

BUSINESS CONDITIONS



SEVENTH FEDERAL RESERVE DISTRICT

CHICAGO, MAY 25, 1920

THE BUSINESS WORLD AT THE PRESENT TIME APPEARS TO BE ANTICIPATING a possible and decided re-adjustment in the economic and social influences governing our national life, and the situation is complicated because of the lack of any precedent by which business men might be guided. There are a number of complex influences at work, each in itself potent in character. Probably the most disturbing element in the entire situation is the almost demoralized condition of our railroads, transportation being on the verge of a breakdown, by reason of a shortage of freight cars in the first place and a serious congestion in all leading railroad centers caused by the strike of switchmen and other rail workers. The labor situation as a whole shows small improvement, principally because of the attitude of mind of the working man. The credit supply still is restricted and the demand outstrips any previous total in the history of the world. Lastly, but by no means the least important, there is the additional complication of growing signs of a general revision of prices of all commodities, with the trend in most cases downward.

COUNTER CURRENTS AT WORK IN COMMODITY PRICES

An exception to the declining price tendency is foodstuffs, where there appears to be, except in a few unimportant instances, no immediate prospect of improvement. An important consideration in this regard is the fact that Government supervision of the wheat crop expires by limitation with the end of May, following which no one can forecast what will develop in an open and free trading market in wheat in face of a large shortage of that grain the world over.

Prices of other foodstuffs are in a perturbed state. A leading wholesale grocer of the district points out that for the two months preceding May 1, there had been a general tendency in the grocery trade to curtail buying and retrench wherever possible. During that time surplus stocks were offered freely by brokers and jobbers desiring to clear shelves in anticipation of a drop, which had actually started in canned goods. In the fore part of May, however, there developed a complete reversal of sentiment and prices took on new strength in an upward swing. At the present time, old stocks of canned goods and other staple groceries are practically exhausted and the outlook generally is for higher prices. The scarcity of sugar is a serious factor

in the curtailment of the canning and preserving of the new fruit crop.

Other living costs, however, offer great encouragement, particularly the price of clothing and shoes. Neither wholesale nor retail dry goods merchants, it is learned, have been buying goods beyond requirements, the expectation being for a material reduction in costs, which already has begun to assume form. Silks now are decidedly lower than they were a month ago. Ladies' ready-to-wear garments are showing a consistent downward trend and a similar movement has also developed in men's wear.

Explanation for this situation is not hard to find. Prices of clothing and dry goods generally had reached such heights as to be almost prohibitive and the public quite naturally curtailed purchases very materially. This caused a backing up of stocks from the retailer to the manufacturer and now there is evidence of production being greater in some lines than demand, which can only result in lower prices.

The same is true of shoes, where, because of a sharp decline in raw hides and skins, there has been a down-

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ward readjustment of prices. Stocks of leather are now about normal but the demand is apparently offset by the absence of any speculative buying. The foreign exchange situation played an important part in this as de-

clines in European rates affect the tanning industry probably more than most other lines, the tanners depending on foreign trade for a proportionately larger part of their output.

TRANSPORTATION TIE-UP HAS WIDESPREAD EFFECT

One of the most vital and at the same time, one of the most disturbing factors of business today is an extremely unsatisfactory transportation situation, which has a two-fold effect; namely, on manufacturers and on credit. When the switchmen went on strike more than a month ago, the railroads were already in bad shape because of a shortage of cars in face of a record-breaking tonnage offered, and this condition has been aggravated by the inability of the railroads to get cars moved.

Every effort has been made by the railroads themselves with remarkable results; but the immensity of the difficulties before them have proven almost insurmountable. Freight continues to pile up at practically all leading yards and terminals in the district, and the country as well, and the congestion has become so serious, because of its many ramifications, as to be the object of great concern. There are a number of instances within the confines of the Seventh Federal Reserve District where plants have been forced to shut down completely owing to inability to obtain either fuel or raw materials with which to operate factories. Still other plants in large numbers are running on famine rations

and face exhaustion soon unless they can get relief.

The grain trade is practically demoralized because of inability to get cars to move grain from country elevators to terminal markets. This feature alone contains several serious aspects. Farmers cannot dispose of their grain because of the glut in country elevators and the grain dealers cannot get the cars to ship the commodity they handle, which renders it impossible to make the drafts that would release a huge volume of credit now tied up in the grain trade. Unless this situation rights itself soon, it is bound to cause a jump in the price of all grain and the things grain produce, including live stock, milk, flour and other grain products.

Cattle feeders now are losing more money on cattle that are being marketed than they have at any time in the history of the trade and in most cases they are losing fully as much as they made on feeding operations last year, according to a prominent live stock commission merchant. It is predicted in the trade that during the summer and the early fall months the number of cattle on feed and marketed will be extremely light.

LARGE CREDIT USE IN AGRICULTURAL DISTRICTS

The demand for money and credit continues exceedingly heavy. The large city banks in the district for some time have bought no commercial paper, their every effort being expended in the granting of credit to necessary lines of industry and business. The supply of credit available for normal requirements is greatly restricted by reason of the large volume outstanding in agricultural districts.

There does not appear to be an immediate possibility of liquidating this so-called "frozen credit," much of which is traceable to the land speculation of last year. It is true that as a rule where farm land was sold, a good part of the purchase price was represented by mortgage; but at the same time, insurance companies and other purchasers of such securities declined to allow as much as half the supposed present value of farm lands, and this forced buyers to use their individual credit as far as possible. It is doubtful if many bankers realize to what extent this land speculation has drawn on the credit supply, as a large number of the correspondents replying to a general credit inquiry assign the necessity for loans to other reasons.

Another incentive for farm borrowing is the carrying of large stocks of corn on farms, which was made necessary by the fact that when the grain could have been marketed, farmers considered the price too low and held their grain, whereas now because of the transportation tie-up, it is almost impossible to move the crop to market. The transportation situation is exerting an influence on credit in several directions, causing among

other things, the tying up of a large volume in raw materials and manufactured goods which cannot be delivered to the purchaser.

The extent to which farmers used their credit in buying securities representing new or more or less speculative enterprises is now indicated by the appearance of this class of notes in the banks. It is estimated that upwards of \$200,000,000 in new securities were sold in Iowa alone during the last eighteen months. The promoters in many instances disposed of notes, taken in part payment, to bankers who personally knew the makers of the notes, at a discount sufficient to make them very attractive, if not liquid investments for banking funds. These notes, as a rule, were made with the expectation of being paid out of the proceeds of future or growing crops, but inadequate transportation and the decline in the market value of some classes of farm products prevented this expected liquidation.

Carrying of Liberty bonds and Victory notes for customer account is still a considerable burden on the banks and is requiring the use of a credit supply sufficient, if it could be liquidated, to greatly ease the situation elsewhere. Purchasers and holders of government securities apparently feel that Liberty bonds and Victory notes are especially adapted as collateral and they accordingly are making free use of them for that purpose. The low market value for Government securities now prevailing is a barrier to any considerable liquidation on the part of those who can afford to hold them.

SERIOUS SHORTAGE OF FARM LABOR

Crop conditions now appear favorable although agricultural operations have been hampered to a very great extent by the shortage of farm labor and inclement weather conditions. Farmers are confessedly worried over the labor supply and because of the prospect of a very great shortage of help, acreage has been materially restricted and in many places farms are not being worked at all.

A specific example of the effect of shortage of farm labor is to be found in a report recently issued by the Michigan Crop Reporting Service, based upon a complete survey of the Michigan agricultural district. This report shows that 8.74 per cent of the farms of the state of Michigan are wholly idle this year, an area of approximately 1,668,000 acres. The total number of men and boys over 15 years of age on farms of this state is 230,000 or 82.5 acres to be worked by each man or boy. In all there are 18,232 farms idle in Michigan this year, as compared with 11,831 last year. This abandonment does not tell the whole story. A large percentage of men on farms are past 50 years of age and without help. The average size of farms is 91.5 acres and there are but 11 men and boys to each 10 farms with many of these unable to do an able-bodied man's work. There are 30,300 vacant houses on farms, 10,000 of which have been vacated within the last year, according to the Michigan report.

This condition is by no means confined to Michigan but is more or less in evidence throughout the great agricultural territory included in the Seventh Federal Reserve District. This shortage is now drawing the attention of various newspapers and agricultural

organizations but it is too early to tell whether the movement thus inaugurated will have any great effect on encouraging a back-to-the-farm movement.

A side light on the situation thus created is to be found in the wages paid farm labor. Because of the shortage, farm workers are in almost as strong a position as workers in industrial pursuits, and wages and hours demanded by men that are available to work on farms are such as to make their employment unprofitable on many crops at the prices prevailing in the last few years. It is evident that the production of farm crops will decline as long as the present situation continues and as long as the cost of producing these crops follows so closely the price the farmer receives. With a steadily decreasing supply and increasing demand, the price of food will continue to advance.

Continued cool weather and excessive rainfall have hindered farm work and in at least one crop has caused a reduction in acreage. The steady rainfall during April and early May made the season for oats planting so late that farmers put in much less of this grain than they had planned, preferring, under the circumstances, to devote a greater acreage to corn. Winter wheat generally came through the winter in good condition and the prospects are for a good crop on a much reduced acreage. Spring wheat acreage also was restricted by adverse conditions but the soil conditions are good. Improvement in the weather throughout the corn belt during the last few weeks has allowed farmers largely to complete their plowing and although the season is late for all grains, it is felt that the outlook is fairly promising.

MENTAL ATTITUDE OF LABOR IMPROVING

Manufacturers report that for the first time in many months, labor conditions, taken as a whole, show improvement, although it is very slight. The closing of some plants has diverted labor to other factories urgently needing men. The best indication of improvement, however, is to be found in the mental attitude of workers, which finds reflection in a slight reduction in the shifting of labor. This, for some time past, has been the sore spot in the whole labor situation, the percentage of turnover being so large as to cause a considerable increase in production cost because of wastage, lost time and other incidental expense. The shortage of unskilled or common labor still is large in all lines of industry and wages continue at an almost prohibitive level.

The April response from manufacturers in the Seventh District, averaged according to the rules of the Federal Reserve Board, show the following condition:

Labor supply "normal" against "shortages" last month and a year ago.

Number of employees at the end of April, 1.4 per cent decrease from March and 4.23 per cent increase over April 1919.

Percentage of total capacity employed at end of April 1920, 88.3 per cent against 96.7 per cent in March and 95.6 per cent in April 1919.

Payroll payments for April showed decrease of 8.5 per cent from March but an increase of 24.5 per cent over April 1919.

NEW BUILDING ENTERPRISES ARE RESTRICTED

Building operations are far from satisfactory, new enterprises now being restricted to an almost negligible number. The leading cause for this, of course, is high cost of material and labor, which has forced the abandonment of many projects that had been planned on the basis of conditions as they were six months ago. Practically all building mechanics now are being paid \$1.25 per hour and common labor \$1.00 per hour and in some instances where competition is keen, even better than these rates are obtained. The building material situa-

tion also is a disturbing influence. Lack of railroad transportation has created a shortage especially of sand, but also of other materials that must be transported.

There is a dearth of common brick through the country due to the restrictions placed on the manufacturers during the war. Because of the heavy demand throughout 1919, manufacturers went into the winter season without any reserve stock and this spring labor disturbances handicapped any attempt at early heavy production. Even if the railroad strike could be ter-

minated at once, it is estimated that it would be six to nine months before the brick shortage could be relieved. The housing situation is still very unsatisfactory and in

many localities where the shortage of homes is acute, plants are unable to obtain labor because it has no place to live.

SLIGHT TENDENCY TOWARD THRIFT IS SEEN

A most encouraging development of the last month has been a growing tendency on the part of the general public toward thrift. Ever since the Armistice was signed, people, as has been pointed out many times, have been indulging in a wild spending orgy, buying only the highest priced articles or goods and satisfying extravagances almost to an extreme. This was perfectly natural in view of the rise on the social ladder of the laboring man, who through higher wages than he had ever known before, was able to satisfy tastes formerly controlled by a restricted income. This spending hysteria now seems to be waning, although the change is not yet pronounced.

The demand still is for high priced merchandise but it is not as great as in the past year. Particularly is this true of food-stuffs. Butchers, for instance, report that they have been handling very little of the cheaper cuts of meat although a slightly increased demand for them has appeared recently. The same applies to wearing apparel, furniture and other goods, where there is more of ordinary quality sold than has been the case for many months back.

The condition of Retail Trade in the Seventh Federal Reserve District as shown by April reports from representative department stores, is reduced to the following weighted averages:

Net Sales—April 1920 increase over March, 1920, 37.48 per cent.

Net Sales—April 1920-1919 increase 53.99 per cent.

Retail Stocks—April 1920 increase over March 1920, 92.35 per cent.

Retail Stocks—April 1920-1919 increase 58.04 per cent.

Percentage of total stocks to average sales, January 1, 1920, to end of April 1920, 324.5 per cent.

Percentage of outstanding orders to total purchases during 1919, 39.9 per cent.

These "composite numbers" are reduced by the uniform method fixed by the Federal Reserve Board, and may be accepted as indicating a slight decline in the rate of retail turnover but without any marked change in the demand for self replenishment.

SEVERAL DISQUIETING FEATURES APPEAR

Here and there from miscellaneous lines of trade and industry, slightly disturbing reports have appeared. The wool market, for instance, is very much disturbed as the result of agitation against high prices, the tight money market and the lack of switching facilities. Manufacturers are naturally unwilling to increase their liabilities under such conditions and as a result, only a small percentage of the clip has been disposed of by growers, as the season has just commenced. Should there be no relief to this situation shortly, the growers will be greatly inconvenienced as the unusually severe winter and spring has occasioned considerable loss in flocks and caused heavy feeding expenses.

From the lumber trade comes a report of a decided drop in business and a weakening of lumber prices due to the slowing up in building operations. There have been quite a few cancellations of orders with furniture manufacturers in view of the fact that shipments are all made based upon price at time of shipment.

Coal production in the confines of the Seventh Federal Reserve District during April was lower than in any of the preceding months this year and May output has been fully as low. Supplies of coal in the hands of dealers and consumers are lower than ordinarily carried. One of the leading coal men states that it now seems impossible, considering transportation conditions, to produce sufficient coal to cover the needs of the country this year.

Although business failures in the District are fewer in number, the liabilities involved aggregated much more than last year. During April there were 39 failures in the Seventh Federal Reserve District, according to R. G. Dun & Co.'s figures, which compares with 61 failures in April 1919. Liabilities involved in April failures this year aggregated \$4,551,640 while in the corresponding period last year, the total was only \$1,248,110.

CREDIT MOVEMENT LESS ACTIVE

Credit movement as indicated in the aggregate debits to individual accounts is less active than a month ago, continuing the decline started about eight weeks ago, although it is still very much more than last year. The total debits as of May 12 reported by 188 banks in

23 leading clearing house centers, including Chicago, was \$1,088,808,000, which indicates a decline of \$17,314,000 compared with the corresponding week of the previous month. It is still, however, \$198,065,000 greater than in the second week of May a year ago.

SELECTED MEMBER BANK STATISTICS—SEVENTH DISTRICT

(ooo's omitted)

Items—	CHICAGO			DETROIT			OTHER		
	—50 Member Banks— May 7, 1920	April 9, 1920	May 9, 1919	—12 Member Banks— May 7, 1920	April 9, 1920	May 9, 1919	—45 Member Banks— May 7, 1920	April 9, 1920	May 9, 1919
Total U. S. Securities	\$74,037	\$76,833	\$188,864	\$63,291	\$59,520	\$93,108	\$58,831	\$55,841	\$88,385
Loans—(exclusive of rediscount)									
Secured by U. S. war obligations...	68,614	70,662	67,092	11,962	13,036	9,577	16,950	16,831	14,829
Loans secured by stocks and bonds other than U. S. securities.....	339,137	347,566	.....	61,979	61,090	.....	59,656	58,996	.....
All other loans and investments.. (exclusive of rediscounts)	884,331	869,373	870,912*	319,082	316,818	258,575*	329,621	332,750	282,037*
Reserve Balance with Federal Re- serve Banks.....	136,075	130,902	117,407	28,130	30,701	24,500	28,974	30,939	26,710
Cash in vault.....	38,834	38,629	38,739	13,213	13,445	12,206	15,163	15,567	14,043
Deposits—									
Net Demand.....	967,985	970,485	851,708	199,880	211,639	171,538	247,506	261,818	223,314
Time.....	276,056	272,623	164,599	224,229	221,834	170,247	116,798	115,296	100,722
Government.....	3,081	4,111	41,805	1,105	1,100	22,991	1,566	2,333	8,998

*Includes loans secured by stocks and bonds except U. S. Securities.

†Figures for May 9, 1919, were from 44 Chicago Banks.

BUILDING PERMITS OF SEVENTH FEDERAL RESERVE DISTRICT CITIES

	APRIL 1920		APRIL 1919		Per Cent Gain	Per Cent Loss
	No. of Permits	Estimated Cost	No. of Permits	Estimated Cost		
Illinois						
Aurora.....	32	\$ 54,454	34	\$ 28,823	86	..
Chicago.....	521	9,060,500	705	7,447,800	21	...
Decatur.....	95	361,050	91	325,475	11	...
East St. Louis.....	73	325,855	...	90,610	259	...
Evanston.....	64	226,464	...	46,813	380	...
Peoria.....	69	189,900	68	112,208	69	...
Rockford.....	218	265,820	...	.....	...	...
Springfield.....	115	90,445	83	93,330	...	3
Indiana						
Elkhart.....	5	15,000	26	73,300	...	79
Evansville.....	114	74,373	120	128,968	...	42
Fort Wayne.....	136	351,871	79	124,954	181	...
Hammond.....	60	655,550	117	234,225	179	...
Indianapolis.....	808	1,798,812	802	987,999	82	...
Richmond.....	29	92,075	28	80,475	15	...
South Bend.....	279	430,122	188	187,965	128	...
Terre Haute.....	98	83,998	101	155,620	...	46
Iowa						
Cedar Rapids.....	112	384,000	70	188,000	104	...
Des Moines.....	144	764,235	67	188,755	304	...
Dubuque.....	63	195,803	21	19,232	918	...
Mason City.....	86	70,189	63	62,000	13	...
Sioux City.....	223	546,900	127	360,150	51	...
Michigan						
Bay City.....	105	722,450	91	96,700	648	...
Detroit.....	2,867	12,397,535	2,016	4,610,391	171	...
Flint.....	635	2,037,430	327	591,900	244	...
Grand Rapids.....	354	552,303	236	263,699	109	...
Jackson.....	124	172,215	116	144,550	18	...
Kalamazoo.....	114	370,750	30	96,100	285	...
Lansing.....	229	270,967	153	293,360	...	7
Saginaw.....	371	580,648	153	108,803	433	...
Wisconsin						
Kenosha.....	153	264,910	166	308,884	...	14
Madison.....	71	233,700	26	36,752	532	...
Milwaukee.....	2,446	3,288,673	1,654	1,991,310	65	...
Sheboygan.....	146	500,800	78	44,273	131	...
Superior.....	87	140,545	132	444,534	...	68

BUILDING STATISTICS FOR THE MONTH OF APRIL, 1920
SEVENTH FEDERAL RESERVE DISTRICT

(Covering Illinois, Indiana, Iowa, Michigan, Wisconsin and portions of Missouri and Eastern Kansas.)

Class	CONTEMPLATED PROJECTS		CONTRACTS AWARDED		
	No. of Projects	Valuation	No. of Projects	New Floor Space Sq. ft.	Valuation
Business Buildings.....	439	\$17,735,400	345	3,473,700	\$18,887,400
Educational Buildings.....	139	20,350,600	73	1,039,200	5,478,400
Hospitals and Institutions.....	14	945,000	8	90,200	465,000
Industrial Buildings.....	269	30,178,000	196	4,777,500	23,091,500
Military and Naval Buildings.....	2	2,555,000	1	141,300	200,000
Public Buildings.....	22	618,000	7	24,100	141,000
Public Works and Public Utilities.....	417	26,622,500	260	.....	17,621,600
Religious and Memorial Buildings.....	56	3,270,500	30	179,200	1,706,100
Residential Buildings.....	1,413	37,653,800	1,172	5,550,200	22,599,100
Social and Recreational Buildings.....	82	9,944,000	48	542,400	4,333,000
Total.....	2,853	\$149,872,800	2,140	.....	\$94,523,100

CONTRACTS AWARDED
(January 1 to May 1)

1920.....	\$323,756,070	1916.....	\$113,366,000	1912.....	\$35,842,000
1919.....	190,504,000	1915.....	65,582,600	1911.....	60,894,313
1918.....	96,557,000	1914.....	61,821,000	1910.....	67,295,304
1917.....	177,340,000	1913.....	59,492,000		

ALL DISTRICTS

(States north of the Ohio and east of the Missouri rivers.)

Class	CONTEMPLATED PROJECTS		CONTRACTS AWARDED		
	No. of Projects	Valuation	No. of Projects	New Floor Space Sq. ft.	Valuation
Business Buildings.....	1,768	\$70,442,700	1,287	12,267,600	\$57,114,900
Educational Buildings.....	419	49,274,800	198	3,287,600	20,285,500
Hospitals and Institutions.....	69	6,741,500	49	823,900	4,226,800
Industrial Buildings.....	948	77,450,100	698	14,850,600	62,180,900
Military and Naval Buildings.....	41	4,133,900	17	222,300	912,100
Public Buildings.....	90	2,648,600	43	135,700	1,394,300
Public Works and Public Utilities.....	1,043	59,514,900	660	.....	65,497,600
Religious and Memorial Buildings.....	207	11,355,000	79	401,700	3,950,100
Residential Buildings.....	4,892	139,170,800	3,793	20,712,900	103,742,700
Social and Recreational Buildings.....	295	24,298,300	146	1,853,900	14,702,300
Miscellaneous.....	5	22,000	.....	.....	.....
Total.....	9,777	\$445,052,600	6,970	.....	\$334,007,200

CONTRACTS AWARDED
(January 1 to May 1)

1920.....	\$1,114,415,200	1916.....	\$324,665,500	1912.....	\$232,249,500
1919.....	464,407,000	1915.....	244,095,100	1911.....	254,275,813
1918.....	543,021,000	1914.....	228,710,000	1910.....	256,838,804
1917.....	467,298,000	1913.....	285,388,000		

(Building statistics compiled by the F. W. Dodge Company)

RECEIPTS AND SHIPMENTS OF IMPORTANT COMMODITIES AT CHICAGO
(000's omitted)

Products	RECEIPTS				SHIPMENTS			
	April		March		April		March	
	1920	1919	1920	1919	1920	1919	1920	1919
Flour, barrels.....	323	908	785	648	218	498	686	440
Wheat, bushels.....	769	1,117	977	1,231	1,080	4,710	1,375	1,760
Corn, bushels.....	2,264	6,140	8,449	3,824	739	1,715	2,804	1,572
Oats, bushels.....	2,691	5,537	5,568	3,719	1,740	5,138	4,679	5,403
Cured Meats, pounds.....	2,108	14,788	6,461	21,533	23,922	103,163	106,701	159,756
Fresh Meats, pounds.....	31,382	99,550	71,844	90,027	105,054	152,894	203,092	158,551
Lard, pounds.....	4,823	18,943	9,188	17,311	10,249	39,808	46,469	60,206
Cheese, pounds.....	8,620	16,300	15,822	15,394	3,438	9,096	21,040	8,775
Butter, pounds.....	18,994	19,723	20,638	15,946	10,899	23,019	26,371	20,090
Eggs, cases.....	858	1,357	460	377	205	436	267	223
Potatoes, bushels.....	741	1,690	1,098	1,663	193	838	378	692
Hides, pounds.....	7,484	18,530	15,040	19,510	7,219	25,243	13,789	20,927
Lumber, thousand feet.....	124	144	264	124	51	59	122	46

DISCOUNT AND INTEREST RATES

The open market range of discount and interest rates prevailing in Chicago during the thirty-day period ending May 15, 1920, together with a comparison of rates during the thirty-day periods ending April 15, 1920, and May 15, 1919, follows:

	MAY 1920			APRIL 1920			MAY 1919		
	High	Low	Customary	High	Low	Customary	High	Low	Customary
1. Rates of discount charged by banks to customers for prime commercial paper such as is now eligible under the Federal Reserve Act:									
a. Running 30, 60 and 90 days.....	7	6	6½ @ 7	7	6	6½ @ 7	6	5	5¼ @ 6
b. Running 4 to 6 months.....	7	6	6½ @ 7	7	6	6½ @ 7	6	5	5¼ @ 6
2. Rates for prime commercial paper purchased in the open market:									
a. Running 30 to 90 days.....	7½	7	7¼	7	6	6½ @ 7	5½	5	5¼
b. Running 4 to 6 months.....	7½	7	7¼	7	6	6½ @ 7	5½	5	5¼
3. Rates charged on loans to other banks—secured by bills payable.....	7	6½	6½ @ 7	7	6	6½ @ 7	6	5½	5½
4. Rates for bankers' acceptances of 60 to 90 days maturities:									
a. Endorsed.....	6¼	5 7/8	5 7/8 @ 6¼	6	5 7/8	5 7/8 @ 6	4¾	4 3/16	4 3/16
b. Unendorsed.....	6¼	5 7/8	5 7/8 @ 6¼	6	5 7/8	5 7/8 @ 6	4¾	4 3/16	4 3/16
5. Rates for demand paper secured by prime stock exchange collateral or other current collateral....	7	6½	7	7	6½	6½ @ 7	6	5½	5½ @ 6
6. Rates for time paper secured by collateral mentioned in No. 5:									
a. Running 3 months.....	7	6½	7	7	6½	6½ @ 7	6	5½	5½
b. Running 3 to 6 months.....	7	6½	7	7	6½	6½ @ 7	6	5½	5½
7. Rates (when paper is current in city) for:									
a. Cattle loans.....	7	6½	7	7	6½	6½ @ 7	6	5½	5½
b. Commodity paper secured by warehouse receipts, etc.....	7	6½	7	7	6½	6½ @ 7	6	5½	5½
8. Rates for ordinary commercial loans running 30, 60 and 90 days, (not including loans to enable purchase of bonds) secured by:									
a. Liberty bonds.....	7	6½	6½ @ 7	7	6½	6½ @ 7	6	5	5½
b. Certificates of indebtedness.....	6	6	6	6	5	5½	6	5	5½

COMPARATIVE LIVE STOCK STATISTICS

Receipts of live stock at Chicago for the four weeks ending May 8, compare as follows:

Year	Cattle	Calves	Hogs	Sheep
1920 (4 weeks).....	223,877	76,076	526,864	226,343
1919 (4 weeks).....	218,517	81,313	633,468	289,506
Decrease.....	5,360*	5,237	106,604	63,163

*Increase

Receipts of live stock at the principal markets during April, and during the first four months of 1920 compared with the corresponding periods of the previous year, show the following changes:

1920	Cattle	Calves	Sheep
April.....	9 per cent Decrease	9 per cent Decrease	3 per cent Decrease
Four months.....	10 per cent Decrease	11 per cent Increase	1 per cent Increase

Receipts of hogs during April, 1920, aggregated 1,270,871 head against 1,765,008 in April, 1919.

The average prices compared as follows per hundredweight:

	CATTLE			
	Choice	Common	Sheep	Lambs
April, 1920.....	\$14.85	\$12.65	\$14.16	\$18.57
April, 1919.....	20.02	15.83	14.33	18.02
Four months—1920.....	16.50	13.19	13.08	19.17
Four months—1919.....	19.99	15.94	12.52	17.67

Cash lard in April, 1920, ranged from \$18.75 to \$20.05 cwt. compared with \$28.67½ to \$32.87½ in April, 1919.

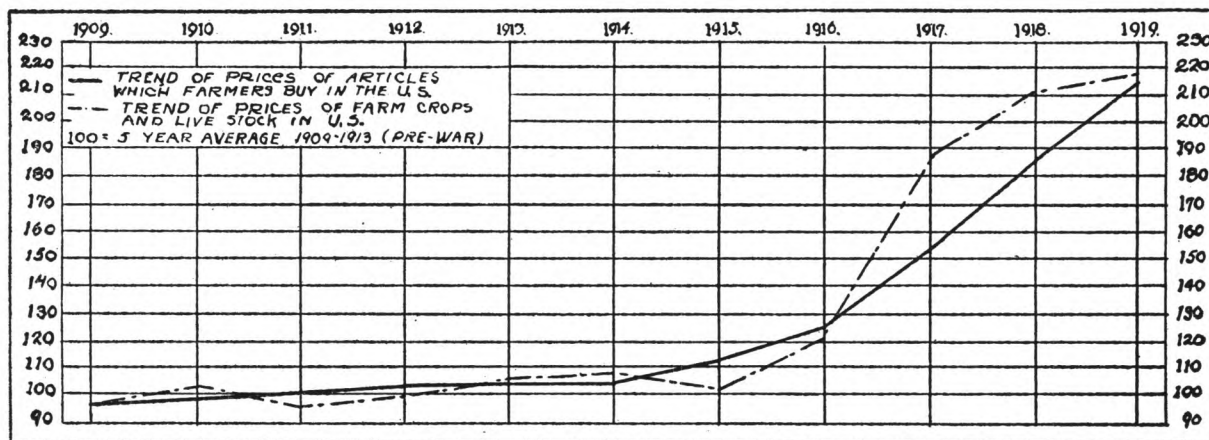
Cash ribs in April, 1920, ranged from \$17.50 to \$18.75 compared with \$26.50 to \$28.87½ in April, 1919.

HOW PRICES AFFECT THE FARMER

Interesting figures on the farmer's income and outgo are contained in the March, 1920 issue of the "Monthly Crop Reporter" of the Department of Agriculture. These figures are in the form of a graph showing the trend of prices of crops and live stock.

For the period 1909 to 1919 inclusive of both years curves are plotted showing (1) composite numbers embracing the prices realized by the farmers of America for their crops and live stock and (2) the actual prices paid by the farmer for all the supplies, machinery and materials of every kind necessary for the conduct of farming operation. Until the end of the year 1914

these curves ran along with only slight divergences from the axis at 100 showing a general balance between farm income and farm outgo. From 1916 to 1919 the curve of income has been far above the curve of outgo showing that produce prices have afforded the farmer a generous profit. But the trend of the income curve apparently has reached the peak and is tending to fall, whereas the curve of outgo, representing the cost of farm essentials, is strongly ascendant. The "Monthly Crop Reporter" concludes "That in 1920 prices of crops and live stock will probably be relatively lower than the prices of articles which farmers must buy." We reproduce the "Trend of Prices" chart herewith.



ESTIMATED FARM VALUE OF IMPORTANT PRODUCTS

AS OF MARCH 15.—

Products	ILLINOIS		INDIANA		IOWA		MICHIGAN		WISCONSIN	
	1920	1919	1920	1919	1920	1919	1920	1919	1920	1919
Hogs, 100 pounds.....	\$13.95	\$17.00	\$14.40	\$17.60	\$13.90	\$17.40	\$14.00	\$16.40	\$13.90	\$16.70
Beef Cattle, 100 pounds.....	10.00	12.10	9.60	11.40	10.80	13.50	9.80	9.80	8.60	8.80
Veal Calves, 100 pounds.....	13.90	13.90	14.50	13.80	12.90	13.10	15.70	15.00	14.00	14.30
Sheep, 100 pounds.....	10.10	10.18	8.70	9.30	9.70	11.40	9.50	10.10	10.00	10.70
Lambs, 100 pounds.....	15.20	14.90	14.90	14.40	15.50	15.70	15.10	15.20	15.00	15.00
Milk Cows, per head.....	103.90	101.00	93.30	90.50	103.50	100.00	98.40	84.60	109.30	92.50
Horses, per head.....	131.00	132.00	129.00	130.00	144.00	130.00	142.00	136.00	144.00	144.00
Apples, per bushel.....	3.00	3.10	3.10	2.80	3.60	3.20	2.70	1.70	3.00	2.00
Apples, per barrel.....	8.90	9.00	9.10	8.00	10.50	9.00	8.10	5.40	8.50	6.50
Beans, (dry) bushel.....	6.10	6.90	5.10	6.20	5.90	6.00	3.75	4.10	4.20	4.10
Clover seed, bushel as sold.....	32.40	22.40	32.30	21.50	32.20	23.90	32.30	23.10	30.80	23.60
Clover seed, bushel as bought.....	35.60	24.70	35.30	24.00	35.20	25.50	35.80	25.90	34.70	26.40
Timothy seed as sold.....	6.10	4.90	6.10	4.70	5.60	4.60	6.20	4.90	5.80	4.90
Timothy seed as bought.....	6.90	5.40	6.85	5.60	6.10	5.00	7.20	5.70	6.90	5.60

AS OF APRIL 1.—

Wheat, bushels.....	2.35	2.23	2.31	2.19	2.14	2.09	2.36	2.21	2.22	2.10
Corn, bushels.....	1.54	1.42	1.55	1.41	1.41	1.40	1.60	1.54	1.51	1.28
Oats, bushels.....	.89	.61	.90	.62	.82	.58	.90	.63	.91	.59
Barley, bushels.....	1.42	1.03	1.47	1.08	1.33	.86	1.32	.97	1.44	.98
Rye, bushels.....	1.60	1.46	1.54	1.41	1.53	1.35	1.53	1.47	1.60	1.47
Buckwheat, bushels.....	.....	.....	1.47	1.47	2.00	1.58	1.63	1.34	1.73	1.18
Flax seed, bushels.....	.....	.....	.....	.....	4.78	3.12	.....	.....	4.33	.....
Potatoes, bushels.....	3.60	1.35	3.51	1.27	3.51	1.27	2.67	.83	2.86	.80
Sweet Potatoes, bushels.....	2.33	1.50	3.76	2.50	3.50	2.90	.....	.....	.....	.....
Hay (loose) per ton.....	25.50	20.40	26.20	20.80	20.80	19.50	26.30	22.20	23.90	20.20
Butter, pounds.....	.56	.47	.53	.44	.57	.49	.57	.50	.63	.56
Eggs, per dozen.....	.38	.34	.38	.34	.37	.34	.40	.37	.39	.34
Chickens, per pound.....	.27	.238	.278	.241	.234	.209	.265	.239	.247	.224