

# 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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**T**HE better element in labor is apparently beginning to think rationally. It is beginning to move with, instead of against, industry. Its leaders and those who still have real American blood in their veins are seeking light and are recognizing that there is such a thing in the world as economic law.

If organized labor has any desire whatever to keep in the good graces and to maintain the sympathies of this Great American People it will beware of going counter to those principles upon which this great Republic was founded. Too many immortal lives have gone out, and too much sacred blood has been shed by the champions of those principles to let any group of rabid agitators, who, under the guise of organized labor, are endeavoring to disrupt our country and take away from us those rights which were born back in 1776. The results of the Seattle and Boston disgraces are glaring evidences of the futility of such acts of ruthlessness and destruction. They also indicate the quality and resoluteness of the fighting spirit that is still left of the heritage that has been handed down to us.

From every quarter of the District comes evidence of the determination of industry to plant its shoulders squarely against the wall and to fight to the last if the radicals overrule sane labor and force the fight.

When confronted by the statement of the editor of one of the labor organs, relative to postponing the steel strike until after the industrial conference date in Washington, October 6, that "Neither President Wilson nor President Gompers can stop this strike; we will win," it would seem as though industry had no other alternative than to protect its rights.

If radicals fling such defiance into the faces of both the President of the United States and the president of their own union, how can they be handled other than by a show-down? A show-down, such as the steel industry welcomes and is prepared for, would indicate to the sane, thinking union members the radical element that is within their own organization, the element which is eager to violate every principle of law and order.

It takes only a little investigation to unearth the startling fact that this class of radical agitators is living but thirty days from actual want. The sooner those thirty days are eliminated and such agitators expelled, the better it will be for organized labor itself and for industry in general. Then the industrial skies will begin to clear after their long period of murkiness. The bumping of heads against the stonewall of reality is often the shock needed to induce sane thinking. After thirty days of closed factories and boarded-up windows, the small surplus savings would vanish. Then possibly it would penetrate the minds of the disturbing element of labor that they had slammed a door behind them which had a spring lock on the inside.

The rift in the sky of labor which gives us hope and maintains our confidence is such action as the injunction of the Midvale Steel workers, who sounded the first note of sane doctrine for labor, by drawing up the resolution, "That the persistent and unceasing demand of workmen employed in all classes and kinds of industries for a shorter day's work and an increased wage in order to meet the present high cost of living is uneconomic and unwise and should not be encouraged." Contrast this act of

sanity with the demands of the miners union for a six-hour day, a five-day week, with a possible 60 per cent wage increase, coupled with the absurd and uneconomic demand for a reduction in the high cost of living. It would take a new and heretofore undiscovered law of economics to bring such opposite demands into harmony.

Another hopeful sign is the recent report of the committee of the New York State Federation of Labor—the State body of the American Federation of Labor—which recommended a six months' truce in order to allow a condition, torn by war, to heal. The report further declares that unions, which yield to the influence of "lawless agitators" at such a time as this are guilty of treason, not only to trade unionism, but to the United States. Having attained the eight hour day, for which labor has struggled for many years, it is now the duty of organized labor, the report further reads, to increase production to the point reached when the work day was ten hours in length. This is sane thinking. Such an attitude would win a spirit of co-operation, rather than arouse a spirit of opposition on the part of the thinking public.

Another hopeful sign is the willingness of railroad brotherhoods and other unions to delay their demands until after the joint conclave of capital and labor, which is to be held in Washington in early October. In view of this conference, strikers can expect little sympathy from the public; for any strike which does not have the moral support of the public is a losing proposition.

**Steel Industry Moving Steadily in Face of Threatened Strike.** Buyers and sellers of iron and steel apparently have continued to take a calm and conservative view of the labor troubles in the industry and the latter factor has produced little effect on the growth of the market. While during August there was some interruption of production by sporadic labor disturbances and in the Chicago district especially by the lack of cars and motive power growing out of the shopmen's strike, the total output of the mills and furnaces advanced to new high ground. The tendency all along the line has been toward increased output to satisfy the growing volume of orders. The obligations of the producers, however, have been increasing faster than the mills have been able to enlarge their production. The result has been a further lengthening of the period of deliveries and a greater unwillingness on the part of the makers to accept additional orders for delivery in the near future.

Labor and car shortages have been a factor tending to restrain the plants from reaching the maximum output. At the present time producers of wire products, tubular goods, sheets, tinplate and steel bars are sold up for several months ahead. Some very attractive orders in these lines are being declined because of the heavy obligations of the mills.

Statistically the record for August for the industry is very favorable. The output of pig iron in that period according to the statistics compiled by The Iron Trade Review was 2,726,581 tons compared with 2,424,212 tons in July, a gain of 302,369 tons or about 12.5 per cent. The August yield of the furnaces was the heaviest since March. Stacks in blast were increased by 23 making a total of 263. Steel ingot output in August was at the annual rate of over 38,500,000 tons or more than 3,300,000 tons in excess of the July rate. The steel works produced in August 85 per cent of the tonnage turned out in the high record month of October, 1918. Ingot production in 1919 to date amounts to 86.4 per cent of that of the corresponding period. The steel corporation's unfilled tonnage in August increased by 530,442 tons to 6,109,103 tons. This is the largest total of unshipped business since January of this year. The August figures represented the third consecutive monthly gain in the mill obligations of the largest producers.

The export trade in iron and steel which slumped sharply in July, largely as a result of the exchange situation, recovered some ground in August. The indications are that this growth is continuing. European purchases are comparatively light, due to credit and exchange conditions, but the Orient and South America have been buying in liberal volume.

The steel situation still shows the lack of railroad buying which has continued to impart an irregularity to the market in that the heavier lines still are lagging. There are signs, however, of renewed negotiations in shipbuilding work which should tend to help the backward plate market. More new vessel construction has been placed than in some time and some of this is for foreign account.

In prices, producers of steel continue to follow a very conservative policy and are opposing advances at this time, notwithstanding the oversold condition of the plants in various lines and the extended deliveries.

In merchant pig iron, buyers now are well covered on their requirements to the end of the year and the furnaces all have well-filled order books. Many users are endeavoring to cover their requirements after January 1, but producers as a rule are discouraging this buying at this time because of its more or less speculative character and the uncertainty over future costs. At the same time a very appreciable tonnage has been sold for next year by producers in some districts. In Chicago the sales are estimated to have reached 200,000 tons. In some cases higher prices are being obtained on iron for next year and also for this year, but there has been no general advance and the furnaces are inclined to let matters stand and await developments.

**Lake Shipping Held Up, Due to Strikes.** Much time has been lost by the bulk freight fleet the past four weeks on account of labor trouble on the ore and coal docks at the upper lake ports and the capacity of the fleet was greatly reduced as some of the vessels were tied up a month or more. Some of the fleets were hit pretty hard and will lose considerable money.

Ore shipments for August show a loss of 5,302,198 tons, or 64 per cent compared with August, 1918. Last month, shipments were only 4,423,133 tons and in August last year the fleet moved 9,725,331 tons.

The mines in the Lake Superior district up to September 1 sent forward 29,604,981 tons, which is a decrease of 9,729,283 tons or 24 per cent compared with the same period in 1918, when the movement was 39,334,264 tons.

There has been a steady moving of ore since the strike on the loading plants was settled, in spite of the fact that a large number of vessels are tied up on account of labor trouble on the coal docks at the head of Lake Superior. The coal dock workers in that district went on a strike August 5 and some of the coal carriers have been holding cargoes since that date. There is no danger of a shortage of ore, however, unless there is more delay on account of labor trouble. The ore carriers are being delayed at Lake Erie ports on account of the shortage of cars.

The big increase made in coal shipments during the early part of the season when coal was rushed to the lake front owing to the light demand in local trades has been entirely wiped out and the movement up to September 1 shows a loss of 768,956 tons as compared with the same time last season.

Shipments for August were only 2,700,000 tons which is a decrease of more than 2,000,000 tons compared with August, 1918, when the movement was over 4,800,000 tons. Shipments up to September 1 were 15,320,556 tons, and the movement for the same time last year was 16,089,512 tons.

**Foreign Shipping on Great Lakes Receives a Blow.** In spite of the fact that many manufacturers report their output for the rest of the year consumed in domestic orders, foreign markets are still getting their share of Cleveland products. It is probably safe to say that there are more local manufacturers exporting today than ever before and in widely varying industries.

Interest is still focused on Europe as a selling center, although indications are that a number of other countries are gradually getting back on their feet. The lifting of the English restrictions is welcomed by Cleveland shippers, as it permits the entrance of a number of our iron and steel products which formerly were prohibited. According to reports the restrictions are lifted permanently unless the exchange situation should become so unfavorable as to necessitate their re-establishment.

Middle Europe looks inviting and doubtless large orders would be placed if it were possible to make satisfactory arrangements for payment. Until peace is ratified, however, it is hardly probable that sufficient loans, either of Government or private nature, will be consummated to enable much buying. Shipments from Cleveland have consisted almost entirely of foodstuffs and clothing.

The withdrawal of oceanbound vessels from the Great Lakes is discouraging to those who have hoped to see Cleveland an ocean port, but it is hoped that the opening of navigation in the spring will see a reinstatement of that service. As a reflection of the foreign trade of the country as a whole, however, it might be noted that probably the majority of Great Lake vessels will be placed on South American routes from the North Atlantic ports.

**Small Hope of Relief from Predicted Coal Shortage.** The coal situation is very much up in the air as this is being written, with big increases in wages, and with miners in convention demanding a six-hour and a five-day week. Just what the results will be is hard to foretell, but the whole situation, combined with a car shortage, is not conducive to early delivery.

All grades of coal are hard to obtain. A great indifference exists among the miners. Many of them are satisfied to work but half time, which decreases production very materially. All mines are running far behind in their shipments.

As in the steel industry, the greatest disturbance in the coal fields is among the foreign-born. In the Big Sandy and Kentucky River coal sections of Kentucky very little labor trouble is found as most of the miners are native-born Americans.

Reports from the coke regions indicate that production is being held very close to contract obligations.

In the past 30 days there has been less pressure for spot coke; the price has remained firm even with small increase in production, small lots moving remarkably easy at \$5.00 per net ton f. o. b. cars at the ovens.

With present labor conditions and no hope for improvement it would seem impossible to increase production to such an extent as to soften price and the tendency to advance rather than decrease will no doubt be shown before the end of the present month.

Foundry coke is scarce, and high grades are quotable and easy to move at \$6.50 per net ton f. o. b. at ovens in the Connellsville region.

Only during the past few months has Crawford county come to its own again in the development of oil lands.

There are two separate fields of exploitation, which cover lands in southern Seneca, eastern Wyandot, northern Crawford, in the one field; southern Crawford, northern Marion, and northwestern Morrow counties in the other.

Several locally organized companies, as well as projects backed by foreign capital, are taking up lands and starting drilling. As yet the oil operations in this section are of the experimental stage. Prospects look good for rich returns.

**Building is Getting into Full Swing.** Late summer finds the building industry of Cleveland progressing in a volume little anticipated at the opening of the year. Evidences of restricted operations, due to difficulty in obtaining prompt deliveries of material and sufficient supply of labor, are more apparent than a month ago. Plans for new structures to be started in the early fall promise a busy winter season and the continued employment of workmen through months usually considered the lightest of the year. While labor conditions were somewhat troubled a month ago the situation has been gradually improving, both employers and employees manifesting a disposition to avoid any action that will lead to interference with operations.

Erie reports that contractors and builders have more inquiries for new homes and additions to manufacturing plants than has been the case during the last two years. In fact, some of the larger contracting firms are not looking for any new business, and are doing very little estimating at the present time on new plans or new additions.

It appears that quite a number of manufacturing plants find their present floor space inadequate for the business they are looking forward to, and notwithstanding the high cost of material and labor, they find themselves compelled to make additions to their present factories.

Elyria reports that in spite of a shortage of skilled mechanics, building operations continue active. The demand appears to be growing, and it seems that this condition will continue for at least two years, if not longer.

In Cincinnati homes are very scarce and accordingly in great demand. Very recently there has appeared evidence of more disposition to build homes.

Manufacturers continue to construct whatever buildings and improvements their businesses require, regardless of prevailing high prices. They seem to feel that anything that might be gained in waiting for lower prices is more than offset by the opportunities at hand to do a profitable business now.

**Manufacturing Firm in Face of Labor Disturbances and Holding Up of Peace Treaty.** The general situation is practically the same as a month ago. Most manufacturers are very busy but find difficulty in maintaining a high average of efficiency among the employees.

In the metal trades there is no disposition to produce "stock" because of the prevailing high prices and the uncertainties felt regarding export business. Manufacturers in this trade report that Belgian, French and Italian industries are buying lathes and other machine tools from Germany, primarily because of the advantage afforded them there in the exchange situation. The Belgian Commission, which recently visited our manufacturers, told the metal trades people frankly that they could purchase to better advantage in Germany than here for the reason set forth above.

Manufacturers are uneasy as to the outcome of the signing of the Peace Treaty. There is no doubt that they are feeling a "restraint" on account of this condition, and would breathe easier if this question were finally settled.

Notwithstanding this situation, manufacturers are very hopeful for future business, and are trying to overcome the apparent disadvantage to the best of their ability.

One of the large electric manufacturing companies in the District reports that its business for August showed a nice increase over July, but that the total for the first five months of its fiscal year showed a decrease of approximately fifteen per cent compared with the same period of its previous fiscal year. Orders, however, are being received in satisfactory volume and public service corporations are buying and inquiring for deliveries which have been held up pending adjustment of rates, fares, strikes and other causes beyond their control.

Shoe manufacturers all report that they cannot produce nearly the quantity of merchandise required by their customers. Higher prices do not seem to act as any deterrent, and all prophesy that shoes will be still higher in the months to come.

A substantial increase in the output of clay machinery is reported by a manufacturer of clay machinery at Bucyrus.

The business is largely that of re-equipping plants which were in operation before the war period. Many of these plants were diverted to other lines during the stress of the war.

The good roads program, which is being inaugurated all over the country, together with the increased federal allowances for road improvements, is expected to cause the erection of many more paving brick plants. The demand, however, for machinery for new plants is just beginning to be felt, but it guarantees a substantial business in the near future.

The manufacture of refractory fire brick is about 60 to 70 per cent. This product is used for lining blast furnaces, open hearth steel furnaces, by-product coke ovens, smelters, etc., and has no reference to the so-called fire brick that might be used in building or street-paving.

Orders for material are at about the present rate of production, and if the shipping conditions were normal, there would not be much occasion to put any brick in stock. But, because of the fact that the car supply has been very unsatisfactory, shipping has been made at the rate of about 50 to 60 per cent of the production, and in some cases, more particularly in southern Ohio, at the rate of only 15 to 20 per cent of the amount produced. The car supply is reported as being nearly as bad as that which existed in 1917 and the early part of 1918.

The labor, such as it is, is fairly good and the wages paid are unusually high for this class of work.

**Shortage in Textiles: Advanced Quotations do not Check Buying.** The dry goods jobbing business in the district is keeping up to expectations. The fear of serious labor troubles is making merchants very cautious, but all seem to have confidence that this trouble will be adjusted.

The most serious problem is to obtain merchandise, and the shortage seems to become more and more acute. The fact is there are not enough cotton and woolen goods being produced to supply the demand, and until the supply increases, or the demand decreases, very high prices will continue.

Manufacturers generally are awaiting with much interest the outcome of the labor conference which the President has called, and the feeling prevails that unless production can be increased there can be no substantial relief in commodity prices.

All of the department stores report exceptionally large business, one of them stating that the past nine months have been the biggest in the concern's history; that is to say, each one of them has been larger than the preceding month. The turnover is more rapid than heretofore and profit correspondingly improved. One house stated that the amount being collected on luxury tax will be larger than the company's income and excess profits tax. All retailers make the observation that there is very little, if any, evidence of thrift among buyers.

Retail business seems to continue good. The opening of spring lines in men's wear textiles at considerable advance of previous quotations does not seem to have checked buying, especially as orders have been allotted because of the limited supplies which the mills have to offer. Early clothing orders of special lines for spring 1920 delivery shows unchecked buying, the demand continuing irrespective of prices. The general feeling in the market, however, seems to be that prices have reached the peak and that with the gradual resumption of more normal labor conditions, production will be increased, consequently reducing prices.

**Production, Shortage of Labor, and Real Estate Activity are High Lights in Agriculture.** The three salient features regarding the agricultural situation are the yield, the shortage of labor, and the unusual activity in farm real estate.

In some instances there is a tendency to emphasize land speculation at the expense of good farming. The price of no farming land should be driven beyond its power to pay for itself. Such a condition invariably causes an increase in tenant farming, as it often makes renting cheaper than owning, and tenant farming is not conducive to good agriculture.

Due to favorable weather the corn crop of the District during August not only made up the July loss but advanced until the present outlook is for a crop of 155,011,000 bushels in Ohio, as against the August 1 forecast of 143,445,000 bushels. Moreover the late start has been practically overcome and present indications are that the crop will be harvested but very little, if any, later than the usual period.

The crop is ripening in a very satisfactory manner and experienced investigators say that even if there is frost soon, the corn crop is safe. The crop will be a bumper one, and will cause many farmers to make up their unexpected losses caused by the drop in the grading of their wheat.

Oats are turning out about as anticipated a month ago. The present forecast is for a crop of 51,745,000 bushels.

The timothy hay crop measured fully up to expectations with an average yield for the State of Ohio of 1.36 tons per acre, which is just the ten year average. The quality of the crop is 93, which exceeds the ten-year average by three points. Clover averaged 1.33, timothy 1.36 and alfalfa 2.42 tons to the acre.

The potato crop is a disappointing one this year. Drouth, beetles and blight have reduced the prospect to 8,904,000 bushels, which is 2,136,000 bushels less than even the poor crop of last year.

The present outlook for tobacco is also rather discouraging. The bulk of Ohio tobacco is grown in the south-western and south-central counties, several of which have experienced a pronounced drouth since the crop was set out. The present condition of the crop is 75, which forecasts a production for the state of 90,480,000 pounds this year.

The drouth very seriously affected the prospect in the Kentucky territory. The tobacco and corn crops are materially short. From the best information obtainable we are informed that the tobacco yield is estimated to be not over two-thirds to three-quarters of usual yield.

Due to the more favorable weather which prevailed over the principal buckwheat producing sections, this crop gained 3 points in condition during the month and the present estimate is for a production of 549,900 bushels this season.

Clover seed, in the production of which Ohio is normally one of the leading states, will be a light crop in the state this year. The extremely dry, hot weather which followed hay harvest, together with a plague of grasshoppers, so reduced the prospect that on an average of only 70 per cent compared with last year, the condition is but 62 or 17 points below the ten-year average.

Grapes continue to be the only fruit crop of promise, peaches being but 28 per cent of a crop, while apples and pears have a present condition of 30 and 35 compared with ten-year averages of 49 and 59 respectively.

The number of hogs on hand for fattening is 2 per cent less than a year ago. The total wool production in the state this year exceeds that of last year by 4 per cent. Pasture gained 1 point in condition during month and is now reported at 86 per cent.

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

These figures refer to the States of Kentucky, Ohio, Pennsylvania and West Virginia. They exclude the counties in the western part of Kentucky, which are in District 8; the counties in the eastern part of Pennsylvania, which are in District 3; and the counties in the southern part of West Virginia, which are in District 5.

Crop	Acreage, 1919	Forecast of produc- tion based on condition Sept. 1, 1919.	Acreage, 1918	Production, 1918
	Acres	Bushels	Acres	Bushels
Corn .....	5,273,000	203,618,000	5,442,000	184,232,000
Spring wheat.....	30,000	423,000	15,000	322,000
Oats .....	.....	68,394,000	2,432,000	101,356,000
		<b>Tons</b>		<b>Tons</b>
Hay (all) .....	.....	5,719,000	4,397,000	6,122,000

Farmers report that the help problem is far from solution. They say that due to the high wages paid in the trades, there is sure to be a shortage of help to husk the corn, even though that is not such a rush job as caring for the wheat. In hundreds of cases, boys who went from the farms to France and Germany with the military forces have not taken up farming upon their return. Their explanation is that the farm is too quiet. It is feared by farmers that still further desertions will take place among the young soldier-farmers this winter, because they object to the isolation of the farms, after the activity in the army.

Farmers do not look with favor upon the help which will come from the cities if there should happen to be a big steel strike with other strikes and shutdowns in connection with it.

The shortage of cars is causing some concern to the farmers, who are anxious to move their wheat to the seaboard.

While tractor sales have been heavy this fall, dealers say the farmers are making closer investigations of tractors than ever before. Many farmers are insisting that the makers of tractors get together and bring about a standardization of tractors, somewhat after the plans of standardization of automobiles which took place several years ago.

The high price of farm machinery has caused a little caution, but dealers have claimed that there is little chance of a drop in prices so long as labor and materials are at the present levels. Farmers faced by help shortage have been compelled in many cases to turn to machinery.

**Increase of Incoming Freight: Decrease in Outgoing.** During the month of August, 40,647 cars containing 1,436,773 tons were received at Cleveland rail terminals, and 26,708 cars containing 893,024 tons were forwarded. An increase in freight received and a decrease in the amount forwarded is to be noted, when comparison is made with the figures for July. In July the tonnage handled into and out of Cleveland was 87 per cent as great as in July, 1918. In August this tonnage dropped to 85 per cent.

Freight car equipment is still below the maximum needs of shippers and passenger business continues to be heavy.

July, 1919	Inbound	Outbound	Total
Cars	38,818	28,126	66,944
Tons	1,402,088	1,006,646	2,408,734
August, 1919			
Cars	40,647	26,708	67,355
Tons	1,436,773	893,024	2,329,797

**Special Report on Automobile Industry of Cleveland.** Cleveland is fast growing into an automobile center. An investigation shows that fifty-six million dollars is now invested in the industry with a rapid growth assured.

The rapid growth of the industry is shown in comparing a survey taken during the ten year period between 1904-1914. In 1904 the value of production was \$4,624,000, as against \$27,117,000 in 1914, or an increase of 487 per cent.

The estimated output in the number of cars for the 1919-20 period is 85,000 cars.

The manufacture of automobiles now ranks third among the industries of Cleveland; and it is thought that by the time the next census is taken it will rank as first place.

Automobile manufacturers are working their plants full time, striving to increase their output. The manufacturers in this community are gaining slowly on the great demand for pleasure and commercial vehicles, but hold no hope of catching up before the end of next year.

Several concerns are augmenting their facilities by building additional units. Enlarging factories has interfered with production this year, but with added machinery and assembling space, production for the 1919-1920 season will jump ahead considerably.

The automobile industry has been fortunate in being able to obtain and hold a fair supply of skilled labor. Some plants report a slight shortage, but the majority are well satisfied. The following are the ten automobile manufacturers of this city, together with their present capitalization:

The Grant Motor Company.....	\$ 4,000,000
The Jordan Motor Car Company.....	1,200,000
The Templar Motor Corporation.....	5,000,000
The Peerless Motor Car Company.....	10,000,000
The F. B. Stearns Company.....	2,000,000
The White Company .....	20,000,000
The Cleveland Automobile Company....	1,400,000
The Chandler Motor Car Company.....	7,000,000
The Baker R. & L. Company.....	3,000,000
The Winton Company .....	2,500,000
Total .....	<u>\$56,100,000</u>



***Use of Acceptances Steadily Gaining: Call Money Firm.*** During the past thirty days the acceptance market in the Fourth Federal Reserve District has developed no special feature except, perhaps, an increasing tendency on the part of a number of country banks, building and loan associations, and corporations, to look with favor upon the banker's acceptance as an investment for temporary funds. A number of country banks have been newcomers on the buying side of the market and it is noticeable that such banks soon get into the habit of regularly buying bills. There has been no increase in the ranks of the acceptance-making institutions and the supply of prime bills has been limited. Considerable buying power has made itself felt several times, the dealers' portfolios having been reduced to a minimum. At the present time the supply has somewhat increased and dealers are in a position to offer a fair amount of varied bills. Buyers have, however, not been indiscriminate and they will take only the bills of well-known institutions or the bills of those institutions with which they have business connections.

The difficulty in obtaining and supplying prime bills is somewhat curtailed by the fact that the supply of export bills are reduced, due to the exchange conditions. It is manifest that at the present time the export business is suffering a set back due to the rates of exchange which are so unfavorable to America's customers in Great Britain, France and Italy. The continued issuance of United States Treasury Certificates of Indebtedness continue to divert temporary funds from investment in banker's acceptances. Many banks in the centers of the Fourth District continue to offer their bills without yet reaching that point where they feel obligated to occasionally buy the bills of others.

Three issues of Government Certificates of Indebtedness and the usual seasonable requirements of manufacturers, together with the movement of crops, has kept the demand for funds in this District strong, and rates practically unchanged. The demand for loans and rediscounts at the Federal Reserve Bank during the month of August were only exceeded in December, 1918.

This demand also continued strong during the first two weeks of September. On September 15 three issues of Certificates of Indebtedness were redeemed, which temporarily liquidated a considerable amount of loans.

Heavy withdrawals of deposits from member banks for Federal Income Tax payments, as well as withdrawals of deposits by the Government from our member banks aggregating \$34,000,000, during the week of September 15, kept the demand at a high point.

## BUILDING OPERATIONS FOR MONTH OF AUGUST

	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.....	488	147	129	40	1,842,063	241,475	216,170	43,450	1,773,308	624.3
Cincinnati.....	271	100	571	349	684,255	97,505	524,230	225,905	885,075	274.
Cleveland.....	371	171	872	664	6,723,200	2,018,000	772,775	282,960	5,195,015	225.9
Columbus.....	223	68	101	57	648,115	247,450	115,715	57,575	458,805	150.1
Dayton.....	193	100	71	28	1,087,422	354,742	45,570	18,915	759,335	203.5
Erie.....	84	60	51	32	204,665	323,750	64,153	25,204	80,136	23.—
Lexington.....	36	18	25	20	646,503	20,000	50,000	10,975	665,528	2148.5
Pittsburgh.....	488	176	112	73	2,227,086	825,456	175,162	84,827	1,491,965	163.8
Springfield.....	129	12	26	4	341,580	23,000	43,450	1,650	360,380	1500.
Toledo.....	250	91	140	64	902,767	246,403	138,731	50,245	744,850	251.
Wheeling.....	27	8	20	10	52,957	29,250	7,815	1,825	29,697	95.5
Youngstown.....	244	129	40	19	1,603,496	319,020	75,975	13,922	1,346,529	405.4
<b>TOTAL.....</b>	<b>2804</b>	<b>1080</b>	<b>2158</b>	<b>1360</b>	<b>16,964,109</b>	<b>4,746,051</b>	<b>2,229,746</b>	<b>817,453</b>	<b>13,630,351</b>	<b>244.9</b>

## TOTAL DEBITS BY BANKS TO INDIVIDUAL ACCOUNTS

	Week Ending		Increase or Decrease	Percent of Increase or Decrease
	Sept. 17, 1919	Sept. 18, 1918		
Akron.....	23,667,000	*		
Cincinnati.....	73,032,000	51,334,000	21,698,000	42.2
Cleveland.....	188,435,000	*		
Columbus.....	31,320,000	21,946,000	9,374,000	42.7
Dayton.....	11,958,000	11,006,000	952,000	8.6
Erie.....	7,676,000	7,054,000	622,000	8.8
Greensburg.....	4,672,000	2,705,000	1,967,000	72.7
Lexington.....	5,609,000	3,302,000	2,307,000	66.8
Oil City.....	2,565,000	2,132,000	433,000	20.3
Pittsburgh.....	198,264,000	*		
Springfield.....	4,097,000	2,643,000	1,454,000	55.
Toledo.....	36,850,000	23,786,000	13,064,000	54.9
Wheeling.....	8,602,000	6,887,000	1,715,000	24.9
Youngstown.....	17,289,000	11,138,000	6,151,000	55.2

\*1918 Figures not available.

## CLEARINGS

	August 16 to September 15		Increase or Decrease	Percent of Increase or Decrease
	1919	1918		
Akron.....	38,381,000	24,713,000	13,668,000	55.3
Cincinnati.....	259,474,636	244,263,593	15,211,043	6.2
Cleveland.....	453,641,784	369,601,349	84,040,435	22.7
Columbus.....	57,731,700	57,092,500	639,200	1.1
Dayton.....	19,179,745	17,662,760	1,516,985	8.5
Erie.....	8,777,228	8,594,637	182,591	2.1
Greensburg.....	4,375,668	4,877,185	501,517	10.2
Lexington.....	6,648,596	4,304,842	2,343,754	54.4
Pittsburgh.....	573,319,661	520,421,907	52,897,754	10.1
Springfield.....	7,370,735	5,351,179	2,019,556	37.7
Toledo.....	58,772,000	45,035,441	13,736,559	30.5
Wheeling.....	20,419,139	15,723,193	4,695,946	29.8
Youngstown.....	22,298,428	15,984,257	6,314,171	39.4
<b>TOTAL.....</b>	<b>1,530,390,320</b>	<b>1,333,625,843</b>	<b>196,764,477</b>	<b>14.7</b>

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

September 19, 1919.

**RESOURCES**

Gold coin and certificates.....	\$10,679,000	
Gold settlement fund with F. R. Board.....	66,753,000	
Gold with Federal Reserve Agent.....	138,121,000	
Gold redemption fund.....	982,000	
Gold with Foreign Agencies.....	3,729,000	
<b>TOTAL GOLD RESERVE.....</b>	<b>220,264,000</b>	
Legal tender notes, silver, etc.....	878,000	
<b>TOTAL CASH RESERVE.....</b>		<b>221,142,000</b>
Bills discounted—Secured by Government War Obligations.....	104,907,000	
Bills discounted—All other.....	11,888,000	
Bills bought in open market.....	41,768,000	
<b>Total bills on hand.....</b>	<b>158,563,000</b>	
U. S. Government Bonds.....	1,083,000	
U. S. Government Victory Notes.....	10,000	
U. S. Government certificates of indebtedness.....	23,575,000	
<b>TOTAL EARNING ASSETS.....</b>		<b>183,231,000</b>
Uncollected items and other deductions from gross deposits.....		90,196,000
5% Redemption fund against F. R. bank notes.....		1,132,000
All other resources.....		1,410,000
<b>TOTAL RESOURCES.....</b>		<b>497,111,000</b>

**LIABILITIES.**

Capital paid in.....	\$9,373,000	
Surplus fund.....	5,860,000	15,233,000
Government deposits.....	22,540,000	
Due to members—Reserve accounts.....	122,114,000	
Deferred availability items.....	75,167,000	
Other deposits.....	6,476,000	
<b>TOTAL GROSS DEPOSITS.....</b>		<b>226,297,000</b>
Federal Reserve notes in actual circulation.....		233,862,000
Federal Reserve bank notes in circulation—net liability.....		20,083,000
All other liabilities.....		1,636,000
<b>TOTAL LIABILITIES.....</b>		<b>497,111,000</b>

## PICKUPS ON BUSINESS TOPICS

THE people in many parts of the United States are virtually in league with the profiteers, according to William Mather Lewis, Director of the Savings Division of the Treasury Department, who has just returned to Washington after visiting the various Reserve Districts.

"A veritable orgy of extravagant buying is going on," he said. "The reaction from the careful use of money during war time is widespread and disturbing. Retailers are securing goods from jobbers without arguing about prices, if they can only be assured of immediate delivery. They know their customers will scramble for the goods, regardless of cost. Thus, with an abnormal demand and a limited output, nothing else can be expected than high prices. It is a natural, though deplorable, consequence that profiteers abound.

"The people must return to the policy of careful buying and regular saving if they wish to help the situation. The Treasury Department, in order to combat this artificial situation, is intensifying and speeding up its thrift campaign. Statements on the principles of finance and the laws of investment and budgetary are being brought to workers in factories, to farmers, to business and professional men, and members of women's organizations by means of printed publicity and the spoken words. A nation-wide attack upon swindlers who are persuading people to dispose of their Liberty Bonds and War Savings Stamps is also being inaugurated.

"Throughout New England, savings and thrift organizations already are exerting their combined efforts to combat increased cost of the necessities of life. Saving directors and hundreds of officers of savings societies are taking the lead in disseminating information as to fair prices."

According to the Detroit Free Press, the seating capacity of the 6,000,000 automobiles in the United States is not less than 30,000,000 persons. The total seating capacity of railroad cars, of which there are 55,075, is about 3,500,000 persons. To carry the people now carried by automobiles an equal distance would require 60,000 passenger coaches at a cost of \$660,000,000, 14,792 new locomotives at a cost of \$524,000,000, and duplication of passenger tracks, depots and employes at an expense impossible to calculate.

July imports were the largest in the history of the country, while exports were the lowest in any month of this year, according to a statement of the Bureau of Foreign and Domestic Commerce. July exports amounted to \$570,000,000, nearly \$350,000,000 less than in June, but exceeding by \$63,000,000 exports in July, 1918. July imports were valued at \$345,000,000, as against \$293,000,000 in June and \$242,000,000 in July, 1918.

The Bureau of Foreign and Domestic Commerce is co-operating with the Treasury Department in plans for the Second Pan-American Financial Conference which will be held in Washington about the middle of next January. The principal themes for consideration for this conference will be the credit and investment requirements of Latin-American Republics.

The Senate completed repeal of the Daylight Saving Act when it passed the repeal measure over the President's veto by a vote of 57 to 19. The law will cease to exist when the clocks are turned back to normal on the last Sunday in October.

Inquiry into the high cost of shoes by a county grand jury developed that some shoe workers had been earning \$120 a week. These instances were few, but it was testified that many made \$60 a week, while average was about \$40. Boys have been receiving \$30 a week.

The Treasury has received advice that the Young People's Economic League has been organized at Dallas, Texas, for the purpose of carrying on a concerted restraint form purchases of high priced commodities.

Beginning September 15, passports were issued to tourists going to France, Belgium, Spain, Portugal, Italy and northern Africa, excepting Egypt.

FOLLOWING is an outline of the plan whereby the British Government will aid in financing export trade:

Credits will not exceed 80 per cent of the prime cost of the goods sold, plus insurance and freight, and business will only be taken through banks or on bank's reports. The aggregate credits will not exceed £26,000,000.

The Government scheme therefore will not compete with the banks, but will be an auxiliary to their credit facilities. Nor will it seriously compete with the credit insurance business now being increasingly underwritten at Lloyds.

It is though probable that the Government will be asked to undertake long credits such as the banks are not eager to engage in in view of the uncertain political situation in some parts of Europe.

This new credit office will be under a management appointed by the Board of Trade.

The Department of Justice has amazing information as to the details of plans of various labor agitators in the United States who desire to foment industrial chaos in their effort to alter the American standard of partnership between capital and labor. Attorney General Palmer is carefully laying plans to cope with this movement and will be prepared to take vigorous action when the proper time comes.

The agitation does not come from the American Federation of Labor or any of the other responsible labor unions, but from other organized bodies of labor who have been attracted by the doctrine of Bolshevism.

It is known that large sums of money have been spent by the Bolsheviks in organizing groups of discontented workmen under their banner. Whether or not the pretentious plans of these agitators for a general disturbance will materialize is at present only a matter of conjecture, but it is definitely known that the plans exist and give evidence of being formidable.

U. S. Navy Year Book, publication of which was discontinued after this country entered the war, reappears. It shows, among other things, that the United States ranks as second naval power of the world and that construction now under way will greatly reduce the difference in tonnage between the British and American navies. Great Britain stands first in completed ships, but the United States outranks all other nations in new construction. The value of our fighting navy as now constituted is about \$531,000,000. Total number of ships, of all types, combatant and noncombatant, as recorded in the Year Book, is 778, the total tonnage being 1,795,481. When the ships of all types now under construction are completed the total number of ships in the navy will be 1,405 and the tonnage 3,042,975.

The total land area of the world (excluding the polar regions) is about 30,000,000,000 acres. What proportion of this is productive agriculturally is not definitely known; but the International Institute of Agriculture has collected data for 36 countries having a total land area (including fallow land, also artificial grasses). The productive land includes, besides cultivated land, natural meadows and pastures, forests wood lots, and land devoted to cultivated trees and shrubs.

Employees of the New York Customs House have made a demand in terms which, in an extraordinary degree, reflect the fantastic economic conditions in the United States. Experts of the Customs House, who must be lawyers, college men and skilled technicians in customs matters, have asked that their wage scale be raised to the level of that paid the longshoremen who work upon the New York docks, handling the heavy freight.

The removal by the British Treasury of the prohibition against the exportation of capital is a significant step forward in the reconstruction of world commerce and finance. It means that British foreign trade will be greatly stimulated and that London is now ready to furnish credit to countries which need her goods, but cannot now pay in cash.