

# The Monthly Business Review

*Covering business and industrial conditions in the Fourth Federal Reserve District*

FEDERAL RESERVE BANK OF CLEVELAND

D. C. Wills, Chairman of the Board

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**B**USINESS again has had its attention strongly called to the resourcefulness and stability of the Federal Reserve System by its recent curbing of speculation. Speculation can no longer work itself into a frenzied panic, drawing whole businesses and industrial activities with it. With its control of reserves and the gradual sliding up of rediscount rates, the System can quickly bring a speculating public to sane action and prevent an added thorn in the flesh from doing serious damage.

With the steel strike a failure, the coal strike crumbling, the fading away of the longshoremen's strike, the striking "vacationist" printers realizing that a long vacation is before them, together with the results of the Massachusetts election staring them in the face, is it any wonder that the executive council of the American Federation of Labor in its call to union chiefs for a conference on December 13 should say: "In this critical reconstruction period labor is confronted with grave dangers affecting every foundation of its structure"?

The chiefs of the railroad brotherhoods and the representatives of farm organizations were also invited to participate in this conference. The farmer, however, in the convention of the National Grange has declined the invitation, doubtless reasoning that the way to improve conditions in this "critical reconstruction period" is to keep right on "sawing wood" rather than by driving a spike into the log and putting the saw on a "vacation" which is a new polite word for plain striking.

An editor of one of the labor publications in this District said recently that organized labor in permitting the radical leaders to "bore from the inside," as William Z. Foster himself openly confessed, had put itself back fifteen years in the sympathies of public sentiment.

At this period in the affairs of capital and labor there is the opportune moment for the display of the fact that labor leaders have misread and misjudged American labor. The psychological moment has come for the absolute removal of some, at least, of the heads of organized labor, and just as radicalism and its teachings is disappearing before public scrutiny and popular acclaim, so the American laborer should be allowed to assert his individualism. This will develop a more careful scrutiny in the methods and character of his organization leader and ultimately insure a better standing in a court of equity.

The steel strike was instrumental in bringing to the surface the scum of radicalism in organized labor which was apparently working unopposed. This unearthing should result in more prosecutions and deportations of those anarchy-breeding destructionists, who use our United States as an international boarding-house and an anarchistic cafe.

The fires of immigration have been allowed to burn too freely and our much famed "melting pot" has boiled over, unable to so rapidly render the polyglot peoples of the world into pure Americans.

Investigation shows that only 30 per cent of the aliens who have come to this country have become American citizens. In other words, less than one-third of our immigrants become Americanized. The statement that there are 20,000,000 people in America who have no understanding of our language and form of government is interesting but not of great import. Education will remedy that condition in time—at least in some degree. But the fact that our basic industries are in the grip of aliens is a menace that has not fully been appreciated up to the present time.

The great American people is fast reaching the point where it is unwilling that our nation should be exploited by either capital or labor. Neither should be permitted to rule the Government, nor one attempt to be the overlord of the other. The right to work, the right to be free, and the right to be free to work were builded into the foundation upon which our country was founded. Carlyle believed a man's honest labor only slightly removed from his religion; it therefore takes on the nature of sacredness and should not be subjected to the indignity of exploitation.

Capital as well as labor must practice the spirit of fairness, honesty, and justice, for schemes, union recognition, open shop and industrial democracy are only "round Robin Hood's barn" by-ways which must eventually terminate in these three qualities before this industrial war will end.

Seemingly every concession made to organized labor has been the parent of a new demand. This spirit is illustrated by the increased wages of the railroad brotherhoods, but being dissatisfied with these they come back and demand the railroads themselves.

We are a country drunk with prosperity—a vast people permeated with the "getting-something-for-nothing" idea. We need to sober up and come to our senses. We should recall that industrial Germany is working twelve and fourteen hours a day instead of six and eight. The antiquated law of supply and demand ought to be permitted to reassert itself. We should be constantly reminded of the enormous debt hanging over our heads, and the only way a debt is ever paid is by working and saving.

To put up wages and not put up salaries is to overfeed part of our workers and starve the others. As the present order stands, our very educational institutions are being menaced. When dock stevedores, soda fountain clerks, and delivery boys are able to obtain better wages than college professors and college trained men, can our youth be blamed for dodging ten years of expensive training and taking a short cut to independent living? It makes it difficult for them to see why they should substitute finer thoughts for finer food and living conditions.

War wages should not be peace wages, but they cannot be reduced while men receive twice as much money for working part of a day as they should receive for working a whole day.

It is not only that part of the people represented by unions that has lost its balance. Less work and more pay is not confined to any one group. To the mental twist, affected by the prosperity of the war period, the relaxation which has followed the release of war-time restraints has given an additional turn. The whole country is in a bad state of mind. If it does not recover its balance by reason alone, it must have the jolt of an unpleasant experience.

It would be a fortunate thing if we could recover our balance by reasoning, for if we do not we will pay the penalty the natural economic law prescribes—contention, disturbances and depression.

Looking beyond all this, we still have man power, natural resources, producing machinery, habits of scientific practice, ambition, and we are fundamentally sane. It is only for the near future that the outlook is uncertain.

### ***Speculative Tendencies Have a Setback by Federal Reserve Board's Action.***

Without doubt, the increase in rates of discount at the Federal Reserve banks has been the most important event in the money market. The mental suggestion that credit expansion had reached a point at which a warning was necessary, rather than the direct effect, is the real feature of this increase in rates. Whether this warning is sufficient, time alone will tell.

Our banks are experiencing an unprecedented demand for credit. Commodities of all kinds, but especially the necessities of life, command staggering prices, and in many cases are the basis of speculation. Speculation, not only in commodities and real estate, but in securities of all kinds, has been indulged in to a greater extent than ever before. People who never made a practice of investing merely for speculation have been carried along in the wild scramble for "easy money." The result has been an unprecedented demand upon our members, and on banks in general, for credit.

In addition to this demand, there has been a demand from the rural districts for the movement of crops, especially tobacco, and the purchase of cattle for feeding and fattening purposes; and from the centers of the steel industry, where the effects of the strike are being keenly felt. The result has been requests for abnormal rediscounting and borrowing, and in many cases, not only to take care of the

legitimate demands of the banks' communities, but also the speculative demands. Taking it all in all, a tremendous expansion of credit has taken place, and at a time when, under ordinary circumstances, liquidation should have been the order. No doubt the lure of the high rates on call money in New York has also had its bearing on the situation.

Another result in this District of the increase in the rates is that paper secured by the Liberty Loan and Victory Bond issues no longer commands a preferential rate over commercial paper, suggesting that the time has arrived when a great effort must be made to practice thrift and economy, and to apply the product of thrift and economy to a reduction in the loans against United States securities—in other words, to put the war issues back of us and thus release funds for our commercial and industrial enterprises.

The demand for both commercial and collateral loans is very strong and rates are high and firm. Only the highest grade commercial loans are being made at  $5\frac{1}{2}$  per cent, all others secured and unsecured are being negotiated at 6 per cent.

The uncertainty and unfavorable development of conditions surrounding the discount market of the Fourth Federal Reserve District during the past month, have had a reactionary effect on the volume of the acceptance business. In the early part of the month the general improvement of the market spread a great deal of optimism among the dealers, but the constantly increasing rates for call money and the change of rates by the Federal Reserve Banks soon caused the market to become very dull. There has been a complete falling-off of business from new sources, as well as from banks that were already in the market. The only supply of bills at present comes from the banks that had made previous arrangements with their customers to accept their drafts. There seems to be no indication that the banks are encouraging the use of bankers' acceptances while such a small margin remains to their credit, in comparison with other forms of commercial paper. It is too early to state what ultimate effect the change in discount rates will have on the open market, but so far it has tended to stop all activity. The portfolios of the brokers are filled, and they are not seeking additional bills until there will be some hope that the former demand will be restored.

It would seem that the higher rates would attract new buyers into the acceptance market, and this is expected unless other forms of loans rise to rates that are unheard of. Just at present it seems that the entire market is awaiting a readjustment of present conditions, and all are watching the action of others to learn what procedure will be necessary.

### ***Effects of Steel Strike Greatly Minimized. Production Almost Normal.***

With the steel strike now reduced to a scale of small importance, producers and consumers are more concerned with the effects of the loss of production previously incurred than with present operating difficulties.

Except for a very few spots, Western Pennsylvania may be said to be practically free from strikes. The Wheeling district remains almost entirely closed. It is estimated that the strike thus far will involve a loss of about one month's production. Apparently steel has not become as scarce by reason of the strike as was expected—the forecasts of scarcity having been based upon the assumption that steel was far from plentiful before the strike began. The large demand was occasioned somewhat by the disposition to stock up.

The production of steel for October, it is said, averaged about 60 per cent of the rate immediately before the strike while production at the present is estimated at 70 per cent of this amount.

A premium is the present rule for immediate shipments in small tonnage lots. The regular market is governed by the March schedule. Common grade sheets are in good demand and the supply fairly adequate, with a better situation than that of thirty days ago. The strike seemed strong where this grade of sheet was made and the effect was immediate and the curtailment pronounced. The effect was also to curtail the processes necessary for special sheets. Production is reported to be constantly on the increase.

Automobile builders have suffered not alone for want of sheets, but also in the matter of other materials.

Sheet mills are reported averaging 75 per cent operation. In the Pittsburgh district at least two of the larger steel interests are reported operating at normal, while some outside plants are reported going very light.

The coal strike as yet has not been a factor of importance to the iron and steel industry. It is said practically all mills have a store of coal sufficient for from two to four weeks. The Connellsville region reports they have not been affected by the coal strike. Last year this region produced for its record weekly output and for its own coking operations 500,000 tons besides shipping several hundred thousand tons. Recently the region produced 300,000 for its own coking beside a much larger tonnage to outside consumption.

The loss in general output of steel during the past eight weeks has run to large figures and present trade conditions in the industry revolve about this situation. Makers will carry past the first of the year, a large volume of orders which should have been delivered during the final quarter. This is strongly influencing their attitude as to accepting new business and it also has an important effect upon the play of prices. Because of this large accumulation of overdue tonnage, mill capacity will be occupied for a considerable portion of the first quarter in clearing up old obligations and consequently the manufacturers are acting very conservatively in negotiating or encouraging new sales. Buyers are bringing a great deal of pressure upon the mills for first quarter contracts. Conditions are reaching the point where some of these may be accepted soon, although this will signify to the consumers more of an assured position on mill books for shipment the moment the circumstances permit, than any definite promise of delivery.

The current consumption of steel is exceedingly heavy and this is making it a difficult matter to apportion available supply. It is quite probable that before production shall have reached the point where ordinary demands may be met that some lines of activity may be forced to retrench or to keep expansion programs in check because of the lack of an adequate supply of steel. In the export field the large producers have been adopting a policy of declining any further orders, although during the past week there has been some easing up of this attitude. The foreign demand continues exceedingly heavy, notwithstanding the unfavorable exchange situation.

Looming demand of the railroads for large quantities of steel presents a problem under present conditions. Anticipating an early return to private control, many of the roads individually now are in the market for large lots of rails for 1920 delivery. As the taking out of this material is dependent upon their restoration to private status, rail producers are not inclined to accept these contracts. If private ownership returns and the railroads demand large tonnage of rails and other steel for rehabilitation, as there is every indication that they will, it is a question of how this material will be supplied. It is apparent that it cannot be handled in quantities before an extended date, with the mills so congested and behind in orders as at present.

Iron and steel prices are reflecting the stringency of supply and are showing a sharp advancing tendency. The rise in prices in steel products is being held in check by the attitude of the largest producers who are taking a firm position against higher prices with a viewpoint toward national good. These interests continue to quote the former level of prices, but inasmuch as they are unable to furnish any substantial amount of product for early delivery, material available for quick shipment is commanding constantly higher premiums. Here and there producers have adopted higher schedules for their material. But this is not the rule in finished steel lines. In the crude and semi-finished materials, the rise of prices has been much more pronounced. Semi-finished steel, pig iron and scrap all are several dollars higher than a month ago.

The most marked advance has been in pig iron. Under an acute shortage of spot metal, the pig iron market has gone up sharply during the past several weeks, and this movement still is continuing. The net advance in the various grades of iron during the past three or four weeks has been from \$4 to \$5 a ton. The higher market also has applied to first quarter and first half contracts and a large tonnage of business for those deliveries has been closed by the furnaces on a rising scale of prices. The unsatisfied inquiry for pig iron is large.

An index to the improving conditions in iron and steel is shown by statistics of blast furnace operations for October as compiled by The Iron Trade Review. While the October production of 1,978,218 tons of pig iron was 502,572 tons less than in September, the number of furnaces in blast on October

31, was 54 more than on the corresponding date in September. The figures of operating stacks were 217 and 163 respectively. The loss of output from the strike fell mainly in October as compared with September because the walkout occurred late in the preceding month and its influence upon the production of that period was limited. November is carrying forward the October improvement, many additional furnaces having resumed since the first of the month. A number of these have been in Cleveland and Youngstown districts where the strikers have been holding out most stubbornly.

**Earnings of Lake Fleets Greatly Reduced by Labor Troubles.** Although much time has been lost by the lake fleet since August 1, due to strikes on the docks, at the steel plants, and the coal mines, the clean-up will be earlier than usual. Boats have been sent to the dock for the winter since the first week of November, and a large part of the fleet was laid up by the middle of the month, owing to the scarcity of cargoes.

Earnings of vessels were greatly reduced during the later part of the season, as much time was spent in port on account of labor trouble, and some of the fleets lost money on the season.

The freight movement will show a big decrease compared with the past few seasons, and while figures will not be made up for some time it is quite certain that shipments of ore, coal and grain will be 20,000,000 tons less than they were in 1918.

Ore shipments up to November 1 were 43,978,414 tons which is a decrease of 12,892,457 tons compared with the same time in 1918. It is not likely that the total movement for 1919 will exceed 48,000,000 tons. Shipments for last season were 61,156,732 tons and the loss will be about 13,000,000 tons.

The movement has been very light the past few weeks owing to cold weather, as the ore was badly frozen. There is more ore in store at Lake Erie ports than there was a year ago and nearly all the storage room has been taken. On November 1 the docks at this end of the route were holding 10,004,767 tons and on the same date in 1918 stocks were 9,909,279 tons.

At the opening of the season it was figured that 22,000,000 tons of coal would meet the requirements of the lake trade, and the movement will be very little short of that figure as shipments up to November 1 were about 20,750,000 tons.

The general opinion, however, is that little coal will be on dock at the upper lake ports at the opening of the 1920 shipping season.

Grain figures are not available, but the movement has been very light and will show a big loss compared with 1918. Most of the wheat that is at Duluth will be held for milling purposes and as stocks are small very little tonnage will be wanted. Stocks are much smaller all around than they were a year ago, although there is considerable grain in the Chicago elevators.

**Coal Production Practically Negligible.** Great interest throughout Ohio centers in the settlement of the coal wage controversy. While the strike is over officially, reports from the mining sections show that comparatively few miners are returning to work. Operators who have studied the situation carefully say that thousands of miners will refrain from work as long as possible, watching developments at the conference of operators and miners at Washington.

While the output of coal from non-union mines increased there will doubtless be a limited production of coal for several weeks.

It is essential both because of the coal strike and in order that needs for the winter may be looked after, that fuel be used as economically as possible.

Ohio oil wells have been of the gusher variety and their production has been maintained for years. There are approximately 2,000 wells in the Ohio Clinton sand with an estimated total production of 7,000 barrels. As development goes north, thicker sand is found and from it larger production, as compared to the older fields in Perry, Hocking and Fairfield counties. The Black Run pool, located in Muskingum and Licking counties, has been the most prolific among newer pools. The West Carlisle at the junction of Muskingum, Coshocton and Licking also has been decidedly profitable.

Among its newer wells are: one in Coshocton County, estimated at 200 barrels; Black Run, 100 barrels; Licking County, 100 barrels.

**Manufacturing Plants Working at Capacity.** Reports from manufacturing plants indicate no startling change from last month with the exception of manufacturers of wooden-ware goods, who report orders received in unprecedented volume. This line showed no activity during the war, but plants are now working at capacity, and in some instances plans are under way to enlarge present quarters to provide for orders now booked or in prospect. It is significant as indicating the prosperity of the people generally to note that one manufacturer of clothes-wringers reports more than capacity business, with the bulk of orders coming from makers of electric washing-machines, who report the best business in their history.

Most manufacturers report no difficulty in securing all necessary grades of steel, and metal manufacturers report capacity business. Their great problem now is to contend with the "scarcity and indifference of labor." The steel strike, while it has caused some slight inconvenience, has not interfered materially with production. One large automobile maker states that "right from the time the strike was declared, we have been getting good shipments of steel from a number of mills."

Motor car concerns, without exception, are enthusiastic over the outlook. The domestic demand exceeds the supply, while foreign orders continue to pile up—in many instances from countries where it was thought there would be no market for American goods for some time to come. Orders now on the books assure continued activity in this line for months.

Tool manufacturers report business holding up well, with many orders and inquiries from abroad. An active demand from automobile makers for tools is noted.

**Refractories Manufacturers Optimistic in the Face of From a Ten to Thirty Per Cent Reduction in October.** Production and shipment statistics for the month ended October 31st (the latest available) indicate a reduction of ten per cent, in October as compared with September on fire clay brick used in the metallurgical industries and a still greater reduction in silica brick. In the latter, production fell off thirty per cent, and shipments forty per cent. The falling off in shipments was felt more sharply during the earlier part of the month, when the successful operation of many of the steel plants was still problematical. Refractories manufacturers were optimistic, however, and did not reduce their rate of production until well into the month.

Indications are that when the figures for November are filed, it will be found that shipments have been generally resumed by all of the refractories plants in the district and that stocks will be depleted owing to the fact that the threatened coal shortage had a tendency to slow up production, many manufacturers limiting their kiln-setting to the quantities of fuel actually on hand from day to day.

**Agricultural Showing Not So Favorable.** Generally speaking, agricultural conditions do not measure up to the mark indicated in the last REVIEW. Unseasonable rains have caused considerable damage to the corn crop throughout the District. Sprouting of the corn in shock is reported at numerous points, and rotting of both corn and fodder appears to be almost general. Some complaint is heard from farmers that the quality of farm help is not up to standard, resulting in poor shocking and its subsequent evils.

Fall wheat is only fair, on account of what appears to have been a desire to sow early, with the result that the Hessian fly has made its appearance and is doing some damage. The mild, rainy fall weather has caused a growth somewhat greater than usual at this season, and it is feared that unless a protective snow covering comes before continued freezing weather sets in, serious damage will be done to the crop.

The tobacco market will open shortly after this issue of the REVIEW goes to press, with every indication that high prices will prevail. The crop is estimated one-quarter to one-third short, but it is believed that the money return will be as great as last year. The demand is brisk for all grades of tobacco, a large part of which is for export.

Hog cholera has again made its appearance in Ohio, and some hogs are being sold before properly fattened for fear this disease will spread and affect now healthy stock. The present price of pork does not justify feeding much of high-priced grains. The same is true with respect to beef cattle. With feed high, and the spring market so uncertain, it is not surprising that feeders shown no disposition to fatten cattle for market.

### CROP ESTIMATES FOR FEDERAL RESERVE DISTRICT No. 4. (CLEVELAND)

Crop	Acreage, 1919		Forecast of production based on condition November 1, 1919.	Acreage, 1918		Production, 1918
	Acres		Bushels	Acres		Bushels
Corn .....	5,273,000		209,722,000	5,442,000		184,232,000

**No Immediate Reduction of Price Expected in Merchandise.** Retailers report an extraordinary volume of business, in some instances 100 per cent over the corresponding month of last year. The month shows the biggest increase of the entire year. This increase is occasioned in part by the keen and active buying on the part of the public, but it is largely influenced by the fact that last year business was slowed up considerably by the influenza, war and weather conditions.

Market conditions with regard to purchases are practically the same. Deliveries are slow and many grades and kinds of merchandise are only being received under allotment.

The textile business for the past thirty days has been exceedingly good with a brisk demand for every kind of merchandise. Stocks in manufacturers hands are the lowest that has ever been known. The output of the mills is sold at present up to April-May, 1920.

Wools of a medium to a low grade are in plentiful supply with gradually lowering prices. Wools of the finer grades are exceedingly scarce and very high, and there does not seem to be any indication of the lowering of the finer wools for some considerable time.

General mercantile prices show no sign of immediate recession, in fact practically all spring orders have been booked at considerably higher prices. Buyers still refuse to be interested in cheaper goods, insisting on having the higher grade articles in spite of what would seem to be prohibitive prices. Reckless buying seems to be as rampant as ever. As long as people are demanding and willing to pay for expensive clothes the manufacturer will make them and the wholesalers and retailers will have them on their counters. Not until discrimination sets in can we expect to see a reduction in prices.

**Large Volume of New Building.** Conditions in the building industry continue to improve and the demand for basic building materials is increasing. A study of the table given below shows that the percentage of increase for October, 1919, as compared with 1918, is 483.4 per cent, while the increase of new construction during October, 1919, has increased \$857,108 over the previous month.

These figures are gathered from the incorporate cities listed in the table below and do not include a very large volume of new building which is going on in the suburbs.

### BUILDING OPERATIONS FOR MONTH OF OCTOBER

	Permits Issued				Valuations				Increase or Decrease of total valuations 1919 over 1918	Per Cent of Increase or Decrease
	New Construction 1919-1918		Alterations 1919-1918		New Construction 1919	New Construction 1918	Alterations 1919	Alterations 1918		
Akron.....	565	53	118	50	\$3,184,277	\$ 60,140	\$49,640	\$98,070	\$3,075,707	1946.2
Cincinnati.....	218	52	502	299	657,610	52,725	289,060	279,050	614,895	185.4
Cleveland.....	324	31	834	517	5,223,400	721,200	457,785	186,880	4,773,105	525.6
Columbus.....	263	71	102	81	619,090	160,175	127,155	56,680	529,390	244.9
Dayton.....	223	81	44	19	934,637	252,452	97,110	16,519	762,776	284.3
Erie.....	111	57	38	32	237,325	139,720	47,675	23,020	122,260	75.3
Lexington.....	19	10	30	27	85,000	5,870	18,000	4,300	92,830	920.
Pittsburgh.....	363	62	89	46	1,399,089	240,736	176,597	76,648	1,258,302	396.8
Springfield.....	42	4	15	5	138,675	750	59,400	6,800	190,525	2714.2
Toledo.....	267	24	123	67	856,062	55,072	92,956	26,953	866,993	1056
Wheeling.....	32	7	23	28	59,511	2,645	4,199	4,793	56,272	756.5
Youngstown.....	169	51	31	34	475,175	136,425	36,950	19,465	356,235	229.6
<b>TOTAL.....</b>	<b>2596</b>	<b>503</b>	<b>1949</b>	<b>1205</b>	<b>13,869,851</b>	<b>1,827,910</b>	<b>1,456,527</b>	<b>799,178</b>	<b>12,699,290</b>	<b>483.4</b>

### Reports Show Outbound Tonnage Falling Off as Compared With Last Year

When comparison is made with the transportation figures reported in the last issue a very considerable increase is to be noted in the number of cars and tons received, but on the other hand a large decrease is shown in the number of cars and tons forwarded.

While statistics showing receipts and shipments are not yet available, it is the opinion that these large changes in the figures are the result of the existent strikes. It will, doubtless, be found that a considerable part of the reduction in outbound movement is chargeable to the reduction in steel production, and that the increase in receipts was caused by abnormal movements of coal made on the eve of the coal strike.

As yet, there has been no serious interference with transportation on account of the coal strike, but it is quite impossible to make any prediction as to what the next few weeks will bring forth.

The figures on transportation reported for the month of October, 1919, compared with those of October, 1918, are as follows:

	1918	Inbound	Outbound	Total
Cars		47,702	29,393	77,095
Tons		1,676,779	1,086,522	2,763,301
	1919			
Cars		46,383	23,071	69,454
Tons		1,672,191	680,293	2,352,484

### BANKS ENTERING THE FEDERAL RESERVE SYSTEM.

The following banks have been admitted to membership in this District since we last reported:

	Resources
Rittman Savings Bank.....Rittman, Ohio .....	\$ 367,000
Wakeman Bank Co. ....Wakeman, Ohio .....	304,000
Apple Creek Banking Co. ....Apple Creek, Ohio .....	368,000
Union Savings & Trust Co.....Warren, Ohio .....	4,550,000
Security Bank .....Portsmouth, Ohio .....	2,315,000
Pearl Street Savings & Trust Co.....Cleveland, Ohio .....	14,127,000
Orrville Savings Bank .....Orrville, Ohio .....	868,000
Marshall County Bank ....Moundsville, W. Va.....	1,225,000
Farmers State Bank .....Eldorado, Ohio .....	449,000

### NEW NATIONAL BANK

	Authorized Capital
Citizens National Bank .....Hooversville, Pa. ....	\$25,000

### MERGERS

Market National Bank, Cincinnati, Ohio, merged with Fifth-Third National Bank.

Merchants National Bank, Middletown, Ohio, merged with First National Bank, forming the First & Merchants National Bank, Middletown, Ohio.

## CLEARINGS

	October 16 to November 15		Increase or Decrease	Percent of Increase or Decrease
	1919	1918		
Akron.....	\$48,854,000	\$29,846,000	\$19,008,000	63.6
Cincinnati.....	289,284,983	265,664,696	23,620,287	8.8
Cleveland.....	539,982,139	411,243,308	128,738,831	31.3
Columbus.....	65,747,800	51,626,200	14,121,600	27.3
Dayton.....	19,237,630	19,027,180	210,450	1.1
Erie.....	10,689,836	9,669,597	1,020,239	10.5
Greensburg.....	6,572,988	4,481,231	2,091,757	46.6
Lexington.....	6,504,685	4,692,286	1,812,399	38.6
Pittsburgh.....	713,621,463	631,178,770	82,442,693	13
Springfield.....	7,743,654	4,846,632	2,897,022	59.7
Toledo.....	65,883,000	46,540,458	19,342,542	41.5
Wheeling.....	25,546,287	16,782,659	8,763,628	52.5
Youngstown.....	20,641,980	15,904,909	4,737,071	29.7
TOTAL.....	1,820,310,445	1,511,503,926	308,806,519	20.4

## TOTAL DEBITS BY BANKS TO INDIVIDUAL ACCOUNTS

	Week Ending		Increase or Decrease	Percent of Increase or Decrease
	Nov. 12, 1919	Nov. 13, 1918		
Akron.....	\$27,049,000	\$11,420,000	\$15,629,000	136.8
Cincinnati.....	60,637,000	49,758,000	10,879,000	21.8
Cleveland.....	167,761,000	120,043,000	47,718,000	39.7
Columbus.....	28,059,000	17,945,000	10,114,000	56.3
Dayton.....	12,038,000	8,753,000	3,285,000	37.5
Erie.....	7,126,000	6,390,000	736,000	11.5
Greensburg.....	4,042,000	2,559,000	1,483,000	57.7
Lexington.....	4,705,000	3,539,000	1,166,000	32.9
Oil City.....	2,246,000	2,214,000	32,000	1.4
Pittsburgh.....	185,644,000	169,434,000	16,210,000	9.5
Springfield.....	3,721,000	2,272,000	1,449,000	63.7
Toledo.....	34,969,000	21,071,000	13,898,000	65.9
Wheeling.....	8,011,000	7,010,000	1,001,000	14.2
Youngstown.....	14,495,000	11,622,000	2,873,000	24.7
TOTAL.....	560,503,000	434,030,000	126,473,000	29.1

**STATEMENT OF  
FEDERAL RESERVE BANK OF CLEVELAND.**

November 21, 1919.

**RESOURCES**

Gold coin and certificates.....	\$21,634,000	
Gold settlement fund with F. R. Board.....	29,952,000	
Gold with Federal Reserve Agent.....	107,012,000	
Gold redemption fund.....	842,000	
Gold with Foreign Agencies.....	11,660,000	
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<b>TOTAL GOLD RESERVE.....</b>	<b>171,100,000</b>	
Legal tender notes, silver, etc.....	878,000	
	<hr/>	
<b>TOTAL CASH RESERVE.....</b>		<b>171,978,000</b>
Bills discounted—Secured by Government War Obligations.....	125,938,000	
Bills discounted—All other.....	30,194,000	
Bills bought in open market.....	67,971,000	
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Total bills on hand.....	224,103,000	
U. S. Government Bonds.....	834,000	
U. S. Government Victory Notes.....	10,000	
U. S. Government certificates of indebtedness.....	26,018,000	
	<hr/>	
<b>TOTAL EARNING ASSETS.....</b>		<b>250,965,000</b>
Uncollected items and other deductions from gross deposits.....		74,314,000
5% Redemption fund against F. R. bank notes.....		1,155,000
All other resources.....		1,070,000
		<hr/>
<b>TOTAL RESOURCES.....</b>		<b>499,482,000</b>

**LIABILITIES.**

Capital paid in.....	9,468,000	
Surplus fund.....	5,860,000	15,328,000
	<hr/>	
Government deposits.....	5,163,000	
Due to members—Reserve accounts.....	134,426,000	
Deferred availability items.....	68,644,000	
Other deposits.....	74,000	
Foreign Government Credits.....	5,928,000	
	<hr/>	
<b>TOTAL GROSS DEPOSITS.....</b>		<b>214,235,000</b>
Federal Reserve notes in actual circulation.....		245,484,000
Federal Reserve bank notes in circulation—net liability.....		21,505,000
All other liabilities.....		2,930,000
		<hr/>
<b>TOTAL LIABILITIES.....</b>		<b>499,482,000</b>

## PICKUPS ON BUSINESS TOPICS

**G**RANTING the demands of coal miners would mean at the minimum an increase in the cost of bituminous coal of \$2 a ton, which on the 500,000,000 tons annual production would tax American consumers \$1,000,000,000 annually, or \$10 for every person in the United States, according to figures compiled by the United State Geological Survey. Railroads and industry would have to bear most of the increased cost, the increase to each being respectively, \$300,000,000 and \$352,731,000. Domestic consumers would be taxed \$114,208,000. The annual burden to industry would be \$60,440,000 for Pennsylvania, \$46,122,000 for Illinois, \$46,689,000 for Ohio and \$25,539,000 for New York.

A large bonded warehouse is about to be built at Colon, Panama, in which space may be rented by any manufacturers or exporters who may wish to have stocks of goods in storage here to supply their customers in Central and South American countries. It is understood that the Panamanian government will receive a revenue of about two per cent on the value of goods taken from this warehouse for export to other countries. As this enterprise has the support of a strong company with ample capital, it promises to render great service to American trade.

Official call has been issued by the National Rivers and Harbors Congress for its fifteenth congress convention, to be held in Washington, Dec. 9, 10 and 11. Governors, mayors and the presidents of commercial, industrial, agricultural and waterway organizations are authorized to appoint delegates to the convention. The chief business of the meeting will be to decide upon specific provisions and exact language of legislation needs to protect and develop water transportation and to secure co-operation between railways and waterways.

A steady and marked increase in the sale of War Savings Stamps and Certificates throughout the entire country has been shown by reports from the twelve Federal Reserve Districts to the Treasury Department. According to figures made public by the Savings Division of the Treasury, the receipts from sales for October aggregate \$7,316,467.60. This is over \$1,200,000 in excess of the receipts from this source for September and is greater than the receipts for any month since April.

The increase in sales for October has been attended by an equally marked decrease in redemptions. Officials of the Savings Division declared that they had every reason to believe that the increase in sales and the decrease in redemptions will continue. It has been proved, they said, that the securities now being sold are going into the hands of purchasers with whom thrift and savings have become a well-established habit, and who appreciate the value of the Government securities as an investment.

A complete inventory of helium gas resources of the United States will be made by the joint army and navy board, created by the Secretaries of War and Navy, who realize that this non-inflammable gas in airships is an asset whose value can hardly be exaggerated. The present helium laboratory at Fort Worth, Texas, will be enlarged to test samples of gas sent for analysis by oil and natural gas production companies of the country whose co-operation will be secured.

Many of our manufacturers are finding themselves confronted with the new problem of dealing in foreign markets, and are sometimes at a loss as to the proper methods of obtaining correct credit information concerning their foreign customers. The United States Bureau of Foreign and Domestic Commerce, at Washington, calls attention to the fact that its organization is in a position to aid such manufacturers in obtaining the information they desire.

There is an unprecedented demand for gold for domestic, commercial and manufacturing purposes. Sales of the metal to the trade in October broke all records. The huge purchases during the past few months is attributed to the desire of the trade to place upon the market sufficient jewelry for the big holiday business. Jewelers are looking forward to record sales this year.

A Foreign Finance Corporation, capitalized at \$10,000,000, has been organized by a group of bankers representing some of the strongest financial interests in New York. The primary purpose of this concern, it is announced, will be to invest funds in enterprises and securities which promise safety and satisfactory return. The headquarters will be at J. P. Morgan & Co. Capital stock will be in shares of \$100 par value, and all the stock to be paid up at this time has already been subscribed.

The Corporation may also engage in investments in this country. It contemplates at present no issue of debentures, but such a procedure may be adopted later, if the corporation desires to extend its operations with borrowed money.

A project is under way for making Cleveland a terminal port for ocean shipping. This would depend upon the improvement in canals along the St. Lawrence, which is under consideration by United States and Canadian government officials.

The benefits to this district which would be derived from such a project are many and great, especially if increased transportation facilities between the Great Lakes and the valley of the Ohio are made.

The New York Sun says that the building needs of the United States include 1,000,000 homes, 128,000 factories, costing \$100,000 or over; 325,000 factories costing less than \$100,000 each, 6,000 hotels, 5,000 schools and public institutions, 50,000 apartments, 120 major freight terminals, 14,000 railroad stations and freight sheds, and 20,000 theaters and churches.

Rules and regulations governing the use of fuel oils in New York City are to become effective December 1. In the opinion of a prominent real estate authority many building operations have been postponed until oil can be used as fuel. Many hotels now plan to use oil in lieu of coal.

The Illinois farmers represented by the Executive Board of the Illinois Agricultural Association went on record as opposed to strikes and shorter hours that reduce production and increase the cost of living, and recommended a basic 10 hour day for all productive industries.

The London Times for October 6 reported that the Aereo express airplanes, which fly daily between London and Paris, have completed the sixth week of continuous operation, having accomplished 83 out of a total schedule of 86 flights without a stoppage or breakdown.

President Leguia, of Peru, in his inaugural address, stated that his government was negotiating with powerful American interests for installation of water supply, drainage and paving systems for 24 of the largest cities and towns of the republic.

Raw materials valued at \$1,500,000, consisting largely of furs and hides, have arrived in this country from Siberia, while \$10,000,000 worth of goods stored at Vladivostok are awaiting shipment to the United States and Great Britain.

Demanding 40% wage increase of from \$15 to \$25 weekly, and eight hour day instead of the 10½ hour day, 15 clerks went on strike at the Municipal Bank, Brooklyn. Officers state that the strikers' places have all been filled.

A London report states that a big airship company has been organized which plans to run services to various points all over the world. The London-Paris service is in successful operation and carries express parcels.

The Senate recently passed the house bill increasing the amount national banks can loan on bills of lading and sight drafts from 10 to 25 per cent. of their capital and surplus. The measure now goes to conference.

The parcel post is earning a profit of \$10,000,000 annually, and rates have been constantly reduced since the beginning of the service, seven years ago.