# The Monthly BUSINESS REVIEW

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

**FEDERAL RESERVE BANK of CLEVELAND**

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FINANCIALLY the world is our debtor. Economically we produce more than we consume and if as a nation we are to progress industrially as we should, it is essential that a market for our goods be found beyond our own borders.

With our almost limitless resources we have always been a prosperous nation. We have always produced in excess of our ability to consume. Prior to the war, our manufacturing industries with a favorable balance of trade were sailing in fair weather. European countries had plenty of money and short-time credit was the rule. Now, with the tremendous increase in manufacturing facilities occasioned by the war, the question of foreign trade is of paramount importance. The surplus demands an outlet.

There are many indications that European countries are slowly getting on their feet again. The exports of England, France, Belgium and Germany during the past few months show a marked increase and conditions in the manufacturing line are improving. Spain is suffering from a business slump which is partially due to the fact that some of her industrial and financial leaders believed, like many of our own, that the inflated business conditions and prices would last forever. Czecho-Slovakia, Jugo-Slavia and Poland are still in a precarious position.

But speaking from a financial standpoint the European countries are exhausted. They are in need of American products, but they do not have the money to pay for them, and because of the immense war debts which they owe to the United States, immediate payment is impossible. Exporters in this country who have been accustomed to receiving prompt settlement for their shipments, or who have been granting short-time credit, are surprised and discouraged when they find old and reliable European firms requesting seemingly impossible extensions in credit accommodations.

There is cause for the discouragement of the American manufacturer, as he cannot afford to extend credit accommodations with a lavish hand and thus tie up his own working capital. European importers are taking advantage of the lower exchange rates to be found in South American countries and are opening up a thriving export trade, receiving in return shipments of much needed materials from these countries. The United States can hardly afford to sit by and see her export and import trade, so essential to future prosperity, slipping away in this manner. The importance of the import trade must not be forgotten, for our country with all her wealth of resources is not self-sufficient.

It is the financial duty of the United States to help Europe get a new start. Conservatism can be practiced in extending credit accommodations, and credit should be extended for those things which will increase production. Europe can be aided financially by the purchase of securities from reliable European corporations whose future is assured just as soon as they can pick up a little speed on the main line of business prosperity. This can be accomplished without materially affecting our home investment markets if the funds to be used in the purchase of foreign securities are accumulated by a more careful saving and less extravagant expenditures. The Edge law is the first attempt to give status to financial institutions organized for the express purpose of assisting foreign trade through the purchase of long-time investments.

Large sums of money have been expended in the shipbuilding programs of the merchant marine. At the present time, shipping rates are on the decline, while the cost of operating ships fails to show much decrease. American ships are unable to compete favorably with foreign shipping, all of which tends to cause stagnation in the shipping industry. The program of the merchant marine must not be allowed to decline, for it is the keystone of foreign trade.

Manufacturers in this District realize the importance of the foreign trade situation, but they are uncertain as to the advisability of extending credit accommodations to countries so deeply in debt. It would appear from figures showing the increase in value of our exports during the past few years, that our foreign trade is making rapid advancement, but it must be remembered that this is partially due to the fact that prices rather than quantity output have increased. The same is also true of our import trade. Our manufacturers cannot sit by and rest on the assumption that foreign trade will develop of its own accord, while they stay in the background and let the other fellow take the chances.

Today the United States is the most favored nation in the world. While many countries in Europe are suffering from lack of food, we are enjoying one of the greatest crops ever produced. Business continues to improve. The majority of reports received this month from the heads of large manufacturing concerns are optimistic. The business men of this District have the "long vision for the future." We must aid foreign nations on the long up-grade which they are climbing, aid them in their "come-back" and at the same time reserve a place for ourselves in the field of foreign trade, which is so essential to the future prosperity of our country.

## *Banking Conditions Reflect Further Improvement; Acceptance Demand Exceeds Supply in Cleveland Market*

Further improvement in the banking situation is noted during the month of February. The reserve percentage of the System, which has been steadily on the up-grade since fall, has passed the 50 per cent mark, standing at 50.3 on February 18. This compares with about 42.5 per cent on the corresponding date of last year, and is nearly 10 per cent above the low mark established during 1920.

The volume of outstanding notes continues to shrink, the retirement since the first of the year amounting to approximately $307,000,000. Coupled with this shrinkage has been an increase in gold holdings of about $88,000,000 during the same period.

While financial conditions in this District are apparently on the mend, there are more or less disturbing undercurrents from some of the country sections where bank balances are worked close, and the demand for funds is strong. This is especially true of some agricultural districts, where notes given for the purchase price of land at fancy prices will soon be due, and are causing bankers some uneasiness.

There was a scarcity of prime bank and bankers acceptances throughout the month and the volume of demand greatly exceeded the bills created in this district. The available supply of bills has steadily decreased since the first of the year and a larger proportion of outside bills was absorbed than in any other previous time since the creation of the open market. The scarcity of prime bills reflected the stiffening of money, falling off of business transactions and the change in character of commercial credit accommodations in the longer-time straight unnegotiable loans. The bills created on crude oil, which has in the past comprised a large proportion of this district's paper, practically disappeared during the latter part of the month.

The volume of bills drawn against warehouse receipts slightly increased, but there was an appreciable decline in advancements against foreign transactions and domestic shipments.

Country banks continue to furnish the main support of the market. Local banks and institutional buying showed no important change from the previous month. There was a noticeable increase in the amounts of individual orders.

The rates at the beginning of the month, due to scarcity of supply, were 5¾ per cent for prime long-time bills, but in spite of the increased demand and scarcity of paper, the rates gradually went up to a 6 per cent basis. The market rates reflected the money situation, rather than the law of supply and demand.

The present rates for prime bankers' acceptances are as follows:

| | | |
|---|---|---|
| Under 30 days | - - | 5¾ to 5⅞ |
| 30 to 60 days | - - | 5⅞ to 6 |
| 60 to 90 days | - - | 6 to 6⅛ |

## *Steel and Iron Market Unsettled; Prices Scaled Down by Independent Operators; Production Materially Reduced*

Market conditions in iron and steel continue unsettled as result of aggressive action recently taken by independent companies in reducing prices from $5.00 to $10.00 per ton below the hitherto so-called minimum level of the market. The latter basis, which had been quoted by the steel corporation, represented, with one or two exceptions, the schedule established by the industrial board of the Department of Commerce, March 21, 1919, in the latter's effort to stabilize prices on basic commodities. The price situation in iron and steel today accordingly is exactly the reverse of that which had obtained for about a year, up to the close of 1920. In that period the Steel Corporation constantly quoted the lowest market schedule, while the independents, under conditions of excessive demand, sold at figures $15.00 to $20.00 a ton or more higher. Now the independent mills are making the inside point of the market range. The chief lines of product which have been affected by the price reductions are plates, structural shapes, steel bars, wire products, with the exception of rails, sheets and semi-finished material. Tubular goods and tin plate have remained unchanged.

The cut in steel prices by the independent producers has been the inevitable outcome of the wide diversity in operations which has prevailed in recent months between those companies and the Steel Corporation mills. While the latter interest has been able to maintain practically full production because of the large order book which had accumulated during the past year at the minimum prices, the independent mills have been down to less than 50 per cent average. The announcement by the Steel Corporation that it will not meet at this time the lower prices being named by its competitors manifestly is dictated by the large volume of unfilled orders that remains on its books and an unwillingness to do anything which might result in the necessity of rewriting downward the prices on this unshipped tonnage. However, if the order book of the leading interest continues to run off under shipments at the rate recently shown, it will not be very long before this producer will be faced with the question of meeting price competition. Because of the rate at which old business is being cleaned up steel corporation plant activities are beginning to show some signs of tapering off.

While some new steel business of pressing character has been placed at the lower prices now prevailing, this has not been in large amount. The general effect of recent reductions has been to cause buyers to hold off temporarily in the placing of business, evidently in the hope of further concessions. The market accordingly is undergoing a period of gradual readjustment, because sufficient tonnage is not moving to thoroughly test it out, and it is difficult to fix the low points that might be done on attractive tonnage in various products. In a modest way independent mills are showing some improvement in operations, but this is so light, generally speaking, that it scarcely can be accepted as an indication of the beginning of a substantial and progressive improvement.

Pig iron prices have continued to fall steadily and the point of equilibrium of the market has not yet been established, although it is manifest that the present market is dangerously close to or under the cost line for various producers. As a result more furnaces continue to go out of blast and the number of merchant plants now active is the lowest in several years. Basic pig iron in the open market is down to $25.00 valley, compared with $48.50 which prevailed last September. Cleveland brokers have closed on a large tonnage for speculation for future delivery at well below $25. Foundry pig iron is quotable at $28 valley, Chicago, and other points, and southern and Alabama grades at $27 to $27.50. New iron business has been light, reflecting both the reduced operations of melters and the unwillingness of the latter to buy, and declining market.

Production figures in pig iron compiled by The Iron Trade Review show that since last September, when the high point in the recent movement was reached, 133 blast furnaces have been put out of operation. At present 184 stacks are active. Pig iron production in January was 2,412,293 tons compared with 2,700,268 tons in December, 2,935,081 tons in November and 3,288,341 tons in October. Steel ingot production in January was at the rate of 31,770,000 tons annually. In December the annual rate was 32,570,000 tons, in November 38,190,000 tons, and in October 41,970,000 tons.

## *Slow Opening in Lake Trade Anticipated; No Chartering for Ore Carrying Yet Done*

The outlook in the lake trade has changed little during the past thirty days, and with a good supply of ore at this end of the route the start will be slow, although a steady improvement is looked for. No chartering for next season has been done and the question of carrying charges will not be taken up for some time, but a big shipper has lined up tonnage ahead and has made contracts with vessel men to carry ore for from three to five years at the going rate each season, starting in 1922. Contracts that were made for five years will run out at the close of 1921.

The independent plants which are only working part time are not taking ore forward very freely and stocks on dock will be big at the opening unless there is a marked increase in the movement to the furnaces. In January the docks sent forward to the furnaces 723,294 tons. That was a good increase over January 1920, when the movement was 430,104 tons, but the plants of the United States Steel Corporation took more than 500,000 tons of the ore that was shipped. On February 1 the docks at Lake Erie ports were holding 9,217,089 tons of ore and on the same date last year stocks were 9,661,466 tons.

A number of coal cargoes have been floated at Cleveland, Ashtabula and Huron, and more coal will be loaded as fast as boats are secured. Shippers from Toledo are in the market for capacity, but they have not been able to line up any tonnage. The early loading of lake coal is due to the light demand in local trades. The shippers are paying the expense of shifting vessels, but rates have not been fixed.

The grain shippers have not taken any tonnage and it is not likely that much chartering will be done in that trade until an agreement is reached on the form of bill-of-lading. The vessel men want a free in-and-out bill-of-lading. A year ago vessel capacity to move about 5,000,000 bushels was under charter at four cents from ports at the head of Lake Superior to Buffalo.

## *Inquiries and Orders Increasing in Many Manufacturing Lines; Export Business Falling Off*

With few exceptions, manufacturers report improvement in the state of business both as regards inquiries and orders, and the feeling among them is that the corner has been turned and that conditions are on the mend.

Manufacturers of passenger automobiles state that domestic business is showing a gradual increase. While business is still limited, there is considerable buying in practically all parts of the country, a more decided improvement being noted in the farming sections of the middle west, where practically nothing has been done for some months.

In some plants the feeling prevails that a resume of sales at the principal automobile shows during the past few months indicates a marked revival in auto buying. This is not held by them to indicate an unusual spring business, but is said to be due to an accumulated demand that has been released by the growing public conviction that automobile prices will not go down immediately. Foreign demand for American cars is practically negligible; in fact, one prominent manufacturer states that "the depression affecting foreign business seemed to be more acute than that affecting domestic business."

Among motor truck manufacturers it is reported that January business did not show the anticipated increase so far as deliveries were concerned, but that orders have held up to expectations, and so far for the month of February show a large increase from all parts of the country. Foreign demand for trucks is limited, except in South America and the Far East, which at the present time offer a fair amount of business.

In the industrial tractor and truck line it is stated that the underlying feeling is much more optimistic, but that there is very little improvement in actual buying.

The farm implement business shows a "continuing slight improvement" as regards domestic business. One large company in this district is now making an effort to stimulate foreign business by extending six months' credits on transactions which have heretofore been cash New York against documents.

Manufacturers of castings and automobile parts report slightly improved activity, but not enough to warrant its being defined as a definite resumption.

Business in the tool steel line continues inactive. In some instances the volume of business is about 10 per cent of normal. There has been, however, a considerable increase in inquiries during the early part of February.

In the tin can manufacturing line is reported an increased volume of orders, all of which specify prompt shipment. Orders are quite small in amount, which is said in the trade to be due to the general belief that there will be a reduction in the price of tin plate during the second quarter. Orders from the canning trade are not being placed for the same reason.

According to one large manufacturer of electric motors, new business booked is only about 25 to 30 per cent of that for the same period last year. Inquiries appear to be slightly improved, but there is very little actual buying.

In the moulding machine line, business is much below capacity, although orders booked during January show a satisfactory increase over December, and February, from present indications, will show further gain.

A better feeling is found in the printing and lithographic ink line than obtained a month ago. Both inquiries and actual orders are increasing.

There has been substantial improvement in domestic business in the paint line since our last report, but export business has been adversely affected by many difficulties and has fallen off considerably. In a postscript added to a letter recently received from a large manufacturer he says: "This morning's mail brings us the best assortment of orders from the manufacturing trade we have received for many a day. Some of these orders run into very large volume and are largely from several leading automobile and furniture manufacturers."

In the box-board industry, business in some lines has picked up, while in others conditions are unchanged. One manufacturer reports that as far as tonnage is concerned shipments are very close to those of a year ago, although the tremendous price decline affects the volume of sales in dollars and cents.

## *Conditions Improve in Textile Line; Women's Garment Trade Falls Off Compared with Two Previous Years*

In the textile business there is a much improved feeling and merchants are buying at present prices —something that they would not consider two months ago. Such machinery as has been running has been operating full time since the first of the year, and when the new samples are put on the market, which it is said in the trade will be exceedingly late this year, a reasonable amount of business is expected by manufacturers, although it is said by them that the price will be low.

In the women's garment trade, the volume of business shows a large falling off as compared with the spring business of 1920, but compares quite favorably with that of 1919. There is a decided tendency toward careful buying, and orders generally are smaller both as to volume and number of units purchased when compared with 1919 and 1920 sales.

## *Farm Livestock Holdings on Decline; Values of Livestock Show Substantial Shrinkage*

A decline of 2 per cent in the number of horses, 2 per cent in the number of milk cows, 6 per cent in other cattle, 6 per cent in swine, and 9 per cent in the number of sheep on Ohio farms for the year ended January 1, 1921, is shown in the live stock report issued at Columbus, by W. F. Callander, Agricultural Statistician for Ohio. The United States census report of the number of live stock on Ohio farms as of January 1, 1920, shows 811,000 horses, 1,926,000 cattle, of which 1,059,000 consisted of dairy cows and heifers over one year old, 2,103,000 sheep, and 3,083,000 swine. Applying the foregoing percentages of decrease occurring during 1920 to the census figures, would show the following numbers for January 1, 1921: 795,000 horses, a decline of 16,000 head; 1,853,000 cattle, a decline of 74,000 head; 1,038,000 dairy cows and heifers, a decline of 21,000 head; 1,038,000 sheep, a decline of 190,000; and 2,900,000 swine, a decline of 183,000 head.

The average value per head showed a marked decline during the year for all classes of live stock. Horses declined from $109 to $104; dairy cows from $92.00 to $71.50; other cattle from $48.50 to $37.50; swine from $19.20 to $13.30; and sheep from $10.10 to $5.80. The total loss in the estimated value of these various classes of stock reaches $71,464,000 for the year; the total estimated value of the live stock on farms a year ago, based on the value per head given above, being $308,552,000 compared to $237,-087,000 on January 1, this year.

During the month of January this year, according to the reports of several thousand live stock producers, each reporting for his own farm, there was a net increase in the number of cattle on farms of one per cent. Last year in January there was an increase of 7/10 per cent. The reports showed a net increase of one per cent in the number of cattle on farms. Last year in January there was an was a decrease of 12.7 per cent during January. The number of sheep declined 3 per cent in January this year, compared to an increase of 4/10 per cent in January last year.

## *Transportation Improves Slowly*

During the month railroads have announced important improvements in freight schedules, particularly in connection with the movement of high-grade merchandise and perishables from and to eastern cities. From the point of view of the shipping and consuming public, this is perhaps the most important step as yet taken by the railroads in a return to prewar conditions.

The recent heavy snowfall in several of the eastern states has delayed traffic somewhat and has been the first obstacle of this kind to be encountered so far during the unusually mild winter.

## *Coal Operations in European Countries Improve; Substantial Purchases of West Virginia Coal for Shipments to South America*

Coal mining operations in European countries are gradually returning to a normal condition and coal operators in this country feel the effect of this as export trade decreases.

Some very substantial purchases of coal from southern West Virginia for shipments to South America have been made, but no heavy shipments from this country are expected prior to June 1.

One large operator recently made a canvass of between three and four hundred users of coal and he found that the majority of these people see business on the incline, though there is a difference of opinion as to when normal conditions will be reached.

A large coal company reports operations at 70 per cent of normal, railroads as using 70 per cent of their normal consumption, automobile manufacturers and retail dealers taking about 50 per cent, while the orders of steel and rubber companies show a decrease of from 70 to 80 per cent. Retail prices show little reduction.

## *Building Outlook More Hopeful; Some Spring Construction Work Started*

The public continues to hesitate and the decline in the price of building materials has failed to stir the building industry in any marked degree.

But with the high cost of rented dwellings, which in some cases continues to advance, many people have decided to make an effort to build their own homes and with the arrival of spring an increase in building operations is hoped for.

Construction work has been started on a few of the projects, which have been held in the background for some time, and good progress is being made. A plentiful supply of building materials, sufficient labor and adequate shipping facilities insure rapid construction.

## *Special Report on Storage Battery Industry*

It requires a rather flexible imagination to consider that the roaring start of a powerful automobile or aeroplane engine, the noiseless movement of the electric coupe and the cheerfully lighted farm home where the farmer sits reading his evening paper, are all accomplished by the same agency. The largest submarine, while operating beneath the surface of the water, depends on the power hidden in little black boxes to drive its machinery. Storage batteries propel numerous electric launches on the water's surface, and the penetrating shaft of light from the miner's lamp is produced by the same mysterious force. A wireless call for help from a ship in distress, with its life-saving possibilities, is produced from a few cells of a storage battery. The headlights of the myriad automobiles now using our highways after nightfall show the practical value of this current producer.

There was a time in the history of automobile manufacture when a self-starter on a car was looked upon more as an experiment than anything else. Just as the vast majority of inventions which have proven to be of real value must pass through a transition period, so the self-starter passed through the infant stage and experienced its share of hard knocks in convincing the skeptical car owner that it was really a necessity. At one time it was a common sight to see a man standing in front of his car attempting to turn over a balky engine. At the present time an efficient self-starter is a part of the regular equipment on pleasure cars, and to start his car the owner merely steps on a button and lets the storage battery do the work. Storage batteries for lighting purposes came into general use before the self-starter was perfected.

The efforts during the past few years to build the automobile engine on a more efficient basis have added to the necessity of placing self-starters on cars. Many engines today are built to run under much higher compression than formerly and it is a real man-sized job to crank a modern 60 horse power high-compression engine, especially if it happens to be a little cold.

The use of self-starters on automobile trucks is coming into more general use owing to the high cost of gasoline. Not so long ago it was the custom of the truck driver having once started his engine in the morning to let it run all day no matter how long or how short the stops. But with the present high cost of gas and oil this method is too expensive. One of the objections to the use of self-starters on auto trucks is that, because of the rough usage they receive, partially due to the use of the solid rubber tire, it is difficult to keep them in good repair. Pneumatic tires are becoming more popular for use on trucks and a special spring cradle is used to carry the storage battery, which has proven successful. It is the storage battery which furnishes the power for this convenience. Of the thousands of auto trucks, ambulances, and tractors which were used by our army in foreign countries during the war, a surprising number was not equipped with storage batteries for self-starting and lighting purposes. On account of the uncertain weather conditions and of the very rough usage which the trucks and tractors received, the great majority of them was not equipped with self-starters. The danger of air raids by hostile aviators and the ability of the German gunners to spot any movement on important highways made it necessary for the American ambulance drivers and dispatch bearers to drive their cars on the darkest night without lights, unless they were far back of the lines.

Up to the present time the aeroplane industry has had little effect on the manufacture of storage batteries in so far as increase in production is concerned, but the feat of turning the aeroplane completely over in mid air necessitated an important change in battery construction. It was found when the regular style battery was used and the machine turned over, that the acid covering the battery cells would be spilled, thus shortening the life of the battery. This difficulty has been overcome by making a battery lid sufficiently large to retain all the acid in the battery when the aeroplane is up-side down in mid air.

It is a very good advertisement and storage battery manufacturers are proud to see their product used on high priced cars, but in the long run the really big distribution results from their use on smaller cars.

Lead and sulphuric acid are two of the chief ingredients from which storage batteries are manufactured. They are manufactured at a surprising rate of speed, and the most exacting accuracy is required in every detail. One of the first processes is the making of lead plates or grids. These are made by pouring melted lead into molds where it hardens almost instantly. After it is taken from the molds it is allowed to cool for a short time, then the sides are smoothed and the rough edges are clipped off by machinery. These grids are full of little holes, which are of uniform size, and a kind of sticky paste, which with the aid of acids forms the positive and negative currents in battery cells, is pressed into them. After the holes are filled with this paste the grids are placed on a slowly moving platform which runs through a long oven and thoroughly dried. The paste used in the positive plates is pink in color and that used in the negative plates is gray. The finished plates are placed in little boxes of rubber composition, first a positive plate and then a negative plate. Between each plate there is a thin layer of insulation. For a long time a certain kind of wood was the only insulation which could be used with success, but a later invention has proven that threaded rubber insulation is more satisfactory. A certain number of these plates placed side by side in the rubber box go to make up a cell, and several cells are required for each storage battery, the number depending on the size and strength of the battery desired. The storage battery generally used for starting and lighting purposes is made up of three cells. After the cells are placed in strong wooden boxes and sealed together, which process requires special care, they are ready to be charged. Several days are required to properly charge a battery; then it is ready for use.

With the use of chemically treated wood insulation it is necessary to fill and charge the battery immediately after manufacture, for if the wood is allowed to become dry it is ruined, while with the rubber insulation the battery can be shipped to the dealers and stored in warehouses in a bone-dry condition. Thus when the car owner purchases a battery, he can be sure he is getting a new one and that its life is just beginning.

When storage batteries were first manufactured in this District 90 per cent of them was made for new cars and 10 per cent was for replacement. At the present time 60 per cent is replacement and 40 per cent is for new equipment. It is believed the time will come when the tables will be completely turned and that 90 per cent of the batteries manufactured will be used to replace old batteries and for rental during the time others are being recharged, while 10 per cent will cover the need for battery equipment on new cars. Some idea as to the rapid growth of this industry can be gained from the following: When this industry was in its infancy, it was estimated that there were about 50 thousand batteries manufactured in the United States. During 1920 the total output of the country was close to four million. The Fourth Federal Reserve District furnishes about 80 per cent of the batteries for use on new cars. While the manufacture of batteries for new equipment is a big factor, replacement is the keynote of this industry.

Because of the necessity for recharging and frequent inspection, if the battery is to give a maximum degree of satisfaction, service stations for the convenience of motorists have been established. The American car owner demands service and he gets it, but there are also others in this world who feel the same way. Recently a storage battery manufacturer received a letter from a car owner in Morocco, where there are about 30 American cars, enquiring why there was no service station at that place for their convenience.

Strange as it may seem, this industry is almost as seasonal as the dry goods trade with its rush seasons in the spring and fall. During the winter months there is a heavy strain on the storage battery caused by stiff motors. The cold weather causes the oil to thicken and for this reason an extra effort is required by the self-starter to start the motor. The longer nights during the winter months mean that the lights on the car must be used more often and this shortens the life of the battery. There is also a danger from freezing, and many batteries are damaged in this way where a little care would save them. A battery properly filled and charged will not freeze at 90 degrees below zero. Thus all through the winter the storage battery is subjected to extra heavy duty and when spring comes there is a heavy demand for replacement. During the summer months more cars are in use, longer motor trips are taken, and when the season ends the storage battery along with the rest of the car is in need of a general overhauling.

The battery manufacturer is face to face with a big problem and that is how to persuade the car owner that the storage battery must have care if it is to give real service. When the battery leaves the factory it is as near perfect as human skill can make it, but if it is not refilled when the cells require it, trouble is sure to result. When the driver steps on the self-starter and he does not get any response, he is liable to blame it on the storage battery, when the real trouble may be faulty wiring or some other cause.

The manufacturer of storage batteries for starting and lighting purposes is dependent on the automobile trade. When the slump came in automobile manufacturing, there was a sharp curtailment in the battery industry and this has continued up to the present time. But some good effects are already being experienced from the slight momentum gained in the automobile industry and the storage battery manufacturer professes to see increased production ahead.

## *Clearings*

| | January 16 to February 15 1921 | 1920 | Increase or Decrease | Percent of Inc. or Dec. |
|---|---|---|---|---|
| Akron | 27,586,000 | 50,504,000 | - 22,918,000 | —45.4 |
| Cincinnati | 238,023,452 | 290,023,566 | - 52,000,114 | —17.9 |
| Cleveland | 447,269,880 | 506,679,342 | - 59,409,462 | —11.7 |
| Columbus | 57,621,000 | 62,310,300 | - 4,689,300 | — 7.5 |
| Dayton | 15,605,029 | 20,982,390 | — 5,377,361 | —25.6 |
| Erie | 9,650,014 | 9,788,277 | - 138,263 | 1.4 |
| Greensburg | 5,275,418 | 4,985,009 | 290,409 | 5.5 |
| Lexington | 8,319,113 | 9,744,739 | 1,425,626 | —14.6 |
| Pittsburgh | 646,936,650 | 657,684,655 | 10,748,005 | — 1.6 |
| Springfield | 6,235,077 | 6,540,938 | 305,861 | — 4.7 |
| Toledo | 51,400,826 | 62,652,148 | 11,251,322 | —17.9 |
| Wheeling | 20,037,014 | 21,812,281 | 1,775,267 | — 8.1 |
| Youngstown | 17,755,140 | 20,473,627 | 2,718,487 | —13.2 |
| Total | 1,551,714,613 | 1,724,181,272 | -172,466,659 | —10.0 |

## *Debits to Individual Accounts*

| | Week Ending Feb. 16, 1921 | Week Ending Feb. 18, 1920 | Increase or Decrease | Percent of Inc. or Dec. |
|---|---|---|---|---|
| Akron | 12,552,000 | 27,471,000 | 14,919,000 | —54.3 |
| Cincinnati | 57,310,000 | 60,866,000 | — 3,556,000 | — 5.8 |
| Cleveland | 121,954,000 | 152,174,000 | -30,220,000 | —19.9 |
| Columbus | 26,937,000 | 34,562,000 | - 7,625,000 | —22.1 |
| Dayton | 11,837,000 | 13,135,000 | - 1,298,000 | — 9.9 |
| Erie | 6,895,000 | 6,621,000 | 274,000 | 4.1 |
| Greensburg | 3,557,000 | 4,432,000 | 875,000 | —19.7 |
| Lexington | 5,402,000 | 12,063,000 | 6,661,000 | —55.2 |
| Oil City | 2,492,000 | 2,699,000 | — 207,000 | — 7.7 |
| Pittsburgh | 185,096,000 | 184,823,000 | 273,000 | .2 |
| Springfield | 3,805,000 | 3,526,000 | 279,000 | 7.9 |
| Toledo | 24,785,000 | 34,031,000 | — 9,246,000 | —27.2 |
| Wheeling | 7,847,000 | 9,919,000 | — 2,072,000 | —20.9 |
| Youngstown | 11,947,000 | 12,273,000 | — 326,000 | — 2.7 |
| Total | 482,416,000 | 558,595,000 | —76,179,000 | —13.6 |

## *Comparative Statement of 89 Selected Member Banks in Fourth District*

| | Feb. 18, 1921 | Jan. 21, 1921 | Inc. | Dec. |
|---|---|---|---|---|
| Loans and Discounts secured by U. S. Government obligations | 54,652,000 | 54,748,000 | .. | 96,000 |
| Loans and Discounts secured by other stocks and bonds | 341,104,000 | 343,036,000 | .. | 1,932,000 |
| Loans and Discounts, all other | 651,751,000 | 656,592,000 | ........ | 4,841,000 |
| U. S. Bonds | 99,257,000 | 97,796,000 | 1,461,000 | .... |
| U. S. Victory Notes | 22,527,000 | 20,443,000 | 2,084,000 | |
| U. S. Certificates of Indebtedness | 17,995,000 | 17,949,000 | 46,000 | |
| Other Bonds, Stocks and Securities | 281,208,000 | 280,282,000 | 926,000 | ........ |
| Total Loans, Discounts and Investments | 1,468,494,000 | 1,470,846,000 | ...... | 2,352,000 |
| Reserve with Federal Reserve Bank | 101,101,000 | 103,379,000 | ... | 2,278,000 |
| Cash in Vault | 33,649,000 | 36,602,000 | ... | 2,953,000 |
| Net Demand Deposits | 903,892,000 | 906,050,000 | ........ | 2,158,000 |
| Time Deposits | 434,510,000 | 429,193,000 | 5,317,000 | ........ |
| Government Deposits | 11,003,000 | 15,176,000 | ........ | 4,173,000 |
| Total Resources | 1,932,395,000 | 1,937,812,000 | .... | 5,417,000 |

## *Wholesale Trade*

### *Percentage Increase (or Decrease) in Sales During 1920 and 1921 Over the Corresponding Month in Previous 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 | 10.0 | 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 |
| January | —51.6 | —36.7 | —20.6 | —19.0 |

## *Department Store Sales*

| | Pittsburgh | Cleveland | Other Cities | District |
|---|---|---|---|---|
| Percentage increase of net sales during January 1921, over net sales during same month last year | 13.5 | —10.6 | 5.7 | 3.6 |
| Percentage increase of stocks at close of January, 1921, over stocks at close of same month last year | 2.5 | —17.2 | 15.2 | —4.0 |
| Percentage increase of stocks at close of January, 1921, over stocks at close of December, 1920 | —7.5 | —26.6 | —3.5 | 14.6 |
| Percentage of average stocks at close of each month this season (commencing with January 1, 1921) to average monthly net sales during the same period | 278.2 | 299.9 | 424.5 | 306.4 |
| Percentage of outstanding orders (cost) at close of January, 1921, to total purchases (cost) during the calendar year 1920 | 7.3 | 6.2 | 9.7 | 7.1 |

## *Movement of Livestock at Principal Centers in Fourth District For Month of January, 1921*

| | Cattle | | Hogs | | Sheep | | Calves | | Cars Unloaded | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1921 | 1920 | 1921 | 1920 | 1921 | 1920 | 1921 | 1920 | 1921 | 1920 |
| Cincinnati........... | 22,119 | 24,319 | 152,053 | 168,618 | 7,064 | 4,016 | 8,107 | 9,304 | 2,403 | 2,667 |
| Pittsburgh.......... | 36,348 | 30,462 | 251,448 | 255,417 | 97,430 | 64,950 | 23,915 | 18,517 | 5,215 | 4,329 |
| Cleveland........... | 9,636 | 9,481 | 97,680 | 118,783 | 31,563 | 29,751 | 10,346 | 10,165 | 1,828 | 2,110 |
| Toledo.............. | 761 | 1,014 | 15,230 | 21,976 | 3,067 | 2,257 | 905 | 803 | 223 | 300 |
| Dayton.............. | 2,081 | 1,961 | 12,894 | 12,343 | 246 | 378 | 694 | 644 | ...... | ...... |
| Wheeling............ | 483 | 470 | 2,066 | 3,452 | 74 | 117 | 723 | 599 | 43 | 57 |
| Springfield.......... | 300 | ...... | 5,500 | ....... | 300 | ...... | 250 | ...... | ...... | ...... |

### Purchases for Local Slaughter

| | Cattle 1921 | Cattle 1920 | Hogs 1921 | Hogs 1920 | Sheep 1921 | Sheep 1920 | Calves 1921 | Calves 1920 | Cars Unloaded 1921 | Cars Unloaded 1920 |
|---|---|---|---|---|---|---|---|---|---|---|
| Cincinnati........... | 18,857 | 18,253 | 88,640 | 91,469 | 4,487 | 2,791 | 4,516 | 5,373 | ...... | ...... |
| Pittsburgh.......... | 6,132 | 6,117 | 54,643 | 44,126 | 11,093 | 6,791 | 8,004 | 4,613 | ...... | ...... |
| Cleveland........... | 8,687 | 8,550 | 77,249 | 95,125 | 20,996 | 14,712 | 10,146 | 10,032 | ...... | ...... |
| Toledo.............. | ...... | ...... | ...... | ...... | ...... | ...... | ...... | ...... | ...... | ...... |
| Dayton.............. | ...... | ...... | ...... | ...... | ...... | ...... | ...... | ...... | ...... | ...... |
| Wheeling............ | 483 | 470 | 2,066 | 3,452 | 74 | 117 | 723 | 599 | 43 | 57 |
| Springfield.......... | ...... | ...... | 1,500 | ...... | ...... | ...... | ...... | ...... | ...... | ...... |

## *Building Operations for Month of January*

| | Permits Issued | | | | Valuations | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | New Construction | | Alterations | | New Construction | | Alterations | | Inc. or Dec. of | Percent of |
| | 1921 | 1920 | 1921 | 1920 | 1921 | 1920 | 1921 | 1920 | Total Valuation | Inc. or Dec. |
| Akron | 76 | 170 | 34 | 29 | 68,885 | 3,466,373 | 13,615 | 30,150 | —3,414,023 | —97.6 |
| Canton | 22 | 45 | 30 | 15 | 35,090 | 285,860 | 20,615 | 29,275 | — 259,430 | —82.3 |
| Cincinnati | 109 | 93 | 363 | 335 | 1,287,745 | 1,311,500 | 218,315 | 307,160 | — 112,600 | — 6.9 |
| Cleveland* | 209 | 148 | 456 | 285 | 2,187,650 | 6,891,000 | 308,050 | 369,925 | —4,765,225 | —65.6 |
| Columbus | 94 | 65 | 48 | 36 | 189,950 | 870,755 | 264,745 | 84,220 | — 500,280 | —52.4 |
| Dayton | 43 | 35 | 49 | 22 | 61,932 | 573,486 | 30,185 | 49,220 | — 530,589 | —85.2 |
| Erie | 38 | 20 | 21 | 10 | 72,724 | 73,322 | 27,903 | 16,631 | 10,674 | 11.9 |
| Lexington | 1 | 21 | 17 | 459 | 50,000 | 1,110,150 | 9,810 | 867,150 | —1,917,490 | —96.9 |
| Pittsburgh | 119 | 88 | 55 | 47 | 430,047 | 734,545 | 70,754 | 124,065 | — 357,809 | —41.6 |
| Springfield | 17 | 4 | 9 | 6 | 19,205 | 2,250 | 5,050 | 9,700 | 12,305 | 102.9 |
| Toledo | 80 | 43 | 86 | 37 | 117,320 | 751,874 | 194,092 | 45,700 | — 486,162 | —60.9 |
| Wheeling | 20 | 8 | 18 | 4 | 9,276 | 13,525 | 10,465 | 200 | 6,016 | 43.8 |
| Youngstown | 44 | 36 | 14 | 6 | 102,100 | 156,475 | 33,360 | 60,000 | — 81,015 | —37.4 |
| Total | 872 | 731 | 1,200 | 1,276 | 4,631,924 | 16,241,115 | 1,206,959 | 1,993,396 | —12,395,628 | —67.9 |

*1921 figures include Lakewood and East Cleveland.

## STATEMENT OF CONDITION
## FEDERAL RESERVE BANK OF CLEVELAND
### MARCH 4, 1921

| | | |
|---|---|---|
| **RESOURCES** | | |
| Gold and gold certificates | $ 7,139,000 | |
| Gold settlement fund with F. R. Board | 104,828,000 | |
| Total Gold held by bank | 111,967,000 | |
| Gold with Federal Reserve Agent | 179,997,000 | |
| Gold redemption fund | 13,042,000 | |
| Total gold reserve | 305,006,000 | |
| Legal tender notes, silver, etc | 4,194,000 | |
| TOTAL CASH RESERVE | | $309,200,000 |
| Bills discounted—Secured by Government war obligations | 59,473,000 | |
| Bills discounted—All other | 65,773,000 | |
| Bills bought in open market | 38,533,000 | |
| Total bills on hand | 163,779,000 | |
| U. S. Government bonds | 834,000 | |
| U. S. Government Victory notes | 10,000 | |
| U. S. Government certificates of indebtedness | 23,800,000 | |
| TOTAL EARNING ASSETS | | 188,423,000 |
| Bank premises | | 1,645,000 |
| Uncollected items and other deductions from gross deposits | | 55,892,000 |
| 5% Redemption fund against F. R. bank notes | | 1,239,000 |
| Gold abroad in custody or in transit | | 271,000 |
| All other resources | | 480,000 |
| TOTAL RESOURCES | | 557,150,000 |
| **LIABILITIES** | | |
| Capital paid in | | 10,894,000 |
| Surplus Fund | | 20,305,000 |
| Government deposits | 4,210,000 | |
| Due to member banks—Reserve accounts | 146,226,000 | |
| Deferred availability items | 49,416,000 | |
| Other deposits including foreign government credits | 369,000 | |
| TOTAL GROSS DEPOSITS | | 200,221,000 |
| Federal Reserve notes in actual circulation | | 302,311,000 |
| F. R. bank notes in circulation—net liability | | 20,935,000 |
| All other liabilities | | 2,484,000 |
| TOTAL LIABILITIES | | 557,150,000 |