Commodity Price Structure

Studied by Dr. Frederick C. Mills

Every economic problem has been complicated in recent years by the wide 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-relationships among the price fluctuations characteristic of different groups of commodities.

"This field, hitherto too little cultivated, promises to yield results of transcendent 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 the regular 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 3 and Migration and Business Cycles today. A third report—Dr. Wilford I. King’s estimates of earnings and income by income groups—is in preparation and will be issued 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 the Up-to-Date.
Field of This Report

Migraton and Business Cycles is devoted primarily to the consideration of the shorter-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 inhuman 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 alterations 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 movement 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 origin or whether the alterations of prosperity and depression in the country of emigration may not exert equally or even more 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 part of the "push" or the "pull" in determining changes in the volume of migration.

While the cyclical aspects of migration are of more immediate 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.