

The Monthly BUSINESS REVIEW

Covering business and industrial conditions in the Fourth Federal Reserve District

FEDERAL RESERVE BANK of CLEVELAND

D.C.Wills, Chairman of the Board

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THE general business situation has shown little change during the past month. Industries that show a little activity now and then are quite generally marking time.

When business began to show some life last spring, many people saw prosperity arriving considerably ahead of schedule. They failed to realize that the road of readjustment is a long, tiresome one. When the outlook grew less promising, too many of us lost faith.

While conditions are still unsettled, and the number of men who apply for a single job tell a pretty plain story, there is an undercurrent of optimism which is based on sound principles. As things appear in their true light, sentiment is gradually changing. The result is a pull-together attitude—a valuable asset which is bound to produce results. There are a good many things in our favor and we can get some idea as to what they are by comparing our own country with some foreign nations at the present time.

To attempt to lay the blame for the present depression on any one cause is useless as well as unfair. The same is true of any special industry which we might single out. Each difficulty is closely interwoven with its next door neighbor. However, it would appear that the application of some sound common sense might materially aid certain lines which have failed to show much of a come-back.

There are some people today so wrapped up within themselves and their own particular line of business that their eyes are blinded, wilfully or otherwise, to what is going on across the way. Such an attitude may have been permissible at one time, but that day has passed.

Co-operation is an excellent slogan and is in evidence wherever progress has been made in readjustment. The automobile dealer can tell the condition of the corn crop, while the farmer keeps in close touch with the industry that has contributed a large share toward farm modernization. Both of these show improvement. The building industry is less fortunate. Little harmony exists in this direction and conditions are still unsettled.

Building requires capital. It takes money to make the wheels of any industry turn smoothly. Banks hesitate to loan money for a building program when the value of a building, as gauged by the selling price it will command in the future, may be materially changed. The heavy discrepancy resulting from present high production costs certainly would not be in the favor of the present investor. This policy, which may be criticized for its lack of co-operation, will be praised later on for its thoughtful foresight.

While reductions have been made in various lines, construction costs are still too high. Labor, the big cost item in most production, is said to be at the bottom of it all, but if we look a little further we may find the cause for its present stand.

With the present cost of living, the working man with a family to provide for feels he cannot accept a substantial cut in wages. In the march of readjustment, the cost of living should keep in step with the reduction in wages. The former has been reduced in many lines, but in others it is still dallying by the wayside. Rent, one of the main items in living costs, is out of step and has been along the entire line of march. In the majority of cases it has failed even to start downward. From some parts of the country come the reports that rent is still climbing. It is unreasonable to expect labor to work for lower wages when such a large part of the pay envelope is required for shelter alone.

There is general talk of a home shortage partially based on the fact that construction work in this line is slow. But at the same time, the "for rent" signs are steadily increasing. It is difficult to understand the landlord's line of reasoning when he persists in keeping rents up and his houses vacant, when a reasonable reduction would mean occupancy, satisfied tenants, and a just return. Some people are moving to the country districts and others attempt to get around the problem by living in cramped quarters rather than pay the present exorbitant prices. This congested condition of living causes no little unrest.

It looks as if we are traveling in a hopeless circle, but the action of certain automobile dealers in the quite recent past cast considerable light on the sub-

ject. Instead of hanging back and complaining that the other fellow was to blame, they reduced the prices of their products and convinced prospective buyers that they meant business. The theory that the man who has nerve enough to cut his prices re-

gardless of what others are doing will get the trade, was proven correct by the increase in orders. And this same theory could be used to good advantage in practically all lines which are responsible for the present high cost of living.

Demand for Accommodations by City Banks Easing Up ; Deposits Gain; Acceptance Market Reflects General Inactivity

There has been a slight decrease in the volume of loans to member banks during the past month. The demand from country districts is running about even and the slight let-up is apparently in the city banks.

The combined reports this month from fourteen large banks and trust companies throughout the Fourth District show an increase in deposits for June, 1921, over the same month last year of 2.13 per cent. An increase of 1.49 per cent is shown for June, 1921, as compared with May, 1921.

The continuing general inactivity of industry and commerce, both domestic and foreign, was again very perceptibly reflected in the acceptance market. Fewer bills were created than in the previous month, and only a few new names appeared among the makers.

Most of the paper now offered is a continuation of previously arranged acceptance syndicates, and is by manufacturers producing absolute necessities. Little change is noticed in the volume of foreign bills, either against imports or exports. There was little improvement in domestic bills drawn against shipment.

The demand for prime bills, in comparison to the available supply, is much improved over some

months past. Upon the information that the Government would not issue another series of Certificates to replace the Certificates of Indebtedness maturing July 15, many banks entered the market that were not previously found among the brokers' consistent customers. Corporations and individuals also bought more heavily than during the previous month.

There is a larger demand for the shorter time bills, inasmuch as it is expected that funds will again be in demand for industrial purposes in September. The New York call money rates seemingly ruled around 6% and the demand for prime bills exceeded the supply.

Rates for eligible bills ranged from $5\frac{3}{8}$ to $6\frac{1}{8}$ for thirty day bills, $5\frac{3}{8}$ to $6\frac{1}{4}$ for 60 day bills, and $5\frac{1}{2}$ to $6\frac{1}{2}$ for ninety day bills.

Of a total of twenty-one accepting banks in this district, nine reported executing acceptances for customers, the total volume of which was \$3,445,295. The bulk of these bills covered sugar and oil. The amount of acceptances reported paid by these institutions was \$3,371,003. Acceptances bought by the Federal Reserve Bank of Cleveland during the month of June were \$3,233,045.85 and acceptances paid \$6,953,342.79.

General Tone of Steel Market Improves; Orders from Automotive Industry Hold Up Well; Railroads Ordering Some Material for Repairs; Production Figures Show Further Slump.

Business in iron and steel has continued at so low a point of volume that the feeling is growing that the ultimate minimum has been reached and any change must be in the direction of some enlargement. Plant operations during the past month have averaged around 24 to 30 per cent of steel capacity. This rate now has continued for some weeks, and since new buying is on a bare hand-to-mouth basis, and for absolute necessities, the activities of the mills are a close gauge of current demand. The general tone of the market is better, arising apparently from the belief that the liquidation process is reaching its last stage and from the prospects of better buying, particularly from the railroads. Consumers generally are slowly but surely working off their old stocks and have made considerable progress in this direction, so that some increase in the filling-in buying is discernible. Jobbers have been taking in a little more tonnage, especially since the recent open reduction of prices by the mills. The automobile industry has been keeping up a sustained demand for steel on a 30-day production basis and its outlook for main-

taining the present rate of operations through the summer at least is better. Structural steel awards and inquiries for building work are more numerous.

Formal reductions in prices of from \$2 to \$15 a ton announced by the Bethlehem Steel Co., July 5, and immediately followed by other independent mills and the United States Steel Corporation, have not appreciably stimulated the market. It was scarcely to be expected that they would. Most of the new prices have represented merely a formal recognition of the levels to which shading has been done in recent weeks wherever attractive business has been offered. In fact shading of the new prices by some mills already is in evidence. The announced reduction nevertheless has helped to clear the air and it has created the belief that the point of ultimate decline under present cost conditions, and especially freight rates, is not far away.

Pig iron prices have continued to droop with buying of a piecemeal character and now have broken below \$20 at most of the leading northern centers. In the Mahoning and Shenango valleys the range of

basic and foundry iron prices is put at \$19 to \$20 furnace and even lower is reported to have been done. From the South iron has been quoted at \$19 Birmingham. Pig iron inquiry is a little larger and there are indications that the present melt is about at the minimum.

The composite market average of 14 iron and steel products compiled by The Iron Trade Review, stood at \$38.61 at the middle of July, compared with \$41.87 in June, \$43.32 in May, \$43.84 in April, \$45.37 in March, \$48.81 in February, \$51.98 in January, \$89.69, the high peak in October, 1917, and \$22.17 in July, 1914.

The best prospects for better buying of steel in the near future remain with the railroads. The agreement by the administration upon the proposed plan to advance the railroads a large sum and to fund the obligations of the latter to the government, is likely to have a very beneficial effect upon miscellaneous buying by the carriers. The pressure for serviceable equipment and the lower shop labor cost continue to bring into the market an increasing number of requests for material for repairs. Some buying has resulted. A few inquiries and purchases of new equipment also have developed. Among the roads which have been most prominent in the market have been the Illinois Central, the Northern Pacific, the Great Northern, Soo Line, Chesapeake & Ohio, Erie

and others. The Pennsylvania is reported to be considering repairs to a large number of cars. A fair amount of buying of steel for oil tanks has been current. A few inquiries for ocean going boats are in the market, and there is talk that later in the season some new construction is to be undertaken on the Lakes for 1922 delivery. The building situation shows signs of developing more tonnage, but the percentage of awards to shop capacity still is very low.

Production of iron and steel showed a further slump in totals for the month of June. The output of coke and anthracite pig iron as determined by The Iron Trade Review was 1,065,965 tons compared with 1,215,272 tons in May, or at the average daily rate of 35,522 and 39,202 tons respectively. This is the lowest output on record since detailed monthly statistics were compiled, the closest parallel being January, 1908. Furnaces in blast at the end of June were 75 compared with 90 at the end of May. June production of steel ingots, compiled by the American Iron and Steel Institute, was at the indicated rate of 14,350,000 tons annually for the whole country. This compared with an indicated rate of 18,700,000 tons in the preceding month. Lake Superior ore shipments in June amounted to 2,774,580 tons, bringing the season's total up to July 1, 4,455,480 tons. In 1920 the June receipts were 9,233,566 tons and the season's total 16,440,505 tons.

Lake Shipping Slowing Up; More Freighters Dropped; Ore and Coal Shipments Light.

Owing to the let-up in the coal movement, the outlook in the lake trade is not as good as it was thirty days ago and there are more boats idle as there has not been much increase in ore shipments. A large number of freighters, including some that are operated by shippers, have been dropped and there is more idle tonnage than there was on July 1st. According to reports there is a better feeling in the steel trade, but there will have to be quite an improvement before it is felt in lake shipping, as most of the plants carried over a good supply of ore. A general reduction of a dollar a ton was made in the price of ore, but the cut did not bring out many orders, and sales up to date have been very small. Early estimates have been cut and unless there is a much better buying movement, shipments for the season will not exceed 25,000,000 tons. Some of the shippers say the movement will be below that mark. Sales have been made in small lots and the largest order booked was 150,000 tons.

Ore shipments have been very light and the movement up to July 1st was about 40 per cent of what it was for the same period in 1920. The mines in the Lake Superior district only sent forward 3,600,989 tons in June, and the movement for the season up to July 1 was 6,371,227 tons. That is 10,069,278 tons less than for the same time last season, when the fleet loaded 16,440,505 tons. Although receipts have been

light, stocks at Lake Erie ports are much heavier than they were a year ago. On July 1 the docks were holding 8,417,725 tons and on the same date in 1920, stocks were 7,005,050 tons. The bulk of the ore is going to a few ports and some of the big unloading plants are idle a large part of the time.

For the first time since May, weekly coal shipments dropped below the million ton mark for the week ended July 11th, and a steady let-up is looked for as the coal is not going forward from the upper lake docks. The fleet up to July 11th loaded 10,765,847 tons of cargo coal. The movement for the same time in 1920 was 4,428,105 tons, 1919, 10,497,770 tons and 1918, 8,835,433 tons. It is not likely that the movement for the season will reach last year's total and that being the case, more than half of the coal that will be sent forward has been moved. A number of boats that loaded early are still holding cargoes at Lake Erie ports.

The grain trade is only taking care of a small amount of tonnage at 1½ cents from Lake Michigan ports, and 1¾ cents from the head of Lake Superior to Buffalo. Some chartering for future loading has been done at 1¾ and 2 cents. The latter rate was paid for October and November loading. Some vesselmen will not take cargoes for October and November at the rates quoted.

Business in Manufacturing Lines Continues Slow; Rubber Situation Improves.

Mid-season depression still has the upper hand in most lines of business. The majority of people are pulling with a will to get business back onto the main road, but there are others who insist in pulling in the opposite direction. It is a hard task with all working together, and those who have failed to see the light make it even more difficult.

"Business about holding its own" appears to fit the situation pretty well. Manufacturers are keeping a watchful eye on orders, turning out what work they can get, and hoping for something better in the future.

There appears to be a little better feeling in the passenger automobile line as compared to last month, and some good effects have resulted from the many price cuts. Some improvement is noticeable in the country districts where business has been very quiet for some time past.

The market for motor trucks is reported as somewhat firmer.

One large truck manufacturer reports sales as running a trifle over 50 per cent of last year.

The rubber industry is again showing some life and the general outlook is more cheerful. One large plant reports sales running at the rate of 87 per cent of a year ago. There has been a remarkable growth in the use of rubber heels, and the demand for these has been heavy. There is a considerable movement at present to increase the uses of rubber and depend less on the tire end of the business. Prizes have been offered for valuable suggestions along this line and the result is that articles of practical worth which can be made from rubber are steadily increasing.

Conditions in the farm implement line have not improved. Few returns have come in so far from this year's crops and the farmers have not started to buy. One manufacturer reports that the farmer is following out the theory that "necessity is the mother of invention" and is making his old machinery last as long as possible.

The hardware manufacturing business is very dull and shows little change over last month.

The month of June brought a further drop in the tool manufacturing line.

The situation in the moulding machine line, foundry supplies, heavy hoisting machinery and allied lines, fails to brighten much. A moulding machine manufacturer reports "a few active inquiries" from concerns that plan to substitute machine methods for hand labor.

The paint business is said to show little change from last month. One company reports July sales as about 60 per cent of those for the same month in 1920.

Orders in the tin can industry are reported as showing a slightly increasing volume. The orders are small, which indicates they are placed only for immediate requirements. Collections are good. Stocks are said to be low.

There has been little change in the box-board industry since last month. Business is slow and hard to get. Many mills have one or more paper machines shut down.

In the laundry machine line business is reported at low ebb with little change in prices, labor, or movement of goods.

Attitude of Builders Uncertain.

The building industry, while showing some improvement in spots, is still unsettled. Some localities report a slight improvement, but this good news is more than counteracted by the word from other parts of the country that there is little or no activity in this line.

Wage scale settlements appear to have given the

local industry a little boost. Permits show an increase over last year and in districts which are primarily home building, there is some activity.

Elsewhere in this issue may be found a table showing building operations in the Fourth Federal Reserve District for the month of June.

Harvesting and Threshing Progressing Rapidly; Dry Weather Hurts Burley Tobacco; Corn Crop in Good Condition.

Farmers in this district are in the thick of harvesting and wheat threshing. They have been aided in their work by good weather although the recent hot spell has been somewhat of a handicap. In some localities the men have been working at night to escape the intense heat.

Wheat threshing is progressing rapidly, and some sections of the country reported this work as more

than half completed on July 15th. The number of bushels per acre is disappointing in many cases, and complaints are made that the heads of wheat are not well filled and that the grains are small.

It is estimated that the Burley tobacco acreage is not more than two-thirds to three-fourths that of last year. The crop has been hit hard by drought, and there is an immediate need for rain throughout

the Blue Grass section. This indefinite outlook has caused the price of 1920 tobacco to advance, and there have been some important sales of last year's crop.

The corn crop is in good condition and is making a satisfactory growth. The recent heavy rains, which

were pretty well distributed over the country, have been a big help, coming as they did when the corn was shooting. The acreage is estimated to be 4.1 per cent greater than last year.

The oats crop is reported to be good and harvesting is now under way.

Coal Business Slowing Up; Exports Increasing; Coke Fails To Show Any Life.

The coal business appears to be slowing up a little since last month and shipments are smaller. The Fourth of July holiday, as in other years, slowed up production considerably and the total output for the week dropped to 6,163,000 tons, a decline of approximately 1½ million tons from the preceding week.

Export business is increasing. The total amount exported during the eleven months ending June first, including bunker coal, was about 40,000,000 tons, as against 27,000,000 tons for the same period in 1920 and about 22,000,000 tons for the same period in 1919.

This includes exports into Canada, which in itself amounted to about 14,000,000 tons in 1921, 9,000,000 tons in 1920 and 12,700,000 tons in 1919. England is still feeling the effects of the big coal strike, and it will be some time before she gets on her feet again.

Coke production, also influenced by Independence Day, shows a marked falling off during the week ended July 9. The total output was 34,000 net tons, against 46,000 tons the week before. It is estimated that this is less than one-tenth the production for the corresponding week in 1920.

Transportation Shows Slight Improvement; Passenger Traffic Fair.

There is a slight improvement in the transportation situation with fewer idle cars as a whole, but with a small increase in the number of idle coal cars. The steady increase in tonnage, which was notable from about the first of February through the month of May, was not so evident in the latter part of June.

Some roads are beginning to make much needed repairs on their rolling stock, but so far this move-

ment has made only fair headway and there has been no general opening of repair shops.

There appears to be a considerable amount of passenger traffic. Many people take their vacation at this time of year and the railroads are aided by summer tourists. When business was rushing, people did not have time to travel, but at present, with labor conditions as they are, many long deferred trips are in order.

Textile and Garment Trades Continue To Improve; Warm Weather Stimulates Buying; Low Stocks Reported.

Reports from textile and garment manufacturers this month are quite optimistic. This industry in general has shown a slow but steady improvement during the past few months, and it appears to be gradually working back to normal.

Business in worsted materials is said to be good, and one large mill reports a greater volume of yardage at present than at any time since 1913. This is partially due to the plentiful supply of labor which insures the operation of all available machinery.

The retailer has been aided in the disposal of his

summer goods by the recent hot spell and to this he has added a vigorous advertising campaign. The result is that stocks of light weight goods have been fairly well liquidated and he is ready for fall business.

The men's clothing industry is generally reported as having booked substantial business for fall. Some difficulty is being encountered in procuring cloth from the mills. In some lines, orders are not filled promptly whenever there is the slightest spirited demand.

Special Report on the Pulp and Paper Industry.

Like most of our great industries which today stand in the front rank of progress, the pulp and paper industry started with a very modest beginning. Its development has been remarkable. For its beginning we can go back as early as 4,000 B. C. The ancients felt the need of keeping a record of important historical events when they found that memory could not be trusted, and reared slender shafts of stone known as obelisks which were covered with crude hieroglyphs. Today the remains of these old records give us the best history of many ancient countries.

Later on, records were kept on slabs of stone. Further advancement came with the use of leaves from palm, olive, and other trees. The discovery of papyrus was another advancement that was followed in turn by the manufacture of parchment. With the next step forward came paper, and the improvement in its manufacture with regard to quality, variety and increase of production, has kept pace with the varying and growing demands. Today the pulp and paper industry ranks as the 18th in the United States in value of products, with an estimated value for the year 1920 of \$1,025,000,000.

Many of the pulp and paper mills in the United States are located in the northern tier of states from New England to Wisconsin. In the Fourth District they are centered chiefly in Ohio, with the greatest number of mills in the vicinity of Cleveland and Dayton. A paper mill should be located near its raw materials, a source of cheap power, a supply of pure water, and within reach of a good transportation system. With much of the timber from which wood pulp is made coming from Canada, the chain of mills in the southwest corner of Ohio were apparently influenced in their choice of a location by an abundant supply of pure water, which is pumped from the ground, and by good shipping facilities. Tennessee is also depended on to furnish a considerable supply of pulp wood.

Paper is made by the felting together of vegetable fibers. If a sheet of paper is torn, and the torn edge is examined, small hair-like projections will be noticed which are the individual fibers of which the paper is made. These fibers are from a sixteenth of an inch to an inch in length. Many vegetable substances yield these cellulose fibers, and it is the paper makers' problem to determine which vegetable substances will yield the fibers in sufficient quantity and at the lowest cost.

The basic principles of paper manufacturing remain unchanged. In the old days of paper making a shallow box with a wire bottom which was not fastened to the sides of the box was dipped in a vat of fiber, and as the water drained away, the fibers, as they intermingled, formed a sheet of paper which was skillfully placed on a pile between felts and later hung on a line to dry. At the beginning of the nineteenth century the Fourdriner brothers invented the first paper machine for making a continuous web. This machine substituted for the box with the wire

bottom an endless belt of fine meshed wire, with the pulp flowing upon the wire at one end and the paper being removed at the other end. The paper is passed over heated iron cylinders, and either completely dried on the machine and wound upon a roll, or it is cut into sheets, which have been partially dried upon the machine, and these sheets are then hung on poles in a loft and slowly dried. Loft drying is giving way to machine drying. The most expensive and best quality papers are dried in lofts, while the cheaper grades are always dried on the machines.

The paper industry has developed rapidly because there has been an increasing demand for the well known articles which are so common to all of us, and because new lines are continually branching out in different directions. We have become accustomed to drinking from a paper cup, but the use of paper suits is still somewhat of a novelty. However, any turn that the industry may take in the future will not greatly surprise us, for the improvements and new revolutions in the past have been remarkable.

The fact that advertising is a necessary part of almost any modern business, and the extent to which it is used for promotion purposes, is partially responsible for the increase in the demand for paper during the past few years.

Newspapers are another important factor. We are living in a paper age, and more truly a newspaper age. It is stated by reliable authority that the newspaper consumption was 3 pounds per capita in 1880, 9 pounds in 1894, and 40 pounds in 1920, and it is believed that newsprint consumption in 1921 will not be less than 35 pounds per capita. A little more than 217 years ago the first newspaper was printed in America and now our daily newspapers have a circulation in excess of 28,000,000 copies.

In the early days of paper making, cotton fiber was used almost exclusively, but with the tremendous increase in the demand for paper, and the advance in cotton prices, a substitute had to be found. Wood has taken the place of cotton, and its use has increased until now it furnishes 95 per cent or more of the fiber used in paper making. There are two kinds of wood pulp, mechanical and chemical, the former being the weakest and cheapest. Newspapers are usually made from 80 per cent of ground wood or mechanical pulp and 20 per cent of chemical pulp. The highest grade of bond paper is made from new white cotton rags, and between these extremes there are all gradations of quality.

The large amount of wood used for making pulp is a heavy drain on forests in the United States, and efforts are now being made to save them. Much wood for paper making purposes is imported from Canada. It has been estimated that 6,000,000 cords of wood, chiefly spruce and hemlock, were used in the production of 3,800,000 tons of pulp which was manufactured last year.

While practically all varieties of paper are manufactured in the Fourth District, a strong paper made from old manila rope is one of the specialties. Of

approximately twelve mills in the United States manufacturing paper of this kind, nine are in this District. This is one of the strongest and most durable papers made and is used principally for bags, wrapping, etc.

Many foreign nations are still backward in the production of paper. Others were forced to curtail production on account of the war. The result is that from this District alone are shipped many thousands of tons to India, Australia, South America, South Africa, Central America and Mexico. Mexico is said

to have but one or two paper mills and Australia but one.

The year 1914 was a slow one in the paper business, but it picked up rapidly and in 1916 production was approximately six months behind. There was a steady increase and about Feb., 1920, orders reached their peak. From that time, orders steadily declined and in October, 1920, it is estimated that production started in advance of orders. At present, orders are very slow, and the majority of mills have greatly curtailed production.

The following figures show the estimated value of the various grades of paper for the year 1920 and the increase in tons for the same year over 1909.

Grade	Estimated Value—1920	Percentage of Total Production	Production (Tons)	
			1909	1920
News	\$150,000,000	21	1,175,554	1,511,968
Book.....	220,000,000	15	677,327	1,104,464
Board.....	200,000,000	32	883,088	2,313,449
Wrapping.....	200,000,000	14	763,067	1,043,812
Fine.....	150,000,000	5	198,213	389,322
Tissue.....	40,000,000	2	77,745	177,447
Hanging.....	10,000,000	2	92,158	113,824
Felts and Bldg.....	25,000,000	5	225,824	366,941
All Others.....	30,000,000	4	123,732	313,387
Total	\$1,025,000,000	100	4,216,708	7,334,614

Pulp and Paper Mills in Fourth Federal Reserve District.

OHIO		OHIO	
Town	Name	Town	Name
Akron.....	American Straw Board Company (Main Office).	Lockland.....	The Philip Carey Manufacturing Co.
Akron.....	The Thomas Phillips Company.	Lockland.....	Fox Paper Company.
Baltimore.....	Fairfield Paper Company.	Lockland.....	The Richardson Company.
Boston.....	Cleveland-Akron Bag Co.	Maumee.....	Eagle Box Board & Paper Mill Co.
Boston.....	The Jaite Company.	Miamisburg.....	Ohio Paper Co.
Cedarville.....	The Hagar Straw Board and Paper Co.	Middletown.....	The Crystal Tissue Co.
Chagrin Falls.....	The Adams Bag Company.	Middletown.....	The Gardner-Harvey Paper Co.
Chillicothe.....	The Chillicothe Paper Company.	Middletown.....	The Gardner Paper Board Co.
Chillicothe.....	Dard Hunter's Paper Mill.	Middletown.....	Oglesby Paper Co., The W. B.
Chillicothe.....	The Mead Pulp & Paper Company.	Middletown.....	The Paul A. Sorg Paper Co.
Cincinnati.....	Charles Boldt Paper Mills.	Middletown.....	The Wardlaw-Thomas Paper Co.
Cleveland.....	Cleveland-Akron Bag Company (Main Office).	Middletown.....	The Wrenn Paper Company.
Coshocton.....	The Coshocton Straw Paper Company.	Munroe Falls.....	The Munroe Falls Paper Co.
Cuyahoga Falls.....	The Walsh Paper Company.	Rittman.....	Ohio Box Board Co.
Dayton.....	The Aetna Paper Company.	Rockdale.....	Sall Mountain Co.
Dayton.....	The Peerless Paper Company.	St. Mary's.....	Auglaize Box Board Co.
Delphos.....	The Hinde & Dauch Paper Co. (Main Office).	Steubenville.....	Hartje Paper Mfg. Co.
Dresden.....	Dresden Paper Mills Co.	Toledo.....	The Eagle Box Board & Paper Mill Co.
Franklin.....	American Writing Paper Company.	Toronto.....	Hartje Brothers Paper Co.
Franklin.....	The Franklin Board & Paper Company.	Urbana.....	The Howard Paper Co.
Hamilton.....	The Beckett Paper Company. (Butler Co.)	Urbana.....	United Pasteboard, Inc.
Hamilton.....	Champion Coated Paper Company. (Butler Co.)	West Carrollton.....	The Miami Paper Co.
Hamilton.....	Cincinnati Paper Board Company. (Crescentville Co.)		
Lancaster.....	The Lancaster Board & Paper Co.	PENNSYLVANIA	
Lancaster.....	Lancaster Leather Company.	Erie.....	Hammermill Paper Co.
		Erie.....	H. F. Watson Co.
		Latrobe.....	The Barrett Co.
		Monongahela City.....	Union Paper Mill Co.
		New Castle.....	New Castle Paper Mills.
		Oakmont.....	Columbia Paper Mills Co.
		Tarentum.....	Tarentum Paper Mills.

Clearings

	June 16 to July 15		Increase or Decrease	Per cent Inc. or Dec.
	1921	1920		
Akron.....	\$27,880,000	\$54,576,000	-\$26,696,000	-48.9
Canton.....	15,134,060	25,619,550	-10,485,490	-40.9
Cincinnati.....	231,604,561	312,398,616	-80,794,055	-25.9
Cleveland.....	370,503,074	628,554,498	-258,051,424	-41.1
Columbus.....	57,130,000	63,741,800	-6,611,800	-10.4
Dayton.....	17,450,226	22,743,848	-5,293,622	-23.3
Erie.....	9,385,828	11,777,239	-2,391,411	-20.8
Greensburg.....	5,511,499	7,385,486	-1,873,987	-25.4
Lexington.....	5,407,005	6,389,382	-982,377	-15.4
Pittsburgh.....	558,905,137	761,445,954	-202,540,817	-26.6
Springfield.....	6,095,736	8,318,026	-2,222,290	-26.7
Toledo.....	48,241,025	66,827,000	-18,585,975	-27.8
Wheeling.....	17,428,009	23,332,845	-5,904,836	-25.3
Youngstown.....	16,630,966	21,979,422	-5,348,456	-24.3
Total.....	1,387,307,126	2,015,089,666	-627,782,540	-31.2

Debits to Individual Accounts

	Week Ending	Week Ending	Increase or Decrease	Per cent Inc. or Dec.
	July 13, 1921 (274 Banks)	July 14, 1920 (251 Banks)		
Akron.....	\$13,662,000	\$20,690,000	-\$ 7,028,000	-34.0
Cincinnati.....	59,871,000	65,712,000	-5,841,000	-8.9
Cleveland.....	122,935,000	201,537,000	-78,602,000	-39.0
Columbus.....	29,242,000	31,474,000	-2,232,000	-7.1
Dayton.....	12,952,000	13,124,000	-172,000	-1.3
Erie.....	6,405,000	8,372,000	-1,967,000	-23.5
Greensburg.....	4,924,000	5,923,000	-999,000	-16.9
Lexington.....	3,697,000	5,224,000	-1,527,000	-29.2
Oil City.....	1,992,000	3,901,000	-1,909,000	-48.9
Pittsburgh.....	139,406,000	202,371,000	-62,965,000	-31.1
Springfield.....	4,400,000	4,361,000	39,000	0.9
Toledo.....	32,748,000	34,719,000	-1,971,000	-5.7
Wheeling.....	7,305,000	9,509,000	-2,204,000	-23.2
Youngstown.....	11,492,000	19,070,000	-7,578,000	-39.7
Total.....	451,031,000	625,987,000	-174,956,000	-27.9

Comparative Statement of Selected Member Banks in Fourth District

(In Thousands of Dollars)

	June 15, 1921	July 13, 1921	Inc.	Dec.
	88 Banks	88 Banks		
Loans and Discounts secured by U. S. Government obligations.....	54,210	53,868	.....	342
Loans and Discounts secured by other stocks and bonds....	337,769	334,510	.....	8,259
Loans and Discounts, all other.....	585,177	589,426	4,249	.....
U. S. Bonds.....	99,786	101,631	1,845	.....
U. S. Victory Notes.....	17,954	15,675	.....	2,279
U. S. Treasury Notes.....	4,855	3,043	.....	1,812
U. S. Certificates of Indebtedness.....	15,551	10,202	.....	5,349
Other Bonds, Stocks and Securities.....	285,310	281,348	.....	3,962
Total Loans, Discounts and Investments.....	1,400,612	1,389,703	.....	10,909
Reserve with Federal Reserve Bank.....	91,501	92,657	1,156	.....
Cash in Vault.....	30,809	31,223	414	.....
Net Demand Deposits.....	784,689	798,043	13,354	.....
Time Deposits.....	429,340	426,836	.....	.....
Government Deposits.....	39,734	23,222	.....	2,504
Total Resources.....	1,945,496	1,830,016	.....	16,512
			.....	115,480

Wholesale Trade
Percentage Increase (or Decrease) in Sales During 1920 and 1921
Over the Corresponding Month in Previous Year

	Dry Goods	Groceries	Hardware	Drugs
June 1920.....	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
March.....	-14.9	-33.1	-16.3	-29.2
April.....	-4.2	-37.7	-21.9	-23.4
May.....	-13.6	-35.1	-22.0	-23.4
June 1921.....	-24.4	-49.8	-32.9	-22.2

Department Store Sales

	Pittsburgh	Cleveland	Other Cities	District
Percentage increase of net sales during June, 1921, over net sales during same month last year.....	-9.9	-21.8	-11.0	-14.1
Percentage increase of net sales from January 1, 1921, to June 30, 1921, over net sales during same period last year.....	4.9	-11.8	2.1	-1.1
Percentage increase of stocks at close of June, 1921, over stocks at close of same month last year.....	-14.9	-28.0	-9.0	-19.1
Percentage increase of stocks at close of June, 1921, over stocks at close of May, 1921.....	-3.6	-2.6	1.7	-2.8
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....	287.7	363.1	378.9	319.5
Percentage of outstanding orders (cost) at close of June, 1921, to total purchases (cost) during the calendar year, 1920.....	4.3	5.3	5.3	4.7

Movement of Livestock at Principal Centers in Fourth Federal Reserve District For Month of June, 1921

	Cattle		Hogs		Sheep		Calves		Cars Unloaded	
	1921	1920	1921	1920	1921	1920	1921	1920	1921	1920
Cincinnati.....	20,270	21,241	133,793	118,891	115,798	79,146	18,976	20,570	2,717	2,363
Pittsburgh.....	32,942	29,218	150,031	236,229	126,647	90,128	23,990	27,317	3,793	4,355
Cleveland.....	10,613	9,684	99,029	83,555	18,780	16,622	13,848	14,271	1,800	1,499
Toledo.....	914	1155	12,346	12,675	628	1,077	974	1,529	167	189
Columbus.....	60	17	8,665	8,228	162	27	205	67	21	decks 55
Dayton.....	1,688	1,948	11,159	11,849	1,281	1,028	848	954	.....	.....
Fostoria.....	370	426	11,573	10,282	568	614	595	638	22	22
Wheeling.....	398	463	1,479	1,817	885	616	2,229	2,293	11	10
Springfield.....	.....	.....	7,000	.....	450	.....	150	.....	.....	.....
Purchases for Local Slaughter										
Cincinnati.....	16,001	15,494	88,154	66,801	10,467	12,520	11,501	10,458	.....	.....
Pittsburgh.....	6,425	6,000	71,807	80,555	21,569	20,175	9,191	12,684	.....	.....
Cleveland.....	9,090	8,117	83,073	58,616	16,415	12,326	13,282	13,800	.....	.....
Toledo.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Columbus.....	14	.....	1,335	.....	139	.....	200	.....	.....	.....
Dayton.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Fostoria.....	66	50	720	1,140	34	33	185	520	.....	.....
Springfield.....	.....	.....	1,000	.....	.....	.....	.....	.....	.....	.....
Wheeling.....	398	463	1,479	1,317	885	616	2,229	2,293	.....	.....

Building Operations For Month of June

	Permits Issued				Valuations				Inc. or Dec. of Total Valuation	Per cent Inc. or Dec.
	New Construction 1921	New Construction 1920	Alterations 1921	Alterations 1920	New Construction 1921	New Construction 1920	Alterations 1921	Alterations 1920		
Akron	132	412	57	117	220,286	2,103,854	189,645	95,960	-1,789,683	-81.4
Canton	156	104	48	70	319,857	149,785	22,450	60,080	132,442	63.1
Cincinnati	290	208	277	695	1,061,090	1,938,865	298,810	436,510	-1,015,475	-42.8
Cleveland *	522	202	1,054	923	7,334,980	5,284,700	460,215	485,800	2,024,695	35.1
Columbus	311	141	140	147	673,290	737,070	416,410	202,425	150,205	16.0
Dayton	189	128	93	99	782,281	428,501	93,143	82,561	364,362	71.3
Erie	109	67	38	61	199,126	382,434	31,235	337,733	-489,806	-68.0
Lexington	23	24	33	70	80,000	110,000	34,071	5,490	-1,419	-1.2
Pittsburgh	336	283	119	109	1,019,753	815,494	160,164	106,365	258,058	28.0
Springfield	101	10	35	13	96,100	8,600	16,353	6,875	96,978	626.7
Toledo	193	190	205	161	324,510	488,752	205,090	142,493	-101,645	-16.1
Wheeling	70	49	28	13	89,515	129,507	5,210	3,290	-38,072	-28.7
Youngstown	170	81	39	32	1,847,670	246,210	19,750	20,195	1,601,015	601.0
Total	2,602	1,899	2,166	2,510	14,048,458	12,823,772	1,952,746	1,935,777	1,191,655	8.1

* 1921 figures include Lakewood and East Cleveland.

Statement of Bituminous Coal Loaded Into Vessels (As Dumped by Docks) In Net Tons for Season to End of June, 1921, as Compared with the Same Period for the Seasons of 1920-1919.

Ports	Railroads	1921			1920			1919		
		Cargo	Fuel	Total	Cargo	Fuel	Total	Cargo	Fuel	Total
Toledo	Hocking Valley.....	1,661,310	42,441	1,703,751	430,429	6,306	436,735	1,723,987	51,978	1,775,965
	Toledo & Ohio Central	452,256	12,487	464,743	273,447	18,074	291,521	473,666	13,179	486,845
	Baltimore & Ohio.....	930,561	26,178	956,739	166,456	7,924	174,380	752,545	16,503	769,048
Sandusky	Pennsylvania.....	505,505	14,594	520,099	205,543	3,791	209,334	534,094	15,655	549,749
Huron	Wheeling & Lake Erie	730,318	19,403	749,721	538,335	39,157	577,492	697,994	22,451	720,445
Lorain	Baltimore & Ohio....	1,192,473	42,729	1,235,202	746,049	71,306	817,355	1,208,862	59,492	1,268,854
Cleveland	Pennsylvania.....	993,390	33,531	1,026,921	85,741	26,972	112,713	873,302	98,013	971,815
	Erie.....	236,821	7,460	244,281	0	0	0	70,754	2,481	73,235
Fairport	Baltimore & Ohio....	0	0	0	0	0	0	16,692	12,954	29,646
Ashtabula	New York Central....	630,706	24,347	655,053	204,936	59,783	264,719	761,279	48,078	809,357
	Pennsylvania.....	1,238,816	38,013	1,276,829	180,162	30,208	210,370	764,811	30,170	794,981
Conneaut Erie	Bessemer & Lake Erie	412,201	5,887	418,088	709,702	14,033	723,735	534,607	1,755	526,362
	Penn.-West.....	403,889	12,183	416,072	17,243	932	18,175	300,502	14,055	314,557
	Penn.-East.....	72,730	9,459	82,189	8,807	26,096	34,903	99,767	4,876	104,643
Total		9,460,976	288,712	9,749,688	3,566,850	304,582	3,871,432	8,812,862	391,640	9,204,502

STATEMENT OF CONDITION
FEDERAL RESERVE BANK OF CLEVELAND

July 27, 1921

RESOURCES	In Thousands of Dollars
Gold and gold certificates.....	\$ 6,340
Gold settlement fund—F. R. Board.....	49,146
Total gold held by bank.....	55,486
Gold with Federal Reserve Agent.....	183,861
Gold redemption fund	4,420
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Total gold reserves.....	243,767
Legal tender notes, silver, etc.....	5,775
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TOTAL RESERVES	\$249,542
Bills discounted—Secured by U. S. Government obligations	47,526
Bills discounted—All other	96,945
Bills bought in open market.....	1,225
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Total bills on hand.....	145,696
U. S. bonds and notes	844
U. S. Certificates of indebtedness—one year.....	21,799
U. S. Certificates of indebtedness—all other.....	26
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TOTAL EARNING ASSETS	168,365
Bank premises	2,326
5% Redemption fund against F. R. Bank notes.....	1,239
Uncollected items	48,245
All other resources	847
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TOTAL RESOURCES	470,564
LIABILITIES	
Capital paid in	11,014
Surplus	22,264
Reserved for Government Franchise Tax.....	1,976
Deposits—Government	1,164
Member Bank—Reserve account	133,071
All other	718
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TOTAL DEPOSITS	134,953
F. R. Notes in actual circulation	243,527
F. R. Bank notes in circulation—net liability.....	14,600
Deferred availability items	41,275
All other liabilities	925
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TOTAL LIABILITIES	470,564

Ratio of total reserves to deposit and F. R. note liabilities combined = 65.9%
Compared with 66.6% last week.

Ratio of gold reserves to F. R. notes in circulation after setting aside 35 per cent against
deposit liabilities = 83.1% compared with 84.2% last week.

PICKUPS ON BUSINESS TOPICS

THERE is undoubtedly an opportunity in Rio de Janeiro for a modern construction company. A large part of the building now being done is carried on by small Portuguese contractors and it would seem, in view of the fact that there is a great shortage of houses and that many improvements are being undertaken, that Brazil would be a field into which a large American construction firm could profitably enter.

“New ocean-going bank.” The London Joint City and Midland Bank has established branches on the Aquitania, the Mauretania and the Berengaria of the Cunard lines. Travelers may open checking accounts or arrange for drafts on their home banks, just as if they were ashore. The Cunard line has arranged also to issue travelers’ checks at sea, so that passengers who forget to purchase checks before embarking may equip themselves on board.

American firms should avoid utilizing rubber stamps with fac-simile signatures for the purpose of signing customs declarations on the backs of invoices of goods exported to Canada. Such declarations should be signed by hand, since the Canadian customs authorities absolutely refuse to accept any fac-simile signatures on invoices.

Exporters are advised that in order to facilitate shipments of American goods into Canada it is advisable declaration be made in triplicate. By following this course there will be no possibility of shipments being held up because of insufficient documentary evidence concerning the commodities entering Canada.

Edward L. Nathan, United States consul at Vigo, Spain, has prepared a list in his consular district of dealers and importers of various lines of goods which are needed in Spain which could be supplied by American exporters.

He will be glad to furnish this list upon request.

Information is now available as to the economic conditions, with special reference to the automobile industry in Argentina, Brazil, Chile, Cuba, Ecuador and Peru. Loan copies may be obtained from the Bureau of Foreign and Domestic Commerce, Washington.

It is learned that the Eastern India section of the Motor Trade Association will hold an exhibition in Calcutta during the coming winter, the exact date to be announced later. Only members of the organization and affiliated organizations will be permitted to exhibit.

At the Lyons fair, October 1-15, fifty-six groups of industries will be represented. The fair provides an ideal opportunity for the American manufacturer to get in actual contact with and to study the needs and wishes of his foreign customers.

Foodstuffs, flour and cereals have been removed from the list of commodities imported free into Turkey.

THE Post Office Department announced that it will return letters to senders addressed to foreign countries on which the postage is short paid, or there is no postage at all, because of the seriousness of the situation which has developed. Many American firms omit proper postage, particularly to Pan-American countries. The Department says that this is preferable to forwarding letters to their destination where double the amount of shortage in postage is collected.

The Post Office Department continues to receive requests for parcel post maps, which are neither furnished nor any longer kept in stock.

The list of post offices, by states, in the official Postal Guide includes the unit numbers and should be used in place of the parcel post guide. Zone keys for use in connection with the Postal Guide can be obtained upon application to postmasters.

In order to liquidate Government stocks of petroleum, a French decree of May 8, 1921, fixes the conditions under which import licenses for petroleum may be obtained. The importers must agree to purchase from Government stocks, quantities equal to their imports, and from reserve stocks, at the Government’s disposal, quantities equal to one-fourth of their total imports during the twelve preceding months.

The demand for American paints, brushes and varnishes in the South American countries is particularly strong. Before the war practically all brushes were imported from Germany and were of an entirely different type from American-made brushes. The South American countries are said now to show a decided preference for flat brushes of United States manufacture.

The State Electricity Commission of Victoria, Australia, is interested in the various applications of electricity to domestic uses and, it is understood, is desirous of getting in touch with American agents who cater for such appliances as electrically operated refrigerators and gas heaters, and to obtain full descriptions and price lists.

People sending parcel post packages to Hungary are advised that the office at Budapest reports that such packages are received in a damaged condition because not wrapped in a durable manner, and that the office urges the use of cloth or canvas as a wrapper of packages or boxes or the use of boxes especially prepared to ship goods abroad.

Effective at once, automobile tires up to a weight limit of 35 pounds each may be accepted for places in Mexico reached by railroad from the United States, same to be transmitted outside of mail bags when the bulk will prevent their enclosure in such sacks.

Because of the present transportation crisis throughout Brazil, the National Congress has authorized the Government to construct new railway lines and to improve those already existing.