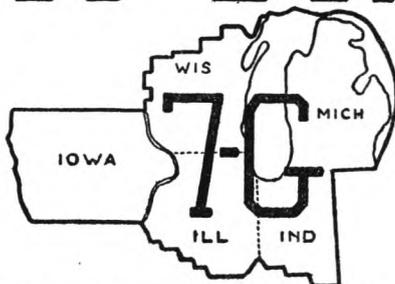


BUSINESS CONDITIONS

SEVENTH
FEDERAL



RESERVE
DISTRICT

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NATIONAL SUMMARY OF BUSINESS CONDITIONS

PRODUCTION and distribution of commodities increased further in February, while wholesale commodity prices remained practically unchanged. Commercial loans of member banks showed a larger increase in February and the first half of March than at the same season in other recent years.

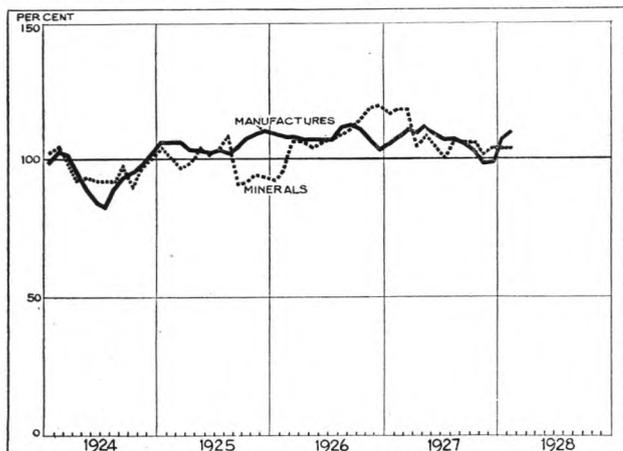
PRODUCTION—Production of manufactures in February, as indicated by the Federal Reserve Board's index, increased 3 per cent over January and was 2 per cent larger than a year ago, while production of minerals declined slightly and continued to be substantially smaller than last year. Factory employment and payrolls showed a seasonal increase in February but continued at a lower level than a year ago. Output of iron and steel, automobiles, and agricultural machinery has increased considerably since the first of the year. Daily average production of steel ingots in February was larger than in any other month since last March, and current reports indicate that output was sustained in the first three weeks in March. Production of non-ferrous metals also increased in February. Activity in the textile industries has shown little change since the first of the year. Production of bituminous coal and crude petroleum, which decreased in February, increased slightly in the first half of March. Building con-

tracts awarded were larger in February than in the corresponding month of any previous year, reflecting chiefly a large volume of awards for residential construction in the New York and Chicago districts. Contracts let in the first two weeks of March were in approximately the same volume as in the corresponding period of last year.

TRADE—Sales of wholesale firms in leading lines increased in February and were slightly larger than a year ago, while sales of department stores, after allowance for the customary seasonal changes, were in about the same volume as in January and somewhat smaller than a year ago. Stocks of merchandise carried both by wholesale firms and by department stores showed a seasonal increase in February. Freight carloadings have shown somewhat more than the usual seasonal increase since the beginning of the year but have continued to be in smaller volume than in the corresponding period of last year, owing chiefly to much smaller shipments of coal. Loadings of merchandise in less-than-carload lots and of miscellaneous commodities have been less than in the corresponding period of the last two years, while loadings of live stock and grain products have been larger.

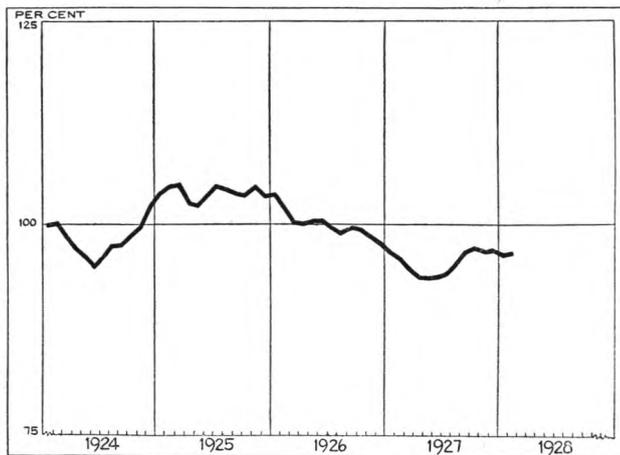
PRICES—The general level of wholesale commodity prices, as indicated by the Bureau of Labor Statistics

PRODUCTION OF MANUFACTURES AND MINERALS



Index numbers of production of manufactures and minerals, adjusted for seasonal variations (1923-1925 average=100). Latest figures, February 1928: Manufactures, 109; Minerals, 103.

WHOLESALE PRICES



Index of U. S. Bureau of Labor Statistics (1926=100, base adopted by Bureau). Latest figure, February, 1928: 96.4.

Compiled March 27, 1928

index, remained practically unchanged in February at approximately 96 per cent of the 1926 average. There were decreases in the prices of cotton, sugar, non-ferrous metals, chemicals, and rubber, as well as a seasonal decline in dairy products. Increases occurred in prices of grains, metals, hides and leather products, and steel. In the first two weeks in March, prices of grains, hogs, and cotton advanced, while those of cattle and rubber showed further declines.

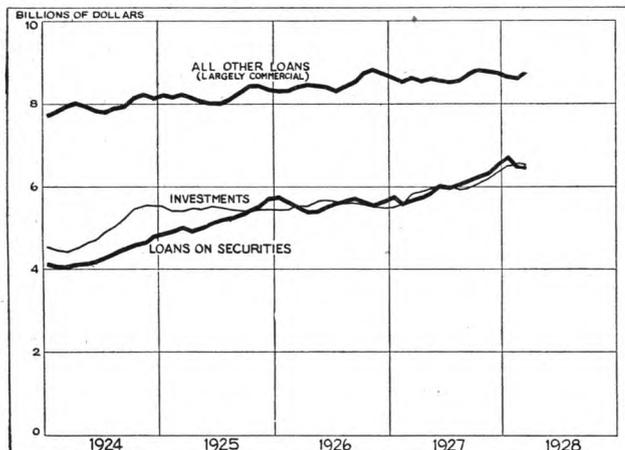
BANK CREDIT—From the middle of February to the middle of March the loans and investments of member

banks in leading cities increased by \$200,000,000, reflecting a growth in the banks' commercial loans. The banks' loans on securities and investments showed little change for the period.

The volume of reserve bank credit outstanding increased somewhat from February to March, chiefly in consequence of increased borrowings by member banks, which in part reflected further withdrawals of gold for export.

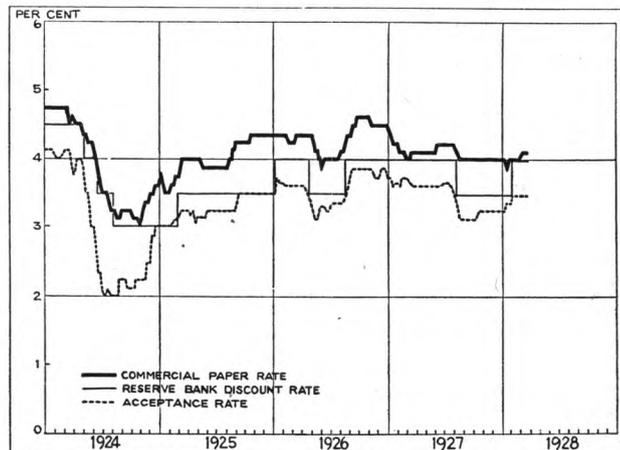
During the four weeks ending March 21, conditions in the money market were firmer; the rate on prime commercial paper increased from 4 to 4-4¼ per cent, and there were advances in time rates on security loans.

MEMBER BANK CREDIT



Monthly averages of weekly figures for banks in 101 leading cities. Latest figures, averages for first two weekly report dates in March, 1928: All Other Loans, 8,765 million; Loans on Securities, 6,474 million; Investments, 6,534 million.

MONEY RATES



Weekly rates in New York money market—Commercial paper rate on 4 to 6 months' paper, and acceptance rate on 90-day paper. Latest figures, third week in March, 1928: Commercial Paper Rate, 4½ per cent; New York Reserve Bank Discount Rate, 4 per cent; Acceptance Rate, 3½ per cent.

BUSINESS CONDITIONS IN THE SEVENTH RESERVE DISTRICT

Current statistics reveal increased activity over a year ago in a number of important phases of Seventh district industry. Production and sales of agricultural machinery, pig iron output, shipments and production of steel castings, automobile production, flour output, and meat packing products show expansion in this comparison. Similar trends are shown by distribution data, notably the expansion in all wholesale lines reporting to this bank, and in department and chain store trade. A marked gain over a year ago took place in building contracts awarded, though the volume of building permits issued declined. A decrease from a year ago was manifest in sales of automobiles; retail shoe and furniture trade also showed a lessened volume of business, as was the case in orders booked at furniture factories, the volume of creamery butter produced, and in shoe manufacturing.

Expansion in February over the January volume is noted in many lines of production and distribution, some of the gains in large part seasonal, and others constituting evidence of a general broadening of activity. Of a seasonal nature were the increased sales of agricultural machinery and equipment, shoe manufacturing, automobile production and sales, wholesale and retail, and lumber sales to industrial users. Data at hand indicate a slight improvement in employment over a month ago. The volume of edible products of slaughtering establishments also gained. The principal decreases shown in the month-to-month comparison were registered in butter production, estimated cost of building permits issued, building materials, retail shoes, and the volume of orders booked at furniture factories.

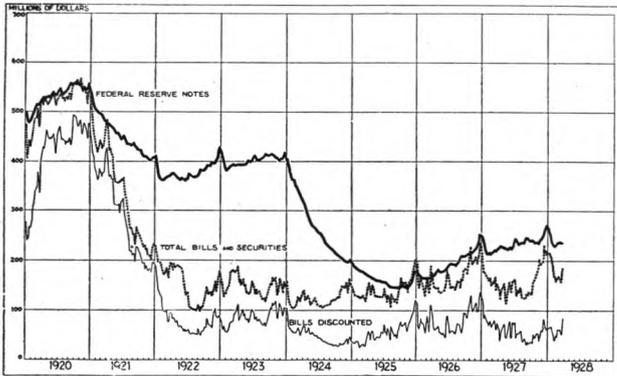
Of major interest in finance were the rising trend in commercial borrowing, recession in commercial paper sales as compared with January and with February a year ago, lessened volume of transactions in bankers' acceptances from January, though heavier than a year ago, and a rise in debits to individual accounts over February, 1927. Savings deposits moved upward in both comparisons. The Chicago bond market continued active.

CREDIT CONDITIONS AND MONEY RATES

The volume of demand for credit in Chicago has been on a moderately rising scale since the end of February, loans for commercial purposes as well as those on stocks and bonds moving upward, with a slight firming trend in evidence, insufficient, however, to bring about any alteration in rates, which are quoted as follows: commercial paper, 4 to 4½ per cent; customers' over-the-counter loans, 4¾ to 5 per cent; and collateral loans, 4½ to 4¾ per cent. The average rate earned on loans and discounts by ten loop banks during the calendar month of February was 4.80 per cent, as against 4.79 in January and 4.87 per cent in February a year ago. No change in volume of demand is reported in Detroit. The average rate earned by five large banks in February was 5.40 per cent, compared with 5.32 per cent and 5.43 per cent in the preceding month and February, 1927, respectively. The prevailing rate on commercial loans during the week ended March 15 in Detroit was 4½ to 6 per cent. In other centers of the district primarily devoted to manufacturing, an increase in credit requirements has been reported; localities largely agricultural in nature indicate conditions unchanged from a month ago.

The amount of Federal Reserve bank credit in use in the district increased on March 22, after moving downward from the end of February. Total bills and securities were reported as \$184,161,000 on March 21, compared with \$168,264,000 February 29, and \$154,081,000 March 14. Loans to member banks of \$83,757,000 compared with \$61,384,000 February 29, and \$61,818,000 February 21. Federal Reserve notes in actual circulation aggregated \$236,246,000 March 21, a rise of about one million from the preceding week; on February 21 this item stood at \$236,595,000.

POSITION OF THE FEDERAL RESERVE BANK OF CHICAGO



Latest figures, March 21, 1928, in thousands of dollars: Federal Reserve Notes, 236,246; Total Bills and Securities, 184,161; Bills Discounted, 83,757.

Loans and discounts of reporting member banks in Chicago have moved upward since the middle of February, those for commercial purposes as well as those on stock and bonds sharing in the rising trend. In Detroit, the volume of commercial loans has declined slightly since mid-February, while those secured by stocks and bonds have shown the opposite trend. For the district as a whole, loans and discounts of reporting member banks totaled \$2,277,222,000 on March 14, compared with \$2,225,746,000 February 15. On March 21 the district aggregate was \$2,276,378,000, a heavier volume of loans on stocks and bonds being offset by a drop in commercial loans. Investment holdings of Chicago reporting member banks declined during the period from February 15 to March 14, while in Detroit and other selected cities the volume has increased; on March 14 all reporting member banks in the district showed total investments as \$896,466,000 compared with \$905,982,000 February 15. The following week \$918,326,000 was reported. Net demand and time deposits increased until March 14; the first named amounted to \$1,874,351,000 on that date for all reporting member banks in the district, and on February 15 was \$1,862,589,000; time deposits of \$1,227,562,000 on March 14 compared with \$1,205,426,000 February 15. Net demand deposits decreased on March 21, totaling \$1,820,169,000, while time deposits rose to \$1,236,887,000.

Sales of commercial paper by eleven dealers showed a recession in the aggregate of 19.7 per cent for February compared with the preceding month, and were 13.3 per cent below the corresponding period of last year. Demand averaged fair, and the supply continued fair to moderate. Supplies were indicated as rather small during the first two weeks of March, and the demand good. Selling rates firmed slightly, February quotations being $4\frac{1}{4}$ to $4\frac{1}{2}$ for high (mostly $4\frac{1}{4}$), and $3\frac{3}{4}$ to 4 per cent for low; the customary figure ranged between $3\frac{3}{4}$ and $4\frac{1}{2}$ per cent, with

the average about 4 per cent. Interest rates for the first half of March ranged from $4\frac{1}{4}$ and $4\frac{1}{2}$ for high to 4 per cent for low, with the customary rate 4 to $4\frac{1}{4}$ per cent. Outstandings of five dealers totaled 0.7 per cent less at the close of February than on January 31, and were 2.7 per cent smaller than a year ago; for twenty-five dealers located throughout the country, outstandings amounted to \$567,289,604.

Sales in the Chicago open bill market decreased 42.0 per cent during the four weeks ended March 14, compared with those for January 19 to February 15, while purchases gained 1.9 per cent, according to the reports from six dealers. Receipts from other offices declined 38.7 per cent from the preceding period, and the volume of inter-office forwardings increased 87.7 per cent. Packing-house products, grain, cotton, flour, canned goods, wool, sugar, raw silk, benzol and gasoline, tobacco, copper, rubber, woolen goods, fertilizer, gum rosin, dollar exchange, coffee, malt, turpentine, dates, hats, and peanuts comprised the principal commodities involved in these transactions. The supply of bills was indicated as fair to limited and the demand only fair. Preference continued to center on 60- and 90-day maturities. March 14 selling rates ranged from $3\frac{3}{4}$ per cent for 30-day paper to $3\frac{3}{4}$ per cent for 180-day bills. Holdings increased 74.3 per cent over those of February 15.

February transactions in bankers' acceptances at sixteen banks of the district totaled less than in the preceding month by 18.7 per cent in amount of paper accepted, 68.5 per cent in quantity of bills bought, and 45.8 per cent in volume sold. Acceptances and sales increased 66.0 per cent and 72.9 per cent, respectively, in comparison with last year, while purchases decreased 19.8 per cent. Individually, however, half the banks reported larger purchases than in January or a year ago, and the majority heavier sales than in the preceding month. Bills accepted during the first two weeks of March by three local banks were drawn principally against transactions in packing-house products, coffee, cotton, crude rubber, grain, silk, electrical machinery, shoes, sugar, hides, tea, pepper, rattan, casings, straw hats, and feathers. Liabilities for outstandings gained 0.2 per cent over January 31 and were 31.7 per cent in excess of February 28 last year. February 29 holdings showed a recession of 12.4 per cent from the preceding month and were 28.1 per cent less than a year ago; bills retained in the portfolios of the banks in which they originated increased 3.9 per cent and decreased 37.3 per cent in the comparisons. The Federal Reserve Bank of Chicago purchased \$21,881,584 of bankers' acceptances during the month and had \$42,099,372 on hand February 29.

Volume of Payment by Check—Thirty-seven clearing house centers in the Seventh district reported an aggregate of payment by check for February of \$5,713,472,000, a decrease of 12.9 per cent from January, partially accounted for by the shorter month, and a rise of 8.3 per cent over February a year ago, in part the result of the additional day this year. The four larger cities, Chicago, Detroit, Milwaukee, and Indianapolis, decreased 13.6 per cent in the monthly, and gained 9.4 per cent in the yearly comparison, while thirty-three smaller reporting clearing house centers dropped 9.1 per cent from the January total and increased 2.3 per cent in comparison with a year ago. Chicago, with an aggregate of \$3,544,270,000, showed a decrease of 15.2 per cent from January, and an 8.9 per cent rise over February a year ago.

Savings—March 1 savings at 207 reporting banks of the Seventh district exceeded those of the preceding month by

0.3 per cent in number of accounts, 0.1 per cent in average amount, and 0.4 per cent in total deposits, and showed gains of 1.3, 2.3, and 3.6 per cent, respectively, in comparison with the corresponding date of 1927. State totals followed the same general trend as those of the district, except that figures for Wisconsin, and average and total deposits for Illinois were slightly lower than at the beginning of February. Individually, nearly half the banks reported smaller deposits than a month previous, and about one-third showed a recession from last year.

AGRICULTURAL PRODUCTION AND FOODSTUFFS

A report by the Bureau of Agricultural Economics of the United States Department of Agriculture shows proposed plantings for 1928 in the five states including the Seventh Federal Reserve district as follows: corn 101.7 per cent of the acreage harvested in 1927, oats 100.1, barley 123.9, spring wheat 107.6, Irish potatoes 110.8, sweet potatoes 113.3, tame hay 97.9, and tobacco 117.0 per cent. For the country as a whole, intended plantings indicate increases of 2.8 per cent for corn, 23.9 per cent for barley, 11.9 per cent for Irish potatoes, 15.7 per cent for tobacco, and decreases of 1.5 per cent for spring wheat, 1.4 per cent for oats, and 1.4 per cent for tame hay in comparison with the acreage grown for the 1927 harvest.

Grain Marketing—February receipts and reshipments of grain at interior primary markets in the United States exceeded those of the preceding month, a year ago, and the 1923-27 average for February, although the movement of wheat was slightly less than in January, and that of oats was below the five-year average. United States visible supplies of grain, with the exception of corn and rye, showed a recession in volume on March 10 compared with the corresponding Saturday of February. Wheat holdings were larger than last year, but stocks of other grain were smaller than on March 12, 1927. Farm inventories of wheat, corn, and oats decreased and those of barley and rye increased in the United States on March 1 in comparison with a year ago, according to an estimate made by the Bureau of Agricultural Economics. Supplies of rye in the five states including the Seventh Federal Reserve district, however, were reduced from last year. Members of the Chicago Board of Trade contracted for a 33.0 per cent larger quantity of future delivery grain during February than in the preceding month, and the tonnage was 30.6 per cent greater than a year ago; commitments for corn, however, showed the only gain over February, 1927, and the tonnage of oats was somewhat less than in January. Prices trended upward.

FLOUR PRODUCTION IN THE SEVENTH DISTRICT

Changes in February, 1928, from previous months

	PER CENT CHANGE FROM		COMPANIES INCLUDED
	JANUARY 1928	FEBRUARY 1927	
Production (bbls.)	+3.6	+26.8	33
Stocks of flour at end of month (bbls.)	+0.9	+ 4.2	29
Stocks of wheat at end of month (bu.)	-6.5	- 7.8	29
Sales (volume)	-3.4	+13.9	15
Sales (value)	+2.1	+18.9	15

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

Movement of Live Stock—February marked a seasonal recession in cattle receipts and a slight decline in the movement of hogs, lambs, and calves to public stock yards in the United States as compared with January. Hog receipts continued considerably above last year and the 1923-27 February average; the marketing of lambs increased, and the

Bonds—A steadily rising volume of new issues and continued demand have maintained activity in the Chicago bond market at a relatively high level during the past month. High grade industrials have met with considerable favor, and firms handling real estate bonds have found difficulty in supplying the demand for that class of security, a condition prevailing for some time. Public utility bonds continue popular, as is the case with foreign issues, largely because of their higher yield as compared with domestic securities.

arrivals of cattle decreased in these comparisons. The supply of calves exceeded the five-year average for February.

LIVE STOCK SLAUGHTER

	CATTLE	HOGS	LAMBS AND SHEEP	CALVES
Yards in Seventh district, February, 1928	203,732	1,263,028	300,702	119,144
Federally Inspected Slaughter U. S. February, 1928	666,079	5,779,821	1,048,419	373,789
January, 1928	711,104	5,478,968	1,150,520	383,264
February, 1927	700,423	3,394,560	1,005,635	376,668

The movement to feed lots showed the usual decline from January; reshipments of feeder cattle and calves remained in excess of a year ago, while those of lambs and sheep continued below the corresponding period of 1927.

AVERAGE PRICES OF LIVE STOCK

(Per hundred pounds at Chicago)

	WEEK ENDED		MONTHS OF	
	MAR. 17 1928	FEB. 1928	JAN. 1928	FEB. 1927
Native Beef Steers (average)	\$12.75	\$13.25	\$13.90	\$10.50
Fat Cows and Heifers.....	9.25	9.15	8.90	6.75
Hogs (bulk of sales).....	8.30	8.10	8.30	11.80
Yearling Sheep	13.65	13.85	10.80	11.20
Lambs	15.90	15.40	13.05	13.00

Meat Packing—Slaughtering establishments in the United States produced a slightly larger tonnage of edible products during February than in the preceding month, and the volume was considerably greater than a year ago. Employment for the last payroll of the period gained 2.0 per cent in number of employes and 0.3 per cent in hours worked, and showed practically no change in total value compared with corresponding figures for January. Domestic demand remained good for pork products, fair for lamb, and rather slow for beef. Sales billed to domestic and foreign customers by sixty-one meat packing companies in the United States increased 2.1 per cent in February over January and 1.0 per cent in comparison with last year. Trade in domestic markets averaged fair to good at the beginning of March; some recession was indicated from early February because of the Lenten season. Chicago quotations for pork and lard declined in February from the preceding month, while veal and mutton advanced. Beef prices showed a slightly firmer tendency for cows and heifers and a little easier tone for steers than in January. March 1 inventories at packing plants and cold-storage warehouses in the United States totaled in excess of those for the preceding month, a year ago, and the 1923-27 March 1 average. Beef holdings showed a recession in these comparisons, supplies of miscellaneous meats declined from the five-year average, and mutton stocks were below February 1 and last year.

February shipments for export were greater than in January. Lard trade showed some improvement on the Continent during the month, and there was fair inquiry for fat backs; demand remained rather quiet in the United Kingdom. Continental prices averaged about on a parity with Chicago; quotations in British markets continued at a

discount. March 1 inventories of packing-house products already abroad on consignment and in transit to European countries were reported about on a level with the beginning of February.

Dairy Products—Sixty-six creameries in the Seventh district manufactured a 1.2 per cent smaller tonnage of butter during February than in the preceding month, and the quantity showed a reduction of 0.8 per cent from a year ago. Production in the United States also declined in comparison with January, but was slightly above the corresponding period of last year, as indicated by statistics of the American Association of Creamery Butter Manufacturers. Sales of creamery butter billed to customers during February by sixty-eight companies in the Seventh district were 3.6 per cent smaller in volume than those for the preceding month and 1.3 per cent in excess of February, 1927.

COAL

Demand for domestic sizes of coal in this district has been governed by weather conditions since the first of the year, retailers buying for the most part in small lots and for current needs only. The consequent decrease in production of these sizes reduced the supply of screenings, so that prices of the fine coals in general remained firm and demand was better than for the coarser varieties. Prices on the latter have eased in some cases during recent weeks.

Unsettled labor conditions appear to have little effect on demand.

Production of bituminous coal during February by Illinois mines totaled 5,685,245 tons, a decline of 3.7 per cent from January and 29.8 per cent below a year ago. The number of mines in operation totaled 177, with an average of 16.6 days and employing 57,285 men; this compares with 227 mines in February, 1927, for an average of 19.3 days, and with 72,104 men employed.

INDUSTRIAL EMPLOYMENT CONDITIONS

All but two of the industrial groups reporting on employment conditions in the Chicago Federal Reserve district, showed increases in both men and amount of payrolls for the January 15 to February 15 period, the gain in number of men amounting to 1.9 per cent and in payrolls to 7.6 per cent. This brings the volume of employment to somewhat above the December level, offsetting the heavy curtailments reported for January. Metals and vehicles led the advance, the additions to working forces in these groups totaling 2.5 per cent in the former and 5.8 per cent in the latter. At Detroit the volume of employment reported by the Employers' Association was 4.9 per cent higher on March 13 than a month earlier, and 3.9 per cent above March 15, 1927, which was the high point for that year. Chemicals, rubber, furniture, food, clothing, and

leather products also registered substantial gains.

The exceptions to the general industrial trend were furnished by the paper and printing industry and by stone, clay, and glass products. The latter group has shown a steady decline since last September. In groups other than manufacturing, employment conditions were less favorable. Distributive industries, public utilities, building and construction work recorded curtailments. There was a slight increase in employment at coal mines. The ratio of applicants to available positions at the free employment offices fell from 239 per cent to 208 in the state of Illinois; rose from 275 to 345 in Iowa; and in Indiana averaged 171 per cent during February as compared with 200 the month previous.

EMPLOYMENT AND EARNINGS—SEVENTH FEDERAL RESERVE DISTRICT

INDUSTRIAL GROUPS	NUMBER OF WAGE EARNERS			TOTAL EARNINGS		
	WEEK ENDED		PER CENT CHANGE	WEEK ENDED		PER CENT CHANGE
	FEB. 15, 1928	JAN. 15, 1928		FEB. 15, 1928	JAN. 15, 1928	
All groups (10)	334,338	328,051	+1.9	\$9,149,725	\$8,505,668	+ 7.6
Metals and metal products (other than vehicles).....	128,816	125,632	+2.5	3,497,352	3,219,111	+ 8.6
Vehicles	31,230	29,521	+5.8	961,861	770,508	+24.8
Textiles and textile products.....	27,070	26,815	+1.0	665,415	642,568	+ 3.6
Food and related products	46,246	45,680	+1.2	1,280,816	1,233,317	+ 3.9
Stone, clay, and glass products.....	11,928	12,019	-0.8	334,209	340,317	- 1.8
Lumber and its products	27,051	26,441	+2.3	664,422	586,822	+13.2
Chemical products	12,804	12,573	+1.8	370,456	338,799	+ 9.3
Leather products	14,695	14,627	+0.5	329,646	314,892	+ 4.7
Rubber products	4,006	3,966	+1.0	88,149	84,920	+ 3.8
Paper and printing	30,492	30,777	-0.9	957,399	974,414	- 1.7

MANUFACTURING ACTIVITIES AND OUTPUT

Automobile Production and Distribution—For the second successive month production of passenger automobiles in the United States increased in February over the preceding month and was larger than in the corresponding month a

year ago; output aggregated 290,830, which compares with 205,543 in January and 264,171 in February, 1927. Truck output of 32,538 also increased in February over the preceding month, but was less than a year ago.

February sales of automobiles by both wholesalers and retailers in the Middle West continued to expand, although they averaged below a year ago. Sales of used cars followed a similar trend. Stocks of new cars on hand February 29 increased in the monthly and yearly comparisons; those of used cars increased over January 31, and were less in number than on the corresponding date of 1927, but greater in value. Deferred payment sales of thirty-one dealers averaged 48.2 per cent of their total retail sales in February, compared with 44.4 in January and 36.2 per cent a year ago.

MIDWEST DISTRIBUTION OF AUTOMOBILES

Changes in February, 1928, from previous months

	PER CENT CHANGE FROM		COMPANIES INCLUDED
	JANUARY 1928	FEBRUARY 1927	
New cars			
Wholesale—			
Number sold	+42.5	- 6.3	36
Value	+50.1	-10.9	36
Retail—			
Number sold	+16.0	-19.5	82
Value	+29.8	- 7.2	82
On hand February 29—			
Number	+19.6	+ 6.3	52
Value	+12.9	+10.2	52
Used cars			
Number sold	+31.4	- 3.7	82
Salable on hand—			
Number	+ 2.5	-13.5	50
Value	+ 2.5	+10.6	50

Agricultural Machinery and Equipment—The aggregate value of sales billed during February to domestic and foreign customers by seventy-nine manufacturers of agricultural machinery and equipment gained 82.9 per cent over January in the heavy group, 30.3 per cent in the light group, and 13.4 per cent in the barn equipment group. Increases of 37.4 per cent in the tractor, thresher, combination harvester-thresher line, of 10.0 per cent in "all other" (exclusive of barn supplies), and of 18.6 per cent in barn equipment sales were shown in comparison with last year.

PRODUCTION AND SALES OF FARM EQUIPMENT IN THE UNITED STATES

Changes in February, 1928, from previous months

	PER CENT CHANGE FROM		COMPANIES INCLUDED
	JANUARY 1928	FEBRUARY 1927	
Domestic sales billed	+39.8	+19.5	79
Sales billed for export	+98.6	+26.4	46
Total sales billed	+49.2	+20.9	79
Production	+ 5.0	+13.9	76

Production computed from average employment during the month. Sales based on value.

Iron and Steel Products—A high rate of activity was maintained through February in the steel industry of the Chicago district, and March opened with practically the same conditions prevailing. New business increased over January, specifications were heavy, and operations averaged about 95 per cent of capacity. Pig iron was also active in this district in February, and daily average output for Illinois and Indiana gained 12.3 per cent over the preceding month and was larger than in February, 1927 or 1926. For the United States, steel ingot production increased 5.4 per cent in the daily average over January, and was the highest for February on record, while pig iron output gained 8 per cent in the monthly comparison, but was almost 5 per cent under a year ago. Unfilled orders of the United States Steel Corporation on February 29 totaled 4,398,189 tons, comparing with 4,275,947 tons on January 31 and 3,597,119 tons on the corresponding date of 1927.

Price adjustments were numerous during February, advanced quotations including those on plates, shapes, and bars by western mills. The composite average compiled by *Iron Trade Review* on leading iron and steel products had risen from \$35.07 at the beginning of January to \$35.91

on March 14, but dropped on March 21 to \$35.70; this compares with \$36.87 on March 23 last year. Scrap iron and steel prices at Chicago showed slight fluctuations through February and in early March, but in general remained at levels prevailing since the first of the year; on March 20, however, quotations eased on many items.

Shipments and production of steel casting foundries in the Seventh district increased in February over the preceding month and a year ago, while orders booked declined in both comparisons. Malleable casting foundries likewise reported smaller orders and increased production; shipments gained over January, but showed a slight decline from last year. Stove shipments, production, and new orders in February exceeded those in the preceding month and February, 1927.

Shoe Manufacturing, Tanning, and Hides—Shoe factories in the Seventh Federal Reserve district operated at seasonally higher levels during February than in January, with shipments totaling 2.8 per cent more than production. Twenty-five companies reported stock shoes on hand at the close of the month equivalent in the aggregate to 79.4 per cent of the volume of February shipments. Unfilled orders on the books of twenty-four companies provided for approximately five weeks' business at the current rate of distribution.

CHANGES IN THE SHOE MANUFACTURING INDUSTRY IN FEBRUARY, 1928, FROM PREVIOUS MONTHS

	PER CENT CHANGE FROM		COMPANIES INCLUDED	
	JAN. 1928	FEB. 1927	JAN. 1928	FEB. 1927
Production	+20.9	-1.4	30	30
Shipments	+17.6	-7.2	30	30
Stock shoes on hand.....	+ 0.5	+1.5	25	25
Unfilled orders	-12.9	-6.5	24	22

A smaller quantity of leather was produced in the district during February than in the preceding month or a year ago, according to reports sent direct to this bank by representative tanneries. Slightly more than two-thirds the companies experienced an increase in sales over January, and nearly all showed gains in comparison with last year. Prices tended to ease.

Chicago trading in packer green hides and skins showed a further recession during February; shipments from the city as well as purchases by district tanners were reported below those of January. The market was very active early in March. Prices declined.

Furniture—Declines of 20.4 per cent and 15.4 per cent, respectively, from the preceding month and a year ago were reported in orders booked during February by twenty-three furniture manufacturers of the Seventh district, only about one-third the firms showing increases in each comparison. Shipments increased seasonally 39.2 per cent over January, but were 7.0 per cent under a year ago. A larger volume of shipments than new orders received, plus the amount of cancellations, reduced unfilled orders on hand February 29 to 5.7 per cent below those held January 31; they were also 21.6 per cent smaller than on the corresponding date of 1927. The rate of operations showed an expansion with increased shipments, but remains below a year ago.

Raw Wool and Finished Woolens—Features of the raw wool market in February were the maintenance of very firm prices with further advances on the most desirable qualities, the small quantity of domestic stocks of raw wool except in the finer grades, and a somewhat more limited demand from mills than in the preceding month. Any decline in the volume of sales, however, was partly due to the de-

creased offerings by dealers. The movement of wool in this district was reported in excess of a year ago. Buyers continue to contract for wool in the territory states at an advanced level of prices, and there has been a strengthen-

ing tendency in foreign markets. Conditions in the finished goods industry show irregular progress. Many openings for the Fall, 1928, season have taken place, but satisfactory orders are not general with all firms.

BUILDING MATERIAL AND CONSTRUCTION ACTIVITIES

The demand for lumber by wood-consuming industries of the Chicago district showed an increase during February, sales of seventeen reporting wholesalers amounting to 14.6 per cent more in value and 8.7 per cent more in board feet than for the preceding month. A large volume of the orders was for hardwoods used in the manufacture of furniture, millwork, automobile bodies, and in railroad repair work, and was mostly for current requirements. Retail yards also were in the market for softwoods, replenishing their stocks. The demand for building materials, however, was quiet, sales at 114 reporting retail yards falling 21.9 per cent below January and totaling 5.5 per cent less than in February, 1927. At wholesale, sales comparisons with a year ago showed a gain of 0.9 per cent in dollar value but a loss of 10.9 per cent in volume. Outstanding accounts of these wholesalers were 122 per cent of sales, as against 133 at the close of January and 122 a year ago. At retail, the corresponding ratios were 429, 357, and 408. Stocks showed an accumulation over the preceding month, and at retail yards were also heavier than a year ago. At Chicago, receipts and shipments of lumber were considerably heavier than in January, while in comparison with Feb-

ruary last year, receipts were heavier but shipments smaller. Prices on a large number of items have shown a firming tendency, but are generally lower than a year ago.

In the cement industry, shipments showed a slight increase over January but were much smaller than in February, 1927. Production has been curtailed still further, and stocks have reached record volume. The demand for brick was also quiet, with the output slightly lower than in January and considerably under last year.

Building Construction—Contracts awarded during the month amounted to \$108,789,113 for the Seventh district, a gain of 39.8 per cent over January and of 53.4 per cent over last February. Residential contracts totaled \$43,537,590, exceeding the preceding month by 15.6 per cent and February, 1927, by 47.3 per cent. Permits issued in fifty cities of the district made a less favorable showing, estimated cost registering a decline of 1.7 per cent from a month previous and of 31.4 per cent from February last year. A heavy drop at Chicago was largely responsible for the aggregate decline. The number of permits issued was 10.8 per cent higher for the district than in January, but 14.9 per cent lower than a year ago.

MERCHANDISING CONDITIONS

Wholesale Trade—All six lines of wholesale trade reporting to this bank showed an aggregate expansion in February sales over last year; drugs and electrical supplies registered the only declines from January. The majority of lines reported larger stocks on hand February 29 than a month previous, and most of them had smaller inventories

than a year ago. Except in shoe trade where prices trend upward and in electrical supplies and equipment where they are lower, price levels appear to be about the same as in the preceding month. In most lines collections are fair, although some reports indicate that they are rather slow.

WHOLESALE TRADE DURING THE MONTH OF FEBRUARY, 1928

	NET SALES DURING MONTH		STOCKS AT END OF MONTH		ACCOUNTS OUTSTANDING END OF MONTH			COLLECTIONS DURING MONTH	
	PER CENT PRECEDING MONTH	CHANGE FROM SAME MONTH LAST YEAR	PER CENT PRECEDING MONTH	CHANGE FROM SAME MONTH LAST YEAR	PER CENT PRECEDING MONTH	CHANGE FROM SAME MONTH LAST YEAR	RATIO TO NET SALES DURING MONTH	PER CENT PRECEDING MONTH	CHANGE FROM SAME MONTH LAST YEAR
Groceries	(38)+ 1.3	(38)+ 6.9	(25)+ 0.6	(25)—14.0	(34)+ 1.3	(34)— 0.2	(34) 116.3	(29)+ 2.2	(29)+ 6.2
Hardware	(15)+ 8.8	(15)+ 2.0	(9)+ 8.3	(9)— 0.8	(15)— 1.6	(15)+ 3.6	(15) 225.8	(13)—16.6	(13)+ 9.4
Dry Goods	(13)+22.5	(13)+ 6.9	(9)—1.3	(10)+ 7.8	(11)+ 1.8	(11)— 0.6	(12) 304.7	(8)— 8.1	(9)— 3.5
Drugs	(14)— 3.4	(14)+ 4.3	(12)+ 2.3	(12)— 0.5	(13)+ 2.8	(14)+ 3.4	(14) 157.7	(9)+ 4.6	(7)+12.2
Shoes	(8)+27.0	(8)+ 0.1	(5)+10.4	(5)+24.4	(7)+ 6.8	(6)+10.8	(7) 317.6	(6)—20.6	(5)+ 2.3
Electrical Supplies	(37)— 3.4	(48)+ 1.2	(31)— 1.1	(39)— 7.7	(37)— 3.4	(47)— 0.7	(48) 146.8	(28)— 5.0	(38)— 1.6

Figures in parentheses indicate number of firms included.

Department Store Trade—Sales increases during February in Chicago and Detroit brought the total for eighty-two department stores of the Seventh district to 4.0 per cent in excess of January and 4.6 per cent above February last year; sales for the first two months of 1928 aggregated 5.8 per cent more than in the corresponding period of 1927. Sales by Indianapolis and Milwaukee firms, and by fifty-eight stores in smaller cities declined in all three comparisons. Inventories as of February 29 were larger for the district than at the end of January or a year ago; stock turnover (the ratio of sales to average stocks) was 29.6 per cent for February compared with 28.5 last year, and for the first two months of this year 58.3 as against 54.7 for the same period of 1927. Accounts receivable February 29 and collections during the month declined 8.2 and 21.9 per cent, respectively, in the monthly comparison, and increased 3.6 and 7.4 per cent as compared with a year ago.

February collections totaled 40.2 per cent of accounts receivable January 31 this year, while the corresponding ratio in 1927 was 39.4.

Retail Shoe Trade—Declines of 15.2 and 15.7 per cent from January and last year, respectively, were shown in aggregate February shoe sales of twenty-four dealers and twenty-two department stores reporting to this bank; sales for the first two months of 1928 averaged 7.2 per cent below the corresponding period of 1927. Stocks of thirty-five firms totaled 7.5 per cent more on February 29 than a month previous, but 5.5 per cent under a year ago. Collections during February were 15.9 and 13.1 per cent less, respectively, in the month-to-month and yearly comparisons, according to the reports of sixteen dealers, and accounts receivable declined 19.3 and 40.8 per cent. The ratio of accounts receivable to sales was 73.1 for February, compared with 72.1 in January and 102.4 a year ago.

Retail Furniture Trade—February sales of furniture by twenty-three retail dealers and twenty-four department stores showed an aggregate gain of 20.1 per cent over the preceding month and a decline of 1.3 per cent from a year ago. Stocks on hand February 29 were heavier by 2.7 per cent than on January 31, and averaged 3.1 per cent over the corresponding date of 1927. Installment sales by nineteen dealers totaled 33.2 per cent above January, but 1.0 per cent less than a year ago. Collections on this type of sales declined 4.6 per cent in the monthly comparison, and increased 1.4 per cent over February last year. Total collections declined 4.0 and gained 2.6 per cent, respectively, in these comparisons. Accounts receivable on February 29 totaled

1.5 per cent less than on January 31 and 3.0 per cent above a year ago.

Chain Store Trade—Twenty-four chains of the Seventh district with 2,250 stores in operation during February showed a total gain in sales over January of 8.9 per cent, and an increase of 16.4 per cent over a year ago. The number of stores in operation gained 6.0 and 19.9 per cent, respectively, in these comparisons. With the exception of women's clothing chains, all groups reported larger sales in February than in the preceding month. In the comparison with February, 1927, grocery, drug, five-and-ten-cent, men's clothing, and furniture chains indicated gains in sales, and cigars, musical instruments, and women's clothing showed declines.

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 1923-1924-1925 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	Feb. 1923	Jan. 1928	Feb. 1927	Jan. 1927
Meat Packing—(U. S.)—					
Sales (in dollars)	59	106.2	104.0	105.3	111.4
Casting Foundries—					
Shipments:					
Steel—In dollars	16	87.1	70.7	80.8	72.9
In tons	16	95.4	76.0	80.2	72.0
Malleable—In dollars	18	62.2	57.3	66.3	54.5
In tons	15	91.6	85.1	99.5	75.9
Stoves and Furnaces—					
Shipments (in dollars)	12	82.6	60.5	73.1	54.5
Agricultural Machinery & Equipment—(U. S.)—					
Domestic Sales (in dollars)	83	161.7	117.2	133.5	105.6
Exports (in dollars)	56	220.4	109.9	176.2	93.5
Total Sales (in dollars)	83	171.4	116.0	140.4	103.7
Production	82	137.7	130.7	121.4	119.6
Furniture—					
Orders (in dollars)	27	98.7	122.5	107.9	145.4
Shipments (in dollars)	27	99.9	71.8	107.8	94.9
Shoes—¹					
Production (in pairs)	32	104.9	88.9	106.5	94.9
Shipments (in pairs)	32	106.6	91.3	114.1	87.2
Electric Energy—					
Output of Plants (KWH)	8	145.8	153.1	126.8	139.6
Industrial Sales (KWH)	8	156.5	151.2	135.8	130.5
Flour—					
Production (in bbls.)	34	105.5	101.9	83.2	89.7
Output of Butter by Creameries—					
Production	74	87.9	88.9	88.7	87.8
Sales	74	89.0	91.1	88.2	85.7
Automobiles—					
Distribution in Middle West:					
New cars—Wholesale—Number sold..	36	155.3	109.0	163.6	88.0
Value	36	122.1	81.3	133.8	71.5
New cars—Retail—Number sold..	89	62.9	54.2	78.1	44.7
Value	89	78.3	60.3	85.5	48.8
New cars—On hand—Number	53	142.9	119.7	132.7	117.6
Value	53	148.0	130.7	133.7	116.3
Used cars—Number sold..	83	115.3	86.5	114.3	75.2
Value	51	147.0	143.7	165.2	152.9
Used cars—On hand—Number	51	147.1	143.7	133.9	122.4
Value	51	98.8	69.8	89.8	67.8
Production (U. S.): Passenger cars.....		90.7	72.8	113.1	109.5
Trucks					
Freight Carloadings—(U. S.)—					
Grain and Grain Products		106.9	107.5	98.1	102.0
Live Stock		101.0	101.2	87.4	100.6
Coal		102.5	107.2	128.5	134.1
Coke		97.9	93.4	108.3	106.3
Forest Products		99.2	86.1	100.5	94.0
Ore		21.5	21.3	28.4	25.9
Merchandise and Miscellaneous.....		100.9	94.5	103.0	98.7
Total		98.1	94.1	103.7	102.1
Iron and Steel—					
Pig Iron Production— ²					
Illinois and Indiana		127.3	113.3	110.1	102.9
United States		101.8	94.3	106.9	101.9
Steel Ingot Production—(U. S.) ²		120.5	114.3	118.2	108.5
Unfilled Orders U. S. Steel Corp.....		92.1	89.5	75.3	79.6

		36	84.2	83.3	79.0	82.1
Wholesale Trade—						
Net Sales (in dollars):						
Groceries	36	84.2	83.3	79.0	82.1	
Hardware	17	72.1	66.3	68.5	64.2	
Dry Goods	12	75.1	61.1	69.7	64.4	
Drugs	11	90.9	92.1	88.2	93.4	
Shoes	8	76.3	60.0	76.2	56.0	
Retail Trade (Dept. Stores)—						
Net Sales (in dollars):						
Chicago	7	79.5	80.8	77.8	75.6	
Detroit	4	131.5	111.8	108.8	92.7	
Indianapolis	5	78.9	86.7	79.2	87.7	
Milwaukee	5	82.7	85.9	90.1	83.6	
Outside	55	76.5	78.3	83.1	78.9	
Seventh District	76	94.8	91.1	91.2	84.7	
Retail Trade—(U. S.)—						
Department Stores	565		88	83	89	
Mail Order Houses ³	4		113	107	108	
Chain Stores³						
Grocery	27		418	332	347	
Drug	9		228	201	209	
Shoe	6		111	110	106	
Five and Ten Cent.....	5		190	191	177	
Candy	5		188	194	178	
Music	4		97	98	94	
Cigar	3		125	137	134	
Stamp Tax Collections—⁴						
Sales or Transfers of Capital Stock.....		148.4	194.2	89.2	119.6	
Sales of Produce on Exchange—Futures		45.0	63.7	53.3	73.1	
U. S. Primary Markets—⁵						
Grain Receipts:						
Oats		57.8	51.7	49.3	58.6	
Corn		206.9	174.0	113.5	109.8	
Wheat		65.4	69.1	60.5	60.8	
Grain Shipments:						
Oats		42.5	39.4	39.3	33.3	
Corn		101.1	92.7	38.1	36.6	
Wheat		37.8	41.6	30.6	33.4	
Building Construction—						
Contracts awarded (in dollars):						
Residential		148.3	128.3	100.6	85.4	
Total		158.8	113.6	103.5	84.0	
Permits:						
Chicago	Number	59.0	46.0	76.6	48.4	
Cost.....		84.8	98.8	127.5	79.8	
Indianapolis	Number	44.8	55.3	71.0	33.1	
Cost.....		49.6	74.4	98.0	27.5	
Des Moines	Number	33.0	25.8	35.1	30.4	
Cost.....		179.0	11.9	30.5	30.6	
Detroit	Number	36.3	37.5	48.5	34.8	
Cost.....		55.9	41.5	108.5	58.5	
Milwaukee	Number	66.1	55.3	61.4	56.2	
Cost.....		55.6	41.3	73.3	97.8	
Others (45)	Number	43.9	37.6	50.9	32.8	
Cost.....		63.0	62.0	67.4	55.2	
Fifty Cities	Number	48.0	43.3	56.4	39.4	
Cost.....		71.6	72.9	104.4	68.2	

1. Monthly average of mean of production and shipments in 1923-24-25 = 100; 2. Average daily production; 3. Monthly average 1919 = 100; 4. First Illinois internal revenue district; 5. Monthly average receipts 1923-24-25 = 100.