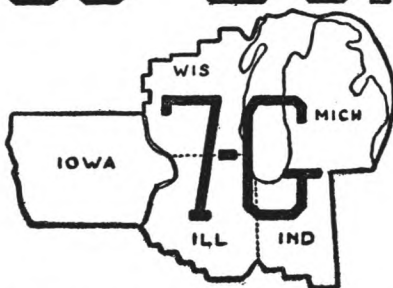


BUSINESS CONDITIONS

SEVENTH
FEDERAL



RESERVE
DISTRICT

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MANUFACTURING and trade in the Seventh Federal Reserve district decreased somewhat in June from the preceding month, although two-thirds of the reporting lines continued to record greater activity than a year ago. Production of pig iron and steel in the district remained near capacity levels. Operations and distribution in the automotive industry declined in the month-to-month comparison but showed a marked expansion over the corresponding period of 1928, except for a drop recorded by wholesalers. Agricultural machinery and equipment sales in the thresher, combination harvester-thresher, tractor group and in barn equipment were seasonally larger during June, while sales of light machinery remained unchanged, and the total production of farm equipment fell off slightly from May; activity in all these lines remained considerably above a year ago. The furniture industry showed an expansion over last year; factory production increased, and the wholesale and retail sales of furniture decreased in the comparison with May. Domestic and industrial coal markets were rather quiet during the month. Little change was reflected in industrial employment from the preceding period but the volume averaged about 7 per cent higher than a year ago.

Residential contracts awarded for June in the Seventh district not only exceeded those of May but also were considerably greater than last June; total contracts fell below the preceding month but were above a year ago. Contracts awarded in residential projects for the first half of 1929, however, remained considerably under those of the same period in 1928.

Department store sales declined in the Seventh district during June but were heavier than last year; an opposite trend was shown for the city of Chicago. Wholesale trade in the majority of reporting lines was below that of May; more than half the groups had larger sales than a year ago. Retail distribution of shoes and hardware increased and average sales per chain store decreased in both comparisons.

The production of principal crops in the Seventh district is smaller in 1929 than a year ago, according to the July 1 estimates of the United States Department of Agriculture; notable exceptions, however, are found in winter wheat, rye, hay, peaches, and dry beans. Corn made excellent progress in July following a late start, but needs favorable weather during the remainder of the growing season to assure full maturity before early frosts. The harvesting of small grain is progressing and the farmers

have cut a bumper crop of hay. Live-stock marketings and June production of slaughtering establishments in the United States totaled less than in May, a year ago, or the 1924-28 average for the month. Sales of packing-house products were about on a level with the preceding month and in excess of a year ago. The dairy industry recorded expansion over May, with output of butter larger and the production of cheese smaller than in the corresponding period of 1928. Prices of farm commodities trended upward.

Banking centers of the district reported a strong demand for funds, with commercial loans in relatively heavy volume and with loans on securities less active. Rates remained firm. Loans and discounts of the Federal Reserve and those of member banks decreased on July 17 from the preceding month; a decline also was recorded in investments. Commercial paper dealers reported a limited to fair supply of paper and moderate demand in June, with sales larger than in May but considerably below last year. Transactions in bankers' acceptances aggregated less than a month previous but were ahead of 1928; open-bill market operations and savings deposits gained in both comparisons.

CREDIT CONDITIONS AND MONEY RATES

A steady demand for funds continues in the majority of banking centers in the district, some of them reporting slightly higher rates in recent weeks, though in general rate levels are substantially those of last month. Demand for loans on securities is less active than in the early months of the year, while commercial loans continue in relatively heavy volume. Conditions are firm in the Chicago money market, with rate levels approximating those obtaining the middle of June—collateral loans 6½ to 7 per cent, and over-the-counter loans 6 to 7 per cent. The average rate earned on loans and discounts by six large banks in Chicago during June was 6.23 per cent, compared with the same figure in May and with 5.27 per cent in June 1928. Credit requirements in Detroit are strong, with little change in rates from a month ago; the average rate earned by five important banks in that city in June was 6.06 per cent, as against 6.07 per cent the preceding month and 5.50 in June a year ago. The prevailing rate on commercial loans in Detroit during the week ended July 15 was 5¾-6 per cent, compared with 5½-6 for the corresponding period in June.

The total volume of bills and securities held by the Federal Reserve Bank of Chicago on July 17 amounted

Compiled July 26, 1929

to \$152,289,000 as compared with \$186,772,000 on the corresponding date in June and \$202,606,000 on July 18, 1928. Loans to member banks on July 17 amounted to \$121,037,000, which is below the \$151,621,000 of June 19 this year and also under the \$154,412,000 on the corresponding date of last year. Total reserves of the Federal Reserve Bank have exhibited an upward trend during the past month and on July 17 totaled \$571,252,000, the largest in volume since the \$573,345,000 reported February 13, 1924. United States securities amounted to \$23,314,000 on July 17 as compared with \$26,909,000 a month previous and \$35,728,000 last year. Federal Reserve notes in actual circulation aggregated \$340,884,000 July 17, a drop of about nine million from the preceding week; on June 19 this item stood at \$306,570,000.

Loans and discounts of reporting member banks in the district on July 17 totaled \$2,618,448,000, continuing an upward trend evident since the first of the month, for which an increased volume of commercial loans in Chicago and Detroit is mainly responsible, though in the latter city security loans also have shown gains since the end of June. On June 19 the aggregate loans and discounts of reporting member banks were \$2,636,567,000. Investments have moved steadily downward in volume since June 19, the total on that date being \$704,367,000, which on July 17 had declined to \$691,114,000. Net demand deposits of reporting member banks in the district are at a considerably higher level than a month ago; \$1,876,534,000 was reported July 17 as against \$1,805,549,000 June 19. Time deposits showed a similar movement, \$1,228,115,000 on July 17 comparing with \$1,225,381,000 June 19.

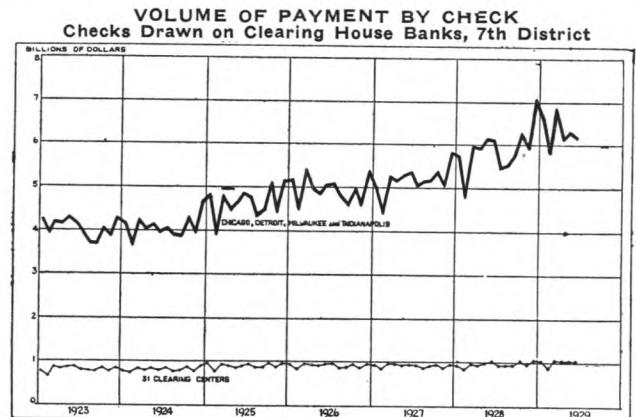
June sales of commercial paper in the Middle West exceeded those of the preceding month by 5.7 per cent but were 23.2 per cent smaller than last year, according to a compilation for nine reporting dealers. Individually, however, three of these firms experienced a recession in business from May and three found it at a higher lever than a year ago. The supply of paper continued limited to fair, and the demand remained moderate. Four Chicago dealers reported a larger volume of sales in the aggregate during the first half of July than in the corresponding weeks of June; supply and demand showed some improvement and averaged between fair and good. June quotations ranged from 5¾ and 6 per cent for low (largely 6 per cent) to 6¼ and 6½ per cent for high, with 6 to 6¼ per cent prevailing as the customary charge. Selling rates opened on July 15 at 6 per cent for low and 6¼ per cent for high, and averaged 6 per cent. Outstandings of five dealers in the Middle West decreased 4.6 per cent on June 29 from May 31 and were 27.6 per cent below a year ago; outstandings of twenty-three dealers in the United States amounted to \$273,000,000 in comparison with \$304,000,000 a month previous.

The average weekly transactions of five dealers in the Chicago open bill market increased from June 13 to July 17 over the preceding period by 101.3 per cent in the quantity of purchases, 305.6 per cent in receipts from other offices, 150.7 per cent in the amount of sales, and 27.9 per cent in shipments to other offices. Gains of 175.9, 610.3, 394.1, and 34.7 per cent, respectively, were recorded over last year. Dealers reported a relatively light supply of bills during the period; some firms found it good at times. Demand ranged between fair and good with preference shown for ninety-day maturities. Bills were drawn against grain, cotton, packing-house products, wool, dairy products and poultry, machinery, cement, sugar, dollar exchange,

malt, iron, tin, celluloid, automobiles, timber, merchandise, and miscellaneous commodities. Selling rates declined from the preceding month and closed on July 15 at 5½ per cent for all maturities. Portfolios exceeded those of June 12 by 32.1 per cent and were 19.7 per cent heavier than last year.

Fourteen banks in the Seventh Federal Reserve district reported 13.0 per cent fewer bills accepted by them during June than in the preceding month; the volume of sales also decreased 18.5 per cent, while the quantity of purchases increased 21.2 per cent. Gains of 5.8, 86.3, and 530.0 per cent, respectively, were recorded over last year. Acceptances of three Chicago banks for the first half of July increased considerably over the corresponding two weeks of June and were drawn for grain, machinery, packing-house products, iron and steel, copper, textiles, coffee, wool, canned goods, tin, industrial spirits, tobacco, hides, cotton, chemicals, sugar, fertilizer, and miscellaneous commodities. June 29 liability for outstandings was 1.5 per cent less than at the end of May but exceeded that of the corresponding date last year by 25.6 per cent. Portfolios decreased 60.6 per cent from the preceding month and 48.2 per cent from a year ago, with half of the individual banks reporting increases in both comparisons. These holdings contained 24.8 per cent more of the originating banks' own bills than a month previous. The Federal Reserve Bank of Chicago bought \$10,782,955 of bankers' acceptances during June as compared with \$21,078,287 in May, and had \$7,269,742 in this class of securities on hand June 29.

Volume of Payment by Check—Thirty-eight clearing house cities in the Seventh district reported an aggregate volume of payment by check of \$7,270,444,000 in June, which was 1.5 per cent below May and 1.1 per cent greater than in June 1928. The four larger cities, Chicago, Detroit, Milwaukee, and Indianapolis, dropped 1.6 per cent below May, but gained 1.0 per cent over June 1928. Thirty-four smaller reporting centers declined only 0.8 per cent from the preceding month and increased in the aggregate 1.8 per cent over the corresponding month of last year. The city of Chicago with \$4,445,223,000 as the total of debits to individual accounts in June, fell short of the May aggregate by 0.8 per cent, and was 0.3 per cent below June a year ago.



Figures used are estimates for calendar months, based on weekly reports to this bank. Latest figures, June, 1929, in thousands of dollars: Chicago, Detroit, Milwaukee, and Indianapolis, 6,185,304; 31 Other Clearing House Centers, 1,030,448.

Savings Deposits—Seventh district savings increased 0.06 per cent in number of accounts, 0.5 per cent in aggregate deposits, and 0.5 per cent in average account on July 1 over the figures of a month previous, according to a com-

pilation for 197 banks. Gains of 2.4 per cent in number of accounts and 1.2 per cent in total deposits were recorded in the comparison with a year ago, although the average account showed a decline of 1.2 per cent. Individually, more than three-fifths of the banks reported an increase in deposits over June 1, and the same number showed a gain over July 1, 1928. A decrease in the num-

AGRICULTURAL PRODUCTION AND FOODSTUFFS

Present indications point to a considerably smaller crop of corn for the Seventh Federal Reserve district this year than in 1928, although the plants have made excellent progress in July, following unfavorable growing weather in June and the late start this spring. There was considerable variation in size of the plants even in the same locality, so that July 15 found some corn tasseling, much of the crop laid by, a goodly portion knee to waist high, and a number of fields only a few inches above ground. Some counties in central Indiana and Illinois and in parts of Iowa reported more or less damage to corn because of washing rains and heavy winds during the latter part of June and the first half of July. The harvesting of winter wheat and rye is well under way, with production in excess of last year but below the ten-year average and somewhat smaller than anticipated a month ago. Cool weather has been beneficial to oats because ripening of the grain has been delayed somewhat, thereby permitting the kernels to attain greater plumpness; the straw is short in many parts of the district. A large crop of hay has been cut despite interruptions by frequent rains.

CROP PRODUCTION

Estimated by the Bureau of Agricultural Economics as of July 1
(In thousands of bushels unless otherwise specified)

	SEVENTH DISTRICT		UNITED STATES		5-Yr. Av. 1923-27
	FORECAST 1929	FINAL 1928	FORECAST 1929	FINAL 1928	
Corn	880,841	1,017,822	2,662,050	2,835,678	2,746,740
Oats	513,216	624,072	1,247,147	1,448,677	1,345,081
Winter Wheat	59,537	36,411	582,492	578,133	549,257
Spring Wheat	4,697	6,582	251,377	324,058	260,411
Barley	65,801(a)	84,181(a)	317,264	356,667	208,783
Rye	9,226(a)	7,264(a)	41,949	41,676	54,793
Flax	219(f)	320(f)	19,885	18,690	23,243
Potatoes (white)	59,221	76,982	379,290	464,483	382,756
Potatoes (sweet)	1,543(b)	1,581(b)	77,127	77,661	78,045
Sugar Beets*	496(c)	526(c)	7,633	7,101	7,462
Apples (total crop)	18,374(a)	19,970(a)	154,302	185,743	183,452
Peaches	4,457(d)	3,449(d)	47,075	68,374	52,224
Pears	1,430(d)	1,694(d)	19,781	24,012	20,211
Dry Beans	7,142(c)	5,972(c)	18,223	16,630	17,058
Broom Corn*	4.8(e)	4.8(e)	52.8	54.5	56.3
Tobacco**	47,066	49,005	1,492,508	1,378,139	1,330,576
All Tame Hay*	22,216	16,781	98,991	92,983	92,810

*In thousands of tons. **In thousands of pounds.

(a) Five states including Seventh district. (b) Indiana, Illinois, Iowa. (c) Michigan, Wisconsin. (d) Indiana, Illinois, Michigan, Iowa. (e) Illinois. (f) Wisconsin, Iowa.

Grain Marketing—June receipts at interior primary markets in the United States increased for wheat and corn and decreased for oats in the comparison with the preceding month and the five-year average; those of each grain gained in volume over last year. Reshipments from these centers declined from May, although the quantity of oats and wheat exceeded that for the corresponding period of 1928 and shipments of the latter grain were greater than the 1924-28 average for June. Visible supplies of grain in the United States on July 13 were considerably above a year ago, with greater holdings of wheat and corn and smaller stocks of oats, rye, and barley than on the corresponding Saturday in June. Transactions in grain futures by members of the Chicago Board of Trade exceeded those of May by 3.3 per cent and were 17.2 per cent heavier than a year ago. Chicago prices of wheat, corn, and oats advanced over the May level. Quotations for rye trended upward

ber of accounts in Michigan and Wisconsin, together with a decline in average and total deposits in Indiana and Iowa marked the only recessions in state totals from a month previous. Illinois was the one state falling below a year ago in number of accounts and total deposits. In average account, however, all states were under the corresponding period of 1928.

during June, but averaged less than in the preceding month.

Movement of Live Stock—June receipts of live stock at public stock yards in the United States were less than in May and considerably below last year and the 1924-28 average for the month.

LIVE STOCK SLAUGHTER

Yards in Seventh District, June, 1929 Federally Inspected Slaughter, U. S.	CATTLE		HOGS	LAMBS AND SHEEP	CALVES
	June, 1929	186,445	741,083	249,321	94,665
June, 1929	636,278	3,755,620	1,107,785	344,306	
May, 1929	676,297	3,797,918	1,201,852	426,667	
June, 1928	705,525	4,078,012	1,109,427	398,119	

Reshipments of sheep and lambs to feed lots increased slightly in June, while those of cattle and calves showed a customary recession as compared with the preceding month; the movement was smaller than a year ago.

AVERAGE PRICES OF LIVE STOCK

(Per hundred pounds at Chicago)

	WEEK ENDED		MONTHS OF	
	JULY 20, 1929	JUNE 1929	MAY 1929	JUNE 1928
Native Beef Steers (average).....	\$14.85	\$14.20	\$13.65	\$13.90
Fat Cows and Heifers.....	10.35	10.90	11.00	10.25
Calves	15.50	13.70	12.65	12.85
Hogs (bulk of sales).....	11.50	10.75	10.95	10.00
Yearling Sheep	11.85	11.50	11.25	13.60
Lambs	14.55	15.25	14.20	16.60

Meat Packing—A smaller tonnage of packing-house commodities was produced by slaughtering establishments in the United States during June than in May, a year ago, or the 1924-28 average for the month. The number of employes covered by the last payroll in June was 1.6 per cent greater than a month previous, and gains of 11.5 and 9.5 per cent, respectively, were shown in hours worked and total earnings, the two last-mentioned increases being largely accounted for by an additional working day in the current period. Trade in domestic markets expanded somewhat for sausage, bacon, smoked meats, and other hot weather specialties, averaged fair for dry salt pork and smoked ham, was good for veal, and quiet for lard. Demand for beef and lamb improved during the first half of the month but tended to drag at the close; an opposite trend was shown for fresh pork. June sales billed to domestic and foreign customers by fifty-eight meat packing companies in the United States totaled 0.5 per cent more in value than in May and 6.3 per cent in excess of last June. Domestic demand improved early in July over the preceding month and ranged between fair and good. Inventories of packing-house products in the United States aggregated slightly less on July 1 than a month previous or a year ago, but remained above the 1924-28 average for the beginning of July. Stocks of beef, lamb, and miscellaneous meats were in excess of last year; those of dry salt pork and pickled beef decreased from the five-year average, and holdings of lard and lamb increased in the comparison with June 1. Chicago quotations for the majority of pork products, beef, and veal firmed in June over the preceding period; dry salt meats advanced in price, while pork loins declined. Prices of lamb, mutton, fresh skinned hams, fresh spare ribs, and pork trimmings trended downward during

the first two weeks and then firmed, the average for the month being somewhat below that of May.

Shipments for export were reduced slightly in the aggregate for June from the preceding month; individually, however, a majority of the companies reported practically the same volume as in May. Foreign trade in meat and lard was rather quiet during the month as a whole, though fairly good at times; some firms experienced a little improvement in the demand for lard and other fats over a month previous. July 1 consignment inventories of packing-house products, already landed in foreign countries or in transit to Europe, showed little change from June 1. Prices averaged below Chicago parity.

Dairy Products—Sixty-seven creameries in the Seventh Federal Reserve district manufactured 9.5 per cent more butter, in the aggregate, during June than in May, the volume being above the five-year average for the month and 4.5 per cent in excess of a year ago. Weekly figures compiled by the American Association of Creamery Butter Manufacturers show that production in the United States also expanded over the preceding month and last year.

INDUSTRIAL EMPLOYMENT CONDITIONS

Industrial employment within the Seventh Federal Reserve district remained practically stationary in aggregate volume during the period May 15 to June 15, plants with an approximate total of 350,000 workers showing a decline of 0.1 per cent. Payroll amounts at these plants increased 0.6 per cent, a partial recovery from the decrease of 1.4 per cent reported for the previous period. The slight indication of a downward trend in the volume of industrial employment is the first since January and follows a steady rise during the past four months amounting to 4.9 per cent for the period. Payroll amounts during these same months registered an increase of 9.2 per cent and on June 15 were almost 10 per cent higher than on January 15. In the comparison with a year ago employment, as represented by reporting plants, is approximately 7 per cent heavier, both in number of workers and in payroll amounts.

Industrial groups recording gains in both men and payroll amounts over the preceding month were the textiles and textile products, an increase mainly due to seasonal activity in the clothing industry; food and related products, in which group a majority of the industries

The volume of creamery butter billed to customers by sixty-nine companies in the Seventh district gained 14.2 per cent in June over a month previous and 6.4 per cent over the corresponding period of 1928. Inventories of dairy products at cold-storage warehouses and packing plants in the United States showed a seasonal expansion on July 1 over the beginning of June; stocks of butter and cheese increased and holdings of eggs decreased in the comparison with a year ago and the 1924-28 average for July 1. Wisconsin factories supplied the primary markets of that state with a 30.4 per cent greater tonnage of American cheese during the four weeks ended June 29 than in the preceding period, while distribution from these centers increased 22.0 per cent; declines, however, of 9.2 and 8.1 per cent, respectively, were recorded from last year. June receipts of butter at Chicago were larger than in 1928, but those of eggs and cheese were smaller; the quantity of butter and cheese increased as compared with May and that of eggs decreased. Chicago quotations for butter were a little firmer during June than a month previous; egg and cheese prices eased slightly.

showed expansion, especially canning and preserving and the manufacture of ice; leather products; and the paper and printing group in which the paper mills were mainly responsible for the total gain. Metals and metal products showed a further downward trend in number of men but not in payrolls; vehicles declined more sharply, both in men and payroll amounts, the automobile industry showing definite curtailment in operations. The stone, clay, and glass products group also recorded a decline, although in this group the cement industry reported a gain.

Reports on employment outside manufacturing plants indicate some gain in sales forces, especially at retail stores, as well as a continued steady expansion in building and construction work. Public utilities registered a decline in employment and there was a reduction in the number of workers at coal mines. For Illinois, the unemployment ratio as reflected in the number of applicants for positions available at the free employment offices, registered an increase, rising from 124 per cent in May to 139 for June; in Indiana there was also an increase from 100 per cent to 113; while Iowa showed a drop from 244 per cent to 232.

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
	JUNE 15 1929	MAY 15 1929		JUNE 15 1929	MAY 15 1929	
All groups (10).....	350,393	350,812	- 0.1	\$10,178,761	\$10,113,971	+ 0.6
Metals and metal products (other than vehicles).....	138,556	139,735	- 0.8	4,396,346	4,391,888	+ 0.1
Vehicles.....	41,866	43,200	- 3.1	1,245,561	1,302,009	- 4.3
Textiles and textile products.....	25,083	23,989	+ 4.6	617,763	563,971	+ 9.5
Food and related products.....	45,621	44,721	+ 2.0	1,225,901	1,161,323	+ 5.6
Stone, clay, and glass products.....	14,314	14,497	- 1.3	422,663	438,073	- 3.5
Lumber and its products.....	27,955	28,088	- 0.5	669,032	664,796	+ 0.6
Chemical products.....	10,773	10,783	- 0.1	281,684	294,119	- 4.2
Leather products.....	14,747	14,423	+ 2.2	326,946	309,414	+ 5.7
Rubber products.....	4,067	4,164	- 2.3	94,730	93,666	+ 1.1
Paper and printing.....	27,411	27,212	+ 0.7	898,135	894,712	+ 0.4

MANUFACTURING ACTIVITIES AND OUTPUT

Automobile Production and Distribution—A further recession was recorded in automobile production for June, but output was maintained at a higher rate than a year ago. Production of passenger automobiles totaled 452,641,

or 12.3 per cent less than in May and 27.1 per cent greater than in June last year. For the first half of 1929 output of 2,772,277 cars has aggregated 41.2 per cent above the same period of 1928. Truck production totaled 91,296

for June, against 86,647 in the preceding month and 40,174 a year ago; output for the half year increased 86.9 per cent over the first six months of last year. Both passenger car and truck output have made records for the half-year period.

Middle-West distributors report a smaller volume of cars sold at wholesale during June than in either the month previous or June 1928, while sales at retail continued to decline in the month-to-month comparison but were much larger in number than a year ago; the value of retail sales, however, shows a smaller gain over last June. Used cars sold increased over May and over June 1928. Distribution of new cars at wholesale and retail and sales of used cars have aggregated considerably larger during the first six months of 1929 than in the same half of last year. Stocks of new and used cars on hand the end of June fell below those held the last of May, but continued heavier than a year ago. Deferred payment sales constituted 51.6 per cent of the total retail sales during June of forty-two dealers reporting the item, which compares with 54.0 per cent in May and 41.0 per cent for seventeen dealers in June last year.

MIDWEST DISTRIBUTION OF AUTOMOBILES

Changes in June, 1929, from previous months

	PER CENT CHANGE FROM		COMPANIES INCLUDED	
	MAY 1929	JUNE 1928	MAY 1929	JUNE 1928
New cars				
Wholesale—				
Number sold	-19.3	-11.9	38	27
Value	-22.4	-15.9	38	27
Retail—				
Number sold	+ 8.5	+37.9	65	41
Value	-15.2	+ 9.0	65	41
On hand June 29—				
Number	-15.6	+14.6	66	42
Value	-14.6	+33.3	66	42
Used cars				
Number sold	+ 2.2	+23.0	65	41
Salable on hand—				
Number	-13.0	+48.1	64	40
Value	-10.1	+12.5	64	40

Agricultural Machinery and Equipment—Sales of agricultural machinery and equipment billed to domestic and foreign customers expanded in June, a customary trend at this time of year, the gains amounting to 20.5 per cent in the thresher, combination harvester, tractor group, 23.7 per cent in the barn equipment group, and 0.1 per cent in light machinery. The volume sold exceeded that of last June by 34.3 per cent in the light machinery group, 31.2 per cent in barn equipment, and by 3.9 per cent in the heavy machinery group.

PRODUCTION AND SALES OF FARM EQUIPMENT IN THE UNITED STATES

Changes in June, 1929, from previous months

	PER CENT CHANGE FROM		COMPANIES INCLUDED
	MAY 1929	JUNE 1928	
Domestic sales billed.....	+ 8.9	+10.2	72
Sales billed for export.....	+15.3	+54.4	36
Total sales billed.....	+10.1	+16.9	72
Production	- 3.8	+21.8	71

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

Iron and Steel Products—Steel producers of the Chicago district report that activity during June was maintained at approximately the same high level as in earlier months

BUILDING MATERIAL AND CONSTRUCTION ACTIVITIES

Shipments of cement from plants within the district continued to expand seasonally during June and also showed an increase over the corresponding month last year. To date, however, the total volume shipped has been about 6.0 per cent less than during the first half of 1928, so that while production has also been somewhat curtailed, stocks on hand have been increasing heavily. The volume of cement going into consumers' hands within the district is shown on the accompanying chart which indicates a

this year; operations continued at about capacity rate, demand has held up well, and order books are considerably larger than a year ago at this time. The first half of 1929 has established a record for the industry in this district. Pig iron also continued active through June, production in Illinois and Indiana slightly exceeding in the daily average the previous high point for May. United States output of pig iron fell below the May level, but was heavier than in any previous month on record, which was also true of steel ingot production for the country. A decline of 47,-257 tons from May 31 took place on June 29 in unfilled orders of the United States Steel Corporation, which totaled 4,256,910 tons; however, the volume was larger than usual at this season.

Chicago prices of finished steel have shown no change, and scrap iron and steel prices have remained steady since the latter part of June.

The tonnage of orders booked by steel and malleable casting foundries in the Seventh Federal Reserve district again declined in June and for the first time this year fell below the corresponding month a year ago; shipments and production fell off seasonally but exceeded the volume of June 1928. Orders booked, production, and shipments of reporting stove and furnace manufacturers in the district were smaller in June than in the preceding month, but registered gains over June last year.

Shoe Manufacturing, Tanning, and Hides—Shoe factories in the Seventh Federal Reserve district decreased their manufacturing operations 2.9 per cent during June from the preceding month, according to preliminary statistics released by the United States Department of Commerce. The production and sale of leather by district tanneries exceeded that of May, with the former showing a recession and the latter an expansion from a year ago; individually, however, more than half of the reporting firms recorded a decrease in sales from 1928.

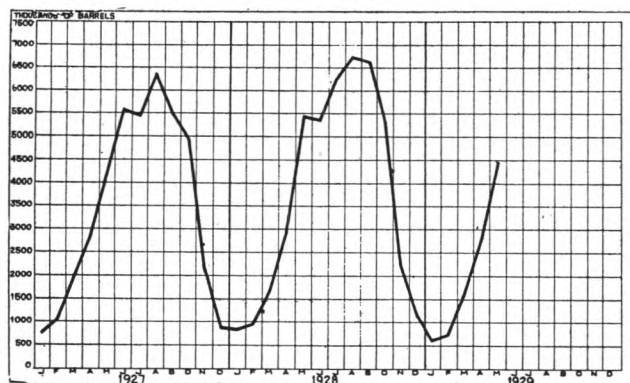
A slightly smaller quantity of packer green hides and a larger number of packer calf and kip skins were sold on the Chicago market during June than a month previous; total shipments from the city and purchases by district tanneries increased. Quotations advanced.

Furniture—The volume of new orders booked during June by twenty-five furniture manufacturers in the Seventh Federal Reserve district declined 12.9 per cent from May, but as compared with a year ago showed an increase of 45.2 per cent. In the former comparison, about two-thirds of the firms reported a drop in orders booked, while in the latter slightly more than half of the firms recorded a decline. Shipments fell off 2.4 per cent from the preceding month but totaled 28.8 per cent more than in June 1928. Unfilled orders on hand June 29 approximated those on May 31, though exceeding the amount on the corresponding date last year by 71.6 per cent. Operations increased slightly over May and were also greater than a year ago.

decline of 13.2 per cent for the first five months of 1929 as compared with the corresponding period of 1928. The volume received during May, of 4,461,030 barrels, was 60.0 per cent larger than in April but 17.7 per cent below May 1928.

The brick industry registered a decline in operations during June, production and shipments falling off from the seasonally high level of the preceding month.

DISTRIBUTION OF CEMENT



Cement received at points within the five states including the Seventh Federal Reserve District (Illinois, Indiana, Iowa, Michigan, and Wisconsin) by months. Latest figure, May, 1929: 4,461,030 barrels.

The June lumber sales reported by eighteen wholesale and manufacturing concerns of the Seventh Federal Reserve district exceeded those of the preceding month by 2.6 per cent in dollar volume and 3.4 per cent in board foot measure. A gain of 0.8 per cent over June 1928 was also registered in dollar sales but the board foot volume declined 5.5 per cent in this comparison. Demand from both industrial plants and retail yards was principally for immediate needs and filling-in purposes. Outstanding accounts of reporting firms increased considerably during the month and on June 30 were 124 per cent of monthly sales as compared with 118 per cent a month earlier and 117 per cent a year ago. In the retail market there was a slight decline in demand for lumber, dollar sales at 199

yards averaging 0.6 per cent less than for May, although 5.9 per cent above June 1928. Outstanding accounts of these yards were 270 per cent of sales as compared with 254 per cent on May 31 and with 287 per cent June 30, 1928. Stocks at retail showed little change in either the monthly or yearly comparison, while at wholesale a slight curtailment was reported from a year ago. Receipts of lumber at Chicago as well as shipments out of that city were 1.7 per cent less than in the preceding month and also below the volume moved a year ago. For the first half of 1929 receipts have totaled 7.8 per cent under the corresponding period of 1928, while shipments out of the city have been 0.6 per cent larger.

Building Construction—Building contracts awarded in the Seventh district totaled \$134,831,798 during June, \$58,957,641 or 43.7 per cent of which was for residential construction. Total awards were 4.7 per cent less than in May but 4.9 per cent larger than in June a year ago. Residential contracts registered increases of 35.5 and 18.0 per cent, respectively, in the two comparisons, so that the total volume of such contracts for the year so far is but 19.6 per cent below the corresponding period last year. The decline in total building awards for the same period amounts to 7.6 per cent. The issue of permits in ninety-one cities of the district recorded a decline in both the monthly and the yearly comparison, estimated cost falling off 33.3 per cent in the former and 21.5 per cent in the latter. The number of permits issued was smaller by 16.4 and 5.7 per cent, respectively. The estimated cost of building for which permits have been issued in the first half of 1929, is approximately 20 per cent smaller than last year.

MERCHANDISING CONDITIONS

Wholesale Trade—Sales declines were recorded in June from May in the majority of reporting lines of wholesale trade, while four of the six groups had larger sales than in June a year ago. Conditions in the hardware, dry goods, and electrical supply trade continue, as in recent months, to reflect improvement over the corresponding period of 1928, both sales and collections gaining in the comparison, although several of the individual reports in-

dicating slower collections in electrical supplies. In the first half of 1929, sales of wholesale hardware firms have totaled 7.4 per cent above the same six months of 1928, those of dry goods firms 9.0, drugs 5.0, electrical supplies 21.5, and shoes 0.4 per cent more, while grocery sales have been 0.7 per cent smaller. Prices are steady in most groups, though somewhat firmer for wholesale groceries.

WHOLESALE TRADE DURING THE MONTH OF JUNE, 1929

	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	(29)+ 0.8	(29)- 2.3	(20)+ 0.3	(20)+ 6.6	(26)+ 0.7	(26)- 5.7	(26) 99.0	(24)+ 2.0	(22)- 4.1
Hardware	(15)- 3.5	(15)+ 7.3	(10)- 2.9	(10)+ 7.1	(15)+ 0.5	(15)+ 7.8	(15) 193.9	(11)- 1.4	(11)+ 3.0
Dry Goods	(9)+ 0.1	(9)+ 2.0	(7)+ 4.7	(7)- 5.2	(9)- 1.3	(8)+ 4.5	(9) 301.6	(8)- 1.4	(8)+ 2.2
Drugs	(8)+ 3.5	(8)+ 0.9	(7)- 6.1	(7)+ 3.1	(7)- 3.3	(8)+ 2.0	(8) 142.7	(6)- 8.5	(6)- 1.4
Shoes	(8)- 7.4	(8)- 5.8	(6)- 7.2	(6)- 6.4	(7)- 4.0	(7)+ 2.0	(7) 290.8	(6)+ 3.7	(6)+ 2.6
Electrical Supplies	(36)- 3.2	(36)+18.3	(30)+ 4.1	(30)+27.4	(36)+ 0.4	(36)+26.8	(36) 139.8	(28)- 2.6	(27)+25.9

Figures in parentheses indicate number of firms included.

Department Store Trade—A decline of 3.9 per cent from May and a gain of 2.9 per cent over a year ago, took place in aggregate June sales of ninety-seven Seventh district department stores. Chicago stores recorded a slight increase in the comparison with May, but Detroit, Indianapolis, Milwaukee, and stores in smaller centers shared in the decline shown. As compared with June last year, sales of Chicago firms totaled 1.8 per cent less, and the aggregate for sixty-two stores in the smaller cities registered practically no change, while data for Detroit,

Indianapolis, and Milwaukee showed moderate gains. For the first half of 1929, department store sales in the district have been 3.7 per cent heavier than in the same period of 1928, both the larger and the smaller cities recording expansion. Stocks on June 29 averaged 6.1 per cent lower for the district than a month previous, but continued above the level of a year ago, being 4.7 per cent larger than on June 30, 1928. Stock turnover for June this year was very slightly less than for the same month of 1928, and turnover for the six months' period shows little change,

averaging 1.91 times for 1929 against 1.90 a year ago. Total collections gained 1.3 per cent in June over a month previous and were 6.5 per cent above last June, while accounts outstanding the end of the month declined 0.6 per cent in the monthly and increased 12.1 per cent in the yearly comparison. The ratio of June collections to accounts outstanding the end of May averaged 40.0 per cent this year, compared with 41.2 per cent for the corresponding period of 1928.

Other Retail Trade—Sales of shoes during June by twenty-six retail dealers and twenty-four department stores exceeded those in May by 8.5 per cent and totaled 10.6 per cent greater than for the corresponding month last year. The increase in the month-to-month comparison was accounted for largely by heavier sales of department stores, as less than one-third of the dealers showed gains, while five-eighths of the department stores had increased sales. As compared with a year ago, more than half the department stores reported smaller sales, and almost three-fourths of the dealers recorded gains. For the first half of 1929, sales exceeded the corresponding period of 1928 by 4.8 per cent. Stocks of dealers and department stores averaged 7.8 per cent smaller the end of June than a month previous, but were 11.2 per cent heavier than a year ago.

Dealers' collections gained 2.0 per cent over May, though declining 2.6 per cent from last June; accounts receivable the end of the month showed an opposite trend, being 3.9 per cent less in the monthly but 10.9 per cent larger in the yearly comparison. Accounts receivable averaged 65.1 per cent of June sales, against a ratio of 63.5 per cent for May and of 63.7 per cent for June 1928.

The volume of furniture and house furnishings sold during June by twenty-six dealers and twenty-eight department stores in the district fell 21.7 per cent below the May aggregate, but continued, as in previous months this year since January, to total larger than in the corresponding month of 1928, the gain averaging 7.9 per cent. Installment sales by dealers declined 30.2 per cent in the monthly comparison and were 6.6 per cent above a year ago. Stocks held on June 29 by both dealers and department stores averaged 1.9 per cent less than a month previous and were 0.6 per cent under those on the same date last year. Accounts receivable on dealers' books the end of June declined 0.5 per cent from May 31 and aggregated 4.5 per cent more than a year ago, while total collections during the month were smaller by 5.6 and 1.9 per cent, respectively, in the monthly and yearly comparisons; installment collections increased 1.2 per cent over May but declined 4.3 per cent from June 1928.

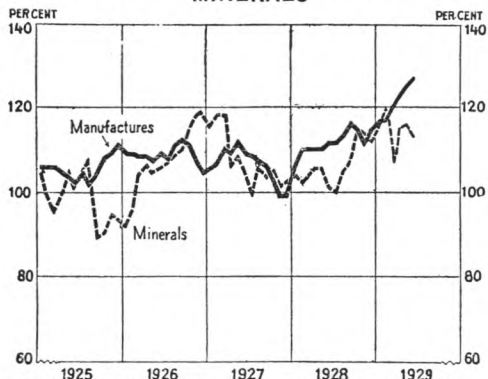
MONTHLY BUSINESS INDICES COMPUTED BY FEDERAL RESERVE BANK OF CHICAGO

(Index numbers express a comparison of unit or dollar volume for the month indicated, using the monthly average for 1923-24-25 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	June 1929	May 1929	June 1928	May 1928		No. of Firms	June 1929	May 1929	June 1928	May 1928	
Meat Packing—(U. S.)—						Wholesale Trade—						
Sales (in dollars)	59	120.0	119.5	112.3	107.7	Net Sales (in dollars):						
Casting Foundries—						Groceries	37	100.8	99.6	101.5	100.0	
Shipments:						Hardware	15	104.1	107.9	97.0	101.9	
Steel—In dollars	15	101.4	109.4	82.9	86.4	Dry Goods	10	82.3	82.3	80.6	75.2	
In tons	15	108.9	119.2	82.9	87.8	Drugs	12	99.2	103.5	98.3	107.7	
Malleable—In dollars	17	80.6	94.9	71.2	71.6	Shoes	8	93.3	100.7	99.1	99.4	
In tons	15	117.3	135.8	98.9	100.0	Retail Trade (Dept. Stores)—						
Stoves and Furnaces—						Net Sales (in dollars):						
Shipments (in dollars)	12	96.1	110.0	93.3	105.5	Chicago	30	105.3	104.7	108.5	108.7	
Agricultural Machinery						Detroit	4	162.4	175.6	143.3	156.9	
& Equipment—(U. S.)—						Indianapolis	5	100.5	108.8	94.6	104.5	
Domestic Sales (in dollars)	83	244.4	223.9	222.5	186.2	Milwaukee	5	113.8	119.7	108.5	117.9	
Exports (in dollars)	56	275.0	233.6	202.7	188.3	Outside	53	95.9	104.0	96.0	104.5	
Total Sales (in dollars)	83	252.3	225.5	219.3	186.6	Seventh District	97	114.0	118.7	111.3	116.9	
Production	82	175.2	182.5	142.6	146.0	Retail Trade—(U. S.)—						
Furniture—						Department Stores.....	527	106	110	104	108	
Orders (in dollars)	27	103.6	114.9	73.6	101.9	Chain Stores:						
Shipments (in dollars)	27	99.5	100.0	79.0	85.7	Grocery	34	222	234	207	213	
Electric Energy—						Drug	13	197	195	162	164	
Output of Plants (KWH).....	8	147.4	154.7	137.7	139.3	Shoe	7	161	144	147	130	
Industrial Sales (KWH)	8	199.4	207.0	169.9	167.9	Five and Ten Cent.....	14	153	166	139	139	
Flour—						Freight Carloadings—(U. S.)—						
Production (in bbls.)	32	87.6	90.3	92.0	100.2	Grain and Grain Products.....		96.7	86.0	75.5	89.1	
Output of Butter By Creameries—						Live Stock		71.2	80.4	76.4	82.4	
Production	74	178.1	162.3	170.7	145.2	Coal		91.7	95.1	84.8	92.9	
Sales	74	143.4	127.8	132.5	120.1	Coke		101.5	107.7	80.7	87.8	
Iron and Steel—						Forest Products		98.1	100.1	92.5	97.3	
Pig Iron Production: ¹						Ore		197.5	192.5	171.9	125.5	
Illinois and Indiana	148.3	148.1	122.1	129.3		Merchandise and Miscellaneous.....		116.8	117.6	110.5	114.8	
United States	125.5	128.0	104.6	107.9		Total		111.4	112.3	103.8	107.3	
Steel Ingot Production—(U. S.): ¹	146.5	146.5	108.1	116.9		Building Construction—						
Unfilled orders U. S. Steel Corp.....	89.1	90.1	76.2	71.6		Contracts awarded (in dollars):						
Automobile Production (U. S.):						Residential		200.8	148.2	170.2	193.9	
Passenger cars	153.6	175.1	120.9	127.3		Total		196.9	206.5	187.8	204.1	
Trucks	258.3	245.2	113.7	141.3		Permits:						
Stamp Tax Collections—²						Chicago		Number	40.0	53.5	66.9	79.8
Sales or Transfers of Capital Stock.....	332.9	339.9	202.5	300.7		Cost.....		50.4	124.2	93.7	146.1	
Sales of Produce on Exchange—Futures..	75.4	81.8	134.3	134.4		Indianapolis		Number	61.5	66.7	72.3	91.8
U. S. Primary Markets—³						Cost.....		90.0	75.2	105.3	137.5	
Grain Receipts:						Des Moines		Number	69.6	69.6	59.8	66.5
Oats	40.8	50.9	34.0	69.5		Cost.....		54.5	58.0	113.7	42.8	
Corn	97.1	53.2	86.0	108.6		Detroit		Number	84.9	99.1	89.6	100.7
Wheat	76.2	53.9	44.9	74.2		Cost.....		73.3	85.9	84.5	87.4	
Grain Shipments:						Milwaukee		Number	109.1	134.5	101.7	125.2
Oats	39.4	43.6	38.1	74.7		Cost.....		95.9	137.7	101.8	116.4	
Corn	65.9	72.9	88.6	107.8		Others (45)		Number	101.9	123.9	111.6	132.9
Wheat	54.5	67.5	44.5	81.1		Cost.....		112.5	128.6	105.8	128.0	
						Fifty Cities		Number	89.5	107.8	95.3	114.3
						Cost.....		73.7	115.3	95.5	126.2	

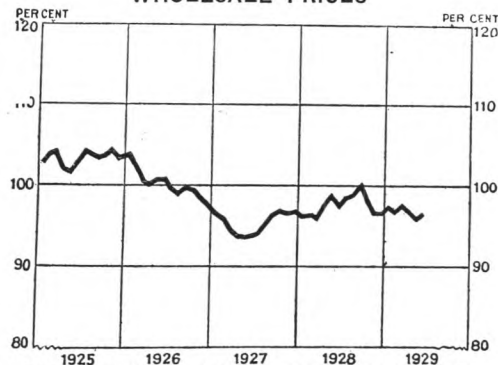
¹Average daily production; ²First Illinois internal revenue district; ³Monthly average receipts 1923-24-25=100.

PRODUCTION OF MANUFACTURES AND MINERALS



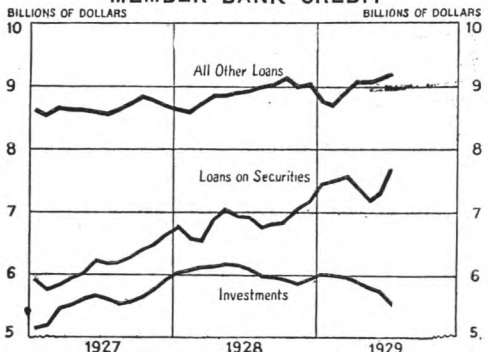
Index numbers of production of manufactures and minerals combined, adjusted for seasonal variations (1923-25 average = 100). Latest figures, June, 1929: Manufactures, 127; Minerals, 113.

WHOLESALE PRICES



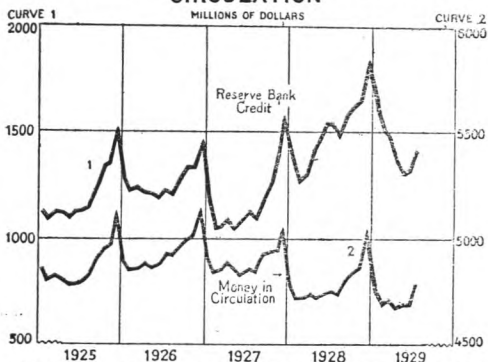
Index of U. S. Bureau of Labor Statistics (1926 = 100). Latest figure, June, 1929: 96.4.

MEMBER BANK CREDIT



Monthly averages of weekly figures for reporting member banks in leading cities. Latest figures, averages of first three weeks in July, 1929: Loans on Securities, 7,703 million; All Other Loans, 9,205 million; Investments, 5,535 million.

RESERVE BANK CREDIT AND MONEY IN CIRCULATION



Monthly averages of daily figures. Latest figures, averages of first 21 days in July, 1929: Reserve Bank Credit, 1,408 million; Money in Circulation, 4,782 million.

NATIONAL SUMMARY OF BUSINESS CONDITIONS

(By the Federal Reserve Board.)

OUTPUT of manufactures continued in large volume in June, while mineral production declined. There was a rise in the general level of commodity prices, reflecting chiefly an advance in agricultural commodities.

PRODUCTION

Activity of manufacturing establishments continued at a high rate in June. Output of automobiles and of iron and steel showed a seasonal decline smaller than is usual from May to June. Silk mill activity increased and there was a growth in the daily average production of cement, leather, and shoes. Production of copper at smelters and refineries decreased sharply and output of cotton and wool textiles was also reduced, although production in all of these industries continued larger than in other recent years. The volume of factory employment and payrolls in June showed a small seasonal decline from May, but, as in earlier months, was substantially larger than in 1928. Output of mines was generally smaller in June than in May, reflecting declines in the production of coal, copper, and other nonferrous metals. Output of petroleum, however, increased to new high levels. Reports for the first half of July indicate some further reduction in output of cotton textiles, iron and steel, lumber and coal.

The volume of construction contracts awarded decreased further in June, and for the first half year, awards were 12 per cent less than in the same period of 1928, reflecting chiefly a substantial decline in residential building. During the first three weeks of July, contracts awarded were larger than in the same period a year ago.

AGRICULTURE

Department of Agriculture estimates, based on July first crop conditions report, indicate a wheat crop of 834,000,000 bushels, about 8 per cent smaller than production last year, but larger than average production in the preceding five years. The acreage of cotton in cultivation on July first was estimated at 48,457,000 acres, 3 per cent more than a year ago.

DISTRIBUTION

During the month of June, freight loadings were slightly smaller than in May, as a result of decreases in loadings of most classes of freight, except grain products and ores. In comparison with other recent years, however, loadings continued to show an increase. Sales of department stores in June, as in earlier months, were larger than in the same month of 1928.

PRICES

Wholesale prices, according to the Bureau of Labor Statistics index, advanced from May to June on the average somewhat less than they had declined during the preceding month. Farm products, particularly grains, cattle, beef, and hides, showed marked advances in price. Prices of mineral products and their manufactures also averaged higher in June than in May, the rise reflecting largely increases in the price of petroleum and gasoline. Prices of leading imports, rubber, sugar, silk, and coffee, showed a decline for the month as a whole. During the first two weeks of July, wheat and corn continued to move sharply upward, while hides declined slightly in price. Hog prices increased, and prices of rubber and tin, which began to advance in the middle of June, continued to rise.

BANK CREDIT

During the first half of July, the volume of credit extended by member banks in leading cities declined somewhat, following a rapid increase in June. On July 17, loans and investments of these banks were about \$400,000,000 above the level at the end of May. The increase reflected chiefly rapid growth in loans to brokers and dealers in securities and also some further increase in commercial loans. The banks' holdings of investments continued to decline and were on July 17 about \$700,000,000 below the middle of last year.

The total volume of reserve bank credit outstanding showed an increase of about \$120,000,000 during the four weeks ending July 17, the increase being in discounts for member banks. Demand for additional reserve bank credit arose chiefly out of a considerable increase in the volume of money in circulation, which accompanied the issuance of the new small-size currency. There was also some increase in reserve balances of member banks, accompanying the growth in their loans and consequently in their deposits.

Open-market rates on 90-day bankers' acceptances declined from $5\frac{1}{2}$ to $5\frac{3}{8}$ per cent between the latter part of June and the middle of July, while rates on prime commercial paper remained unchanged.