

# The Monthly BUSINESS REVIEW

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

**FEDERAL RESERVE BANK of CLEVELAND**

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**T**HE utmost conservatism still marks business activity in the Fourth Federal Reserve District. Some of the plants that have been shut down for many months are resuming operations in some degree, while others that are more closely dependent upon the daily or weekly flow of orders are gauging their production to the orders on hand. This results in not a few plants running as long as they have orders on their books, and then shutting down until orders accumulate in sufficient volume to justify the resumption of operations.

Evidence is accumulating that in some lines liquidation has been practically completed; in others it seems to have just begun. This fact, alone, may delay the liquidation process in keeping the movement out of balance—by delaying the restoration of the normal relationship between prices.

Complaint is still made from many sources of the alleged failure of the retailer, in many lines, to pass on to his trade the full benefit of the reduction in prices in the wholesale markets. In consequence, the individual buyer is still "on strike," and stocks of goods for which there is a market at a somewhat reduced price cannot pass over the counter and benefit the business world. Goods which would be thus sold must be replaced, and the orders which manufacturers would welcome would then be forthcoming.

Wholesale and retail houses are showing great caution in commitments, reflecting the attitude of purchasers in their various lines. Wholesale prices in some lines have held firm, or even advanced, but there is apparently no disposition to purchase in liberal quantities until more definite assurances are had that prices are sufficiently low to attract public buying in volume.

Unemployment generally appears to be slightly decreasing in the principal cities of the District, except in the regions where industry is just beginning to feel the full effect of liquidation. In the larger cities in the steel industry, especially Pittsburgh, it

is stated that reports of activity there enticed large numbers of workers from other cities where industry was less active.

In consequence, figures on unemployment for those cities show a much larger percentage of unemployed than would ordinarily be true, by reason of the presence of this large temporary foreign population.

Threatened labor troubles, particularly in the transportation and building lines, are problems of the present. The efforts of the railroads to reduce wages have met with determined resistance on the part of railroad workers. The carriers assert that operating expenses must be reduced to keep railroads out of difficulty, and that labor constitutes the principal item of expense. The Railway Wage Board is now conducting hearings, and the business world is hoping for a speedy settlement of the question.

A large amount of building is being held in abeyance pending the outcome of the negotiations with the building trade unions in the matter of wage scales for the coming year. The housing shortage is much less acute, particularly in the cities that have been hard hit in the readjustment. The high cost of rents is still a problem, though some encouragement is found in reports from agricultural districts that farm labor is abundant and much less expensive. This would point to a "back to the farm" movement of no inconsiderable proportion, judging from the fact that last year sufficient farm labor was unobtainable at any price. The advertising columns of the daily press also tell a silent story in the increasing number of houses or flats offered for rent.

So far as this District is concerned, there is not at present anything to indicate a disposition on the part of the agricultural producer to reduce his planting acreage. Not only are the banks bringing pressure on the farmer to sell enough of his produce to liquidate his indebtedness, but it is being pointed out that reduced production at one point stimulates the production of similar goods elsewhere which come into competition with producers at the selling point.

## **No Important Change in Banking Situation—Deposits Decline; Acceptance Market Weak**

There has been no perceptible easing in the banking situation during the past thirty days in the Fourth District. Bank deposits, both demand and time, are on the decline, but banks report that they are able to meet the demands upon them although they are occasionally forced to borrow to do so.

There is still an immense amount of "frozen" credit, and at some points borrowers are asking for extensions—in many cases something they have never done before—for the reason that business is not opening up as expected and that orders are lacking. City banks report an active demand from country correspondents for funds. Both time and demand deposits are declining slightly.

Although there were outward indications of improved conditions in the District, the acceptance market for the month was weak and erratic. The volume of acceptance transactions decreased to a level as low as that of December of last year. The supply and demand for prime paper was sporadic. In spite of this inactivity, the rates fluctuated back and forth  $\frac{1}{8}$  of 1 per cent in an endeavor to bring about a balanced market. The changing of rates, however, had no noticeable effect in bringing more bills into the market or increasing the demand.

In the early part of the month the weak demand for prime paper exceeded the supply. It indicated

that transactions culminating in the creation of bankers' acceptances seemed almost at a standstill, but as the month progressed, more bills came into the market and then the demand fell off. Decreased demand was due to the anticipated withdrawals of Federal income tax payments and the issuing of another block of United States certificates of indebtedness. For the first time in some months the acceptance market felt the pressure of Government borrowing.

The increased supply of bankers' acceptances during the latter part of the month gives encouraging indications of a renewal of business. During the first six weeks of this year the supply of bills came from the completion of expiring acceptance agreements, and the lull in the market which we just passed through during this month seems to have been the bottom for already new names are appearing on the bills, against domestic shipments, warehouse receipts and foreign transactions.

Although the volume is not as great, it indicates new business is sprouting. The present rates for prime bills are as follows:

Under 30 days.....	5 $\frac{3}{4}$ % to 5 $\frac{7}{8}$ %
30 to 60 days.....	5 $\frac{7}{8}$ % to 6
60 to 90 days.....	6 to 6 $\frac{1}{8}$

## **Steel Market Much Disturbed; Steel Corporation Output Declines; Japan Again Enters Market as Buyer**

Disturbed and languishing trade conditions still are marking the iron and steel situation and the outlook for the early future is difficult to diagnose. Prices still are undergoing readjustment and apparently have not yet reached a point of stabilization. However, there are some signs appearing in certain products that the cost line even in the case of the most fortunately situated producers has been so closely approached or exceeded that further price declines are coming much more slowly. Curtailment of production forced by the decline of the market has proceeded to a stage where it more nearly balances the contracted demand. The iron and steel industry in years has not seen such a severe shrinkage of output in proportion to capacity as now exists.

General output has declined from 50 to 60 per cent since October. The activities of the Steel Corporation are down to around 45 to 50 per cent after having been up to 85 and 90 per cent as late as February. Despite its declining operations the leading producer still is pursuing its position in maintaining its schedule of prices and of declining to meet the much lower levels which the independent plants generally have been making. Independent plants have continued to dictate the going market on steel, and this has been at a constantly widening margin under the Steel Corporation schedule. At the present time this spread ranges from \$5.00 to \$14.00 per ton on various finished lines. The lower prices of the independent mills have resulted in diverting to the latter

a larger proportion of the going business and there has been some betterment in the operating schedules of these manufacturers. How much these prices as yet have stimulated the total volume of the market is a question, for the gain by the independent interests seems to be largely accounted for by the decline of the Steel Corporation tonnage. Within the past week or two, however, indications point to the fact that the lower prices, together with the spring season, are beginning to bring out a moderate renewal of interest among buyers. Some resumption of the automobile industry is reflected by the release of suspended orders to the mills and foundries, and some new buying is developing from that source. This change in the automotive industry is more conspicuous by reason of the stagnant demand from these buyers in recent months, but it is not expected in the steel industry that the automotive output this year will exceed 40 per cent. Miscellaneous building work is showing a slight reaction upward in view of lower construction costs. That such revival is overdue is shown by the fact that structural steel awards for the country in February were only 14 per cent of shop capacity. Railroad buying has continued small, but the outlook is a little more promising. New export business in iron and steel is better, particularly with the Orient, where Japan has reappeared as a liberal buyer.

The pig iron market has remained in a sluggish condition and has been weak. Some large buyers

show signs of watching the situation closely apparently in the thought that the bottom of the market is not far away. So few furnaces making iron for sale are in blast, however, that these buyers have not been able to obtain such tonnage as they desire on low offers. The market in the South, in the Mahoning and Shenango Valleys, Buffalo and eastern Pennsylvania, has touched as low as \$25.00. Stocks of iron for sale in the country have been growing and now are approximately 870,000 tons, representing about one month's normal output. It is believed that the peak has about been reached in view of the reduced production and a moderate increase in melt which has come about in recent weeks in various districts.

### ***Indications Point to Late Opening in Lake Traffic; Some Coal Already Loaded for Shipment***

The lake trade is in practically the same shape it was a month ago and according to the present line-up few bulk freighters will be sent out in April as everything points to a slow start. The annual fleet meeting of the Pittsburgh Steamship Company,—the lake end of the United States Steel Corporation—which was scheduled for March 31, has been put off three weeks and will not be held until April 20. The boats of the big fleet will not be ready until May and the indications are that it will be late in that month before a general start is made. It is not likely that much ore will be loaded before the middle of May and many of the vessels will be held in port until the movement gets fairly started as the freighters will have to have cargoes both ways in order to operate at a profit.

Many of the furnaces are idle or are only working part time and ore shipments from Lake Erie docks are light. In February the docks sent forward 523,098 tons which was a loss compared with February, 1920, when the movement was 645,785 tons. The bulk of the ore that was shipped in February was sent to plants of the Steel Corporation. The Cleveland docks only handled 18,068 tons, and not a ton of ore was

The rapidity of decline of the iron and steel market is shown by The Iron Trade Review composite market average per ton covering 14 products. At mid-March this was \$45.25 compared with \$48.81 in February, \$51.73 in January, \$53.45 in December, and \$68.87, the high point in August.

Production statistics emphasize a large loss of output in recent months. At the end of February, 153 blast furnaces were operating, showing a loss of 31 stacks in the month, and of 164 since September 30. Many additional furnaces have gone out since March 1. The loss of pig iron output in February over January was 487,665 tons, or about 12 per cent. Steel ingot output in February was at the rate of 26,630,000 tons for the country compared with the rate of 31,520,000 tons in January.

shipped from Toledo. On March 1 the docks at this end of the route were holding 8,699,284 tons and on the same date in 1920 stocks were 9,015,813 tons. The March movement will have to be more than double what it was in February in order to put the docks in as good shape on April 1 as they were a year ago that date, when stocks were 7,519,575 tons.

The question of lake freights has not been taken up and it is not likely that any action along that line will be taken until prices are fixed and orders for ore are booked. It is not expected that the furnacemen will come into the market until late in April, and in the meantime it will be a waiting game.

Owing to the light demand in other trades, coal is being sent to the lake front pretty fast and a large number of cargoes have been floated between Buffalo and Toledo. When all the steamers that have been named to take cargoes are loaded there will be about 300,000 tons of coal afloat. Rates have not been fixed and the vessel men took the coal with the understanding that they would name the starting time. There is a large amount of grain in store at Chicago and at ports at the Canadian head of the lakes, but the shippers are not bidding for tonnage.

### ***Conservation Marks Manufacturing in this District; Automobile and Allied Lines Show Improvement***

There appears to be no clearly defined trend in the various manufacturing lines in this District. The hand-to-mouth policy of buying, which has been the order for some months past, still prevails and while activity in some lines is on the increase, in others it is on the decline.

Ample evidence seems to be available of a definite improvement in the automobile field. Each month is showing an increase in sales—but this is a natural movement at this time of year.

According to figures prepared by the National Automobile Chamber of Commerce, covering reports from about 117 manufacturers, shipments during the month of February show an increase of 50 per cent over the previous month.

Manufacturers of passenger cars in this District report that while improvement has been gradual, it has been more general and more pronounced during the past two weeks. Some plants are increasing forces slightly, while others are working off inventories of nearly completed stock which requires but few operatives.

There is a large potential demand for motor trucks, but orders are being held up by business houses until business conditions improve in their respective lines.

In the industrial truck and tractor line orders do not appear to show any noticeable change. There is some indication, through inquiries and quotations solicited, that some companies are considering the purchase of goods in the near future, but actual

orders being placed are scattering and for small quantities.

Forces at tire plants are being increased, and actual orders for March show some improvement over January and February. Tire makers claim that the surplus of tires has been greatly reduced during the winter months by reason of good driving conditions, and one large producer estimates that manufacturers will make in the calendar year 1921, about 80 per cent as many as were manufactured during the past year.

Business in the storage battery line shows a slight increase, but in the trade this is held to be seasonal rather than an indication of improvement in fundamental conditions.

Improvement is noted in the hardware manufacturing line, largely influenced by the increasing activity of auto manufacturers.

Orders now being received by textile interests in this District indicate a fair output until the end of July.

The pottery business, which has so far suffered practically none in the readjustment process, is slowing down somewhat. Several of the potteries in the East Liverpool district have closed, while some have orders on hand sufficient to keep them operating for several months.

The paint industry reports "very definite signs of improvement." One large producer reports that for the past five months sales show a material increase over the same period one year ago. Considered in connection with prices prevailing now and then, this would indicate a larger turnover in the physical volume.

No change is reported in the box-board and paper box industry during the past thirty days. Manufactured stocks are small, and there is no disposition to make up much goods in advance of orders.

### ***Plentiful Supply of Labor Will Improve Farming Situation; Usual Amount of Spring Planting***

Although farmers have been somewhat discouraged because of the severe cuts in the prices they have been receiving for their 1920 crops, recent reports seem to indicate that preparations are being made for the usual amount of spring planting.

During the past few years the scarcity of labor has been a big handicap to the farmer. The curtailment of factory production in the cities has forced many persons to return to the country and others will move in that direction when the spring work opens up. There should be a plentiful supply of labor

at reasonable wages, farm machinery is cheaper and this should partially compensate the farmer for the losses he has suffered during the past year.

Kentucky farmers in the Burley tobacco district have agreed that each man shall decide for himself the amount of tobacco he will raise during the coming season. An effort is being made to cut the acreage for 1921 and improve the quality of the tobacco. Whether the plan will be successful depends on the willingness of the large producer to cut his acreage for the coming year.

### ***Little Change Shown in Transportation Field; Wage Scale Unsettled***

So far as the transportation situation is concerned there is little marked change in comparison with last month. The amount of freight is light and there are many cars stored in and around some of the main terminals. The railroads are practicing

drastic economies by curtailing their forces wherever possible.

The movement of less than car load lots appears to be increasing, but the change is too slight to be taken as a sure indication of the trend.

### ***Chaotic Condition of Iron and Steel Industry Affecting Coal Operations***

Certain industries in this District show improvement and are accepting a larger percentage of coal on their contracts. Operations in cement and pottery industries are close to normal, and automobile manufacturers continue to use about 50 per cent of their normal consumption.

Retail coal dealers are united in the belief that until the railroads start buying more coal there can be no pronounced activity in this industry. Malleable iron and steel companies in many cases have closed

down and there is little demand for coal in this direction. This coupled with the fact that there has been an unusually light consumption of coal by domestic users on account of the mild winter has left the retailer little margin to work on.

There is a supposition that under normal conditions railroads would be unable to supply the demand for coal, which might cause a shortage and in turn affect the retail price.

### *Little Activity in Building Line*

The building industry appears to be marking time and the mild weather has failed to start the expected rush in spring operations. While there has been a marked decline in the cost of building material the prospective buyer is not convinced that the bottom has been reached.

Readjustment in the cost of skilled labor, in com-

parison with the decline in the prices of building material and common labor, has made little progress.

Some work on public projects has been started and it is hoped this will improve the labor situation. Figures on building operations for February show a slight improvement over those for the preceeding month.

### *Special Report on Cork Industry*

As civilization advances man's ever changing economic needs demand new materials, new processes and new commodities. Few things in general use in the world today have stood the test of time and remain unchanged. Cork is one of the few exceptions. Recognized by the ancients as peculiarly suited for certain uses it has remained practically unchanged through the centuries. The material in the cork bobber of the sportsman's elaborate fishing tackle is similar to that used on the nets of fishermen thousands of years ago. Cork was used to seal jars of rare vintage as early as 25 B. C. Today it is used for the same purpose with a much less noticeable change in the cork than in the sealed product.

Five of the principal functions which cork fills in the world today were recognized two thousand years ago but the cork industry did not come into prominence until sometime during the 15th century when glass bottles were first introduced. This gave such an impetus to its general use that the real beginning of the cork industry may properly be said to date from that period.

Cork is the outer bark of a tree known as the cork oak. This tree grows to a height of from 20 to 60 feet, measures sometimes as much as four feet in diameter and is rather closely covered with small evergreen leaves. In April or May yellow flowers appear followed by acorns which ripen in the late fall. These are very bitter to the taste but are excellent food for hogs which are fattened in the forest. The meat of these animals has a peculiar flavor and is noted for its excellence.

Spain and Portugal divide honors among the nations of the world so far as yield of raw material is concerned, with perhaps the advantage leaning slightly to the latter. Large quantities of cork are also obtained from Algeria, France, Corsica, Italy, Sardinia and Sicily. As late as 1909 there were large cork forests in Morocco which were undeveloped. At that time it was estimated that the total area covered by cork forests was from four to five million acres and the annual production not far from fifty thousand tons. At the present time yearly production amounts to considerably more.

Under Spanish government regulations the cork oak must measure approximately five inches in diameter before the virgin cork, as the first stripping of bark is called, is removed. This does not kill the tree but each year two new layers are formed: one within increasing the diameter of the trunk, and the

other without adding to the thickness of the bark. After eight or ten years the bark is again removed and this operation is repeated at regular intervals of about nine years. The oak begins to yield the best grade of cork when about forty years old and continues productive, if stripped properly, thirty or forty years more.

The cork oak flourishes in a hot semi-arid climate and there seems to be no reason why this valuable tree could not be grown in the southwestern section of the United States. In 1858 steps were taken in this direction, but the Civil War interfered and the experiments were never fully carried out. There is grave question, however, if the quality of the corkbark produced would be worth the effort.

The stripping generally takes place during July or August and special care is taken in this process for if the inner skin is damaged, the injured point will always remain scarred and uncovered and the life of the tree will be shortened. A cut is made through the bark at the base of the tree around the trunk, and a similar one is made just below the main branches. These two cuts are connected by longitudinal ones, following so far as possible the deepest of the natural cracks in the bark. The bark is then pried off by means of wedge-shaped hatchets. The larger branches are stripped in the same manner, yielding thinner but generally a finer grade of cork than that from the trunk. The thickness of the bark is anywhere from one-half to two and one-half inches while the yield also varies greatly, from forty-five to three hundred pounds, depending on the size and age of the tree.

After stripping, the bark is gathered into piles and allowed to dry for a short time. Having been weighed it is next carried in wagons or on the backs of burros to the boiling stations, where after another short period of seasoning it is ready for the boiling process. After boiling, the rough outer coating is readily scraped off which reduces the weight of the material almost twenty per cent. This also renders the bark soft and pliable and flattens it out for convenient packing.

After being roughly sorted as to quality and thickness the bark is ready for its first long journey. As the cork oak forests are generally located in mountainous country where the only road is a narrow path down the mountain side, the bark must be carried to the nearest railway station or seaport on the backs of patient little burros. Before shipment it is again

sorted into a dozen or more different grades by expert Spanish workmen. After being bound up securely with steel hoops or wire it is ready for shipment to the cork factories in America, the largest of which are located in the Fourth Federal Reserve District.

From this raw material many different articles are produced by means of wonderfully ingenious machinery coupled with hundreds of keen brains, for the human element must always play a large part in cork manufacture. As a rule during the past few years the efficiency of labor in most lines has been decreasing. It is interesting to note that in the cork and allied industries the efficiency of labor per unit at the present time shows a higher percentage than it has during the past several years.

In this District there are several large cork factories and each one specializes in a certain line of cork goods. At a factory which is located in Pittsburgh, the largest of its kind in the world, the manufacture of cork bottle stoppers ranks first in importance. At Beaver Falls, Pa., is a large plant where cork insulation for cold storage warehouses, etc., holds first place.

For whatever purpose it is to be used all bark taken from the storage rooms is taken first to the sorting department where under skillful eyes the twenty-five or more foreign grades are resorted into approximately one hundred and fifty different classes according to quality and thickness. Leaving the sorting room the bark is softened by placing it in a warm vapor bath which increases its flexibility and prepares it to undergo the mechanical operations which follow in rapid succession. The sheets are next cut into strips whose width is determined by the length of the cork desired. From the slicer the strips pass to the blocking machines where by means of a rapidly rotating tubular punch round pieces are cut out and released with surprising speed. If tapered corks are desired, the straight pieces must pass through another machine. The "straights" and "tapers" next journey to the washing rooms where they are dumped in great vats, thousands at a time, and carefully washed. They are then dried by being whirled about in revolving cylinders of wire net located in heated rooms.

From the driers the corks are taken to the sorting rooms and here a real problem presents itself for millions of corks pour into this department and they must be sorted into many different grades. The regular workers become so highly skilled that thirty-five thousand corks may be considered an average day's labor.

With our limited space it is impossible to tell of the methods of manufacturing the many useful articles made from cork, each method equally interesting in itself, and to give a list of the functions which it fills would be very difficult. Thousands of pairs of cork insoles are produced annually. Discs and washers by the million are punched out for use in metal caps for bottles and jars and as gaskets in

lubricator cups. Life preservers, ring buoys, yacht fenders, mooring and anchoring buoys are some of the specialties made, while others are seine corks and bobbars for fishing lines, penholders, etc. Cork shapes may be found in stuffed animal heads in rugs and fur garments and, covered with suitable material, are used as buttons on fur coats. Cork balls play their part in various games, cork floats are used in carburetors, churn lids are made tight with cork gaskets, cigarettes have cork tips, friction clutches of cork are used extensively and the glass manufacturer uses cork wheels for polishing his wares. The cork used for cigarette tips is cut into very thin sheets, averaging about 300 to the inch. These sheets are sorted into several different grades.

It has been claimed by modern meat packing establishments that no part of a pig is wasted but his squeal. In our large cork factories nothing is wasted. The smallest particles of cork are ground up, sifted and made into composition cork with the aid of suitable binders. Part of the waste is reduced to the form of cork shavings and used to stuff mattresses and boat cushions, for packing eggs and other fragile articles, and in making cork floor tiling. Cork flour is another by-product, and is manufactured from the waste bark by much the same process as that employed in grinding wheat. This dust is light brown color and is used in the manufacture of high grade linoleum.

The many different grades of granulated cork made by grinding up cork waste are widely used for packing and heat insulating purposes. The structure of cork, as seen under the microscope, is composed of myriads of sealed air cells which are impervious to air and water. For this reason it is not only a good nonconductor of heat but also nonabsorbent of moisture. It is used for loose filling between the walls of ice boxes, water coolers, and cold storage rooms, and about the sides of freezing tanks in ice factories. The greatest demand along this line, however, is for corkboard, which is granulated cork compressed into board form. The corkboard is more efficient and much easier to handle and install than is granulated cork.

Another product is cork pipe covering which is used for insulating cold pipe lines. Granulated cork is also manufactured into cork bricks which are used for flooring in dairy barns. The bricks are made by combining finely granulated cork and asphalt, heating and mixing it thoroughly, and then molding it under pressure into brick form. The bricks measure 9 by 4 by 2 inches.

The above are some of the ramifications which have developed through years of effort in the cork industry. Beginning originally with its use as bottle stoppers and floats for fishing nets, corkbark has been gradually applied to a vast number of other uses, and plays an important part in the economic life of any community.

**Clearings**

	February 16 to March 15		Increase or Decrease	Percent of Inc. or Dec.
	1921	1920		
Akron.....	25,642,000	47,716,000	-22,074,000	-46.3
Canton.....	13,442,333	20,729,458	-7,287,125	-35.2
Cincinnati.....	224,926,588	307,021,261	-82,094,673	-26.7
Cleveland.....	384,465,885	514,462,382	-129,996,497	-25.3
Columbus.....	48,544,400	55,964,300	-7,419,900	-13.2
Dayton.....	18,608,825	23,383,068	-4,774,243	-20.4
Erie.....	8,238,406	9,771,453	-1,533,047	-15.7
Greensburg.....	4,434,575	8,402,403	-3,967,828	-47.2
Lexington.....	9,076,293	18,231,830	-9,155,537	-50.2
Pittsburgh.....	601,601,362	692,176,913	-90,575,551	-13.1
Springfield.....	6,601,929	9,129,355	-2,527,426	-27.7
Toledo.....	49,364,165	66,532,264	-17,168,099	-25.8
Wheeling.....	17,673,735	20,680,778	-3,007,043	-14.5
Youngstown.....	12,606,476	19,655,058	-7,048,582	-35.8
<b>Total.....</b>	<b>1,425,226,972</b>	<b>1,813,856,523</b>	<b>-388,629,551</b>	<b>-21.4</b>

**Debits to Individual Accounts**

	Week Ending March 16, 1921 276 Banks	Week Ending March 17, 1920 252 Banks	Increase or Decrease	Percent of Inc. or Dec.
Akron.....	13,485,000	22,036,000	-8,551,000	-38.8
Cincinnati.....	73,783,000	72,797,000	986,000	1.3
Cleveland.....	131,769,000	187,730,000	-55,961,000	-29.9
Columbus.....	25,053,000	27,720,000	-2,667,000	-9.6
Dayton.....	12,875,000	12,436,000	439,000	3.5
Erie.....	6,364,000	8,008,000	-1,644,000	-20.5
Greensburg.....	4,685,000	4,466,000	219,000	4.9
Lexington.....	6,322,000	9,100,000	-2,778,000	-30.5
Oil City.....	2,625,000	3,421,000	-796,000	-23.3
Pittsburgh.....	188,488,000	210,694,000	-22,206,000	-10.5
Springfield.....	4,619,000	4,296,000	323,000	7.5
Toledo.....	25,341,000	33,896,000	-8,555,000	-25.2
Wheeling.....	7,484,000	8,889,000	-1,405,000	-15.8
Youngstown.....	12,195,000	14,471,000	-2,276,000	-15.8
<b>Total.....</b>	<b>515,088,000</b>	<b>619,960,000</b>	<b>-104,872,000</b>	<b>-16.9</b>

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

(In Thousands of Dollars)

	March 11, 1921 88 Banks	February 11, 1921 89 Banks	Increase	Decrease
Loans and Discounts secured by U. S. Government obligations.....	55,164	55,103	61	.....
Loans and Discounts secured by other stocks and bonds.....	348,351	341,306	7,045	.....
Loans and Discounts, all other.....	646,162	666,252	.....	20,090
U. S. Bonds.....	97,402	99,951	.....	2,549
U. S. Victory Notes.....	20,321	21,848	.....	1,527
U. S. Certificates of Indebtedness.....	16,238	13,330	2,908	.....
Other Bonds, Stocks and Securities.....	282,482	277,818	4,664	.....
Total Loans, Discounts and Investments.....	1,466,120	1,475,608	.....	9,488
Reserve with Federal Reserve bank.....	97,193	102,903	.....	5,710
Cash in Vault.....	33,100	30,570	2,530	.....
Net Demand Deposits.....	891,586	902,024	.....	10,438
Time Deposits.....	432,638	433,273	.....	635
Government Deposits.....	3,403	3,962	.....	559
Total Resources.....	1,907,220	1,914,867	.....	7,647

**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.....	16.0	20.6	24.7	29.6
August.....	10.0	1.0	21.5	11.1
September.....	.....	23.8	12.4	31.1
October.....	—27.5	—10.8	2.0	.....
November.....	—4.2	—3.8	16.7	45.8
December.....	—20.0	—18.8	—16.9	—17.0
January.....	—51.6	—36.7	—20.6	—19.0
February.....	—22.3	—27.1	—19.0	—31.2

**Department Store Sales**

	Pittsburgh	Cleveland	Other Cities	District
Percentage increase of net sales during February, 1921, over net sales during same month last year.....	16.4	—2.4	—12.9	6.4
Percentage increase of stocks at close of February, 1921, over stocks at close of same month last year.....	—9.4	—23.5	—5.7	—13.2
Percentage increase of stocks at close of February, 1921, over stocks at close of January, 1921.....	—1.7	9.7	6.9	3.1
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.....	291.5	370.6	551.4	353.6
Percentage of outstanding orders (cost) at close of February, 1921, to total purchases (cost) during the calendar year 1920.....	6.1	6.1	12.3	7.1

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

	Cattle		Hogs		Sheep		Calves		Cars Unloaded	
	1921	1920	1921	1920	1921	1920	1921	1920	1921	1920
Cincinnati.....	14,961	13,029	111,130	114,219	4,136	2,469	8,114	9,836	1,712	1,928
Pittsburgh.....	25,903	26,304	175,237	171,271	60,518	44,404	15,475	15,087	3,221	3,411
Cleveland.....	7,140	9,142	70,627	58,547	17,313	15,479	9,117	8,742	1,336	1,280
Toledo.....	619	782	10,887	11,077	2,835	1,503	774	679	152	149
Fostoria.....	124	374	7,120	6,050	813	801	563	680	10	22
Dayton.....	1,531	1,809	12,259	10,584	264	139	525	690	.....	.....
Wheeling.....	359	454	1,830	1,908	99	52	763	749	33	23
Springfield.....	200	.....	5,000	.....	.....	.....	200	.....	.....	.....

**Purchases for Local Slaughter**

Cincinnati.....	12,007	13,954	73,512	64,411	3,612	2,358	6,142	5,519
Pittsburgh.....	5,350	5,627	40,163	28,253	10,303	5,933	6,256	4,687
Cleveland.....	6,691	8,154	54,595	40,952	14,674	10,582	8,947	8,738
Toledo.....	.....	.....	.....	.....	.....	.....	.....	.....
Fostoria.....	35	61	1,090	1,337	20	20	50	150
Dayton.....	.....	.....	.....	.....	.....	.....	.....	.....
Wheeling.....	341	.....	1,738	.....	94	.....	724	.....
Springfield.....	.....	.....	.....	.....	.....	.....	.....	31



**Building Operations for Month of February**

	Permits Issued				Valuations				Inc. or Dec. of Total Valuation	Percent of Inc or Dec.
	New Construction 1921	New Construction 1920	Alterations 1921	Alterations 1920	New Construction 1921	New Construction 1920	Alterations 1921	Alterations 1920		
Akron	95	155	33	45	145,610	1,291,565	22,595	68,230	—1,191,590	—87.6
Canton	70	37	45	17	112,040	121,350	185,990	12,585	164,695	122.9
Cincinnati	185	137	554	354	316,915	530,135	307,175	271,310	—177,355	—22.1
Cleveland*	279	169	640	321	2,541,280	3,333,500	447,950	304,575	—648,845	—17.8
Columbus	174	50	80	53	366,930	162,975	50,620	331,630	—77,055	—15.0
Dayton	89	43	51	20	188,177	115,819	44,172	13,445	103,085	79.7
Erie	41	9	40	19	75,150	34,100	38,097	64,703	14,444	14.6
Lexington	3	16	27	33	12,090	48,420	7,000	10,000	—39,330	—67.3
Pittsburgh	172	151	79	71	522,959	980,267	236,916	130,181	—356,573	—31.9
Springfield	39	8	19	5	50,245	11,580	10,150	6,475	42,340	234.5
Toledo	82	53	119	47	124,590	177,430	160,085	61,341	45,904	19.2
Wheeling	37	9	30	14	62,595	17,345	8,580	1,840	51,990	270.9
Youngstown	69	35	25	11	324,735	246,925	34,900	9,525	103,185	40.2
<b>Total</b>	<b>1,335</b>	<b>872</b>	<b>1,742</b>	<b>1,010</b>	<b>4,843,916</b>	<b>7,077,411</b>	<b>1,554,230</b>	<b>1,285,840</b>	<b>—1,965,105</b>	<b>—23.5</b>

\*1921 figures include Lakewood and East Cleveland.

# STATEMENT OF CONDITION FEDERAL RESERVE BANK OF CLEVELAND

MARCH 25, 1921

## RESOURCES

Gold and gold certificates.....	\$6,590,000	
Gold settlement fund - F. R. Board.....	88,489,000	
Total gold held by bank.....	95,079,000	
Gold with Federal Reserve Agent.....	194,934,000	
Gold redemption fund.....	13,397,000	
<b>Total gold reserves.....</b>	<b>303,410,000</b>	
Legal tender notes, silver, etc.....	3,595,000	
<b>TOTAL RESERVES.....</b>		<b>\$307,005,000</b>
 Bills discounted—Secured by U. S. Government obligations.....	 \$61,835,000	
Bills discounted—All other.....	76,395,000	
Bills bought in open market.....	24,012,000	
<b>Total bills on hand.....</b>	<b>162,242,000</b>	
U. S. Government bonds.....	834,000	
U. S. Victory notes.....	10,000	
U. S. Certificates of indebtedness.....	23,829,000	
<b>TOTAL EARNING ASSETS.....</b>		<b>\$186,915,000</b>
 Bank premises.....	 \$1,704,000	
5% Redemption fund against F. R. Bank notes.....	1,239,000	
Gold abroad in custody or in transit.....	271,000	
Uncollected items.....	53,933,000	
All other resources.....	547,000	
<b>TOTAL RESOURCES.....</b>		<b>\$551,614,000</b>

## LIABILITIES

Capital paid in.....	\$10,880,000	
Surplus.....	20,265,000	
Government deposits.....	7,758,000	
Due to members—Reserve accounts.....	145,164,000	
Other deposits, including foreign government credits.....	2,078,000	
<b>TOTAL DEPOSITS.....</b>		<b>155,000,000</b>
 F. R. notes in actual circulation.....	 293,082,000	
F. R. Bank notes in circulation—net liability.....	21,158,000	
Deferred availability items.....	48,301,000	
All other liabilities.....	2,888,000	
<b>TOTAL LIABILITIES.....</b>		<b>551,614,000</b>

Ratio of total reserves to deposit and F. R. note liabilities combined = 68.5%  
Compared with 71.1% last week.

Ratio of gold reserves to F. R. notes in circulation after setting aside 35 per cent against  
deposit liabilities = 86.2% compared with 89.4% last week.

## PICKUPS ON BUSINESS TOPICS

**A** BANK NOTE IDENTIFICATION CHART has been devised in an effort to overcome the increasing activities of counterfeiters and bill-raisers throughout the country. It has been found that bill-raisers seldom attempt to alter the portraits on currency with which they tamper. If, therefore, bank tellers and others who handle a great deal of money will make sure that proper portraits appear on all currency they accept, they will have a quick means of detecting these raised notes. The chart gives, in order, the names of all men whose portraits appear on the different denominations of Federal Reserve Notes and Bank Notes, and in each case it furnishes an accompanying likeness of the individual. The U. S. Secret Service and the American Bankers Association have approved the chart.

The Danish Minister of Commerce has issued no regulations covering the establishment of branches of foreign banks under the new Danish banking law. In all probability no fixed rules or regulations will be issued. A director in the Danish National Bank (State Bank) advises that if a foreign bank makes application to open a branch in Denmark, such application will receive separate and individual consideration with due regard to the reciprocal rights provided by commercial treaties with the various countries. In addition, he states, regard will be given to protecting domestic banks. At present there are no branches of foreign banks in Denmark.

Representatives of American exporters should be at Havana to protect them from losses on merchandise which has been refused or unclaimed. Sufficient space for docking, or other facilities for unloading should be provided for future shipments. According to Consul Hurst, the de-congestion of the harbor and customs house has been accomplished, but until the equipment of the harbor is materially increased, there will always be danger of congestion.

One of the most constructive tasks to be undertaken by the Department of Commerce under the regime of Secretary Hoover, is the settlement of credit disputes between American and foreign traders. Most of such disputes, it is understood, are between American exporters and purchasers of goods in other countries. The contract cancellation evil is closely involved in this work.

Grain in store at the different public elevators throughout Canada has increased by 1,346,565 bushels in oats, barley and flax, as compared with the preceding periods. Increases were shown of 1,098,000 bushels of oats, 199,472 bushels of barley and 48,873 bushels of flax. Holdings of wheat decreased 1,259,480 bushels and rye, 38,371 bushels.

Recent events in Spain, causing changes in the Ministry, probably will postpone the date on which the new Tariff law will go into effect, according to a cablegram from Commercial Attache Cunningham, at Madrid. It was thought the new tariff would be in force March 20, or soon thereafter.

The French import restriction on paper on spools and paper pulp for the manufacture of newsprint paper has been removed, according to a cablegram received from Trade Commissioner Butler, at Paris. The prohibition of paper on spools was imposed October 23, 1920.

BRADSTREET'S reports a total expenditure for building during February in 146 cities of \$77,810,102, an increase of 32 per cent over January, 1921, but a decrease of 25 per cent from the total of February, 1920.

**A**N invitation is extended to members of the various chambers of commerce to participate in a Civic and Industrial tour of several countries of Europe during the coming summer, for the purpose of studying post-war conditions. The tour will begin at New York on June 4, and end at Paris on August 3. England, Scotland, Holland, Belgium, Germany, Austria, Italy, Switzerland and France will be the countries visited. The Fourth of July will be spent with the American troops at Coblenz. The trip is so timed that participants may attend the convention of the International Association of Rotary Clubs at Edinburgh, and the International Chamber of Commerce convention at London.

Savings bank deposits throughout the United States in 1920 eclipsed all previous records. While total figures for all banks in the United States are not yet obtainable, statistics compiled by the Savings Bank Association of the State of New York show that deposits in 634 savings banks, and savings departments of 52 trust companies, on December 31, 1920, were \$5,535,389,904, an increase of 9.38 per cent over the preceding year.

THE COMPASS, the house organ of the Mercantile Bank of the Americas, in New York, offers its services to all who desire information of a general nature regarding trade in the territory covered by the Mercantile Bank of the Americas. The bank has branches in New Orleans, Paris, Madrid, Barcelona, Hamburg, and is affiliated with banks in Argentina, Brazil, Columbia, Costa Rica, Cuba, Honduras, Nicaragua, Peru and Venezuela.

Commenting on the present Austrian industrial situation, Consul Foster at Vienna reported in a communication to the Department of Commerce this week that in the iron industry, the lack of raw materials has reduced the working capacity to 35 per cent of normal. The daily need of the country in coal was estimated at 48,000 tons. Of this amount, only about 43 per cent is available.

All steamship lines running from ports in the Dominican Republic to New York have announced a reduction of five per cent in freights on shipments to that port. One company has announced a special rate on raw sugar of \$0.375 per 100 pounds, except where contracts have already been made.

Scaled proposals in triplicate, will be received at the office of the General Purchasing Officer of the Panama Canal, Washington, D. C., not later than 10:30 o'clock A. M. on the 11th day of April, 1921, for the purchase of power and refrigerator plant equipment offered for sale by the Panama Canal Commission.

The British Ministry of Food has issued a notice, effective at once, that licenses for the importation of fresh or frozen hogs of any weight, for any purpose, and from any country, will be granted freely, according to a cablegram from Consul General Skinner, at London.

A French Government note to exporters authorizes the removal of the embargo on the export of raw fur skins, according to a cablegram received from Trade Commissioner Butler, at Paris. The embargo has been in effect since March 3, 1920.

The American Exchange National Bank of New York has reprinted in booklet form an interesting editorial from the London Daily News on "How Exchanges Work."

The Surplus Property Division of the War Department will receive bids at Boston on April 5, for 700,000 pounds of surplus worsted and cotton yarns.