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NATIONAL INCOME, PRICES,
EMPLOYMENT, AND
UNEMPLOYMENT

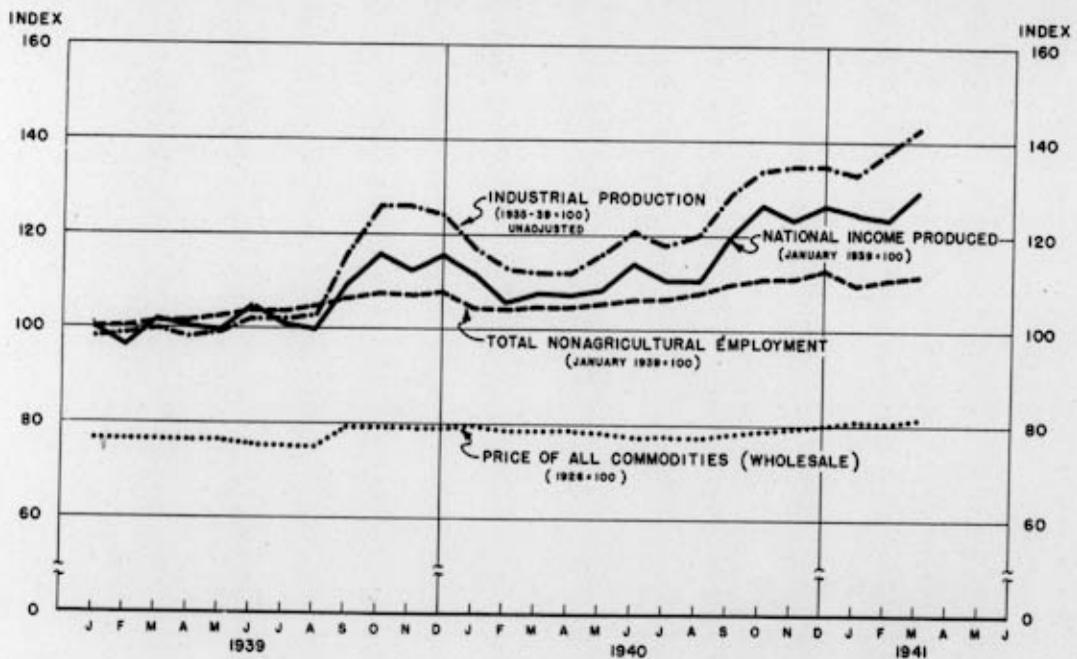
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Second Quarter Report

1941

Trends and Stabilization Section
National Resources Planning Board

NATIONAL INCOME, PRICES, EMPLOYMENT, AND UNEMPLOYMENT



Production and national income are rising faster than employment.
The increase in wholesale prices has not yet become extensive.

CURRENT TRENDS

Through the First Quarter of 1941

In summary and four parts, as follows:

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Summary

SUMMARY OF CURRENT TRENDS

Summary of Current Trends

I. National Income, Consumer Outlays, and Unemployment

1. Consumer outlays have risen less than national income since 1939.
2. Consumer outlays for commodities have fluctuated more in recent years than consumer expenditures for services such as those rendered by theaters, garages, professional men, etc.
3. The national income in dollar terms will probably rise much more than the volume of goods and services in the next two years.
4. Government financing by taxes rather than by bond sales to the bank may restrict the rise in prices.
5. Employment has risen more slowly than output since 1939.
6. Unemployment will average about 5 millions in 1941 and will reach a low level in the latter part of 1942 unless an extraordinary rise in the labor force should occur as a result of emergency conditions.

II. Prices and Priorities

1. Inadequate facilities to meet both defense and consumer demands, coupled with priorities in favor of defense goods, threatens to cause a scarcity and increased prices of consumption goods.
2. Price control is being applied to individual commodities and is more successful in dealing with those having a narrow market and a restricted number of producers than in the case of commodities with a broader market, such as metal scrap.
3. There is likely to be a material scarcity of electric power because of insufficient capacity.
4. An embarrassing deficit is likely to develop in railroad freight cars.

III. Labor Supply, Employment, and Unemployment

1. The rise in employment in April was mainly seasonal although there was some uptrend in manufacturing employment.
2. There is a scarcity of skilled and semi-skilled labor in a limited number of occupations in various defense industries and in various localities.
3. Slight progress has been made during the first quarter of 1940 in increasing the percentage of employment in the second and third shifts of defense industries.
4. The training program requires material expansion to prepare unskilled labor to meet the needs of the growing defense industries.
5. As a result of defense contracts, employment has been increased in non-agricultural industries and decreased to some extent in the field of agriculture.
6. The increase in non-agricultural employment has been greatest in the construction industry and in manufactures.
7. The largest increase in manufacturing employment has occurred in the following defense industries: aircraft; shipping; machine tool; brass, bronze, and copper products; electrical manufactures; and in foundries and machine shops.

IV. Regional Changes in Employment in Relation to the Volume of Construction and the Distribution of Defense Contracts

1. The decline in agricultural employment has occurred mainly in the areas where there has been a large volume of defense contract work and an increase in non-agricultural employment.
2. The localities enjoying the largest increases in employment

have been the metropolitan areas of the cities where defense contracts have been awarded in large volume.

3. The greatest increase in plant facilities has occurred in the North Central States.
4. Residential construction has increased less than has nonresidential construction in the industrial areas of the country.
5. There are reports indicating scattered reductions in employment on account of a lack of materials such as steel, zinc, aluminum, brass, and copper. This condition is found in New England and in the Great Lakes Region.
6. Textile plants in the South attempting increases in the number of shifts are unable in some cases to secure the skilled and semi-skilled workers required.
7. There is a certain amount of race discrimination in employment, especially in New England and the Great Lakes Region.
8. Several states report a shortage of qualified applicants for defense training courses.

National Income,
Consumer Outlay,
and Unemployment

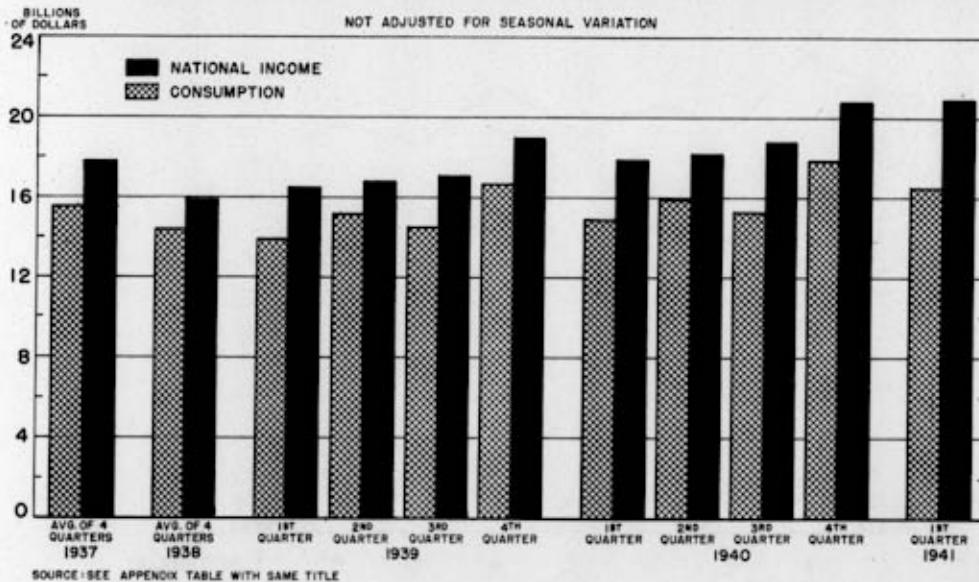
SECTION I OF CURRENT TRENDS

Section I

National Income, Consumer Outlays, and Unemployment

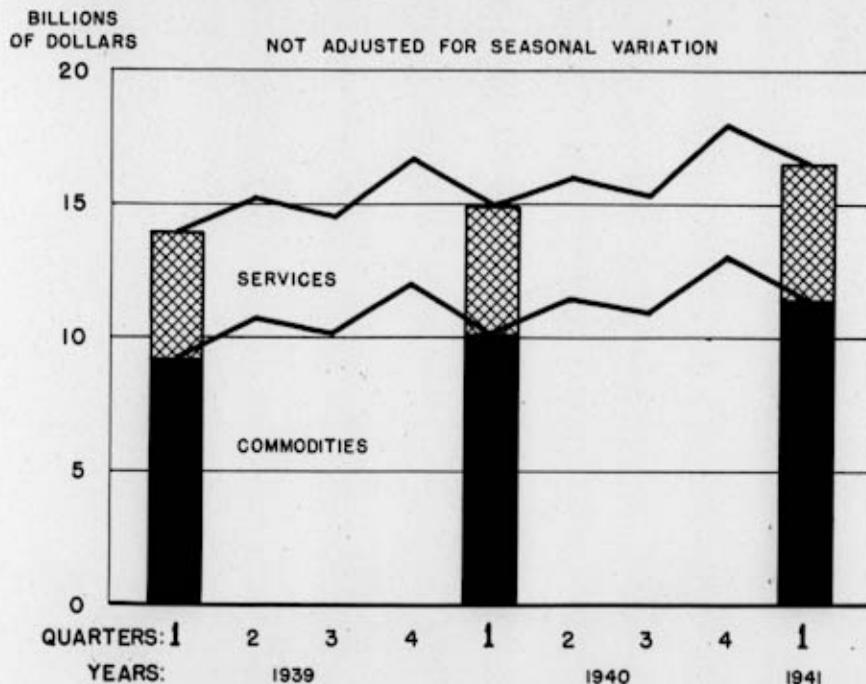
Consumer outlays tend to rise with the national income (see Chart below and Table on Page 3 of Appendix B). But in the period of activity beginning in 1939, consumer outlays have risen less rapidly than national income. The ratio of these outlays to national income was 84 in the first quarter of 1939, 83 in the first quarter of 1940, and 80 in the first quarter of 1941.

NATIONAL INCOME AND CONSUMPTION, 1937 TO DATE



Consumer outlays for commodities have fluctuated more than consumer outlays for services (see Chart below and Table on Page 3 of Appendix B). It is also evident from the chart that the seasonal fluctuations have been due mainly to the seasonal movement of consumer outlays for goods rather than for outlays for services. Moreover, the trend of consumer outlays for goods has risen faster than the trend of the outlay for services.

CONSUMPTION OF COMMODITIES AND SERVICES, BY QUARTERS, SINCE JANUARY 1939

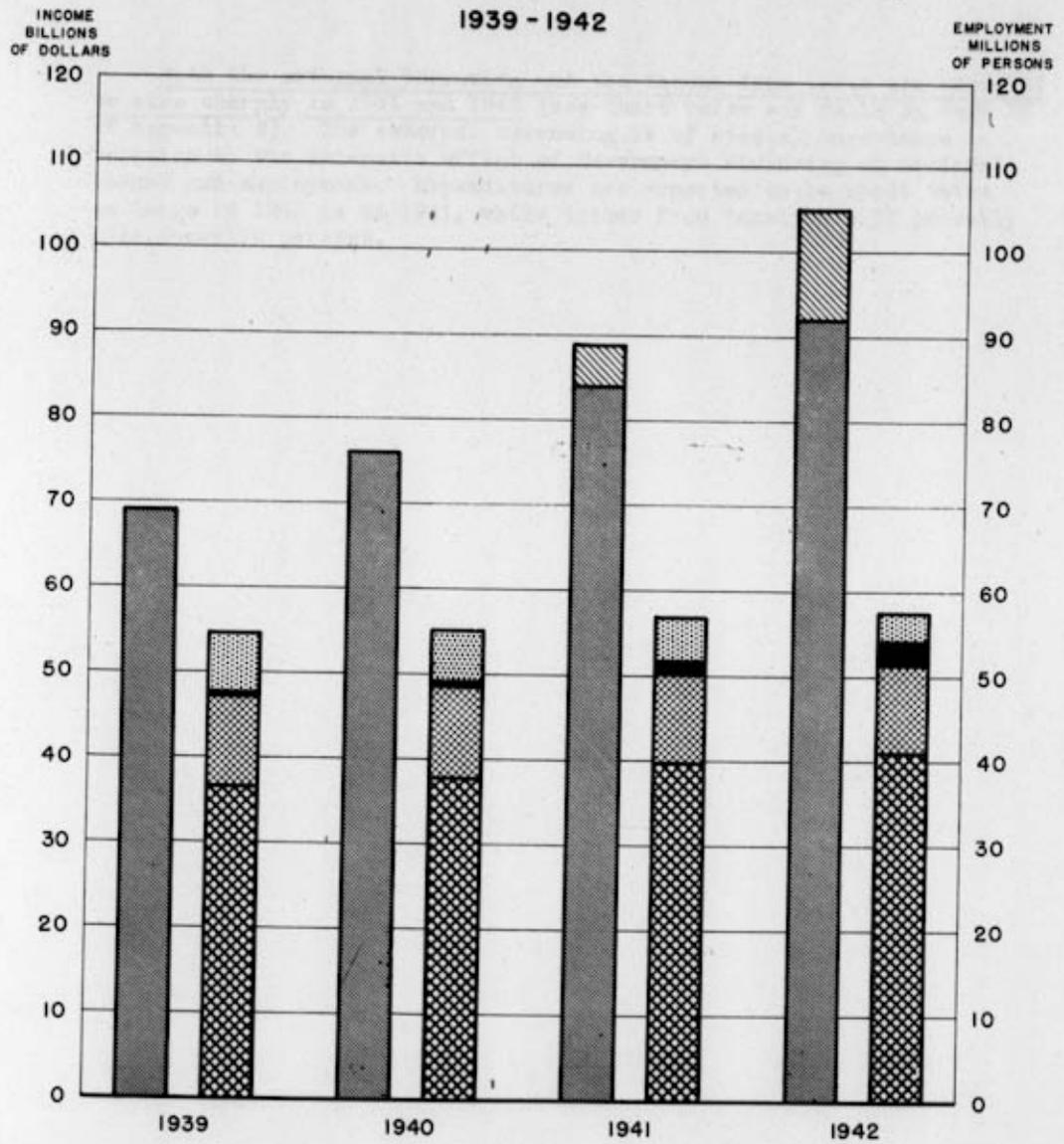


SOURCE: SEE APPENDIX TABLE, "NATIONAL INCOME & CONSUMPTION, 1937 TO DATE"

It is probable that the national income will rise more sharply in current dollar terms than in terms of real income during the next two years (see Chart on Page 8 and Appendix A). The estimated rise in current dollars is 17 percent in 1941 and 18 percent in 1942 while the rise in real dollars, or in volume of goods and services produced, is estimated to be 5 percent in 1941 and 12 percent in 1942. These estimates can be little more than informed guesses (for the basis of the estimates see Appendix A).

The estimated increase in the number of employed corresponds more closely with the rise in real national income than with the increase in current dollar income (see Chart referred to above). Unless the labor force rises more than usual because of emergency conditions unemployment is expected to reach a low level in 1942.

NATIONAL INCOME, EMPLOYMENT AND UNEMPLOYMENT



SOURCE:- BUREAU OF LABOR STATISTICS, WORK PROJECTS ADMINISTRATION, CENSUS OF POPULATION

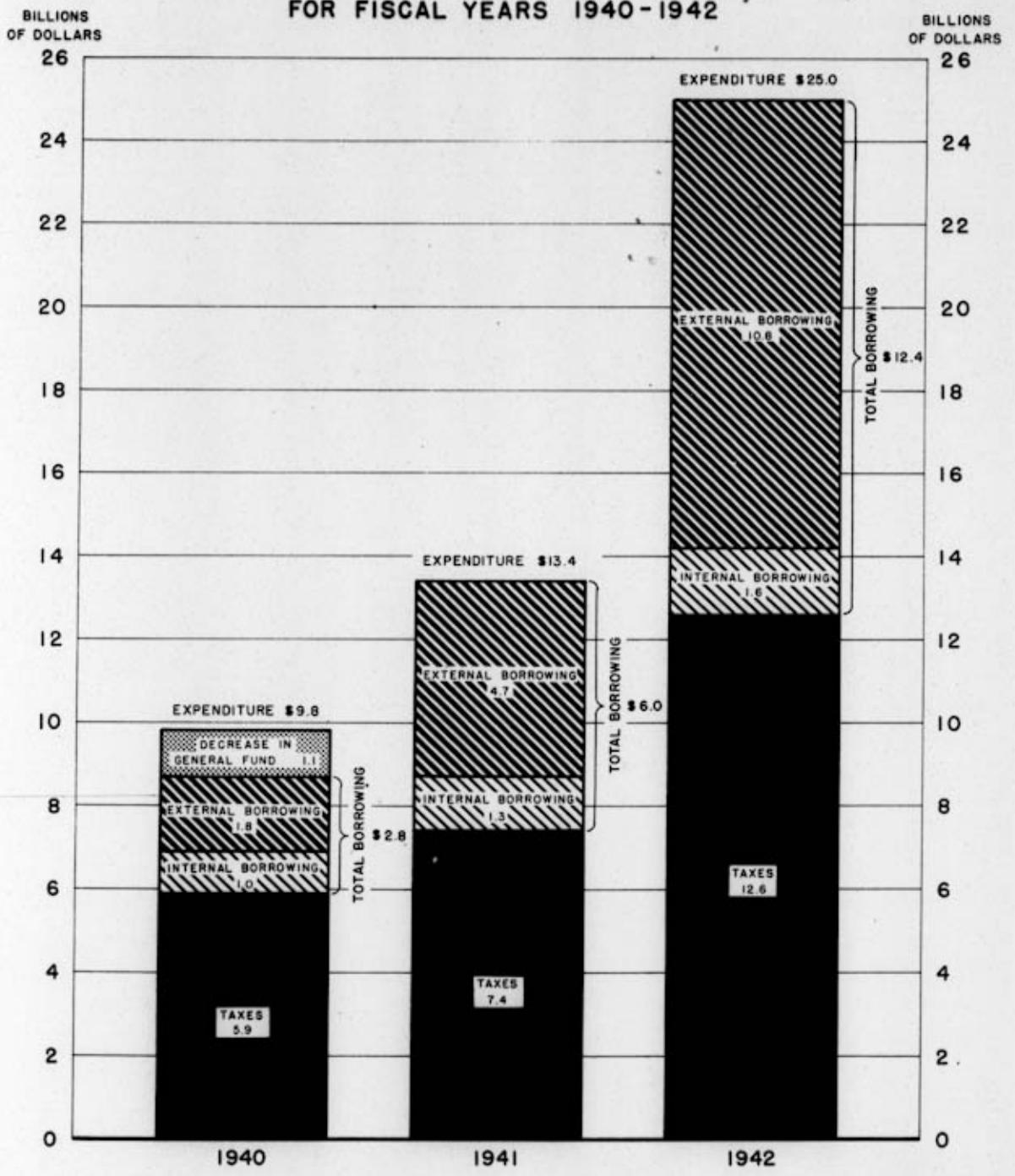
- NATIONAL INCOME IN GOODS AND SERVICES
- NONAGRICULTURAL EMPLOYMENT
- ARMY AND NAVY
- NATIONAL INCOME PRICE INCREMENT
- AGRICULTURAL EMPLOYMENT
- UNEMPLOYMENT

FINANCE FOR FEDERAL EXPENDITURES
FOR FISCAL YEARS 1941-1942

Both the external borrowing and the income from taxes are expected to rise sharply in 1941 and 1942 (see Chart below and Table on Page 32 of Appendix B). The external borrowing is of special importance in relation to the expansive effect of Government financing on national income and employment. Expenditures are expected to be about twice as large in 1942 as in 1941, while income from taxation will probably rise about 70 percent.

FUNDS FOR FEDERAL EXPENDITURES *

FOR FISCAL YEARS 1940-1942



SOURCE: SEE APPENDIX TABLE OF SAME TITLE

* INCLUDES FEDERAL CORPORATIONS ; EXPENDITURES ESTIMATED FOR 1941 & 1942

SECTION II OF CURRENT TRENDS

Priees
and
Priorities

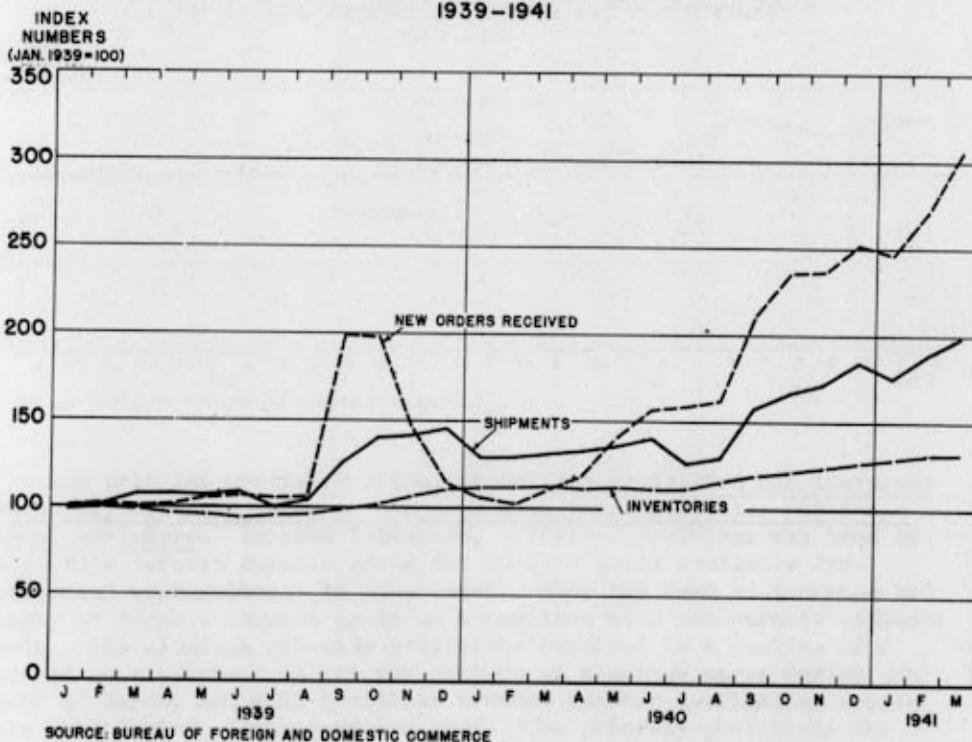
Section II

Prices and Priorities

Even before the recent expansion in the military program incident to the Lend-Lease Appropriation, there was a shortage in the materials required and in the output of goods as compared with the demand. This situation has been intensified by the enlargement of the program.

New orders in the durable goods industry are still rising sharply with respect to shipments (see Chart below and Table on Page 5 of Appendix B). Industry is being given orders in excess of its capacity to produce. Shipments are, however, rising sharply and inventories also are increasing from month to month.

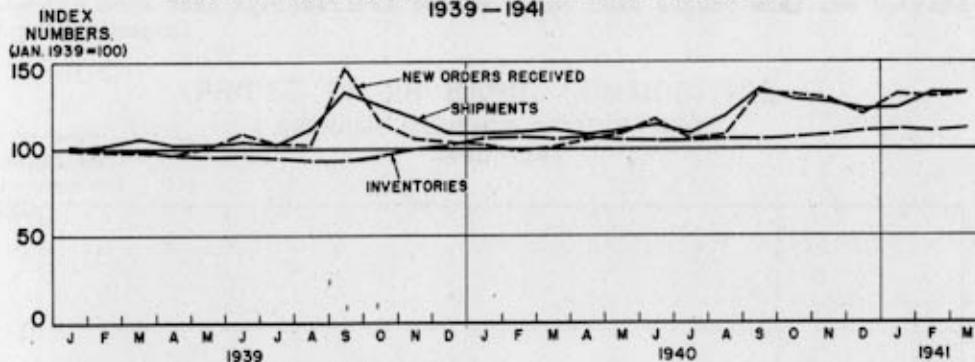
DURABLE GOODS MANUFACTURES
VALUE OF NEW ORDERS, SHIPMENTS AND INVENTORIES
1939-1941



Some decline in the rate of the upward movement of production during April is attributable to the coal strike and other labor disturbances.

Orders for non-durable goods manufactures are rising less than orders for durable goods (see Chart below and Table on Page 5 of Appendix B). It will also be noted that shipments are keeping pace with orders in the field of non-durable goods. Inventories show a relatively large rise in comparison with shipments in this area of production. The pressure of priorities and prospective priorities is evidently having its effect here. The emphasis on military goods growing out of the expansion of the defense efforts may reduce the rate of increase in the output of consumption goods and cause some unemployment in consumer goods industries.

NONDURABLE GOODS MANUFACTURES
 VALUE OF NEW ORDERS, SHIPMENTS AND INVENTORIES
 1939-1941



The priority provision affecting defense production has increased the supply of these goods as compared with those available for individual consumers. In some instances, priority provisions may tend to substitute defense durable goods for durable goods available for individual consumption; in other cases, they may tend to increase the supply of durable defense goods in comparison with non-durable consumer goods. The aluminum priority provisions resulted in a decline of 2 percent in employment in the manufacture of aluminum wares during the month of March, and will doubtless produce further declines as available inventories of aluminum are used. The priority provisions for iron and steel on defense orders may lead to a curtailment of iron and steel for use in expanding the capacity for the production of ordinary consumption goods.

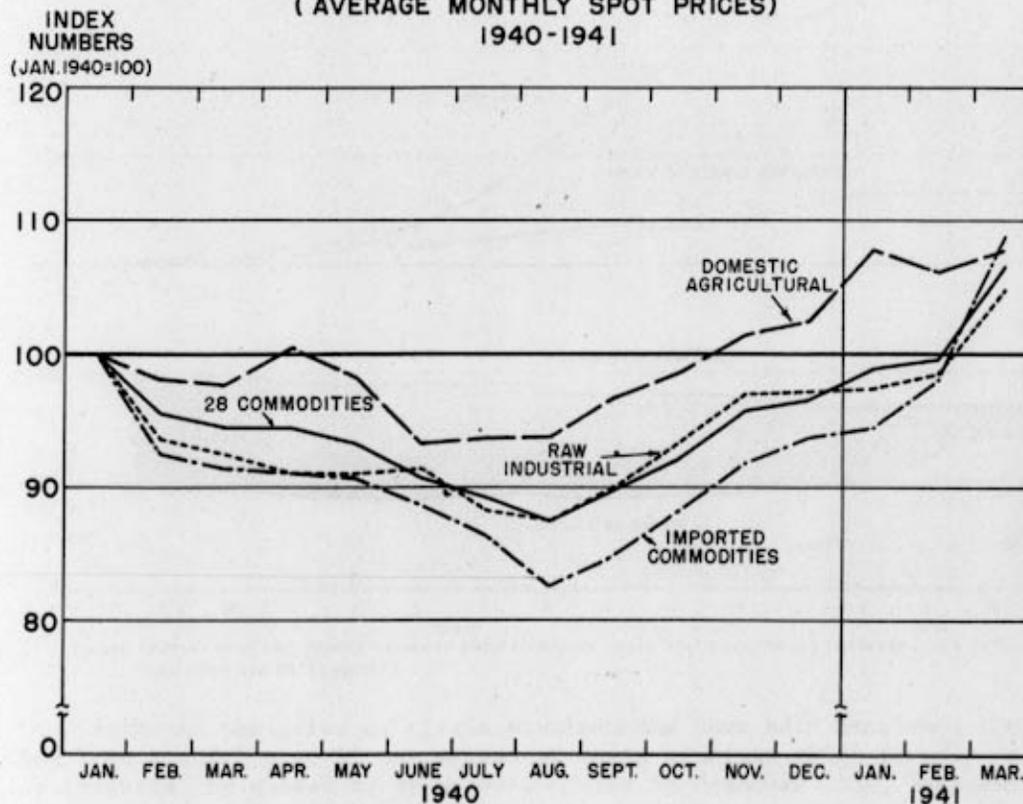
Prices have been rising sharply in the past four months. All wholesale prices rose from 80 to 85, or 3 3/4 percent in the period from January to April. Food prices rose 6.7 percent; textile products, 7 percent; raw material prices, 3 percent. (see Chart on title page.)

The indexes tend to underestimate the magnitude of the price movement as quoted prices become less reliable.

The prices of 28 basic commodities have been rising even more sharply (see Chart below and Table on Page 8 of Appendix B). These commodities were chosen partly because their prices have been found to be sensitive to conditions causing price change.

Prices of imported commodities have risen most. They have been affected especially by the scarcity of shipping space and the rise in shipping rates. In August 1939, vessels could be chartered in areas outside the war zone for a monthly rate of \$1 to \$1.75 per ton. Ship owners are now obtaining \$7.00 to \$8.25 per ton. Industrial raw materials prices have risen slightly more than agricultural prices since last August when the uptrend of prices began.

PRICES OF 28 BASIC COMMODITIES (AVERAGE MONTHLY SPOT PRICES) 1940-1941



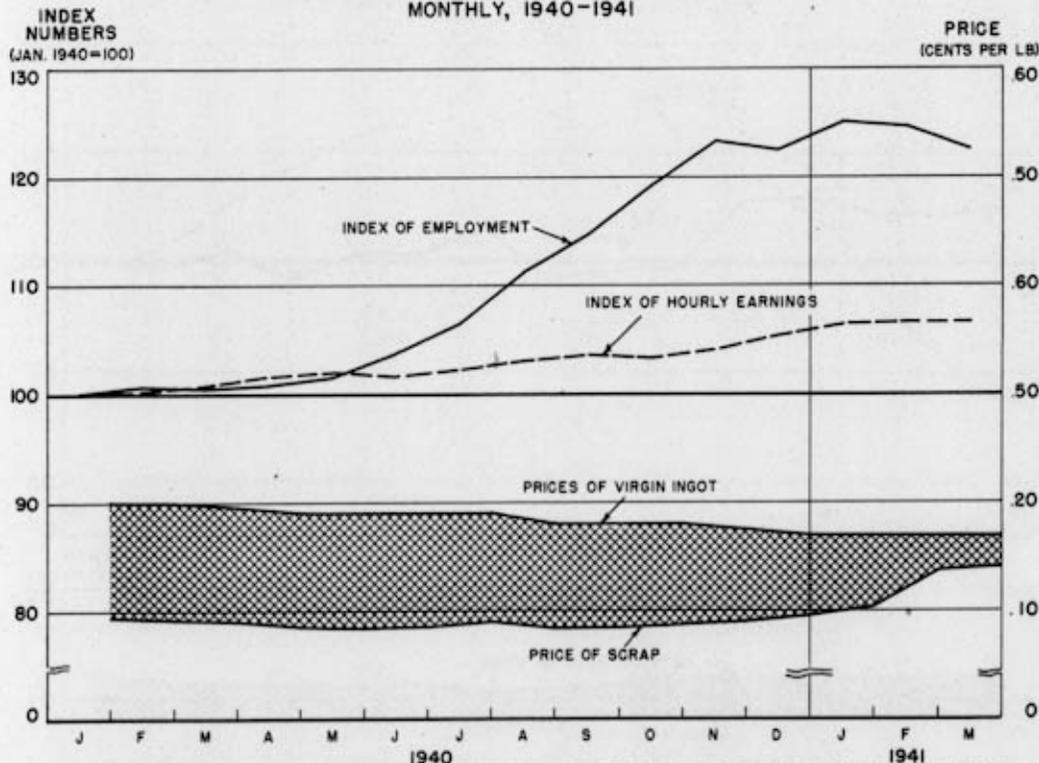
SOURCE: BUREAU OF LABOR STATISTICS

The present situation in the field of prices and supply may be illustrated by reference to a selected list of special commodities.

Aluminum -- Production of aluminum was reported to be at the rate of about 40,000,000 pounds per month in March 1941 as compared with 25,000,000 pounds in March of 1940. The industry probably will operate at 70 million pounds per month by the end of 1941. The 1941 output, however, will be about 27 percent below the requirements for civilian and military uses. The needs of 1941 call for 1 billion pounds, whereas output will fall about 275 million pounds short of this total. Notwithstanding current plans to increase capacity the shortage will probably be greater in 1942.

The application of priority regulations to the manufactures of aluminum has caused a decline of employment in the non-military output of that industry in recent months. Further declines may be anticipated with the further depletion of manufacturers' inventories of ingots (see Chart below and Table on Page 7 of Appendix B).

ALUMINUM
EMPLOYMENT, PRICES, AND HOURLY EARNINGS
MONTHLY, 1940-1941

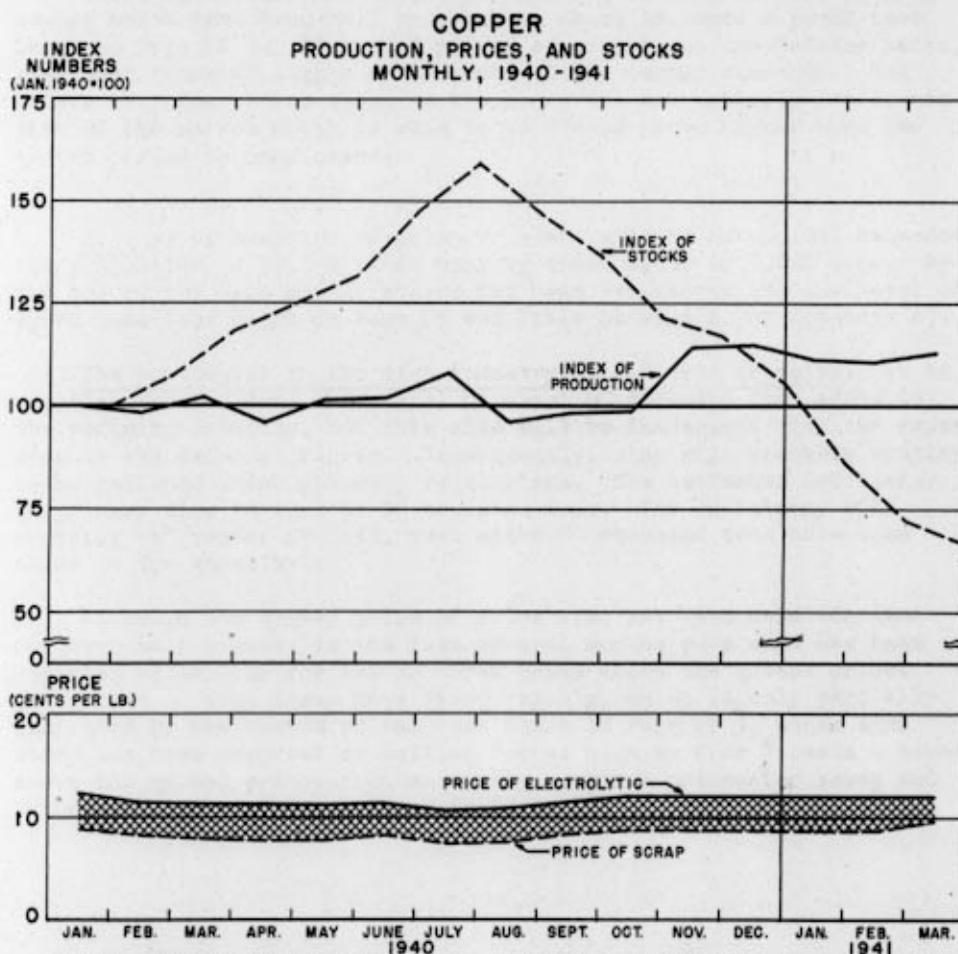


SOURCE: EMPLOYMENT AND HOURLY EARNINGS FROM BUREAU OF LABOR STATISTICS, PRICES FROM METAL STATISTICS AND AMERICAN METAL MARKET

Although the price of virgin aluminum has been held constant, there has been a sharp rise in the prices of scrap aluminum which is only partially reflected by quoted scrap prices. Prior to December 1940, the quoted prices of scrap were fairly representative of the prices at which sales

took place. Since December, however, scrap has been selling for much more than the quoted prices, in some instances reaching as high as 32 cents per pound -- almost double the price of the virgin metal. Consequently, it became necessary to fix maximum prices for scrap and secondary aluminum in March 1941. A certain amount of "bootlegging" at higher prices may be anticipated.

Copper -- Production of refined copper amounted to 95,332 net tons in March 1941 as compared with 86,295 tons in March 1940, and stocks have been decreasing steadily, which indicates that consumption is exceeding production (see Chart below and Table on Page 8 of Appendix B).



The output of crude copper, which consists of about 90 percent blister and 10 percent scrap, is running about 10,000 tons a month less than that

of refined, the difference being made up from stocks of crude which are declining rapidly.

The capacity of mines and smelters to produce blister constitutes the bottleneck in expanding copper output, since there is capacity to refine nearly 130,000 tons a month. Unless mine and smelter capacity is greatly increased, a material shortage of copper can be expected to occur in 1942. Granting subsidies to higher cost mines may be a partial solution for expanding output.

There is an informal agreement with regard to prices of refined copper which have been held constant at about 12 cents a pound (see Chart on Page 15). "Outside" prices of copper, or non-defense sales, have been somewhat higher as a result of the copper scarcity. The prices of copper scrap shown in the chart are not entirely representative of the market which is said to be 2 or 3 cents higher than the quoted prices in many cases.

Zinc -- Consumption of primary (slab) zinc in March 1941 exceeded the production of 63,366 short tons by about 6,000 or 7,000 tons. By the end of the same month, stocks had been reduced to the low level of 6,969 tons (see Chart on Page 17 and Table on Page 9 of Appendix B).

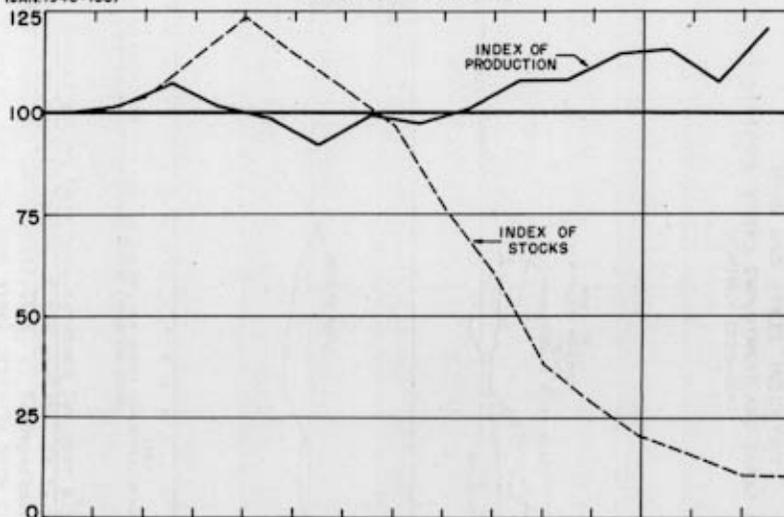
The bottleneck in the zinc industry is refining capacity. It is expected that in 1942 there will be about 50 thousand tons added to the refining capacity, but this also will be inadequate with the expansion in the defense program. Consequently, zinc will probably continue to be rationed under priority regulations. The estimated deficiency of primary zinc in 1941 is 90 thousand tons. The deficiency will probably be greater in 1942, even after 50 thousand tons have been added to the capacity.

Although the quoted price of prime zinc has been held constant for over half a year, in the last several months pure zinc has been reported as selling for two or three cents above the quoted price. The prices of zinc scrap have risen rapidly, which is only partially indicated by the quoted prices (see Chart on Page 17), since zinc scrap has been reported as selling for as high as 6 or 7 cents a pound above the quoted prices. Consequently, maximum prices for scrap and secondary zinc were established in April 1941.

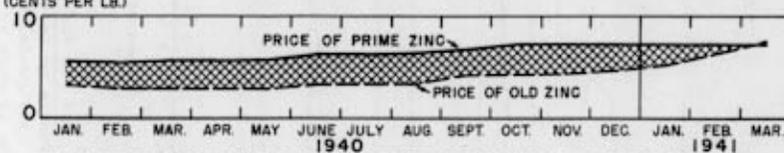
ZINC

PRODUCTION, PRICES, AND STOCKS MONTHLY 1940-1941

INDEX
NUMBERS
(JAN. 1940=100)



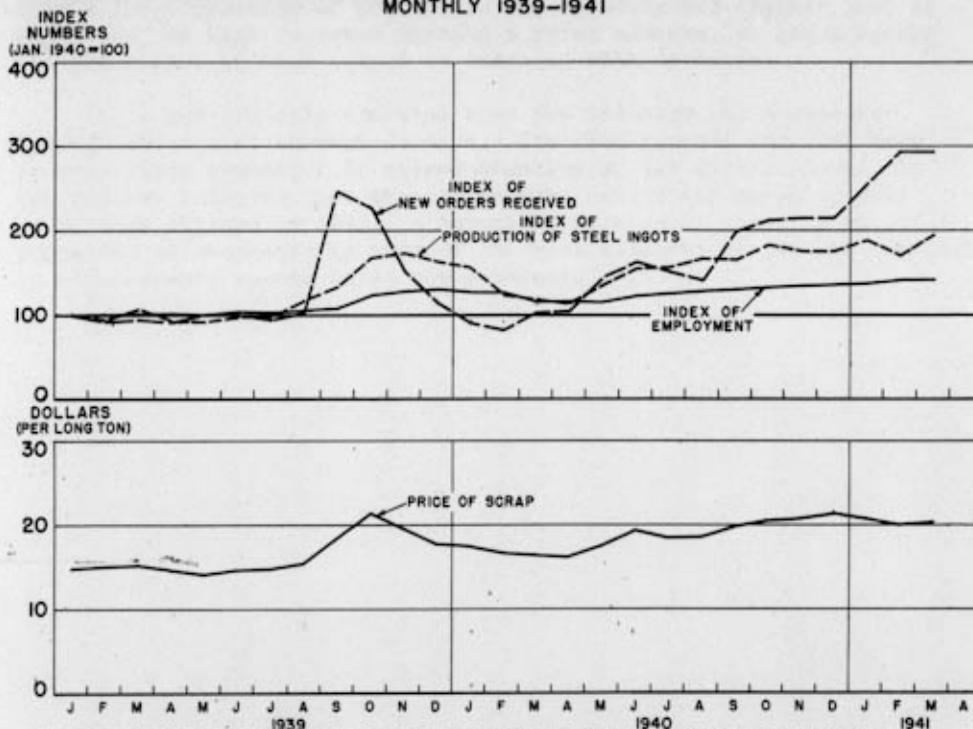
PRICE
(CENTS PER LB.)



SOURCES: PRODUCTION AND STOCKS FROM JOURNAL OF COMMERCE; PRICES FROM METAL STATISTICS AND AMERICAN METAL MARKET.

Iron and Steel -- The rise of orders in the iron and steel industry as compared with output is similar to that noted in the durable goods industries as a group (see Chart below and Table on Page 10 of Appendix B). Informal priorities for defense orders have prevailed in the industry since the fall of 1940, and quoted prices are at rates accepted by the price control authorities of the Government.

IRON AND STEEL INDUSTRY
PRODUCTION, ORDERS, EMPLOYMENT, AND SCRAP PRICES
MONTHLY 1939-1941



SOURCE: PRODUCTION AND PRICE FROM THE IRON AGE, NEW ORDERS FROM BUREAU OF FOREIGN AND DOMESTIC COMMERCE; EMPLOYMENT FROM BUREAU OF LABOR STATISTICS.

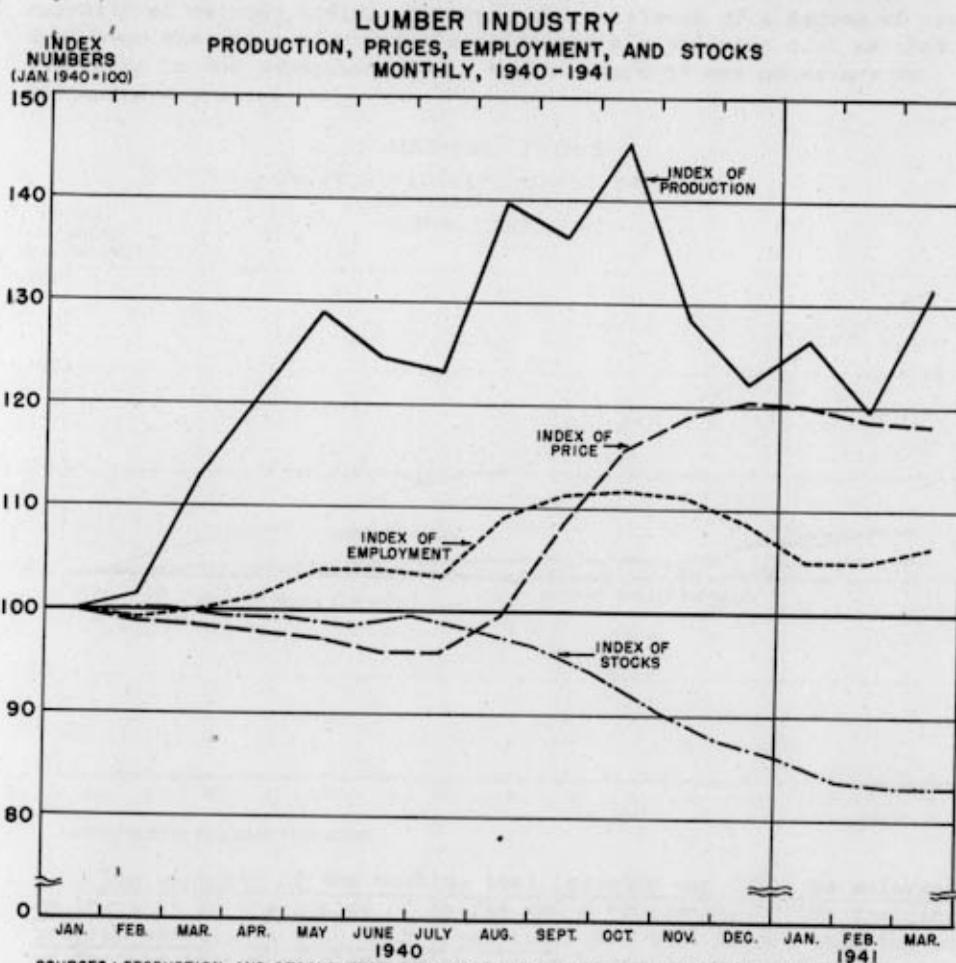
Quoted prices have been constant for over a year but are not regarded as representative of the market. It is reported by experts in the Bureau of Labor Statistics, U. S. Department of Labor, that the prices of some finished steel products have risen as much as 20 percent during this period. A price ceiling was established on April 17, fixing maximum prices at levels prevailing in the first quarter of 1941.

While quoted prices of steel have remained constant, the prices of scrap have risen. In order to check the rise in the price of scrap, a ceiling was placed on iron and steel scrap prices, effective April 3, 1941. The fixing of maximum prices tended to check the accumulation of scrap inventories and caused a slight reaction in prices below the maximum.

The price ceiling for steel was fixed to prevent a rise in steel prices at the time wages were increased. Published reports show a large increase of profits in the industry and suggest that it can stand the wage increase without a price advance, at least during the prevalence of high output as compared with capacity.

It is now commonly admitted that the industry has a capacity inadequate to meet current demands. The requirements for 1941 have recently been estimated to exceed capacity by 1.8 million tons. It was further believed that the gap between output and capacity will be further widened in 1942. A material increase in capacity is still suggested as necessary in view of the possibilities of further increases in requirements beyond those now apparent.

Lumber -- Production, demand, and prices of lumber rose sharply in 1940 because of the Army's buying for cantonment construction and extensive buying of various supply services of the War and Navy Departments, in view of contracts awarded in the period (see Chart below and Table on Page 11 of Appendix B).



The demand for lumber is again rising and prices have tended to stabilize slightly below the top of the 1940 price rise.

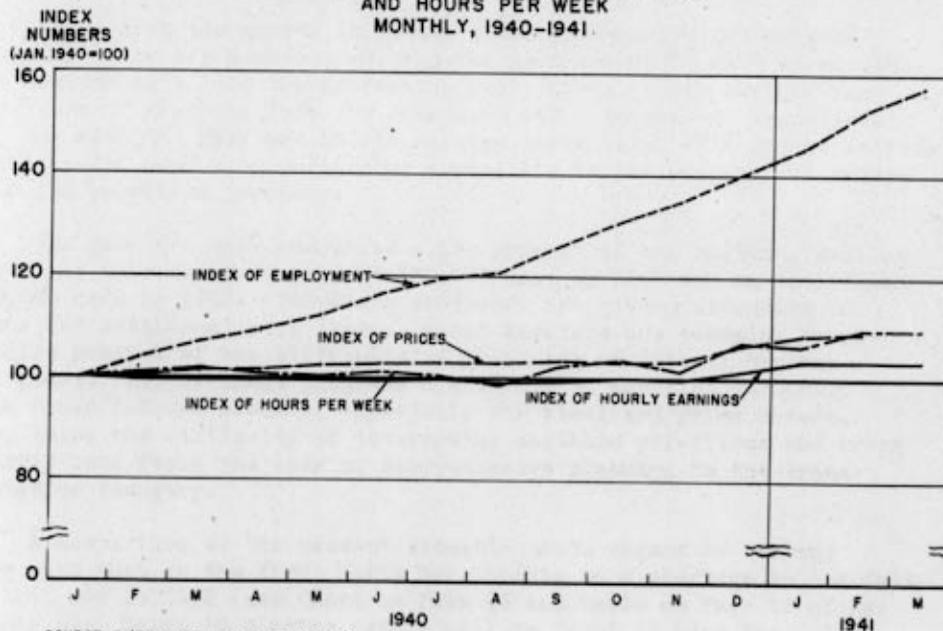
While stocks of lumber have declined sharply, there is ample productive capacity in the industry and the increase of prices has been speculative in character.

Machine Tools -- The machine tool industry, from the beginning of the defense program, has been one of the chief bottlenecks limiting the expansion of production. There is no production index for the industry, but the rise of output may be roughly gauged by the increase in employment.

There has been a slightly increasing rate of expansion in the industry since August 1940 (see Chart below and Table on Page 12 of Appendix B). The continuous rise of prices is the best indicator of the scarcity of machine tools. However, the existence of a degree of control over the price of new tools prevented a rapid rise such as that occurring in the secondhand tools market where it was necessary to set maximum prices.

MACHINE TOOLS

PRICES, EMPLOYMENT, HOURLY EARNINGS
AND HOURS PER WEEK
MONTHLY, 1940-1941.



The capacity of the machine tool industry can still be enlarged by an increase in the number of shifts and a broadening of the training program associated with this expansion. But this cannot take the place of further increased plant expansion in heavy forging and other areas where more facilities are required.

The production of cars and trucks for civilian needs is also to be curtailed 20 percent or more in 1942 for the purpose of making more machine tools available for defense uses, while automobile models for 1943 are to be the same as in 1942.

COMPARISON OF TOTAL PRODUCTION OF ALL
GOODS AND SERVICES IN THE U.S. WITH 1939

Transportation -- The transportation situation has been growing more serious since the first of the year. During the first twenty weeks accumulated carloadings totaled 14,668,491 as against 12,609,982 cars in the same period of 1940, an increase of 15.6 percent despite the reduction in coal loadings occasioned by the strike.

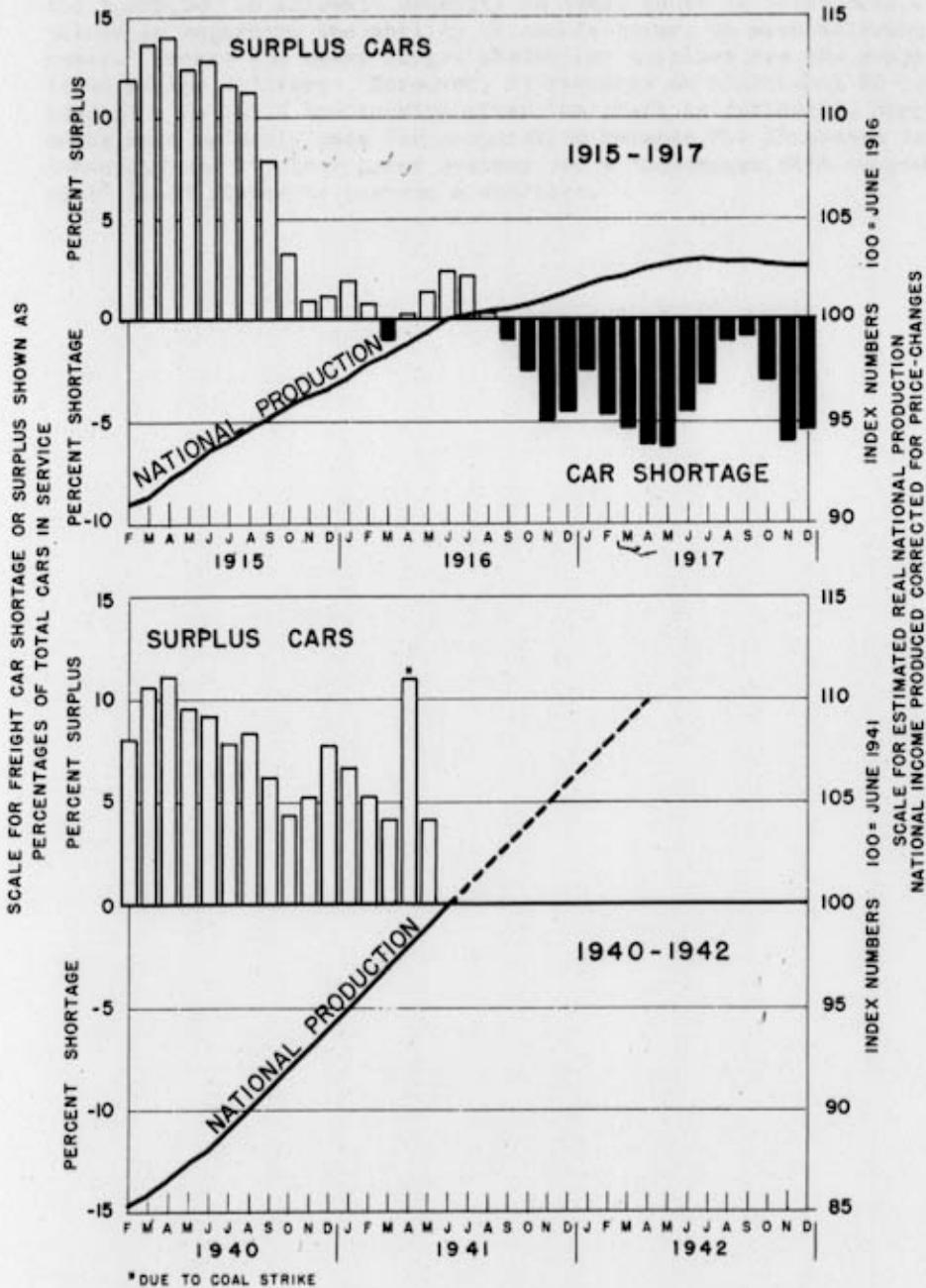
The carloadings reports show an accelerated rate of increase. For the week ended May 10, the loadings approached the October peak of 1940 and in the week of May 17 they exceeded any week since November 8, 1930. Although a portion of this recent increase may be attributed to the effects of the coal strike, a large part of it occurred in the miscellaneous category which includes manufactures. With carloadings running at this high level so early in the year, the prospect for the Fall peak indicates carloadings of about 1,000,000 per week. This would be well above the levels in any year since 1929.

Aside from the growth in volume which accompanies the defense program, there are numerous anticipated problems which will accentuate the demands upon land transportation facilities. These include the diversion of shipping from the coastwise and intercoastal operations for use with the Navy and in the foreign trade which will create serious problems for land transportation, especially in the movement of petroleum and petroleum products.

The carriers have announced a new program of car building calling for a net increase in supply of 120,000 cars by 1942 and an additional 150,000 cars by 1943. Petroleum producers are giving attention to plans for additional pipe lines. Motor carriers are becoming apprehensive because of the difficulty of procuring additional highway equipment. All of these programs are likely to conflict seriously with other defense demands, especially for steel and prime movers. They raise the difficulty of determining suitable priorities and bring sharply into focus the lack of comprehensive planning in the transportation industry.

A comparison of the present situation with regard to railway cars with that in the first World War, points to a shortage in the fall of 1941 and in 1942 (see Chart on Page 23 and Table on Page 13 of Appendix B). Delay in placing orders will be found to have imperiled the prompt execution of these orders by reason of defense program requirements.

COMPARISON OF TOTAL PRODUCTION OF ALL GOODS AND SERVICES IN THE U.S. WITH NET SURPLUS OR SHORTAGE OF RAILROAD FREIGHT DURING TWO IMPORTANT PERIODS.



Shortage of Electric Power Capacity -- The emergency requirements call for added capacity of some 3,000,000 kilowatts per year of electric production capacity. While it is planned to add 3,353,000 in kilowatt capacity in 1941, doubt is being entertained in regard to the ability of manufacturers to meet delivery dates. Orders for heavy forged shafts for turbines are now subject to 24 months delivery. Moreover, it requires an additional 10 to 14 months to build the turbine after the shaft is delivered. Arrangements were recently made for cooperation between the Tennessee Valley Authority and 17 other power systems for a "Southwest defense power pool" in 17 States to prevent a shortage.

SECTION III OF CURRENT TRENDS

Labor Supply,
Employment, &
Unemp. Payments

Section III

Labor Supply, Employment, and Unemployment

Explanations of the labor supply are becoming somewhat more complex as more information is gathered about the nature of its fluctuations. The former assumption of a regular increase in the labor supply based on rising population made it relatively simple to estimate unemployment, if a fair estimate of employment could be secured.

However, both employment and the labor supply have rather wide seasonal movements. The Work Projects Administration estimated an increase of 11 hundred thousands in employment in April as compared with March 1941. An examination of the seasonal indexes of employment in agricultural and non-agricultural industries suggests that the whole movement was largely seasonal. However, the labor turnover reports on manufacturing employment, released by the U. S. Department of Labor, show employment accession in excess of separations by an amount materially higher than the usual seasonal movement would require. Hence, it is fair to conclude that there has been some trend rise of manufacturing employment in recent months, although no accurate measure of its amount can be stated.

Unemployment declined very slightly in April because the labor supply had a seasonal rise almost as large as that of employment. While employment rose 1.1 millions, the labor force increased about 950 thousands.

The changes in the labor supply, in employment and in unemployment during March and April, were as follows (see Page 5 of Appendix A):

	In millions of	
	persons	
	April	March
Labor force	56.8	55.7
Employed	50.2	48.9
Unemployed	6.6	6.8

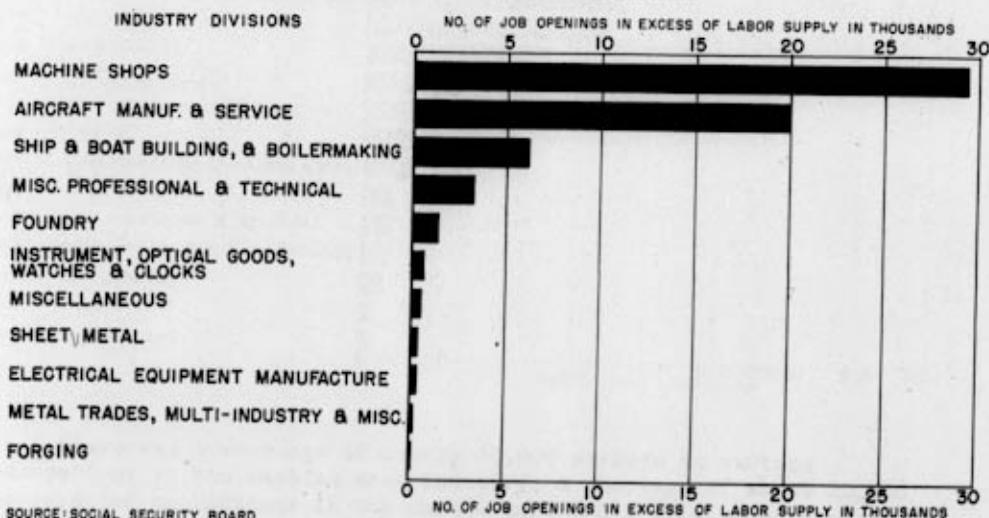
Of the 6.6 millions estimated to be unemployed in April, some 1.5 to 2 millions may be regarded as not readily employable. There remain only about 2 millions unemployed and not provided for by Federal emergency employment. The Federal emergency employment was as follows:

Work Projects Administration	1,718,000
National Youth Administration	930,000
Civilian Conservation Corps	244,000
Other	17,000
Total	2,909,000

The active file of about 5 millions of job seekers for April is approximately equal to the unemployed who may be regarded as readily employable.

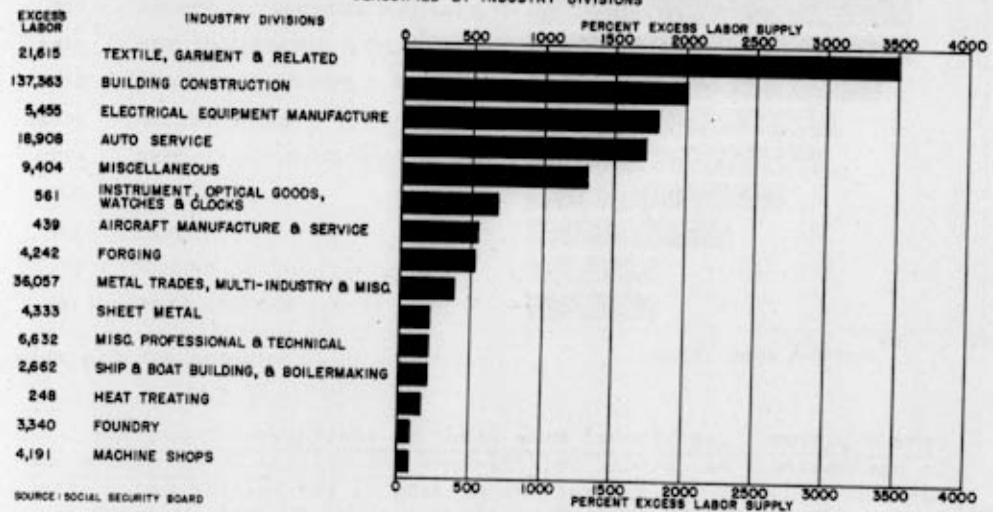
The employment bottleneck arises from the relatively small number of skilled and semi-skilled workers available (see Chart below and Table on Page 16 of Appendix B). At the end of the first quarter of 1941, the skilled and semi-skilled registrants for defense employment were about 7 percent of the active file of the U. S. Employment Service. About 75 percent of the employees in defense industries, however, are skilled or semi-skilled, and these two groups are about 62 percent of all industrial wage-workers. It is apparent, therefore, that the bringing of the unemployed into active employment involves an extensive program of training.

LABOR SHORTAGE IN SELECTED DEFENSE OCCUPATIONS
CLASSIFIED BY INDUSTRY DIVISIONS



To date, however, the scarcity of skilled and semi-skilled workers has been confined largely to certain localities and certain skilled occupations. It has not become as serious a bottleneck as the lack of industrial capacity. The Social Security Board collected data recently as to the job openings then available and estimated to be available in May. There were various occupations in which the job openings exceeded the labor supply in some of the important defense industries (see Chart below and Table on Page 16 of Appendix B). The data reported below are illustrative in character and no great weight need be given to the figures cited.

LABOR SUPPLY AS A PERCENT OF JOB OPENINGS IN SELECTED DEFENSE OCCUPATIONS
CLASSIFIED BY INDUSTRY DIVISIONS

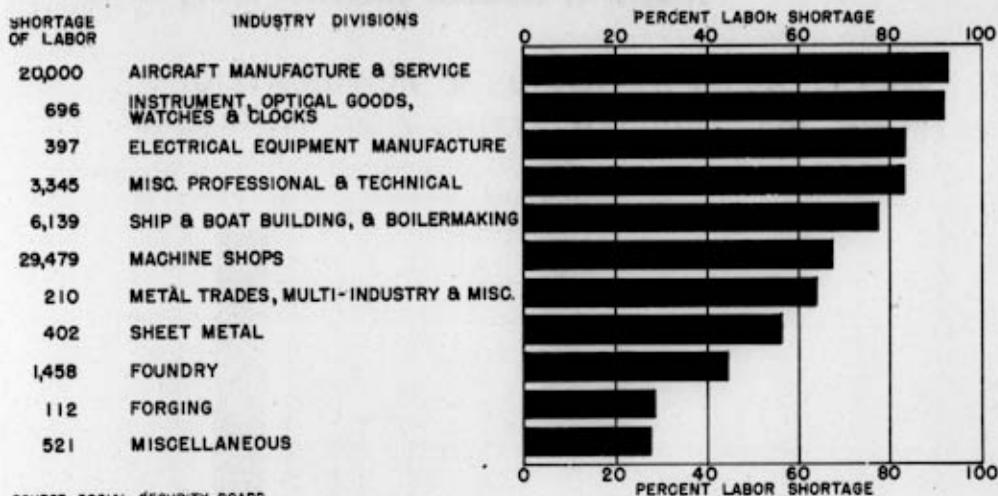


SOURCE: SOCIAL SECURITY BOARD

There was a shortage of nearly 30,000 workers in various occupations in the machine shop industry, a shortage of about 20,000 in selected occupations in the manufacture and servicing of aircraft, about 6,000 in certain shipbuilding occupations, etc.

The shortages in these occupations may be stated as percentages of the demand for labor in the occupations involved (see Chart below and the Table on Page 16 of Appendix B).

**LABOR SHORTAGE AS A PERCENT OF JOB OPENINGS
IN SELECTED DEFENSE OCCUPATIONS
CLASSIFIED BY INDUSTRY DIVISIONS**

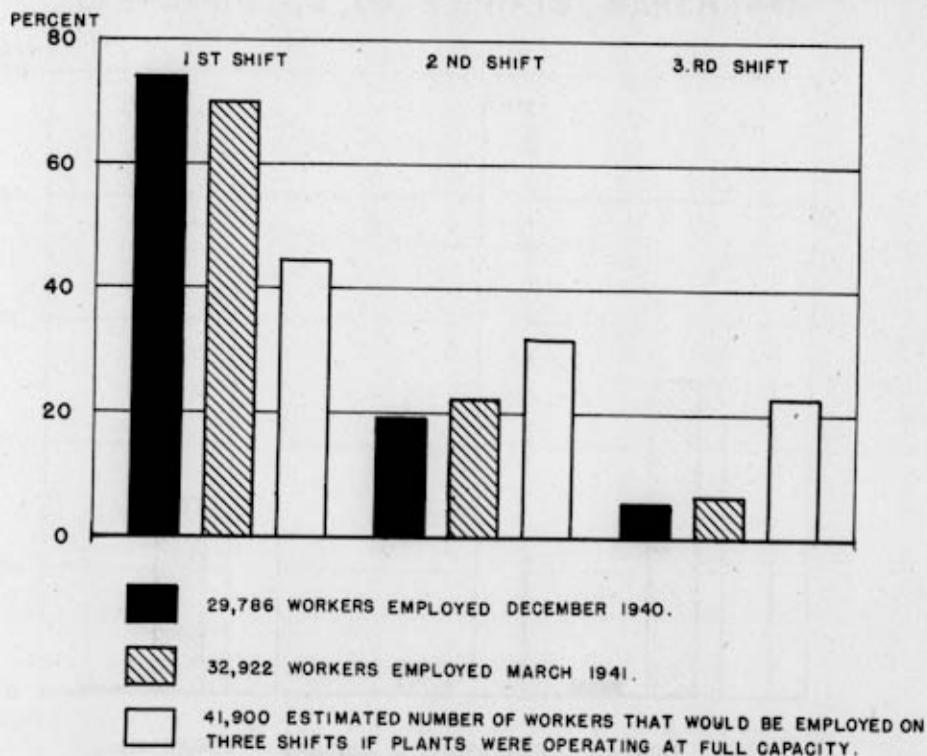


For other occupations in these same industries, however, there was a surplus of skilled and semi-skilled labor. As a percentage of demand, the surplus was largest in the textile and garment industries (see Chart on Page 27 and the Table on Page 16 of Appendix B). It should also be noted that in some building occupations there was a surplus, and a small surplus in some of the occupations in the manufacture and servicing of aircraft.

The labor shortages, however, were largest as a percent of the job openings in certain occupations in the aircraft field (see Chart shown above). The amount of the shortage in the occupations where it appeared was much greater in terms of number of jobs than was the surplus in the occupations where it appeared. In the machine shops, also, the number of jobs for which there was a shortage of labor was very large as compared with the number of jobs for which there was a surplus of labor available.

The output and employment in a group of machine tool plants could be increased about 29 percent by increasing employment in the second and third shifts (see Chart below and Table on Page 17 of Appendix B). The slight decline in the percentage of employees in the first shift between December and March represented an improvement in the capacity of the plants. But, if the decline had gone further to the distribution shown in the blank columns employment in the plants would have increased 29 percent.

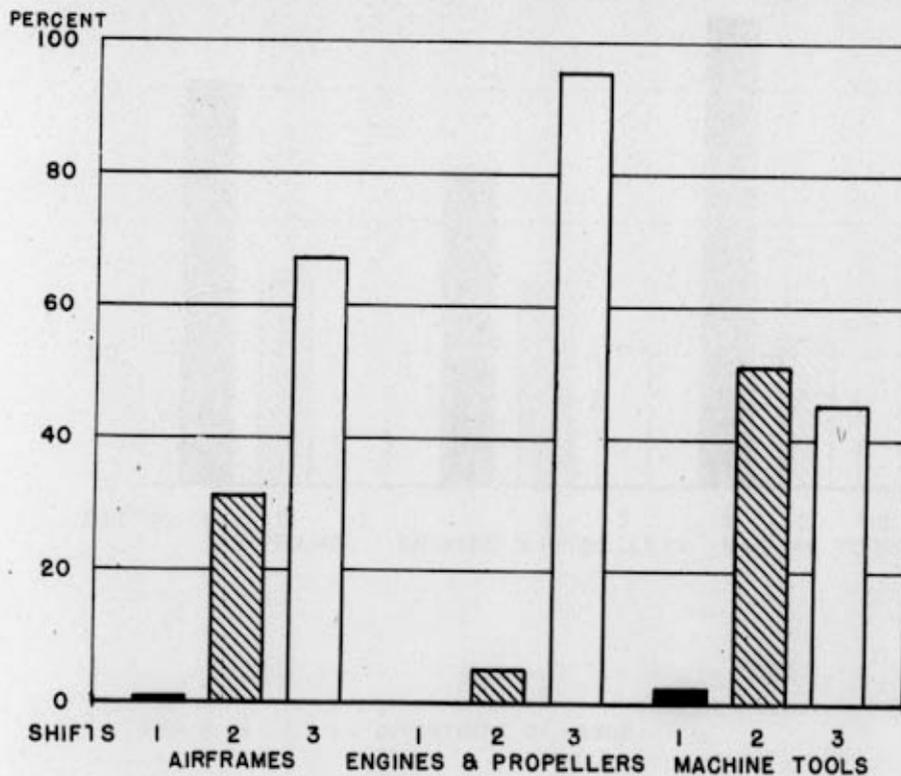
DISTRIBUTION OF EMPLOYEES IN 26 PLANTS OPERATING ON 3 SHIFTS, MACHINE TOOL INDUSTRY



SOURCE: B.L.S., U.S. DEPARTMENT OF LABOR

A larger percentage of employees work in three-shift plants in the production of airplane engine and propellers than in any one of three types of plants studied by the Bureau of Labor Statistics in March (see Chart below and Table on Page 17 of Appendix B). Airframe production ranks second in terms of the number of employees working in three-shift plants, while the machine tool industry ranks third. The Bureau of Labor Statistics had reports from 38 airframe plants, 18 engine and propeller plants, and 90 machine tool plants.

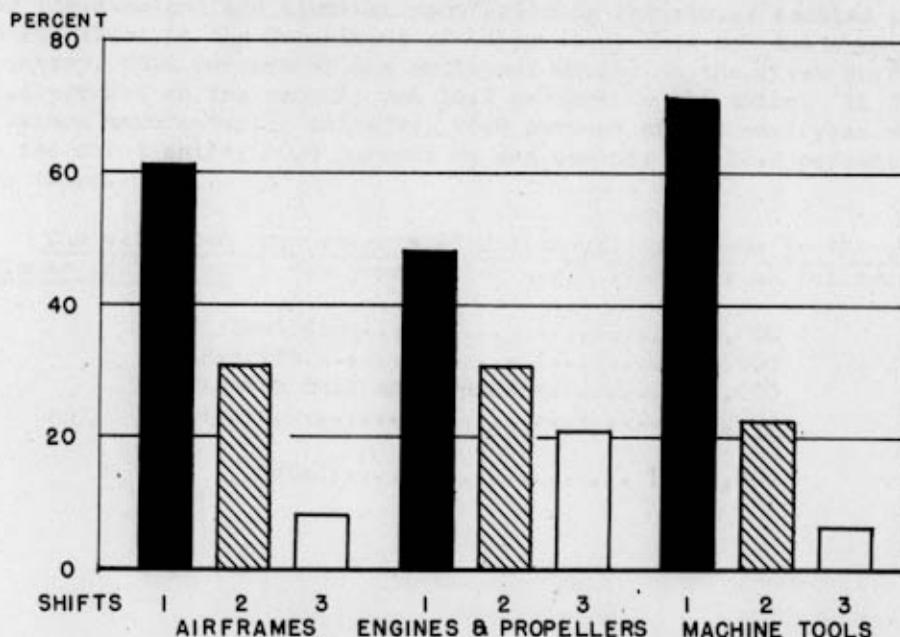
PERCENTAGE OF EMPLOYEES IN REPORTING PLANTS
OPERATING 1, 2 OR 3 SHIFTS, MARCH 1941



SOURCE: B.L.S., U.S. DEPARTMENT OF LABOR

The engine and propeller plants also ranked highest in terms of the percentage of employees working in the third shift (see Chart below, and the Table on Page 17 of Appendix B). In the entire number of aircraft plants (56), 11 percent of the employees worked in the third shift, 31 percent in the second, and 58 percent in the first. In the machine tool industry about 6 percent of the employees of reporting plants worked in the third shift, 22 percent in the second, and 71 percent in the first.

PERCENTAGE OF EMPLOYEES IN THE RESPECTIVE SHIFTS IN REPORTING PLANTS, MARCH 1941



SOURCE: B.L.S., U.S. DEPARTMENT OF LABOR

The shipyards showed an increased tempo of operations, but little change in percentage employment in the second and third shifts during the first quarter of 1941. The increase in employment in 25 establishments was 15.5 percent. Of the 25 shipyards, 20 worked the same number of shifts at the end of the quarter as at the beginning, 3 changed from two-shift operations to three-shift operations, and 2 changed from two-shift to one-shift operations. At the end of the quarter about 5 percent of the employees in 36 shipyards examined worked in the third shift and 16 percent in the second shift, leaving 79 percent working in the first shift.

The percentage of employment in second and third shifts rose in electrical manufacturing during the first quarter of 1941. Employment rose in the industry 15 percent, and more than 40 percent of the rise consisted of additional employment in the second and third shifts.

Employment in the second shift increased more than in the first in 35 of the copper, bronze, and brass products industry plants in the first quarter of 1941. Total employment in the plants rose 7.8 percent in the period. The increase in the number of employees was 1,600 in the first shift, 1,700 in the second, and 1,000 in the third.

While there were no reports on progress as to shift distribution for the chemical and aluminum manufacturing industries studied in March, it was shown in the Department of Labor study that for the chemical industry, 68.4 percent of the employees worked on the first shift; 17.4 percent on the second; and 14.2 percent on the third. In the aluminum manufacturing industry, 66.5 percent of the employees worked on the first shift; 20.6 percent on the second; and 12.9 percent on the third.

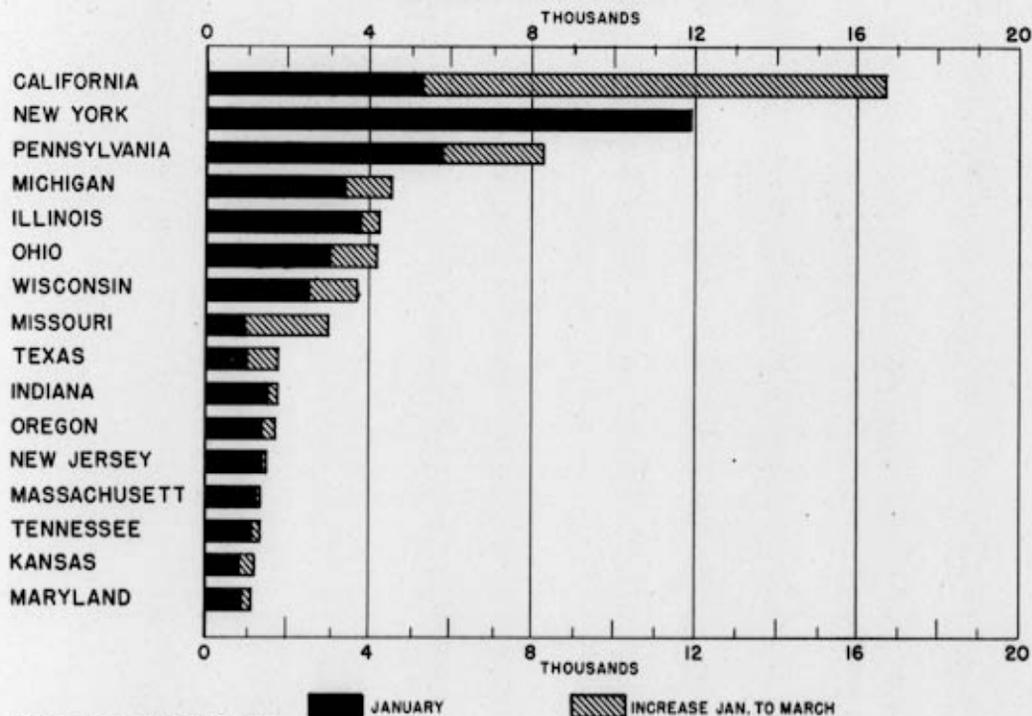
The estimated requirements of additional employees in the chief defense industries in the year ending April 1942, are as follows:

Shipbuilding.....	324,000
Aircraft.....	408,000
Machine tool and ordnance.....	292,000
Other.....	<u>385,000</u>
Total.....	1,409,000

The preemployment-refresher courses given under the auspices of the U. S. Office of Education have been relatively important as sources for employee recruits in defense industries. The enrollment in introductory preemployment courses has risen from about 65,000 in November 1940 to 83,000 in April 1941. Between July 1, 1940 and April 1, 1941, about 273,000 persons have been enrolled in these courses. It has been estimated that about half of those students find employment while they are enrolled or on completion of their work. The "supplementary courses" given under the auspices of the U. S. Office of Education had an enrollment of 129,000 on April 1 in comparison with 85,000 as of February 1. The enrollment in the supplementary courses is composed of those who have secured jobs and desire additional training.

During the first quarter of 1941, California showed the greatest activity in the expansion of the training program (see Chart below and the Table on Page 18 of Appendix B).

ENROLLMENT IN DEFENSE TRAINING COURSES JANUARY AND MARCH 1941



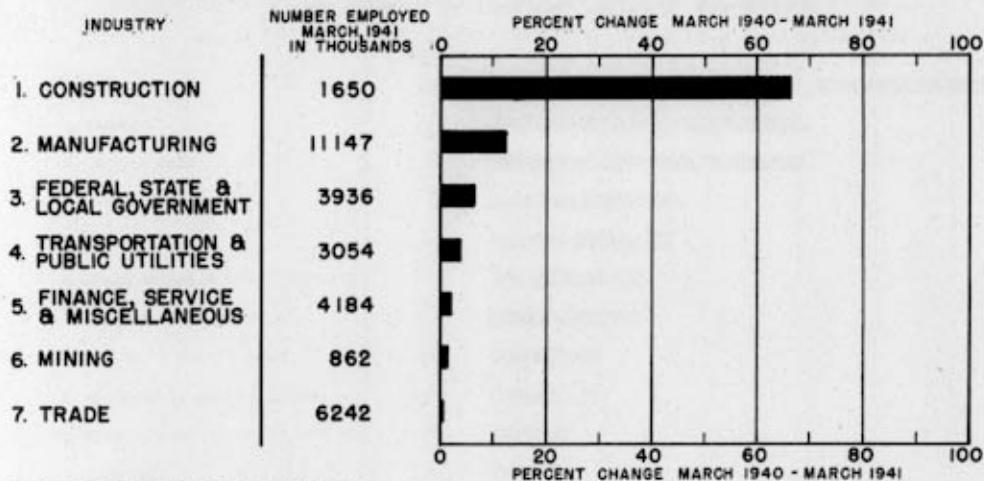
The enrollment referred to in the chart is for the preemployment-refresher courses. It is apparent that there was a general expansion in the program during recent months, although the enrollment seems small in consideration of the magnitude of the training problem confronting the country, if the 5 million unemployed are to be absorbed in an expanding program.

The "out-of-school work program" of the National Youth Administration is assuming greater importance as a source for recruits of employees in defense industries. The enrollment in the program was 481,958 in February, if account is taken of all the persons enrolled at any time during the month. Many of these are also students in the preemployment courses offered under the auspices of the U. S. Office of Education.

The "in plant training program" is also expanding and now has over 220 offices over the country where industries can secure consulting advice on the training programs. There is no available measure, however, of the extent of the contribution of this voluntary organization in expanding the force of skilled and semi-skilled workers.

The defense program may be expected not only to cause a scarcity of workers in various areas of employment, but it will also create a certain distortion in the distribution of the working force among the several industries. The largest increase of employment during the past year has taken place in the construction industry, where total employment has risen 66.5 percent. In the field of manufacturing, employment has risen 12.3 percent in comparison with an increase of 6.8 percent in civil non-agricultural employment (see Chart below and Table on Page 19 of Appendix B).

EMPLOYMENT IN NON-AGRICULTURAL ESTABLISHMENTS

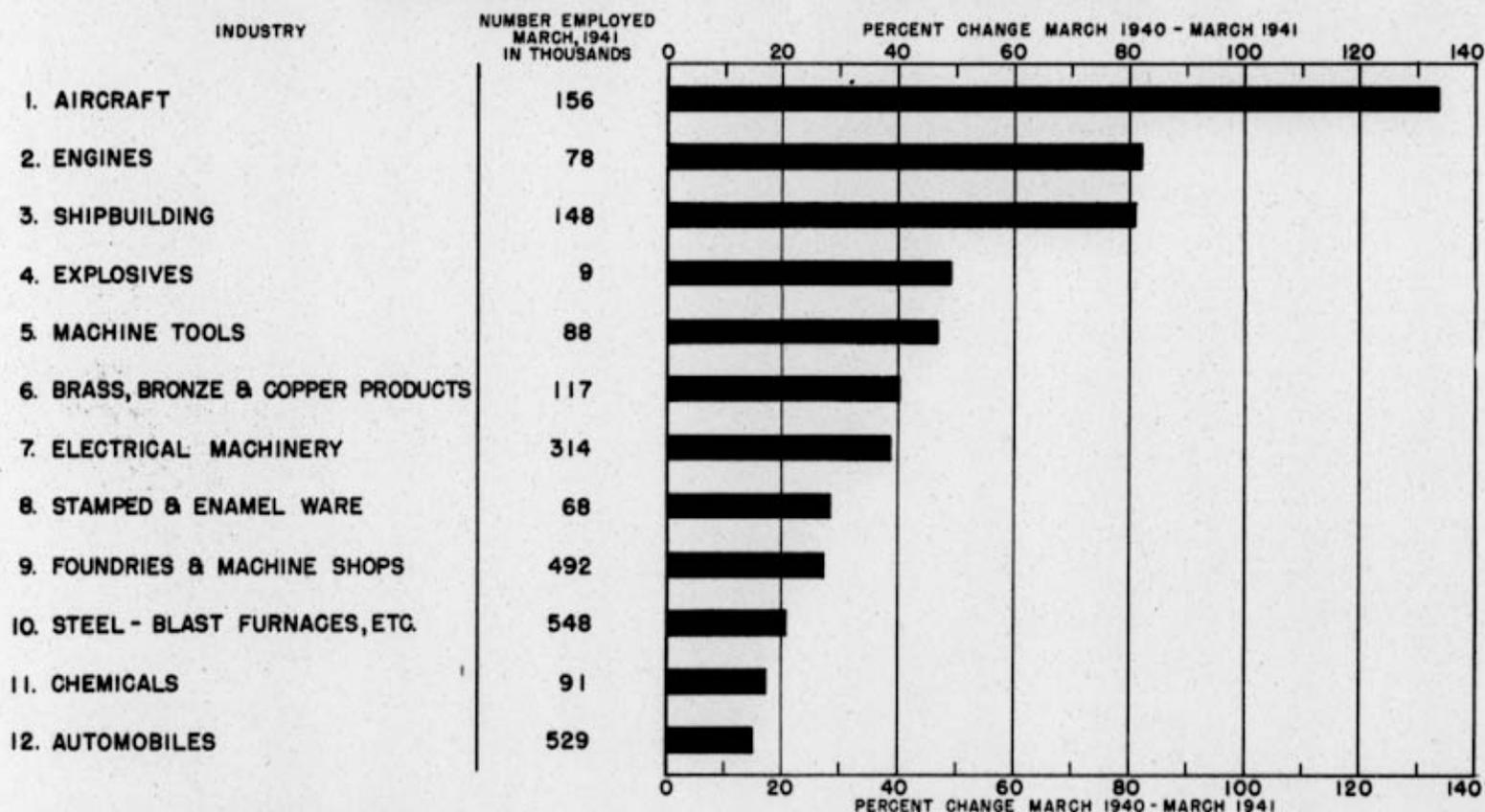


SOURCE: BUREAU OF LABOR STATISTICS

The large increase in employment in the construction industry suggests the possibility of a shortage of employment in that area. However, the 2,500,000 now employed in the industry represent a lower level than that attained in the twenties. The scarcity of skilled workers is mainly local in character and does not threaten to become general at an early date.

A better picture of distortions or extraordinary rises in employment is shown by the data on employment changes in defense industries (see Chart below and the Table on Page 20 of Appendix B). The aircraft and shipbuilding industries show the largest percentage changes in employment, although the number of employees added is relatively large in some of the industries where the percentage rise is of a less phenomenal character. The percentage rise of employment in the explosive industry is large but the number of employees added has not represented significant changes in manufacturing employment.

EMPLOYMENT IN SPECIFIED DEFENSE INDUSTRIES



SOURCE: BUREAU OF LABOR STATISTICS

SECTION IV OF CURRENT TRENDS

Regd. on 1
Changes

Section IV

Regional Changes in Employment in Relation to the Volume
of Construction and the Distribution
of Defense Contracts

The rise of non-agricultural employment in the United States during the past 9 months has been relatively large in those states where the volume of contracts awarded has been greatest (see Charts on Pages 38, 39, and 40, and Tables on Pages 21, 22, and 23 of the Appendices). The increases in employment have been especially large in the New England States, the South Atlantic States, the Central States, and the Pacific States. Changes in the number employed have been relatively small in the Mountain States and the West and North Central States.

There is, however, a more marked correspondence between the volume of contracts and the rise of employment in the industrial areas where contract work is carried forward (see Charts on Pages 39 and 41, and Tables on Pages 22 and 24 of the Appendices).

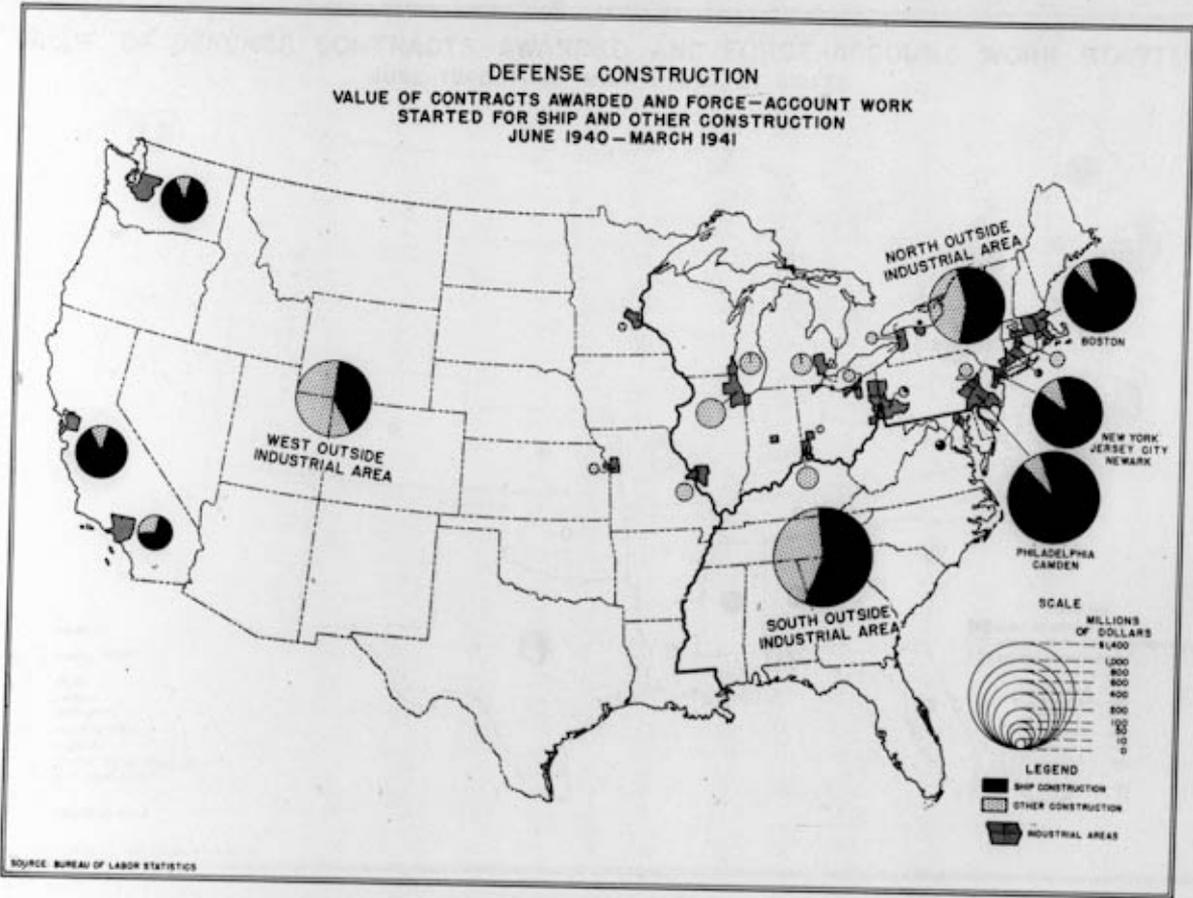
Non-agricultural employment has risen most in the metropolitan cities of industrial areas where the volume of defense contracts has been large (see Chart on Page 41). If there are to be "ghost towns" after the defense period, it seems likely that they will appear in the metropolitan areas of the large cities of the country where the major part of defense contract work is being carried out.

The raw materials expenditure on construction contracts, amounting to 510 millions of dollars in the first quarter of 1941, was doubtless distributed mainly to the industrial states. Iron and steel purchases largely affected the North Central States, while the South - Outside Industrial Area will be affected most by aluminum purchases. In similar fashion, it is necessary to consider each of the raw material items separately if one is to judge where an increase in demand affects employment.

Farm employment has tended to decline somewhat in 1941 in the areas where defense employment has increased most (compare Charts on Pages 42 and 40, and Tables on Pages 25 and 23 of the Appendices). For example, farm employment has declined in 1941 as compared with 1940, and in 1940 as compared with 1939, in the South Atlantic States and also in the South Central States, which are relatively important agricultural areas. Similar trends appear in the North Central Area and in the Pacific States.

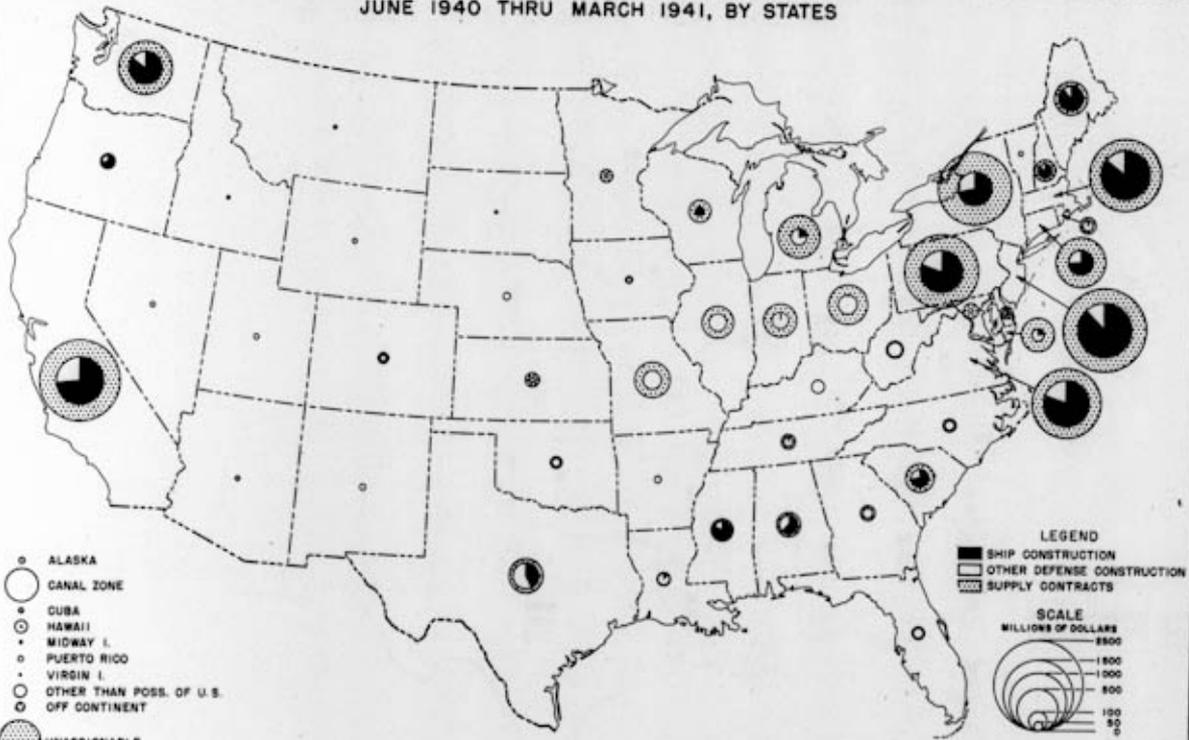
Industrial plant building has shown large increases in the West Central States, in New York and Pennsylvania, and in Texas (see Chart on Page 43 and Table on Page 26 of Appendix B). Since the data are taken from the F. W. Dodge Corporation reports, they do not furnish information for the Pacific States. If it be considered that the plant expansion program is in its early stages, it becomes apparent

DEFENSE CONSTRUCTION
VALUE OF CONTRACTS AWARDED AND FORCE-ACCOUNT WORK
STARTED FOR SHIP AND OTHER CONSTRUCTION
JUNE 1940 - MARCH 1941



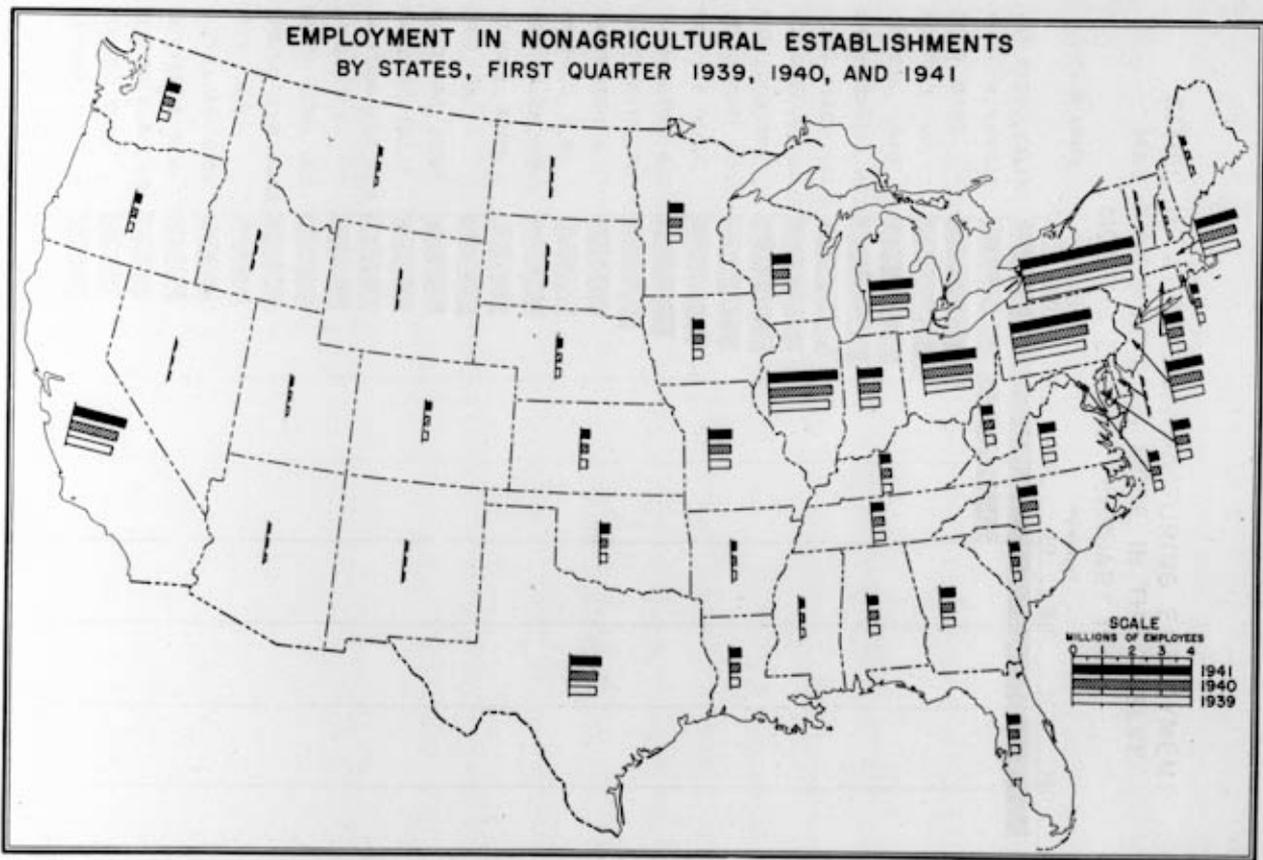
SOURCE: BUREAU OF LABOR STATISTICS

VALUE OF DEFENSE CONTRACTS AWARDED AND FORCE-ACCOUNT WORK STARTED
 JUNE 1940 THRU MARCH 1941, BY STATES



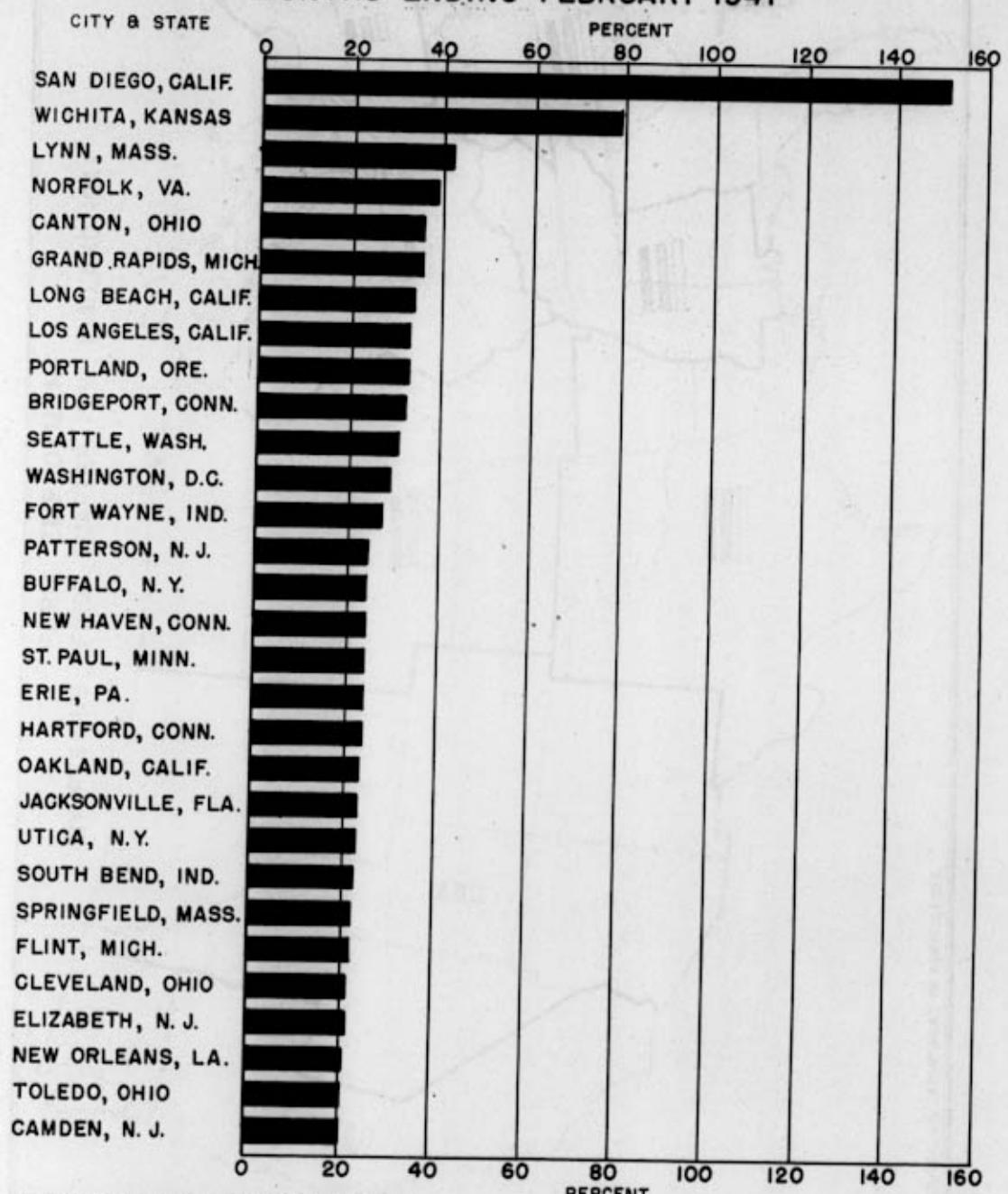
SOURCE: BUREAU OF LABOR STATISTICS

**EMPLOYMENT IN NONAGRICULTURAL ESTABLISHMENTS
BY STATES, FIRST QUARTER 1939, 1940, AND 1941**



SCALE
MILLIONS OF EMPLOYEES
1941
1940
1939

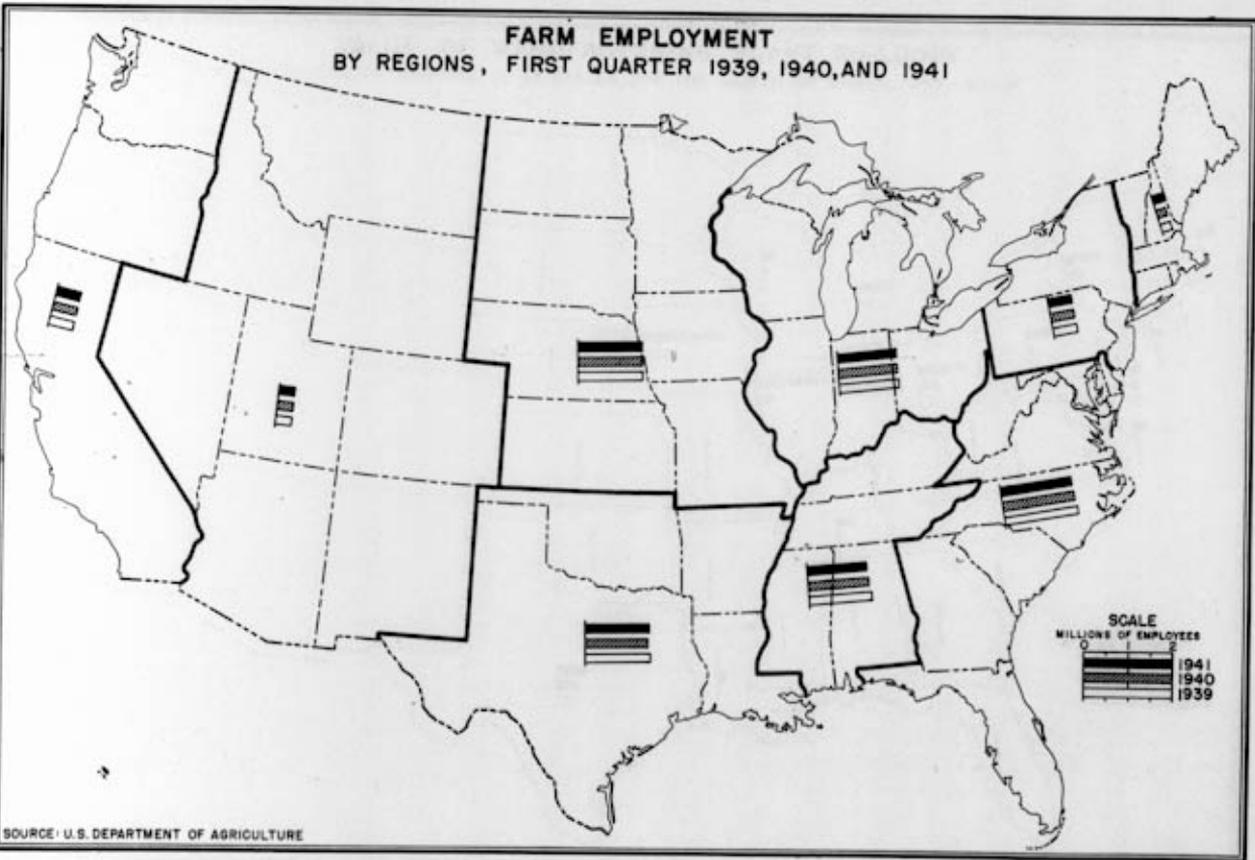
CITIES IN WHICH MANUFACTURING EMPLOYMENT HAS RISEN 20% OR MORE IN THE TWELVE MONTHS ENDING FEBRUARY 1941



SOURCE: BUREAU OF LABOR STATISTICS

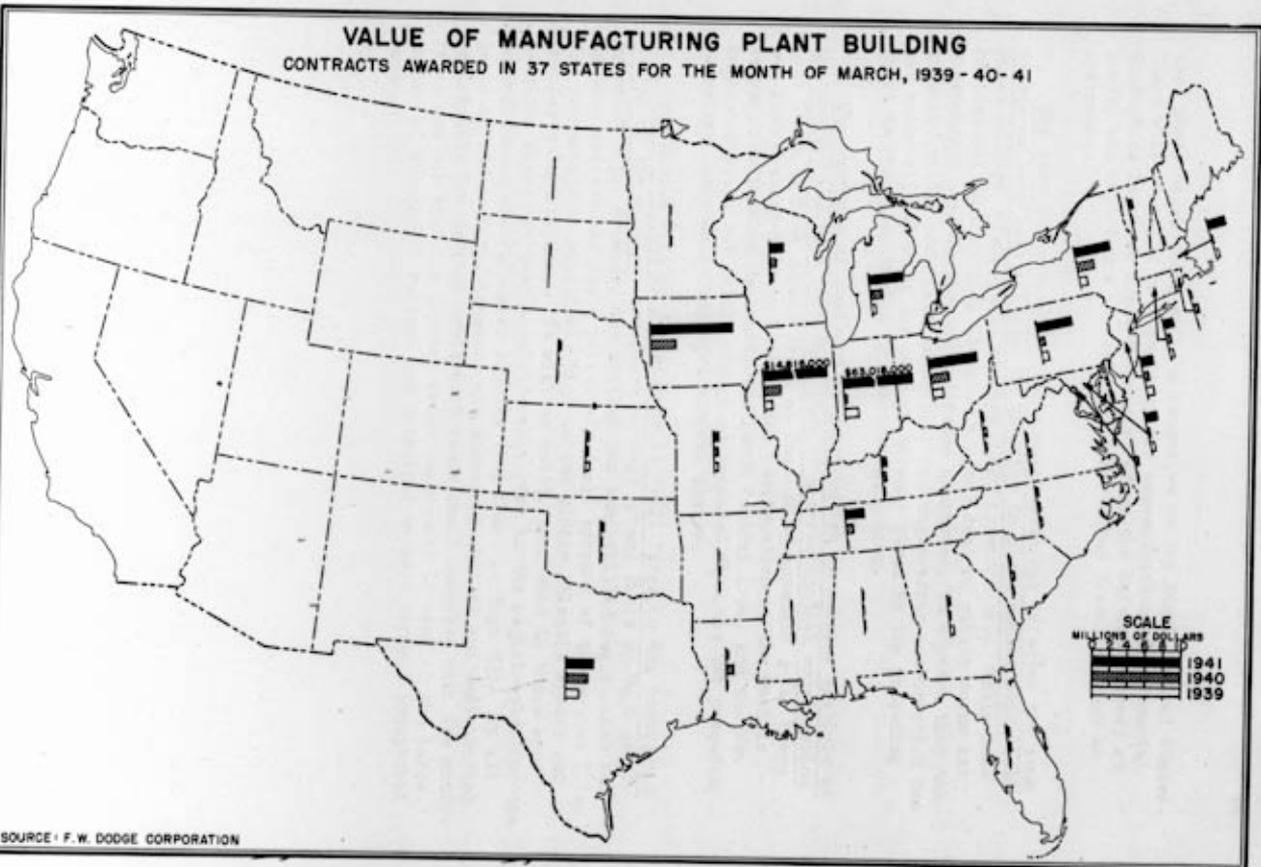
PERCENT

FARM EMPLOYMENT
 BY REGIONS, FIRST QUARTER 1939, 1940, AND 1941



SOURCE: U.S. DEPARTMENT OF AGRICULTURE

VALUE OF MANUFACTURING PLANT BUILDING
 CONTRACTS AWARDED IN 37 STATES FOR THE MONTH OF MARCH, 1939 - 40 - 41



SOURCE: F. W. DODGE CORPORATION

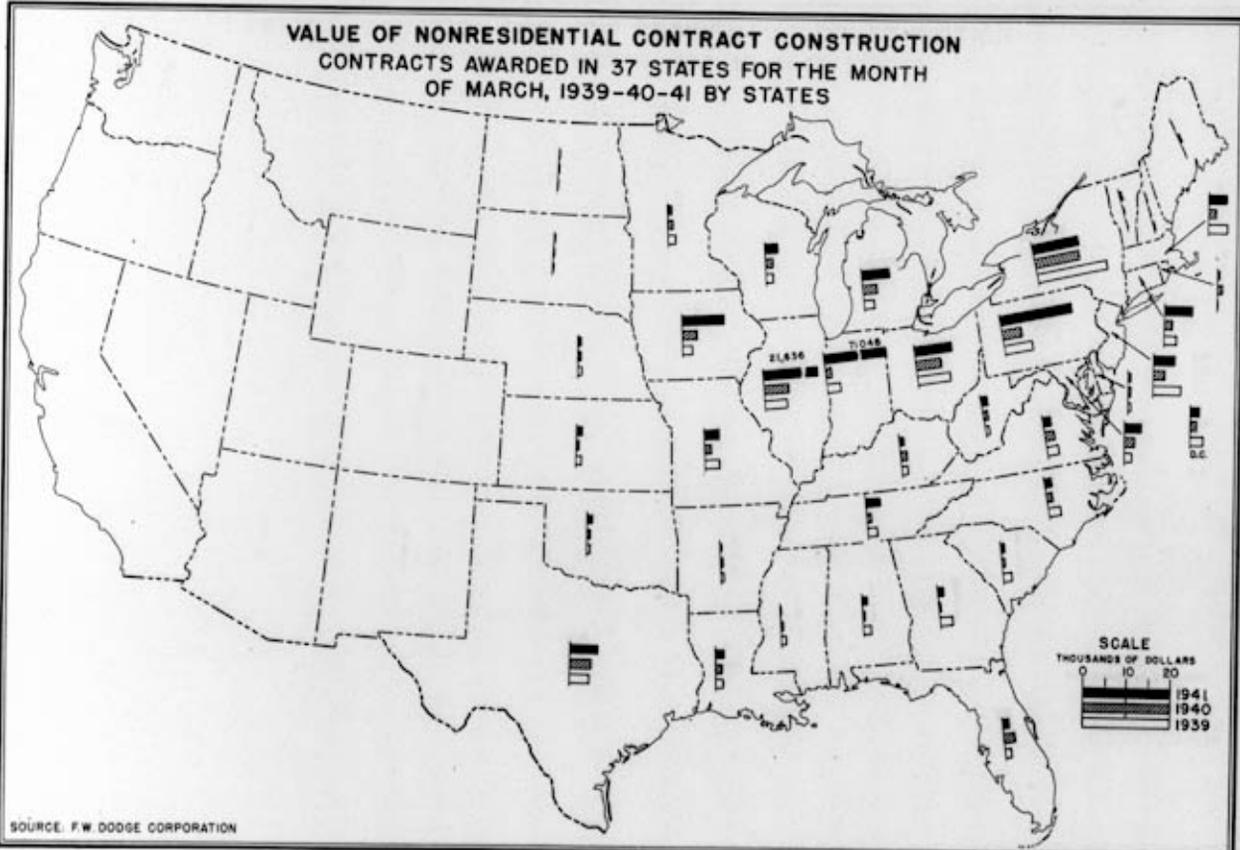
that plant development will be extensive in the North Central States. There will probably be a tendency for concentration of industrial production in these areas to persist after the defense period; at least, the experience succeeding the World War justifies such an inference.

The rise in non-residential construction has affected the same states as have been affected by the rise in plant construction (see Chart on Page 45 and Table on Page 28 of Appendix B). While non-residential construction includes a great deal of public works and engineering construction of a defense character, it appears that the increase in the non-plant industrial and engineering construction has not materially altered the picture already given in the preceding chart on the distribution of plant construction.

The increase of residential construction in various sections of the country has been less than that of non-residential construction (see Chart on Page 46 and Table on Page 30 of Appendix B). There has been a sharp rise in residential construction in the Pacific States, the Eastern Seaboard, the North Central Area, and the New England States, but little change as compared with the two preceding years has occurred in the agricultural states.

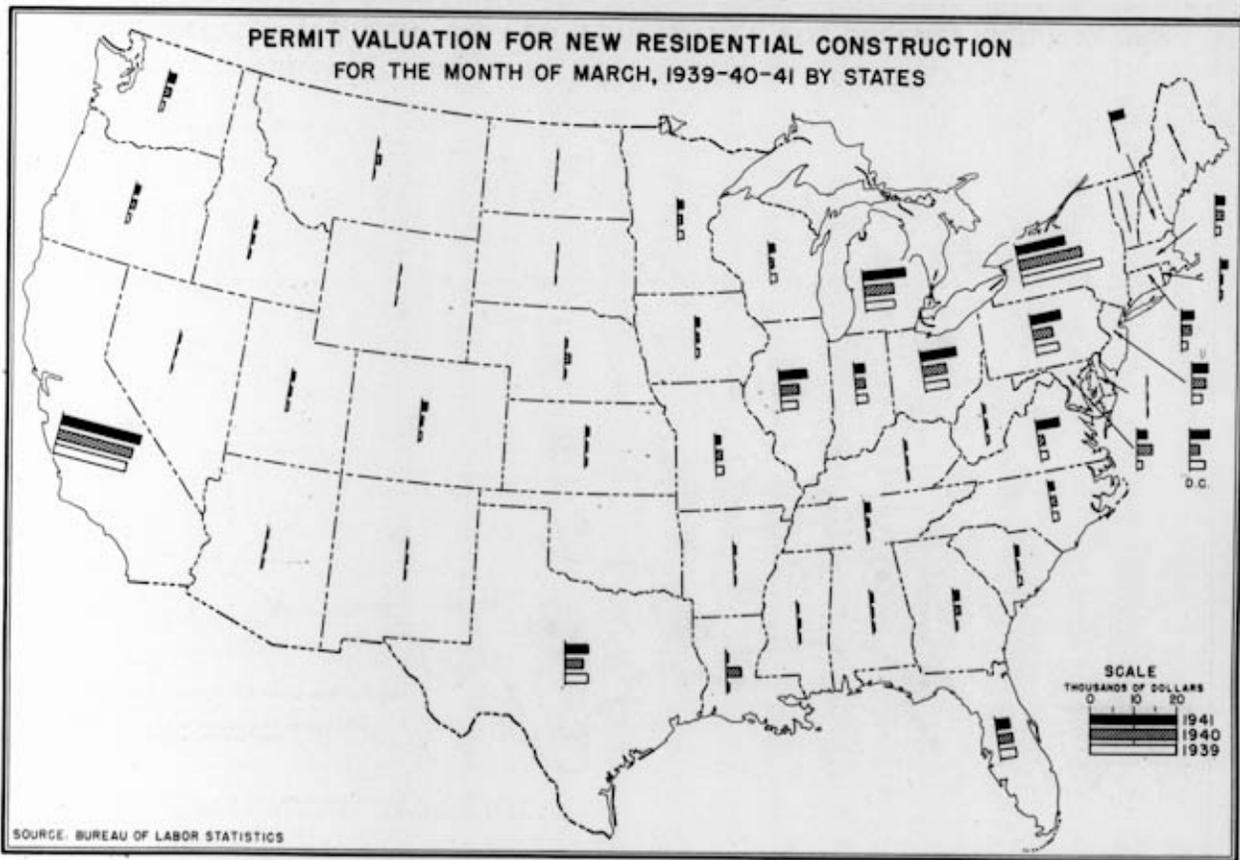
The active file of job seekers is still large in the industrial states of the country (see Chart on Page 47 and Table on Page 15 of Appendix B). However, the skilled and semi-skilled registrants for defense occupations are a relatively small percent of the active file. The percentage is relatively high in the Middle Atlantic States and the North Central Area. It will be noted, too, that in these same sections there has been a considerable rise in the registration for the preemployment and refresher courses (see Chart on Page 33). In all parts of the country, however, the number of skilled and semi-skilled registrants for defense employment seems small compared with the active file, and the training program seems inadequate in view of the large number of unemployed persons yet untrained to meet current industrial needs.

**VALUE OF NONRESIDENTIAL CONTRACT CONSTRUCTION
 CONTRACTS AWARDED IN 37 STATES FOR THE MONTH
 OF MARCH, 1939-40-41 BY STATES**



SOURCE: F.W. DODGE CORPORATION

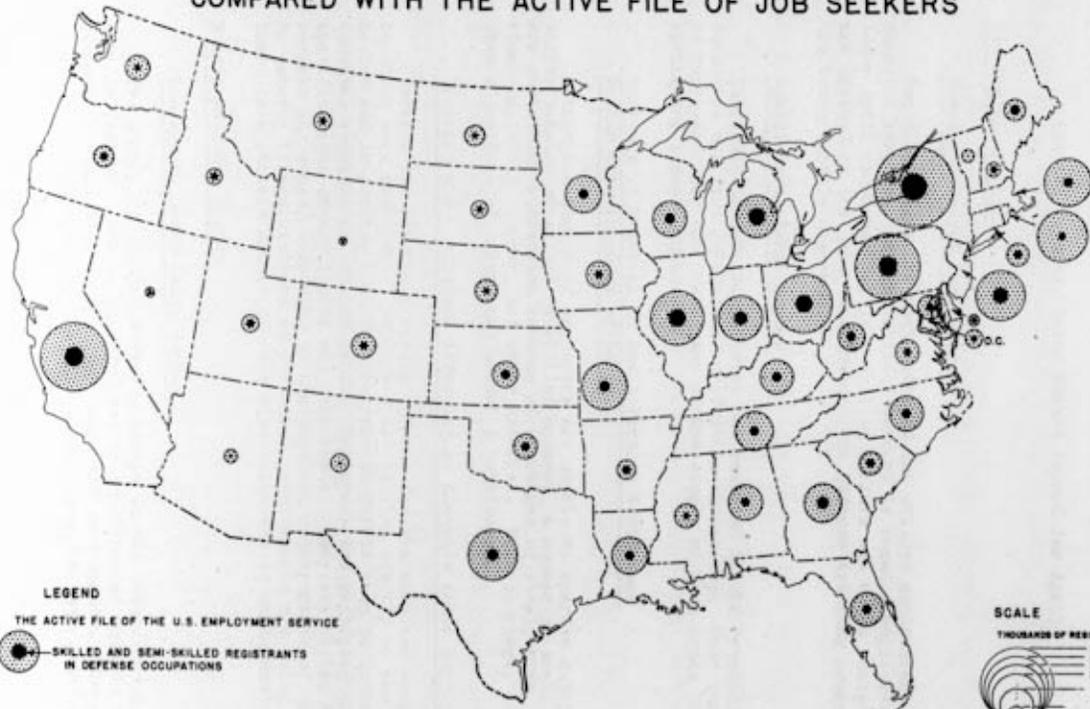
**PERMIT VALUATION FOR NEW RESIDENTIAL CONSTRUCTION
FOR THE MONTH OF MARCH, 1939-40-41 BY STATES**



SCALE
THOUSANDS OF DOLLARS
0 10 20
1941
1940
1939

SOURCE: BUREAU OF LABOR STATISTICS

THE SKILLED AND SEMI-SKILLED REGISTRANTS FOR DEFENSE OCCUPATIONS COMPARED WITH THE ACTIVE FILE OF JOB SEEKERS



LEGEND

THE ACTIVE FILE OF THE U.S. EMPLOYMENT SERVICE

● SKILLED AND SEMI-SKILLED REGISTRANTS
IN DEFENSE OCCUPATIONS

SCALE



NOTE: ACTIVE FILE OF THE U.S. EMPLOYMENT SERVICE AS OF MARCH 31, 1941,
SKILLED AND SEMI-SKILLED REGISTRANTS AS OF FEBRUARY 21, 1941.

SOURCE: SOCIAL SECURITY BOARD

Regional Labor Market Notes

(Social Security Labor Market Report for April)

New England Region

Non-agricultural Labor Supply

Labor shortages are most acute in the skilled occupations and domestic service. Lack of skilled workers is causing employers to lower skill requirements; less skilled workers are being accepted and trained on the job. Trainees in the defense training program are being rapidly absorbed.

Agricultural Labor Supply

Increased industrial activity has resulted in the transfer of domestic and farm laborers to production industries. Much concern is expressed over the inadequacy of the supply of farm hands for the spring and summer months.

Shortage of Material in Small Firms a Bottleneck Rather than Shortage of Labor

Although a number of employers are unable to operate multiple shifts because of a lack of skilled workers, a number of small firms are curtailing operations because of shortages of steel, zinc, aluminum, brass, copper, and other material. This shortage, rather than a shortage of labor, has become a bottleneck.

Training and Conditions Affecting an Adequate Labor Supply

Defense and private training courses for training the workers are becoming more prevalent. Employers are relying heavily on the promotion and in-service training programs to enable them to train adequate supplies of skilled labor. Employers are modifying their specifications on age limits and experience. Many are hiring WPA workers and women, according to the physical requirements of the work. No general liberalizations of personnel requirements are being made. There is a certain amount of race discrimination in employment.

Middle Atlantic Region

Non-agricultural Labor Supply

The supply of skilled workers, except in the construction industry, is limited. Temporary surpluses of construction workers exist because of completion of military camps and cantonments. These will probably disappear when industrial plant expansion gets under way

Bottlenecks are developing because of shortages of machinists, tool and dye makers, machine tool operators, and power sewing machine operators. The shifting of labor to better paying industrial and defense work has contributed to high rates of labor turn-over and has created shortages in office, restaurant, domestic, and other low-wage workers.

Agricultural Employment

Migration of farm workers to defense projects and industrial employment has left the farmers with a greatly diminished supply of workers from which to draw. It is doubtful whether the farmers will be able to obtain their labor requirements during the spring and summer.

Training Program

Deficiencies of skilled workers are being met by an attempt to organize training courses to meet the needs of specific employers. The most rapid promotion of workers to higher skills is by breaking down the more skilled jobs into simpler tasks.

Great Lakes Region

Non-agricultural Labor Supply

All of the States report increased employment in manufacturing industries. While the supply of semi-skilled and unskilled labor is reported to be adequate in most localities, the supply of skilled labor, particularly in the metal trades, is practically exhausted. In spite of the strong demand for construction workers, no shortage in the labor supply has developed. A prevalent occurrence is lack of materials and machinery, which, in turn, has delayed production and the anticipated demand for workers. Although employer specifications are beginning to break down under the pressure of labor shortages, personal prejudices in regard to race, sex, and citizenship tend to persist.

Training Program

Trainees in public and private schools are absorbed by industry as rapidly as they complete their work. Training in industries is practically universal.

Cooperative Arrangements for Sharing Skilled Workers

Manufacturers are establishing cooperative arrangements by sharing the services of skilled workers. This results in a more efficient utilization of the skills in the labor force. As an example, a manufacturer facing the seasonal decrease in employment will transfer his employees to another concern which is expanding its production.

Southeast and Gulf Region

Non-agricultural Labor Supply

Completion of labor construction projects has resulted in a temporary surplus of construction workers. Shortages of skilled textile workers are developing as plants expand production by adding shifts. Inclement weather has caused a lag in employment in saw mills and logging activities.

Agricultural Labor Supply

Farmers are experiencing difficulties in obtaining labor and tenants because of more attractive job opportunities in construction industries. Because the supply of experienced construction workers will be ample to fill prospective demands, it is anticipated that many farm laborers will be compelled to return to the farms after temporary construction projects now under way are completed.

Training Program

Efforts in the national defense vocational training program are being geared to the type of training necessary for local needs. Many employers are inaugurating foundry and machine shop training courses.

Southwest Region

Non-agricultural Labor Supply

No serious labor shortage exists in any of the States in this region. Federal defense construction projects, plant expansion, and the building of housing facilities are the chief causes of new employment. Shortages in skilled workers will not occur in the near future because plants now being built will not be ready to start production for some time. Some difficulties experienced in hiring domestics are due primarily to low wages and long hours, rather than to a shortage of workers. Training programs are geared to meet the needs of local employers.

Farm Labor Supply

There is a surplus of farm labor in the Southwest region.

Training Program

Training programs are closely geared to the industrial needs of this region. Training schools for skills required to assemble airplanes operate on a 24-hour schedule. Numerous training courses have been established in public schools and at various plants and machine shops.

North Central Region

Non-agricultural Labor Supply

In general, the labor supply has been adequate. Some shortages of skilled workers in metal working occupations have developed.

Agricultural Labor Supply

Demand for farm hands seems to be greater than usual. The supply of farm workers is being depleted by the induction of men into military service and the migration of workers to defense industries. A serious shortage of farm hands is expected to develop.

Training Program

Lack of placement opportunities has caused a curtailment in the number of courses offered in auto mechanics, blueprint reading, and drafting, in the training programs.

Rocky Mountain Region

Non-agricultural Labor Supply

Shortages of skilled construction workers exist in certain localities. Although employment in mines has reached a peak in some areas, a shortage of experienced miners exists in the copper and zinc mines at Butte, Montana. Seasonal declines in employment in coal mining are occurring.

Agricultural Labor Supply

There has been a sharp upturn in agricultural employment in the southern States. There is some apprehension over the unavailability of farm labor in the northern States.

Training Program

Several States report a shortage of qualified applicants for the defense training programs.

In-migration of Workers

Announcements of large defense projects have been accompanied by in-migration of workers. In Denver, Colorado, registrations by employment offices have practically doubled by the addition of workers from outside States.

Pacific Coast Region

Non-agricultural Labor Supply

Construction work on military establishments, housing projects, and plant expansions offers the greatest opportunity for employment. Workers released from these projects are reemployed in new plants reaching the production stage. There are no serious labor shortages reported in general manufacturing fields. Some shortages of skilled workers occur in ship building and aircraft industries. White collar and service workers are hard to obtain because of prevailing wages. Firms are enforcing their demand for citizenship of employees.

Agricultural Labor Supply

No shortage in agricultural labor has been reported, although agricultural employment has expanded despite inclement weather.

Training Programs

Training programs are closely geared to Federal defense industries. Classes originally planned to last 10 weeks were shortened to 5, and have now been cut to 2 or 3 weeks. Many labor unions are carrying on training programs of their own. To supplement the skilled labor supply from training organizations, aircraft companies are recruiting workers from as far away as the Eastern States.

APPENDICES

APPENDIX A

APPENDIX A.

ESTIMATES OF NATIONAL INCOME AND EMPLOYMENT IN 1941 AND 1942

The estimates of national income pretend to be little more than informed guesses. They are based upon appraisals of the effects of Federal fiscal policies and private investment and consumption outlays upon levels of incomes and employment. The basis of the analysis and the relationships was sketched in the two preceding Quarterly Reports.

Some of the more general assumptions underlying the estimates are as follows:

1. That Federal expenditures, including those of Government corporations, in fiscal 1942 will approximate 25 billions of dollars -- 18 billions for defense, and 7 billions for all other purposes.
2. That new taxes applicable to fiscal 1942 will be levied to yield approximately 2.3 billions of dollars in the fiscal year ending June 30, 1942.
3. That there will be some increase in the rate of saving in proportion to national income between 1941 and 1942. In general, if the rate of saving in proportion to national income increases, as it may if prices are kept in check while outlays for consumers' durable goods and residential construction are restricted by priorities and tightened credit terms, the estimates of national income will need revision downward. On the other hand, if prices show a tendency to move rapidly, the rate of saving will probably decrease and the estimates of national income will need revision upward.
4. That the estimates are not so high that more production-mindedness could not make them higher; nor are they so low that shortsighted restrictions and failures to expand capacities could not make them lower.

I. Estimates of National Income and Employment.

The estimates may be summarized as follows:

Calendar Year	National Income ^{1/}		Indicated :	
	Current Dollars	Constant (1940) Dollars	Price Level ^{2/}	Employment ^{3/}
	Billions		Millions	
1939	69	69	100	47.6
1940	76	76	100	49.2
1941	89	84	106	51.8
1942	105	92	114	54.1

1/ National income produced.

2/ In the prices of goods and services constituting consumers' outlay and capital formation.

3/ Non-agricultural employment, as measured by the Bureau of Labor Statistics, U. S. Department of Labor, plus agricultural employment.

II. Basis of These Estimates.

1. National Income in Current Prices.

National income in current prices is related to offsets to saving. Estimated offsets to saving will be 20% larger in 1941 than in 1940, and 25% larger in 1942 than in 1941. This result is accounted for principally by Federal fiscal policy. Tax revenues are expected to increase sharply as the result of the increased yield of old taxes and the imposition of new ones, but spending on an expanding scale is expected to quadruple the Government's net cash deficit from 1940 to 1942. (On a consolidated basis, i.e., including Government corporations.) This deficit will increase from $\frac{1}{4}$ billions of dollars in 1940, to 7.4 billions in 1941, and to 15 billions in 1942.

Adjusted Offsets to Saving. There is a lag in the relationship of national income to offsets to saving. This lag may conveniently be summarized by a relationship between national income and adjusted offsets, where adjusted offsets are equal to 60% of the current year's offsets plus 40% of the preceding year's offsets:

	<u>Current Offsets</u> Billions	<u>Adjusted Offsets</u> Billions
1940	\$17.6	\$16.4
1941	21.0	19.6
1942	26.5	24.3

The movement of national income under the stimulus of these offsets depends in large part upon the course of savings as the economy breaks into new high levels of activity. In terms of goods and services, the economy is already substantially above 1929. In the best pre-1930 years, an increase of one billion dollars in adjusted offsets was associated (in years of rising income) with an increase of roughly

3.2 billions of dollars in national income; in 1938-40, however, the associated increase was apparently 25% lower than in the best pre-1930 years. Some decline in the expansionary effects of offsets upon national income is expected between 1941 and 1942.

The six principal categories of offsets to saving are expected to move in the following general directions:

<u>Offsets to Saving</u>	<u>1940</u>	<u>1941</u>	<u>1942</u>
	<u>B i l l i o n s</u>		
1. Net Government Contribution	\$ 4.0	\$ 7.4	\$15.0
2. Residential Construction	2.6	3.3	3.6
3. Change in Consumer Credit	0.9	0.9	-0.3
4. Private Outlays for Plant & Equipment	7.9	9.4	10.5
5. Change in Inventories	0.8	1.7	.7
6. Net Foreign Balance	1.4	-1.7	-3.0
Total Offsets	\$17.6	\$21.0	\$26.5

Net Government Contribution (Line 1) for calendar 1941 and 1942 was estimated by distributing 5.6 billions of dollars for fiscal 1941 and 10.2 billions for fiscal 1942 by quarters on the basis of 1940 experience. Federal expenditures in fiscal 1942 are projected at 25 billions of dollars, receipts from existing taxes at 11 billions, and receipts from the tax programs under discussion at 2.3 billions. Borrowing from pension funds, etc., and inter-fund interest payments may be 1.5 billions. The consolidated net cash deficit is, therefore, estimated at 10.2 billions.

The stimulating effect of government spending will depend, in part, upon who buys the to-be-issued Government bonds and, in part, upon whether the bonds are paid for with savings out of current income or with bank credit. The more bank credit is used, the larger will be the effects upon national income and prices. The larger the amount of bonds bought by individuals out of current savings, the smaller will tend to be the expansionary and/or inflationary effects of borrowing.

Residential Construction (Line 2) The outlay in 1941 is equivalent to almost a 12% increase in the physical volume of construction accompanied by a 15% increase in building costs. The increase in the estimated outlay for 1942 is due solely to higher costs. It is expected that the physical volume of building will be lower in 1942 than in 1941.

Consumer Credit (Line 3) This is expected to increase in 1941 along with larger automobile, refrigerator, furniture, and other consumers' outlays. Reduced outputs of durable goods by 1942, coupled with tightened credit terms and shorter periods are expected to decrease the volume of consumer credit outstanding in 1942.

Outlays for Plant and Equipment (Line 4) do not include Government financed outlays, which are part of the Government's net cash deficit.

Change in Inventories (Line 5) This is based generally upon estimates by the Department of Commerce for fiscal 1941 and 1942. Tightening up production and instituting stricter rationing controls may reduce inventory accumulation below these estimates.

Net Foreign Balance (Line 6) The Lease-Lend Plan is expected to change our net foreign balance materially by transferring what would otherwise have been net foreign balance to net Government contribution. Investments abroad will be under public rather than private auspices. Exports are expected to rise from 4 billions of dollars in 1940 to 5.3 billions in 1941 and 1942; imports for general consumption from 4.5 billions in 1941 to 8 billions in 1942; and Lease-Lend exports from 2.5 billions in 1941 to 3.3 billions in 1942. It is not unlikely that these estimates will need revision upward as the war becomes more and more intensive.

2. National Income in Constant (1940) Prices.

National income, adjusted for price changes, is estimated to increase slightly more than 10% in 1941 over 1940; and slightly less than 10% in 1942 over 1941. In these estimates, no one method of estimation was used. The results represent a balancing of forecasts of the increases in employment, price increases, and national income added by each additional worker. The increases in real national income will depend greatly upon public and private policies with respect to restricting consumption, vocational training, placement service, and time lost through labor disputes.

3. Prices.

The indicated general price increase is 6% in 1941 over 1940, and 14% in 1942 over 1940.

These price increases are substantial. They do not refer to wholesale prices, but to final prices paid by consumers, the Government, home builders, and business enterprises. No current price indexes of this type are readily available. The nature of the index would be indicated in normal times by a cost of living index, with a weight of four, and a cost of capital goods and construction index with a weight of one. During the next few years, attention must be paid to the prices of the things Government, as a final consumer, buys for the defense program.

Wholesale prices may be expected to increase much faster than the final prices discussed here.

4. Employment.

Employment is expected to rise by 2.6 millions of workers in 1941 and by 2.3 millions in 1942. Since about 2 millions of workers are regarded as unemployable, there might arise a general scarcity of labor toward the end of 1942 except for such increase in the number of gainful workers as may arise from the emergency conditions likely to prevail in the period. These estimated changes in employment are based upon the rates which have tended to prevail during periods of rapid rise in employment and take into consideration also the present composition of the labor force. Some question may be raised in regard to the continued rise in the military forces. It is assumed, however, that as the emergency reaches a more advanced stage, provision will be made for a further enlargement of the military forces. The table of estimate is presented in detail below:

ESTIMATED AVERAGE MONTHLY VOLUME OF EMPLOYMENT,

UNEMPLOYMENT, AND LABOR FORCE, 1939-1942

	<u>1939</u>	<u>1940</u>	<u>1941</u>	<u>1942</u>
Military <u>1/</u>	0.4	0.6	1.6	2.8
Non-Agricultural <u>2/</u>	36.6	37.8	39.8	41.1
Agricultural <u>3/</u>	10.6	10.8	10.4	10.2
Total Employment	47.6	49.2	51.8	54.1
Unemployed	7.0	5.9	5.1 <u>5/</u>	3.4
Labor Force <u>4/</u>	54.6	55.1	56.9	57.5

- 1/ Bureau of Labor Statistics reports. It is assumed the military and naval forces will increase at an average rate of 100,000 per month in 1941 and 1942.
- 2/ Bureau of Labor Statistics non-agricultural estimates for 1939-1940 increased by 2,000,000. This increase was based on a comparison of Bureau of Labor Statistics reports with reported employment by the Bureau of Old Age and Survivors' Insurance.
- 3/ Estimated from 9,658,000 gainful workers reported by the Census of 1940 and the monthly estimates of agricultural employment reported in the Work Projects Administration Sample.
- 4/ Includes naval and military personnel. The estimate for 1942 does not allow for extraordinary additions to the labor force which might arise from war conditions.
- 5/ Includes over 2.5 millions of workers employed on Federal emergency work programs.

APPENDIX B

TABLES

CONSUMPTION SINCE 1937 IN DOLLARS OF CURRENT AND CONSTANT

. (1935 - 1939 = 100) PURCHASING POWER

Period	Consumption of	Cost of Living	Consumption of
	Goods and Services in Current Dollars ^{1/}	(1935 - 1939 = 100) ^{2/}	Goods and Services in 1935-1939 Dollars
	Billions of dollars		Billions of dollars
<u>1937</u>			
Average of four quarters	15.5	102.7	15.1
<u>1938</u>			
Average of four quarters	14.4	100.8	14.3
<u>1939</u>			
1st quarter	13.9	99.1	14.0
2nd quarter	15.2	98.6	15.4
3rd quarter	14.5	100.6	14.4
4th quarter	16.7	99.6	16.8
<u>1940</u>			
1st quarter	14.9	99.8	14.9
2nd quarter	15.9	100.5	15.8
3rd quarter	15.3	100.4	15.2
4th quarter	17.9	100.7	17.8
<u>1941</u>			
1st quarter	16.5	100.8	16.4

1/ Consumers' outlays for goods and services. Outlays for goods were computed as follows: Data for 1937 and 1938 from Kuznets, Commodity Flow and Capital Formation in the Recent Recovery and Decline, 1932-38, National Bureau of Economic Research, Bulletin No. 74, 1939. Annual figures were divided by four to get the average for four quarters. Data for 1939 through 1941 are based upon unpublished and preliminary estimates of retail trade.

Outlays for services were computed as follows: Figures for 1937 and 1938 represent estimates by Martin Taitel on the basis of data compiled by V Lewis Bassie. Quarterly figures for 1939 through 1940 were computed by applying to an estimated level of annual expenditures for services, percentages for each quarter derived from indexes of expenditures for transportation, transit expenditures, and other consumers' outlays for services.

NATIONAL INCOME AND CONSUMPTION SINCE 1929

See Appendix for Detailed Explanation

2/ Compiled by the Bureau of Labor Statistics: National Income Produced is estimated on the basis of data on income payments compiled by the Department of Commerce.

	1929	1930	Total	Annual Average
1929				
1930				
1931				
1932				
1933				
1934				
1935				
1936				
1937				
1938				
1939				
1940				
1941				
1942				
1943				
1944				
1945				
1946				
1947				
1948				
1949				
1950				

1/ Data for 1929 and 1930 from Bureau of Economic Warfare and National Production Accounts, Department of Commerce, and Quarterly National Income and Product Accounts, Bureau of Economic Warfare, Department of Commerce, 1945. Annual figures were divided by four to get the average for that year. Data for 1931 through 1944 are based upon Departmental and preliminary estimates of retail trade.

2/ Figures for 1937 and 1938 represent estimates by Martin Factor on the basis of data compiled by W. Lewis for the Quarterly Figures for 1938 through 1944 were computed by applying to an estimated level of annual expenditures for services, computed from a base number derived from indexes of expenditures for transportation, business expenditures, and other categories related to services.

3/ National Income produced is estimated on the basis of data on income payments compiled by the Department of Commerce.

NATIONAL INCOME AND CONSUMPTION SINCE 1937

Not Adjusted for Seasonal Variation

Period	Consumption of			National Income ^{3/}
	Commodities ^{1/}	Services ^{2/}	Total	
<u>Billions of dollars</u>				
<u>1937</u>				
Average of four quarters	11.0	4.5	15.5	17.8
<u>1938</u>				
Average of four quarters	10.0	4.4	14.4	15.9
<u>1939</u>				
1st quarter	9.2	4.7	13.9	16.5
2nd quarter	10.7	4.5	15.2	16.8
3rd quarter	10.1	4.4	14.5	17.1
4th quarter	12.0	4.7	16.7	19.0
<u>1940</u>				
1st quarter	10.1	4.8	14.9	17.9
2nd quarter	11.4	4.5	15.9	18.2
3rd quarter	10.9	4.4	15.3	18.8
4th quarter	13.1	4.8	17.9	20.8
<u>1941</u>				
1st quarter	11.4	5.1	16.5	20.9

^{1/} Data for 1937 and 1938 from Kuznets, Commodity Flow and Capital Formation in the Recent Recovery and Decline, 1932-38, National Bureau of Economic Research, Bulletin No. 74, 1939. Annual figures were divided by four to get the average for four quarters. Data for 1939 through 1941 are based upon unpublished and preliminary estimates of retail trade.

^{2/} Figures for 1937 and 1938 represent estimates by Martin Taitel on the basis of data compiled by V. Lewis Bassie. Quarterly figures for 1939 through 1940 were computed by applying to an estimated level of annual expenditures for services, percentages for each quarter derived from indexes of expenditures for transportation, transit expenditures, and other consumers' outlays for services.

^{3/} National Income Produced is estimated on the basis of data on income payments compiled by the Department of Commerce.

19501

Monthly Estimates of the Change of Assets or Funds of Selected Savings Channels, 1939-1941.

Month	(In millions of dollars)										Total (excluding Federal Reserve and Trust Funds)
	Life Insurance ^{1/}	Savings and Loan Associations ^{2/}	Mutual Savings Banks ^{3/}	of Federal Reserve System ^{4/}	Postal Savings ^{5/}	U. S. Savings Bonds ^{6/}	Selected Federal Pension and Trust Funds ^{7/}	Total	Federal Reserve	Trust Funds	
1939											
January	164	48	-	6	7	129	9	375		504	
February	109	22	3	48	4	82	208	306		248	
March	126	29	7	40	2	58	-40	223		263	
April	111	24	27	30	-2	50	-22	208		240	
May	120	24	22	30	-2	54	195	424		299	
June	113	58	23	43	--	62	-27	272		329	
July	171	21	27	27	6	81	-17	325		342	
August	127	21	2	10	3	68	108	414		228	
September	120	21	-11	4	-4	58	-30	171		201	
October	144	21	-15	46	4	41	10	287		247	
November	148	21	-15	40	4	46	210	456		248	
December	147	42	-21	22	4	68	-22	222		255	
Total	1,655	388	89	369	27	755	695	3,919		2,223	
1940											
January	178	28	-24	48	11	264	12	323		320	
February	122	22	-20	20	7	127	228	359		221	
March	122	22	-24	28	4	98	-28	221		217	
April	141	22	-12	22	2	112	-12	227		200	
May	109	22	-12	40	-4	21	-22	142		204	
June	99	22	-7	12	-2	24	-22	142		178	
July	177	20	-1	41	4	41	-27	208		202	
August	222	19	2	20	-2	42	122	428		227	
September	202	22	10	20	-2	28	-17	274		221	
October	122	20	10	40	-	40	-12	241		222	
November	122	22	17	20	2	22	201	422		222	
December	122	22	22	27	6	72	-4	220		224	
Total	1,762	391	-22	472	22	622	224	4,222		2,222	
1941											
January	21										
February	22										
March											

^{1/} Changes in total assets less policy loans and premium notes for 206 legal reserve life insurance companies and for fraternal orders. Estimated on the basis of monthly figures for forty-nine companies compiled by the Association of Life Insurance Presidents and published in the Survey of Current Business. It was estimated that assets less policy loans of forty-nine companies were 78.7% of assets less policy loans of the 206 companies and the fraternal orders covered by the Spectator Company Life Yearbook.

^{2/} Changes in private repurchaseable capital of insured savings and loan associations reported by the Federal Home Loan Bank Board in the Federal Home Loan Bank Review.

^{3/} Changes in total loans and investments of mutual savings banks included in abstracts issued by State banking departments. March, June, and December figures are published in the Federal Reserve Bulletin. Other months are estimated by interpolation.

^{4/} Changes in time deposits in Federal Reserve member banks. Includes only time deposits of individuals, partnerships, corporations, etc. March, June, September, and December figures for 1939; and March, June, and December figures for 1940 are published in the Federal Reserve Bulletin. Other months are estimated by interpolation.

^{5/} Changes in balances to the credit of depositors, from the Survey of Current Business.

^{6/} Net receipts from sale of United States Savings Bonds as of end-of-month, as published in the Daily Statement of the United States Treasury. June, 1940, is the June 28 figure.

^{7/} Includes Railroad Retirement (Trust) Account; Federal Old-Age and Survivors' Trust Fund; and Unemployment Trust Fund. Monthly figures are published in the Bulletin of the Treasury Department. Estimates are made by the following procedure: Railroad Retirement - Total receipts less benefit payments and administrative expenses; Federal Old-Age and Survivors - Total receipts (employment taxes relating to Old-Age Insurance plus tax on employers of eight or more) less administrative expenses; Grants to States (for Old-Age assistance, etc., and for unemployment compensation administration); and benefit payments. Unemployment - Total deposits (by States and for railroad unemployment benefits).

INDEXES OF VALUE OF MANUFACTURERS' NEW ORDERS,
SHIPMENTS, AND INVENTORIES, BY MONTHS,
1939 - 1941

(January 1939 = 100)

Year	Month	Durable Goods			Non-Durable Goods		
		New Orders Received	Ship- ments	Inven- tories ^{1/}	New Orders Received	Ship- ments	Inven- tories ^{1/}
1939.	Jan.	100	100	99.6	100	100	100.2
	Feb.	100	101	100.4	99	103	99.2
	Mar.	102	108	99.6	98	106	98.3
	April	102	108	97.9	97	102	97.1
	May	105	106	96.4	101	102	96.6
	June	107	109	94.6	109	104	96.6
	July	105	100	94.4	103	103	96.0
	Aug.	107	104	96.1	103	112	94.9
	Sept.	199	126	99.0	147	133	94.9
	Oct.	197	140	102.7	116	125	96.9
	Nov.	147	142	106.5	106	118	100.6
	Dec.	115	145	110.0	104	110	103.0
1940	Jan.	106	129	112.2	103	109	106.2
	Feb.	103	129	112.8	99	110	107.0
	Mar.	112	131	112.6	101	112	106.8
	Apr.	118	133	111.5	105	108	106.2
	May	141	136	112.1	109	111	105.8
	June	157	140	111.8	118	114	105.2
	July	159	127	111.9	107	109	106.4
	Aug.	163	129	115.4	108	119	106.0
	Sept.	211	158	118.4	133	134	105.5
	Oct.	235	167	121.2	131	128	107.1
	Nov.	237	172	124.1	129	127	108.5
	Dec.	252	184	127.9	120	123	110.1
1941	Jan.	246	175	129.7	132	124	111.2
	Feb. ^r	277	189	130.7	132	133	110.8
	Mar. ^p	305	198	130.9	133	133	111.9

Source: U. S. Department of Commerce, Bureau of Foreign and Domestic Commerce.

^{1/} December 31, 1938 = 100.

r - revised.

p - preliminary.

MONTHLY INDEX OF SPOT MARKET PRICES OF

28 BASIC COMMODITIES, 1940 - 1941

(January 1940 = 100)

Year	Month	General Index	Raw Indus- trial ^{1/}	Domestic Ag- ricultural ^{2/}	Imports ^{3/}
1940	Jan.	100.0	100.0	100.0	100.0
	Feb.	95.6	93.6	98.2	92.6
	Mar.	94.5	92.5	97.8	91.4
	April	94.5	91.0	100.4	91.0
	May	93.3	91.0	98.3	90.7
	June	90.8	91.2	93.2	88.7
	July	89.1	88.2	93.8	86.3
	Aug.	87.4	87.4	93.9	82.6
	Sept.	89.9	90.0	96.8	84.9
	Oct.	92.1	93.4	98.7	88.1
	Nov.	95.9	97.0	101.5	91.8
	Dec.	96.6	97.1	102.4	93.8
1941	Jan.	99.0	97.5	107.9	94.5
	Feb.	99.7	98.6	106.1	98.1
	Mar.	106.6	104.8	107.8	108.8

Sources: Computed from data published by the Bureau of Labor Statistics in Wholesale Prices, December and Year 1940.

- 1/ Consists of 16 commodities as follows: flaxseed, shellac, rubber, hides, rosin, print cloth, silk, wool, burlap, cotton, tin, copper, lead, zinc, and steel scrap at Chicago and at Philadelphia.
- 2/ Consists of 7 commodities as follows: barley, wheat, corn, hogs, steers, wool, and cotton.
- 3/ Consists of 11 commodities as follows: flaxseed, sugar, coffee, cocoa beans, shellac, rubber, hides, silk, wool, burlap and tin.

ALUMINUM

Indexes of Employment and Hourly Earnings,
and Prices, by Months, 1940 - 1941

Year	Month	Employment 1/ (January 1940 = 100)	Average Hourly Earnings1/ (January 1940 = 100)	Price of Pure Aluminum2/ (Cents per pound)	Price of Scrap Castings3/ (Cents per pound)
1940	Jan.	100.0	100.0	20.00	9.48
	Feb.	100.7	100.4	20.00	9.25
	Mar.	100.7	100.9	19.75	9.13
	Apr.	100.8	101.7	19.00	8.63
	May	101.6	102.0	19.00	8.65
	June	103.8	101.6	19.00	8.60
	July	106.5	102.1	19.00	9.02
	Aug.	111.2	103.0	18.00	8.38
	Sept.	114.8	103.6	18.00	8.55
	Oct.	119.3	103.3	18.00	8.94
	Nov.	123.2	104.0	17.50	9.04
	Dec.	122.6	105.2	17.50	9.70
1941	Jan.	125.0	106.3	17.00	10.39
	Feb.	124.8	106.4	17.00	13.97
	Mar.	122.6	n.a.	17.00	14.00

1/ U. S. Department of Labor, Bureau of Labor Statistics, Employment in aluminum manufactures and average hourly earnings in aluminum manufactures.

2/ Metal Statistics, 1941, p. 551, and American Metal Market, April 2, 1941. Quoted New York price of No. 1, virgin ingot.

3/ Metal Statistics, 1941, p. 559, and American Metal Market, April 2, 1941. Quoted New York price of scrap castings.

n.a. - not available

COPPER

Indexes of Production and Stocks, and
Prices, by Months, 1940 - 1941

Year	Month	Production, : Stocks, Re- : Price of : Price	Refined : fined, at End : Electro- : of Heavy	1/ : of Month1/ : lytic2/ : Scrap3/	(January 1940 = 100) : (Cents per pound)
1940	Jan.	100.0	100.0	12.22	8.91
	Feb.	98.0	107.3	11.40	8.02
	Mar.	102.2	118.0	11.38	7.95
	Apr.	95.9	124.9	11.33	7.84
	May	101.9	131.9	11.32	7.86
	June	102.0	147.4	11.37	8.07
	July	107.8	159.3	10.81	7.46
	Aug.	95.8	146.7	10.95	7.54
	Sept.	98.1	136.8	11.54	8.23
	Oct.	98.4	121.5	12.00	8.81
	Nov.	114.1	117.0	12.00	8.87
	Dec.	114.9	105.4	12.00	8.87
1941	Jan.	111.2	86.3	12.00	8.87
	Feb.	110.9	72.1	12.00	8.91
	Mar.	112.9	66.4	12.00	9.60

1/ Journal of Commerce, April 14, 1941.

2/ Producers' price of electrolytic copper quoted at Connecticut Valley. Metal Statistics, 1941, p. 339, and American Metal Market, April 2, 1941.

3/ Metal Statistics, 1941, p. 373, and American Metal Market, April 2, 1941. Quoted at New York City.

ZINC

Indexes of Production and Stocks, and
Prices, by Months, 1940 - 1941

Year	Month	Production	Stocks of	Price	Price
		of Slab 1/	Slab at End of Month 1/	of Prime ^{2/}	of Old ^{3/}
		(January 1940 = 100)		(Cents per pound)	
1940	Jan.	100.0	100.0	5.64	3.10
	Feb.	101.9	103.7	5.54	2.94
	Mar.	107.2	113.6	5.75	2.94
	Apr.	101.3	123.4	5.75	2.94
	May	98.2	114.3	5.81	2.94
	June	92.0	105.3	6.24	3.28
	July	99.4	98.6	6.25	3.37
	Aug.	97.3	76.1	6.40	3.44
	Sept.	100.9	60.7	6.94	4.11
	Oct.	107.6	38.1	7.25	4.37
	Nov.	107.7	28.9	7.25	4.40
	Dec.	114.3	20.3	7.25	4.82
1941	Jan.	115.2	15.7	7.25	5.14
	Feb.	107.5	11.2	7.25	6.17
	Mar.	120.9	11.0	7.25	7.49

1/ American Zinc Institute, reported in Journal of Commerce, April 8, 1941.

2/ Metal Statistics, 1941, p. 519, and American Metal Market, April 2, 1941. Price quoted at East St. Louis.

3/ Metal Statistics, 1941, p. 497, and American Metal Market, April 2, 1941. Price quoted at New York City.

IRON AND STEEL INDUSTRY

Indexes of Production, Orders, and Employment, and
Scrap Prices, by Months, 1939 - 1941

Year	Month	Production of	Value of	Employ-	Composite
		Steel Ingots and Castings ^{1/}	New Orders ^{2/}	ment ^{3/}	
		(January 1939 = 100)			
1939	Jan.	100.0	100.0	100.0	14.94
	Feb.	94.1	93.0	100.6	15.01
	Mar.	107.3	94.0	101.5	15.20
	Apr.	93.7	91.0	101.6	14.77
	May	92.1	100.0	100.4	14.17
	June	98.5	100.0	101.6	14.71
	July	99.6	96.0	101.2	14.92
	Aug.	118.5	102.0	103.0	15.43
	Sept.	133.3	247.0	107.3	18.32
	Oct.	169.9	228.0	122.2	21.48
	Nov.	171.8	151.0	129.3	19.66
	Dec.	162.7	116.0	130.9	17.96
1940	Jan.	157.5	90.0	128.3	17.58
	Feb.	123.6	81.0	124.6	16.88
	Mar.	119.8	101.0	118.4	16.56
	Apr.	112.0	104.0	115.1	16.14
	May	135.6	145.0	115.8	17.61
	June	154.5	161.0	121.3	19.31
	July	156.3	151.0	126.3	18.47
	Aug.	168.9	140.0	129.6	18.72
	Sept.	165.4	199.0	130.8	19.91
	Oct.	181.4	211.0	132.9	20.63
	Nov.	176.6	214.0	135.1	20.84
	Dec.	177.3	216.0	137.5	21.31
1941	Jan.	189.5	256.0	139.4	20.88
	Feb.	170.6	295.0	141.5	20.08
	Mar.	195.1	295.0	141.5	20.31

^{1/} The Iron Age, February 13, 1941, p. 112, and March 13, 1941, p.109.

^{2/} U. S. Department of Commerce, Industry Survey.

^{3/} U. S. Department of Labor, Bureau of Labor Statistics.

^{4/} The Iron Age, January 2, 1941, p. 106, and subsequent issues.
Dollars per long ton.

LUMBER INDUSTRY

Indexes of Production, Stocks, Prices, and
Employment, by Months, 1940 - 1941

(January 1940 = 100)

Year	Month	: Produc- tion : 1/	: Stocks at : End of : Month1/	: Wholesale : Price : 2/	: Employ- ment in : Sawmills2/
1940	Jan.	100.0	100.0	100.0	100.0
	Feb.	101.5	100.1	99.0	99.3
	Mar.	112.9	99.4	98.7	100.0
	Apr.	121.0	99.3	98.0	101.3
	May	128.9	98.7	97.3	104.0
	June	124.5	99.6	96.0	104.0
	July	123.1	98.3	96.0	103.4
	Aug.	139.8	96.9	99.7	109.1
	Sept.	136.2	94.1	108.5	111.4
	Oct.	145.7	90.7	115.9	111.9
	Nov.	128.4	87.9	119.0	111.1
	Dec.	122.2	86.1	120.4	108.7
1941	Jan.	126.5	83.9	120.0	105.0
	Feb.	119.7	83.2	118.7	105.0
	Mar.	131.6	83.2	118.2	106.4

1/ U. S. Department of Commerce, Bureau of Foreign and Domestic Commerce, Survey of Current Business, March 1941, p. 47.

2/ U. S. Department of Labor, Bureau of Labor Statistics.

MACHINE TOOLS

Indexes of Prices, Employment, Hours Worked, and
Hourly Earnings, by Months, 1940 - 1941

(January 1940 = 100)

Year	Month	Prices of Standard Machine Tools ^{1/}	Employment in Machine Tools ^{2/}	Average Hours Worked Per Week ^{2/}	Average Hourly Earnings ^{2/}
1940	Jan.	100.0	100.0	100.0	100.0
	Feb.	100.8	104.1	100.8	99.6
	Mar.	101.5	107.2	101.9	99.7
	Apr.	101.8	109.9	101.1	99.7
	May	102.2	112.3	100.2	99.6
	June	102.5	116.4	101.1	99.6
	July	102.6	119.3	100.2	99.9
	Aug.	102.8	120.7	98.5	98.8
	Sept.	103.3	126.0	102.1	99.6
	Oct.	103.2	131.0	103.6	100.0
	Nov.	103.7	135.1	101.3	99.9
	Dec.	106.3	140.2	106.8	101.6
1941	Jan.	108.2	145.4	106.3	103.5
	Feb.	108.7	152.4	109.5	103.6
	Mar.	n.a.	157.6	n.a.	n.a.

^{1/} U. S. Department of Labor, Bureau of Labor Statistics, Machine Tool Prices, January 1937 - January 1941, 1941, p. 5.

^{2/} U. S. Department of Labor, Bureau of Labor Statistics.

n.a. - not available

RAILROAD FREIGHT CAR SHORTAGE OR SURPLUS (NET) COMPARED WITH TOTAL PRODUCTION OF ALL GOODS AND SERVICES IN THE UNITED STATES DURING TWO IMPORTANT PERIODS

Year and Month	1915-1917					Year and Month	1940-1942				
	Real National Production (Estimated)		RR Freight Cars				Real National Production (Estimated)		RR Freight Cars		
			Total in Service	Net Surplus or (-) Shortage					Total in Service	Net Surplus or (-) Shortage	
	Billions of 1935 Dollars	Index = June 1916)	Est. from ICC (Thousands of cars)	From AAR	Percent of Total in Service		Billions of 1940 Dollars	Index = June 1941)	Est. from ICC (Thousands of cars)	From AAR	Percent of Total in Service
<u>1915</u>						<u>1940</u>					
Feb.	39.8	91.0	2345	280	11.9	Feb.	73.4	85.3	1684	126.3	7.5
Mar.	40.0	91.4	2344	321	13.7	Mar.	73.9	85.9	1686	177.8	10.5
Apr.	40.3	92.3	2343	327	14.0	Apr.	74.5	86.6	1688	187.9	11.1
May	40.6	92.7	2342	291	12.4	May	75.2	87.4	1690	162.7	9.6
June	40.9	93.6	2342	300	12.8	June	75.7	88.0	1690	154.1	9.2
July	41.1	94.0	2340	275	11.7	July	76.5	89.0	1692	125.6	7.4
Aug.	41.4	94.7	2338	265	11.3	Aug.	77.4	90.0	1694	132.6	7.8
Sept	41.6	95.1	2336	185	7.9	Sept	78.2	91.0	1696	104.4	6.2
Oct.	41.8	95.7	2334	78	3.3	Oct.	79.1	92.0	1698	75.0	4.4
Nov.	42.1	96.2	2332	23	1.0	Nov.	79.9	93.0	1698	88.1	5.2
Dec.	42.3	96.6	2330	29	1.2	Dec.	80.8	94.0	1700	130.2	7.7
<u>1916</u>						<u>1941</u>					
Jan.	42.5	97.1	2328	47	2.0	Jan.	81.7	95.0	1708	111.9	6.6
Feb.	42.8	97.9	2324	21	0.9	Feb.	82.5	96.0	1716	88.7	5.2
Mar.	43.0	98.2	2320	-20	-0.9	Mar.	83.4	97.0			
Apr.	43.2	98.8	2318	4	0.2	Apr.	84.2	98.0			
May	43.5	99.4	2316	33	1.4	May	85.1	99.0			
June	43.7	100.0	2314	57	2.4	June	86.0	100.0			
July	43.8	100.1	2316	52	2.2	July	86.9	101.0			
Aug.	43.9	100.3	2319	10	0.4	Aug.	87.7	102.0			
Sept	44.0	100.5	2321	-20	-0.9	Sept	88.6	103.0			
Oct.	44.1	100.8	2324	-61	-2.6	Oct.	89.4	104.0			
Nov.	44.2	101.0	2327	-115	-4.9	Nov.	90.3	105.0			
Dec.	44.3	101.4	2329	-105	-4.5	Dec.	91.2	106.0			
<u>1917</u>						<u>1942</u>					
Jan.	44.5	101.7	2333	-59	-2.5	Jan.	92.1	107.0			
Feb.	44.6	102.0	2337	-110	-4.7	Feb.	92.9	108.0			
Mar.	44.7	102.2	2341	-125	-5.3	Mar.	93.7	109.0			
Apr.	44.8	102.5	2345	-143	-6.1	Apr.	94.6	110.0			
May	44.9	102.7	2349	-145	-6.2	May					
June	45.0	102.9	2353	-105	-4.5	June					
July	45.0	102.9	2357	-75	-3.2	July					
Aug.	44.9	102.8	2361	-34	-1.5	Aug.					
Sept	44.9	102.8	2365	-32	-1.4						
Oct.	44.9	102.7	2369	-71	-3.0						
Nov.	44.8	102.6	2374	-140	-6.0						
Dec.	44.8	102.6	2379	-127	-5.4						

Sources: Real National Production - Figures for June of each year are as follows:

1915-17 from National Resources Planning Board,
Structure of the American Economy, p. 377;

1940-42 from National Resources Planning Board estimates;

Figures for other months are linear interpolations from data for June.

Freight Cars in Service - Figures for June of each year are taken from Interstate Commerce Commission, Statistics of Railways;

Figures for other months are linear interpolations from data for June.

Freight Car Net surplus or Shortage - From Association of American Railroads.

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A COMPARISON OF TOTAL ACTIVE FILE WITH SKILLED AND SEMI-SKILLED REGISTRANTS
IN DEFENSE OCCUPATIONS, BY STATES

Geographic Division and State	Active File First Quarter 1941	Percent Change from First Quarter 1940	Skilled and Semi-	Skilled and Semi-	
			Skilled Registrants in Defense Occupations February 21, 1941	Skilled Registrants as Percent of Active File March 1941	
Thousands					
United States	Total	5,108	- 9.7	257,008	5.0
New England	Total	863	- 3.5	19,773	5.4
Maine		35	- 7.9	5,329	10.3
New Hampshire		18	-10.0	1,133	6.2
Vermont		13	-33.3	1,032	6.0
Massachusetts		209	19.4	7,134	3.5
Rhode Island		35	-15.5	2,908	6.8
Connecticut		34	-34.1	3,637	7.3
Middle Atlantic	Total	1,118	-10.9	22,495	6.2
New York		320	-13.3	22,655	9.9
New Jersey		207	-23.0	14,642	7.2
Pennsylvania		358	24	25,215	6.6
East North Central	Total	986	- 0.4	90,932	6.6
Ohio		311	12.7	23,504	7.4
Indiana		170	0	14,322	7.7
Illinois		240	31.9	23,072	6.6
Michigan		153	-25.5	21,138	12.1
Wisconsin		112	-24.3	6,946	5.1
West North Central	Total	547	- 6.0	31,541	5.8
Minnesota		113	-22.5	7,730	6.8
Iowa		75	-21.1	4,237	3.3
Missouri		103	9.5	9,704	5.1
North Dakota		30	3.4	1,806	5.2
South Dakota		24	-22.5	1,452	5.9
Nebraska		47	4.4	1,910	4.0
Kansas		62	8.8	4,753	7.5
South Atlantic	Total	553	-13.0	33,745	6.1
Delaware		11	-25.7	985	5.8
Maryland		32	-23.5	1,223	3.6
District of Columbia		29	-25.5	1,541	5.3
Virginia		45	-14.3	2,031	4.1
West Virginia		25	- 9.7	2,914	4.3
North Carolina		104	6.1	7,255	7.7
South Carolina		47	-32.9	2,213	4.9
Georgia		132	-21.5	9,809	6.5
Florida		31	23.5	5,152	5.7
East South Central	Total	397	-12.0	19,221	4.9
Kentucky		92	4.5	4,330	5.1
Tennessee		120	- 9.1	5,474	4.4
Alabama		95	-23.9	5,712	5.4
Mississippi		59	- 4.3	1,955	3.2
West South Central	Total	454	- 9.6	23,739	6.6
Arkansas		40	-27.3	5,215	12.7
Louisiana		131	33.0	5,521	4.9
Oklahoma		49	-45.5	4,747	5.3
Texas		244	- 9.3	18,248	6.7
Mountain	Total	190	-10.4	12,422	6.5
Montana		24	-22.5	1,427	5.5
Idaho		20	33.3	1,758	5.3
Wyoming		8	-27.3	400	5.0
Colorado		61	3.2	4,235	6.8
New Mexico		30	-15.7	1,154	3.8
Arizona		19	-24.0	945	4.7
Utah		22	-12.0	2,139	9.3
Nevada		6	0	392	6.4
Pacific	Total	513	-23.4	25,533	5.7
Washington		58	-50.0	1,923	3.3
Oregon		41	- 8.9	3,223	6.5
California		419	-15.5	23,387	5.7

Sources: For Defense Registrants - Labor Supply Available at Public Employment Offices in Selected Defense Occupations, March 1941, Social Security Board.
For Active File - Social Security Bulletins, Social Security Board.

LABOR SUPPLY ^{1/} AND CURRENT AND ANTICIPATED JOB OPENINGS IN SELECTED DEFENSE OCCUPATIONS, AS OF FEBRUARY 21, 1941
(Includes Job Openings Anticipated to May 1, 1941)

Industrial Occupational Divisions	Registrants Sufficient to Meet All Current and Anticipated Job Openings				Registrants Insufficient to Meet the Sum of All Current and Anticipated Hires				Total for All Groups of Occupations in Industry			
	Available	Plus Antici-	Labor	as a Percent	Available	Plus Antici-	of Labor	as a Percent	Available	Plus Antici-	of Labor	as a Percent
	ated Hires	Supply	of Labor Demand		ated Hires	Supply	of Labor Demand		ated Hires	Supply	of Labor Demand	
Miscellaneous Professional and Technical	9,719	9,084	8,628	816.0	690	4,089	2,948	18.8	10,808	7,100	2,977	148.8
Aircraft Manufacturing and Service	820	81	429	842.0	1,680	21,820	20,000	7.8	2,140	21,701	20,429	9.8
Automobile Service	20,007	1,099	18,908	1820.5	0	0	0	0	20,007	1,099	18,908	1820.5
Building Construction	144,218	8,858	127,262	2108.5	0	0	0	0	144,218	8,858	127,262	2108.5
Electrical Equipment Manufacturing	8,727	308	5,488	1906.2	80	477	297	14.8	5,827	779	5,628	742.2
Instruments, Optical Goods, Watches and Clocks	842	82	861	724.1	82	729	898	8.2	708	841	1,227	82.9
Metal Trades, Multi-Industry, and Miscellaneous ^{2/}	45,221	9,274	26,067	489.8	118	228	210	26.0	42,449	9,408	26,287	478.2
Forging ^{2/}	2,048	806	4,242	626.2	221	292	112	71.2	5,229	1,129	4,224	444.2
Foundry ^{2/}	4,900	2,680	2,240	198.2	1,212	2,271	1,486	26.4	6,612	6,721	4,726	122.0
Heat Treating ^{2/}	298	120	248	222.2	0	0	0	0	298	120	248	222.2
Machine Shop ^{2/}	9,124	4,948	4,121	124.2	14,172	48,622	22,479	22.2	22,207	42,222	22,479	42.0
Sheet Metal ^{2/}	8,216	1,822	4,222	212.2	212	717	422	42.2	6,221	2,700	4,722	242.2
Ship and Boatbuilding, and Boilermaking	2,914	1,222	2,242	212.2	1,210	2,242	4,122	22.2	2,724	2,221	2,221	22.2
Textile, Garment and Related	22,221	212	21,212	2202.2	0	0	0	0	22,221	212	21,212	2202.2
Miscellaneous	10,124	720	2,204	1402.1	1,220	1,271	221	72.2	11,474	1,221	2,222	422.2
Total	220,127	24,727	226,220	222.0	22,228	22,022	22,722	22.2	212,420	112,722	212,220	220.2

Sources: Labor Supply and Demand in Selected Defense Occupations, March - April, 1941 - Social Security Board.

^{1/} Labor Supply or Available registrants consists of workers classified in primary occupations by local employment offices as qualified and available.

^{2/} Metal trades.

Percentage of Employees in Each Shift in Reporting Plants,
March 1941

Industry	: Number of : Reporting : Plants	: Number : of : Employees	: Percentage of Employees in : Each Shift		
			1st	2nd	3rd
Aircraft	56	140,868 ^{1/}	58.4	30.8	10.8
Airframes Engines and Propellers	38	110,563	61.1	30.8	8.1
Machine Tools	90	59,974	71.3	22.5	6.2

Percentage of Employees in Reporting Plants Distributed
by Number of Shifts, March 1941

Industry	: Number of : Reporting : Plants	: Number : of : Employees ^{1/}	: Percentage of Employees in : Plants Having --		
			1 Shift	2 Shifts	3 Shifts
Aircraft	59	149,015	0.8	25.4	73.8
Airframes Engines and Propellers	39	115,257	1.1	31.4	67.5
Machine Tools	90	59,974	2.1	52.8	45.1

Comparison of Operations for March 1941, with
December 1940 in Machine Tool Industry

Month	: Number of : Reporting : Plants	: Number : of : Employees	: Percentage of Employees in : Each Shift		
			1st	2nd	3rd
December 1940	26	29,786	74.3	19.9	5.8
March 1941	26	32,922	70.7	22.5	6.8
Ultimate Capacity	26	41,900	45.0	32.0	23.0

Source: Bureau of Labor Statistics, U. S. Department of Labor.

^{1/} Includes only productive workers. Non-productive workers, such as men engaged in engineering, development, administrative and maintenance operations, not included.

NET EMPLOYMENT IN PREEMPLOYMENT-REFRESHER COURSES OF THE
NATIONAL DEFENSE VOCATIONAL TRAINING PROGRAM,
JANUARY AND MARCH 1941, FOR STATES WITH
ENROLLMENT OF 1,000 OR MORE

State	Enrollment at End of Month	
	January	March
California	5,361	16,693
Connecticut	1,474	992
Illinois	3,765	4,274
Indiana	1,573	1,795
Kansas	819	1,217
Maryland	853	1,187
Massachusetts	1,252	1,379
Michigan	3,400	4,575
Missouri	963	2,951
New Jersey	1,488	1,511
New York	11,973	11,847
Ohio	3,078	4,196
Oregon	1,362	1,762
Pennsylvania	5,865	8,331
Tennessee	1,131	1,369
Texas	1,012	1,797
West Virginia	1,038	994
Wisconsin	2,539	3,676

Source: Defense Training Statistical and Research Service, United States Office of Education, Federal Security Agency. Releases dated March 24, 1941 and April 28, 1941.

EMPLOYMENT IN NON-AGRICULTURAL ESTABLISHMENTS,
FOR SELECTED MONTHS

Type of Establish- ment	March 1941	February 1941	Percent Change to March 1941	March 1940	Percent Change to March 1941
	(1,000's)	(1,000's)		(1,000's)	
Total civil non-agricul- tural em- ployment	37,218	36,928	0.8	34,852	6.8
Employment in non-agricul- tural estab- lishments	31,075	30,785	0.9	28,709	8.2
Manufac- turing	11,147	10,982	1.5	9,926	12.3
Mining	862	854	0.9	849	1.5
Construc- tion	1,650	1,678	-1.7	991	66.5
Transpor- tation and public u- tilities	3,054	3,028	0.9	2,940	3.9
Trade	6,242	6,173	1.1	6,201	0.7
Finance, ser- vice, and miscellane- ous	4,184	4,164	0.5	4,100	2.0
Federal, State, and local government	3,936	3,906	0.8	3,702	6.3
Military and naval per- sonnel	1,343	1,145	17.3	457	193.9

Source: Bureau of Labor Statistics, U. S. Department of Labor.

EMPLOYMENT IN SELECTED DEFENSE INDUSTRIES,
IN SELECTED MONTHS

Industry	March 1941	February 1941	Percent Change to March 1941	March 1940	Percent Change to March 1941
	(1,000's)	(1,000's)		(1,000's)	
Aircraft and parts	156	150	4.0 ^{1/}	67	133.7 ^{1/}
Engines, turbines, tractors, etc.	78	75	3.9	43	82.0
Shipbuilding	148	139	6.5	82	81.0
Explosives	9	9	1.1	6	49.1
Machine tools	88	85	3.4	59	47.0
Brass, bronze, and copper products	117	115	2.5	84	40.2
Electrical machinery	314	303	3.6	226	38.9
Stamped and enameled ware	69	67	2.9	54	28.4
Foundry and machine shop products	492	477	3.1	386	27.3
Blast furnaces, steel works and rolling mills	548	542	1.1	453	20.9
Chemicals	91	88	2.8	77	17.6
Automobiles	529	523	1.2	461	14.9
Total of selected industries	2,639	2,573	2.6	1,998	32.1

Source: Bureau of Labor Statistics' monthly releases.

^{1/} Percents were computed before rounding employment figures.

DEFENSE CONSTRUCTION

Value of Contracts Awarded and Force-Account Work Started
for Ship and Other Construction, by Industrial Areas,
June 1940 through March 1941

Industrial Area	Defense Construction			Percent Ship to Total
	Total	Ship	Other	
(Millions of dollars)				
Total - All Areas	6,512.4	4,183.2	2,329.2	64.2
Total - Industrial Areas (U. S.)	3,445.0	2,774.8	670.2	80.5
Akron	.0	.0	.0	.0
Albany-Schenectady-Troy	.1	.0	.1	.0
Allentown-Bethlehem	22.5	.0	22.5	.0
Baltimore	11.7	9.5	2.2	81.2
Boston	686.3	637.0	49.3	92.8
Bridgeport-New Haven-Waterbury	3.9	2.2	1.7	56.4
Buffalo	16.8	.0	16.8	.0
Chicago	103.9	.0	103.9	.0
Cincinnati	57.7	.0	57.7	.0
Cleveland	15.6	.0	15.6	.0
Dayton	3.3	.0	3.3	.0
Detroit	55.5	.4	55.1	.7
Hartford	27.6	.0	27.6	.0
Indianapolis	.0	.0	.0	.0
Kansas City	11.1	.0	11.1	.0
Los Angeles	154.7	109.5	45.2	70.8
Milwaukee	.0	.0	.0	.0
Minneapolis-St. Paul	5.9	.0	5.9	.0
New York City-Newark-Jersey City	581.3	523.8	57.5	90.1
Philadelphia-Camden	1,031.1	957.7	73.4	92.9
Pittsburgh	13.1	3.5	9.6	26.7
Providence-Fall River	.0	.0	.0	.0
Reading	.0	.0	.0	.0
Rochester	1.2	.0	1.2	.0
St. Louis	34.5	.0	34.5	.0
San Francisco-Oakland	337.2	296.6	40.6	88.0
Saranton-Wilkes Barre	.0	.0	.0	.0
Seattle-Tacoma	264.8	234.6	30.2	88.6
Springfield-Holyoke	5.3	.0	5.3	.0
Toledo	.0	.0	.0	.0
Wheeling	.0	.0	.0	.0
Worcester	.0	.0	.0	.0
Youngstown	.0	.0	.0	.0
Total - Outside Industrial Areas	3,067.4	1,408.4	1,659.0	45.9
North - Outside Industrial Areas	723.7	416.9	306.8	57.6
South - Outside Industrial Areas	1,236.8	713.8	522.0	57.8
West - Outside Industrial Areas	688.6	277.6	411.0	40.3
Outside Continental United States	419.3	.1	419.2	- 1/

Source: U. S. Department of Labor, Bureau of Labor Statistics, Division of Construction and Public Employment - release of April 10, 1941.

1/ Less than .1 of one percent.

VALUE OF DEFENSE CONSTRUCTION AND SUPPLY CONTRACTS AND FORCE-ACCOUNT WORK STARTED, BY STATE,
JUNE 1940 THROUGH MARCH 1941

State	Defense Contracts					Supply	Non-Agricultural Employees 1st Quarter 1941	Value per Employee ^{1/}
	Total	Construction			Percent Ship to Total			
		Total	Ship	Other				
Millions of dollars					Millions of dollars		Thousands	
Total	17,099.7	6,812.3	4,182.2 ^{1/}	2,589.1 ^{1/}	64.2	11,187.4		
Total United States	16,708.8	6,093.1	4,182.1	1,910.0 ^{1/}	63.7	10,610.7	848	
Alabama	186.1	109.8	29.8	79.8	26.9	46.5	280	
Arizona	2.8	2.8	0	2.8	0	1/	93	
Arkansas	7.2	7.2	0	7.2	0	0.1	185	
California	1,929.8	820.8	474.1	176.8	72.9	1,279.9	1,817	
Colorado	22.8	16.9	0	16.9	0	8.8	218	
Connecticut	726.0	166.8	189.6	87.2	77.7	629.2	624	
Delaware	22.1	11.3	6.8	4.7	66.4	20.8	71	
District of Columbia	78.0	7.4	0	7.4	0	87.8	204	
Florida	49.4	46.8	0	46.8	0	2.8	422	
Georgia	71.8	20.0	0	20.0	0	41.8	215	
Idaho	0.8	0.8	0	0.8	0	0	80	
Illinois	202.8	99.1	0	99.1	0	204.8	2,312	
Indiana	218.1	83.0	2.8	80.2	2.0	228.1	223	
Iowa	15.8	9.9	0	9.9	0	6.0	296	
Kansas	22.2	10.2	0	10.2	0	46.0	202	
Kentucky	46.8	42.9	0	42.9	0	2.8	275	
Louisiana	49.7	44.7	4.8	44.7	10.7	6.0	408	
Maine	218.8	182.8	176.2	6.2	94.2	124.0	1,702	
Maryland	244.0	44.6	9.8	25.1	21.2	229.4	561	
Massachusetts	1,529.4	746.9	627.0	106.9	22.4	892.4	1,414	
Michigan	626.2	79.2	17.6	61.7	22.2	606.9	1,477	
Minnesota	41.9	2.9	0	2.9	0	28.9	211	
Mississippi	129.1	22.0	74.1	13.9	84.2	21.1	126	
Missouri	271.8	24.2	0	24.2	0	227.5	471	
Montana	1/	0	0	0	0	1/	107	
Nebraska	14.4	2.1	0	2.1	0	2.8	122	
Nevada	2.4	2.4	0	2.4	0	0	22	
New Hampshire	120.8	68.0	20.0	6.0	90.8	66.8	222	
New Jersey	2,027.1	828.2	210.2	74.7	21.6	1,171.6	1,207	
New Mexico	9.9	9.9	0	9.9	0	0	67	
New York	1,214.7	247.9	221.2	96.1	72.4	1,226.8	2,212	
North Carolina	46.9	24.8	0	24.8	0	22.1	222	
North Dakota	0	0	0	0	0	0	72	
Ohio	446.2	114.2	0	114.2	0	222.2	1,222	
Oklahoma	22.4	20.0	0	20.0	0	2.4	222	
Oregon	74.7	46.6	29.1	12.4	74.4	26.2	222	
Pennsylvania	1,626.7	216.7	424.2	91.6	22.2	1,111.0	2,272	
Rhode Island	22.2	21.1	0.2	20.2	1.0	21.1	222	
South Carolina	217.6	107.7	78.2	29.2	72.6	109.6	212	
South Dakota	0.2	0.2	0	0.2	0	0	79	
Tennessee	22.9	22.9	1.2	21.2	4.2	40.0	222	
Texas	218.2	210.7	22.2	112.2	42.2	104.2	1,020	
Utah	2.2	2.7	0	2.7	0	0.1	102	
Vermont	2.7	0.9	0	0.9	0	1.2	71	
Virginia	1,422.2	641.1	224.4	116.7	21.6	811.2	2,222	
Washington	272.2	222.2	207.2	42.2	22.2	212.2	440	
West Virginia	22.2	22.4	0	22.4	0	12.2	272	
Wisconsin	141.2	22.2	22.2	1.0	27.0	22.0	222	
Wyoming	2.1	2.1	0	2.1	0	0	20	
Outside	419.2	419.2 ^{1/}	0.01 ^{1/}	419.2 ^{1/}	.02			
Alaska	9.4	9.4	0	9.4	0			
Canal Zone	209.4	209.4	0	209.4	0			
Cuba	2.8	2.8	0	2.8	0			
Hawaii	40.7	40.7	0.01 ^{1/}	40.7	.2			
Midway Island	1.2	1.2	0	1.2	0			
Puerto Rico	2.1	2.1	0	2.1	0			
Virgin Islands	0.6	0.6	0	0.6	0			
Other than possessions of the United States	42.8	42.8	0	42.8	0			
Off Continent	17.6					17.6		
Unassignable	229.1					229.1		

Source: Defense Contracts, U. S. Department of Labor, Bureau of Labor Statistics, Division of Construction and Public Employment -- release of April 10, 1941; Supply Contracts, Office of Production Management, Bureau of Research and Statistics -- release of April 21, 1941.

- ^{1/} Totals off .2, or less, due to rounding.
- ^{2/} Less than .05 millions of dollars.
- ^{3/} Non-agricultural employee.
- ^{4/} Less than 50¢ per employee.

EMPLOYMENT IN NON-AGRICULTURAL ESTABLISHMENTS, BY STATE

Geographic Division and State	1st	1st	Percent	1st	Percent	4th	December	February	March	Percent	
	Quarter	Quarter	Change from	Quarter	Change from	Quarter	1940	1941	1941	Change from	
	1939	1940	1939	1941	1940	1940	1940	1941	1941	March	
	Thousands	Thousands		Thousands		Thousands	Thousands	Thousands	Thousands	1940	
United States	Total	26,893	27,927	13.4	30,800	9.2	30,402	31,022	30,456	30,804	-0.7
New England	Total	2,327	2,406	15.2	2,698	11.7	2,656	2,720	2,696	2,725	0.8
Maine		175	178	8.5	186	4.5	187	187	187	187	0
New Hampshire		123	121	8.1	133	9.9	130	133	133	134	0.8
Vermont		67	70	6.0	71	1.4	76	78	71	72	-1.4
Massachusetts		1,234	1,265	14.6	1,414	11.8	1,396	1,441	1,432	1,433	-0.6
Rhode Island		218	219	14.7	250	14.2	246	251	250	254	1.2
Connecticut		510	553	24.3	634	14.8	621	636	633	645	1.6
Middle Atlantic	Total	7,151	7,437	10.4	7,998	6.2	7,939	8,007	7,889	7,990	-1.0
New York		5,662	5,753	7.0	5,919	4.4	5,944	4,011	3,914	3,965	-1.4
New Jersey		1,042	1,099	16.8	1,207	9.8	1,216	1,217	1,207	1,224	0.6
Pennsylvania		2,447	2,585	15.5	2,772	7.2	2,779	2,929	2,768	2,801	-1.0
East North Central	Total	6,156	6,497	15.7	7,121	9.6	7,108	7,246	7,110	7,215	-0.4
Ohio		1,905	1,982	16.0	1,859	10.8	1,838	1,876	1,857	1,888	0.6
Indiana		656	740	20.0	823	11.2	823	839	822	839	0
Illinois		2,031	2,146	13.8	2,312	7.7	2,313	2,360	2,306	2,336	-1.0
Michigan		1,266	1,329	17.6	1,477	11.1	1,482	1,508	1,477	1,496	-0.6
Wisconsin		679	800	18.3	650	8.3	652	666	648	657	-1.4
West North Central	Total	2,192	2,223	6.8	2,340	6.3	2,335	2,412	2,334	2,360	-2.3
Minnesota		472	465	8.3	511	5.4	535	537	508	514	-4.3
Iowa		374	350	8.9	396	4.2	405	408	395	399	-3.2
Missouri		733	743	7.5	798	6.1	793	800	793	797	-0.4
North Dakota		71	71	1.4	72	1.4	77	75	72	72	-4.0
South Dakota		78	78	6.3	79	1.5	85	83	79	79	-4.8
Nebraska		159	189	5.1	192	1.6	202	199	191	193	-3.0
Kansas		279	277	6.2	302	9.0	307	313	301	306	-2.2
South Atlantic	Total	2,198	2,260	19.1	2,505	13.6	2,491	2,525	2,515	2,549	0.6
Delaware		61	65	16.4	71	9.2	73	73	70	71	-2.7
Maryland		443	475	26.6	561	16.1	539	560	556	567	1.2
District of Columbia		304	321	21.1	368	14.6	364	372	368	374	0.5
Virginia		460	466	21.3	546	17.2	523	542	560	554	2.2
West Virginia		341	363	10.9	379	4.1	379	381	378	383	0.5
North Carolina		647	667	14.8	698	10.8	690	643	633	637	-0.9
South Carolina		265	274	16.6	312	13.9	299	307	315	316	2.9
Georgia		439	455	17.3	515	13.2	496	515	519	527	2.3
Florida		347	364	22.9	426	17.0	400	432	429	420	-2.8
East South Central	Total	1,260	1,299	11.9	1,410	8.6	1,416	1,434	1,409	1,422	-1.0
Kentucky		339	332	10.6	375	6.5	369	378	375	376	-0.5
Tennessee		409	424	13.0	462	9.0	464	470	463	469	-0.2
Alabama		341	353	13.8	388	9.9	386	398	387	392	-0.6
Mississippi		171	170	6.2	185	6.8	197	193	184	185	-4.1
West South Central	Total	1,738	1,760	14.7	1,993	13.2	1,988	2,010	1,972	1,978	-1.6
Arkansas		171	169	8.2	185	9.5	188	196	184	186	-4.6
Louisiana		351	380	15.4	405	12.5	419	435	405	407	-5.4
Oklahoma		201	202	14.9	223	14.5	227	236	231	239	-2.4
Texas		935	949	15.8	1,080	13.8	1,034	1,064	1,062	1,095	1.1
Mountain	Total	700	712	7.3	781	6.8	781	783	748	766	-3.4
Montana		100	104	7.0	107	2.9	113	113	107	107	-5.3
Idaho		74	76	8.1	80	6.3	86	86	80	81	-5.8
Wyoming		48	47	4.2	50	6.4	55	55	49	50	-6.7
Colorado		202	206	6.4	216	3.8	225	222	214	218	-1.8
New Mexico		66	66	1.8	67	2.1	70	71	67	67	-6.6
Arizona		85	86	9.4	93	9.4	90	92	94	93	1.1
Utah		97	99	9.3	106	7.1	111	113	105	107	-5.3
Nevada		27	28	16.5	32	14.3	32	32	32	33	0
Pacific	Total	2,176	2,243	14.7	2,494	11.2	2,480	2,533	2,494	2,518	-0.6
Washington		565	595	20.5	640	12.0	636	641	642	646	1.1
Oregon		207	211	14.6	237	12.3	235	245	236	241	-0.8
California		1,605	1,639	13.3	1,817	10.9	1,809	1,849	1,816	1,831	-1.0

Source: Bureau of Labor Statistics, U. S. Department of Labor. Revised estimates.

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CITIES IN WHICH MANUFACTURING EMPLOYMENT HAS RISEN
20 PERCENT OR MORE IN THE TWELVE MONTHS
ENDING FEBRUARY 1941

City	State	Percent
San Diego	California	151.7
Wichita	Kansas	79.2
Lynn	Massachusetts	42.1
Norfolk	Virginia	38.5
Canton	Ohio	35.7
Grand Rapids	Michigan	35.7
Long Beach	California	33.8
Los Angeles	California	32.6
Portland	Oregon	32.6
Bridgeport	Connecticut	32.1
Seattle	Washington	31.0
Washington	District of Columbia	29.1
Fort Wayne	Indiana	27.9
Patterson	New Jersey	24.8
Buffalo	New York	24.4
New Haven	Connecticut	24.4
St. Paul	Minnesota	24.2
Erie	Pennsylvania	24.1
Hartford	Connecticut	24.0
Oakland	California	23.5
Jacksonville	Florida	23.3
Utica	New York	22.9
South Bend	Indiana	22.6
Springfield	Massachusetts	22.4
Flint	Michigan	22.1
Cleveland	Ohio	21.4
Elizabeth	New Jersey	21.4
New Orleans	Louisiana	20.8
Toledo	Ohio	20.7
Camden	New Jersey	20.1

Source: Bureau of Labor Statistics, U. S. Department of Labor.

FARM EMPLOYMENT, BY REGIONS, 1939 - 1941

Geographic Division	1st Quarter 1941 ^{1/}	Percent Change from	
		1st Quarter 1940	1st Quarter 1939
	<u>Thousands</u>		
United States	<u>Total</u> 8,788	-0.5	-2.2
New England	237	2.6	1.7
Middle Atlantic	549	0.7	-0.9
East North Central	1,331	-0.4	-1.0
West North Central	1,458	-0.3	-0.2
South Atlantic	1,609	-0.9	-3.9
East South Central	1,344	-2.8	-4.6
West South Central	1,443	1.5	-2.1
Mountain	374	0	-0.3
Pacific	443	-2.9	-3.5

Source: Farm Labor Report, Agricultural Marketing Service, U. S. Department of Agriculture.

^{1/} Quarterly figures are average of the 3 months.

VALUE OF CONTRACTS AWARDED FOR MANUFACTURING PLANT BUILDING
CONSTRUCTION, FOR 37 STATES

Geographic Division and State	March 1941	Percent Change from			
		February 1941	March 1940	March 1939	
<u>Thousands</u>					
37 States	Total	121,776	220.0	459.7	836.7
New England	Total	3,763	- 20.0	181.2	220.0
Maine		40	25.0	- 60.0	- 46.7
New Hampshire		50	2/	500.0	- 79.9
Vermont		305	52.5	278.5	4/
Massachusetts		2,080	21.2	1,075.1	402.4
Rhode Island		108	- 61.3	- 71.8	620.0
Connecticut		1,180	- 52.3	101.0	179.0
Middle Atlantic	Total	9,407	33.4	196.6	304.6
New York		4,061	32.0	104.2	395.2
New Jersey		1,426	- 16.0	134.5	60.2
Pennsylvania		3,920	72.1	581.7	537.3
East North Central	Total	88,582	611.3	1,297.4	1,979.4
Ohio		5,416	1.8	170.0	378.9
Indiana		63,018	4,156.0	19,531.8	4,076.1
Illinois		14,816	486.3	658.2	1,566.6
Michigan		3,834	86.7	176.4	674.5
Wisconsin		1,498	39.3	123.2	534.7
West North Central	Total	10,408	424.1	179.3	744.1
Minnesota		118	39.2	100.0	- 1.7
Iowa		9,140	8,209.1	220.1	22,750.0
Missouri		608	- 50.3	12.4	25.1
North Dakota		1/	-100.0	3/	4/
South Dakota		34	- 8.1	1,033.3	4/
Nebraska		206	1,266.7	1,039.0	1,039.0
Kansas		303	- 4.4	20.7	- 46.7
South Atlantic	Total	3,037	- 55.6	30.0	82.5
Delaware		3	50.0	- 66.7	- 94.0
Maryland		1,420	61.2	1,063.9	231.0
District of Columbia		1/	-100.0	-100.0	4/
Virginia		142	- 94.0	- 55.2	11.8
West Virginia		250	- 90.4	- 25.1	80.0
North Carolina		372	4.5	80.6	33.8
South Carolina		173	40.7	- 46.3	92.2
Georgia		338	- 36.6	28.0	- 18.6
Florida		33	670.5	1.5	653.3

VALUE OF CONTRACTS AWARDED FOR MANUFACTURING PLANT BUILDING
CONSTRUCTION, FOR 37 STATES

(Continued)

Geographic Division and State	March 1941	Percent Change from			
		February 1941	March 1940	March 1939	
	<u>Thousands</u>				
East South Central	<u>Total</u>	2,797	35.4	128.7	742.5
Kentucky		544	- 36.6	59.5	580.0
Tennessee		2,131	1,231.9	69.4	1,663.8
Alabama		107	- 86.4	132.6	46.7
Mississippi		15	- 94.2	- 66.7	- 84.8
West South Central	<u>Total</u>	3,782	48.0	4.4	88.1
Arkansas		8	- 80.0	- 93.9	- 97.2
Louisiana		288	- 76.9	- 64.9	317.4
Oklahoma		398	182.3	170.7	352.3
Texas		3,088	173.5	22.3	96.8

Source: F. W. Dodge Corporation.

- 1/ No contracts reported for March 1941.
- 2/ Indeterminate because no contracts reported for February 1941.
- 3/ Indeterminate because no contracts reported for March 1940.
- 4/ Indeterminate because no contracts reported for March 1939.

VALUE OF CONTRACTS AWARDED FOR NON-RESIDENTIAL
CONSTRUCTION, FOR 37 STATES

Geographic Division and State	:	March 1941	Percent Change from		
			February 1941	March 1940	March 1939
		<u>Thousands</u>			
37 States	<u>Total</u>	201,458	123.7	177.0	106.0
New England	<u>Total</u>	11,646	36.9	111.9	47.2
Maine		185	48.5	- 61.5	94.7
New Hampshire		188	55.1	51.6	49.3
Vermont		427	71.5	277.9	588.7
Massachusetts		4,125	23.5	129.0	- 8.4
Rhode Island		289	- 71.5	74.3	0
Connecticut		6,432	105.8	246.9	148.4
Middle Atlantic	<u>Total</u>	32,351	103.3	87.1	13.1
New York		10,754	46.4	3.0	- 32.9
New Jersey		4,971	40.2	98.9	- 18.5
Pennsylvania		16,626	231.3	282.1	157.3
East North Central	<u>Total</u>	110,429	342.9	513.3	458.3
Ohio		8,591	0	43.4	12.7
Indiana		71,048	2,845.6	5,476.8	2,215.8
Illinois		21,636	286.5	264.3	298.0
Michigan		6,204	- 1.1	90.0	189.9
Wisconsin		2,950	43.1	92.2	94.8
West North Central	<u>Total</u>	16,452	187.5	115.0	73.1
Minnesota		935	12.0	- 8.6	- 46.0
Iowa		9,841	1,510.6	175.3	352.0
Missouri		3,542	45.0	105.9	5.7
North Dakota		50	- 81.8	- 35.1	17.5
South Dakota		172	244.0	473.3	473.3
Nebraska		642	- 3.3	6.1	- 26.9
Kansas		1,270	105.5	103.9	20.8
South Atlantic	<u>Total</u>	14,747	- 14.3	27.0	- 16.1
Delaware		448	446.3	85.1	522.2
Maryland		3,871	144.7	64.5	103.7
District of Columbia		1,825	5.7	35.2	- 37.1
Virginia		1,944	- 56.1	- 3.8	- 25.9
West Virginia		1,201	35.5	27.1	45.9
North Carolina		1,749	50.5	25.2	- 39.5
South Carolina		839	- 14.0	46.2	- 58.3
Georgia		1,292	- 47.1	1,043.4	- 55.2
Florida		1,578	11.2	- 39.8	7.3

VALUE OF CONTRACTS AWARDED FOR NON-RESIDENTIAL
CONSTRUCTION, FOR 37 STATES

(Continued)

Geographic Division and State	March 1941	Percent Change from		
		February 1941	March 1940	March 1939
<u>Thousands</u>				
East South Central Total	5,832	25.6	21.6	- 6.1
Kentucky	1,089	- 18.7	- 32.6	- 6.8
Tennessee	3,186	194.7	76.8	53.2
Alabama	1,255	- 18.8	75.5	- 30.5
Mississippi	302	- 55.5	- 54.7	- 73.9
West South Central Total	10,001	- 23.9	27.2	21.8
Arkansas	288	- 64.7	- 48.8	- 67.9
Louisiana	2,034	- 62.3	33.1	10.2
Oklahoma	1,149	66.3	65.8	65.6
Texas	6,530	4.6	28.6	36.8

Source: F. W. Dodge Corporation

PERMIT VALUATION FOR NEW RESIDENTIAL CONSTRUCTION

Geographic Division and State	:	March 1941	Percent Change from	
			March 1940	March 1939
<u>Thousands</u>				
United States	<u>Total</u>	119,313	19.8	25.2
New England	<u>Total</u>	9,614	111.2	211.1
Maine		25	56.2	127.3
New Hampshire		3,168	15,740.0	22,528.6
Vermont		30	78.5	1/
Massachusetts		1,957	4.1	51.8
Rhode Island		1,596	226.4	265.2
Connecticut		2,838	33.2	111.9
Middle Atlantic	<u>Total</u>	22,230	- 0.1	- 15.0
New York		11,337	- 22.4	- 39.0
New Jersey		3,864	24.2	73.7
Pennsylvania		7,029	54.7	31.3
East North Central	<u>Total</u>	28,609	44.3	43.8
Ohio		8,307	52.3	53.6
Indiana		2,441	2.5	- 4.6
Illinois		6,530	55.3	65.5
Michigan		9,943	44.3	45.0
Wisconsin		1,388	56.7	23.6
West North Central	<u>Total</u>	4,744	- 7.7	11.6
Minnesota		1,467	38.2	31.7
Iowa		817	3.2	14.3
Missouri		1,294	- 8.4	- 15.4
North Dakota		118	257.6	247.1
South Dakota		87	102.3	38.1
Nebraska		376	- 71.1	25.3
Kansas		565	17.7	18.2
South Atlantic	<u>Total</u>	19,311	41.1	46.4
Delaware		96	289.2	- 47.0
Maryland		2,246	- 36.5	100.2
District of Columbia		4,500	114.2	29.2
Virginia		5,438	364.0	326.8
West Virginia		587	16.7	7.5
North Carolina		1,058	- 7.8	- 4.1
South Carolina		959	123.5	10.5
Georgia		1,338	- 5.4	106.8
Florida		3,089	- 8.1	16.4

PERMIT VALUATION FOR NEW RESIDENTIAL CONSTRUCTION
(Continued)

Geographic Division and State	March 1941	Percent Change from		
		March 1940	March 1939	
<u>Thousands</u>				
East South Central	<u>Total</u>	2,544	35.0	97.4
Kentucky		580	89.5	84.7
Tennessee		1,178	68.3	173.3
Alabama		569	25.1	75.1
Mississippi		217	- 48.8	- 0.9
West South Central	<u>Total</u>	7,376	- 16.9	6.3
Arkansas		301	60.1	201.0
Louisiana		592	- 82.8	11.9
Oklahoma		1,355	38.8	27.3
Texas		5,128	19.7	- 2.2
Mountain	<u>Total</u>	3,019	- 8.8	43.1
Montana		179	- 82.3	98.9
Idaho		288	- 5.9	132.3
Wyoming		154	- 4.3	- 5.5
Colorado		1,103	59.9	78.2
New Mexico		176	- 14.1	- 6.9
Arizona		269	- 3.9	2.3
Utah		646	23.5	30.8
Nevada		204	54.5	22.2
Pacific	<u>Total</u>	21,866	9.2	17.9
Washington		1,829	16.2	95.0
Oregon		1,084	1.6	69.4
California		18,973	9.0	11.7

Source: Bureau of Labor Statistics, U. S. Department of Labor.

1/ Percent change not available.

SOURCES OF FUNDS FOR FEDERAL^{1/} EXPENDITURES
FOR FISCAL YEARS 1940-1942

	1940	1941	1942
	<u>Billions of dollars</u>		
Expenditures of the Federal Government and its Corporations	9.8	13.4	25.0
Sources of Funds for Consolidated Expenditures			
1. Taxes ^{2/}	5.9	7.4	12.6
2. Borrowing			
Internal Borrowing ^{3/}	1.0	1.3	1.6
External Borrowing ^{4/}	1.8	4.7	10.8
Total	2.8	6.0	12.4
3. Decreases in the General Fund	1.1		
4. Total	9.8	13.4	25.0

Source: Estimated from the Budget of the U. S. Government, 1942, and data compiled by the Board of Governors of the Federal Reserve System.

- ^{1/} Includes Government corporations.
- ^{2/} Total tax revenues less receipts under the Old Age and Survivors' Insurance program.
- ^{3/} Sales of securities to Federal pension and trust funds.
- ^{4/} External borrowing is equal to consolidated expenditures of the Federal Government and its corporations less taxes, internal borrowing, and decreases in the cash holdings of the general fund.