

44

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SENATE

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No. 55 }

# THE NEED FOR INDUSTRIAL DISPERSAL

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MATERIALS PREPARED  
FOR THE  
JOINT COMMITTEE ON THE  
ECONOMIC REPORT  
BY THE  
COMMITTEE STAFF



AUGUST 9 (legislative day, AUGUST 1), 1951.—Ordered to be printed

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JOINT COMMITTEE ON THE ECONOMIC REPORT

(Created pursuant to sec. 5 (a) of Public Law 304, 79th Cong.)

SENATE

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**SENATE RESOLUTION NO. 173**

[SUBMITTED BY MR. O'MAHONEY]

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IN THE SENATE OF THE UNITED STATES,  
*August 9 (legislative day, August 1), 1951.*

*Resolved*, That the committee print entitled "The Need for Industrial Dispersal", prepared by the Joint Committee on the Economic Report, be printed as a Senate document.

Attest:

LESLIE L. BIFFLE, *Secretary*.  
By EMERY L. FRAZIER, *Chief Clerk*.

III

## LETTER OF TRANSMITTAL

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JUNE 13, 1951.

*To Members of the Joint Committee on the Economic Report:*

For the information of members of the committee and others interested, there is transmitted herewith a staff report on the importance of industrial development from the point of view of security in the event of war emergency and, secondly, from the point of view of strengthening the domestic economy.

JOSEPH C. O'MAHONEY,  
*Chairman.*

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## THE NEED FOR INDUSTRIAL DISPERSAL

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The economy of the United States is facing for the first time in modern history the possibility of having to maintain industrial production under conditions of direct military action. Coupled with this need for preparing against actual enemy attack is the equally serious problem which is introduced by a permanent large-scale mobilization begun at a period when our existing industrial capacity was fully taken up by civilian demand.

Fortunately, the solution of these two problems may well lie in the same direction. Since there is no known defense against the atomic bomb itself except space, dispersion is one of the first considerations for strategic safety of industrial facilities. As labor supply and plant facilities become exhausted in more and more metropolitan areas, it is equally apparent that business in expanding to meet defense-production needs must look to areas which are not now developed industrially.

Under pressure of meeting defense requirements and civilian needs simultaneously, the year 1951 will see the beginning of the greatest period of industrial expansion this country has ever known. On the basis of plans already reported by business, fixed capital outlays by American industry are expected to total almost \$24 billion this year. Much of this expansion has been generated by the general expectations of increased demand for goods of all kinds but a substantial portion represents direct Government stimulation through accelerated tax amortization, direct and guaranteed loans, and military contracts for expanding privately operated and Government facilities. Underlying these three programs, and certainly affecting much of the rest of the current expansion, are the policies of procurement of the military departments.

This report attempts to summarize the nature and extent of the programs for directly stimulating industrial expansion and to relate them to the problems of industrial location for maximum military security and utilization of the Nation's economic resources.

### PRESENT GOVERNMENT PROGRAMS

The most important single program for encouraging industrial expansion is found in section 124A of the Internal Revenue Code which provides for accelerated tax amortization, granted through certificates of necessity. Business concerns granted certificates of necessity are permitted to write off in a 5-year period a percentage ranging up to 100 percent of the cost of the new capital equipment. This follows a pattern developed in World War II in which, in order to encourage the expansion of industrial facilities, businessmen were permitted to amortize for tax purposes all or part of the cost of the expansion over a relatively short period rather than over the normally longer life of the facilities involved. The program got under way in October 1950

and, by late May 1951, certificates of necessity had been granted to the extent of nearly \$6 billion, on which accelerated tax amortization of over \$4 billion had been allowed.

Estimates of the eventual size of the total facility expansion which will take place through the use of certificates of necessity range from \$10 to \$12 billion. These figures may be on the conservative side when it is considered that the 1,570 certificates of necessity now approved represent only one-third of the \$18 billion applied for under the accelerated tax-amortization plan.

The second largest source of Federal aid for facility expansion is found in the Department of Defense program of military contracts for expanding privately operated and Government facilities. These contracts are financed with military funds appropriated for procurement, industrial mobilization, and for expediting production. According to an early estimate, expansion under the program is expected to reach a \$5.9 billion total. Most of this money will be used for machine tools, jigs and fixtures, and other items needed to retool and reequip present plants, but a considerable proportion will be used for new structures. No figures are available on the proportion of funds already contracted, although reports are now being developed by the armed services for that purpose.

Beside accelerated tax amortization and direct construction, there are two other programs which aid facilities expansion—the programs for guaranteed loans and for direct loans to industry provided under sections 301, 302, and 303 of the Defense Production Act. Since most loans also involve tax amortization, the following figures cannot be added to the totals previously given for certificates of necessity and direct construction, but they do reveal the significance of the loan program as a facility aid. Under the programs for direct and guaranteed loans, approvals totaled \$563 million and \$422 million, respectively, to May 25, 1951.

In terms, then, of opportunities remaining for affecting the location of defense industry, the total facilities expansion under the various Federal programs may be summarized as follows:

[In billions of dollars]

Programs	Already committed as to location	Not yet committed as to location	Total
Accelerated tax amortization.....	6.0	6.0	12.0
Direct construction.....	2.0	3.9	5.9
Total.....	8.0	9.9	17.9

NOTE.—This tabulation assumes that the bulk of direct construction is yet to be committed since much of the money will be provided by budgets still under consideration.

### *Administration of the program*

The administration of the accelerated amortization program was originally assigned to the National Security Resources Board, and responsibility for recommendations in their special fields delegated to Agriculture, Interior, and Commerce. The first general objectives and criteria were issued as an Executive order in October 1950.<sup>1</sup>

<sup>1</sup> Executive Order 10172, prescribed by the Chairman of the National Security Resources Board and approved by the President, October 12, 1950.

The order emphasized the need for considering, among other criteria, the necessity for and adequacy of facilities or materials or services for a particular region, the location of the facility with due regard to military security and the availability of manpower, housing, community facilities, transportation, and other elements of production.<sup>2</sup> Arrangements were made under which the Department of Labor would supply NSRB or one of the delegate agencies with an analysis regarding the availability of manpower for the additional facilities for which accelerated amortization was requested. No other provision was made for reviewing the relationship of the proposed expansion to over-all economic efficiency nor was the question of military security formally evaluated. After the function of reviewing and approving certificates of necessity for accelerated tax amortization was transferred to the Defense Production Administration, the arrangements for analyzing the availability of manpower in connection with granting individual certificates was no longer observed.

In addition to the objectives set forth in the Executive order, there were certain general instructions issued to the procurement agencies urging that the procurement base be broadened and fuller utilization made of our labor resources.<sup>3</sup> Despite these objectives and instructions, the House Committee on Expenditures in the Executive Departments was led to observe, after extensive hearings on all phases of the program, that—

One of the crucial questions which has arisen in the administration of the certificate-of-necessity program concerns the dispersal of industry. Under the present policy no effort is made by the Government to control the location of new facilities through certificates; the selection of the site is left entirely to the applicant. Quite naturally, this policy results in further concentration of industry in areas favored by economic factors wholly without regard to considerations of military security or the avoidance of knock-out blows in the event of a sudden enemy attack. Moreover, not only has the Government taken no initiative in this direction but has refused to aid, through a higher percentage certificate, an applicant who proposed to construct a facility in a location chosen primarily for reasons of military security. (Fifth Intermediate Report, May 28, 1951.)

<sup>2</sup> In addition to the objectives set forth in the Executive order, the matter of industrial location was also reviewed and discussed when the law was being considered, in a memorandum sent to the House Ways and Means Committee from Charles S. Murphy, special counsel to the President, which stated:

"From the standpoint of the Government, this tax incentive can help get facilities built where and when they will be most useful. . . . Such special tax incentives should be of particular significance in inducing firms to select locations for new plants with primary regard for national security rather than economic considerations. It may be very desirable to ask businesses to locate new plants in places other than those they would select on the basis of cost and market considerations. Accelerated amortization may be used to compensate businesses which participate in such industrial dispersal."

<sup>3</sup> The Secretary of Defense, on December 18, 1950, issued a memorandum to the Secretaries of the three services on the subject of broadening the industrial base of procurement programs in which he asked that the military departments pay particular attention to—

"The equitable distribution of procurement contracts among the maximum number of competent suppliers. The concentration of contracts with a few leader suppliers is to be avoided unless the necessity therefor is clear.

"The fullest possible use of small-business concerns.

"The placement of contracts with a view to economies in the use of transportation facilities.

"The availability of manpower in distressed employment areas or in areas of manpower shortages."

The objectives in regard to utilization of labor supply were further spelled out in statements issued following the President's approval on January 17 of a national manpower mobilization policy when on January 30, the Secretary of Labor issued a policy concerning the placement of defense facilities and contracts after full consideration of manpower implications. This policy, which was endorsed by the Interdepartmental Committee on Defense Manpower and the National Management-Labor Committee, stated in part that—

"The Federal departments and agencies agree that insofar as possible under existing legislative authority, Federal activities with respect to procurement of goods and services, the scheduling of production and employment in Government-owned or controlled establishments, the building of new facilities and the reactivation or expansion of existing ones, location of camps, cantonments and supply depots, the exercise of allocation authority over materials or facilities, the approval of loans, loan guaranties and tax-amortization certificates, and related programs will take full account of the adequacy and utilization of labor supply in specific localities and the impact of each such activity upon the local manpower situation. In addition, these agencies of Government will request and urge those private employing establishments and individuals with which they work to also implement this policy as far as possible in the placement of subcontractors, in the ordering of materials, and in the securing of services. Particularly will these private establishments be urged to utilize local labor supplies to the utmost before resorting to out-of-area recruitment or advertising for workers."



*Distribution of stimulated industrial expansion to date*

The results of the accelerated amortization program as it has been administered to date are shown on the following map. Much of the expansion for which certificates of necessity have been approved has taken place in major metropolitan areas or in areas of existing large-scale industrial concentration. If we were faced with the desperate conditions of all-out immediate war it might be that the best we could do would be to try to squeeze more production out of those areas, in spite of the inefficiency of trying to use an outmoded city machine. Cities, like industrial plants, can become inefficient and inadequate for modern production methods. The total costs of production from the standpoint of the whole economy do not stop at the walls of the factories but must include costs of moving products through old-fashioned street lay-outs or expensive reconstruction of those facilities, the costs of commuting long distances where there is no available housing, the costs of supplying water and policing in overcrowded areas, and many other services which become increasingly difficult to provide under conditions of overconcentration. Use of these areas can be justified only on a short-run emergency basis. To add further to such concentration for a long-run defense effort involves an economic drain which can be avoided by encouraging the development of industry in areas where labor and other resources are not fully utilized.

The understandable fact that the programs for accelerated amortization and loan assistance have concentrated first on the expansion of facilities for increasing the supplies of basic materials has, to some extent, limited the possibilities for early industrial dispersion.<sup>4</sup> As will be noted from the map showing the distribution of facilities approved for tax amortization, many of the certifications have been for highly integrated extensions of heavy industry or for expanding existing mining activities or oil-production facilities. As the industrial expansion program moves on to extend the capacity for producing finished goods, however, the way is open for using areas which are both strategically more secure and where there are reserves of manpower and other resources.

## ACHIEVING A SOUND PATTERN OF INDUSTRIAL DEVELOPMENT

Achieving a sound pattern of industrial development requires first of all a determination of areas which are now highly developed industrially and where the location of more industry would be questionable for reasons of economic and military security. A rough, but convenient and simple measure of the degree of industrial development in an area is the ratio of population to manufacturing employment. This index for any area is particularly useful when compared to the national average.

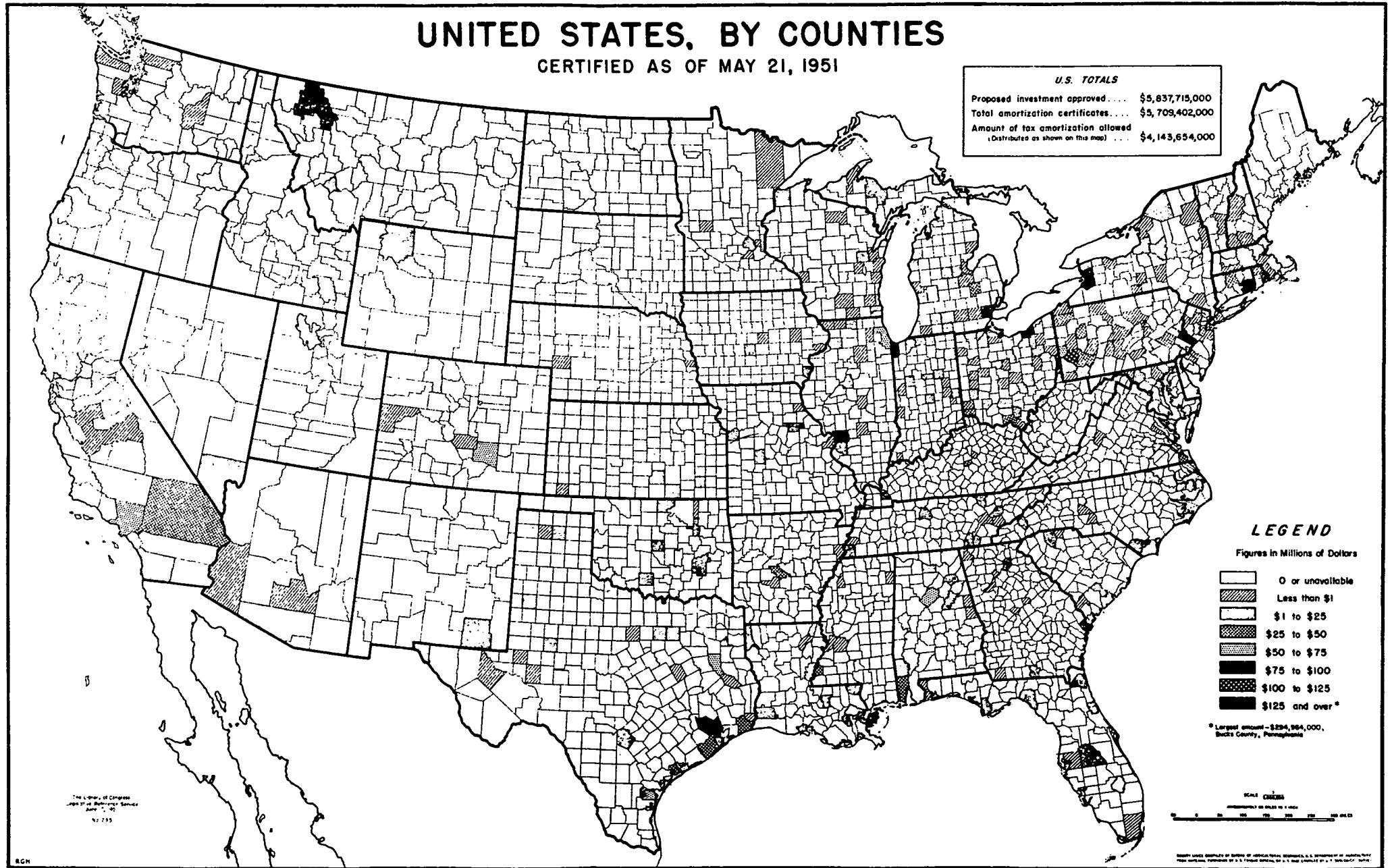
*Areas of underdeveloped industrial resources*

The accompanying map is a graphic summary of the counties in the United States which are below or above the degree of industrialization for the Nation as a whole.<sup>5</sup> Dotted areas are those whose ratio of population to production workers per 1,000 population is

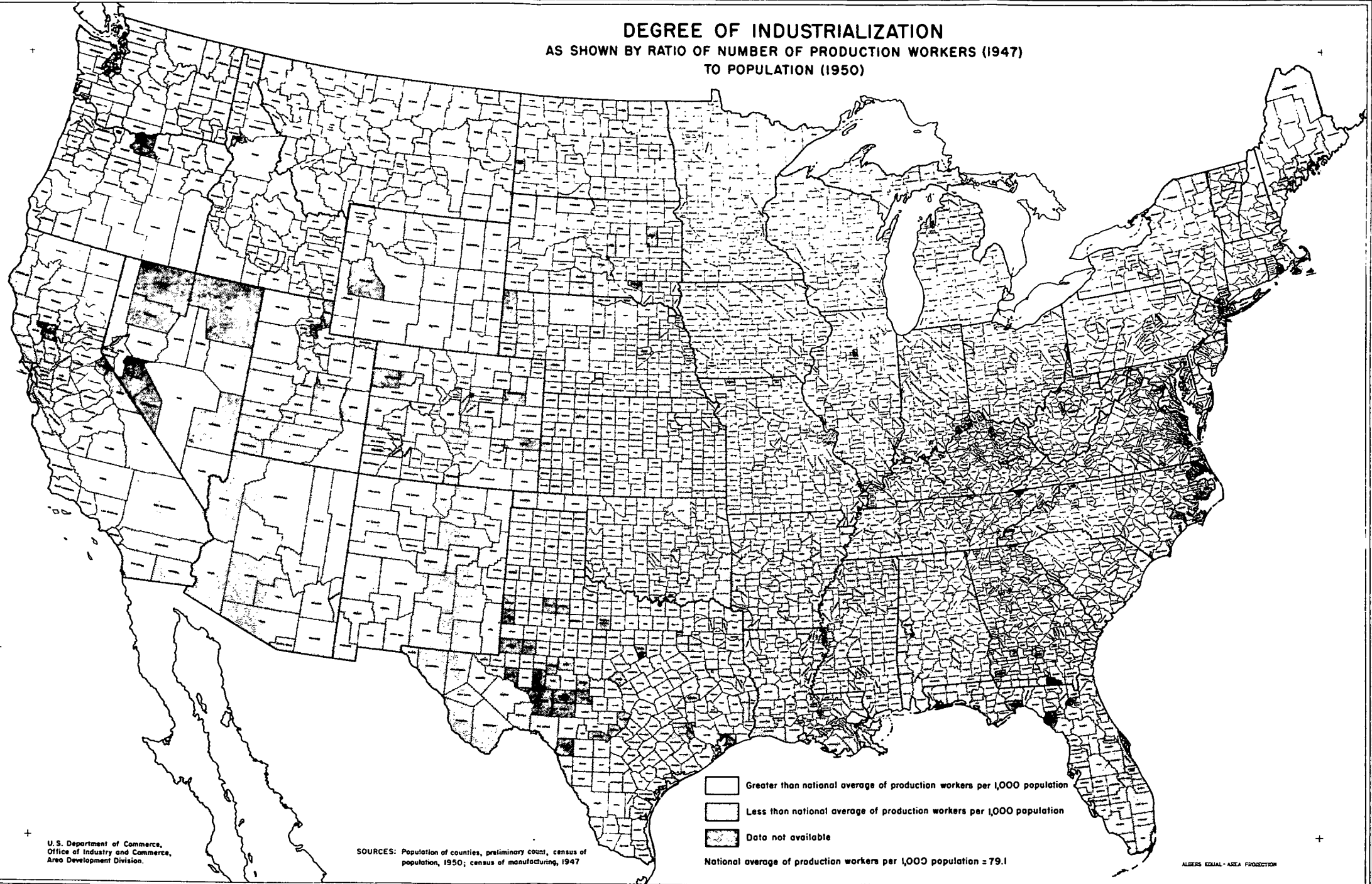
<sup>4</sup> See appendix A, Report of the Defense Production Administration on Defense Programs, June 6, 1951.




<sup>5</sup> Data used are preliminary population figures for 1950 and manufacturing production workers in 1947, as compiled by the Bureau of the Census.

# DISTRIBUTION OF TAX AMORTIZATION FOR DEFENSE FACILITIES



**DEGREE OF INDUSTRIALIZATION**  
 AS SHOWN BY RATIO OF NUMBER OF PRODUCTION WORKERS (1947)  
 TO POPULATION (1950)



-  Greater than national average of production workers per 1,000 population
-  Less than national average of production workers per 1,000 population
-  Data not available

National average of production workers per 1,000 population = 79.1

U.S. Department of Commerce,  
 Office of Industry and Commerce,  
 Area Development Division.

SOURCES: Population of counties, preliminary count, census of  
 population, 1950; census of manufacturing, 1947

ALBERS EQUAL-AREA PROJECTION

Revised APR, 1950

worker on the medium-sized commercial farm or the average rural nonfarm worker, the production and output of rural people would be increased 20 to 25 percent. This is the equivalent of adding 2,500,000 workers to the labor force.

Most of these people are found in areas where the farm land is below average productivity and where there are large numbers of people per square mile. The possibilities for the development of industry in such rural areas may be seen from the following map, which shows by counties the proportion of full-time farmers reporting less than \$1,500 gross farm income in 1945.

#### *Areas of relative military security*

Criteria for military security which need to be considered in locating industry were first published by the National Security Resources Board, September 1948, in their bulletin, *National Security Factors in Industrial Location*. The bulletin points out that there is no complete military defense against the atomic bomb and recommends that wherever possible areas of industry concentration be held to less than 5 square miles, or located in urban concentrations of less than 50,000 separated by about 10 miles of relatively open country.<sup>8</sup>

For many industries which need to be integrated with established production facilities such dispersion will simply mean an extension of existing market areas. As can be seen from the maps previously shown in the report, there are underdeveloped industrial areas within almost every region of the country. On the other hand, plants which do not need to be closely integrated with other parts of the same industry or with related industries will have more freedom in meeting the requirements of military security.

It is obvious that to encourage an industrial dispersion policy which would weaken any single region or section would result in weakening the Nation's over-all ability to produce. Each area or region of the country has a contribution to make to the total economic strength and any policy of industrial dispersion must make sure that all of these resources are used to maximum efficiency. The need is for expanding total strength, not building up any one region at the expense of another.

#### SUMMARY AND CONCLUSIONS

The requirements of a defense economy operating at peak capacity and the need for strategic location against possible atomic attack make essential the increasing dispersion of industrial facilities in the United States. Present Government programs providing for accelerated tax amortization, direct guaranteed loans, and direct construction have tended to add to rather than relieve existing industrial concentration. There are a number of criteria which if used in guiding the direction of future expansion could do much to insure maximum military and economic security but no adequate machinery now exists for insuring that these considerations get into the procurement, amortization, or loan process.

It is recommended that the Defense Production Act be amended to the end that adequate steps be taken by all departments of Govern-

<sup>8</sup> With the rapid development of long-range aircraft, defense against the bomb carrier is entirely relative, as General Vandenberg has explained in the following terms:

"Should war come, we can be expected to destroy no more than 30 percent of the planes making an attack in strength on the United States before their bombing missions are completed. And our preparations today are not yet beefed up to achieve even that figure. Even if we had many more interceptor planes and anti-aircraft guns and a radar screen that blanketed all approaches to our boundaries, a predictable 70 percent of the enemy's planes would penetrate our defenses despite the extraordinary valor and skill of our pilots."

less than the national average of 79.1, and thus indicate counties whose industrial development is below that of the country as a whole.<sup>6</sup>

It may be seen from this measure of industrial development that—

1. Industrial activity is now heavily concentrated in a few areas. It is in these areas that labor, community housing, etc., are among the first to be strained in defense production.

2. With one exception, no State is without relatively underdeveloped industrial areas, and several entire States are below average industrial development. Thus, practically any set of location requirements for any particular industry can be satisfied in one or another of these underdeveloped industrial areas.

3. Many sections which are below the national average of industrialization are also known to be low-income areas, as well as areas in which employment and income are highly sensitive to changes in the country's level of economic activity. Diversification of activity will strike at the root of the low-income problem—low productivity—and not only provide the reserve capacity needed at this time but will make for greater stability in the long run.

*Areas with available human resources*

Not only is it essential to know where such areas of concentration are located in general, but whether industrial activity is high or low at any given time. One such measure is provided by the bimonthly reports from 180 labor-market areas which are issued by the Bureau of Employment Security in Labor Market Briefs. These reports present information which are summarized under the following code designations:<sup>7</sup>

Code	Ratio of unemployment to labor force	Definition of code
A.....	Under 3 percent.....	Tight or balanced labor supply.
B.....	3 to 4.9 percent.....	Slight labor surplus.
C.....	5 to 6.9 percent.....	Moderate labor surplus.
D.....	7 to 11.9 percent.....	Substantial labor surplus.
E.....	12 percent and over.....	Very substantial labor surplus.

In addition to showing where labor is still available in existing industrial areas, the data in Labor Market Briefs are also helpful in marking out nonindustrial areas with surplus labor. The data do not, however, show the places where large numbers of persons in the labor supply, though technically counted as employed, are actually underemployed because of limited resources and lack of opportunity and training. The problems of such areas have been a source of concern to the Joint Committee on the Economic Report from the standpoint of the potential contribution they might make to the economy if ways could be found for bringing their productivity up to that of the rest of the country. In a committee print of materials prepared by the staff which deals with the subject of the underemployment of rural families, it is estimated that—

If the workers in \* \* \* five groups of [underemployed] rural families could be employed at jobs where they would produce as much as the average

<sup>6</sup> Data for manufacturing workers in some counties, especially west of the Mississippi River, are not available from published census materials for disclosure reasons. It is believed, however, that most of the counties so marked rank below the national average.

<sup>7</sup> See appendix B for a summary of the latest labor-market-area information.

PERCENTAGE OF FULL-TIME FARMERS REPORTING LESS THAN  
\$1500 GROSS FARM INCOME, 1945

BY COUNTIES

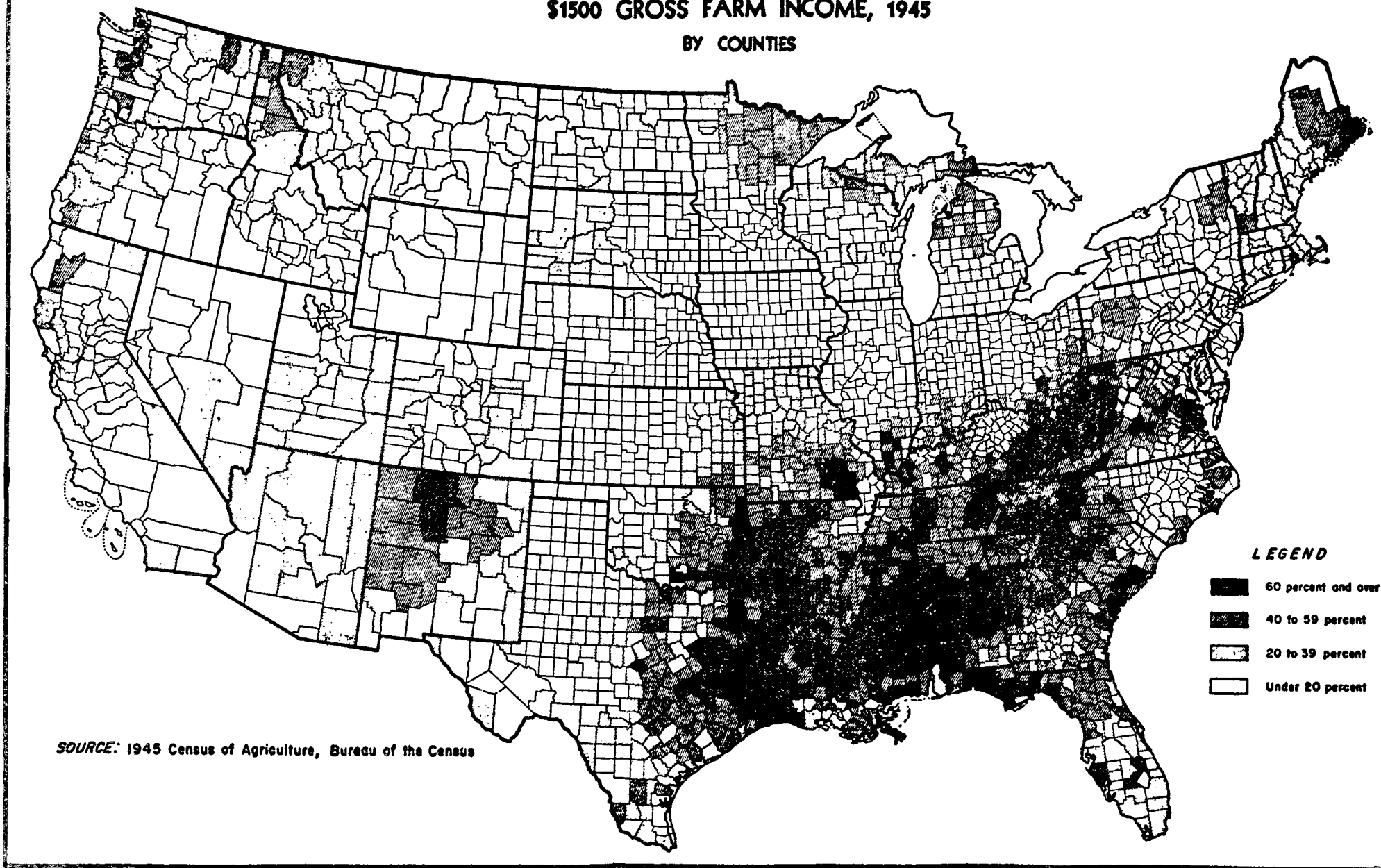


FIGURE 1.—Gross farm income as used in figure 1 is value of farm products sold or used in the home in 1944. Since 1944 farm prices have increased approximately 25 percent. Farms with gross incomes of \$1,850 or less in 1950 would be comparable with those with gross incomes of \$1,500 or less in 1944. Counties which have high proportions of full-time farm operators who produced less than \$1,500 gross value of farm production also have large numbers of full-time farmers with \$1,500 to \$2,500 gross value of farm production.

ment concerned with the expansion of industrial facilities to insure a pattern of industrial development which would:

1. Consider the advantages of the present distribution of communities and production facilities and employ their present and potential productivity to a maximum.

2. In accordance with this aim, minimize the occasion for needless migration of labor, with the attendant dislocation of State, local, and family institutions.

3. Establish new or expanded facilities in areas which have greater geographic security from enemy attack.

4. Establish new or expanded plants in areas which have the potential transport, labor, and other requirements so as to economize, by avoiding undue or overconcentration in already-congested areas.

5. Develop, as natural results of plant, corporate, industrial, and geographic decentralization, the opportunities for smaller, medium-sized local businesses and industries to undertake more direct participation in the defense effort, and by opportunity for normal growth, to add to the productive capacities of the economy.

#### *Needed legislation*

A sample of the kind of legislation which might accomplish this purpose is attached to this report, appendix C. There are several other proposed measures which bear on the problem, particularly S. 533, to create the Small Defense Plants Corporation.

Regardless of whatever legislation is adopted, it is clear that the effectiveness of the program will depend upon its administration. Any scheme for controlling the location of Government-aided defense facility construction must recognize that the crucial decisions pertaining to where the facility will be built and by whom are made by contractors and contracting officers prior to the contract award. In face of the urgencies of defense and war, a review of applications for certificates of necessity, defense loans, or construction priority authorizations to foster small business or encourage the location of plants in areas needing development inevitably degenerates into an ineffectual formality unless the reviewing takes place at a point in the procurement process when there are still real choices both for procurement officers regarding contractors and for contractors regarding locations.

It would seem imperative that some procedure be developed whereby each procurement agency would not only define more clearly its procedures for distributing facility expansions among different areas and regions but would insure that review and decisions in regard to such expansions would be made at a place early enough in the procurement and industrial development process to insure adequate consideration for the industrial location factor. Such a procedure, for example, might involve having the field procurement officer determine, before awarding any contract, whether facility expansion is required. He could then be asked to prepare a justification, in terms of the alternatives considered, for the location, the company, and the size of any additional facilities deemed necessary. A central staff might then review his report in the light of possibilities in other regions and make a final recommendation on the need and priority for the facility to the agency concerned with the approval and determination of the amount of amortization to be allowed.

# APPENDIXES

## APPENDIX A

### DEFENSE PROGRAMS

SUPPLEMENT FEDERAL AIDS FOR FACILITIES EXPANSION, JUNE 6, 1951

Defense Production Administration, Washington

#### FEDERAL AIDS FOR FACILITIES EXPANSION

The Government offers the following aids for facility expansion:

##### *I. Accelerated tax amortization*

1. Certificates of necessity for accelerated tax amortization are granted under authority of section 124A of the Internal Revenue Code.

Certificates of necessity are separate and independent of Government loans. Applications are made separately, and a person may be granted either one or both covering a specific project.

##### *II. Loans*

1. *Guaranteed loans.*—Section 301 of the Defense Production Act of 1950 provides for complete or partial guaranteeing by the delegated guaranteeing agencies of loans made by public or private lending institutions. These agencies, in accordance with Executive Order 10161, are as follows: The Departments of the Army, Navy, Air Force, Commerce, Interior, and Agriculture, General Services Administration, and the Atomic Energy Commission.

2. *Direct loans.*—(a) Section 302 of the Defense Production Act of 1950 provides for direct loans in order to expedite production or services essential to the defense effort. These loans are for the expansion of capacity, for the development of technological processes, and for exploration, development, and mining of strategic and critical metals and minerals. Financial assistance may be extended here only to the extent that it is not otherwise available on reasonable terms (including private financing, RFC, and other Government lending).

(b) Section 303 provides for Government purchases of, or commitments to purchase, metals, minerals, and certain other raw materials for Government use or resale. Under this authority raw materials can be procured, without regard to limitations of other laws and upon such terms as the President deems necessary. This section also authorizes the use of funds for the encouragement of exploration, development, and mining of strategic and critical metals and minerals.

##### *III. Department of Defense contracts*

Still another form of Federal aid is military contracts for expanding, equipping, and tooling private, privately operated, and Government facilities. These contracts are financed with military funds appropriated for procurement, for industrial mobilization, and for expediting production.

Purchases for the strategic stockpile are made under authority of Public Law 520. Long-term purchase contracts may encourage privately financed expansion of certain facilities, or facilities may be expanded under section 302, section 303, or with certificates of necessity, as described above.



FACILITY EXPANSION AIDS AS OF MAY 25, 1951

*Certificates of necessity*

One thousand five hundred and seventy certificates of necessity with a total proposed investment of almost \$6 billion for expansion of facilities in defense production have been approved. This represents a third of the total amount of approximately \$18 billion applied for so far under the accelerated tax-amortization plan.

Between May 7 and May 25, 519 applications on a total proposed investment of \$654 million have been acted upon. Of this amount \$565 million (86 percent) have been approved for facility expansion under the accelerated tax-amortization program and \$89 million (14 percent) have been denied.

The rail- and water-transportation industry received 43 percent of the total amount approved during this period for \$245 million, and the chemical industry received 20 percent of the total, or \$111 million.

*Guaranteed loans under section 301<sup>1</sup>*

During the month of April applications requesting United States Government loan guaranties (under sec. 301 of the Defense Production Act of 1950) for working capital amounting to \$115 million increased the total amount filed to \$561 million. About 75 percent of this amount has already been approved (\$422 million), leaving only \$123 million still under consideration.

*Direct loans under section 302*

Between May 7 and May 25, 132 applications for loans amounting to \$654 million have been denied. This raises the total amount denied to \$808 million, which is 56 percent of the total amount filed.

Loans of \$61 million under section 302, granted so far, amount to only 4 percent of the total value of applications filed.

*Status as of May 25, 1951*

Status	Certificates of necessity		Guaranteed loans (sec. 301 <sup>1</sup> )		Direct loans (sec. 302)		Projects (sec. 303)	
	Number	Millions of dollars	Number	Millions of dollars	Number	Millions of dollars	Number	Millions of dollars
Filed <sup>2</sup> .....	9,153	18,098	489	4,561	801	1,428	(3)	(3)
Approved.....	1,570	5,992	327	422	32	61	16	7,502
Denied.....	502	341	57	11	291	808	(3)	(3)
Pending.....	7,081	11,765	105	123	478	504	(3)	(3)

<sup>1</sup> As of Apr. 30, 1951.

<sup>2</sup> Does not include filed applications which were later withdrawn.

<sup>3</sup> Does not include 496 applications received in DPA but not yet referred to the delegate agencies.

<sup>4</sup> The value of applications filed is greater than the sum of applications approved, pending, and denied, because approvals may be for a lesser amount than requested. In the case of direct loans only, it also does not reflect RFC supplemental participation.

<sup>5</sup> Not applicable.

<sup>6</sup> This is the amount of proposed investment on which the allowed tax amortization amount is \$4,248,106,000 or 70.9 percent.

<sup>7</sup> Commitments.

NOTE.—The above categories cannot be added. For example: Loans under sec. 302 may also receive certificates of necessity.

## THE NEED FOR INDUSTRIAL DISPERSAL

## RECONSTRUCTION FINANCE CORPORATION DEFENSE D LOANS

The Reconstruction Finance Corporation has authorized the following loans for direct defense purposes. These loans are exclusive of RFC supplemental participation on section 302 loans.

	Number	Thou- sands of dollars		Number	Thou- sands of dollars
July 1 to Feb. 28, 1951 <sup>1</sup> .....	251	\$48, 806	April 1951.....	1 33	1 23, 400
March 1951.....	1 32	1 10, 632	Total.....	1 316	1 82, 838

<sup>1</sup> Preliminary, subject to adjustment.

## CERTIFICATES OF NECESSITY

*Action to eliminate backlog*

On the recommendation of the Administrator of NPA, the Defense Production Administration has announced that applications for certificates of necessity for certain types of industrial expansion filed after June 15 will not be considered, except in urgent cases, until after the present backlog has been processed.

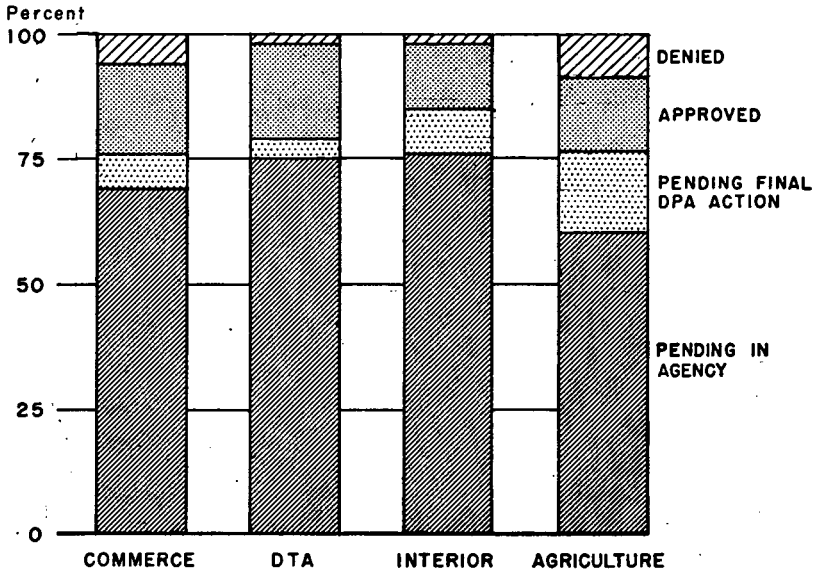
No applications filed after June 15 will receive consideration by NPA until the present backlog has been processed, except that special attention will be given to applications involving defense installations of special urgency.

The Petroleum Administration for Defense took similar action as of April 30, since certificates granted plus the pending backlog, if granted, would provide more than sufficient facilities to meet program objectives for expansion of basic petroleum refineries. PAD will continue, however, to process applications for facilities for producing specific military products needed in the defense program such as aromatics and butylenes, and basic expansion of other segments of the petroleum and gas industries such as oil or gas pipelines or storage facilities.

Careful consideration is being given to the criteria for approval of one application as against another. Such factors as the nature of the industry, length of time needed to complete a facility, whether small business is being aided, whether the capital is private or obtained through some form of Government financing, the geographic location in the light of disbursement, and the synchronization of related expansion programs may serve as bases for approval or denial.

# CERTIFICATES OF NECESSITY

STATUS and ACTIONS BY DELEGATE AGENCIES MAY 25, 1951



STATUS AND ACTION

STATUS	TOTAL		COMMERCE		DTA		INTERIOR		AGRICULTURE	
	NUM-BER	PER-CENT	NUM-BER	PER-CENT	NUM-BER	PER-CENT	NUM-BER	PER-CENT	NUM-BER	PER-CENT
TOTAL FILED.....	9,153	100	6,271	100	1,396	100	1,172	100	314	100
APPROVED.....	1,570	17	1,124	18	267	19	152	13	27	9
DENIED.....	502	5	405	6	32	2	18	2	47	15
PENDING: IN AGENCY.....	6,453	71	4,326	69	1,042	75	897	76	188	60
IN DPA <sup>1</sup> .....	628	7	416	7	55	4	105	9	52	16

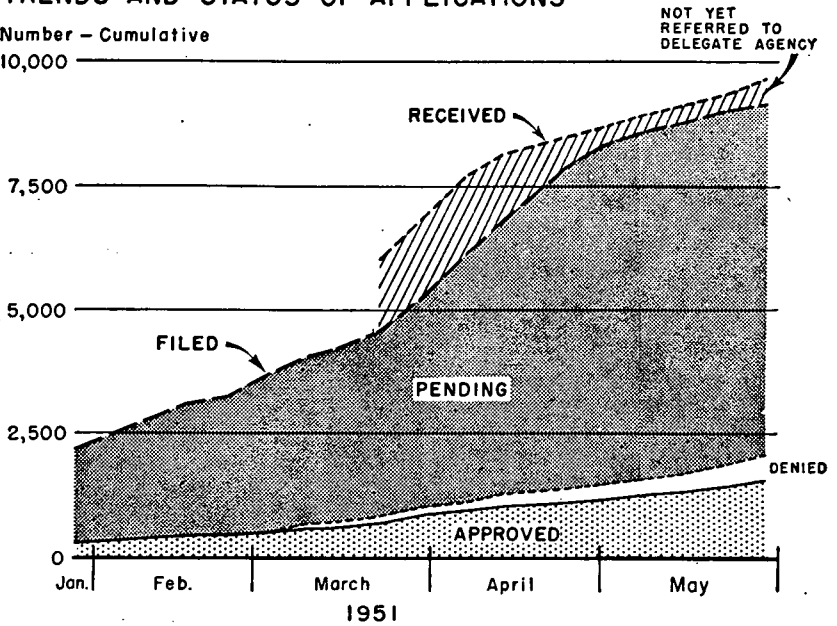
DISTRIBUTION

TOTAL FILED.....	9,153	100	6,271	69	1,396	15	1,172	13	314	3
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<sup>1</sup> RECOMMENDED BY AGENCY; AWAITING FINAL ACTION BY DPA.

## CERTIFICATES OF NECESSITY TRENDS AND STATUS OF APPLICATIONS

Number - Cumulative  
10,000

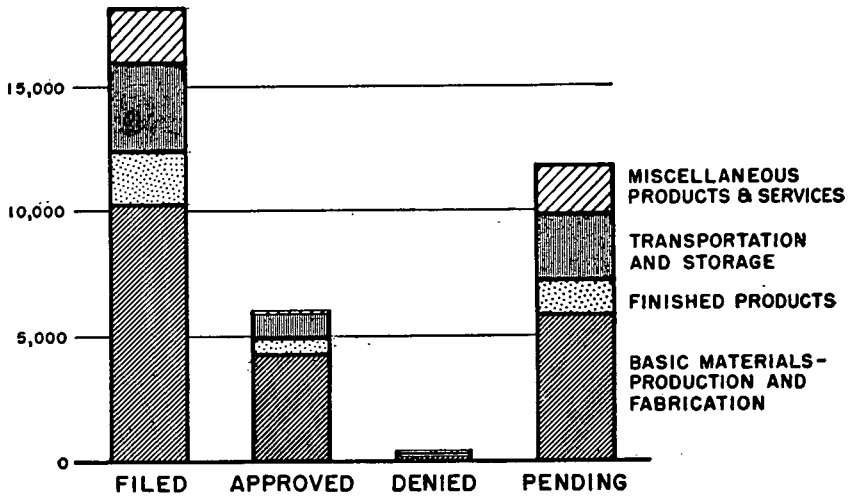


As of—	Number—Cumulative				
	Received	Filed	Approved	Denied	Pending
January 30.....	N. A.	2,201	268	N. A.	N. A.
February 16.....	N. A.	3,080	416	N. A.	N. A.
23.....	N. A.	3,247	447	N. A.	N. A.
March 2.....	N. A.	3,666	493	N. A.	N. A.
9.....	N. A.	4,053	578	76	3,399
13.....	N. A.	4,176	585	93	3,498
22.....	5,983	4,581	686	117	3,778
30.....	6,893	5,280	854	140	4,286
April 6.....	7,673	6,121	930	148	5,043
13.....	8,154	6,879	1,003	247	5,629
23.....	8,408	7,796	1,086	280	6,430
30.....	8,644	8,321	1,147	300	6,874
May 7.....	8,902	8,583	1,235	318	7,030
May 14.....	9,135	8,798	1,337	369	7,092
21.....	9,335	9,021	1,438	424	7,159
25.....	9,649	9,153	1,570	502	7,081

# CERTIFICATES OF NECESSITY

TOTAL FILED THROUGH MAY 25, 1951

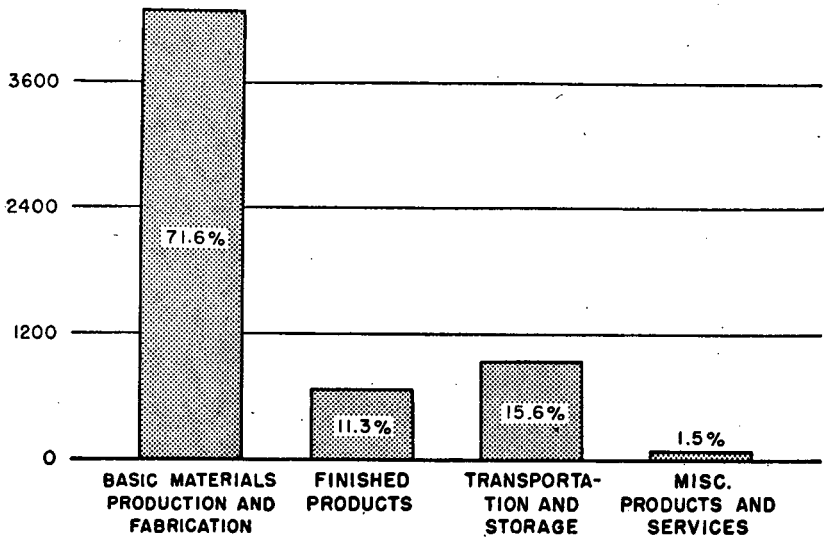
Millions of Dollars  
20,000



INDUSTRY GROUP	FILED		APPROVED		DENIED		PENDING	
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
BASIC MATERIALS-PRODUCTION AND FABRICATION.....	3,187	10,323	703	4,288	125	172	2,359	5,863
FINISHED PRODUCTS.....	2,989	2,042	501	677	166	44	2,322	1,321
TRANSPORTATION AND STORAGE..	1,505	3,609	273	937	39	27	1,193	2,645
MISCELLANEOUS PRODUCTS AND SERVICES.....	1,472	2,124	93	90	172	98	1,207	1,936
<b>TOTAL.....</b>	<b>9,153</b>	<b>18,098</b>	<b>1,570</b>	<b>5,992</b>	<b>502</b>	<b>341</b>	<b>7,081</b>	<b>11,765</b>

## CERTIFICATES OF NECESSITY By Industry Group ISSUED THROUGH MAY 25, 1951

Millions of Dollars  
4800



INDUSTRY GROUP	APPROVED		
	PROPOSED INVESTMENT	TAX AMOR-TIZATION ALLOWED	T. A. ALLOWED AS A PERCENTAGE OF PROPOSED INVESTMENT
BASIC MATERIALS— PRODUCTION AND FAB- RICATION.....	4,288	3,013	70.3
FINISHED PRODUCTS....	677	486	71.8
TRANSPORTATION AND STORAGE.....	937	686	73.2
MISCELLANEOUS PROD- UCTS AND SERVICES...	90	63	70.0
TOTAL.....	5,992	4,248	70.9

Certificates of necessity by industrial classification through May 25, 1951

[Millions of dollars]

	Filed		Approved				Denied		Pending	
	Number	Amount	Number	Proposed investment	Tax amortization allowed	Tax amortization allowed as a percentage of property investment	Number	Amount	Number	Amount
Grand total.....	9,153	18,098	1,570	5,992	4,248	70.9	502	341	7,081	11,765
Basic materials—production and fabrication.....	3,187	10,323	703	4,288	3,013	70.3	125	172	2,359	5,863
01 Coal and coke.....	141	316	21	108	91	84.3	8	5	112	203
02 Iron ore—mining.....	93	268	12	60	49	81.7	1	(1)	80	208
03 Nonferrous ores—mining.....	101	677	15	225	149	66.2	1	(1)	85	452
04 Iron and steel—production and fabrication.....	724	3,763	184	2,039	1,472	72.2	9	1	531	1,723
05 Nonferrous metals and alloys—production and fabrication.....	246	648	43	327	264	80.7	10	14	193	307
06 Metal scrap reclaiming.....	201	22	53	7	5	71.4	2	(1)	146	15
07 Chemical products (except synthetic rubber).....	634	1,770	120	558	304	54.5	22	23	492	1,189
08 Gasoline, fuel oils and lubricants.....	288	1,191	76	440	350	79.5	-----	-----	212	751
09 Rubber.....	21	15	7	6	4	66.7	1	(1)	13	9
10 Refractories.....	120	96	71	61	52	85.2	-----	-----	49	35
11 Fiber glass.....	20	32	4	15	11	73.3	-----	-----	16	17
12 Cement and concrete products.....	65	136	6	28	19	67.9	26	50	33	58
13 Cotton ginning.....	62	11	23	3	2	* 62.6	1	(1)	38	8
14 Textiles.....	212	508	27	50	26	52.0	29	44	156	414
15 Lumber and basic products.....	111	66	7	3	2	* 54.3	10	2	94	61
16 Pulp and paper.....	148	804	34	358	213	59.5	5	33	109	413
Finished products.....	2,989	2,042	501	677	486	71.8	106	44	2,322	1,321
17 Machinery and components.....	1,296	654	180	238	164	68.9	77	9	1,039	407
18 Transportation equipment, except automotive.....	36	27	1	(1)	(1)	80.3	1	(1)	34	27
19 Automotive and tractor equipment and components.....	190	222	13	53	40	75.5	9	7	168	162
20 Electric and electronic equipment.....	454	286	79	81	60	74.1	42	18	333	187
21 Aircraft.....	605	608	163	255	181	71.0	21	8	421	345
22 Ordnance, tanks, guns, and ammunition.....	366	219	59	43	35	81.4	16	2	291	174
23 Guided missiles and rockets.....	35	24	6	7	6	85.7	-----	-----	29	17
24 Combat ships.....	7	2	-----	-----	-----	-----	-----	-----	7	2
Transportation and storage.....	1,505	3,609	273	937	686	73.2	39	27	1,193	2,645
25 Transportation.....	994	3,389	255	922	675	73.2	14	20	725	2,447
26 Storage, warehousing, and services.....	511	220	18	15	11	73.3	25	7	468	198
27 Miscellaneous products and services (public utilities, research, testing, and other services; leather, vegetable oils and fats, glass, etc.).....	1,472	2,124	93	90	63	70.0	172	98	1,207	1,036

\* \$599,000 or less.    \* The percent is figured on the actual figures rather than the rounded ones.

*Certificates of necessity by industrial classification approved through May 25, 1951*

	Number	Millions of dollars		T. A. allowed as a percentage of proposed investment
		Proposed investment	Tax amortization allowed	
Grand total .....	1,570	5,992	4,248	70.9
Basic materials, production and fabrication .....	703	4,288	3,013	70.3
01 Coal and coke .....	21	108	91	84.3
02 Iron ore, mining .....	12	60	49	81.7
03 Nonferrous ores, mining .....	15	225	149	66.2
032 Bauxite and aluminum concentrates .....	5	136	77	56.6
036 Other ferroalloying ores and concentrates .....	7	21	16	76.2
037 Rare earth and radioactive ores and concentrates .....	1	(1)	(1)	90.2
038 Other nonferrous and precious metal ores and concentrates .....	2	68	56	82.4
04 Iron and steel, production and fabrication .....	184	2,039	1,472	72.2
041 Pig iron and other primary iron products .....	21	150	124	82.7
043 Wrought iron finished products .....	1	(1)	(1)	58.8
044 Iron castings, gray, malleable, and miscellaneous .....	5	6	5	75.0
045 Steel ingots and castings .....	61	1,323	993	75.1
046 Semifinished steel products .....	15	188	120	63.8
047 Finished steel products, hot- and cold-rolled .....	70	360	221	61.4
048 Steel forgings .....	11	12	9	75.0
05 Nonferrous metals and alloys, production and fabrication .....	43	327	264	80.7
051 Aluminum .....	18	282	229	81.2
052 Copper .....	4	9	5	50.5
054 Magnesium .....	11	28	24	85.7
057 Zinc .....	2	3	2	75.0
058 All other nonferrous and precious metals and alloys .....	8	5	4	80.0
06 Metal scrap reclaiming .....	53	7	5	71.4
061 Iron and steel scrap .....	50	7	5	71.4
062 Nonferrous scrap .....	3	(1)	(1)	74.1
07 Chemical products (except synthetic rubber) .....	120	558	304	54.5
071 Basic chemicals and products .....	99	522	282	54.0
072 Drugs and related commodities .....	20	36	22	61.1
073 Plastics (except synthetic fibers and fabrics) .....	1	(1)	(1)	90.1
08 Gasoline, fuel oils and lubricants .....	76	440	350	79.5
081 Gasoline and components .....	62	389	309	79.4
082 Fuel oil .....	4	16	12	75.0
084 Other petroleum products and coal derivatives .....	10	35	29	82.9
09 Rubber .....	7	6	4	66.7
091 Synthetic rubber .....	1	(1)	(1)	70.0
092 Rubber, reclaiming .....	6	6	4	66.7
10 Refractories .....	71	61	52	85.2
11 Fiber glass .....	4	15	11	73.3
12 Cement and concrete products .....	6	28	19	67.9
13 Cotton ginning .....	23	3	2	62.6
14 Textiles .....	27	50	26	52.0
15 Lumber and basic products .....	7	3	2	54.3
16 Pulp and paper .....	34	358	213	59.5

See footnotes at end of table, p. 17.



Certificates of necessity by industrial classification approved through May 25, 1951—Continued

	Number	Millions of dollars		T. A. allowed as a percentage of proposed investment
		Proposed investment	Tax amortization allowed	
Finished products.....	501	677	486	71.8
17 Machinery and components.....	180	238	164	68.9
171 Metalworking machinery, accessories, and tools.....	64	40	31	77.5
172 Compressors, pumps, valves, gears, etc.....	12	9	7	77.8
173 Special and miscellaneous industrial machinery.....	9	2	1	<sup>2</sup> 72.3
175 Construction and mining machinery.....	2	( <sup>1</sup> )	( <sup>1</sup> )	61.3
176 Precision and medical instruments.....	15	7	5	<sup>2</sup> 66.0
177 Bearings.....	29	21	17	81.0
178 Abrasives and abrasive products.....	2	4	2	50.0
179 Miscellaneous equipment and components.....	47	155	101	65.2
18 Transportation equipment, except automotive.....	1	( <sup>1</sup> )	( <sup>1</sup> )	80.3
182 Ships, except combat.....	1	( <sup>1</sup> )	( <sup>1</sup> )	80.3
19 Automotive and tractor equipment and components.....	13	53	40	75.5
191 Motor vehicles, except combat.....	2	14	10	<sup>2</sup> 74.4
192 Tractors.....	3	5	3	<sup>2</sup> 64.1
193 Components and related equipment.....	8	34	27	79.4
20 Electric and electronic equipment.....	79	81	60	74.1
201 Electric.....	10	1	1	<sup>2</sup> 79.2
202 Electronic.....	34	63	46	73.0
204 Components and instruments.....	35	17	13	76.5
21 Aircraft.....	163	255	181	71.0
211 Aircraft.....	101	76	58	76.3
212 Engines, internal combustion.....	21	61	47	77.0
213 Engines, jet, gas turbine, and rocket.....	36	110	70	63.6
214 Components.....	5	8	6	75.0
22 Ordnance, tanks, guns, and ammunition.....	59	43	35	81.4
221 Small arms and machine guns.....	5	( <sup>1</sup> )	( <sup>1</sup> )	86.8
222 Artillery and naval guns.....	8	6	5	83.3
223 Tanks and self-propelled.....	22	26	22	84.6
224 Gun ammunition.....	9	4	3	<sup>2</sup> 81.7
225 Aerial bombs.....	1	( <sup>1</sup> )	( <sup>1</sup> )	76.0
226 Miscellaneous ammunition.....	1	( <sup>1</sup> )	( <sup>1</sup> )	90.0
227 Fire control equipment.....	4	3	2	<sup>2</sup> 72.9
228 Miscellaneous ordnance.....	7	4	3	<sup>2</sup> 69.9
229 Miscellaneous military and civil defense items.....	2	( <sup>1</sup> )	( <sup>1</sup> )	71.6
23 Guided missiles and rockets.....	6	7	6	85.7
Transportation and storage.....	273	937	686	73.2
25 Transportation.....	255	922	675	73.2
251 Rail.....	161	777	562	72.3
252 Water.....	90	143	112	78.3
253 Highway.....	2	1	( <sup>1</sup> )	68.7
255 Pipelines.....	2	1	1	<sup>2</sup> 63.1
26 Storage; warehousing and services.....	18	15	11	73.3
261 Storage and warehousing.....	15	8	6	<sup>2</sup> 70.2
262 Services.....	3	7	5	<sup>2</sup> 78.2
Miscellaneous products and services.....	93	90	63	70.0
27 Miscellaneous products and services (research, testing, and other services; leather, vegetable oils and fats, glass, etc.).....	93	90	63	70.0

<sup>1</sup> \$500,000 or less.

<sup>2</sup> Percentages calculated on actual rather than rounded figures shown above.

Geographic distribution of facilities covered by certificates of necessity approved as of May 25, 1951

	Number of certificates	Amount approved (proposed investment)	Percent of grand total
		Thou. of dols.	
All applications.....	1,570	5,992,007	100.0
Total, Continental United States <sup>1</sup> .....	1,296	5,047,343	84.3
New England States.....	95	375,430	6.3
Maine.....	0	0	0
New Hampshire.....	6	3,727	
Vermont.....	1	38	
Massachusetts.....	33	29,706	.5
Boston.....	15	12,894	
Fall River.....	1	4	
Lawrence.....	1	213	
New Bedford.....	1	411	
Springfield-Holyoke.....	2	209	
Worcester.....	6	10,827	
Remainder of State.....	7	5,148	
Rhode Island.....	5	1,358	
Providence.....	4	1,247	
Remainder of State.....	1	111	
Connecticut.....	50	340,601	5.8
Bridgeport.....	6	3,801	
Hartford.....	10	34,750	
New Britain-Bristol.....	4	2,396	
New Haven.....	7	14,943	
Stamford-Norwalk.....	5	1,137	
Waterbury.....	1	76	
Remainder of State.....	17	283,498	
Middle Atlantic States.....	308	1,190,437	19.9
New York.....	88	207,649	3.5
Albany-Schenectady-Troy.....	2	6,442	
Buffalo.....	23	92,820	
New York-northeastern New Jersey (1) <sup>2</sup> .....	35	35,704	
Rochester.....	1	296	
Syracuse.....	4	10,607	
Utica-Rome.....	1	15,768	
Remainder of State.....	22	46,012	
New Jersey.....	66	93,113	1.6
Allentown-Bethlehem (2).....	2	218	
New York-northeastern New Jersey (1) <sup>2</sup> .....	48	77,952	
Philadelphia (3) <sup>2</sup> .....	2	481	
Trenton.....	5	5,541	
Remainder of State.....	9	8,921	
Pennsylvania.....	154	889,675	14.8
Allentown-Bethlehem (2) <sup>2</sup> .....	4	7,020	
Altoona.....	2	142	
Erie.....	1	118	
Harrisburg.....	5	5,442	
Johnstown.....	3	29,129	
Philadelphia (3) <sup>2</sup> .....	35	438,466	
Pittsburgh.....	49	318,882	
Reading.....	5	42,193	
Scranton.....	1	1,370	
Wilkes-Barre-Hazleton.....	2	4,298	
York.....	2	2,054	
Youngstown (4) <sup>2</sup> .....	3	3,069	
Remainder of State.....	42	37,492	
East North Central States.....	399	1,061,152	17.7
Ohio.....	142	422,030	7.0
Akron.....	13	2,292	
Canton.....	7	9,203	
Cincinnati.....	9	34,750	
Cleveland.....	41	149,101	
Columbus.....	2	255	
Dayton.....	5	5,452	
Hamilton-Middletown.....	2	49,081	
Huntington, W. Va.-Ashland, Ky (5) <sup>2</sup> .....	1	170	
Lima.....	1	1,002	
Lorain-Elyria.....	5	4,912	
Toledo.....	3	7,203	
Youngstown (4) <sup>2</sup> .....	9	14,175	
Remainder of State.....	44	144,374	
Indiana.....	43	145,626	2.4
Chicago (6) <sup>2</sup> .....	10	55,750	
Evansville.....	2	1,272	
Fort Wayne.....	1	3,419	
Indianapolis.....	6	1,457	
Muncie.....	1	399	

See footnotes end of table, p. 21.

*Geographic distribution of facilities covered by certificates of necessity approved as of May 25, 1951—Continued*

	Number of certificates	Amount approved (proposed investment)	Percent of grand total
<b>East North Central States—Continued</b>			
<b>Indiana—Continued</b>			
South Bend.....	5	<i>Thou. of dol.</i> 1,689	.....
Terre Haute.....	2	609	.....
Remainder of State.....	16	81,031	.....
<b>Illinois</b>			
Chicago (6) <sup>2</sup> .....	94	193,122	3.2
Decatur.....	56	54,491	.....
Peoria.....	2	1,096	.....
Rockford.....	2	1,795	.....
St. Louis (7) <sup>2</sup> .....	5	5,061	.....
Springfield.....	19	111,336	.....
Remainder of State.....	2	498	.....
<b>Michigan</b>			
Bay City.....	8	18,845	.....
Detroit.....	97	273,405	4.6
Flint.....	1	61	.....
Grand Rapids.....	50	137,585	.....
Jackson.....	4	74,117	.....
Kalamazoo.....	2	1,688	.....
Saginaw.....	3	675	.....
Remainder of State.....	3	2,228	.....
<b>Wisconsin</b>			
Duluth-Superior.....	2	435	.....
Green Bay.....	32	56,616	.....
Madison.....	23	26,969	.....
Milwaukee.....	1	1,296	.....
Racine.....	2	297	.....
Remainder of State.....	10	360	.....
<b>West North Central States</b>			
Minnesota.....	10	14,089	.....
Duluth-Superior.....	2	3,314	.....
Minneapolis-St. Paul.....	6	7,633	.....
Remainder of State.....	56	100,929	1.7
<b>Iowa</b>			
Cedar Rapids.....	12	16,078	.3
Davenport-Rock Isle-Moline.....	1	175	.....
Des Moines.....	8	13,079	.....
Remainder of State.....	3	2,824	.....
<b>Missouri</b>			
Kansas City.....	3	8,573	.1
St. Louis (7) <sup>2</sup> .....	1	903	.....
Remainder of State.....	3	26	.....
<b>Missouri</b>			
Kansas City.....	3	1,326	.....
St. Louis (7) <sup>2</sup> .....	3	5,818	.....
Remainder of State.....	24	54,355	.9
<b>North Dakota</b>			
Remainder of State.....	8	33,370	.....
<b>South Dakota</b>			
Remainder of State.....	3	9,967	.....
<b>Nebraska</b>			
Kansas.....	8	11,018	.....
Wichita.....	0	0	0
Remainder of State.....	0	0	0
<b>South Atlantic States</b>			
Delaware.....	3	3,547	.1
Wilmington.....	9	18,376	.3
<b>Maryland</b>			
Baltimore.....	7	6,000	.....
Remainder of State.....	2	12,376	.....
<b>District of Columbia</b>			
Remainder of State.....	86	401,374	6.7
<b>Virginia</b>			
Norfolk-Portsmouth.....	3	17,235	.3
Richmond.....	3	17,235	.....
Remainder of State.....	22	87,818	1.5
<b>West Virginia</b>			
Baltimore.....	17	79,461	.....
District of Columbia.....	5	8,357	.....
Virginia.....	9	32,552	.5
Norfolk-Portsmouth.....	1	1,265	.....
Richmond.....	2	4,028	.....
Remainder of State.....	6	27,259	.....
<b>South Atlantic States</b>			
Delaware.....	18	75,813	1.3
Wilmington.....	2	5,277	.....
Remainder of State.....	11	43,271	.....
<b>District of Columbia</b>			
District of Columbia.....	5	27,265	.....
<b>Virginia</b>			
Norfolk-Portsmouth.....	9	28,183	.5
Richmond.....	2	209	.....
Remainder of State.....	7	27,974	.....
<b>West Virginia</b>			
Huntington-Ashland (5) <sup>2</sup> .....	9	19,897	.3
Wheeling-Steubenville.....	8	48,805	.8
Remainder of State.....	1	35	.....
<b>South Atlantic States</b>			
Delaware.....	1	1,963	.....
Wilmington.....	1	38	.....
Remainder of State.....	1	18,000	.....
<b>District of Columbia</b>			
District of Columbia.....	4	28,769	.....
<b>Virginia</b>			
Norfolk-Portsmouth.....	8	91,071	1.5
Richmond.....	1	17,638	.....
Remainder of State.....	7	73,433	.....

See footnotes at end of table, p. 21.

*Geographic distribution of facilities covered by certificates of necessity approved as of May 25, 1951—Continued*

	Number of certificates	Amount approved (proposed investment)	Percent of grand total
		<i>Thou. of dols.</i>	
East South Central States.....	64	352,878	5.9
Kentucky.....	15	107,454	1.8
Huntington-Ashland (5) 2.....	2	44,500	
Louisville.....	3	15,086	
Remainder of State.....	10	47,868	
Tennessee.....	20	38,017	.6
Chattanooga (8) 2.....	5	7,728	
Knoxville.....	2	5,499	
Memphis.....	5	6,222	
Nashville.....	1	57	
Remainder of State.....	7	18,511	
Alabama.....	23	160,365	2.7
Birmingham.....	13	64,673	
Gadsden.....	1	1,750	
Mobile.....	3	39,508	
Remainder of State.....	6	54,434	
Mississippi.....	6	47,042	.8
Jackson.....	1	60	
Remainder of State.....	5	46,982	
West South Central States.....	95	858,989	14.3
Arkansas.....	5	59,510	1.0
Remainder of State.....	5	59,510	
Louisiana.....	13	71,239	1.2
Baton Rouge.....	4	19,146	
New Orleans.....	2	2,034	
Shreveport.....	2	2,725	
Remainder of State.....	5	47,334	
Oklahoma.....	5	15,497	.3
Oklahoma City.....	1	3,195	
Remainder of State.....	4	12,302	
Texas.....	72	712,743	11.8
Beaumont-Port Arthur.....	5	45,331	
Corpus Christi.....	4	94,087	
Dallas.....	1	12	
El Paso.....	1	10,264	
Fort Worth.....	6	5,293	
Galveston.....	4	35,358	
Houston.....	17	178,405	
San Antonio.....	2	12,308	
Remainder of State.....	32	331,685	
Mountain States.....	36	281,549	4.7
Montana.....	2	104,321	1.7
Idaho.....	2	16,500	.3
Wyoming.....	1	1,850	
Colorado.....	8	107,830	1.8
Denver.....	2	574	
Pueblo.....	1	80,000	
Remainder of State.....	5	27,256	
New Mexico.....	2	2,661	.1
Arizona.....	13	14,830	.2
Phoenix.....	6	3,961	
Remainder of State.....	7	10,869	
Utah.....	6	12,051	.2
Salt Lake City.....	4	6,375	
Remainder of State.....	2	5,676	
Nevada.....	2	21,506	.4
Pacific States.....	150	221,510	3.7
Washington.....	22	78,779	1.3
Portland (9) 2.....	2	24,419	
Seattle.....	6	8,321	
Spokane.....	3	6,584	
Tacoma.....	3	3,780	
Remainder of State.....	8	35,675	
Oregon.....	5	2,329	
Portland (9) 2.....	5	2,329	
California.....	123	140,402	2.4
Fresno.....	4	712	
Los Angeles.....	98	66,076	
Sacramento.....	1	2,276	
San Bernardino.....	1	40,071	
San Diego.....	2	2,326	
San Francisco-Oakland.....	22	12,015	
San Jose.....	3	8,598	
Remainder of State.....	14	8,328	

See footnotes at end of table, p. 21.

*Geographic distribution of facilities covered by certificates of necessity approved as of May 25, 1951—Continued*

	Number of certificates	Amount approved (proposed investment)	Percent of grand total
Continental United States (not otherwise specified).....	7	<i>Thou. of dol.</i> 203, 095	3.4
Outside continental United States.....	1	7, 500	.1
British West Indies.....	1	7, 500	.1
Transportation and storage.....	273	937, 164	15.6

<sup>1</sup> Excluding transportation.

<sup>2</sup> Metropolitan areas which appear on more than 1 State:

	Number of certificates	Amount approved (proposed investment) thousands of dollars
(1) New York-Northeastern New Jersey.....	83	113, 656
(2) Allentown-Bethlehem.....	6	7, 238
(3) Philadelphia.....	37	438, 947
(4) Youngstown.....	12	17, 244
(5) Huntington-Ashland.....	5	49, 947
(6) Chicago.....	66	110, 241
(7) St. Louis.....	27	121, 303
(8) Chattanooga.....	6	9, 691
(9) Portland.....	7	26, 748

*Direct loans under sec. 302—Status of actions by delegate agency as of May 25, 1951*

	Filed <sup>1</sup>		Approved		Denied		Pending	
	Number	Thousands of dollars	Number	Thousands of dollars	Number	Thousands of dollars	Number	Thousands of dollars
Total.....	802	1, 428, 264	32	60, 762	291	807, 901	478	503, 520
Commerce.....	<sup>2</sup> 410	1, 132, 651	<sup>2</sup> 25	<sup>2</sup> 51, 158	199	733, 004	186	287, 748
Agriculture.....	<sup>3</sup> 35	33, 617	<sup>3</sup> 0	<sup>3</sup> 0	18	10, 052	16	23, 225
Defense Transport Administration.....	41	36, 658	4	7, 059	3	1, 154	34	22, 445
Interior:								
Petroleum Administration for Defense.....	21	49, 412	3	2, 545	11	39, 654	7	7, 213
Defense Solid Fuels Administration.....	6	16, 836	0	0	0	0	6	16, 836
Defense Minerals Administration.....	288	165, 075	0	0	59	19, 022	229	146, 053
Defense Electric Power Administration.....	0	0	0	0	0	0	0	0
Defense Fisheries Administration.....	1	15	0	0	1	15	0	0

<sup>1</sup> Does not include applications withdrawn. The applications filed may be greater than the sum of applications approved, denied, and pending because approvals may be for a reduced amount, and they do not show RFC supplementary participation.

<sup>2</sup> 1 application (\$60,000) which was approved has been withdrawn at request of applicant and is therefore not included.

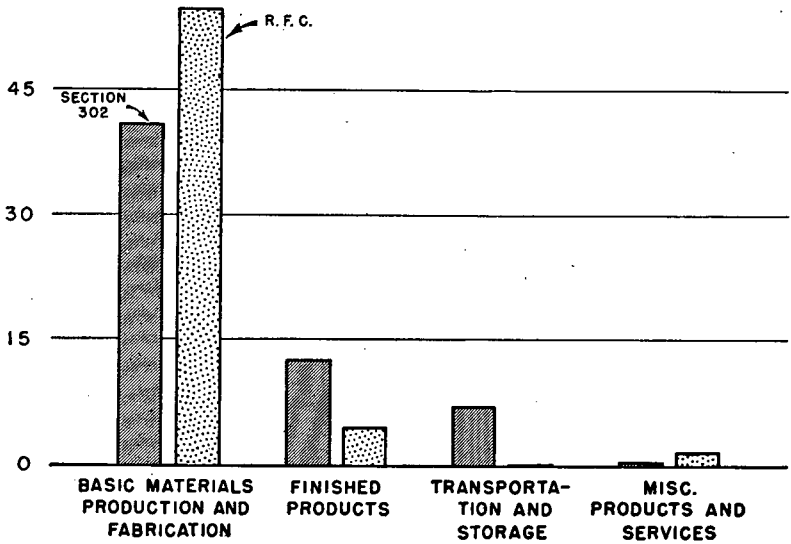
<sup>3</sup> 1 Sec. 4A loan made by RFC (\$340,000) not shown.

**DIRECT LOANS**

**UNDER SECTION 302 and RFC SUPPLEMENTAL PARTICIPATION  
BY INDUSTRY GROUP - ISSUED THROUGH MAY 25, 1951**

Millions of Dollars

60



INDUSTRY GROUP	MILLIONS OF DOLLARS	
	SECTION 302	R. F. C.
BASIC MATERIALS—PRODUCTION AND FABRICATION.....	40.8	19.6
FINISHED PRODUCTS.....	12.6	4.4
TRANSPORTATION AND STORAGE.....	7.1	.1
MISCELLANEOUS PRODUCTS AND SERVICES.....	.3	1.8
<b>TOTAL.....</b>	<b>60.8</b>	<b>60.7</b>

*Direct loans approved under Sec. 302 and RFC Supplemental Participation  
by industry, as of May 25, 1951*

[Thousands of dollars]

		Sec. 302	RFC
Grand total.....		60,782	60,756
Basic materials, production and fabrication.....		40,797	54,426
04	Iron and steel production and fabrication.....	38,185	53,556
07	Chemical products (except synthetic rubber).....	0	665
08	Gasoline, fuel oils, and lubricants.....	2,545	0
12	Cement and concrete products.....	(1)	150
14	Textiles.....	67	55
Finished products.....		12,571	4,428
17	Machinery and components.....	2,375	1,711
19	Automotive and tractor equipment and components.....	305	1,500
20	Electrical and electronic equipment.....	3,175	1,466
21	Aircraft.....	6,716	358
22	Ordnance, tanks, guns, and ammunition.....	0	393
Transportation and storage.....		7,058	81
25	Transportation.....	7,058	81
Miscellaneous products and services.....		336	1,821
27	Miscellaneous products and services.....	336	1,821

<sup>1</sup> \$60,000 approved but later withdrawn by the applicant.

### APPENDIX B

#### BIMONTHLY SUMMARY OF LABOR MARKET DEVELOPMENTS IN MAJOR AREAS

(U. S. Department of Labor, Bureau of Employment Security, Washington,  
D. C., May 14, 1951)

#### I. NATIONAL SUMMARY

Employment in five-sixths of the Nation's major labor market areas showed a marked upward trend between January and March, resuming the advance which had been temporarily interrupted at the turn of the year. In part, the gains reflected the quickening pace of the rearmament program, as factories producing defense goods and expanding Government installations stepped up hiring activities. Of almost equal—and in some areas, of greater—importance was the seasonal upturn in construction, trade, and other nonmanufacturing activities. Despite the January-to-March increases, the defense program continued to account for a relatively minor proportion of total employment in almost all of the 151 major production centers.

The expansion in defense production and employment was generally being accomplished without severe cut-backs in the high level of civilian output. While lay-offs due to material shortages or tightening Government controls continued to be widely reported, most of them were of temporary duration and affected only a relatively small number of workers. In March transitional unemployment had not yet reached significant proportions in the Nation's major labor markets.

The trend in unemployment was predominantly downward. Joblessness declined in 9 of every 10 major areas; in 37 areas the decline amounted to 25 percent or more. The declines were in dramatic contrast to the November-January experience, when unemployment rose in 129 of 151 reporting areas.

In 39 areas, the drop in unemployment prompted a change in the area's classification according to relative unemployment. With the movement of 21 areas into the A category, a total of 58 areas were so classified. Only 11 areas remained in the D or substantial labor surplus group and none in the E category, in marked contrast to March 1950 when 79 of the 139 major areas classified were characterized by heavy labor surpluses.

Reports of shortages of specific skills—primarily in the professional, technical and skilled metalworking categories—continued to mount; only rarely, however,

were these shortages impeding scheduled defense or civilian output, although some instances of curtailment in previously planned expansion programs were reported. Increased overtime and out-of-area recruitment were easing shortages in some areas, although in many defense centers immigration was being limited by a lack of adequate family housing. More effective utilization of the available labor supply through on-the-job training, upgrading and a relaxation of hiring specifications was reported with increasing frequency, but in most areas these measures still appeared to be more the exception than the rule. Only a few areas reported a marked increase in the number of factory jobs for women.

Despite some uncertainties regarding the availability of materials, the effect of Government restrictions on civilian output, credit, and prices, and the pace of continued defense expansion, employers were generally optimistic regarding the employment outlook to midsummer. More than nine-tenths of the areas surveyed anticipated employment gains to July; in a fourth of these, substantial increases, amounting to 5 percent or more, were forecast. Normal seasonal increases were expected in most areas, bolstering accelerated defense hiring in many.

## II. EMPLOYMENT DEVELOPMENTS AND OUTLOOK

For the most part, the gains in nonfarm employment which were registered in 129 of the Nation's 151 largest production and employment centers between January and March were not exceptionally large. Only three areas—Wichita, where the dominant aircraft industry continued to surge upward; Augusta, near the site where construction of a major atomic-energy installation has begun; and Macon, where military establishments were expanding at a brisk pace—showed employment increases amounting to 5 percent or more. Nor were employment declines especially marked in any of the 18 areas for which they were reported except in Lawrence, hard hit by the woolen-textiles strike which was still in progress at mid-March.

March nonfarm employment climbed above January levels in major areas in all seven of the Nation's principal geographical regions; only in New England and in the west north central region did the increase fall below the 1-percent mark. In the highly industrialized middle Atlantic and Eastern North Central States, and in the South Atlantic, south central, and western regions aggregate area expansions amounted to between 1 and 2 percent. The uptrend was strongest in the South Central States and the West, where seasonal upswings begin relatively early in the year; employment rose in 24 of the 25 south central areas (only Nashville showed a fractional decrease) while all but one (Spokane) of the 15 western areas surveyed registered work-force gains.

### *Factory employment up in 125 areas*

Roughly paralleling the trends in total nonfarm employment, factory employment rose in 125 of the 151 major areas between January and March; in 15, the increases amounted to 5 percent or more. Three areas—Wichita, San Diego, and Jacksonville—scored especially impressive gains; more than 1 in every 10 factory jobs in these areas in March had developed during the preceding 2 months. Of the 26 areas where factory jobs decreased, nearly half were in the south Atlantic and east north central regions; the sharpest decline, however, was in the New England textile center of Lawrence, where factory employment slumped almost one-fourth. Moderate-to-sharp drops (ranging between 2 and 5 percent) were also reported in nine areas; the textiles strike was primarily responsible for the decline in four of these—Lowell, Providence, Utica-Rome, and Paterson. Materials controls lay-offs cut factory employment moderately in Flint; in Omaha, Sioux City, Durham, and Winston-Salem the cut-backs stemmed from normal seasonal declines in food processing or tobacco.

### *Uncertain defense impact clouds employer forecasts*

The uncertainties which qualified employer estimates of future labor needs at the turn of the year continued to be very much in evidence in March. As far as individual employers were concerned, the major question marks were still traceable to the uncertain impact of the expanding defense program on their own business or factory operations. The volume and timing of defense orders, the extent to which such orders would require retooling, the effect of tightening Government restrictions on civilian output and materials supplies and over consumer credit and prices continued to be the major imponderables; added to these, in some areas, were uncertainties stemming from unusually high inventories of civilian goods in relation to slowed-down sales volume.

Despite these uncertainties, employers in most areas were generally optimistic concerning the employment outlook to midsummer. In almost 9 of every 10 areas



surveyed job gains were anticipated; roughly one-quarter of the increases forecast amounted to 5 percent or more to July. Marked seasonal gains in construction (although probably not up to last summer's peak), in transportation, and in food processing in most areas were expected, bolstering in many areas defense-spurred increases in military installations and in factories—especially in metals, machinery, aircraft, and shipbuilding establishments.

*Sizable factory increases scheduled in 16 areas*

Sizable factory increases of 10 percent or more were scheduled in 16 areas; almost one-third of these were in the West. Manufacturing increases ranging from 23 to 87 percent were anticipated in four California food-processing centers—Fresno, Sacramento, San Jose, and Stockton; in Seattle, another large-scale increase in aircraft appeared in the offing. Hartford, Indianapolis, and Wichita also expected to augment their factory payrolls by more than 10 percent through July, primarily as a result of continued mass hiring by aircraft plants.

Scheduled post-strike recalls of textile workers was expected to lift employment considerably in Lawrence; in Atlantic City a sizable gain was forecast by July as seasonal call-backs of apparel and service workers moved into full swing. Marked factory increases were also scheduled in New York, Kansas City, Macon, Galveston, and Honolulu.

*Aircraft expected to spark manufacturing gains*

Aircraft, with noteworthy increases scheduled in almost every area where it is important, was again expected to spark the rise in manufacturing employment through July. In addition to Seattle, Hartford, Wichita, and Indianapolis, sizable gains were also anticipated in Paterson, Dallas, and Los Angeles, with smaller increases in Buffalo, Baltimore, Fort Worth, and San Diego. Brisk shipbuilding hires were scheduled in Boston, New York, Philadelphia, Norfolk-Portsmouth, New Orleans, Galveston, San Francisco-Oakland, and Seattle. Ordnance was due to rise in almost all centers where the industry is of consequence.

Nonelectrical machinery, among the leading ground gainers in the post-Korean defense pick-up, scheduled further gains in all of its major Connecticut and Ohio centers except Dayton. Relatively smaller increases were forecast in most iron and steel centers, including Pittsburgh, Chicago, Youngstown, and Allentown-Bethlehem. Additional workers were scheduled to be hired by metal-products and electrical machinery plants in most areas, although in some, expansion probably will not reach scheduled levels because of materials shortages and tightened Government controls. Seasonal gains in food processing were expected in the bulk of the surveyed areas; apparel also appeared likely to rise moderately in numerous centers, notably in New England and the middle Atlantic regions, while scheduled increases in textiles, aside from those stemming from the late March strike settlement, appeared contingent on clarification of the industry's pricing problems. Expansions in construction loomed in practically every major area, although new Government controls over residential and commercial building made it unlikely that employment would reach the peaks attained last summer.

*Few areas anticipate employment declines by July*

Only 11 areas expected a decline in their nonfarm employment totals by July; in only three—Madison, Miami, and Tampa-St. Petersburg, where downward seasonal influences are particularly strong—were the decreases expected to reach substantial proportions (5 percent or more). Nominal declines were also scheduled in Flint and Lansing, largely as a result of planned cut-backs in auto production and in Springfield (Ohio), Sioux City, Jacksonville, Charlotte, New Orleans, and Phoenix. In addition, decreases in manufacturing employment only were scheduled in Manchester, Duluth-Superior, Topeka, Montgomery, Shreveport, and Durham.

### III. UNEMPLOYMENT CHANGES

Following the usual seasonal pattern, Nation-wide unemployment declined moderately between January and March. This drop occurred despite the influx of midterm school graduates and continuing entrance and reentrance of persons not normally in the work force (largely housewives) who are seeking work because of the high cost of living and because increased job opportunities are available to them as a result of the defense-program requirements, superimposed on a booming civilian demand.

The recent downward trend in joblessness was evident in 9 of every 10 of the 151 major labor-market areas—a dramatic reversal of the November-January picture when 85 percent of these areas reported increased unemployment. In 83 areas, the decrease in unemployment amounted to 15 percent or more.

Only 10 areas reported increased unemployment, half of them were in the South Atlantic region (3 in North Carolina and 2 in West Virginia). But in only 2 of the 10 areas was the rise significant: In Flint, sizable lay-offs in the dominant motor-vehicles industry were attributed to materials allocations and restrictions; in Fresno, a seasonal lull in agricultural activities temporarily boosted unemployment despite considerable outmigration of jobless workers.

Of the major areas for which comparable data are available, Flint was the only one where unemployment was higher in March 1951 than in March 1950.

#### IV. AREA CLASSIFICATION TRENDS

The widespread decline in unemployment between January and March resulted in upward classification changes in 39 areas. Twenty-one areas, including such important centers as Cleveland, Kansas City, Youngstown, Norfolk-Portsmouth, and Syracuse, moved into the A group, denoting either a tight or a balanced labor supply. Twelve areas shifted from C (moderate labor surplus) to B (slight surplus) while five changed from D (substantial surplus) to C. Only one area, Springfield, Mo., made a two-notch jump—from D to B; a sharp upswing in construction employment was largely responsible.

In only two areas—Flint and Fresno—did a rise in unemployment result in a downward classification change; Flint dropped from A to B and Fresno from C to D.

As a result of these multiple shifts, 58 areas were classified A in March as compared with 38 in January. The number of areas in the C and D groups dropped from 45 in January to 32 in March. For the third consecutive reporting period no major areas was classified E. Three smaller areas continued to be characterized by very substantial labor surpluses—Crab Orchard, Ill.; Pottsville, Pa.; and Cumberland, Md. (For the first time, these smaller areas of heavy unemployment are included with the Labor Market Briefs).

The contrast with the year-ago situation in the major areas is striking. Of the 139 areas surveyed in March 1950 nearly 80 percent had C, D, or E designations while in March 1951 almost 80 percent of the 151 areas surveyed were in the A or B group.

*Summary classification of major labor market areas March 1951, January 1951, and March 1950*

Classification	Ratio of unemployment to labor force	Number of major areas		
		March 1951	January 1951	March 1950
Total.....		151	151	139
A.....	Under 3 percent.....	58	38	5
B.....	3 to 4.9 percent.....	61	68	24
C.....	5 to 6.9 percent.....	21	29	31
D.....	7 to 11.9 percent.....	11	16	62
E.....	12 percent or over.....	0	0	17

Every geographic region except the West and Hawaii was represented in the increase in number of tight or balanced areas; the number of A areas in the south central region doubled. However, the largest proportion of areas in A and B categories continued to fall in the highly industrialized east north central region.

*Summary classification of major labor market areas by region, March 1951*

Region	Total	A	B	C	D
Total.....	151	58	61	21	11
New England.....	17	7	5	4	1
Middle Atlantic.....	24	7	11	3	3
East north central.....	31	18	11	2	0
West north central.....	13	7	5	0	1
South Atlantic.....	25	10	9	4	2
South central.....	25	8	12	4	1
West.....	15	1	8	3	3
Territory of Hawaii.....	1	0	0	1	0

Most A areas still had not reached a stage of critical manpower shortage in March. Perhaps a dozen of the 58 could be considered as having a tight rather than a balanced labor supply—Chicago, Wichita, Dayton, Davenport-Rock Island-Moline, Rockford, Indianapolis, Hartford, New Haven, New Britain, Allentown-Bethlehem, Augusta, and Perth Amboy. However, in some of these areas a sizable supply of women was still available. Rising labor needs in a number of other areas, particularly San Diego, San Francisco-Oakland, Seattle, Norfolk-Portsmouth, Worcester, Lancaster, Harrisburg, Cleveland, Milwaukee, Kalamazoo, and Tulsa, pointed to the likelihood of more widespread labor shortages by late summer.

Among a number of the A areas with an approximate balanced supply-demand relationship in March, some material shortage lay-offs were in prospect for the second quarter of the year. Examples included Syracuse and Flint, where metal-using industries were expecting cut-backs because of materials controls. Moreover, in the majority of A areas, a large potential labor supply, consisting mostly of women not now in the labor-force, remained to be tapped.

#### V. MANPOWER SUPPLY AND UTILIZATION

The pervasive January-March employment gains, coupled with significant decreases in joblessness, heightened the already troublesome manpower supply problems in many areas. Reports of shortages in specific occupations—primarily in the professional, technical and skilled metalworking categories—continued to mount. Even in areas with generally adequate labor supplies, available skills frequently did not match expanding employer requirements in a large number of occupational categories. Only rarely however, were these shortages impeding scheduled defense or civilian output, although some instances of curtailments in previously planned expansion programs were reported.

Although most areas reported an increasing volume of locally unmet demands for specific occupations, the character of the skills sought did not alter materially between January and March. Skilled metalworking and machine-shop trades—especially tool and die makers, machinists, lathe operators, sheet-metal workers, pattern and model makers and molders—continued to top the shortage list. The demand for technical and professional help, already high in January, increased sharply by March, particularly for engineers with electrical or mechanical training; draftsmen and stenographers continued to be almost universally in short supply. Scattered reports of skilled construction worker shortages began to reappear in some areas.

Stringencies were filtering down to semiskilled levels in many more areas than in January, while several areas indicated that even supplies of certain categories of unskilled workers, especially of men, were dwindling rapidly. The increase in supply-demand unbalances was accompanied by an increase in turnover and job shopping in many areas. In Allentown-Bethlehem, Pittsburgh, Philadelphia, Perth Amboy, Indianapolis, Cleveland, Madison, Wichita, Omaha, and San Diego an increasing number of workers were leaving jobs, generally in lower-paying trade and service establishments, to work in expanding defense plants and Government installations; in some of these areas the problem of obtaining satisfactory replacements for transferring trade and service workers was becoming increasingly difficult.

#### *Increased workweek, relaxation of job specifications, training, ease some shortages*

To overcome skill shortages, more and more employers were beginning to schedule added overtime operations for their work forces, although, as yet, this was far from a general trend. In Providence, Johnstown, Perth Amboy, Buffalo, Baltimore, Lansing, Wichita, and Los Angeles, plants were scheduling longer hours for skilled workers to keep abreast of orders. San Diego reported widespread increases in overtime among aircraft plants, with many employees working 48 to 58 hours a week. Many instances of workweek increases were noted in Syracuse, Atlanta, Rockford, Racine, Cedar Rapids, Oklahoma City, and Denver.

In Cleveland, almost one-sixth of all manufacturing employers were on 6-day, three shift operations; in New Haven, Lowell, New Orleans, and Los Angeles, hiring for afternoon and evening shifts was proceeding at an accelerated pace.

In a further effort to overcome manpower stringencies, employers in many areas continued to ease hiring specifications, although in most, relaxation of still relatively rigid hiring standards appeared to be more the exception than the rule. Age limits, especially for highly skilled workers, were being lifted in a large number of plants; somewhat fewer establishments were reported changing their physical and experience requirements for new employees. Only a handful of areas

reported a marked increase in the number of factory jobs for women; among them were Chicago, Los Angeles, Kansas City, Baltimore, San Diego, New Haven, Paterson, and Harrisburg.

In addition, preemployment and on-the-job training programs were being inaugurated or expanded in a sizable number of areas. These programs were particularly noteworthy in the large aircraft centers—Hartford, Wichita, Los Angeles, San Diego, and Seattle—but were also under way in Syracuse, Philadelphia, Milwaukee, Denver, and San Francisco-Oakland. In a number of localities, employers coupled the expansion of training for new employees with upgrading and job dilution programs for other workers as efforts to better utilize locally available manpower supplies intensified.

#### *Immigration, out-of-area recruitment widespread*

Workers continued to flock to major defense centers between January and March in search of better-paying jobs at expanding war plants or military installations; in many areas the voluntary influx of immigrants was supplemented by jobseekers drawn into the area through positive recruitment efforts by the public employment service or individual employer representatives. Substantial immigration was reported in such diverse centers as Hartford, Allentown-Bethlehem, Trenton, Buffalo, Indianapolis, Peoria, Cleveland, Wichita, Augusta, Norfolk-Portsmouth, and Seattle; in Wichita, almost half of the dominant aircraft industry's new hires during the past 2 months represented new arrivals into the area. In defense centers, such as Hartford, Pittsburgh, Youngstown, Baltimore, Dayton, Milwaukee, San Diego, and San Francisco-Oakland, turn-over among immigrants was high and further immigration was being limited by a lack of adequate family housing accommodations.

#### VI. TRENDS IN MAJOR INDUSTRIES

Defense-sustained metalworking industries contributed the major boost to the substantial January-March manufacturing rise. Gains in aircraft employment were responsible for a large part of the sharp increase in transportation equipment, which chalked up by far the greatest numerical increase. Largest additions to aircraft payrolls occurred in Los Angeles, where roughly 30 percent of the Nation's aircraft workers are employed. Sizable gains were also achieved in Wichita, San Diego, New York, Seattle, Indianapolis, Baltimore, and Fort Worth. Motor-vehicle employment took a sharp upward turn in Detroit and achieved smaller gains in Kansas City, Lansing, and Fort Wayne but fell off somewhat in Flint and Cincinnati. Shipbuilding rose in such major centers as New York, San Francisco-Oakland, Boston, San Diego, and New Orleans.

The high level of orders from both civilian and defense consumers kept non-electrical-machinery plants adding to their employment. Significant expansion occurred in virtually every area where the industry is important. Notable exceptions were Erie and Dayton. Textile mills, heavily loaded with defense orders, picked up considerably between January and February as the cost-price raw material situation eased but plunged sharply in March as management-labor disputes hit major woolen and worsted centers (Lawrence, Lowell, Providence, Worcester, Utica-Rome, Paterson). The apparel industry, responding to normal spring influences, reached a peak in February, then dropped back-somewhat in March, but remained at a level considerably above January. Orders for military clothing expanded the industry's work force by 25 percent in Reading between January and March and were an important factor in the over-all uptrend. The chemicals group took a significant upturn: fertilizer production rose seasonally; defense orders were placed for drugs such as penicillin; and a number of synthetic rubber plants were reactivated or expanded.

The usual seasonal pattern was also evident in increased hiring activity at retail trade establishments to handle expanded Easter-inspired buying. Railroads began to add to maintenance-of-way crews as the weather moderated, and construction rose sharply after dropping to a midwinter low in February. Although considerable work on residential housing is underway, an increasing proportion of this early-season building activity is centered around commercial, industrial, and public works projects. Federal Government payrolls continued to rise; most of the recent growth was a direct result of hiring to implement the defense program. In addition, a sizable number of extra workers were taken on at various Government tax offices during this period.

Material shortages—widely reported as a factor which harassed employers in planning their production schedules—were responsible for relatively few major lay-offs between January and March. Industries hardest hit during this period were radio-TV (Philadelphia, Newark, Chicago), motor vehicles (Cincinnati, Flint), and rubber products (Akron).

#### VII. CRITICAL DEFENSE AREAS

On the recommendation of the interagency critical areas committee, seven areas have been certified to date by the Defense Production Administration as critical defense areas. The impact of the defense program on employment, housing, and community facilities in these areas has been especially heavy, and Federal agencies have been directed to give them special assistance in solving their problems. Regulation X, which imposed stricter credit controls on the purchase of new houses, has been relaxed for specified numbers of housing units in each area.

The seven areas are Savannah River project area, S. C.; Paducah, Ky.; Idaho Falls, Blackfoot-Arco, Idaho; San Diego, Calif.; Corona, Calif.; Colorado Springs, Colo.; Star Lake, N. Y.

Major atomic energy projects are responsible for large-scale immigration into the first three areas. In San Diego, expansion in aircraft production and at naval installations is the basis of the critical situation which has developed. The in-transfer of a Federal installation to the small, relatively isolated Corona area posed problems requiring aid from outside the area. Growth at military installations is responsible for the critical designation of Colorado Springs, while expansion in iron ore mining accounts for the certification of Star Lake.

Labor market briefs—151 major areas, March 1951<sup>1</sup>

RELATIVE UNEMPLOYMENT CLASSIFICATIONS, EMPLOYMENT AND UNEMPLOYMENT TRENDS, AND HIGHLIGHTS

State and labor market area	Relative unemployment classification <sup>2</sup>			Estimated employment—March 1951 <sup>3</sup> (in thousands)						Unemployment change to March from <sup>4</sup> —		Highlights
	March 1951	January 1951	March 1950	Nonagricultural			Manufacturing					
				Number	Percent change from—		Number	Percent change from—				
					January 1951	March 1950		January 1951	March 1950	January 1951	March 1950	
Alabama: Birmingham.....	B	B	D	177.3	+0.3	+5.7	57.8	+2.2	+8.6	∨	∨∨	<p>Strikers return in fabricated metals, moderate expansion in machinery, foundries, chemicals exceed sharp drop in coal mining. Defense contracts increasing, but still relatively small. Pick-up in railroad, construction, food, fabricated metals scheduled; coal mining decline to continue.</p> <p>Large government, shipbuilding advances lead uptrend. Jobless primarily semiskilled, unskilled; shortage engineers, machinists, sheet-metal workers. Wage increases at military installation, shipyard training program to facilitate recruitment of short skills. Government hires scheduled to pace summer expansion.</p> <p>Construction, government gains dominate moderate uptrend; other industry changes minor. Scattered increases expected in food, stone, clay, glass; chemicals to decline. Construction expansion dependent upon materials availability. Labor supply adequate except for carpenters, qualified clerks.</p> <p>Construction, metals pace pervasive nonfarm gains. Agriculture slumps seasonally; removal of cotton acreage restrictions expected to speed recovery. Defense still minor despite hiring pick-up at military installations. Labor supply adequate for planned moderate expansion, led by government, metals, service.</p> <p>Seasonal gains in retail trade, apparel, chemicals, food and expansion at VA Hospital far exceed moderate construction service declines. Bulk of demand by July for unskilled, service workers in construction, government; chemicals to recede. No difficulty expected in meeting needs.</p>
Mobile.....	B	C	D	69.7	+4.3	+10.9	16.3	+4.2	+9.0	∨∨	∨∨	
Montgomery.....	B	B	C	39.3	+1.6	+3.9	6.8	-1.3	+3.8	∨∨	∨∨	
Arizona: *Phoenix.....	B	B	D	84.8	+3.6	+18.1	11.1	+9.9	+48.0	∨	∨∨	
Arkansas: *Little Rock.....	A	B	B	64.8	+2.4	+5.5	12.3	+5.6	+11.4	∨∨	∨∨	

California: Fresno.....	D	C	D	63.1	+0.8	+11.9	9.4	+3.3	+11.6	^^	VV	Unemployment jumps one-fifth; seasonal agriculture cutbacks outweigh small rise in nonfarm jobs led by machinery, government. Current heavy labor surplus (primarily seasonal, unskilled, handicapped workers) may be erased by scheduled expansion. Defense subcontracts, mainly tank, aircraft parts, increasing.
Los Angeles.....	B	B	D	1,473.0	+1.2	+9.0	485.4	+4.2	+23.5	V	VV	Employment boost primarily defense; aircraft, metals, machinery spearhead gains—shipbuilding doubles following Navy Yard reactivation. Job breakdown, training, overtime ease skill shortages. Scattered material shortage lay-offs; rubber hardest hit. Slowdown in aircraft hires scheduled but industry expected to lead summer expansion. Labor supply adequate for planned increases, except for current-shortage skills.
Sacramento.....	B	C	D	100.7	+3.3	+16.1	8.2	+5.4	+9.3	V	VV	Military installation hires pace moderate employment gain; food processing, construction also up. Rapid rise to July scheduled; government, canning to lead gains. Expansion expected to deplete current labor surplus, but over-all shortages can be avoided if hiring standards relaxed.
San Bernardino.....	B	C	D	67.5	+3.8	+13.1	14.5	+1.1	+15.5	V	INA	Seasonal gains in agriculture, citrus packing, trade, sizable expansion at military installation, dominate moderate uptrend. Many skilled, semiskilled occupations short despite slight over-all labor surplus; more training needed. Government hires, food processing pickup scheduled to lead summer gains.
San Diego.....	B	B	E	148.1	+4.8	+23.3	41.9	+14.2	+85.0	V	VV	Employment at record high; aircraft, shipbuilding spark advance. Training, upgrading ease skill shortages. More overtime, greater use of women reported; one-fourth aircraft workers are female. Government installations, shipbuilding plan brisk hires; scheduled contract completions may slow aircraft expansion.
San Francisco-Oakland..	B	B	D	839.0	+1.4	+11.0	195.9	+2.0	+18.3	V	VV	Brisk shipbuilding, military installation hires spearhead job gains. Skilled workers supply low; sharp late spring pickup, led by seasonal food processing, defense-spurred shipbuilding, government, metals, expected to erase current semiskilled, unskilled surpluses. Housing critical in Solano.
San Jose.....	D	D	D	76.3	+3.7	+10.9	19.7	+5.4	+19.8	><	VV	Food processing paces nonfarm rise; agriculture off seasonally. Defense accelerating, particularly metals, machinery. Shortage engineers, machinists; employers reluctant to ease hiring standards. Seasonal food processing spurt expected to deplete heavy labor surplus; jobless mostly unskilled cannery workers.

See footnotes at end of table, p. 55.

Labor market briefs—151 major areas, March 1951<sup>1</sup>—Continued

State and labor market area	Relative unemployment classification <sup>2</sup>			Estimated employment—March 1951 <sup>3</sup> (in thousands)						Unemployment change to March from <sup>4</sup>		Highlights
	March 1951	January 1951	March 1950	Nonagricultural			Manufacturing					
				Number	Percent change from—		Number	Percent change from—				
					January 1951	March 1950		January 1951	March 1950	January 1951	March 1950	
California—Continued Stockton.....	D	D	D	55.9	+3.7	+16.2	9.9	+5.9	+19.7	<<	>>	Government hires, resumption of beet-sugar processing pace nonfarm gains; agriculture employment off. Heavy labor surplus but below normal for early spring; may not be adequate for normal seasonal upsurge in food harvesting, canning activities. Shortage, skilled construction workers.
Colorado: Denver*.....	A	A	B	199.3	+1.1	+8.8	40.4	-1.0	+18.0	∨	>>	Government installation spearheads rise. Some employers not taking new orders because of material shortages but no large lay-offs. Machinists, machine operators, some construction skills short; building of new defense project nearby to up demand. Government expected to dominate sharp summer spurt.
Connecticut: *Bridgeport.....	A	B	D	108.0	+2.2	+14.5	64.9	+2.9	+17.6	>>	>>	Unemployment at three-year low. Bulk of new job gains in machinery, aircraft, construction; apparel recalls seasonal lay-offs. Shortage of brass, steel, wool forces scattered cut-backs. Male labor supply may not be adequate for planned summer expansion, led by machinery, aircraft.
*Hartford.....	A	A	C	179.4	+1.4	+16.2	73.3	+3.0	+25.9	>>	>>	Defense-spurred aircraft, machinery boost factory hires; most nonmanufacturing up. Labor market tight, virtually all types of skilled workers needed, many semiskilled trades short. Employers recruiting out-of-area, expand training. Greater use of women, more immigration needed to meet summer demand.
*New Britain.....	A	A	D	40.4	+2.1	+16.1	28.9	+2.6	+17.4	>>	>>	Metalworking paces factory rise; nonmanufacturing edges up seasonally. Joblessness at postwar low; male unemployed largely marginal workers, aged, handicapped. Demand for factory women light. Machinery electrical equipment schedule sizable gains; materials lack may limit planned construction, hardware uptrend.



*New Haven.....	A	A	D	108.6	+1.4	+6.4	44.2	+2.5	+11.1	∇∇	∇∇	Apparel, metals, ordnance, spark factory advance. Copper, steel, lead shortages hamper some expansion plans; rubber cuts back. Shortages spreading to unskilled level; demand for factory women stepped-up mainly to staff expanding second shifts. Summer expansion contingent on defense sub-contracts.
*Stamford-Norwalk.....	A	A	C	66.8	+1.0	+5.9	35.2	+2.0	+8.5	∇∇	∇∇	Joblessness cut in half as employment uptrend resumes despite material supply problems. Defense pickup in machinery, electrical equipment, rubber—construction, trade, apparel upswing scheduled to lead moderate summer expansion. Labor supply tight but appears adequate for known needs.
*Waterbury.....	A	A	D	65.7	+0.9	+10.7	44.3	+1.1	+14.1	∇∇	∇∇	Employment up despite material shortage—production control cut-backs in important brass; machinery leads uptrend. Joblessness at postwar low; half of unemployed are women. Shortage some key skills. Rubber footwear, clocks-watches, with new defense contracts, plan brisk hires to July.
Delaware: Wilmington.....	A	B	C	88.1	+1.4	+11.8	59.3	+0.5	+11.0	∇∇	∇∇	Construction paces moderate gain, augmented by important chemicals, other nonmanufacturing. Unemployment at postwar low. Labor supply adequate for further sizeable gains to summer, greatest in chemicals. Opening of large new defense plant may tax supply in fall.
District of Columbia: Washington.	B	B	B	588.3	+2.4	+5.6	23.0	+1.2	+0.7	∇	∇∇	Continued heavy government hiring, largely from outside area, raises employment. Further government expansion, continued substantial in-migration expected. Construction authorizations again indicate boom activity. Principal shortages of skilled machinists, engineers of all types, stenographers, clerk-typists.
Florida: *Jacksonville.....	A	A	A	103.8	+3.3	+7.9	17.9	+14.4	+23.4	∇∇	∇∇	Shipyards hires pace sizeable employment advance; military installations and construction also rise significantly. Outlook for near-stability; scattered manufacturing lay-offs may be balanced by small gains in government, service, construction, shipyards. Over half unemployed are women; labor supply adequate.
*Miami.....	A	A	B	172.0	-1.2	+6.3	16.7	+2.8	+20.7	∇	∇∇	Substantial, partly seasonal, construction drop, lighter-than-usual tapering off in tourist activities outweigh other nonagricultural gains; agriculture increases sharply. Usual summer slump, especially in trade, service, in prospect; may be tempered by defense work; contracts under negotiation.
*Tampa-St. Petersburg..	B	B	B	111.3	+1.5	+3.5	22.0	+2.1	+7.8	∇∇	∇∇	Tourist activities and high-level citrus operations, stimulated by good weather and government orders, raise employment. Federal restrictions hit metalworking and construction. Employment drop expected in trade, service as tourist season ends and in seasonal food processing.

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Labor market briefs—151 major areas, March 1951<sup>1</sup>—Continued

State and labor market area	Relative unemployment classification <sup>2</sup>			Estimated employment—March 1951 <sup>3</sup> (in thousands)						Unemployment change to March from <sup>4</sup> —		Highlights
	March 1951	January 1951	March 1950	Nonagricultural			Manufacturing			January 1951	March 1950	
				Number	Percent change from—		Number	Percent change from—				
					January 1951	March 1950		January 1951	March 1950			
Georgia:												
*Atlanta.....	A	A	B	266.9	+1.7	+8.5	61.8	-0.3	+4.6	∨∨	∨∨	Moderate employment rise dominated by construction, trade, military installation hires. Defense (primarily aircraft), metal products, apparel increasing. Engineers, sewing-machine operators, stenographers short. Labor supply adequate for planned summer expansion; tightening material controls may force auto cut-back.
Augusta.....	A	A	B	46.9	+6.8	+16.4	16.0	+1.3	+3.4	∨∨	∨∨	Activities related to nearby Savannah River project double construction employment; manufacturing, trade, Government augment gains. Immigrants, incommuters swell labor force. Further employment rises, labor force growth expected. VA hospital factor in demands to summer. Over-all labor shortage imminent.
Columbus.....	A	A	B	46.5	+3.1	+11.5	20.4	+2.2	+9.2	∨∨	∨∨	Textiles, construction, Government pace pervasive employment rise; trade, apparel exceptions. Shortage unskilled, mechanics, construction workers; hiring standards easing; some out-of-area recruitment. Women bulk of unemployed. Housing tight. Trade service, Government hires expected to lead summer gains.
Macon.....	A	B	A	50.8	+6.8	+16.9	11.8	+5.0	+8.8	∨∨	∨∨	Military installations continue to spark substantial uptrend; almost reach employment ceilings. Unemployment cut in half; many immigrants absorbed. Seasonal activities, chiefly food, to lead moderate gains to summer. Labor supply adequate, assuming no further large-scale Government demands.
Savannah.....	B	B	D	45.5	+1.8	+9.1	13.6	+3.3	+11.5	∨∨	∨∨	Moderate employment rise dominated by ship repair, seasonal fertilizer gains. Hiring at nearby military installations draining supply of skilled construction workers. Immigration down; new defense projects not expanding at expected rate. Ship repair expected to lead summer increases.

Hawaii: Honolulu.....	C	D	E	104.0	+3.3	+13.0	13.7	+2.1	+3.8	∇∇	∇∇	Brisk military installation hires, sugar, pineapple, trade, construction gains lead pervasive employment rise. Transportation also up after strike settlement. Shortage many defense skills; lack of housing slows recruitment from mainland. Seasonal pineapple expansion, military installation staffing expected.
Illinois: Chicago.....	A	A	C	2,313.0	+0.7	+5.5	921.9	+1.3	+9.6	∇∇	∇∇	Civilian defense demands spur moderate rise, led by transportation equipment (especially aircraft), primary, fabricated metals. Two-thirds greatly reduced labor supply women. April lay-offs in electrical equipment due to high inventories, low sales. Substantial pick-up expected, tempered by material and manpower shortages. Increasingly serious skilled shortages; hiring specifications lowered only a little. Surge in construction activity reverses 6-month employment downtrend. Armed forces withdrawals, some out-migration also reduce unemployment. Coal mines, completing winter contracts, schedule 2- or 3-day week. Expansion expected in construction, electrical machinery, leather products, metals, machinery.
Crab Orchard <sup>1</sup> .....	E	E	E	41.3	+2.0	INA	7.2	+2.1	INA	∇	∇∇	Hires in ordnance, end of labor dispute at major farm implement firm, seasonal gains in construction, agriculture push employment up; unemployment near minimum. Women chief source of local supply for substantial needs to summer; housing shortage deters in-migration.
Davenport-Moline- Rock Island.	A	A	INA	94.3	+3.0	INA	43.5	+4.6	INA	∇∇	INA	Increases in important food processing dominates moderate rise; textiles and apparel, metals, machinery also gain. Shortage tool and die makers, pattern-makers, engineers; two-thirds of unemployed are women. Seasonal construction, agriculture increases expected to lead slight uptrend to summer.
Decatur.....	A	B	INA	30.9	+2.3	INA	13.3	+5.0	INA	∇∇	INA	Dominant machinery spearheads rise; aluminum shortage cuts some household appliances. High inventories sharpen seasonal distillery cutbacks. In-migrants, mostly for machinery jobs, augment labor supply, but turn-over high due to housing shortage. Machinery, construction plan brisk summer expansion.
Peoria.....	A	B	C	96.1	+2.8	+12.0	49.3	+3.0	+17.3	∇∇	∇∇	In-migrants, reentrants enable important fabricated metals, machine tools (civilian and defense orders) to rise markedly. Unemployment near minimum; much overtime in metalworking; hiring standards lowered; job dilution extended; more job shopping. Further strong demands in machinery, metals, construction.
Rockford.....	A	A	A	64.6	+1.8	+17.7	40.5	+2.1	INA	∇	∇∇	

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State and labor market area	Relative unemployment classification <sup>2</sup>			Estimated employment—March 1951 <sup>3</sup> (in thousands)						Unemployment change to March from <sup>4</sup> —		Highlights
	March 1951	January 1951	March 1950	Nonagricultural			Manufacturing			January 1951	March 1950	
				Number	Percent change from—		Number	Percent change from—				
					January 1951	March 1950		January 1951	March 1950			
Illinois—Continued Springfield.....	B	C	D	47.6	+0.4	+5.9	13.4	+2.5	+23.0	∨	∨∨	Labor market tightens as defense-spurred nonelectrical machinery gains; other small manufacturing rises outweigh losses due to materials restrictions. Substantial rise expected in machinery (defense), agriculture; further drop in food. In-migration of farm workers, housewives to augment labor force.
Indiana: *Evansville.....	B	B	C	63.4	+3.8	+12.8	33.2	+6.4	+25.8	∨∨	∨∨	Important refrigerators spark pervasive rise, following year-end mass lay-offs; manufacturing employment at postwar peak. Defense work minor; pickup scheduled in summer and fall. Over-all outlook uncertain; cut-backs due to material shortages may outweigh seasonal gains, added defense hires.
*Fort Wayne.....	A	A	D	78.7	+1.2	+13.9	42.5	+2.0	+21.4	∨∨	∨∨	Important electrical machinery, motor vehicles pace moderate manufacturing rise. Radio, TV cut follows January-March rise; textile plant to move from area; motor vehicles, nonelectrical machinery, most nonmanufacturing expect summer gain. In-migration, new entrants and reentrants expand labor force.
*Indianapolis.....	A	A	C	269.8	+1.8	+14.8	113.2	+2.9	+29.4	∨	∨∨	Aircraft, machinery, construction pace moderate expansion; further increases expected in these industries to summer. Aggregate demand appears greater than supply but few jobs are for women. In migration important factor. Some training under way. Hiring specifications in general remain high.
South Bend.....	A	A	A	102.7	+1.6	+7.3	57.6	+2.2	+2.4	×	∨∨	Employment at new high; aircraft, machinery spark advance. Shortage skilled, semiskilled machine operators, engineers, draftsmen; hiring specifications easing. Large material controls averted lay-off after mid-March clouds outlook; may offset planned increases to July in aircraft, rubber, machinery.

Terre Haute.....	C	O	E	36.3	+0.9	+7.2	11.2	+0.2	+12.8	∨∨	∨∨	Largely seasonal gains in railroads, trade, service far overshadow cut-backs in food processing, mining. Food processing expected to recoup, Government to expand during spring, early summer; recruitment mostly for unskilled workers. Some outmigration (mainly construction workers) to nearby defense projects.
Iowa: Cedar Rapids.....	A	A	INA	38.0	+0.1	+10.5	16.4	+1.2	+17.2	><	INA	Defense-spurred machinery leads slight employment rise; slow materials deliveries not retarding production. Supply of skilled, semiskilled males depleted; some skills sought out-of-area. Defense hires in machinery, seasonal rise in food processing, construction expected to pace late spring gains.
*Des Moines.....	A	A	B	88.1	+0.2	+6.9	20.4	+2.2	+10.5	∨∨	INA	Slight rise led by machinery, metal products, transportation equipment; food processing, construction down seasonally. Material shortages hamper expansion plans. Supply of men low; hiring standards unrelaxed. Brisk summer hires scheduled in transportation equipment, machinery, food, construction.
Sioux City.....	B	B	INA	33.4	-1.6	INA	10.5	-3.8	INA	∨∨	INA	Employment dips as meat packing, trade cut-back seasonally. Employment expected to continue downward into late spring despite planned machinery, construction increases, then level off to July. Slight labor surplus largely unskilled, laid-off construction, meat-packing workers. Shortage of machine molders.
Kansas:.....	A	B	C	39.8	+3.0	+8.3	6.5	+3.2	+7.5	∨∨	∨∨	Brisk hires at reactivated military installation pace moderate rise; sizable gains in trade, construction. Labor supply tightening; marked summer expansion, led by Government, food processing, expected to intensify clerical, skilled shortages. Housing tight; many defense workers commuting from out-of-area.
*Topeka.....	A	A	C	95.8	+5.8	+28.7	40.7	+15.7	+72.6	∨	∨∨	Sizeable gains sparked by important aircraft. Labor supply tight; intensive out-of-area recruitment; immigrants account for many aircraft hires. Age, experience, hiring standards relaxed, but few new factory jobs for women. Substantial summer increases scheduled, more than two-thirds aircraft.
*Wichita.....												
Kentucky: Louisville.....	B	B	D	212.6	+1.4	+13.3	84.1	+0.6	+20.1	><	INA	Nonfarm employment hits postwar peak; expansions in Federal installations, construction, machinery, transportation, primary metals, food, chemicals outweigh seasonal tobacco drop. Brisk gains in construction, machinery, lumber scheduled; hiring plans for reactivated ordnance plant indefinite.

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Louisiana: Baton Rouge.....	C	C	D	47.4	+0.6	+3.3	16.9	+1.8	+5.9	<<	INA	Moderate gains in chemicals and petroleum products pace employment rise. Jobless chiefly former construction, lumber, transportation workers. Shortage stenographers, draftsmen, welders. Defense-spurred chemicals, petroleum products, synthetic rubber expected to dominate moderate summer uptrend.
*New Orleans.....	B	C	D	243.1	+1.5	+4.0	51.7	+5.5	+14.0	∨	∨∨	Defense, seasonal demands spur significant gains in ship repair, food, construction. Service drops, government down as city sanitation workers strike. Employment scheduled to level off by summer, with trade, service, apparel seasonally low; ship repair, lumber steady; construction rising.
Shreveport.....	C	C	C	56.8	+2.2	+7.2	7.6	+3.0	+8.5	∨∨	<>	Moderate employment uptrend led by construction, trade; petroleum production, metals also up. In-migrants, reentrants attracted by possible reopening of ordnance plant augment labor supply. Minor labor needs expected in construction, service. Primary metals industry to begin operations on large defense contract.
Maine: *Portland.....	C	D	D	45.3	+0.1	+5.5	11.7	+1.0	+10.6	<<	∨∨	Small gains in metals, machinery, shoes, transportation almost balanced by trade, service, construction declines. Some material shortage lay-offs. Metals, food processing, shoes share few defense contracts; migration to out-of-area defense jobs continuing. Seasonal tourist trade upsurge expected by July.
Maryland: Baltimore <sup>4</sup> .....	B	B	D	511.7	+2.1	+9.8	187.0	+3.5	+16.3	∨∨	∨∨	Shipbuilding, aircraft pace steady employment rise as practically all industries gain; uptrend to continue with aircraft, machinery (defense), food leading rise. Material shortages hamper expansion, hit many small plants. Manpower shortages combated by overtime, increased use of trainees, women.

Cumberland <sup>1</sup> .....	E	E	E	28.6	+1.2	+12.1	11.3	+0.1	+1.5	∇	∇∇	Seasonal pickup in construction, trade, service partially offset by materials allocation cut-back in rubber products. Out-migration, armed forces withdrawals reduce unemployment. Further expansion in construction foreseen.
Massachusetts: Boston.....	B	C	D	922.9	+1.3	+6.4	308.2	+3.4	+12.4	∇∇	INA	Defense-spurred electrical machinery, shipbuilding hires, seasonal apparel, leather, trade increases lead widespread gains. Material shortages limit expansion plans. Shortages of engineers, skilled metalworkers, draftsmen severe. Nonmanufacturing, machinery gains expected to dominate summer rise.
Brockton.....	B	B	D	40.9	+0.5	INA	21.1	+1.2	INA	×	INA	Slight rise led by apparel, rubber products; no change in dominant shoes. A few skill shortages, mainly in metalworking, shoes, rubber, textiles; some plants lengthening workweek. Moderate summer expansion planned, dominated by seasonal construction, trade gains, slight increase in shoes.
Fall River.....	B	B	D	53.2	+2.8	INA	32.7	+4.5	INA	∇∇	INA	Recalls after local textiles dispute, gains in important apparel, rubber lead moderate uptrend. Increased overtime, added new shifts, hiring of women reported. Some materials shortages. Apparel, textiles, rubber expected to pace moderate summer expansion; bulk of demand is for women.
Lawrence.....	D	D	E	40.4	-14.6	-14.2	23.1	-23.1	-22.8	∇	∇∇	Strike in dominant textiles (settled late March) idles 8,000; small gains in most other industries. Future hiring schedules uncertain, aside from strike recalls; outlook clouded by price problems. Huge backlog of orders for military textiles, free of price controls, sustain employment.
Lowell.....	C	D	E	42.3	-1.4	+1.6	23.4	-2.2	-0.1	∇	∇∇	Strike (settled late March) in dominant textiles paces employment; apparel also down, nonmanufacturing at seasonal lows. Some outmigration to nearby defense projects. Scattered material shortage (copper, steel, rubber) layoffs. Cost-price maladjustments in textiles, leather cloud outlook to midsummer.
New Bedford.....	B	B	E	62.0	+1.5	IMA	37.0	+3.1	IMA	∇	IMA	Important textiles, electrical products spearhead moderate rise. Rubber, copper shortages force some workweek cutbacks. On-the-job training, increased overtime easing skilled labor shortages. Labor supply adequate for planned expansion, led by electrical products, if expected influx of reentrants materializes.
Springfield-Holyoke.....	B	B	D	159.8	+0.7	IMA	84.6	+1.1	IMA	∇∇	IMA	Employment up slightly despite textile, foundries, chemicals strikes. Ordnance, apparel, machinery gain; bulk of increases due to defense. Some material shortage layoffs in tires, metals, electrical equipment. Ordnance, machinery plan summer expansion; labor supply adequate except for few shortage skills.

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				Number	Percent change from—		Number	Percent change from—				
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Massachusetts—Continued Worcester.....	A	B	E	106.6	+0.7	IMA	55.6	+1.5	IMA	∨∨	IMA	Metal products, textiles strikes limit gains led by shoes, machinery, stone-clay-glass. Radio-TV, clocks down as demand softens. Hiring standards rigid despite skilled, semiskilled shortages; jobless mostly elder workers, unskilled. Stone-clay-glass, metals, ordnance, construction schedule brisk summer hires.
Michigan: Detroit.....	B	B	D	1,296.0	+1.2	+22.2	722.0	+2.4	+36.0	∨∨	∨∨	Manufacturing up as autos complete recalls after model changeovers; machinery (some defense orders), fabricated metals, chemicals, ordnance also rise. Materials controls force layoffs of 10,000 in April. Widespread gains expected if materials available; largest demands for semiskilled factory workers.
Flint.....	B	A	A	105.0	-1.1	+5.7	68.8	-2.1	+5.0	∧∧	∧	Unemployment rises with layoffs in important autos due to material shortages; more cutbacks to follow. Industry has sizable defense contracts but building new plants and retooling to delay production. Manufacturing to decline, summer influx to swell labor supply.
Grand Rapids.....	B	B	C	103.6	+1.2	+5.4	51.5	+3.4	+7.3	∨∨	∨∨	Fabricated metals, furniture spark widespread manufacturing rise; materials shortage layoffs minor. Sizable gains in prospect, especially in furniture, machinery, food, construction, despite further metals layoffs. Defense work mostly in planning stage. Labor supply to be adequate except for skilled shortages.
Kalamazoo.....	A	B	C	45.5	+0.4	+8.4	24.2	+1.7	+14.2	∨	∨∨	Material shortages cause small, mostly temporary layoffs and hamper employment expansion. Modest gains in important paper, in autos, textiles. Defense work minor. Adequacy of labor supply for scheduled widespread increases questionable. Some outmigration to defense jobs.



Lansing.....	A	A	B	69.6	+0.6	+7.2	30.7	+1.7	+13.7	∇∇	∇∇	Manufacturing employment nears postwar peak as autos, nonelectrical machinery gain; steel shortage causes drop in foundries. Outlook for small net increase; gains in nonmanufacturing, some manufacturing to outweigh sizable cuts in autos. Some relaxation of hiring specifications. Quit rate rising.
Muskegon.....	B	C	E	42.9	+3.1	+18.5	28.0	+4.5	+26.1	∇∇	∇∇	Unemployment of males off sharply; machinery sparks large manufacturing gains. Seasonal nonmanufacturing activities, defense-spurred machinery to share in sizeable employment rise to summer. Labor supply adequate only if hiring specifications are relaxed; skilled shortages expected to continue.
Saginaw.....	A	A	C	48.4	0	+5.0	26.0	-0.4	+7.4	×<	∇∇	Employment stable at high level to March; sizeable layoffs in important autos in April. Defense work increasing; some retooling underway; heavy demands likely by fall. Bare supply-demand balance to summer as school graduates enter labor force. Housing tight; limited immigration.
Minnesota: *Duluth-Superior.....	D	D	D	51.0	-0.1	+4.8	15.1	+3.9	+5.9	∇	∇∇	Recalls in electrical machinery, gains in metals, ship repair raise manufacturing employment sharply. Transportation, utilities to lead seasonal employment upturn; record haul of iron ore expected; no recruitment problems in view. Manufacturing losses forecast in ship repair, radio cabinets.
*Minneapolis-St. Paul..	B	B	C	445.5	-0.6	+6.4	131.1	+1.7	+13.5	∇	∇∇	Factory rise, led by refrigerators, ordnance, falls to offset seasonal food, trade, construction losses. Scattered material shortage layoffs in metals, instruments. Some skilled shortages. Labor supply adequate for planned summer expansion, paced by ordnance, machinery, metals, construction.
Mississippi: Jackson.....	B	C	C	44.9	+1.9	+9.7	12.8	+2.8	+25.2	∇∇	∇∇	Widespread gains, chiefly in construction, transportation equipment, reflect seasonal, defense needs. Unemployment drops more than one-third; stenographers, clerks becoming scarce. Some defense work on 24-hour basis. Food, transportation equipment, construction to expand by summer.
Missouri: *Kansas City.....	A	B	C	329.6	+1.7	+7.1	95.5	+1.2	+9.3	∇∇	∇∇	Construction, utilities, autos, electrical machinery pace moderate rise. Some easing of age, residence hiring standards; slight increase in demand for factory women. Labor supply-demand about in balance. Large defense expansion in ordnance, aircraft, atomic energy work planned but hiring schedules indefinite.
St. Joseph.....	B	C	INA	54.3	+1.2	INA	13.6	+1.9	INA	∇∇	INA	Seasonal construction, transportation, paper gains offset declines in important trade, food processing. Some skill shortages reported as joblessness drops one-third. Little defense work, primarily in food, apparel. Electrical machinery scheduled to pace continued upswing if defense contracts materialize.

See footnotes at end of table, p. 55.

Labor market briefs—151 major areas, March 1951<sup>1</sup>—Continued

State and labor market area	Relative unemployment classification <sup>2</sup>			Estimated employment—March 1951 <sup>3</sup> (in thousands)						Unemployment change to March from <sup>4</sup>		High lights
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					January 1951	March 1950		January 1951	March 1950	January 1951	March 1950	
Missouri—Continued *St. Louis.....	B	B	D	677.6	+0.8	+6.2	274.7	+1.0	+10.1	∨∨	∨∨	<p>Employment at all-time high. Defense increasing, aircraft gains partly offset sizeable material shortage auto cuts. Severe weather slows defense-related construction. Spot skill shortages in machine shop, foundry, aircraft trades. Metals transportation equipment scheduled to pace moderate summer gains. Construction pickup sparks marked employment up-trend; all major industries share in rise. Supply of agricultural workers limited; hiring for strawberry harvest may cause shortage. Food processing expected to lead moderate late spring gains.</p> <p>Watchmaking, construction pace gains; joblessness down a third. Supply of farm hands limited. Defense work growing. Labor supply adequate for planned summer expansion, led by construction, watchmaking, rubber, if expected influx of labor force reentrants materializes. Shortage construction skills anticipated.</p> <p>Employment at seasonal low; construction, meat-packing losses offset transportation, utilities, government installation increases. Job shopping up; machinists, lathe operators, welders, stenographers in short supply. Construction, utilities, food processing gains expected to pace summer rise.</p> <p>Dominant textiles, shoes, spurred by defense, spark gains. Hiring begins at reactivated military installation. Some migration to out-of-area defense jobs. Textile, aircraft maintenance skills short. Lull to July in prospect as textiles, shoes plan layoffs unless more defense contracts obtained.</p>
Springfield.....	B	D	D	32.4	+4.5	INA	7.2	+3.6	INA	∨∨	INA	
Nebraska: Lincoln.....	A	B	B	41.1	+1.5	+5.4	8.7	+4.2	+16.1	∨∨	∨∨	
Omaha.....	A	A	C	138.5	-0.1	+7.6	32.7	-2.3	+16.1	∨∨	∨∨	
New Hampshire: *Manchester.	C	C	D	35.1	+2.5	+6.2	21.9	+3.3	+8.8	∨∨	∨∨	

New Jersey: Atlantic City.....	D	D	E	37.3	+2.8	+0.8	5.9	+1.7	+4.1	VV	VV	Convention, holiday activities bring early-season expansion in trade, service; apparel also up. Further sizeable increases anticipated for these industries. Construction to drop with housing completions.
Newark.....	B	B	D	685.9	+1.3	+6.3	338.1	+1.9	+11.7	VV	VV	Metalworking industries lead widespread factory gains; construction up sharply. Outlook for moderate rise in machinery, food processing; drop in trade; seasonal recalls scheduled in apparel. Material shortages plague employers. Skilled metalworkers becoming scarce; hiring specifications remain high.
Paterson.....	B	B	D	307.8	-2.5	+3.4	168.1	-4.8	+4.6	VV	VV	Textile strike (settled late March), seasonal layoffs in apparel plants dominate January-March developments despite modest upswing in most other industries. Apparel recalls; aircraft, electrical machinery expansion to pace summer gains. Labor supply tightening; some relaxation of hiring specifications.
Perth Amboy.....	A	A	D	93.9	+1.7	+9.1	-62.7	+2.1	+9.0	VV	VV	Ordnance, chemicals, lead moderate pervasive manufacturing advance; construction up slightly. Outlook for widespread factory gains and expansion at government installations. Labor supply insufficient to meet demand; more overtime skilled workers scheduled; some employers accepting trainees.
Trenton.....	A	B	D	117.1	+0.9	+5.3	57.3	+1.2	+9.1	VV	VV	Toy, cigar, leather plants recall workers; trade, machinery expand moderately. Increases expected in agriculture, construction; in parachute, fabricated metals, rubber products plants; at government installations. Shortage of sewing machine operators, skilled metal, technical workers; but overall supply adequate.
New York: *Albany-Troy-Schenectady.	B	B	D	182.4	+1.8	+8.7	86.0	+4.1	+15.3	VV	VV	Important electrical machinery and equipment add substantial numbers in response to civilian, defense orders; drugs and medicines score smaller, sharp rise. Bulk of anticipated expansion also in machinery; major employer actively recruiting male trainees. Shortage highly skilled metalworkers.
*Binghamton.....	B	B	C	70.1	+1.7	+6.2	37.8	+2.2	+5.6	VV	VV	Office, store machines, photo-equipment supplies industries show substantial rise; important shoe plants hold steady. Major expansion likely in ordnance, construction; machinery, food, trade anticipate smaller gains. Shortage technical, professional workers; scarcity of housing impedes out-of-area recruitment.
*Buffalo.....	B	B	D	391.7	+1.7	+9.8	200.3	+2.7	+15.2	VV	VV	Metalworking industries, spurred by growing defense prime, subcontracts, lead gain. Bulk of expansion needs in electrical machinery, aircraft, primary metals. Serious shortage technical, skilled workers. Some out-of-area recruitment, lengthening hours for key personnel. Generally high hiring specifications.

See footnotes at end of table, p. 55.

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New York—Continued												
*New York.....	C	C	D	3,623.3	+2.6	+9.7	1,157.2	+2.3	+7.6	VV	VV	Seasonal upturn in nonmanufacturing activities leads employment rise; machinery, metals, apparel and shoes, sporting goods make small gains. Defense-spurred expansion expected in shipbuilding, aircraft, photo and scientific goods, electrical machinery. Shortage of engineers, highly-skilled metalworkers. Important photographic goods industry scores only major manufacturing gain; food processing (largely baby foods) cuts back; trade, construction, agriculture rise. Defense orders growing but total volume still small. Serious shortage technical, professional workers, skilled craftsmen. In-plant training increasing.
*Rochester.....	B	B	D	193.8	+1.8	+14.4	106.4	+0.8	+12.2	VV	VV	Recent gain concentrated in electrical machinery which expects further sizeable expansion by summer. Defense orders mounting; work on some not to begin until fall. In-plant and formal training intensified as labor supply dwindles, skilled shortages grow. In-commuting prevalent.
*Syracuse.....	A	B	D	127.7	+1.3	+9.3	59.9	+2.6	+20.0	VV	VV	Textile strike idles 3,500; overshadows moderate non-manufacturing rise. Scattered materials shortage lay-offs. Bulk of expansion needs in metals, Government. Two new electrical plants begin hiring. Supply construction workers dwindling. Housing shortage impedes out-of-area recruitment of technical workers.
*Utica-Rome.....	C	D	E	90.1	-0.9	+9.6	44.9	-4.3	+6.1	VV	VV	
North Carolina: Asheville.....	C	D	D	33.4	+1.8	+0.9	11.4	+2.0	+2.7	VV	VV	Employment downtrend halted; armed service withdrawals and outmigration factors in sharp reduction in unemployment. Outlook for continuing employment increase, especially in construction, seasonal service activities. Some shortages persist despite over-all adequacy of labor supply.

Charlotte.....	A	A	B	79.5	+1.2	+4.4	21.1	-0.1	+6.6	><	✓	Near-stability in area employment continues; expansion in city limits, seasonal uptrend combine to raise government, transportation moderately. Large labor supply, mostly women, available if jobs materialize.
Durham.....	D	D	INA	34.2	-0.9	INA	13.3	-2.8	INA	^	INA	Construction decline, lay-offs in important tobacco offset gains in textiles, most nonmanufacturing. More than four-fifths of heavy labor surplus composed of women. Employers plan small summer expansion, but textile strike, starting in early April, beclouds outlook.
Greensboro-High Point <sup>6</sup> .	B	B	INA	74.2	+1.4	INA	36.1	+2.7	INA	∨∨	INA	Labor supply consists of inexperienced, older workers after sharp unemployment drop. Many part-time workers in important hosiery and furniture industries. Expected rise in construction (if materials available), small gains in other industries to be offset by printing, trade, government losses.
Raleigh.....	C	C	INA	37.9	+0.9	INA	5.6	+1.9	INA	✓	INA	Textile mills and construction lead recent and prospective moderate uptrend in employment; defense work minor factor. Expected increase contingent upon availability of materials. Slight drop in number of unemployed; nearly half now women.
Winston-Salem.....	D	D	INA	44.3	-2.3	INA	27.4	-4.5	INA	^	INA	Heavy tobacco lay-offs (seasonal) outweigh increases in defense-spurred textiles and electrical machinery. Shortage stenographers, draftsmen, electrical testers; not hampering production. Bulk of unemployed are women. Electric machinery, transportation plan brisk summer expansion; small increase in tobacco expected.
Ohio:												
Akron.....	B	B	D	166.3	+0.3	INA	96.7	-0.1	INA	✓	INA	Scattered, widespread gains almost balance losses in dominant rubber due to materials controls; many rubber workers on short hours. Labor supply adequate, except in professional, skilled categories, for significant expansion in aircraft, fabricated metals, machinery, moderate increases in nonmanufacturing.
Canton.....	A	A	D	122.9	+0.6	INA	69.0	+2.2	INA	✓	INA	Primary metals, machinery pace small over-all gain; construction, trade, government down. Materials shortages; controls slow metal fabrication, rubber. Age limits for skilled relaxed; some out-of-area recruitment for unskilled; few factory jobs for women. Metals schedule largest summer expansion.
Cincinnati.....	B	B	D	345.9	(?)	INA	147.2	+0.1	INA	✓	INA	Material shortage lay-offs (autos, some television), strikes offset large gains in nonelectrical machinery. Increased use of trainees. Electrical machinery, instruments tooling up for defense; will use many women. Sizable expansion demands, especially machinery, construction may bring tight labor market until June.

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Labor market briefs—151 major areas, March 1951<sup>1</sup>—Continued

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Ohio—Continued												
Cleveland.....	A	B	D	629.6	+1.6	INA	307.2	+2.3	INA	✓	INA	Employment above VJ-day levels, highest since World War II peaks; machinery leads gains. Many major defense contracts. Immigrants, reentrants augment labor supply; overtime, training, job specification relaxation easing skill shortages. Housing tight. Metals, machinery schedule brisk summer hires.
Columbus.....	B	B	C	184.5	+0.4	INA	63.6	+0.5	INA	××	INA	Transportation equipment (defense orders) dominates uptrend; little change in important trade, government. Material shortages cut metal products. Some skilled shortages; supply semiskilled, unskilled ample; factory demand for women limited. Sharp summer spurt, principally in transportation equipment, scheduled.
Dayton.....	A	A	C	204.3	+3.0	INA	92.7	-0.6	INA	✓✓	INA	Military installation hires dominate employment gain; material shortages lower manufacturing employment slightly. Housing short; some immigration, women reentrants swell labor force. Training needed. Labor shortage may prevent meeting substantial demands by summer—greatest in government, construction.
Hamilton-Middletown..	C	C	INA	47.8	-0.1	INA	51.0	-0.3	INA	✓	INA	Little net employment change as scattered manufacturing losses outweigh nonmanufacturing gains; unemployment drop due to outmigration. Defense work minor. Sizable manufacturing gains, led by fabricated metals, scheduled, but outlook clouded by material shortage lay-offs in April. Large construction rise expected.

Springfield.....	B	C	INA	34.7	+3.5	INA	19.1	+4.2	INA	VV	INA	Machinery, government lead pervasive rise. Little defense yet. Shortage of clerical workers; many leaving area for nearby defense installation. Ample supply semiskilled, unskilled. Scheduled transportation equipment cutbacks (materials controls) expected to outweigh planned increases in other industries.
Toledo.....	B	B	E	157.1	+1.1	INA	79.5	+0.8	INA	VV	INA	Gains in important autos, electrical machinery and in shipbuilding, construction, military depot partly offset by drop in nonferrous metals (materials allocation). Substantial rises scheduled at depot, in electrical machinery, autos, and in seasonal construction, transportation may tax labor supply.
Youngstown.....	A	B	C	191.6	+0.6	INA	114.5	+0.6	INA	VV	INA	Seasonal construction gains, defense hires in fabricated metals pace rise. Labor supply inadequate to meet large-scale demands in important steel mills, other widespread manufacturing and seasonal needs to summer unless greater use made of women, handicapped, older workers. Housing tight.
Oklahoma: *Oklahoma City.....	A	B	B	122.6	+4.5	+13.7	13.6	-1.3	+7.1	VV	VV	Sharp government installation rise continuing; some reductions in food, oil production, construction, aircraft repair. Additional government needs dominate pervasive increase by July. Shortage of aircraft instrument repairmen. Recruitment for military installation hampered by lack of low-cost housing.
*Tulsa.....	A	A	C	88.7	+0.7	+7.3	18.8	+3.6	+19.7	V	VV	Aircraft leads expansion as major firm begins operation; smaller increases in government, machinery, petroleum production; construction drops. Labor supply chiefly unskilled, semiskilled; demand to summer for skilled workers, largely in aircraft. Petroleum production, trade expected to decline.
Oregon: *Portland.....	C	C	D	210.1	+0.9	+9.1	58.8	+3.2	+19.5	VV	VV	Settlement of labor dispute boosts metals, machinery; defense contracts for barges-aircraft parts aids rise in transportation equipment. Further defense gains in metals, machinery, shipbuilding and repair scheduled; sharp seasonal rise in food, logging, trade, service planned. Labor supply adequate.
Pennsylvania: Allentown-Bethlehem...	A	A	C	174.5	+1.4	+10.4	107.1	+2.1	+15.2	VV	VV	Substantial gain in steel mills, smaller rise in machinery; apparel, construction push employment to all-time high. Further expansion to be led by important steel, apparel industries. Supply nears rock bottom but hiring specifications remain high. Skilled, unskilled shortages not yet impeding production.
Altoona.....	B	B	D	49.6	+0.4	+13.2	23.7	+0.9	+25.4	<	VV	Employment in dominant railroad equipment industry continues to edge up; 30 percent above year-ago level. Seasonal pick-up expected in construction; new radiator plant to open.

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Pennsylvania—Continued												
Erie.....	B	B	D	78.5	0	+8.5	47.3	-0.2	+13.3	✓	✓✓	Moderate drop in important machinery industry barely outweighs small gains in metals, rubber, and leather products. Outlook points to small, widespread increase except in nonelectrical machinery and trade. Shortage skilled metalworkers continues; supply unskilled males rapidly diminishing.
Harrisburg.....	A	B	D	121.8	+1.9	+8.5	34.5	+1.5	+12.4	✓✓	✓✓	Defense-expanded government depots spearhead moderate uptrend; important primary metals, railroad industries also rise. Labor supply expected to fall short of needs in government, metals, construction, apparel. Stringencies not yet impeding defense production; using trainees, part-time workers.
Johnstown.....	C	C	E	82.9	+0.9	+9.4	28.4	+1.3	+19.2	✓	✓✓	Dominant steel industry continues to expand; fabricated metals, trade, coal mining also up. Outlook for sharp seasonal increase in construction, smaller gains in metals, mining, government; trade to cut back. Labor supply tightening; shortage some skilled trades; laborers scarce.
Lancaster.....	A	A	B	76.8	+1.4	+4.0	44.0	+2.0	+7.5	✓✓	✓✓	Machinery, tobacco products lead moderate uptrend. Most industries plan some expansion; electrical machinery, tobacco, trade to decline slightly. Overall shortage male workers developing; supply skilled metalworkers virtually exhausted. Small but growing proportion of labor force on direct defense work.
Philadelphia.....	B	B	D	1,344.2	+1.2	+7.2	617.2	+2.1	+13.5	✓✓	✓✓	Generally small but widespread gains, largest in apparel, transportation equipment. All important industries except government to expand; transportation equipment, apparel, construction to rise sharply. Over-all supply adequate but shortage of professional, technical, skilled workers growing.



Pittsburgh.....	B	C	D	804.2	+0.8	+6.0	356.1	+1.3	+9.7	∇∇	∇∇	Expansion in metals, machinery leads small manufacturing gain; construction up significantly. Building trades, steel mills expect further sizeable gains; other industries plan small increases. Severe shortage engineers, stenographers, unskilled males for heavy work. Some training programs underway.
Pottsville <sup>1</sup> .....	E	E	E	55.5	+0.7	+7.4	19.1	+2.1	+17.2	∇	∇∇	Small seasonal advance in apparel, textiles, trade, service; military withdrawals, out-commuting, out-migration also reduce unemployment. Important anthracite industry on 2-day week (lack of orders). Aluminum allocation order may cause serious layoffs. Apparel, construction to gain significantly.
Reading.....	B	B	B	95.0	+1.4	+3.5	54.7	+2.2	+3.2	×	∇∇	Orders for military clothing push apparel employment up sharply; metals score small gain. Outlook for further expansion in apparel; important textiles industry to recall workers: seasonal decline expected in food (candy). Supply generally adequate to meet foreseeable demand.
Scranton.....	D	D	E	84.0	+0.6	+3.2	29.6	+3.1	+5.0	∇	∇∇	Substantial manufacturing gain spread among many industries—largest in fabricated metals. Recall of laid-off railroad workers partly offsets mining, construction decline. Seasonal upswing expected in construction (male), textiles, apparel (female). Chronic shortage sewing machine operators, skilled miners.
Wilkes-Barre-Hazleton.....	D	D	E	126.0	+0.8	+1.9	39.1	+3.2	+3.3	∇∇	∇∇	Largely seasonal gains in apparel, food processing, textiles, shoes push manufacturing up; mining, construction also rise. Further expansion anticipated in construction, mining, apparel. Out-of-area employers successfully recruiting here. Male labor surplus mostly semiskilled, unskilled.
York.....	A	A	C	75.5	+1.0	+8.9	46.1	+0.9	+10.8	∇	∇∇	Earlier-than-usual construction pickup and defense-spurred machinery, ordnance gains highlight rise; women comprise 60 percent of new hires. 44-hour (or longer) week scheduled for one-third factory workers. Cut-backs in tobacco, food, furniture to ease over-all labor supply; technical, skilled shortages to continue.
Rhode Island: Providence.....	C	C	E	243.3	-1.5	+9.7	134.1	-3.7	+11.2	×	INA	Textile strike cuts employment; most other industries gain. Many defense contracts—textiles, machinery, metals, rubber. Overtime easing shortage of skilled machine-shop workers. Weavers, loomfixers short. Materials, price problems cloud outlook, may limit planned increases led by textile recalls, machinery.

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South Carolina: Charleston.....	B	C	D	45.2	+3.9	+11.9	16.8	+5.7	+23.1	✓	✓✓	Employment up significantly as shipbuilding, construction, transportation, trade, and government gain. Mounting skilled shortages in shipbuilding. Defense expansion expected to far out-pace seasonal losses, if qualified workers available. Vegetable harvesting to reach peak in May and June. Scattered, small gains—largest in government, apparel—expand employment; no change in most industries. Slight over-all increase, led by government expected; only small lumber-wood industry to decline. Hiring specifications easing, especially upper age limits; more jobs open to women.  Trade increase dominates uptrend; construction, chemicals, textiles, machinery, service rise moderately. Reentrants, immigrants ease labor supply; more extensive hiring of women. Copper, steel shortages hamper production. Construction, chemicals, fabricated metals to lead widespread employment gains to summer.  Defense-spurred chemicals, textiles lead slight rise; trade, construction down. Scattered layoffs due to aluminum controls. Outmigration increasing. High civilian goods inventories, uncertain effects of materials restrictions cloud outlook; seasonal food processing expansion to pace known demand to mid-summer.  Brisk government, apparel, food processing hires pace moderate gains; trade drops. Engineers, tool designers, some skilled craftsmen in short supply, but not impeding production. Bulk of unemployed are women. Moderate summer expansion scheduled, led by construction, rubber, food processing.
*Columbia.....	B	B	C	41.2	+1.1	+3.9	7.9	+1.3	+9.0	✓✓	✓✓	
Tennessee: *Chattanooga.....	B	B	D	90.0	+2.2	+13.9	43.1	+0.5	+17.3	✓	✓✓	
*Knoxville.....	C	C	E	107.5	+0.3	+8.9	41.5	+2.9	+16.3	✓	✓✓	
*Memphis.....	C	C	C	161.7	+1.2	+7.6	41.4	+3.0	+6.8	××	✓✓	

*Nashville.....	B	B	D	112.0	-0.1	+2.2	35.5	+1.4	+7.4	∨∨	∨∨	Metal products, apparel, chemicals gains balance construction, leather, trade declines. Apparel, fertilizer at seasonal peak. Recruiting from out-of-area cuts machinist, engineer, chemist supply; surplus of unskilled dwindling. Construction, electrical machinery, trade plan brisk summer hires.
Texas:† Austin.....	B	B	B	46.7	+1.3	-5.9	4.4	+0.6	-0.5	∨∨	∨	Continuing scattered employment gains, largest in government, service, construction. Immigrants swell labor force slightly. Some clerical entry wage rates raised. Labor supply adequate for modest over-all expansion expected by summer.
Beaumont-Port Arthur.....	D	D	D	70.1	+1.3	+5.0	26.2	+2.6	+7.3	∨	∨∨	Defense demands prompt sizeable rise in shipbuilding; small gain in oil refining, construction, oil well drilling. Considerable outmigration. Draftsmen, engineers, machinists short. Labor surplus to continue; moderate needs anticipated, greatest in chemicals (seasonal fish processing) and cargo ship renovation.
Corpus Christi.....	B	B	B	54.2	+0.4	+6.2	6.3	+1.7	+13.7	∨	∨	Slight gains in government, construction barely exceed decline in trade. Anticipated needs chiefly in government installations, trade, construction. Some outmigration of farm workers and defense jobseekers. Professional, technical, skilled workers in short supply.
Dallas.....	A	A	B	267.9	+1.5	+10.2	61.8	+4.0	+18.9	∨∨	∨∨	Unemployment at postwar low; half are women; many are marginal workers. Recent employment gains concentrated in construction, apparel, metalworking plants with defense contracts (aircraft, machinery). Bulk of expansion needs in aircraft; will begin hiring trainees by summer. Trade, service expected to drop.
El Paso.....	A	B	B	60.1	+0.2	+7.6	9.7	-0.3	+5.4	∨∨	∨∨	Expansion in services, government balances seasonal construction, trade declines. Unemployment down one-fifth. Gains expected by summer in construction (for a major housing project) and food; trade to decline moderately. Labor supply adequate.
Fort Worth.....	B	B	C	148.2	+1.8	+12.7	52.1	+4.9	+36.8	∨	∨∨	Employment reaches new peak as gains in government, machinery, apparel supplement significant defense expansion in dominant aircraft. Food, trade, services recede slightly. Women entrants add to labor supply. Aircraft, apparel, construction, government needs to dominate employment advance to summer.
Galveston.....	B	B	C	47.2	+0.8	-2.4	9.2	+3.9	+9.8	∨	∨∨	Small employment rise centers in transportation equipment, primary metals. New ordnance plant begins operations; to expand significantly by July; hiring trainees. Other moderate increases expected in food, ship repair, construction, service; transportation to fall off slightly.

See footnotes at end of table, p. 55.

Labor market briefs—151 major areas, March 1951—Continued

State and labor market area	Relative unemployment classification <sup>1</sup>			Estimated employment—March 1951* (in thousands)						Unemployment change to March from ←		Highlights
	March 1951	January 1951	March 1950	Nonagricultural			Manufacturing					
				Number	Percent change from—		Number	Percent change from—				
					January 1951	March 1950		January 1951	March 1950	January 1951	March 1950	
Texas: <sup>2</sup> —Continued Houston-----	A	A	B	334.3	+1.1	+4.6	76.6	+1.9	+11.8	∨∨	∨∨	<p>Widespread gains, largest in ship repair, construction, government, trade; ordnance plant reactivated. Outlook clouded by production delays, material shortages, need for plant expansion. Defense demands dominate expected increases—ordnance, apparel, fabricated metals; trade to rise seasonally. Military installations dominate widespread gains. Remaining unemployed largely unskilled, inexperienced. Substantial demand to summer in government installations; other needs chiefly for replacements, as workers transfer from civilian to defense employment. Turn-over increasing.</p> <p>Some defense expansion in apparel, government installations; workers recalled in glass industry; construction up seasonally. Unemployment half women unskilled labor supply ample. Training programs planned for women in apparel firms. Outlook for continued apparel, government rise by summer.</p> <p>Trade paces slight uptrend; material curbs hamper construction, TV, metals. Heavy demand to July expected as construction, food, trade, service, agriculture expend seasonally. Nearby higher-paying defense installations tapping area labor surplus; drain to intensify as more housing becomes available.</p> <p>Moderate defense-spurred rise dominated by shipyards; military contracts bolster construction, furniture. Brisk hires at reactivated military installation, continued shipyard, construction expansion scheduled to pace summer increases. Out-of-area recruitment needed; most demand for machinists, engineers.</p>
San Antonio-----	A	A	B	164.8	+2.9	+9.2	20.4	+1.1	+6.7	××	∨∨	
Waco-----	A	B	B	42.9	+1.3	+1.6	8.6	+4.4	+15.1	∨	∨∨	
Utah: Salt Lake City-----	B	B	D	95.4	+0.7	+7.9	14.3	-0.5	+13.6	××	∨∨	
Virginia: Norfolk-Portsmouth-----	A	B	D	136.7	+2.4	+9.1	31.2	+6.7	+19.5	∨∨	∨∨	

Richmond.....	A	A	B	130.2	+0.7	+2.8	37.4	-0.6	+8.3	∇	∇∇	Scattered gains, greatest in construction, trade, outweigh seasonal cuts in important tobacco processing. Labor supply adequate for widespread gains to summer, paced by construction. Half of unemployed are women; demands primarily for men.
Roanoke.....	B	B	INA	51.3	-0.5	INA	13.8	-0.6	INA	××	INA	Employment and unemployment decline slightly. Principal loss in trade; withdrawal to Armed Forces out-commuting, out-migration out; unemployment among men. Construction to pace moderate rise to summer.
Washington: *Seattle.....	B	B	D	258.4	+1.8	+11.6	69.3	+6.7	+23.2	∇∇	∇∇	Defense gains (aircraft, shipbuilding, military installations) dominate pervasive rise. Many skilled shortages, especially in aircraft; hiring standards easing; training, out-of-area recruitment stepped-up. Substantial, aircraft-led expansion, planned; may erase surplus by July. Housing may deter immigration.
*Spokane.....	O	O	D	62.1	-0.9	+5.6	12.9	-1.5	+8.5	∇	∇∇	Employment edges down as material shortages, controls force logging, aluminum cutbacks; adverse weather hampers construction. Some defense increases in military installations, metal products, transportation equipment. Moderate labor surplus may be inadequate for planned, pervasive summer expansion.
*Tacoma.....	O	O	D	70.5	+2.0	+12.7	18.4	+1.8	+8.2	∇	∇∇	Military installation, logging, transportation hires pace moderate gain; agriculture begins seasonal upsurge. Seasonal expansion in agriculture, construction, logging, trade to dominate summer rise; labor supply adequate. Housing shortages ups turn-over among skilled immigrants at military installation.
West Virginia: *Charleston.....	O	O	D	97.6	+0.7	+5.5	27.9	+5.0	+14.6	∇	INA	Continued expansion in important chemicals group, other manufacturing gains offset dip in nonmanufacturing. Chemicals, construction increases expected to raise employment level considerably by July.
Huntington-Ashland ..	O	O	E	64.9	+1.3	+9.2	25.0	+2.3	+19.3	××	INA	Influx of women into labor force swells unemployment despite employment gain, greatest in radio-TV; other increases largely seasonal. Growing defense work portends continuing uptrend to midsummer.
Wheeling-Steubenville..	B	B	D	115.0	-1.2	+4.1	55.6	-0.7	+7.8	∧	INA	Continuing losses in manufacturing, chiefly fabricated metals, and in mining (strike) and trade outweigh gains, principally construction. Uptrend expected, led by further construction rise. Several new manufacturing establishments using many women may begin production by summer.

See footnotes at end of table, p. 55.

Labor market briefs—151 major areas, March 1951<sup>1</sup>—Continued

State and labor market area	Relative unemployment classification <sup>2</sup>			Estimated employment—March 1951 <sup>3</sup> (in thousands)						Unemployment change to March from <sup>4</sup>		Highlights
	March 1951	January 1951	March 1950	Nonagricultural			Manufacturing					
				Number	Percent change from—		Number	Percent change from—				
					January 1951	March 1950		January 1951	March 1950	January 1951	March 1950	
Wisconsin:												
Madison.....	A	A	B	48.6	(7)	+7.6	13.6	+1.3	+20.0	∨∨	∨∨	Machinery rise almost balances meat-packing, service declines. Material shortages hamper construction. Outmigration to nearby ordnance plant increasing. Some shifting of women from trade, service, to factory jobs. Summer vacation reductions at university expected to overweigh planned pervasive increases.
Milwaukee.....	A	A	C	360.5	+0.9	+6.8	189.0	+1.9	+13.4	∨∨	∨∨	Defense sparks rise in important machinery, metals. Labor supply tightens; most skilled trades, engineers, short; hiring standards easing; factories hiring part-time workers; training, upgrading increasing. Housing shortage limits immigration. Pervasive summer rise, led by machinery, metals scheduled.
Racine.....	A	B	D	38.1	+2.3	+12.1	25.4	+3.0	+16.0	∨∨	∨∨	Machinery (farm implements and defense), apparel, construction pace moderate gains; joblessness cut almost one-half. Male labor supply low; shortage skilled machine operators. Hiring specifications easing. Planned summer expansion, led by machinery, metals, may require greater utilization of women.

## EXPLANATORY NOTES

The data presented here are derived from the regular bimonthly area labor market reports received by the Bureau of Employment Security from affiliated State employment security agencies. Each area listed consists of a principal city or cities and the surrounding area within a reasonable commuting distance. More detailed information on any of these areas may be obtained from the Bureau of Employment Security or from the appropriate affiliated State employment security agency.

\* Employment statistics for these areas have been developed entirely or in part under the Bureau of Labor Statistics-Bureau of Employment Security State agency joint employment statistics program.

INA—Information not available.

<sup>1</sup> Also included are three small areas of very substantial labor surplus.

<sup>2</sup> Explanation of classification codes:

Code	Ratio of unemployment to labor force	Definition of code
A.....	Under 3 percent.....	Tight or balanced labor supply.
B.....	3 to 4.9 percent.....	Slight labor surplus.
O.....	5 to 6.9 percent.....	Moderate labor surplus.
D.....	7 to 11.9 percent.....	Substantial labor surplus.
E.....	12 percent and over.....	Very substantial labor surplus.

<sup>3</sup> Unless otherwise specified, employment data relate to total wage and salaried workers for the payroll period ending nearest the 15th of the month. Self-employed, unpaid family workers, and domestics are excluded.

<sup>4</sup> Explanation of midmonth unemployment change symbols:

× No change or change of less than 5 percent.

△ Increase of 5 to 14.9 percent.

▲ Increase of 15 percent or more.

∇ Decrease of 5 to 14.9 percent.

∨ Decrease of 15 percent or more.

<sup>5</sup> Area definition changed to conform with standard metropolitan areas.

<sup>6</sup> Based on revised January estimate.

<sup>7</sup> Change of less than 0.05 percent.

<sup>8</sup> Employment data include self-employed, unpaid family workers, and domestics.

## APPENDIX C

The following language is suggested for inclusion as an amendment to the Defense Production Act, or for incorporation with other amendments to the act which may be brought up at the same time.

Title III of the Defense Production Act of 1950 is amended by adding at the end thereof the following new section:

Sec. 305. (a) No construction or expansion of plants, factories, or other facilities shall be (1) undertaken, or assisted by means of loans (including participations in, or guaranties of, loans), by the United States under this or any other act, or (2) certified under section 124A of the Internal Revenue Code (relating to amortization for tax purposes); and no equipment, facilities, or processes owned by the Government shall be installed under the authority of this or any other act in any plant, factory, or other industrial facility which is privately owned, unless the President shall have determined that the proposed location of such construction, expansion, or installation is consistent, insofar as practicable, with a sound policy of (1) utilizing fully the human and material resources of the Nation wherever located, (2) dispersing productive capacity for purposes of national security, and (3) minimizing the necessity for further concentrations of population in areas in which available housing and community facilities are presently overburdened.

(b) In making the determination required by subsection (a), the President shall give consideration to counties, or comparable governmental subdivisions, which—

(1) have natural resources embracing minerals, metals, materials, and other commodities, valuable to the defense program;

(2) are not fully utilizing their employed labor forces (as indicated by a relatively low rate of production per worker) or are not fully utilizing their natural resources;

(3) are relatively underdeveloped industrially;

(4) by reason of outward migration since 1930, have not retained their natural increase in population; and

(5) are relatively less vulnerable to enemy attack by reason of geographic location, or the absence of heavy concentrations of population or vital defense industry.

(c) The President shall make quarterly reports to the Congress on the administration of this section. Such reports shall reveal the extent to which the policy objectives of this section have been attained, the cases in which they have been found impracticable of attainment, and the criteria used in such cases. Such reports may include such recommendations as the President may deem appropriate.

