in October, the net gains, however, more than offset by marked declines at two banks. By the end of November, banks were holding 80.2 per cent more in bills and 125.7 per cent more of their own acceptances. For about half the banks the amount of liability of acceptances outstanding on November 30 was in excess of the October balance, the group averaging an increase of 4.4 per cent. During the month the Federal Reserve Bank of Chicago purchased \$15,427,868 of bankers' acceptances, as compared with \$20,741,891 in October, while month-end holdings declined from \$36,257,736 to \$32,521,135.

Agricultural Financing—Aggregate loans outstanding in the five states including the Seventh Federal Reserve district were reported by twenty-two Joint Stock Land banks as \$188,696,728 on November 30, or \$1,691,335 in excess of the October 31 total. The corresponding figure for four Federal Land banks shows a decrease of \$1,203,351 on November 30 as compared with October 31, while loans and discounts (including rediscounts) of four Federal Intermediate Credit banks had gained nearly \$500,000 at the end of November over the October 31 aggregate, \$2,013,460 being shown for November 30 and \$1,579,504 for October 31.

Volume of Payment by Check—November volume of check payment in clearing house banks of thirty-seven cities in the Seventh district dropped 11.8 per cent from October, but exceeded the aggregate in November, 1924, by 13.0 per cent. In the four larger cities, Chicago, Detroit, Milwaukee, and Indianapolis, the decline from the preceding month totaled 12.0 per cent while the gain over the corresponding month last year was 12.4 per cent. Thirty-three smaller cities reporting volume of payment by check recorded a decrease in the aggregate of 11.2 per cent from October, and an increase of 15.9 per cent over November, 1924.

Savings—Both in number of accounts and in aggregate amount, savings deposits of Seventh district reporting banks reached new levels on December 1 for each of the

four states, Indiana, Iowa, Michigan, and Wisconsin, and for Illinois were the highest in five months. For the 194 reporting banks, deposits were 0.8 per cent above the preceding month and 0.2 per cent in excess of the year's peak on July 1, while accounts numbered 0.2 per cent more than the November 1 high point; comparisons with a year ago indicate a gain of 3.4 per cent in number of accounts and of 4.3 per cent in amount of deposits. The average size of account was 0.2 per cent larger than a month earlier and 0.8 per cent ahead of last year, Iowa and Michigan showing declines in the former comparison, and Illinois and Wisconsin in the latter.

AGRICULTURAL PRODUCTION AND FOODSTUFFS

A considerable amount of corn remained in many of the Michigan and Indiana fields on December 1 but more than 80 per cent of the Iowa-Illinois crop had been gathered, according to the returns made direct to this bank by 137 county agents representing 171,093 farmers in the Seventh Federal Reserve district. Heavy rainfall has resulted in corn going into the crib with such a high degree of moisture that the crop has suffered about 15 per cent deterioration in merchantability and at least 8 to 10 per cent reduction in feeding quality from earlier expectations. Weather conditions were so unfavorable for fall work that intentions to plant winter wheat were not fully carried out; indications now point to an acreage in this district equaling or slightly under that of a year ago. Early sown grains are making good progress but later plantings are going into the winter under less favorable conditions. County agents in the Seventh district report a slightly smaller crop of pigs this autumn than last. Fewer hogs of marketable age are on farms than a year ago but, because of the abundance of corn, are heavier than those of 1924. Dairy herds have gained slightly in size during the past year; the number of beef cattle in that portion of those states within the Seventh district has increased in Indiana and Illinois and declined in Iowa and Michigan; holdings of other cattle have not changed materially in this district since 1924.

Flour—The movement of flour through Chicago was lighter in volume during November than in the preceding month, both receipts and shipments registering declines; in comparison with a year ago, however, the volume received and shipped through this center was slightly heavier. The table below indicates that both production and sales of flour by mills in the Seventh district declined from the preceding month and November last year.

CHANGES IN NOVEMBER, 1925, FROM PREVIOUS MONTHS

	PER CENT CHANGE FROM		COMPANIES INCLUDED	
	October 1925	November 1924	October 1925	November 1924
Production (bbls.).....	-18.3	- 6.1	35	35
Stocks of flour at end of month (bbls.)	+15.1	+23.5	32	31
Stocks of wheat at end of month (bu.)	- 1.5	-22.6	32	32
Sales (volume)	-25.8	-13.3	17	16
Sales (value)	-23.3	+ 2.4	17	16

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

Grain Marketing—Slightly greater quantities of corn and wheat arrived at interior primary markets of the United States during November than in October, but the receipts of oats showed a recession. November reshipments of corn, oats, and wheat from those centers were under the corresponding totals for the preceding period. United States visible supplies of wheat, corn, rye, and barley were larger and those of oats smaller at the beginning of December than a month ago. Stocks of barley

Bonds—Foreign securities have continued prominent among the new offerings in the Chicago bond market during the past thirty days. Additional German issues and the important Italian loan were heavily oversubscribed.

In domestic bonds, bidding for high-grade short term securities, particularly public utilities, has been in excess of the amount available. Demand for real estate bonds has been above the average. Recently a few bonds have not met with entirely satisfactory distribution, and second grade issues have tended to lag, but in general offerings are insufficient to supply present requirements, so that dealers' stocks are being kept relatively low. Prices have shown no material change.

showed an increase over the corresponding period in 1924, but holdings of other grains declined. Quotations for wheat, oats, and rye continued to advance at Chicago during November and early December; prices of corn weakened after mid-November but showed recovery as the month closed. Contracts placed by members of the Chicago Board of Trade, calling for deliveries of grain at future dates, represented a decrease in tonnage of wheat and corn but an increase in oats and rye. Exportations from United States ports were smaller in November than in October.

Movement of Live Stock—With the movement from western ranges about completed, the receipts of cattle, calves, and sheep at public stock yards in the United States were seasonally less than in October. Hog marketings for November showed the customary gain in volume over the preceding month. Arrivals of each of these classes of live stock totaled less than a year ago.

LIVE STOCK SLAUGHTER

	CATTLE	HOGS	LAMBS AND SHEEP	CALVES
Yards in Seventh District, November, 1925	276,824	802,401	272,588	106,512
Public Stock Yards in U. S. November, 1925	843,791	2,300,426	792,779	388,363
October, 1925	954,075	2,080,836	945,308	465,625
November, 1924	884,626	3,131,969	774,898	382,070

Smaller numbers of cattle, calves, and sheep were reshipped to feed lots during November than in the prior month or in the corresponding period last year.

AVERAGE PRICES OF LIVE STOCK PER HUNDRED POUNDS AT CHICAGO

	WEEK ENDED		MONTHS OF	
	Dec. 12, 1925	Nov. 1925	Oct. 1925	Nov. 1924
Native Beef Steers (average).....	\$ 9.65	\$10.15	\$11.20	\$ 9.75
Fat Cows and Heifers.....	6.05	5.70	5.50	4.75
Hogs (bulk of sales).....	10.80	11.25	11.25	8.95
Yearling Sheep	13.00	11.60	11.40	10.75
Lambs (average)	16.75	15.35	15.20	13.85

Meat Packing—A higher rate of activity prevailed in the pork departments of meat packing establishments during November than in the prior month, but operations of the beef, veal, and mutton sections lowered sufficiently to account for the decline from October in total production of meats and fats in the United States. Employment increased 3.1 per cent in number but, owing to the Thanksgiving holiday, showed a decrease of 8.2 per cent in hours worked and 8.4 per cent in value for the last payroll in November compared with corresponding figures for the preceding month. Domestic demand continued active for fresh pork, smoked meat, and sausage, improved for lamb and dry salt pork, but was only fair for beef. Sales reported in dollar amounts by fifty-six slaughtering companies in the United States aggregated 15.3 per cent less for November than for October and were 4.4 per cent above a year ago. Inventories of pork and lard declined from November 1 and the stocks of beef and lamb in-

creased, but all holdings were lower than on December 1, 1924. Chicago quotations for pork and lard, after opening at rather low levels in November, continued to strengthen until Thanksgiving and then declined; prices of beef, veal, and smoked meats averaged less than in October but quotations for lamb were higher. With a smaller quantity of meats and lard forwarded in November for export than in the prior month and with a fair movement of goods from spot stocks already landed, packers report reduced consignment inventories in Europe on December 1 compared with a month previous. Clearances from American ports totaled somewhat under those in October. Prices realized in Europe on boxed meats have been fully as good as those obtainable in our domestic markets but quotations for lard continue somewhat under United States parity.

Dairy Products—Data compiled from reports sent to this bank show that the quantity of butter manufactured in November by sixty-three creameries in the Seventh district was 18.7 per cent smaller than in the preceding month and 5.3 per cent larger than for the corresponding period

Despite the fewer number of working days in November, production of coal for the month in this district almost equaled that of October. Output for Illinois totaled 7,284,434 tons, a decrease of 1.1 per cent from the preceding month but an increase of 13.8 per cent over the corresponding month last year and 20.2 per cent above November, 1923. Because of the mild weather, demand for do-

estic coals has been light in recent weeks. Buying of steam coals, however, has been good; prices realized are better than a year ago and have strengthened somewhat since the latter part of November. Prices on domestic sizes of southern Illinois coal showed a slight easing tendency after the first week in December.

COAL

smaller output of automobiles, as well as of cars and locomotives, and of less work at railroad repair shops. The figures reported for Detroit by the Employers' Association indicate a decline of one per cent for the month in the employment of that city, with the present volume approximately 34 per cent larger than a year ago.

The slight increase in industrial operations during the month has probably been more than offset by the cessation of a large amount of outdoor work—even the activity in the building industry showing a marked curtailment. At the free employment offices of Illinois, however, the registrations for work exceeded those of places available by only 26 per cent, which was less than a month ago; in Indiana, the surplus of labor was 37 per cent, somewhat more than reported for October.

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INDUSTRIAL EMPLOYMENT CONDITIONS

At manufacturing plants of the district an aggregate employment of about 388,000 men indicates an addition during the month ended November 15 of less than one-half of one per cent to the volume of industrial workers. In most of the industries represented, employment remained fairly stable. Metals and metal products again show a gain but considerably less in extent than those reported during the past three months; agricultural implements, electrical apparatus, sheet metal products, and tools and cutlery contributed definitely to this increase. Paper products advanced to some extent, as did also some of the lumber and food products. In the leather group, greater activity was reported for specialties but less in manufacture of boots and shoes. The only notable decline in employment was registered in the vehicles group, a result of

EMPLOYMENT AND EARNINGS—SEVENTH FEDERAL RESERVE DISTRICT

INDUSTRIAL GROUP	NUMBER OF WAGE EARNERS WEEK ENDED			TOTAL EARNINGS WEEK ENDED		
	NOVEMBER 15	OCTOBER 15	PER CENT CHANGE	NOVEMBER 15	OCTOBER 15	PER CENT CHANGE
All groups (10)	388,823	387,196	+0.4	\$10,212,002	\$10,321,728	- 1.1
Metals and metal products (other than vehicles).....	151,653	150,512	+0.8	3,845,056	3,807,711	+ 1.0
Vehicles	40,403	42,031	-3.9	1,194,376	1,334,979	-10.5
Textiles and textile products.....	27,474	27,713	-0.9	608,982	609,860	- 0.1
Food and related products.....	51,316	50,343	+1.9	1,372,612	1,374,462	- 0.1
Stone, clay, and glass products.....	14,008	14,158	-1.1	398,354	416,353	- 4.3
Lumber and its products.....	36,831	35,956	+2.4	920,754	919,028	+ 0.2
Chemical products	14,861	14,782	+0.5	415,053	411,795	+ 0.8
Leather products	18,817	18,711	+0.6	423,593	423,443	+ 0.0
Rubber products	3,214	3,218	-0.1	74,262	83,496	-11.1
Paper and printing.....	30,246	29,772	+1.6	958,960	940,601	+ 2.0

MANUFACTURING ACTIVITIES AND OUTPUT

Automobile Production and Distribution—Total output of passenger automobiles by identical manufacturers in the United States aggregated 327,599 for November, a decrease from the October figure of 16.6 per cent but an increase of 65.2 per cent over November a year ago. Production by these American firms in their Canadian plants also de-

clined from the preceding month and showed a considerable gain over a year ago. November output of trucks by manufacturers who produced 43,038 cars in October, totaled 36,723, or a decline of 14.7 per cent; 25,966 trucks were produced in November, 1924.

Of the cars received by dealers from manufacturers pro-

ducing 75.4 per cent of total November output, only 78.6 per cent were sold at retail during the month; in the preceding month retail sales were 80.7 per cent of the receipts from manufacturers, and in November, 1924, sales by dealers to users kept pace with receipts, the ratio being 100.7 per cent.

Data received on November business from dealers and distributors in the Middle West, indicate declines from October in both wholesale and retail distribution of cars, but gains were reported over a year ago. Used car sales were smaller than in the prior month and larger than in the corresponding month last year, while inventories increased in both comparisons.

MIDWEST DISTRIBUTION OF AUTOMOBILES

Changes in November, 1925, from previous months

	PER CENT CHANGE FROM		COMPANIES INCLUDED	
	OCTOBER 1925	NOVEMBER 1924	OCTOBER 1925	NOVEMBER 1924
New cars				
Wholesale—				
Number sold	-30.2	+27.4	45	44
Value	-30.1	+10.1	45	44
Retail—				
Number sold	-25.6	+44.1	67	66
Value	-27.8	+33.0	67	66
On hand November 30—				
Number	- 7.8	+21.6	70	69
Value	- 5.1	+ 4.5	70	69
Used cars				
Number sold	-11.5	+12.4	68	67
Salable on hand—				
Number	+11.9	+18.5	68	67
Value	+10.9	+10.1	68	67

Agricultural Machinery and Equipment—Tractors, threshers, and combined harvesters billed during November to customers in the United States and foreign countries aggregated 6.0 per cent less in total value than those sold in the prior month. Sales of other farm machinery (exclusive of pumps and barn supplies) showed a recession of 24.9 per cent from October; barn equipment and pumps declined 14.5 and 22.3 per cent, respectively. Employment rose to a level slightly higher than in the preceding month.

PRODUCTION AND SALES OF FARM EQUIPMENT IN THE UNITED STATES

Changes in November, 1925, from previous months

	PER CENT CHANGE FROM		COMPANIES INCLUDED	
	OCTOBER 1925	NOVEMBER 1924	OCTOBER 1925	NOVEMBER 1924
Domestic sales billed.....	-22.5	+20.5	108	106
Sales billed for export.....	+ 3.6	+36.0	108	106
Total sales billed.....	-17.4	+24.0	108	106
Production	+ 4.5	+40.3	103	101

Sales based on dollar amounts. Production computed from employment.

Iron and Steel Products—The situation in the iron and steel industry continued most favorable through November and early December. Order books of mills in the Chicago district on December 1 showed a substantial increase over November 1, with rail and car buying especially active. Unfilled orders of the United States Steel Corporation aggregated 4,581,780 tons on November 30, an increase of 11.5 per cent over October 31, one of 13.6 per cent over the same date last year, and a rise of 4.9 per cent over November 30, 1923—the last named the only gain to be shown so far this year in the comparison with 1923. Operations again increased during November and total steel ingot output of 3,907,353 tons for the United States was a record for that month. Pig iron output in November showed a small increase over October in the daily average for the country, while the gain in the Illinois and Indiana district was 7.3 per cent.

Prices were well maintained through November and continued to strengthen somewhat, the *Iron Trade Review* composite average price of fourteen leading iron and steel products climbing from \$38.44 on November 4 to \$39.17 on December 2. A slight decline was registered on December 9, due to an easing of mill pipe prices.

Decreases from November last year were reported in both shipments and production of iron and steel casting foundries in the Seventh district; in comparison with October declines were also recorded in both items. The smaller amount of shipments and orders accepted during November by stove manufacturers reporting to this bank was seasonal and conditions continue to show improvement over a year ago.

Shoe Manufacturing, Tanning, and Hides—Reports for November from thirty-one shoe factories in the Seventh district show a seasonal decline in output from October, with shipments averaging 1.8 per cent less than production. A sufficient volume of orders was booked by twenty-four companies reporting the item to provide approximately seven weeks' business. Shoe stocks of twenty-eight firms on December 1 inventoried 79.2 per cent of shipments to customers during November.

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

	PER CENT CHANGE FROM		COMPANIES INCLUDED	
	OCTOBER 1925	NOVEMBER 1924	OCTOBER 1925	NOVEMBER 1924
Production	- 9.7	- 0.3	31	31
Shipments	-17.5	+ 1.7	31	31
Inventories	+10.9	+11.2	28	28
Unfilled Orders	+ 2.9	-26.9	24	24

Tanneries in the district operated at a lower rate in November than in the prior month and the total value of the leather billed to customers was less than in October or a year ago. Demand for harness improved. Quotations continued firm.

The marketing of packer green hides at Chicago increased over October but the purchasing of calf skins was confined to rather narrow limits. Shipments of hides and skins from Chicago, as reported by the Chicago Board of Trade, totaled less for November than for the preceding period. Prices have eased slightly.

Furniture—The aggregate of new business received during November by twenty furniture manufacturers in the Seventh district increased 10.6 per cent from the preceding month. For the first time since March, orders booked by these companies were smaller in amount than for the corresponding month in 1924, the decrease averaging 1.7 per cent; fifteen of the twenty firms, however, reported increases in this comparison. A gain of 32.1 per cent was recorded in this item over November, 1923. Shipments declined 13.8 per cent in November from the prior month, but were 20.3 per cent heavier than in the corresponding month a year ago and 15.2 per cent above November, 1923. Shipments aggregated less than the volume of new orders booked, so that unfilled orders on November 30 exceeded the amount of those on hand October 31 by 7.1 per cent. There has been a slight decrease in the rate of operations.

Raw Wool and Finished Woolens—November proved a most satisfactory month in the raw wool market; prices were firm and advanced somewhat, while the volume of trading was very good, reducing dealers' stocks to a low level; foreign markets were also in a strong position. Since the first of December, however, a quieter tone has prevailed; demand has been inactive; prices, though maintaining November levels, show a slight tendency to soften; and foreign markets are somewhat easier. The approach of the inventory-taking season is responsible to an extent for the lack of interest in buying. Little change took place through November in the finished goods industry, conditions in general appearing less active in anticipation of the opening of another season within two months.

BUILDING MATERIAL AND CONSTRUCTION ACTIVITIES

While the demand for lumber continued active throughout November, sales averaged considerably lower than in October, both in dollars and in number of board feet. Much of the current demand is coming from factory consumers, such as manufacturers of automobile bodies, pianos, and laundry and farm machinery. Activity in the building industry also has been well above the average for the season. At most of the retail yards, however, business has been very slack, and at country points many yards have been kept open only because they deal in supplies other than lumber, such as coal and various building materials.

Sales reported in dollars for 122 retail yards of the district show a decline of 26.6 per cent from the preceding month, and were 9.5 per cent less than for November, 1924. Stocks showed little change from October and in most cases were larger than a year ago. The collections of current accounts are good, but the total outstanding was reduced only 5.6 per cent during the month, the ratio to sales increasing from 258 to 323 per cent as compared with 284 per cent at the close of November, 1924.

The dollar sales reported by twenty-four manufacturing and wholesale concerns were 9.6 per cent less than for the previous month but 10.0 per cent larger than for November a year ago. The volume in number of board feet declined 8.7 per cent from October, and increased 14.7 per cent over a year ago. Stocks were reduced during the month, especially those of dry lumber, and mills that are opening up are reported to be putting in less than the normal cut. Collections were somewhat slower and outstanding accounts increased 2.5 per cent, the ratio to sales increasing from 115 to 131 per cent, practically the same

ratio as of a year ago. Prices have been steady with a firming tendency in some items, especially hardwoods.

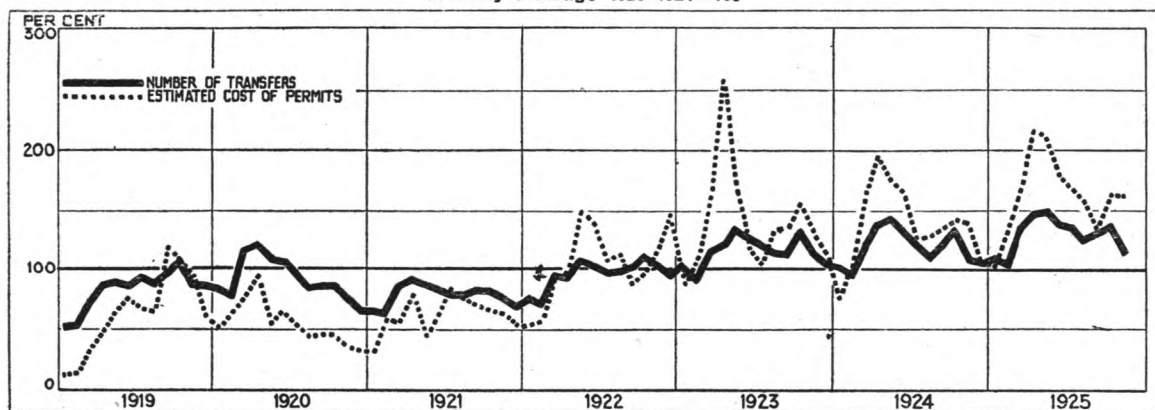
In the brick industry seasonal influences were apparent in the closing of a few plants during November. Several, however, found it necessary to resume operations as their stocks were being depleted by incoming orders. At Illinois plants, production and shipments for the month exceeded October as well as last year. In some sections of the district price quotations have shown advances.

In the Seventh district, conditions in the cement industry were very much the same as for the country as a whole, shipments declining sharply, accompanied by a heavy accumulation of stocks as compared with a month ago and last year.

Building Construction—The building contracts awarded during November totaled \$77,003,008 for the Seventh district, a decrease of 14.4 per cent from October but 8.8 per cent larger than the figure for a year ago. The awards so far this year have averaged 40 per cent higher than for 1924. Building permits in the larger cities of the district continue to show a decline in the number of projects and an increase in the estimated cost; in a majority of the cities, however, both number and cost are decreasing. The reports for fifty cities indicate that 28.4 per cent fewer permits were issued in November than in October, with a 4.5 per cent lower estimated cost.

A study of the number of real estate transfers in seven cities of this district, according to the figures furnished by the National Association of Real Estate Boards, reveals lessened activity in this field. The chart shows the trend of these since 1919, and also of the building permits issued in nineteen cities for the same period.

TREND OF REAL ESTATE TRANSFERS AND BUILDING PERMITS
Monthly Average 1920-1924=100



Latest figures, November, 1925; Number of Transfers, 115.7; Estimated Cost of Permits, 162.7.

MERCHANDISING CONDITIONS

Wholesale Trade—The seasonal contraction in sales customary during November was accentuated this year by unfavorable weather and in agricultural communities by delay in realizing returns from crops, with the decline still further marked by comparison with the heavy October trade.

Except for two hardware and five grocery firms, individual dealers reported a smaller dollar volume of goods sold in November than during the preceding month.

Comparisons with sales a year ago indicate declines for half the dry goods wholesalers and for the majority of grocery, hardware, and shoe dealers; of the drug group eight reported increases and three decreases.

Collections during November were heavier than sales

for fifty-five dealers of sixty-nine reporting both items. Accounts outstanding were thus reduced, all five groups indicating declines from October 31. For hardware and drug firms, balances on the books November 30 were above last year, with the dry goods, grocery, and shoe declines amounting to 2, 5, and 12 per cent, respectively. All the drug firms and more than half the hardware and grocery dealers reported smaller amounts collected than in October; except for shoes, however, gains were registered over a year ago.

As during 1923 and 1924, grocery dealers were the one group to make net additions to stocks during November; twenty-seven firms averaged 6.2 per cent higher inventories at the end of the month than on October 31. De-

clines for the other groups ranged from 0.6 per cent for eleven drug firms to 9.2 per cent for ten dry goods dealers. In comparison with last year, drug and hardware stocks showed increases, due for the former to gains by all firms but for the latter to a few large increases.

Department Store Trade—Of eighty-seven department stores in this district only eight reported as large a volume of business during November as in the preceding month. For the district, the decrease of 12 per cent compares with a gain of 14 per cent in 1924 and with a decline of less than 4 per cent in 1923, the one other year (since the index was established in 1919) in which the October volume has not been maintained through the following month.

The gain of 1.1 per cent over a year ago is the smallest since February, and reflects individual increases at only one-third of the stores. Cumulative sales from the beginning of January, however, are within 7.0 per cent of the twelve months' volume last year.

In proportion to average stocks during the month, November sales represented 30.3 per cent, which for the first time in ten months is lower than the corresponding 1924 ratio. Other inventory comparisons varied, thirty-eight firms out of sixty-six reporting heavier stocks on hand at the end of the month than on October 31, and twenty-five out of fifty heavier than a year ago; for the district,

aggregate increases amounted to 3.0 per cent in the former comparison and 5.1 per cent in the latter. Orders for new goods had declined by November 30 to 8.6 per cent of 1924 purchases, the lowest point since the end of June.

Aggregate collections for sixty-eight stores were nearly 9 per cent in excess of October receipts, three-fourths of the group reporting increases; for forty-eight firms, the gains over a year ago amounted to 22.0 per cent, but represented practically the same ratio as last year to accounts outstanding at the beginning of the month. Half the stores had reduced their balances by the end of November, and half reported increases, so that aggregate outstandings remained about the same.

Retail Shoe Trade—The dollar volume of shoes sold at retail during November fell below the previous month for all but seven firms reporting to this bank, the net decrease for fifty-eight amounting to 13.8 per cent. Collections were heavier than in October, and for two-thirds of the firms accounts outstanding had declined by the end of November, with an average drop for twenty-five of 5.1 per cent; in proportion to sales, however, the ratio of 87.8 per cent compares with 70.2 per cent a month earlier. Total inventories on hand November 30 for forty-six firms exceeded the October 31 balances by 1.7 per cent, the result principally of an increase by one large firm, as individually twenty-nine reported reductions for the 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	Nov. 1925	Oct. 1925	Nov. 1924	Oct. 1924		No. of Firms	Nov. 1925	Oct. 1925	Nov. 1924	Oct. 1924
Meat Packing—(U. S.)—						Wholesale Trade—					
Sales (in dollars) ¹	64	101.3	119.5	97.3	108.6	Net Sales (in dollars):					
Casting Foundries—						Groceries	40	73.2	82.9	76.9	88.3
Shipments (in dollars)	28	64.1	70.6	69.7	74.5	Hardware	20	91.6	115.3	92.2	107.9
Stoves and Furnaces						Dry Goods	14	82.9	115.2	85.9	93.1
Shipments (in dollars)	16	119.8	185.9	110.1	159.5	Drugs	14	98.5	116.3	94.1	108.3
Agricultural Machinery & Equipment—(U. S.)—²						Shoes	7	43.2	55.1	48.3	51.4
Domestic Sales (in dollars)	117	83.3	107.4	69.3	84.1	Retail Trade (Dept. Stores)—					
Exports (in dollars)	117	142.5	134.5	107.1	114.1	Net Sales (in dollars):					
Total Sales (in dollars)	117	93.3	112.1	75.9	89.3	Chicago	9	153.6	184.7	144.5	131.5
Production	112	120.3	113.9	86.7	80.2	Detroit	4	181.5	205.5	173.6	142.4
Agricultural Pumps—(U. S.)—³						Des Moines	3	135.0	151.1	136.3	119.1
Shipments (in dollars)	19	106.7	137.3	100.5	100.7	Indianapolis	5	159.4	178.0	166.9	143.3
Furniture—³						Milwaukee	5	166.9	177.3	162.5	150.1
Orders (in dollars)	21	158.3	143.1	165.9	139.8	Outside	39	117.2	138.0	117.6	111.2
Shipments (in dollars)	21	152.4	176.4	127.9	146.8	Seventh District	65	155.8	176.0	153.0	134.3
Shoes—⁴						Retail Trade—(U. S.)—					
Production (in pairs)	35	159.0	177.6	159.1	176.6	Department Stores	359	145	165	141	141
Shipments (in pairs)	35	165.0	191.2	164.4	184.8	Mail Order Houses	4	144	170	131	141
Electric Energy—						Chain Stores:					
Output of Plants (KWH)	9	192.4	200.8	164.3	166.0	Grocery	27	268	315	232	240
Industrial Sales (KWH)	9	214.2	228.2	166.5	175.9	Drug	9	167	179	145	159
Flour Production—						Shoe	6	136	164	146	138
(In bbls.)	39	100.9	123.4	107.3	138.8	Five and Ten Cent	5	220	237	199	203
Output of Butter by Creameries—⁵						Candy	5	195	215	186	199
Production	81	77.9	98.5	71.9	94.9	Music	4	139	141	111	124
Sales	81	85.9	96.7	85.6	99.3	Cigar	3	136	151	138	144
Freight Carloadings—(U. S.)—						U. S. Primary Markets—¹⁰					
Grain and Grain Products	130.6	118.0	145.5	171.8	171.8	Grain Receipts:					
Live Stock	110.6	128.2	125.7	125.0	125.0	Oats		73.7	97.5	95.2	197.8
Coal	118.1	114.8	117.3	117.6	117.6	Corn		129.1	82.0	102.8	126.5
Coke	175.3	148.1	114.6	106.1	106.1	Wheat		111.8	109.6	189.4	278.3
Forest Products	121.4	123.2	126.4	124.7	124.7	Grain Shipments:					
Ore	90.3	133.1	49.3	112.5	112.5	Oats		68.5	81.6	76.2	102.4
Merchandise and Miscellaneous	143.2	149.7	134.2	143.7	143.7	Corn		53.7	57.9	45.7	79.1
Total	132.5	137.6	126.2	135.8	135.8	Wheat		74.9	80.6	159.0	224.5
Iron and Steel—						Building Construction—					
Pig Iron Production: ⁶						Contracts Awarded (in dollars):					
Illinois and Indiana	143.0	133.2	97.5	94.9	94.9	Residential		222.2	270.6	263.4	152.0
United States	120.0	116.4	99.8	95.4	95.4	Total		140.1	163.7	128.8	116.0
Steel Ingot Production—(U. S.) ⁶	138.6	127.9	110.7	102.7	102.7	Permits:					
Unfilled Orders U. S. Steel Corp.	76.4	68.5	67.3	58.8	58.8	Chicago		243.2	261.7	260.5	249.7
Automobiles—(U. S.)—						Cost		381.7	355.0	337.0	274.4
Production: Passenger Cars	242.6	290.7	146.9	188.4	188.4	Indianapolis		144.9	242.4	189.9	294.8
Trucks	142.0	166.5	100.4	116.9	116.9	Cost		253.4	229.4	151.9	195.0
Shipments: ⁶ Carloads	233.3	276.2	130.8	165.4	165.4	Des Moines		114.7	167.6	160.8	202.0
Driveaways	79.6	124.6	50.8	76.4	76.4	Cost		58.9	91.3	77.6	474.2
Boat ⁷	209.3	306.5	140.2	184.5	184.5	Detroit		136.7	212.9	158.8	223.8
Excise Tax Collections—⁸						Cost		198.4	195.6	165.2	216.2
New Automobiles	231.1	70.4	69.7	137.9	137.9	Milwaukee		178.5	206.1	157.6	234.0
New Automobile Trucks	22.5	21.9	15.8	127.3	127.3	Cost		172.6	168.4	164.2	195.4
Parts and Accessories	55.1	43.6	28.9	51.4	51.4	Others (45)		153.1	230.7	175.9	241.4
Stamp Tax Collections—⁹						Cost		147.8	219.2	152.2	164.2
Sales or Transfers of Capital Stock	208.6	309.5	131.1	122.6	122.6	Fifty-Cities		160.1	223.5	175.0	240.1
Sales of Produce on Exchange—Futures	54.4	54.5	60.2	59.8	59.8	Cost		240.2	251.4	214.4	221.3

1. Monthly average 1920-1921 = 100; 2. Monthly average 1923 = 100; 3. Monthly average 1919-1920-1921 = 100; 4. Monthly average of mean of production and shipments in 1919 = 100; 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.