

# BUSINESS CONDITIONS



## SEVENTH FEDERAL RESERVE DISTRICT

CHICAGO, DECEMBER 31, 1920

**C**URTAILMENT IN THE BUYING DEMAND AND THE ATTENDANT SLACKENING of manufacturing operations has resulted in improvement in fundamental banking conditions in the Middle West, although this is not reflected in the aggregate loans representing the borrowings of customers at the individual banks or rediscounts by member banks at the Federal Reserve Bank of Chicago. Whatever improvement or liquidation of loans has taken place is traceable largely to the slowing down in manufacturing and in buying. The movement of agricultural products to the market is slow, and consequently the liquidation of loans for agricultural purposes has not been sufficient to offset the new demands springing up for agricultural and allied purposes.

### TREND OF ADVANCES BY THE RESERVE BANK FOR AGRICULTURAL AND OTHER PURPOSES

Individual banks continue to experience a heavy demand for accommodations. This is indicated by the course of aggregate loans other than those secured by war obligations and by stock market collateral. The peak of the loans in the individual banks was reached about the middle of October, according to the reports from the 108 selected banks in this District, including all member banks in Chicago and Detroit and representative banks in the principal cities. This item ran off some the first of December but increased again later.

Net demand deposits of these individual member banks on which reserve is computed, while following closely the course of loans are decreasing a little more rapidly than loans are contracting.

While the aggregate borrowings of member banks

at the Federal Reserve Bank of Chicago are below the peak reached October 1, the contraction is comparatively slight. Borrowings for agricultural purposes are now practically at the high level for the year, the peak early in the fall being reached October 2 and the same level was approached again on December 1.

Borrowings by other than agricultural interests reflect noticeable liquidation. The course of all other loans has been downward in general since September 3, when they aggregated about \$8,000,000 greater than the agricultural borrowings at that time. This total fell below the agricultural borrowing estimate a few days later, and while fluctuating sharply at times, the trend was downward, showing on December 15 the lowest point reached by aggregate borrowings for other than agricultural purposes during the autumn.

Compiled December 28, 1920

## LIQUIDATION OF FARM PRODUCTION HOLDINGS SLOW

Careful study of the accompanying chart will indicate the yearly receipts of wheat, corn and oats at the principal grain centers or primary markets of the country during the last seven years. These primary markets are: Chicago, Minneapolis, Duluth, St. Louis, Milwaukee, Kansas City, Omaha, Peoria, Detroit, Toledo and Indianapolis.

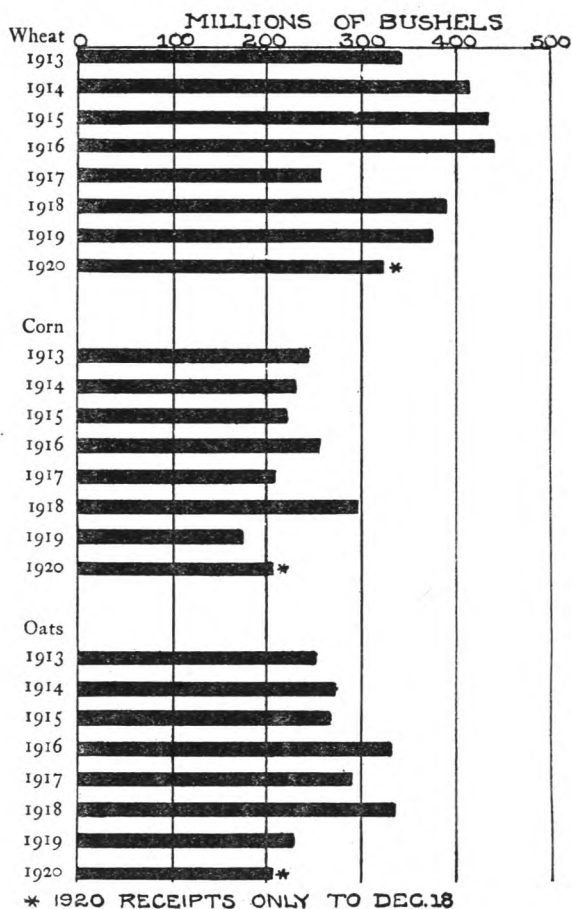
It will be noted that while the receipts of wheat at these markets for the eleven months of 1920 aggregate considerably less than those for 1919 and 1918, they are considerably larger than the receipts for 1917.

Corn receipts so far this year are considerably below those of 1918 but greater than 1919, the theory being, however, that there is still an accumulation of corn from the 1919 crop on the farms notwithstanding the bumper crop of 1920 now just harvested.

The receipts of oats in the last two years have fallen off decidedly, 1920 being slightly less than 1919, allowing for the normal December receipts.

In mixed farm and industrial territory borrowings are somewhat less burdensome and liquidation in many quarters is in evidence. Owing to heavy inventories, however, it is not progressing as rapidly as some of the borrowers themselves may desire. The view is expressed by bankers as well as business men that this impediment to business is being removed in a gradual way and that such a course is avoiding the forcing of holdings upon the markets when consumption generally is at low ebb, thus avoiding demoralization due to a lack of absorptive power.

### RECEIPTS AT PRIMARY POINTS



## IMPLEMENT MAKERS STOCKS INCREASING

So far there have been no marked changes in prices, either wholesale or retail, of agricultural implements. Implement manufacturers report an increase of about 25 per cent in stocks and a decline, which began earlier than usual this year, of about 50 per cent in sales, compared with the same period of last year. The buying of materials by implement makers for 1921 production has been considerably restricted. The present manu-

facturing schedule for the coming season calls for about 50 per cent of that for 1920.

This has a direct bearing on the agricultural situation because implement manufacturers will be in a position to take advantage of any decline in cost of materials and to lower the cost of implements thus aiding the farmer in offsetting his loss of purchasing power due to the sharp decline in market values of grain and live stock.

## BANKERS ENDEAVORING TO CARE FOR LIVE STOCK NEEDS

Leading Chicago cattle bankers say that they are making heroic efforts to care for their old clients but at an actual loss in many cases. One large firm figures that it actually loses a fraction of one per cent on its ninety day feed lot loans. There is no choice,

however, as the solvency of many cattle men depends on their ability to finish cattle now in hand. A banking syndicate has been formed in Chicago, New York, and Boston during the last month to assist in meeting the problem.

## CHICAGO HOLIDAY TRADE GREATER BUT ELSEWHERE NORMAL

Christmas buying, this season, is regarded as an index of readjustment toward the prewar status. Merchants entered the holiday period with many embarrassing conditions to be faced; merchandise bought at higher prices, enforced liquidation in many lines of trade and consequently a downward trend of prices, and, the most serious of these factors, the disposition of the public to buy only at or near the price level of the armistice period, or at least cheaper than the peak of the spring of 1920.

As a result of these conditions trade opinions regarding holiday business are very contradictory. In Chicago the facilities for quick turns in retailing enable merchants to avoid troubles that cannot be so easily sidestepped by dealers in rural districts. Hence there is a great difference between store reports from the District at large and those from downtown Chicago stores. The great metropolitan stores describe the holiday selling as "tremendous" in volume of goods moved and satisfactory in money value. Although prices have fallen much below the holiday level of 1919, these stores have been able to maintain a fair percentage of profit in most lines and will come down to the December 31 "stock taking" with less anxiety than they expected when the big slump in staples began.

Returns from the leading Chicago retailers indicate 20 per cent gain in money volume of holiday sales to December 15, as compared with the like period of 1919. In "yards and dozens" sold the gain over 1919 would be much more imposing, but it is not possible to tell what this percentage will be at the year end.

The large money gain shown in Chicago is more significant than it appears because the comparison is made against 1919 Christmas trade, which ranged from 40 to 100 per cent greater in dollars than in 1918, and established a "peak" for most stores. Again, the weather a year ago was hovering near zero, whereas the thermometer registered 58 degrees on December 13, 1920, with a warm April rain falling and no suggestion in it that furs and woollens would ever be needed.

"We explain the marked success of our 1920 holiday merchandising," said an influential man on State Street, "on the ground that Chicago retailers have learned to trade on the market as it is from day to day. Our merchants generally have learned that it is folly to fight the trend of prices. We try to anticipate the market, but whether we succeed or not we drive our selling to the utmost, at the ruling prices of the day's market, taking losses if necessary, but avoiding the evil of 'frozen' and nailed-on-shelf goods. Chicago moves the goods at the market."

Retailers throughout the Seventh District, exclusive of Chicago, report the money return from Christmas trade to date, about the same as for the same period last year. The volume of goods moved is considerably larger but at sharp reductions, so that the result in dollars is about the same as for the season of December, 1919. The "weighted averages" of results from Michigan, Wisconsin, Illinois and Iowa stores indicates 3.6 per cent gain over last year, which was at least 50 per cent greater than in 1918. Merchants note a great wave of "necessity buying" and a falling off in high priced luxuries. Buyers are critical, scrutinizing quality.

Furs and heavy winter goods have been stagnant on account of the unseasonable weather. The readjustment of prices in silks is generally regarded as finished.

The more seasonable weather which set in around the middle of December, contributed to a cheerful selling outlook and stimulated the belief that the volume of business for the last month of the year, when the returns are all in will overrun the promises of the early part of December.

Fifty one of the principal wholesalers of the Seventh District answering the questionnaire for November, 1920, show the following changes from November, 1919:

	Number Concerns	Decrease of sales under November 1919	Cancellations Increase over November 1919	Difficulty in Delivery?	Is Buying Cautious?	Price Trend
Dry Goods.....	10	24.3%	Not a factor	100% "No"	100% "Yes"	100% "Down"
Shoes.....	9	22.4%	24%	100% "No"	100% "Yes"	100% "Down"
Clothing.....	3	52.1%	40%	100% "No"	100% "Yes"	50% "Down"
Groceries.....	25	16.4%	16%	100% "No"	100% "Yes"	100% "Down"
Tailoring.....	4	16.6%	No Data	100% "No"	100% "Yes"	100% "Down"

## RETAILERS OF CONSUMABLE GOODS ARE SLOW TO RESPOND

So far the reductions made by retailers on consumable goods have not kept pace, even at bargain prices, with those now quoted on farm products, raw materials and goods at wholesale in the Middle West. Retail quotations on many of the foodstuffs, especially meats, are so much out of line that in Chicago steps are being taken to utilize the publication of what is termed a fair retail price as a guide to the consumer. This was first utilized very largely during the war period by the Illinois Food Administration and is now being taken up by the city government in the hope that the daily publication of such "fair price list" will

assist in lowering the cost of living and thus relieve the consumer of unnecessary burden.

Our returns from firms replying to the regular retail trade questionnaire indicate for November net sale (retail prices) an increase of 17.6 per cent over the same month of 1919 and from July 1 to date 24.2 per cent over the same five months of 1919. Retail stocks (valued at retail sales prices) are 40 per cent higher than a year ago but 5.9 per cent less than for October, 1920. Average stocks for the five months' period July-November are  $4\frac{1}{2}$  times the average monthly sales over the same period. Outstanding orders at the end of November equal 6.3 per cent of total 1919 purchases.

Net Sales November, 1920 over November, 1919.....	17.6%
Net Sales July-November, 1920 over July-November, 1919.....	24.2%
Stocks November, 1920, over November, 1919.....	40.0%
Stocks November, 1920, under October, 1920.....	5.9%
Average stocks July-November, 1920 to average monthly sales same period.....	432.1%
Outstanding orders November, 1920, to total purchases during 1919.....	6.3%

## CLEARING MOVEMENT SHOWS DECREASE

Movement of credit, as indicated by the aggregate debits to individual accounts at the member banks of the twenty-four leading clearing houses in the Seventh Federal Reserve District, shows a decrease of about 5.25 per cent compared with the previous month.

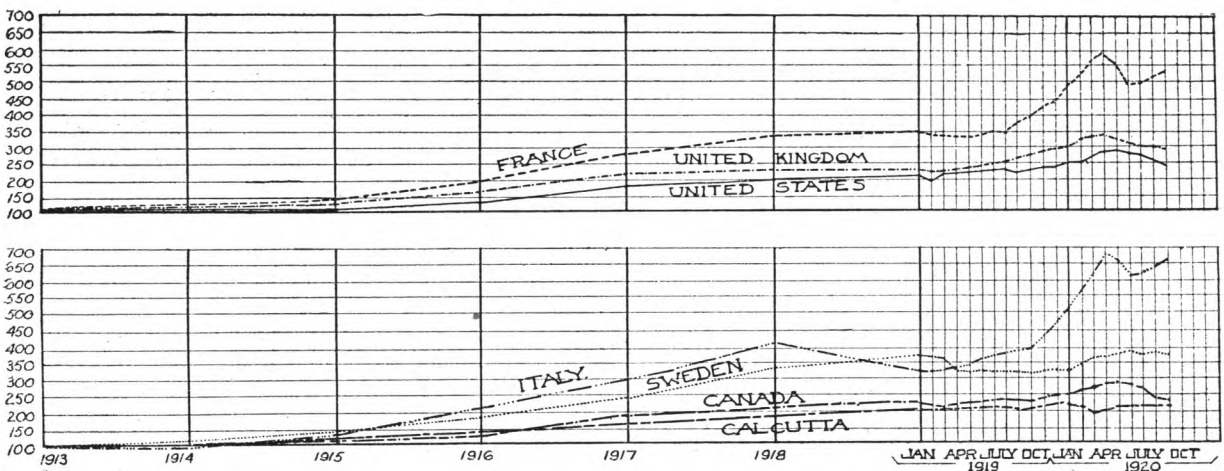
The total debits as of December 15, 1920, reported by two hundred one banks in twenty-four leading clearing house centers, including Chicago were \$1,116,222,000 a decrease of \$62,112,000 over the corresponding week of November.

## COMMODITY INDEX PRICES OF SEVEN COUNTRIES

The comparison of the index prices of the seven leading countries of the world reveals the fact that the peak of prices in all countries was reached during the current year. In most instances the trend as 1920 closes, is downward. In France and Italy, however, after a downward trend, the index turned sharply upward.

These indices are those of the United States Bureau of Labor (328 quotations); London Statist, United Kingdom (45 commodities); Bulletin de la Statistique Generale, France (45 commodities); Professor Bachi, Italy, (40 commodities); Sweden, Svensk Handelstidning, (47 commodities); Canada, Department of Labor, (272 quotations); Calcutta, India, Department of Statistics (75 commodities.)

1913 TO 1920 WORLD WAR PERIOD



## COLLECTIONS PRONOUNCED AS REASONABLY GOOD

While collections in practically all lines of business have slowed down somewhat, still they are pronounced as reasonably good. There is a manifestation of greater thrift as the wage earner begins to more fully appreciate the necessity of saving a part of his income. Dealers, however, report a tendency toward longer time in paying accounts.

Slowness in collections seems to be manifesting itself more in the agricultural localities than in

the mining and manufacturing districts. In the lumber trade, collections are slower than elsewhere, but this is attributed to the stagnation in the building industry.

Statistics relating to business defaults indicate 124 failures reported in the Seventh District by one of the large mercantile agencies, involving \$3,647,520, as liabilities, compared with 74 defaults and \$434,048 as liabilities for November, 1919.

## SUPPLY OF COAL NOW EXCEEDS DEMAND

A careful survey of the fuel situation reveals the fact that the supply of coal for all consuming territories now exceeds the demand. This is the first time that this condition has existed, with the exception of the spring months of 1919, in nearly four years. During the greater part of that four-year period there have been shortages either in all or certain sections of the country, due to insufficient facilities, government priority of orders, zone regulations and other factors. In four years the number of operating mines increased from 6,500 to 10,000, with a producing capacity of 750,000 tons, an excess over consumption of about 200,000 tons. Now there are ample transportation facilities, it is claimed, for all of these mines.

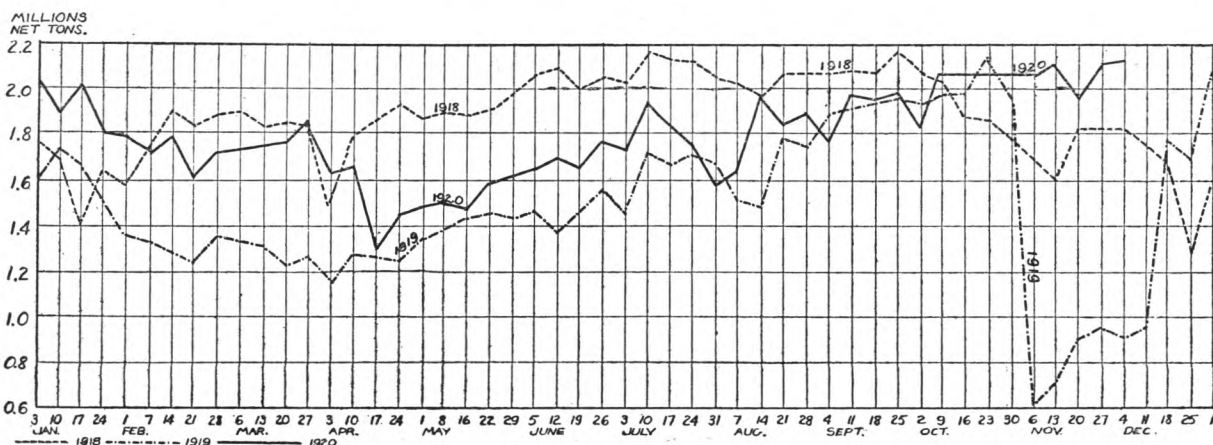
The consumption of coal has been materially de-

creased in consequence of the reduced operating time of industries generally. This, together with the resultant additional transportation facilities, has made possible a greater increase in coal production. Those in the coal industry who have handled their business on a speculative basis, having bought the output of mines for a period of one year from last May and June now have the production of these mines with out disposition. In many cases they have had to sell the coal far below the cost to them or the cost of production. This combination of circumstances, it is pointed out by expert coal men, has reduced the market price of coal that was handled on a speculative basis, from \$8 to \$2.50 per ton, and in some instances lower than that figure.

## PRODUCTION OF BITUMINOUS COAL

Average daily production of Bituminous coal, including coal coked, is shown in the chart below which

is based on figures compiled by the U. S. Geological Survey.



## AUTOMOBILE INDUSTRY MARKING TIME

With the let-down in the buying of automobiles and the slowing down in manufacturing activities by automobile makers, the readjustment in that industry has presented some interesting features. Careful inquiry has been made to ascertain to what extent manufacturers have found themselves with surplus stocks of finished cars or parts on their hands and to what extent cars are being stored against future sales. Answers received from manufacturers generally indicate that there is not a much greater storing of cars than a year ago, the difference being that the dealers have not been able, because of restricted credit, to take the number of cars they did during the closing months of 1919. This has resulted in some backing up at the factory. In the effort to check this accumulation, plant operation has been curtailed all through the industry. Nearly all of the larger plants are operating at less than 50 per cent of capacity, while many others are much lower and some are closed.

Those manufacturers who have figured that they could replace all their inventories at lower prices, so far are finding little encouragement in developments. One large automobile builder, for instance, has many months supply of pig iron on hand at a cost price of \$29 per ton, whereas it could not now be replaced for \$40 a ton. In some cases articles have been bought on a cost basis, and in view of lower production and increased freight rates, these articles now cost automobile factories more than they did before any reduction in the automobile selling price was seriously discussed. Manufacturers suggest that these things

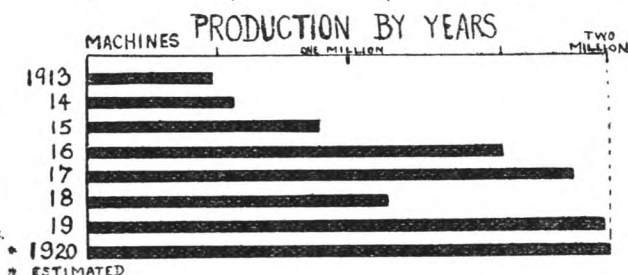
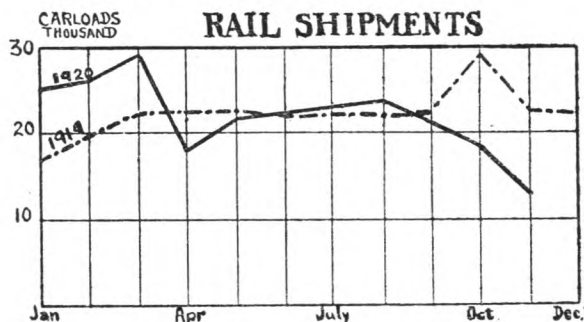
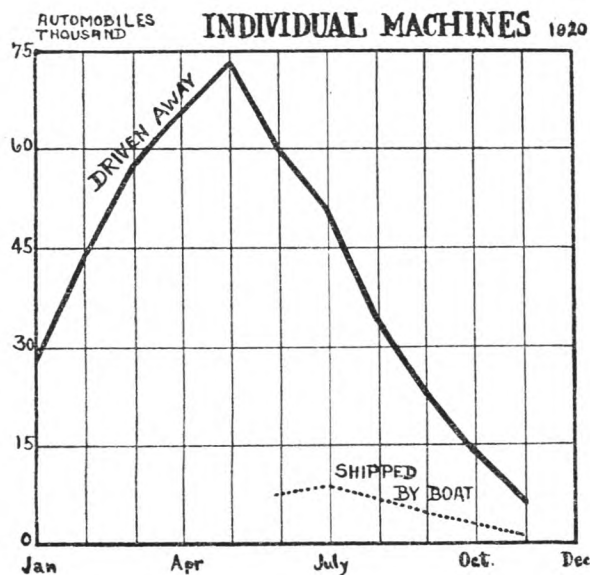
counter balance to a considerable degree the reductions offered by supply and parts manufacturers.

From some of the smaller automobile centers come reports that wages actually have been reduced in some instances. The reduction in the volume of automobiles produced tends to increase the per car cost.

From reports of at least two of the companies, there has been a disposition on the part of accessory and parts manufacturers to reduce prices, in order to distribute loss, even though old contracts exist. About 80 per cent of the 100 makes of cars on the market in this country are assembled, hence any attempt of the parts manufacturers to reduce prices in face of contracts in order to distribute losses, has an important bearing on the entire car manufacturing situation.

Some December reports treating the automobile situation of the country in its entirety show signs of improvement; for instance, the Pacific Coast territory is doing better, while some of the Eastern automobile shows have stimulated trade. Shipments of automobiles during November aggregated considerably smaller than in October. The final October figures showed 17,186 car loads shipped by rail, while the available November figures indicate 13,000 car loads. The complete statistics for October also show 14,101 automobiles driven away on their own power, and 2,519 automobiles shipped by boat from the factories, which are located largely in the Seventh Federal Reserve District, while the November available figures showed 6,000 cars driven away and 1,000 shipped by boat. The trend for the year follows:

### AUTOMOBILE SHIPMENTS AND PRODUCTION



**SELECTED MEMBER BANK STATISTICS—SEVENTH DISTRICT**  
(000's omitted)

	CHICAGO			DETROIT			Other Selected Cities		
	Dec. 10, 1920	Nov. 12, 1920	Dec. 12, 1919	Dec. 10, 1920	Nov. 12, 1920	Dec. 12, 1919	Dec. 10, 1920	Nov. 12, 1920	Dec. 12, 1919
Number of Banks Reporting. . . . .	51	51	50	12	12	12	45	45	45
Total U. S. Securities. . . . .	\$47,033	\$46,693	\$93,446	\$66,225	\$60,139	\$82,053	\$49,976	\$52,397	\$61,735
Loans—(exclusive of rediscounts)									
Secured by U. S. war obligations. . . . .	52,860	56,256	66,672	9,470	11,039	10,724	12,737	13,478	15,944
Loans secured by stocks and bonds other than U. S. securities. . . . .	334,673	332,762	373,488	56,690	57,687	49,539	55,098	55,456	45,863
All other loans and investments. . . . . (exclusive of rediscounts)	861,019	872,921	782,600	325,946	331,180	284,798	309,833	317,991	293,691
Reserve Balance with Federal Reserve									
Bank. . . . .	126,533	131,562	132,118	26,647	25,909	32,436	26,495	27,590	28,303
Cash in vault. . . . .	36,466	39,750	42,917	11,057	12,519	14,150	15,391	16,474	15,026
Deposits—									
Net Demand. . . . .	912,125	942,034	955,428	178,301	191,498	235,085	219,404	230,128	224,731
Time. . . . .	302,603	294,757	251,940	220,412	223,808	193,936	121,521	119,949	107,515
Government. . . . .	1,016	1,172	21,155	640	822	12,087	176	457	5,185

**OPEN MARKET DISCOUNT AND INTEREST RATES AT CHICAGO**

The open market range of discount and interest rates prevailing in Chicago during the thirty-day period ending December 15, 1920, together with a

comparison of rates during the thirty-day periods ending November 15, 1920, and December 15, 1919, follows:

	DECEMBER, 1920			NOVEMBER, 1920			DECEMBER, 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	7	7	6	5½	5½ @ 6
b. Running 4 to 6 months. . . . .	7	6	7	7	7	7	6	5½	5½ @ 6
2. Rates for prime commercial paper purchased in the open market:									
a. Running 30 to 90 days. . . . .		Not in Market		8	8	8	6	5½	5½ @ 6
b. Running 4 to 6 months. . . . .		“ “ “		8	8	8	6	5½	5½ @ 6
3. Rates charged on loans to other banks—secured by bills payable. . . . .	8	7	7	7	7	7	6	5½	5½ @ 6
4. Rates for bankers' acceptances of 60 to 90 days maturities:									
a. Endorsed. . . . .		Not in Market		6¼	6	6	5	4¾	4¾ @ 5
b. Unendorsed. . . . .		“ “ “		6¾	6½	6½	5	4¾	4¾ @ 5
5. Rates for demand paper secured by prime stock exchange collateral or other current collateral. . . . .	7	6	7	7	7	7	6	5½	5½ @ 6
6. Rates for time paper secured by collateral mentioned in No. 5:									
a. Running 3 months. . . . .	7	6	7	7	7	7	6	5½	5½ @ 6
b. Running 3 to 6 months. . . . .	7	6	7	7	7	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	7	7	7	7	7	6	5½	5½ @ 6
b. Certificates of indebtedness. . . . .	6	6	6	7	7	7	6	5½	5½ @ 6

## BUILDING INDUSTRY AT A STANDSTILL

The common brick industry is prostrated. One Chicago concern has the equivalent of four miles of kilns representing several months of productive capacity of burned brick and virtually no outlet at any price, though this product was made at peak prices for fuel and labor. Illinois and Indiana firms reporting to the Common Brick Manufacturers Association show stocks of 212,000,000 brick, with nominal orders for only one-third that quantity and no possibility of anything but very trivial deliveries at the price in this market—about \$16 per thousand against about \$20 in October. Makers say that the fall in prices of structural material has had little or no beneficial effect.

Labor costs remain high and the output per man is near the minimum, but the dominant factor is the impossibility of financing construction except at prohibitive rates for money.

Averages drawn from the replies to our November labor questionnaire show that the labor market is supplied in excess of the demand. A decline of 10.3 per cent from October this year shows the industrial effects of readjustment and falling prices. Compared with a year ago the decline in number employed is 23.6 per cent. About three-fourths of plant capacity is operating, against 80.7 per cent in October and 82.2 per cent in November, 1919.

### BUILDING STATISTICS FOR THE MONTH OF NOVEMBER, 1920

#### CHICAGO DISTRICT

(Illinois, Indiana, Iowa, Wisconsin, Michigan, Missouri and Portions of Eastern Kansas and Nebraska.)

Class	CONTEMPLATED PROJECTS		CONTRACTS AWARDED		
	No. of Projects	Valuation	No. of Projects	New Floor Space Sq. ft.	Valuation
Business Buildings.....	223	\$ 9,456,100	147	1,106,300	\$8,745,100
Educational Buildings.....	67	6,865,200	24	550,200	3,471,300
Hospitals and Institutions.....	27	3,980,000	15	92,100	1,736,800
Industrial Buildings.....	193	13,533,500	122	3,153,600	18,266,500
Military and Naval Buildings.....	1	30,000	...	...	...
Public Buildings.....	25	438,800	9	49,400	496,200
Public Works and Public Utilities.....	382	22,772,200	124	...	4,552,200
Religious and Memorial Buildings.....	59	5,173,000	29	160,100	1,270,000
Residential Buildings.....	(a) 576	16,308,200	(b) 466	1,460,400	7,113,500
Social and Recreational Buildings.....	54	7,768,600	21	252,500	2,325,000
<b>Total.....</b>	<b>1,607</b>	<b>\$86,325,600</b>	<b>957</b>	<b>.....</b>	<b>\$47,976,600</b>

#### CONTRACTS AWARDED (January 1 to December 1)

1920.....\$768,274,000	1916.....\$424,231,897	1912.....\$163,950,000
1919.....816,086,000	1915.....280,601,600	1911.....140,062,313
1918.....474,609,000	1914.....196,564,300	1910.....181,159,931
1917.....573,762,000	1913.....173,389,000	

(a) 1,348 Buildings.

(b) 598 Buildings.



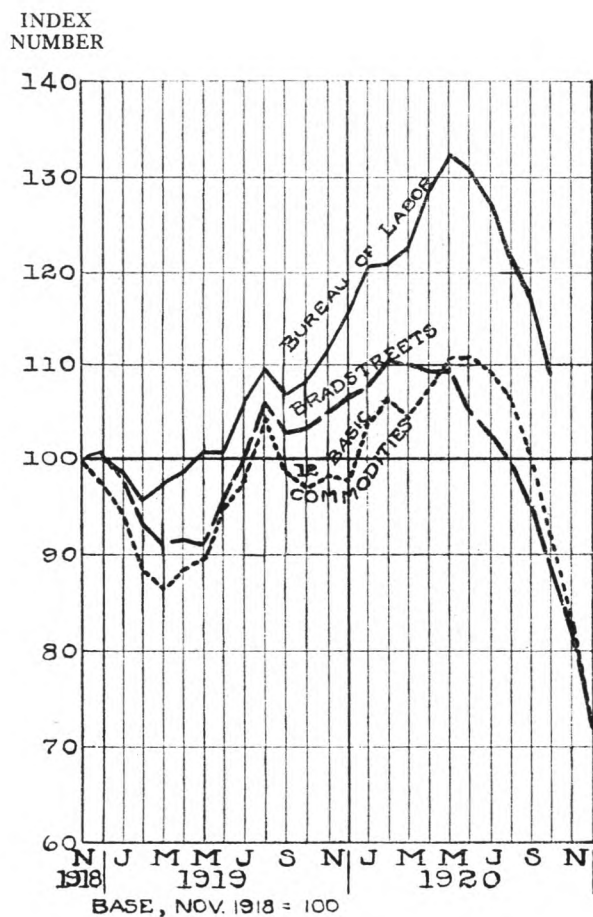
BUILDING PERMITS OF SEVENTH FEDERAL RESERVE DISTRICT CITIES

	November, 1920		November, 1919		Per Cent Gain	Per Cent Loss
	No. of Permits	Estimated Cost	No. of Permits	Estimated Cost		
<b>ILLINOIS</b>						
Aurora.....	11	\$ 8,125	27	\$ 202,700	..	96
Chicago.....	260	3,838,700	765	17,577,000	..	78
Decatur.....	42	134,550	66	182,775	..	26
Evanston.....	31	68,055	56	312,732	..	78
Peoria.....	76	54,305	56	891,475	..	93
Rockford.....	85	90,850	115	252,515	..	64
Springfield.....	119	53,550	67	164,132	..	67
<b>INDIANA</b>						
Fort Wayne.....	56	115,800	51	229,525	..	49
Gary.....	49	164,555	44	219,230	..	25
Hammond.....	17	75,800	39	305,433	..	75
Indianapolis.....	454	601,436	472	600,718	1	..
Richmond.....	24	34,200	17	65,750	..	48
South Bend.....	157	1,555,363	192	382,439	307	..
Terre Haute.....	50	33,525	38	83,350	..	59
<b>IOWA</b>						
Cedar Rapids.....	62	73,923	37	130,000	..	43
Davenport.....	29	41,895	126	194,265	..	78
Des Moines.....	51	127,585	91	383,750	..	67
Dubuque.....	11	18,263	10	75,090	..	75
Mason City.....	44	34,318	45	63,675	..	46
Sioux City.....	35	59,650	85	373,350	..	84
<b>MICHIGAN</b>						
Battle Creek.....	36	18,980	148	30,000	..	37
Bay City.....	31	333,550	34	546,000	..	39
Detroit.....	942	2,996,020	1,643	7,989,530	..	62
Flint.....	164	106,790	347	617,321	..	82
Grand Rapids.....	121	444,396	131	676,090	..	34
Jackson.....	44	24,268	74	420,225	..	94
Kalamazoo.....	42	108,554	20	104,356	3	..
Lansing.....	77	323,000	144	210,150	54	..
Saginaw.....	86	144,793	153	318,467	..	54
<b>WISCONSIN</b>						
Kenosha.....	109	105,519	145	181,417	..	41
Madison.....	26	69,070	29	527,850	..	87
Milwaukee.....	276	1,444,276	270	3,244,451	..	55
Oshkosh.....	23	14,503	..	13,410	8	..
Sheboygan.....	57	34,171	67	88,749	..	61

## FOREIGN EXCHANGE AND PRICE INDICES

### MOVEMENT OF INDICES OF COMMODITY PRICES

Wholesale prices in 1920 show a more rapid decline during the last half of the year than they showed increase during the first half. All three indices show approximately the same rate of decline in the last three months. Farm products, textiles and food effect the greatest decline. The wide difference in the advance and decline of the indices of the Bureau of Labor over both Bradstreet and the 12 basic commodities is due to: the difference in the number of articles selected and the time of market quotation. The Bureau of Labor includes 325 articles, covering a wide range of raw and manufactured products and uses in most cases an average quoted price for the month, while Bradstreet includes only 96 commodities and both Bradstreet and 12 basic commodities use a quoted price the first of the month.



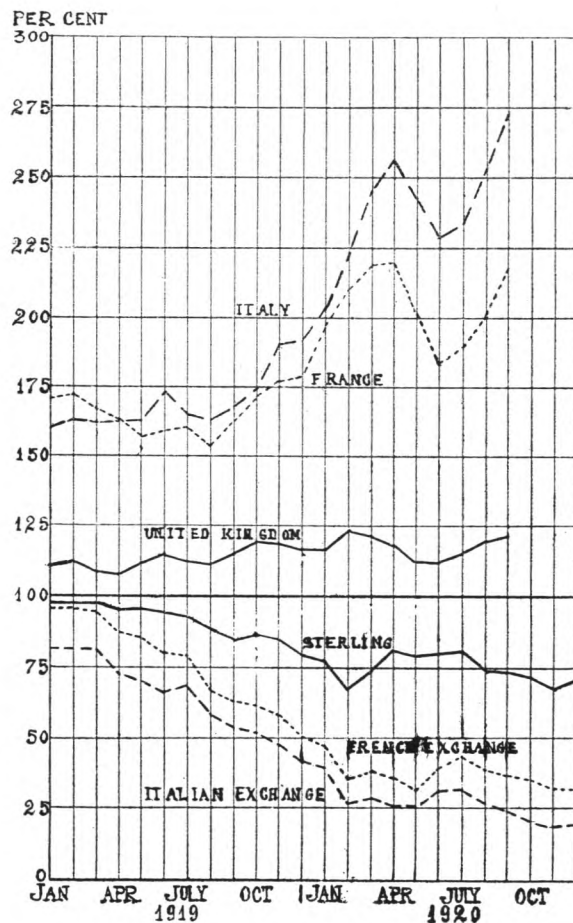
### FOREIGN EXCHANGE AND COMMODITY PRICES

The chart below draws a comparison between the United Kingdom, France, and Italy on the one hand and the United States on the other as regards the value of the currency of these countries.

Above the 100% line are the commodity prices of these three countries of Europe, expressed in percentage terms of the commodity price of the United States. The rise of these price curves gives evidence of a corresponding fall in the relative value of the European currency.

Below the 100% line are the rates of foreign exchange expressed as per cent of the par value. The depreciation of currency as shown here runs fairly uniform with that indicated above.

The rates of exchange used are the New York quotations as of the first Thursday of each month, while the commodity prices are averages for these months.



## COMPARATIVE LIVE STOCK STATISTICS

Receipts of live stock at Chicago for the four weeks ending December 11, 1920, compare with 1919 as follows:

Year	Cattle	Calves	Hogs	Sheep
1920 .....	321,091	52,080	742,346	369,057
1919 .....	393,886	68,884	903,244	447,659
Decrease.....	72,795	16,804	160,898	78,602

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

1920	Cattle	Calves	Sheep and Lambs	Hogs
November.....	25 per cent Decrease	19 per cent Decrease	18 per cent Decrease	6 per cent Decrease
Eleven months.....	14 per cent Decrease	No difference	18 per cent Decrease	8 per cent Decrease

Receipts of hogs at the six principal markets during November, 1920, aggregated 1,625,545 head, against 2,434,354 in November, 1919.

The average prices compared as follows per hundredweight:

	Cattle Choice	Cattle Common	Sheep	Lambs	Hogs
November 1920 .....	\$17.62	\$12.09	\$ 5.70	\$11.72	\$12.20
November 1919 .....	20.14	15.10	8.30	14.50	13.60
Eleven months—1920.....	\$16.86	\$13.73	\$ 9.85	\$15.77	\$13.30
Eleven months—1919 .....	18.94	15.54	10.48	16.25	15.32

Cash lard in November 1920, ranged from \$18.45 to \$20.00 cwt. compared with \$22.12 to \$24.00 in November 1919.

Cash ribs in November 1920, ranged from \$14.25 to \$16.00 cwt. compared with \$23.50 to \$27.50 in November 1919

## RECEIPTS AND SHIPMENTS OF IMPORTANT COMMODITIES AT CHICAGO

(000's omitted)

	RECEIPTS				SHIPMENTS			
	November		October		November		October	
	1920	1919	1920	1919	1920	1919	1920	1919
Flour, barrels.....	621	1,167	584	1,190	443	797	417	790
Wheat, bushels.....	1,262	3,342	1,534	9,191	940	3,939	1,404	5,507
Corn, bushels.....	3,901	4,851	11,915	4,802	5,082	1,996	6,849	3,076
Oats, bushels.....	4,473	5,515	6,561	9,385	3,588	6,761	3,235	7,863
Rye, bushels.....	265	270	443	439	105	308	785	105
Barley, bushels.....	1,535	980	942	1,010	456	324	471	527
Cured Meats, pounds.....	4,904	12,402	6,657	10,160	106,012	111,423	108,801	104,012
Fresh Meats, pounds.....	56,401	81,491	53,578	77,829	104,898	262,900	112,597	153,490
Lard, pounds.....	5,760	11,166	6,898	7,232	40,259	58,033	51,804	55,686
Cheese, pounds.....	15,572	17,505	15,546	22,384	10,921	19,112	8,391	24,333
Butter, pounds.....	15,755	18,671	21,017	24,497	18,234	20,750	17,305	25,126
Eggs, cases.....	97	117	233	236	312	303	282	379
Potatoes, bushels.....	2,212	2,010	2,344	2,889	664	688	618	1,432
Hides, pounds.....	10,258	17,101	10,966	16,863	11,239	27,522	13,340	27,939
Wool, pounds.....	394	1,378	1,281	1,393	3,715	6,283	4,169	5,553
Lumber, thousand feet.....	160	176	196	208	57	70	75	95