

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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A big majority of our correspondents this month report an improvement in business, and most of them declare it as their opinion that the improvement will continue. The economic law is leveling conditions slowly, just as the physical law of gravitation works by degrees rather than all at once.

During 1921 manufacturers and others were directing their efforts towards cutting down their inventories and were not ordering anything that they could possibly get along without. This holding off on buying continued until inventories were taken on December 31, when a resumption of buying in a moderate volume began in a number of industries. The process at this stage is more one of "matching dollars," relieving the unemployment situation, but without much prospect of profit on plant operation.

Without question there is more activity in business than there was a month ago. It is true that a great many people are pessimistic at this time, but it must be remembered that this is the season when financial statements from commercial and manufacturing concerns showing last year's operations are being exhibited. People feel worse when they come to a realization of their actual condition which has in fact existed for some time.

An outstanding feature of the reports received this month is the frequent reference to lower stocks of goods carried. Such expressions as these occur: "Our customers a year ago were carrying large stocks of goods which have since been absorbed." "The visible supply of materials in our industry has been greatly reduced." "Like everyone else in the industry, today we dare not purchase materials in anticipation of orders, and therefore unless we have from 30 to 60 days advance notice it is going to be most difficult to give you the shipments which you will require."

Our correspondents refer to the "invisible supply of goods" (meaning in the hands of the consumer) and are sure in many commodities that supply is near exhaustion. It would seem, therefore, that the business situation is gathering elements of strength underneath; reflecting itself in this country in increased turnover both in commodities and transactions, and abroad in the improvement of the exchanges.

While seasonal trade will be emphasized and spurts occur followed by reaction in those industries dependent upon a seasonal demand, it is our judgment that the renewed activity in many lines of business is the beginning of a steady return to "better times."

Loans to City and Country Banks Continue to Decline; Acceptance Market Shows General Improvement

During the month ended January 20 there was a gradual decline in the demand for accommodations from both city and country banks. This decline has continued with equal consistency through the past month ended February 20. A month ago the return of funds borrowed for the payment of taxes was in evidence, but this is gradually slowing down. Deposits of state soldier bonus funds have contributed to reduced demands.

Indications point to slight reductions in country bank borrowings owing to the movement of grain at the improved prices.

The reduction in the rediscount rate of the Cleveland Federal Reserve Bank from 5 to 4½ per cent on February 14 has not occasioned any increase in

the demand for accommodations up to this time.

On January 20 the reserve ratio of the Federal Reserve System stood at 75.1 per cent. On February 20 it was 78.7 per cent. On the twentieth of last month the reserve ratio of this bank was 74.9 per cent and on February 20 it had increased to 78.5 per cent.

The combined reports of eighteen large savings banks and trust companies in the Fourth Federal Reserve District for the month ending January 31, 1922, as compared with the same month for last year, show a decrease in total time deposits of 5.1 per cent. The decrease in total time deposits from December 31, 1921, to January 31, 1922, was 0.5 per cent.

ON PAGE 11 APPEARS A STORY OF THE MONEY DEPARTMENT OF OUR BANK.

Dealers' comments on the acceptance market for the month ending February 11, indicate a general improvement over the previous month. From the first of the year banks began buying bills, and the deposits of state funds added considerable volume to the sales.

Regardless of the continued falling off of export and import bills, there was a noticeable new supply of bills created against warehouse receipts and domestic shipments. A number of the banks that had not supplied the market with bills for some months past came in with offerings. The market as a whole was well supplied and the dealers' portfolios had sufficient variety to meet demands.

Iron and Steel Industry Continues to Improve; Railroads and Building Contractors Heaviest Buyers

More definite signs of a moderate expansion of the iron and steel market, with a consequent increase of plant operations, have appeared in recent weeks and the undertone of the situation is more hopeful. This broadened demand which first appeared around the middle of January has now carried operations at least back to the level of last November which had represented the highest point since the preceding February. The indications suggest that the gradual improvement in the volume of business which ran through the August-November period and then slumped away in the closing month of the year, has been resumed. Steelworks operations at present are above the 50 per cent mark and are slowly rising. Some important companies of diversified product, in fact, have been able to run recently at better than 60 per cent. Steel ingot production in January was at the annual rate of approximately 20,800,000 tons. This is equivalent to about 48 per cent of the high record year of steel output, which was 1917. February promises to show a fair increase over the January rate.

Pig iron production in January was only slightly larger than in December, totaling 1,645,804 tons, against 1,642,775 tons, according to the statistics compiled by *The Iron Trade Review*. The January output of pig iron was the largest since February, 1921. The number of furnaces in blast on the last day of January was 127, a gain of 4 over the corresponding date in December. All the gain of pig iron output in January is accounted for by the steelworks furnaces as the production of merchant iron, or that made for the open market, showed a slight decline.

Two features of the market which have been contributing most in providing increased tonnage for the mills are railroad buying and building work. The closing of orders for equipment by the railroads has been especially encouraging. In the Chicago district where the principal buying has occurred, because the western roads have been the most active in this respect, the number of new cars awarded in the present movement exceeds 20,000, calling for about 200,000 tons of steel. Because of these orders

The observations of this bank on the acceptance market are that both the supply and demand for bills were very vacillating during the past six weeks. The demand received a temporary impetus during the periods when public funds were being deposited with member banks and is beginning to show the effects of deposits of the state soldier bonus. The supply consisted chiefly of grain, crude oil, cotton and sugar bills, while there appeared on the market the first pig iron bills seen in a long time. There were also a few tea, coffee and fig bills.

Rates were unattractive to some buyers and funds were diverted to other uses. New Government issue has also had its effect. Offerings have been very moderate. Rates in this District have varied from $3\frac{3}{4}$ per cent to $4\frac{3}{8}$ per cent.

the mills in the Chicago district have been able to lay down some backlog of tonnage extending several months ahead, thereby improving their position considerably. Some recent weeks' bookings of heavy material by leading Chicago mills have been the heaviest in eighteen months. As many cars have been ordered by the railroads during the present buying movement, extending two or three months back, as was the case in all of 1921. In addition to equipment buying the railroads have been releasing some good-sized tonnages of rails, track material and a little bridge work, and also have been doing more liberal purchasing for maintenance and replacements.

Reviving interest is shown in the building situation by an increase in the number of projects, in the tonnage of structural steel actually awarded, and even more so in the growing volume of work that is in the figuring stage. It is significant that some large projects which have been in abeyance for several years are again being brought forward with a more promising outlook for their being definitely closed. Adjustment of building labor controversies especially in Chicago is regarded as a helpful factor.

Apart from the exceptions noted, most of the buying of steel products continues of the wear and tear and replacement character and there is an absence of any inclination on the part of most consumers to stock material. The common policy among consumers is to close only on requirements for a short period ahead. Prospects in cast iron pipe have improved, larger tonnages are coming out and makers are expressing the opinion that 1922 will be one of the heaviest years in history.

Prices of both finished steel and pig iron continue weak, though here and there, there is a slight stiffening apparent. In steel also it is to be noted that whereas the minimum figures of the market recently were applied by producers even to small lots, they are now being reserved for the more attractive tonnages. The competition of steelworks furnaces in offering some of their surplus production of pig iron continues to have an important bearing upon the market, particularly in steelmaking iron.

The weekly composite market average of 14 iron and steel products, compiled by *The Iron Trade Review*, tends to show a more stabilized condition

of prices. For the week of February 15, the average was \$32.88, compared with \$32.89 one week and \$32.92 two weeks previously.

Grain Trade Shows Life in Lake Shipping; Cold Weather Brings Increased Coal Shipments; Ore Movement Slow

The outlook in the lake trade is brighter than it was a year ago, but the start will be slow, and if there is a suspension of work at the coal mines April 1, there will be no great rush to get the boats ready. With a good supply of ore at the furnace yards and on the Lake Erie docks, there will not be much demand for early cargoes in that trade and the indications are that many of the freighters will not be sent out until they can get loads at both ends of the route. The grain trade is the only branch of the business that has shown any life up to this time and a fair amount of tonnage has been chartered for opening shipment in addition to the boats that have taken cargoes for winter storage and spring delivery. Most of the chartering in the grain trade was done on the basis of two cents from ports at the head of Lake Superior to Buffalo. Some business has been done for the second trip at 1¾ cents. Stocks of grain are pretty heavy, and the elevators at the Lake Michigan ports and Duluth are holding more grain than they were a year ago.

The coal movement from the upper lake ports has shown quite an increase since the first of the year, due to the cold weather, and the amount of coal carried over will be smaller than was figured on early in the winter. The commercial demand is small

in the northwest. The docks at Duluth and Superior in January sent forward 24,521 cars or about three times as much as they shipped in January, 1921, when the movement was 8,403 cars. According to reports received by shippers, coal is going forward faster from the Lake Michigan docks. The first cargo of coal was taken at Cleveland February 13. Some coal has been loaded at Lorain and Ashtabula, but the amount afloat is much smaller than it was a year ago. The first cargo in 1921 was loaded at Cleveland January 31, and before a good start was made by the boats the docks had dumped 1,242,772 tons. The coal was sent to the lake front in order to keep the mines in operation as there was little demand in the local trades.

With a good supply on hand the furnaces are taking ore slowly and the movement from the Lake Erie docks has been light since the first of the year. Shipments for January were only 211,533 tons and in January, 1921, the docks sent forward 723,294 tons. There is less ore on dock than there was a year ago. Stocks on February 1 were 8,223,216 tons and on the same date in 1921 the docks were holding 9,217,089 tons. The indications are that it will be some time before rates made on carrying charges are fixed. The general opinion is that the ore movement will show a good increase over 1921.

Many Manufacturers Report Decided Improvement in Business; Small Quantity Orders Predominate

The business dullness experienced at the turn of the year is gradually wearing off. Many Fourth District manufacturers reporting on business during the past month see a distinct improvement in their own line and general conditions looking much brighter. The policy of ordering goods in small quantities is in evidence in many directions.

The automobile business has improved since the first of the year and a better feeling prevails. February, as a rule, is showing up better than January. Prices of cars have been reduced to a low level, with the result that the public is now showing more confidence and orders are starting to come in.

The production of passenger cars is increasing. The following is a preliminary estimate of automobile production: Manufacturers producing 73.6 per cent of the total December output of passenger cars report 54,086 cars built in January as against 52,026 built by the same companies in December.

The local condition of the motor truck industry has shown a slight improvement since last month. Production throughout the country, however, shows a decline. A large truck manufacturer in the Fourth District reports that orders from January 1 to the

middle of February were 71 per cent in excess of last year's business for the same period, but he is doubtful if this rate of increase can be maintained even in view of the low production of last year.

Truck manufacturers producing 76.1 per cent of the total December output report 5,837 trucks built in January as against 6,318 in December.

The increased production of low priced automobiles is making it necessary for body building companies to manufacture more bodies of the cheaper variety in order to meet the specifications of the low priced cars.

The first part of January was very dull in the tool manufacturing line but near the middle of the month orders began to come in and the improvement has continued at a modest rate until the present time.

Paint manufacturers are doing a good business. Price tendencies are firmer and orders are coming in at a very pleasing rate. Prices of the raw materials used in the making of paint have become fairly well stabilized with the result that manufacturers are buying more stock for future requirements. Customers are also showing more confidence in the present level of prices.

A white lead manufacturer reports a very marked improvement in business as compared with this time last year. There is a stronger demand for both pig lead and linseed oil. The trade is quite optimistic that spring business will be in larger volume than it was a year ago. The condition of mining operations is not quite so favorable for costs in this direction are still high in comparison with prices obtained for the finished product.

A considerable degree of improvement is seen in the printing and lithographic ink business. More orders have been placed during the past month and there is a somewhat better feeling in the trade.

The cork business during January was slightly better than in December. There is a fair demand for cork insulation, but this business is largely dependent on the building situation. At present there is little activity in the construction of warehouses and cold storage plants and most of the demand for insulation is confined to material needed for repairs.

The farm machinery industry is still very slack, but some signs of encouragement are seen.

From a large hardware manufacturer comes the report that business is showing definite signs of picking up. While orders are still being placed very carefully, customers who have not ordered for a year or more are again coming into the market, an indication that stocks are low. February sales show a distinct improvement over those of the same month last year and more help is being required to meet the demand.

The laundry machine business has been very encouraging during the past five months, showing a marked increase over the corresponding months of a year ago.

A manufacturer of adding and calculating machines reports that business in his line has shown a slight but unmistakable improvement within the past six weeks.

Decrease of Winter Motoring Causes Slack Demand For Gasoline; Crude Stocks Increase; Production Also Gains

The year 1921 closed with stocks of domestic and Mexican crude oil in storage in the United States equivalent to 119 days supply at the rate of consumption prevailing in December. At the same time the demand for refined products was slack, due in the case of gasoline to the decrease of motoring in the winter, and in the case of other products, to general industrial inactivity in this country and unsettled conditions abroad, which kept down the export demand.

During January the demand for refined products remained very dull, with the result that many refineries, both in the mid-Continent and in the western Pennsylvania districts, closed down entirely. During the same period production of crude continued to increase steadily, week by week, although the amount of the increase was not very great.

Increasing production of crude and lessening of demand from the shut down refineries has undoubtedly caused a considerable addition to crude stocks during January, although the figures are not yet available.

Up to the first of December, gasoline consumption was phenomenally large as compared with previous seasons. Many big companies have discontinued sales of gasoline to independent jobbers and are running their daily surplus to storage to pile up reserve stock against the summer requirements. This is true, not only of the biggest companies in the business, but of many others. Few of the refining companies, that operate filling stations of their own, are now offering any gasoline for sale, preferring to conserve it for their own use later.

The Bureau of Mines' estimate as of December 31, was that the gasoline in storage at that time was equal to about 37 days supply at the December rate of consumption. The greater part of this gasoline was in the tanks of the larger companies.

The jobbers over the country, who usually at this time of the year are getting into the market heavily for gasoline for their spring business, have held off this year and are still holding off because of uncertainty as to whether crude is going to remain stable at the present posted prices. A canvass now being carried on by the *National Petroleum News* which has already covered Oklahoma and Kansas, indicates that the jobber, especially the smaller company or individual, is going to have to shop for requirements.

The tendency of retail prices of gasoline during January was downward, decreases in the tank wagon market being made by several companies in different marketing territories. This, of course, made it more difficult for the refiner to demand a price for his gasoline that would enable him to operate his plant in the face of slow demand for his other products.

January as a whole was marked by the efforts of refiners generally to hold down their operations to a point in keeping with the ability of the market to absorb their products, while the producers, with the stimulus of \$2.00 oil, have gone ahead pretty steadily increasing the daily average of crude production.

The oil industry as a whole is facing the spring season in a strong position. The independent refiners have pretty well worked down their stock of products. Stocks of many products are extremely light.

Canning Industry Aided By Low Stocks; Sales of Food Products Increase; Buyers in Market for Tin Cans

The improvement in the canning industry which started at the turn of the year continues and the industry is in a somewhat better situation than it was a month ago. Spot stocks are being reduced very materially at a slight advance in prices over those in effect a month ago.

Future prices on peas have been named and quite a large volume of business has been booked. Up to this time no future prices on sugar corn have been named. Corn canners have not commenced to contract for acreage, many waiting to see just how things are going to turn out.

Canned tomatoes continue in a very strong position. Owing to the fact that the 1921 pack was considerably under that of 1920, prices have advanced and reports indicate a shortage of tomatoes before the next packing season, even under restricted consumption.

Some of the wholesale grocers are financially unable to buy goods in any large amounts and are ordering only to meet their immediate needs. Others are not sure of the price situation and they are also ordering in small quantities. The result is that the canner is

placed in the role of a warehouseman and has to carry his own canned goods for several months.

March 1 to 8 has been designated as "Canned Food Week" covering the entire United States. This movement has been planned for the purpose of demonstrating the value of canned foods to the consumer, consequently increasing the consumption.

The January volume of sales in the food products business is reported as showing a material increase. Food products manufacturers are convinced that their goods will sell in fairly satisfactory quantities when the prices are low enough and the quality is right. They are pinning their faith on the quality of their product and giving constant study to the ways and means whereby economies can be effected and prices reduced, believing that these two factors will insure a satisfactory volume of business.

Business in the tin can manufacturing line continues good. Inquiries are coming in at a fair rate and present price quotations are resulting in orders being placed. These orders are not large as a rule, but they indicate that buyers are in the market and are using good judgment in their purchases.

Condition of Wheat Crop Fairly Good At Present; Comparison of Livestock Figures; Marketing Association Pleases Tobacco Growers

While there has been some damage to winter wheat, due to alternate freezing and thawing, the condition of the wheat plant is still good, according to the report of the Ohio Department of Agriculture. The condition of growing wheat in Ohio at this time is estimated to be 90 per cent with about 10 per cent damaged from winter killing. The late sown wheat appears to have suffered the most damage.

Recent reports indicate that farmers intend to raise more chickens this year. This is especially true of the counties containing the larger towns and cities. Egg production appears to be somewhat lower than usual at this time of year.

The decline in the number of hogs on Ohio farms, which started two years ago, has apparently stopped and present figures are encouraging. The estimated number on January 1 was 2,862,000 as compared with 2,806,000 a year ago, and 3,804,000 two years ago. The total number in the United States is estimated at about 57,000,000, which figure is almost a million greater than a year ago.

The number of milk cows on Ohio farms shows little change since last year. On January 1 the number was estimated at 1,048,000 compared with 1,038,000 a year ago and 1,059,000 in 1920. In the United States the total number of milk cows was 24,028,000, a 2 per cent increase over last year and a 1 per cent increase over 1920. The number of other cattle in Ohio was 832,000, a 2 per cent increase over last year, but about 36,000 less than two years ago. In the United States there was a 1½ per cent decline in the number of other cattle from last year and a 5 per cent decline from two years ago.

The number of sheep is 1,957,000 which is 20,000 less than a year ago and 46,000 less than two years ago. Sheep in the United States show a decline from 39,025,000 in 1920 to 36,048,000 in 1922.

The number of horses on Ohio farms on January 1 was estimated at 787,000 compared with 795,000 last year and 811,000 two years ago. The number in the United States is reported at 19,099,000 which is 700,000 less than two years ago. It is estimated that there are 31,000 mules in Ohio compared with 32,000 last year and 32,000 the year before.

At the present time conditions in the Burley tobacco district are more favorable. Since last month the Growers Marketing Association has started its operations. It appears that its plans for the handling of the tobacco were well laid so that when the warehouses were opened to receive tobacco the business was handled without any evidence of confusion.

The tobacco is graded and weighed by the Association upon delivery. The grower receives credit for the number of pounds of each grade which he has delivered and an advance is made to him for this tobacco.

Several large sales have been reported by the Association, but no definite prices have been given out up to the present time beyond the statements indicating that these prices have been quite satisfactory. The growers seem to be well pleased with the organization at the present time. Growers of dark types of tobacco in western Kentucky expect to start on an organizing campaign in the near future to establish an organization along similar lines.

Production of Soft Coal Increasing; Consumers Buying to Insure Future Supply

The production of bituminous coal has been showing a gradual increase since the first of the year. According to recent estimated production figures of the Geological Survey the total output of soft coal for the week ending February 11, was 10,326,000 tons. This is an increase of more than half a million tons over the previous week when the total production was estimated at 9,706,000 tons. A month ago production was down to about 8,000,000 tons.

The present rate of production is sufficient to meet current consumption and exports, and also to increase the reserve in storage.

The world's production of coal in 1921 dropped back to the level of 1909. In comparison with 1920,

last year showed a decrease of more than 200,000,000 tons. The two main factors responsible for the decrease were the British miners' strike, and world-wide industrial depression.

Stocks of bituminous coal on January 1, 1922, consisted of 47,500,000 tons in the hands of consumers and 7,151,000 tons on the upper lake docks.

With the time near at hand when the present scale of wages paid to miners expires, consumers are evidencing a desire to increase their stocks of coal in order to insure a future supply.

Production of anthracite coal and also that of bee-hive coke showed a slight increase during the second week of February.

Paper Manufacturers Report More Business in February; Greater Demand for Advertising Paper; Box Board Mills in Better Position

The month of January proved to be a poor one in the paper industry as was predicted by paper manufacturers at the start of the year. Production in some instances fell off to about 60 per cent of normal. February opened up somewhat better and the trade anticipates some improvement over January production.

As is the case in practically all lines of industry the paper manufacturers are faced with the problem of reducing the cost of production. In this connection a Fourth District paper manufacturer reports the following:

"There are many paper mills dating back twenty, thirty, forty and even fifty years to the installation of their producing equipment, the plants having been maintained after a fashion, but producing costs on such old equipment, even when thoroughly written down, are high as compared with some of the modern installations. It is my opinion that before we are through with this readjustment a good many of those mills must be scrapped."

The demand for writing tablets and box stationery is good. Stocks in the hands of wholesalers and retailers are low and the consumer is buying regularly. Advertising is causing a heavier demand for colored cover paper and sales in this direction are increasing. As business competition grows, there comes the necessity for more advertising and paper manufacturers are getting greater returns from this source.

Last year paper box board mills suffered some heavy losses. At present the situation is much improved for the manufacturers of paper boxes have used up practically all of the box board they purchased at the high prices during 1919 and the early part of 1920. They are now buying just as they need the stock and are looking forward to a gradually increasing demand for their product as business conditions improve. Box makers and consumers as a rule are buying only in small quantities.

Transportation Situation Improves; Number of Idle Freight Cars Shows Consistent Decrease; More Revenue Cars Loaded

Railroad traffic is increasing as indicated by the consistent decrease in the number of idle freight cars throughout the country. On January 31 there were 330,681 idle serviceable cars in the country, this being a large reduction when comparison is made with the figures of December 31, when there was a total of 470,516 idle freight cars. More recent figures reported for the week ending February 7 show a further drop. At that date the total number of idle serviceable cars was 296,659.

The latest available figures show that on January 1 there were 313,190 bad order cars. This figure in-

dicates a slight increase since December 15 when the number was 308,556. On the fifteenth of the previous month the total of bad order cars in the country was 333,616.

There has been a considerable increase in the number of revenue cars loaded within the past month. In the week ending December 31 there were 531,034 cars loaded as compared with the week ending January 28 when the number loaded was 743,728. In comparing these figures, however, it should be remembered that the volume of December traffic is usually low.

In the eastern district, or roughly that part of the United States east of the Mississippi and north of the Ohio rivers, the number of revenue cars loaded for the week ending January 28, 1922, and the corresponding weeks of 1921 and 1920 is as follows: 1922, 178,857 cars; 1921, 161,127 cars; 1920, 188,189 cars.

Interest in Building Trade Centers on Wage Agreement Negotiations; Home Building Leads in Construction Work

The building situation is somewhat unsettled at present owing to the fact that the time for the annual wage agreement negotiations is near at hand. This readjustment usually comes on May 1, but the agreement of last year provided for the expiration of the individual trade compacts on March 1 with a view to getting matters cleared up before the spring season opens.

Contemplated work for the coming spring furnishes room for optimism, but a lot depends on the attitude between the craftsman and the employer.

Little Change in Textile Industry Since Last Month; Good Demand for Women's Wear Goods

Although wool textile mills are running on a fairly satisfactory basis, due largely to the demand for women's wear goods, the industry is still faced with numerous difficulties. Raw materials have advanced in price and are very scarce. Many of the wool textiles have opened up at reductions varying from 7½ to 15 per cent, and there is a belief in the trade that the manufacturers are going to have to carry the greater part of this reduction. With reference to the men's wear in particular, this reduction has been made in an effort to stimulate business, but so

The decrease in 1922 as compared with 1920 is explainable in view of the fact that 1920 was a year of extremely heavy freight movement. On the other hand, part of the increase in 1922 as compared with 1921 may possibly be due to lower per car loadings. On the whole the figures apparently indicate an increase in business.

January construction activity was 49 per cent greater in volume than it was on the corresponding month of last year according to the F. W. Dodge Company's report. Residential building accounted for 45 per cent of the January total. Business building was second with 14 per cent of the total and industrial building third with 12 per cent.

In another part of the *Review* may be found a table showing building operations in the Fourth Federal Reserve District for the month of January.

far textile manufacturers have seen few encouraging results.

The fact that Easter is late this year is enabling manufacturers to get out a good substantial yardage at reasonable profits to the makers. The majority of these goods are specialty fabrics and cannot be made by all textile manufacturers, but according to reports this is one bright spot in the market today.

Retailers are advertising on a large scale in an effort to dispose of final stocks of winter goods and get their shelves ready to receive the spring styles.

Common Brick Manufacturers See Upward Trend in Market; Plants Running Slow at Present; Less Demand for Hollow Tile

Members of the Common Brick Manufacturers Association of America located in 43 states report an upward tendency in the market. Reports of this kind have been coming in to the Association for several months and seem to be quite consistent, indicating an actual turning toward better conditions.

This is the closed season with nearly all of the plants in the northern part of the country and a comparison with activities a month ago would hardly indicate true conditions. So while there are more plants closed down at present than there were a month ago, and no heavy demand so far, it is the belief of manufacturers that a fair demand will come with the opening of spring building operations.

The price of building brick went through a pro-

cess of deflation throughout 1921 with a steady downward trend. Manufacturers now feel that future prices are dependent upon freight rates and the price of coal.

According to official estimates the number of common brick plants in the United States capable of immediate operation is 1,200. In 1900 there were 6,400 plants in operation. This is an indication of more organization, more standardization, more effective machinery and better distributing methods in the industry.

During the month of January the demand for hollow tile fell off somewhat, but this is considered a seasonal drop. Manufacturers report that present prospects for spring business are good.

Tire Production Near Level of Past Few Months; Dealers Hesitate in Ordering for Spring; Rubber Workers Efficient

The first two months of the year have brought little change in the rubber industry. What few alterations there have been in production schedules are generally in the direction of slightly increased output. The daily production of tires as compared with last month is near the same level. Manufacturers quite generally are optimistic as to future prospects for business and are looking forward to new developments.

Many dealers are slow in stocking up for spring business. Dealers are operating on a hand-to-mouth basis and manufacturers report that this is more in evidence than ever before.

The rubber industry is well prepared for larger production to meet increased demands. A large majority of the rubber workers are married men with a family to support. They take an interest in their work and are very efficient. This is in marked contrast to conditions before the readjustment period set in.

The purchasing of new equipment to improve pro-

duction facilities still continues. During the past year and one-half there was little buying for replacement of new equipment. At present equipment men report that worn out part are being replaced and that some new machinery is being bought in order to bring plants to the highest point of efficiency.

The price of crude rubber declined during the past month. This aided very little in the bringing down of production costs, for most of the large companies are not in a position to take advantage of a drop in price.

There is an increasing interest in export trade. The present condition of many foreign countries prevents any immediate hope for substantial orders, but the demand from England, Australia, Scandinavia and India is an indication of the improved popularity of American products in foreign countries.

The *India Rubber Review* reports the rubber plants "stripped for action," that more attention is being given to sales methods and that the plants are equipped to produce economically.

A Special Survey On The Knitting Industry

In the February number of the Monthly Business Review we attempted to give our readers a few interesting facts about the wool industry, following it in the gradual transition from sheep's clothing to the finished material for the human race. The survey this month is a little story about the knitting end of the business, dealing principally with fancy knitted goods, underwear and hosiery.

The building up of the textile industry has been a great factor in civilization. Long ago clothes were worn for comfort, but at best it was far from the comfort that we know today. Adaptations and changes, made possible by seemingly miraculous inventions, have resulted in the comforts that the ancients may have dreamed about in their struggle for progress. The wish of our primeval ancestors for social approval led to the adornment of the person and clothing became more decorative in character. Later dress became a means not only of comfort and of decoration, but to show the distinction of sex or of classes. Special occasions demanded special costumes. The use of dress for social distinction was characteristic of our ancestors and modern civilization certainly has proven no exception to the rule.

Cleveland stands in the front rank as a producer of fancy knitted goods. There was a time some years ago when prospective buyers preferred to make a trip through the eastern knitting centers before placing any orders in Cleveland. However, the one-time infant has grown and with its growth the sentiment of the buyer has changed. He now prefers, in a few particular lines at least, to see the styles and get the prices offered by manufacturers in this section of the

country. Among the most important of the fancy knitted goods products are sweaters, scarfs, caps, bathing suits, athletic goods, etc., and they are being used more extensively each year.

Most of the yarns used in the manufacture of knitted goods are bought in eastern textile centers of the United States. Some of the knitting mills in this District have their own dyeing plants and these plants enable the makers of knitted goods to make a complete circle of knitted goods production. Shipments of yarn are usually stored in semi-damp basements where the yarn is kept in good condition until it is ready to start on its journey through the mill.

The principle of knitting is quite distinct from that of weaving. In the weaving of cloth, one system of yarns cross over those of another system at right angles, thus producing a solid texture. In the process of knitting the fabric is made by looping each succeeding line of yarn into the one before it.

Special machines of many varieties, examples of wonderful mechanical ingenuity, have been invented for the work. Their most important parts are the series of needles which do the work with great rapidity and expertness.

The majority of knitting machines are circular in shape. The circular knitting machine produces a circular web of various degrees of fineness and in sizes ranging from the small cuff of a child's garment to a man-size sweater.

Knitting may be plain or ribbed or both kinds may be found combined in one garment. The striped knitting process is particularly interesting. The striped effect is accomplished automatically by a system of changing the yarns when delivered by the feeds. It has only been within recent years that makers of knitting machinery have been able to offer machines on which more than one kind of yarn could be knit at one time.

We will not attempt to describe the intricate maze of work in the actual manufacturing process. That would be a story in itself and worthy of the most mechanically inclined engineer. But to watch the yarn as it is wound from the bobbins and see it under the magic of the near-human machines, rapidly change into a great woolen sweater or perhaps a dainty scarf neatly pressed, packed and labeled for shipment, causes one to pause and wonder at modern inventive genius.

Along with the growing demand for knitted goods comes the demand for new styles and textures. Goods made from fibre silk is an illustration. This material, which is manufactured from wood pulp, is in demand particularly for ladies sweaters, scarfs and hosiery. A Cleveland concern engaged in the manufacture of fibre silk finds the demand for their product increasing rapidly and they are at present making plans to increase production.

The war affected the industry in several ways. It caused an increased demand for knitted goods and production facilities grew to meet the demand. Then when the war ended and the buying power of the public was lowered, as a result of post-war depression, jobbers orders naturally became smaller.

In an effort to offset this disadvantage manufacturers planned new designs and materials to coax the buyer along. Their plan was at least partially successful for the public can always be attracted by something new. The surprising number of new and startling styles in evidence last year was a direct outgrowth of this.

These changing styles are still with us and the public still wants something new. Then, too, the era of prosperity taught an appreciation of quality goods and it is difficult indeed to come back to earth. Before the war more than 50 per cent of the material used in the manufacture of fancy knitted goods was mixed cotton and wool. Since the war about 35 per cent is cotton and wool and 65 per cent is all worsted.

There was a time when there was no question as to Paris being the center of styles, but the war changed this too. American designers, forced to rely on their own resources, developed rapidly, and now America is setting the pace.

Parisian designers frankly admit they have become rusty, but they also say they will come back strong and make a bid that cannot be denied in an effort to win back their former prestige.

Makers of fancy knitted goods say that business is quite satisfactory. At present they are for the most part turning out ladies' sweaters, bathing suits, and heavy goods for next fall and winter. If the color of samples seen in the factories may be considered an indication of what we may expect to see next winter, the festive mood will be much in evidence for another year at least.

The making of underwear also comes directly in line with the manufacture of knitted goods. Piqua, a flourishing town in the central western part of Ohio, claims the distinction of being the home of the union suit, of giving this garment its first commercial impetus, and of being the principal center of men's high-grade union suits.

A little over thirty years ago the manufacture of union suits was started. At that time the majority of knitted goods manufacturers considered it a joke. The eastern mills looked upon it as a mere "flurry," as something that could never be made into a logical undergarment for men's wear.

For a time it was a real up-hill fight, but the makers of this "peculiar" garment believed in their product and at last their efforts began to bring results. Very shortly it came to be recognized as a comfortable and serviceable garment and production has grown rapidly. Today it is estimated that 75 per cent of the total underwear production in the country is union suits. Two-piece suits are still popular in the south, particularly among the colored race. Likewise the old fashioned garments are still popular in European countries. Outside of the United States Canada is one of the best markets for union suits.

When the production of union suits first gathered a little momentum, it was in the direction of the west. Chicago became, and still is, the great jobbing center. Expansion continued westward and St. Louis, Omaha, St. Paul and Minneapolis were included in the list. Then it swung back east and New York, Philadelphia and the Mohawk Valley became important centers. The south has now entered the field particularly in the direction of cotton goods.

A union suit has to fit to be comfortable. This problem faced the manufacturers, so they originated the system of trunk measurement to take the place of the old method of determining the size of the garment by chest measurement. The "trunk measurement" system formed the basis for the correct tailoring of union suits. Quality naturally plays a leading role.

A "jinx" in underwear comfort has been the seam. Up to a few years ago no manufacturer could hope to make a seam that looked well, wore well, and felt well without excessive effort and expense. The seam that looked right didn't wear right or the seam that stood service was a source of discomfort to the wearer. Then the flat lock seaming machine was invented and it is now the modern method of seaming the garment. The seam lies flat, wears well and looks well.

In the making of union suits the yarn is knit on circular machines, then pressed and cut according to a marked pattern. The yarns or knitted goods are sometimes dyed or bleached according to the requirements of the finished material.

From the cutting process the knitted material starts on its journey through the various finishing operations. A "follow up" system is used and each piece of goods, large or small, which has a place in the make-up of the garment, travels with its fellows until the finished suit is the final result. The suits also travel in definite sized lots. The work is carried on with astonishing rapidity for each worker is skilled in his or her particular duty. The machines add their almost human touch and soon after the first operation is started the finishing touches are added, the garment passes the watchful eye of the inspector, it is labeled, pressed and packed and is then ready to take its place on the shelves of the jobber or retailer.

And now we come to the making of hosiery, of lesser commercial importance perhaps, but far from being unimportant in the making of knitted goods.

In ancient times the leg was generally left uncovered, and when stockings were first worn they were cut with scissors from cloth of linen, wool or silk and sewed together. The first attempt to knit stockings by machinery is supposed to have been made by William Lee of Cambridge, England, about the beginning of the seventeenth century. An interesting little story is told in this connection: As the story goes Lee was deeply in love with a young lady, but whenever he courted her she seemed to be more interested in her knitting than in her suitor. This piqued Mr. Lee and he determined to invent a machine that would take the place of hand knitting. We do not know how the machine succeeded in the original purpose for which it was intended, but after persistent effort on the part of its inventor and others, it did come to be of great commercial importance in the making of hosiery.

According to the particular method by which socks and stockings are made, of whatever kind, quality

or material, they are classed either as cut goods, seamless, or full fashioned.

Cut goods are made of round webbing knitted on what is called a circular knitting machine. The shaping of the leg is effected either by cutting out sufficient of the stocking from the calf to the heel to allow part to be sewn up and shaped to fit the ankle, or they are shrunk. The putting on of the toe and heel are separate operations.

Seamless hose are made on a specially constructed machine which produces the entire stocking, but leaves the toe piece to be joined by a looping attachment. In this class of hose the ankle of the stocking is made just the same size as the upper part of the leg. The stocking has to be shaped by a process of steaming, and then drying on boards shaped so as to produce leg, ankle and foot in the proper dimensions.

Full fashioned hose are produced by means of complicated and expensive knitting frames which automatically drop the requisite number of stitches at the ankle so as to gradually narrow the web down and give the stocking the natural shape of the leg. The toe and heel are produced in much the same manner.

When socks and stockings are taken off the knitting machines, they present an unfinished appearance, being loose, puckered, dirty and generally shapeless. But after going through a process of scouring, steaming, shaping and pressing, their looks are decidedly improved. These operations constitute a distinct branch of the industry.

Business in women's and children's hosiery is good. This cannot be said of the men's wear, however, and this is the reason: Reduced wages and unemployment have lowered the buying power of the man of the family. The average man wants his family to make a good appearance even though he may have to go without a few new pairs of socks for himself. Manufacturers feel the direct result.

The following is a list of knitting mills located in the Fourth Federal Reserve District:

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| Ada Knitting Mills Co., Ada, Ohio. | Green-Haas-Schwartz Co., Cleveland, Ohio. |
| Adler Underwear & Hosiery Mfg. Co., Cincinnati, Ohio (Fairmount Woolen Mills). | Greenwood, Eugene, Troy, Ohio. |
| Ambridge Knitting Co., Ambridge, Pa. | Guarantee Knitting Co., Cleveland, Ohio. |
| Atlas Underwear Company, Piqua, Ohio. | Hall, Thos. W. Mfg. Co., Columbus, Ohio. |
| Atlas Underwear Company (Finishing Dept.), Urbana, Ohio. | Holmes & Glazer, Cincinnati, Ohio. |
| Bacharach & Loeb, Cincinnati, Ohio. | Imperial Underwear Co., Piqua, Ohio. |
| Bamberger, Reinthal Co., Cleveland, Ohio. | Keller Knitting Co., Cleveland, Ohio. |
| Barkley Woolen & Knitting Mills, Somerset, Pa. | Lion Knitting Mills, Cleveland, Ohio. |
| Beacon Lighting Co., Pittsburgh, Pa. | Miami Valley Knitting Mill Co., Hamilton, Ohio. |
| Beattie Hosiery Co., Somerset, Ky. | Mitchell Mfg. Co., Portsmouth, Ohio. |
| Block Gas Mantle Co., Youngstown, Ohio. | New Castle Knitting Mills, New Castle, Pa. |
| Burton, D. F., Cleveland, Ohio. | Nu Back Fur Co., Columbus, Ohio. |
| Cincinnati Knitting Mills, Amelia, Ohio. | Ohio Truss Co., Cincinnati, Ohio. |
| Consolidated Knitting Co., Cleveland, Ohio. | Piqua Hosiery Co., Piqua, Ohio. |
| Dolphin Hosiery Co., Toledo, Ohio. | Republic Knitting Co., Cleveland, Ohio. |
| Dormer Bros. Co., Hosiery Mills, New Richmond, Ohio. | Rich-Sampler Knitting Mills Co., Cleveland, Ohio. |
| Dresden Woolen Mills Co., Dresden, Ohio. | Rogers, Thos., Youngstown, Ohio. |
| Eastern Woolen Mills Co., East Brady, Pa. | Sidney Knitting Mills Co., Sidney, Ohio. |
| Enterprise Knitting Mills, Toledo, Ohio. | Silber Silk Knitting Mills, Cleveland, Ohio. |
| Fabric Mills of America, Warren, Pa. | Standard Knitting Co., Cleveland, Ohio. |
| Fashion Knitting Mills Co., Cleveland, Ohio. | Standard Knitting Co., Ravenna, Ohio. |
| Favorite Knitting Mills, Cleveland, Ohio. | Strong-Maxwell Co., Cleveland, Ohio. |
| Fay Stocking Co., Elyria, Ohio. | Superior Underwear Company, Covington, Ohio. |
| Federal Knitting Mills Co., Cleveland, Ohio. | Superior Underwear Company, Piqua, Ohio. |
| Forest City Woolen Mills Co., Dresden, Ohio. | Superior Underwear Company, Tippecanoe City, Ohio. |
| Friedman-Blau-Farmer, Cleveland, Ohio. | Union Underwear Company, Greenville, Ohio. |
| Goldsmith's Sons, Cincinnati, Ohio. | United Knitting Goods Company, Cleveland, Ohio. |
| Gray-Barr Co., Elyria, Ohio. | Wovenright Knitting Company, Cleveland, Ohio. |

The Story Of Our Money Department

Everyone is interested when the subject is money; but when that subject deals with a Money Department that handles approximately 130 million pieces of money each year and 500 tons of silver and minor coin, it becomes doubly interesting. We are glad to be able to give our readers this month a story of our Money Department.

The provision of an elastic currency being one of the principal objects of the Federal Reserve Act, it is probable that the framers of the Act had foresight and vision in realizing the great service to be rendered by the Money Departments of the Federal Reserve banks. During the few years of existence of this bank their faith has been justified and the fulfillment has come; the decade has witnessed periods of accelerated business activity and extreme depression, yet at no time has a crisis threatened affecting the volume and supply of money.

The operations of the Money Department commenced immediately following the organization of the bank in 1914 and the called installments on capital stock and reserve deposit accounts started a flood of gold coin and currency to the bank that taxed the endurance of a small corps of expert clerks in the handling and counting of these funds.

In principle the functions of this department in receiving and disbursing cash are no different than any bank, except in the matter of volume, and it is this distinction that makes necessary the adoption of systems of handlings not ordinarily applied in commercial banking. To visualize these operations attention may first be directed to the money receiving function, for the handling of incoming funds supplies the greater opportunity for interest as well as work. As the currency deposits are almost entirely from banks, the receiving tellers are in quite a different position than the tellers in commercial banks who count each piece of currency put through the wicket with a pass book. Here the tellers receive lots by the truck loads of sealed bags and packages delivered by mail and express or by the case full from city bank messengers. The step of next importance is to credit the amount of each shipment or delivery to the depositing bank, and manifestly the money must be presented in proper order by being banded and marked for the amount contained in each strap, in order that an inventory count of packages may be made. As fast as shipments can be checked in they are placed in cases that are sealed by the receiving teller when filled, and dispatched to the sorting and proving division. Under the direction of a division chief and supervisors the currency is distributed to money counters who work at sorting desks which are especially constructed for us. These desks are similar to a roll-top desk, only higher, and are constructed of wire mesh screening. This arrangement gives complete visibility, good light and plenty of air for the counters. One such desk is assigned to each counter, which, with the roll-top construction and locking device, gives absolute protection at all times.

Their work is to break the bands on each individual package of currency to determine the following facts and necessary requirements:

1. Correctness of count,
2. Detection of counterfeit and raised notes,
3. Sortation into six different kinds of currency and seven different denominations,
4. Separation of clean notes from mutilated and unfit notes,
5. Sortation of notes of the eleven other Federal Reserve banks for return to each bank of issue.

The spread of loose currency must then be gathered in and each of the various segregations of notes as sorted must be put up in currency straps. To facilitate this first count of 100 pieces to each package, the spread count is used; the final count after the strap is applied is to insure absolute accuracy. These operations require the greatest skill of hand and eye, for mistakes are expensive. As speed is also an essential requisite, a counter is expected to handle a daily average of 8,000 pieces.

The finished work of the money counters is then distributed to other divisions, depending upon its character. The packages containing all clean and crisp notes are retained for disbursement to banks. The notes of other Federal Reserve banks are sent to the shipping tellers for return to the banks of issue, and the soiled and torn notes are sent to the cancellation room for partial destruction prior to shipment to the Treasury Department at Washington for final redemption.

In maintaining a high standard of sortation in order that only clean and acceptable notes are paid out by the bank, 60 per cent of the incoming daily currency is thrown out as unfit. When this accumulation reaches the cancellation room, it presents an unusual spectacle to the layman to see it passing through a machine operation that punches four holes in outline letter "D" in each corner of the bill. The packages next follow through to a motor driven paper cutter, and every package is cut in half the long way of the bill. The packages of the respective upper and lower halves are then bound up in a most exacting way and shipped to Washington on alternate days so that at no time is there a shipment in transit that contains the entire portion of any canceled and cut note.

Upon being received at the Treasury Department the mutilated paper money goes to a macerator. The macerator cuts and grinds the mutilated money in an alkaline solution. The pulp in a semi-liquid form is

drained from the macerator and run through rollers onto a cloth and pressed into sheets of a size suitable for baling, after which it is sold to manufacturers of paper. About twelve tons of wet pulp are handled daily.

When these canceled notes are received in Washington, proper credit is given this bank in settlement and they are automatically retired from circulation and new currency is issued in replacement as fast as the business requirements of the district determine.

The currency paying function of the bank is on a scale comparable in size with the receiving of currency, and in our relations with banks our position is very similar to the wholesaler who supplies the retail commercial house with goods.

Knowing that an unlimited supply of currency is always available here, banks do not carry more excess cash in their vaults than necessary and make daily requisitions upon this bank for their needs according to denominations. The most difficult situation to meet is the insistent demand for new currency exclusively, while the clean and fit currency meanwhile congests our vaults and is not used by the banks. In efforts to correct this extravagance, responsibility is always placed by the banks with their customers who demand new currency, and the situation is aggravated by the intensive competition of banks and business houses in the matter of paying out new money. A visit to our currency shipping rooms on a busy day truly reflects the fact that the bank is in no sense a local institution, and to see the money shipments stacked up for delivery to the mails is to visualize the activity and demands of commerce and industry in the important cities of our district.

Most of the currency shipped to banks not located in this city or one of the branch office cities is forwarded by registered mail insured on the day the order is received. This bank assumes all expense of postage and insurance. The currency is conveyed to the post office in a specially built armored motor truck that has shown by test to be bullet proof from ordinary firearms.

The scope of action and service of the Money Department is not limited to currency alone, as the gold, silver, and minor coin division is an extremely busy and important place. All coin when received is first weighed in the original sack in which it is contained to detect any material shortages in weight before the seal is broken. This can be determined by reference to schedules covering every denomination of coin, and a declared value in dollars on a delivery tag attached to the sack should show a definite weight. The sacks are then opened and each coin counted.

Gold coin is counted by hand count and stacked in trays prior to weighing each individual piece on delicately adjusted scales, the full weight pieces only being retained in the bank's reserve cash, the light weight pieces are eliminated and sold to the United States Mint as bullion. The full weight pieces are again counted in lots of one denomination only and put up in sealed sacks of \$5,000 each. As a final test of accuracy of count, the gross weight of a sack is

made on a scale that records fractions of an ounce, and this weight and count are certified on the tag attached to each bag by the teller who seals the bag. As each bag must weigh 18 pounds 6 ounces, it is a simple matter of arithmetic to determine that the \$9,500,000 in gold coin held by this bank weighs in excess of 17 tons.

The counting and handling of subsidiary silver and minor coins present more difficulties, from a purely physical viewpoint and the relatively larger problem of stacking and storing, than gold on account of the great volume. All the silver and minor coins are counted by electric power machines. The coins are placed on a revolving steel disc and are rapidly expelled by centrifugal force through a slot, being recorded on a commutator as they are deposited in a bag attached at the end of the outlet tube. These machines are so mechanically constructed that an error in count is practically impossible.

In passing the coin through these machines the coin tellers have to exercise great care in inspecting to eliminate counterfeits, foreign, uncurrent, worn, and mutilated coins. All counterfeit money is branded, debited to the member bank sending it in, and delivered to the Secret Service Agent for investigation. Foreign and mutilated coins are returned to depositing banks, and worn coins are taken out of circulation by returning them to the Mint.

During the war period great amounts of coin were required, but the business depression following this period of great activity had the effect of turning back to the Federal Reserve Bank the excess silver and minor coin in the district. Our vaults were greatly congested with the storage problem, and in Cleveland and Cincinnati we were forced to rent vault space from other banks to store this surplus.

At close of business February 28, 1922, our coin balance on hand was as follows:

Cents	\$301,000
Nickels	757,000
Dimes	876,000
Quarters	1,278,000
Halves	1,332,000
Dollars	1,168,000
	\$5,712,000

In this day of charts and statistics large amounts are not always impressive unless they are in some way relative to something the imagination may more readily grasp. From the foregoing it is self-evident that such a volume of coin is a dead weight, but the tonnage calculation shows denominations and weights as follows:

Cents	104 Tons
Nickels	83 "
Dimes	23 "
Quarters	34 "
Halves	36 "
Dollars	33 "
Total	313 Tons

With the passing of the former sub-treasury at Cincinnati on February 10, 1921, all the functions in the matter of redemption, exchange and replacement of United States currency and coin were assumed by this bank and its branches located in Cincinnati and Pittsburgh. Being charged with these fiscal agency powers for the Treasury Department, it brought not only added responsibilities to the Money Department but broadened its scope of action so that any operation in currency and coin that formerly was the function of the Treasury Department only can be performed by this bank. To all the banks within the district this means there is an office of this bank located near them that can supply money and act as a redemption agent for mutilated currency and uncurrent coin.

Member banks of the system have the advantage of free service in regard to transportation and insurance of currency and coin, while all banks have equal facilities in quick service in transfers, redemption and exchange operations. Some member banks of the district still forward unfit currency to Washington for redemption, evidently from years of habit, but to

do so involves to them expense of transportation, deferred settlement, and no return shipment of currency, as the Treasury Department discontinued that practice with the closing of sub-treasuries and delegated fiscal agency powers to Federal Reserve banks.

The very growth in the personnel of the Money Department is indication alone of the volume of service performed, for during the development period in 1916 the services of only three people were required while at present 108 people are needed properly to carry on the functions of the department.

For the year 1921 this department shows gross receipts of cash to the amount of \$909,092,652, while individual disbursements at the counter and shipments were made amounting to \$906,532,066.

As this bank deals almost exclusively with banks, the general public does not have an opportunity to gain an idea of the volume and magnitude of its transactions and the service which is being rendered to the banks of the Fourth Federal Reserve District and through them to the public generally. It is to be hoped that the statements and figures here given will prove of interest to our readers.

Debits to Individual Accounts

	Week Ending Feb. 15, 1922 (269 Banks)	Week Ending Feb. 16, 1921 (275 Banks)	Increase or Decrease	Per Cent Inc. or Dec.
Akron	\$11,446,000	\$12,552,000	—\$1,106,000	—8.8
Cincinnati	53,962,000	57,310,000	—3,348,000	—5.8
Cleveland	114,280,000	121,954,000	—7,674,000	—6.3
Columbus	45,690,000	26,937,000	18,753,000	69.6
Dayton	11,445,000	11,837,000	—392,000	—3.3
Erie	5,133,000	6,895,000	—1,762,000	—25.6
Greensburg	3,464,000	3,557,000	—93,000	—2.6
Lexington	5,989,000	5,402,000	587,000	10.9
Oil City	2,001,000	2,492,000	—491,000	—19.7
Pittsburgh	118,335,000	185,096,000	—66,761,000	—36.1
Springfield	3,285,000	3,805,000	—520,000	—13.7
Toledo	29,933,000	24,785,000	5,148,000	20.8
Wheeling	5,959,000	7,847,000	—1,888,000	—24.1
Youngstown	8,892,000	11,947,000	—3,055,000	—25.6
Total	\$419,814,000	\$482,416,000	—\$62,602,000	—13.0

Comparative Statement of Selected Member Banks in Fourth District
(In Thousands of Dollars)

	Feb. 22, 1922 (85 Banks)	Jan. 11 1922 (85 Banks)	Inc.	Dec.
Loans and Discounts secured by U. S. Government obligations	43,799	46,707	.....	2,908
Loans and Discounts secured by other stocks and bonds . .	323,439	326,855	.....	3,416
Loans and Discounts, all other	570,944	562,185	8,759	.....
U. S. Bonds	120,750	115,728	5,022	.....
U. S. Victory Notes	16,261	14,845	1,416	.....
U. S. Treasury Notes	20,539	2,763	17,776	.....
U. S. Certificates of Indebtedness	9,893	8,869	1,024	.....
Other Bonds, Stocks and Securities	273,226	267,165	6,061	.....
Total Loans, Discounts and Investments	1,378,851	1,345,117	33,734	.....
Reserve with Federal Reserve Bank	93,297	92,352	945	.....
Cash in Vault	28,070	31,187	.....	3,117
Net Demand Deposits	789,000	763,051	25,949	.....
Time Deposits	430,105	425,969	4,136	.....
Government Deposits	47,325	26,001	21,324	.....
Total Resources at date of this report	1,776,311	1,750,685	25,626	.....

Building Operations For Month of January

	Permits Issued				Valuations				Inc. or Dec. of Total Valuation	Per Cent. Inc. or Dec.
	New Construction 1922	New Construction 1921	Alterations 1922	Alterations 1921	New Construction 1922	New Construction 1921	Alterations 1922	Alterations 1921		
Akron	33	76	22	34	28,260	68,885	9,435	13,615	—44,805	—54.3
Canton	44	22	15	30	89,875	35,090	6,000	20,615	40,170	72.1
Cincinnati	133	109	135	363	375,110	1,287,745	153,485	218,315	—977,465	—64.9
Cleveland*	217	209	327	456	1,249,550	2,187,650	224,765	308,050	—1,021,385	—40.9
Columbus	160	94	61	48	628,005	189,950	49,395	264,745	222,705	49.0
Dayton	66	43	37	49	546,624	61,932	20,325	30,185	474,832	515.5
Erie	40	38	14	21	183,525	72,724	307,255	27,903	390,153	387.7
Lexington	20	1	22	17	58,885	50,000	7,782	9,810	6,857	11.5
Pittsburgh	160	119	40	55	1,139,295	430,047	46,166	70,754	684,660	136.7
Springfield	17	17	6	9	32,325	19,205	2,795	5,050	10,865	44.8
Toledo	69	80	67	86	205,788	117,320	50,430	194,092	—55,194	—17.7
Wheeling	23	20	5	18	315,809	9,276	1,550	10,465	297,618	1,507.6
Youngstown	32	44	13	14	71,075	102,100	5,575	33,360	—58,810	—43.4
Total	1,019	872	764	1,200	4,924,126	4,631,924	884,958	1,206,959	—29,799	—0.5

*Figures include Lakewood and East Cleveland

Wholesale Trade
Percentage Increase (or Decrease) in Net Sales During January, 1922,
as Compared With December, 1921, and January, 1921

	Dry Goods	Groceries	Hardware	Drugs
Net Sales (selling price) during January, 1922, compared with December, 1921.....	4.5	-5.7	-7.9	0.5
Net Sales (selling price) during January, 1922, compared with January, 1921.....	6.4	-14.5	-28.6	-7.0

Department Store Sales

	Cleveland	Pittsburg	Cincinnati	Toledo	Other Cities	District
Percentage of net sales (selling price) during January, 1922, over net sales (selling price) during same month last year.....	-19.6	-28.9	-8.6	-14.4	-23.3	-21.9
Percentage of stocks at close of January, 1922, over stocks at close of same month last year.....	5.0	-4.7	-9.9	-7.8	-1.9	-2.7
Percentage of stocks at close of January, 1922, over stocks at close of December, 1921.....	-15.3	-6.5	-6.5	-4.8	-3.2	-8.7
Percentage of average stocks at close of each month this season (commencing with January 1, 1922) to average monthly net sales during the same period..	348.4	369.3	439.7	359.3	476.4	376.5
Percentage of all outstanding orders (cost) at close of January, 1922, to total purchases (cost) during the calendar year, 1921.....	7.7	10.4	11.1	6.2	16.5	9.3

Movement of Livestock at Principal Centers in Fourth Federal Reserve District For Month of January, 1922-1921

	Cattle		Hogs		Sheep		Calves		Cars Unloaded	
	1922	1921	1922	1921	1922	1921	1922	1921	1922	1921
Cincinnati.....	24,124	22,119	130,957	152,053	8,838	7,064	11,719	8,108	2,049	2,403
Cleveland.....	9,978	9,636	63,658	97,680	30,831	31,563	9,083	10,346	1,471	1,828
Columbus.....	90	.....	4,004	.....	50	.....	168	.....	18	.....
Dayton.....	1,824	2,081	11,568	12,894	203	246	666	707	.....	.....
Fostoria.....	539	177	8,334	13,854	1,256	1,912	571	630	24	24
Pittsburgh.....	43,071	36,348	270,813	251,448	106,636	97,430	24,736	23,915	4,990	5,215
Springfield.....	57	255	4,316	4,075	56	200	170	108	.....	.....
Toledo.....	751	761	6,985	15,230	2,028	3,067	681	905	118	223
Wheeling.....	272	483	2,584	2,066	209	74	584	723	44	41

Purchases for Local Slaughter

Cincinnati.....	19,367	18,857	77,974	88,640	7,436	4,487	7,113	4,516	.....	.....
Cleveland.....	9,447	8,687	43,116	77,249	14,989	20,906	8,848	10,146	.....	.....
Columbus.....	8	.....	104	.....	20	.....	64	.....	.....	.....
Fostoria.....	80	66	1,325	1,275	5	25	40	20	.....	.....
Pittsburgh.....	5,575	6,132	48,921	54,643	9,198	11,093	6,254	8,004	.....	.....
Springfield.....	.....	.....	711	1,500	.....	.....	33	.....	.....	.....
Wheeling.....	272	483	2,584	2,066	209	74	584	723	.....	.....

FOURTH FEDERAL RESERVE DISTRICT

