

Commodity Price Structure

Studied by Dr. Frederick C. Mills

Every economic problem has been complicated in recent years by the wild fluctuations of prices. In its income studies particularly, the National Bureau of Economic Research has had to face difficulties of this order.

"We have found inadequate the standard procedure of 'deflating' figures expressed in dollars by an index number of wholesale prices", explains Dr. Wesley C. Mitchell, director of research, "and we have compiled various special indexes to meet our special needs. But we have also been drawn into a more searching study of the inter-relations among the price fluctuations characteristic of different groups of commodities.

"This field, hitherto too little cultivated, promises to yield results of the greatest significance. Dr. Frederick C. Mills, who has the work in hand, has devised methods for measuring the variability of prices over long periods and short, and has studied the inter-relationships among the variations which have occurred in the markets for different classes of fabricated goods and raw materials.

"His discoveries contribute not merely to the understanding of what has happened recently, but also to our knowledge of how the price system affects economic conditions at large."

Contributors Receive Publications

Persons who wish to receive early copies of all the future publications of the Bureau may enroll as contributing subscribers, paying a minimum of \$25 a year. In addition to receiving the publications, the contributing subscribers will be kept in touch with the work of the Bureau as it progresses.

Two bound volumes have recently been issued—*Business Annals* on September 13 and *Migration and Business Cycles* today. A third report—Dr. Willford I. King's estimates of earnings and income by income groups—is now being voted upon by the National Bureau's Board of Directors.

Dr. Wesley C. Mitchell has in final stages of preparation the manuscript of the first volume of his new treatise on business cycles.

Other investigations rapidly progressing are: Dr. Frederick R. Macaulay's study of the history of interest rates and security prices in the United States from 1857-1926; Dr. Frederick C. Mills' study of the commodity price structure; Dr. Leo Wolman's study of the labor market; Dr. Harry Jerome's study of the mechanization of industry; and Dr. Walter F. Willcox's study of world shifts in population since 1820.

Publications of the National Bureau of Economic Research

MIGRATION AND BUSINESS CYCLES

First report of a new series of studies dealing with the effects of immigration and emigration upon the economic life of the United States. 250 pages. Cloth. \$3.50 postpaid.

BUSINESS ANNALS

A descriptive summary of business conditions, year by year, in the United States, England, France, Germany, Austria, Russia, Sweden, Netherlands, Italy, Argentina, Brazil, Canada, South Africa, Australia, India, Japan, China, for periods of 36 to 136 years, with an introduction *Business Cycles as Revealed by Business Annals*. 380 pages. Cloth. \$4 postpaid.

INCOME IN THE VARIOUS STATES ITS SOURCES AND DISTRIBUTION, 1919, 1920 and 1921

This volume gives the total and per capita income carefully adjusted for every state, with special tables showing the incomes of farmers, wage earners, persons of large means, and other matter relevant to the purchasing power and economic conditions of the different parts of the country. Size 9x6 inches, 306 pages, 17 maps and charts, 67 tables, indexed. Bound in cloth. \$5 postpaid.

THE GROWTH OF AMERICAN TRADE UNIONS, 1880-1923

Results of a comprehensive investigation of trade union membership year by year; its fluctuations with the business cycle; effects of World War conditions; women in trade unions. Contains also a detailed analysis of the total working population. Size 9x6 inches, 170 pages, illustrated with 27 tables, 16 charts, and indexed. Bound in cloth. \$3 postpaid.

EMPLOYMENT, HOURS, AND EARNINGS IN PROSPERITY AND DEPRESSION

Results of an inquiry conducted by the National Bureau of Economic Research, with the help of the U. S. Bureau of Markets and Crop Estimates and the Bureau of the Census, for the President's Conference on Unemployment. Designed to meet the special needs of all persons interested in the study of labor conditions. Gives full details of investigation summarized in *Business Cycles and Unemployment* to which it is companion volume. Size 9x6 inches, 147 pages, illustrated with 75 tables, 11 charts, and indexed. Bound in cloth. (Out of print.)

BUSINESS CYCLES AND UNEMPLOYMENT

Results of an investigation made for the President's Conference on Unemployment. By the staff of the Bureau with 16 collaborators. Twenty-one topics covered. This report summarizes the known facts of unemployment and describes the various methods suggested to control the business cycle and alleviate cyclical unemployment. Size 9x6 inches, 405 pages, with 56 tables, 56 charts, and indexed. Bound in cloth. \$4.10 postpaid.

INCOME IN THE UNITED STATES

Volume I. A Summary of an investigation of the Amount and Distribution of Income in the United States, 1909-1919, intended for readers who are primarily interested in the results. Size 7½x5¼ inches, 152 pages, with preface, 29 tables, 31 charts, and indexed. Bound in cloth. (Fifth printing.) \$1.58 postpaid.
Volume II. A report giving in full the methods and estimates on which the results shown in Volume I are based. Size 9¼x6¼ inches, 440 pages, 222 tables, 35 charts, and indexed. Bound in cloth. (Second printing.) \$5.15 postpaid.

DISTRIBUTION OF INCOME BY STATES IN 1919

A study of the share of each state in the national income with a special analysis of the amount and relative importance of farmers' income. Size 9¼x6¼ inches, 32 pages, with preface and 9 tables. Bound in cloth. (Third printing.) \$1.30 postpaid.

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Statistical Light Turned Upon Labor Supply

Ebb and Flow of Migration Studied In Relation to Demands of Industry

HOW the tide of migration ebbs and flows with seasonal and cyclical changes in industrial activity is fully described in a report just issued by the National Bureau of Economic Research.

In *Migration and Business Cycles*, the National Bureau presents, in the form of a book of 250 pages illustrated with 55 charts and 65 tables, the results of the first of a new series of investigations initiated by the National Research Council into the character, causes and effects of the mass movements of mankind.

Under the general direction of Dr. Edwin F. Gay and Dr. Wesley C. Mitchell, directors of research of the National Bureau of Economic Research, and with the counsel of the Bureau's staff, Dr. Harry Jerome conducted the first of the economic studies in this series of migration topics, dealing particularly with the "Shortage and surplus of labor in the United States in its relations to immigration and emigration".

Migration and the Supply of Labor

The significance of this problem and the desirability of subjecting it to a close analysis was suggested by incidents which took place in the years 1920 and 1921. In hearings before the House Committee on Immigration and Naturalization in April, 1920, it was testified that "there is a labor shortage in practically every industrial activity. It amounts to not less than that of 5,000,000 men. In addition, there is a dearth of agricultural labor and of domestic servants to an extent difficult of calculation."

And it was urged that under the circumstances, "a policy looking to the exclusion of the immigrant would hamper and curtail our natural development and lead to a world-wide calamity".

"Shortage" Turns Into "Surplus"

Within a few months after the above testimony was given, it was obvious that industry was entering a depression period, and in September, 1921, the President's Conference on Unemployment met in Washington to consider measures for the relief of from "four to five million unemployed resulting from the business slump of 1921".

Here was a shortage of "at least five million men" converted by the swing of business conditions to the unemployment of as many millions.

It would appear desirable that a more definite connotation should be given to the terms "labor supply" and "labor shortage", and that particular consideration should be given to the relation of the business cycle to the validity of estimates of surplus or shortage in the supply of labor. Such, in part, was the purpose of this study.

How Economic Factors Influence Migration

AMONG the important questions answered in "MIGRATION AND BUSINESS CYCLES" are the following:

Does the flow of population between Europe and America respond mainly to conditions in America or to conditions in Europe?

How important quantitatively is the economic factor in influencing this flow?

Which economic influences have most weights? Are urban or rural conditions more important factors?

What classes of immigrants are attracted to America by an industrial boom here?

Do those who come in response to boom conditions here remain or do they depart when the boom is over?

Is migration a safety valve which relieves unemployment by taking away workers in time of depression, or is the reverse true?

Which industries have been affected most by the restrictions imposed by the new law? Which industries would be affected by the elimination of immigration from Mexico and Canada?

Is it true that it is the unskilled members of our working classes who are most affected by the competition of new immigrants?

NATIONAL BUREAU OF ECONOMIC RESEARCH, INC.

THE National Bureau of Economic Research, Incorporated, was organized in 1920 in response to a growing demand for exact and impartial determinations of the facts bearing upon economic, social, and industrial problems.

The Bureau seeks not merely to determine facts, but to determine them under such auspices as shall make its findings carry conviction to Liberals and Conservatives alike. It deals only with topics of national importance which are susceptible of quantitative treatment.

By issuing its findings in the form of fact reports, entirely divorced from propaganda, the Bureau hopes to aid all thoughtful men, however divergent their views of public policy, to base their discussions upon objective knowledge as distinguished from subjective opinion.

No report of the Research staff may be published without the approval of the Board of Directors. Rigid provisions guard the Bureau from becoming a source of profit to its members, directors or officers, and from becoming an agency for propaganda.

The Bureau assumes no obligation to present or future contributors, except to determine and publish facts.

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Field of This Report

Migration and Business Cycles is devoted primarily to consideration of the short-period aspects of the relation of migration to labor supply, in an effort to determine whether migration tends to intensify or minimize the intensity of the business cycle and particularly whether that phase of the business cycle most directly and obviously inimical to human welfare—the unemployment phase—is rendered more or less severe in its effects because of migratory movements.

The Questions for Solution

The objects of Dr. Jerome's inquiry may be conveniently summarized in the following questions to which answers are given in the analysis set forth in the pages of *Migration and Business Cycles*:

1. To what extent do cyclical and seasonal fluctuations in migration correspond, in time and degree, with fluctuations in industrial activity, particularly as measured by employment or unemployment?
2. What noteworthy variations in cyclical and seasonal fluctuations appear when migrants are classified by sex, prior occupation, race, or country of origin?
3. What is the relative influence of the "push" or the "pull" upon fluctuations in migration; that is, are such fluctuations primarily determined by changes in the country of emigration or in the country of immigration?
4. What is the economic significance of the ascertained tendencies?

Summary of the Contents

The first chapter of the book states the problem and the questions for solution.

The second chapter sketches the major features of immigration into the United States, partly to indicate the reasons for the selection of the elements to which special attention is given and the reasons for the methods of analysis which are applied and partly for the convenience of those readers who have not given close attention to the character of immigration into this country in recent decades.

To facilitate the study of the relation of migration to employment conditions, it is necessary to have a picture of the alternations in prosperity and depression during the period covered by our analysis. Accordingly, the third chapter surveys the

pertinent information concerning industrial conditions and particularly concerning employment.

Cyclical Movements Analyzed

With these preliminary pictures of the nature of the immigrant stream and of employment conditions before the reader, the fourth, fifth and sixth chapters proceed, first to a survey in broad outline of the cyclical movements in migration, then to a more detailed analysis of the movements of migration, particularly in the decades since 1890, there being for this period, especially during the years immediately preceding the Great War, a relative abundance of detailed monthly data concerning migration.

In the seventh chapter, attention is turned to differences in the cyclical movements of selected elements in migration, in order to ascertain the relative extent to which employment conditions affect the movements of immigrants as compared with non-immigrants, of males as compared with females, or of workers as compared with those immigrants having no occupation.

Determining Influences Sought

The question naturally arises as to whether the economic conditions which influence migration to the United States are primarily those of the country of immigration or whether the alternations of prosperity and depression in the country of emigration may not exercise an equally strong influence on the time and volume of migration.

Hence the eighth chapter is devoted to a consideration of peculiarities in the fluctuations of immigration from leading countries and to changes in economic conditions in those countries, as bearing on the relative power of the "push" or the "pull" in determining changes in the volume of migration.

While the cyclical aspects of migration are of more significance for the purposes of this study, it is also pertinent to inquire concerning the degree to which the seasonal distribution of migration harmonizes with the seasonal distribution of employment in these industries in which large numbers of immigrants are employed. The ninth chapter is devoted to such a survey.

In the concluding chapter, Dr. Jerome brings together the significant relations and conclusions developed in the earlier chapters.

List of Subscribers Shows Wide Variety of Interests

THAT there is a growing demand for the results of impartial investigations in the field of economic, social and industrial science, is indicated by the increasing number of subscribers to the research funds of the National Bureau of Economic Research. A wide variety of occupations and interests is reflected in the list of subscribers, enrolling during November. The National Bureau makes grateful acknowledgement to the following:

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