

The Monthly BUSINESS REVIEW

Covering business and industrial conditions in the Fourth Federal Reserve District
FEDERAL RESERVE BANK of CLEVELAND

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No. 1

THIE turn of the year has witnessed a decided change in business sentiment. Reports reaching us this month are almost a unit in declaring that signs point to improvement in the business situation. Some of the more optimistic profess to see a distinct revival in the immediate future, while others, somewhat less enthusiastic, agree that the outlook is much more hopeful.

Whatever the future may hold for us, we must recognize the force of the old adage that it is "useless to cry over spilled milk." The present situation has been brought about by the working of inexorable natural laws, and our time should now be spent in planning for the future rather than in trying to find some one to whom we may attach the blame for what has happened in the past.

An analysis of the situation will show that conditions are not so bad as many would have them to appear. The dire predictions of the calamity howlers have not been borne out. Business has slackened somewhat, but when it renews activity it will be upon a more sound and stable basis, and offer a much better hope for a more lasting prosperity.

A few calamity howlers, in unsettled times, make so much noise that it is easy to overestimate their number, much as did the farmer who went to the city provision merchant and found that frog legs were selling at an exceptionally high price. He stated to the merchant that if that price were the real one, he could supply him with a million frog legs a week. He received such a contract and surprised the merchant the following week by appearing with about six frog legs. Upon inquiry as to where the balance of the million were, the farmer stated that the frogs down on his farm made a noise like a million, but when he went to convert them into reality he found there were but three or four.

In connection with the change in sentiment it must be remembered that there is much psychology in business. When people are talking in a pessimistic vein it is easy for us to view all things through dark glasses. On the other hand, when leaders in industry and finance are more optimistic in tone, the feeling spreads like disease germs, everyone becomes affected with the contagion, buying is stimulated and the wheels of industry once again begin to turn.

That there are times when it is necessary for business to slow up goes without saying. Blind optimism leads to dangerous extremes. The cautious business man is at all times feeling the business pulse, and trying to discern the signs of today that are prophetic

of the weather of tomorrow. He is always ready to spread sail in fair sailing weather and is equally as quick to furl sail when approaching storms may be observed.

In every form of construction, whether it be of building, bridges, automobiles or what-not, there is what is known as the "factor of safety"—the ratio of breaking stress to the greatest strain that is likely to be applied. The purpose is to furnish strength in excess of the rated capacity to provide for unusual strains or stresses. An automobile truck rated at one-ton capacity will permit of considerable overload; a railroad bridge designed to carry a certain load is built, theoretically, to carry the designated load plus a considerable excess. It is not the intention that this margin of safety shall ordinarily be employed, and ordinary prudence would not permit its use except in extreme emergencies.

In the business world we find some who have so extended themselves that there has been no reserve strength upon which they might depend in time of stress—no preparation for the inevitable rainy day—and some rough sledding may be ahead of them. This condition is chargeable to their own lack of foresight, and they will be left to work out their own salvation.

Readjustment movements like the present will spend their force only when the proper relative balance has been restored. This does not imply that a continuous lowering of price levels is at hand; the movement may be checked, either in the natural order, or as a result of arbitrary methods such as were employed during the war, but it is as useless to try to permanently stem the tide of readjustment as to attempt to make water run up hill.

The improved reserve position of the Federal Reserve banks is an indication of easier credit conditions. Lower prices for commodities mean lowered costs of doing business, with a consequent release of additional credit. This may not become apparent until many large inventories purchased at top prices have been worked off, but it is a condition that will ultimately develop as a result of the resumption of business.

Business now recognizes that it would be injurious to its own best interests to lose what it has thus far accomplished in the way of readjustment. We have struggled through the quicksand of expansion to the firm ground of safety, and, "forgetting the things which are behind" business sentiment is crystallized on the spirit of "Carry on."

Banking Situation Improves; Acceptance Market Increases Activity

The banking situation continues to show improvement. Banks have succeeded in holding loans to those required for the most essential things, and have in some cases reduced them. At some points interest rates have stiffened slightly. The January 1 interest period has passed with no unusual disturbance, although some banks report withdrawals in excess of those of a year ago.

Demands from country banks continue active. Some of this demand appears to be the aftermath of farm land speculation during 1918 and 1919. Little or no speculative tendency exists at this time in that regard.

During the past month, the bank acceptance market has been more active than at any other time since its creation. There has been an abnormal demand in proportion to the supply and all prime bills are absorbed as quickly as they are offered. The supply of

bills during this period of general business inactivity has been less than former months, which has brought about a reverted situation in the market equanimity. The rates during the month have declined from a $6\frac{1}{4}$ per cent to 6 per cent basis to a $5\frac{7}{8}$ per cent to $5\frac{1}{2}$ per cent basis. With the present call money rates around 7 per cent, the present rate of bankers' acceptance is at a more normal level than at any time since the creation of the open discount market. With financial conditions of industrial institutions somewhat doubtful, many of the country banks turn to bankers' acceptances in preference to the one-name commercial paper, which accounts for part of the abnormal demand. Again, deposits in the banks from Government taxes has also brought a call for additional 60 to 90-day paper. With the present familiarization by many additional institutions of the desirability of the bank acceptance, it is doubtful if the rates will ever return to the level of 1920.

New Business in Iron and Steel Contracted; Independent Operations Further Reduced; Unfilled Orders Show Falling Off

New business has been slow to respond in iron and steel following the widespread shutdowns of plants over the holiday period and it remains much contracted at the present time. The reflection of this condition is to be found in the low state of current plant operations with the very important exception, however, of the Steel Corporation mills. By reason of its policy, extending over many months, of maintaining minimum prices, the leading producer had accumulated a large order book and this now is being worked against. Production consequently has been maintained on a practically full basis. In contrast to this situation the independent steel companies which had sharply advanced finished material prices, and had dealt largely with immediate requirements, find themselves with depleted order books and a greatly contracted market. Although these companies generally now have reduced their prices to the Steel Corporation basis, they find relatively little new tonnage moving under present business conditions. This has brought about the widest spread between the operation position of the independent companies and the largest producer. It is doubtful if the independent capacity is more than 30 to 40 per cent active at the present time. Many of these plants are idle for an indefinite period and operations with a number of them, which had resumed early in the new year, have been tapering off. At mid-January, but 12 per cent of the independent steel capacity in the Mahoning valley was in commission.

While sharp inroads are being made by the Steel Corporation into its accumulation of orders, prospects are that, barring a complete disruption of the market, this interest will be able to maintain reasonably full operations for several months. This position is in such decided contrast to that of independent companies that it makes the questions of competition and prices in the near future of outstanding importance. In a number of isolated cases, as desirable business

arises, independent companies are under-quoting the Steel Corporation price level. There is every indication that this unsettlement will continue to spread. Along with the liquidation of prices many independent companies have been putting into effect wage reductions ranging from 15 to 20 per cent. These apply to all classes of labor running back to the ore mines. A general reduction of 15 per cent on wages in the Lake Superior ore district is to be put in effect February 1 by those independent operators who had not taken this step already. The Steel Corporation has made no changes in wages in its ore mine or plant operations, and it is not likely to do so at the present time.

The raw material markets on iron and steel have continued to show a steady decline, particularly in pig iron and coke. Pig iron has dropped to a basis of \$30 for No. 2 foundry and \$29 for basic in the Mahoning and Shenango valleys, which is \$19 to \$20 per ton under the high point of September. The iron market in other districts also has been showing a comparable descent. New buying has been very light and suspensions of orders heavy. The blowing out of merchant blast furnaces has continued until the smallest number of this class in about two years now is producing. Notwithstanding this fact and the unwillingness of producers to pile iron at present costs, merchant stocks of metal in the country have been increased to approximately 500,000 tons. Under normal conditions this is not a large amount, but with consumption so restricted, it promises to influence further retrenchment of the production of iron for sale.

Coke prices have fallen further, though at a much slower pace. Spot furnace coke recently has been sold in the Connellsville regions at \$4.00 ovens as compared with its high point of \$18.00 to \$20.00, several months previously. At present it is quoted around \$5.00 ovens.

Pig iron production in December was on a considerably lower scale than in the preceding month and amounted to 2,703,872 tons, according to the compilation of The Iron Trade Review. In November the output was 2,935,081 tons. The active furnaces as of December 31 were 213 compared with 255 November 30. With the December figures, the output of coke and anthracite pig iron for the calendar year of 1920 is shown by The Iron Trade Review to have been 36,404,572 tons. This compares with 30,578,730

tons in 1919 and 38,437,448 tons in 1918. Steel ingot production in December was at the annual rate of 32,570,000 tons compared with the rate of 38,190,000 tons in November. The total ingot output for 1920 is indicated to have been 40,500,000 compared with 33,694,795 tons in 1919, and 43,051,022 tons in 1918.

Indicating the contraction of new work, structural steel lettings in December are estimated at 47,000 tons, or 26 per cent of fabricating shop capacity.

Indications Point to Late Opening of Lake Traffic; Ore Stocks at Lake Erie Ports Heavy

The indications are that the start in the lake trade will be slow and that there will not be the rush to send boats out that there was last spring when there was a good demand for tonnage at both ends of the route. A large number of plants have been idle the last two months and as that means that considerable ore will be carried over, the general opinion is that the furnace men will not be in the market to place orders for their requirements for 1921 until about sailing time.

Shipments of ore from Lake Erie ports to the interior furnaces for December were heavier than expected. The docks sent forward 1,251,315 tons, which was a good increase over December, 1919, when the movement was only 638,080 tons. The Lake Erie docks on January 1 were holding 9,927,317 tons of ore and on the same date last year stocks were 10,090,708 tons. There was a let-up in shipping orders

in January and there will have to be a big increase in the movement on the docks or the receiving ports will not be in good shape by the opening.

The grain shippers are not bidding for tonnage and no chartering has been done in that trade for opening shipment. A year ago a large number of steamers, including some big carriers, were under charter to load grain on the first trip at four cents from ports at the head of Lake Superior to Buffalo.

Some tonnage has been lined up for early loading in the coal trade but the rates have not been fixed. The demand in local trades is very light and in order to keep the mines running some of the shippers have decided to send coal to the lake front. Six steel steamers have been named to take cargoes at Huron, and loading at that port will be started in February. According to reports received by shippers coal is not going forward from the upper lake docks very freely.

Manufacturing Conditions Show Improvement; Inquiries and Orders More Active

Throughout almost the entire manufacturing field we have reports indicating an improved tone. In many cases this is based upon inquiries rather than actual orders, but road salesmen report the existence of a quite improved feeling, and in some lines a more active order movement is observed, some manufacturers reporting business as "brisk."

Motor truck manufacturers report increased buying in practically all sections of the country; public utilities are placing orders, and according to one large producer "there is every indication of considerable business from the large industries."

Makers of passenger cars comment on the fact that sales at the New York show, while not as large as a year ago when the shortage was so great, were quite in keeping with the records of all previous years. There are fewer buyers of low-price cars in the market, but there is said to be a fair demand from present owners who desire to obtain new cars before the general readjustment process further reduces their second-hand valuation.

Another prominent auto manufacturer reports that the New York auto show was one of the best ever held in regard to interest and the securing of "prospects" for sales in the near future.

In the foundry and kindred lines of manufacture,

business continues quiet, although there have been some promising inquiries since the first of the year. Hardware and supply jobbers are buying cautiously, but there is some activity.

Hardware manufacturers report little change in the situation from a month ago. Generally speaking, business in that line may be characterized as extremely dull.

Uncertainty and hesitation still mark the agricultural implement business, although a big producer states that "there are many signs that with the opening of spring there will be a normal demand for farm machinery. It is said that the farmer in recent years, like other classes, has purchased what he wanted rather than what he needed, and the quantity of farm machinery marketed in any one year since 1912 has not exceeded 60 per cent of that year's volume."

Business in the tool manufacturing line is almost *nil*, and manufacturers see nothing in the present situation to indicate any improvement in the near future.

Some slightly increased activity is noted in the rubber industry, but dealers are buying more cautiously than in recent years. The demand for mechanical rubber goods continues active, with demand generally quite up to that of former years.

Paper box and box board manufacturers report inquiries picking up, especially from the textiles and shoe trades. Stocks are said to be normal.

The paint trade is placing orders quite liberally. Some manufacturers have guaranteed prices against further declines up to July 1, and this action has been reflected in more active sales. Pig lead and linseed oil prices are now within reach of those of pre-war days.

Stocks are low and buying is taking place in small quantities as compared to orders placed heretofore in the tin can industry. Collections are said to be slowing up.

The steel oil barrel business is flat. Oil companies report that consumers are locating all the old barrels

they can find and sending them in for credit. This is in interesting contrast to the days when people did not think it worth while to bother to return a barrel for \$3.00 credit for a wooden barrel or \$10.00 for a steel barrel.

In the hardwood lumber line, mills are closing down for lack of orders, and at consuming points manufacturers are letting stocks of raw material run down.

Manufacturers of electric motors report business very much reduced. Stocks of finished goods are said not to be large, although this is not so true of the small fractional horsepower sizes as it is of the ordinary range of commercial motors.

Conditions Improving in Textile Trades

In the textile trade a better all-round feeling prevails. In the men's clothing trade huge accumulations of surplus stocks seem to have been, generally speaking, disposed of; the retailers, in turn, have enjoyed a fair volume of business which has held throughout the January sales. While this business may be at a small profit, or even a loss, the fact

remains that stocks are being reduced. This point, in the trade, is considered a healthy augury for spring business.

Woolen mills and clothing factories are, for the most, still running on a reduced schedule, so that, while absorption continues, production is substantially reduced.

Winter Wheat Suffers as Result of Unseasonable Weather; Farmers Borrowing to Carry Crops

The lack of protective snow covering, and the alternate "freeze and thaw" weather so far during the winter has done some damage to the wheat crop. It is not yet possible to determine the extent to which the crop has been hurt, but with seeding so generally late, the bulk of the wheat went into the winter in none too good shape to withstand severe treatment.

In the Kentucky tobacco section, much talk is heard of raising no burley crop in 1921, and holding

the present crop from the market until a higher price is offered.

The disposition of the farmers to hold their 1920 crops still holds, while the tendency of prices is toward lower levels. A relatively low price for farm crops and livestock has brought about an unusual situation in the farming section, in that farmers are borrowing money to "tide them over"—a situation that has not existed for many years.

Improvement Shown in Transportation Field

With the congestion of traffic during the last summer as a direct or indirect result of the switchmen's strike now altogether removed, the railroads are in better position to handle the business offered them than at any time during the past two or three years. Freight schedules are not yet up to the standard of

pre-war days, but deliveries are being made satisfactorily.

An open winter has so far assisted in the free movement of traffic, and the equipment supply appears to be equal to the demand. With the exception of car-repair men, labor forces are normal.

Coal Operations Continue Active; Retail Movement Affected by Mild Weather

While the slump in business has affected the mining and shipping of bituminous coal, there has been, contrary to general belief, a very large movement of this fuel.

The disappearance of practically all transportation troubles has facilitated the movement of cars, the supply now being greater than has been the case for some time.

Contract prices for coal now range from \$3.25 to \$4.00 a ton, while coal shipped on consignment has brought a net return to the shipper as low as \$1.50 a ton. This contrasts with a high point of about \$16.00 a ton during the year 1920.

The retail coal dealer has been hard hit by reason of an unusually warm winter, but retail prices of coal hold firm at substantially the same levels as a year ago.

Stagnation Continues in Building Line; Wage Adjustments Now Being Negotiated

There has been no appreciable change in the building situation in this District during the past thirty days. Building programs are still being held up in anticipation of further reduced costs. There has been a marked reduction in the cost of some building materials. Lumber at some markets has dropped about 40 per cent from the peak price, and the average line

of so-called "hard materials" has decreased from 10 to 20 per cent.

The railroad companies are assuring shippers of quick and adequate transportation. Spring wage agreements are now being negotiated, and some large building projects now held in abeyance may be released as soon as fairly definite cost figures are obtainable.

Special Report on Shipbuilding Industry

During the war of 1812, Oliver Hazard Perry was called on to defend the Great Lakes against the intrusions of the British fleet. He took his men into the forest, chopped down trees and by the end of the summer of 1813 he succeeded in building a squadron of nine vessels which met and defeated the British in the memorable battle of Put-in-Bay. Perry built some good boats; he made a record for speedy ship building, and had he been told that the time would come when a ship capable of ocean travel could be built and equipped ready for sailing in 26 working days, he no doubt would have thought such a task utterly impossible. The German submarine showed such persistence in sinking the Allied shipping during the World War that the United States was forced to increase her shipbuilding facilities and to turn out boats at an unprecedented rate of speed. Many new building berths were constructed, new dry docks were built, new and up-to-date machinery was installed, skilled and unskilled labor was drafted and hired, and boats were launched in some instances one month after the keel had been laid, fully equipped, where before it had required months and even years to build them. Formerly the launching of a ship was quite a gala event in the life of a shipbuilder, but it came to be such a common occurrence that even the heretofore indispensable bottle of champagne was eliminated and the ship slid down the ways unheralded and with no pomp or ceremony.

When the coast towns failed to keep up with the depredations of the submarine the shipyards of the Great Lakes were called on to furnish boats. Unfortunately these vessels had to be made of a length and breadth that would pass through the Welland canal locks. This handicap limited the length of the boat to 261 feet and the breadth to 43 feet 6 inches. These dimensions gave the boats very little clearance and they were sometimes damaged when passing through the locks. The old tars who had sailed the high seas for many years were at first inclined to ridicule these small boats. They said it was impossible for them to stand the gaff of ocean travel, but they have since changed their minds. These boats have proven to be the "Fords" of the merchant marine, not that they are of cheaper construction, for the best material and workmanship that money could buy was used in building them; but they can enter ports where it is impossible for the larger ships to go, they are operated at less cost, and they are not delayed by waiting for a large cargo,

which sometimes happens to the larger vessels. The feat of cutting the larger lake boats in two, sending them through the locks and then putting them together again ready for ocean travel, is an example of modern engineering skill of which every red blooded American has just cause to feel proud.

Shipbuilding in this district began about 1808, when a little schooner was built in Cleveland on the hill above the Cuyahoga river and hauled down to the river by oxen. This boat was named "Zephyr," and was of 45 tons dead-weight capacity. It is hard to imagine what a contrast there would be, were it possible to line the Zephyr alongside of our modern lake steamers, some of them over 600 feet long and with a carrying capacity of 13,500 gross tons. From this small beginning the shipbuilding industry on the lakes has advanced rapidly, until at the present time a good look at an inland harbor where the giant freight boats and passenger steamers of the lakes are docked for the winter and one is almost ready to believe he is looking at an ocean port.

In ship construction the plans are first laid out in the mold loft, and the lines of the ship are drawn upon wide smooth floors. In many instances the lines of several ships, all of different construction, are drawn upon a single floor and to an outsider they look like a Chinese puzzle, but the skilled draftsmen have no trouble in following them. The templets from which the holes are drilled and punched in the iron and steel are made of basswood. This wood is thoroughly dried and a reserve supply is always on hand for new plans. When everything is in readiness for the actual construction work to start, the berth on which the ship is to be built is prepared. This necessitates the truing up of the long lines of blocks upon which the keel is laid. From the keel the vessel is built up piece by piece until she is ready for launching. As each piece of iron and steel is put in place it is securely bolted, after which the rivets are driven home by means of compressed air hammers. As the sides of the ship are built upward the men work on scaffolding. In some of the modern shipyards the scaffolding on one side of the ship is of steel construction and is permanent, while on the other side it is built of wood. Each time a ship is launched the wooden scaffold is removed and the ship is slid into the water sideward.

As a general rule ships built in the yards of sea-coast towns are launched into the water stern first, and at one time this was the custom on the lakes, but

at the present time side launching is found to be more satisfactory and is used almost entirely. This method was adopted because in some cases the water is not deep enough and the boat would be damaged when she slid from the ways. When a boat is side launched, it is held on an even keel by means of timbers until it strikes the water and then it rolls far to one side as if about to turn completely over. But the ballast in the hold prevents this and soon she is riding on an even keel.

Water compartments are built below the hold of the vessel. These compartments also extend some distance up the sides of the ship. They are quite narrow and take up very little room. The compartments are divided into sections and water is pumped into them for ballast. In case the ship when loaded with cargo has a list to one side, water is pumped from the compartments on the side on which the cargo is the heavier, and more water is added to the opposite side until the ship rides on an even keel. These compartments are also used when a storm causes the cargo to shift in the hold of the vessel.

One of the big problems of lake shipping is how to unload the boats quickly and cheaply. The first methods employed in unloading ore shipments were very crude and they remained so for many years after cargoes of ore began to reach the lower lake ports. The ore was shoveled into tubs which were attached to cables, pulled to the top deck by horse power and then wheeled ashore in barrows. One day an engineer while watching this slow process decided that an engine could be used to good advantage. After much protesting on the part of the ship owners a little 6 by 12 portable engine was tried out and was so successful that engines came into general use. But the ore still had to be shoveled into the tubs by hand and wheeled ashore. Later a single cable device for carrying the ore from the boat to cars or stock piles was patented. It was known as the "Old Tom Collyins." This machine eliminated the use of horses. At the present time the use of giant clam shovels capable of carrying 17 tons at a single trip make the task of unloading a quick and simple one.

The latest device for the simplifying of the unloading process is new and is not in general use. The hatches in the hold of the vessel are built in the form of a hopper with an opening in the center and beneath this opening an endless chain with buckets attached for carrying the ore. These buckets carry the ore to the fore part of the hold, where an elevator carries it upward. The elevator automatically dumps its load on a large revolving belt operating on a boom attached to the deck of the vessel and swung to shore. This process eliminates all hand shoveling, and a cargo of ore can be unloaded in a very short time. Grain is not carried in vessels of this type for it is claimed there is too much loss in unloading. There are two large lake vessels of this type and several smaller ones at the present time.

The great majority of boats built in the Fourth District are for freight service. Their construction is pretty generally the same. They are built to prove absolutely seaworthy and at the same time to mini-

mize the obstructions to cargo carrying, including loading and unloading. In the forward part of the vessel is found a collision bulkhead. It is claimed that 10 to 12 feet of the fore part of a vessel could be completely demolished and it would still remain afloat. The bridge is built well forward so that the navigating officer can command a good view of the lake. When the lake boats were sent through for ocean travel it was necessary to change this part of the ship's construction, for it was impossible to navigate from a bridge built on the forward part of a ship with the heavy seas washing over it. They were moved back and nearer the center of the deck. Directly under the bridge is the captain's quarters where he can be reached in a moment's notice.

Directly back of the cargo hold are found the coal bunkers, then come the boiler rooms, the engine rooms, and last of all the giant shaft connected directly with the propellers. Above are found the cabins for the ship's crew.

The shipbuilding industry requires quite a large percentage of skilled labor. During the war while the shipyards were running at full speed it was a real problem to secure sufficient labor to carry on this industry, and for this reason enormous wages were paid, newspaper advertisements offered attractive propositions and men were even drafted for this work.

Following is a list of the various kinds of workmen, skilled and otherwise, that are required to build a ship: ship draftsmen, marine engine draftsmen, loftsmen, ship fitters, ship carpenters, ship joiners, ship riggers, marine machinists, marine boiler makers, angle smiths, ship smiths, copper-smiths, pattern makers, moulders, riveters, chippers and caulkers, painters, tinsmiths, forgers and laborers.

There are many arguments for and against the plan for a deeper waterway which would permit ocean going vessels to enter the lakes and load and unload their cargoes at the lake ports. One of the arguments against this project is that the larger ocean boats would compete with the lake shipping. This seems rather inconsistent for while it is true that the transportation which is necessary between railroad centers in order to get the cargoes to the ocean ports would be cut to some extent, it would be impossible for the ocean boats to compete favorably with lake shipping. The lake boats are built to travel at minimum cost, they can be loaded and unloaded quickly and cheaply while with the great ocean liners it is just the opposite. With few hatchways through which to put the cargo in the hold and to remove it, a great amount of time and labor is required. While one of these boats was loading at the port, the lake boat could make several trips.

At the present time there is practically no shipbuilding going on in the shipyards of the Great Lakes. The government contracts have all been completed for some time and about the only activity in the yards is repair and alteration work. But the captains of industry at the head of the shipbuilding corporations are looking for renewed activity in this

line as evidenced by the fact that the yards are in perfect repair, the workmen are anxious to return to their old jobs, and the well oiled machinery is waiting the pull of the levers that will set it in motion "full speed ahead."

Coal, ore, grain and limestone are the four commodities which form the backbone of the lake trade. Coal for the most part is carried northward, while the boats on their return trip carry cargoes of ore. Dur-

ing the war the shipments of these commodities and others which were so essential for the successful continuation of the war could not stop. All overland transportation was badly congested, the railroads were almost hopelessly swamped and the auto trucks, although aiding, did not entirely relieve the situation. But the Great Lakes with their wonderful shipping facilities was the only system of transportation which carried its shipping program through on schedule.

Following is a list of the building berths and dry docks in ship yards of the Fourth District. The majority of the berths are for 600 foot boats, but during the war, in order to speed up production, two boats of ocean going type (261 feet long) were often under construction in a single berth at the same time.

BUILDING BERTHS

American Shipbuilding Company, Cleveland Plant.....	3
Lorain Plant.....	8
The Great Lakes Engineering Works.....	2
Toledo Shipbuilding Company.....	3

DRY DOCKS

Location	Name of Dock	LENGTH		WIDTH		Entrance feet	Depth over sill, feet	Construction
		On blocks feet	Over all feet	Bottom feet	Top feet			
Ashtabula	Great Lakes Engineering Works	600	650	85	102	72	16	concrete.
Cleveland	American Shipbuilding Company							
	No. 1.....	536	547	..	88	58	13 $\frac{3}{4}$	wood.
	No. 2.....	442	455	..	55	48	16	wood.
	No. 3.....	340	360	..	55	48	17 $\frac{1}{2}$	wood.
Lorain	American Shipbuilding Company							
	No. 1.....	550	605	..	94	66	15	wood.
	No. 2.....	724	774	85	125	77	15	wood.
Toledo	Toledo Shipbuilding Company							
	No. 1.....	641	659 $\frac{1}{2}$	78	96	82	14 $\frac{1}{2}$	concrete.
	No. 2.....	526	560	72 $\frac{1}{2}$	101	71 $\frac{1}{2}$	13	wood.
"	A. Gilmore.....	230	240	..	55	37	9	wood.

NUMBER AND GROSS TONNAGE OF VESSELS BUILT ON THE GREAT LAKES FOR FISCAL YEARS ENDING JUNE 30, 1910—1920.

Year	Number	Tons	Year	Number	Tons
1910	281	168,751	1916	126	44,691
1911	216	94,157	1917	147	139,336
1912	224	90,898	1918	168	215,022
1913	219	90,907	1919	317	507,172
1914	130	56,514	1920	257	394,467
1915	147	16,467			

**Movement of Livestock at Principal Centers in Fourth District
For Month of December, 1920**

	Cattle		Hogs		Sheep		Calves		Cars Unloaded	
	1920	1919	1920	1919	1920	1919	1920	1919	1920	1919
Cincinnati.....	17,961	25,815	160,779	176,213	7,385	10,543	6,783	9,032	2,297	2,606
Pittsburgh.....	31,520	33,455	266,747	223,349	79,925	91,282	18,223	18,492	4,762	4,694
Cleveland.....	8,139	10,430	98,030	122,011	36,805	58,192	8,895	9,591	1,847	2,427
Toledo.....	547	714	17,353	23,206	2,978	3,784	799	739	286	309
Fostoria.....										
Dayton.....	1,221	2,265	12,871	15,917	405	.....	495	373	.....	.....
Wheeling.....	469	541	2,434	3,193	315	342	583	692	30	35
Springfield.....	300	.....	6,000	.....	300	.....	300	.....	5	.....

Purchases for Local Slaughter

Cincinnati.....	13,772	19,019	93,431	88,088	5,893	5,867	4,231	6,020		
Pittsburgh.....	5,632	7,912	108,331	108,197	30,023	37,627	5,421	4,957		
Cleveland.....	7,364	9,560	75,343	101,389	16,467	16,158	8,486	9,013		
Toledo.....										
Fostoria.....										
Dayton.....	971	.....	7,924	.....	385	.....	429	.....	
Wheeling.....										
Springfield.....										

Department Store Sales

	Pittsburgh	Cleveland	Other Cities	District
Percentage increase of net sales during December, 1920, over net sales during same month last year.....	23.7	4.9	11.5	14.7
Percentage increase of net sales from July 1, 1920 to December 31, 1920, over net sales during same period last year.....	26.5	13.2	23.2	20.6
Percentage increase of stocks at close of December, 1920, over stocks at close of same month last year.....	19.2	5.5	—.5	11.5
Percentage increase of stocks at close of December, 1920, over stocks at close of November, 1920.....	—17.0	—23.4	—20.1	—19.0
Percentage of average stocks at close of each month this season (commencing with July 1, 1920) to average monthly net sales during the same period.....	367.0	424.9	443.1	398.5
Percentage of outstanding orders (cost) at close of December, 1920, to total purchases (cost) during the calendar year 1919	5.4	3.9	4.9	4.7

Wholesale Trade

Percentage Increase (or Decrease) in Sales During 1920 Over the Same Month Last Year

	Dry Goods	Groceries	Hardware	Drugs
May.....	—24.0	32.2	31.2	30.2
June.....	11.5	47.8	37.2	53.4
July.....	16.0	20.6	24.7	29.6
August.....	10.0	1.0	21.5	11.1
September.....	....	23.8	12.4	31.1
October.....	—27.5	—10.8	2.0	....
November.....	—4.2	—3.8	16.7	45.8
December.....	—20.0	—18.8	—16.9	—17.0

Total Debits by Banks to Individual Accounts

	Week Ending Jan. 19, 1921 261 Banks reporting	Week Ending Jan. 21, 1920 238 Banks reporting	Increase or Decrease	Percent of Inc. or Dec.
Akron.....	13,747,000	28,832,000	-15,085,000	-52.3
Cincinnati.....	73,909,000	69,333,000	4,576,000	6.6
Cleveland.....	159,550,000	157,648,000	1,902,000	1.2
Columbus.....	29,087,000	33,013,000	-3,926,000	-11.9
Dayton.....	11,539,000	12,573,000	-1,034,000	-8.2
Erie.....	6,759,000	7,569,000	-810,000	-10.7
Greensburg.....	5,400,000	3,725,000	1,675,000	44.9
Lexington.....	4,363,000	13,470,000	-9,107,000	-67.6
Oil City.....	3,950,000	2,874,000	1,076,000	37.4
Pittsburgh.....	216,622,000	190,525,000	26,097,000	13.7
Springfield.....	4,107,000	4,109,000	-2,000	0.0
Toledo.....	27,942,000	33,000,000	-5,067,000	-15.3
Wheeling.....	9,544,000	8,714,000	830,000	9.5
Youngstown.....	15,317,000	14,072,000	1,245,000	8.8
Total.....	581,836,000	579,466,000	2,370,000	.4

Clearings

	December 16 to January 15 1920-21 1919-20		Increase or Decrease	Percent of Inc. or Dec.
Akron.....	36,566,000	51,356,000	-14,790,000	-28.8
Cincinnati.....	209,616,355	306,141,630	-96,525,275	-31.5
Cleveland.....	573,399,248	604,530,066	-31,130,818	-5.1
Columbus.....	67,441,300	65,255,000	2,186,300	3.3
Dayton.....	19,957,033	22,863,565	-2,906,532	-12.7
Erie.....	11,296,330	10,698,754	597,576	5.6
Greensburg.....	6,937,152	5,276,870	1,660,282	31.5
Lexington.....	5,850,281	17,434,215	-11,583,934	-66.4
Pittsburgh.....	817,085,707	716,102,534	100,983,173	14.1
Springfield.....	7,305,920	8,547,738	-1,242,518	-14.5
Toledo.....	62,633,665	68,289,646	-5,655,981	-8.3
Wheeling.....	22,419,758	22,734,009	-314,251	-1.4
Youngstown.....	22,368,066	23,651,427	-1,283,361	-5.5
Total.....	1,862,876,115	1,922,881,454	-60,005,339	-3.1

Building Operations for Month of December

	Permits Issued				Valuations				Inc. or Dec. of Total Valuation	Percent of Inc. or Dec.
	New Construction 1920	1919	Alterations 1920	1919	New Construction 1920	1919	1920	1919		
Akron	57	205	26	40	88,475	1,138,079	32,450	128,030	-1,145,184	-99.4
Cincinnati	120	122	347	354	130,860	215,085	209,425	281,320	-156,120	-31.4
*Cleveland	169	139	401	346	6,000,044	4,015,500	391,950	478,300	1,898,194	42.2
Columbus	79	87	50	53	523,540	218,755	31,370	83,085	253,070	83.8
Dayton	82	79	29	31	336,125	881,579	25,350	20,021	540,125	-59.9
Erie	29	47	12	22	68,750	284,191	9,600	32,210	238,051	-75.2
Lexington	5	6	16	9	16,000	15,000	2,567	6,065	2,498	-11.9
Pittsburgh	130	192	58	53	597,465	996,945	199,589	95,292	295,183	-27.0
Springfield	15	18	7	8	27,640	56,665	9,050	19,625	39,600	-51.9
Toledo	42	84	65	44	70,950	599,033	44,175	57,610	541,518	-82.5
Wheeling	11	17	5	14	30,105	11,925	1,585	3,570	16,895	114.2
Youngstown	50	58	13	37	113,935	231,875	15,700	53,760	156,000	-54.6
Total	789	1,054	1,029	1,011	8,003,889	8,663,932	972,811	1,258,888	-946,120	-9.5

* 1920 figures include Lakewood and East Cleveland.

**Comparative Statement of Selected Member Banks in Fourth District
(In Thousands of Dollars)**

	89 Banks January 14, 1921	93 Banks December 17, 1920	Increase	Decrease
Loans and Discounts, Secured by U. S. Government obligations.....	56,051	59,143	.....	3,092
United States Bonds.....	97,654	104,299	.....	6,645
United States Victory Notes.....	20,199	20,310	.....	111
United States Certificates of Indebtedness.....	11,835	27,918	.....	16,083
All other Loans and Discounts and Investments.....	1,272,280	1,272,351	.....	71
Total Loans and Discounts and Investments.....	1,458,019	1,484,021	.....	26,002
Reserve Balances with Federal Reserve Bank.....	99,454	102,282	.....	2,828
Cash in Vault.....	36,380	39,177	.....	2,797
Net Demand Deposits on which reserve is computed.....	908,435	914,296	.....	5,861
Time Deposits on which reserve is computed.....	403,134	385,399	17,735	.....
Government Deposits.....	11,394	47,555	.....	36,161
Total Resources.....	1,898,370	1,936,927	.....	38,557

Commercial Failures in Fourth District

	Number		Liabilities		Increase or Decrease	Per cent of Increase or Decrease
	1920	1919	1920	1919		
January.....	39	58	327,743	1,103,950	— 776,207	—70.3
February.....	48	40	697,775	845,343	— 147,568	—17.4
March.....	63	51	553,082	1,170,267	— 617,185	—52.7
April.....	36	41	352,946	653,738	— 300,792	—46.0
May.....	42	57	2,544,273	1,481,366	1,062,907	71.8
June.....	65	44	975,973	597,244	378,729	63.4
July.....	54	44	921,988	247,384	674,604	272.7
August.....	70	48	1,347,045	321,764	1,025,281	318.6
September.....	65	48	1,348,681	1,559,307	— 210,626	—13.5
October.....	69	49	1,933,886	763,728	1,170,158	153.2
November.....	66	58	1,113,724	4,071,586	—2,957,862	—72.6
December.....	75	49	2,210,441	513,580	1,696,861	330.4
Total.....	692	587	14,327,557	13,329,257	998,300	7.5

PICKUPS ON BUSINESS TOPICS

IN THE opinion of Americans abroad, the high prices charged in Holland and other European countries for American automobiles and other commodities are exerting a very bad effect on the foreign exports of the United States. It is understood that Consul General Anderson has made the matter the subject of an official report to the State Department. Automobiles selling at retail in the United States for perhaps \$5,000 are shipped to Holland at a freight cost hardly ever exceeding \$200 and then are sold there for the equivalent of about \$7,000, even when the low value of the Dutch exchange is considered. The import duty is only 5 per cent. This exacting of profits, officials say, is certain to work against sales of American automobiles in the future. The same holds true with American canned goods, tobacco, etc.

Beginning January 10, the C. & O. will inaugurate refrigerator car service from Cincinnati to Huntington and Charleston, W. Va. These cars will afford protection for perishable freight, such as fruits and vegetables, during the cold season, and will be operated every Monday and Wednesday, making afternoon delivery in Huntington and second morning delivery in Charleston. As soon as business warrants this same class of service will be provided for shipments to points on the Big Sandy Division of the C. & O.

American equipment will be in demand for the construction of the proposed \$1,000,000 pier in the Havana Harbor, a large steel warehouse in Antilla, another for the storage and manufacture of flour and prepared foods, a large brewery and ice plant, and a \$1,000,000 bottling plant, in Havana. A New York firm of engineers is in charge of the last named project.

Of the 145,000,000 bushels of wheat raised in Kansas in 1920, farmers still have 77,500,000 bushels, or 54.4 per cent of the crop, according to a report by the secretary of the State Board of Agriculture. At about the same date last year 35.1 per cent., or 50,000,000 bushels, was in the possession of producers, and two years ago, 11 per cent., or 10,000,000 bushels, was reported as held by growers.

Spain is an important market for American electrical goods, but possibilities for future development are of far greater interest to American electrical goods manufacturers than the present demand, according to a special report entitled "Electrical Goods in Spain," just published by the Bureau of Foreign and Domestic Commerce of the Department of Commerce.

The Federal Trade Commission advocates the establishment of central markets for perishable food products in all large cities, and the setting up of a Federal licensing system applicable to all dealers in such food products. Federal action, it declares, is necessary to obtain effective regulation and to avoid unfair and wasteful practices with their consequent effect on prices.

The total value of automobiles and accessories exported from the United States in the calendar year 1920 approximated, says a statement by the National City Bank of New York, \$365,000,000.

Italy has actually completed electrification of 105 kilometers of her railroads. This work is being pushed to the limit because of Italy's entire lack of coal, and her need for saving this tremendous expense.

Caproni has recently reported to the King of Italy details of his projected giant airplane. This machine will carry three hundred persons across the Atlantic in about thirty-six hours.

Secretary Daniels has recommended the building of 88 new war ships in case the United States does not enter some kind of a league of nations.

A NEW COMPANY, known as the International Commerce Corporation of Mexico, has been formed in the Republic, according to a report received January 6. It has purchased from an American manufacturing concern 500 trucks, one of the largest sales closed in this line. The new company does not limit its operations to the purchase and sale of automobiles, although this is the chief part of its business already established. It hopes to develop a general organization, for the purpose of representing foreign and domestic manufacturers for sales in Mexico and South America, according to the report.

Heavy shipments of American dyes are being returned by Japanese importers and at the same time shipments of German made dyes and chemicals are being sent through New York in bond en route to Pacific Coast ports for transport to the Orient. The American dyes returned from Japan are all marked "no sale." The terms offered by the German manufacturers in their effort to regain the Japanese market are such as work to the decided disadvantage of American exporters.

The Interstate Commerce Commission has approved an order requiring the payment in United States money and pre-payment of charges on shipments between Canada and the United States. The effect of the action would be to require shippers to repay in American money charges for interstate transportation wholly within the United States. American railroads would thus be protected against loss by reason of depreciation in Canadian money.

The War Finance Corporation, since January 5, has been prepared to consider applications for loans to assist in the exportation of domestic products to foreign countries. The applications for loans should set forth all facts relating to the financial condition of the applicants, the purposes of the proposed advances, and other information which will enable the Corporation to determine whether the applicants are eligible under the law and can meet its terms and conditions.

The American Foreign Banking Corporation announces that it will open a branch in Mexico City, Mexico, on January 17. This is the first American bank under the supervision of the Federal Reserve Board to open in Mexico, and it will be prepared to handle all collections on that country, and give information on credits and other matters of financial interest to Americans.

A report just issued covers practically all phases of Paraguayan commercial and industrial life and development. It is known as Special Agent Series No. 199—"Paraguay—A Commercial Handbook." Copies may be purchased for 40 cents from the Superintendent of Documents, Government Printing Office, Washington.

The United States now supplies the bulk of the Argentine demand for chemicals, such as calcium carbide, bleaching powder, glycerine, sulphates and practically all glucose and epsom salts, trade in which formerly was practically monopolized by Germany.

The Dayton Chamber of Commerce announces that effective Tuesday, January 18, a local sleeper will be established on the Big Four between Dayton and Cleveland.

Fifty-one per cent of the United States' exports in the ten months ending with October, 1920, were manufactured goods. All winds blow in the direction of foreign trade.

The British embargo against the importation of yeast has been removed, according to a cablegram received January 14.