

JANUARY 1945

SURVEY OF

CURRENT BUSINESS



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Contents

	Page
THE BUSINESS SITUATION.....	1
Imports and Supply of Materials.....	2
Rubber and Rubber Products.....	2
Leather and Shoes.....	4
CLASSIFICATION OF CONSUMER EXPENDITURES BY INCOME—ELASTICITY.....	7
SERVICE INDUSTRIES—TRENDS AND PROSPECTS.....	11
STATISTICAL DATA:	
Monthly Business Statistics.....	S-1
General Index.....	Inside back cover

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The Business Situation

DECEMBER is a month in which the income flow to individuals is increased very substantially by final dividend and interest payments for the year. Last month was no exception to the usual pattern of disbursement, and with economic activity generally well sustained, the absolute amount of total income paid out was no doubt a record, exceeding the highest previous monthly total.

In November, the latest month for which actual data are available, the index of income payments, adjusted for seasonal fluctuations, stood at 238 (1935-39=100), equivalent to a 160 billion dollar annual rate. The index at the end of 1943 stood at 223, so that the upward movement over the past year amounted to 6 or 7 percent.

The tendency for the seasonally corrected index of income payments to rise slightly in the final quarter is not significant in terms of any change in basic conditions which, on the whole, have remained substantially unaltered. Rather, it reflects the continued increase in military payments, and also the rise in salaries and wages and proprietors' income in the distributive trades, an indication that the advance in retail sales was even better than the seasonal expectation. In the commodity-producing industries, the flow of income, as of output, has continued stable.

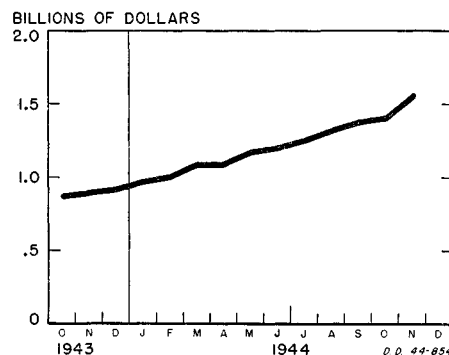
Sales and Orders Continue High.

While figures are not available at present covering the complete Christmas trading, which this year extended over a somewhat longer period than usual because the early shopper generally had the wider choice, and overseas packages had to be mailed early, data through November show a more-than-seasonal rise. The increase was in the nondurable goods, as the supply of durable products has not been sufficient to support any enhanced seasonal purchases. Buying was in record dollar volume—probably averaging for the fourth quarter about 8 percent more than a year ago. Much of the increase over last year represents price advances.

The pressure for goods was reflected in the orders on manufacturers. New orders placed with manufacturers for nondurable goods during the final quarter of the year were running at a rate about 10 percent above the dollar volume in the third quarter, although the increase in shipments did not match this rate of increase.

Manufacturers' shipments in recent months have not fluctuated significantly, although somewhat higher in the fourth compared with the third quarter. Very little change also was recorded in comparison with the latter part of 1943, the slight rise in dollar terms over a year ago being a reflection of some price rises and variations in output among industries, rather than any further rise in volume. Manufacturers' shipments, of

Chart 1.—Munitions Production Programs with Scheduled Peaks Ahead¹



¹ In August 1943 standard prices.
Source: War Production Board.

course, include the goods destined for the military forces as well as those ultimately disposed of through retail channels.

While the flow of output from the factories has remained stable, the vigorous drive to meet schedules for the critical munitions items showed up in accelerated advances in output of these products in the month of November, and a further upward increase is indicated by the partial data now available for December. The sharp upsurge in November stands out in Chart 1, the 10 percent increase in the aggregate output of munitions items with scheduled peaks ahead being relatively twice as large as the average of the earlier months of 1944. The acceleration extended over all the major programs subject to special expediting effort.

Since June when the intensified drive was started on these programs, there has been an increase in output of 30 percent in the aggregate. The gains ranged upward to as high as several-fold for Navy rockets, a relatively new and urgent pro-

gram. Gains of between 40 and 50 percent were recorded for heavy artillery ammunition and for the heavy-heavy trucks.

While these accomplishments have in a number of rising programs resulted in their removal from the critical category, the remaining critical programs continue to require most determined efforts to meet the urgent military needs.

Manpower Steps.

Added to current industrial manpower problems is the developing need of securing enough men in the 18 to 25 year group to fill the calls of the Army and Navy in 1945. Other than the men becoming 18 years of age, the only sizable remaining reservoir available in the age group preferred by the services is among those deferred because of their agricultural occupation. The 364,000 men in this category have been covered by the Tydings amendment to the Selective Service Act. A review of the occupational deferments in agriculture has been undertaken at the direction of the President in order to tap this source of inductees this year. It is not expected that this action will critically affect food supplies.

There are in addition only 35,000 to 40,000 of the 18 to 25 group with occupational exemptions in industry and science. These cases have been reviewed carefully under earlier directives to release such young men from industry to the armed forces, and the War Production Board has reported that further depletion would affect adversely critical programs. At any rate, the number that could be made available from this source is small.

The manpower problems that persist in the munitions industries continue to be limited to particular segments and to selected skills. Additional steps were taken in December, under the direction of the Office of War Mobilization and Reconversion, to aid in procuring the desired labor and to prevent losses of employment in critical plants.

With the heavy fighting continuing in both Europe and the Pacific, and the decisive battles yet to come, we are in no position to rest on our laurels or to relax our efforts to supply the military needs. These requirements must continue to have a high priority in the allocation of economic resources. Yet, in evaluating the present economic situation and the progress of recent years, it is important to keep in mind the cumulative magnitude of the supplies and equipment built up in 1944 and earlier years.

The results of the production effort are summed up in the statement in the December 30 report of the Director of War Mobilization and Reconversion: "The truth is that our soldiers at the front today are not short of ammunition and supplies as a result of any production

Table 1.—Income Payments and Manufacturers' Shipments and New Orders, 1944

Month	Income payments ¹	Manufacturers' shipments	Manufacturers' new orders
	1935-39=100	1939=100	
January.....	226	264	242
February.....	231	279	229
March.....	230	273	238
April.....	229	281	246
May.....	231	272	257
June.....	233	278	264
July.....	232	270	275
August.....	234	271	265
September.....	233	273	262
October.....	236	284	277
November.....	238	279	279
December.....			

¹ Adjusted for seasonal variation.

Source: U. S. Department of Commerce.

failures." He added that " * * * they must know that more, in abundance, is on the way." The economic situation was summarized in this sentence: "We have reached a rate of munitions production in excess of 64 billion dollars a year, while maintaining a standard of living higher than that which we enjoyed in 1929."

As we enter the year 1945, it is clear that the level of economic activity will remain high so long as the global war continues. Allocation of resources will continue to be necessary in order to secure the desired output, and to make certain that any facilities, materials, or manpower that are released from declining programs be used to the fullest extent possible in the expanding munitions programs and in war-supporting activities of the highest priority. At the same time, developments during the year are likely to bring about considerable change in the use of resources and the setting forth of definite plans and lines of action will be required to cope with these eventualities.

Imports and Supply of Material

The physical basis of the tremendous production accomplishments of the war years is found in the wealth of our natural and productive resources. As one of the most self-sufficient nations with respect to natural resources and a mass production system already well developed by the demands of a large internal market, the United States was able to avoid any disastrous consequences of the wartime dislocations of supply. To handle this situation did require, nevertheless, tremendous organizational and technical efforts and extensive cooperation by Allied and other countries.

Despite its very high degree of economic independence, the Nation nevertheless depended on imports of a number of vital materials in varying degrees.

Chart 2 sets forth the percentage of the total new supply of ten important commodities which was imported. The value of imports of materials there shown represent almost two-fifths of 1939 imports.

In addition to rubber, tin and silk shown in the chart as 100 percent imported, we depended on imports for practically all of our supplies of 40-odd items listed as strategic or critical early in the war.

In such cases as newsprint, sugar, bauxite, and certain critical ferro-alloys, the contribution of outside sources ranged from 50 percent to 90 percent of total new supplies. While our dependency on foreign sources was not quite so complete for wool, hides, fats and oils, and wood-pulp, we nevertheless imported one-fifth or more of new supplies of these items in that year. Indeed within this latter group there were commodities such as goatskins, and tung oil—very important industrial materials—for which we were entirely dependent upon foreign countries.

By restricting civilian consumption, developing substitutes, salvage drives, stimulating domestic production wherever possible, and developing new sources of supply especially in the Western Hemisphere, most of the import supply problems have been solved. Through these solutions it has been possible not only to meet military needs but to maintain in most instances an adequate flow of the end products to the civilian economy, (with some exceptions of which automobile tires is an outstanding example). Rationing has been necessary for some products, e. g., sugar, to distribute the supply equitably and to hold consumption below the amount which would otherwise be sought under prevailing conditions of high consumer incomes.

There follows a discussion of the current situation with respect to three of the materials shown in chart 2, which indi-

cates the nature of the problems faced and how they were met.

Rubber and Rubber Products

Production of synthetic rubber is estimated for the fourth quarter of 1944 at an annual rate of about 840,000 long tons. It is significant to note that synthetic production in 1944 exceeded consumption of crude in any peace-time year and was considerably larger than prewar imports in any year, except for the stockpiling period of 1940 and 1941.

The following table gives the rated capacity of the Government owned synthetic plants, by principal types, as of the end of September 1944:

	Rated annual capacity (long tons)	Percent of total	Investment (mil. of dollars)	Major use
Buna S.....	705,000	84.6	604	Tires and tubes and general replacement for natural rubber.
Butyl.....	68,000	8.2	53	Inner tubes, gas masks, coating fabrics.
Neoprene.....	60,000	7.2	43	Tank linings, conveyor belts, mechanical goods, hose. ^{2a}
Total.....	833,000	100.0	700	

Source: Rubber Reserve Company.

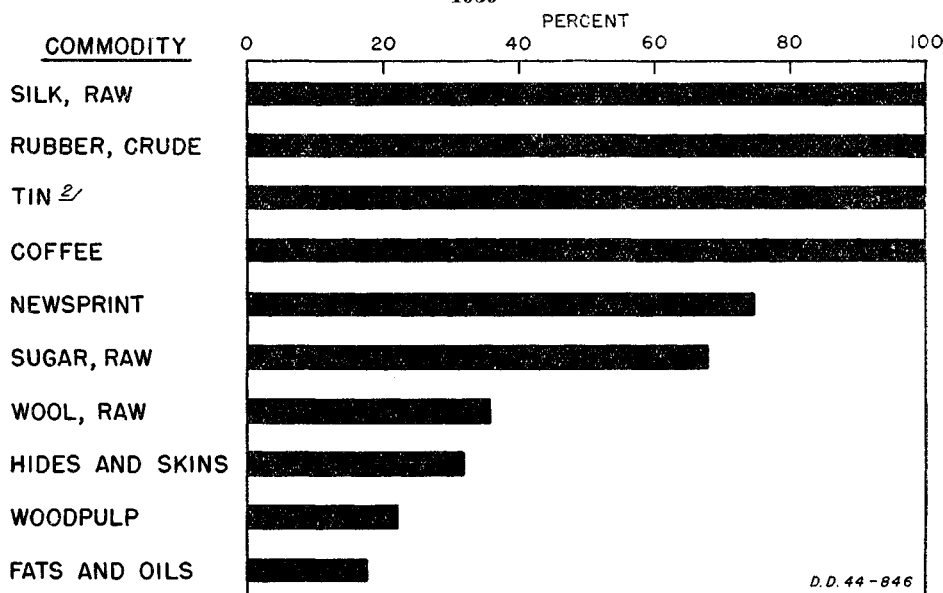
The actual capacity is considerably larger as indicated by the performance of the plants in operation. Private plants, in addition, have a capacity of about 55,000 long tons. Present synthetic rubber capacity is able to supply current requirements, including those for the tire manufacturing facilities added in 1944 and planned for 1945, though natural rubber is still requisite for some manufactured products.

Total new supply and domestic consumption of new rubber in 1944 reached a wartime high, but still 17 and 10 percent respectively short of 1941 peaks. Direct military and export requirements absorbed the bulk of crude rubber made available in 1942 and again in 1943 when they accounted for approximately 69 percent of the total crude and synthetic rubber used. In 1944, with relatively larger supplies of synthetic available, the proportion declined to about 60 percent.

To insure the flow of the limited supplies of crude into military channels, severe restrictions were imposed early in 1942 on civilian use of rubber, including the prohibition of the manufacture of nonessential civilian products containing rubber. As a result, domestic consumption in 1942 and 1943 fell substantially as compared with the record year of 1941. However, in 1944 the availability of synthetic rubber permitted the resumption of production of many civilian items which, together with increased military requirements, resulted in a much higher domestic consumption of crude and synthetic.

Total stocks of rubber as of September 30, 1944 were slightly above the low point at the end of 1943. However, stocks of crude rubber, vitally needed in the war effort, have been declining rapidly and at the present time are below the 100,000

Chart 2.—Percent That Imports are of Total New Supply of Selected Commodities, 1939¹



¹ New supply represents domestic production plus imports for consumption.

² Includes tin ore (tin content) and metal in the form of bars, blocks, pigs, etc.

Sources: U. S. Departments of Commerce and Agriculture.

long tons considered by the Baruch Committee as a minimum.

Rubber Uses.

There are over 30,000 industrial and consumer items that contain some form of rubber. Wartime conditions have, however, necessitated that the use of rubber be rigidly controlled with the result that many items can be manufactured only with reduced quantities of rubber, in restricted volume, or in many cases not at all. Tire production is far the largest end use of rubber as it was before the war. Approximately 70 percent of the domestic consumption of crude and synthetic and 25 percent of the reclaimed went into tire products in 1944 compared with 78 percent and 45 percent respectively in 1939.

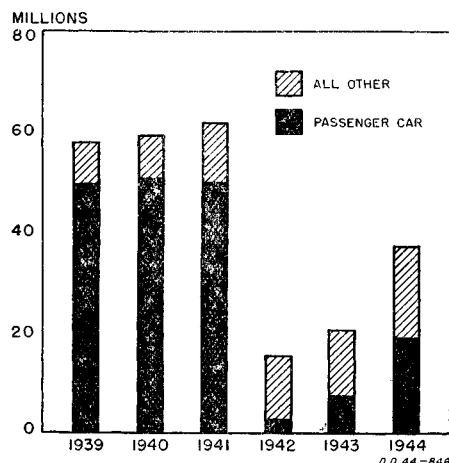
Among the nontire products only the most essential civilian types are permitted to be produced and, with few exceptions, these must use synthetic and reclaimed rubber exclusively.

Products permitted to be produced include all rubber goods required for hospitals and other institutions, such items as are necessary to safeguard health standards, and those which are essential to the civilian economy. While the list has been expanded concurrently with the larger synthetic rubber supply, restrictions continue on many less essential products which normally consume relatively large quantities of rubber (mats and matting, flooring, sponge rubber for upholstery, etc.).

Output of Tires.

In contrast to the success of the synthetic rubber program, the difficulties associated with the production of tires in numbers sufficient to satisfy both military and civilian demands have not yet been fully overcome. Though the quantity of crude and synthetic rubber consumed in tire manufacture in 1944 was about 110 percent of 1939 consumption, the number of tires produced was equivalent to only about 64 percent of 1939 output, indicative of the effect of wartime shift to the heavier tires.

Chart 3.—Production of Rubber Tires¹



¹ Data for 1944 are preliminary estimates.

Sources: Rubber Manufacturers Association and War Production Board.

A comparison of the production of rubber tires during the last three years with the three years immediately preceding the war may be made from the accompanying chart. Production of passenger car tires was very small in 1942 and 1943. While output in 1944 was more than double that of 1943, it represented only about 38 percent of 1939 production. Production of passenger tires for the three war years combined constituted only 20 percent of total production in the 1939-41 period. The bulk of the output went to the maintenance of commercial vehicles, and other essential transport.

Production of tires for civilian passenger cars in the first quarter of 1945 has been scheduled at 5 million—5 percent higher than the average for 1944—but less than the output of the fourth quarter of 1944. The arresting of the upward trend was predicated upon the schedules for military types which impinge upon the less essential types.

Military demands, coupled with the necessity of maintaining essential domestic transportation, resulted in a considerable expansion in the past three years in the output of truck and bus tires. Production has trended sharply upward since 1939, and in 1944 was nearly doubled 1939 production. For the three-year war period total output was 42 percent over the three years immediately preceding the war. Military demands have absorbed an increasing proportion of total output, with consequent absolute reduction in supplies for other uses.

Despite the greatly expanded output, the Production Urgency List now includes not only all truck and bus tires but also combat-vehicle and aircraft tires.

Product Changes.

Basic to any analysis of the tire situation is the change in the character of the product produced since the war due to the increased output of truck and bus tires, especially for very heavy trucks and airplanes. The shift to heavy duty types weighing 65 pounds and more, compared with 22 pounds for the widely used 6.00-16 passenger tires, and the increase in the use of tires with heavier tread explains the need for additional manpower, facilities, and rubber despite the reduced output of passenger car tires. The data in table 2 indicates strikingly the basis for increased manpower requirements per unit of output.

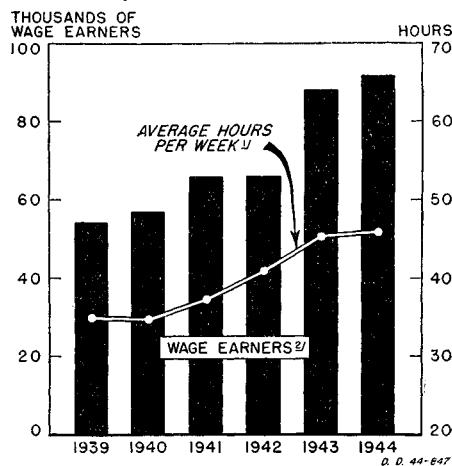
It is the need for expanded production of those tires with relatively large per unit labor requirement that causes

Table 2.—Productivity in Tire Manufacture¹

Type of tire	Weight per tire (pounds)	Number of tires produced per man per day	Pounds of tire produced per man per day
Heavy truck.....	425	2	850
8.25-20 truck.....	95	11	1,045
7.50-20 truck.....	65	17	1,105
6.00-16 passenger.....	22	90	1,980

¹ Estimates based on survey made by War Production Board early in 1944.

Chart 4.—Employment and Hours in the Rubber Tire and Inner Tube Industry



¹ Data for 1944 are averages of 10 months.

² Data through 1943 represent average number of wage earners for the year; 1944, average of 10 months.

Source: U. S. Department of Labor.

the rise in the number of wage earners employed and in weekly hours shown in chart 4.

The number of wage earners in the tire industry increased from an average of 54,100 in 1939 to an average of 91,800 for the first 10 months of 1944. The stability in average employment in 1942 as compared with 1941 resulted from a drop in the early part of the year and a very sharp increase in later months as progress was made in reconversion to the newer types of tires.

It will be noted that the total labor employed in the tire industry is not large, being considerably less, for example, than the number employed in the two largest merchant shipyards. Man hours have doubled since 1939 because the average hours worked per week has increased from 35.0 to 46.4 in October. The later figure is still slightly less than average for the war industries.

Facilities Still Expanding.

This increase in employment was used primarily to increase the output of truck tires in existing facilities and to staff the new tire building facilities which came into operation. Under the expansion program, authorized late in 1943, five new plants designed to produce heavy duty tires are expected to be in operation early in 1945. In addition, new tire building machinery is being installed in a number of existing plants.

These additional facilities for the output of truck and bus tires will aid in meeting military demand. However, until such new plants are in effective operation, the bulk of the immediate need for expanded truck tire production will be met by the existing facilities through improved utilization, including the recent establishment of a 7-day workweek as a temporary speed-up measure.

To provide for future contingencies, the War Production Board has recently ordered the immediate construction of additional plant and machinery with an annual capacity of six million truck tires.

Civilian Supplies.

The distribution of tires, as compared with production, since rationing went into effect is set forth in table 3.

Very few passenger tire certificates were issued under the ration plan in 1942 when production was very small. Since that time there has been a substantial increase, particularly in 1944. Under the program, only about 32 million new passenger tires have been put on the road in the last three years as against 153 million tires (original equipment—55 million, and replacements—98 million) in the three years preceding the war.

In addition to the new tires allotted, a total of 16.8 million used tires were made available to civilians. However, the supply of used tires has been substantially depleted. Re-caps were made available more freely in 1944, and considerable reliance will have to be placed on recap facilities in 1945 to keep private cars rolling.

The domestic heavy motor transportation system likewise has been operating on a greatly reduced supply of tires. Operators of commercial trucks and busses have received under ration certificates and in original equipment 14.5 million new tires in the last three years as compared with 26.0 million new tires (including original equipment and replacements) in the three years preceding the war. Replacements in the pre-war period represented approximately 58 percent of total shipments and in the war period they were 92 percent. The new tires have been supplemented by the distribution of approximately 400,000 used tires since May 1943.

Despite the present stringency which will continue indefinitely, the outlook for increased civilian tires can be regarded as improving. Just as other bottlenecks along the path of war production have been broken, so will the current bottleneck in heavy tire output be alleviated by direct action, such as that already taken in installing the 7-day week. The rubber for increased civilian output is available, the production of the lighter tires is comparatively simple, and the manpower requirements—as evident from the 1939 bars on charts 3 and 4—are neither so large nor so exacting as in the case of the big tires.

Leather and Shoes

The war period has seen a progressive tightening of raw material supplies for

leather production and, at the same time, a continuance of civilian purchases of footwear, including both leather and nonleather types, at approximately the peak levels reached in 1942.

On the supply side, the forces which necessitated shoe rationing early in 1943 are being intensified as the war continues. On the consumption side, sales to civilians have been sustained by withdrawals from inventories and by increased consumer takings of nonrationed fabric shoes.

Leather for the military programs and Lend-Lease absorbed about 25 percent of total production in 1944. The impact of this large diversion from civilian channels has been partly offset by increases in raw material supplies and leather output. Nevertheless, after allowances for exports and for purchases by government agencies and military personnel, the number of rationed-type shoes produced in 1944 is estimated to have declined to about 240,000,000 pairs, as compared with a 1936-40 annual average of approximately 340,000,000 pairs.

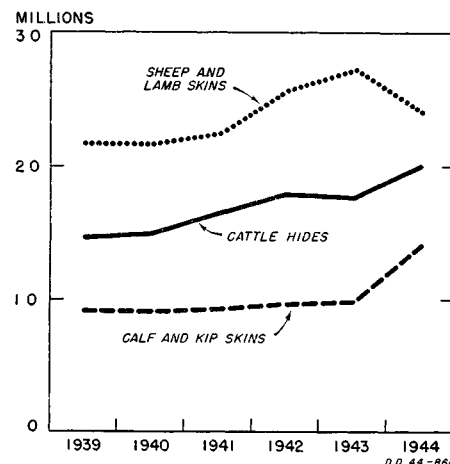
By pre-war standards, therefore, current production of leather shoes for civilian use is running considerably below the amounts normally purchased, even after taking account of the number of individuals in the armed forces. It is evident that current production is even more restricted relative to the consumer demand than would be forthcoming in the absence of rationing.

Raw Materials Above Pre-War.

The problem of assuring that military and essential civilian needs for shoes and other leather products would be met during the war period has been essentially a problem of directing the flow of raw materials into the most essential channels. A monthly control plan has been in effect since July 1942, under which hides are allocated by grades among tanners and other processors according to the uses to which the hides will be put.

Contrary to the situation for most raw materials, the demand for leather products has very little influence on the supply of staple hides and skins. The value of meat from slaughtered animals, especially cattle and sheep, far exceeds the value of the hides and skins that are obtained. As by-products of the meat industry, domestic supplies of hides and skins are dependent on meat production. The exportable supplies of foreign countries are limited by this same condition

Chart 5.—Domestic Production of Staple Hides and Skins¹



¹ Estimated slaughter of Federally inspected and non-inspected animals. Data for 1944 are preliminary.

Source: U. S. Department of Agriculture.

and also by their own needs for hides and skins.

Cattle hides are the most important raw material used in leather tanning. In terms of area, the average hide is almost 6 times as large as the average sheep skin. Moreover, cattle hides have greater utility for footwear purposes, since they produce both upper and sole leather, whereas skins can only be used as uppers or linings. In contrast to hides and calf and goat skins, which are tanned predominantly for use in shoe production, more than half the supply of sheep and lamb skins is used for gloves, garments, and leather products other than footwear. In addition to these staple sources, some 15 or more other types of skins are tanned, but the quantity of these is negligible relative to the amounts of staple hides and skins used.

Wartime trends in animal slaughter are shown in chart 5. Domestic production of cattle hides has increased markedly since 1939 and is estimated to have reached a record total of 20,000,000 hides in 1944. Production of calf and kip skins and of sheep and lamb skins is also appreciably higher than 1939, although 1944 sheep and lamb slaughter fell below 1943 and 1942.

These domestic supplies have been augmented by imports from abroad. The dependence of the United States on supplies from foreign countries is greater for some varieties of hides and skins than for other. During 1935-39, imports accounted for 15 percent of the cattle hides used in this country, 25 percent of the calf and kip skins, about 50 percent of the sheep and lamb skins, and almost the entire supply of goat and kid skins.

During the early years of the war, imports of hides and skins held up well relative to the prior period. In the case of cattle hides, 1941 and 1942 imports were two to three times as large as the amounts received in previous years and were an important factor permitting leather tanning to reach an all-time high in 1942.

Table 3.—Production of Tires for Passenger Cars, Trucks and Busses and Ration Certificates Issued

(Thousands)						
	Average 1939-41	1942	1943	1944 ¹	Total 1942-44 ¹	Average 1942-44 ¹
Tires for passenger cars:						
Production	2 50,879	2,976	7,673	19,000	29,649	9,883
Ration certificates issued		3,046	11,400	17,600	32,046	10,682
Tires for trucks and busses:						
Production	2 8,622	12,420	12,951	14,690	40,061	13,354
Ration certificates issued		3,335	5,219	4,680	13,234	4,411

¹ Preliminary estimates.

² Represents domestic shipments.

Source: Rubber Manufacturers Association, War Production Board, and Office of Price Administration.

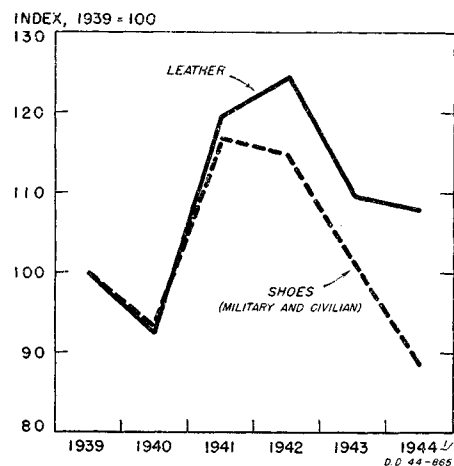
Since then, however, imports of cattle hides have been dropping rapidly to 1935-39 levels, chiefly because of a decline in the exportable hide supply of foreign countries. Arrivals of calf skins and, more recently, of goat and kid skins, have also fallen off. In addition to those exporting areas which have been cut off by the war, various countries have expanded their own tanning industries and, therefore, have smaller supplies of raw materials for shipment abroad.

World supplies of sheep and lamb skins have increased during the war period, making it possible for the United States to import more. These larger supplies have served in part to satisfy the heavy military demands for sheep skins for garment purposes.

Shoe Production Below Leather Tanning.

In the aggregate, wartime supplies of raw materials have been sufficient to permit leather tanners to produce more than

Chart 6.—Production of Leather and Leather Shoes



¹ Estimated on the basis of data for 10 months.

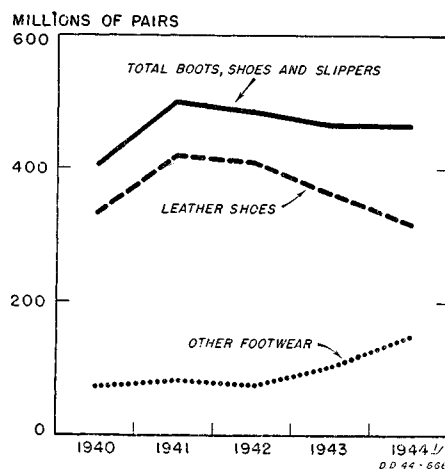
Sources: Leather, tanning index of the Board of Governors of the Federal Reserve System recomputed with 1939 as base; shoes, U. S. Department of Commerce.

in 1939 and 1940. As shown in chart 6, the output of leather tanners reached a peak in 1942, reflecting the exceptionally heavy imports of hides in the preceding year and also some depletion of raw material inventories. Output declined in the succeeding 2 years. The record animal slaughter in 1944 has not yet been reflected fully in leather production as some part of the slaughter has served to increase tanners' stocks of hides and calf skins.

The chart contrasts changes in leather output with changes in the production of leather shoes, including all military and civilian-type shoes with leather uppers. The two indexes are plotted so as to highlight the significant spread which has developed between them during the war.

The index of shoe production, which is based on the number of pairs manufactured, has declined relative to the index of leather tanning. This is most noticeable in 1944. Preliminary figures show leather tanning in 1944 about 8 percent

Chart 7.—Production of Footwear (Other Than Rubber)



¹ Estimated on the basis of data for 10 months.

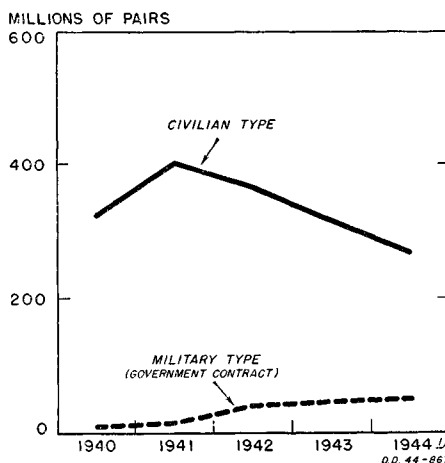
Source: U. S. Department of Commerce.

above 1939, while the number of leather shoes manufactured is estimated at 11 percent below 1939.

This divergence between leather tanning and shoe production is one of the key factors in understanding the wartime restrictions on civilian shoes. It reflects the well-known fact that more leather is used on the average in military shoes than in civilian shoes.

This is illustrated by some rough estimates of leather consumption in shoe manufacture. Men's heavy oxfords require about two and one-half square feet of upper leather per pair. Shoes customarily worn by women and children use about one and one-half square feet. The army service shoe, on the other hand, takes four square feet of upper leather and a pair of combat boots takes almost twice that amount. The actual leather used in the approximately 50,000,000 pairs of military type shoes produced on Government contract in 1944 is equivalent to almost 150,000,000 civilian pairs.

Chart 8.—Production of Leather Shoes



¹ Estimated on the basis of data for 10 months.

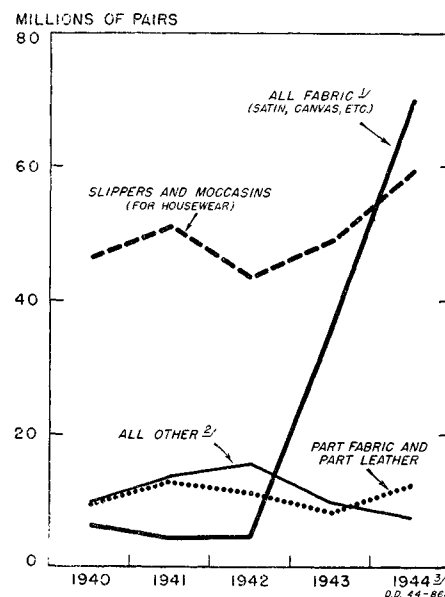
Source: U. S. Department of Commerce.

Use of leather for purposes other than shoe manufacture has declined during the war. While such uses as industrial belting, harness, work gloves, and shoe repair have increased, leather for luggage, upholstery, pocketbooks, and other consumer items has been restricted. Various types of military equipment other than footwear require leather, but the amounts used remain small compared to the amounts going into military shoes. Whereas before the war approximately 85 percent of all leather produced was used in the manufacture of shoes, the ratio today is probably nearer 90 percent.

Footwear Production Near 1941 Peak.

Charts 7, 8, 9 show the trends in annual production of the various types of footwear (other than rubber footwear) since 1940. The effects of pressing military demands, of civilian rationing, and of the shift to substitute materials are readily apparent.

Chart 9.—Production of Footwear Other Than Leather Shoes and Rubber Footwear



¹ Includes shoes with all-fabric uppers, most of which have nonleather soles.

² Includes athletic shoes, beach sandals, barefoot sandals, theatrical footwear and other footwear not distributed as to kind.

³ Estimated on the basis of data for 10 months.

Source: U. S. Department of Commerce.

Over-all production reached a peak of practically 500,000,000 pairs in 1941 and has declined only moderately since then. Leather shoes, generally defined as shoes with leather uppers, also achieved a record production total in 1941, but have been reduced by one-fourth since then. This decline has been partly offset by the doubling of the output of other types of footwear, from 72,000,000 pairs in 1940 to 150,000,000 pairs in 1944. Leather shoes continue to be the largest component of total footwear production, but they accounted for only 68 percent of the total in 1944, compared with 82 percent in 1940.

Leather shoes for civilian wear were one-third lower in 1944 than in 1941

(chart 8). Military-type shoes, on the other hand, have been increasing steadily and amounted to about 50,000,000 pairs, or 16 percent of total leather shoe production last year. Although these shoes were produced on Government contract, not all of them are for use by our own armed forces. Some are for lend-lease shipments, but part of the shoes for export are fabric shoes for civilian wear.

More detailed information on the composition of leather shoe production in 1939, 1941 and 1944 is contained in table 4. Roughly one-half of the 1939 production was in women's shoes, one-fourth in men's and the balance in shoes for youngsters and infants.

Comparing the first 10 months of 1944 with the corresponding period of 1941, the year of peak output, it is seen that men's shoes experienced the sharpest cut. This was to be expected in the light of the large numbers inducted into the armed forces. The reduction in women's leather shoes, however, was almost as large.

As noted below, this reduction has been compensated to some extent by the substantial rise in the production of fabric shoes, which are chiefly for ladies' wear. Misses', youth's and children's shoes declined less sharply, and infants' shoes were maintained at the high levels of 1941.

Leather for civilian footwear has been curtailed in other ways than by reducing the number of civilian-type leather shoes produced. There has been a marked trend toward greater use of nonleather soles on shoes. In 1942, 83 percent of all shoes manufactured for civilian wear had leather soles. This percentage dropped to 70 percent in 1943 and 53 percent in October 1944. In addition, larger production of the fabric-upper, leather-bottom shoe has served as a leather extender. Finally, there has been some savings in leather use because of the curtailment in the number of styles of civilian shoes manufactured.

Production of fabric shoes, which include shoes with fabric uppers and, in most cases, soles of various materials other than leather, increased sharply

during the past two years (chart 9). They accounted for 15 percent of total footwear in 1944, compared with less than 2 percent in 1940. Most of these shoes are unrationed and are for women's and misses' wear. Part-leather, part-fabric shoe production has increased somewhat even though most of these shoes are subject to rationing and must compete with leather shoes for the consumer's coupons. The style factor is important in sustaining the demand for part-leather, part-fabric shoes.

Sales Trends.

Sales of footwear, including all types of shoes, sandals, and slippers, have followed a different pattern than production, chiefly because of the drawing down of inventories of rationed types. In spite of lower production after 1941 and of considerably larger takings by Government agencies, military personnel, and exports, total annual sales to domestic civilians appear to have been stabilized during the past three years at close to 460,000,000 pairs, more than 5 percent higher than the 1941 total.

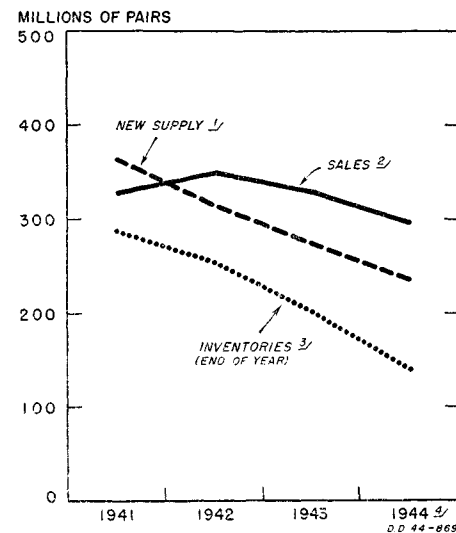
The types sold to civilians have undergone significant shifts because of the critical leather supply situation and because of the rationing program. Sales of nonrationed types of footwear, principally fabric shoes and house slippers, have increased while sales of ration-types have declined.

Rationing Program.

When rationing was introduced, the per capita ration was set at approximately 3 shoe stamps a year. This rate compared with per capita consumer takings of leather shoes in 1942 estimated at 3.8 pairs for women, 3.1 pairs for misses, children, and infants, 2.1 pairs for men, and 1.4 pairs for boys and youths. In recognition of the large differences in per capita needs, transfer or stamps within families was permitted. Beginning in November 1943 the ration rate was cut to a stamp every 6 months.

Actual purchases for ration currency, however, have proceeded below these rates. A sizable ration stamp "float" has come into existence since stamps were

Chart 10.—Estimated New Supply, Sales, and Inventories of Rationed-Type Civilian Shoes



¹ Includes rationed types shipped to trade, less total sales to ration-exempt agencies and military personnel, and exports.

² Includes sales of rationed types to individual consumers (other than military personnel), employers, and institutions, plus amounts released from rationing.

³ Includes all stocks except those held by manufacturers.

⁴ Estimated by the U. S. Department of Commerce.

Sources: Office of Price Administration and U. S. Department of Commerce.

made valid for an indefinite period, reflecting the fact that the ration allotment is inadequate for some families and single individuals and excessive for others.

On the other hand, the number of shoes sold to consumers in exchange for ration coupons has been augmented by purchases from stocks released from rationing. Releases were authorized by the Office of Price Administration in order to aid dealers in clearing out merchandise for which the consumer was reluctant to spend ration stamps. The amounts involved were approximately 33,000,000 pairs in 1943 and a somewhat lower total in 1944.

In the aggregate, it is estimated that releases offset the "float" accumulation, with total sales of rationed-type shoes approximating the rate permitted under the rationing program.

The program has not operated to reduce consumer purchases to the extent of the reduction in current production, as indicated by the spread in chart 10. Sales of rationed-type shoes to domestic civilian consumers, including shoes released from rationing, have exceeded new supply in each year since 1941. During this period consumers have been steadily drawing on the inventory backlog.

Dealers' shelves were exceptionally well-stocked when rationing began. Although inventory depletion has reduced the reserve by about 45 percent, over-all stocks continued to be adequate at the end of 1944 to honor all stamps then outstanding.

The estimated composition of trade inventories of rationed shoes on April 10,

(Continued on p. 20)

Table 4.—Production of Leather Shoes by Types ¹

(Millions of pairs)

	1939	1941	January to October 1944	Percent change	
				Jan.-Oct. 1939 to Jan.-Oct. 1944	Jan.-Oct. 1941 to Jan.-Oct. 1944
Military (Government contract), total	9.0	15.3	41.0	447.2	+231.5
Dress-type	9.0	3.4	9.0	447.2	+276.2
Work-type		11.9	32.0		+220.8
Civilian, total	347.4	400.7	220.9	-26.5	-35.7
Men's dress-type	94.8	88.7	41.6	-30.1	-44.1
Men's work-type		31.8	13.8		-47.1
Youth's and boys'	16.9	19.2	13.8	-5.5	-15.1
Women's	167.7	184.3	98.3	-33.9	-39.4
Misses' and children's	44.0	47.9	29.7	-20.5	-26.7
Infants'	24.1	28.2	23.7	+15.2	-0.2
Total	356.4	416.0	262.0	-14.9	-26.3

¹ Includes all shoes with leather uppers.

² Estimated.

³ Bureau of the Census figures for total men's shoes were adjusted to exclude the estimated amount produced for Government contract.

Source: U. S. Department of Commerce.

Classification of Consumer Expenditures by Income-Elasticity

By Louis J. Paradiso

IT IS COMMON KNOWLEDGE that during the war period businessmen have been able to sell practically all of the goods and services they could offer. Indeed the problem of retailers and wholesalers was to get enough goods to satisfy the demands of consumers even though the supply was larger than in any peacetime year. These demands, stemming from record consumer incomes, constantly pressed upon a limited supply of consumer goods.

This war phenomenon, however, will come to an end soon after the close of hostilities. The forces of market supply and demand will once more assume more fully their economic function. Consumer purchases of goods and services in the post-war years will be determined by the volume of purchasing power and employment, and by considerations of prices, quality and variety of the goods offered.

In other words, consumer behavior will tend to conform with the patterns which prevailed in the pre-war years. This being the case it will be useful to have a knowledge of the structure of consumer demand and to have a measure, based on the historical experience, of the degree and direction of consumer spending as consumer incomes change.

A well known characteristic of the consumption pattern is that consumers do not dispose of their added incomes in the same proportion for all types of goods. A smaller proportion of an increase in the income is spent on food, for example, while a much larger proportion goes for the purchase of automobiles. In general, a large group of expenditures is relatively stable in relation to changes in incomes while at the other extreme many items of consumption are highly volatile.

Information on the degree of sensitivity of individual consumer expenditure items or groups of items to changes in consumer incomes is useful in that (1) It provides a yardstick for determining the probable change in demand for a product with the change in the business cycle; (2) it serves as a basis for estimating the probable maximum potential demand for consumer goods and thus throws light on policies relating to production, employment, and capital expansion, and (3) it meets the need for information to appraise changes in raw material requirements, import requirements and other problems related to supply and demand for consumption goods.

In this article some of the basic information relating to the structure of consumer purchases is presented by the

use of a classification of 174 consumer expenditure items according to their degree of sensitivity to changes in consumer incomes.¹ That is, the presentation is made on the basis of the income elasticity as determined by the general relationship of consumption to consumer incomes in the years from 1929 to 1940.

It is clear that a study of the changes in expenditures in relation to changes in income in the very unstable period from 1929 to 1940 will reveal those items which have shown relatively little fluctuation in relation to the income change, those which have shown approximately similar proportionate changes and those which have responded more sharply.

A grouping of consumer expenditure items according to three categories of sensitivity to income change—those expenditures that are relatively insensitive to changes in income, those that are somewhat sensitive, and those that are most sensitive—provides a framework which is valuable in marketing analysis from the standpoint of the effect of business cycle changes on consumption.

From this point of view, such a classification has advantages over the cus-

tomary breakdown of consumer expenditures based on the concept of durability.² The purpose of this latter classification is to group the items according to the length of time it takes to consume them. Most foods, for example, are classified as perishable while automobiles are classified as durable.

Since the purchase of durable commodities is usually postponable the aggregate expenditures for such goods tends to fluctuate more violently over the cycle. This classification has been used primarily for analyzing the response of the groups of expenditures to changes in business activity.

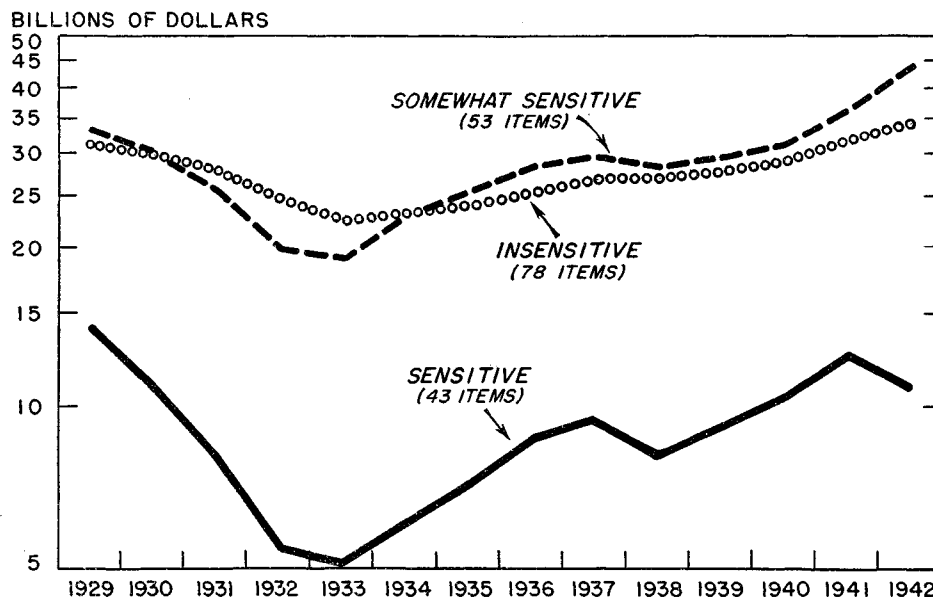
However, as is shown below, there are many items classified as nondurables and services which are as sensitive to business fluctuations as the durable goods, and conversely. The dispersion of the sensitive as well as the insensitive items throughout the entire range of the durability classification makes this latter classification less useful for the purpose of studying the effect of the business cycle on changes in consumer purchases.

By definition the groups classified by income elasticity provide a more ex-

¹For a discussion of the general relationship of consumer expenditures to income see the article "Retail Sales and Consumer Incomes", SURVEY OF CURRENT BUSINESS, October 1944, p. 5.

²See the National Bureau of Economic Research, "Commodity Flow and Capital Formation"; also, William Shaw, "Consumer Expenditures," SURVEY OF CURRENT BUSINESS, April 1942.

Chart 1.—Consumer Expenditures, Classified by Sensitivity to Changes in the Disposable Income¹



D.D. 44-870

¹Sensitivity coefficient of each consumption item determined upon the basis of relationship of expenditures to incomes for the period 1929-40.

Source: U. S. Department of Commerce.

NOTE.—Mr. Paradiso is Chief of Business Statistics Unit, Bureau of Foreign and Domestic Commerce.

Table 1.—Distribution of Consumer Expenditure Items by Coefficient of Sensitivity to Changes in Disposable Income

Sensitivity to changes in disposable income ¹	Number of commodities and services	Consumer expenditures (millions of dollars)		Percent distribution		
		1933	1939	Number	Expenditures	
					1933	1939
Less than 0.....	5	170	188	2.9	0.4	0.3
0-2.0.....	7	2,294	2,850	4.0	4.9	4.3
2.0-4.0.....	17	2,812	3,359	9.8	6.0	5.1
4.0-6.0.....	21	12,554	15,306	12.1	27.0	23.0
6.0-8.0.....	28	4,619	6,060	16.1	9.9	9.1
8.0-10.0.....	27	12,800	20,002	15.5	27.5	30.1
10.0-12.0.....	26	6,237	9,519	14.9	13.4	14.3
12.0-14.0.....	16	2,205	3,813	9.2	4.7	5.7
14.0-16.0.....	9	1,248	1,794	5.2	2.7	2.7
16.0-18.0.....	6	535	1,141	3.4	1.1	1.7
18.0-20.0.....	2	30	54	1.1	.1	.1
20.0-30.0.....	6	1,023	2,210	3.4	2.2	3.3
30.0 and over.....	4	27	168	2.3	.1	.3
Total.....	174	46,552	66,466	100.0	100.0	100.0

¹ Based on regression of consumer expenditure to disposable income given by: Consumer expenditures = $A(1+r)^{year} \alpha$ (disposable income) where A, r, α are constants determined from the data for the period 1929-1940. The coefficient α represents the measure of income elasticity or sensitivity to changes in disposable income. In the table above the α -range is expressed in multiples of 10.

Source: U. S. Department of Commerce.

tended basis for studying changes in consumer expenditures in relation to business fluctuations.

Income-Elasticity Groups.

There are numerous ways of measuring the sensitivity of consumer expenditures to changes in business fluctuations.³ In this study the disposable income of individuals (income payments less personal and nonpersonal tax payments) was used as a measure of the broad changes in economic activity.

The indicator of demand or income-elasticity is defined as the percentage increase in the consumer expenditure for a specified commodity or service which is associated with a given percentage increase in disposable income, all other factors affecting the expenditure assumed to remain constant. The measure of income-elasticity was determined from the relationship between income and expenditure on the basis of a study of the changes in income and the corresponding changes in expenditures in the period of years from 1929 to 1940.

Altogether 174 consumer expenditure items were analyzed in relation to changes in income.⁴ In arriving at the measures of income-elasticity it is necessary to consider the *net* effect of a change in income on the expenditures. The influence of secular trends or changes in expenditures resulting from the operation of specific factors other than income were abstracted from the changes in consumer expenditures. This was accomplished by the use of a correlation analysis between consumer expenditures for each of the 174 items of goods and services, disposable income, and a time factor.

³ A similar problem was considered in the analysis of price sensitivity. For the various measures used see: "Structure of the American Economy," National Resources Committee, 1938, and TNEC Monograph No. 1, "Price Behavior and Business Policy." Also see the approach used in SURVEY OF CURRENT BUSINESS, June 1944, p. 8.

⁴ The data used were taken from the study by William H. Shaw, "Consumption Expenditures, 1929-43," SURVEY OF CURRENT BUSINESS, June 1944.

The general form of the equation used in determining the elasticity constants is as follows: Consumer expenditures = $A \times (\text{disposable income})^\alpha (1+r)^{year}$ where $A, \alpha,$ and r are constants and determined by the method of least squares from the data. The factor $(1+r)^{year}$ is the "catch-all" net trend which represents a combination of the effect of secular changes and the trends in factors other than disposable income affecting changes in consumer expenditures.

From this form of the regression, the coefficient α may be taken for the approximate measure of the income-elasticity.⁵ For example, in the case of consumer expenditures for jewelry and watches the coefficient α as determined from the regression is 1.7. This may be interpreted as follows: Assuming all other factors equal, a change of 10 percent in disposable income is associated with a change of 17 percent in dollar expenditures for jewelry and watches. This obviously implies a marked degree of sensitivity of these expenditures to income changes.

On this basis it was possible to classify each of the consumer expenditure items into groups of income-elasticity. Table 1 shows the distribution of the items of consumer expenditures by income-elasticity. It may be noted that the aggregate of the consumer expenditures for goods and services has an income-elasticity of 0.8, that is, a change of 10 per-

⁵ That the result is only approximate may be seen from the following: Assume that the disposable income changes by k percent, all other factors remaining the same. Then the ratio of consumer expenditures under these conditions is given by

$$\frac{C_1}{C_2} = \frac{A I^\alpha (1+k)^\alpha (1+r)^{year}}{A I^\alpha (1+r)^{year}} = (1+k)^\alpha = 1 + \alpha k + \frac{\alpha(\alpha-1)}{2} k^2 + \dots$$

where C is consumer expenditures and I is the disposable income. If $\alpha < 1$ and $k < 1$ the other terms of the series are small and αk is approximately equal to the percentage change in consumer expenditures. If α is much greater than 1 then αk is not a very close approximation unless k is very small.

cent in disposable income is associated with a change of 8 percent in total consumer expenditures. This coefficient of the total expenditure was used as the basis for grouping the various items of expenditures.

All those items whose income-elasticity was less than 0.8, the coefficient associated with the total expenditures, were classified in the insensitive group. In other words, the aggregate expenditures for all the items in this group would be relatively insensitive to changes in the disposable income.

Those items that had a coefficient of 0.8 to 1.2 were classified as somewhat sensitive, since the coefficient was somewhat above that for the total expenditures.

Finally, the items whose coefficient of income-elasticity exceeded 1.2 were classified in a group called sensitive because a change of 10 percent in the disposable income in each of these cases was associated with a change of more than 12 percent in the consumer expenditure.

The expenditures for the items in each group were then aggregated for the years 1929-42. These are shown in chart 1 and in table 2.

Behavior of Income-Elasticity Groups.

The chart reveals very clearly the difference in cyclical behavior of the three groups of expenditures. From 1929 to 1933 the aggregate expenditures of goods in the insensitive group declined by 28 percent whereas for the somewhat sensitive group the decline was 43 percent and for the sensitive group it was 63 percent. On the upswing from 1933 to 1940 the first group increased by 30 percent, the second by 64 percent, while the sensitive group more than doubled.

In general, for the period covered, the insensitive goods have constituted about two-fifths of total consumer expenditures. On the other hand, the sensitive group comprised less than one-fifth of the total.

The striking feature of the table is the breakdown of each group into commodities and services. As would be expected most of the services fall in the insensitive group. However, a sizable proportion of the total expenditures for services—in 1940, almost one-quarter—was sensitive to changes in disposable income.

Furthermore, while almost two-thirds of the total expenditures for commodities fall in the somewhat sensitive group, the remainder is almost equally divided between the other two groups. This table clearly indicates the wide dispersion in income-elasticity which exists among both commodities and services.

For example, over 70 percent of the items fall within the range of sensitivity from 0.4 to 1.6.

Because of the wide dispersion of the various consumer expenditure categories among the sensitivity groups, the groups cannot be readily characterized by types of expenditures. As the listing below indicates, while most of the foods fall in the somewhat sensitive group, purchased meals and beverages at schools belong in the insensitive group and purchased meals, and beverages in dining cars and in institutions, clubs and indus-

Table 2.—Consumption Expenditures, Classified by Sensitivity to Changes in Disposable Income

[Millions of dollars]

Year	Insensitive ¹			Somewhat sensitive ²			Sensitive ³			Total		
	Total	Com-modities	Serv-ices	Total	Com-modities	Serv-ices	Total	Com-modities	Serv-ices	Total	Com-modities	Serv-ices
1929.....	31,104	8,971	22,133	33,287	29,937	3,350	14,034	9,224	4,810	78,425	48,132	30,293
1930.....	29,833	8,212	21,621	30,387	27,287	3,100	10,861	7,225	3,636	42,724	28,357	14,367
1931.....	27,792	7,472	20,320	25,575	23,116	2,459	8,052	5,393	2,658	61,419	35,981	25,437
1932.....	24,512	6,662	17,850	19,728	17,755	1,973	5,432	3,520	1,912	49,672	27,937	21,735
1933.....	22,452	6,358	16,095	19,036	17,276	1,760	5,064	3,257	1,806	46,552	26,891	19,661
1934.....	23,182	7,118	16,064	22,805	20,813	1,992	6,002	4,075	1,927	51,989	32,006	19,983
1935.....	23,890	7,312	16,578	25,449	23,286	2,163	7,110	5,004	2,106	56,449	35,602	20,847
1936.....	25,386	7,971	17,414	28,165	25,699	2,466	8,721	6,195	2,526	62,272	39,865	22,406
1937.....	26,861	8,450	18,411	29,860	27,114	2,746	9,498	6,620	2,879	66,219	42,184	24,036
1938.....	26,962	8,257	18,705	28,328	27,105	1,223	8,012	5,426	2,586	63,302	39,388	23,914
1939.....	27,766	8,554	19,212	29,520	26,776	2,744	9,180	6,446	2,734	66,466	41,778	24,688
1940.....	29,167	9,074	20,093	31,151	28,377	2,803	10,458	7,480	2,978	70,806	44,931	25,874
1941.....	31,804	10,483	21,321	36,346	33,145	3,201	12,455	9,193	3,262	80,605	52,821	27,784
1942.....	34,021	11,117	22,904	43,854	40,391	3,463	10,806	7,245	3,561	88,681	58,753	29,928

¹ Includes all items whose income-elasticity is less than 0.8.² Includes items whose income-elasticity lies in the range 1.8 to 1.2.³ Includes all items with income-elasticities greater than 1.2.

Note.—For basis of classification see text.

Source: U. S. Department of Commerce.

trial lunch rooms are in the sensitive group. Similarly, the various items of clothing expenditures fall in each of the three groups.

Durable goods such as furniture, cooking equipment, and new cars go in the sensitive group but other durables such as refrigerators, washing machines and sewing machines are in the somewhat sensitive group. On the other hand, durables such as china, glassware, tableware and utensils appear in the insensitive group. The interest in table 3 lies in the fact that any of the items or groups of items can be characterized by the broad sensitivity range in which they are included.

Uses of the Classification.

The grouping of consumer expenditure items by their response to changes in income has both a general and specific use. The classification shown in table 2 is useful for broad economic analysis relating to problems of the business cycle and full employment.

Expenditures for the items in the insensitive group will remain relatively stable regardless of the changes in income and employment. Indeed, the income-elasticity for the aggregate expenditures of this group is less than 0.6, which implies that a change of 10 percent in disposable income will very likely result in a change of only 6 percent in these expenditures.

As the economy approaches high levels of employment, however, consumption of goods most sensitive to changes in income will comprise an increasingly larger proportion of total consumption.

It must be reemphasized that the sensitivity indicators are based on cyclical changes in periods of relative instability. What the sensitivity of consumption to changes in disposable income would be in periods of a high and stable level of employment is not known and cannot be determined either from previous experience or from existing data. If practically all of the working population were certain of continued employment over a

long period of years, the consumption pattern might very well be altered, but there is no way of knowing to what extent and in what direction.

For many purposes, and particularly for those in which the businessman would be interested, the sensitivity information on the individual items of consumption is more useful. On the basis of table 3, it is possible to determine within broad limits the effect of a change of 10 percent, 20 percent or any other given percentage change in the disposable income on the relative increase of the expenditure for a given item.

For the items listed in the first group, the insensitive category, a change of 10 percent in the disposable income is likely to result in a change of less than 8 percent in the expenditure. In the case of the second group, the corresponding expenditure would be between 8 and 12 percent; and for the sensitive group the expenditure would change by more than 12 percent.

These broad ranges of sensitivity groupings are of especial interest in connection with the problem of possible shifts in demands in the post-war years as the income changes.

Indeed it is hoped that private firms will make income-elasticity analyses for sales of their own particular products which take into consideration not only disposable income but other factors as well. Such analyses would supplement or improve the present classification and would thus provide a more useful body of information as a guide for business policy.

Necessary Qualifications.

The classification by income-elasticity has several important qualifications and for this reason it should be considered as a first approximation only. The two more important qualifications are described below.

First, the coefficients of elasticities were determined for a period in which the cyclical movement was by far the widest and had a greater amplitude than

any other in our history. The classification might be modified somewhat if it were possible to include some of the minor recessions of the twenties. It is not believed, however, that the change would have been significant if more years had been covered in the determination of the elasticities. One minor recession was covered in the 1929-40 period, namely that of 1938—and a classification based on that decline alone yields approximately the same groupings.

Using a longer period of time from which to determine the relationships has definite advantages when considering a number of items having a strong upward trend. In the case of such a relatively new product as refrigerators, for example, the expenditures are probably more sensitive to changes in income than is indicated by the experience from 1929 to 1940 alone. In this instance the basic upward trend in purchases which was evident in the twenties affected the amplitude of the cyclical movement in the thirties and the full effect of the trend could not be entirely eliminated by the analysis of the experience in the period 1929-40.

It may be noted that for a few items there apparently was no relation between the consumer expenditures and disposable income. In fact, as table 1 shows, the coefficient of income-elasticity for five items was negative and not significant. Expenditures for these items were very small and for the sake of completeness were included in the insensitive group.

The second qualification is more serious. The classification of necessity is based on the available break-down of consumer expenditures. More detailed information is available on consumer expenditures for services whereas a further break-down of certain commodity groups is lacking.

For example, data for expenditures on refrigerators are available only in combination with washing and sewing machines. If each of these items were available separately, their income-elasticities would probably differ from that of the combination. Similarly, clothing and accessories had to be treated as a group, whereas a break-down might show considerable dispersion in the income-elasticities of the components of the group.

A further break-down of the existing commodity groups would add materially to the understanding of the shifts in the consumption pattern and to the sharpening of the sensitivity categories. Obviously, further intensive work is called for to develop additional data in the field of consumption.

As a final note on the classification, it must be borne in mind that the income-elasticities are determined from current dollar consumer expenditures and disposable income. If physical quantity data could be obtained for each of the items and related to the "real" disposable income (i. e., disposable income adjusted for price changes) the resulting classification might be different from the one presented in this article.

Table 3.—Consumer Expenditure Items Classified According to Sensitivity to Changes in the Disposable Income

INSENSITIVE	SOMEWHAT SENSITIVE	SENSITIVE
I. Food and tobacco: Purchased meals and beverages—schools. Tobacco products and smoking supplies. II. Clothing, accessories and jewelry: Shoes and other footwear. Shoe cleaning and repair. Laundering (in establishments). Costume and dress suit rental. Net purchases from second-hand clothing dealers. III. Personal care: Toilet articles and preparations. Barber shop services. IV. Housing: Owner-occupied nonfarm dwellings space-rental value. Tenant-occupied nonfarm dwellings (including lodging houses)—space rent. Rental value of farm houses. Clubs, schools and institutions. V. Household operation: Lighting supplies. China, glassware, tableware, and utensils. Net purchases from second-hand furniture and antique dealers. Upholstery and furniture repair. Fuel (except gas) and ice: Purchased. Produced and consumed on farms. Household utilities: Electricity. Gas. Water. Telephone. Postage. Moving expenses and warehousing. Fire and theft insurance on personal property—net payments. Miscellaneous household operation services. VI. Medical care and death expenses: Ophthalmic products and orthopedic appliances. Physicians. Chiropodists and podiatrists. Private duty trained nurses. Privately controlled hospitals and sanitariums. Student fees for medical care. Funeral and burial service. Cemeteries and crematories. VII. Personal business: Theatrical employment agency fees. Employees' dues and fees to professional associations. Trust services of banks. Bank service charges on deposit accounts. Bank check collection and foreign exchange charges. Safety deposit box rental. Money order fees. Expense of handling life insurance. Life insurance companies. Fraternal and assessment associations. Legal services. VIII. Transportation: User-operated transportation. Gasoline and oil. Bridge, tunnel, ferry, and road tolls. Automobile insurance—net payments. Purchased local transportation. Street and electric railway and local bus. Steam railways—commutation. Ferries—foot passengers. Purchased intercity transportation: Intercity bus. Coastal and inland waterway. IX. Recreation: Admissions to specified spectator amusements: Motion picture theaters. Entertainment of nonprofit organizations (except athletics). Professional football. Professional hockey. College football. Other amateur spectator sports. Purchase of programs. Specified commercial participant amusements: Daily fee golf courses—greens fees. Golf instruction, club rental, and caddy fees. Informal recreation: Magazines, newspapers, and sheet music. Book rental and repair. Hunting dog purchase and training, and sports guide service. Camp fees. Clubs: School fraternities—dues and fees. Fraternal, patriotic and women's organizations (except school and insurance)—net payments. Luncheon clubs. X. Private education and research: Higher education. Elementary and secondary schools. Other instruction (except athletics)—fees. Foundation expenditures for education and research. XI. Religious and welfare activities: Religious bodies. Social welfare and foreign relief agencies. Museums and libraries. Foundation expenditures (except education and research). XII. Foreign travel and remittances: Personal remittances to foreign countries.	I. Food and tobacco: Food purchased for off-premise consumption. Purchased meals and beverages: Retail, service and amusement establishments. Hotels. Tips. Food furnished commercial employees. Food produced and consumed on farms. II. Clothing, accessories and jewelry: Clothing and accessories except footwear. Cleaning, dyeing, pressing, alteration, storage and repair of garments n. e. c. (in shops). Miscellaneous personal services. III. Personal care: Beauty shop services. Baths and masseurs. IV. Housing: Transient hotels and tourist cabins. V. Household operation: Refrigerators, and washing and sewing machines. Cleaning and polishing preparations. Rug, drapery and mattress cleaning and repair. Care of electrical equipment (except radios) and stoves. Stationery and writing supplies. Miscellaneous household paper products. Telegraph, cable and wireless. Express charges. VI. Medical care and death expenses: Drug preparations and sundries. Dentists. Osteopathic physicians. Chiropactors. Miscellaneous curative and healing professions. Accident and health insurance—net payments. Monuments and tombstones. VII. Personal business: Miners' expenditures for explosives, lamps and smithing. Classified advertisements. Net purchases from pawnbrokers and miscellaneous second-hand stores. Personal business services. VIII. Transportation: User-operated transportation: Tires and tubes. Automobile repair, greasing, washing, parking, storage and rental. Purchased intercity transportation—air line. IX. Recreation: Admissions to specified spectator amusements: Professional baseball. Horse and dog race tracks. Specified commercial participant amusements: Billiard parlors and bowling alleys. Dancing, riding, shooting, skating, and swimming places. Amusement devices and parks. Sightseeing buses and guides. Private flying operations. Informal recreation: Books and maps. Nondurable toys and sports supplies. Boat and bicycle rental storage and repair. Radio repair. Photo developing and printing. Photographic studios. Veterinary service and purchase of pets. Clubs: Athletic and social—dues and fees. Commercial amusements, n. e. c. X. Private education and research: Commercial, business and trade schools—fees. Correspondence schools—fees. XII. Foreign travel and remittances: Other foreign travel expenditures.	I. Food and tobacco: Purchased meals and beverages: Dining cars. Institutions, clubs and industrial lunchrooms. II. Clothing, accessories and jewelry: Fur storage and repair. Dressmakers and seamstresses (not in shops). Jewelry and watches. Watch, clock and jewelry repair. V. Household operation: Furniture. Floor coverings. Miscellaneous electrical appliances (except radios). Cooking and portable heating equipment. House furnishings and equipment, n. e. c. Products of custom establishments, n. e. c. Tools. Writing equipment. Domestic service (excluding practical nurses): Cash payments. Value of meals furnished. VI. Medical care and death: Practical nurses and midwives. Net payments to group hospitalization and health associations. Mutual accident and sick benefit associations—net payments. VII. Personal business: Nontheatrical employment agency fees. Net payments to labor unions. Brokerage charges and interest, and investment counseling. Interest on personal debt. VIII. Transportation: User-operated transportation: New cars. Net purchases of used cars. Parts and accessories. Purchased local transportation: Taxicab—fares and tips. Purchased intercity transportation: Steam railway (excluding commutation). Sleeping and parlor car—fares and tips. Baggage transfer, carriage, storage, and excess charges. Luggage. IX. Recreation: Admissions to specified spectator amusements: Legitimate theaters and opera. Ticket broker's markup on admissions. Pari-mutuel net receipt. Nonvending coin machines—receipts minus payoff. Informal recreation: Wheel goods, durable toys, and sports equipment. Boats. Radios, phonographs, parts and records. Pianos, and other musical instruments. Collectors' net acquisitions of stamps and coins. Flowers, seeds, and potted plants. XI. Religious and welfare activities: Political organizations. XII. Foreign travel and remittances: Payments to United States vessels.

NOTE.—The classification is based on the relationship between consumer expenditure for each item, disposable income and time for the period 1929-1940. The sensitive items are those which on the average showed a change of less than 8 percent for each change of 10 percent in the disposable income, all other factors remaining constant; the somewhat sensitive items showed changes of between 8 and 12 percent; and the sensitive items showed changes of more than 12 percent.

Source: U. S. Department of Commerce.

Service Industries—Trends and Prospects

By Edward F. Denison

IN CURRENT discussions of probable areas in which post-war employment expansion may be anticipated, the service industries are often given a prominent place. These industries—comprising domestic, commercial, professional and nonprofit services—had the equivalent of 6.3 million full-time proprietors and employees in 1943.¹

The problem explored by this article is the extent to which the service industries may contribute to the solution of the post-war employment problem. If total employment should reach a satisfactory level in the post-war period, would the service industries contribute disproportionately to the increase from the pre-war period?

The view that the service industries will play an important role in furnishing postwar jobs probably derives from the observation that during the twenties the service industries were characterized by sharp relative growth. However, this movement was contrary to the secular trend of employment and it ceased about 1930, when the position of the services stabilized.

Furthermore, in examining the war-time experience of these industries one finds an expansion of service employment only moderately smaller, except in domestic service, than would have been expected had total private employment risen to similar new record levels under peacetime conditions. Domestic service employment dropped sharply during the war, but is expected to make only a partial recovery if the total employment picture is satisfactory in the post-war period.

In consequence, the total number engaged in the service industries in the post-war period is not likely to increase

NOTE.—Mr. Denison is a member of the National Income Unit, Bureau of Foreign and Domestic Commerce.

¹The definition of the service industries is that of the Standard Industrial Classification (Bureau of the Budget, 1942) except for the exclusion of Government-operated establishments and automobile repair services and garages; and the inclusion (in business services) of title abstract companies. The principal government activities excluded are public education and public hospitals. Automobile repair services and garages, which accounted for 167,000 full-time equivalent employees and proprietors in 1939, are excluded since they are closely akin to filling stations and automobile dealers, classified in Trade, and are better considered in an examination of that industry. Title abstract companies are of little importance.

All employment figures cited in this article for the services have been reduced to a full-time equivalent basis as defined in table 5 unless otherwise noted. The term "employment" will refer in this article to wage and salary workers only. "Number engaged" or "personnel" will be used when inclusion of proprietors is intended.

greatly from either the 1941 or 1943 totals, even if employment generally is high, unless new developments not yet in sight occur. In fact, the relative importance of the industry, as measured by the number engaged, is apt to be less than in the pre-war period as a result of a decline in household employment and the mere maintenance of the relative position of the other service components combined. The service industries, therefore, cannot be expected to make a significant contribution to the solution of the post-war employment problem.

Diversity of Service Industries.

Any analysis of the service industries is complicated by their diversity. These industries are a heterogeneous aggregate of establishments and individuals with little in common except a service as principal product—and exclusion from all other industries. For the following discussion, these establishments and individuals have been classified in the 17 major components listed in table 1.

The various components of the services vary radically in earnings levels. The following table shows one type of breakdown of service personnel by earnings in 1941 (a more representative year than 1943):

	Percent of number engaged in service industries in 1941
Proprietors of professional (including engineering and architectural), amusement, and business service enterprises—average net income \$3,577—	9.4
Proprietors of personal services, lodging places, and repair services and hand trades—average net income \$836—	12.0
Employees in industries with average full-time equivalent earnings of:	
\$1,749 to \$2,420—	10.6
\$1,258 to \$1,608—	10.5
\$933 to \$1,045—	25.5
\$549 to \$578—	32.0
Total—	100.0

Differences among components in ownership, clientele, earnings, and employment trends (table 1) as in other important characteristics, warn against easy generalizations about the service industry as a whole. Detailed examination of the components is required.

For analysis of employment trend, the 17 service industries have been grouped into three categories: commercially operated services, professional and nonprofit services, and domestic service. Even this three-way grouping, though helpful for analysis of employment trends, would be inappropriate for analysis of other characteristics.

Long-Term Employment Trend.

Inadequate data render any detailed analysis of service employment prior to 1929, or at least 1919, impracticable. However, the Bureau of the Census has recently completed a reclassification of Census of Occupations data for all decennial censuses from 1870 to 1930 on as nearly comparable a basis as is possible from existing records.² Data for those occupations whose members are typically employed in the service industries, as here defined, furnish a measure of the changing importance of service-industry employment in the economy over this long period.

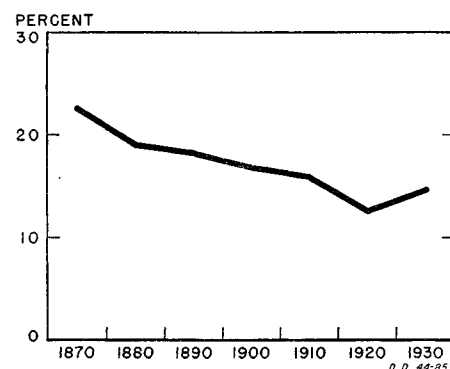
From 1870 to 1930 the percentage of the gainful workers attached to these selected occupations increased from 10.6 to 11.6. This increase, however, has little meaning since it is solely the result of the declining importance of agriculture and the increasing importance of all other industries.

When agriculture is excluded from the comparison, as in chart 1, a pronounced and steady drop in the importance of service employment in the total nonagricultural economy is revealed. This chart is especially interesting since it suggests that the sharp relative employment gains of the services in the twenties, so frequently noted by observers, may be interpreted as a return to a trend line from an abnormal position, rather than representing a new and different trend.

The year 1920 is out of line with the other years in the series. This may be explained as a result of the distortions introduced by the first World War, which had not been eliminated by 1920. Chart 1 cannot be carried beyond 1930 because of the basic differences between the 1930 and 1940 censuses, but other available

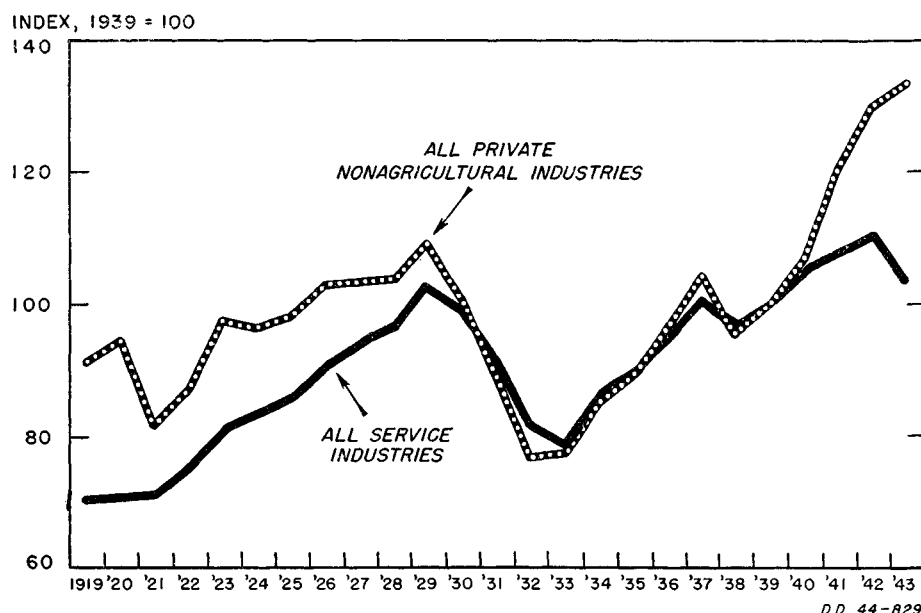
² *Comparative Occupation Statistics for the United States, 1870-1940.* Bureau of the Census, tables 9 and 10.

Chart 1.—Percentage of all Nonagricultural Gainful Workers in Service Industry Occupations



Source: U. S. Department of Commerce.

Chart 2.—Employment in All Private Nonagricultural and Service Industries



Source: U. S. Department of Commerce.

data show a slight decline in the importance of service employment over that decade.

Division of the selected service occupations into those consisting predominantly of domestic servants (household employees) and all other occupations, as in table 2, shows that the long-term drop in the importance of service employment is due chiefly if not exclusively to the former. These occupations included 17.2 percent of the nonfarm gainfully occupied in 1870, and only 7.7 percent in 1930.

The variations in the percentage engaged in the other service occupations are too small to be granted any great significance, but the series shows no apparent tendency to increase during recent decades. As in the service total and in the domestic service occupations separately, 1920 appears as abnormal in the nondomestic service occupations, so that conclusions based on the 1920 to 1930 movement should be viewed with caution.

No further mention is made of these long-time trends in the analysis of the service industry components, but they underlie in part the writer's greater willingness to accept the thirties, which do not violate long-term trends, than the twenties, which do, as a fruitful period for close analysis.³

Commercial and Professional

The 16 service industries (other than domestic service) have been divided for analysis into two groups, comprising

³From 1910 to 1920 even the absolute number in the service occupations declined. The number in domestic service dropped 10 percent while the number in the other service occupation increased 1 percent. In every other decade the absolute number in each of the 2 service groups increased.

roughly commercial services, and professional and nonprofit services. It is desirable first, however, to examine briefly the behavior of employment in these two groups combined. In this examination domestic service is excluded.

The reputation of the services as a growing industry was earned in the twenties, not in the thirties. From 1919 to 1930 service employment increased very sharply, both absolutely and relative to total private nonagricultural employment. From 1930 to 1941, two years in which the proportions of the labor force employed were similar so that cycle influences are roughly eliminated, the ratio of service employment to total private nonagricultural employment remained unchanged. (See chart 3.)

Service employment fluctuated less than total private nonagricultural employment during the thirties, chiefly because several of the professional and nonprofit components are almost unaffected by the business cycle.

The war initiated a growth of service employment only slightly smaller than past relationships indicate would have occurred in a period of similar expansion of private employment when Government military and civilian employment were at peacetime size. In 1943, the index of service employment shown in chart 3 stood only 2.3 points, or 65,000 full-time equivalent employees, below the point indicated by the 1930-41 relationship with total private nonagricultural employment. More detailed analysis gives essentially the same answer for this deficiency in the number of employees.

The extent of this expansion in employment at a time when millions of workers were being drawn into war industries and the armed forces is remarkable. It is due in large measure to the successful absorption by major service industries of persons previously not in

the labor force, and domestic servants. Aside from the unemployed, these were the only important sources of persons available for housekeeping work in hotels, hospitals, laundries and the like whose earnings were not already above the relatively low rates these industries could offer. Abnormal movements in other components were largely offsetting.

Estimates of the number of proprietors in the services indicate a drop of about 110,000 from 1940 to 1943. Much of this decline resulted from the entrance of physicians and dentists into the armed forces.

At least part of the remainder is probably in accordance with expectations in a period of rising employment, since estimates of the number of proprietors in the services show a slight tendency toward contracyclical movement, at least during the period of the thirties. The net deficiency in the number of proprietors, by comparison with a period of peacetime prosperity, is probably something under 100,000.

The total number engaged in the services in 1943 is thus in the neighborhood of 165,000 less than the number associated with a similar level of private nonagricultural employment in a peacetime year.

A shift from war to peace, in itself, will increase total employment in the service industries (except domestic service) only moderately, even if total private employment is as high as in 1943.

Commercially Operated Services

Seven of the service components which are characterized by operation under commercial conditions similar to most other private industries have been grouped under the heading of "commercially operated services," in contrast to the professional services and the components dominated by nonprofit organizations.

As chart 4 shows, employment in these services as a group moves much like total private nonagricultural employment. Cyclical fluctuations are almost as large, relatively, as in the private economy as a whole, and employment is almost completely dependent on general business conditions. There is no evidence of upward trend, relative to total employment, since 1930. In 1943, despite the war, employment stood only 2.3 percent, or 50,000 persons, below the expected figure based on peacetime relationships. The seven commercial service components are discussed in the following paragraphs.

Personal Services.

The personal service industry is the largest of the service industries, except domestic service. A detailed distribution of its near-million persons engaged in 1939 is shown in table 3. The distribution of employees differs considerably from that of proprietors. Power laundries and cleaning, dyeing and rug cleaning plants, for example, had 53 percent of the employees but only 4.5 percent of the proprietors. Barber shops, beauty parlors, cleaning, pressing and alteration shops and shoe repair shops together ac-

Table 1.—Salient Characteristics of the Service Industries

Industry	Number engaged, 1943 (thousands)			Wages and salaries and net income of proprietors, 1943 (millions of dollars)			Ratio to average salary-wage in all private nonagricultural industries in 1941 of—		Principal class of customers	Predominant legal form of organization ³	Employment trend of the thirties relative to all private nonagricultural industries ⁴
	Total ²	Full-time equivalent employees	Proprietors	Total	Wages and salaries	Net income of proprietors	Average full-time equivalent earnings of employees	Average net income of proprietors			
Total, all services ¹	6,281	4,971	1,310	10,097	6,647	3,450	0.68	1.39			—
Commercially operated services.....	2,906	2,019	887	4,710	3,270	1,440					0
Personal services.....	1,189	809	380	1,649	1,049	600	.70	.75	Individuals.....	Noncorporate.....	0
Hotels and other lodging places.....	549	406	143	592	477	115	.66	.29	Individuals and business.....	Corporate and noncorporate.....	—
Business services.....	296	226	70	765	532	233	1.34	1.76	Business.....	Corporate.....	++
Commercial and trade schools and employment agencies.....	59	53	6	146	135	11	1.28	1.68	Individuals.....	Noncorporate.....	+
Motion pictures.....	213	206	7	486	455	31	1.36	2.31	do.....	Corporate.....	+
Amusement and recreation services, n. e. c.....	223	197	26	329	277	52	.85	1.30	do.....	do.....	—
Engineering and architectural services.....	77	52	25	265	164	101	1.63	4.61	Business.....	Noncorporate.....	+
Repair services (except automotive) and hand trades.....	300	70	230	478	181	297	1.27	.50	do.....	do.....	0
Professional and nonprofit services.....	1,785	1,362	423	3,993	1,983	2,010					
Private hospitals.....	442	442		525	525		.64		Individuals.....	Nonprofit.....	0
Medical and health services except hospitals.....	395	165	230	1,454	192	1,262	.63	2.49	do.....	Noncorporate.....	+
Legal services.....	231	113	118	764	149	615	.85	3.24	Individuals and business.....	do.....	0
Professional services, n. e. c.....	33	9	24	62	14	48	.91	1.19	Business.....	do.....	0
Parochial schools.....	97	97		66	66		.37		Individuals.....	Nonprofit.....	0
Educational services, n. e. c.....	212	161	51	377	292	85	1.08	1.05	do.....	do.....	0
Religious organizations.....	189	189		355	355		1.08		do.....	do.....	—
Nonprofit membership organizations, n. e. c.....	186	186		390	390		1.18		do.....	do.....	—
Domestic service.....	1,590	1,590		1,394	1,394		.39		do.....	Individual.....	—

¹ See table 5, footnote 1, for definition of components. ² Excludes unpaid family workers. ³ The term "noncorporate" refers to individual proprietorships and partnerships.

⁴ This column indicates trend from 1930 to 1941 relative to trend of total private nonagricultural employment. 0 indicates about the same trend as for all private nonagricultural employment, + a relative upward trend, ++ a strong relative upward trend, — a relative downward trend, and — — a strong relative downward trend. With minor modifications where 1930 or 1941 was abnormal, relative trend was measured by calculating the percentage change from 1930 to 1941 (two years in which about the same percentage of the labor force was employed) in the ratio of employment in the service component to total private nonagricultural employment and converting to a per-year basis.

⁵ Full-time equivalent employment calculated on a school year, rather than calendar year, basis.

Source: U. S. Department of Commerce.

counted for 80 percent of the proprietors but only 34 percent of the employees.

Normal average earnings of both proprietors and employees are low, by all-industry standards, in almost every industrial component of the personal services. Funeral parlors and photographic studios are the only conspicuous exceptions.

Personal service employment expanded to a large degree from 1919 to 1930, but registered only a very slight growth relative to total private nonagricultural employment during the thirties (chart 5a). This record is a composite of trends for the various personal services.

Employment in power laundries and cleaning and dyeing plants increased sharply during the twenties—the former by 75 percent from 1919 to 1929, the latter by 207 percent. In the thirties, however, these components gained at only a very moderate rate, and only at the expense of corresponding declines in pressing

Table 2.—Gainful Workers in Service Industry Occupations as a Percentage of Gainful Workers in All Nonagricultural Occupations, 1870 to 1930

	1870	1880	1890	1900	1910	1920	1930
All service industry occupations.....	22.6	19.1	18.3	16.9	16.0	12.7	14.7
Domestic service occupations.....	17.2	13.3	11.8	10.0	8.4	6.3	7.7
Other service occupations.....	5.4	5.9	6.5	7.0	7.6	6.4	7.0

Source: Derived from report of the Bureau of the Census, *Comparative Occupation Statistics for the United States, 1870 to 1940*, tables 9 and 10.

shops and, to a minor extent, in hand laundries.

Employment in all types of laundries, linen supply, rug cleaning, and cleaning and dyeing plants and shops increased 19 percent from 1930 to 1941, compared to 20 percent for all private nonagricultural employment. The number of proprietors probably declined.

Beauty parlors, which had multiplied several fold during the twenties, grew rapidly during the thirties. Most of this recent growth was achieved at the expense of barber shops, which lost what remained in 1930 of their feminine clientele, but it was sufficient to indicate a moderate growth factor for the two industries combined.

The net effect of these movements, combined with relative stability of other components, was to advance the position of the combined personal services as a component of total private nonagricultural employment only very slightly from 1930 to 1941.

The war spiraled the personal services to new heights. Employment increased 10 percent from 1941 to 1943, only slightly less than the relative increase in all private nonagricultural employment. This gain was notable in view of the labor supply difficulties of low-wage industries. Interpretation of this movement as a resumption, stimulated by high consumer incomes, of the sharp trends of the twenties is questionable because of the influence of women moving out of the homes to take jobs, the increase in the number of persons not in families, and the shortage of domestic servants. The laundries took both

the work and the people to perform it from the domestic service market.⁴

That portion of this expansion which is a result of the shortage of domestic

⁴ From 1939 to 1942 total personal service employment increased 31.8 percent, compounded of an estimated 44.9 percent increase in cleaning and dyeing and rug cleaning plants, and cleaning, pressing and alteration shops; a 35.6 percent increase in laundries and linen supply service; and a 22.0 percent increase in all other personal services combined.

Table 3.—Number of Persons Engaged in the Personal Service Industries in 1939, by Detailed Components

(Thousands of persons)

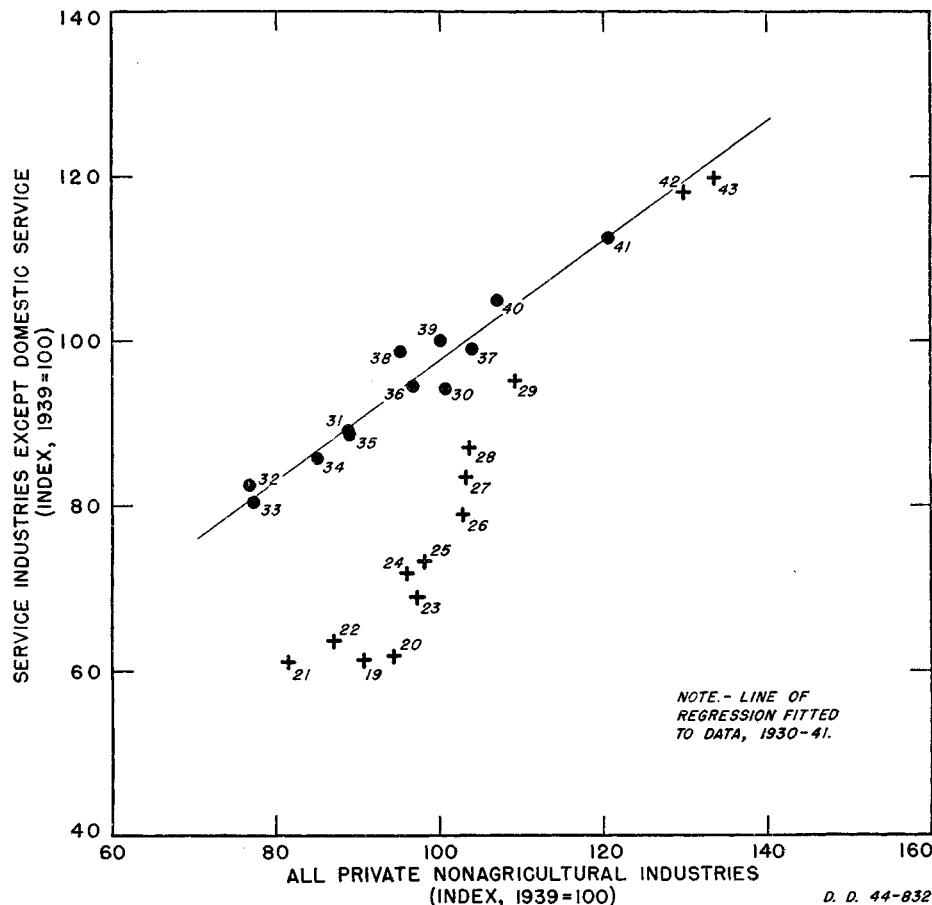
Industry	Total number engaged	Proprietors	Full-time equivalent employees
Total personal services.....	992	399	594
Power laundries.....	249	5	244
Hand laundries.....	28	17	10
Linen supply service without laundry facilities.....	6	(¹)	5
Cleaning and dyeing and rug cleaning plants.....	96	13	83
Cleaning, dyeing, pressing, alteration and repair shops.....	78	52	26
Barber shops.....	194	127	67
Beauty parlors.....	184	88	96
Shoe repair shops.....	65	50	16
Funeral directors, embalmers and crematories.....	44	18	26
Photographic studios.....	23	10	13
Shoe shine parlors and hat cleaning shops.....	13	9	4
All other personal services.....	13	7	6

¹ Less than 500 persons.

NOTE.—Detail will not necessarily add to totals because of rounding.

Source: U. S. Department of Commerce.

Chart 3.—Relationship of Service Employment, Except Domestic Service, to Employment in All Private Nonagricultural Industries



Source: U. S. Department of Commerce.

servants may be maintained after the war. However, employment in the personal services cannot in the near future increase much above present levels under even the most favorable conditions.

Hotels and Other Lodging Places.

About 80 percent of the 363,000 full-time equivalent employees in this group in 1939 were in hotels. The remaining 12 percent were distributed among tourist homes, tourist courts, rooming and boarding houses, and recreational camps. The 150,000 proprietors, on the other hand, were concentrated in boarding and lodging houses and tourist facilities. Only 24,000 were hotel keepers.

Employment in the industry as a whole failed by a slight margin to maintain its relative position in the private non-agricultural economy from 1930 to 1941, despite the rapid growth of tourist camps.

The wartime increase in rail, plane and bus travel, and of travel by businessmen, and by servicemen and their relatives in particular, furnished the hotels with a major war boom. This boom was intensified by the sensational growth in eating out. Tourist camps were rather generally able to offset loss of tourist clientele with semipermanent residents, although the situation was spotty.

Employment in hotels and other lodging places responded only partially to the expansion in business. Had ample labor been available, full-time equivalent employment in 1943 might have been 45,000 to 70,000 above the actual figure of 406,000. However, employment was only perhaps 25,000 below that which would have prevailed under conditions of equally full general employment in peacetime.

Because of the condition of labor shortage presently operative in the industry, a substantial reduction in hotel business may be incurred before contraction will be felt in employment.

Business Services.

The business service industry has, apparently, the strongest upward trend of any of the commercially operated service industries. It is also the least adequately covered by detailed statistical information of any of the commercially operated services. It appears, however, that advertising, including advertising agencies, billboard advertising service, and miscellaneous advertising services, accounted for about 18 percent of the total employment in 1942, and no other single component was responsible for much more than half this amount.

Accounting and bookkeeping, adjustment and credit bureaus and collection agencies, duplicating and mailing serv-

ices, and services to buildings are the more important of the other components.

It is particularly unfortunate that inadequate data make impossible a really satisfactory analysis of this industry because, in addition to its record of strong past growth, average earnings of both its employees and proprietors are high, and employment has been depressed by war conditions. Consequently, the business services appear to offer better opportunities, relative to their size, for postwar employment expansion at satisfactory earnings than any of the other service industries.

Commercial and Trade Schools.

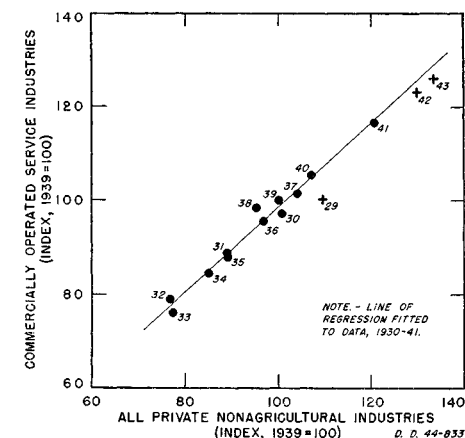
Commercial and trade schools, normally a minor employer, mushroomed during the war. Holders of trade school certificates were able to secure war plant jobs as experienced workers and the schools benefited accordingly. Employment increased from 16,000 in 1940 to 53,000 in 1943 and payroll from \$25 millions to \$135 millions. These figures include private employment agencies, a minor but volatile component. The wartime expansion of these industries is not likely to be maintained after the war.

Amusements.

The amusement industries included in the services are divided into two groups: motion pictures, and amusement and recreational services except motion pictures. Of the 193,000 full-time equivalent employees in the motion picture industry in 1942, 142,000 were employed in motion picture theaters, 45,000 in production and distribution, and 6,000 in motion picture service industries. Average full-time equivalent earnings in motion picture production and distribution were so high (\$4,393) that these industries accounted for \$197 millions of the total motion picture pay roll of \$408 millions in 1942.

The "other amusement" industry has had about the same number of employees

Chart 4.—Relationship of Employment in Commercially Operated Service Industries to Employment in All Private Nonagricultural Industries



Source: U. S. Department of Commerce.

as motion pictures in recent years. It includes dozens of types of enterprise, of which only bowling alleys and pool parlors, with more than one-third of the total employment, and golf clubs are individually important.

For analytical purposes it is desirable to combine a communications industry—radio broadcasting—with motion pictures and other amusements classified as services, to obtain a series for employment in all direct amusement enterprises.

Over the period 1929–1941 employment in the direct amusement industries exhibited a fairly smooth linear relationship to total private nonagricultural employment. This relationship is marred only by a partial lag in the adjustment of amusement employment in years of sharp cyclical change (chart 5b). The relative importance of the direct amusements in the private nonagricultural economy appears to have remained unchanged or declined slightly during this period.

Amusement employment increased substantially during the war years, but less than might have been expected in a period of like expansion of private employment under peacetime conditions. The differential between actual 1943 employment and a figure based on the peacetime regression is 33,000, or 7.7 percent of 1943 employment. This probably overstates the war-induced distortion, however, because the amusements tend to lag in periods of expansion, and because

there is some indication of slight convexity in the regression at high levels.

If past relationships prevail after the war, and radio broadcasting continues to encroach on the amusement industries classified in the services, employment in the latter may rise about 20,000 above the 1943 level, in the immediate post-war period, provided the general employment situation is satisfactory.

Although the combined direct amusement industries show a fairly smooth relationship to total employment, movement of the individual components appears erratic. Chart 6 illustrates the sharply differing movements of the components of amusement employment from 1929 to 1943. This behavior suggests that competition between them is so direct that if one increases, except in response to the business cycle, it is at the expense of the others.

The motion picture industry was invigorated by introduction of sound into a new period of expansion which continued through 1931. The industry scarcely felt the depression until 1932, and even in 1933 employment stood at 84 percent of 1929. During these same years employment in the "other amusement" industry dropped nearly one-half, the result of a downward trend for country clubs and stage performances and the sharp cyclical drops in other types of amusements.

From 1933 to 1937 motion picture employment increased 48 percent and other

amusements 35 percent. Each dropped slightly from 1937 to 1939 but motion pictures dipped much less in the 1938 recession. From 1939 to 1941 the encroachment of motion pictures on the other amusements was reversed, as the latter advanced 21 percent and motion pictures only 8 percent.

Further expansion of the "other" amusements was checked by the shifting of athletes into the armed forces (leading, for example, to suspension of most baseball minor leagues), by the inaccessibility of golf courses under gasoline rationing, shortage of pinboys and cessation of new construction in bowling alleys, and a combination of minor factors such as travel restrictions and the closing of California race tracks. After a minor rise in 1942, employment in 1943 dropped back to the 1941 level. Motion pictures took up part of the slack with a 13 percent rise from 1941 to 1943.

Although past relationships may be a reasonable guide to the future for the direct amusement industries as a whole, employment levels in particular segments can be so affected by shifts among types of amusement that they are, by nature, unpredictable.

Engineering and Architectural Service.

Engineering and architectural service, which includes only consulting engineers and architects and their employees, is a prince or pauper industry. In peak years the average net income of proprietors is very high; in poor years earnings vir-

Chart 5.—Relationship of Employment in Selected Service Industries to Employment in All Private Nonagricultural Industries

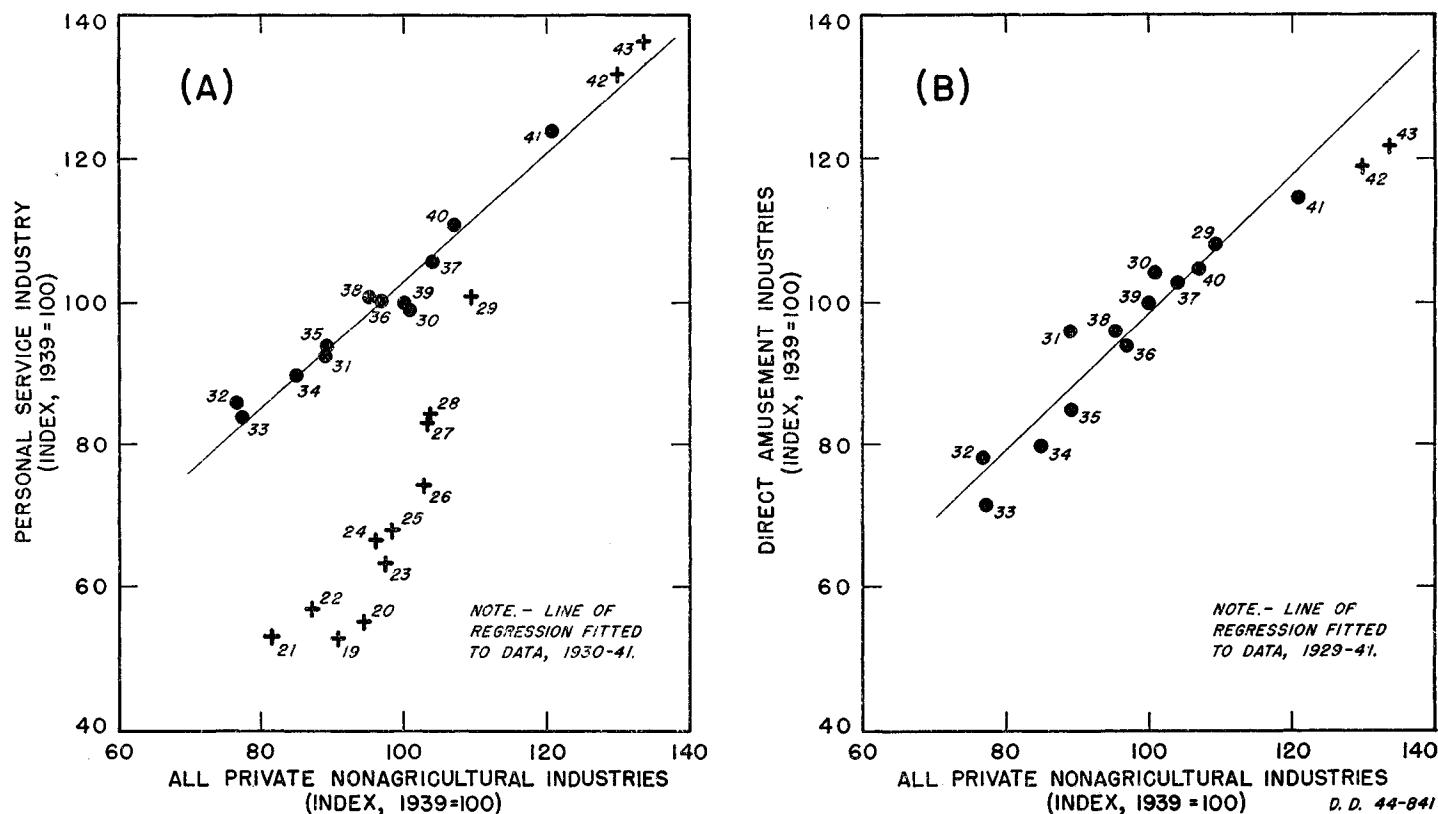
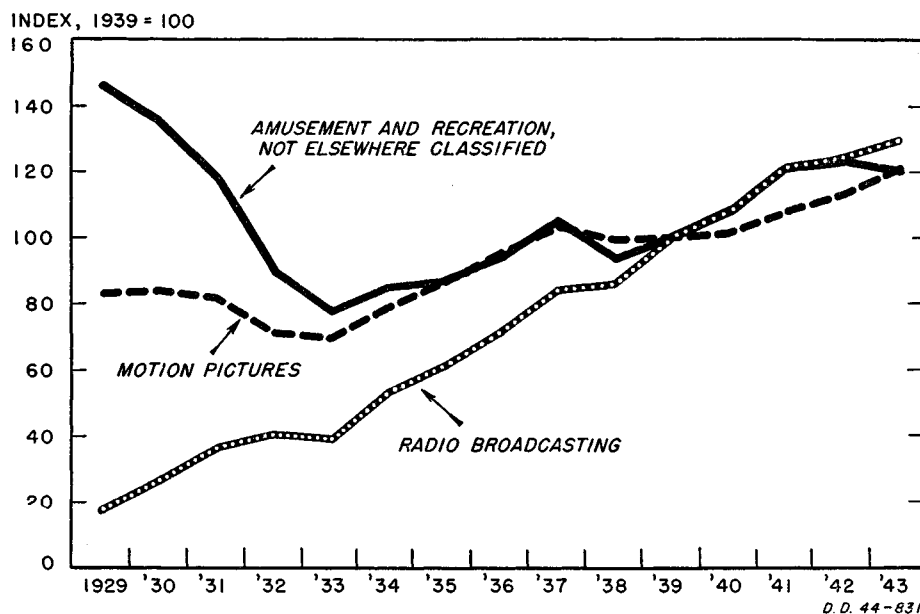


Chart 6.—Employment in Direct Amusement Industries



Source: U. S. Department of Commerce.

tually vanish. Employment, which follows a similar though less extreme pattern, shared fully in the construction boom and relapse during the war. Full-time equivalent employment rose from 28,000 in 1940 to 67,000 in 1942, then turned downward. If the expected post-war construction boom materializes the industry should enjoy a period of prosperity, but it can scarcely employ the 52,000 employees at work in 1943.

Repair Services and Hand Trades.

This industry includes all types of repair services except automobile and clothing repair, and so-called custom industries. It also includes as proprietors "own account" workers who are really manufacturers but who are excluded from the manufacturing classification because that is restricted to firms with a value of product in excess of a given amount (\$5,000 in most components).

Repair services (except automotive) are not of great quantitative importance in themselves. Those conducted in establishments accounted for 75,000 proprietors and 30,000 full-time equivalent employees in 1939. Among this group, the elite of the industry, gross receipts per proprietor averaged 2,311 dollars and net income well under 1,000 dollars, in that year. Employees, concentrated in larger firms, did somewhat better, with average full-time equivalent earnings of 1,145 dollars.

The remainder of the industry, covering 167,000 proprietors and 23,000 full-time equivalent employees in 1939, was even less impressive financially than the repair services, since it excludes large firms by definition, except in a few of the custom industries.

The industry has apparently prospered during the war—in comparison, that is, with peacetime earnings—largely as a

result of repair and custom work induced by the shortage of new durable consumers' goods. There is little to suggest, however, that the industry is destined to play an important role in furnishing post-war employment.

Professional and Nonprofit Services

The next principal category of service industries includes three groups composed principally of independent professional practitioners and their employees, and five components which are dominated by nonprofit organizations. The professional and nonprofit services are

characterized, as a group, by their relative independence of the business cycle (see chart 7). Although employment in this group of services increased steadily through the thirties, its percentage growth barely equalled the growth in total private employment between years in which the proportion of the labor force employed was similar. Hence, the relative importance of the professional and nonprofit services in the private economy is merely being maintained.⁵

This stability is the composite result of the increasing importance of hospitals, a principal component, and the declining importance of the other professional and nonprofit services combined.

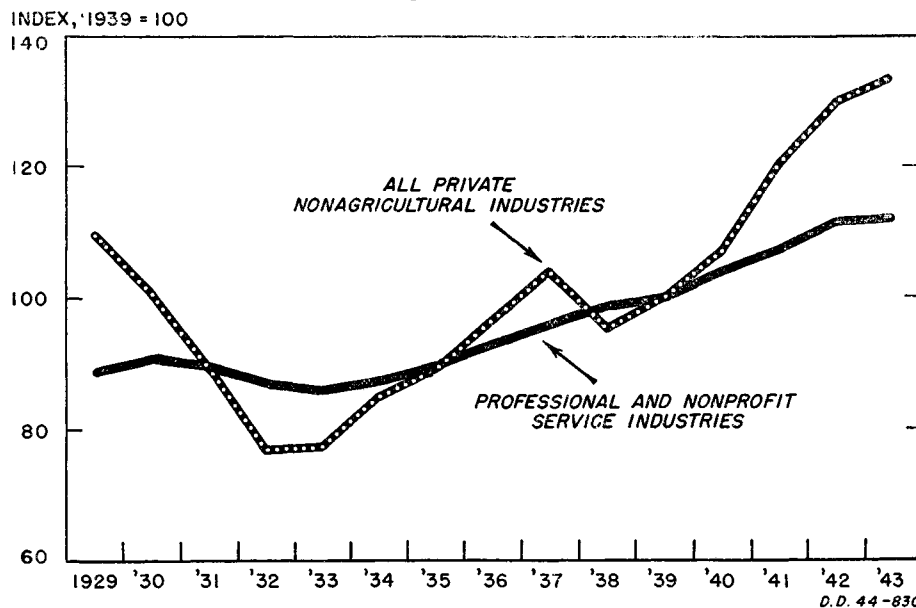
Private Hospitals.

Private hospitals are the only large service component besides business service in which employment during the past decade and a half has shown a strong and persistent growth trend relative to total private employment. The only financial census covered the year 1935, but available data indicate an increase in full-time equivalent employment from 278,000 in 1929 to 396,000 in 1941, and 442,000 in 1943. Transfer of the care of the sick from the home to the hospital has been the dominant factor in this impressive expansion. Growth of hospital insurance plans accelerated this trend in recent years.

Hospital expenditures during the war years, aside from Federal hospitals, were largely determined by the importance of income from patients as a source of funds. War prosperity greatly increased revenue from this source, while leaving

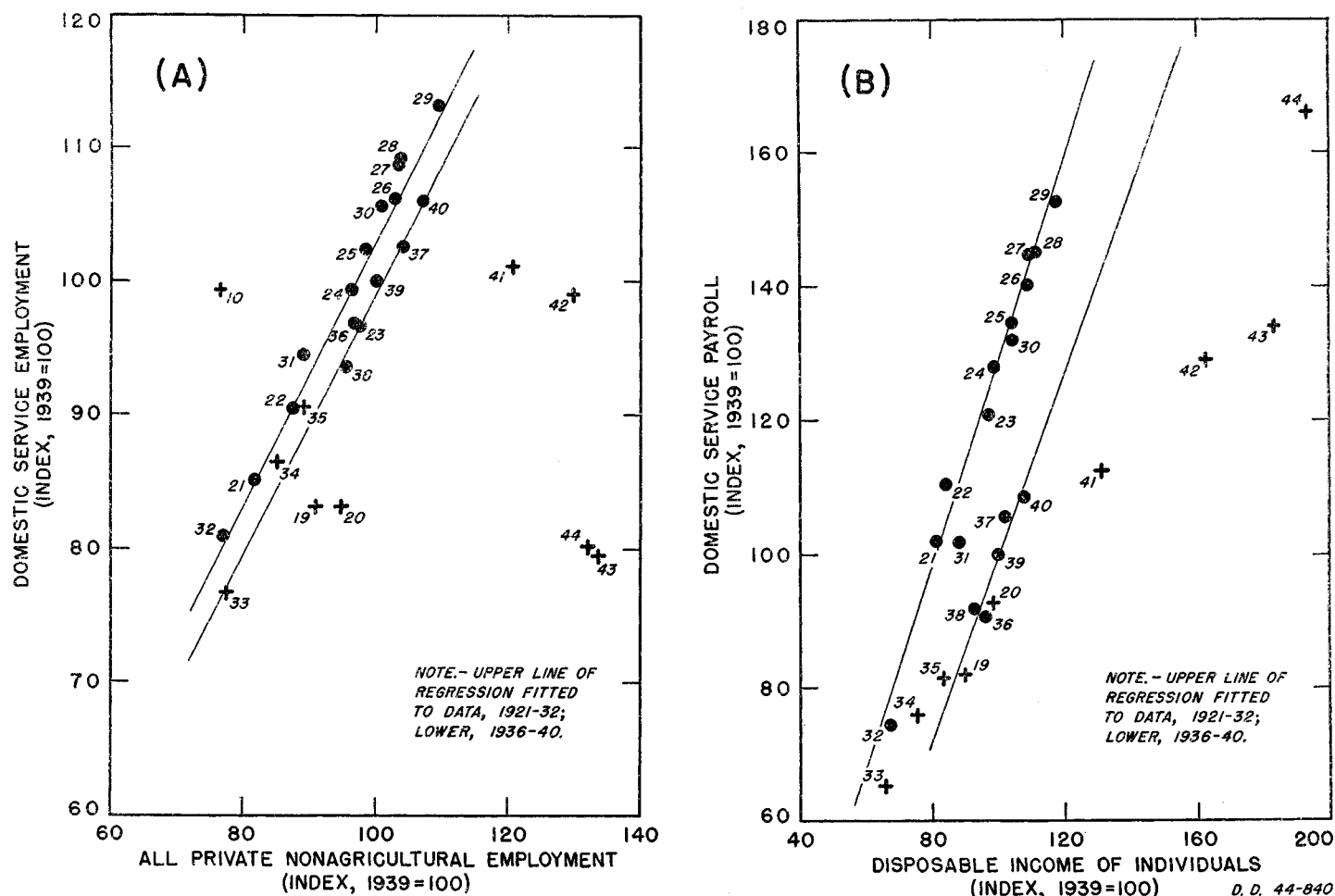
⁵ If one chooses to assume a secular increase in the percentage of the labor force unemployed, these services, because of their relative imperviousness to depression, are of increasing importance.

Chart 7.—Employment in All Private Nonagricultural Industries and in Professional and Nonprofit Service Industries



Source: U. S. Department of Commerce.

Chart 8.—Relationship of Domestic Service Employment to All Private Nonagricultural Employment and of Domestic Service Pay Roll to Disposable Income of Individuals



Source: U. S. Department of Commerce.

government support and endowment income relatively untouched.

From 1940 to 1942, for example, income of nonprofit and state and local government hospitals from patients increased 39 percent in 30 principal urban areas, while income from all other sources rose less than 8 percent. During the same period expenditures of nonprofit hospitals in these areas increased 29 percent, compared to 14 percent for state and local government hospitals, which are far less dependent on income from patients.

Expenditures of proprietary hospitals probably increased even more rapidly during the war expansion, since their income is almost entirely from patients.

Employment changes followed a similar pattern. Employment increased sharply in proprietary hospitals and moderately in nonprofit hospitals. But it declined in state and local hospitals, which were faced with the necessity of raising salaries substantially while budgets increased only slightly. Only proprietary and nonprofit hospitals are classified in the service industries.

Provided that general business activity is at a high level after the war, prospects for continued expansion of employment in private hospitals are excel-

lent. The basic growth trend is still operative. Plans have already been completed for construction of several hundred new private hospitals as soon as wartime restrictions on building are lifted. The projected Federal health program may further boost hospital employment.

Table 4.—Average Monthly Employment and Wages and Salaries of Workers in Nonprofit Membership Organizations Covered by State Unemployment Compensation Laws, 1942

Industry	Average monthly employment	Wages and salaries (thousands of dollars)
Nonprofit membership organizations, n. e. c., total.....	132,965	173,130
Trade associations, chambers of commerce, boards of trade, and general business associations.....	18,342	45,977
Professional organizations.....	1,634	3,343
Labor organizations.....	45,667	59,558
Civ. c. social and fraternal associations.....	58,262	50,460
Political organizations.....	2,156	2,305
Other nonprofit membership organizations, n. e. c.....	6,904	11,457

Source: Social Security Board.

The Independent Professions.

The independent professions, including medical and health, legal, and professional services not elsewhere classified (but not hospitals, engineering and architectural service or accountants and auditors) engaged 659,000 proprietors and employees in 1943, as compared with 721,000 in 1940. Net income of the 372,000 proprietors is estimated at 1.9 billion dollars in 1943, and that of the 287,000 full-time equivalent employees at 0.4 billion dollars.

Until 1941 the number of both proprietors and employees in the independent professions showed a steady growth in absolute terms, scarcely touched by the business cycle. Influence of the cycle was reflected chiefly in variations in the net income of proprietors.

Primarily because of inductions of physicians and dentists into the armed services the total number of independent professional practitioners in these groups dropped from 440,000 in 1940 to an estimated 372,000 in 1943, a loss which will presumably be made good, with normal growth added, after the war. The number of employees dropped fractionally during the war. Most of the component professions have been discussed in detail in recent articles in this magazine.

Higher education accounted for 123,000 of the 161,000 employees in "Educational services, n. e. c.," elementary and secondary schools other than parochial for 23,000, and other agencies for 15,000. The Navy V-12, Army A. S. T. P. and similar programs forestalled what some feared would be a wholesale closing of private colleges at the outbreak of war, and employment in these groups of schools dropped only an estimated 18,000 or 10 percent, from 1941 to 1943.

Nearly all the proprietors in the educational services are unattached teachers of music, whose number has been stable for the past decade or more.

In the past, the educational services have exhibited an upward trend in employment sufficient to maintain approximately their relative position in the economy. Several factors will influence the post-war situation, including especially the possible effects of the educational provisions of the G. I. Bill and the backlog of students whose education was delayed by the war, the changing age distribution of the population, and any change in the relative importance of publicly and privately controlled institutions. There is sufficient flexibility in the ratio of teachers to students in the short run, however, to suggest that no great variation from pre-war employment trends should be expected immediately after the war.

Nonprofit Membership Organizations.

Nonprofit membership organizations in 1943 employed 376,000 full-time equivalent employees of whom 190,000, or about one-half, worked for religious organizations.

Employment in religious organizations increased moderately during the twenties, dropped slightly from 1930 to 1935, and has remained substantially unchanged since that date. Since clergymen account for 60 percent of employment in churches, there is only a limited degree of competition between church employees and the remainder of the labor force. Church income has never, up to 1943, regained the level of the twenties, which probably explains the failure of employment to rise. Employment is so stable that there is no apparent reason to expect any marked change in the near future.

Full-time equivalent employment in other nonprofit membership organizations came to 186,000 in 1943. Welfare organizations contributed to this aggregate an estimated 66,000 employees, including Americans employed by American organizations stationed outside continental United States.

Table 6.—Percentage Distribution of Employed Domestic Servants, by Region, Sex and Race, 1940

Region	Male, white	Male, non-white	Female, white	Female, non-white	Total
South.....	0.9	3.8	7.7	30.4	42.8
All other regions.....	5.0	1.8	40.6	9.8	57.2
United States.....	5.9	5.6	48.3	40.2	100.0

Source: U. S. Department of Commerce.

Table 7.—Estimated Number Engaged in the Service Industries in 1948, Under Stated Assumptions¹

Industry	Total engaged	Full-time equivalent employees	Number of proprietors	Increase in total engaged from—	
				1941	1943
Total all services.....	6,827	5,337	1,490	216	546
Commercially operated services.....	3,066	2,094	972	270	160
Personal services.....	1,251	832	419	115	62
Hotels and other lodging places.....	576	418	158	32	27
Business services.....	366	288	78	56	70
Commercial and trade schools and employment agencies.....	28	26	2	3	-31
Motion pictures.....	456	421	35	42	20
Amusement and recreation services, n. e. c.....	70	44	26	3	-7
Engineering and architectural services.....	319	65	254	18	19
Repair services (except automotive) and hand trades.....	2011	1,493	518	216	226
Professional and nonprofit services.....	515	515	119	73	73
Private hospitals.....	477	182	295	32	82
Medical and health services except hospitals.....	273	131	142	28	42
Legal services.....	38	11	27	3	5
Professional services, n. e. c.....	101	101	6	4	4
Parochial schools.....	255	201	54	22	43
Educational services, n. e. c.....	189	189	—	—	0
Religious organizations.....	163	163	—	7	-23
Nonprofit membership organizations, n. e. c.....	1,750	1,750	—	-270	160
Domestic service.....					

¹ See text for assumptions and methodology.

Source: U. S. Department of Commerce.

The remaining 120,000 full-time equivalent employees cannot be classified in detail, but an indication of the relative importance of different types of organization is furnished by Social Security Board data for employment covered by State unemployment compensation laws in 1942, shown in table 4.⁶ These employment figures are not reduced to full-time equivalence, and consequently are not comparable to those in other tables.

Most of the variation in employment occurs in labor and welfare organizations. Employment in labor organizations varies with the business cycle, but has of course risen markedly since 1933 as a result of expansion of union membership. Employment in charitable organizations also varies with the business cycle, but is subject to special influences.

Domestic Service

Although there are a few well-paying positions in household employment, the vast majority of domestic service positions are generally regarded as among the less desirable jobs, characterized by long hours and low earnings. Nevertheless, domestic servants comprised more than five percent of the entire labor force as recently as 1940. Household employment is of overwhelming importance to Negro women. In 1940, 65 percent of Negro women in the labor force, other than unpaid family workers, were in domestic service. Forty-three percent of employed domestic servants, compared to 30.5 percent of all employed persons were located in the South.

In chart 8A an index of domestic service employment is related to an index of the total private nonagricultural em-

ployment. In 1910, domestic service employment accounted for 9 percent of total private nonagricultural employment (before reduction to full-time equivalence). Presumably because domestics took advantage of labor scarcity during World War I to obtain more desirable positions, household employment fell substantially from 1910 to 1920.

By 1920, domestic service employment represented only 6 percent of total private nonagricultural employment, about two-thirds as much as might have been expected on the basis of the pre-war relationship. Household employment partially recovered during the 1921-22 depression. At this time a new relationship between domestic service and total private nonagricultural employment was established about midway between the 1910 and 1920 levels which endured until 1932.

This partial recovery and its maintenance were the joint result of the 1921-22 depression which closed job opportunities elsewhere, and of the heavy immigration of the early twenties. From 1920 to 1924 288,000 arriving immigrants reported their occupation as "servant" and this is certainly a minimum figure for the number actually entering domestic service. From 1925 to 1929, 149,000 so reported, and thereafter this source of supply for domestics almost vanished.

After 1932, domestic service employment dropped slightly relative to total private nonagricultural employment, stabilizing from 1935 to 1940 at a new relationship about 5 percent below that prevailing in the preceding period. This drop in the importance of domestic service appears in much more pronounced fashion in chart 7B which relates domestic service pay rolls (a type of direct consumption expenditure) to disposable income of individuals. It presumably resulted from demand rather than supply influences, since the number of unemployed domestics was high throughout the thirties.

⁶ These figures exclude welfare organizations, 12,000 full-time and part-time employees of railroad labor and management associations, and 45,000 employees of establishments otherwise excluded from coverage in the state laws, chiefly by size-of-firm provisions.

With the beginning of the war boom in 1941, domestic service employment moved downward almost immediately. The rapidity of this response is especially striking in view of the large number of domestics unemployed in 1940. By 1943 (1944 was approximately the same) full time equivalent employment was 1.6 million, compared to 2.1 million in 1940, 2.3 million in 1929, and a hypothetical 1943 figure, based on the 1936-40 relationship to total private nonagricultural employment, of 2.6 million.

From 1941 to 1943 average earnings in domestic service increased about as much as the average in other private nonagricultural industries, while in 1944 they increased much more. The effect was to narrow considerably but not to close the differential between average pay in domestic service and average pay in the labor-competitive personal services and hotels, in which pay increases were moderate. It is significant that consumers were not prepared to pay a price for domestic service sufficient to narrow, much less to eliminate, the differential in pay between domestic service and other industries except at the cost of a severe drop in domestic service employment.

Consideration of the future course of domestic service employment requires further examination of the supply of servants. The potential supply may be divided for this purpose into (1) Negro women, representing 40 percent of employed domestic servants in March 1940 and an estimated 54 percent in April 1944; and (2) all others (see table 6).

Aside from 50,000 teaching positions in Negro school and a limited number of housekeeping jobs in hotels, laundries and restaurants, employment of Negro women before the war was almost entirely in domestic service and southern agriculture. Annual earnings in southern agriculture were even lower than in southern domestic service. A major portion of Negro working women are likely to continue in the domestic service market, especially in the South where three-fourths of the female Negro domestics were employed in 1940.

Post-War Employment Prospects

In table 7 an attempt has been made to quantify the suggestions about post-war employment prospects contained in the preceding paragraphs. This table contains estimates of the number of full-time equivalent employees and proprietors who would be engaged in each of the service industries if total private nonagricultural employment should be at the 1943 level in the year 1948, and if the war and immediate conversion to peacetime production have been completed by that time. The assumption about total employment is very favorable, but not a maximum one. It places private nonagricultural employment 10.7 percent above 1941, and implies a percentage of the labor force unemployed about the same as in 1941.

This is a convenient assumption because it facilitates comparison of the relative position of the services in the post-war year with that in the pre-war

year 1941. If a different point on the business cycle were assumed it would be necessary to allow for the greater cyclical stability of the services than of the private nonagricultural economy as a whole.

These figures are not forecasts, but estimates of the position of the service industry under favorable conditions.

The method followed in estimating employment in most components except domestic service was to apply to assumed 1948 total private nonagricultural employment, the 1941 ratio of employment in the particular service component to total private nonagricultural employment, and to adjust the resulting figures for differential trend. However, special adjustments were made where they appeared necessary.

The number of professional proprietors was based on past trends. The number of proprietors in each of the nonprofessional groups was placed 5 percent above the 1940 level, an arbitrary procedure but one which, in the writer's opinion, is overgenerous if the possible effects of the "G. I. Bill of Rights" are overlooked.

The "G. I. Bill of Rights" providing Government-guaranteed loans and guaranteed profits for veteran-proprietors, has been ignored in construction of table 7. It may result in concealing partial unemployment in data for employed proprietors, especially in the personal services and repair and hand trades.

The domestic service employment figure is based on analysis suggested by the textual discussion of that industry.

The procedure assumes that the relationships and trends of the thirties will endure, rather than appear as a temporary interruption of the differential growth of the services relative to total employment which characterized the twenties. It also ignores the possible development of new industries which may be classified in the services. This is probably unimportant unless a host of new services are devised, since new industries require time to develop into importance, and few single service products ever become quantitatively important.

The improbability that the estimate for a major portion of this total, employees in all services other than domestic service, is too small is illustrated by the following consideration. Even the resumption of the sharp relative employment gains of the twenties would raise employment in these services only about 160,000 above the figure shown in table 7.

The employment gains suggested by table 7 are small in comparison with the magnitude of the post-war employment problem and not large in comparison with the number engaged in the service industries. Of course, this employment pattern would be affected by alteration of consumers' and business' spending patterns. There is little likelihood, however, that changes sufficient to alter substantially the projected service employment will take place in the first few years after the war. It follows, therefore, that under conditions of high-volume employment, the service industries will contribute not much more than one-half million jobs above the already large numbers averaged during the war.

Business Situation

(Continued from p. 6)

1943, and July 31, 1944, is indicated in table 5. Excluding the "all other" category, the largest relative inventory reduction occurred in infants' rationed shoes (sizes 4½ to 8), where the decline amounted to 46 percent. Least affected were stocks of men's work shoes, which dropped only 14 percent.

The sharp decline in infants' shoes occurred in spite of the fact that production of these shoes during the first 6 months of 1944 increased 6 percent over the same period of 1943. Similarly, inventories of misses' and children's shoes were reduced 33 percent despite a 16 percent increase in production during this same period.

Table 5.—Estimated Inventories of Rationed Civilian Shoes¹

[Millions of pairs]			
	Apr. 15, 1943	July 31, 1944	Percent change
Men's dress.....	49.5	39.5	-20.3
Men's work.....	20.7	17.7	-14.3
Women's.....	105.1	73.4	-30.2
Youths' and boys'.....	15.9	13.1	-17.6
Misses' and children's.....	29.4	19.7	-33.0
Infants'.....	9.6	5.2	-46.0
All other ²	6.8	2.2	-68.5
Total.....	237.0	170.7	-28.0

¹ Includes all trade stocks except those held by manufacturers, amounting to about 9,000,000 pairs on July 31, 1944.

² Includes unclassified.

Source: Office of Price Administration.

Among the corrective steps taken by the War Production Board was the recent inclusion of infants' and children's shoes in sizes 4½ to 8 and 8½ to 12 in Group 1 (most urgent programs) of the Critical Products List.

The inflexibility of supplies of raw materials promises to be the chief problem which the leather and shoe industries will face in 1945. Despite a cattle and calf population which is down only slightly from the 82,000,000 peak estimated for January 1, 1944, domestic slaughter is not expected to exceed the record volume reached in 1944. Military and export programs will continue to have a high priority.

These factors, combined with reduced inventories in the hands of the trade, indicate that there is little prospect of an early easing of shoe rationing. While victory in Europe will result in military cut-backs freeing leather for other uses, it is uncertain how much of such leather will be made available for domestic civilian consumption. There will be heavy demands for leather, including both raw materials and finished products, for relief and rehabilitation purposes in liberated areas where the livestock population has been seriously depleted.

The ration rate during 1945 will depend not only on the magnitude of the drain for the military and export programs, but also on the ration stamp "float" which consumers choose to maintain. Some adjustments in the current program may be needed to bring consumption of rationed footwear into balance with new supply.

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 November for selected series will be found in the Weekly Supplement to the Survey.

Unless otherwise stated, statistics through 1941 and descriptive notes may be found in the 1942 Supplement to the Survey	1944	1943			1944									
	Novem-ber	Novem-ber	Decem-ber	Janu-ary	Febru-ary	March	April	May	June	July	August	Sep-tember	Octo-ber	
BUSINESS INDEXES														
INCOME PAYMENTS†														
Indexes, adjusted:														
Total income payments..... 1935-39=100..	237.9	220.8	222.9	226.4	231.1	230.2	229.4	231.0	232.6	232.2	233.7	232.7	* 235.5	
Salaries and wages..... do.....	263.2	247.2	249.8	252.7	256.8	254.0	253.3	254.6	257.0	258.9	259.6	259.2	* 261.2	
Total nonagricultural income..... do.....	234.3	216.6	218.7	221.6	225.3	224.9	224.5	225.6	227.5	229.3	229.8	229.9	* 232.1	
Total..... mil. of dol..	13,309	12,311	13,398	12,426	12,114	12,871	12,493	12,300	13,499	12,888	12,605	13,684	* 13,702	
Salaries and wages:														
Total \$..... do.....	9,465	8,848	8,967	8,889	9,026	8,980	8,985	9,075	9,201	9,152	9,185	9,281	* 9,443	
Commodity-producing industries..... do.....	4,015	4,132	4,076	4,018	4,009	3,963	3,941	3,963	4,015	4,015	4,022	4,024	* 4,049	
Direct and other relief..... do.....	79	78	79	79	79	79	78	78	78	78	78	78	79	
Dividends and interest..... do.....	497	505	1,659	808	446	1,130	791	483	1,512	885	484	1,286	804	
Entrepreneurial income and net rents and royalties..... mil. of dol..	2,821	2,614	2,401	2,336	2,212	2,267	2,218	2,243	2,296	2,357	2,434	2,608	* 2,936	
Other income payments..... do.....	447	266	292	314	351	415	421	421	412	416	424	431	440	
Total nonagricultural income..... do.....	11,514	10,685	11,695	11,151	10,954	11,658	11,305	11,068	12,193	11,506	11,140	12,038	* 11,743	
FARM MARKETINGS AND INCOME														
Farm marketings, volume:*														
Indexes, unadjusted:														
Total farm marketings..... 1935-39=100..	163	153	139	135	121	127	123	133	127	131	138	159	* 189	
Crops..... do.....	177	138	126	117	87	83	74	80	80	114	131	180	238	
Livestock and products..... do.....	153	164	149	149	147	160	161	173	163	145	143	143	* 153	
Indexes, adjusted:														
Total farm marketings..... do.....	146	137	138	143	150	156	146	154	141	135	133	129	142	
Crops..... do.....	145	114	122	130	127	143	133	139	116	117	105	109	142	
Livestock and products..... do.....	146	154	150	153	167	165	156	165	160	150	154	144	* 142	
Cash farm income, total, including Government payments*..... mil. of dol..	2,258	2,043	1,741	1,628	1,439	1,528	1,480	1,546	1,558	1,649	1,741	2,007	* 2,460	
Income from marketings*..... do.....	2,190	2,005	1,692	1,536	1,343	1,433	1,402	1,452	1,504	1,602	1,690	1,954	* 2,427	
Indexes of cash income from marketings:†														
Crops and livestock, combined index:														
Unadjusted..... 1935-39=100..	329.5	301.5	254.5	231.0	202.0	215.5	211.0	218.5	226.5	241.0	254.5	294.0	* 365.5	
Adjusted..... do.....	267.5	254.5	256.0	260.0	276.0	274.0	270.0	276.0	275.0	252.0	261.0	243.5	* 262.5	
Crops..... do.....	298.0	253.5	259.5	278.5	271.5	276.5	282.0	284.0	283.0	264.0	272.0	258.5	308.0	
Livestock and products..... do.....	247.0	255.5	253.5	248.0	279.0	262.0	262.0	271.0	270.0	244.0	253.5	233.5	* 232.5	
Dairy products..... do.....	191.0	183.5	184.0	191.0	201.0	199.5	209.5	219.0	213.5	207.0	202.0	200.0	197.5	
Meat animals..... do.....	266.0	297.0	277.5	281.0	333.5	322.5	306.0	308.0	316.0	266.5	288.5	240.0	* 235.5	
Poultry and eggs..... do.....	308.5	285.5	325.0	273.0	286.5	283.5	252.0	278.0	260.5	260.5	265.5	287.5	288.5	
PRODUCTION INDEXES														
Industrial Production—Federal Reserve Index														
Unadjusted, combined index..... 1935-39=100..	p 233	247	239	240	240	238	237	236	236	232	235	234	* 234	
Manufactures..... do.....	p 249	268	258	259	259	257	255	252	252	248	251	249	* 250	
Durable manufactures†..... do.....	p 342	376	364	367	366	363	361	357	354	348	349	343	* 346	
Iron and steel..... do.....	p 201	210	200	208	212	214	213	210	204	202	203	202	* 206	
Lumber and products†..... do.....	p 124	133	126	121	122	124	125	127	133	130	135	138	* 142	
Furniture..... do.....	p 143	152	150	148	150	149	142	142	144	143	146	139	* 145	
Lumber†..... do.....	p 114	124	114	107	107	110	116	119	127	123	129	123	* 117	
Machinery..... do.....	p 427	463	453	461	458	452	445	437	442	435	434	427	* 429	
Nonferrous metals and products†..... do.....	p 289	289	278	285	287	292	292	279	263	243	245	238	* 236	
Fabricating*..... do.....	p 282	266	280	280	283	293	282	268	243	245	252	252	251	
Smelting and refining*..... do.....	p 309	307	297	299	297	289	289	273	252	244	226	205	* 200	
Stone, clay, and glass products†..... do.....	p 164	172	164	161	161	163	163	165	169	165	167	164	* 167	
Cement..... do.....	p 106	106	92	70	67	68	74	79	90	94	100	100	102	
Clay products*..... do.....	p 122	129	126	121	125	126	122	122	125	124	125	120	* 121	
Glass containers†..... do.....	p 210	206	195	208	205	216	227	225	228	213	213	204	218	
Transportation equipment†..... do.....	p 697	786	763	754	746	734	730	726	716	704	707	695	* 706	
Automobiles..... do.....	p 228	248	240	244	238	233	232	226	228	223	229	226	* 231	
Nondurable manufactures..... do.....	p 173	181	172	172	173	171	169	168	169	167	171	173	* 173	
Alcoholic beverages..... do.....	p 119	119	120	111	115	128	127	127	143	151	158	159	168	
Chemicals..... do.....	p 312	392	367	362	360	344	325	323	316	310	310	* 307	309	
Industrial chemicals*..... do.....	p 397	398	394	405	406	405	408	410	411	408	* 408	* 400	* 395	
Leather and products†..... do.....	p 117	106	101	108	114	112	116	112	114	103	111	120	* 115	
Leather tanning*..... do.....	p 101	101	96	103	113	106	116	110	111	107	107	118	113	
Shoes..... do.....	p 119	109	105	112	114	116	116	114	117	100	114	122	116	

p Preliminary * Revised.

†Includes Government allowances to dependants of enlisted men and, since January 1944, mustering-out pay; recently these items have accounted for a major portion of the total.

‡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.

*New series. For a description of the indexes of the volume of farm marketings and figures for 1929-42, see pp. 23-32 of the April 1943 Survey; indexes through 1942 were computed by the Department of Commerce in cooperation with the Department of Agriculture; later data are from the latter agency. Data for 1913-41 for the dollar figures on cash farm income are shown on p. 28 of the May 1943 Survey but the annual totals have been revised beginning 1940; revised monthly averages based on the new totals are as follows (millions of dollars): Cash farm income, total including Government payments—1940, 759; 1941, 979; 1942, 1,339; 1943, 1,660; income from marketings—1940, 695; 1941, 930; 1942, 1,281; 1943, 1,504; the monthly figures have not as yet been adjusted to the revised totals. Data beginning 1939 for the new series under industrial production are shown on p. 18 of the December 1943 issue.

†Revised series. Data on income payments revised beginning January 1939; for figures for 1939-43, see p. 16, table 17, of the April 1944 Survey. 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. For revisions for the indicated series on industrial production, see table 12 on pp. 18-20 of the December 1943 issue.

Unless otherwise stated, statistics through 1941 and descriptive notes may be found in the 1942 Supplement to the Survey	1944	1943		1944									
	November	November	December	January	February	March	April	May	June	July	August	September	October
BUSINESS INDEXES—Continued													
MANUFACTURERS' ORDERS, SHIPMENTS, AND INVENTORIES—Continued													
Inventories:													
Index, total.....avg. month 1939=100..	170.8	179.7	178.8	179.1	177.7	176.7	175.2	173.7	173.3	173.2	173.7	172.4	* 172.0
Durable goods.....do.....	194.6	213.3	212.8	212.0	208.6	207.2	204.9	204.0	203.6	201.9	200.9	198.8	* 197.1
Automobiles and equipment.....do.....	219.3	231.9	245.3	238.2	240.6	244.7	241.5	240.3	234.1	229.9	228.0	229.8	* 229.6
Iron and steel and their products.....do.....	124.8	138.8	139.5	135.6	131.1	126.8	124.1	125.7	126.7	129.0	128.1	127.5	* 126.3
Nonferrous metals and products*.....do.....	144.3	156.7	153.0	155.9	154.8	155.6	154.7	153.6	154.6	152.7	153.0	148.6	* 145.8
Electrical machinery.....do.....	319.3	374.5	346.0	339.5	339.8	338.1	330.3	341.2	338.9	335.5	334.8	327.8	* 318.6
Other machinery.....do.....	215.8	219.4	214.5	219.9	222.7	227.2	229.2	226.9	224.9	225.1	218.4	218.9	* 219.4
Transportation equipment (except automobiles).....do.....	884.5	1,031.3	1,085.9	1,100.1	1,039.6	1,012.6	991.3	943.7	954.1	910.2	929.3	907.0	* 895.2
Other durable goods†.....do.....	106.2	113.1	113.1	110.4	108.2	106.7	106.5	107.4	106.5	106.2	107.4	105.5	* 105.9
Nondurable goods.....do.....	150.0	150.2	149.0	150.4	150.7	150.0	149.2	147.2	146.9	148.1	149.9	149.4	* 150.1
Chemicals and allied products.....do.....	154.2	155.5	159.9	158.2	160.3	161.4	163.8	163.6	164.9	164.2	162.5	159.2	* 156.8
Food and kindred products.....do.....	185.7	186.9	181.5	179.1	177.0	173.8	170.8	166.2	170.7	177.7	185.7	187.0	* 188.3
Paper and allied products.....do.....	134.7	127.3	124.7	131.3	133.4	136.1	139.0	138.8	139.8	143.4	144.7	142.7	* 139.9
Petroleum refining.....do.....	109.3	104.3	105.6	105.3	106.0	107.5	108.4	112.0	108.1	108.3	109.0	109.7	* 110.9
Rubber products.....do.....	118.5	127.8	127.8	129.1	125.8	123.5	120.6	118.5	116.1	116.2	115.0	112.5	* 115.6
Textile-mill products.....do.....	152.9	146.2	146.8	154.0	157.1	156.7	155.3	152.0	149.3	147.5	147.9	147.9	* 149.0
Other nondurable goods.....do.....	152.9	146.2	146.8	154.0	157.1	156.7	155.3	152.0	149.3	147.5	147.9	147.9	* 149.0
Estimated value of manufacturers' inventories*.....mil. of dol..	16,979	17,858	17,769	17,805	17,666	17,562	17,414	17,268	17,229	17,215	17,266	17,139	* 17,100

BUSINESS POPULATION

OPERATING BUSINESSES AND BUSINESS TURN-OVER*													
(U. S. Department of Commerce)													
Operating businesses, total, end of quarter.....thousands..			2,839.9			2,840.1							
Contract construction.....do.....			147.1			137.4							
Manufacturing.....do.....			227.6			227.0							
Wholesale trade.....do.....			114.0			115.0							
Retail trade.....do.....			1,324.7			1,330.5			1,351.8				
Service industries.....do.....			545.1			554.5			565.6				
All other.....do.....			481.4			475.7							
New businesses, quarterly.....do.....			43.5			* 56.5			61.4				
Discontinued businesses, quarterly.....do.....			65.2			56.3							
Business transfers, quarterly.....do.....			50.2			* 45.4			49.9				
INDUSTRIAL AND COMMERCIAL FAILURES													
(Dun and Bradstreet)													
Grand total.....number.....	75	155	145	120	132	96	131	148	110	91	77	75	74
Commercial service.....do.....	12	9	13	13	22	9	9	14	9	10	3	8	4
Construction.....do.....	18	26	20	13	19	11	20	26	12	9	9	12	11
Manufacturing and mining.....do.....	18	31	28	31	32	28	37	34	31	23	28	24	30
Retail trade.....do.....	21	78	68	50	49	43	56	63	51	41	32	26	25
Wholesale trade.....do.....	6	11	16	13	10	5	9	11	7	8	5	5	4
Liabilities, grand total.....thous. of dol..	3,008	2,402	2,055	1,708	3,108	1,460	3,524	2,697	1,854	3,559	1,054	4,065	3,819
Commercial service.....do.....	1,663	147	191	105	369	173	57	102	224	514	16	155	43
Construction.....do.....	482	206	247	183	209	115	318	249	159	144	123	273	80
Manufacturing and mining.....do.....	513	1,211	839	893	2,032	801	2,676	1,293	1,071	2,451	557	3,288	3,521
Retail trade.....do.....	115	658	561	304	391	303	338	291	305	291	161	156	156
Wholesale trade.....do.....	235	180	217	223	107	68	135	150	95	159	86	188	19
BUSINESS INCORPORATIONS													
New incorporations (4 states).....number.....	1,506	1,043	1,139	1,111	939	1,119	1,024	1,248	1,222	1,142	1,146	1,159	1,460

COMMODITY PRICES

PRICES RECEIVED BY FARMERS†													
U. S. Department of Agriculture:													
Combined index†.....1909-14=100..	196	194	196	196	195	196	196	194	193	192	193	192	194
Crops.....do.....	189	187	192	199	196	198	200	198	197	194	191	188	187
Food grain.....do.....	165	160	166	170	170	171	170	165	161	160	156	155	164
Feed grain and hay.....do.....	157	158	165	168	169	171	172	173	170	168	166	162	161
Tobacco.....do.....	368	347	349	350	348	351	352	350	350	350	355	358	357
Cotton.....do.....	168	156	160	162	161	161	163	160	163	164	162	170	171
Fruit.....do.....	195	196	208	204	206	215	237	232	228	230	214	206	205
Truck crops.....do.....	188	228	223	267	247	242	220	225	231	195	186	166	153
Oil-bearing crops.....do.....	215	202	202	263	205	207	207	208	210	209	209	207	211
Livestock and products.....do.....	202	201	200	193	194	194	191	190	189	190	194	196	199
Meat animals.....do.....	200	193	194	194	199	203	203	201	200	197	201	200	201
Dairy products.....do.....	203	202	203	201	201	199	196	194	192	194	196	198	201
Poultry and eggs.....do.....	207	219	212	177	168	162	151	153	154	165	171	179	190
COST OF LIVING													
National Industrial Conference Board:													
Combined index.....1923=100..	105.2	103.7	103.9	103.9	103.4	103.4	104.1	104.4	104.4	105.0	105.1	105.0	105.1
Clothing.....do.....	93.9	90.9	91.1	91.2	91.6	91.7	91.9	92.3	92.5	92.5	93.0	93.2	93.6
Food.....do.....	111.1	112.1	111.9	111.1	109.6	109.2	110.1	110.7	110.6	111.9	111.9	111.5	111.1
Fuel and light.....do.....	95.2	93.1	94.9	95.1	96.0	95.3	95.3	95.3	95.1	95.1	95.1	95.1	95.1
Housing.....do.....	91.0	90.8	90.8	90.8	90.8	90.8	90.8	90.8	90.8	90.9	90.9	90.9	91.0
Sundries.....do.....	114.7	109.1	110.0	110.5	110.6	111.5	112.8	113.2	113.3	113.3	113.4	113.6	114.2

* Revised.

* New series. Data for inventories of nonferrous metals and their products were included in the "other durable goods" index as shown in the Survey prior to the May 1943 issue; revised figures for the latter series and the index for nonferrous metals beginning December 1938 are available on request. For the estimated value of manufacturers' inventories for the 1938-42, see p. 7 of the June 1942 Survey and p. 8-2 of the May 1943 issue. For earlier figures for the series on operating businesses and business turn-over and a description of the data, see tables on p. 19 of the May 1944 Survey and pp. 8-11 of the July 1944 issue and the accompanying text and notes on sources and methods.

† The indexes of prices received by farmers are shown on a revised basis beginning in the March 1944 Survey; revised data beginning 1913 will be published in a subsequent issue. Data for Dec. 15, 1944, are as follows: Total, 200; crops, 196; food grain, 167; feed grain and hay, 160; tobacco, 364; cotton, 163; fruit, 203; truck crops, 223; oil-bearing crops 215; livestock and products, 202; meat animals, 193; dairy products, 203; poultry and eggs, 211. See note marked "*" in regard to revision of the index of inventories of "other durable goods" industries.

Unless otherwise stated, statistics through 1941 and descriptive notes may be found in the 1942 Supplement to the Survey	1944	1943		1944									
	November	November	December	January	February	March	April	May	June	July	August	September	October
EMPLOYMENT CONDITIONS AND WAGES—Continued													
WAGES—Continued													
Factory average hourly earnings—Continued.													
U. S. Dept. of Labor, all mfg.—Continued.													
Nondurable goods—Continued.													
Food and kindred products†.....dollars		0.829	0.834	0.839	0.838	0.839	0.845	0.854	0.851	0.845	0.844	0.847	0.857
Baking.....do		.815	.818	.819	.822	.829	.830	.839	.841	.839	.839	.850	.849
Canning and preserving.....do		.749	.758	.762	.766	.759	.779	.777	.770	.743	.765	.764	.790
Slaughtering and meat packing.....do		.918	.913	.913	.909	.903	.915	.934	.924	.921	.922	.921	.930
Tobacco manufactures.....do		.673	.672	.675	.678	.679	.691	.698	.706	.709	.715	.724	.728
Paper and allied products.....do		.812	.817	.824	.829	.834	.837	.842	.845	.847	.847	.858	.861
Paper and pulp.....do		.858	.863	.866	.869	.871	.875	.879	.884	.886	.884	.892	.900
Printing, publishing, and allied industries.....do		1.025	1.039	1.044	1.044	1.049	1.059	1.072	1.075	1.072	1.080	1.101	1.102
Newspapers and periodicals.....do		1.213	1.224	1.217	1.216	1.226	1.232	1.243	1.248	1.253	1.258	1.265	1.262
Printing, book and job.....do		.939	.953	.973	.970	.973	.983	.994	1.001	.997	1.001	1.030	1.087
Chemicals and allied products.....do		.932	.936	.939	.935	.938	.944	.954	.958	.966	.961	.966	.959
Chemicals.....do		1.082	1.076	1.087	1.087	1.094	1.097	1.101	1.101	1.114	1.114	1.106	1.117
Products of petroleum and coal.....do		1.148	1.153	1.162	1.159	1.163	1.174	1.174	1.181	1.199	1.179	1.201	1.190
Petroleum refining.....do		1.220	1.225	1.237	1.233	1.235	1.247	1.242	1.248	1.265	1.245	1.268	1.257
Rubber products.....do		1.066	1.070	1.066	1.072	1.086	1.075	1.087	1.092	1.094	1.102	1.117	1.108
Rubber tires and inner tubes.....do		1.240	1.238	1.224	1.240	1.256	1.234	1.257	1.254	1.256	1.264	1.273	1.263
Nonmanufacturing industries, average hourly earnings (U. S. Department of Labor):*													
Building construction.....dollars		1.292	1.295	1.295	1.297	1.296	1.297	1.310	1.300	1.302	1.323	1.339	1.343
Mining.....do													
Anthracite.....do		1.111	1.153	1.160	1.245	1.162	1.166	1.159	1.144	1.194	1.179	1.187	1.197
Bituminous coal.....do		1.144	1.188	1.195	1.179	1.174	1.182	1.175	1.182	1.199	1.190	1.213	1.191
Metalliferous.....do		.997	.992	.993	.992	.999	1.012	1.005	1.009	1.010	1.003	1.016	1.013
Quarrying and nonmetallic.....do		.815	.815	.827	.828	.833	.848	.849	.857	.871	.861	.871	.880
Crude petroleum and natural gas.....do		1.129	1.125	1.160	1.143	1.121	1.168	1.131	1.138	1.187	1.130	1.172	1.156
Public utilities.....do													
Electric light and power.....do		1.082	1.078	1.097	1.091	1.092	1.110	1.094	1.097	1.118	1.102	1.120	1.130
Street railways and busses.....do		.899	.905	.913	.916	.922	.928	.928	.933	.935	.939	.942	.941
Telephone.....do		.761	.789	.795	.793	.796	.800	.807	.804	.805	.802	.812	.809
Telephone.....do		.883	.883	.889	.898	.898	.904	.908	.907	.900	.903	.902	.926
Services.....do													
Dyeing and cleaning.....do		.685	.685	.697	.705	.708	.722	.725	.724	.722	.719	.730	.741
Power laundries.....do		.584	.583	.596	.597	.601	.606	.620	.617	.621	.626	.637	.641
Trade.....do													
Retail.....do		.692	.685	.680	.676	.711	.690	.697	.701	.706	.706	.712	.714
Wholesale.....do		.956	.959	.966	.967	.966	.984	.979	.986	.989	.981	.994	1.009
Miscellaneous wage data:													
Construction wage rates (E. N. R.):†													
Common labor.....dol. per hr.	0.886	.869	.869	.869	.869	.870	.874	.874	.877	.882	.882	.883	.886
Skilled labor.....do	1.64	1.62	1.62	1.62	1.62	1.62	1.63	1.63	1.64	1.64	1.64	1.64	1.64
Farm wages without board (quarterly).....dol. per month				76.06			81.15			89.54			86.80
Railway wages (average, class D)⊕.....dol. per hr.		.871	.873	.936	.966	.944	.950	.943	.939	.947	.938	.955	.952
Road-building wages, common labor:													
United States average.....do	.78	.74	.72	.68	.65	.64	.68	.68	.76	.77	.79	.80	.79
PUBLIC ASSISTANCE													
Total public assistance.....mil. of dol.	79	78	79	78	79	79	78	78	78	78	78	78	79
Old-age assistance, and aid to dependent children and the blind, total.....mil. of dol.	71	70	71	71	71	71	71	71	71	71	71	71	71
Old-age assistance.....do	58	57	57	57	57	57	57	57	57	58	58	58	58
General relief.....do	7	8	8	8	8	8	8	7	7	7	7	7	7

FINANCE

BANKING													
Agricultural loans outstanding of agencies supervised by the Farm Credit Administration:													
Total, excl. joint-stock land banks.....mil. of dol.	2,079	2,443	2,423	2,380	2,355	2,319	2,289	2,260	2,243	2,214	2,172	2,124	2,105
Farm mortgage loans, total.....do	1,490	1,797	1,764	1,729	1,706	1,673	1,651	1,630	1,614	1,591	1,567	1,544	1,518
Federal land banks.....do	1,155	1,381	1,358	1,332	1,315	1,290	1,274	1,258	1,245	1,228	1,211	1,194	1,175
Land Bank Commissioner.....do	336	416	406	397	391	383	378	372	369	363	357	351	343
Loans to cooperatives, total.....do	207	225	245	244	227	202	175	155	146	143	135	135	176
Banks for cooperatives, including central bank.....mil. of dol.	203	215	235	238	221	197	171	152	143	140	132	132	172
Agr. Marketing Act revolving fund.....do	3	9	7	4	4	3	3	3	3	3	3	3	3
Short term credit, total.....do	382	421	414	408	422	444	462	475	482	481	469	445	412
Federal intermediate credit banks.....do	28	32	36	32	32	34	36	36	35	35	32	30	28
Production credit associations.....do	198	200	199	201	215	233	249	260	269	269	263	246	221
Regional agricultural credit corporations.....do	15	39	32	29	24	22	21	21	21	20	20	19	18
Emergency crop loans.....do	104	109	108	108	112	116	119	119	118	118	116	112	107
Drought relief loans.....do	37	41	40	40	39	39	39	39	39	38	38	38	38
Joint-stock land banks, in liquidation.....do	2	3	3	3	3	3	3	2	2	2	2	2	2
Bank debits, total (141 centers).....do	70,328	58,542	69,090	64,961	64,061	69,026	60,212	60,757	76,158	66,062	62,497	63,625	66,586
New York City.....do	30,016	23,327	28,936	27,031	27,592	29,644	25,297	24,708	33,563	28,474	26,165	26,800	28,558
Outside New York City.....do	40,312	35,215	40,155	37,930	36,469	39,382	34,915	36,049	42,595	37,588	36,332	36,765	38,008
Federal Reserve banks, condition, end of month:													
Assets, total.....mil. of dol.	39,854	32,488	33,955	33,978	33,448	33,808	34,870	35,542	36,132	35,815	36,678	37,492	38,700
Reserve bank credit outstanding, total.....do	19,357	10,763	12,239	12,428	12,092	12,571	13,800	14,759	15,272	15,325	16,201	17,113	18,325
Bills discounted.....do	473	52	5	22	34	63	118	237	13	37	95	49	345
United States securities.....do	18,358	10,348	11,543	12,073	11,632	12,115	13,220	14,251	14,601	14,915	15,806	16,653	17,647
Reserves, total.....do	18,770	20,202	20,096	20,101	19,866	19,736	19,546	19,362	19,287	19,104	19,028	18,915	18,802
Gold certificates.....do	18,528	19,898	19,763	19,746	19,536	19,423	19,265	19,097	19,010	18,823	18,759	18,647	18,552

* Preliminary. † Revised.

⊕ Wage increases which became effective December 1943 (retroactive to February or April 1943) and January 1944 are not fully reflected in the figures until March 1944. The figures do not include accruals of back pay.

† Rates as of December 1: Construction—common labor, \$0.890; skilled labor, \$1.64. ♂ Excludes loans to other Farm Credit Administration agencies.

* New series. Data on hourly earnings beginning August 1942 for the newspapers and periodicals and printing, book and job, industries and beginning March 1942 for the non-manufacturing industries, except the telephone and telegraph industries, are available, respectively, in the November 1943 and May 1943 issues; figures beginning 1937 for the telephone industry, which are shown on a revised basis beginning in the December 1944 issue, and data back to 1939 for other series, except the telegraph industry, will be published later; data for the telegraph industry are available only from June 1943 (data not shown above: June, 0.688; July, 0.706; Aug., 0.709; Sept., 0.718; Oct., 0.740).

† Revised series. See note marked "†" on p. 8-13 in regard to the series on hourly earnings in manufacturing industries. Bank debits have been revised beginning May 1942 to include additional banks in the 141 centers; see p. 8-15 of the September 1943 Survey for revised figures beginning that month and note marked "†" on p. 8-15 of the July 1944 Survey for monthly averages for 1942 on the new basis.

Unless otherwise stated, statistics through 1941 and descriptive notes may be found in the 1942 Supplement to the Survey	1944	1943		1944									
	November	November	December	January	February	March	April	May	June	July	August	September	October
FINANCE—Continued													
SECURITY MARKETS—Continued													
Stocks—Continued													
Shares listed, N. Y. S. E.:													
Market value, all listed shares.....mil. of dol.	53,592	45,102	47,607	48,397	48,494	49,422	48,670	50,964	53,068	52,488	53,077	52,930	53,087
Number of shares listed.....millions	1,483	1,487	1,489	1,490	1,492	1,492	1,494	1,493	1,493	1,497	1,499	1,481	1,481
Yields:													
Common stocks (260), Moody's.....percent	4.8	5.1	4.9	4.8	4.8	4.8	4.9	4.8	4.6	4.7	4.7	4.7	4.7
Banks (15 stocks).....do	3.3	4.0	3.9	3.8	3.7	3.8	3.8	3.6	3.5	3.6	3.5	3.5	3.5
Industrials (125 stocks).....do	4.6	4.9	4.6	4.6	4.6	4.6	4.6	4.7	4.4	4.5	4.5	4.5	4.5
Insurance (10 stocks).....do	3.6	4.0	3.9	3.9	4.0	3.7	3.8	3.7	3.7	3.7	3.7	3.7	3.6
Public utilities (25 stocks).....do	5.3	5.7	5.5	5.5	5.5	5.5	5.6	5.4	5.2	5.3	5.2	5.3	5.3
Railroads (25 stocks).....do	6.8	7.8	7.4	7.0	6.7	6.9	7.0	6.7	6.6	6.6	6.7	6.7	7.0
Preferred stocks, high-grade (15 stocks), Standard and Poor's Corporation.....percent	3.92	4.06	4.14	4.09	4.06	4.04	4.03	4.04	3.98	3.94	3.96	3.95	3.95

FOREIGN TRADE

INDEXES													
Exports of U. S. merchandise:													
Quantity.....1923-25=100		288	330	276	270	292	296	348	305	290	276	276	259
Value.....do	316	285	332	291	289	309	318	379	339	320	320	319	304
Unit value.....do		99	101	105	107	106	107	109	111	110	116	116	117
Imports for consumption:													
Quantity.....do		115	104	116	115	132	131	136	118	106	111	104	122
Value.....do	101	95	85	95	95	112	111	117	101	90	93	87	103
Unit value.....do		83	82	83	83	85	85	86	86	86	84	84	85
VALUE													
Exports, including reexports, total.....thous. of dol.	1,185,549	1,072,064	1,244,047	1,090,033	1,084,779	1,157,358	1,189,296	1,422,221	1,277,329	1,198,254	1,208,588	1,198,606	1,137,769
Canada.....do		117,444	115,619	107,407	117,993	120,675	123,170	132,223	131,541				
Latin American Republics.....do		72,952	75,614	71,043	68,745	99,638	82,516	85,589	95,900				
Argentina.....do		3,702	1,893	2,681	1,945	2,661	2,084	2,680	2,338				
Brazil.....do		13,715	12,466	16,194	10,471	29,028	17,327	14,088	14,951				
Chile.....do		3,212	4,345	3,008	4,748	5,205	2,295	4,529	5,230				
Cuba.....do		9,793	13,712	10,832	14,562	13,301	14,956	11,387	16,022				
Mexico.....do		17,980	20,063	19,670	17,426	21,481	24,804	24,884	25,638				
Exports of U. S. merchandise.....do	1,177,070	1,060,330	1,231,722	1,081,380	1,074,186	1,147,566	1,179,499	1,412,912	1,268,832	1,191,223	1,199,378	1,192,441	1,132,484
General imports, total.....do	320,192	311,084	278,050	299,855	312,710	358,715	359,364	385,988	330,280	293,184	302,445	280,365	327,187
Canada.....do		109,459	90,897	95,526	106,084	106,225	124,797	120,818	102,952				
Latin American Republics.....do		103,836	106,498	122,774	119,526	162,695	142,095	157,179	128,303				
Argentina.....do		14,334	10,969	17,491	13,513	16,602	11,067	13,391	11,942				
Brazil.....do		16,564	17,634	20,613	18,177	40,364	13,983	33,651	21,234				
Chile.....do		6,392	12,057	8,679	15,712	12,731	13,011	11,980	13,952				
Cuba.....do		28,391	29,308	26,434	27,269	34,175	51,015	39,581	33,102				
Mexico.....do		17,126	17,293	18,288	17,423	22,913	22,275	18,040	15,359				
Imports for consumption.....do	322,298	302,022	274,219	304,290	303,919	357,428	355,526	372,210	322,061	288,696	297,417	278,503	330,278

TRANSPORTATION AND COMMUNICATIONS

TRANSPORTATION													
Commodity and Passenger													
Unadjusted indexes:*													
Combined index, all types†.....1935-39=100		221	215	213	219	220	222	226	231	226	232	225	229
Excluding local transit lines.....do		227	221	219	225	226	228	233	237	234	241	238	235
Commodity.....do		207	200	200	206	207	206	212	212	208	216	214	216
Passenger.....do		265	266	254	260	265	276	272	288	287	286	260	271
Excluding local transit lines.....do		370	376	354	361	366	389	383	418	426	424	409	378
By types of transportation:													
Air, combined index.....do		476	468	457	442	464	488	544	594	613	670	674	694
Commodity.....do		670	695	651	641	674	662	731	791	797	884	874	904
Passenger.....do		348	319	329	311	326	373	421	464	492	529	542	556
Intercity motor bus and truck, combined index.....1935-39=100		246	232	225	220	225	220	223	235	226	241	236	236
For-hire truck.....do		237	222	216	207	212	199	202	219	211	211	216	222
Motor bus.....do		277	265	254	257	268	290	292	321	338	339	303	284
Local transit lines.....do		178	175	172	177	181	181	180	181	172	172	179	183
Oil and gas pipe lines.....do		219	224	232	240	246	244	239	249	246	250	261	257
Railroads, combined index.....do		242	239	238	248	247	248	252	254	251	256	250	248
Commodity.....do		218	213	216	226	224	223	229	227	223	229	225	227
Passenger.....do		419	436	406	417	419	441	428	465	467	461	447	415
Waterborne (domestic), commodity†.....do		69	44	36	40	42	62	83	84	83	88	86	87
Adjusted indexes:*													
Combined index, all types†.....do		219	217	219	225	226	228	229	228	224	225	222	222
Excluding local transit lines.....do		225	224	226	232	233	235	237	235	230	232	228	228
Commodity.....do		202	204	207	212	212	211	214	212	208	211	206	206
Passenger.....do		274	258	257	265	272	281	279	281	277	272	277	276
Excluding local transit lines.....do		391	371	362	376	386	405	400	401	394	384	389	389
By type of transportation:													
Air, combined index.....do		487	500	482	457	470	483	537	576	599	646	650	684
Commodity.....do		670	695	651	641	674	662	731	791	797	884	874	904
Passenger.....do		367	371	370	334	336	365	409	434	469	489	502	539
Intercity motor bus and truck, combined index.....1935-39=100		241	231	238	230	235	226	229	229	221	231	225	227
For-hire truck.....do		227	222	227	214	218	203	206	207	195	211	206	207
Motor bus.....do		288	261	274	279	287	301	300	306	308	300	288	291

* Revised.

† See note marked “†”.

* New series. For data beginning 1929 for the transportation indexes, see pp. 26 and 27, table 5, of the May 1943 Survey (small scattered revisions have been made in the data beginning 1940 for the series marked “†”, as published in the Survey prior to the December 1943 issue; revisions are available on request).

† For revised data for 1941 and 1942, see p. 22, table 4, of the June 1944 Survey.

§ Revised security regulations now permit publication of data for Latin American Republics, Canada, and Mexico on a 6-month delayed basis; publication of totals for the selected countries formerly shown in the Survey has therefore been resumed beginning in the August 1944 issue; revised figures for 1941 and data for January 1942 to May 1943 will be published later. Other country and commodity data formerly included in the Survey may be published only on a 12-month delayed basis.

Unless otherwise stated, statistics through 1941 and descriptive notes may be found in the 1942 Supplement to the Survey	1944	1943		1944									
	November	November	December	January	February	March	April	May	June	July	August	September	October
TEXTILE PRODUCTS													
CLOTHING													
Hosiery:													
Production.....thous. of dozen pairs...	11,977	12,310	12,560	12,301	12,202	13,458	11,650	12,763	12,126	10,052	12,767	11,466	11,997
Shipments.....do.....	12,663	12,493	11,723	12,075	12,144	13,590	11,761	12,657	11,974	9,982	12,966	11,764	12,118
Stocks, end of month.....do.....	15,486	16,652	17,419	17,520	17,453	17,197	16,961	16,942	16,970	17,040	16,840	16,542	16,122
COTTON													
Cotton (exclusive of linters):													
Consumption.....bales.....	836,541	858,877	851,180	818,724	811,062	903,538	775,617	832,812	805,823	723,402	841,490	793,086	795,379
Prices received by farmers.....dol. per lb.....	.208	.194	.199	.202	.199	.200	.202	.198	.202	.203	.202	.210	.213
Prices, wholesale, middling 1 ⁵ / ₁₆ " , average, 10 markets.....dol. per lb.....	.214	.197	.197	.202	.208	.211	.210	.210	.215	.216	.214	.214	.216
Production:													
Ginnings.....thous. of running bales.....	10,274	10,560	10,771	10,933		11,129				48	576	3,985	8,282
Crop estimate, equivalent 500-lb. bales.....thous. of bales.....	12,359					11,429							
Stocks, domestic cotton in the United States, end of month:†													
Warehouses.....thous. of bales.....	13,122	12,897	12,609	12,046	11,468	10,840	10,205	9,515	8,788	8,221	7,872	9,703	11,926
Mills.....do.....	2,162	2,343	2,355	2,328	2,292	2,233	2,165	2,054	1,931	1,820	1,662	1,672	1,927
Cotton linters:													
Consumption.....do.....	122	110	107	99	107	116	111	123	122	133	125	121	126
Production.....do.....	180	184	167	137	100	82	56	40	21	23	29	100	152
Stocks, end of month.....do.....	373	761	820	859	845	797	746	661	545	454	357	328	342
COTTON MANUFACTURES													
Cotton cloth:													
Cotton broad woven goods over 12 in. in width, production, quarterly*.....mil. of linear yards.....			2,525			2,539			2,418			2,301	
Prices, wholesale:													
Mill margins.....cents per lb.....	21.31	21.12	21.09	20.57	19.98	19.72	19.78	19.81	19.28	19.81	20.35	21.30	21.12
Denims, 28-inch.....dol. per yd.....	.209	.192	.192	.192	.192	.193	.199	.199	.199	.206	.209	.209	.209
Print cloth, 64 x 56".....do.....	.092	.087	.087	.087	.087	.087	.087	.087	.087	.092	.092	.092	.092
Sheeting unbleached, 4 x 4".....do.....	.114	.108	.108	.108	.108	.108	.108	.108	.108	.108	.108	.114	.114
Spindle activity:													
Active spindles.....thousands.....	22,257	22,616	22,574	22,216	22,513	22,570	22,412	22,385	22,380	22,291	22,241	22,280	22,228
Active spindle hours, total.....mil. of hr.....	9,707	10,179	9,912	9,719	9,659	10,637	9,316	10,058	9,711	8,603	9,952	9,381	9,487
Average per spindle in place.....hours.....	420	436	425	417	414	456	400	431	417	369	428	404	410
Operations.....percent of capacity.....	120.6	125.3	115.4	124.0	123.2	123.9	124.9	119.0	118.5	115.4	116.3	122.3	117.4
Cotton yarn, wholesale prices:													
Southern, 22/1, cones, carded, white, for knitting (mill)†.....dol. per lb.....	.451	.414	.414	.414	.414	.414	.414	.414	.414	.414	.414	.451	.451
Southern, 40s, single, carded (mill).....do.....	.568	.515	.515	.515	.515	.515	.515	.515	.515	.515	.515	.568	.568
RAYON													
Consumption:													
Yarn.....mil. of lb.....	47.8	42.9	43.2	41.5	43.3	45.6	43.2	45.4	44.0	41.3	44.8	44.8	47.0
Staple fiber.....do.....	13.8	13.9	14.5	13.9	13.6	14.9	11.3	14.6	14.3	13.6	14.4	13.0	14.5
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, 1 ¹ / ₂ denier.....do.....	.250	.240	.240	.240	.240	.240	.250	.250	.250	.250	.250	.250	.250
Stocks, producers', end of month:													
Yarn.....mil. of lb.....	8.4	7.2	6.1	7.6	7.5	8.1	7.8	8.3	8.8	8.8	9.3	8.8	8.4
Staple fiber.....do.....	2.8	2.6	1.8	2.1	2.1	1.7	1.8	2.5	2.6	3.0	3.2	3.0	2.7
WOOL													
Consumption (scoured basis):‡													
Apparel class.....thous. of lb.....	42,784	51,165	46,228	46,908	59,315	46,928	46,892	51,890	38,752	42,396	52,170	45,720	
Carpet class.....do.....	2,820	3,345	3,128	3,016	4,315	3,824	4,008	4,435	2,916	3,516	3,795	3,700	
Machinery activity (weekly average):‡													
Looms:													
Woolen and worsted:•													
Broad.....thous. of active hours.....	2,491	2,439	2,587	2,647	2,613	2,563	2,512	2,381	2,080	2,327	2,322	2,479	
Narrow.....do.....	77	65	69	64	62	60	63	63	54	63	59	64	
Carpet and rug:•													
Broad.....do.....	56	53	60	61	58	54	53	50	43	50	45	50	
Narrow.....do.....	35	36	40	38	37	36	37	35	29	34	31	35	
Spinning spindles:													
Woolen.....do.....	119,753	115,259	125,674	125,512	123,552	121,302	120,333	113,128	99,780	115,256	110,238	118,024	
Worsted.....do.....	108,213	106,909	115,020	114,099	114,101	111,032	111,253	103,880	89,154	95,724	100,396	104,113	
Worsted combs.....do.....	203	197	206	206	208	202	207	195	172	191	188	196	
Prices, wholesale:													
Raw, territory, 64s, 70s, 80s, fine, scoured*.....dol. per lb.....	1.190	1.170	1.178	1.190	1.190	1.190	1.190	1.190	1.190	1.190	1.190	1.190	1.190
Raw, bright fleece, 56s, greasy*.....do.....	.545	.545	.545	.545	.545	.545	.545	.545	.545	.545	.545	.545	.545
Australian (Sydney), 64-70s, scoured, in bond (Boston).....dol. per lb.....	.765	.765	.765	.765	.765	.765	.765	.765	.765	.765	.765	.765	.765
Women's dress goods, French serge, 54" (at mill).....dol. per yd.....	(*)	1.559	1.559	1.559	1.559	1.559	1.559	1.559	1.559	1.559	1.559	1.559	1.559
Worsted yarn, 3/2's, crossbred stock (Boston).....dol. per lb.....	1.900	1.800	1.800	1.800	1.800	1.800	1.800	1.800	1.800	1.900	1.900	1.900	1.900
Stocks, scoured basis, end of quarter:†													
Total.....thous. of lb.....		289,058				279,263			339,369			373,666	
Wool finer than 40s, total.....do.....		246,819				231,537			287,276			314,824	
Domestic.....do.....		127,007				115,225			164,283			189,277	
Foreign.....do.....		119,812				116,312			122,993			125,547	
Wool 40s and below and carpet.....do.....		42,239				47,726			52,093			58,842	

* Revised. † Total ginnings of 1943 crop.

‡ December 1 estimate of 1944 crop.

§ Total ginnings to end of month indicated.

¶ Not available.

• Production of 64 x 60 for which prices through June 1943 were shown in the Survey has been discontinued.

• Price of 56 x 56 sheeting.

† 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, 1944, including stocks on farms and in transit, were 10,626,000 bales, and stocks of foreign cotton in the United States were 118,000 bales.

‡ Data for December 1943, March, June, and September 1944 are for 5 weeks; other months, 4 weeks.

• Data exclude carpet and rug looms operating on blankets and cotton fabrics and, through October 1943, woolen and worsted looms operating entirely on cotton yarns (no separate data for the latter have been collected since October 1943); for weekly averages for 1942 and 1943, including such looms, see note marked "•" on p. S-35 of the May 1944 survey.

† Revised series. For monthly 1941 data for the yarn price series see p. S-35 of the November 1942 issue (1941 monthly average \$0.355). The yarn price series has been revised for August 1937-July 1942; for revisions see note marked "†" on p. S-35 of the June 1944 Survey. Wool stocks have been published on a revised basis beginning 1942 (see p. S-35 of the May 1943 Survey); data include wool held by the Commodity Credit Corporation but exclude foreign wool held by the Defense Supplies Corporation.

• New series. The series on cotton goods production is from the Bureau of the Census and covers practically total production of cotton broad woven goods (except tire fabrics) containing by weight 15 percent or more cotton; for data for first half of 1943 see p. S-35 of the August 1944 Survey; earlier data will be shown later. The new wool prices are compiled by the Department of Agriculture; they replace similar, but not identical, series formerly shown in the Survey, compiled from the Boston Commercial Bulletin which discontinued quotations after 1943; earlier data are available on request.

Unless otherwise stated, statistics through 1941 and descriptive notes may be found in the 1942 Supplement to the Survey	1944	1943			1944									
	Novem- ber	Novem- ber	Decem- ber	Janu- ary	Febru- ary	March	April	May	June	July	August	Sep- tember	Octo- ber	
TEXTILE PRODUCTS—Continued														
WOOL MANUFACTURES														
Woolen and worsted woven goods (except woven felts):*														
Production, quarterly, total... thous. of linear yards...			135,518			139,744			135,589				123,808	
Apparel fabrics... do...			114,476			119,219			113,281				101,911	
Men's wear... do...			62,459			66,928			56,675				49,991	
Women's and children's wear... do...			40,399			46,263			43,879				39,826	
General use and other fabrics... do...			11,618			12,028			12,727				12,094	
Blankets... do...			19,692			18,987			20,440				19,397	
Other nonapparel fabrics... do...			1,350			1,538			1,868				2,500	
MISCELLANEOUS PRODUCTS														
Fur, sales by dealers... thous. of dol...		3,245	5,189	7,385	6,079	5,190	3,822	2,381	3,016	\$ 2,620	\$ 1,737			
Pyrroxilin-coated textiles (cotton fabrics):														
Orders, unfilled, end of month... thous. lin. yd...	14,266	10,551	11,883	12,285	11,816	12,156	12,516	12,773	12,987	13,027	12,478	12,594	12,736	12,904
Pyrroxilin spread... thous. of lb...	4,477	4,585	4,533	4,716	4,456	5,277	4,896	4,828	4,900	3,915	4,232	4,118	4,933	4,933
Shipments, billed... thous. linear yd...	5,514	5,897	5,398	5,919	5,545	6,328	5,735	5,517	5,111	4,591	5,145	5,117	5,904	5,904

TRANSPORTATION EQUIPMENT

MOTOR VEHICLES														
Trucks and tractors, production, total*	number	69,005	56,969	59,257	58,596	55,671	56,359	55,719	56,920	61,186	61,540	68,545	65,042	* 64,126
Civilian	do	14,678	190	505	2,528	2,766	4,628	8,151	9,298	11,926	11,243	12,511	12,277	* 13,075
Military	do	54,327	56,779	58,752	56,068	52,905	51,731	47,568	47,622	49,260	50,297	56,034	52,765	* 51,054
Light: Military	do	19,765	21,717	23,074	21,479	21,095	21,081	19,481	19,338	20,830	20,269	23,441	21,367	18,534
Medium:														
Civilian	do	10,153	48	63	1,985	1,798	3,317	6,245	7,310	9,379	8,582	10,248	10,034	* 9,432
Military	do	6,503	15,072	13,847	12,806	9,940	8,303	6,649	7,007	6,625	6,031	5,746	6,300	6,144
Heavy:														
Civilian	do	4,525	142	442	543	968	1,311	1,906	1,988	2,607	2,661	2,263	2,243	* 3,643
Military	do	28,059	19,990	21,831	21,783	21,870	22,347	21,438	21,277	21,805	23,997	26,847	25,098	* 26,376
RAILWAY EQUIPMENT														
American Railway Car Institute:														
Shipments:														
Freight cars, total	number	4,595	3,681	3,504	4,100	5,361	7,962	7,316	7,034	6,090	6,151	4,837	4,130	4,741
Domestic	do	3,244	2,282	1,964	2,425	2,092	1,999	713	1,501	1,698	2,197	2,662	2,807	3,512
Passenger cars, total	do	5	288	351	351	445	166	16	0	0	0	0	0	0
Domestic	do	5	288	331	351	445	166	16	0	0	0	0	0	0
Association of American Railroads:														
Freight cars, end of month:														
Number owned	thousands	1,762	1,750	1,750	1,752	1,752	1,753	1,754	1,753	1,754	1,755	1,756	1,758	1,759
Undergoing or awaiting classified repairs	do	51	43	42	42	43	48	48	53	51	54	52	51	50
Percent of total on line	do	2.9	2.5	2.5	2.4	2.5	2.6	2.8	3.1	3.0	3.1	3.0	3.0	2.9
Orders, unfilled	cars	28,910	35,053	34,537	32,211	31,844	35,581	43,321	42,444	41,236	37,985	34,064	30,153	28,385
Equipment manufacturers	do	25,154	23,176	22,654	20,780	20,669	24,241	32,677	32,859	33,166	30,955	28,070	25,285	23,855
Railroad shops	do	3,756	11,877	11,883	11,431	11,175	11,340	10,644	9,585	8,070	7,030	5,994	4,868	4,500
Locomotives, steam, end of month:														
Undergoing or awaiting classified repairs	number	2,380	2,109	1,977	2,137	2,127	2,092	2,167	2,182	2,120	2,190	2,194	2,187	2,254
Percent of total on line	do	5.6	5.3	5.0	5.4	5.2	5.3	5.5	5.5	5.4	5.5	5.6	5.5	5.7
Orders unfilled	number	90	387	339	303	264	243	228	203	179	172	150	124	102
Equipment manufacturers	do	65	323	285	252	218	204	191	168	146	139	118	96	77
Railroad shops	do	25	64	54	51	46	39	37	35	33	33	32	28	25
INDUSTRIAL ELECTRIC TRUCKS AND TRACTORS														
Shipments, total	number	336	* 384	431	356	399	494	442	421	367	307	431	361	443
Domestic	do	303	* 351	378	321	360	450	410	375	321	271	413	341	415
Exports	do	33	33	53	35	39	44	23	46	46	36	18	20	28

CANADIAN STATISTICS

Physical volume of business, adjusted:														
Combined index.....	1935-39=100	242.9	248.8	247.0	241.6	247.8	239.5	241.8	238.8	232.2	233.1	231.0	228.0	
Industrial production, combined index†.....do		282.5	282.0	275.4	279.5	282.7	270.0	272.3	266.8	262.1	263.5	260.4	259.7	
Construction.....do		70.4	107.6	69.6	113.5	201.8	140.2	109.2	111.8	98.8	91.6	104.1	113.4	
Electric power.....do		149.4	153.5	153.8	153.8	154.7	153.1	165.0	160.2	154.8	156.4	153.4	152.4	
Manufacturing†.....do		306.9	308.4	303.5	304.5	300.5	291.3	297.3	292.2	287.6	291.5	284.5	285.8	
Forestry†.....do		126.4	131.5	114.2	124.6	125.3	119.3	119.3	121.1	112.8	121.9	116.4	128.5	
Mining†.....do		232.2	244.8	249.7	255.5	262.6	247.5	238.8	225.5	225.4	214.5	205.5	208.9	
Distribution, combined index†.....do		158.7	180.3	188.0	163.1	175.4	176.2	178.6	180.8	170.3	170.1	170.3	162.4	
Agricultural marketings, adjusted:†														
Combined index.....do		110.5	167.7	245.5	237.2	220.3	305.5	217.6	270.4	361.7	101.7	81.5	110.7	
Grain.....do		105.6	180.8	277.3	257.3	244.2	352.7	238.8	307.8	420.6	94.8	76.9	111.1	
Livestock.....do		131.8	110.7	107.3	149.9	116.4	100.7	125.3	108.3	106.0	132.0	101.6	108.9	
Commodity prices:														
Cost of living.....do		118.9	119.4	119.0	118.9	119.0	119.1	119.2	119.0	119.0	118.9	118.8	118.6	
Wholesale prices.....	1926=100	102.4	102.4	102.5	102.7	103.0	102.9	102.5	102.5	102.5	102.3	102.3	102.4	
Railways:														
Carloadings.....	thous. of cars	319	288	281	280	312	284	318	315	297	317	317	330	
Revenue freight carried 1 mile.....	mil. of tons	5,868	5,366	5,349	5,024	5,534	5,342	5,769	5,457	5,640	5,520	5,563	-----	
Passengers carried 1 mile.....	mil. of passengers	489	679	480	448	506	544	535	638	714	702	591	-----	

* Revised. * Preliminary.

†Revised series. The revision

†Revised series. The revision of the Canadian index of physical volume of business is due mainly to changes in the weighting and in the list of components, so as to present a picture of the expansion in industries engaged in war production. Revised data were first shown on p. S-36 of the December 1942 Survey; subsequently the construction index was further revised in the March 1943 Survey and the mining index was revised in the April 1944 issue. The revisions affected principally indexes for the period beginning January 1940; the agricultural marketings index and the distribution index were revised back to 1919 and minor revisions were also made in data prior to 1940 for other series. All series are available on request.

*New series. The new series on woolen and worsted goods are compiled by the Bureau of the Census from reports of manufacturers who account for 98 percent or more of total production; the statistics include estimates for a few manufacturers from whom reports were not received; yardage is reported on an equivalent 54-inch linear yard except blankets which are on a 72-inch linear yard. Data on trucks and tractors are from the War Production Board and cover the entire industry. Jeeps, military ambulances, and wheel drive personnel carriers are included but not half-tracks, full-tracks, or armored cars. Light trucks are defined as those up to 9,000 pounds gross weight, mediums, 9,000 up to 16,000 pounds, and heavy, 16,000 pounds and over. There were some differences in the definitions employed in collecting these statistics and the trucks statistics formerly shown in the Survey; it should also be noted that the latter were "factory sales." Earlier data for all new series will be published later.

INDEX TO MONTHLY BUSINESS STATISTICS, Pages S1-S36

CLASSIFICATION OF SECTIONS

Monthly business statistics:	Page
Business indexes	S-1
Business population	S-2
Commodity prices	S-3
Construction and real estate	S-4
Domestic trade	S-5
Employment conditions and wages	S-6
Finance	S-14
Foreign trade	S-20
Transportation and communication	S-20
Statistics on individual industries:	
Chemicals and allied products	S-23
Electric power and gas	S-24
Foodstuffs and tobacco	S-25
Leather and products	S-26
Lumber and manufactures	S-29
Metals and manufactures	
Iron and steel	S-30
Nonferrous metals and products	S-30
Machinery and equipment	S-31
Paper and printing	S-32
Petroleum and coal products	S-32
Stone, clay, and glass products	S-34
Textile products	S-35
Transportation equipment	S-36
Canadian statistics	S-36

CLASSIFICATION BY INDIVIDUAL SERIES

Pages marked S

Abrasive paper and cloth (coated)	34
Acids	22, 23
Advertising	6, 7
Agricultural income, marketing	1
Agricultural wages, loans	14
Air mail and air-line operations	7, 21
Aircraft	2, 9, 10, 11, 12, 13
Alcohol, methyl	23
Alcoholic beverages	1, 2, 25
Aluminum	30
Animal fats, greases	23, 24
Anthracite	2, 4, 11, 12, 14, 33
Apparel, wearing	3, 4, 5, 7, 8, 10, 11, 12, 13, 35
Asphalt	34
Automobiles	1, 2, 3, 5, 7, 9, 10, 11, 12, 13, 17
Banking	14, 15
Barley	26
Bearing metal	31
Beef and veal	27
Beverages, alcoholic	1, 2, 25
Bituminous coal	2, 4, 11, 12, 14, 33
Boilers	30
Bonds, issues, prices, sales, yields	18, 19
Book publication	32
Brass and copper products	31
Brick	4, 34
Brokers' loans	18, 19
Building contracts awarded	5
Building costs	5, 6
Building construction (see Construction)	
Building materials, prices, retail trade	4, 7, 8
Business operating and business turn-over	3
Butter	25
Canadian statistics	16, 36
Candy	27
Capital flotations	18
For productive uses	18
Carloadings	22
Cattle and calves	27
Cement	1, 2, 4, 34
Cereal and bakery products	4
Chain-store sales	8
Cheese	25
Chemicals	1, 2, 3, 4, 10, 11, 12, 13, 14, 17, 22, 23, 24
Cigars and cigarettes	28
Civil-service employees	11
Clay products (see also Stone, clay, etc.)	1, 2, 34
Clothing	3, 4, 5, 7, 8, 10, 11, 12, 13, 35
Coal	1, 4, 11, 12, 14, 33
Coffee	27
Coke	2, 33
Commercial and industrial failures	3
Construction:	
Construction estimates	5
Contracts awarded	5
Costs	5, 6
Highway	5, 11
Wage rates, earnings, hours	11, 13, 14
Consumer credit	15
Consumer expenditures	7
Copper	31
Copra or coconut oil	23
Corn	26
Cost-of-living index	3, 4
Cotton, raw, and manufactures	2, 4, 10, 12, 13, 35
Cottonseed, cake and meal, oil	23, 24
Crops	1, 23, 24, 25, 26
Currency in circulation	16
Dairy products	1, 2, 3, 4, 25, 26
Debts, bank	14

Pages marked S

Debt, short-term, consumer	15
Debt, United States Government	17
Department stores, sales, stocks, collections	8, 9
Deposits, bank	15, 16
Disputes, industrial	12
Dividend payments and rates	1, 19
Earnings, weekly and hourly	13, 14
Eggs and chickens	1, 3, 4, 27
Electrical equipment	2, 3, 6, 31
Electric power production, sales, revenues	24
Employment estimated	9, 10
Employment indexes:	
Factory, by industries	10
Nonmanufacturing industries	11
Employment, security operations	12
Emigration and immigration	21
Engineering construction	5
Exchange rates, foreign	16
Expenditures, United States Government	17
Explosives	23
Exports	20
Factory, employment, pay rolls, hours, wages	9, 10, 11, 12, 13, 14
Failures, industrial and commercial	3
Fairchild's retail price index	4
Farm wages	14
Farm prices, index	3, 4
Fats and oils	4, 23, 24
Federal Government, finance	17
Federal Reserve banks, condition of	14, 15
Federal Reserve reporting member banks	15
Fertilizers	4, 23
Fire losses	6
Fish oils and fish	23, 27
Flaxseed	24
Flooring	29
Flour, wheat	27
Food products	2, 3, 4, 6, 7, 10, 11, 12, 13, 14, 17, 25, 26, 27, 28
Footwear	2, 4, 7, 8, 10, 12, 13, 28
Foreclosures, real estate	6
Foundry equipment	31
Freight cars (equipment)	36
Freight carloadings, cars, indexes	21
Freight-car surplus	21
Fruits and vegetables	2, 3, 4, 26
Fuel equipment and heating apparatus	31
Fuels	2, 3, 4, 33
Furniture	1, 4, 10, 11, 12, 13, 29
Gas, customers, sales, revenues	25
Gas and fuel oils	33
Gasoline	33, 34
Glass and glassware (see also Stone, clay, etc.)	1, 2, 34
Glycerine	23
Gold	16
Goods in warehouses	7
Grains	3, 26
Gypsum	34
Hides and skins	4, 28
Highways	5, 11
Hogs	27
Home-loan banks, loans outstanding	6
Home mortgages	6
Hosiery	4, 35
Hotels	11, 12, 21
Hours per week	11
Housefurnishings	4, 6, 7, 8
Housing	3, 4, 5
Immigration and emigration	21
Imports	20
Income payments	1
Income-tax receipts	17
Incorporations, business, new	3
Industrial production indexes	1, 2
Instalment loans	15
Instalment sales, department stores	8
Insurance, life	16
Interest and money rates	15
Inventories, manufacturers' and trade	3, 8
Iron and steel, crude, manufactures	2, 3, 4, 9, 10, 11, 12, 13, 17, 30
Kerosene	34
Labor force	9
Labor disputes, turn-over	12
Lamb and mutton	27
Lard	27
Lead	31
Leather	1, 2, 4, 10, 11, 12, 13, 28
Linseed oil, cake, and meal	24
Livestock	1, 3, 27
Loans, real-estate, agricultural, bank, brokers' (see also Consumer credit)	6, 14, 15, 17
Locomotives	36
Looms, woolen, activity	35
Lubricants	34
Lumber	1, 2, 4, 10, 11, 12, 13, 29
Machine activity, cotton, wool	35
Machine tools	9, 10, 11, 12, 13, 31
Machinery	1, 2, 3, 9, 10, 11, 12, 13, 17, 31
Magazine advertising	6, 7
Manufacturers' orders, shipments, inventories	2, 3
Manufacturing production indexes	1, 2
Meats and meat packing	1, 2, 3, 4, 10, 12, 13, 17, 27
Metals	1, 2, 3, 4, 9, 10, 11, 12, 13, 17, 30, 31
Methanol	23
Milk	25, 26
Minerals	2, 9, 11, 12, 14
Money supply	16

Pages marked S

Motor fuel	33, 34
Motor vehicles	7, 36
Motors, electrical	31
Munitions production	2
Newspaper advertising	6, 7
Newsprint	32
New York Stock Exchange	18, 19, 20
Oats	26
Oils and fats	4, 23, 24
Oleomargarine	24
Operating businesses and business turn-over	3
Orders, new, manufacturers'	2
Paint and paint materials	4, 24
Paper and pulp	2, 3, 4, 10, 11, 12, 13, 14, 32
Paper products	32
Passports issued	21
Pay rolls, manufacturing and nonmanufacturing industries	12
Petroleum and products	2, 3, 4, 10, 11, 12, 13, 14, 17, 33, 34
Pig iron	30
Plywood and veneer	29
Porcelain enameled products	30
Pork	27
Postal business	7
Postal savings	15
Poultry and eggs	1, 3, 27
Prices (see also Individual commodities):	
Retail indexes	4
Wholesale indexes	4
Printing	2, 10, 11, 12, 13, 14, 32
Profits, corporation	17
Public assistance	14
Public utilities	4, 5, 11, 12, 14, 17, 18, 19, 20
Pullman Company	22
Pumps	31
Purchasing power of the dollar	4
Radio advertising	6
Railways, operations, equipment, financial statistics, employment, wages	11, 12, 14, 17, 18, 19, 20, 21, 22, 36
Railways, street (see Street railways, etc.)	
Rayon	2, 4, 10, 12, 13, 35
Receipts, United States Government	17
Reconstruction Finance Corporation, loans	17
Rents (housing), index	3, 4
Retail trade:	
All retail stores, sales	7, 8
Chain stores	8
Department stores	8, 9
Mail order	7, 8, 9
Rural, general merchandise	9
Rice	26
Roofing, asphalt	34
Rubber products	2, 3, 4, 10, 11, 12, 13, 14
Savings deposits	15
Sheep and lambs	27
Shipbuilding	2, 9, 10, 11, 12, 13
Shipments, manufacturers'	2
Shoes	1, 4, 7, 8, 10, 12, 13, 28
Shortenings	24
Silver	16
Skins	28
Slaughtering and meat packing	2, 10, 12, 13, 14, 27
Soybeans and soybean oil	24
Spindle activity, cotton, wool	35
Steel and iron (see Iron and steel)	
Steel, scrap	30
Stocks, department stores (see also Manufacturers' inventories)	9
Stocks, issues, prices, sales, yields	19, 20
Stone, clay, and glass products	1, 2, 10, 11, 12, 13, 34
Street railways and busses	11, 12, 14
Sugar	28
Sulphur	22
Sulfuric acid	22
Superphosphate	23
Telephone, telegraph, cable, and radio-telegraph carriers	11, 12, 14, 17, 22
Textiles	2, 3, 4, 10, 11, 12, 13, 35, 36
Tile	34
Tin	31
Tobacco	2, 10, 11, 12, 13, 14, 28
Tools, machine	9, 10, 11, 12, 13, 31
Trade, retail and wholesale	7, 8, 9, 11, 12, 14
Transit lines, local	20, 21
Transportation, commodity and passenger	20, 21
Transportation equipment	1, 2, 3, 9, 10, 11, 12, 13, 17, 36
Travel	21, 22
Trucks and tractors	36
Unemployment	9
United States Government bonds	17, 18, 19
United States Government, finance	17
United States Steel Corporation	30
Utilities	4, 5, 9, 11, 12, 14, 17, 18, 19, 20
Variety stores	7, 8
Vegetable oils	23
Vegetables and fruits	2, 3, 4, 26
Wages, factory and miscellaneous	13, 14
War program, production and expenditures	2, 17
War Savings Bonds	17
Warehouses, space occupied	7
Water transportation, employment, pay rolls	11, 12
Wheat and wheat flour	26, 27
Wholesale price indexes	4
Wholesale trade	9
Wood pulp	4, 32
Wood and wool manufactures	2, 4, 10, 12, 13, 35, 36
Zinc	31

CONTENTS

Volume 24 of the Survey of Current Business

SPECIAL ARTICLES

	No.	Page
The American Economy in 1943.....	1	1
Can Business Finance the Transition?.....	2	9
Retail Sales of Chain and Mail-Order Firms.....	2	12
Trends in the Business Population.....	3	8
Retail Inventories in the War Period.....	3	14
National Income and National Product in 1943.....	4	6
Incomes in Selected Professions—Dentistry.....	4	17
The Business Population in Wartime.....	5	9
Incomes in Selected Professions—Comparison of Incomes in 9 Independent Professions.....	5	15
Consumption Expenditures, 1929-43.....	6	6
Individuals' Demand Deposits, June 1942-June 1943.....	6	14
New and Discontinued Businesses, 1940-43.....	7	7
Wartime Debt Changes in the United States.....	7	14
Magnitude of Transition From War Production.....	8	6
State Income Payments in 1943.....	8	12
Corporate Profits and National Income.....	9	9
Components of Wartime Wage Changes.....	9	17
Retail Sales and Consumer Incomes.....	10	5
Wartime Construction and Plant Expansion.....	10	15
Foreign Trade in the Post-War Economy.....	11	5
Drug Store Sales in the War Period.....	11	15
Compensating Unemployment in the Transition Period....	12	12
The Census Bureau's Program for 1945.....	12	18

TABLES OF NEW OR REVISED STATISTICAL SERIES

(In addition to the tables listed below, tables of new or revised data for series included in the statistical section are presented in special articles in issues number 2, 5, and 11 as follows: Retail sales of chain and mail-order firms, dollar figures and indexes—No. 2, pp. 15-17; business population—No. 5, p. 10 and No. 7, pp. 8-11; retail sales of drug stores, dollar figures and indexes—No. 11, p. 16)

	No.	Page		No.	Page
Department store sales, Dallas Federal Reserve district, 1919-42	2	20	Softwood plywood, production, shipments, and stocks, 1941-43.....	9	16
Dividend payments, by industry groups, 1941-42..	2	20	Shipments of paperboard shipping containers, corrugated and solid fiber, 1934-44.....	9	20
Department store sales, Richmond Federal Reserve District, 1923-43	6	22	U. S. Treasury bonds, prices and yields, 1935-43..	9	20
Foreign trade of the United States, 1941-42.....	6	22	Hardwood plywood and veneer, 1942-43.....	11	14
Total construction activity in continental United States, annually, 1938-43; quarterly, 1939-41; and by months, 1942-43.....	6	23	Department store sales, United States.....	12	17
Nonferrous metals, 1942-44.....	6	24	Shipbuilding and boatbuilding, employment and payrolls.....	12	19
			Wood pulp production and stocks.....	12	20