

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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No. 1

FROM many there is a sigh of relief that 1922 soon will be the date on our calendar rather than 1921. We are on the eve of a new year. While conditions continue much as they have been during the past few months with the murkiness slowly but surely disappearing, there are, however, the inevitable uncertainties still cropping out at unexpected times and places. Nineteen twenty-two is being entered with decks cleared for action. Even though further adjustments must be completed, conditions today are in happy contrast to those that faced us a year ago.

Ups-and-downs and hard knocks are sometimes a means of growth. It is earnestly to be hoped that business has profited by the obstacles encountered in the past, and that the lessons will be utilized. Business can no longer be frightened by a sudden jar or shock. This means progress.

Then, too, we are getting back to a saner method of living and thinking. Speculation in fly-by-night schemes has lost much of its old popularity and in its place is a desire to invest in good securities. Level-headedness is being shown in a truer appreciation of a dollar's value. And of even greater importance is the fact that we have at last reached the place where we are beginning to realize that no artificial machinery can be invented for avoiding the consequences of over trading and unwise business policies; that there is no detour on the rough and even painful road of re-adjustment that we have been following.

But this is no place to stop. A vital need at present is to aid business in every way possible. We are faced by a peculiar situation just now. With the exception of the Holiday trade and a few other lines of industry, this is naturally the dull period of the year, and many people have made up their minds that nothing is to be expected until later. This is a poor way to get any where for it logically follows that if this "later" time fails to bring the expected developments, then this same policy will be continued. It is easy to give advice and sometimes difficult to know just where to start to shove, but with this

in mind we believe that the thing business needs now is intelligent and constructive push-aheadness.

It very frequently happens that the most effective way to accomplish something is to take advantage of the little things even though they may appear indirect. The day of "easy money" has passed and into its shoes has stepped a keen competition for business. To meet this competition the so-called "little things" must be watched. Advantage must be taken of every opportunity as it presents itself, and not only that, but we must go after business. It is true, business is poor and results are hard to get, but it certainly can do no harm to get organizations back into the old-time methods of good hard sales efforts. The success of companies and individuals will be measured by their determination and a real honest desire to serve the public.

Thrift is one of the master keys that will open the way to better business. Thrift and economy are old fashioned virtues but coupled with present day intelligence, a combination is formed that is hard to beat. As time goes on people are appreciating more and more the necessity for thrift, and it is gradually gaining a larger significance than it has held for several years.

There is need of confidence in present day business, and thrift as a confidence builder stands in the front rank. From the depositor with his "nest egg" for a rainy day, to the large corporation that largely through thrift has adjusted itself to present conditions, it has no substitute.

By thrift is not meant denying ourselves the necessities of life, or carrying it to the extent of miserliness. We did, however, give riotous spending a fair trial. We found that this period of artificial prosperity could only be temporary, and what we have passed through in 1921 was the relapse that followed.

As we face 1922 nothing will help more to carry us through the remainder of the re-adjustment period, nothing will help more toward good, staple business and a real prosperity, than a foundation of individual, corporate, municipal and national thrift.

ON PAGE 8 APPEARS THE FIRST OF A SERIES OF DEPARTMENTAL ARTICLES OF OUR BANK.

Banking Situation Shows Little Change; No Improvement in Acceptance Market

No important change has occurred in the banking situation during the past month. For the month ending November 18, there was a slight decrease in the volume of loans to city banks, but during the first part of December, an upward tendency was in evidence. This, however, is no unusual occurrence at this time of year.

The demand for accommodations from country banks has remained practically stationary for the past thirty days. Owing to the fact that it is now quite late in the season for the purchase of stock for winter fattening, country bank borrowings for this purpose have shown a decrease. The number of country banks borrowing from the Cleveland Federal Reserve Bank continues much larger than usual.

Bankers' acceptances bought by this bank during November, 1921, amount to \$3,326,713, and the maturing and paid, \$3,579,216. Of twenty banks in the Fourth District, eight report acceptances executed during November to the amount of \$1,983,400, and acceptances paid, \$1,729,159. Twelve of the twenty banks report no acceptances executed or paid.

The combined reports of eighteen large saving banks and trust companies in the Fourth District show a decline in total time deposits of 3.4 per cent for November, 1921, compared with the same period last year. November time deposits as compared with the previous month show a decrease of .4 per cent. The October decrease as compared with September amounted to 1.6 per cent.

There was no improvement in the acceptance market over the previous month. With exports falling off each month and domestic holiday shipments consummated, a comparatively small supply of prime bills came into the market.

Contrary to previous years, future orders for spring materials brought in a supply of bills on the market which this year is lacking.

The demand was light, and the banks which have been the principal purchasers are still in no position to buy their usual amount of bills. The low rates are discouraging to corporates and individuals, and little or no demands came from these sources.

Iron and Steel Buyers Cautious; Pig Iron Production Gains; Steel Production Barely Holding Its Own at Fifty Per cent Level

Development of new business in iron and steel in recent weeks has been less conspicuous in tonnage transactions. Not only are there signs of the usual let-down of new business at the year-end, but buyers this year seem cautious in adding to their commitments. This apparently is a logical accompaniment of the policy of close buying which has prevailed for some months. While outstanding single orders are fewer, miscellaneous business has continued to flow into the mills surprisingly well, and the total tonnage of bookings shows less tapering off than might be expected. These signs of stability as to underlying consumption offer some satisfaction to the industry and are leading to the belief that the market will show some expansion after the turn of the holidays. While the effects of a distinctly unsatisfactory year have been depressing, the sentiment is inclined to be more cheerful as to the future outlook.

Production has been able to gain further momentum, particularly as to pig iron. The fact that 25 more furnaces were in operation on the last day of November than on the corresponding date a month ago indicates that December will show a further gain over the 1,414,958 tons total output, or 47,165 tons daily average in November which was the best showing since March. Steel production has been barely holding its own around the 50 per cent level. The November ingot statistics showed an annual rate of

23,580,000 tons compared with the rate of 22,970,000 tons in October. This is on the basis of approximately 54 per cent of the workable ingot capacity of the country, as represented by the high record output of 1917.

The lake ore movement for the year is given finally as 22,300,726 tons. All rail shipments will add about 500,000 tons. This compares with a total movement of 60,411,572 tons in 1920; 48,546,651 tons in 1919; 62,836,172 tons in 1918. Ore on dock December 1 amounted to 9,032,595 tons, compared with 10,955,868 tons, one year previously.

Sharp competition for the limited volume of new business current continues to bring out price concessions. The appearance of such weak spots is causing a further fall in the general market average, though obviously the changes now are small because prices have fallen so low that for many producers they represent a loss. The trend of the market is well displayed by the composite market averages of *The Iron Trade Review*. At mid-December the average of 14 iron and steel products stood at \$33.83, as compared with \$34.29 one week, \$34.56 two weeks, and \$34.60 three weeks previously, respectively. The November average was \$34.71; that of October \$35.46, and that of September, \$35.34. In December, 1913, the comparative figure was \$23.29. Finished steel materials which have shown recent declines are wire products and tubular goods.

End of Lake Shipping Season Tame; Ohio Docks Made Good Clean-up; Coal Shipments Show Slight Increase Over 1920

About a fifth of the vessels that are classed as ore carriers were not started in 1920 and although the fleet that was in commission the last few weeks of the season was the smallest for many years, there was plenty of tonnage for all the business that was offered. The ore movement after the middle of November was not heavy enough to cut any figure and most of the freighters were on the market for grain. The movement in the latter trade was heavy, but when the carrying charges for later trips were advanced, a number of big carriers were started and some of the boats had trouble getting cargoes on the last run. From $4\frac{1}{2}$ to 7 cents was paid on cargoes from the head of Lake Superior to Buffalo for December loading, but some grain was carried in November as low as $1\frac{1}{2}$ cents, which means a loss to the boats that took it.

The finish was very tame compared with the last five or six years, and was due almost entirely to the big slump in ore. The fleet only loaded 406,451 tons of ore in November and for the same month last year shipments were 5,305,738 tons. The movement for the season was 22,300,726 tons which was a decrease of 36,226,500 tons or about 61 per cent compared with 1920.

There has been a pretty fair movement to the interior furnaces for a number of weeks and stocks at the Lake Erie ports are not as heavy as they were a year

ago. On December 1 the docks at this end of the route were holding 9,032,595 tons of ore and on the same date last year stocks were 10,955,868 tons. It is believed certain that the mines in the Lake Superior district will send forward more ore next season, and that there will be a better demand for tonnage, but the shippers say they have no idea how much greater the movement will be. The general opinion is that the start will be slow, but a steady improvement is looked for.

Coal shipments show a small increase over 1920. During the season just closed, the fleet loaded 22,412,830 tons of cargo, and in 1920 the movement amounted to 22,408,355 tons. Owing to the small fleet that was in commission the boats only used 759,069 tons of fuel, compared with 1,258,783 tons the previous season. A number of boats are holding cargoes at both ends of the route. The docks at the Ohio ports made a good clean-up and when the last boats were loaded less than 300 cars were held over. The slump in the stone trade was almost as great as it was in ore, and while figures are not available, it is estimated that the movement was only about 50 per cent of what it was in 1920. The grain trade took care of a large amount of tonnage and with a normal ore movement the grain men would have had to pay pretty fancy carrying charges.

Manufacturers Quite Generally Report Seasonal Dullness in Business; Orders Slow

Reports this month from manufacturers in various lines of industry throughout the Fourth Federal Reserve District, quite generally indicate that there have been no developments of outstanding importance. Seasonal inactivity is apparent in many directions. In comparison with November reports, more manufacturers say that December business is dull. In the majority of cases, however, the falling off in orders is attributed to seasonal inactivity.

The automobile business is going through a seasonal period of slow sales. People at this time of year usually wait for the shows to see any new models that are brought out and to find out if prices are going to be further reduced. When the bottom in price cutting has been reached, a very substantial replacement business is expected, as many people have been using their old cars in anticipation of lower prices and better trades in the spring.

Retail trade at present is very dull and the result is that motor car companies are finding it necessary to curtail their schedule of deliveries. Retail dealers are pretty well loaded up with second-hand cars and there is little demand in this direction.

Orders from some of the stronger motor car companies are aiding builders of automobile bodies. A large manufacturer in this end of the industry reports business as holding up nicely.

The motor truck business is not very satisfactory. Up to this time few good effects have been experienced as a result of the pick-up in building. Orders are reported as showing little change, but deliveries and collections are falling off.

The automobile axle business is reported as being smaller than that of the fall months. November and December business has been larger than the same months of last year, for stocks on hand at that time have been exhausted and replacement orders are of necessity given for manufacturing requirements.

November business in the tool manufacturing line showed little change in comparison with September and October. However, one large manufacturer reports a slight increase in the number of tools sold during last month and this is looked upon as an encouraging sign. November and December are usually quiet since dealers and jobbers do not, as a rule, order heavily before the year-end inventory taking.

There has been no radical change in the paint industry since last month. Conditions look very favorable, especially for spring. Stock orders are good and price tendencies are firm.

Prior to the first of the year there is usually a slight falling off in the tin can industry, but orders at

present appear to be coming in about as usual. Collections continue good and general conditions are reported as very satisfactory.

Sales for November in the cork industry are reported as considerably below those for the preceding month, and December has not shown anything better. Business in this line is dull and the tendency is to confine purchases strictly to urgent needs. The demand for corkboard is better, but the prices are very unsatisfactory.

There is still a fair demand for plate and window glass. Plate glass manufacturers have made a large reduction in their prices this month, partly in view of the foreign competition, and partly in an effort to stimulate a greater demand by reducing the cost. It

Oil Industry Pushing Ahead; Seasonal Drop In Demand for Gasoline; Oil Men Believe Industry on Sound Basis

The oil industry is full of confidence for the future and is pushing ahead. The best illustration of this was the attitude of bidders at the sale of oil rights on lands in the Osage Nation, Oklahoma, which took place December 12. This sale is a periodical event, being the sale of rights to drill for oil on land owned by the Osage Indians and of which the Federal Government is trustee. At the sale about 36,000 acres were offered and the bonuses they brought totalled \$7,267,600 which establishes a record for these sales. Sixteen tracts adjacent to the light oil Burbank field comprising 2,560 acres brought over \$6,000,000 or practically \$2,400 an acre. This is a very good indication of the way the larger companies in the industry regard the future.

At the second annual meeting of the American Petroleum Institute, held in Chicago December 6, 7, and 8, representative men from all branches of the industry, refining, producing and marketing, and representing both large and small companies, almost unanimously took the view that the industry is now on a sound basis and is going forward sanely to meet an expected demand in 1922 which it is believed will eclipse all former years.

The slackening demand for gasoline which is a seasonable occurrence each year has caused considerable embarrassment to the independent refiners over the country. Demand for fuel and gas oil is small, kerosene is moving slowly and with gasoline easing off—this being the product which has carried the operating load for the refiner during the summer—they find themselves in a difficult place between the high crude prices and low market prices and small demand.

However, the better managed plants are getting over the rough treading by practicing better management, cutting crude runs as much as possible, reducing operating expenses, and demanding increased efficiency from every man in their employ. A canvass being carried on by *National Petroleum News* among refiners and jobbers in the country shows that

is believed the glass industry faces better conditions in January, 1922, than it did a year ago.

There has been no substantial change in the farm machinery trade situation, excepting that orders for next spring's business are showing some improvement.

November business in the foundry moulding machine line is reported as being slightly ahead of October. The brush and supply division shows a considerable falling off.

A manufacturer of electrical goods reports some very satisfactory business in the refrigerating line. However, the total of unfilled orders are not more than 25 per cent of the total for the same period last year. Buying is very slow and only for immediate requirements.

with few exceptions they are either reducing wages or lengthening hours of work.

Crude production is increasing considerably from week to week due to the encouragement of price advances, but the increase as yet is not of sufficient volume to apparently endanger the market. Production in the new Mexia field is being increased weekly, and despite the increasing production, one of the large purchasers of this oil advanced the price during the past week 25 cents a barrel, making the postal price \$1.00.

The marketing end of the business is generally enjoying good business, although the fact that it stocked up heavily at the end of October as a prevention against exhaustion of supply during the expected railroad strike, keeps them out of the market for the present.

It is believed that in thirty to sixty days the jobbers will be in the market to a considerable extent filling their storage with gasoline against the large demand expected during the coming summer. A considerable number of the smaller skimming plant refineries in the Mid-continent field have been compelled to close down due to existing market conditions, but this is largely because many of them are poorly managed and require a very large margin of profit in order to operate successfully.

As before stated, the efficiently managed plants, while they are tightening their belts to a considerable extent, are nevertheless weathering the storm without much trouble. While there is a certain group among the refiners who look for a reduction in the posted price of crude oil immediately after the first of the year, the best informed men in the business, as a rule, believe that crude oil will remain firm at present prices until spring.

The export situation is discouraging, but even here the market is improving to some extent, especially on lubricating oils which are being shipped to a large extent in small sized orders.

Paving Brick Industry Aided by Standardization Program; Common Brick Makers Active

According to the report of the National Paving Brick Manufacturers Association, the paving brick industry is looking forward to 1922 with confidence. This is in contrast to an uncertain outlook which prevailed a year ago. One year ago 40 per cent of the paving brick plants were shut down; today most of the plants are running and expect to continue to run through the winter.

One by one the causes of depression in the paving brick industry are being relieved. Beginning with the low point of 1918, in which year approximately only 240,000,000 brick were shipped, shipments have risen to about 375,000,000 brick this year. There is still a shortage of from 75 to 100 million brick of what constitutes the normal output of plants.

These figures indicate that the paving brick industry has recovered its short-haul markets, but it has yet to recover the distant market, the recovery of which depends upon freight rates.

The paving brick industry regards the standardization program, entered into by mutual consent of users and producers through the co-operation of

Secretary of Commerce Hoover, as a movement of far-reaching benefit to the consumer as well as the manufacturers of paving brick. By reducing the number of varieties from 66 to 11 a long step is made toward the final working basis of standards that will bring the full benefit to any standardization program.

Manufacturers reporting to the Common Brick Manufacturers Association of America have produced during the past month a little over 82,000,000 brick. The same plants have moved out of their yard during the month over 80,000,000 brick. The stocks of burned brick on hand compared with stocks of practically the same number of firms reporting a month ago, show an increase of about 25,000,000. The orders on the books show a similar increase, being just a shade better. It is felt that the market for brick is headed in the right direction and is consistently maintaining an increased demand.

Reports from common brick manufacturers in the Fourth District are estimated to cover about 80 per cent of production.

Burley Tobacco Association Prepares for Crop Marketing; Ear Worm Damages Corn Crop

The Burley Tobacco Growers' Co-operative Association has now been incorporated and final organization plans are being made. Practically all the loose leaf warehousemen decided to keep their houses closed until the organization had its plans completed. There were a few exceptions, however, and in the sales that were started, fairly good prices were reported.

Tobacco markets for the dark type of leaf have opened in western Kentucky and prices are said to be pretty good. At this writing the marketing of

Burley tobacco has not begun, but the prices paid in the western part of the state give a fair indication of what may be expected for the Burley crop.

The damage to the corn crop this year from the ear worm is estimated at 20 per cent by the Ohio Department of Agriculture. This does not mean that 20 per cent of the corn is destroyed by this pest, but that 20 per cent of the ears are estimated to have been attacked. On the first of this month about 80 per cent of the corn husking had been completed.

Production of Soft Coal Low; Retailers Order Conservatively

Under normal conditions the winter season causes an increase in the production of soft coal. The heavy demand caused by the proposed railroad strike resulted in the production curve swinging upward. Since that time there has been a steady decline and near the middle of the month production had dropped back to about the level of last April, normally the lowest month of the year.

The lake shipping season has practically ended and this is also responsible for the decreased output. For the week ending December 10, production which was around 7,200,000 tons a week was not sufficient to meet current consumption and exports, and this

caused some demand for storage coal. The following are estimated production figures for the month ending December 10, compiled by the United States Geological Survey:

Week ending November 19.....	8,871,000 net tons.
Week ending November 26.....	7,101,000 net tons.
Week ending December 3.....	7,104,000 net tons.
Week ending December 10.....	7,235,000 net tons.

Retail dealers report that consumers are buying only enough coal to tide them over from week to week, with the expectation that there will be a reduction in freight rates and in the price of coal.

Advertising Pick-up Aids Paper Industry; November Orders Off

The past month in the paper industry brought no radical changes. There has been a certain falling off in orders, varying in extent according to the different classes of paper. In no case, however, have conditions returned to anything like the low level of a few months ago, the change appearing more as a normal seasonal fluctuation.

There have been some tentative advances in raw materials, especially for the period beginning January 1, but whether or not these will be maintained is somewhat uncertain at present.

The advertising curve turned upward in November for the first time since July, and this is one of the best barometers of the paper industry. How-

ever, paper manufacturers believe that the winter months will not be particularly active.

November operations in some mills are reported at 75 per cent of normal as compared with 90 per cent for the previous month. While December business is showing a tendency to decline, orders from merchants for January shipments are beginning to come in and this helps to carry the manufacturers over the dull period.

Whether the advance in the price of wood pulp can be absorbed by the paper mills, or whether it will have to be passed along to the paper merchant and by him to the printer, has not yet been decided by most of the manufacturers. Printers and merchants stocks are reported to be very low.

Increase in Number of Idle Freight Cars; Bad Order Cars Steadily Decreasing

On October 31 there was a total of 80,203 idle serviceable freight cars in the country, of which 33,643 were coal cars. As the *Review* stated last month, this figure, which was the lowest for many months, was not indicative of normal conditions because of the unusual stimulation in the movement of goods caused by the threatened railroad strike.

By November 30 the total number of idle serviceable cars had increased to 282,926. In addition to the number of cars reported idle there is a large

number of cars out of service because they are awaiting repair. Thus on October 1 there were 364,372 bad order cars, or 15.8 per cent of the total number of freight cars in the country; on October 15 there were 354,996; on the first of November, 345,201, and on the fifteenth of the same month, 333,616; the last figure being 14.4 per cent of the total.

An ideal situation in regard to the number of cars awaiting repair is held to be between 4 and 5 per cent, although generally in ordinary times there are about 7 per cent in bad order.

Rubber Production Increased to Meet 1922 Orders; Manufacturers Optimistic; Cold Weather Causes Demand for Rubber Footwear

While there has been no material change in the rubber industry since our last report, manufacturers are experiencing some good effects from the advance guard of what is expected to be a very satisfactory spring dating business. The majority of factories have been receiving some fair-sized orders and these have been showing a steady improvement. In some cases shipments have been increased.

With the approach of the 1922 motoring season dealers throughout the country have felt the necessity for placing additional orders. This demand, in addition to the fact that present inventories are abnormally low, is largely responsible for increased winter production. Manufacturers quite generally are abiding by the policy of making goods only for orders actually on hand. The larger factories and a few of the smaller ones have taken on some additional help.

Manufacturers are optimistic as to the future of the rubber industry, and as the year draws to a close,

they feel that the most precarious year ever experienced in the industry has been weathered with remarkable success.

Sales of mechanical goods for the past month have not shown the increase of previous months, but gains in this direction, up to the present time, have been maintained. In boot and shoe lines progress toward normal has been made. The recent cold weather has caused heavier orders both for light and heavy footwear.

Confidence in the crude rubber situation has been strengthened by the increased prices demanded for the crude product. Better and more orders in this direction are reported.

A statistician has estimated that where 100 tires were needed in 1921, 115 tires will be required in 1922. In the judgment of the *India Rubber Review*, this estimate of a 15 per cent increase in tire production for 1922 is ultra-conservative.

Obstacles in Path of Textile Industry; Retailers Slow in Placing Advance Orders for Spring

The condition of the textile industry at present is less favorable than it was a few months ago. Various factors have been responsible for the slow-up. Buyers are looking for lower prices, and textile manufacturers feel that with the advance of from 25 to 30 per cent in the price of all wools since September, further reductions are unwarranted.

This increase in the price has been largely brought about by the scarcity of desirable wool. With the exception of carpet wool, practically no foreign wool

has come into the United States since last May. The result is that domestic wool is being used up rapidly.

The warm weather throughout November and continuing into December has also contributed to holding back this industry. The result has been, so far as retailers are concerned, a timidity in placing advanced orders for spring, many of them holding off their buying until after the first of the year, and until they have liquidated their fall stocks.

Building Operations Continue Fairly Active; Standardization of Materials and Methods Will Aid Builders

The revival of construction in many sections of the country in evidence during the fall months has continued fairly strong. However, there are still some localities where the prospect is not very favorable, and there is little activity in this line. Some of the larger construction work started last fall has been continuing through the winter.

Builders are looking forward to the new year to bring considerable improvement. Their reasons for this are based on the activity of the Government in cooperating with national organizations to improve conditions through standardizing materials, construction plans and specifications.

The American Building Exposition which is to be held in Cleveland in February is designed to stimulate interest in home building and good results are anticipated from this source.

Labor agreements expire March 1, and an effort will be made to reach a settlement in advance of this

date, in order to encourage those planning operations for the early spring.

The reports from Cleveland's suburbs make the most favorable showing that has been manifest for some time in house building. The curve has been steadily rising in this class of construction for the last half of 1921 with November making a decided advance both in the number of permits, and in value of building, as compared with the same month last year.

In Lakewood the number of permits has trebled, the total number being 120 for November. The estimated cost is \$510,000. The permits in East Cleveland for the same month increased from 28 last year to 50 for the month of November. The report for the city proper, indicates a larger number of permits granted to November this year, the total value being \$12,345,000 as compared with \$11,018,000 last year.

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

Slack Period for Purchase of Canned Goods; Orders Slightly Better Than Last Month

There have been no developments of outstanding importance in the canned food industry during the past month. This is the slack period of the year in the purchase of canned foods, as wholesale distributors desire to close their year's operations with the smallest possible inventory, and the largest possible cash on hand. In some cases, however, orders showed a slight improvement over those for last month.

Fundamentally, the situation is much better than it was a year ago. The wholesale grocers are now paying promptly for all goods purchased. There are

many assurances that after the first of the year there will be a considerable amount of buying, as distributors' stocks are light.

The next six months are the heavy consuming months on canned foods, and as the visible supplies are much below normal, it is expected that the market will become very active.

It is estimated that stocks in practically all of the staple lines are at least one-third less than they were at this time one year ago, with stocks in jobber's ware-rooms the lowest in many years.

The Story of Our Transit Department.

It is with the thought of additional information for our readers that we are commencing with this issue a series of departmental articles of the Federal Reserve Bank of Cleveland. For this issue we have prepared the following on the development and operation of the Transit Department. Without having visited us we believe our Member Banks and readers have but a vague understanding of the detail and volume of work passing through the third largest Federal Reserve Bank in the United States.

No other country in the world can be compared to the United States in the development of the use of the bank check. Because of our broad territorial expanse, the country bank has become a very important factor in our commercial life and the bank check has become one of the most freely used instruments of credit. It is estimated that more than ninety per cent of commercial transactions involve the use of checks.

When the Federal Reserve Act was being drafted, this vast volume of floating credit had to be taken into consideration. The amount involved was of such colossal proportions as to make it imperative that some means be devised to quickly convert these checks into funds available as reserve. From one to eight days are required for this purpose and credit for reserve purposes is deferred until the items have been actually collected. As soon as the Federal Reserve Act was effective, steps were taken to reduce this collection time to a minimum. It, therefore, became necessary to provide the proper facilities. As no institution was better equipped to handle this problem than the Federal Reserve banks, it was given them to carry out. The transit departments of these banks are now successfully performing this service.

The Federal Reserve Act provides that Federal Reserve banks may receive on deposit checks and drafts payable upon presentation and also that it may exercise the functions of a clearing house for Member Banks. Previous to the adoption of the Federal Reserve Act it was customary for many banks to make deductions covering so called exchange charges when remitting in payment of checks drawn upon them by their depositors and which were sent to them by other banks for collection. It has been estimated that the annual exchange or collection cost covering the entire United States has amounted to about 125 million dollars.

In order properly to exercise the functions of a clearing house for banks which are members of the Federal Reserve System as provided by the terms of the Federal Reserve Act, and to extend a collection service as nearly universal as possible, the Federal Reserve Bank of Cleveland, in common with the other Federal Reserve banks, set up machinery for the collection of checks drawn on all banks in the United States. This involved hearty co-operation on the part of banks which were not members of the Federal Reserve System, as well as those which were members, as under the terms of the Federal Reserve Act, Federal Reserve banks are not permitted to pay exchange to banks for the collection of checks drawn upon these banks by their depositors and deposited

with the Federal Reserve banks for collection. The banks in this District from the very inception of the check collection system promptly gave their support to the new plan, until at this time out of a total of 1084 non-member banks in the District arrangements have been made to collect at par through the usual banking channels checks drawn on all but one. In addition there are 881 Member Banks where par collection of checks is required by law. This gives a total of 1964 banks in the Fourth Federal Reserve District whose checks are collectible through the Federal Reserve Bank of Cleveland or its branches, without deduction for exchange.

The resulting saving over the former method of deducting collection charges cannot be accurately estimated. Without a doubt the saving represents a considerable amount, all of which accrues to the merchants, manufacturers and other business interests of the country.

The transit operations of the Federal Reserve Bank of Cleveland began soon after the bank opened for business in November, 1914. It was several months, however, before an attempt to organize a transit department was made, as there were obstacles in the way of charging checks drawn upon Member Banks directly against the balance to their credit in their reserve account with the Federal Reserve Bank. This was further complicated by the fact that banks which were not members of the Federal Reserve System did not, except in very few instances, keep funds on deposit with the Federal Reserve Bank. In order to place the collection of checks upon a uniform basis with respect to both Member Banks and non-member banks, a system of deferred credit, based upon the time actually required to collect, was evolved after a careful study on the part of the Federal Reserve banks and the Federal Reserve Board. All checks drawn on banking institutions in the District are accepted from Member Banks, the proceeds becoming available as reserve according to a scientific time schedule based upon the actual time required to collect. Under this arrangement, in order that the Member Banks may receive the checks and provide funds to meet the charge against their account, checks drawn on Member Banks in this District, except those located in Cleveland, Cincinnati and Pittsburgh, are forwarded each day and charged against the balance to their credit after two business days have elapsed. Checks drawn on banks which are not members of the Federal Reserve System are sent in the same manner and remittances to cover upon receipt are made by the non-member banks. Checks on banks in other Federal Reserve districts are sent direct to the Federal

Reserve Bank or branches serving the district in which the checks are payable. It was not until July, 1916, that this workable plan for handling checks was put into operation by this bank.

In 1915 there were handled some 2,200 items a day. Shortly after the deferred credit system was put into effect, together with the direct sending by Member Banks in other districts, our transit department grew very rapidly until today, at the main office and branches, there are 276 persons handling a daily average of 156,000 checks whose dollar value is \$37,322,931.74.

The peak days for the past three years of the number of items handled give some idea of the growth of the department: for 1919, 168,177 items; 1920, 211,936 items; 1921, 248,055 items. While 156,000 is the daily average number of items we are now handling, yet in reality we are handling six times this number, as each individual item is rehandled six times.

In order to give a clearer understanding of the operation of the transit department, we will take a check and follow it through the department from the time it arrives in a letter until it departs in a letter.

A single check from the time it reaches the transit department until it is forwarded for collection passes through six operations. Briefly, the journey of checks through the department is as follows:

When the checks are first received from the mail, they are verified as to the correctness of the deposit. They are then sent to the electric endorsing machines where, faster than can be counted, automatically the endorsement of the Federal Reserve Bank of Cleve-

land is stamped on the back. They then go to the sorting clerks who sort them into alphabetical sections. Each section is then listed separately on a battery of adding machines and are then again balanced against the original deposits. The checks are then taken to large pigeon-hole sorting cases, each pigeon-hole containing the name of a bank. All the checks which come in during the day drawn on a particular bank find their way into their designated pigeon-hole.

In the final step they are listed on what is called a "cash letter" and mailed to the bank upon which they are drawn. These checks are forwarded each day, and the bank upon which they are drawn provides available funds in payment, which are forwarded to the Federal Reserve bank to arrive at approximately the same time that credit is posted to the reserve account of the Member Bank originally depositing the items.

In January, 1918, it was thought advisable to open a branch at Cincinnati, and in April of the same year the Pittsburgh Branch was opened. This facilitated the presentation of checks drawn on banks in these cities as well as in the more distant parts of this District. There are today seventy persons employed in the transit department of the Cincinnati Branch who handle an average of 40,000 items while the ninety-one employed in this department at Pittsburgh handle a daily average of 52,000.

The meaning of this is that the 276 people who handle each day an average of over 37 million dollars' worth of checks are doing a great service for the industrial, commercial and agricultural interests of this District, as well as for every individual who draws a check against his checking account.

Clearings

	November 16 to December 15		Increase or Decrease	Per cent Inc. or Dec.
	1921	1920		
Akron.....	\$22,681,000	\$37,667,000	-\$14,986,000	-39.8
Canton.....	17,330,727	19,350,411	-2,019,684	-10.4
Cincinnati.....	232,271,379	278,501,069	-46,229,690	-16.6
Cleveland.....	338,220,301	528,658,091	-190,437,790	-36.0
Columbus.....	52,017,100	60,619,100	-8,602,000	-14.2
Dayton.....	16,549,235	17,579,233	-1,029,998	-5.9
Erie.....	8,602,232	11,284,886	-2,682,654	-23.8
Greensburg.....	5,941,023	6,857,828	-916,805	-13.4
Lexington.....	5,232,393	5,730,304	-497,911	-8.7
Pittsburgh.....	526,312,813	797,726,949	-271,414,136	-34.0
Springfield.....	4,492,192	5,972,654	-1,480,462	-24.8
Toledo.....	49,476,121	64,377,952	-14,901,831	-23.1
Wheeling.....	19,662,454	24,242,953	-4,580,499	-18.9
Youngstown.....	11,910,739	18,523,870	-6,613,131	-35.7
Total.....	\$1,310,699,709	\$1,877,092,300	-\$566,392,591	-30.2

Debits to Individual Accounts

	Week Ending	Week Ending	Increase or Decrease	Per Cent Inc. or Dec.
	Dec. 14, 1921 (271 Banks)	Dec. 15, 1920 (249 Banks)		
Akron.....	\$10,198,000	\$17,648,000	-\$7,450,000	-42.2
Cincinnati.....	60,607,000	71,323,000	-10,716,000	-15.0
Cleveland.....	115,502,000	174,879,000	-59,377,000	-34.0
Columbus.....	26,417,000	34,323,000	-7,906,000	-23.0
Dayton.....	12,852,000	7,572,000	5,280,000	69.7
Erie.....	7,062,000	8,138,000	-1,076,000	-13.2
Greensburg.....	4,347,000	6,128,000	-1,781,000	-29.1
Lexington.....	3,856,000	4,575,000	-719,000	-15.7
Oil City.....	2,456,000	4,891,000	-2,435,000	-49.8
Pittsburgh.....	144,867,000	234,825,000	-89,958,000	-38.3
Springfield.....	3,297,000	3,909,000	-612,000	-15.7
Toledo.....	30,975,000	28,532,000	2,443,000	8.6
Wheeling.....	7,358,000	11,710,000	-4,352,000	-37.2
Youngstown.....	10,171,000	15,773,000	-5,602,000	-35.5
Total.....	\$439,965,000	\$624,226,000	-\$184,261,000	-29.5

Comparative Statement of Selected Member Banks in Fourth District

(In Thousands of Dollars)

	Dec. 14, 1921	Nov. 16, 1921	Inc.	Dec.
	85 Banks	85 Banks		
Loans and Discounts secured by U. S. Government obligations.....	48,101	48,793	.....	692
Loans and Discounts secured by other stocks and bonds.....	331,248	331,548	.....	300
Loans and Discounts, all other.....	568,094	573,473	.....	5,379
U. S. Bonds.....	115,319	111,561	3,758	.....
U. S. Victory Notes.....	18,800	15,152	3,648	.....
U. S. Treasury Notes.....	3,032	2,909	123	.....
U. S. Certificates of Indebtedness.....	7,909	13,714	.....	5,805
Other Bonds, Stocks and Securities.....	265,855	274,584	.....	8,729
Total Loans, Discounts and Investments.....	1,358,358	1,371,734	.....	13,376
Reserve with Federal Reserve Bank.....	91,483	88,392	3,091	.....
Cash in Vault.....	32,842	30,003	2,839	.....
Net Demand Deposits.....	783,892	775,498	8,394	.....
Time Deposits.....	419,329	426,939	.....	7,610
Government Deposits.....	11,398	20,208	.....	8,810
Total Resources at date of this report.....	1,765,527	1,784,746	.....	19,219

Wholesale Trade
Percentage Increase (or Decrease) in Net Sales During November, 1921,
as Compared With October, 1921, and November, 1920.

	Dry Goods	Groceries	Hardware	Drugs
Net sales (selling price) during November, 1921, compared with October, 1921.....	-19.1	-5.3	-7.7	-8.0
Net sales (selling price) during November, 1921, compared with November, 1920.....	-10.4	-29.3	-29.2	-13.1

Department Store Sales

	Cleveland	Pittsburg	Cincinnati	Toledo	Other Cities	District
Percentage of net sales (selling price) during November, 1921, over net sales (selling price) during same month last year.....	-19.4	-27.0	-13.4	-8.1	-20.7	-21.1
Percentage of net sales (selling price) from July 1, 1921, to November 30, 1921, over net sales (selling price) during same period last year.....	-22.2	-22.5	-10.4	-10.4	-19.6	-19.7
Percentage of stocks at close of November, 1921, over stocks at close of same month last year.....	-17.8	-15.3	-16.6	-25.8	0.9	-16.3
Percentage of stocks at close of November, 1921, over stocks at close of October, 1921.....	2.7	-0.4	-0.5	1.4	0.6	0.7
Percentage of average stocks at close of each month this season (commencing with July 1, 1921) to average monthly net sales during the same period...	405.1	414.1	495.9	406.3	491.6	424.7
Percentage of all outstanding orders (cost) at close of November, 1921, to total purchases (cost) during the calendar year, 1920.....	5.0	4.5	5.4	4.7	7.5	4.9

Movement of Livestock at Principal Centers in Fourth Federal Reserve District For Month of November, 1921-1920

	Cattle		Hogs		Sheep		Calves		Cars Unloaded	
	1921	1920	1921	1920	1921	1920	1921	1920	1921	1920
Cincinnati.....	28,617	30,083	141,597	154,443	13,938	14,600	10,132	7,991	2,264	2,489
Cleveland.....	11,235	10,849	86,680	77,445	50,599	38,508	8,634	9,634	1,894	1,629
Columbus.....	14	.....	3,717	.....	114	.....	242	.....	14	.....
Dayton.....	2,090	2,605	12,054	12,378	524	716	625	648	.....	.....
Fostoria.....	681	1,989	11,002	9,995	2,942	2,502	403	443	35	74
Pittsburgh.....	53,958	47,555	240,601	260,193	64,015	73,932	22,031	27,777	4,707	5,311
Springfield.....	430	500	6,930	6,000	1,288	1,000	115	250	.....	10
Toledo.....	819	1,480	10,426	15,266	2,599	3,364	219	1,292	159	239
Wheeling.....	519	604	2,452	1,564	634	520	772	910	19	11

Purchases For Local Slaughter

Cincinnati.....	15,945	20,044	92,847	70,867	10,545	7,925	6,140	5,112	.....	.....
Cleveland.....	10,474	9,695	61,775	51,163	22,875	21,076	8,343	9,355	.....	.....
Columbus.....	14	.....	494	.....	.....	.....	41	.....	.....	.....
Fostoria.....	45	15	1,162	545	15	25	35	43	.....	.....
Pittsburgh.....	5,573	6,276	51,288	44,388	11,567	12,220	2,324	6,826	.....	.....
Springfield.....	.....	.....	.....	500	.....	.....	.....	.....	.....	.....
Toledo.....	.....	746	.....	7,359	.....	.....	.....	720	.....	.....
Wheeling.....	519	604	2,452	1,564	634	520	772	910	.....	.....

Building Operations For Month of November

	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.....	98	150	23	24	69,870	258,886	18,425	9,775	-180,366	-67.1
Canton.....	85	85	43	40	184,305	871,435	43,610	28,980	-672,500	-74.7
Cincinnati.....	246	146	151	389	671,295	489,175	150,700	244,385	88,435	12.1
Cleveland*.....	303	156	653	681	3,045,640	1,900,600	554,590	501,500	1,198,130	49.9
Columbus.....	252	130	79	72	548,100	250,780	77,815	52,665	322,470	106.3
Dayton.....	100	85	46	26	266,743	372,994	23,521	17,377	-95,107	-24.4
Erie.....	83	55	30	22	253,730	188,100	24,391	46,125	43,896	18.7
Lexington.....	8	8	28	36	35,000	70,000	13,350	8,210	-29,860	-38.2
Pittsburgh.....	308	141	74	53	2,887,917	709,339	95,759	159,830	2,114,507	243.3
Springfield.....	37	30	7	8	41,450	52,785	6,200	2,855	-7,990	-14.4
Toledo.....	127	116	91	113	1,172,099	236,880	84,745	89,725	980,239	284.8
Wheeling.....	44	20	16	8	67,175	40,800	6,150	2,050	30,475	71.1
Youngstown....	64	75	22	18	238,480	182,190	23,285	14,000	65,575	33.4
Total.....	1,755	1,197	1,263	1,490	9,481,804	5,623,964	1,127,541	1,177,477	3,807,904	56.0

* 1921 figures include Lakewood and East Cleveland.

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

Ports	Railroads	Cargo	1921 Fuel	Total	Cargo	1920 Fuel	Total	Cargo	1919 Fuel	%
Toledo	Hocking Valley.....	4,426,687	116,157	4,542,844	3,930,269	93,095	4,023,364	4,276,148	119,024	4,395
	Toledo & Ohio C... ..	1,106,251	32,319	1,138,570	1,729,894	65,695	1,795,589	1,159,908	33,925	1,195
	Baltimore & Ohio..	2,561,015	78,085	2,639,100	1,619,875	44,804	1,664,679	2,293,513	53,888	2,347
Sandusky	Pennsylvania.....	1,853,148	52,138	1,905,286	1,604,305	26,542	1,630,847	1,407,263	34,765	1,442
Huron	Wheeling & L. E....	1,577,500	45,468	1,622,968	1,864,527	93,919	1,958,446	1,437,640	50,876	1,488
Lorain	Baltimore & Ohio... ..	2,546,216	103,113	2,649,329	3,276,539	211,643	3,488,182	2,720,541	150,909	2,871
Cleveland	Pennsylvania.....	2,062,722	91,910	2,154,632	1,221,955	180,335	1,402,290	2,234,951	249,693	2,484
	Erie.....	359,981	12,782	372,763	437,653	19,234	456,887	305,977	9,904	311
Ashtabula	N. Y. Central.....	1,125,792	62,214	1,188,006	1,641,732	274,396	1,916,128	1,667,048	149,965	1,816
	Pennsylvania.....	2,300,210	78,097	2,378,307	1,942,021	101,706	2,043,727	1,955,796	100,982	2,056
Conneaut	Bessemer & L. E... ..	1,474,202	20,603	1,494,805	2,405,884	41,076	2,446,960	1,372,321	10,398	1,381
Erie	Penn.—West.....	770,091	27,030	797,121	284,860	27,850	312,710	702,242	43,322	741
	Penn.—East.....	248,565	39,153	287,718	448,841	78,488	527,329	163,301	16,446	171
Total.....		22,412,380	759,069	23,171,449	22,403,355	1,258,783	23,662,138	21,696,649	1,024,097	22,720

67,397 Tons Cargo Coal	}	Dumped in December, Included in this report.
2,160 Tons Fuel Coal		
69,557 Total		

STATEMENT OF CONDITION
FEDERAL RESERVE BANK OF CLEVELAND

DECEMBER 28, 1921

	In Thousands of Dollars	
RESOURCES		
Gold and gold certificates	\$ 12,182	
Gold settlement fund—F. R. Board	52,753	
Total gold held by bank	64,935	
Gold with Federal Reserve Agent	176,444	
Gold redemption fund	6,027	
Total gold reserves	247,406	
Legal tender notes, silver, etc.	7,208	
TOTAL RESERVES		\$254,614
Bills discounted—Secured by U. S. Government obligations	42,709	
Bills discounted—All other	67,688	
Bills bought in open market	4,689	
Total bills on hand	115,086	
U. S. bonds and notes	5,270	
U. S. Certificates of indebtedness—One year	8,040	
U. S. Certificates of indebtedness—All other	297	
TOTAL EARNING ASSETS		128,693
Bank premises		3,964
5% Redemption fund against F. R. Bank notes		539
Uncollected items		51,039
All other resources		982
TOTAL RESOURCES		439,831
LIABILITIES		
Capital paid in		11,124
Surplus		22,264
Reserved for Government Franchise Tax		3,161
Deposits—Government	4,494	
Member Bank-Reserve account	122,935	
All other	924	
TOTAL DEPOSITS		128,353
F. R. notes in actual circulation		221,819
F. R. Bank notes in circulation—net liability		5,791
Deferred availability items		45,657
All other liabilities		1,662
TOTAL LIABILITIES		439,831

Ratio of total reserves to deposit and F. R. note liabilities combined = 72.7%
Compared with 68.8% last week.

Ratio of gold reserves to F. R. notes in circulation after setting aside 35 per cent against
deposit liabilities = 94.5% compared with 88.9% last week.

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Building Operations For Month of November

	Permits Issued				Valuations				Inc. or Dec. of Total Valuation	Per cent Inc. or Dec.
	New Construction		Alterations		New Construction		Alterations			
	1921	1920	1921	1920	1921	1920	1921	1920		
Akron.....	98	150	23	24	69,870	258,886	18,425	9,775	-180,366	-67.1
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Youngstown....	64	75	22	18	238,480	182,190	23,285	14,000	65,575	33.4
Total....	1,755	1,197	1,263	1,490	9,481,804	5,623,964	1,127,541	1,177,477	3,807,904	56.0

* 1921 figures include Lakewood and East Cleveland.

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	Toledo & Ohio C... ..	1,106,251	32,319	1,138,570	1,729,894	65,695	1,795,589	1,159,908	33,925	1,193,833
	Baltimore & Ohio..	2,561,015	78,085	2,639,100	1,619,875	44,804	1,664,679	2,293,513	53,888	2,347,401
Sandusky	Pennsylvania.....	1,853,148	52,138	1,905,286	1,604,305	26,542	1,630,847	1,407,263	34,765	1,442,028
Huron	Wheeling & L. E....	1,577,500	45,468	1,622,968	1,864,527	93,919	1,958,446	1,437,640	50,876	1,488,516
Lorain	Baltimore & Ohio..	2,546,216	103,113	2,649,329	3,276,539	211,643	3,488,182	2,720,541	150,909	2,871,450
Cleveland	Pennsylvania.....	2,062,722	91,910	2,154,632	1,221,955	180,335	1,402,290	2,234,951	249,693	2,484,644
	Erie.....	359,981	12,732	372,713	437,653	19,234	456,887	305,977	9,904	315,881
Ashtabula	N. Y. Central.....	1,125,792	62,214	1,188,006	1,641,732	274,396	1,916,128	1,667,048	149,965	1,817,013
	Pennsylvania.....	2,300,210	78,097	2,378,307	1,942,021	101,706	2,043,727	1,955,796	100,982	2,056,778
Conneaut	Bessemer & L. E....	1,474,202	20,603	1,494,805	2,405,884	41,076	2,446,960	1,372,321	10,398	1,382,719
Erie	Penn.—West.....	770,091	27,030	797,121	284,860	27,850	312,710	702,242	43,322	745,564
	Penn.—East.....	248,565	39,153	287,718	448,841	78,488	527,329	163,301	16,446	179,747
Total.....		22,412,380	759,069	23,171,449	22,408,355	1,258,783	23,667,138	21,696,649	1,024,097	22,720,746

67,397 Tons Cargo Coal	}	Dumped in December, Included in this report.
2,160 Tons Fuel Coal		
69,557 Total		

PICKUPS ON BUSINESS TOPICS

THERE will be a trade opening in Canada for American window glass, according to a report received from the American consul at Kingston. The chief source of supply has been from Belgium, but owing to the closing down of many glass plants in that country, strikes, lockouts and labor troubles, it will be a month or more before exports from Belgium are within normal capacity. An importer states that if American manufacturers wish to compete with Belgian glass, their prices will have to be reduced, which, with the present high rate of exchange as well as tariff rate, makes it almost impossible to purchase here.

In England motor show succeeds motor show, and the November cycle exhibition, which closes the 1921 displays, enables manufacturers to gauge the work likely to be on the market during the next few months. British motorcycles hold their own overseas against all comers where reliability and high efficiency are demanded. What the show has done has been to emphasize the public demand for the light motor vehicle of any sort, and orders for abroad have been more than in either of the previous exhibitions of the Autumn.

An interesting point in connection with Pacific Coast trade through the Panama Canal is the utilization of that waterway in moving fresh fruits to eastern American and to European markets. During the first eight months of 1921, 5,927 tons of fresh fruits were shipped through the Canal, all but 149 tons going to Atlantic and Gulf ports of the United States. The report is current that 300,000 boxes of apples will be loaded in Seattle for Europe via the Canal before the end of the year.

Influences are at work which tend to stimulate the sales of American low-priced motor cars abroad. The recent reductions in American prices have helped sales on those of our vehicles selling in Belgium under 30,000 francs, and the market there for such cars is now more promising than at any time during the past year. Many buyers find that the light cars of French manufacture do not stand up on the rough Belgian roads as satisfactorily as American makes of corresponding weight.

A brief was submitted by the Cuban-American Sugar Company and a number of other firms opposing the increase of duty on sugar in the Fordney Bill. The brief calls attention to the fact that American sugar producers are vitally interested in the Cuban situation inasmuch as they represent more than 50 per cent of the sugar production of the island and also it points out that Cuba supplies the United States with approximately 50 per cent of its annual consumption.

It is stated that intelligent cooperation on the part of American exporters will be necessary to meet the higher rates contemplated in the new Spanish tariff. The new rates will probably go into effect about January first. Increased duties are proposed on a large number of American export products, including all kinds of petroleum, cinematograph films, typewriters, electrical goods, food products, sugar and coffee.

The twenty leading crops of the United States in 1919, arranged in order of value, were corn, hay and forage, cotton, wheat, oats, potatoes, tobacco, apples, barley, sweet potatoes, rye, rough rice, grapes, peaches, kafir and milo, oranges, sugarbeets, peanuts, dry edible beans, and sugar cane. The total value of these twenty crops was \$13,754,290,926, which represents more than nine-tenths of the total value of crops shown by the fourteenth census.

JAPANESE cotton manufacturers are apparently planning to hold the gains which they made during the war in supplying the Orient with cotton goods. Their purchases of our cotton in 1921 will be much larger than in any earlier year of our trade with that country. The quantity of cotton exported to Japan for the single month of October was 59,000,000 pounds against only 2,000,000 in the same month of the preceding year. Even these large purchases of our raw cotton by Japan have not prevented a considerable increase in our exports of cotton goods to that section of the Orient which is supposed to rely largely upon Japan for its cotton manufactures. Our exports of unbleached cotton cloths to China in the month of October, 1921, were 2,622,000 yards against 441,000 in the same month of last year; to India 5,468,000 yards against 1,174,000 in October, 1920; and to the Philippines 682,000 yards against 358,000 in the same month of last year.

Since July 16, 1921, according to a decree of the Mexican President, citizens of the United States desiring to enter Mexico through frontier cities may do so without presenting to immigration officials any documents, provided they are eligible to admission, have resided for a year within a zone 40 miles wide along the frontier, and in addition are known to the Mexican immigration officials.

The amount received from the sale of nursery products in the United States during 1919, according to the Fourteenth Census, was \$20,434,389, an average return of \$5,047 for each of the 4,049 farms or establishments reporting. California and New York were the leading states in the number of farms or establishments reporting sales of nursery products with 540 and 359, respectively.

It is reported that the daily Miami-Nassau air service can not be inaugurated on January 1, 1922, owing to delay by the British authorities in extending official support. Consul Lorin A. Lathrop reports it is the understanding that under the Bahamas Air Service Act, 1921, reasonable delay will not impair the British company's rights.

The large increases in exportations of American lumber to Japan are due to the increased demands of the Japanese market, the cheap price of American lumber as compared with that of Japanese lumber, cheap ocean rates, an abundance of cargo space, and to the fact that accessible Japanese timber is becoming scarce.

Indicating the progressive spirit of the French, detailed plans and estimates have been prepared for the electrification of 5,000 miles of railways. The enormous advance in the cost of coal in recent years has given impetus to the utilization of the water-power resources of the nation in electrifying rail lines.

Canada has many and valuable known copper deposits which in their present purely partial state of development are already accounting for four per cent of the world's copper production. The total production of copper in Canada in 1920 amounted to 81,155,360 pounds valued at \$14,166,479.

Tin plate mills are restarting in England, some after eleven months idleness. Of thirty-two mills owned by one large concern only six are now idle. A movement is on foot to ask the Government to provide alternative work to replace the suspension of battleship building.

Barcelona, already the industrial and commercial center of Spain, will be the largest port on the Mediterranean when the many proposed improvements are completed.

FOURTH FEDERAL RESERVE DISTRICT

