

The Monthly BUSINESS REVIEW

Covering business and industrial conditions in the Fourth Federal Reserve District

FEDERAL RESERVE BANK of CLEVELAND

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POWERFUL natural forces are constantly at work to maintain the equilibrium of all things. Irrespective of man-made laws, these forces are forever at their task of preserving the natural balance. The laws of man have been swept into the discard, but the laws of compensation are inflexible and cannot be transgressed without payment of the penalty that is exacted for every violation.

In keeping with these laws, it may be expected that an advance will be followed by a decline, and a period of activity will precede a period of dullness. Business activity is entirely at the mercy of demand, and demand is created by the people. Hence, the degree of business activity is dependent upon the demands of the people. Should production exceed the demand, the ultimate result must be a decrease in output. The greater the over-production has been, the greater will be the period of inactivity until the demand shall absorb the over-supply.

This same law applies with equal force to prices. It would therefore seem that those industries which have profited the most in the recent advance should naturally suffer most in the inevitable decline. What better example could be offered than that of our sugar speculators, who have suffered and are suffering severe losses after a period of profit-taking that overshadows any Shylockian proclivity?

It is perhaps a fortunate thing for business that bankers, as a class, are conservative men. They act as a stabilizing force—as governors on the engine of business, checking over-enthusiastic tendencies. Whenever the wheels of business undertake to revolve at too fast a pace, then the governor is brought into play and the speed reduced to a safe point. By such means are catastrophes averted, and many of those who criticised the banks for their attitude during the present credit stringency now recognize the necessity for it and heartily approve the act.

The course of events would seem to furnish striking proof of the truth of the adage that "A stitch in time saves nine," in the action of the bankers during the business readjustment through which we are now passing with so little shock. The basic soundness of our position is emphasized by the fact that notwithstanding our susceptibility to shock by reason of our highly inflated condition we have been able to progress so far with so little damage to the business structure.

That the shoe has pinched in places no one questions. The process of deflation is always painful.

The journey up is always more pleasant than the trip down. However, the warning has been ample, and not much sympathy will be wasted upon those who find themselves in difficult position as a result of their own folly or their own inordinate greed. They have violated the natural law; they must now pay the penalty.

Commercial failures are increasing but not alarmingly. There are many phases to consider in this connection. First, is the fact that there are probably more people in business in this country today than ever before. Consequently, a larger number of failures does not necessarily imply a greater percentage of the number engaged in trade. The volume of liabilities, when compared with previous years, should be considered in the light of a great difference in prices. Furthermore, this is the first time in a number of years that business is operating on a basis of falling prices. In recent years a buyer could purchase almost blindly, with the almost certain assurance that he would later be able to sell at a higher price. Now that the shoe is on the other foot, and merchandising skill is called for, it resolves itself into a contest of the "survival of the fittest."

The elimination of these weak spots is a good thing for business. Failures shake confidence, and there has perhaps never been a time when confidence was more necessary for the good of the general situation. The sooner the unfit are weeded out, the better for business.

There is less apprehension than there was thirty days ago. The voice of the calamity howler is heard neither so loudly nor so often. Crops show further improvement, with a consequent potential increase in the purchasing power of the people. The tide of immigration is again rising, with its promise of a plentiful labor supply for the future. The business profiteer is being forced out by an outraged public opinion, and the labor profiteer is finding it increasingly difficult to maintain his position of "more pay and less work."

Except in a few isolated cases there is no longer an acute scarcity of goods or labor. Both are rapidly reentering the competitive stage. Buyer and seller are meeting on a common level. The natural law is again asserting itself, and the fact is slowly being driven home to those who have been unable to see the signs or follow the trend of events.

Once we recognize that we have been doing business on an artificial plane, one of our greatest prob-

lems will be solved. By no stretch of the imagination can the volume of business we have done in recent years be regarded as normal. It is not necessary, in order for us to be prosperous, that such a volume be maintained. There is a splendid field for good business in supplying the needs of our own people, and an opportunity never before offered by foreign markets to absorb a large surplus of American products if we will take prompt advantage of the opportunity.

We are regaining our mental poise and are facing

the facts squarely and courageously. We are beginning to realize that there has been no development during the deflationary period but that will be good for business in the long run. We have been frightened by our own shadows. Let us build for the future on the solid rock of normal business rather than on the treacherous sands of war-time prosperity—make our plans on the common-sense basis of normal activity, and share in the prosperity that seems certain to come.

Credit Conditions Show Slight Improvement; Liquidation of Frozen Credits Under Way; Crop Movement Facilitated by Use of Acceptances

There has been some improvement in banking conditions in the Fourth District during the past thirty days. The demand for funds has slackened somewhat, more particularly in the smaller centers. There are indications that business men are gradually working into position to finance themselves by the reduction of inventories and a tightening up of credit lines.

A somewhat tardy recognition that there must be some readjustment sooner or later has brought about some liquidation of frozen credits. Deposits show no decided trend, except that savings deposits are being somewhat freely drawn for the purpose of buying real estate. There is nothing to indicate a speculative tendency in this regard.

Commercial failures for the Fourth District during the month of August number 70, as against 48 in the same month last year. Liabilities amount to \$1,347,045 compared with \$321,764 in August, 1919.

For the first time since the organization of the open discount market, the demand for acceptances in this district greatly exceeded the available eligible bills created by our banks. Additional bills to meet the requirements were purchased in the New York market, where the demand was light compared to the previous month, and which left the New York brokers well supplied with prime paper to meet our shortage.

The large demand came from the banks throughout the industrial sections of the district. The demand of the agricultural localities in general remained normal. There was also an increased call for

paper from corporations that are at present feeling the return of industry to normal conditions, and leaving them with idle funds with which to purchase short time investments.

It was believed during the past month that abnormal demands for credit to finance the crops would be prevalent. The banks prepared for this by arranging large acceptance credits; however, when the movement began it was found that there were sufficient funds available without the acceptance credits, and that their own supply of funds met the demands. This was quite unexpected and unusual, and is explained by the fact that banks throughout the district quickly responded to the call to curtail all except essential loans, and decrease as much as possible their outstanding credit. The splendid cooperation and spirit of the banks has helped the credit situation of the district, without working hardship on essential industry.

The popularity of the acceptance has now grown to such an extent that few, if any, country banks are not familiar with this form of investment. It is a most encouraging situation. It has shown conclusively that the long needed confidence in the acceptance has arrived. There was formerly much hesitancy on the part of country banks in purchasing bankers acceptances with their temporarily idle funds, because of their unfamiliarity and skepticism in regard to the security and liquidity. This has now vanished and nearly all banks are now turning to acceptances as an investment for their secondary reserve.

Improved Shipping Conditions Reflected by Increased Output of Iron and Steel; Unfilled Orders Show Decline; Yard Stocks Somewhat Reduced

Marked improvement in transportation and shipping conditions has been the outstanding feature of the iron and steel situation. In keeping with this and because of this development, production has been rising steadily during the past month. The mills and furnaces, speaking generally, not only have been able to move their increased output to the consumers, but they have made material inroads into the large accumulations of product which had been piled during the period of stringent car supply. While the situation is by no means normal and there are some unfavorable spots where operations are handicapped, the general conditions are of the best that have been enjoyed for several months. Indica-

tive of this is the fact that production of iron and steel in August proved to be the largest of any month in the present year with the exception of March. In pig iron, 3,146,232 tons were produced in August, according to the compilation of The Iron Trade Review. This compares with 3,043,918 tons in July; 3,046,623 tons in June; 2,991,825 tons in May; 2,752,670 tons in April, and 3,375,768 tons, the high point, in March. Furnaces in blast on the last day of August number 306, compared with 291 in the corresponding date in July. Steel ingot production in August was at the rate of 41,800,000 tons annually for the whole country, representing an increase of about 7 per cent over July. This estimate

is based upon the returns to the American Iron and Steel Institute from companies representing 85 per cent of the countries total capacity. The output for August of these companies totaled 3,000,432 compared with 2,802,818 tons in July and 2,980,690 tons in June. The general reduction of accumulated stocks of iron and steel is expressed through the position of the Carnegie Steel Co., which at the present time has brought down its yard piles of raw and semi-finished material to about 200,000 tons and of finished material to about 150,000 tons. This represents a reduction of approximately 30 per cent from the high point. Present steel stocks in the Mahoning valley are estimated at 100,000 tons. Pig iron stocks in the south have been cut from about 130,000 to 104,000 tons.

Co-incident with the increase in shipments a material falling off of new business has been noted in all quarters of the iron and steel market. Consumers are finding themselves in an easier position on their early supplies of material, and they are exhibiting signs of greater caution in obligating themselves for distant periods. This is plainly shown by the relatively small amount of future buying that now is going forward. It is apparent that this spirit of greater prudence has been influenced in large part by the psychological effect incident to the signs of readjustment in other lines of business. With the exception of the automobile industry, from which

cancellations and suspensions of iron and steel have been received quite freely, the absorptive power of consumption appears to have been little altered. Furthermore, the consumption of iron and steel by the automobile industry constitutes a relatively small percentage. Inasmuch as the mills and furnaces have large order-books on hand, these producers have viewed the decline of new buying without especial concern, and they are welcoming the opportunity to convert their unfilled obligations. Railroad buying of magnitude, the prospect for which has been before the iron and steel industry for some weeks, still is developing slowly. Indications are, however, that purchases of rails for 1921 delivery will be the heaviest in several years. The roads have brought before the mills a large tonnage of prospective business of this character and the placing of this apparently awaits upon the naming of prices by the latter for next year. A considerable tonnage in fact already has been entered subject to prices to be fixed by January 1.

Iron and steel prices are showing no general weakness. Some lines are softer and top premiums are coming off, but in the main the average quotations of most products are being maintained. The pig iron market has held staple in price, though buying for next year, which first began several weeks ago, has tapered off.

Ore Movement Improving; Lake Shipments of Coal for August Reach Peak for the Season to Date; Shippers Accepting Grain Contracts on 6c. Basis

Ore has been going forward to the interior furnaces at a much faster clip during the past few weeks, as there has been quite an improvement in the car supply at the Lake Erie receiving ports. Boats are still taking some delay, as the lake front furnace docks are not taking as much ore as they did early in the season, but the indication is that the ore carriers will get better treatment at this end of the route the rest of the season. Stocks are heavy at the lake-front furnace docks, and at the rate that the ore is being sent forward there is less danger of a shortage at the interior plants than there was a month ago when the railroads were pretty lame.

Ore shipments for August were 9,270,763 tons, which was a gain over August, 1919, but a loss compared with August, 1918, when shipments were 9,725,331 tons. Shipments up to September were 35,349,874 tons which was an increase of 5,751,826 tons over the same time last season when the fleet loaded 29,598,048 tons. The movement up to September 1, 1918, was 39,334,264 tons. The total for the latter season will not be reached in 1920 as was

figured on at the start, but the requirements have been cut since then, as many of the plants have been idle part of the time, due to the shortage of coal and coke.

A record for the season was made in coal shipments in August when the fleet loaded 4,408,788 tons of cargo. That was a good gain over August last season, but a loss compared with August, 1918. There has been a let up in the movement since Labor Day and coal is not coming forward at the rate of 4,000 cars a day, which it is figured is necessary to meet the requirements of the Northwest. Shipments up to September 1 were 10,662,526 tons compared with 15,320,556 tons for the same time last season and 16,111,705 tons in 1918. Coal is moving better than it was a year ago and the loss on October 1 will be smaller compared with 1919. The Lake Superior grain shippers are taking some tonnage at 6 cents to Buffalo for October loading and that trade will take care of a fair amount of capacity the rest of the season.

Outlook More Hopeful in Manufacturing Field; Trend of Prices is Downward; Inventories Heavy

In spite of a feeling of pessimism, which prevails to a great extent among business men, nearly all reports this month convey a more hopeful tone. Manufacturers are believing more and more that with the exercise of sound and sober judgment the

readjustment period may be successfully passed through without a serious breakdown.

There is no longer any question that at least in most lines the situation has changed from a sellers' to a buyers' market. While the price of all manu-

factured goods has by no means been lowered—in fact increases are noted in some items—the trend is downward and there is a noticeable tendency on the part of buyers to restrict purchases to meet only current needs until further price concessions are made.

Inventories are, for the most part, very large. This may be traced directly or indirectly to the bad railroad situation during the past two years, compelling manufacturers to carry heavy stocks to insure full operation.

There has been no appreciable increase in the demand for passenger automobiles. There have been reductions of forces at some of the factories, but on the other hand other manufacturers are following their original programs and storing such cars as cannot be shipped. Motor truck makers are slightly more optimistic concerning the future. Orders are coming in better than during the month of August. Stocks are being reduced by the dealers who cannot finance them, and the manufacturer has likewise reduced his stock and cancelled his orders with manufacturers of parts.

Manufacturers of automobile bodies report that business has slowed up in harmony with the demand for passenger machines. While the restriction of credit has caused some concerns to wobble somewhat, the larger companies have found some means to meet the changed conditions and are resuming approximately normal business.

The industrial tractor and truck line has slowed up materially. There is a spirit of optimism in the trade and good business is in sight, but the actual closing of business on trucks and tractors is slow. The situation appears to be worse than it was thirty days ago.

The demand for farm implements and machinery is good, except on such items as are sold on a net cash basis. Dealers report that they are unable to secure accommodations from banks in the necessary amounts, while the farmers are slow in meeting their obligations. Collections continue slow and more caution is being used in granting credit than for several years.

The demand for rubber tires has practically ceased. Tire manufacturing in the Fourth District is practically at a stand-still. Other lines of rubber goods are in good demand.

Tin can manufacturers report less difficulty in securing raw material, which reflects a better transportation condition. Stocks of tin cans are fairly good and the volume of business holds up well.

Manufacturers of hardware are highly optimistic and the idea prevails in the trade that an advance rather than a decline in prices will take place. Orders have been and are being held up, and very few cancellations have been received. Indications point to general satisfaction so far as prices are concerned, but the users apparently do not wish to take any material at this time.

Tool manufacturers report a decided slump in business. New orders, when compared with the heavy business of last spring, show a falling off. Makers are running at capacity for the purpose of replenishing the stocks of finished goods which were largely reduced by heavy business of the past year.

The pottery business is in a very flourishing condition with orders on hand to run at capacity for from eight months to a year. Prices have advanced. There has been an increase in both freight rates and raw materials, together with a wage increase of five to ten per cent recently granted to pottery workers.

Manufacturers of cranes and loading machinery report sales improving and collections good.

There has been a noticeable easing up in the paper industry during the past month. While for the past year most plants have been working on back orders, they are now booking business, even to the point of offering inducements here and there for prompt shipment. Prices are not being quoted for deferred shipments, as manufacturers are afraid of a coal shortage and do not wish to be booked up with orders without a more definite knowledge of probable production costs.

Prospects are for good Fall business in the shoe trade—possibly not quite up to that of last year, but fully up to normal. Labor in this line appears more plentiful than for many years. Retail stocks are large, but the buying for Fall has been conservative and it is believed stocks will be cleaned up by Spring. The hide market has suffered a decided slump and this should be reflected in the price quotations of shoes next Spring.

The demand for lumber has failed to show any symptoms of an increase in trade. The volume of business has been rather light. With hardwoods, which enter largely into the manufacturing line, the situation continues featureless with the market rather dull and apathetic.

Manufacturers of electric motors report conditions unchanged. Sales are slumping below those of previous months. Certain classes of steel and copper products, such as pipe and drawn copper wire, are difficult to obtain, the reason for which does not appear clear.

A lessening in the volume of business during the past few months is reported in the moulding machine manufacturing line. It is very largely due to the slowing up of the automobile industry, which has also brought about some cancellations. Collections have not been quite as good as during the earlier part of the year and are yet by no means bad.

Paint manufacturers are still behind in delivery and probably will be until the season for painting is over. Some complaint is made of difficulty in obtaining containers, especially those made of steel for the finished product. There has been a great scarcity of pig lead and the price has advanced from 20 to 25 per cent in the past 30 days. This has induced importation from England, Australia, Spain and Mexico. There are no stocks of finished material production being taken as fast as it is made.

Hesitation Marks Textile Industry; Women's Garment Manufacturers Report Satisfactory Trade

Conditions in the woolen textile line may be described as hesitating. There are no inquiries for goods. Purchasers are evidently holding for even lower prices than those which the mills are offering. On the other hand, manufacturers indicate a disposition to close down rather than to reduce wages—the only method, it is said, by which further reductions may be made.

Woolen textiles are all special designs and are only made on order; therefore, the industry has remained idle since early in July as a result of cancellations of old and lack of new orders. The few that have been

in operation have done so only to maintain their organizations.

Collections in this line are dragging.

Conditions in the women's garment trade reflect nothing unusual. Raw material stocks are large, but stocks of finished goods are not. Deliveries have been fairly satisfactory, and no complaints are made as to the labor situation. Slow-paying accounts are slower than ever, but there have been few failures. However, a number of stores have reorganized or made changes in ownership.

Crop Prospects Better; Some Damage in Kentucky Tobacco Fields; Fruit Yield Best in Years

The crop report for September 1 shows still further improvement during the past thirty days in all principal crops. During the early part of the month of September favorable weather conditions prevailed in all sections of the District with the exception of the Kentucky Burley tobacco field, where excessive rainfalls have done more or less damage to the crop. Cutting has been somewhat delayed, and some damage has been done by rust and what is commonly supposed to be a new disease known as "wild-fire"—taking its name from the rapidity with which it spreads. The older tobacco growers are inclined to the view that this so-called new disease is nothing more or less than rust in perhaps a more virulent form than is ordinarily seen.

Freedom from frost during the latter part of September has meant millions of dollars to farmers

in this District. Corn was somewhat late, but favorable weather during the month of September has permitted the great bulk of the crop to ripen, so that the percentage of unmarketable corn will be very small. Cutting has begun in the southern part of the District.

The sugar-beet crop is very large, as is also the fruit crop. It is estimated that the total agricultural crop of peaches will be about five times that of last year and the apple crop approximately four times as large. The crop of grapes will be above the average.

It is estimated that the buckwheat crop will be slightly above that of last year. An increase is also shown in the amount of sorghum.

Elsewhere in the *Review* will be found our usual tabulation of crop conditions in the State of Ohio as of September 1.

Building Outlook Shows Improvement; Labor More Plentiful and Efficient; Material Moves More Freely

Several favorable factors have developed in the outlook for building operations during the fall and early winter. Among these are a more plentiful supply of labor, due to a slackening of work in other Districts, increasing immigration, bringing back skilled craftsmen who went to Europe early in the year, a better standard of efficiency and production on the part of skilled labor, the ability of material dealers to fill orders for material more promptly, and opportunity for a closer supervision by architects and building contractors.

The housing situation except in spots remain critical and must have immediate attention if the many citizens who removed to the suburbs and country for the summer months are to be supplied with places to live for the winter.

Little can be said of decreased costs, owing to high labor rates and the need of maintaining prices for materials to meet the cost of manufacture and transportation. However, the impression appears to be growing that the present is a much better time to build than six months ago or even three months ago.

Transportation Shows Further Improvement; Congestion Being Relieved; Labor Situation Much Better

Reports from nearly all centers agree that the transportation situation has shown further improvement during the past month. There is still some complaint heard with reference to shipments to and from New York City, but elsewhere congestion has been relieved and conditions are rapidly approaching normal. The return to work of such of the outlaw switchmen as are able to get back their old jobs will

doubtless play an important part in relieving what congestion is still to be found.

The railroads are not, at this time, in the market for any large quantity of railroad equipment, evidently due to a determination on the part of officials to work present equipment to the limit. A noticeable gain has been made in the per-ton mileage, but railroad managers insist that further improvement can be shown in this respect.

Department Store Sales

	Cleve.	Pgh.	Other Cities	District
Percentage increase (or decrease) of net sales during August, 1920, over net sales during same month last year	22.9	26.0	29.7	25.7
Percentage increase (or decrease) of net sales from July 1, 1920, to August 31, 1920, over net sales during the same period last year.....	34.2	22.7	29.4	27.3
Percentage increase (or decrease) of stocks at close of August, 1920, over stocks at close of same month last year.....	42.7	36.3	49.4	40.4
Percentage increase (or decrease) of stocks at close of August, 1920, over stocks at close of July, 1920.....	7.4	8.3	16.6	9.4
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.....	407.2	412.2	397.1	412.7
Percentage of outstanding orders (cost) at close of August, 1920, to total purchases (cost) during the calendar year	20.2	11.1	23.9	17.0

Wholesale Trade

	Inc. (or Dec.) in Sales during May, 1920, over same month last year.	Inc. (or Dec.) in Sales during June, 1920, over same month last year	Inc. (or Dec.) in Sales during July, 1920, over same month last year.	Inc. (or Dec.) in Sales during Aug. 1920, over same month last year.
	Percent	Percent	Percent	Percent
Dry Goods	-24.0	11.5	16.0	10.0
Groceries	32.2	47.8	20.6	1.0
Hardware	31.2	37.2	24.7	21.5
Drugs	30.2	53.4	29.6	11.1

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

	Cattle		Hogs		Sheep		Calves		Cars Unloaded	
	1920	1919	1920	1919	1920	1919	1920	1919	1920	1919
Cincinnati	27,462	28,883	94,454	77,102	86,239	108,546	14,334	14,405	2,519	2,495
Pittsburgh	47,357	42,506	158,920	81,231	117,394	111,566	31,395	23,867	4,681	3,914
Cleveland	10,886	12,376	57,159	35,069	19,710	19,483	11,715	12,010	1,380	1,093
Toledo	964	.....	4,868	.....	761	.....	726	.....	.....	.....
Fostoria	470	14	3,993	2,593	1,317	661	375	260	27	18
Dayton	2,175	1,609	10,254	6,525	1,808	2,324	845	616	.....	.....
Wheeling	487	879	954	768	852	1,198	1,365	1,427	12	13

Purchases for Local Slaughter

Cincinnati	17,465	16,882	50,385	50,077	16,474	18,679	7,865	7,886
Pittsburgh	6,734	6,684	27,509	19,179	13,271	11,246	8,205	7,261
Cleveland	9,462	11,165	37,098	27,338	16,623	15,362	10,649	11,489
Toledo	645	.....	3,652	.....	106	.....	654	.....
Fostoria	10	14	325	688	10	10	185	191
Dayton	1,904	.....	5,043	.....	633	.....	827	.....
Wheeling .....	.....	.....	.....	.....	.....	.....	.....	.....

Condition of Principal Crops in the State of Ohio on September 1, 1920, as Compared with August 1, 1920, and September 1, 1919

	Corn	Oats	Potatoes	Tobacco	Hay
Condition September 1, 1920	90%	97%	96%	88%	.....
Condition August 1, 1920	88%	96%	90%	80%	86%
Condition September 1, 1919	90%	76%	53%	75%	.....
Ten year average Production (a)	140,790	64,022	13,008	(b) 84,315	.....
(a) Est. yield September 1, bu.	155,918	63,274	15,296	(b) 78,100	(c) 3,966
Yield 1919, bu.	162,800	51,858	9,300	(b) 77,400	(c) 3,073

(a) in thousands of bushels. (b) thousands of pounds. (c) thousands of tons.

Lake Coal

Statement of Bituminous Coal Loaded into Vessels (As Dumped by Docks) in Net Tons for the Month of August, 1920, as Compared With the Same Period for the Season of 1919.

Ports	Railroads	1920			1919		
		Cargo	Fuel	Total	Cargo	Fuel	Total
Toledo	Hocking Valley	829,118	17,141	846,259	578,958	12,673	591,631
	Toledo & Ohio Central	379,625	10,019	389,644	154,955	4,952	159,907
	Baltimore & Ohio	346,120	8,774	354,894	275,844	7,439	283,283
Sandusky	Pennsylvania	323,772	4,510	328,282	204,992	5,771	210,763
Huron	Wheeling & Lake Erie	316,981	11,034	328,015	121,580	3,612	125,192
Lorain	Baltimore & Ohio	598,516	32,368	630,884	250,082	15,119	265,201
Cleveland	Pennsylvania	275,019	23,554	298,573	321,690	29,699	351,389
	Erie	120,706	8,662	129,368	37,982	1,175	39,157
Fairport	Baltimore & Ohio . . . . .	.....	.....	.....	.....	.....	.....
Ashtabula	New York Central	306,288	40,507	346,795	207,631	14,801	222,432
	Pennsylvania	414,845	14,751	429,596	216,303	10,902	227,205
Conneaut	Bessemer & Lake Erie	373,479	6,315	379,794	223,763	2,247	226,010
Erie	Pennsylvania—West	69,897	5,429	75,326	97,123	6,566	103,689
	Pennsylvania—East	54,422	9,882	64,304	12,368	2,053	14,421
Total		4,408,788	192,946	4,601,734	2,703,271	117,009	2,820,280

For the Season to End of August

Toledo	Hocking Valley	1,811,256	34,760	1,846,016	2,984,508	84,205	3,068,713
	Toledo & Ohio Central	854,755	35,862	890,617	885,291	26,713	912,004
	Baltimore & Ohio	644,643	20,507	665,150	1,623,051	37,891	1,660,942
Sandusky	Pennsylvania	723,938	9,312	733,250	936,149	26,513	962,662
Huron	Wheeling & Lake Erie	1,123,653	61,928	1,185,581	1,063,902	34,409	1,098,311
Lorain	Baltimore & Ohio	1,723,662	131,549	1,855,211	1,961,786	103,710	2,065,496
Cleveland	Pennsylvania	445,663	80,582	526,245	1,598,451	163,919	1,762,370
	Erie	140,609	10,617	151,226	135,170	4,289	139,459
Fairport	Baltimore & Ohio . . . . .	.....	.....	.....	16,692	12,954	29,646
Ashtabula	New York Central	698,814	148,576	847,390	1,246,265	93,481	1,339,746
	Pennsylvania	820,404	55,126	875,530	1,260,910	57,258	1,318,168
Conneaut	Bessemer & Lake Erie	1,478,112	24,251	1,502,363	935,857	5,739	941,596
Erie	Pennsylvania—West	110,116	8,008	118,124	527,052	27,338	554,390
	Pennsylvania—East	86,901	47,039	133,940	145,472	9,328	154,800
Total		10,662,526	668,117	11,330,643	15,320,556	687,747	16,008,303

Total Debits by Banks to Individual Accounts

	Week Ending Sept. 15, 1920	Week Ending Sept. 17, 1919	Increase or Decrease	Percent of Inc. or Dec.
Akron	22,349,000	23,667,000	1,318,000—	5.5—
Cincinnati	74,759,000	73,032,000	1,727,000	2.3
Cleveland	289,513,000	188,435,000	1,078,000	.5
Columbus	32,671,000	31,320,000	1,351,000	4.3
Dayton	11,451,000	11,958,000	507,000—	4.2—
Erie	8,829,000	7,676,000	1,153,000	15.0
Greensburg	7,256,000	4,672,000	2,584,000	55.3
Lexington	4,723,000	5,609,000	886,000—	15.7—
Oil City	4,303,000	2,565,000	1,738,000	67.7
Pittsburgh	212,087,000	198,264,000	13,823,000	6.9
Springfield	3,754,000	4,097,000	343,000—	8.3—
Toledo	33,905,000	36,850,000	2,945,000—	7.9—
Wheeling	9,988,000	8,602,000	1,386,000	16.1
Youngstown	18,214,000	17,289,000	925,000	5.3
Total	633,802,000	614,036,000	19,766,000	3.2

Clearings

	Aug. 16 to Sept. 15		Increase or Decrease	Percent of Inc. or Dec.
	1920	1919		
Akron	44,646,000	38,381,000	6,265,000	16.3
Cincinnati	294,947,771	259,474,636	35,473,135	13.6
Cleveland	547,736,793	453,641,784	94,095,009	20.7
Columbus	63,619,200	57,731,700	5,887,500	10.1
Dayton	20,425,145	19,179,745	1,245,400	6.4
Erie	11,726,077	8,777,228	2,948,849	33.5
Greensburg	5,811,549	4,375,668	1,435,881	32.8
Lexington	5,927,124	6,648,596	721,472—	10.8—
Pittsburgh	732,829,674	573,319,661	159,510,013	27.8
Springfield	7,615,206	7,370,735	244,471	3.3
Toledo	65,348,934	58,772,000	6,576,934	11.1
Wheeling	21,312,939	20,419,139	893,800	4.3
Youngstown	20,039,605	22,298,428	2,258,823—	10.1—
Total	1,841,986,017	1,530,390,320	311,595,697	20.3

Comparative Statement of 92 Selected Member Banks in Fourth District

In Thousands of Dollars

	9/10/20	8/13/20	Inc.	Dec.
U. S. Bonds to secure circulation.....	42,235	42,134	101	....
Other U. S. Bonds including Liberty Bonds.....	60,448	59,174	1,274	....
U. S. Victory Notes.....	18,709	19,526	.....	817
U. S. Certificates of Indebtedness.....	25,237	20,931	4,306	....
Total U. S. securities owned.....	146,629	141,765	4,864	....
Loans secured by U. S. Government war obligations	63,759	63,675	84	....
Loans secured by stocks and bonds, other than U. S. securities.....	320,403	324,302	.....	3,899
All other loans and investments.....	921,827	906,073	15,754	....
Reserve balance with Federal Reserve bank.....	104,220	101,396	2,824	....
Cash in vault.....	31,896	30,924	972	....
Net demand deposits on which reserve is computed..	938,051	914,849	24,202	....
Time deposits on which reserve is computed.....	375,510	367,892	7,618	....
Government deposits.....	2,804	3,624	.....	820
Member banks collateral notes secured by U. S. war obligations.....	32,496	35,210	.....	2,714
All other.....	36	36	.....	....
Bills discounted for member banks secured by U. S. war obligations.....	11,204	12,306	.....	1,102
All other.....	39,494	45,476	.....	5,982
Total resources at date of this report.....	1,927,626	1,907,877	19,749	....

Building Operations for Month of August

	Permits Issued				Valuations				Inc. or Dec. of	
	New Construction		Alterations		New Construction		Alterations		Total Valuation	Percent of
	1920	1919	1920	1919	1920	1919	1920	1919	1920 over 1919	Inc. or Dec.
Akron	234	488	66	129	1,654,503	1,842,063	92,780	216,170	310,950—	15. —
Cincinnati	165	271	562	571	211,970	684,255	437,025	524,230	559,490—	46.2—
Cleveland	207	371	880	872	1,571,600	6,723,200	1,286,800	772,775	4,637,575—	61.8—
Columbus	143	223	106	101	1,538,250	648,115	108,650	115,715	883,070	115.7—
Dayton	101	193	67	71	310,388	1,087,422	84,061	45,570	738,543—	65.2—
Erie	51	84	33	51	320,145	204,665	77,319	64,153	128,646	47.7
Lexington	15	36	58	25	500,000	646,503	34,070	50,000	162,433—	23.2—
Pittsburgh	263	488	103	112	1,827,027	2,227,086	191,347	175,162	383,874—	15.9—
Springfield	14	129	12	26	102,675	341,580	14,250	43,450	268,105—	69.6—
Toledo	261	250	110	140	474,605	902,767	109,725	138,731	457,168—	43.9—
Wheeling	29	27	11	20	78,660	52,957	43,340	7,815	61,228	101.6
Youngstown	82	244	29	40	141,910	1,603,496	39,075	75,975	1,498,486—	89.2—
Total	1,565	2,804	2,037	2,158	8,731,733	16,964,109	2,518,442	2,229,746	7,943,680—	41.3—

STATEMENT OF CONDITION
FEDERAL RESERVE BANK OF CLEVELAND
SEPTEMBER 24, 1920

RESOURCES

Gold and gold certificates.....	\$10,413,000
Gold settlement fund with F. R. Board.....	57,035,000
Gold with foreign agencies.....	9,139,000
Gold with Federal Reserve Agent.....	141,583,000
Gold redemption fund.....	11,852,000
Total gold reserve.....	\$230,022,000
Legal tender notes, silver, etc.....	2,275,000
TOTAL CASH RESERVE.....	\$232,297,000
Bills discounted—Secured by Government war obligations.....	72,579,000
Bills discounted—All other.....	149,088,000
Bills bought in open market.....	50,298,000
Total bills on hand.....	\$271,965,000
U. S. Government bonds.....	833,000
U. S. Government Victory notes.....	10,000
U. S. Government certificates of indebtedness.....	23,338,000
All other earning assets.....	
TOTAL EARNING ASSETS.....	\$296,146,000
Bank premises.....	1,172,000
Uncollected items and other deductions from gross deposits.....	86,405,000
5% Redemption fund against F. R. bank notes.....	1,139,000
All other resources.....	297,000
TOTAL RESOURCES.....	\$617,456,000

LIABILITIES

Capital paid in.....	\$10,253,000
Surplus Fund.....	13,712,000
Government deposits.....	1,615,000
Due to member banks—Reserve accounts.....	146,098,000
Deferred availability items.....	66,540,000
Other deposits including foreign government credits.....	2,224,000
TOTAL GROSS DEPOSITS.....	\$216,477,000
Federal Reserve notes in actual circulation.....	350,647,000
F. R. bank notes in circulation—net liability.....	21,659,000
All other liabilities.....	4,708,000
TOTAL LIABILITIES.....	\$617,456,000

PICKUPS ON BUSINESS TOPICS

THERE are good prospects for the sale of American tractors to the plantation owners of Java, the opening of which market would be hastened by the cooperation of American manufacturers. It has been suggested that American manufacturers send experienced men to Java to demonstrate their machines to the people and let them know what cooperation they may expect from the manufacturers. At present there are plows, rollers, cultivators and other implements to work with in Java, but the people are not educated up to their use. There is also a market for ditchers, which should be a plow type of implement that will cut the soil so it can easily be squared up, and it is thought that it should be attachable to the tractor to get the advantage of the tractor's weight.

Certain countries in West Indies and Latin America have the decimal units of currency and use the dollar mark in quotation of prices the same as the merchants of the United States. It is very important in quoting prices to foreign countries at this time, that after the amount quoted the words "U. S. A. dollars" should appear, owing to the fact that the currency in a number of these countries has depreciated, and serious misunderstanding might occur if they attempted to pay with their own dollars. In some cases the dollars of these countries have decreased in value, owing to difference in exchange, at least forty per cent.

"Commercial Travelers Guide to Latin America," published by the U. S. Bureau of Foreign and Domestic Commerce, Washington, consists of text with portfolio of maps, covering all sorts of information of value to the commercial salesman in Mexico, South America, and the West Indies.

The All-American Cables, formerly the Central and South-American Telegraph Company, has finally gained entrance to Brazil, thus providing direct American-owned cable service between this country and Brazil at reduced rates.

A gas which is obtained by the destructive distillation of wheat, oat and rye straws is now being produced on a small scale at an experimental farm in Virginia.

The United States used 18 pounds of sugar for each inhabitant in 1865; last year it consumed 90 pounds per capita.

The Government is planning to establish a labor bureau at Ellis Island.

THE American Chamber of Commerce in London reports a new cold vulcanization process of rubber, which has been perfected at the Manchester College of Technology. This process consists of bringing rubber into contact with sulphurated hydrogen and sulphur dioxide. The free sulphur produced vulcanizes the rubber at such a temperature that various wear-increasing materials, such as leather scraps, can be vulcanized into the body of the fabric. The discovery, it is claimed, will vitally affect the manufacture of linoleum, artificial leather, and kindred products.

Bethlehem Steel Corporation and the Bethlehem Shipbuilding Corporation, Ltd., have perfected a new two-cycle fuel saving marine Diesel engine especially designed for American operating conditions and adapted to land use as well as cargo vessels of any size. This machine, Mr. Schwab says, can be operated with one-third the amount of oil generally used by ships with oil-burning steam machinery.

Dr. J. T. Holdsworth, Vice President of the Bank of Pittsburgh, has compiled a pamphlet, entitled "Trade with the Orient." The publication is intended primarily to acquaint manufacturers, importers and exporters with the possibilities of foreign trade.

A tabulation shows that it costs a department store anywhere from 5.5c to 30c to deliver a package for a customer, and that the average cost of delivery is slightly over 12c for each package.

Flour, textiles, petrol, soap, candles, matches and preserved meats are some of the principal articles which would find a ready sale in Melilla, Morocco.

Extensive preparations are being made at Canadian ports to handle the grain crops. Montreal is able to deal with 900,000 bushels daily.

The United Glass Works, Ltd., at Geelong, Australia, is now almost completed, and is expected to produce annually 20,000 gross of bottles.

Motocycles are in demand in the province of Pernambuco, in Brazil.