

SEPTEMBER 1943

SURVEY OF

CURRENT BUSINESS

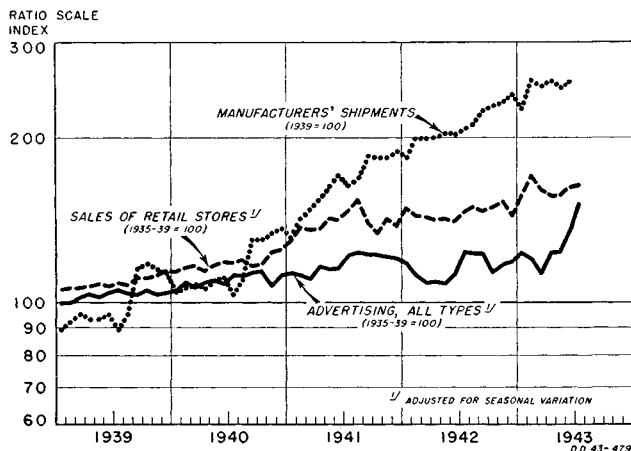
UNITED STATES DEPARTMENT OF COMMERCE

BUREAU OF FOREIGN AND DOMESTIC COMMERCE

Economic Highlights

Advertising Activity Index Reaches New High

Advertising activity, based on index compiled by Tide magazine covering all media, reached a new high in June 1943. Fairly close relationship existed, before the war, between advertising volume and total retail sales. But after Pearl Harbor, adver-



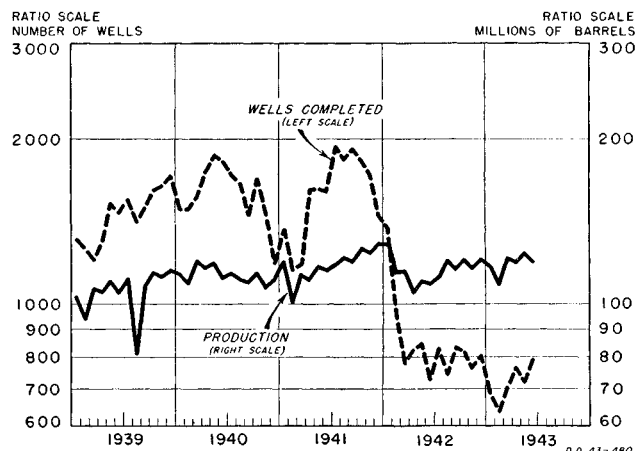
Advertising, Sales of Retail Stores, and Manufacturers' Shipments.

tising activity declined, and not until Spring of this year was upward trend resumed. Hence record volume of advertising is now being directed at retail consumer, in spite of increasing shortages in consumer goods. Apparently advertising is even more helpful to consumers in periods of scarcity than in periods enjoying a surplus.

Manufacturers' sales have far outrun advertising activity. Since large fractions of their output are sold to the Government, and since many are already producing at practical capacity, relatively few need to promote current sales. Manufacturers now advertise to keep their products in front of consuming public, largely with intention of building goodwill for anticipated large post-war markets.

War Demands Lowering Petroleum Reserves

While 1943 promises to bring largest annual oil production in history of the United States, trends less promising for future years are also in evidence. Drilling has been retarded, as noted in the chart, due, according to the industry, to various factors



Crude Petroleum: Production and Wells Completed.

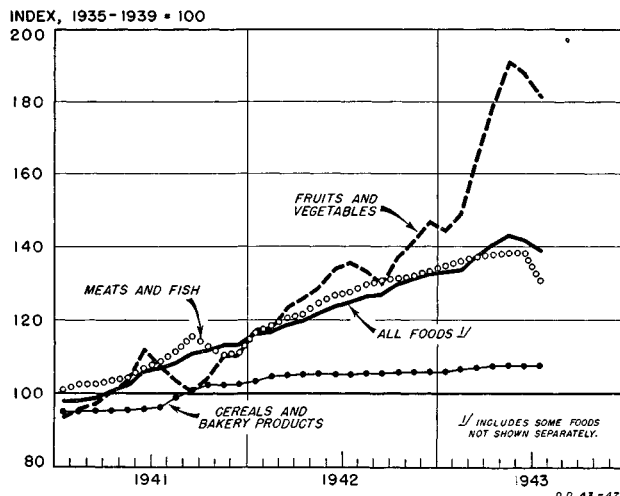
introduced by war, including price ceilings, inadequate equipment, and decreased manpower.

The number of new producing wells drilled, however, is not most significant factor as to future trend of oil production. Real significance lies in *current yield* and future petroleum reserves added by newly discovered wells. Trend of both these factors is downward. Reserves averaging 1,661,400,000 barrels of new oil were found annually in 1940-42, in contrast with annual average of 3,058,200,000 barrels in preceding 3 years. Average reserve in each new supply source dropped from 7,293,000 barrels in 1937-39 to 3,058,000 in 1940-42. Estimates place depletion of *present* United States petroleum reserves in about 12 to 15 years at current rate of production.

Rise of Retail Food Prices Checked

Registering the first decline since November 1940, retail food prices as measured by the Bureau of Labor Statistics index moved downward in both June and July. The rapid rise in food prices began in early 1941, and the increase from that time until May of this year averaged almost 1 percent per month. The index for May of this year was nearly 50 percent higher than at the beginning of 1941. The decline in June and July totaled 3 percent.

The especially sharp rise in food prices this spring was brought about chiefly by an unprecedented rise in the fruits and vegetables component, particularly in fresh



Retail Cost of Foods in Large Cities.

vegetables. This was largely the result of the Florida freeze and the absence of price ceilings. Declines in this component in June and July are due both to more plentiful supplies and to roll-backs under the O. P. A. regulations. The sharp decline in meat prices in July shows the effect of the subsidy plan.

Despite recent reductions in the costs of certain foods, consumer expenditures for food, including alcoholic beverages, are estimated at 32.1 billion dollars in 1943. This is an all-time record and 16 percent above the 27.6 billion dollars spent for that purpose in 1942.

SURVEY OF CURRENT BUSINESS



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The Business Situation

SOLUTION of the basic economic problem confronting the Nation remains urgent: How to raise essential war and civilian output by the last few billions required to attain the wartime peak while at the same time continuing to avoid inflation. Industrial production, as measured by the Federal Reserve adjusted index, moved closer to this goal in achieving its first advance since April. It rose in July to a new peak level of 205 from the June index of 202. According to evidence available in early September, it advanced again in August, with durable goods output once more leading the way. Thus the setback connected with the coal strike has been overcome.

In order, however, to attain the goals set for armaments output, industrial production must rise at least 6 percent above its August level. This peak level must be attained within the next 12 months—the earlier the better. For industrial production to reach that goal, at the same average rate of gain prevailing over the last year, will require at least 6 more months.

Table 1.—War Expenditures, Munitions Output, and Industrial Production

Item	Monthly averages				
	1942			1943	
	Jan.-April	May-August	Sept.-Dec.	Jan.-April	May-August
War expenditures (billions of dollars) ¹ ...	2.77	4.48	5.85	6.68	7.33
Percent increase from previous period.....		62	31	14	10
Munitions output (index, Nov. 1941=100) ²	202	324	434	510	587
Percent increase from previous period.....		60	34	18	15
Industrial production, total (index, 1935-39=100) ³	172.0	177.8	192.5	201.5	² 204.0
Percent increase from previous period.....		3	8	5	1
Durable goods and minerals production ⁴	106.0	113.1	124.2	132.0	² 135.2
Percent increase from previous period.....		7	10	6	2
Nondurable goods production ⁵	66.0	64.7	68.3	69.5	² 68.8
Percent increase from previous period.....		-2	6	2	-1

¹ U. S. Treasury and Reconstruction Finance Corporation.

² August estimated by the U. S. Department of Commerce.

³ War Production Board.

⁴ Board of Governors of the Federal Reserve System.

⁵ Points in total index, i. e., portion of the total consisting of durable goods and minerals and of nondurable goods production, respectively.

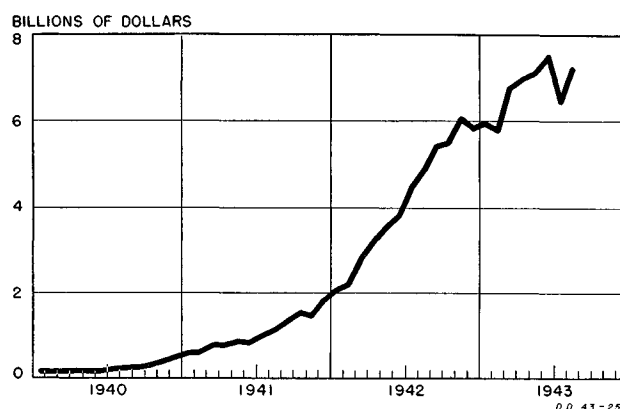
Further Mobilization of Manpower Necessary

Over the period January 1943 to January 1944, essential industries are scheduled to absorb approximately 2,900,000 more workers. In addition, the armed forces will require about 3,800,000 during the same period. Of this total of 6,700,000 persons needed, 3,400,000 are expected to be withdrawn from the personnel of certain less essential industries. The remainder of 3,300,000 must come from a reduction of about 400,000 in unemployment and the recruiting of 2,900,000 persons from among the nonworkers.

Progress in the indicated manpower mobilization has been relatively slow during the first half of the year in question. Of the 2,900,000 new workers required in essential industries, only 900,000, as shown in table 2, were added during the first half year, leaving more than two-thirds of the total to be recruited between July and next January. On the other hand, withdrawals from the less essential industries have lagged, although seasonal variations in some of the industries concerned prevent accurate appraisal of the progress made. Nevertheless, more than two-thirds of all the anticipated withdrawals from less-essential industries must occur between last July and January 1944 if the goals are met. Although approximately 4,800,000 workers were recruited from the ranks of the nonworkers between last January and July, 3,400,000 were absorbed in agriculture, while nonagricultural employment actually fell 100,000. Moreover, many of the former nonworkers who entered the labor force during this period are youths on summer vacation who will return to school in the autumn.

This manpower bottleneck has unquestionably retarded the flow of goods and services. The pulp and paper industry is a good illustration. Here the shortage of men to cut wood in the forests has curtailed the

Chart 1.—Budget Expenditures of the Federal Government for War Activities

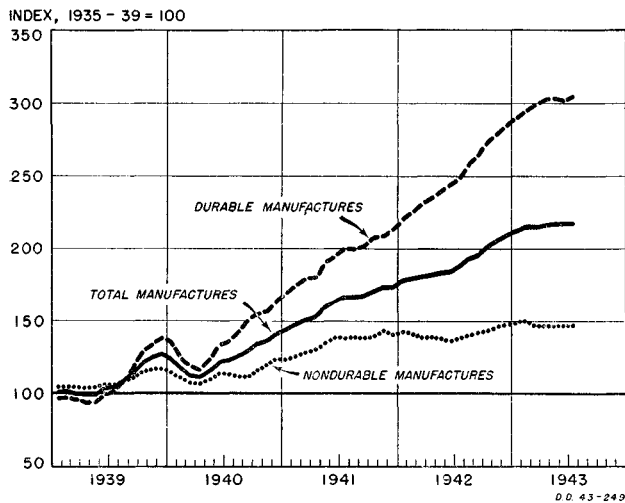


Source: U. S. Treasury Department (Daily Statement).

supply of pulpwood and wood pulp. Much the same situation exists in the lumber industry, where labor at mills and logging camps is below requirements. In order to maintain production at copper, zinc, and molybdenum mines and smelters, it was necessary for the Government to furlough 4,500 former miners from the armed forces. In transportation, there was the instance of a serious accumulation of loaded freight cars in the port of New York because of lack of labor to unload them promptly.

In other industries, such as aircraft and cotton textiles, shortage of manpower is manifested also by absenteeism and by high turn-over rates which greatly

Chart 2.—Production of Manufactures, Adjusted for Seasonal Variation



Source: Board of Governors of the Federal Reserve System.

retard expansion of the work force. At the June rate of separation, the entire work force of the manufacturing concerns reporting to the Government would turn over in 14 months. During the first half of 1943, these reporting firms increased their work force approximately 4 percent only by dint of adding 47 percent to

Table 2.—Progress of Manpower Mobilization for Industry
[Millions of persons 14 years of age and over]

	July 1942	Jan. 1943	July 1943	Jan. 1944 re-quirements	Change	
					Jan. 1943 to Jan. 1944	July 1943 to Jan. 1944
Total labor force.....	60.6	59.4	64.8	62.3	+2.9	-2.5
Armed forces ¹	3.8	7.0	9.3	10.8	+3.8	+1.5
Estimated civilian labor force.....	56.8	52.4	55.5	51.5	-0.9	-4.0
Unemployed.....	2.8	1.4	1.2	1.0	-0.4	-0.2
Employed.....	54.0	51.0	54.3	50.5	-0.5	-3.8
Agriculture.....	11.7	8.7	12.1	8.7	0.0	-3.4
Nonagricultural employment, total.....	42.3	42.3	42.2	41.8	-0.5	-0.4
Industries scheduled for more manpower.....	13.1	14.8	15.7	17.7	+2.9	+2.0
Munitions and munitions materials ²	7.8	9.1	9.6	11.3	+2.2	+1.7
Government war agencies ³	1.0	1.5	1.7	2.0	+0.5	+0.3
Transportation, fuel and utilities.....	4.3	4.2	4.4	4.4	+0.2	0.0
Industries scheduled to maintain manpower.....	4.2	4.1	4.1	4.1	0.0	0.0
Food-processing industries.....	1.4	1.3	1.4	1.3	0.0	-0.1
Textiles, clothing, and leather.....	2.8	2.8	2.7	2.8	0.0	+0.1
Industries scheduled for less manpower.....	25.0	23.4	22.4	20.0	-3.4	-2.4
Construction and building materials.....	3.1	2.3	2.1	1.3	-1.0	-0.8
Trade and service ⁴	10.9	10.6	10.6	10.1	-0.5	-0.5
All other ⁵	11.0	10.5	9.7	8.6	-1.9	-1.1

¹ Represents net strength; excludes net attrition from battle casualties, etc.

² Includes all metal-using industries, metal mining, selected chemicals and rubber industries.

³ Excludes navy yards and manufacturing arsenals included in the munitions group as well as off-continent and force-account construction employment of war agencies.

⁴ Includes trade, finance, service, and miscellaneous groups as reported by the Bureau of Labor Statistics.

⁵ Includes all other manufacturing, all other Government and self-employed and domestic servants after adjustment for statistical differences between the data of the Census Bureau and Bureau of Labor Statistics.

Sources: War Manpower Commission, U. S. Department of Labor, and U. S. Department of Commerce.

the workers on their pay rolls, while 30 percent quit and total separations amounted to 43 percent.

Although manpower statistics for the Nation as a whole clearly indicate the current stringency, manpower shortages are, in the final analysis, local and specific. Hence the best measure of the growth of the stringency is perhaps the tabulation, shown in table 3, by the War Manpower Commission, of labor shortage areas.

Table 3.—Labor Market Areas Classified According to Labor Supply

	All labor market areas classified		Group I Areas of acute labor shortage		Group II Areas of labor stringency or in which labor shortage may be anticipated within 6 months		Group III Areas in which general labor shortage may be anticipated after 6 months		Group IV Areas of adequate labor supply	
	Total	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Jan. 1.....	272	100	31	11.4	95	34.9	61	22.4	85	31.3
Feb. 1.....	269	100	32	11.9	102	37.9	59	21.9	76	28.3
March.....	271	100	36	13.3	104	38.4	55	20.3	76	28.0
Apr. 15.....	275	100	35	12.7	107	38.9	61	22.2	72	26.2
May 15.....	278	100	42	15.1	97	34.9	66	23.7	73	26.3
June 15.....	291	100	46	15.8	101	34.7	70	24.1	74	25.4
Aug. 1.....	335	100	55	16.4	111	33.1	81	24.2	88	26.3
Sept. 1.....	340	100	59	17.4	112	32.9	78	22.9	91	26.8

Source: War Manpower Commission.

At the beginning of this year, 11 percent of all labor market areas then classified were having acute labor shortages, while at the other end of the scale only 31 percent of the areas classified had an adequate labor supply for all current and anticipated needs. By September, labor shortages were acute in 17 percent of all 340 areas surveyed, while areas of adequate supply had shrunk to 27 percent of the total.

The importance of the areas covered is indicated by the fact that the population of the 32 areas suffering acute labor shortages on February 1, 1943, was 10,000,000, while the population of the 54 continental areas (Hawaii was included in the 55 areas) suffering acute shortages on August 1 was approximately 18,000,000.

The stringency will almost inevitably become more critical in the autumn after millions of young people have returned to school. Then the year-end requirements of the armed forces and of essential industries can be met only by extensive (2,400,000) transfers of workers from less to more essential industries or the armed forces and by the accession of about 1,000,000 nonworkers to the labor force. The magnitude of the Nation's maximum war effort hinges directly on the success of this further mobilization of manpower.

Consumer Expenditures

Consumer expenditures for all goods and services are now expected, upon the basis of revised estimates, to exceed 90 billion dollars during 1943. This will be a 10-percent increase over last year. Since the cost of living, as measured by the Bureau of Labor Statistics'

index, will probably register about a 7-percent average rise over 1942, it is clear that consumer expenditures are rising faster than the cost of living. It cannot be concluded, however, that the number of units of goods and services flowing to consumers will increase from 1942 to 1943. Fragmentary data show that trading up—the tendency to buy higher quality and hence higher-priced goods which frequently accompanies growing incomes—is an important factor in producing the large dollar volume being recorded. Hidden price increases may also be important in some cases.

The trend of consumer expenditures, classified into 8 groups of goods and 8 groups of services, is shown in table 4. The only declines in goods expenditures from pre-war years are those for automobiles and parts, gasoline and oil, and furniture, house furnishings, and equipment. It is also noteworthy that expenditures for all types of services increased.

Table 4.—Consumer Expenditures for Major Groups of Goods and Services
[Billions of dollars]

Group	1941	1942			1943			Per- cent change 1943 from 1942
		1st half	2d half	Total	1st half	2d half	Total	
Total consumer expenditures.....	74.6	38.6	43.4	82.0	43.3	47.3	90.6	+11
Goods, total.....	49.2	25.0	29.3	54.4	28.8	32.7	61.5	+13
Nondurable goods, total.....	40.1	22.1	25.9	48.0	25.9	29.3	55.2	+15
Food and beverages.....	22.3	12.8	14.8	27.6	15.0	17.2	32.2	+16
Clothing and related products.....	8.4	4.6	5.9	10.5	5.9	6.7	12.6	+20
Tobacco.....	2.2	1.1	1.3	2.5	1.3	1.5	2.8	+12
Gasoline and oil.....	2.4	1.0	1.0	2.0	.8	.8	1.6	-18
Other nondurables.....	4.7	2.6	2.8	5.4	3.0	3.1	6.1	+13
Durable goods, total.....	9.1	2.9	3.5	6.4	2.9	3.4	6.3	-2
Furniture, furnishings, and equipment.....	4.3	1.9	2.1	4.1	1.8	2.0	3.8	-6
Automobiles and parts.....	3.3	.3	.2	.5	.2	.2	.4	-27
Other durables.....	1.5	.7	1.1	1.8	.8	1.2	2.1	+15
Services, total.....	25.4	13.6	14.0	27.6	14.5	14.6	29.1	+5
Housing, excluding depreciation.....	7.4	3.9	3.9	7.8	4.0	4.0	8.0	+3
Home maintenance.....	1.5	.8	.9	1.8	.9	.9	1.8	+3
Household utilities.....	2.4	1.4	1.3	2.6	1.4	1.4	2.8	+8
Personal services.....	1.8	1.0	1.1	2.0	1.1	1.1	2.2	+11
Transportation.....	2.6	1.4	1.6	3.0	1.6	1.8	3.4	+14
Medical care.....	3.0	1.6	1.6	3.3	1.8	1.7	3.5	+7
Recreation.....	1.9	1.1	1.2	2.3	1.2	1.2	2.4	+4
Other services, including gifts.....	4.7	2.4	2.5	4.9	2.5	2.5	5.0	+2

Source: U. S. Department of Commerce.

Early this year it was expected that dollar sales at retail stores and consumer expenditures would be lower in 1943. That this did not materialize is due chiefly to three factors:

(1) Consumers shifted their expenditures to a great extent to goods that were relatively more plentiful. In so doing there was a considerable amount of trading up. Manufacturers encouraged this trend by emphasizing higher-priced lines.

(2) In such basic commodities as food and clothing, production cuts from materials controls were not as drastic as was at first expected. Furthermore manufacturers of civilian goods were very ingenious in the use of substitutes to supplement the reduced volume of materials made available to them.

(3) Inventories of consumer goods in the hands of business were at record levels at the beginning of 1942, and these have been drawn upon more heavily than expected to meet the ever-growing demands of consumers.

Inflation Gap of 1942 and of 1943

The upward revision of the consumer expenditures estimate for this year will of course affect the so-called "inflation gap." The apparent disposition of the gap for both the last and current years is outlined in table 5.

Table 5.—Gross Inflation Gap Arising from Current Income and Its Disposition, 1942 and 1943

[Billions of dollars]		
	1942	1943 ¹
Income payments to individuals.....	115.5	142
Less personal taxes and nontax payments.....	6.6	16
Disposable income of individuals.....	108.9	126
Less consumer expenditures at January 1 prices in each year.....	78.2	88
Gross inflation gap.....	30.7	38
Disposition of inflation gap:		
Expended in paying higher prices for goods and services.....	3.8	2
Saved.....	26.9	36

¹ Last half of year estimated.

Two significant conclusions seem warranted from these data. The first is that price control and rationing have been quite evidently effective in restraining consumers from using more than a small fraction of their surplus income to bid up prices of available goods and services. The second is that although the large amounts of liquid funds saved by individuals out of their 1942 and 1943 incomes were prevented from forcing up prices in those years, they will still constitute a potential threat to prices in the years ahead. The Securities and Exchange Commission estimated that 38 percent of 1942 individual savings were in the form of currency and bank deposits. Should this same ratio hold good in 1943, then out of 63 billion dollars total savings for last year and this, 24 billions will be cash. Hence, whatever the 1944 inflation gap may be in 1944 income, the inflation potential will be larger by virtue of these and other accumulated liquid savings from former years. (See the discussion of wartime savings and their significance in the article beginning on page 12.)

Total Corporate Income during First Half of 1943

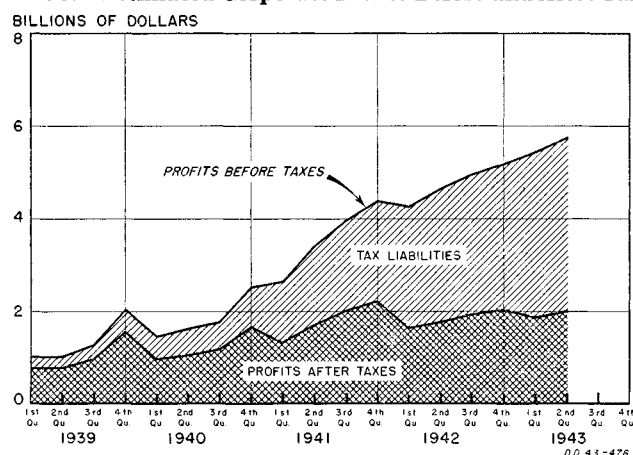
Corporate earnings showed a substantial advance during the first half of this year, continuing the upward trend initiated in 1939. Estimated corporate profits after provision for income and excess-profits taxes for the first 6 months of this year were 14 percent above the first half of 1942, according to available corporation reports. The earnings before taxes rose from an estimated 8,916 million dollars in the first half of 1942 to 11,203 million in the same period this year, an advance of 26 percent.

A large part of this increment in profits before taxes was subject to excess-profits tax, which accounted for the lower rate of increase in profits after taxes. In 1942 Federal income and excess-profits tax allowances amounted to 62 percent of corporate profits before taxes, while in the first half of this year corporations allocated 65 percent of their profits for the payment of taxes.

Corporate profits by industries.

The substantial increase in corporate profits after taxes for the first half of 1943 compared to the same period of last year was due to the large increases shown

Chart 3.—Estimated Corporate Profits Before and After Taxes



Source: U. S. Department of Commerce.

by the railroad and trade groups and the smaller relative increase of the manufacturing group.¹ The net income after taxes of the railroads increased by 71 per cent for the first half of this year. This increase reflected the maintenance of earnings in the first quarter, contrary to the usually sharp seasonal decline, as a result of the transportation demands of the war effort. In the trade groups sales continued to expand despite the difficulty of obtaining consumers' goods. The increase in sales volume is partly a result of depletion of inventories and partly of price increases.

The manufacturing corporations showed only a 6-percent increase in profits after taxes for the first half of this year, as compared with a 22-percent rise in profits before taxes.² The increase in profits before

¹ These corporate profits data represent compiled net profits as tabulated from corporate income-tax returns by the Bureau of Internal Revenue less dividends received from domestic corporations. They differ somewhat from the corporate profit component of the national income. For an explanation of the difference, see the Survey of Current Business, June 1943, p. 28.

² It should be noted that the net income after taxes as reported by the manufacturing corporations publishing reports for the first half of 1943 indicates a higher rate of increase over the first 6 months of 1942 than that shown by these estimates. This difference appears to be due principally to two factors:

1. In the estimates presented here the corporation tax allocations for 1942 were reallocated over the quarters in proportion to profits before taxes. Since most corporations assumed a higher effective tax rate during the first half of 1942, based on tax discussions then under way in Congress, than was finally required for the year, profits after taxes as reported by the corporations were relatively low for the first half of 1942, which overstates the increase for the first half of 1943.

2. In many cases the unallowable deductions, such as post-war reserves, were relatively higher during the first half of 1942 than during the first half of this year. Since these deductions are added back to profits as estimated here, the percentage increase is lower than that shown by the corporation reports in which profits are shown after such deductions.

taxes was concentrated in the durable-goods groups, in which profits have increased rapidly. Hence, nearly all of the increment during the first half of this year is subject to excess-profits tax rates. In 1942 the tax allowances made by all manufacturing corporations were 63 percent of profits before taxes, as compared with 68 percent for the first half of this year.

Of the manufacturing subgroups, the sharpest increase for the first half of this year occurred in the automobile group. Profits before taxes increased by 43 percent, while profits after taxes showed a 17-percent rise. These increases reflect the industry's virtual completion of its conversion to war output. The electrical machinery and transportation equipment groups also had substantial increases in both profits before and profits after taxes. In the latter case, however, there was evidence of a tapering off in the second quarter, reflecting the leveling off of airplane production. None of the manufacturing subgroups had a decline in profits before taxes for the first half of this year. Both the nonferrous metals and chemical groups showed a slight decline in profits after taxes.

Of the major industrial groups, mining was the only one to experience a decline in profits for the first 6 months of 1943. Here the decline was concentrated in the metals group, where the labor shortage in copper mining and the stoppage of gold mining were the deciding factors. Both anthracite and bituminous coal mining showed declines in the second quarter as a result of the strikes.

The Outlook for 1943.

If corporate income in the second half of 1943 maintains approximately the same rate of increase over last year as obtained in the first half, then profits after taxes for 1943 will be about 8.4 billion dollars. However, in view of the fact that the gain in profits after taxes for the first quarter was 15 percent, compared with 13 percent in the second quarter, it is quite possible that the rate of profit increase in the second half of 1943 will be somewhat lower than the 14-percent gain prevailing in the first half.

The volume of business is expected to increase at a lower rate relative to 1942 during the second half of the year, since many manufacturing and transportation industries are operating at close to capacity. Wage and price ceilings have been maintained during the first half of this year, and there is no expectation of any sharp upward movement in wages and prices during the remainder of the year. Wages and prices have tended to move upward together, leaving the profit margin fairly stable.

One of the unknown quantities in the corporate earnings outlook is renegotiation of war contracts. The effect of renegotiation upon the 1942 income of most of the large war contractors has been included in the esti-

Table 6.—Estimated Corporate Profits Before Taxes, by Industrial Divisions, Quarterly, 1941-43¹

[Millions of dollars]

Industrial division	1941					1942					1943	
	I	II	III	IV	Total	I	II	III	IV	Total	I	II
Total.....	2,642	3,411	3,996	4,394	14,443	4,270	4,646	4,950	5,171	19,037	5,452	5,751
Mining.....	72	83	88	82	325	93	94	94	97	378	92	94
Manufacturing.....	1,833	2,393	2,730	2,980	9,936	2,904	3,152	3,163	3,324	12,543	3,562	3,833
Food, beverages, and tobacco.....	183	235	268	267	953	265	297	351	359	1,272	336	344
Textiles and leather.....	122	187	225	233	767	266	327	277	272	1,142	281	312
Paper and printing.....	84	117	145	171	517	188	135	96	109	528	168	179
Chemicals.....	197	229	243	275	944	255	207	255	285	1,002	289	251
Oil refining.....	54	93	116	98	361	84	72	95	86	337	94	105
Iron and steel.....	275	345	408	477	1,505	429	487	440	488	1,844	592	661
Nonferrous metals.....	81	89	91	99	360	100	94	95	110	399	127	133
Machinery (excluding electrical).....	226	299	392	388	1,305	427	494	497	538	1,956	588	670
Electrical machinery.....	112	163	163	212	650	190	203	214	174	781	237	238
Transportation equipment.....	99	140	210	261	710	271	345	313	338	1,267	318	368
Automobiles.....	203	232	150	234	819	160	173	197	261	791	222	254
Miscellaneous manufacturing.....	197	264	319	265	1,045	269	318	333	304	1,224	310	318
Trade.....	268	425	592	737	2,022	577	555	657	674	2,463	761	766
Retail.....	130	213	324	433	1,100	334	253	373	418	1,378	430	379
Wholesale.....	138	212	268	304	922	243	302	284	256	1,085	331	387
Finance.....	-10	0	8	11	9	24	38	48	55	165	58	60
Transportation.....	114	168	225	208	715	224	372	504	515	1,615	436	514
Railroads.....	53	83	116	107	359	107	241	346	368	1,062	307	375
Other.....	61	85	109	101	356	117	131	158	147	553	129	139
Communications.....	74	78	72	73	297	81	88	88	103	360	107	107
Power and gas.....	223	184	178	192	777	248	212	221	226	907	287	241
Miscellaneous.....	68	80	103	111	362	119	135	175	177	606	149	136

¹ The estimates for 1941 and 1942 are revised from those published in the June issue of the Survey of Current Business. The revision was occasioned by the release by the Bureau of Internal Revenue of preliminary tabulations of corporate income-tax returns for 1941.

Table 7.—Estimated Corporate Profits After Taxes, by Industrial Divisions, Quarterly, 1941-43¹

[Millions of dollars]

Industrial division	1941					1942					1943	
	I	II	III	IV	Total	I	II	III	IV	Total	I	II
Total.....	1,323	1,711	2,017	2,226	7,277	1,636	1,779	1,934	2,027	7,376	1,883	2,005
Mining.....	40	47	48	46	181	50	51	49	52	202	49	51
Manufacturing.....	922	1,205	1,376	1,487	4,990	1,082	1,154	1,182	1,246	4,664	1,138	1,230
Food, beverages, and tobacco.....	112	144	165	165	586	126	140	166	172	604	140	143
Textiles and leather.....	71	107	129	134	441	97	117	102	98	414	107	122
Paper and printing.....	45	63	78	91	277	76	54	39	45	214	70	74
Chemicals.....	100	116	123	140	479	105	85	105	118	413	101	88
Oil refining.....	34	58	71	61	224	56	48	62	57	223	51	57
Iron and steel.....	130	163	192	225	710	134	152	138	153	577	142	159
Nonferrous metals.....	38	42	43	47	170	41	38	38	45	162	38	40
Machinery (excluding electrical).....	105	139	182	180	606	139	161	162	177	639	141	161
Electrical machinery.....	49	71	71	91	282	54	57	61	49	221	64	64
Transportation equipment.....	40	56	84	105	285	77	98	89	96	350	90	105
Automobiles.....	94	107	69	109	379	76	76	86	115	347	80	91
Miscellaneous manufacturing.....	104	139	169	139	551	107	128	134	121	490	114	126
Trade.....	153	243	339	423	1,158	246	246	280	286	1,052	286	288
Retail.....	76	125	190	255	646	134	101	149	168	552	161	142
Wholesale.....	77	118	149	168	512	112	139	131	118	500	125	146
Finance.....	-75	-84	-85	-71	-315	-58	-45	-42	-40	-185	-20	-12
Transportation.....	65	96	129	119	409	110	140	242	249	781	186	223
Railroads.....	30	47	65	61	203	52	115	165	176	508	127	159
Other.....	35	49	64	58	206	58	65	77	73	273	59	64
Communications.....	45	48	44	45	182	34	37	37	43	151	44	44
Power and gas.....	142	117	114	123	496	122	105	109	112	448	133	119
Miscellaneous.....	31	39	52	54	176	50	57	77	79	263	67	62

¹ The estimates for 1941 and 1942 are revised from those published in the June issue* of the Survey of Current Business. The revision was occasioned by the release by the Bureau of Internal Revenue of preliminary tabulations of corporate income-tax returns for 1941.

mates. However, except for the reduction in prices on 1943 deliveries, secured in the course of the 1942 renegotiations, the possible renegotiation of 1943 income has not been taken into account.

According to a recent release, renegotiation by the War and Navy Departments and the Maritime Commission during the 14 months ended June 30, 1943, resulted in actual rebates of 1,523 million dollars, with an additional 2,031 million in price reductions on future deliveries. Nearly all of the rebate represented a reduction in 1942 earnings.

It seems reasonable, in view of the price reductions on 1943 deliveries already secured, and since additional contracts will be based on more complete knowledge of

costs, to expect rebates on 1943 earnings to be substantially lower. Additional renegotiation of 1943 corporate income will act chiefly to reduce taxes and profits before taxes but will have only a slight effect on profits after taxes. The probability that corporations have tried to be on the safe side in their tax allowances for the first half of the year may tend to counteract the effect of renegotiations.

Electric Power and the War

Electric energy to the extent of approximately 148 billion kilowatt-hours will be utilized by the Nation's manufacturing and extractive industries in 1943. In

terms of horsepower, this means that every American workman will, on the average, have the energy of more than 6 horses working under the guidance of his hand in every hour of work throughout the year.

The data in table 8 show electric energy consumption per man-hour, by industry groups. The detailed data cannot be shown for reasons of security, but the range of power use in 1942 was from 185 kilowatt-hours, or 248 horsepower-hours, per man-hour in certain extractive industries to 0.22 kilowatt-hours, or 0.30 horsepower-hours, per man-hour in one of the apparel industries.

Table 8.—Kilowatt-Hours per Man-Hour in Manufacturing and Mining Industries¹

Item	1939	1940	1941	1942
Mining, total.....	7.02	7.30	7.55	7.45
Nondurable manufactures, total.....	4.51	5.02	5.01	5.01
Manufacturing and mining, total.....	4.70	4.99	4.75	4.55
Manufacturing, total.....	4.53	4.82	4.59	4.40
Durable manufactures, total.....	4.56	4.61	4.22	3.96
INDUSTRIAL GROUP OR INDUSTRY				
Nonferrous metals and their products.....	14.20	15.29	15.42	20.65
Products of petroleum and coal.....	17.46	18.00	18.69	18.00
Paper and allied products.....	17.39	18.24	17.21	17.73
Metalliferous mining.....	16.35	16.42	16.71	17.60
Chemicals and allied products.....	16.15	18.32	17.41	14.36
Stone, clay, and glass products.....	8.63	9.07	8.93	8.92
Quarrying and nonmetallic mining.....	6.35	7.02	7.55	8.38
Anthracite mining.....	8.16	8.77	8.68	7.40
Iron and steel and their products.....	6.53	6.60	6.20	6.00
Rubber products.....	6.98	6.88	6.52	5.26
Bituminous coal mining.....	5.06	4.98	5.07	4.86
Crude petroleum production.....	3.80	4.40	4.54	4.23
Food and kindred products.....	3.75	3.77	3.86	3.63
Textile-mill products and other fiber manufactures.....	3.20	3.58	3.59	3.63
Automobiles.....	3.41	3.37	3.17	3.22
Electrical machinery.....	2.82	2.88	2.52	2.25
Machinery, except electrical.....	1.88	1.87	1.76	1.67
Printing, publishing, and allied industries.....	1.38	1.45	1.47	1.45
Lumber and timber basic products.....	1.48	1.56	1.42	1.37
Furniture and finished lumber products.....	.94	1.01	1.00	1.02
Transportation equipment except automobiles.....	1.54	1.27	1.04	.95
Miscellaneous industries.....	1.08	1.11	1.67	.94
Tobacco manufactures.....	.69	.74	.78	.74
Leather and leather products.....	.63	.68	.67	.68
Apparel and other finished textile products.....	.25	.27	.27	.28

¹ Items in this table are arranged in decreasing order of magnitude according to the 1942 data.

Source: Federal Power Commission.

The Federal Power Commission, in analyzing industrial demands for electric power, has found that our industries have, in the aggregate, used less electric energy per man-hour in 1941 and 1942 than in 1940. This surprising result was chiefly due to the fact that, since the national defense program got under way far more workers have gone into factories where materials are processed into finished products than into establishments producing the raw materials.

Employment in manufacturing, for instance, expanded 50 percent from 1939 to 1942, while in the extractive industries it rose only 10 percent. Since the production of raw materials requires more electric energy per man-hour than is required in their processing, the national average consumption of power per worker per hour has dropped slightly.

Total Demand for Electric Power.

The aggregate amounts of electric energy used by each broad industry group since 1939 are shown in table 9, with estimates for 1943. The industries

whose products are now primarily destined for war purposes have, as would be expected, increased their aggregate power consumption more than the others. In the 4 years since 1939, the nonferrous metal and transportation equipment industries have tripled their use of electric energy, while the chemical and machinery industries, except electrical, have almost tripled theirs.

It will be noticed that the iron and steel industry, including products, which used the most power in 1939, will probably be in second place in 1943. The paper and allied products industry, which was second in the array of power users in 1939, has been displaced by both the chemical and nonferrous metal industries. These estimates of 1943 electric power consumption are, of course, dependent upon the accuracy of the estimates of the 1943 output of the various industries concerned.

Table 9.—Electric Power Consumed by Various Industrial Groups

[Millions of kilowatt-hours]

	1939 ¹	1940 ²	1941 ²	1942 ²	1943 ³
Total manufacturing.....	71,355	83,122	103,340	121,268	136,180
Chemicals and allied products ⁴	9,335	11,871	15,076	19,075	25,410
Iron and steel and their products ⁴	12,399	14,983	19,044	21,596	23,110
Nonferrous metals and their products.....	6,432	8,331	11,505	17,901	20,890
Paper and allied products.....	9,394	10,362	11,581	11,917	11,240
Transportation equipment, including automobiles ⁴	3,036	3,926	5,426	7,662	10,630
Textile-mill products.....	6,805	7,363	9,064	9,600	9,650
Food and kindred products ⁴	6,562	6,657	7,478	7,681	8,010
Stone, clay, and glass products.....	4,852	5,359	6,587	6,804	6,290
Machinery, except electrical.....	1,985	2,529	3,576	4,555	5,530
Products of petroleum and coal.....	3,440	3,815	4,318	4,571	4,570
Electrical machinery.....	1,432	1,817	2,508	2,943	3,580
Rubber products.....	1,584	1,652	2,046	1,730	2,040
Lumber and basic timber products.....	1,238	1,364	1,524	1,555	1,480
Printing and publishing.....	859	914	983	943	940
Miscellaneous industries.....	527	587	735	796	930
Furniture and finished lumber products.....	605	685	810	820	800
Apparel and other finished products.....	353	375	447	478	480
Leather and leather products.....	402	407	494	502	450
Tobacco manufactures.....	115	125	138	139	150
Total extractive industries.....	8,497	9,619	10,589	11,336	11,560
Coal mining.....	3,529	3,988	4,282	4,551	4,690
Metal mining.....	2,922	3,348	3,790	4,224	4,280
Crude petroleum and natural gas ⁴	1,236	1,364	1,364	1,314	1,400
Nonmetallic mining and quarrying.....	810	919	1,153	1,247	1,190
Other activities ⁵	1,594	1,764	2,203	3,159	4,200
Total industrial power consumption.....	81,446	94,505	116,132	135,763	151,940

¹ Data reported by the Census of Manufactures covering more than 180,000 establishments and the Census of Mineral Industries, except for those relating to "Other activities," which were compiled by the Federal Power Commission. Composition of 5 industry groups shown above differ from the corresponding Census groups, because certain industries were shifted from one group to another and certain other industries not covered by the Census were included. Totals for these groups will therefore not agree with energy consumption as reported by the Census.

² Data are based on reports to the Federal Power Commission by about 25,000 establishments. The reporting firms in 1939 covered about 93 percent of the Census of Manufactures and 75 percent of the Census of Mineral Industries. Coverage of sample of "Other activities" is unknown, but probably considerable. Data derived from these samples were raised to Census level.

³ Estimates prepared by the U. S. Department of Commerce.

⁴ Slightly different grouping from the Census classification.

⁵ Includes railroad car shops and other rail services, warehouses and cotton gins, local utilities and public services, and nonmanufacturing Government plants.

The total production and utilization of electric energy is outlined in table 10. From 1939 to 1943 the increase in the demand for electric energy is expected to be nearly 110 billion kilowatt-hours. Of this amount, industrial use alone will account for two-thirds. The other one-third will be due chiefly to expanding commercial, domestic, and Government demands. There will also be a substantial, although not pro-

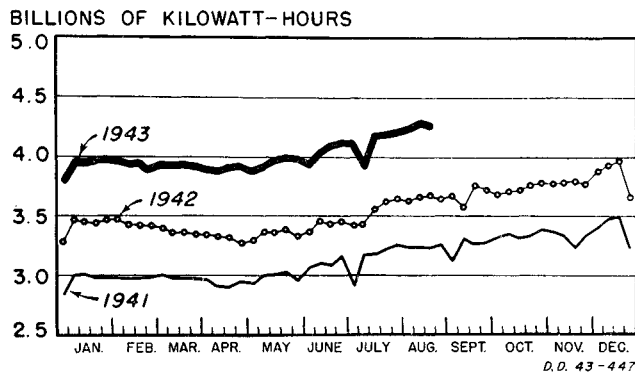
portional, increase in losses and energy unaccounted for (item 18 in table 10). These losses represent energy used up in the transmission and distribution of power.

By December 1943, the month of the seasonal peak demand for electric power, the Nation's power requirements will probably aggregate around 25 billion kilowatt-hours, or at the annual rate of 300 billion. This demand, if it reaches the magnitude expected, will be 14 percent higher than the gross energy requirements of December 1942.

Supply of Electric Energy.

The total amount of electric energy actually supplied, as measured by production and imports, is also shown in table 10. Large industrial establishments generating their own power accounted for one-fifth of

Chart 4.—Weekly Electric-Power Production for Public Use



Source: Edison Electric Institute.

the total in 1939. Since then this privately produced portion has dropped somewhat, to about 18 percent, because private industrial power output has not increased as fast as that generated by central stations. Net imports contribute only about 1 percent of the total. The rate of output of the major portion of the electricity supply—that produced for public use—is shown in chart 4.

A crucial factor determining whether an adequate supply of electric power will be available for the Nation's wartime requirements is, of course, the time, the magnitude, and the place where each particular peak demand will occur. December is the peak month of the year in practically all areas of the country, and, as shown in chart 5, 8 to 10 a. m. and 5 to 7 p. m. normally are the peak hours of the day. It is clear from this chart that during the hours when most people sleep the demand for electric power declines sharply. One reason why the electric power industry has been able to satisfy the rapidly growing demand for power is that it normally has a very large amount of capacity for which no load is available during a large portion of the time.

As is well known, electric generating plants must have sufficient capacity to accommodate the peak demand for power. This occurs usually in December

Table 10.—Total Supply and Utilization of Electric Energy ¹

[Millions of kilowatt-hours]

Line No.		1939	1940	1941	1942	1943 ²
UTILIZATION OF ELECTRIC ENERGY						
Manufacturing and extractive industries:						
1	Power purchased by large light and power consumers ³	51,108	59,557	76,061	88,378	106,400
2	Power generated and consumed in industrial establishments.....	32,900	38,200	43,000	47,600	49,500
3	Power imported and consumed in industrial establishments.....	864	1,176	1,373	952	1,000
4	Total of above, nearly all industrial.....	84,872	98,933	120,434	136,930	156,900
5	Commercial demand: Small light and power consumers ⁴	20,722	22,373	24,628	27,233	29,000
Domestic:						
6	Residential.....	21,084	23,318	25,124	26,937	29,000
7	Rural.....	1,881	1,991	2,352	2,890	3,000
8	Total domestic.....	22,965	25,309	27,476	29,827	32,000
9	Energy produced and consumed by electric railways, municipal street-lighting concerns, and other producers.....	6,025	5,548	3,869	3,880	7,000
Traction:						
10	Street and interurban railways.....	3,918	3,974	3,960	4,256	4,800
11	Electrified steam railroads.....	1,847	1,935	2,118	2,372	2,600
12	Total traction.....	5,765	5,909	6,078	6,628	7,400
Government:						
13	Street and highway lighting.....	2,002	2,048	2,110	2,061	2,000
14	Other public authorities.....	2,538	2,720	3,093	4,206	9,000
15	Total Government.....	4,540	4,768	5,203	6,267	11,000
16	Power used by utilities themselves.....	1,709	1,720	2,466	2,417	2,800
17	Interdepartmental.....	667	727	614	1,074	1,220
18	Losses and energy unaccounted for.....	18,735	20,011	22,702	24,611	26,680
19	Total utilization of electric energy.....	166,000	185,298	213,470	238,867	274,000
PRODUCTION AND IMPORTS OF ELECTRIC ENERGY						
20	Central station generation (private and municipal utilities and Government power districts).....	127,186	141,358	164,298	185,015	218,000
21	Electric railways and railroads and noncentral stations.....	2,299	2,718	3,021	3,108	3,200
Industrial, certain mining and manufacturing plants:						
22	For public use.....	851	908	851	744	800
23	For their own use.....	32,900	38,200	43,000	47,600	49,500
Net imports:						
24	For public use.....	1,900	937	927	1,448	1,500
25	For private use.....	864	1,177	1,373	952	1,000
26	Total net imports.....	2,764	2,114	2,300	2,400	2,500
27	Total power for public use (20, 21, 22, and 24).....	132,236	145,921	169,097	190,315	223,500
28	Total power for private use (23 and 25).....	33,764	39,377	44,373	48,552	50,500
29	Total production and imports of electric energy.....	166,000	185,298	213,470	238,867	274,000

¹ Based on data compiled by the Federal Power Commission and the Edison Electric Institute.

² Estimated by the Department of Commerce.

³ Includes a small portion of commercial light and power.

⁴ Includes some small industrial light and power.

and on a workday at a morning or evening hour when domestic, street lighting, transportation, commercial, and industrial needs all coincide to the greatest extent.

In December 1942, as shown in table 11, when the electric-power industry was facing the largest demand for power it had ever been called upon to meet, the total energy output was equivalent to operation at full capacity for only 52 percent of the time. Complete (100 percent) utilization would be attained only if every kilowatt of installed capacity were in use during each of the 744 hours of the month. As indicated above, the characteristics of the load served are such that the total capacity cannot be utilized 100 percent of the time.

In addition, equipment must be taken out of service periodically for maintenance and repair, and reserves must be provided for emergency break-downs.

Table 11.—Electric Power Production of All Plants Producing for Public Use, Plant Installed Capacity, and Utilization of Capacity, 1939-42

	1939		1940		1941		1942	
	Total	Annual rate, Dec.	Total	Annual rate, Dec.	Total	Annual rate, Dec.	Total	Annual rate, Dec.
Production, billions of kilowatt-hours:								
All plants.....	130.3	144.9	145.0	161.5	168.2	187.8	188.8	212.2
Fuel plants.....	86.3	106.7	97.2	108.7	116.9	133.9	124.8	138.9
Hydro plants.....	44.0	38.2	47.8	52.8	51.3	53.9	64.0	73.3
Installed capacity, end of year, millions of kilowatts: ¹								
All plants.....	40.3		41.6		44.1		46.6	
Fuel plants.....	28.9		30.0		31.8		33.4	
Hydro plants.....	11.4		11.7		12.3		13.2	
Utilization of installed capacity, percent: ²								
All plants.....		41.0		44.3		48.6		52.0
Fuel plants.....		42.1		41.4		48.0		47.5
Hydro plants.....		38.2		51.6		50.2		63.3

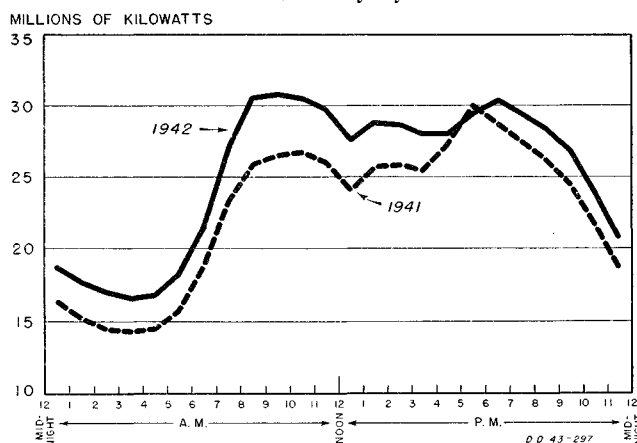
¹ Name plate rating.

² 100 percent of capacity would be attained only if every kilowatt of installed capacity were in use during every hour of the month.

Source: Based on data from the Federal Power Commission, except installed capacity for December 1942, which is from the Edison Electric Institute.

Obviously one important aspect of the problem of balancing power requirements with supply is to get as many as possible of the users of large amounts of electricity to carry on or increase their operations at night or during off-peak hours. This is difficult to arrange, because it requires, essentially, that more industrial operations be carried on at night. In such a situation, the ordinary living habits of workers and operating schedules of many types of economic activity must be almost completely changed. A certain amount of this smoothing

Chart 5.—Typical Daily Load Curve in December for Class I Electric Utility Systems



Source: Federal Power Commission.

of the load curve has already occurred. With many industrial plants now operating on a multiple-shift basis, the average demand for power is considerably higher relative to the peak industrial demand than during pre-war years. It is doubtful, however, that

much can be done toward smoothing the residential, commercial, transportation, and other load curves because of the extensive changes in community habits that would be required.

Adequacy of electric power supply is, with due reservations, a regional problem. This is true because, with existing transmission facilities, there is a limit to the extent to which, at a given time, surplus power from one region can be sent into a region with a power deficit. Hence one of the guiding considerations in determining the location of new war plants has been the available supply of local power.

Table 12.—Utilization of Electric Generating Capacity in December 1942, by States¹

State or group of States	Electric energy production for public use (mil. of kw.-hrs.)	Electric generating capacity ²		Percent utilization of theoretical capacity
		Amount (thous. of kw.)	Percent of United States total	
United States, including District of Columbia.....	17,381	45,324	100.0	51.5
Montana.....	217	338	.7	86.4
4 States with utilization ratios between 70-80 percent ³	1,315	2,425	5.3	72.9
3 States with utilization ratios between 60-70 percent ⁴	1,523	3,170	7.0	64.6
13 States with utilization ratios between 50-60 percent ⁵	7,886	19,332	42.7	54.8
17 States with utilization ratios between 40-50 percent ⁶	5,728	17,002	37.5	45.3
5 States with utilization ratios between 30-40 percent ⁷	493	1,974	4.4	33.5
4 States with utilization ratios between 20-30 percent ⁸	209	980	2.2	28.6
Mississippi.....	8	64	.1	15.7
Delaware.....	2	38	.1	5.4

¹ Data cover all plants producing for public use except electric railways, electrified steam railroads, and publicly owned noncentral stations.

² Name plate rating.

³ Louisiana, West Virginia, Nevada, Oregon.

⁴ Alabama, Arizona, Washington.

⁵ New Jersey, Pennsylvania, Ohio, Indiana, Illinois, Michigan, Maryland, District of Columbia, Virginia, Georgia, Tennessee, Oklahoma, Texas.

⁶ Maine, Vermont, Massachusetts, Rhode Island, Connecticut, New York, Wisconsin, Minnesota, Iowa, Kansas, North Carolina, Florida, Kentucky, Idaho, Colorado, Utah, California.

⁷ Missouri, North Dakota, South Carolina, Wyoming, New Mexico.

⁸ New Hampshire, South Dakota, Nebraska, Arkansas.

Sources: Production, Federal Power Commission; generating capacity, Edison Electric Institute.

Inevitably, therefore, war industries requiring large amounts of power for their particular operations were attracted to the most readily available sources of large new supplies of power. Since these were located in the Tennessee, Colorado, and Columbia River Valleys, the swiftest expansion in power output, as may be seen in chart 6, has been in the East South Central, Pacific, and Mountain States.

The degree of utilization of plant capacity varies widely from one community to another. This is indicated in table 12 for December 1942. The State is really not a good geographical unit for illustrating this point, but security reasons prevent showing data for the more appropriate power supply areas.

The relative cost of electric energy from various sources is, in addition to the adequacy of transmission facilities, another important factor governing the degree of utilization of electric plant capacity in different

localities. Thus communities within range of large hydroelectric plants may find it cheaper to buy energy from them and import it rather than to use higher-priced electricity produced by their own local electricity plants. In such cases, the result is, of course, to lower the utilization of the local plants and raise that of the plants exporting the energy.

Table 13.—Electric Generating Capacity and Power Requirements in the United States, by Power Supply Regions, Class I Electric Utility Systems

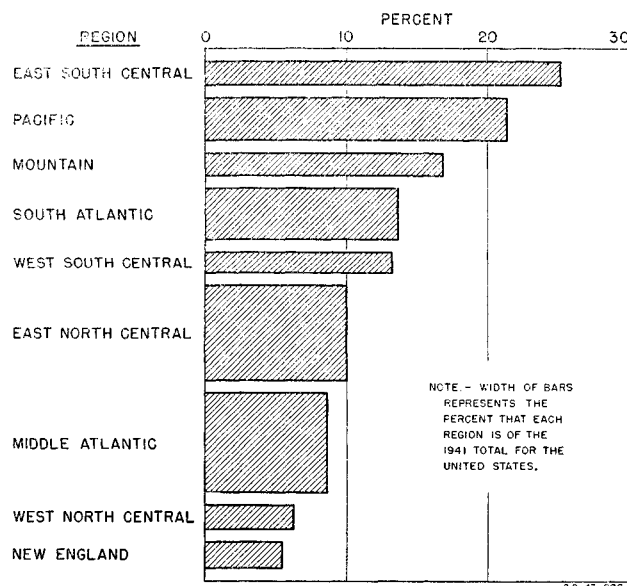
Region	Dependable capacity ¹			Peak requirements		
	December 1942	December 1943	Percent increase	December 1942, actual	December 1943 (forecast)	Percent increase
United States....	Millions of kw. 39.7	Millions of kw. 43.5	9.7	Millions of kw. 32.9	Millions of kw. 37.9	14.9
I—Northeast.....	12.0	12.5	4.2	9.6	10.6	10.1
II—East Central.....	8.1	8.9	10.0	6.8	7.9	15.1
III—Southeast.....	4.9	5.4	11.6	4.4	5.0	15.5
IV—North Central.....	5.3	5.8	9.3	4.3	4.9	13.0
V—South Central.....	2.1	2.4	14.1	1.8	2.1	17.2
VI—West Central.....	1.2	1.3	5.6	0.8	1.0	18.1
VII—Northwest.....	2.5	3.1	24.3	2.3	2.9	24.8
VIII—Southwest.....	3.7	4.2	14.3	2.8	3.5	22.5

¹ Includes net firm power purchases.

Source: 1942 data reported by Federal Power Commission; December 1943 data are estimates made by class I electric utility systems.

In most regions of the country, the regional dependable capacity of power producers that was in operation last December will equal or exceed the regional peak requirements expected in December 1943. The De-

Chart 6.—Percentage Increase in Electric-Power Production, 1942, From 1941



cember 1943 requirements shown in table 13 are estimates of the leading electric utility companies.

In two of the regions, however, December 1943 requirements will exceed last December's actual depend-

able capacity. In these regions new generating capacity scheduled for completion this year will be needed to avert a power shortage in the peak period. Any shortage that may occur will in all probability be just during the peak hours of the winter season. Moreover, such shortages, if threatened, might be averted by emergency temporary measures to import power from some not-too-distant surplus power area; or, if it became necessary to curtail power use, such curtailment could be limited to the less essential uses.

Another aspect of the power supply problem in areas having hydroelectric power is rainfall and the resulting stream flow. As may be seen in table 11, about 28 percent of the Nation's central station electric generating capacity is run by water power. During the first 6 months of this year the output of hydroelectric plants has gained 27 percent over the corresponding period of 1942, while the output of the fuel plants has risen only 12 percent. Unless weather should become much more adverse during the second half year, no serious shortage of electric energy is expected from the standpoint of water power in the areas largely served by hydroelectric plants.

Electric Utility Expansion Part of Nation's Industrial Expansion.

In broad perspective, the expansion in generating capacity and output of the electric utility industry is only one aspect, but a very vital one, of the expansion of the Nation's general productive capacity. In manufacturing establishments, for instance, productive capacity as measured by total installed horsepower of their machinery and equipment has expanded from 50 million in 1939 probably to at least 60 million horsepower at the end of the present year. Although around one-third of this great aggregate of industrial machinery and equipment is operated by power generated in these industrial establishments, the remaining two-thirds of it is activated by power purchased from the electric utilities. Hence the capacity of the electric industry to generate power has barely kept pace with the requirements of this increasing stock of power-driven equipment of all types.

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Wartime Savings and Post-war Markets

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The Market for Full Production.

If business as a whole is to achieve a high level of productive employment after the war, a great many individual businesses must produce and sell a much larger volume than they ever enjoyed in a peacetime year. (See *Survey of Current Business*, April 1943, "Post-War Manpower and Its Capacity to Produce.")

The probable success of any such expansion is greatly affected by decisions made in other businesses with regard to how much they will produce and, therefore, how much they will pay out in wages and other income payments to consumers. It is also affected by the decisions of consumers as to how much of their income shall be spent.

In view of this dependence on what others do about it, each business needs some assurance that the net balance of these decisions will be in favor of expansion rather than contraction. Lacking such assurance, one may well hesitate to plan boldly and aggressively.

There is a possible basis for such assurance in the post-war period which did not exist before the war. "Something new has been added" which is too big and too important to be overlooked by those who are formulating post-war plans. This force may be constructively favorable or it may be destructive in its violence.

Significance of Wartime Savings.

The enormous quantity of liquid, spendable reserves accumulating in the hands of individuals as the result of wartime saving constitutes a reservoir of purchasing power which will be in addition to incomes earned after the war. These savings provide a potential market for goods which is partially independent of the decisions of others as to whether they will expand or contract production and employment in their business.

An appraisal of the impact of wartime savings on post-war markets requires consideration of (a) the magnitude of these savings; (b) their form and ownership; (c) the motives determining their accumulation; (d) how they are likely to affect the expenditure decisions of consumers after the war; and (e) their relation to other influences affecting these decisions.

Before proceeding with this analysis, it may be well for us to anticipate some of the conclusions by pointing out that, peculiarly enough, the favorable effect on post-war markets does not require that these reserves be spent after the war. It is true that the individual consumer will be able to draw on this reservoir to buy goods which are not available during the

war. Also, he will be in a much better position than he ever was before to keep up his expenditure on current consumption in the face of unemployment. In the aggregate, however, most of the goods purchased by consumers after the war will be paid for by the income earned in their production and not by drawing on past savings.

The major significance of these reserves lies in their probable influence on the decisions of both consumers and producers. They will tend to make the average consumer willing to spend more and save less out of his post-war income than he would if these reserves had not been accumulated. When he recognizes the potentialities of this reservoir of purchasing power, the average producer will be more ready to expand employment and production in order to supply this market. The resulting wages and other income payments to consumers will provide the buying power to take a larger volume of consumers' goods off the market without using up the reserves in the period immediately after the war. Thus, while the individual consumer and producer think of wartime saving as a spendable reserve of buying power, the net effect of their combined actions may well be to increase both production and current income and leave the reserve largely intact.

This paradox, that wartime savings do not have to be spent in order to influence post-war markets; that while any individual can, of course, spend his reserves immediately after the war, consumers as a group may find it impossible to do so, is sufficiently startling to call for substantiation in a later section of this article. It is important, since plans for expansion to employ more people in producing more goods must usually be based on a continuing market for those goods. If these reserves were to be drawn down to finance a temporary replacement boom, or to maintain a high rate of consumer expenditures in the face of a sharp drop in employment, their influence would be comparatively short-lived. Actually, as indicated below, they probably will not be used up in this manner, and therefore their favorable effect may be extended over a longer period. (Of course, such a favorable influence does not eliminate the possibility of a depression at some future time.)

The real danger is not that the dollar value of these reserves will be dissipated in a few months of buying to replace consumers' inventories of durable goods. The real danger is that, because of these reserves, the aggregate demand for goods will exceed the supply—thus causing inflation.² Inflation could reduce the purchas-

¹ The author wishes to acknowledge the able assistance of E. T. Weiler, who made a major contribution to this article.

² This article is a logical extension of E. T. Weiler's earlier discussion of "Wartime Savings and Post-war Inflation," *Survey of Current Business*, July 1943.

ing power of wartime savings so that they would provide very little protection against the collapse which would follow an inflationary period.

Within limits, the accumulated buying power can provide a favorable atmosphere for business expansion after the war. If the accumulation of liquid reserves is not held within these limits, or if the alternative controls are inadequate, they can be dissipated in a frantic effort to buy more goods than can be produced—thus leading to inflation either during or after the war.

How Large Are These Savings?

For the purpose of the present discussion savings can be defined as the difference between the individual's *money income*, excluding capital gains or losses, and his expenditures on all goods and services, including taxes but excepting purchases of dwellings and of property intended to yield a money income.³

Using this definition, the following table tells the story of the enormous increase in these savings during the war.

Individual Savings as Estimated by the Department of Commerce, 1940-43

	Billions of dollars			
	1940	1941	1942	1943
Total income payments to individuals.....	76.5	92.2	115.5	142
Direct personal taxes.....	3.3	4.0	6.6	16
Disposable income.....	73.2	88.2	108.9	126
Spent for goods and services.....	65.7	74.6	82.0	90
Savings of individuals (including unincorporated business).....	7.5	13.6	26.9	36

Another method of measuring savings is simply to add up all of the changes in individual holdings of currency, bank deposits, securities, real estate, and other forms in which savings accumulate. Such a compilation by the Securities and Exchange Commission provides an independent check on the above Department of Commerce data and also shows in what form savings are being accumulated.⁴

³ The purchase of consumers' durable goods is sometimes thought of as an investment in future consumption and, therefore, a form of savings out of current income. The resulting current consumption takes on a hybrid character, consisting partly of purchase transactions, which do generate economic activity, and partly of depreciation estimates which do not generate economic activity. This is inappropriate to a discussion of markets.

Dwellings are an exception because they do yield a monetary return either directly, if occupied by someone other than the owner, or indirectly through the avoidance of rental payments. This is admittedly arbitrary. In the final analysis we are concerned not with savings as thus defined but with what is left after all expenditures, including purchases of dwellings and purchases of any other durable goods that the individual consumer may have bought as an investment outlook for his savings. However, the proportion of wartime savings thus spent is very small and the data are not readily available in that form.

Savings as defined above, are negatively related to the individual's decision not to spend rather than positively connected with a decision to "save" in the sense of putting the money into war savings bonds, savings bank deposits or other savings institutions. Thus these savings may be in the form of net repayment of consumer debt or simply increased amounts of currency held by individuals.

⁴ The discrepancies between the two estimates are due not only to possible inaccuracies in the underlying data but also to certain conceptual differences. For example, during 1940 and 1941 there is reason to believe that unincorporated businesses were using their net savings in addition to depreciation and other reserves to purchase equipment and increase their inventories. To the extent that these savings were used for such purchases they do not appear in any of the categories tabulated by

Individual savings, as estimated by the Securities and Exchange Commission, 1940-42

	Billions of dollars		
	1940	1941	1942
Increased equity in nonfarm dwellings.....	1.7	1.9	1.3
Increased equity in private insurance.....	1.7	2.1	2.4
Increase holdings of State, local government, and corporate securities.....	-.6	-.7	.2
Increased equity in savings and loan associations.....	.3	.3	.3
Liquidation of consumer purchase debt to corporations.....	-3.1	-3.6	-4.2
Increased holdings of U. S. Government bonds.....	-1.1	-.6	2.8
Increased holdings of currency and bank deposits.....	.7	3.2	10.2
	3.0	5.6	11.7
	3.7	8.8	21.9
Total.....	5.7	11.8	28.9

The first of the three subtotals has not been greatly affected by the war. In the second, the significance of the liquidation of a large part of consumer installment debt is so clear that it requires no elaboration. Up until some time in 1941 individuals were buying goods on credit faster than they were paying off this debt out of current income. Since then they have been paying off this debt. The liquidation is continuing.

The biggest change has occurred in the holdings of highly liquid assets—currency, bank deposits, and Government bonds. While estimates are not available for 1943, it seems likely that another 25 to 35 billion dollars of these liquid assets will be accumulated this year.

In order to appreciate the significance of these totals, some benchmarks are needed to provide perspective. Here are a few:

1. If the war lasts through 1944 the total savings for the 3 years 1942-44 will be substantially larger than the total income of individuals in the best prewar year.

2. Never before 1941 did the annual savings of individuals exceed 10 billion dollars. The average for the previous decade was less than 5 billion dollars. In 1943 they will probably exceed 35 billion dollars.

3. The additions to the *individual* holdings of these liquid assets in the one year 1943 will be larger than *individual* and *corporate* accumulations during the 2-year period April 1917 to June 1919, including all of World War I.

With the limited supply of many goods and services diverting expenditures in ways which appear conspicuous and wasteful, the impression is created that

Footnote 4 continued

the Securities and Exchange Commission but are included in the estimates by the Department of Commerce. In 1942, on the other hand, there is reason to think that unincorporated businesses were liquidating inventories and spending less on new equipment than their depreciation charges. Thus they would be able to add to their highly liquid assets (those items tabulated by the Securities and Exchange Commission) in excess of their savings out of current earnings.

The Federal Reserve Board has made an exploratory study of the distribution of demand deposits by type of depositor. A more complete study is in process. The apparent discrepancies between the Securities and Exchange Commission figures and those derived by the Federal Reserve Board's exploratory study are due in part, at least, to differences in concept. In any event, they do not invalidate the analysis which follows.

those who have had large increases in income because of the war are spending every cent of that increase. This impression is heightened because the people who are splurging with unaccustomed wealth get attention far out of proportion to their actual numbers, while those who are saving large amounts remain unnoticed.

Unfortunately, there is no consumer survey adequate to prove or disprove this impression. Such collateral evidence as does exist tends to support the estimates of accumulating national savings. For example, there are the known pay-roll deductions for war bonds and the fact that comparatively few of these bonds are being cashed.

Who Holds These Liquid Reserves?

As indicated above, the rate of saving in the form of increased equity in insurance and real estate has not expanded markedly as a result of the war. Therefore, the question of ownership is relatively unimportant. Since most of the instalment and other purchase debt was owed by people with relatively modest incomes the liquidation of this debt represents savings by these individuals. The amount of the corresponding expansion of consumer debt after the war—the extent to which expenditures out of current income will be augmented by net purchases on credit—will depend, of course, on business conditions and the extent of credit restrictions at that time. While of major importance, the magnitude and significance of this item is much less than the accumulation of liquid reserves of buying power. It is important, therefore, to know what consumer groups have been accumulating these reserves.

In the 3 years ending December 31, 1943, individual holdings of currency, bank deposits and Government bonds will have increased roughly 60 billion dollars. Part of this total will be in the hands of unincorporated business enterprise—producers rather than consumers. Some of it will be held by the very wealthy where presumably it will have comparatively little effect on their spending habits. It can be demonstrated, however, that most of it, possibly 35 to 45 billion dollars, will be owned by consumers whose incomes are now less than \$10,000 per year.⁵ Since it represents a large increase in their liquid reserves it can be expected to exert a profound effect on their decisions as to how they spend their postwar income.⁶

⁵ It is not possible to make a clear-cut distinction between noncorporate business holdings of cash and Government bonds and those held by consumers. Do the holdings of a physician or a farmer belong in the producer or the consumer category? While they arise from and may be needed in the business enterprise they certainly have a bearing on his decisions as a consumer. The same reasoning applies to the self-employed in many small stores and service establishments. On the other hand, those who are now employees of corporations may use their savings not as consumers but to set themselves up as a business enterprise after the war.

Granting this twilight zone where increased noncorporate holdings of liquid reserves may or may not affect the individual's decisions as a consumer, certain items may logically be deducted as more or less definitely committed to the business enterprise. These include (a) unspent depreciation reserves; (b) net proceeds from inventory depletion; and, (c) net proceeds from repayment of outstanding receivables. From the available evidence it appears that noncorporate accumulations from these three sources in the 3 years 1941-43 will not exceed 10 percent of the total increase in individual holdings of liquid assets. Even if we include the undistributed profits of those

Motives for Saving.

To say that this large accumulation of savings has been forced by the war is not strictly accurate. It is true that if consumers as a group tried to spend all of their income for the limited supply of civilian goods and services the net effect would be to increase the prices paid without any great change in the aggregate quantity bought. But it is also true that any one individual consumer can spend all of his income if he so desires. His decision not to spend results from a change in the desirability of current spending relative to the desirability of saving for the future. It is important to know just how this change has occurred and what it indicates as to the income-administration decisions of consumers after the war.

Normally, saving has one or more of three purposes: (a) Investment to yield a return which will supplement income from other sources; (b) planned future expenditures which cannot be made conveniently out of income even though that income is not curtailed; and, (c) protection against various contingencies which might result in a loss of income or in extraordinary expenses. The relative importance of these motives is not always clearly defined and certainly is not susceptible of accurate measurement. Nevertheless, they form a basis for analysis.

It is reasonably certain that the investment motive has not been important in the large volume of wartime savings. The return on war savings bonds if held to maturity compares quite favorably with that on other securities. But if a person were to save one-third of his income each year for 3 years, the resulting interest on the investment of this sum in war savings bonds would increase his income by less than 3 percent. For most people this is not in itself a sufficient inducement to cause them to forego current expenditure. This is particularly true within the income bracket where most of the wartime saving has occurred. The weakness of the investment motive is clearly indicated by the large

Notes continued

unincorporated businesses which can be expected to act like producers rather than consumers (as distinguished from farmers, professional people and other self-employed) the total is probably not in excess of 10 billion dollars. This leaves roughly 50 billion dollars of the increase in the hands of individual consumers, or held in such a manner as to affect consumer decisions.

The bulk of the 50 billion dollars is necessarily being accumulated by people with incomes of less than \$10,000. According to income tax returns, individuals with statutory net income of over \$10,000 in 1941 had 4.75 billion dollars left after Federal income and inheritance taxes. (Statutory net income is comparable to a somewhat higher income before deductions and after allowance for under-reporting. On the other hand, these returns include noncorporate business enterprise.) The total was not much larger in 1942 and probably will not be increased greatly in 1943. Even if we make the extreme assumption that the unreported income received by individuals in this group is large enough to finance all their current consumption expenditures, and that all of the reported income after taxes is saved, the total savings for the 3 years 1941-43 would be only about 15 billion dollars including nonliquid items. They probably have not added more than 10 billion dollars to holdings of cash and Government securities in the last 3 years. This leaves something like 40 billion dollars accumulated by individual consumers with incomes of less than \$10,000.

⁶ Some of these reserves are being accumulated by women and other war workers who do not plan to continue working and earning an income after the war. Presumably, however, these reserves will still influence the income-administration decisions of the families in which these individuals are included. More significant is the fact that those in the armed forces, who will be earning a substantial part of the total national income after the war are less able to accumulate wartime savings.

portion of wartime savings held in the form of currency or demand deposits instead of bonds. By the same token, and barring a substantial increase in the interest rate, there will be little reason for holding or adding to these savings after the war merely to earn an investment return.

There is, of course, the possibility of investing wartime savings in a retail trade or service establishment or other small scale enterprise which will provide employment for the investor or a member of his family. Because such investment involves a direct expenditure for producers' goods, savings for this purpose will have much the same effect on postwar markets as those in the second category.

Usually the saving by some individuals to accumulate the down payment on a home, to get married or for some other specific purpose is just about offset by expenditures by other individuals from past savings for the same purpose. During the war, when many things people would like to buy are not available, this motive is undoubtedly more important. Many people are consciously saving to make more or less specific purchases after the war. Typically, however, these plans are not very specific, and this motive is mixed with the idea of protection against future contingencies.

The liquidation of consumer purchase debt belongs in this second category. Ordinarily, people increase their purchase debt with a rise in income and liquidate it as incomes decline, thus accentuating cyclical swings in business volume. The lack of durable goods for purchase during the war has reversed this process. While saving in the form of debt liquidation is more or less involuntary, rather than motivated, it does create buying power for the purchase of goods after the war. Thus it is closely related to the desire to buy as soon as possible those goods which are not now available.

The third category of "rainy day" or "just in case" savings is undoubtedly the most important. This in turn might be divided between those risks which have some actuarial measurement and which have been provided for on a contractual basis and those which have not been reduced to these terms.

Where risks are subject to measurement and have been provided against by insurance or annuities the volume of current savings devoted to this purpose has been relatively constant. The insured is obligated to make certain payments each year and he hesitates to either increase or default on these obligations. Savings in the form of increased equity in insurance have not increased greatly as a result of the war. A further growth in the amount of insurance in force is quite probable after the war, particularly if incomes are maintained at a high level. There is no reason to expect, however, that the additions to insurance reserves after the war will be at a rate substantially different from the last several years.

Those risks which are not insurable, or commonly are not insured, appear to be most important in con-

sumers' decisions. Most people are impressed by the uncertainties in the period immediately after the war and many of them may have good reason to fear that their present income is too good to last. Also, since very few people find it necessary to draw down past savings because of unemployment at the present time, the net additions to the reserves for this purpose are thereby increased.

A fourth motive might be included. If an individual's current income and expenditures are increased he tends to carry a larger cash balance in the bank or in his pocket merely as a matter of convenience. However, this increase in his "working capital" also serves as a protection against future contingencies. It is doubtful whether convenience alone would account for much of the huge wartime accumulation of liquid assets. The war has added a fifth motive: patriotism. There is no doubt but what the patriotic appeal has been important in conjunction with the other motives discussed above.

The strength of these motives relative to spending has been increased because many of the things people want most are not obtainable or can be obtained only with difficulty and at prices which appear unreasonable. Many items on which civilians would like to spend a substantial part of their income are not available at all. Others are available in only limited quantities subject to some form of rationing. The consumer is faced with spending his income on second choices or not spending it at all. The desirability of spending rather than saving is further reduced by the necessity of standing in line for theatre seats, standing in crowded trains and similar inconveniences resulting from the inadequate supply of goods and services.

To summarize, there is little reason to assume that consumers in the aggregate will acquire the habit of large savings during the war and that this habit will be carried over into the post-war period. On the contrary, the analysis of savings motives suggests that on balance they will want to spend more and save much less than if these reserves had not been accumulated.

The patriotic motive for saving will tend to disappear with the end of the war. The investment motive has not been important in the accumulation of liquid assets by those with incomes of less than \$10,000 and is not likely to have much bearing on their disposition of these assets after the war. To the extent that reserves have been accumulated for the purchase of goods not now available, their expenditure in the immediate post-war period should more than offset any savings by other consumers out of their current income to finance future purchases.

With regard to the "rainy day" motive, the consumer's postwar appraisal of the risks he is then facing will depend on conditions at that time. It is evident, however, that the average consumer will *already* have accumulated very large holdings of liquid assets against

such contingencies. The advantage to be gained by a comparatively small net addition to an already large reserve will be weighed against the increased desirability of current spending when the goods he wants most are again available.

More Than Temporary Post-war Influence.

The recognition of the fact that consumers plan to spend part of their wartime savings immediately after the war, plus the failure to appreciate the extent to which the production of goods after the war will provide the wages and other current income to pay for those goods, has led some people to the conclusion that we are faced with a temporary boom financed in considerable part by wartime savings and followed by a recession as soon as these reserves have been used.

As indicated above, there is no way of determining how much of the reserves of liquid assets is being accumulated for expenditures on goods not now available and how much for protection against future contingencies. Regardless of the present intention, however, there is good reason to believe that they will not be dissipated in this manner.

The accumulation of liquid assets by both producers and consumers during the war is the direct result of the financing of the Federal Government deficit. Individuals or corporations pay for Government bonds by the transfer of cash balances which are then transferred back to other individuals or corporations as the Government spends the proceeds of the bond issue for goods and services. The total holdings of liquid assets are increased by the amount of bonds purchased. (This increase could only be avoided if the deficit were financed by the sale of bonds which were nonnegotiable, not redeemable on demand and therefore illiquid.) Similarly the sale of bonds to commercial banks creates deposits which are transferred to individuals or corporations, either as bank deposits or as currency.

Thus, while any individual (or corporation) is free to spend all of his income if he so desires, individuals and corporations as a group must necessarily have gross savings equivalent to the amount by which Government expenditures exceed its income.⁷ In view of the limitations on corporate profits, and, therefore, on the amount that producers can save, a substantial portion of the liquid reserves must necessarily accumulate in the hands of consumers.

Any large reduction in these liquid assets can only come through a reversal of this process (or to a limited extent through liquidation of commercial bank loans). Since there is no reason to expect that the retirement of Government debt in the first 2 or 3 years after the war will be so rapid as to make much of a dent in the huge wartime accumulations, it follows that the reserves will be largely intact at the end of the period.

Neither is it likely that any large part of these liquid assets will be transferred from consumers to producers. During the immediate post-war-period business will find it necessary to spend large sums for conversion from military to civilian production, to buy new equipment which is badly needed but is not available during the war, to make up for the forced postponement of replacements and maintenance, and to build up depleted inventories of civilian goods. Such outlays will be necessary even if the anticipated volume of business is quite modest.

To finance such expenditures it will be necessary not only to draw on the liquid assets resulting from unused depreciation reserves, undistributed profits, and such special reserves as it has been possible to set aside for reconversion and post-war contingencies, but also in some instances to obtain funds from the capital market. In other words, business enterprises as a group are spending on plant, equipment, and other capital goods during the war only a small fraction of the amount set aside for this purpose out of earnings. They will need to draw on these wartime accumulations to supplement the funds which become available from current depreciation or other reserves and undistributed profits in the immediate post-war period. Since this utilization of liquid assets by producers will tend to offset any reduction in the total amount of cash or Government bonds that might occur because of Government debt retirement, it follows that the liquid asset holdings of consumers will remain largely intact.

Danger of Inflation

While the bulk of the aggregate liquid assets held by all producers and consumers can be extinguished only through retirement of Government debt, it is entirely possible that both producers and consumers may attempt to use their liquid reserves to finance purchases during the reconversion period and thereby create a demand for more goods than are available.

In any period the total sales value of the national output of goods and services is equal to the income payments to individuals for their contribution to this production, plus business taxes, plus the funds retained by business as reserves and undistributed profits. There is no way in which the sales value of goods available for purchase can exceed the sum of these three items. If Government spends more than its tax receipts, business must spend less than its reserves and undistributed profits, or consumers must save an equivalent part of their income. If business chooses to spend on producers' goods (including inventories) more than it has set aside out of current receipts in the form of reserves or undistributed profits, it can only do so as Government or consumers spend less than their income. Similarly, consumers can spend more than their income only to the extent that pro-

⁷ For a technical reconciliation of the Government deficit with gross savings, see the Survey of Current Business, March 1943, page 19, table 6.

ducers and Government spend less than their part of the gross income.

If, because of wartime savings, consumers demand more goods than they would otherwise demand after the war, and if producers increase their output to meet this demand, there will be a corresponding increase in the combined income of consumers, producers, and Government. Producers and consumers together can utilize wartime savings to buy goods after the war only to the extent that Government spends less than its income.

If the physical volume of production is not great enough to meet this demand, there can, of course, be an inflation resulting from a frantic attempt to buy more goods than are available, but the increase in prices of goods would still be balanced by a corresponding increase in the combined income of consumers, producers, and Government. The funds available out of current income for the purchase of these goods will still equal the sales value of all the goods produced. If, during any period, one of the three groups succeeds in drawing on its past savings the other two must set aside an equal amount out of their current income in that period.

Inflation would leave the reserves of liquid assets intact except to the extent that it might result in an increased Government surplus. There might be important shifts in these reserves as between various classes of consumers or between consumers and producers. The significant point, however, is that inflation reduces the purchasing power of reserves accumulated out of past savings and, therefore, their adequacy as protection against future contingencies. This destroys their value, and their influence on the expenditure-decisions of consumers, just as effectively as though the dollar amounts were dissipated.

Wartime Savings and Post-War Markets

The people with incomes of less than \$10,000 who are doing most of the wartime saving constitute the bulk of the market for goods and services. Their decisions as individual consumers as to how they budget their post-war income will be of crucial importance in determining the size of the market for goods and services. In selling to this market each producer of consumers' goods has to compete, so to speak, not only with other producers but with the consumer's desire for greater protection against future contingencies. The effect of wartime savings is to weaken this latter competition.

Thus, if an inflation is avoided, wartime savings are much more than the basis for a temporary replacement boom immediately after the war. They are a catalyst affecting the decisions of consumers over a longer period. An individual with substantial holdings of cash and Government bonds is much more likely to use his weekly pay check for the purchase of goods and services than

when his holdings of liquid assets are in his estimation inadequate. He is potentially a better market.

Under normal conditions, when people's incomes are increased their ideas as to an appropriate reserve against future contingencies also expand. In order to build up this additional reserve they are willing to save a large part of the increase in income. Temporarily, this saving is relatively easy because it involves no reduction in their standard of living but only a postponement of an increase. Over a period of time two things happen. The reserve of purchasing power is built up to a more adequate level. The inertia of spending habits is overcome.

The enormous wartime accumulations of currency, bank deposits, and Government bonds should result in an important acceleration of this process. Presumably, these reserves will be considered adequate against future contingencies even at a fairly high level of income.⁸ If so, there will be a much more immediate desire to increase expenditures in line with a high level of income.

But, generally, the choice is not between further additions to one's liquid assets and spending in the abstract. It depends on the relative desirability of specific goods or services. This desirability, in turn, depends on the inherent merits of the product itself, on the effectiveness of the producer's merchandising, and also on processes which are partly a function of time.

It is obvious that if wartime savings are to have their full effect producers must be prepared to supply the markets which would exist with a high level of income and large liquid reserves. If not, there is danger that the full effect of the consumer's desire to spend will not be felt because those things which might be most desirable relative to further savings will not be conveniently available in adequate quantity. This is important because these potential markets may differ from pre-war markets in many other respects than mere size.

It is also obvious that the desire must be in the mind of the consumer and that, therefore, it depends not only on the quality and price of the product but also on the effectiveness of the producer's sales effort. The value of the product to the consumer is in part the result of the way in which the product is presented to him. The effectiveness of this sales effort and, therefore, the decision of the individual consumer to spend rather than save depends again on this sales effort being directed in accordance with a correct appraisal of the potential market.

Aside from what the producer can do about it, time is normally required to overcome the inertia of con-

⁸ The degree of adequacy will depend again on the individual's appraisal of future contingencies. Thus it will reflect the degree of success in converting from war production to a high peacetime output and his confidence in a further solution of the maladjustments and other important economic problems left by the war. It also depends on the extent of the rise in prices during or immediately after the war, and on the resulting appraisal of the purchasing power of past savings.

sumer spending habits. One important motive for consumer expenditures is "keeping up with the Joneses." The Joneses spend some of their increased income for new furniture. The Smiths call on the Joneses, are impressed with how shabby their furniture is by comparison and spend some of their increased income for the same purpose. Later other neighbors go through the same process. All of this takes time.

There are other reasons for this inertia. Mr. Smith may be considering a dishwashing machine for his wife. It sounds like a very desirable labor-saving device, but he has never seen one and has only a vague idea of how it operates. He does not know what it costs or how satisfactory it might be. A considerable period of time may elapse before he happens to run across one in actual operation and is convinced that it is all that he hoped it would be.

The war has introduced a factor offsetting this inertia. To maintain or regain their pre-war standard of living, people will have to spend large sums for replacement of durable goods which have worn out during the war. Temporarily, this deferred demand, which is independent of any change in living standards, should compensate at least partly for any lag in adjusting pre-war living standards to post-war income.

Since these replacements will require that consumers on the average spend a larger proportion of their current income than they would otherwise spend, a certain momentum is created in favor of continued spending at this rate after the deferred demand period. This momentum of income-spending decisions will make it easier for the consumer to break away from pre-war living standards, particularly since, as noted above, the large wartime accumulations of liquid reserves tend to make the alternative of increasing his rate of savings relatively less desirable. This is important because again it suggests that the impact of wartime savings is of more than temporary significance.

The gist of this is that consumers are accumulating during the war liquid reserves in the form of currency, bank deposits, and Government bonds which are very large by any pre-war standards, and large relative to the motives which will still exist for holding or adding to these reserves after the war. The magnitude of these reserves can be measured in several ways which tend to substantiate each other.

The wartime accumulation of liquid assets in the hands of both consumers and producers is the direct result of Government deficit financing and this accumulation can only disappear as this debt is retired. Since any Government surplus in the immediate post-war years will necessarily be small relative to the total debt outstanding, and since during the reconversion period producers will also be trying to spend their liquid assets, it follows that consumers will not be able to dispose of any large part of their aggregate reserves during this period.

A portion of these reserves is intended for expenditure in the immediate post-war period on goods not now available. In the more typical instance they are not specifically earmarked. The consumer's decisions as to the disposition of these reserves after the war will be inextricably linked with his decisions as to how he will spend his post-war income. In either case the net effect is that consumers as a group will spend more and save less than they would after the war if under the same circumstances their accumulations were at the pre-war level.

The importance of wartime savings lies not in the possibility of their being spent to support a temporary post-war boom, but in their influence on the income-administration decisions of consumers and in turn on business decisions. This is important because their influence will then be extended beyond the immediate deferred demand period.

The one way that this influence can be dissipated is through inflation which would reduce the purchasing power of accumulated reserves and, therefore, their adequacy as a protection against future contingencies. Largely because of these reserves this threat of post-war inflation cannot be lightly dismissed. The danger is that because of wartime savings the markets in the immediate post-war period will be too good; that there will be a demand for more goods than business can supply and that the resulting inflation will pave the way for a subsequent collapse.

It should be remembered, however, that these savings are only one of many influences which will affect consumer decisions. It is important that the transition from war to civilian production be made as quickly as possible so as to make available to consumers in adequate quantity the goods they want most, and that the solution of post-war maladjustments and other economic problems be such as to inspire confidence in the future and, therefore, a willingness to spend rather than save.

It is imperative that there be a proper understanding of the potential market created by a high level of income supported by these accumulated reserves, and that business enterprise, both large and small, be prepared to expand civilian production and distribution as rapidly as possible to meet this demand as soon as materials and labor are available. Since the goods produced immediately after the war will be paid for primarily by the income earned in that production, the inability to expand civilian production as rapidly as war production declines, not only will deprive civilians of the goods they would like to buy but will also deprive them of the income with which to buy these goods. The accumulation of liquid reserves is important as it affects consumers' decisions as to the spending of current income. In the aggregate it is not a substitute for that income.

Impact of the War Upon Smaller Manufacturing Plants—Part 2

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THE July 1943 issue of the *Survey of Current Business* contained an article titled "Impact of the War Upon Smaller Manufacturing Plants." In that article, general results from a Nation-wide survey of smaller manufacturing firms were presented covering (1) changes in the operations of smaller manufacturers since 1941, (2) extent of war production, (3) conversion, (4) unused capacity, and (5) prospects for 1943.

The present article, based upon the same survey, is designed to amplify the above results by presenting an analysis of (1) the need of smaller manufacturing firms for additional war business, (2) wartime operations of firms in 29 selected industries, (3) new firms established since January 1941, and (4) fluctuations in wage-earner size since 1941.

The findings presented were derived from personal interviews with responsible officials of 3,446 single-plant concerns employing from 1 to 125 wage earners. The survey was made between February 22 and March 6, 1943. All but a few industries were included. The sample was selected and weighted in such a way as to be representative of approximately 62,000 single-plant manufacturing firms operating within the included industries and employing from 1 to 125 wage earners. These are the firms which are here referred to as "smaller manufacturing firms."¹

Need for Additional War Business

It has been frequently asserted that smaller manufacturing firms have not obtained their full share of war business, and as a result, that many of them have experienced serious curtailment of output during the war period. Thus, it is contended that many smaller firms are in serious need of war business.

An attempt was made in the present study to discover the actual number of smaller firms in need, i. e., both suited to war production and in need of additional business. The firms selected were those (1) whose

present output is "less satisfactory"² as compared with 1941, (2) who report that they can handle war production, or additional war production, and (3) who want more war business, as indicated by the fact that they have made recent efforts to get it. Using these criteria, 15 percent of all smaller firms were found to be in need of some or more war business. This needy group, here referred to as "firms indicating need," were subjected to special study.

In table 1, the firms indicating need are identified by size and industrial groups. The percentage of these firms varies from 0 to 61 in the various classes. The percentages are outstandingly high among firms with 0-7 wage earners in the petroleum-coal, automotive, rubber, and transportation equipment industry groups. On the other hand, the percentages are relatively low among all size classes in the food, tobacco, and apparel groups—typically consumer goods industries.

It is not to be assumed that the firms indicating need for war business are completely without war orders. Table 2 and chart 1 show that these firms are more

Table 1.—The Need for War Business: Percentage of All Smaller Firms Indicating a Need for War Business, by Industry Groups and Size of Firm¹

Industry group	Total	Firms employing—		
		0-7 wage earners	8-20 wage earners	21-125 wage earners
All industries.....	Percent 15	Percent 13	Percent 19	Percent 14
Ordinance and accessories.....				
Food and kindred products.....	8	7	15	3
Tobacco manufactures.....				
Textile-mill products.....	16	7	14	22
Apparel and other finished products made from fabrics.....	8	2	15	13
Lumber and timber basic products.....	20	11	50	10
Furniture and finished lumber products.....	16	11	23	19
Paper and allied products.....	14	5	14	27
Chemicals and allied products.....	14	11	21	16
Products of petroleum and coal.....	43	58	25	24
Rubber products.....	40	61		
Leather and leather products.....	20	32	23	7
Stone, clay, and glass products.....	12	9	22	15
Iron and steel and their products.....	23	28	29	15
Transportation equipment (except automobiles).....	19	43	19	6
Nonferrous metals and their products.....	22	26	16	21
Electrical machinery.....	21	16	23	29
Machinery (except electrical).....	10	16	9	4
Automobiles and automobile equipment.....	41	61	28	20
Miscellaneous manufacturing industries.....	13	11	20	10

¹ Firms in need of war business are those whose present output is "less satisfactory," who report that they can handle some or more war business, and who have made recent efforts to get war business.

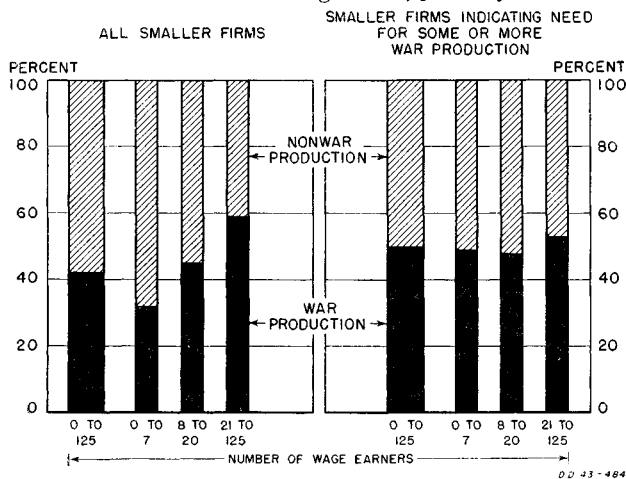
² Present output was classified as "less satisfactory" if at least three of the following items were applicable:

- (1) Value of product in January 1943 same or less than in January 1941.
- (2) Number of wage earners in January 1943 same or less than in January 1941.
- (3) Plant in operation 40 hours per week or less.
- (4) Responsible executives report that production can be increased with present machinery and equipment.

¹ The industries represented include all manufacturing industries within the standard industrial classification except the following: Poultry dressing and packing, creamery butter, cheese, ice creams and ices, special dairy products, feed mills, non-alcoholic beverages, malt liquors, malt, manufactured ice, logging camps and logging contractors, sawmills, and the entire printing and publishing group. The sample was drawn from the 1942 records of the National Refilling Project of the Bureau of Old Age and Survivors Insurance of the Social Security Board. Firms which had gone out of business prior to autumn 1942 were not represented. The survey was conducted, under the sponsorship of the Army, Navy, Maritime Commission, and War Production Board, by the Office of War Information in collaboration with the Bureau of the Census and the Bureau of Foreign and Domestic Commerce. A report on the survey was issued in two parts by the Office of War Information on May 21, 1943, entitled "Smaller Manufacturing Plants and Wartime Production." This report is available for distribution free on request.

fully engaged in war production than all smaller firms taken together. Referring to table 2, 15 percent of all smaller firms are in need of war business. Of these, 11 percent already have at least some war business leaving only 4 percent in need and at the same time entirely without war business. In only three industry groups is the percentage of firms that are in need and entirely without war business greater than six, namely, petroleum-coal, automobile, and leather.

Chart 1.—Percentage of War and Nonwar Production in Smaller Manufacturing Firms, January 1943



Source: U. S. Department of Commerce.

In chart 1 the group of firms indicating need and all smaller firms are compared with respect to percentage of total output going directly and indirectly to war agencies. The proportion of output consisting of war goods is actually greater for the firms indicating need than for all smaller firms taken together. However, this relation is not the same for the various size groups.

Table 2.—Percentage of All Smaller Firms Indicating a Need for War Business, Distinguishing Those Participating and Not Participating in War Business, by Industry Groups

Industry group	Percentage of all smaller firms indicating a need for war business		
	Total	Those participating in war production	Those not participating in war production
	Percent	Percent	Percent
All industries.....	15	11	4
Ordnance and accessories.....	8	3	5
Food and kindred products.....	16	11	5
Tobacco manufactures.....	8	4	4
Textile-mill products.....	20	16	4
Apparel and other finished products made from fabrics.....	16	11	5
Lumber and timber basic products.....	18	12	6
Furniture and finished lumber products.....	14	12	2
Paper and allied products.....	43	5	38
Chemicals and allied products.....	40	40	0
Products of petroleum and coal.....	20	7	13
Rubber products.....	12	10	2
Leather and leather products.....	23	22	1
Stone, clay, and glass products.....	19	14	5
Iron and steel and their products.....	22	16	6
Transportation equipment (except automobiles).....	21	19	2
Nonferrous metals and their products.....	10	8	2
Electrical machinery.....	41	19	22
Machinery (except electrical).....	13	8	5
Automobiles and automobile equipment.....			
Miscellaneous manufacturing industries.....			

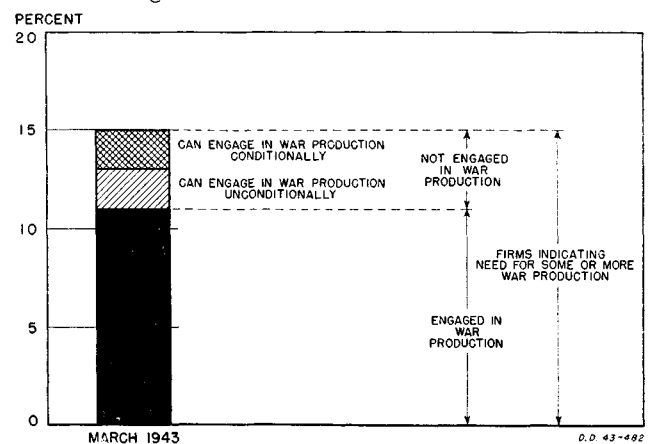
The percentage of output consisting of war goods increases with size of firm for all smaller firms but remains approximately constant for firms indicating need. This is explained by the fact that one of the criteria for classifying firms in the needy group is suitability for war production. Thus, among the very small firms where only a relatively small proportion are suitable for war production, it would be expected that the needy firms which are by definition suited to war production would have more war business than other firms in the same size group.

Table 3.—Possibility of Increased Production of War Goods, All Smaller Firms and Firms Indicating Need for War Business

Conditions to produce some or more war goods	All smaller firms	Firms indicating need for war business and not now producing war goods
	Percent 100	Percent 100
Total.....	29	50
No changes necessary.....	3	7
Retooling.....	19	23
New machinery.....	2	2
Reduction in civilian business.....	26	14
If labor available.....	3	1
If material available.....	4	3
Other conditions.....	14	
Cannot handle.....		

As stated, about 4 percent of all smaller firms indicate that they are in need of war production and at the same time that they are entirely without war business. A further break-down of this residual group was made in order to determine the conditions under which these firms could take on war business (table 3 and chart 2). It was found that one-half of these firms reported unconditionally that they could take on war business, as compared with 29 percent of all smaller firms.

Chart 2.—Percentage of All Smaller Manufacturing Firms Indicating Need for Some or More War Production



Source: U. S. Department of Commerce.

The remaining half reported that they could handle war business only under various conditions—30 percent would require retooling or new machinery, 14 percent

were uncertain as to whether they could get the necessary labor, and 6 percent stated that the increased output would be contingent upon other conditions.

An over-all appraisal of data presented in this section suggests that the number of smaller firms suffering serious hardship because of inability to get any war orders is very small—about 4 percent of the total—and that there is even some doubt as to whether all of these could actually take on war business. It is true that many firms have suffered curtailment of output during the war, but most of them are of doubtful suitability for war production (as suggested by the facts that they have made no recent efforts to get war business), or are unable to produce war goods or to increase their output of war goods, or already have at least some war business. The plight of these firms cannot be attributed solely to lack of war business.

On the other hand, the definition of need upon which the above results were obtained may be considered too conservative. Present output was classified as "more satisfactory" or "less satisfactory" by a comparison of activities in January 1941 and January 1943. In general, if a firm showed an increase over January 1941, however small, its output was classed "more satisfactory" and the firm rejected from the "needy" group. It may be argued, however, that the output of a firm should be classed as "less satisfactory" unless it enjoyed an increase in production corresponding more or less to the general productive expansion which has characterized the entire economy since 1941. If such a criterion were used, the number of firms indicating need and without war business would of course be much larger than 4 percent.

Wartime Operations in Selected Industries

The study of smaller manufacturing firms was designed primarily to obtain a general view of the impact of the war upon smaller plants, without detailed analysis by industries. However, the number of firms interviewed in 29 industries, or reasonably homogeneous industry groups, was considered sufficient to justify separate study.

The wartime operations and activities of smaller manufacturing firms in the selected industries are summarized in table 4. Changes in value of product and number of wage earners, extent of participation in war production, conversion to new products, and hours of operation are indicated.

Examination of these data shows that the war has affected the several industries very differently. Three industries, namely, aircraft, ship and boat building, and machinery, except electrical, have experienced an increase in the number of wage earners employed since January 1941 by more than a third.

On the other hand, in the canning, wire products, stone, clay, and glass, and planing and plywood industries, the number of wage earners has declined to less

than four-fifths of the number in January 1941. Similarly, the percentage of firms participating in war production varies from 8 percent in the case of women's and misses' outerwear to 100 percent in the aircraft industry. The percentage of firms that have converted to new products varies from zero percent in the meat products industry to 41 percent in the aircraft industry. Average weekly hours of operation vary from 37 in the women's and misses' outerwear industry to 77 in the aircraft industry.

The data of table 4 are useful to indicate the effect of war business upon the relative level of activity of smaller firms in various industries. It is often assumed that industries largely engaged in war production are relatively busier than those with little or no war business. If this assumption were correct, one would expect to find a direct relationship between change in number of wage earners, or value of product, since 1941 and percentage of firms engaged in war production, or total war production as a percentage of combined output. Examination of the data in table 4 reveals that no such clear relationship exists.

It may be noted, for example, that the women's clothing industries, though producing little war goods, have enjoyed a fair increase in value of product and number of workers since 1941; that the wire products industry, in which war production is relatively important, has suffered a sharp decline in value of product and number of workers. Indeed, if the industries included here are classified into two groups on the basis of increase or decrease in number of wage earners since 1941, industries with both large and small war production will be found in each group, as follows:

Number of wage earners less in January 1943 than in January 1941		Number of wage earners greater in January 1943 than in January 1941	
1. War production, accounts for more than two-thirds of total output	2. War production accounts for less than one-third of total output	3. War production accounts for more than two-thirds of total output	4. War production accounts for less than one-third of total output
Wire products.....	Meat products.....	Iron and steel foundry products.	Textile-mill products.
Metal stamping, etc.	Canning, etc.....	Miscellaneous iron and steel products.	Men's and boys' furnishings, etc.1
Fabricated structural metal products.	Men's and boys' suits, etc.	Aircraft and parts.	Women's and misses' outerwear.
	Household furniture, Jewelry, etc.....	Nonferrous metals.	Other women's clothing.
		Machinery (except electrical).	Drugs, etc.

Group 1 consists chiefly of industries which, due to wartime restrictions, have been unable to obtain the materials required to carry on their normal civilian business and at the same time have not found sufficient war orders to compensate. Group 2 includes consumer-goods industries which have suffered curtailment chiefly because of shortage of materials. These industries are suited to war production only to a limited degree. Group 3 comprises boom industries whose rise has been due largely to heavy war demand.

Group 4 includes consumer goods industries in which the problem of materials has not been a serious limiting factor.

It may be concluded, then, that the present activity of the smaller firms in any industry depends not alone upon extent of war business but also upon the amount of civilian business. The mere fact that a large proportion of firms in a given industry have war business or that a high percentage of their total output consists of war goods does not insure that their present output will exceed pre-war output. Conversely, the fact that an industry has little war business does not necessarily preclude a present level of output in excess of pre-war production.

From table 4, it may also be observed that there is no clear relationship between conversion and participa-

Table 4.—Wartime Operations of Smaller Manufacturing Firms by Industry Groups and for Selected Industries; Value of Products, Number of Wage Earners, War Production, Conversion, and Hours of Operation

Industry or group	Changes in output and employment		War production		Conversion	Hours
	Value of products, Jan. 1943 as percent of Jan. 1941	Number of wage earners Jan. 1943 as percent of Jan. 1941	Percent of firms with war production	War production as percent of total output	Percent of firms with products different from those produced in 1941 ¹	Average hours of operation per week
All smaller firms.....	116	101	58	42	15	48
Broad industry groups:						
Metals group.....	125	109	83	73	26	56
Textiles-apparel-leather.....	117	100	34	21	13	42
Food group.....	114	85	38	14	1	49
Other industries.....	105	99	56	37	9	47
Selected industries:						
Meat products.....	121	82	36	17		51
Canning and preserving fruits, vegetables, and seafoods.....	68	56	55	22	3	48
Textile-mill products.....	118	100	50	31	22	52
Men's and boys' suits, coats, and overcoats.....	169	89	32	18	17	39
Men's and boys' furnishings, work clothing, and allied garments.....	131	109	51	32	2	41
Women's and misses' outerwear.....	117	103	8	4	11	37
Other women's clothing.....	123	106	16	13	19	40
Planing and plywood mills.....	66	79	78	52	20	46
Household furniture, mattresses, and bed-springs.....	87	86	41	21	17	45
Paperboard containers and boxes.....	108	109	91	47	4	46
Paints, varnishes, and colors.....	89	86	89	57	3	47
Drugs, toilet preparations, insecticides, and related products.....	127	112	38	15	3	41
Industrial chemicals and miscellaneous chemical products.....	105	115	73	52	9	55
Leather and leather products.....	136	117	58	37	8	44
Stone, clay, and glass products.....	75	78	54	36	4	46
Iron and steel foundry products.....	157	113	93	87	12	49
Wire products.....	68	71	98	91	19	50
Cutlery, tools, and general hardware.....	173	119	78	55	8	53
Heating apparatus (except electrical) and plumbers' supplies.....	123	99	67	59	29	54
Metal stamping, enameling, galvanizing, japanning, and lacquering.....	122	97	92	77	22	57
Fabricated structural metal products.....	71	93	98	92	30	49
Miscellaneous iron and steel products.....	167	123	96	92	17	70
Aircraft and parts.....	232	190	100	98	41	77
Ship and boat building and repairing.....	204	144	68	56	17	50
Jewelry silverware, and plated ware.....	148	89	32	16	23	46
All other nonferrous metals and their products.....	112	101	81	68	28	51
Electrical machinery.....	106	100	76	66	23	51
Machinery (except electrical).....	155	137	89	82	31	64
Professional and scientific instruments, photographic apparatus, and optical goods.....	124	113	62	45	4	47

¹ Includes firms with all or some products different.

tion in war production. Generally, in industries having conspicuously large war production, the percentage of firms that have converted to new products is relatively high. Yet there are a number of industries, notably paints, chemicals, and cutlery and tools, with large war production and little conversion and others, especially the clothing trades, which have frequently taken on new products but have little war business.

Perhaps the most remarkable fact is that so few of the smaller firms have converted. In only 5 of the 29 industries are more than 25 percent of the firms producing any products different from those made in 1941. In other words, the present production of smaller firms (including war goods) consists largely of the same types of products that were produced before the war.

Similarly, hours of operation per week are not clearly related either to changes in output since 1941 or to extent of war production. There are, however, a few conspicuous examples of industries that have enjoyed a large increase in output since 1941, that are engaged extensively in war production, and are working relatively long hours. These are aircraft, machinery, except electrical, and miscellaneous iron and steel.

From these observations regarding the data in table 4, it may be concluded that generalizations with respect to the effects of the war upon smaller manufacturing firms as a whole are exceedingly dangerous. Each industry has its own peculiar configuration of markets, sources of materials, labor supply, equipment, etc., and each has felt the impact of war in a somewhat special way.

Table 5 sets forth certain indices of unused capacity and potential war production within the smaller manufacturing firms of selected industries. Unused capacity in general is indicated in columns 1 and 2 by the percentage of firms expressing dissatisfaction or qualified satisfaction with their backlog of orders and by the percentage of firms reporting that they can increase production by 50 percent or more.

Potential war production, i. e., unused capacity to produce war goods, is indicated in columns 3 and 4 of table 5 by the percentage of firms reporting unconditionally that they can increase the production of war goods and the percentage of firms which have made recent efforts to get war business. Finally, the attitude of business men toward the distribution of war orders is reflected by the percentage of firms dissatisfied with the spread of war orders in their respective industries (column 5).

The amount of unused capacity in general appears to be relatively great in the following industries: Paints, fabricated structural metal products, heating apparatus, ship and boat building, planing and plywood mills, wire products, and electrical machinery. The ability to increase production of war goods is also relatively great in the above-mentioned industries. In two other industries where idle capacity is not con-

Table 5.—Unused Capacity and Possible Additional War Production in Smaller Manufacturing Firms

Industry or group	Indices of unused capacity		Indices of possible additional war production		Percent of firms dissatisfied with the spread of war orders in their respective industries
	Percent of firms expressing dissatisfaction or qualified satisfaction with backlog of orders	Percent of firms reporting a possible increase in production (without new machinery or construction) of 50 percent or more	Percent of firms reporting unconditionally that they can increase production of war goods.	Percent of firms having made recent efforts to get war business	
	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5
All smaller firms.....	31	46	29	42	21
Broad industry groups:					
Metals group.....	37	49	34	57	26
Textiles-apparel-leather.....	26	40	25	34	20
Food group.....	23	40	20	27	12
Other industries.....	30	49	28	38	21
Selected industries:					
Meat products.....	15	48	20	9	10
Canning and preserving fruits, vegetables, and seafoods.....	21	22	29	41	5
Textile-mill products.....	27	42	24	41	20
Men's and boys' suits, coats, and overcoats.....	26	31	17	46	20
Men's and boys' furnishings, work clothing, and allied garments.....	4	29	20	33	14
Women's and misses' outerwear.....	18	34	18	27	22
Other women's clothing.....	38	37	23	18	9
Planing and plywood mills.....	58	58	48	63	35
Household furniture, mattresses, and bedsprings.....	33	57	34	46	31
Paperboard containers and boxes.....	26	37	32	46	11
Paints, varnishes, and colors.....	59	84	55	75	51
Drugs, toilet preparations, insecticides, and related products.....	24	48	33	25	18
Industrial chemicals and miscellaneous chemical products.....	32	56	36	38	23
Leather and leather products.....	24	51	29	64	22
Stone, clay, and glass products.....	32	46	26	31	17
Iron and steel foundry products.....	35	49	50	48	22
Wire products.....	44	65	32	55	15
Cutlery, tools, and general hardware.....	27	39	44	61	16
Heating apparatus (except electrical) and plumbers' supplies.....	56	61	46	67	23
Metal stamping, enameling, galvanizing, japanning, and lacquering.....	23	59	23	43	22
Fabricated structural metal products.....	67	63	63	83	59
Miscellaneous iron and steel products.....	19	32	10	35	10
Aircraft and parts.....	46	31	23	80	26
Ship and boat building and repairing.....	51	66	47	57	31
Jewelry, silverware, and plated ware.....	16	45	22	47	17
All other nonferrous metals and their products.....	35	59	39	58	26
Electrical machinery.....	40	63	43	55	38
Machinery (except electrical).....	37	42	30	51	21
Professional and scientific instruments, photographic apparatus, and optical goods.....	16	36	23	28	19

spicuously large, namely, iron and steel foundry products and cutlery and tools, a large potential increase in war production is indicated.

In column 5 of table 5, the attitude of manufacturers toward the distribution of war orders is shown. In the canning and preserving industry, the percentage of firms expressing dissatisfaction is only 5 percent, whereas, in the fabricated structural metal products industry the corresponding percentage is 59. Industries in which the percentage of firms expressing dissatisfaction exceeds 30 are: Fabricated structural metal products, planing and plywood mills, household furniture, paints, ship and boat building, and electrical machinery.

Firms Established Since January 1941

The 3,446 firms interviewed in the survey constituted a representative sample of all manufacturing firms operating in October 1942. (The sample was selected as of October 1942 but the interviews conducted in February–March 1943.) Among these firms, about 4 percent were found to be new enterprises which had been established since January 1941.

Table 6.—New Firms Established Since January 1941 as Percentage of All Firms Interviewed, by Industry and Size

Industry group	Total	Firms employing—		
		0-7 wage earners	8-20 wage earners	21-125 wage earners
	Percent	Percent	Percent	Percent
All industries.....	4	3	6	4
Ordnance and accessories.....	15		45	
Food and kindred products.....	1		2	1
Tobacco manufactures.....				
Textile-mill products.....	9	4	17	6
Apparel and other finished products made from fabrics.....	8	9	7	6
Lumber and timber basic products.....	1	1	2	
Furniture and finished lumber products.....				1
Paper and allied products.....				
Chemicals and allied products.....	4	3	11	4
Products of petroleum and coal.....	7		33	
Rubber products.....				
Leather and leather products.....	2			4
Stone, clay, and glass products.....	1	1		
Iron and steel and their products.....	4	8	2	2
Transportation equipment (except automobiles).....	9	2	6	16
Nonferrous metals and their products.....	6	1	12	10
Electrical machinery.....	7	11		1
Machinery (except electrical).....	5	2	10	4
Automobiles and automobile equipment.....				
Miscellaneous manufacturing industries.....	2	2	2	3

Table 6 indicates, for each industry and size group, the number of new firms expressed as a percentage of all firms interviewed. The new firms were found to be relatively most numerous in the middle size group (8-20 wage earners), and in the following industry groups: Ordnance, transportation equipment, textile-mill products, apparel, electrical machinery, products of petroleum and coal, nonferrous metals, machinery, except electrical, and chemicals. No new firms were found in the following industries: Tobacco manufactures, paper and allied products, rubber products, and automobiles and automobile equipment.

Apparently the entry of new firms was conditioned not entirely by the war since the industries where the number of new firms is relatively large contain not only war industries but also industries producing primarily for a civilian market. Moreover, in some of the important war industries the number of new firms was relatively small.

The conclusion that new firms are not necessarily war plants is confirmed by the fact that the new firms have somewhat less war business than all smaller firms taken together (table 7). However, when the new firms are compared with all smaller firms in regard to war production, hours of operation, and unused capac-

ity, they are found to exhibit characteristics not strikingly different from the entire population of smaller firms (table 7).

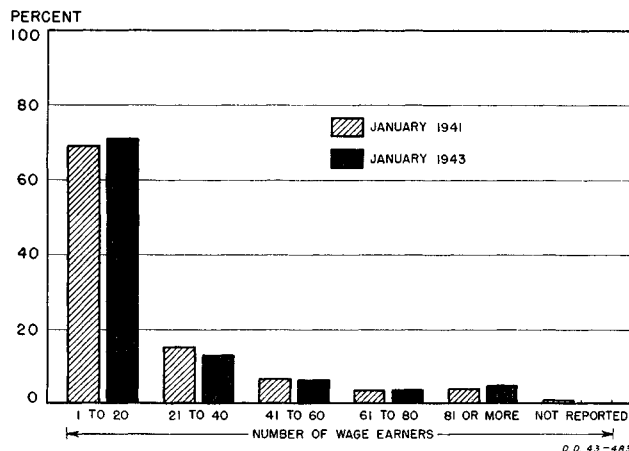
Table 7.—Smaller Firms Established Since January 1941 Compared With All Smaller Firms

Item	All smaller firms	Smaller firms established since January 1941
War production:		
Percentage of firms with war production.....	58	47
War production as a percentage of total output.....	42	37
Average hours of operation per week.....	48	50
Indices of unused capacity:		
Percentage of firms expressing dissatisfaction or qualified satisfaction with backlog of orders.....	31	31
Percentage of firms reporting a possible increase in production (without new machinery or construction) of 50 percent or more.....	46	42

Fluctuations in Size of Concerns

The survey revealed that the wage-earner size of smaller manufacturing firms has fluctuated enormously during the 2-year period 1941-43. Whether or not this extreme fluctuation is normal or extraordinary as

Chart 3.—Percentage of All Smaller Manufacturing Firms Within Each Wage-Earner Class



Source: U. S. Department of Commerce.

compared with other periods is not known, since almost no information is available on changes in the business population. Table 8 presents a record of the changes in wage-earner size over the 2-year period 1941-43 for smaller manufacturing plants representing most industries and all parts of the country. In this table, the firms are cross-classified by number of wage earners in January 1943 and in January 1941. Thus, the 1943 wage-earner size of the firms having any given number of wage earners in 1941 can be read from the table, and obversely, the 1941 wage-earner size of

the firms having any given number in 1943 can be ascertained.

Table 8.—Cross-Classification of All Smaller Firms by Number of Wage Earners in January 1941 and Number in January 1943: Percentage of Firms in Each Group¹

Number of wage earners in Janu- ary 1941	Number of wage earners in January 1943													
	Total	1 to 6	6 to 10	11 to 15	16 to 20	21 to 30	31 to 40	41 to 50	51 to 60	61 to 70	71 to 80	81 to 90	91 or more	
Total.....	100.00	40.00	15.48	8.97	6.88	8.28	5.11	4.22	2.66	1.93	1.72	.96	3.79	
1 to 5.....	37.90	32.07	4.01	.99	.18	.25	.11	.12	.02	.06	.07	----	.02	
6 to 10.....	17.42	6.02	7.39	2.39	.84	.30	.25	.15	.03	.03	----	----	.02	
11 to 15.....	9.32	.91	2.35	3.14	1.67	.69	.32	.09	.07	.03	----	.01	.04	
16 to 20.....	4.76	.15	.59	1.10	1.14	.89	.41	.24	.13	----	.02	.01	.08	
21 to 30.....	9.56	.21	.48	.86	1.90	3.84	.89	.55	.39	.20	.11	.05	.08	
31 to 40.....	5.95	.24	.28	.22	.60	1.12	1.62	.77	.36	.31	.15	.10	.18	
41 to 50.....	4.03	.10	.13	.06	.26	.57	.73	1.02	.44	.24	.20	.01	.27	
51 to 60.....	2.95	----	.02	.05	.14	.26	.31	.41	.58	.32	.12	.09	.65	
61 to 70.....	1.80	----	.05	.14	----	.13	.07	.24	.29	.43	.17	.13	.15	
71 to 80.....	1.64	----	----	.01	.03	.05	.08	.32	.05	.08	.47	.10	.45	
81 to 90.....	.91	----	.05	.01	----	.02	.10	.10	.06	.18	.05	.12	.22	
91 or more.....	3.00	.02	.02	----	.01	.07	.18	.16	.24	.05	.36	.32	1.57	
Not reported.....	.76	.28	.11	----	.11	.09	.04	.05	----	----	----	.02	.06	

¹ Omits firms having no wage earners in either period.

Whatever group is selected, similar fluctuations in number of wage earners appear. In extreme cases, some firms with only one wage earner in 1941 turned up with more than 90 in 1943, whereas other firms with more than 90 wage earners in 1941 had been reduced to as few as 3 by 1943.

Table 9.—Percentage Distribution of All Smaller Firms by Number of Wage Earners, January 1941 and January 1943

Number of wage earners	Percent of all smaller firms in each class	
	January 1941	January 1943
Total, all smaller firms.....	100.0	100.0
1.....	6.5	11.0
2.....	8.8	9.5
3.....	9.6	8.6
4.....	6.8	5.9
5.....	6.2	5.0
6.....	5.3	4.8
7.....	3.8	3.2
8.....	3.2	2.9
9.....	1.9	2.2
10.....	3.3	2.3
11-15.....	9.3	9.0
16-20.....	4.8	6.9
21-30.....	9.6	8.3
31-40.....	5.9	5.1
41-50.....	4.0	4.2
51-60.....	2.9	2.7
61-70.....	1.8	1.9
71-80.....	1.6	1.7
81-90.....	.9	1.0
91 or more.....	3.0	3.8
Not reported.....	.8	----

In spite of the wide fluctuations in number of wage earners experienced by smaller manufacturers during the period 1941-43, the proportion of firms within each wage-earner group was approximately the same at the end of the period as at the beginning (table 9 and chart 3).

Income in Selected Professions

Part 3, Private Duty Nursing

By Edward F. Denison, National Income Unit, Bureau of Foreign and Domestic Commerce

EDITOR'S NOTE.—This is the third of a series of articles presenting the results of questionnaire surveys of incomes in selected professions. Reports on veterinarians and lawyers were published in the July and August 1943 issues of the "Survey of Current Business." Data for dentists and physicians will be released at an early date.

The number of registered nurses engaged in private duty work declined drastically in the decade of the thirties. In 1920, according to an estimate of the Committee for the Study of Nursing Education, there were over 120,000 private duty nurses, and in 1929, according to the Committee on the Costs of Medical Care, 118,000. Data collected by the United States Public Health Service suggest that the number had fallen by 1941 to approximately 62,000.

This decline appears to have resulted from a contraction of work opportunities in private duty at a time when a great expansion of employment occurred in other types of nursing work. Growth of hospital facilities from 955,000 beds and bassinets in 1929 to 1,391,000 in 1941 created rapidly expanding opportunities for general staff employment. This trend toward institutional work was intensified by progress in elevating the standards of nursing education, which resulted in the replacement of student nurses by graduate registered nurses for much general duty work in hospitals. Public health nursing also expanded.

On the other hand, the replacement of home care, with a nurse in attendance, by hospitalization narrowed opportunities for private duty nursing in the home, while improved standards of nursing on hospitals' general staffs reduced the need for special nurses in the hospitals. Expansion of hospital insurance plans in the last half of the period aided the movement from home to hospital care, but they usually did not provide for a private hospital room without extra charge. As such facilities are ordinarily required for the employment of a special nurse, private duty employment in hospitals failed to expand.

Competition from practical nurses does not appear to have been an important factor in the decline of private duty nursing, as the number of practical nurses also fell substantially from 1930 to 1940. Despite a decline of nearly 50 percent from 1929 to 1941 the number of private duty nurses remains large, and the field continued in 1941 to be second only to institutional work in the absorption of graduate nurses.

The median gross cash income from nursing of full-time private duty registered nurses was \$1,168 in 1941.

In addition, these nurses received an average of 235 meals without payment during the year. A full-time nurse, as the term is used in this article, is one who was available for full-time employment for at least 48 weeks during 1941, regardless of the number of weeks actually worked. A private duty nurse is a registered nurse who received at least one-half of her nursing income during the year from private duty work.

Median earnings in the principal salaried fields of nursing are presented for comparison with those in private duty work in table 1. The data represent monthly earnings converted to an annual rate.

Table 1.—Median Annual Incomes in Selected Fields of Nursing ¹

Field	Date	Median annual cash earnings
Full-time private duty nurses	1941	\$1,168
General staff nurses:		
Receiving full maintenance	October 1942 ..	981
Receiving partial maintenance	do	1,144
Receiving no maintenance	do	1,200+
Generalized public health staff nurses:		
Employed by:		
Nonofficial agencies	January 1942 ..	1,608
Municipal health departments	do	1,884
County health departments	do	1,620
Departments of education	do	1,763

¹ Except for private duty nurses and generalized public health staff nurses employed by departments of education, the data shown represent monthly earnings multiplied by 12. Since no allowance has been made for unpaid vacations or other time lost, the figures shown may slightly overstate actual annual earnings.

² In the questionnaire used by the American Nurses' Association in obtaining data for staff nurses, all salaries of \$1,200 or more were grouped together, and the exact value of the median consequently could not be computed when it exceeded that amount.

³ Sources: Private duty nurses, U. S. Department of Commerce, General staff nurses, *American Journal of Nursing*, March 1943 (also, *Monthly Labor Review*, May 1943). Generalized public health staff nurses, *Public Health Nursing*, August and December 1942 (also, *Monthly Labor Review*, April 1943).

Data relating to private duty nurses are drawn from a survey conducted in the early summer of 1942 by the Bureau of Foreign and Domestic Commerce, in co-operation with the American Nurses' Association. Questionnaires were mailed to 25,000 registered nurses, chosen at random from the more than 300,000 registered nurses in the United States, with a request that they be filled out and returned if the nurse had received any income from private duty work during any of the years from 1938 to 1941.

Returns usable for 1941 income tabulations were received from 721 full-time private duty nurses, from 879 part-time private duty nurses (those not available for full-time employment for 48 weeks), and from 235 nurses who received some, but less than one-half, of their nursing income from private duty work in 1941. Approximately 60 additional schedules were used in tabulations for one or more of the other years covered by the survey.

Inasmuch as only about 17 percent of all registered nurses, according to the National Survey of Registered Nurses, 1941, conducted by the U. S. Public Health Service, were actively engaged in private duty work in 1941, the response to the survey was very satisfactory. (If the sample of 25,000 also consisted of only 17 percent private duty nurses, the 1,600 usable returns from private duty nurses represented nearly 40 percent of the private duty nurses who received questionnaires.)

Table 2.—Average and Median Gross Cash Income From Nursing and Percentage Distribution of Private Duty Nurses by Gross Cash Income Classes, 1941

	Nurses available for full-time employment for at least 48 weeks		Nurses not available for full-time employment for at least 48 weeks	
	Number reporting	Average income	Median income	
	721	\$1,192	1,168	879
				\$669
				649
	Percent of nurses reporting	Cumulative percent of nurses reporting	Percent of nurses reporting	Cumulative percent of nurses reporting
Gross cash income class:				
\$1-\$99.....	1.4	1.4	7.7	7.7
\$100-\$199.....	.8	2.2	7.7	15.5
\$200-\$299.....	1.4	3.6	8.3	23.8
\$300-\$399.....	1.4	5.0	8.4	32.2
\$400-\$499.....	3.1	8.0	7.2	39.4
\$500-\$599.....	3.6	11.7	6.3	45.6
\$600-\$699.....	3.7	15.4	9.0	54.6
\$700-\$799.....	6.5	21.9	8.9	63.5
\$800-\$899.....	6.9	28.8	7.4	70.9
\$900-\$999.....	6.9	35.8	6.8	77.7
\$1,000-\$1,099.....	9.0	44.8	5.8	83.5
\$1,100-\$1,199.....	7.6	52.4	4.3	87.8
\$1,200-\$1,299.....	9.6	62.0	4.3	92.2
\$1,300-\$1,399.....	6.9	68.9	3.4	95.6
\$1,400-\$1,499.....	8.3	77.3	1.7	97.3
\$1,500-\$1,599.....	5.1	82.4	1.6	98.9
\$1,600-\$1,699.....	4.6	87.0	.2	99.1
\$1,700-\$1,799.....	2.9	89.9	.2	99.3
\$1,800-\$1,899.....	2.8	92.6	.2	99.5
\$1,900-\$1,999.....	1.5	94.2	.0	99.5
\$2,000-\$2,499.....	4.0	98.2	.2	99.8
\$2,500-\$2,999.....	1.1	99.3	.2	100.0
\$3,000-\$3,499.....	.3	99.6		
\$3,500-\$3,999.....	.3	99.9		
\$4,000-\$4,499.....	.1	100.0		

Table 2 presents a distribution of the 1941 gross cash incomes of reporting full-time and part-time nurses, together with the average and median gross cash income of each group. The annual earnings of full-time nurses, which reflect opportunities for employment and daily or hourly rates charged patients, are concentrated between \$600 and \$1,499. Incomes within that range

Table 3.—Average and Median Gross Cash Income From Nursing of Private Duty Nurses by Age Groups, 1941

Age group	Nurses available for full-time employment for at least 48 weeks			Nurses not available for full-time employment for at least 48 weeks		
	Number of nurses reporting	Average gross cash income	Median gross cash income	Number of nurses reporting	Average gross cash income	Median gross cash income
Total.....	721	\$1,192	\$1,168	879	\$669	\$649
Under 35.....	307	1,079	1,057	437	601	583
35 to 54.....	345	1,299	1,263	357	774	745
55 and over.....	64	1,148	1,120	78	685	580
Unknown.....	5			7		

were received by 61.9 percent of the full-time nurses. More than one-fourth of the full-time nurses reported incomes between \$1,000 and \$1,299. The incomes of part-time nurses, which are dependent upon willingness to accept patients as well as upon opportunities for work and fee schedules, averaged much less than those of full-time nurses.

Tables 3 and 4 show the variations in the income of private duty nurses arising from their age and the size of the city in which they practice, respectively. Nurses 35 to 54 years old reported significantly higher 1941 incomes than either the younger or older groups of nurses.

Table 4.—Average and Median Gross Cash Income From Nursing of Private Duty Nurses by Size of City, 1941

Population of city (thousands)	Nurses available for full-time employment for at least 48 weeks			Nurses not available for full-time employment for at least 48 weeks		
	Number of nurses reporting	Average gross cash income	Median gross cash income	Number of nurses reporting	Average gross cash income	Median gross cash income
Total.....	721	\$1,192	\$1,168	879	\$669	\$649
Under 5.....	46	1,035	860	69	453	383
5, under 10.....	59	1,040	930	69	433	307
10, under 25.....	108	1,068	1,100	147	634	579
25, under 50.....	85	1,226	1,110	107	597	558
50, under 100.....	65	1,147	1,086	99	711	746
100, under 250.....	90	1,191	1,186	105	693	694
250, under 500.....	84	1,235	1,260	81	813	795
500 and over.....	178	1,339	1,284	192	798	757
Unknown.....	6			10		

Among full-time nurses, average income tends to increase with the size of the city, although in the population range from 25,000 to 250,000, variations are irregular and probably result from sampling fluctuations. The range in income of part-time nurses associated with size of city is very large, though somewhat irregular, but difficult to interpret precisely because of the spread within the group with respect to availability for employment.

Average and median gross cash incomes of full-time private duty nurses in 1941 are shown for each geographical region of the country in table 5. The highest incomes were reported from the Far Western, Middle Eastern and Central States. The average is also shown for each state from which 15 or more full-time nurses reported. The sample for several of the states shown is so small that only sizeable differences can be considered significant for interstate comparisons.

Gross cash income does not fully reveal the economic position of the private-duty nurse because (1) she may receive noncash income in the form of meals and (2) she must incur certain occupational expenses. Sixty-nine percent of the full-time nurses reported that they received an average of 344 meals without payment during 1941. When full-time nurses receiving no free meals are included in the tabulation, the average falls to 235 free meals. Among part-time nurses, 64 percent received an average of 172 meals without payment,

equivalent to an average of 111 meals for all part-time nurses.

Like many other employed persons private-duty nurses incur certain specific occupational expenses, such as fees to nurses' registries and for licenses, and the purchase and care of uniforms. Information was obtained from the nurses covering their payments to nurses' registries, and tabulated for all private-duty nurses who were employed for 70 days or more in 1941.

Table 5.—Average and Median Gross Cash Income From Nursing of Full-Time Private Duty Nurses, by Geographic Regions and for Selected States, 1941

Region or State	Number of full-time nurses reporting	Average income	Median income
United States.....	721	\$1,192	\$1,168
Region: ¹			
New England.....	72	1,178	1,050
Middle East.....	201	1,210	1,186
Southeast.....	101	1,059	1,031
Southwest.....	32	1,035	1,033
Central States.....	187	1,250	1,231
Northwest.....	32	1,034	1,100
Far West.....	96	1,295	1,287
State: ²			
Connecticut.....	16	1,450	-----
Massachusetts.....	42	1,121	-----
New Jersey.....	33	1,171	-----
New York.....	85	1,328	-----
Pennsylvania.....	62	1,095	-----
Florida.....	22	1,064	-----
Texas.....	21	1,040	-----
Illinois.....	52	1,335	-----
Indiana.....	15	1,117	-----
Iowa.....	16	1,025	-----
Minnesota.....	15	1,203	-----
Missouri.....	25	1,198	-----
Ohio.....	39	1,271	-----
California.....	73	1,295	-----

¹ States included in each region are as follows: New England—Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont; Middle East—Delaware, District of Columbia, Maryland, New Jersey, New York, Pennsylvania, and West Virginia; Southeast—Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, and Virginia; Southwest—Arizona, New Mexico, Oklahoma, and Texas; Central States—Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Ohio, and Wisconsin; Northwest—Colorado, Idaho, Kansas, Montana, Nebraska, North Dakota, South Dakota, Utah, and Wyoming; Far West—California, Nevada, Oregon and Washington.

² Averages are shown only for States from which 15 or more schedules were used in this tabulation. Medians for States were not computed.

The average expenditure of these nurses for fees to nurses' registries in 1941 was \$12.90, or 1.2 percent of their gross cash income from nursing. Only 17.9 percent of nurses reporting on this item indicated that they paid no fees to registries. Information relating to the payment of license fees was not usable because of an apparently widespread misinterpretation of the question. No data were collected covering other occupational expenditures.

Changes in the Income of Private Duty Nurses, 1938 to 1941¹

The prevalence of part-time employment in the private duty nursing profession, the absence of information relating to availability for employment for years other than 1941, and the constant movement of nurses between private duty and other types of nursing, complicates the derivation of a valid series measuring changes in the income of private duty nurses. To obtain a series reflecting only income fluctuations caused by varying opportunities and fee schedules, an index

was calculated, for each 2-year period covered by the survey, of the average incomes of private duty nurses who reported employment of 70 days or more in both years. The indexes were then linked together to obtain one of the average incomes of private duty nurses which covers the four-year period. A similar procedure was followed with respect to the number of meals received without payment. The results, presented in table 6, indicate an increase in average gross cash income of only 8 percent from 1938 to 1941, partially offset by a decrease of 8 percent in the number of meals received without payment. (Alternative approaches to time series analysis were rejected for the following reasons: The varying number of nurses reporting extremely small incomes in each year, presumably arising from sampling fluctuations, has no significance but seriously affects average incomes. Consequently, it was necessary to reject all schedules from nurses employed less than a given number of days. This minimum was placed at 70 days after preliminary analysis of the schedules for 1938 and 1941 had indicated only a small number of nurses worked 50 to 70 days. Inclusion in each year of all nurses employed 70 days or more tends slightly to understate the amount of year-to-year change. This is because, in a period of rising incomes, nurses employed less than 70 days in the first year and, therefore, excluded from the tabulation, tend to enter the bottom of the distribution in the succeeding year and reduce the change in the average. This conservative bias in fact appears when an index of the average income of all nurses employed 70 days or more in each year is constructed. The actual figures obtained by this method on a 1939 base are: 1938, 99.0; 1939, 100.0; 1940, 101.6; and 1941, 104.4.)

Table 6.—Indexes of Average Gross Cash Income and Number of Meals Received Without Payment, for Private Duty Nurses, 1938 to 1941

[1939=100]

Year	Index of average cash income	Index of average number of meals received without payment
1938.....	97.8	101.5
1939.....	100.0	100.0
1940.....	102.8	97.4
1941.....	105.9	93.2

The only previous survey of incomes of private duty nurses available for comparison is that conducted by the American Nurses' Association for 1934-35. The median 1935 income of private-duty nurses (full-time and part-time combined) in 23 States was there found to be \$810.¹ The comparable figure for the same 23 States in

¹ American Nurses' Association, *Study of Incomes, Salaries and Employment Conditions Affecting Nurses*, 1938, p. 470.

1941, based upon the present survey, was \$897. This comparison supports the conclusion that the income of private duty nurses rose but little over a period of several years ending with 1941.

Collectible Bills.

The nurses covered in the survey were requested to report the value of collectible bills from patients outstanding on December 31, 1941, in order that this information might be made available for use in studies of consumer credit. Of the 1,770 nurses with private duty income in 1941 who filled this request, 75.3 percent reported that they had no collectible bills outstanding on that date. The remaining 24.7 percent of the nurses showed an average of \$63 outstanding. The survey indicates that on December 31, 1941, the total value of bills due registered nurses (whether classified as private duty nurses or not) for private duty work was equal to 1.94 percent of the 1941 income from private duty work of all registered nurses. It is probable that some bills for which the possibility of collection was remote were reported and that even this small percentage is, therefore, an overstatement.

Movement Between Private Duty and Other Fields of Nursing, 1941.

The method by which the survey was conducted makes it possible to derive, within a tolerable degree of error, ratios suggesting the amount of shifting between private duty and other types of nursing in 1941. Of the full-time and part-time nurses who received a majority of their income from private duty work in 1941 more than one-fifth—21.3 percent—reported some income earned from work in other fields of nursing. Nonprivate duty income amounted to only 3.9 percent of the total nursing income of all private duty nurses, however. (Since the daily rate is substantially higher in private duty than in most other nursing positions, the percentage of total nursing time devoted to other types of nursing work must have been well above 3.9 percent.) The number of nurses who acknowledged receipt of some, but less than one-half, of their nursing income from private duty work in 1941 was equal to 14.7 percent of the number of private duty nurses reporting. Of the total income from private duty work reported by all nurses in 1941, 96.5 percent was received by private duty nurses and 3.5 percent by other registered nurses.

Monthly Business Statistics

The data here are a continuation of the statistics published in the 1942 Supplement to the SURVEY OF CURRENT BUSINESS. That volume contains monthly data for the years 1938 to 1941, and monthly averages for earlier years back to 1913 insofar as available; it also provides a description of each series and references to sources of monthly figures prior to 1938. Series added or revised since publication of the 1942 Supplement are indicated by an asterisk (*) and a dagger (†), respectively, the accompanying footnote indicating where historical data and a descriptive note may be found. The terms "unadjusted" and "adjusted" used to designate index numbers refer to adjustment of monthly figures for seasonal variation.

Data subsequent to July for selected series will be found in the Weekly Supplement to the Survey.

Monthly statistics through December 1941, together with explanatory notes and references to the sources of the data, may be found in the 1942 Supplement to the Survey	1943	1942						1943					
	July	July	August	September	October	November	December	January	February	March	April	May	June
BUSINESS INDEXES													
INCOME PAYMENTS†													
Indexes, adjusted:													
Total income payments..... 1935-39=100	213.8	172.8	176.2	178.4	183.0	189.2	193.4	196.5	200.6	204.4	207.3	208.7	211.5
Salaries and wages..... do	238.1	189.6	193.2	195.8	201.7	208.8	213.9	218.6	222.4	225.0	228.6	208.7	234.6
Total nonagricultural income..... do	207.6	170.2	172.6	174.5	178.9	184.2	187.9	191.9	194.8	197.0	200.1	201.9	204.9
Total..... mil. of dol.	11,795	9,671	9,547	10,450	10,836	10,680	11,608	10,819	11,499	11,261	11,240	11,138	12,161
Salaries and wages:													
Total..... do	8,413	6,693	6,863	7,083	7,396	7,568	7,748	7,725	7,845	8,001	8,127	8,245	8,405
Commodity-producing industries..... do	4,020	3,204	3,334	3,414	3,528	3,598	3,627	3,598	3,665	3,743	3,803	3,875	3,938
Work-relief wages..... do	0	45	35	30	26	24	23	19	15	11	7	4	2
Direct and other relief..... do	78	86	86	85	85	84	84	83	81	78	77	76	77
Social-security benefits and other labor income..... mil. of dol.	233	169	164	176	175	174	180	195	199	210	215	224	231
Dividends and interest..... do	855	846	437	894	752	522	1,419	781	442	907	753	486	1,364
Entrepreneurial income and net rents and royalties..... mil. of dol.	2,216	1,877	1,997	2,212	2,428	2,332	2,177	2,035	1,932	2,065	2,068	2,107	2,094
Total nonagricultural income..... do	10,485	8,650	8,412	9,092	9,266	9,243	10,354	9,733	9,514	10,143	10,120	9,964	10,984
FARM MARKETINGS AND INCOME													
Farm marketings, volume:*													
Indexes, unadjusted:													
Total farm marketings..... 1935-39=100	132	126	138	165	178	157	144	117	102	115	114	121	116
Crops..... do	114	118	154	211	221	178	153	112	84	85	71	75	66
Livestock and products..... do	145	132	126	130	145	141	138	121	116	137	147	156	154
Indexes, adjusted:													
Total farm marketings..... do	137	129	127	132	130	141	141	127	129	140	136	139	135
Crops..... do	118	121	117	130	128	152	144	127	121	137	128	130	117
Livestock and products..... do	151	134	134	134	132	133	139	127	134	141	141	147	149
Cash farm income, total, including Government payments*..... mil. of dol.	1,584	1,249	1,435	1,753	2,015	1,825	1,671	1,361	1,205	1,402	1,387	1,440	1,408
Income from marketings*..... do	1,549	1,219	1,412	1,726	1,962	1,764	1,499	1,261	1,126	1,310	1,322	1,466	1,384
Indexes of cash income from marketings:†													
Crops and livestock, combined index:													
Unadjusted..... 1935-39=100	233.0	183.5	212.5	260.0	295.5	265.5	225.5	190.0	169.5	197.0	199.0	210.5	208.5
Adjusted..... do	256.5	192.5	204.5	207.5	211.0	224.0	226.5	224.0	239.5	260.5	261.0	258.0	256.0
Crops..... do	263.0	187.5	209.5	222.5	225.0	248.5	237.5	237.0	245.5	273.0	272.0	264.5	248.0
Livestock and products..... do	252.0	196.0	201.5	197.5	201.5	208.0	219.0	215.0	235.5	252.5	254.0	253.5	261.5
Dairy products..... do	202.0	161.0	164.0	166.0	167.5	168.0	177.0	170.0	183.0	189.0	202.0	204.5	202.5
Meat animals..... do	282.5	226.0	234.0	227.0	230.0	239.0	249.5	222.5	260.0	274.0	284.0	282.0	269.5
Poultry and eggs..... do	271.0	180.5	187.0	181.0	194.0	204.0	233.5	286.0	271.5	319.5	276.5	275.5	275.5
INDUSTRIAL PRODUCTION (Federal Reserve)													
Unadjusted:													
Combined index..... 1935-39=100	207	180	187	193	195	195	194	194	197	199	201	204	203
Manufactures..... do	219	189	196	203	205	206	207	208	211	212	215	217	218
Durable manufactures..... do	306	251	260	267	276	279	283	287	292	296	300	304	304
Iron and steel..... do	203	196	197	199	207	203	200	204	208	210	209	208	201
Lumber and products..... do	132	140	138	135	135	125	116	107	114	119	125	131	136
Furniture..... do	145	137	136	136	141	139	144	139	144	144	144	143	144
Lumber..... do	125	141	139	134	131	118	101	91	99	106	115	125	123
Machinery..... do	371	289	299	310	320	329	340	348	352	359	362	365	368
Nonferrous metals..... do	188	188	191	193	192	197	202	200	199	192	194	194	195
Stone, clay, and glass products..... do	147	151	160	163	163	157	139	138	132	133	141	154	149
Cement..... do	131	180	195	200	202	186	156	139	126	126	128	137	136
Glass containers..... do	195	151	167	166	167	171	159	187	184	185	194	214	197
Polished plate glass..... do	50	32	30	38	37	39	39	38	40	39	42	47	46
Transportation equipment..... do	622	425	458	479	507	525	547	559	572	583	597	606	618
Automobile bodies, parts and assembly..... 1935-39=100	168	116	124	129	135	141	146	151	155	158	159	162	165
Nondurable manufactures..... do	148	139	144	151	148	147	146	143	146	144	145	147	148
Alcoholic beverages..... do	126	133	140	140	123	103	94	90	110	105	107	106	127
Chemicals..... do	221	167	170	181	192	199	206	209	213	216	221	220	222
Leather and products..... do	108	114	115	112	117	115	114	120	123	114	116	114	110
Shoes..... do	111	115	117	112	115	111	110	118	119	115	117	115	113
Manufactured food products..... do	157	156	165	181	156	151	150	140	135	134	135	142	148
Dairy products..... do	207	192	192	143	109	91	88	89	102	119	141	187	208
Meat packing..... do	166	138	132	147	146	166	186	171	147	140	136	162	158

* Preliminary. * Revised.

† The total includes data for distributive and service industries and government which have been discontinued as separate series to avoid disclosure of military pay rolls.

‡ Scattered revisions in the 1940-41 figures for dairy products, and in the 1941 figures for iron and steel and machinery are available on request.

* New series. For a description of the indexes of the volume of farm marketings and figures beginning 1929, see pp. 23-32 of the April 1943 Survey. Data beginning 1913 for the dollar figures on cash farm income are shown on p. 28 of the May 1943 Survey.

† Revised series. Data on income payments revised beginning January 1939; for figures for 1939-41, see p. 27, table 1, of the March 1943 Survey; the 1942 figures for most items were revised in the August 1943 Survey; see note marked "†" on p. 8-1 of that issue for revisions in figures for the first 5 months of 1942. The indexes of cash income from farm marketings have been completely revised; data beginning 1913 are shown on p. 28 of the May 1943 Survey.

Monthly statistics through December 1941, to together with explanatory notes and references to the sources of the data, may be found in the 1942 Supplement to the Survey	1943	1942						1943					
	July	July	August	September	October	November	December	January	February	March	April	May	June
EMPLOYMENT CONDITIONS AND WAGES—Continued													
WAGES—Continued													
Factory average hourly earnings—Continued. U. S. Dept. of Labor, all mfg.†—Continued.													
Nondurable goods—Continued.													
Leather and leather products...dollars.....		0.680	0.683	0.702	0.708	0.713	0.719	0.721	0.720	0.729	0.739	0.747	0.752
Boots and shoes.....do.....		.654	.657	.677	.683	.683	.691	.694	.691	.702	.709	.717	.721
Food and kindred products.....do.....		.720	.718	.715	.744	.751	.761	.769	.771	.777	.788	.797	.803
Baking.....do.....		.738	.732	.733	.740	.749	.758	.764	.768	.775	.787	.793	.801
Canning and preserving.....do.....		.601	.611	.612	.664	.674	.676	.681	.684	.681	.706	.697	.696
Slaughtering and meat packing.....do.....		.801	.807	.813	.821	.823	.839	.830	.828	.836	.848	.871	.878
Tobacco manufactures.....do.....		.581	.593	.597	.602	.611	.613	.613	.603	.613	.620	.629	.645
Paper and allied products.....do.....		.751	.757	.767	.771	.772	.771	.774	.781	.782	.790	.794	.798
Paper and pulp.....do.....		.809	.814	.825	.828	.831	.829	.828	.836	.838	.842	.845	.851
Printing, publishing, and allied industries.....dollars.....		.949	.949	.960	.973	.976	.980	.973	.971	.982	.988	.999	1.008
Chemicals and allied products.....do.....		.872	.876	.881	.866	.867	.878	.886	.890	.892	.901	.910	.920
Chemicals.....do.....		1.004	1.001	1.014	1.019	1.027	1.032	1.040	1.044	1.047	1.053	1.055	1.064
Products of petroleum and coal.....do.....		1.039	1.054	1.088	1.081	1.093	1.092	1.105	1.092	1.091	1.111	1.122	1.129
Petroleum refining.....do.....		1.114	1.130	1.165	1.160	1.174	1.176	1.182	1.162	1.161	1.183	1.196	1.204
Rubber products.....do.....		.932	.933	.945	.947	.955	.966	.971	.977	.992	.998	1.005	1.024
Rubber tires and inner tubes.....do.....		1.107	1.105	1.114	1.115	1.125	1.130	1.139	1.135	1.159	1.162	1.167	1.183
Factory average weekly earnings, by States:													
Delaware.....1923-25=100.....	173.6	146.4	145.0	150.9	157.4	159.4	153.6	157.6	157.9	164.6	168.0	172.2	172.7
Illinois.....1935-39=100.....	175.1	148.4	150.9	151.3	156.7	159.8	163.3	163.2	168.0	170.1	173.5	175.0	176.8
Massachusetts.....1935-39=100.....	190.9	166.6	169.1	172.9	176.2	176.7	180.2	184.9	183.7	187.0	189.2	190.6	192.9
New Jersey.....1923-25=100.....		184.0	184.7	190.1	194.5	198.8	202.2	204.2	204.8				
New York.....1935-39=100.....	177.8	154.8	157.0	160.3	163.3	164.7	167.6	169.6	173.4	177.9	179.9	179.0	180.5
Pennsylvania.....1923-25=100.....	181.0	155.4	159.8	161.9	166.9	169.7	171.6	172.3	175.1	177.6	180.1	182.8	183.2
Wisconsin.....1925-27=100.....	173.8	152.1	157.8	153.1	162.0	164.9	168.2	168.6	172.6	174.7	177.1	176.7	178.4
Nonmanufacturing industries, average hourly earnings (U. S. Dept. of Labor):*													
Building construction.....dollars.....		1.157	1.174	1.201	1.198	1.209	1.230	1.240	1.240	1.242	1.235	1.240	1.230
Mining:													
Anthracite.....do.....		.984	.992	.986	.984	.993	1.003	1.007	1.064	1.060	1.060	1.037	1.045
Bituminous coal.....do.....		1.053	1.061	1.065	1.070	1.073	1.085	1.085	1.113	1.119	1.128	1.119	1.124
Metalliferous.....do.....		.891	.909	.906	.913	.926	.931	.941	.947	.949	.962	.984	.983
Quarrying and nonmetallic.....do.....		.709	.727	.738	.744	.750	.757	.759	.755	.766	.776	.781	.778
Crude petroleum and natural gas.....do.....		.995	1.020	1.037	1.039	1.066	1.057	1.059	1.074	1.068	1.069	1.097	1.093
Public utilities:													
Electric light and power.....do.....		.976	.993	1.005	1.004	1.027	1.023	1.026	1.032	1.023	1.034	1.051	1.038
Street railways and busses.....do.....		.818	.829	.836	.840	.847	.856	.852	.854	.857	.870	.876	.880
Telephone and telegraph.....do.....		.818	.819	.829	.833	.835	.835	.840	.846	.845	.850	.855	.857
Services:													
Dyeing and cleaning.....do.....		.572	.580	.588	.601	.608	.601	.615	.617	.619	.641	.649	.653
Power laundries.....do.....		.482	.487	.496	.502	.510	.513	.519	.517	.523	.536	.545	.546
Trade:													
Retail.....do.....		.616	.619	.625	.627	.631	.614	.645	.650	.650	.657	.663	.673
Wholesale.....do.....		.862	.870	.878	.879	.893	.884	.903	.911	.909	.923	.934	.926
Miscellaneous wage data:													
Construction wage rates (E. N. R.):†													
Common labor.....dol. per hour.....	.863	.803	.823	.823	.826	.832	.832	.832	.832	.842	.858	.863	.863
Skilled labor.....do.....	1.62	1.56	1.59	1.59	1.59	1.60	1.60	1.61	1.61	1.61	1.61	1.61	1.61
Farm wages without board (quarterly).....dol. per month.....	76.00	56.85	58.25	59.25	59.25	59.25	59.25	62.43	62.43	62.43	67.21	67.21	71.84
Railway wages (avg., class I).....dol. per hour.....		.825	.828	.839	.832	.850	.845	.850	.804	.842	.843	.848	.839
Road-building wages, common labor:													
United States, average.....do.....	.73	.59	.61	.63	.66	.66	.67	.63	.61	.62	.64	.68	.71
East North Central.....do.....	.96	.75	.76	.77	.83	.83	.88	.89	.91	.87	.90	.88	.91
East South Central.....do.....	.54	.41	.43	.46	.48	.47	.46	.47	.49	.52	.57	.58	.57
Middle Atlantic.....do.....	.95	.69	.66	.64	.72	.75	.82	.84	.79	.84	.83	.95	.91
Mountain.....do.....	.86	.71	.77	.74	.82	.87	.88	.95	.86	.90	.85	.92	.85
New England.....do.....	.86	.69	.65	.66	.70	.75	.80	.81	.82	.87	.90	.85	.83
Pacific.....do.....	1.05	.95	.97	1.08	1.04	1.06	1.02	1.03	1.03	1.02	1.04	1.05	1.09
South Atlantic.....do.....	.59	.48	.50	.50	.52	.54	.56	.52	.52	.52	.54	.57	.59
West North Central.....do.....	.78	.60	.60	.66	.72	.77	.69	.66	.75	.71	.74	.79	.75
West South Central.....do.....	.55	.41	.46	.44	.47	.46	.48	.49	.49	.50	.52	.54	.57
PUBLIC ASSISTANCE													
Total public assistance and earnings of persons employed under Federal work programs\$.....mil. of dol.....	78	120	110	105	104	101	101	96	91	88	83	79	77
Old-age assistance, and aid to dependent children and the blind, total.....mil. of dol.....	69	65	65	65	66	66	67	67	66	67	67	67	67
Old-age assistance.....do.....	55	50	50	50	51	52	52	52	52	52	53	53	53
General relief.....do.....	9	14	13	13	13	12	12	11	10	11	11	10	9

FINANCE

BANKING													
Acceptances and com'l paper outstanding:													
Bankers' acceptances, total.....mil. of dol.....	139	156	139	123	119	116	118	120	127	130	128	136	140
Held by accepting banks, total.....do.....	102	119	108	97	94	90	93	95	102	101	99	105	102
Own bills.....do.....	64	77	71	64	63	61	60	60	64	62	61	65	62
Bills bought.....do.....	38	42	37	33	31	29	34	35	38	39	38	40	40
Held by others*.....do.....	36	38	31	26	25	26	25	24	25	29	29	31	38
Commercial paper outstanding.....do.....	150	305	297	282	271	261	230	220	209	201	179	160	143

* Revised. † Farm wages as of June 1 (data now collected for selected months between quarterly reports).

• None held by Federal Reserve banks. † Data are being revised.

† Rates as of August 1: Construction—common labor, \$0.869; skilled labor, \$1.62.

§ Includes through June 1943 earnings of persons employed under Federal emergency work programs shown separately in the April 1943 and earlier issues; by the end of June 1943 these emergency programs had been liquidated.

† Revised series. For an explanation of the revisions in the U. S. Department of Labor's series on hourly earnings in manufacturing industries, see note marked "†" on p. S-13. The index of weekly earnings in Massachusetts has been revised to a new base; data beginning March 1942 are in the May 1943 Survey; earlier data will be shown later.

*New series. Data beginning 1939 for the Department of Labor's series of hourly earnings in nonmanufacturing industries will be published later. Data for building construction, the mining industries, dyeing and cleaning plants, and power laundries relate to wage earners only; for crude petroleum and natural gas, the clerical field force is included; for the public utilities, all employees except corporation officers and executives are included; and for the trade groups, all employees except corporation officers, executives, and other employees whose duties are mainly supervisory.

Monthly statistics through December 1941, together with explanatory notes and references to the sources of the data, may be found in the 1942 Supplement to the Survey	1943	1942						1943					
	July	July	August	September	October	November	December	January	February	March	April	May	June
FINANCE—Continued													
CONSUMER SHORT-TERM CREDIT													
Total consumer short-term debt, end of month* mil. of dol.	7,007	6,719	6,557	6,403	6,169	6,155	5,702	5,490	5,351	5,243	5,079	5,064	
Installment debt:													
Sale debt, total* do.	2,247	2,032	1,862	1,704	1,571	1,494	1,314	1,190	1,071	1,020	955	896	
Automobile dealers* do.	1,004	874	769	664	573	482	404	351	287	260	235	208	
Department stores and mail order houses* mil. of dol.	300	277	261	253	247	254	228	210	196	190	178	168	
Furniture stores* do.	475	449	428	408	392	391	359	338	322	319	308	301	
Household appliance stores* do.	201	183	169	154	141	130	116	103	91	81	72	64	
Jewelry stores* do.	71	67	63	61	61	77	64	56	51	50	48	47	
All other* do.	196	182	172	164	157	160	143	132	124	120	114	108	
Cash loan debt, total* do.	1,789	1,716	1,642	1,551	1,483	1,428	1,346	1,275	1,252	1,206	1,161	1,150	
Commercial banks, debt* do.	281	491	460	421	393	387	345	319	312	299	290	287	
Credit unions:													
Debt\$ do.	114	173	166	152	145	141	132	126	127	122	118	118	
Loans made do.	15	18	16	14	14	18	11	13	22	15	14	19	
Repayments\$ do.	19	24	23	22	21	22	20	19	21	20	18	19	
Industrial banking companies:													
Debt do.	170	253	246	222	211	202	193	185	184	179	174	174	
Loans made do.	34	34	33	30	25	31	25	26	38	31	29	35	
Repayments do.	38	42	40	41	44	36	40	34	39	36	34	35	
Personal finance companies:													
Debt do.	363	481	466	437	428	424	403	387	387	378	366	371	
Loans made do.	62	63	60	59	59	82	45	50	86	62	58	80	
Repayments do.	70	75	74	74	68	86	66	66	86	71	70	75	
Repair and modernization debt* do.	264	252	240	227	215	200	184	170	155	141	128	114	
Miscellaneous debt* do.	97	95	94	92	91	91	89	88	87	87	85	86	
Charge account sale debt* do.	1,225	1,232	1,320	1,419	1,386	1,513	1,333	1,333	1,343	1,331	1,275	1,338	
Open credit cash debt* do.	1,112	1,102	1,095	1,088	1,085	1,072	1,058	1,038	1,031	1,029	1,027	1,014	
Service debt* do.	634	637	638	641	644	648	651	654	654	657	661	666	
Indexes of total consumer short-term debt, end of month:													
Unadjusted 1935-39=100	116	112	109	106	102	102	95	91	89	87	84	84	
Adjusted do.	118	113	109	106	102	98	94	93	90	88	85	84	
INDUSTRIAL AND COMMERCIAL FAILURES													
Grand total number	203	764	698	556	673	585	506	458	422	410	362	281	265
Commercial service, total do.	20	52	47	27	40	27	22	28	28	23	28	19	31
Construction, total do.	23	63	66	54	61	63	47	53	38	41	54	35	33
Manufacturing and mining, total do.	43	120	119	77	102	98	86	79	67	79	61	48	39
Mining (coal, oil, miscellaneous) do.	3	5	5	0	4	2	2	2	3	2	2	2	2
Chemicals and allied products do.	1	5	5	4	7	5	3	4	2	4	2	5	2
Food and kindred products do.	7	19	23	5	17	10	11	14	9	8	12	3	5
Iron and steel products do.	5	8	5	2	1	5	4	2	2	4	0	3	2
Leather and leather products do.	0	3	4	2	3	2	3	1	3	1	0	0	2
Lumber and products do.	8	11	10	9	18	11	11	9	12	8	2	6	6
Machinery do.	3	5	8	5	7	2	4	5	7	9	1	2	2
Paper, printing, and publishing do.	7	20	12	11	13	16	12	14	9	10	11	7	7
Stone, clay, and glass products do.	1	5	5	3	3	4	1	4	4	2	4	1	1
Textile-mill products and apparel do.	3	24	20	15	20	16	19	16	9	16	10	8	4
Transportation equipment do.	0	2	0	4	2	3	2	2	1	0	1	2	2
Miscellaneous do.	5	14	20	13	18	15	10	7	10	10	5	8	4
Retail trade, total do.	98	465	405	355	405	352	307	267	255	232	195	156	147
Wholesale trade, total do.	19	64	61	43	65	45	44	31	34	35	24	23	15
Liabilities, grand total thous. of dol.	3,595	8,548	6,781	5,473	7,181	5,245	6,950	5,515	4,163	7,282	3,523	2,550	6,076
Commercial service, total do.	300	915	538	268	525	267	526	396	331	305	579	393	1,600
Construction, total do.	647	584	520	646	756	717	698	379	903	597	267	577	607
Manufacturing and mining, total do.	2,017	2,078	2,249	1,661	2,374	1,823	1,997	2,249	1,342	4,144	1,105	826	1,441
Mining (coal, oil, miscellaneous) do.	144	85	237	519	0	198	7	206	69	100	22	28	40
Chemicals and allied products do.	8	177	33	28	146	64	12	34	44	52	20	66	25
Food and kindred products do.	508	265	421	90	352	176	195	469	195	169	192	90	396
Iron and steel products do.	175	161	76	17	7	297	120	105	132	97	0	45	50
Leather and leather products do.	0	18	50	29	21	49	40	52	97	20	0	0	71
Lumber and products do.	208	191	207	217	81	185	272	139	128	368	117	106	341
Machinery do.	38	156	163	131	69	12	288	333	269	2,441	289	15	203
Paper, printing, and publishing do.	808	224	341	110	580	132	77	498	107	165	169	218	76
Stone, clay, and glass products do.	35	129	53	100	125	62	49	4	45	76	50	95	15
Textile-mill products and apparel do.	38	486	262	280	628	467	216	252	79	162	150	76	25
Transportation equipment do.	0	9	22	0	170	17	525	42	54	244	0	8	174
Miscellaneous do.	55	177	384	140	195	164	196	115	123	250	96	79	25
Retail trade, total do.	429	3,950	2,475	2,276	2,660	2,009	2,392	1,800	1,782	1,540	1,031	756	2,334
Wholesale trade, total do.	202	1,021	999	622	866	429	846	372	329	390	211	308	124
LIFE INSURANCE													
Association of Life Insurance Presidents:													
Assets, admitted, total mil. of dol.	29,716	27,598	27,725	27,909	28,083	28,236	28,394	28,572	28,757	28,999	29,188	29,340	29,542
Mortgage loans, total do.	5,214	5,194	5,212	5,220	5,225	5,230	5,224	5,223	5,213	5,203	5,201	5,201	5,197
Farm do.	688	688	687	685	680	675	667	661	651	646	651	653	654
Other do.	4,559	4,506	4,525	4,535	4,545	4,555	4,557	4,562	4,562	4,557	4,550	4,548	4,543
Real-estate holdings do.	1,183	1,400	1,392	1,382	1,370	1,356	1,308	1,302	1,286	1,262	1,238	1,218	1,204
Policy loans and premium notes do.	1,920	2,158	2,144	2,129	2,110	2,092	2,068	2,045	2,024	2,003	1,982	1,962	1,942
Bonds and stocks held (book value), total mil. of dol.	19,883	17,415	17,843	17,905	17,904	17,882	18,641	18,672	18,713	18,490	19,740	19,802	19,867
Gov't. (domestic and foreign), total do.	11,038	8,443	8,888	8,908	8,938	8,929	9,756	9,797	9,832	9,575	10,833	10,899	10,998
U. S. Government do.	9,400	6,587	7,093	7,132	7,204	7,196	8,060	8,089	8,163	7,933	9,222	9,258	9,360
Public utility do.	4,441	4,405	4,409	4,444	4,434	4,432	4,443	4,438	4,446	4,465	4,467	4,461	4,450
Railroad do.	2,481	2,623	2,616	2,597	2,581	2,566	2,517	2,515	2,508	2,525	2,528	2,523	2,515
Other do.	1,923	1,944	1,930	1,956	1,951	1,955	1,925	1,922	1,907	1,925	1,912	1,919	1,914
Cash do.	805	876	574	690	868	1,074	537	716	870	1,370	394	495	618
Other admitted assets do.	711	555	560	583	604	602	616	614	651	671	653	662	714

* Revised.

†36 companies having 82 percent of the total assets of all United States legal reserve companies.

§Revisions in 1941 data for credit unions are shown on p. S-15 of the January 1943 Survey.

*New series. Earlier figures and a description of the data appear on pp. 9-25 of the November 1942 Survey; subsequent revisions in 1941 data for total short-term debt (dollar figures and indexes), total cash loan debt, and commercial banks are shown on p. S-15 of the February 1943 Survey. There have been additional revisions in the 1941 and early 1942 figures for the series revised in the July 1943 Survey as indicated by an "r" on the figures; revisions, which in most cases are minor, are available on request.

Monthly statistics through December 1941, together with explanatory notes and references to the sources of the data, may be found in the 1942 Supplement to the Survey	1943	1942						1943					
	July	July	August	September	October	November	December	January	February	March	April	May	June
FINANCE—Continued													
SECURITIES ISSUED—Continued													
<i>(Securities and Exchange Commission)†</i>													
Estimated gross proceeds—Continued.													
By types of issuers:													
Corporate, total.....mil. of dol.	76	61	43	82	46	35	34	9	49	98	91	83	99
Industrial.....do.	41	53	2	39	7	17	3	9	3	61	28	18	52
Public utility.....do.	26	6	38	41	30	17	27	0	39	22	59	39	1
Rail.....do.	7	2	2	1	9	0	4	0	8	15	3	14	47
Other (real estate and financial).....do.	2	0	0	0	0	0	0	0	0	0	(a)	12	0
Non-corporate total.....do.	939	3,046	2,016	2,468	4,958	752	6,925	1,380	945	994	10,188	1,371	3,634
U. S. Government.....do.	890	2,998	1,969	2,444	4,919	735	6,906	1,240	887	944	10,165	1,335	3,583
State and municipal.....do.	49	47	47	23	38	17	18	49	57	50	23	37	1
New corporate security issues:													
Estimated net proceeds, total.....do.	74	60	42	80	45	34	33	8	49	96	88	81	97
Proposed uses of proceeds:													
New money, total.....do.	3	20	38	31	4	5	16	1	12	39	9	32	25
Plant and equipment.....do.	(a)	17	33	12	2	1	15	0	10	6	3	14	10
Working capital.....do.	3	4	5	19	2	4	1	1	2	32	6	18	15
Repayment of debt and retirement of stock, total.....mil. of dol.	61	39	4	29	41	29	17	8	37	49	79	49	70
Funded debt.....do.	40	31	4	24	41	28	13	6	34	42	74	49	51
Other debt.....do.	2	8	0	4	(a)	1	(a)	2	3	1	3	0	(a)
Preferred stock.....do.	19	(a)	0	2	(a)	(a)	4	0	0	7	2	0	19
Other purposes.....do.	10	(a)	(a)	20	0	(a)	(a)	0	8	(a)	(a)	0	2
Proposed uses of proceeds by major groups:													
Industrial, total net proceeds.....mil. of dol.	40	52	2	38	6	17	3	8	2	59	27	17	50
New money.....do.	3	15	2	23	4	4	2	1	2	33	5	11	25
Repayment of debt and retirement of stock.....mil. of dol.	27	37	(a)	3	3	13	1	8	(a)	18	22	7	23
Public utility, total net proceeds.....do.	26	6	38	40	29	17	27	0	39	22	58	38	1
New money.....do.	(a)	3	34	6	(a)	1	10	0	2	1	0	(a)	1
Repayment of debt and retirement of stock.....mil. of dol.	26	2	4	26	29	16	17	0	37	21	57	38	1
Railroad, total net proceeds.....do.	7	2	2	1	9	0	4	0	8	15	3	14	46
New money.....do.	0	2	2	1	0	0	4	0	8	5	3	14	0
Repayment of debt and retirement of stock.....mil. of dol.	7	0	0	0	9	0	0	0	0	10	0	0	46
<i>(Commercial and Financial Chronicle)</i>													
Securities issued, by type of security, total (new capital and refunding).....thous. of dol.													
New capital, total.....do.	169,377	142,322	161,739	100,977	115,001	99,871	150,404	176,420	102,306	199,837	159,700	157,362	221,374
Domestic, total.....do.	30,537	40,750	103,133	45,085	28,145	31,029	40,792	6,670	57,900	89,645	37,677	43,727	41,333
Corporate.....do.	19,175	27,510	58,600	28,446	2,434	6,679	14,717	2,798	11,330	54,693	20,785	28,621	29,999
Federal agencies.....do.	4,025	2,515	0	0	0	17,125	16,720	0	0	0	6,860	3,449	1,140
Municipal, State, etc.....do.	7,338	10,725	44,533	16,639	25,711	7,225	9,355	3,872	46,570	32,702	10,032	0	10,194
Foreign.....do.	0	0	0	0	0	0	0	0	0	2,250	0	11,658	0
Refunding, total.....do.	138,839	101,572	58,606	55,893	86,856	68,842	109,613	169,750	44,406	110,192	122,023	113,635	180,041
Domestic, total.....do.	138,839	101,572	58,606	55,893	86,856	68,842	109,613	79,750	44,406	110,192	122,023	88,780	162,041
Corporate.....do.	65,580	32,719	6,018	30,437	43,846	13,531	66,329	7,517	1,865	38,447	74,902	44,744	77,813
Federal agencies.....do.	31,105	32,260	49,925	18,400	30,645	45,520	34,245	26,805	31,875	54,830	34,505	44,036	43,475
Municipal, State, etc.....do.	42,155	36,593	2,663	6,556	12,365	9,792	9,039	45,428	10,666	16,915	12,616	0	40,753
Foreign.....do.	0	0	0	500	0	0	0	90,000	0	0	0	24,555	18,000
Domestic issues for productive uses (Moody's):													
Total.....mil. of dol.	6	28	26	7	26	5	14	4	53	33	5	20	12
Corporate.....do.	2	18	17	4	1	2	7	2	10	5	4	16	3
Municipal, State, etc.....do.	4	10	9	3	25	3	7	2	43	28	1	4	9
<i>(Bond Buyer)</i>													
State and municipal issues:													
Permanent (long term).....thous. of dol.	54,339	48,096	60,862	28,862	36,036	24,188	34,486	61,173	61,336	51,369	24,539	24,119	61,370
Temporary (short term).....do.	121,585	133,530	53,672	203,704	79,815	6,905	45,464	145,734	59,482	69,492	22,335	38,013	48,341
COMMODITY MARKETS													
Volume of trading in grain futures:													
Wheat.....mil. of bu.	328	390	257	261	190	146	224	212	188	236	210	155	235
Corn.....do.	0	104	141	85	81	94	125	103	30	15	44	18	12
SECURITY MARKETS													
Brokers' Balances (N. Y. S. E. members carrying margin accounts)†													
Customers' debit balances (net).....mil. of dol.	780	491	490	500	510	520	543	540	550	610	670	740	761
Cash on hand and in banks.....do.		172					160						167
Money borrowed.....do.	530	307	300	310	310	320	378	290	320	350	570	550	529
Customers' free credit balances.....do.	340	238	240	240	250	250	270	280	310	320	330	330	334
Bonds													
Prices:													
Average price of all listed bonds (N. Y. S. E.)													
Domestic.....dollars..	99.35	95.76	96.08	96.18	96.48	96.11	96.70	97.47	97.79	98.24	98.69	99.47	99.64
Foreign.....do.	100.37	97.49	97.75	97.83	98.08	97.59	98.04	98.72	99.03	99.42	99.88	100.53	100.69
Standard and Poor's Corporation:													
Industrial, utilities, and rails:													
High grade (15 bonds).....dol. per \$100 bond..	121.1	118.9	118.7	119.0	119.3	119.5	118.9	119.5	120.0	119.8	119.9	120.1	120.5
Medium and lower grade:													
Composite (50 bonds).....do.	110.8	98.9	99.3	100.7	102.1	103.2	103.6	105.4	106.4	108.0	109.2	110.6	109.9
Industrials (10 bonds).....do.	116.6	108.4	108.7	109.8	111.2	113.8	115.3	115.7	115.9	116.7	116.3	116.1	116.6
Public utilities (20 bonds).....do.	115.3	104.5	104.1	105.8	107.1	108.3	109.1	110.5	111.4	112.1	113.4	113.7	114.4
Rails (20 bonds).....do.	100.4	83.9	85.2	86.4	88.0	87.6	86.5	89.9	92.0	95.3	97.8	100.1	98.7
Defaulted (15 bonds).....do.	48.1	25.5	27.1	29.4	30.3	29.6	29.9	31.7	33.5	39.9	44.7	49.1	47.6
Domestic municipals (15 bonds)†.....do.	133.4	126.7	127.6	128.1	128.6	129.0	127.8	127.7	128.6	128.7	129.1	130.4	131.5
U. S. Treasury bonds.....do.	112.9	110.2	109.9	109.8	109.5	109.4	108.9	109.4	109.4	109.1	108.9	111.4	112.4

† Revised. (a) Less than \$500,000. † Trading suspended on all markets beginning June 27.

‡ Includes for January 1943 a Canadian Government issue of \$90,000,000 and, for certain months, small amounts for nonprofit agencies, not shown separately.

§ Complete reports are now collected semiannually; data for Aug.-Nov. 1942 and Jan.-May and July 1943 are estimates based on reports for a small number of large firms.

|| Small amounts for "other corporate," not shown separately, are included in the total net proceeds, all corporate issues, above.

† Revised series. For an explanation of changes in the data on security issues compiled by the Securities and Exchange Commission and revised 1941 monthly averages for selected series, see p. S-18 of the April 1943 Survey; data for 1942 published prior to the August 1943 Survey have also been revised; all revisions are available on request. The price indexes for domestic municipals are converted from yields to maturity, assuming a 4-percent coupon with 20 years to maturity instead of 3¼-percent coupon with 22 years to maturity, as formerly; revised data beginning February 1942 are on p. S-19 of the April 1943 Survey; earlier data will be shown in a subsequent issue.

Monthly statistics through December 1941, together with explanatory notes and references to the sources of the data, may be found in the 1942 Supplement to the Survey	1943	1942						1943					
	July	July	August	September	October	November	December	January	February	March	April	May	June
FINANCE—Continued													
SECURITY MARKETS—Continued													
Stocks—Continued													
Yields:													
Common stocks (200), Moody's.....percent..	4.7	6.4	6.3	6.1	5.8	5.9	5.7	5.4	5.1	4.8	4.8	4.6	4.5
Banks (15 stocks).....do.....	4.1	5.5	5.1	4.9	5.0	5.2	5.0	4.5	4.4	4.0	4.1	4.0	3.9
Industrials (125 stocks).....do.....	4.5	6.1	6.0	5.8	5.5	5.5	5.3	5.0	4.7	4.5	4.5	4.3	4.2
Insurance (10 stocks).....do.....	3.9	4.7	4.7	4.5	4.4	4.5	4.2	4.1	4.1	3.9	3.9	3.8	3.8
Public utilities (25 stocks).....do.....	5.5	8.2	8.0	7.9	7.2	7.1	7.2	6.8	6.3	6.2	5.8	5.5	5.4
Rails (25 stocks).....do.....	6.8	7.7	7.5	7.3	7.0	8.0	8.6	7.9	7.3	6.8	6.6	6.2	6.4
Preferred stocks, high-grade (15 stocks), Standard and Poor's Corp.....percent..	3.98	4.32	4.27	4.27	4.23	4.23	4.19	4.17	4.10	4.08	4.08	4.07	4.03
Stockholders (Common Stock)													
American Tel. & Tel. Co., total.....number..				641,301			642,631			645,084			647,040
Foreign.....do.....				5,184			5,159			5,150			5,119
Pennsylvania R. R. Co., total.....do.....				205,405			205,965			207,541			208,678
Foreign.....do.....				1,367			1,360			1,354			1,335
U. S. Steel Corporation, total.....do.....				163,754			163,296			163,586			163,803
Foreign.....do.....				2,577			2,577			2,573			2,586
Shares held by brokers.....percent of total				24.88			25.45			25.20			25.15

FOREIGN TRADE

INDEXES													
Exports of U. S. merchandise:													
Quantity.....1923-25=100.....		195	199	215	225	208	241	190	186	244			
Value.....do.....	334	168	185	191	206	200	226	185	178	245	303	285	268
Unit value.....do.....		86	93	89	92	96	94	98	96	101			
Imports for consumption:													
Quantity.....do.....		86	78	84	95	79	167	102	102	109			
Value.....do.....	95	66	57	62	70	59	127	77	77	83	86	89	95
Unit value.....do.....		76	74	74	74	74	76	75	75	76			
VALUE†													
Exports, total incl. reexports.....thous. of dol..	1,250,525	649,926	703,096	732,014	801,382	786,860	873,145	694,348	669,331	927,116	1,123,766	1,069,259	1,003,514
Exports of U. S. merchandise.....do.....	1,242,766	645,009	696,245	725,896	794,258	780,753	864,866	687,732	661,545	912,675	1,115,013	1,060,540	997,435
General imports.....do.....	300,286	213,210	186,323	196,033	199,750	168,079	358,787	228,214	233,959	249,240	257,891	280,883	302,239
Imports for consumption.....do.....	303,512	209,249	184,766	196,755	223,409	186,715	407,417	245,588	245,173	263,992	267,771	284,959	307,463

TRANSPORTATION AND COMMUNICATIONS

TRANSPORTATION													
Commodity and Passenger*													
Unadjusted indexes:													
Combined index, all types.....1935-39=100.....		185	193	198	203	196	191	187	202	203	207	211	214
Excluding local transit lines.....do.....		192	201	206	211	203	196	191	207	209	213	218	219
Commodity.....do.....		184	190	195	202	192	181	178	194	195	197	201	197
Passenger.....do.....		189	202	207	207	209	226	221	232	234	246	247	269
Excluding local transit lines.....do.....		255	284	286	276	284	302	286	304	311	335	341	382
By types of transportation:													
Air, combined index.....do.....		302	326	343	351	337	323	319	377	379	419	395	423
Commodity.....do.....		349	372	406	431	438	474	445	515	515	568	523	551
Passenger.....do.....		270	296	301	298	270	224	236	289	289	320	310	338
Intercity motor bus and truck, combined index.....1935-39=100.....		201	217	220	226	218	222	209	220	224	226	223	240
For-hire truck.....do.....		185	200	211	224	216	216	202	213	218	214	207	222
Motor bus.....do.....		252	273	250	235	227	240	232	244	243	264	277	301
Local transit lines.....do.....		134	134	142	149	147	162	167	173	171	172	169	175
Oil and gas pipe lines.....do.....		132	134	141	145	152	156	155	163	160	163	158	161
Railroads, combined index.....do.....		209	218	224	230	221	212	211	229	234	235	240	236
Commodity.....do.....		203	209	214	221	209	195	197	215	216	217	222	212
Passenger.....do.....		256	289	304	296	314	339	317	336	347	372	376	426
Waterborne (domestic), commodity.....do.....		85	84	81	77	65	42	29	34	35	47	68	77
Adjusted indexes:													
Combined index, all types.....do.....		184	187	190	195	194	194	195	208	209	214	214	211
Excluding local transit lines.....do.....		189	192	197	202	202	200	200	216	217	222	221	216
Commodity.....do.....		183	185	187	191	187	187	186	200	201	204	203	196
Passenger.....do.....		185	194	203	210	218	218	227	239	242	250	254	260
Excluding local transit lines.....do.....		229	248	271	285	307	295	302	326	335	351	358	361
By type of transportation:													
Air, combined index.....do.....		287	296	313	323	356	348	376	407	381	406	382	391
Commodity.....do.....		325	372	407	421	451	454	481	520	497	500	518	537
Passenger.....do.....		236	245	251	258	293	277	306	332	304	304	292	294
Intercity motor bus and truck, combined index.....1935-39=100.....		196	198	201	210	211	233	226	235	238	234	227	232
For-hire truck.....do.....		189	196	201	209	208	225	212	219	225	219	207	219
Motor bus.....do.....		211	216	227	247	245	232	271	289	282	285	292	274
Local transit lines.....do.....		149	149	147	147	145	164	165	166	166	166	167	177
Oil and gas pipe lines.....do.....		140	142	146	149	151	150	148	150	154	160	161	168
Railroads.....do.....		208	211	216	221	221	214	214	234	236	243	245	236
Commodity.....do.....		204	205	206	210	205	199	201	220	220	224	226	213
Passenger.....do.....		238	264	294	307	340	328	318	345	364	388	396	410
Waterborne (domestic), commodity.....do.....		64	62	61	57	57	66	66	71	68	70	62	61
Express Operations													
Operating revenue.....thous. of dol..		12,170	12,106	12,922	13,319	14,773	18,071	14,295	14,306	15,363	15,803	16,084	16,315
Operating income.....do.....		76	77	88	56	153	157	67	78	68	145	53	64
Local Transit Lines													
Fares, average, cash rate.....cents.....	7.8032	7.8060	7.8060	7.8060	7.8060	7.8060	7.8060	7.8060	7.8060	7.8060	7.8060	7.8032	7.8032
Passengers carried.....thousands.....	1,241,051	1,033,348	1,037,054	1,059,727	1,152,868	1,100,451	1,254,329	1,239,428	1,147,971	1,254,163	1,220,211	1,247,526	1,259,983
Operating revenues.....thous. of dol..		77,400	78,399	78,782	85,257	81,356	94,248	93,600	87,326	93,720	92,325	93,371	94,944

* Revised.

†For revised 1941 monthly averages, see note 2 on p. S-20 of the April 1943 Survey; revised monthly data for 1941 and preliminary revisions for January-June 1942 are available on request; figures beginning July 1942 have been revised above. The April 1943 export figures include shipments valued at \$160,000,000 which were actually exported in January-March.

‡For 1941 figures revised to cover the same companies as for 1942, see note marked "†" on p. S-21 of the April 1943 Survey.

§New series. For data beginning 1929 for the transportation indexes see pp. 26 and 27, table 5, of the May 1943 issue.

Monthly statistics through December 1941, together with explanatory notes and references to the sources of the data, may be found in the 1942 Supplement to the Survey	1943	1942						1943					
	July	July	August	September	October	November	December	January	February	March	April	May	June
FOODSTUFFS AND TOBACCO—Continued													
TOBACCO													
Leaf:													
Production (crop estimate).....mil. of lb.	* 1,412						1,417						
Stocks, dealers and manufacturers, total, end of quarter.....mil. of lb.				3,260			3,434			* 3,329			2,943
Domestic:													
Cigar leaf.....do				381			337			* 389			368
Fire-cured and dark air-cured.....do				249			242			* 294			269
Flue-cured and light air-cured.....do				2,519			2,752			* 2,553			2,220
Miscellaneous domestic.....do				3			3			3			3
Foreign grown:													
Cigar leaf.....do				24			22			22			25
Cigarette tobacco.....do				85			77			68			58
Manufactured products:													
Consumption (tax-paid withdrawals):													
Small cigarettes.....millions	22,878	20,875	20,941	21,978	23,075	20,447	19,716	20,370	17,678	20,612	19,943	18,476	20,894
Large cigars.....thousands	427,231	510,823	498,872	519,976	633,350	474,348	685,002	436,744	410,599	427,836	451,899	441,372	449,641
Mfd. tobacco and snuff.....thous. of lb.	23,966	27,013	25,329	27,329	30,956	25,882	24,081	25,297	22,691	26,856	25,135	23,906	23,246
Prices, wholesale (list price, composite):													
Cigarettes, f. o. b., destination.....dol. per 1,000	6,006	5,760	5,760	5,760	5,760	6,006	6,006	6,006	6,006	6,006	6,006	6,006	6,006
Cigars, delivered.....do	(?)	46,592	46,592	(?)	(?)	(?)	(?)	(?)	(?)	(?)	(?)	(?)	(?)
Production, manufactured tobacco:													
Total.....thous. of lb.		29,443	26,475	27,535	29,845	28,209	25,636	26,273	24,857	29,266	26,856	25,147	
Fine-cut chewing.....do		446	437	437	426	425	429	413	356	399	348	319	
Plug.....do		4,933	4,749	5,128	5,036	4,686	4,061	4,684	4,608	5,368	4,878	4,704	
Scrap chewing.....do		5,243	4,724	4,260	4,624	4,033	3,795	3,676	3,907	4,150	4,151	3,927	
Smoking.....do		15,025	13,259	14,035	15,980	15,247	13,046	13,317	11,663	14,447	13,145	12,434	
Snuff.....do		3,264	2,799	3,169	3,252	3,297	3,783	3,681	3,824	4,344	3,752	3,212	
Twist.....do		534	506	507	526	522	522	503	500	559	583	551	
LEATHER AND PRODUCTS													
HIDES AND SKINS													
Livestock slaughter (Federally inspected):													
Calves.....thous. of animals	335	461	460	513	578	501	476	340	331	410	365	328	327
Cattle.....do	845	1,048	1,103	1,159	1,280	1,018	982	928	854	923	796	774	708
Hogs.....do	5,427	3,886	3,223	3,843	4,218	5,023	6,778	5,431	4,335	4,661	4,463	5,357	5,650
Sheep and lamb.....do	1,988	1,705	1,840	2,223	2,344	2,126	2,175	1,724	1,499	1,495	1,458	1,622	1,594
Prices, wholesale (Chicago):													
Hides, packers', heavy, native steers.....dol. per lb.	.155	.155	.155	.155	.155	.155	.155	.155	.155	.155	.155	.155	.155
Calfskins, packers', 8 to 15 lb.....do	.218	.218	.218	.218	.218	.218	.218	.218	.218	.218	.218	.218	.218
LEATHER													
Production:													
Calf and kip.....thous. of skins	919	1,053	1,093	1,029	1,073	1,009	1,045	969	973	1,082	986	923	* 1,010
Cattle hide.....thous. of hides	1,951	2,616	2,402	2,401	2,647	2,460	2,647	2,451	2,436	2,516	2,401	2,244	* 2,187
Goat and kid.....thous. of skins		3,045	2,433	2,735	2,933	2,660	3,169	3,017	2,984	3,597	3,383	2,983	3,212
Sheep and lamb.....do	4,643	4,147	4,287	4,150	4,462	4,860	4,543	4,844	5,023	5,027	4,918	4,991	* 4,959
Prices, wholesale:													
Sole, oak, bends (Boston)†.....dol. per lb.	(?)	.440	.440	.440	.440	.440	.440	.440	.440	.440	.440	.440	.440
Chrome, calf, B grade, black, composite.....dol. per sq. ft.	(?)	.529	.529	.529	.529	.529	.529	.529	.529	.529	.529	.529	.529
Stocks of cattle hides and leather, end of month:													
Total.....thous. of equiv. hides	10,234	12,485	12,519	12,590	12,597	12,429	12,225	11,964	11,827	11,590	11,197	11,087	* 10,714
Leather, in process and finished.....do	6,922	8,789	8,639	8,623	8,680	8,652	8,591	8,420	8,174	7,986	7,717	7,522	* 7,255
Hides, raw.....do	3,312	3,696	3,880	3,967	3,917	3,777	3,634	3,544	3,653	3,604	3,480	3,565	* 3,459
LEATHER MANUFACTURES													
Gloves and mittens:													
Production (cut), total.....dozen pairs	295,243	272,256	268,191	295,715	260,337	274,695							
Dress and semidress.....do	177,707	159,056	150,656	166,831	146,021	156,680							
Work.....do	117,536	113,200	117,535	128,884	114,316	118,015							
Boots, shoes, and slippers:													
Prices, wholesale, factory:													
Men's black calf blucher.....dol. per pair	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75
Men's black calf oxford, corded tip.....do	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60
Women's plain, black, kid blucher f.....do	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Production, boots, shoes, and slippers:													
Total.....thous. of pairs	41,800	38,812	37,119	39,986	35,247	38,501	37,504	37,797	41,945	40,657	* 36,313	39,440	
Athletic.....do	460	424	460	475	415	453	341	327	367	322	248	157	
All fabric (satin, canvas, etc.).....do	147	175	227	368	305	317	899	1,188	1,380	1,624	* 1,661	2,807	
Part fabric and part leather.....do	671	613	727	1,007	901	1,003	801	700	738	871	* 511	655	
High and low cut, leather, total.....do	36,022	33,054	31,092	33,041	28,974	32,351	31,992	31,777	34,811	33,503	* 29,394	31,371	
Government shoes.....do	3,763	3,879	3,333	3,960	3,424	3,831	3,913	4,002	4,090	4,278	3,995	4,138	
Civilian shoes:													
Boys' and youths'.....do	1,571	1,401	1,379	1,549	1,164	1,323	1,630	1,481	1,486	1,578	1,468	1,684	
Infants'.....do	2,161	2,136	2,079	2,048	2,003	2,101	2,095	2,019	2,283	2,129	* 2,019	2,132	
Misses' and children's.....do	3,602	3,224	3,080	3,259	2,743	3,236	2,773	2,797	2,966	3,061	2,525	2,684	
Men's.....do	8,552	7,410	7,561	8,310	7,119	7,814	7,086	7,235	7,775	7,819	6,899	7,154	
Women's.....do	16,374	15,003	13,660	13,916	12,521	14,047	14,496	14,244	16,211	14,638	12,487	13,578	
Slippers and moccasins for housewear.....thous. of pairs	3,850	4,083	4,219	4,447	3,989	3,682	2,749	3,053	3,578	3,795	3,993	3,914	
All other footwear.....do	650	462	395	647	664	695	722	751	1,071	542	405	535	

* Revised. † August estimate. ‡ December 1 estimate. § Not available; data are being revised. ¶ No quotation.

† Revised series. The price series for sole oak leather is shown on a revised basis beginning with the October 1942 Survey; revisions beginning July 1933 are available on request. The shoe price series for plain, black, kid blucher has been substituted beginning in the June 1943 issue for the colored, elk blucher series formerly shown; data beginning 1940 are shown in footnote marked "†" on p. S-28 of that issue.

Monthly statistics through December 1941, together with explanatory notes and references to the sources of the data, may be found in the 1942 Supplement to the Survey	1943	1942						1943					
	July	July	August	September	October	November	December	January	February	March	April	May	June
STONE, CLAY, AND GLASS PRODUCTS													
ABRASIVE PRODUCTS													
Coated abrasive paper and cloth: Shipments.....reams..	123,081	121,187	135,030	142,985	120,953	126,874	157,573	125,258	119,776	150,497	153,639	145,123	138,181
PORTLAND CEMENT													
Production.....thous. of bbl..	11,880	16,833	17,605	17,541	18,293	16,273	14,116	12,560	10,293	11,392	11,239	12,384	11,895
Percent of capacity.....	56	80	85	87	87	80	67	60	54	54	55	59	58
Shipments.....thous. of bbl..	12,411	20,501	21,282	20,148	20,384	14,653	8,955	8,641	8,656	10,107	12,757	12,075	12,702
Stocks, finished, end of month.....do..	21,536	18,979	15,268	12,708	10,625	12,248	17,428	21,368	22,985	24,111	22,579	22,891	22,067
Stocks, clinker, end of month.....do..	5,569	5,528	4,493	3,606	2,733	2,840	3,509	3,771	4,566	4,926	5,312	5,574	5,455
CLAY PRODUCTS													
Common brick, price, wholesale, composite, f. o. b. plant.....dol. per thous..	13.442	13.263	13.265	13.255	13.213	13.215	13.236	13.243	13.219	13.260	13.279	13.384	13.433
Vitrified paving brick: Shipments.....thous. of brick		3,711	3,682										
Stocks, end of month.....do..		18,760	19,215										
GLASS PRODUCTS													
Glass containers:													
Production.....thous. of gross..	7,685	5,949	6,609	6,328	6,869	6,235	6,299	7,361	6,672	7,561	7,622	8,104	7,773
Percent of capacity.....	117.7	88.4	98.2	97.8	98.3	100.4	93.6	112.8	110.7	111.5	116.8	129.1	119.1
Shipments, total.....thous. of gross..	7,616	6,336	6,921	6,897	7,005	6,281	6,564	7,246	7,060	8,154	8,132	8,359	8,262
Narrow neck, food.....do..	661	383	546	818	511	450	418	491	471	490	499	567	590
Wide mouth, food.....do..	1,956	1,577	1,837	1,632	1,845	1,661	1,735	1,841	1,808	2,144	2,109	2,220	2,227
Pressed food ware.....do..	34	40	33	31	49	39	39	41	18	46	33	42	55
Pressure and nonpressure.....do..	562	416	320	315	350	331	362	366	386	478	553	584	608
Beer bottles.....do..	570	859	738	647	625	681	823	849	862	952	852	819	783
Liquor ware.....do..	676	853	1,164	1,095	1,172	820	868	796	731	857	817	798	757
Medicine and toilet.....do..	1,890	1,379	1,253	1,286	1,662	1,508	1,491	1,924	1,708	1,906	1,922	1,970	1,891
General purpose.....do..	614	328	329	361	455	520	516	551	609	671	702	682	682
Milk bottles.....do..	251	295	270	286	276	236	272	267	217	235	207	194	247
Fruit jars and jelly glasses.....do..	359	195	401	395	29	13	16	100	227	334	404	464	398
Stocks, end of month.....do..	4,845	9,528	9,139	8,490	8,299	8,119	7,774	7,775	7,288	6,631	5,894	5,583	4,882
Other glassware, machine-made:													
Tumblers:													
Production.....thous. of doz..	4,800	3,183	4,498	3,880	4,500	3,778	3,837	4,475	4,190	4,284	4,227	4,929	4,550
Shipments.....do..	4,835	3,908	4,532	3,829	4,888	3,535	3,746	3,763	4,210	5,338	4,936	4,597	4,924
Stocks.....do..	6,160	8,232	8,196	8,239	7,837	8,076	7,177	7,877	7,803	6,870	6,181	6,544	6,179
Table, kitchen, and householdware, shipments.....thous. of doz..	2,692	2,397	3,048	3,606	4,608	3,909	3,744	3,585	3,713	4,760	3,622	2,996	3,402
Plate glass, polished, production.....thous. of sq. ft..	6,416	4,194	3,863	4,741	4,924	4,612	5,001	4,910	4,775	5,237	5,488	5,855	5,898
Window glass, production.....thous. of boxes..	1,096	1,274	1,075	1,097	1,960	1,984	1,297	1,166	1,113	1,249	1,005	1,942	1,079
Percent of capacity.....	67.5	78.5	66.2	67.6	59.2	60.6	79.9	71.8	68.6	76.9	61.9	58.1	66.5
GYPSUM AND PRODUCTS													
Gypsum, production:													
Crude.....short tons..				1,213,817			1,119,863			855,028			1,017,131
Calcined.....do..				754,911			658,053			546,388			675,307
Gypsum products sold or used:													
Uncalcined.....do..				384,730			388,625			275,050			337,936
Calcined:													
For building uses:													
Base-coat plasters.....do..				199,061			120,468			104,262			143,148
Keene's cement.....do..				2,905			2,258			1,959			2,081
All other building plasters.....do..				77,483			61,695			61,310			62,627
Lath.....thous. of sq. ft..				197,845			159,123			115,407			144,658
Tile.....do..				11,577			12,328			3,161			2,982
Wallboard.....do..				404,896			408,044			320,946			348,412
Industrial plasters.....short tons..				36,399			38,301			36,252			39,769

TEXTILE PRODUCTS

CLOTHING													
Hosiery:													
Production.....thous. of dozen pairs..	11,527	12,067	11,982	12,335	12,650	11,711	12,178	12,186	12,255	13,442	12,618	12,211	12,966
Shipments.....do..	11,386	11,251	12,118	12,649	13,012	12,059	12,441	12,937	12,975	14,594	13,355	12,316	13,033
Stocks, end of month.....do..	18,125	22,585	22,435	22,110	21,736	21,369	21,100	20,409	19,748	18,715	18,037	17,992	17,984
COTTON													
Cotton (exclusive of linters):													
Consumption.....bales..	839,705	994,552	925,089	966,149	972,490	913,038	935,511	915,479	878,154	995,512	938,989	901,608	916,789
Prices received by farmers.....dol. per lb..	.196	.186	.180	.186	.189	.192	.196	.197	.197	.199	.201	.201	.200
Prices, wholesale, middling 1 ¹ / ₂ ¢, average, 10 markets.....dol. per lb..	.209	.194	.186	.187	.189	.193	.197	.204	.207	.212	.212	.211	.211
Production:													
Ginnings (running bales)\$.....thous. of bales..	109	49	739	5,006	9,713	11,635	11,745	12,117		12,438			
Crop estimate, equivalent 500-lb. bales.....thous. of bales..	12,558									12,820			
Stocks, domestic cotton in the United States, end of month:†													
Warehouses.....thous. of bales..	7,676	7,610	7,502	9,676	12,624	13,587	13,539	13,036	12,340	11,438	10,564	9,637	8,520
Mills.....do..	2,058	2,155	1,848	1,711	2,006	2,330	2,467	2,418	2,443	2,406	2,347	2,253	2,159
Cotton linters:													
Consumption.....do..	107	122	122	115	116	114	108	111	98	109	105	99	97
Production.....do..	20	22	27	154	221	215	200	162	120	99	62	45	29
Stocks, end of month.....do..	658	577	490	505	588	698	810	868	893	873	844	792	729

† Revised. † Partly estimated. ‡ Total ginnings of 1942 crop. § August 1 estimate of 1943 crop.

¶ Data are being compiled on a revised basis. ¶ Total ginnings to end of month indicated.

¶ For revised figures for cotton stocks for August 1941-March 1942, see p. S-34 of the May 1943 Survey. The total stocks of American cotton in the United States on July 31, 1942, including stocks on farms and in transit, was 10,505,000 bales and on July 31, 1943, 10,599,000 bales; stocks of foreign cotton in the United States on these dates totaled 135,000 bales and 88,000 bales, respectively.

Monthly statistics through December 1941, together with explanatory notes and references to the sources of the data, may be found in the 1942 Supplement to the Survey	1943	1942						1943					
	July	July	August	September	October	November	December	January	February	March	April	May	June
TEXTILE PRODUCTS—Continued													
COTTON MANUFACTURES													
Cotton cloth:													
Prices, wholesale:													
Mill margins.....cents per lb.	19.94	21.27	22.17	22.03	21.85	21.47	21.08	20.32	20.05	19.60	19.62	19.69	19.69
Denims, 28-inch.....dol. per yd.	.192	.196	.193	.192	.192	.192	.192	.192	.192	.192	.192	.192	.192
Print cloth, 64 x 60.....do.	.090	.090	.090	.090	.090	.090	.090	.090	.090	.090	.090	.090	.090
Sheeting, unbleached, 4 x 4.....do.	(1)	.108	.108	.108	.108	.108	.108	(1)	(1)	(1)	(1)	(1)	(1)
Finished cotton cloth, production: \$													
Bleached, plain.....thous. of yd.	189,214	178,185	179,363	182,176	168,349	182,841	175,919						
Dyed, colors.....do.	150,832	149,159	157,074	167,390	143,165	145,133	140,098						
Dyed, black.....do.	5,730	5,121	5,472	5,503	5,860	5,295	4,608						
Printed.....do.	55,732	60,073	65,066	70,935	63,144	84,216	71,033						
Spindle activity:†													
Active spindles.....thousands	22,655	23,110	22,974	22,956	23,012	22,948	22,887	22,890	22,859	22,925	22,894	22,788	22,777
Active spindle hours, total.....mil. of hr.	9,885	11,484	10,981	11,191	11,429	10,558	10,734	10,820	10,246	11,647	10,927	10,581	10,702
Average per spindle in place.....hours	422	479	458	478	443	450	455	455	435	495	465	451	457
Operations.....percent of capacity	120.0	130.2	136.4	134.9	136.9	133.4	127.9	138.8	135.9	134.4	133.2	134.1	129.7
Cotton yarn, wholesale prices:													
Southern, 22/1, cones, carded, white, for knitting (mill)†.....dol. per lb.	.414	.421	.421	.420	.414	.414	.414	.414	.414	.414	.414	.414	.414
Southern, 40s, single, carded (mill).....do.	.515	.515	.515	.515	.515	.515	.515	.515	.515	.515	.515	.515	.515
RAYON													
Consumption:													
Yarn.....mil. of lb.	39.7	39.9	38.2	38.4	41.1	38.8	41.0	37.9	39.0	42.8	41.5	41.8	39.6
Staple fiber.....do.	12.5	12.6	12.7	12.5	12.6	12.4	13.2	12.7	12.6	14.0	13.2	12.9	13.3
Prices, wholesale:													
Yarn, viscose, 150 denier, first quality, minimum filament.....dol. per lb.	.550	.550	.550	.550	.550	.550	.550	.550	.550	.550	.550	.550	.550
Staple fiber, viscose, 1½ denier.....do.	.250	.250	.250	.250	.250	.250	.250	.250	.250	.250	.250	.250	.250
Stocks, producers', end of month:													
Yarn.....mil. of lb.	6.1	6.5	7.4	8.0	7.7	8.1	8.7	8.9	7.1	6.8	6.6	6.7	6.5
Staple fiber.....do.	3.2	3.1	3.9	4.3	4.1	4.4	3.3	3.0	2.5	2.8	2.3	2.8	2.9
WOOL													
Consumption (scoured basis):‡													
Apparel class.....thous. of lb.	45,896	45,372	52,305	45,100	44,388	45,504	56,160	49,320	50,280	58,980	48,832	47,356	
Carpet class.....do.	3,236	2,000	3,045	3,240	3,036	3,168	2,665	2,944	2,972	3,610	2,400	2,132	
Machinery activity (weekly average):‡													
Looms:													
Woolen and worsted: •													
Broad.....thous. of active hours	2,853	2,744	2,657	2,703	2,650	2,711	2,676	2,813	2,809	2,721	2,716	2,615	
Narrow.....do.	70	70	65	75	71	68	63	67	70	63	59	61	
Carpet and rug: •													
Broad.....do.	71	72	66	69	66	64	63	65	67	60	60	52	
Narrow.....do.	59	45	40	44	42	42	40	41	41	39	40	37	
Spinning spindles:													
Woolen.....do.	127,143	125,473	121,812	128,423	125,194	126,337	124,120	133,482	134,890	129,049	130,201	127,533	
Worsteds.....do.	122,324	120,250	112,150	118,676	115,344	114,958	112,922	119,015	118,835	114,009	118,047	113,023	
Worsted combs.....do.	243	237	217	217	207	205	206	217	218	219	226	219	
Prices, wholesale:													
Raw, territory, fine, scoured.....dol. per lb.	1.205	1.195	1.195	1.199	1.205	1.205	1.205	1.205	1.205	1.205	1.205	1.205	1.205
Raw, Ohio and Penn., fleeces.....do.	.544	.496	.499	.527	.535	.535	.535	.535	.535	.535	.535	.535	
Australian (Sydney), 64-70s, scoured, in bond (Boston).....dol. per lb.	.765	.790	.790	.790	.790	.790	.765	.765	.765	.765	.765	.765	
Suiting, unfinished worsted, 13 oz. (at mill).....dol. per yd.	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	
Women's dress goods, French serge, 64" (at mill).....dol. per yd.	(1)	1.552	1.552	1.558	1.559	1.559	1.559	1.559	1.559	1.559	1.559	1.559	
Worsted yarn, ¾s, crossbred stock (Boston).....dol. per lb.	1.800	1.800	1.800	1.800	1.800	1.800	1.800	1.800	1.800	1.800	1.800	1.800	
Stocks, scoured basis, end of quarter:†													
Total.....thous. of lb.			335,796			265,535			194,066			296,514	
Wool finer than 40s, total.....do.			254,817			194,167			136,752			251,717	
Domestic.....do.			126,612			95,790			59,332			138,459	
Foreign.....do.			128,205			98,377			77,420			113,258	
Wool 40s and below and carpet.....do.			80,979			71,368			57,314			44,797	
MISCELLANEOUS PRODUCTS													
Fur, sales by dealers.....thous. of dol.	2,620	1,518	3,197	2,630	2,626	3,096	4,484	6,918	6,406	8,655	5,989	4,747	4,687
Pyroxylin-coated textiles (cotton fabrics):													
Orders, unfilled, end of mo. linear yd.	10,234	4,937	4,686	5,752	8,913	9,959	9,658	10,212	10,036	9,231	8,760	9,761	10,226
Pyroxylin spread.....thous. of lb.	4,159	4,430	4,275	4,855	4,621	3,570	3,776	3,790	3,269	3,783	3,803	4,016	4,220
Shipments, billed.....thous. linear yd.	4,672	4,530	4,734	4,720	4,950	4,248	4,510	4,320	4,323	4,766	4,678	4,760	5,330

TRANSPORTATION EQUIPMENT

AUTOMOBILES													
Indexes of retail financing:													
Passenger car financing, volume:†													
Total.....Jan. 1942=100.....	37	59	53	42	32	26	20	17	21	36	41	39	40
New cars.....do.	23	57	54	45	26	16	11	11	13	30	39	36	28
Used cars.....do.	41	60	54	42	34	28	22	19	23	37	41	40	42
Retail automobile receivables outstanding, end of month.....Dec. 31, 1939=100.....	15	77	67	59	51	44	37	31	27	22	20	18	16
Automobile rims, production.....thous. of rims	648	573	586	633	547	488	554	567	527	638	653	683	634

† Revised. ‡ Preliminary. § No quotation.

† For revised figures for all months of the cotton year 1941-42 see p. S-35 of the November 1942 Survey.

‡ The production of 64 x 60 print cloth has been discontinued; the price of 64 x 56 print cloth was \$0.087 for April-July 1943.

§ Data for September 1942 and January and April 1943 are for 5 weeks; other months, 4 weeks.

¶ Data to bring these series up to date are not available; moreover, recent figures shown may not accurately reflect production in the industry.

• A large portion of carpet and rug looms have been converted to the manufacture of blankets and cotton fabrics, principally the latter; data for these looms have been excluded beginning January 1942; they accounted for less than 2 percent of the total carpet and rug loom activity in that month and 70 percent of the total (broad, 62 percent; narrow, 77 percent) in June 1943. Similarly, data for woolen and worsted looms operating entirely on cotton yarns have been excluded beginning July 1942; they accounted for only 0.4 percent of the woolen and worsted loom activity in that month and 2.9 percent (broad, 2.4 percent; narrow, 19.7 percent), in June 1943.

† Revised series. The yarn price series for Southern, 22/1 cones, has been substituted beginning 1941 for the Northern, mulespun, series formerly shown; for monthly 1941 data, see p. S-35 of the November 1942 issue (1941 monthly average, \$0.355). Wool stocks are compiled on a revised basis beginning 1942 and cover all known stocks of wool in commercial channels, including stocks in the hands of country dealers and in country warehouses; figures exclude stocks afloat which are no longer available for publication. For reference to approximately comparable 1941 data, except for exclusion of country dealer and warehouse stocks, see note marked "†" on p. S-35 of the May 1943 Survey. The indexes of retail automobile financing shown above on a January 1942 base may be linked to the indexes on a 1939 base shown in the 1942 Supplement by applying the current series to the January 1942 index on a 1939 base given in footnote 5 to p. 170 of the 1942 Supplement.

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