

BUSINESS CONDITIONS



SEVENTH FEDERAL RESERVE DISTRICT

CHICAGO, AUGUST 25, 1920

CAUTION RULES IN BUSINESS IN THE SEVENTH DISTRICT. THE PRODUCER is cautious for the very good reason that mistakes cannot be made in high-priced labor and raw materials without loss both of prestige and profits. Middlemen are cautious because the retailers compel them so to be. And retailers are taking frequent soundings because they have "sensed" shoals in the popular purchasing power. The buying public—at length instructed on the dangers of spending everything from pay day to pay day—are checking the extravagances which have made bonanzas hitherto for the long line of industries and trades engaged in supplying popular desires and needs, regardless of prices. Therefore, shrewd men of business in all positions are slowing up a little, taking their bearings and trying to find out when, where and how far the heralded drop in prices is going to go. Net result: caution, a waiting attitude, and a certain grim resignation to the inevitable.

WHAT SYSTEMATIC INQUIRY REVEALS IN THE MIDDLE WEST

Our recent "Wholesale Questionnaire" brought 100 per cent affirmative reply to the question "Is the trade following a course of caution in commitments?" Unanimously "Yes"—everybody is very wary and waiting to see what is to happen.

The key to the whole situation is a dearth of liquid capital and restriction of bank credit. With the business world in a most adventuresome and daring frame of mind—everyone determined to get his share of the profits scented in the ruling high prices—it was necessary for the banks to take stern action to avert the otherwise certain repetition of what has happened in China and Japan. The only way open to accomplish liquidation painlessly and safely was that chosen by the banks—namely, to compel progressive liquidations of hoarded or "cornered" products, as a condition precedent to the granting of further loans. That is to say, the banks have put down the heel of their imperative "No" upon speculation and profiteering everywhere.

As a result there is much shifting of burdens and responsibility. The jobber, finding it impossible to obtain as much money or credit as he desires to carry out his plan for holding this or that commodity, is

refraining from his usual purchases and compelling first hands to carry the product. But it is no easier for the manufacturer to borrow unlimited funds at the banks than for the jobber.

Thus it happens—by one of the curious economic paradoxes of the day—that the manufacturer of many things is spared from the danger of disastrous losses later on by the present inefficiency and low productivity of the average worker. The goods that are piling up in warehouses, being carried on someone's borrowings at banks, must be marketed some time. What they bring depends wholly on supply and demand factors. That there will be losses on much merchandise is conceded by conservative judges; but the losses will be much less severe and serious than would be the case if the banks had been more prodigal in financing excessive inventories and extravagant manufacturing activities at a time when the proper law of economic procedure was prudence and not speculation.

That there must be wholesale liquidation of the stocks resting in first hands is generally admitted; and the business world is resigned to the necessity, believing that there can be otherwise no speedy readjustment of wage and price factors whereby normal economic conditions may be restored to the country.

Compiled August 21, 1920

GENERAL BUSINESS APPEARS TO BE MARKING TIME

In consequence of this and other influences, general business appears to be marking time pending a definite turn in affairs one way or the other, while uncertainty dominates the business mind, with some outcropping of pessimism here and there. Failure of the wheat crop to come up to expectations is having its influence, but the dominant factor is the credit situation.

Crops, speaking generally, promise well, with indications for a larger production than a year ago in all excepting wheat. Rain is needed all through the District to bring the corn crop up to expectations, but the greatest obstacle to the farmer at the present time is to market his grain or live stock, because of inadequate transportation facilities. The question of holding crops for higher prices no longer enters into the problem, for the farmer could not sell if he wanted to under the present conditions because of inability to make deliveries owing to a lack of cars. He has been forced to hold his grain and necessarily he will not move it now even with improvement in the car situation until this can be done without interference with the fall farm work, as there is a serious shortage of farm help that already has crippled him greatly.

Unless there is a strong revival in buying of canned

goods at present prices (which include only a moderate profit over cost) the canners will be obliged to dump their stocks on a weak market. In such event, the relatively small stocks in first hands may turn out to be a life saver, as labor, materials and tin plate rule high, while transportation difficulties and the scarcity of sugar further complicate the troubles of the canning industry. Fruit and vegetables throughout the Seventh District are normal, and an average potato crop is maturing.

Ordinarily credit demand is heaviest in the fall of the year, because of agricultural necessity, and the present year is no exception. Considerable attention has been devoted to the possible effect of new crop requirements at the banks because of their already loaned-up condition. There is a wide divergence of opinion among bankers as to the probable demands. Both the country elevator operators and the farmers are clearing bins of any carry-over from the 1919 crop where possible, to make way for the new yield, but this is a slow process. Credit frozen to grain carried over from last year will be released for new usage with the marketing of old grain, which is now actively under way with an added supply of cars in the grain belt.

FARMERS' DISPOSITION IS TO MARKET WHEAT AS THRESHED

This transportation situation also has a bearing on the disposition of the 1920 harvest. Wherever the transportation facilities have been adequate, the attitude of the farmer has been to market his grain as fast as it could be taken from the thresher, thus saving rehandling, but in most localities cars were not available and the elevators were full. Wherever the farmer has been forced to store his wheat in bins, the disposition is to hold for higher prices, in order to offset shrinkage and the cost of re-handling, as well as the loss of interest through inability to liquidate loans.

It will be recalled that last year there was a heavy carry-over of grain, farmers starting out with the intention of holding for a few months for a more favorable price level. They encountered an extremely bad transportation situation which prevented the marketing of grain when prices did improve. The result was rather disastrous, as in many instances farmers were forced to carry grain for many months against their wish and to borrow at the banks. Much of this is still being carried by the banks, either on farms or in country

elevators. This tends to make the farmer cautious. If cars are obtainable the farmer as a rule is not delaying shipment of his grain to market. Another factor militating against widespread storage of grain is the uncertainty as to the future course of the commodity markets. Few persons have the courage to back up their guess as to what prices will do in the next few months; others fear repetition of the car scarcity of last year, in event values do rise.

Frequent comment is heard regarding the farmers' prosperity. Many of them have made advantageous sales of land in the last year, which have given them a tidy surplus to work on. Those who have not sold land as a rule are able to borrow money from their neighbors. It is needless to say that little of such talk is heard from the farmers themselves who through inability to market their grain and live stock in many cases already have suffered heavy losses and many of them complain that there is not sufficient new credit obtainable to re-stock pastures and feed lots.

DIFFICULTIES OF THE CATTLE GROWERS SERIOUS

In the cattle industry there is much complaint about present conditions in the money market and the inevitable reaction on growers of live-stock. Leading cattle loan men operating with Chicago as a center say that money is costing them about ten per cent, making rates prohibitive to the cattle industry and forcing liquidations at heavy losses. In the breeding and feeding regions a large acreage of fine grass is said to be going to waste because of the inability of local banks to afford the necessary financing.

Bankers say they are doing all that is possible for the financing of the animal industry, but with the

available supply of money and the small margin of profit obtainable by rediscounting at present rates, they are unable to fully meet the demands of the stock growers for liberal credits extending over long finishing periods. The live stock industry requires a large amount of rather long time financing. The paper representing such financing, however, is not eligible for rediscount. The banker is between the two horns of the dilemma. He earnestly desires to protect this great food producing industry; yet if he does so to the extent required, he is burdened with a great volume of frozen credit—at least so far as rediscount availability

at the Federal Reserve Bank is concerned—for six months is the limit.

The effect of the conditions now prevalent in the stock growing regions, according to some of the important cattle loan men, will be to drive to the stock markets during the next two months an enormous glut of thin "feeder" cattle. In ordinary times these cattle would find ready financing at the banks and would go into finishing and fattening for the spring crop of juicy beefsteaks. But as matters now stand, those who usually buy such feeders will stand aloof from the market, compelling the shipper to "dump" them for

canning purposes, involving demoralization of prices for all cattle and necessarily making a big shortage of fat cattle in the spring.

Chicago Union Stock Yards report lighter receipts of live stock and a firming up of prices after the early slump. Domestic demand is lively and present prices likely to hold for the next 60 days. The foreign demand is sluggish and comparatively little being done on account of the foreign exchange demoralization. Packers are operating with great caution and refraining from excessive accumulations of product.

LABOR SITUATION DISTINCTLY BETTER: HOUSING CRISIS STILL ACUTE

The labor situation is distinctly better, though there is some shortage. Good wages are being paid and the packing house employees are less restless than a few months ago when it seemed that there was no limit to the amount of money a worker might demand and obtain, under threat of strikes and paralysis of productive industry.

The traditional irresistible demand for more houses and rentable rooms continues to beat its head against the immutable difficulty of building on the present levels of wages and structural materials. Only here and there is there anything encouraging to report. Masons, carpenters, plasterers, hod carriers, plumbers

and the rest of the structural trade gentry demand such princely compensation, and the cost of lumber, mill work, cement, sand, stone, wire nails and plumbing supplies runs so high that it is an exceptional financier who can see any profit in building houses for the necessitous factory hands. Meantime, in the great centers of population there goes on the rancorous quarrel between the renter, who thinks he is going to be gouged by rent profiteers, and the apartment house owner or agent, who thinks he will go into bankruptcy if he cannot make new leases on an advance of from 40 to 70 per cent. Nothing, apparently, can save the day unless it is a general scaling down of wages and material costs.

MERCANTILE SPECULATION ON THE WANE

Dry goods conditions appear to be fairly satisfactory. Sales for immediate delivery are on a more conservative basis and the selling of futures is nil, the trade generally declining to quote prices for next spring until there is more information as to the "next jump of the cat" in cotton and textiles. Stocks are being held as small as possible in all positions, for the good reason that nobody wants to assume the burden of carrying merchandise at a time when the banks are

doing all they can to force liquidation of excess inventories and restricting credits that savor or smack of "running corners for a rise." There is far less of the speculative element in dry goods merchandising. For this the bankers are mainly to be thanked, though the Washington propaganda in favor of reduced buying at the top is credited with much influence, especially in the woolen department.

FURNITURE SCARCE AND MAKERS UNEASY

Stocks of furniture are at a low level and the difficulties in the way of replenishment are somewhat serious, as it is impossible to obtain some of the fine woods needed, hardware and fittings are scarce and high in price and the labor market though distinctly less nervous leaves a good deal to be desired in efficiency and stability. Worst of all, the financing of furniture production demands much working capital, and it is

more difficult than ever to obtain funds at the banks. The demand is good—too good, in fact, for the productive capacity of the makers. Housing difficulties, high domestic costs and other common vagaries of popular taste are continually driving people to hotel life, and it is increasingly difficult to buy the needed interior outfittings for large hostleries.

IMPLEMENT MACHINERY CONDITIONS

Tractor makers are complaining that they have difficulty in financing heavy machinery in the existing state of bank credits. The demand is strong and stocks are small as a necessary result of the prevalent shortage of pig iron and numerous other necessary

materials. The labor situation is better all around but as an offset the car shortage and transportation annoyances remain. On the whole, matters are looking up. The farm situation makes it obligatory on farmers to use machine tools more and more liberally.

COLLECTIONS APPEAR TO BE LESS FAVORABLE

Evidence of a recession in business is to be found in the slowing up of collections during the last thirty to sixty days. An exhaustive investigation of this phase of mercantile affairs reveals that in virtually all branches of trade there is manifest a more general tendency on the part of the purchaser of goods to ignore discounts or ask extensions. Some of this is traceable to the usual seasonal let-up but not all of it can be so explained.

Of those complaining of less satisfactory collections, 25 per cent cite as the cause the banking restrictions on credit extensions, and the effort to bring about a curtailment of loans. About 20 per cent cite the recent transportation difficulties as a governing cause.

This does not mean that all business is suffering from poor collections. The majority of replies to a general questionnaire on the subject say that collections either are "good" or "normal," but the situation generally is less satisfactory than a month or so ago,

with slightly more than 28 per cent of the answers complaining of the ruling state of things. In certain lines, of course, the collections are poor.

Exact records by a representative clothing manufacturer show a decline in collections during the period April to July, 1920, inclusive, as against January to March inclusive. This is measured by an increase of 47.5 per cent average monthly unsettled and outstanding receivables. On the other hand a long established grocery house shows similar figures indicating a decline of 54.5 per cent in the monthly total of outstanding accounts between March and July. A wholesale dry goods house shows an average monthly gain in collections for the first seven months of 1920 of 6.4 per cent over the like period of 1919. Another indication of less satisfactory collection conditions is noted by a clothing house. In April only 23 per cent of the month-end accounts were overdue more than 30 days. In June 82 per cent of the outstandings were over the 30-day limit.

TRANSPORTATION SITUATION SHOWS IMPROVEMENT

The transportation situation has improved somewhat in recent weeks, because of the return of railroad labor to service, following the substantial increase in wages awarded by the railway labor board, and to the steadily increasing operating efficiency. Complaint is heard from manufacturers who have been affected by the withdrawal of cars from their service to serve

the coal fields and grain belt. Concentration of thousands of freight cars in the granger territory has relieved the tension there, although as a rule this is not particularly perceptible on the ground, because of the allocation of the available supply of cars over a wide territory.

SETTLEMENT OF MINERS' STRIKES RELIEVES COAL SHORTAGE SOME

The settlement of strikes in the coal fields has given the fuel situation a brighter aspect, temporarily at least. Coal has been received from the mines in a much heavier volume than for some time back, but manufacturers, utilities and householders alike are still worried as they have no assurance that the miners will stay on the job and accept as final the terms by which they returned to their posts. As this is written the newspapers are making mention of the possibility of another coal miners' strike.

While production is better at the moment, the winter supplies are uncomfortably low and accumulations at markets are seriously hampered by scarcity

and condition of rolling stock. Preferential treatment of fuel shipments is having a good effect and conditions appear to be getting easier every day. The chief thing operators are praying for is a new spirit of pacifism among the pit workers. If they will only take their increased wages and load coal into cars at the best rate possible there is yet time to stave off the sharp and frosty edge of a fuel famine this winter.

Virtually all replies received from the manufacturing industries of the District, to aid us in the preparation of this report, make specific mention of the serious implications of the small movement of coal at this time of the year. Storage supplies are small indeed.

STEEL PRODUCTION IS SLOWING DOWN

There has been some slowing up in the steel trade, with business at low ebb for a few of the smaller corporations. Those concerns with sufficient orders on hand to justify large production have been restricted by transportation and fuel difficulties. Cessation of building projects has had a great effect on the steel trade. There is a slight tendency to shade prices in some lines, but this has not assumed readily perceptible proportions to date.

Pig iron and coke dealers report very scanty stocks of pig iron and conditions indicate no relief in the immediate future. Sales of pig iron for 1921 delivery are reported at \$50 a ton base, Northern Furnace. It is, however, impossible to obtain foundry iron in any large quantities, and consumers are forced to pick up job lots wherever they can find them and at whatever price sellers demand.

WOOLEN GOODS BOOKED FOR LOWER LEVELS

Fine wools are scarce and coarse wools are a drag on the market. The weavers have gone on short time and the Government has been advising people to avoid unnecessary buying of clothes until the market drops. Consequently there was a flood of cancellations, slow payments for goods already delivered and a general slowing down of the apparel industries. The

situation is regarded as painful, if not positively bad for the manufacturers and all who are "stuck" with high-priced wool. Bank credits are being watched with hawk-eyed keenness; and the immediate problem is to avoid being caught with too much of the goods in stock. Indications now point to recessions in clothing prices during the next 60 to 90 days.

HIDES AND LEATHER CANCELLATIONS NUMEROUS

First hands are holding the leather and having more than the usual difficulty in financing it. Cancellations are coming in in volume, sales are 50 per cent off 1919 for the first seven months of the year and all signs point to lower prices later in the season.

The automobile demand for leather is the only really rosy spot in the picture. It looks as if the makers of cars would return to the market in time and ease up the present pressure.

INVESTMENT MARKET ENCOURAGING

Notwithstanding the depressing effect of the reigning low quotations for Liberties and other Government bond issues, principal operators in the investment security field give optimistic accounts of present conditions. There is a better market for municipals and a good absorptive demand. Long term issues are being readily taken by shrewd buyers who realize that

the present scale of net yields cannot be maintained forever. An influence markedly for good was the rate decision of the Interstate Commerce Commission, which was followed almost immediately by a revived demand for the choicest railway loans. Generally speaking, the investment outlook is distinctly better than it was earlier in the year.

BANKING STATISTICS SHOW MODERATION

Credit movement, as indicated in the aggregate debits to individual accounts, shows a decrease from the July figure, although it is moderately larger than in the corresponding period of 1919. The total debits as of August 11, 1920, reported by 195 banks in 24 leading clearing house centers including Chicago, was \$1,092,341,000, which compares with \$1,209,122,000 on July 14, 1920, when 187 banks reported in 23 leading clearing house centers, and \$1,031,256,000 on August 13, 1919.

Savings deposits maintain a strong upward trend,

both in dollar volume and in number of accounts. There are a few instances where the downward trend has developed in the last few months. One savings bank, speaking of the improvement in savings deposits which has been noticeable for some time, attributes this to the wage earners becoming more thrifty, and the increase in the number of small accounts opened would seem to bear this out. Practically all the banks in this district pay only 3 per cent on savings, hence they cannot compete with the return offered larger savers from permanent investments.

SELECTED MEMBER BANK STATISTICS—SEVENTH DISTRICT

(000's omitted)

ITEMS—	CHICAGO —50 Member Banks—			DETROIT —12 Member Banks—			OTHER —45 Member Banks—		
	Aug. 6, 1920	July 9, 1920	Aug. 8, 1919*	Aug. 6, 1920	July 9, 1920	Aug. 8, 1919	Aug. 6, 1920	July 9, 1920	Aug. 8, 1919*
Total U. S. Securities.....	\$56,574	\$56,430	\$160,761	\$61,280	\$66,492	\$104,899	\$53,550	\$54,123	\$63,451
Loans—(exclusive of rediscount)									
Secured by U. S. war obligations. . . .	57,891	63,785	72,822	14,516	11,180	12,795	13,676	15,019	14,564
Loans secured by stocks and bonds other than U. S. securities.	342,036	344,589	.....	59,999	59,006	.....	56,308	58,622	.....
All other loans and investments.	882,627	870,100	916,422†	323,707	324,196	297,514†	316,520	314,657	307,119†
(exclusive of rediscounts)									
Reserve Balance with Federal Reserve									
Banks.....	133,079	137,938	120,433	28,561	26,935	27,621	26,354	27,287	29,375
Cash in vault.....	36,963	39,868	37,201	13,465	14,467	12,528	15,669	16,671	13,478
Deposits—									
Net Demands.....	957,209	961,607	880,209	202,676	200,638	196,861	228,425	234,041	249,163
Time.....	283,811	284,413	167,851	224,798	224,070	175,887	118,648	118,550	99,567
Government.....	4,119	2,590	49,173	367	1,817	17,726	1,776	821	11,351

*Figures for August 8, 1919, were from 44 Banks.

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

OPEN MARKET DISCOUNT AND INTEREST RATES IN CHICAGO

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

	AUGUST, 1920			JULY, 1920			AUGUST, 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	7	7	6	7	6	5¼	5½ @ 6
b. Running 4 to 6 months.....	7	7	7	7	6½	7	6	5¼	5½ @ 6
2. Rates for prime commercial paper purchased in the open market:									
a. Running 30 to 90 days.....	7	7	7	7	7	7	5½	5¼	5¼ @ 5½
b. Running 4 to 6 months.....	7	7	7	7	7	7	5½	5¼	5¼ @ 5½
3. Rates charged on loans to other banks—secured by bills payable.....	7	7	7	7	7	7	5½	5½	5½
4. Rates for bankers' acceptances of 60 to 90 days maturities:									
a. Endorsed.....	6¼	6	6 @ 6¼	6¾	5¾	6	4¾	4¼	4¼ @ 4¾
b. Unendorsed.....	6¾	6¼	6¼ @ 6¾	6¾	5¾	6	4¾	4¼	4¼ @ 4¾
5. Rates for demand paper secured by prime stock exchange collateral or other current collateral.....	7	6½	7	7	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	7	6	5½	5½ @ 6
b. Running 3 to 6 months.....	7	6½	7	7	6½	7	6	5½	5½ @ 6
7. Rates (when paper is current in city) for:									
a. Cattle loans.....	7	7	7	7	7	7	6	5½	5½ @ 6
b. Commodity paper secured by warehouse receipts, etc.....	7	7	7	7	7	7	6	5½	5½ @ 6
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	6	7	7	6	7	6	5	5½
b. Certificates of indebtedness.....	7	6	6	6½	6	6	5	5	5

BUILDING PERMITS OF SEVENTH FEDERAL RESERVE DISTRICT CITIES

	JULY, 1920			JULY, 1919		
	No. of Permits	Estimated Cost	Per Cent Gain	No. of Permits	Estimated Cost	Per Cent Loss
Illinois						
Aurora.....	33	\$ 43,608	.....	40	\$ 174,274	75
Chicago.....	253	6,669,300	.....	606	7,714,700	13
Decatur.....	49	150,350	.....	84	230,925	34
Evanston.....	32	87,990	.....	31	448,448	80
Peoria.....	45	91,400	.....	52	260,900	64
Rockford.....	132	169,480	.....	117	558,415	69
Indiana						
Fort Wayne.....	104	271,556	.....	74	174,200	56
Hammond.....	38	347,525	.....	85	211,540	64
Indianapolis.....	777	1,256,010	.....	784	1,746,357	28
Richmond.....	30	42,000	.....	20	15,200	180
South Bend.....	383	227,771	.....	217	251,387	9
Terre Haute.....	67	59,440	.....	65	70,450	15
Iowa						
Cedar Rapids.....	85	210,000	.....	86	424,000	50
Davenport.....	89	266,063	.....	142	384,278	30
Des Moines.....	67	343,165	.....	140	698,350	50
Dubuque.....	16	30,275	.....	22	168,394	82
Mason City.....	82	77,670	.....	64	33,095	153
Michigan						
Battle Creek.....	64	52,322	.....	87	71,000	26
Bay City.....	92	92,123	.....	80	97,940	5
Detroit.....	1,904	5,805,190	.....	2,465	8,079,965	28
Flint.....	259	598,968	.....	327	1,392,135	57
Grand Rapids.....	207	379,698	.....	189	285,416	33
Jackson.....	60	36,480	.....	87	330,087	88
Kalamazoo.....	33	127,664	.....	39	162,565	21
Lansing.....	123	103,953	.....	179	349,975	70
Pontiac.....	149	1,346,275	.....	.....	.....	.....
Saginaw.....	221	230,289	.....	220	270,437	14
Wisconsin						
Kenosha.....	191	224,432	.....	264	669,237	66
Madison.....	38	46,830	.....	34	143,625	67
Milwaukee.....	472	1,630,079	.....	521	1,603,154	.....
Oshkosh.....	.....	97,918	.....	52	42,980	128
Racine.....	106	198,805	.....	.....	.....	.....
Sheboygan.....	116	500,824	.....	73	71,819	604

PRODUCTION OF CORN, WHEAT, COTTON, OATS AND HAY, BY FEDERAL RESERVE DISTRICTS

Forecast of the Bureau of Crop Estimates as of August 1, 1920.

(In thousands of units of measurement.)

Federal Reserve District	CORN (Bushels)			TOTAL WHEAT (Bushels)			WINTER WHEAT (Bushels)			SPRING WHEAT (Bushels)		
	Aug. 1	July 1	Esti-	Aug. 1	July 1	Esti-	Aug. 1	July 1	Esti-	Aug. 1	July 1	Esti-
	Forecast for 1920	Forecast for 1920	mate for 1919	Forecast for 1920	Forecast for 1920	mate for 1919	Forecast for 1920	Forecast for 1920	mate for 1919	Forecast for 1920	Forecast for 1920	mate for 1919
Boston.....	7,081	7,005	10,276	463	456	480	.....	.....	.....	463	456	480
New York.....	34,223	34,729	41,089	11,816	11,546	12,493	11,094	10,890	11,743	722	656	750
Philadelphia....	57,153	55,446	66,444	23,838	24,269	25,922	23,510	23,945	25,606	328	324	316
Cleveland.....	198,893	187,846	212,297	34,633	34,788	63,748	34,027	34,217	62,714	606	571	1,034
Richmond.....	190,672	180,805	188,994	37,613	35,891	37,094	37,613	35,891	37,094	.....	.....	.....
Atlanta.....	253,202	230,761	240,315	6,614	6,676	10,326	6,614	6,676	10,326	.....	.....	.....
Chicago.....	891,552	859,627	927,852	65,345	65,803	112,202	49,471	50,018	93,062	15,874	15,785	19,140
St. Louis.....	438,887	398,851	380,722	54,774	55,837	108,022	53,885	55,004	107,021	889	833	1,001
Minneapolis....	245,420	241,114	242,363	183,197	209,535	135,094	7,185	8,379	5,757	176,012	201,156	129,337
Kansas City....	483,172	402,781	372,870	261,226	245,270	300,994	241,464	224,357	284,531	19,762	20,913	16,463
Dallas.....	193,853	170,709	225,743	15,184	16,285	33,605	14,406	15,504	32,707	778	781	898
San Francisco...	9,214	9,179	8,485	99,444	103,244	101,008	53,372	53,364	61,075	46,072	49,880	39,933
Total.....	3,003,322	2,778,903	2,917,450	794,147	809,600	940,988	532,641	518,245	731,636	261,506	291,355	209,352

Federal Reserve District	COTTON (Bales)			OATS (Bushels)			HAY, tame and wild (Tons)		
	August 1 Forecast for 1920	July 1 Forecast for 1920	Estimate for 1919	August 1 Forecast for 1920	July 1 Forecast for 1920	Estimate for 1919	August 1 Forecast for 1920	July 1 Forecast for 1920	Estimate for 1919
Boston.....	.....	.....	.....	13,433	12,600	12,123	4,339	4,160	4,912
New York.....	.....	.....	.....	44,619	42,149	31,856	6,058	5,664	7,073
Philadelphia....	.....	.....	.....	25,807	24,742	23,214	3,168	2,939	3,155
Cleveland.....	.....	.....	.....	82,061	71,522	70,279	6,011	5,463	6,089
Richmond.....	2,190	2,079	2,372	27,530	26,826	26,397	4,540	4,088	4,916
Atlanta.....	2,990	2,751	2,816	28,128	29,101	29,008	4,494	4,194	4,272
Chicago.....	.....	.....	.....	530,141	484,323	461,082	17,185	15,899	18,629
St. Louis.....	2,173	1,906	1,789	71,508	67,302	63,595	7,658	7,117	8,124
Minneapolis....	.....	.....	.....	289,219	289,700	208,857	18,831	9,054	17,245
Kansas City....	885	860	832	198,783	186,366	182,677	20,257	13,367	19,907
Dallas.....	4,081	3,779	3,097	44,561	41,419	99,004	1,792	1,419	2,309
San Francisco...	(a)187	(a)180	(a)117	46,274	46,015	40,219	12,933	11,449	12,035
Total.....	(b)12,518	(b)11,566	(b)11,030	1,402,064	1,322,065	1,248,311	107,266	84,813	108,666

(a) In addition the following amounts were estimated grown in Lower California (Mexico): Aug. 1, 1920 forecast—93,000 bales; July 1, 1920 forecast—91,000 bales; estimate for 1919—52,000 bales.

(b) Cotton grown outside of cotton belt included as follows: Aug. 1, 1920 forecast—12,000 bales; July 1, 1920 forecast—11,000 bales; estimate for 1919—8,000 bales.

RECEIPTS AND SHIPMENTS OF IMPORTANT COMMODITIES AT CHICAGO

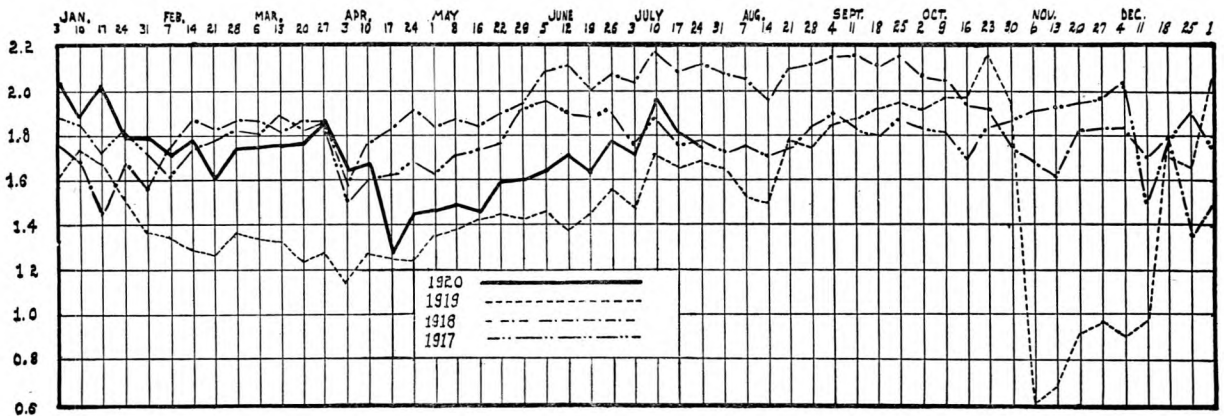
(000's omitted)

Products	RECEIPTS				SHIPMENTS			
	July		June		July		June	
	1920	1919	1920	1919	1920	1919	1920	1919
Flour, barrels.....	591	606	811	747	508	340	548	501
Wheat, bushels.....	2,562	9,375	1,509	856	2,632	1,292	4,073	1,040
Corn, bushels.....	9,067	4,887	8,864	8,077	2,995	2,316	2,478	2,228
Oats, bushels.....	7,299	11,012	4,674	10,113	4,323	6,443	4,309	6,211
Rye, bushels.....	369	467	478	165	389	533	597	171
Barley, bushels.....	867	2,810	869	3,516	398	1,789	439	2,010
Cured Meats, pounds.....	5,524	19,463	9,686	16,764	45,503	96,487	51,885	118,564
Fresh Meats, pounds.....	56,977	101,634	45,250	125,734	150,165	177,395	214,447	256,126
Lard, pounds.....	13,760	24,505	12,615	23,355	22,064	55,215	28,348	58,736
Cheese, pounds.....	21,853	22,328	19,193	22,807	8,241	29,875	5,903	16,186
Butter, pounds.....	42,917	41,523	40,626	46,331	22,459	41,919	22,070	33,700
Eggs, cases.....	643	622	966	1,080	267	286	252	243
Potatoes, bushels.....	617	563	242	1,191	124	399	119	454
Hides, pounds.....	9,855	18,263	9,179	18,420	9,793	13,897	10,084	16,021
Wool, pounds.....	9,192	22,618	12,023	14,278	8,416	15,206	9,281	12,473
Lumber, thousand feet.....	222	200	234	184	82	90	90	80

PRODUCTION OF BITUMINOUS COAL IN THE UNITED STATES

Explanation for the present shortage of coal is to be found in the chart below, showing the production of coal so far in 1920 as compared with the output during the last three years. Study of the curves discloses that the coal output was just reaching a favorable level when the labor trouble developed and there was a sharp decline in the output. For the better part of

this year production has been below the 1918 and 1917 total, although above 1919. The small production last year meant no reserve for this year. The chart showing average daily production of bituminous coal, including coal coked, based on figures compiled by the United States Geological Survey follows:



INCREASE IN CAR LOADING BY WESTERN RAILROADS

Railroads of the United States are carrying very much more freight this year than last, in spite of a lessened supply of cars. This is made possible by increasing operating efficiency obtained by the carriers. In the following chart is shown per cent of increases in

cars loaded on the five railroads which carry the greater part of the freight moving within the Seventh Federal Reserve District. These figures cover the first six months of 1920 and are compiled from official reports by these railroads.

