

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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BUSINESS is still moving in the right direction despite recent developments of an unfavorable nature. Spring naturally brings a brighter outlook. Seasonal activity is helping. In addition to this, people believe business is growing better, and though the coal strike and other disorders throughout the country have slowed up some of our basic industries, they have not permitted this to dim their long-range vision. This confidence is another vital cornerstone in the foundation of business prosperity.

The coal strike, unprecedented in its magnitude as well as potentially disastrous to business, became effective throughout the country when more than a half million miners ceased work on the last day of March. Government reports show that nearly two-thirds of the bituminous tonnage of the country has been closed by the strike. Whether this great walk-out will seriously retard or actually arrest the apparent movement toward business recovery is still problematical. It is estimated by government statisticians that, at the prevailing rate of consumption, consumers' stocks of soft coal on hand should last approximately two months. If the strike should be prolonged beyond that period, the nation would inevitably experience a fuel famine.

For this district, perhaps the most reliable indicia of business prosperity are the monthly tonnage figures for pig iron and steel ingot production. The output of both pig iron and steel ingots was substantially greater in March than in February, the increase being due mainly to the heavy orders of certain railroads for new cars and other equipment. It is estimated that the railroads alone take, in normal times, almost one-fourth of the total steel tonnage. Several steel companies in this District have recently received large orders from the railroads. The United States Steel Corporation's March statement of unfilled orders shows the largest monthly increase recorded since April, 1920.

Late reports from the Pittsburgh and Youngstown districts indicate that iron and steel plants are even now beginning to feel the effects of an actual or anticipated fuel shortage. A number of

blast furnaces have been banked and some mills are curtailing or suspending operations in the interest of fuel conservation. Owing to stocks of coal on hand, however, the industry is still able to operate at about 75 per cent of capacity.

According to reliable trade sources, practically all of the large manufacturers of passenger cars and trucks turned out more vehicles during March than in any other month since August, 1920. Passenger car and truck output for the first quarter of this year far exceeded that for the corresponding period of 1921. One large producer of motor trucks in this District reported that March orders were considerably larger than in any month since May, 1920, and that deliveries exceeded those recorded for any month since September, 1920. It is confidently predicted that automobile and auto parts manufacturers will have a much larger volume of business this year than they had in 1921.

As would naturally be expected, the rubber tire industry is sharing with the automotive industry the increasing prosperity of the latter. Tire factories in Akron, Ohio, are reported to be operating at about 85 per cent of capacity. A recent advance in the price of crude rubber on the New York market is attributed, in part, to increased buying on the part of tire manufacturers.

While an increase in building operations in spring is, of course, a seasonal phenomenon, there is no doubt but that the country is now experiencing a real boom in this field. The valuation of building contracts awarded during March in the northeastern states increased 65 per cent over the February figure. The valuation of building permits issued by the principal cities in the Fourth Federal Reserve District during March was nearly double that reported for February, and about one-fourth more than the valuation of such permits issued in March, 1921.

That the payrolls of some business establishments in this District are growing is indicated by an expansion in the note circulation of the Federal Reserve Bank of Cleveland. Debits to individual accounts, as reported by clearing house banks, also

ON PAGE 12 APPEARS A STORY OF THE FISCAL AGENCY DEPARTMENT OF OUR BANK.

show that the volume of business transactions is increasing at a moderate rate.

The liabilities of commercial and manufacturing firms failing in this District were somewhat less in March than in February, continuing the downward trend observable since January. The liabilities of such firms for the first quarter of this year are much greater in amount than they were for the corresponding quarter of 1921. An analysis of the bankrupt firm shows that the failures predominated in the wholesale and retail trade group embracing wearing apparel, dry goods, boots and shoes, and similar lines.

A monthly survey of industrial employment made by the United States Employment Service shows that during March payrolls increased in all industries except food, textiles, and leather, and their products. Such basic industries as iron, steel, and other metal products, vehicles, railroad repair shops, paper, printing, and stone, clay and glass products, made substantial gains during March. Public employment offices located in the largest cities of Ohio reported a large increase in the number of persons actually placed during March, as compared with February.

There is a marked improvement in the condition of the agricultural industry, according to the direc-

tor of the War Finance Corporation. Bank deposits have increased in many agricultural communities and the country banks are generally in a stronger position than they have been for a long time. Up to March 31, the War Finance Corporation had approved over three hundred million dollars in loans for agricultural purposes. Late official estimates indicate that the prospective yield of winter wheat will be about two million bushels less than the average annual yield for the past ten years. Cheering news for the farmer is the general downward trend in the prices of farm implements, tractors, and other agricultural supplies reported by the United States Department of Agriculture.

While the business outlook is growing better almost daily, we must remember that it must necessarily proceed at a slow pace. We can again begin to look forward with confidence to a complete restoration of normal industrial activity; but we must not permit ourselves to relax the attention to the task in hand. If we can continue to improve gradually, we will find the foundation of recovery so substantial that we will be better prepared to enjoy that longer and continued industrial activity which we hope to be not so very far ahead.

Loans to City Banks Increase Slightly; Little Change in Demand From Country Banks; Acceptance Market Dull

There has been no change of outstanding importance in the banking situation since last month. Loans and rediscount demands on us by our member banks, however, and particularly those in the cities, have been on the increase, indicating to some extent the improvement of business in general.

From March 20 to April 1 the loans to country banks increased approximately \$1,000,000, but on April 20 the demand had again fallen off to near the March 20 point. This slight fluctuation is attributable to the customary spring demand.

The demand for accommodations from city banks has shown a greater fluctuation. There was a steady increase in the demand from March 20 to April 18 to the amount of slightly more than \$12,000,000. April 20, however, brought a marked decline and loans to city banks are now about \$2,000,000 higher than they were a month ago. Withdrawals of state, county and other public funds have been partially responsible for this fluctuation.

The month ending April 20 brought a slight decrease in the reserve ratio of the Federal Reserve System and also of this bank. On March 20 the System's reserve ratio was 79 per cent and on April 20, 77.7 per cent, a drop for the month of 1.3 per cent. The reserve ratio of this bank on March 20 was 78.7 per cent and on April 20, 76.3 per cent, or a decrease of 2.4 per cent for the month.

Combined reports from 18 large savings banks

and trust companies in the Fourth Federal Reserve District show a decrease in saving deposits of 5.1 per cent for March, 1922, over the corresponding month for last year. Deposits for the same number of banks on March 31 were 0.3 per cent less than they were at the end of February of this year.

Throughout the month the acceptance market has been at a very low ebb and consequently extremely dull. Both the supply and the demand was weak. Few bills moved in this District at the low rates which have prevailed this month, and bills that did move were those maturing within 90 days. On March 11 rates were from 4 to 4¼ per cent and on April 15 they had declined to 3¾-3½ per cent.

The domestic bills offered in this market covered the following commodities: Crude oil, coal, pig iron, wheat, oats, corn, steel products, knitted goods, hardwood lumber, window glass, and wool. The imports bills covered coffee and woolen rags. The export bills were for paints, auto tires, and rubber goods.

Dealer's comments on the acceptance market in this territory for the past month indicate that it has been very dull. During the latter part of March there was a little quickening of demand, but there was a very decided slump the forepart of April. There have been very few offerings, and the rates have reached a point so low that they fail to attract the buyers in Ohio. Most of

the customers are in a position to get a better rate on their idle money than is offered by the present market in bankers' acceptances.

A careful survey of customers has been made and almost without exception they declare that they like acceptances, but that the rates are too low to

attract them at the present time, even if they were in funds. A great many of them state that the reviving business is absorbing what otherwise would be idle funds. Without exception, however, they state that they will be interested in acceptances when other conditions prevail

Calculations of Iron and Steel Industry Disturbed By Coal Strike; Output Continues Around 70 to 75 Per Cent; Prices Advance

The coal strike carrying with it an unexpected defection of the non-union workers in the Connellsville regions, the key fuel district of the iron and steel industry, has interjected a disturbing influence into the iron and steel market after some weeks of steady and promising development. Because of the fact that the effective date of the strike was timed with the usual Easter holidays in the coke regions, the true character of the absence of the men from duty is yet to be determined. Nevertheless the situation has displayed certain possibilities which have tended to unsettle some of the original confident calculations of the industry and it has had the effect of arousing apprehension among both producers and consumers over shortages of supplies and of giving the market a sharp turn. Prices have been given a decided upward impetus all along the line, ranging from \$2 to \$5 per ton and these have come so rapidly as to arouse some anxiety over a possible over-stimulation of the market.

assured that these can be kept in uninterrupted operation.

The menace of the strike for the iron and steel industry at present is more prospective than immediate. Most of the plants are in a comfortable position for some weeks on fuel stocks; however there is a belief in the trade that any extended prolongation of the irregular operations in the Connellsville region would likely have far-reaching effects in curtailing iron and steel output, and in checking the growing demand for mill and furnace products. Some blast furnaces have been forced to bank by interruption of coke supplies, and various others which were about to resume, have been held idle. The chief deterrent resulting from the uncertainty caused by the strike, in fact, is that the placing in commission of further iron and steel capacity is being blocked. At present the industry continues to maintain an output of 70 to 75 per cent which has been more or less stationary since April 1. Operators are not inclined to put on additional furnaces and mills until they feel more

Barring the doubtful factor of the strike's influence, the expansion of the iron and steel industry both in market demand and production has continued very favorable. Steel ingot production in March was raised to the indicated annual rate of 32,500,000 tons, or to the basis of 74.3 per cent of the high record yearly output of the country in 1917. March represented a gain of 182 per cent over the low point of July. Pig iron production in March, according to the compilation of *The Iron Trade Review*, was 2,034,784 tons, the greatest in 14 months, and a gain of 404,604 tons over February. Compared with the low point in July, the increase is 135 per cent.

Bookings of business by the mills and furnaces in March were the heaviest in about two years and the demand has shown no signs of tapering off. The buying volume from the railroads, building construction, automobile, general manufacturing and jobbing interests has been keeping to a high rate. Since January 1, the railroads have ordered approximately 60,000 cars as against 28,000 in the full year of 1921. This rate of buying is the largest since 1913 and greater than the average of the past 10 years. Structural steel awards in March totaled 139,300 tons, or 77 per cent of the country's shop capacity, the best showing since March, 1920. Since April 1, fully 140,000 tons have been placed.

The price situation is well reflected by *The Iron Trade Review's* average composite of 14 iron and steel products. Since the low point of \$32.80 late in March, the composite during the third week in April had been lifted to \$34.02. This gain was the first substantial upturn of the composite average in 18 months. By way of comparison, the high point of the composite was \$89.69 in August, 1917. In April, 1913, the average was \$27.74.

Lake Shipping Season Opens With Fair Demand For Bulk Freighters; Miners Strike Causes Little Change in Lake Coal Shipments

The demand for tonnage during the early part of the shipping season will not be great enough to furnish employment for all the bulk freighters, but the number of vessels that will be idle during the period will be much smaller than it was in 1921 when down cargoes were very scarce and some of the boats had to come down light for coal. According to a line-up made by some of the shippers

and consumers who are interested in mines, some of the furnaces will take forward considerable more ore than they did last season. No orders have been booked for 1922 delivery and it is not expected that sales of any size will be made until some action is taken in regard to rail rates at both ends of the route.

The start in the ore trade will be slow. Most of

the big plants have a good supply on hand and they will be in no great rush to get started, but stocks at some of the furnace yards are low and early cargoes will be wanted at Cleveland and Buffalo. Some sales of dock ore have been made and some trading has been done in order to get certain grades for mixtures, but the indications are that there will not be much ore received at this end of the route until the middle of May. The docks at Lake Erie ports will be in better shape on May 1 than they were last year. The interior furnaces are taking ore forward at a pretty fair rate and shipments from dock for April will show a good increase over February and March. There is less ore in store at the furnace yards than there was a year ago, and the movement for the season will be much heavier than it was in 1921.

A number of early cargoes were delivered but

there was no great rush for coal on account of the miners strike, in spite of the fact that the docks at some of the upper lake ports cleaned up in better shape than expected. Considerable coal was loaded early for steel plants at Lake Michigan ports and at this end of the route. Tonnage was lined up to take about 100,000 tons of coal from Ohio ports to Buffalo and some of the coal carriers were unloaded at Toledo. Although the miners quit work April 1, considerable coal was delivered at the lake front last month, but the amount afloat at the opening was not as great as it was in 1921.

Stocks of grain at the upper lake ports are much heavier than they were a year ago, but aside from the first trip, chartering has not been very active. A number of boats are still holding cargoes at Lake Michigan ports and at this end of the route.

Reports on Manufacturing Conditions, Taken as a Whole, Show Distinct Improvement; Automobile and Truck Production Gaining

Various manufacturing lines show another distinct improvement. The letters received from our correspondents this month, giving reports on manufacturing and business conditions throughout the Fourth Federal Reserve District, are the most optimistic of any received since business started in the right direction. Two months ago the betterment following the turn of the year was reflected in the reports taken as a whole. Last month the reports indicated a more conservative increase in activity, while the first weeks of April have undoubtedly brought increased spring production, partly due to seasonal demand.

Automobile production continues to increase. Orders for passenger cars are coming in at a good rate and in some instances April orders are double those of March. One large manufacturer reports "business even better than our expectations".

The National Automobile Chamber of Commerce reports that production of cars and trucks in the first quarter of 1922 was 220 per cent of the first quarter 1921. March shipments of all makers increased 32 per cent over February and were 65 per cent greater than March last year. The factory shipping figures for all manufacturers are:

	Carloads		Driveaways		By Boat	
	1922	1921	1922	1921	1922	1921
January	15,297	6,485	7,467	3,185	143	93
February	19,636	9,986	10,173	7,507	180	99
March	*25,210	16,287	*15,804	9,939	264	75

*Partly estimated.

Practically complete production of passenger cars for February was 109,005.

The truck business for the first quarter of 1922 in general shows a decided improvement over the corresponding quarter of last year. A part of this improvement has been brought about by the fact that excessive stocks held by responsible dealers have been reduced to a limited number.

A partial absorption of trucks that were held by

companies who liquidated business, and also the marketing of Government owned trucks, as well as trucks re-imported from the European battle-fields, has also taken place. With those stocks out of the way it is only natural that buyers must purchase trucks that have to be made by the manufacturer. These things are reflecting themselves in the output of the truck manufacturer.

A large truck company reports March as being the best month they have had in orders since June, 1920, the orders exceeding any subsequent month by about 20 per cent. Deliveries were the best, with one exception, of any month since September, 1920. Indications from all of their 40 branch offices throughout the country show a continued gradual improvement over March business.

The construction of buildings now under way in Cleveland is causing a stronger demand for trucks for heavy hauling purposes.

Practically complete production of trucks for February was 12,898.

The automobile axle business has shown a marked improvement since last month. A large concern reports business now running at approximately 50 per cent of normal with prospects of a 75 per cent output in May.

There has been no particular change in the hardware business since our last report. Prices are low and competition keen. Retail business is looking better. Customers are still buying on a very conservative basis. An encouraging feature is that buyers are paying for their goods as they get them.

There is a much improved feeling in the cork industry over that of a few months ago. The demand is more active and several important plants in the District are operating almost at capacity. The outlook for the next two or three months is reported to be good.

There has been a slow but steady increase in the printing and lithographic ink business since the

first of the year. Trade with South America is slow but in the Far East where considerable business is done there is a better feeling.

In the tool manufacturing line, local business is reported to have slowed down a little the last few weeks, but the general tendency over the country appears to be forward.

A further gradual improvement is noted in the farm implement industry, but up to this time it is confined principally to reports of dealers' stocks moving rather than factory shipments.

The plate glass industry is running strong. A large manufacturer reports operations at 90 per

cent of capacity, which is up to normal, and that the production is being sold. At a recent meeting of the company's managers located in leading cities of the country, a very satisfactory outlook was reported.

Business in electrical lines is picking up. March sales of products used by railroads show a large increase over those for February. In comparison with the preceding five or six months, the past month has evidenced a fair increase in demand beyond what might be considered seasonal. The radio industry continues to show a remarkable growth.

Jobbers Slow in Ordering Supplies of Gasoline for Summer Trade; Domestic Crude Shows Increase; Market for Gasoline Growing

March was a month of hesitation so far as the buying of refined petroleum products was concerned. The prices of all refined products trended upward throughout the month, this being especially true of gasoline. However, buying was slow for the reason that the jobbers over the country hesitated to make big commitments for summer business until they were sure that there could be little chance of any reductions in the posted price of crude oil. At the same time they realized that a sudden entry into the market by jobbers for a big quantity of gasoline would have the effect of stimulating the price. Stocks in the tanks of jobbers are low all over the country, but they maintained their hand-to-mouth buying policy. The weather during March was generally bad over the country and retail sales of gasoline were not very heavy.

Refiners quite generally, faced with a relatively high price of crude oil on one side and a low price for the products on the other, restricted their operations during March as during February and January, and for the most part ran their products to storage, rather than sell them at prevailing prices.

Inquiries from jobbers to refiners seeking to contract for supplies of gasoline for the spring and summer trade, increased considerably during March over those of February. However, their offers were, for the most part, rejected by the refiners, because of the latter's confidence in stronger prices to come later in the season.

Fuel oil prices were generally low during March, the demand being small due to restricted industrial activity, and the coal strike apparently not being taken very seriously by fuel consumers. Toward the end of the month, fuel oil demand in-

creased somewhat, and gas oil began to move more freely as the large gas companies came into the market to contract for requirements covering three to six months.

The fact that public utilities companies are usually very close and intelligent buyers seems to indicate, through their extensive purchasing the latter part of March, that they believe the bottom has been reached. Gasoline buying declined somewhat toward the end of the month, due to the fact that both refiners and jobbers wished to hold off on making commitments until after the jobbers and refiners' salesmen got together at the National Petroleum Marketers' Association Convention, which was held April 4 to 7, at Kansas City. At that time both buyers and sellers expected to be able to size up the situation more intelligently and plan their policies for summer business.

Kerosene sales were slow throughout the month, largely due to the absence of export demand which in former years has taken up the surplus from domestic refineries.

Production of crude oil continued to increase from week to week during March, especially in the fresh pools of the Mid-Continent fields, and the month showed, for the first time in two years, an excess of domestic crude produced over crude consumed in American refineries.

The general belief is, however, that the demands of the gasoline season, which is already opening strong, will shortly take care of the excess and bring crude stocks more into a line with consumptive demand. At present the market for gasoline is strong and other products are showing a sympathetic tendency upward.

Business in Canned Goods Continues in Fair Volume; Food Products Business Shows Substantial Gain

Sales of canned goods have continued in pretty fair volume since last month. Retail grocers report that spot stocks are moving into the consumers hands very well, although the sales as a rule are still quite small.

Stocks held by the canners have been reduced to a considerable extent. Canners, quite generally,

are in a much stronger financial position than they were a year ago, and are looking forward to further improvement.

Asparagus packers have sold their entire output for 1922 as futures, at a price somewhat higher than opening prices for 1921.

Canners of sweet corn are reducing their acre-

age and are planting only enough to take care of future orders, or an amount that they are able to finance easily.

Spot tomatoes are in a strong position and are commanding a good price. The tomato crop is third in value of the vegetable crops in this country. From 200,000 to 300,000 acres are devoted to this crop annually for canning and manufacturing purposes. The yield is around 1,000,000 tons per annum.

The past month has witnessed but little change

Local Building Affected By Recent Strike; Outlook Growing Brighter; Exposition Plans Progressing

The building outlook has brightened considerably since our last report. Many workers who were out on strike a month ago have returned to work and construction is again moving forward. Building materials are inquired for in larger volume and are moving from the retail yards.

While building operations in Cleveland have been seriously affected by the strike called on March 1, the figures for the leading suburbs indicate a marked increase over 1921. Had it not been for the handicap of the strike it is easy to see how the house building program would have forged ahead during the early part of this year. For example, the value of permits issued in Cleveland Heights for the first three months of the year is \$1,751,782 as compared with \$1,182,735 for the same period last year; Lakewood \$1,699,815 as compared with \$1,409,628; East Cleveland \$784,165 as compared with \$263,210; West Park \$426,420 as compared with \$275,491. The aggregate increase for the leading suburbs of the city over last year for the first three months is in excess of \$1,500,000.

From these figures it is apparent that the clear-

Improvement in Basic Industries Reflected in Pulp and Paper Business; Orders Slightly Larger

Business in the pulp and paper industry has been quite slow during the past few months, but at present there are indications that business is growing. Orders are now coming in at a better rate and with more satisfactory specifications than for some months past.

Manufacturers and merchants who attended the annual convention of the American Paper and Pulp Association recently held at New York, look to the future with confidence. The meeting was described as a starting point of a forward movement all along the line in the placing of orders to fill up the depleted stocks.

The improvement in basic industries throughout the country has already reflected an increased tonnage in the paper mills, as the small stocks quite generally carried by the consumer, are not sufficient to meet the needs of any material advance in business. It is estimated that stocks at the mills on the merchants' shelves, and in the hands of the

in the food products industry, but the increase in business over March of last year is substantial.

The wholesale grocery business is reported to be steadily improving. Retail grocers are also gaining more confidence. Stocks of goods in retailers hands are light, and this fact coupled with increased confidence in values, is leading wholesale grocers to expect a very good business with the arrival of new pack goods about July 1. This fact is also evidenced by the amount of future buying done by the retail trade for delivery from new packs.

ing of the way for operations with a definite conclusion as to wages and working conditions, will provide a direct stimulus for the industry.

A healthy increase in building is reported in Cincinnati. All types of buildings are represented in the applications for permits, but dwelling permits are in the lead.

The Building Exposition to be held in Cleveland is scheduled to open April 22 and is to continue eleven days. The Exposition has been planned with a view to stimulating the building of homes and in addition to show types of heating apparatus, electric fixtures, labor saving devices, decorations and furnishings. It is being staged under the auspices of the Builders Exchange and is the first of its kind to be held in Cleveland since 1916.

The total of building permit expenditures of 154 leading cities reporting to *Bradstreet's* for the month of March is \$234,288,294 as compared with \$130,245,280 in February, and \$117,994,780 in March a year ago. This is a gain of 72.1 per cent over February and of 98.6 per cent over March, 1921.

printers and consumers, are lower than they have been for perhaps two years.

The demand for fine paper is continuing at about 75 per cent of normal. Coarse papers are slowly working back toward normal and orders are increasing. Production of wrapping paper was estimated at 50 per cent of normal a short time ago. News print mills are running at about 85 per cent capacity.

According to a report of the American Paper and Pulp Association, news print consumption has been running heavy since last October. Sixty odd newspapers in the United States of more than 100,000 circulation each averaged more pages daily and Sunday combined in March, than during any previous month on record.

The anticipated spring pick-up which is customary in the paper box and box board business was not very strong. From this time until July is the usual dull period. Prices on box board are still quite low, and orders are small.

Tire Production Gaining; Orders From Automobile Companies Larger

The rubber industry has shown a slow but healthy improvement during the past month. This is true not only of the larger companies which have been on the up grade for some time, but it also applies to smaller concerns. For a time the improvement was noticeable principally in the Akron district. The steady demand for tires, however, is being reflected in larger production by companies outside of the Rubber City which until recently were operating their plants on a largely curtailed basis.

Reports indicate that dealers as a whole have very small stocks on hand, and will have to be dependent to a large extent upon production during the next three months to supply tires for the motoring season which is at hand. Sales of tires to automobile companies are showing a steady increase.

There have been no particular changes in the mechanical rubber goods business. The market for rubber heels is very good and is even better than before the depression set in. The demand for boots and shoes for the spring season has passed

the high point, while buying for the coming season is not yet under way. Belting and other rubber products required in industry is reported to be showing a gradual improvement.

The *India Rubber Review*, after a careful survey, is of the opinion that caution is still needed in the tire industry. In this connection it says: "That the tire industry as a whole, however, has expanded beyond present needs is apparent. During the war period factories were expanded to take care of war-time tire requirements, and also tire demands which were based upon the use of five or six tires per car a year, whereas the increased quality of tires now produced has decreased this demand to approximately three tires a year with resulting plant equipment for which demand must be postponed for at least several years."

The crude rubber market is holding rather firm. Buyers of crude rubber are showing more interest than they did a month ago, and are watching market developments closely, but the volume of transactions is small.

Coal Production Drops As Result of Miners Strike; Considerable Reserve Supply in Hands of Consumers

The last few weeks prior to the coal strike brought out a final spurt of activity which carried the production of soft coal up to 11,448,000 tons in the week ending March 25. The output was the largest recorded since December, 1920. Production during the week ending April 1 declined to 10,463,000 tons according to a recent report of the Geological Survey.

The first week of the miners strike brought a sharp drop in production. Complete returns of coal loaded into cars at the mines indicate that production during the first week of the strike was 3,784,000 net tons of bituminous coal and a few cars of anthracite dredged from the rivers. The total production of all coal was estimated at 3,793,000 tons as against 5,590,000 tons during the first week of the 1919 coal strike. At that time, however, anthracite mines were working to capacity and produced 2,008,000 tons.

The Survey states there are additional evidences that the country was heavily stocked with coal on April 1. In addition to the coal held by consum-

ers, the coal on the upper lake docks and in storage at the mines, there was a heavy tonnage in cars at the mines for which no billing orders had been received by the railroads when April 1 arrived. The total quantity of coal unbilled in cars on that date exceeded 1,400,000 tons of bituminous and 115,000 tons of anthracite.

It is estimated that around 3,000,000 tons of soft coal were added to the consumers' stock piles by the final spurt in production during the week prior to the strike, which would bring total stocks in the hands of consumers on April 1 to approximately 63,000,000 tons. The present rate of consumption and shipments abroad is about 8,300,000 tons a week.

Production of anthracite coal practically ceased during the first week of the strike. Railroad reports of loadings show that 172 cars were shipped during the week ending April 8 of which 27 were left over from the week preceding, and 145 were the product of river dredges. Based on these loadings, the total output is estimated at 9,000 net tons.

Farmers Start Spring Work; Acreage of Burley Tobacco Undecided; Poultry Business Important

Spring work on the farms has been delayed somewhat by rain, but farmers have taken advantage of the good weather and have made progress in getting the soil ready for spring planting.

The winter wheat crop in most sections of the

Fourth District has wintered quite well. Some of the fields, however, are spotted as a result of the severe weather last January and February. There has been less than the usual amount of freezing and thawing this spring with the result that wheat

fields are already taking on a healthy color. But it is still too early to make any exact estimate of the wheat crop production, for quick changes in the weather such as occurred last year make spring estimates very uncertain.

The United States rye crop April 1 showed a condition of 89 per cent compared to 90.3 per cent April 1, 1921, and 88.5 per cent average on April 1, for the last 10 years.

According to a recent report of the Ohio Department of Agriculture, the average farm wage on April 1 for the state of Ohio was \$32 a month which is a reduction of from \$8 to \$10 a month from the wages paid a year ago. The supply of labor in most sections of the state is amply sufficient for all needs.

There is nothing especially outstanding in the burley tobacco situation at this time. The tobacco is now all in and most of it has been in for the past two or three weeks. The Marketing Association is placing the tobacco which has not been sold into hogsheads for storage purposes and it is probable that sales of tobacco in hogsheads will be made later on in the season when the tobacco has gone through the "June sweat".

The growers appear to be very well satisfied with the results obtained by the Association up to this time. At present there are over 55,000 growers in the organization.

It is still too early to determine what the acreage for the present season will be, but it is expected that a somewhat larger crop than last year will be planted in view of the fact that last year's acreage was below the average.

Plans for establishing a marketing organization among the dark tobacco growers of western Kentucky, similar to the one in the Burley field, are

being pushed forward and the interest seems to be very keen.

There is no question but that the proceeds from the sale of last year's tobacco crop have been of great benefit to the farmers of Kentucky, and reports all indicate a decided improvement in business in that part of the District.

The consumption of eggs has increased with remarkable rapidity in the country during the past two years, according to reports received by the Ohio Division of Markets of the State Agricultural Department.

The egg business, which is now one of the important industries of the country and occupying the attention of market men, as well as producers, more than ever before, is of great concern in Ohio. It has established itself here in a very firm way and has ramifications throughout the entire state. Ohio has become one of the largest egg producing sections of the entire country. Beyond furnishing a supply sufficient to meet the needs of its own people, and they are not small, thousands of cases are shipped to outside markets. In 1920 the producers here sent 300,000 cases to New York, or 9,000,000 dozen. But this grew enormously in 1921 when the New York market took 457,839 cases or 13,735,170 dozen, an increase of more than 25 per cent.

Many men, in Ohio and other states, and women as well, are realizing the rapid growth in the demand for eggs as an article of daily use. As a result, increasing numbers are constantly going into the raising of chickens, the egg laying qualities of which are the most pronounced. It has proven a successful line of industry to those who operated along scientific lines and make egg producing a matter of careful study.

Textile Industry Shows a Little More Confidence; Warm Weather Brings Out Retail Trade

There appears to be a somewhat better feeling in the textile industry in the Fourth District than there was a month ago. Whether this slight improvement has been brought about by a more consistent demand for merchandise, or because many of the large mills in the east are closed down on account of strikes, which naturally causes depleted stocks sooner or later, the fact remains that the demand has been picking up a little during the past two weeks.

Reports from manufacturers of fancy knit goods indicate a somewhat uneven activity. As a rule it is customary to start work on materials for the coming fall by March 1, but so far there has been less than the usual amount of work in this direction.

There has been no particular change in the knit underwear business during the past month. Weather conditions have been partially responsible for the slack demand for spring goods for immediate delivery. The big department stores have been or-

dering slowly and this is also true of the small retailers. Within the past ten days, however, a slight betterment appears to be taking place, particularly in the larger stores which are coming into the market with larger orders.

Manufacturers of men's and women's clothing are marking time to some extent awaiting the results of opening up of fall lines. The undertone generally is more optimistic than it has been for several months. While the late Easter together with unsettled weather conditions delayed the opening up of retail trade, the few warm days we have had appeared to bring out substantial retail business.

The new wool clip is reported to be fairly satisfactory. Prices of wool are continuing high.

The strike among New England workers still continues and more men are reported to be idle than at any previous time this year. Labor troubles among the textile workers in Great Britain are also being experienced.

No Particular Change in Transportation Situation Shown Through March

During March there was a large increase in the movement of freight traffic in this territory, this being a continuation of the improvement which has been noted so far this year. Up to this time no complete figures for April showing the effect of the coal strike have been given out.

The total operating revenue for the eastern district for February, 1922, showed an increase of 4 per cent over the same month in 1921, and there was a net revenue of almost \$28,000,000 as compared with a deficit of over \$7,000,000 last year.

Reports of 200 Class 1 railroads filed with the Interstate Commerce Commission show that January operating revenues aggregated \$394,940,789 or 16 per cent less than in the corresponding month of last year, while operating expenses were \$337,142,000 representing a decrease of 23.7 per cent from January, 1921. The operating income totaled

\$29,476,422 as against \$51,588,000 in December.

Passenger traffic on Class 1 railroads decreased 20 per cent in 1921 as compared with 1920.

The number of bad order cars on March 1 was 334,628, this being an increase over the number reported on February 28 at which time there were 272,867 cars awaiting repair. On March 15, however, the number had decreased to 154,499. On January 1 of this year there were 313,190 bad order cars. It is estimated that between 14 and 15 per cent of the total freight car equipment of the country's railroads is still unfit for service.

Until the beginning of the coal strike the number of idle serviceable freight cars showed a steady decrease since the first of the year. On December 31 the number was 470,516; on January 31, 330,681; on February 28, 245,100, and on March 31, 206,746.

A Special Survey on Farm Implements

In the Egyptian quarter of the British Museum, standing humbly in a glass case between two mummied Pharaohs, is a little group of farm utensils. A broken wooden plow, a rusted sickle, two sticks tied together with a string, and several tassels that had hung on the horns of the oxen. These were found on the banks of the Nile three thousand years ago. Egypt had a most elaborate government at that time. She had an army and a navy, an art and literature. Yet her bread-tools were no better than those of the barbarians whom she despised. It is one of the most baffling mysteries of history, that agriculture—one of the first industries to be learned, was among the last to be developed.

The traditions of agriculture, the industry of industries, reach back beyond the date of written records. Together with hunting and fishing it shares the distinction of being one of the oldest of human activities. Because of the traditions in which the art of agriculture has been enveloped, changes have been slow in coming. Just as practically all new inventions, which have proven themselves to be of lasting benefit to society, have had to pass through "a trial as by fire," just so were the infant ideas that hand work on the farm could be replaced by machinery, ridiculed. The men who dared to think such foolish things were branded as "dreamers," and persecuted as enemies of society.

The first railroad was torn up. The first telegraph wires were cut. The first sewing machine was smashed. The first man who sold coal in Philadelphia was chased out as a swindler. The first iron plows were said to poison the soil, while horses shied when they saw the first unwieldy reaper, and farmers laughed and declared they would stick to the old-fashioned cradle.

But the development did come. The crude, unwieldy tillage tool of the ancients has been replaced by the

smooth-running modern plow—the fundamental farm implement. The self-binding harvester has taken the place of the tiny hand sickle and the back-breaking grain cradle. The threshing machine has supplanted the flail. And in place of slow plodding oxen is the "iron horse"—the modern gas tractor—ready to chug its way across the fields twenty-four hours each day without tiring.

Modern farm machinery is the answer to the farmers call for shorter hours, less heart-breaking toil and greater financial returns. The American farmer has not become the most up-to-date of all the agricultural peoples of the world for the mere pleasure of an experiment, but because by using modern methods he can produce more food and cheaper food under the economic conditions with which he is confronted.

It is almost impossible to realize what this complete change has meant to food production. The period before 1860 may be considered one of hand production and since that date—or at least since 1870—that of machine production. The following table taken from *The Influence of Farm Machinery On Production And Labor*, is based on a very careful study of all data available on the subject:

Crop (1 acre)	MAN LABOR Man-Hours Required for Production	
	By Hand	By Machine
Barley	64	3
Corn	39	15
Cotton	168	79
Hay	21	4
Oats	66	7
Potatoes	109	38
Rice	62	17
Rye	63	25
Wheat	61	3

The plow is our oldest agricultural implement. Ancient monuments, dating back forty centuries, bear

sculptured representations of the plow. As early as 1100 B.C., two thousand years before the horse was harnessed to the plow, the Israelites, who were unskilled in working iron, "went down to the Philistines to sharpen, every man, his share and his coulter." (A coulter is a blade or disk on the beam of a plow to cut the sod.)

History does not give the name of the first plow or the name of its inventor. Perhaps the snout of a wild hog in its quest for grubs suggested the shape, and a budgeon sharpened to a point was the crude imitation. Later a widening of the point into a chisel shape made the instrument more efficient in its work. Gradually improvements were added, but the real change came in 1837 when John Deere, a blacksmith at Grand Detour, Illinois, built three steel plows, one of which is still in existence. Then near the close of 1873 James Oliver whose name is still linked with the chilled plow in all parts of the world, perfected the chilling process. From that time there has been a steady improvement and today, the land that was once scratched with the aid of a crooked stick, is now turned in long, even furrows by the trim walking plow, the up-to-date sulky, and the gang plow for traction plowing. All of this has gone far in relieving the farmer of burdensome toil.

Different soils require different types of plows. A plow with its working parts made from soft-centered steel is popular in the west, while in the east the chilled plow gives the most satisfaction.

Plow manufacturers count quite a lot on replacement business each year. There is a particularly heavy wear on the moldboard, landside, and share, which means that these parts must be replaced frequently. A year in which there is less than the usual amount of rainfall means more business for the plow manufacturer. Dry, hard soil makes plowing more difficult and consequently a larger replacement business for the manufacturer.

While the plow is the basic tillage tool, many others are used in the preparation of the soil for the seed, and in caring for the growing crop. Next to the plow, the harrow seems to be the tool most common to eastern and western farms. Spike-tooth, spring-tooth, and various types of disk harrows are among the most important, and are used principally for leveling and pulverizing the soil. The disk harrow has won considerable popularity within the past few years. It is an all-around harrow being adapted to a variety of conditions. It is generally used in preparing plowed land for corn or other crops, in preparing corn-stubble land for oats in the spring or for wheat in the fall, in cultivating alfalfa, and, in recent years, in harrowing sod previous to breaking.

The roller is a tool that is used to pack the soil in dry weather, mash bumps and level the land. It is efficient in the preparation of the seed-bed when properly used, but when improperly used it does more harm than good.

Cultivators and weeders are also important factors in the division of tillage tools. In some sections of the east the walking cultivator is still in general use,

but on the larger farms the sulky cultivator has replaced the old-style method. Various types of weeders are also extensively used for stirring the soil after spring crops are planted—chiefly corn and potatoes.

Seeding machinery is used in planting the crop. This work is very vital and the importance of proper selection, care and adjustment of seeding machinery must not be overlooked. A field may be fertile, the soil properly prepared, but without proper seeding, good crops cannot grow. Corn and potato planters, grain drills, and grass seeders may be classed under the head of seeding machinery.

As a labor saver and a source of profit, the manure spreader has come to be regarded as a necessity on the farm. The need for proper application of lime in its various forms for the purpose of correcting soil acidity, has also brought about a wide use of the lime spreader.

Harvesting machinery comes next. This is a very important branch of the farm implement business and for several reasons. Few operations on the farm can be as completely carried out by machinery as that of harvesting. While complete equipment means quite a heavy investment, the investment pays for itself not only through a saving in labor, but through value added to the crop by promptness in caring for it. A noted authority on farming hit the nail on the head when he made this statement: "Any farmer who really needs a farm machine and does not buy it, is paying for it whether he buys it or not."

Haying machinery includes mowers, rakes, tedders, hay loaders, barn equipment, and stacking tools. In all of these, improvements have been made. The mower does better work with less power; the modern self-dump rake has proven its superiority over the older wooden frame, wooden wheel, hand dump style; the advent of the loader which did away with the tiresome hand-method of loading, especially in flat farming sections, created a demand for the side-delivery rake; the tedder makes possible the speedy drying and curing of a heavy hay crop; and the modern barn equipment and stacking tools complete the job.

Early in our story we told how the sickle and the cradle have been supplanted by the modern grain binder, now used in almost every country in the world. McCormick spent the best years of his life before he succeeded in convincing the skeptical public that his reaper was something worth while, but he had the satisfaction of seeing his dream come true. It has been said that the reaper "pushed the American frontier westward at the rate of thirty miles a year." Most of the western railways followed the wheat and wheat money paid for them. The reaper clicked ahead of the railroad, and civilization followed the wheat from Chicago to Puget Sound, just as the self-binder is leading the railroad today. It is still far ahead in Western Canada and even farther in Siberia.

During the Civil War the reaper did the work of a million men in the grain fields of the north and made possible the successful termination of the war. The binder with the aid of its allies—modern farm imple-

ments—played the same important role in the World War, and even on a larger scale.

Threshing completes the journey of the grain on the farm. Solomon said "There is no new thing under the sun." Modern threshing methods are new but threshing is old. The ancients taught us how to thresh. Threshing is the removal of the grain from the head; separating is the removal of the straw. Lastly, the chaff is removed—that is cleaning. The ancients did the work with flails or oxen. Today an up-to-date threshing outfit combines all the operations and it is a success because it is an improvement over the old method.

There was a time when practically all the threshing throughout the country was done by men who owned threshing outfits. They traveled about from farm to farm. But this system very often caused delay which resulted in the loss of grain. The past few years has brought a change. Neighboring farmers have gone together and bought outfits of their own. They no longer wait until late in the season to thresh their grain.

Labor conditions and the use of the gas tractor, are resulting in the use of smaller threshers. Very frequently farmers have found it impossible to secure sufficient men to do the work required by a big threshing outfit. Then, too, paying for the labor is expensive while exchanging work at threshing time, as farmers sometimes do, is very inconvenient to say the least. Little threshing machines have been called grain insurance policies.

The housewife has something to say about it too. Of all the days in the year, none are dreaded as that one when the threshers are expected. Even worse than the heavy work for the busy farmer's wife is the uncertainty. Largely due to the weather, threshers can never be depended upon. The roast may spoil if they are a day late and that means that the prize pullets will have to be killed for "nothing is too good for the threshers," and besides, if the meal is not up to the high standard of the community, the farmer's wife is certain to hear about it, if by chance she ever

"listens in" on the telephone. Smaller threshing outfits make work lighter for the farmer's wife.

It is practically impossible to tell the many interesting and important things that should be told about the growth of the farm implement business. The ensilage cutter is an example of what a new kind of machinery on the farm can do. This machine has revolutionized the dairy industry. Heading a properous implement manufacturing concern in the Fourth District is the man who invented the "blower" type of ensilage cutter that made the high silo possible and it was he who suggested the idea for the first round silo.

And so the improvements have come; each improvement making life on the farm a bit brighter, the work less burdensome, the results more pleasing, the returns larger. Modern farm machinery has placed the American farm on a higher plane and has moved the United States far away from the bread line.

It is necessary to add, however, that the farm implement industry is still at the bottom. But for the most part, it is rock-bottom, and already reports are coming in that sales in some localities are showing a slight improvement. Buying during the past few years has been very light and the farmers have been making their old machines last as long as possible. A sure indication of this is the heavy replacement business.

Quite a number of large farm implement manufacturers were interviewed in connection with the preparation of this survey and every one of them reported growing evidences of the need for new machinery on the farms.

Scientific agriculture is still young. Step by step farming is becoming a sure and scientific profession. The risks and uncertainties that formerly tossed the farmer back and forth, between hope and despair, are being mastered. The New Farmer is facing a brighter future.

NOTE:—In the next issue of the *Review* we plan to publish a survey on power farming.

The Story Of Our Fiscal Agency Department

The duties performed by the Federal Reserve banks as fiscal agents of the United States have been delegated to the banks by the Secretary of the Treasury under the authorization of a brief clause forming a part of the first paragraph of Section 15 of the Federal Reserve Act: "—which banks, when required by the Secretary of the Treasury, shall act as fiscal agents of the United States; —" Since this provision appeared in the original text of the act as approved December 22, 1913, the magnitude and importance of the operations subsequently to be performed thereunder by the Federal Reserve banks could not then have been fully realized by anyone. Its simplicity is one of the chief merits of the provision, for it required the Reserve banks to perform any duty the Treasury considered advisable to delegate to them in the emergency of the unprecedented era of Government war financing which began early in the year 1917 and which still continues. From a financial point of view, the war is not yet over.

This article is not a history of war financing, but inasmuch as the duties of the Fiscal Agency Department are the result mainly of such operations, probably brief mention of a few matters of interest in that connection will not be out of place. In its contribution to the financial assistance of the Government, the Fourth Federal Reserve District has ranked third, being exceeded only by the Second District (Federal Reserve Bank of New York) and the Seventh District (Federal Reserve Bank of Chicago); the proportion of the total of the various issues taken by subscribers in the Fourth District has been approximately 10 per cent. The immediate financing of the war was accomplished by the issuance of short-term notes, called Treasury certificates of indebtedness, to be retired subsequently by the proceeds of long-time loans or taxes. The first issue of Treasury certificates in recent years was dated March 31, 1917, and was for an aggregate amount of \$50,000,000, of which the Federal Reserve Bank of Cleveland took \$3,500,000. Beginning with that issue, the Fourth Federal Reserve District has participated in 96 issues of Treasury certificates and notes and has received and paid for allotments aggregating \$3,275,000,000. Of course, it must not be inferred that this amount represents in its entirety new funds absorbed by the Government, because many of the issues were in effect partially or wholly refunding operations, a recent illustration of which was Series A 1926 four-year Treasury notes dated March 15, the entire allotment of which was paid for in 4¾ per cent Victory notes, maturing May 20, 1923.

The amounts of the various Liberty loans were as follows:

	Total Amount Issued	Allotment of Fourth Federal Reserve District
First Liberty Loan	\$1,989,455,550	\$203,300,050
Second Liberty Loan	3,807,865,000	410,352,450
Third Liberty Loan	4,175,650,050	405,051,150
Fourth Liberty Loan	6,964,581,100	701,909,800
Victory Liberty Loan	4,495,374,300	443,802,250
Total	\$21,432,926,000	\$2,164,415,700

The Fiscal Agency Department handled the payments for all Liberty Loan bonds and notes allotted to subscribers in the Fourth District, although most of the payments were made in the first instance to firms, corporations and banks. The firms and corporations turned over the amounts they collected to the banks and the banks in turn remitted to the Fiscal Agency Department, which credited the account of the Treasurer of the United States on the books of the Federal Reserve Bank and the funds were then available for payment of the expenses of the Government. As a matter of fact, a large proportion of the funds to be realized from each of the Liberty Loans except the First was expended by the Government in advance of their flotation, through the previous sale to the banks of Treasury certificates of indebtedness, the banks turning in such certificates as payment was received by them from the individual subscribers, firms and corporations. As the payments were received and entered, the Fiscal Agency Department, from stocks furnished by the Government, delivered or shipped the securities to the banks.

It would have been physically impossible for the Federal Reserve Bank of Cleveland to collect the payments for and handle the distribution of these vast amounts of securities had the operations not been facilitated by the splendid co-operation of the banks of the district, and a major portion of the credit for its successful accomplishment is due to the banks of every locality which spared neither effort nor expense in handling the numerous details connected with the receiving of subscriptions from their customers, the collecting and transmitting of payments and the delivery of the securities.

As a corollary to the flotation of the Liberty Loans, the performance of numerous other duties from time to time has been required of the Federal Reserve banks, among the more important of which may be mentioned the following:

Treasury certificates of indebtedness and Treasury note—subscriptions, allotments and payments.

Conversion of First 3½'s into 4's and 4¼'s.

Conversions of First 4's and Second 4's into 4 $\frac{1}{4}$'s.
Conversion of Victory 3 $\frac{3}{4}$'s into 4 $\frac{3}{4}$'s and vice versa.

Redemption of maturing coupons detached from U. S. Government securities.

Redemption of maturing Treasury certificates of indebtedness.

Redemption of Victory notes.

Exchanges of denominations.

Exchanges of temporary bonds for permanent ones.

Exchanges of bonds and notes from coupon form into registered form and vice versa.

Transfers of ownership of registered bonds and notes.

The conversions of First 3 $\frac{1}{2}$'s into 4's and 4 $\frac{1}{4}$'s were operative for limited periods only and the conversions of the Victories also now have been terminated, but the other functions mentioned continue to the present time and all of them, with the exception of transactions in connection with securities in registered form, are now performed also by the Cincinnati and Pittsburgh Branches. The Fiscal Agency Departments of our three offices carry unissued stocks of the securities of all outstanding Government issues from the First Liberty Loan to date and are prepared at all times to render immediate service in the exchange of denominations within an issue, the delivery of bonds in permanent form in exchange for temporary bonds, and the delivery of First 4 $\frac{1}{4}$'s and Second 4 $\frac{1}{4}$'s in exchange for First 4's and Second 4's respectively. However, exchanges of coupon for registered or registered for coupon bonds and notes and transfers of ownership of bonds and notes in registered form are submitted by us to the Treasury Department, since all registration records are maintained there; consequently, such transactions require at the present time an interval of about fifteen days for functioning and delivery of the new securities.

Individuals, firms and corporations will find it advisable to entrust all matters of this sort to their banking connections, as most banks are more or less familiar with the requirements of the Treasury Department and have supplies of the prescribed forms; the banks also are in most instances prepared to forward securities to the Federal Reserve bank under proper safeguards at nominal expense.

The brief outline presented herein of the functions performed by the Fiscal Agency Department may convey the impression that the various operations are comparatively simple, but the clerical work of the department includes many intricate accounting problems and most of the operations involve the handling of vast amounts of securities in a limited space of time and with absolute accuracy. Most of the other departments of the Federal Reserve Bank are required to restrict their dealings to the members of the Federal Reserve System, numbering 883, but the Fiscal Agency Department recognizes no such distinction and transacts business with all banks of the district, numbering 1,968, and with corporations, firms and individuals. At the present time about 75 employes are assigned to the fiscal agency work, although on a number of previous occasions a considerably greater number has been required.

Interesting deductions may be drawn from some of the totals compiled. For instance, during the year 1921, we redeemed 9,132,000 United States coupons, aggregating in value \$62,120,000. Assuming that such coupons represented one year's interest at 4 $\frac{1}{4}$ per cent, the par value of the United States securities from which they were detached equals \$1,461,647,000; consequently, that amount of such securities apparently is lodged in the Fourth District and owned by its residents.

Usually the physical bulk of valuable securities is not particularly embarrassing to the holder, but the Federal Reserve Bank of Cleveland, on a number of occasions during the past five years, has found its vaults seriously congested with large accumulations of such valuables. Dealers in many commodities are accustomed to carload units, but probably none of them has ever in his most optimistic moments considered the necessity of handling United States Government bonds by the carload. It is a fact, however, that the securities handled by the Federal Reserve Bank of Cleveland since early in 1917 would have filled to capacity quite a number of railway mail cars. During the year 1921, the Fiscal Agency Department handled 4,725,000 pieces of bonds, notes and Treasury certificates. Were that number of pieces to be piled flat one upon the other, they would make a column over 2,200 feet high.

During the war and for some time thereafter the allotment of Treasury certificates of indebtedness was simplicity itself; liberal subscriptions were desired and all of them were allotted in full. In fact, for a considerable period the Fiscal Agency Department employed a sales organization of about 25 men actively soliciting subscriptions from banks. The response of the banks was very gratifying and it is no exaggeration to state that hundreds of banks purchased to the extreme limit of their ability. Except among the banks and a comparatively few large corporations, there was no market at that time for the short-term issues, and sales subsequent to the primary distribution were infrequent. Within the past two years, however, the distribution among investors has become quite general and the sales organization has been disbanded. The quota of the Fourth District is 9.06 per cent of each offering, and it is invariably oversubscribed. At the present time all of the outstanding issues are quoted above par, and there is a broad, open market. In accomplishing this recognition for the world's premier short-term security, the Treasury and the Federal Reserve banks have enjoyed the invaluable assistance of the banks and of many investment firms.

It is hoped that this article will furnish the reader with some idea of the character of the duties of the Federal Reserve Bank as an intermediary between the Treasury Department and the banks and the public in matters connected with Government securities. Had the Federal Reserve banks not been in existence, the Secretary of the Treasury undoubtedly would have found it necessary early in the year 1917 to establish regional organizations of some sort to handle the vast amount of detail incident to the financing of the war, for obviously it would have been impracticable to centralize in Washington all of such activities.

Debits to Individual Accounts (In Thousands of Dollars)

	Week End- ing Apr. 12, 1922 (326 Banks)	Week End- ing Mar. 15, 1922 (326 Banks)	Increase or Amount	Decrease Per Cent	Week End- ing Apr. 13, 1921 (274 Banks)	Increase or Amount	Decrease Per Cent
Akron.....	\$ 14,128	\$ 10,858	\$ 3,270	30.1	\$ 15,008	—\$ 880	— 5.9
Butler, Pa.*.....	2,344	1,833	511	27.9	.....	.....	.....
Canton*.....	9,102	5,819	3,283	56.4	.....	.....	.....
Cincinnati.....	79,892	65,404	14,488	22.2	72,842	7,050	9.7
Cleveland.....	146,025	107,572	38,453	35.7	146,850	— 825	— 0.6
Columbus.....	33,190	28,849	4,341	15.0	35,874	— 2,684	— 7.5
Connellsville*.....	1,032	995	37	3.7	.....	.....	.....
Dayton.....	12,217	11,610	607	5.2	13,128	— 911	— 6.9
Erie.....	5,969	6,737	— 768	—11.4	6,267	— 298	— 4.8
Greensburg.....	3,785	4,047	— 262	— 6.5	3,865	— 80	— 2.1
Homestead*.....	636	597	39	6.5	.....	.....	.....
Lexington.....	4,559	8,246	— 3,687	—44.7	4,181	378	9.0
Lima*.....	3,614	3,280	334	10.2	.....	.....	.....
Lorain*.....	1,302	1,032	270	26.2	.....	.....	.....
New Brighton*.....	1,973	1,885	88	4.7	.....	.....	.....
Oil City.....	2,456	2,591	— 135	— 5.2	2,367	89	3.8
Pittsburgh.....	155,284	135,431	19,853	14.7	159,922	— 4,638	— 2.9
Springfield.....	4,738	4,012	726	18.1	4,693	45	1.0
Toledo.....	37,119	27,492	9,627	35.0	26,273	10,846	41.3
Warren, O.*.....	1,954	3,295	— 1,341	—40.7	.....	.....	.....
Wheeling.....	7,901	7,300	601	8.2	8,150	— 249	— 3.1
Youngstown.....	12,845	10,642	2,203	20.7	14,217	— 1,372	— 9.7
Zanesville*.....	2,979	2,638	341	12.9	.....	.....	.....
Total.....	\$545,044	\$452,165	\$92,879	20.5	\$513,637	\$6,471	1.3

* Debits for corresponding period in 1921 not available

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

	Apr. 12, 1922 (85 Banks)	Mar. 15, 1922 (85 Banks)	Inc.	Dec.
Loans and Discounts secured by U. S. Government obligations.....	39,404	42,146	.....	2,742
Loans and Discounts secured by other stocks and bonds..	326,722	324,830	1,892	.....
Loans and Discounts, all other.....	606,810	602,070	4,740	.....
U. S. Bonds.....	125,683	123,074	2,609	.....
U. S. Victory Notes.....	4,965	5,473	.....	508
U. S. Treasury Notes.....	24,446	26,011	.....	1,565
U. S. Certificates of Indebtedness.....	10,221	9,326	895	.....
Other Bonds, Stocks and Securities.....	272,436	271,754	682	.....
Total Loans, Discounts and Investments.....	1,410,687	1,404,684	6,003	.....
Reserve with Federal Reserve Bank.....	92,177	102,901	.....	10,724
Cash in Vault.....	27,510	26,766	744	.....
Net Demand Deposits.....	800,284	806,491	.....	6,207
Time Deposits.....	468,902	471,921	.....	3,019
Government Deposits.....	12,711	19,642	.....	6,931
Total Resources at date of this report.....	1,812,189	1,822,718	.....	10,529

Wholesale Trade

Percentage Increase (or Decrease) in Net Sales During March, 1922 as Compared with February, 1922 and March, 1921

	Dry Goods	Groceries	Hardware	Drugs
Net Sales (selling price) during March, 1922, compared with February, 1922.....	13.5	21.2	33.1	14.1
Net Sales (selling price) during March, 1922, compared with March, 1921.....	—18.6	—12.6	—13.5	— 0.3

Department Store Sales

	Cleveland	Pittsburgh	Cincinnati	Toledo	Other Cities	District
Percentage of net sales (selling price) during March, 1922, over net sales (selling price) during same month last year.....	-15.0	-24.2	-13.6	-12.0	-13.3	-17.8
Percentage of net sales (selling price) from January 1, 1922, to March 31, 1922, over net sales (selling price) during same period last year.....	-15.8	-25.6	-10.6	-12.1	-15.0	-18.3
Percentage of stocks at close of March 1922, over stocks at close of same month last year.....	8.6	-4.9	11.2	-2.8	10.4	3.0
Percentage of stocks at close of March, 1922, over stocks at close of February, 1922.....	10.7	9.6	10.1	4.5	12.3	9.7
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.....	403.6	432.4	534.4	398.3	498.8	441.4
Percentage of all outstanding orders (cost) at close of March, 1922, to total purchases (cost) during the calendar year, 1921.....	7.5	6.2	11.6	4.9	10.2	7.4

Building Operations For Month of March, 1922-1921

	Permits Issued				Valuations				Inc. or Dec. of Total Valuation	Per Cent Inc. or Dec.
	New Construction 1922	Alterations 1921	Alterations 1922	New Construction 1921	New Construction 1922	Alterations 1921	Alterations 1922	Alterations 1921		
Akron.....	139	240	77	98	184,215	436,720	52,196	95,950	-296,259	-55.6
Canton.....	117	171	74	93	1,727,660	295,945	34,560	35,522	1,430,753	431.6
Cincinnati.....	390	373	281	900	2,210,785	1,169,790	266,300	482,560	825,735	49.9
Cleveland*....	514	437	943	1,166	3,055,870	4,744,308	422,300	476,665	-1,742,803	-33.4
Columbus.....	449	358	173	162	1,169,910	589,370	124,590	382,540	322,590	33.2
Dayton.....	204	206	110	116	568,132	357,849	447,396	113,417	544,262	115.5
Erie.....	127	120	60	77	182,065	191,469	57,828	41,360	7,064	3.0
Lexington.....	60	24	38	80	90,260	100,995	37,805	49,000	-21,930	-14.6
Pittsburgh.....	540	308	153	118	3,250,223	1,357,162	220,262	200,370	1,912,953	122.8
Springfield.....	72	88	22	29	85,970	114,485	9,583	11,320	-30,252	-24.0
Toledo.....	221	217	209	263	714,380	408,990	155,600	292,800	168,190	24.0
Wheeling.....	44	85	43	37	313,347	125,430	19,906	5,394	202,429	154.7
Youngstown...	83	168	34	41	149,305	507,435	26,640	39,915	-371,405	-67.9
Total.....	2,960	2,795	2,217	3,180	13,702,122	10,399,948	1,874,966	2,226,813	2,950,327	23.4

* Figures include Lakewood and East Cleveland

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

	Cattle		Hogs		Sheep		Calves		Cars Unloaded	
	1922	1921	1922	1921	1922	1921	1922	1921	1922	1921
Cincinnati.....	18,865	20,598	103,126	95,735	7,808	5,545	17,092	14,470	1,634	1,774
Cleveland.....	10,197	8,000	96,828	67,195	16,771	21,046	13,267	11,645	1,687	1,319
Columbus.....	211	.....	3,026	.....	238	.....	215	.....	6	.....
Dayton.....	1,893	1,666	10,404	9,455	193	95	1,013	877	.....	.....
Fostoria.....	317	553	7,893	5,783	157	716	530	527	9	19
Pittsburgh.....	28,946	24,986	173,703	156,117	74,556	80,042	20,311	19,209	3,584	3,189
Springfield.....	197	273	3,583	2,346	246	130	284	199	.....	.....
Toledo.....	892	656	8,047	9,003	441	1,177	736	1,089	122	128
Wheeling.....	278	503	2,490	1,804	95	90	1,622	1,296	(decks) 23	18
	Purchases for Local Slaughter									
Cincinnati.....	16,152	15,808	65,092	63,939	7,323	5,298	9,520	9,290	.....	.....
Cleveland.....	9,363	7,378	71,025	49,461	11,629	16,363	12,066	11,472	.....	.....
Columbus.....	.....	.....	538	.....	142	.....	79	.....	.....	.....
Fostoria.....	32	54	672	885	5	6	93	32	.....	.....
Pittsburgh.....	5,409	6,053	38,212	66,607	6,994	21,270	2,197	7,601	.....	.....
Springfield.....	41	.....	632	.....	7	.....	30	.....	.....	.....
Toledo.....	491	534	849	1,699	181	104	562	599	.....	.....
Wheeling.....	278	503	2,490	1,804	95	90	1,542	1,296	.....	.....

FOURTH FEDERAL RESERVE DISTRICT

