CURRENT LABOR MARKET DEVELOPMENTS

HEARINGS

BEFORE THE

JOINT ECONOMIC COMMITTEE
CONGRESS OF THE UNITED STATES

NINETY-SECOND CONGRESS

SECOND SESSION

PART 3

FEBRUARY 4, MARCH 3, APRIL 7, MAY 5, AND JUNE 2, 1972

Printed for the use of the Joint Economic Committee

U.S. GOVERNMENT PRINTING OFFICE

60-174 O WASHINGTON : 1972

For sale by the Superintendent of Documents, U.S. Government Printing Office
Washington, D.C. 20402 - Price $1.

JOINT ECONOMIC COMMITTEE

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

WILLIAM PROXMIRE, Wisconsin, *Chairman*
WRIGHT PATMAN, Texas, *Vice Chairman*

SENATE	HOUSE OF REPRESENTATIVES
JOHN SPARKMAN, Alabama	RICHARD BOLLING, Missouri
J. W. FULBRIGHT, Arkansas	HALE BOGGS, Louisiana
ABRAHAM RIBICOFF, Connecticut	HENRY S. REUSS, Wisconsin
HUBERT H. HUMPHREY, Minnesota	MARTHA W. GRIFFITHS, Michigan
LLOYD M. BENTSEN, JR., Texas	WILLIAM S. MOORHEAD, Pennsylvania
JACOB K. JAVITS, New York	WILLIAM B. WIDNALL, New Jersey
JACK MILLER, Iowa	BARBER B. CONABLE, JR., New York
CHARLES H. PERCY, Illinois	CLARENCE J. BROWN, Ohio
JAMES B. PEARSON, Kansas	BEN B. BLACKBURN, Georgia

JOHN R. STARK, *Executive Director*
LOUGHLIN F. MCHUGH, *Senior Economist*

ECONOMISTS

LUCY A. FALCONE	ROSS F. HAMACHEK	JERRY J. JASINOWSKI
JOHN R. KARLIK	RICHARD F. KAUFMAN	COURTENAY M. SLATER

Minority: LESLIE J. BANDER GEORGE D. KRUMBHAAR, Jr. (Counsel) WALTER B. LAESSIG (Counsel)

Property of the
Joint Economic Committee-
Democratic Staff
G-01 Dirksen Senate Office Bldg.

CONTENTS

WITNESSES AND STATEMENTS

FRIDAY, FEBRUARY 4, 1972

Page

Proxmire, Hon. William, chairman of the Joint Economic Committee: Opening statement 507

Moore, Hon. Geoffrey H., Commissioner, Bureau of Labor Statistics, Department of Labor, accompanied by Joel Popkin, Assistant Commissioner for Prices and Living Conditions; Hyman Kaitz, Assistant Commissioner for Current Employment Analysis; and Norman Samuels, Assistant Commissioner for Wages and Industrial Relations 508

FRIDAY, MARCH 3, 1972

Proxmire, Hon. William, chairman of the Joint Economic Committee: Opening statement 547

Moore, Hon. Geoffrey H., Commissioner, Bureau of Labor Statistics, Department of Labor, accompanied by Norman Samuels, Assistant Commissioner for Wages and Industrial Relations; and Hyman Kaitz, Assistant Commissioner for Current Employment Analysis 548

Bassie, V. Lewis, professor of economics, College of Commerce and Business, University of Illinois 579

FRIDAY, APRIL 7, 1972

Proxmire, Hon. William, chairman of the Joint Economic Committee: Opening statement 589

Popper, Robert L., member, board of directors, Community Council of Greater New York, accompanied by Bernard Shiffman, executive director; and Janice Clinthorne, chief, budget standard service 589

Moore, Hon. Geoffrey H., Commissioner, Bureau of Labor Statistics, Department of Labor, accompanied by Hyman Kaitz, Assistant Commissioner for Current Employment Analysis; Joel Popkin, Assistant Commissioner for Prices and Living Conditions; and Norman Samuels, Assistant Commissioner for Wages and Industrial Relations 602

FRIDAY, MAY 5, 1972

Proxmire, Hon. William, chairman of the Joint Economic Committee: Opening statement 647

Moore, Hon. Geoffrey H., Commissioner, Bureau of Labor Statistics, Department of Labor, accompanied by Norman Samuels, Assistant Commissioner for Wages and Industrial Relations; Joel Popkin, Assistant Commissioner for Prices and Living Conditions; Hyman Kaitz, Assistant Commissioner for Current Employment Analysis; and Jerome Mark, Assistant Commissioner for Productivity and Technology 649

FRIDAY, JUNE 2, 1972

Proxmire, Hon. William, chairman of the Joint Economic Committee: Opening statement 695

Moore, Hon. Geoffrey H., Commissioner, Bureau of Labor Statistics, Department of Labor, accompanied by Hyman Kaitz, Assistant Commissioner for Current Employment Analysis; Joel Popkin, Assistant Commissioner for Prices and Living Conditions; Jerome Mark, Assistant Commissioner for Productivity and Technology; and Norman Samuels, Assistant Commissioner for Wages and Industrial Relations 696

SUBMISSIONS FOR THE RECORD

FRIDAY, FEBRUARY 4, 1972

Page

Moore, Hon. Geoffrey H., et al.:
Press release No. 72–73 entitled "The Employment Situation: January 1972," Bureau of Labor Statistics, Department of Labor, February 4, 1972 508
Proxmire, Hon. William:
Article entitled "Employment: The Neglected Indicator," by Geoffrey H. Moore, from the Wall Street Journal, February 3, 1972 526

FRIDAY, MARCH 3, 1972

Bassie, V. Lewis:
Response to Chairman Proxmire's request to submit a statement on the business outlook 585
Moore, Hon. Geoffrey H., et al.:
Press release No. 72–134 entitled "The Employment Situation: February 1972," Bureau of Labor Statistics, Department of Labor, March 3, 1972 548
Table: Measures of price and wage changes before and during the price-wage-rent stabilization program 576
Response to Representative Brown's request to supply for the record the weekly overtime provisions in major collective bargaining agreements; that is, the weekly hours to be worked before overtime is paid 578

FRIDAY, APRIL 7, 1972

Moore, Hon. Geoffrey H., et al.:
Press releases:
No. 72–212 entitled "The Employment Situation: March 1972," Bureau of Labor Statistics, Department of Labor, April 7, 1972 603
No. 72–213 entitled "Wholesale Price Indexes: March 1972," Bureau of Labor Statistics, Department of Labor, April 7, 1972 621
Table: Measures of price and wage changes before and during the price-wage-rent stabilization program 632
Response to Chairman Proxmire's question of how the 5 percent increase in stainless steel prices will be reflected in the wholesale price index 644

FRIDAY, MAY 5, 1972

Moore, Hon. Geoffrey H., et al.:
Press releases:
No. 72–274 entitled "The Employment Situation: April 1972," Bureau of Labor Statistics, Department of Labor, May 5, 1972 649
No. 72–275 entitled "Wholesale Price Indexes: April 1972," Bureau of Labor Statistics, Department of Labor, May 5, 1972 670
Table: Measures of price and wage changes before and during the price-wage-rent stabilization program 670
Statement on expanded monthly pricing for the CPI 684

FRIDAY, JUNE 2, 1972

Moore, Hon. Geoffrey H., et al.:
Press releases:
No. 72–347 entitled "The Employment Situation: May 1972," Bureau of Labor Statistics, Department of Labor, June 2, 1972 697
No. 72–343 entitled "Job Vacancies, Hires, Quits, and Layoffs in Manufacturing: April 1972," Bureau of Labor Statistics, Department of Labor, June 2, 1972 714
No. 72–348 entitled "Wholesale Price Indexes: May 1972," Bureau of Labor Statistics, Department of Labor, June 2, 1972 720
Table: Unemployment rates in nine countries 743
Response to Chairman Proxmire's query regarding what the unemployment rate would be if the discouraged workers and part-time unemployed were included in BLS data 747

CURRENT LABOR MARKET DEVELOPMENTS

FRIDAY, FEBRUARY 4, 1972

CONGRESS OF THE UNITED STATES,
JOINT ECONOMIC COMMITTEE,
Washington, D.C.

The committee met, pursuant to notice, at 11:05 a.m., in room S-407, the Capitol Building, Hon. William Proxmire (chairman of the committee) presiding.

Present: Senators Proxmire and Percy.

Also present: John R. Stark, executive director; Loughlin F. McHugh, senior economist; Courtenay M. Slater, economist; Lucy Falcone, research economist; and Leslie J. Bander, minority economist.

OPENING STATEMENT OF CHAIRMAN PROXMIRE

Chairman PROXMIRE. The committee will come to order.

Today the Joint Economic Committee continues its monthly review of the employment and unemployment situation as reflected in the latest data just released by the U.S. Department of Labor. We have with us once more the Commissioner of Labor Statistics Geoffrey Moore and members of his staff.

We have now had 15 months of so-called "recovery" over which the unemployment rate has hovered in the neighborhood of 6 percent. There has also been little change since August 15 when the President announced his new stimulative economic policy—little change in unemployment. Mr. Moore, you have been telling us for these many months that we are in a recovery stage and that it is not unusual for unemployment to lag behind other indexes of business advances. Now I know that you foreswear any forecasting, but on the basis of your long experience in business cycle analysis, I hope you can give some enlightenment on just how much longer we must wait to get rid of that lag and put the jobless back to work again.

Despite what I have been reading about your analysis of employment and unemployment statistics, I must repeat what I have said before, unemployment is the No. 1 problem this country faces today. For over a year 5 million persons have been out of work, at least 2½ million more than our society should or can tolerate, and some people argue we should look at the employed. We certainly should. This is a growing country. We have many people who would be in the work force if their were more abundant jobs available. The fact is we have a tragically high total of 5.4 million people who want work and cannot find it.

Frankly, I was rather shocked at your Wall Street Journal article yesterday, which argued that employment is a neglected statistic. I

would like to ask you about it when we come to that, but for now, let's go into the current picture and give us your discussion of it, your analysis of what has happened in the past month in employment and unemployment.

STATEMENT OF HON. GEOFFREY H. MOORE, COMMISSIONER, BUREAU OF LABOR STATISTICS, DEPARTMENT OF LABOR, ACCOMPANIED BY JOEL POPKIN, ASSISTANT COMMISSIONER FOR PRICES AND LIVING CONDITIONS; HYMAN KAITZ, ASSISTANT COMMISSIONER FOR CURRENT EMPLOYMENT ANALYSIS; AND NORMAN SAMUELS, ASSISTANT COMMISSIONER FOR WAGES AND INDUSTRIAL RELATIONS

Mr. MOORE. Thank you very much.

I would like to put in the record, if you are willing to do so, the press release that we issued this morning on the employment situation.

Chairman PROXMIRE. All right.

(The press release follows:)

[Bureau of Labor Statistics, Department of Labor, Press Release No. 72-73, Feb. 4, 1972]

THE EMPLOYMENT SITUATION: JANUARY 1972

Employment rose in January, while the unemployment rate was essentially unchanged, the U.S. Department of Labor's Bureau of Labor Statistics reported today. The overall jobless rate was 5.9 percent in January, compared with 6.0 percent in December, as revised. (See explanation of the annual revision of the seasonally adjusted data in the note on page 6.) The jobless rate has remained close to 6 percent since late 1970.

Total employment rose 240,000 in January (seasonally adjusted), after eliminating the effect of the introduction of 1970 Census population controls into the procedures used in developing the statistics. (See note on page 6.) Employment has advanced strongly since last summer.

Nonfarm payroll employment also rose in January, reaching 71.4 million (seasonally adjusted), an alltime high. However, the average workweek in private nonfarm industries, particularly in manufacturing, declined over the month.

UNEMPLOYMENT

The number of unemployed persons, which always increases substantially between December and January, rose this January to 5.4 million. On a seasonally adjusted basis, unemployment in January was little different from the December level. Although there was a small increase in joblessness among part-time workers, the rise was offset by a decline among full-time workers.

The unemployment rate for full-time workers declined slightly over the month (from 5.7 to 5.5 percent), while the rate for part-time workers rose from 8.4 to 9.0 percent. Jobless rates for the major age-sex groups—men 20 years and over (4.2 percent), women 20 years and over (5.5 percent), and teenagers (17.8 percent)—were little changed between December and January and were at about the same levels as a year ago. There was, however, some over-the-month decline in joblessness among men and women 25 years and over, as well as among married men.

Unemployment rates for white workers (5.3 percent) and Negro workers (10.6 percent) were essentially unchanged in January from the December levels. The rate for white workers was slightly below the year-ago level, while that for Negroes was above the January 1971 rate (9.5 percent).

The jobless situation for workers in most major industry and occupational groups was little changed in January. However, the jobless rate for construction workers dropped from 11.2 percent in December to 9.8 percent in January, following a rise of about the same magnitude in December. The factory jobless rate declined from 6.9 to 6.4 percent in January.

Joblessness among workers covered by State unemployment insurance programs declined markedly in January, as their jobless rate moved from 4.1 percent in December to 3.4 percent. The State insured rate was at its lowest point since the spring of 1970.

The number of persons jobless 15 weeks or more was 1.2 million, seasonally adjusted, in January, slightly below the December level. However, the average (mean) duration of joblessness rose to 11.8 weeks in January, seasonally adjusted, after declining in the 2 previous months. The average duration was 1½ weeks longer than in January 1971.

TABLE A.—HIGHLIGHTS OF THE EMPLOYMENT SITUATION (SEASONALLY ADJUSTED)

Selected categories	January 1972	December 1971	1971 4th quarter	3d quarter	2d quarter	1st quarter
Millions of persons:						
Civilian labor force	85.7	85.2	85.0	84.2	83.7	83.5
Total employment	80.6	80.1	80.0	79.2	78.7	78.5
Unemployment	5.1	5.1	5.0	5.0	5.0	5.0
Percent of labor force:						
Unemployment rates:						
All workers	5.9	6.0	5.9	6.0	6.0	6.0
Adult men	4.2	4.3	4.3	4.4	4.4	4.3
Adult women	5.5	5.8	5.7	5.7	5.8	5.7
Teenagers	17.8	17.3	16.9	16.8	16.9	17.3
White	5.3	5.4	5.4	5.5	5.5	5.5
Negro and other races	10.6	10.4	10.1	10.1	9.9	9.5
Married men	3.0	3.2	3.2	3.2	3.2	3.2
Full-time workers	5.5	5.7	5.6	5.5	5.5	5.5
State insured	3.4	4.1	4.2	4.2	4.1	3.8
Millions of persons:						
Nonfarm payroll employment	71.4	71.2	71.0	70.6	70.7	70.4
Goods-producing industries	22.5	22.4	22.4	22.4	22.5	22.5
Service-producing industries	48.9	48.8	48.6	48.3	48.1	47.9
Hours of work:						
Average weekly hours:						
Total private nonfarm	36.9	37.2	37.1	36.8	37.0	37.0
Manufacturing	39.9	40.3	40.1	39.8	39.9	39.8
Manufacturing overtime	2.9	3.1	3.0	2.9	2.9	2.8

Note: Payroll employment and hours figures for latest 2 months are preliminary.

Sources: Tables A–1, A–3, B–1, B–2.

CIVILIAN LABOR FORCE AND TOTAL EMPLOYMENT

The number of persons in the civilian labor force declined in January, as it usually does at this time of year. On a seasonally adjusted basis, the labor force was up by 480,000 to 85.7 million; however, after allowance for the upward adjustment in the labor force level (333,000) as a result of the introduction of 1970 Census population data, the labor force was little changed from the December level.

Total employment also declined over the month, but less than it usually does between December and January. As a result, after seasonal adjustment, total employment was up by 240,000 (eliminating the 301,000 upward adjustment stemming from the introduction of the new population controls.)

Over the year ending in January 1972, the civilian labor force and employment have each increased by 1.6 million (after eliminating the effects of the population control adjustment), with most of the increases occurring since last summer.

VIETNAM ERA VETERANS

Four million Vietnam veterans 20–29 years old were in the labor force in January; 3.6 million of them held jobs and 400,000 were unemployed. After seasonal adjustment, the number of jobless veterans (340,000) and their unemployment rate (8.5 percent) were no different in January than during the last 3 months of 1971. (Table A–7 contains seasonally adjusted data for the first time for veterans and nonveterans.)

For nonveterans 20 to 29 years old, the seasonally adjusted unemployment rate, at 7.5 percent, was also unchanged from the last few months of 1971. The rate for veterans has generally been higher than that for nonveterans in the same age group, but the gap has narrowed since last October.

INDUSTRY PAYROLL EMPLOYMENT

Nonagricultural payroll employment, which usually drops sharply between December and January, declined by 1.6 million this January. The drop was somewhat smaller than usual, however, and after seasonal adjustment, nonfarm payroll employment rose by 240,000 over the month to 71.4 million—an alltime high. (Payroll employment data are not linked to population levels an are therefore unaffected by the introduction of the new population controls.) Payroll employment and has been rising steadily since last summer, posting a gain of 875,000 between August and January.

The January increase in payroll employment was about evenly divided between the goods-producing and service-producing sectors of the economy. The largest gain occurred in the contract construction industry (75,000) and represented a rebound from a slightly larger decline between November and December. In manufacturing, employment rose by 45,000 in January, with most of the increase occurring in the durable goods sector. Factory employment has risen by 160,000 since reaching its recent low in August 1971.

In the service-producing industries, employment rose by 115,000, seasonally adjusted, in January. The largest over-the-month increases were posted in transportation and public utilities, retail trade, and State an local government.

HOURS OF WORK

The average workweek for all rank-and-file workers on private nonagricultural payrolls declined more than usual between December and January. After seasonal adjustment, the average workweek was down 0.3 hour to 36.9 hours. This drop returned weekly hours to the levels that had prevailed throughout most of 1971. The largest reduction in average hours took place in manufacturing, where the workweek moved down by 0.4 hour to 39.9 hours, seasonally adjusted. This decline was concentrated in the durable goods industries, which had posted sizeable increases over the previous 3 months. Factory overtime, at 2.9 hours in January, was down 0.2 hour from December, returning to the levels that had prevailed through nearly all of 1971.

HOURLY AND WEEKLY EARNINGS

The average hourly earnings of production and nonsupervisory workers on private nonagricultural payrolls rose 3 cents in January to $3.53. After adjustment for seasonality, average hourly pay was up 2 cents. Compared with a year ago, hourly earnings have risen 20 cents, or 6.0 percent.

Despite the increase in average hourly earnings, the decline in the actual workweek resulted in a $1.35 decrease in average weekly earnings, to $129.20. After seasonal adjustment, however, average weekly earnings were down only 31 cents in January.

Compared with January 1971, average weekly earnings were up $7.32, or 6.0 percent. During the latest 12-month period for which Consumer Price Index is available—December 1970 to December 1971—consumer prices rose by 3.4 percent.

HOURLY EARNINGS INDEX

Incorporated in this release for the first time is the Bureau's Hourly Earnings Index, a series which provides the best available monthly measure of underlying wage movements for production and nonsupervisory workers in the private nonfarm economy. The data are also regularly published in three BLS monthly periodicals, *Current Wage Developments*, *Employment and Earnings*, and the *Monthly Labor Review*.

The Hourly Earnings Index is adjusted to exclude effects of two types of changes that are unrelated to underlying wage rate developments: fluctuations in overtime premiums in manufacturing (the only sector for which overtime data are available) and the effects of shifts of workers between high-wage and low-wage industries. However, it is not a pure measure of wage-rate change since

it is affected by such factors as fluctuations in earnings under incentive plans, changes in the propositions of low- and high-paid workers within establishments, and overtime variations outside of manufacturing.

In January, the Hourly Earnings Index, seasonally adjusted, was 133.8 (1967=100), according to preliminary figures. The index was 0.4 percent higher in January than in December, and 6.2 percent higher than January a year ago. (See table B.) Because erratic monthly fluctuations can occur in the index, changes over longer intervals than a month should be observed before reaching conclusions as to a trend.

TABLE B.—HOURLY EARNINGS INDEX FOR PRODUCTION OR NONSUPERVISORY WORKERS IN PRIVATE NONFARM INDUSTRIES, SEASONALLY ADJUSTED (1967=100)

Industry	January 1972[1]	December 1971[1]	November 1971	October 1971	January 1971	Percent change: December 1971–January 1972	Percent change: January 1971–January 1972
Total private nonfarm:							
Current dollars	133.8	133.3	131.6	131.4	126.0	0.4	6.2
Constant (1967) dollars	[2]	108.3	107.3	107.4	105.6	[3].9	[4]3.2
Mining	134.8	133.0	126.2	125.9	123.5	1.3	9.2
Contract construction	143.6	142.3	142.1	141.6	133.1	.9	7.9
Manufacturing	131.4	131.5	129.0	129.1	124.4	−.1	5.7
Transportation and public utilities	137.2	135.6	133.4	132.9	125.3	1.2	9.5
Wholesale and retail trade	131.8	131.6	130.1	129.9	125.0	.2	5.4
Finance, insurance, and real estate	130.0	129.1	127.9	128.1	122.9	.7	5.7
Services	134.2	132.7	131.9	131.7	127.8	1.1	5.0

[1] Preliminary.
[2] Indicates data are not available.
[3] Percent change from November 1971 to December 1971, the latest data available.
[4] Percent change from December 1970 to December 1971, the latest data available.

Note: All series are in current dollars except where indicated.

During the 12-month period ending in December, the Hourly Earnings Index in dollars of constant purchasing power rose 3.2 percent, the largest increase since the beginning of the series in 1964.

All industry components of the seasonally adjusted index for January increased over December, with the exception of manufacturing. The increases ranged from 0.2 percent in trade to 1.3 percent in mining. Between January 1971 and January 1972, all industries posted increases, ranging from 5.0 percent in services to 9.5 percent in transportation and public utilities.

This release presents and analyzes statistics from two major surveys. Data on labor force, total employment, and unemployment are derived from the sample survey of households conducted and tabulated by the Bureau of the Census for the Bureau of Labor Statistics. Statistics on payroll employment, hours, and earnings are collected by State agencies from payroll records of employers and are tabulated by the Bureau of Labor Statistics. A description of the two surveys appears in the BLS publication *Employment and Earnings*.

Note on Seasonal Adjustment and Population Controls

It is a long established practice by the BLS to revise the seasonally adjusted labor force series at the beginning of each calendar year, taking into account data from the previous year. The revisions just completed did not affect the previously published 1971 seasonally adjusted overall unemployment rate in 6 months of the year. It altered the rate by 0.1 percentage point in 5 months and by 0.2 percentage point in 1 month (June). (The comparison of the 1971 unemployment rates as originally published and on a revised basis is shown below.) The adjustment had no effect on the 1971 annual average of 5.9 percent, which is computed on the basis of unadjusted numbers. New seasonal factors for the 12 component series of the civilian labor force and the updated historical seasonally adjusted data for the major series will appear in the February 1972 issue of *Employment and Earnings*.

The following table presents the seasonally adjusted national unemployment rate in 1971 as originally published and as revised based on the application of

new seasonal adjustment factors incorporating data through December 1971. The revised unemployment rate between 5.8 and 6.1 percent during the year, compared with a range of 5.6 and 6.2 percent in the originally published figures.

Months in 1971	Unemployment rate as originally published	Revised unemployment rate
January	6.0	6.0
February	5.8	5.9
March	6.0	6.0
April	6.1	6.0
May	6.2	6.1
June	5.6	5.8
July	5.8	5.9
August	6.1	6.1
September	6.0	6.0
October	5.8	5.8
November	6.0	6.0
December	6.1	6.0

With the availability of population data from the 1970 Census of Population, the Current Population Survey (CPS) data for January 1972 have been adjusted to the 1970 population controls derived from the Census. This is one of a series of changes in the sampling and estimation methods for the survey that are being made over the December 1971-March 1973 period. The adjustment of the CPS to 1970-based population controls raises the civilian labor force and total employment by about 0.4 percent, or a little more than 300,000, over the 1960-based figures. Unemployment levels are raised by about the same percentage, and unemployment rates overall and for individual groups are unaffected. Because the adjustments are comparatively small, they have been introduced in a single month rather than being spread over the decade; this procedure is the same as that used in April 1962 to introduce the 1960 Census data into the CPS. Comparisons of data for January 1972 and subsequent months with those for periods prior to this date are affected to the extent of the specific difference for each series. A table comparing selected January 1972 data on both the 1970 and 1960 bases is presented on the following page. A further description of the adjustment of the CPS to the 1970 Census will appear in the February 1972 *Employment and Earnings.*

CIVILIAN NONINSTITUTIONAL POPULATION AND LABOR FORCE STATUS OF PERSONS 16 YEARS AND OVER BY SEX AND AGE, USING 1960 BASE AND 1970 BASE POPULATION ESTIMATES—JANUARY 1972

[In thousands]

Sex and age	Civilian noninstitutional population			Civilian labor force		
	1970 base	1960 base	Net difference	1970 base	1960 base	Net difference
Total	142,103	141,316	787	84,553	84,220	333
Males	66,814	66,562	252	51,918	51,767	151
16 to 19 years	7,609	7,523	86	3,879	3,837	42
20 to 24 years	7,783	7,665	118	6,321	6,227	94
25 to 34 years	12,439	12,536	−97	11,887	11,975	−88
35 to 44 years	10,735	10,660	75	10,299	10,229	70
45 to 54 years	11,153	11,173	−20	10,403	10,425	−22
55 to 64 years	8,834	8,754	80	7,128	7,076	52
65 years and over	8,262	8,251	11	2,001	1,997	4
Females	75,289	74,754	535	32,635	32,453	182
16 to 19 years	7,705	7,675	30	3,167	3,156	11
20 to 24 years	8,986	8,840	146	5,153	5,070	83
25 to 34 years	13,360	13,386	−26	6,272	6,283	−11
35 to 44 years	11,630	11,487	143	6,097	6,017	80
45 to 54 years	12,129	12,153	−24	6,607	6,620	−13
55 to 64 years	9,963	9,912	51	4,294	4,285	9
65 years and over	11,516	11,300	216	1,046	1,022	24

CIVILIAN NONINSTITUTIONAL POPULATION AND LABOR FORCE STATUS OF PERSONS 16 YEARS AND OVER BY SEX AND AGE, USING 1960 BASE AND 1970 BASE POPULATION ESTIMATES—JANUARY 1972—Continued

Sex and age	Employed						Unemployed		
	Agriculture			Nonagriculture industries					
	1970 base	1960 base	Net difference	1970 base	1960 base	Net difference	1970 base	1960 base	Net difference
Total	2,869	2,856	13	76,237	75,949	288	5,447	5,415	32
Males	2,423	2,413	10	46,255	46,131	123	3,240	3,222	18
16 to 19 years	192	190	2	2,932	2,901	31	755	746	9
20 to 24 years	193	189	4	5,365	5,285	80	763	753	10
25 to 34 years	325	328	−3	10,932	11,010	−78	629	638	−9
35 to 44 years	362	360	2	9,539	9,475	64	397	393	4
45 to 54 years	474	474	.....	9,582	9,604	−22	347	347	.....
55 to 64 years	519	514	5	6,333	6,289	44	277	273	4
65 years and over	357	357	.....	1,572	1,568	4	72	72	.....
Females	446	444	2	29,982	29,817	165	2,207	2,193	14
16 to 19 years	38	38	.....	2,617	2,608	9	512	510	2
20 to 24 years	23	22	1	4,629	4,555	74	501	492	9
25 to 34 years	55	55	.....	5,777	5,788	−11	440	440	.....
35 to 44 years	102	101	1	5,706	5,632	74	289	284	5
45 to 54 years	107	107	.....	6,213	6,225	−12	287	288	−1
55 to 64 years	93	92	1	4,060	4,051	9	142	141	1
65 years and over	29	28	1	981	958	23	36	36	.....

TABLE A-1.—EMPLOYMENT STATUS OF THE NONINSTITUTIONAL POPULATION BY SEX AND AGE

[In thousands]

Employment status, age, and sex	January 1972	December 1971	January 1971	Seasonally adjusted				
				January 1972	December 1971	November 1971	October 1971	September 1971
TOTAL								
Total labor force	87,147	87,541	85,628	88,301	87,883	87,812	87,467	87,240
Civilian labor force	84,553	84,883	82,652	85,707	85,225	85,116	84,750	84,491
Employed	79,106	80,188	77,238	80,636	80,098	80,020	79,832	79,451
Agriculture	2,869	2,948	2,877	3,393	3,400	3,419	3,416	3,363
Nonagricultural industries	76,237	77,240	74,361	77,243	76,698	76,601	76,416	76,088
On part time for economic reasons	2,321	2,198	2,415	2,429	2,388	2,604	2,502	2,311
Usually work full time	1,220	1,045	1,442	1,146	1,084	1,263	1,148	1,076
Usually work part time	1,101	1,153	973	1,283	1,304	1,341	1,354	1,235
Unemployed	5,447	4,695	5,414	5,071	5,127	5,096	4,918	5,040
MEN, 20 YEARS AND OVER								
Civilian labor force	48,039	47,990	47,296	48,259	48,169	48,200	48,179	48,113
Employed	45,554	45,907	44,749	46,247	46,080	46,066	46,124	45,969
Agriculture	2,230	2,266	2,233	2,442	2,439	2,503	2,494	2,435
Nonagricultural industries	43,323	43,641	42,517	43,805	43,641	43,563	43,630	43,534
Unemployed	2,485	2,083	2,546	2,012	2,089	2,134	2,055	2,144
WOMEN, 20 YEARS AND OVER								
Civilian labor force	29,468	29,628	28,783	29,424	29,284	29,254	29,082	28,960
Employed	27,774	28,182	27,083	27,794	27,592	27,571	27,471	27,319
Agriculture	408	434	389	564	547	528	530	548
Nonagricultural industries	27,366	27,748	26,694	27,230	27,045	27,043	26,941	26,771
Unemployed	1,695	1,445	1,700	1,630	1,692	1,683	1,611	1,641
BOTH SEXES, 16–19 YEARS								
Civilian labor force	7,046	7,266	6,573	8,024	7,772	7,662	7,489	7,418
Employed	5,779	6,099	5,405	6,595	6,426	6,383	6,237	6,163
Agriculture	230	248	255	387	414	388	392	380
Nonagricultural industries	5,548	5,851	5,150	6,208	6,012	5,995	5,845	5,783
Unemployed	1,267	1,167	1,168	1,429	1,346	1,279	1,252	1,255

TABLE A-2.—FULL-TIME AND PART-TIME STATUS OF THE CIVILIAN LABOR FORCE BY SEX AND AGE

[Numbers in thousands]

Full-time and part-time employment status, sex, and age	January 1972	January 1971	Seasonally adjusted: January 1972	December 1971	November 1971	October 1971	September 1971	January 1971
FULL TIME								
Total, 16 years and over:								
Civilian labor force	71,691	70,226	73,286	73,169	73,021	72,550	72,341	71,664
Employed	67,430	65,983	69,279	69,022	68,890	68,643	68,284	67,737
Unemployed	4,261	4,243	4,007	4,147	4,131	3,907	4,057	3,927
Unemployment rate	5.9	6.0	5.5	5.7	5.7	5.4	5.6	5.5
Men, 20 years and over:								
Civilian labor force	45,623	44,903	45,892	45,805	45,898	45,766	45,717	45,148
Employed	43,356	42,580	44,061	43,881	43,909	43,848	43,729	43,272
Unemployed	2,267	2,323	1,831	1,924	1,989	1,918	1,988	1,876
Unemployment rate	5.0	5.2	4.0	4.2	4.3	4.2	4.3	4.2
Women, 20 years and over:								
Civilian labor force	22,915	22,439	23,009	22,992	22,985	22,735	22,784	22,529
Employed	21,552	21,078	21,704	21,680	21,643	21,464	21,433	21,227
Unemployed	1,364	1,361	1,305	1,312	1,342	1,271	1,351	1,302
Unemployment rate	6.0	6.1	5.7	4.7	5.8	5.6	5.9	5.8
PART TIME								
Total, 16 years and over:								
Civilian labor force	12,862	12,426	12,617	12,083	12,125	12,190	12,293	12,170
Employed	11,676	11,255	11,476	11,072	11,094	11,158	11,280	11,066
Unemployed	1,186	1,171	1,141	1,011	1,031	1,032	1,013	1,104
Unemployment rate	9.2	9.4	9.0	8.4	8.5	8.5	8.2	9.1

Note: Persons on part-time schedules for economic reasons are included in the full-time employed category; unemployed persons are allocated by whether seeking full- or part-time work.

TABLE A-3.—MAJOR UNEMPLOYMENT INDICATORS, PERSONS UNDER 16 YEARS AND OVER

Selected categories	Thousands of persons unemployed: January 1972	January 1971	Seasonally adjusted rates of unemployment: January 1972	December 1971	November 1971	October 1971	September 1971	January 1971
Total (all civilian workers)	5,447	5,414	5.9	6.0	6.0	5.8	6.0	6.0
Men, 20 years and over	2,485	2,546	4.2	4.3	4.4	4.3	4.5	4.3
Women, 20 years and over	1,695	1,700	5.5	5.8	5.8	5.5	5.7	5.7
Both sexes, 16–19 years	1,267	1,168	17.8	17.3	16.7	16.7	16.9	17.5
White	4,422	4,501	5.3	5.4	5.6	5.3	5.4	5.5
Negro and other races	1,025	914	10.6	10.4	9.4	10.4	10.4	9.5
Married men	1,518	1,650	3.0	3.2	3.3	3.0	3.3	3.3
Full-time workers	4,261	4,243	5.5	5.7	5.7	5.4	5.6	5.5
Part-time workers	1,186	1,171	9.0	8.4	8.5	8.5	8.2	9.1
Unemployed 15 weeks and over [1]	1,266	1,136	1.4	1.5	1.5	1.5	1.5	1.3
State insured [2]	2,524	2,796	3.4	4.1	4.1	4.4	4.3	3.8
Labor force time lost [3]			6.4	6.4	6.4	6.5	6.3	6.5
OCCUPATION [4]								
White-collar workers	1,434	1,383	3.6	3.6	3.4	3.4	3.4	3.5
Professional and technical	298	288	3.1	2.9	2.9	3.1	2.7	3.0
Managers, officials, and proprietors	157	139	1.9	1.8	1.9	1.7	1.6	1.6
Clerical workers	713	714	4.7	4.9	4.6	4.7	4.8	4.9
Sales workers	266	243	4.4	4.0	3.9	3.9	4.1	4.2
Blue-collar workers	2,637	2,711	7.1	7.5	7.5	7.1	7.7	7.6
Craftsmen and foremen	684	724	4.3	4.8	4.6	4.7	5.3	4.9
Operatives	1,282	1,365	7.9	8.2	8.2	7.8	8.3	8.7
Nonfarm laborers	672	622	11.6	11.9	11.8	10.6	11.2	10.4
Service workers	759	772	6.1	6.4	6.6	6.0	6.5	6.3
Farm workers	101	114	2.8	2.7	3.7	1.9	2.8	3.0

See footnotes at end of table.

TABLE A-3.—MAJOR UNEMPLOYMENT INDICATORS, PERSONS UNDER 16 YEARS AND OVER—Continued

Selected categories	Thousands of persons unemployed		Seasonally adjusted rates of unemployment					
	January 1972	January 1971	January 1972	December 1971	November 1971	October 1971	September 1971	January 1971
INDUSTRY[4]								
Nonagricultural private wage and salary workers[5]	4,281	4,388	6.1	6.3	6.2	5.9	6.2	6.4
Construction	645	685	9.8	11.2	9.7	10.2	9.7	11.1
Manufacturing	1,426	1,607	6.4	6.9	6.6	6.2	6.9	7.1
Durable goods	834	932	6.7	6.7	6.7	6.4	7.0	7.4
Nondurable goods	592	675	6.0	7.1	6.3	5.8	6.8	6.8
Transportation and public utilities	213	223	4.1	4.1	4.4	4.3	3.6	4.3
Wholesale and retail trade	1,066	997	6.3	6.5	6.6	6.1	6.3	6.2
Finance and service industries	892	843	5.3	4.9	5.1	4.9	5.1	5.1
Government wage and salary workers	415	371	3.0	3.2	3.2	3.2	3.0	2.8
Agricultural wage and salary workers	130	134	8.6	7.5	9.6	7.0	8.5	8.9

[1] Unemployment rate calculated as a percent of civilian labor force.
[2] Insured unemployment under State programs—unemployment rate calculated as a percent of average covered employment.
[3] Man-hours lost by the unemployed and persons on part time for economic reasons as a percent of potentially available labor force man-hours.
[4] Unemployment by occupation includes all experienced unemployed persons, whereas that by industry covers only only unemployed wage and salary workers.
[5] Includes mining, not shown separately.

TABLE A-4.—UNEMPLOYED PERSONS 16 YEARS AND OVER BY DURATION OF UNEMPLOYMENT

[In thousands]

Duration of unemployment	January 1972	January 1971	Seasonally adjusted: January 1972	December 1971	November 1971	October 1971	September 1971	January 1971
Less than 5 weeks	2,530	2,487	2,358	2,410	2,290	2,140	2,317	2,318
5 to 14 weeks	1,651	1,791	1,502	1,509	1,650	1,529	1,567	1,630
15 weeks and over	1,266	1,136	1,198	1,273	1,311	1,253	1,250	1,075
15 to 26 weeks	701	724	636	724	741	628	683	663
27 weeks and over	563	413	562	549	570	625	567	412
Average (mean) duration, in weeks	11.5	10.1	11.8	11.4	11.8	12.5	12.0	10.3

TABLE A-5.—UNEMPLOYED PERSONS BY REASON FOR UNEMPLOYMENT

[Numbers in thousands]

Reasons for unemployment	January 1972	January 1971	Seasonally adjusted: January 1972	December 1971	November 1971	October 1971	September 1971	January 1971
NUMBER OF UNEMPLOYED								
Lost last job	2,809	2,954	2,169	2,365	2,360	2,206	2,369	2,281
Left last job	598	668	564	666	629	541	583	630
Reentered labor force	1,531	1,364	1,652	1,432	1,493	1,486	1,536	1,471
Never worked before	509	429	742	736	651	663	603	625
PERCENT DISTRIBUTION								
Total unemployed	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Lost last job	51.6	54.5	42.3	45.5	46.0	45.1	46.5	45.6
Left last job	11.0	12.3	11.0	12.8	12.3	11.0	11.5	12.6
Reentered labor force	28.1	25.2	32.2	27.5	29.1	30.4	30.2	29.4
Never worked before	9.3	7.9	14.5	14.2	12.7	13.5	11.8	12.5
UNEMPLOYED AS A PERCENT OF THE CIVILIAN LABOR FORCE								
Lost last job	3.3	3.6	2.5	2.8	2.8	2.6	2.8	2.7
Left last job	.7	.8	.7	.8	.7	.6	.7	.8
Reentered labor force	1.8	1.6	1.9	1.7	1.8	1.8	1.8	1.8
Never worked before	.6	.5	.9	.9	.8	.8	.7	.7

See footnotes at end of table.

TABLE A–6.—UNEMPLOYED PERSONS BY AGE AND SEX

Age and sex	Thousands of persons		Percent looking for full-time work, January 1972	Seasonally adjusted unemployment rates					
	January 1972	January 1971		January 1972	December 1971	November 1971	October 1971	September 1971	January 1971
Total, 16 years and over	5,447	5,414	78.2	5.9	6.0	6.0	5.8	6.0	6.0
16 to 19 years	1,267	1,168	49.7	17.8	17.3	16.7	16.7	16.9	17.5
16 and 17 years	528	517	26.9	19.1	18.8	18.3	19.9	18.4	19.6
18 and 19 years	740	651	65.9	16.8	16.3	15.4	14.5	15.8	16.1
20 to 24 years	1,264	1,164	83.5	10.1	10.1	10.4	9.2	9.6	9.9
25 years and over	2,916	3,082	88.3	3.7	4.1	4.0	4.0	4.0	4.0
25 to 54 years	2,389	2,468	90.0	3.9	4.3	4.2	4.3	4.3	4.1
55 years and over	526	613	81.0	3.1	3.4	3.4	3.0	3.2	3.6
Males, 16 years and over	3,240	3,252	81.3	5.3	5.4	5.4	5.3	5.4	5.4
16 to 19 years	755	706	48.7	17.3	17.3	16.2	16.5	16.3	17.2
16 and 17 years	330	340	26.7	18.7	19.0	18.1	20.3	18.6	19.6
18 and 19 years	425	366	65.6	16.1	16.0	14.7	13.7	14.6	15.3
20 to 24 years	763	703	84.9	10.4	10.5	10.7	9.7	10.2	10.4
25 years and over	1,722	1,844	94.0	3.2	3.5	3.5	3.5	3.5	3.5
25 to 54 years	1,373	1,413	96.1	3.3	3.6	3.7	3.7	3.7	3.4
55 years and over	349	430	86.0	3.0	3.0	3.2	2.9	3.0	3.7
Females, 16 years and over	2,207	2,162	73.7	6.9	7.0	6.9	6.7	6.9	7.0
16 to 19 years	512	462	51.4	18.4	17.3	17.3	17.0	17.6	18.0
16 and 17 years	197	177	26.9	19.6	18.5	18.7	19.2	18.0	19.6
18 and 19 years	315	285	66.3	17.7	16.7	16.2	15.6	17.3	17.0
20 to 24 years	501	462	81.4	9.6	9.6	10.0	8.6	9.8	9.3
25 years and over	1,194	1,238	80.1	4.6	5.0	4.8	4.9	4.9	4.9
25 to 54 years	1,015	1,055	81.8	4.9	5.4	5.2	5.3	5.3	5.3
55 years and over	178	183	70.8	3.3	3.9	3.7	3.0	3.4	3.4

TABLE A–7.—EMPLOYMENT STATUS OF MALE VIETNAM ERA VETERANS AND NONVETERANS 20 TO 29 YEARS OLD

[Number in thousands]

Employment status	Jan. 1972	Dec. 1971	Jan. 1971	Seasonally adjusted					
				Jan. 1972	Dec. 1971	Nov. 1971	Oct. 1971	Sept. 1971	Jan. 1971
WAR VETERANS[1]									
Civilian noninstitutional population	4,380	4,334	3,752	(2)	(2)	(2)	(2)	(2)	(2)
Civilian labor force	3,974	3,979	3,416	3,990	3,985	3,957	3,910	3,887	3,425
Employed	3,574	3,656	3,050	3,649	3,650	3,621	3,598	3,508	3,112
Unemployed	400	343	366	341	335	336	312	379	313
Unemployment rate	10.1	8.1	10.8	8.5	8.4	8.5	8.0	9.8	9.1
NONVETERANS									
Civilian noninstitutional population	9,662	9,616	9,179	(2)	(2)	(2)	(2)	(2)	(2)
Civilian labor force	8,248	8,270	7,846	8,425	8,483	8,346	8,284	8,128	8,005
Employed	7,516	7,678	7,160	7,793	7,834	7,668	7,680	7,583	7,416
Unemployed	732	592	686	632	649	678	604	545	589
Unemployment rate	8.9	7.2	8.7	7.5	7.7	8.1	7.3	6.7	7.4

[1] War veterans 20 to 29 years old are all veterans of the Vietnam era (service at any time after Aug. 4, 1964), and they account for over 80 percent of the Vietnam era veterans of all ages. Post-Korea peacetime veterans 20 to 29 years old are not included in this table.

[2] Not applicable.

Note: This table introduces seasonally adjusted data for male veterans and nonveterans 20 to 29 years old, which was made possible by the availability of data through 1971. Because of the small number of years of data available, seasonal adjustments were made by a simpler technique than the standard Bureau of Labor Statistics procedure used for series with 8 or more years of data.

TABLE B-1.—EMPLOYEES ON NONAGRICULTURAL PAYROLLS, BY INDUSTRY

[In thousands]

Industry	January 1972[1]	December 1971[1]	November 1971	January 1971	Change from— December 1971	Change from— January 1971	Seasonally adjusted: January 1972[1]	Seasonally adjusted: December 1971[1]	Seasonally adjusted: November 1971	Seasonally adjusted: Change from December 1971
Total	70,467	72,030	71,638	69,527	−1,563	940	71,407	71,167	71,042	240
Goods producing	21,997	22,366	22,627	22,111	−369	−114	22,535	22,408	22,448	127
Mining	598	604	524	611	−6	−13	611	606	525	5
Contract construction	2,951	3,160	3,410	2,921	−209	30	3,305	3,228	3,320	77
Manufacturing	18,448	18,602	18,693	18,579	−154	−131	18,619	18,574	18,603	45
Production workers	13,388	13,528	13,605	13,400	−140	−12	13,537	13,489	13,505	48
Durable goods	10,533	10,579	10,612	10,646	−46	−113	10,587	10,552	10,572	35
Production workers	7,598	7,636	7,660	7,619	−38	−21	7,645	7,602	7,614	43
Ordnance and accessories	185.6	185.6	187.3	209.2	0	−23.6	185	184	186	1
Lumber and wood products	589.4	592.5	598.1	544.5	−3.1	44.9	609	601	601	8
Furniture and fixtures	478.0	477.5	475.8	449.4	.5	28.6	478	473	470	5
Stone, clay, and glass products	618.4	626.8	636.3	606.1	−8.4	12.3	638	632	634	6
Primary metal industries	1,186.9	1,171.9	1,165.2	1,255.3	15.0	−68.4	1,193	1,179	1,178	14
Fabricated metal products	1,339.8	1,345.6	1,350.7	1,325.4	−5.8	14.4	1,342	1,334	1,339	8
Machinery, except electrical	1,784.9	1,787.5	1,778.9	1,827.2	−2.6	−42.3	1,787	1,795	1,797	−8
Electrical equipment	1,794.3	1,803.8	1,806.7	1,801.9	−9.5	−7.6	1,793	1,791	1,791	2
Transportation equipment	1,729.1	1,742.5	1,750.6	1,796.1	−13.4	−67.6	1,715	1,718	1,732	−3
Instruments and related products	431.8	434.9	436.7	436.1	−3.1	−4.3	433	433	436	0
Miscellaneous manufacturing	395.0	409.9	425.8	393.7	−14.9	1.3	414	412	408	2
Nondurable goods	7,915	8,023	8,081	7,933	−108	−18	8,032	8,022	8,031	10
Production workers	5,790	5,892	5,945	5,781	−102	9	5,892	5,887	5,891	5
Food and kindred products	1,696.8	1,739.9	1,770.8	1,696.1	−43.1	.7	1,766	1,754	1,750	12
Tobacco manufactures	71.4	73.5	76.5	78.0	−2.1	−6.6	72	69	71	3
Textile mill products	972.1	976.8	973.7	955.7	−4.7	16.4	979	975	970	4
Apparel and other textile products	1,327.9	1,354.0	1,380.6	1,338.8	−26.1	−10.9	1,345	1,355	1,370	−10
Paper and allied products	684.8	694.2	693.5	689.7	−9.4	−4.9	688	691	691	−3
Printing and publishing	1,079.2	1,089.5	1,087.9	1,094.2	−10.3	−15.0	1,084	1,082	1,084	2
Chemicals and allied products	997.3	1,000.7	1,003.6	1,021.7	−3.4	−24.4	1,005	1,005	1,008	0
Petroleum and coal products	186.1	188.4	189.1	186.9	−2.3	−.8	191	191	189	0
Rubber and plastics products, nec	597.0	598.9	597.0	561.5	−1.9	35.5	599	595	592	4
Leather and leather products	302.2	307.4	308.6	310.0	−5.2	−7.8	303	305	306	−2

See footnotes at end of table.

TABLE B-1.—EMPLOYEES ON NONAGRICULTURAL PAYROLLS, BY INDUSTRY—Continued

[In thousands]

Industry	Not seasonally adjusted						Seasonally adjusted			
					Change from—					
	January 1972[1]	December 1971[1]	November 1971	January 1971	December 1971	January 1971	January 1972[1]	December 1971[1]	November 1971	Change from December 1971
Service producing	48,470	49,664	49,011	47,416	−1,194	1,054	48,872	48,759	48,594	113
Transportation and public utilities	4,420	4,468	4,447	4,435	−48	−15	4,492	4,464	4,434	28
Wholesale and retail trade	15,179	16,100	15,537	14,862	−921	317	15,359	15,325	15,278	34
Wholesale trade	3,852	3,911	3,905	3,810	−59	42	3,883	3,880	3,874	3
Retail trade	11,327	12,189	11,632	11,052	−862	275	11,476	11,445	11,404	31
Finance, insurance, and real estate	3,822	3,832	3,836	3,709	−10	113	3,861	3,851	3,851	10
Services	11,904	12,023	12,032	11,611	−119	293	12,098	12,083	12,044	15
Government	13,145	13,241	13,159	12,799	−96	346	13,062	13,036	12,987	26
Federal	2,646	2,696	2,655	2,640	−50	6	2,667	2,667	2,669	0
State and local	10,499	10,545	10,504	10,159	−46	340	10,395	10,369	10,318	26

[1] Preliminary.

60-174 O - 72 - pt. 3 - 2

TABLE B-2.—AVERAGE WEEKLY HOURS OF PRODUCTION OR NONSUPERVISORY WORKERS[1] ON PRIVATE NONAGRICULTURAL PAYROLLS, BY INDUSTRY

Industry	Not seasonally adjusted						Seasonally adjusted			
					Change from—					
	January 1972[2]	December 1971[2]	November 1971	January 1971	December 1971	January 1971	January 1972[2]	December 1971[2]	November 1971	Change from December 1971
Total private	36.6	37.3	37.0	36.6	−0.7	0.0	36.9	37.2	37.1	−0.3
Mining	41.7	42.4	42.3	42.4	−.7	−.7	42.2	42.2	42.3	0
Contract construction	35.2	36.3	37.9	36.0	−1.1	−.8	36.7	36.6	39.0	.1
Manufacturing	39.7	40.7	40.2	39.6	−1.0	.1	39.9	40.3	40.1	−.4
Overtime hours	2.8	3.2	3.1	2.7	−.4	.1	2.9	3.1	3.0	−.2
Durable goods	40.3	41.4	40.7	40.1	−1.1	.2	40.5	40.9	40.6	−.4
Overtime hours	2.8	3.2	3.0	2.6	−.4	.2	2.9	3.0	2.9	−.1
Ordnance and accessories	42.2	42.3	42.0	41.6	−.1	.6	41.7	41.9	41.9	−.2
Lumber and wood products	39.9	40.9	40.6	38.9	−1.0	1.0	40.8	40.9	40.8	−.1
Furniture and fixtures	39.7	40.9	40.4	38.9	−1.2	.8	40.3	39.9	40.0	.4
Stone, clay, and glass products	40.7	41.6	41.9	40.3	−.9	.4	41.6	41.6	41.9	0
Primary metal industries	40.3	41.1	39.9	40.4	−.8	−.1	40.2	41.1	40.1	−.9
Fabricated metal products	39.9	41.3	40.6	40.1	−1.4	−.2	40.2	40.9	40.4	−.7
Machinery, except electrical	40.6	41.9	41.1	40.2	−1.3	.4	40.6	41.3	41.1	−.7
Electrical equipment	39.7	40.9	40.4	39.6	−1.2	.1	39.8	40.3	40.1	−.5
Transportation equipment	41.2	42.7	41.1	41.2	−1.5	0	41.3	41.9	40.5	−.6
Instruments and related products	40.2	40.8	40.5	39.6	−.6	.6	40.4	40.4	40.2	0
Miscellaneous manufacturing	38.9	39.4	39.5	38.3	−.5	.6	39.2	39.1	39.1	.1
Nondurable goods	39.0	39.7	39.6	38.9	−.7	.1	39.3	39.4	39.5	−.1
Overtime hours	2.9	3.2	3.1	2.7	−.3	.2	3.1	3.1	3.0	0
Food and kindred products	39.9	40.5	40.1	40.4	−.6	−.5	40.2	40.2	40.0	0
Tobacco manufactures	33.5	36.2	35.7	38.3	−2.7	−4.8	34.2	35.8	35.6	−1.6
Textile mill products	40.8	41.4	41.4	40.0	−.6	.8	41.3	40.9	41.1	.4
Apparel and other textile products	35.2	36.0	36.3	34.8	−.8	.4	35.6	36.0	36.2	−.4
Paper and allied products	41.8	42.9	42.4	41.5	−1.1	.3	42.0	42.4	42.3	−.4
Printing and publishing	36.8	38.0	37.6	37.2	−1.2	−.4	37.2	37.5	37.6	−.3
Chemicals and allied products	41.5	41.8	41.6	41.3	−.3	.2	41.7	41.6	41.4	.1
Petroleum and coal products	41.8	42.2	42.1	42.0	−.4	−.2	42.3	42.6	41.8	−.3
Rubber and plastics products, nec	40.8	41.3	40.8	39.9	−.5	.9	41.0	41.0	40.6	0
Leather and leather products	37.9	38.6	38.4	37.2	−.7	.7	37.7	37.8	38.3	−.1
Transportation and public utilities	40.1	40.6	40.6	39.7	−.5	.4	40.3	40.5	40.4	−.2
Wholesale and retail trade	34.7	35.5	34.9	34.7	−.8	0	35.1	35.3	35.2	−.2
Wholesale trade	39.6	40.2	39.8	39.6	−.6	0	39.7	39.9	39.9	−.2
Retail trade	33.2	34.2	33.4	33.1	−1.0	.1	33.7	34.0	33.7	−.3
Finance, insurance, and real estate	37.1	37.1	37.0	36.7	0	.4	37.1	37.1	36.9	0
Services	33.8	34.1	34.0	34.0	−.3	−.2	34.0	34.1	34.1	−.1

[1] Data relate to production workers in mining and manufacturing: to construction workers in contract construction: and to nonsupervisory workers in transportation and public utilities; wholesale and retail trade; finance, insurance, and real estate; and services. These groups account for approximately four-fifths of the total employment on private nonagricultural payrolls.

[2] Preliminary.

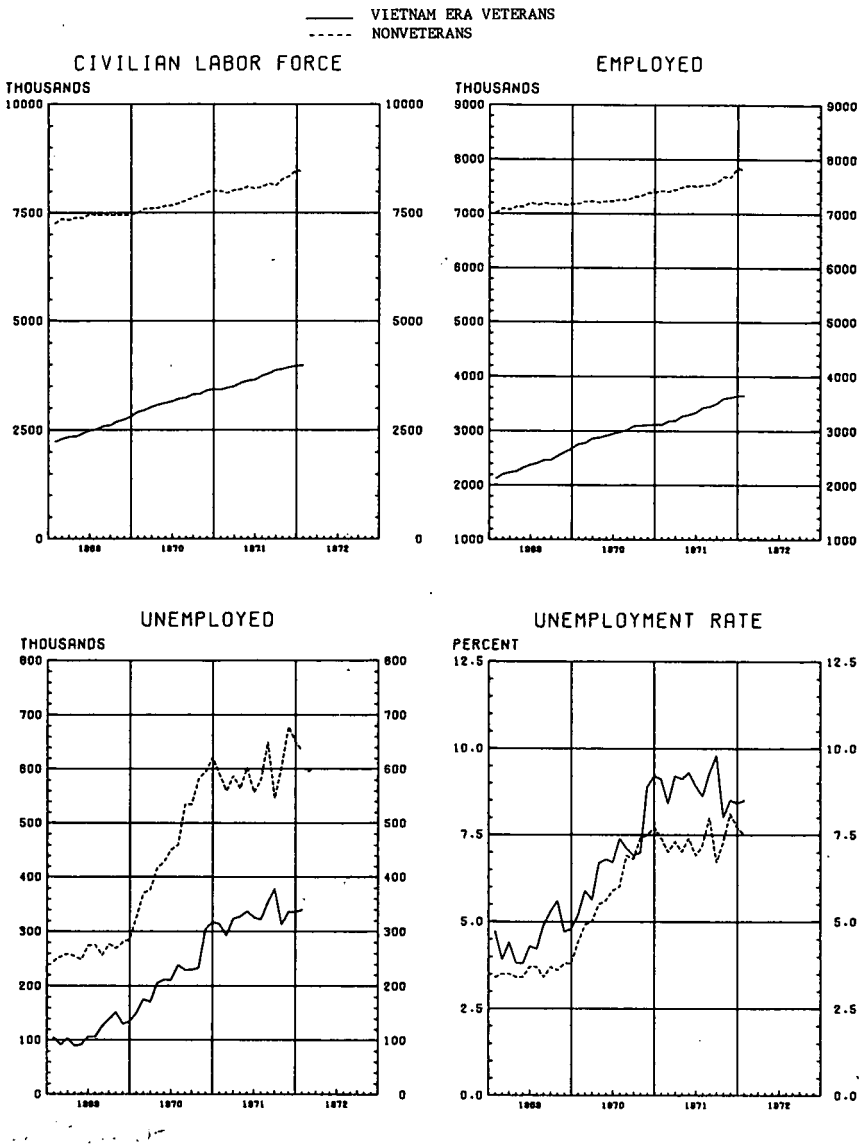
TABLE B-3.—AVERAGE HOURLY AND WEEKLY EARNINGS OF PRODUCTION OR NONSUPERVISORY WORKERS[1] ON PRIVATE NONAGRICULTURAL PAYROLLS, BY INDUSTRY

Industry	Average hourly earnings						Average weekly earnings					
					Change from—						Change from—	
	January 1972[2]	December 1971[2]	November 1971	January 1971	December 1971	January 1971	January 1972[2]	December 1971[2]	November 1971	January 1971	December 1971	January 1971
Total private	$3.53	$3.50	$3.48	$3.33	$0.03	$0.20	$129.20	$130.55	$128.76	$121.88	−$1.35	$7.32
Seasonally adjusted	3.53	3.51	3.48	3.33	.02	.20	130.26	130.57	129.11	122.88	−.31	7.38
Mining	4.30	4.26	3.92	3.98	.04	.32	179.31	180.62	165.82	168.75	−1.31	10.56
Contract construction	5.98	5.92	5.90	5.53	.06	.45	210.50	214.90	223.61	199.08	−4.40	11.42
Manufacturing	3.70	3.69	3.60	3.50	.01	.20	146.89	150.18	144.72	138.60	−3.29	8.29
Durable goods	3.93	3.93	3.83	3.72	0	.21	158.38	162.70	155.88	149.17	−4.32	9.21
Ordnance and accessories	4.03	3.97	3.88	3.77	.06	.26	170.07	167.93	162.96	156.83	2.14	13.24
Lumber and wood products	3.17	3.19	3.20	3.01	−.02	.16	126.48	130.47	129.92	117.09	−3.99	9.39
Furniture and fixtures	2.98	2.97	2.93	2.83	.01	.15	118.31	121.47	118.37	110.09	−3.16	8.22
Stone, clay, and glass products	3.74	3.73	3.71	3.52	.01	.22	152.22	155.17	155.45	141.86	−2.95	10.36
Primary metal industries	4.51	4.51	4.36	4.08	0	.43	181.75	185.36	173.96	164.83	−3.61	16.92
Fabricated metal products	3.85	3.86	3.78	3.67	−.01	.18	153.62	159.42	153.47	147.17	−5.80	6.45
Machinery, except electrical	4.15	4.16	4.04	3.87	−.01	.28	168.49	174.30	166.04	155.57	−5.81	12.92
Electrical equipment	3.61	3.60	3.52	3.43	.01	.18	143.32	147.24	142.21	135.83	−3.92	7.49
Transportation equipment	4.58	4.61	4.44	4.41	−.03	.17	188.70	196.85	182.48	181.69	−8.15	7.01
Instruments and related products	3.61	3.61	3.56	3.46	0	.15	145.12	147.29	144.18	137.02	−2.17	8.10
Miscellaneous manufacturing	3.08	3.05	2.97	2.93	.03	.15	119.81	120.17	117.32	112.22	−.36	7.59
Nondurable goods	3.38	3.36	3.29	3.19	.02	.19	131.82	133.39	130.28	124.09	−1.57	7.73
Food and kindred products	3.52	3.51	3.40	3.32	.01	.20	140.45	142.16	136.34	134.13	−1.71	6.32
Tobacco manufactures	3.27	3.29	3.08	3.01	−.02	.26	109.55	119.10	109.96	115.28	−9.55	−5.73
Textile mill products	2.68	2.62	2.59	2.54	.06	.14	109.34	108.47	107.23	101.60	.87	7.74
Apparel and other textile products	2.56	2.54	2.52	2.46	.02	.10	90.11	91.44	91.48	85.61	−1.33	4.50
Paper and allied products	3.81	3.80	3.73	3.56	.01	.25	159.26	163.02	158.15	147.74	−3.76	11.52
Printing and publishing	4.33	4.35	4.27	4.06	−.02	.27	159.34	165.30	160.55	151.03	−5.96	8.31
Chemicals and allied products	4.11	4.07	4.00	3.83	.04	.28	170.57	170.13	166.40	158.18	.44	12.39
Petroleum and coal products	4.77	4.66	4.65	4.43	.11	.34	199.39	196.65	195.77	186.06	2.74	13.33
Rubber and plastics products, nec	3.53	3.52	3.46	3.32	.01	.21	144.02	145.38	141.17	132.47	−1.36	11.55
Leather and leather products	2.67	2.65	2.61	2.56	.02	.11	101.19	102.29	100.22	95.23	−1.10	5.96
Transportation and public utilities	4.43	4.39	4.33	4.04	.04	.39	177.64	178.23	175.80	160.39	−.59	17.25
Wholesale and retail trade	2.96	2.91	2.91	2.81	.05	.15	102.71	103.31	101.56	97.51	−.60	5.20
Wholesale trade	3.80	3.78	3.74	3.57	.02	.23	150.48	151.96	148.85	141.37	−1.48	9.11
Retail trade	2.64	2.60	2.60	2.52	.04	.12	87.65	88.92	86.84	83.41	−1.27	4.24
Finance, insurance, and real estate	3.38	3.34	3.30	3.19	.04	.19	125.40	123.91	122.10	117.07	1.49	8.33
Services	3.08	3.05	3.04	2.93	.03	.15	104.10	104.01	103.36	99.62	.09	4.48

[1] See footnote 1, table B-2.

[2] Preliminary.

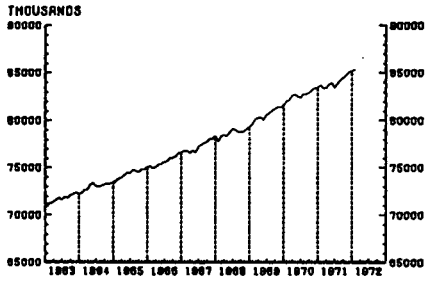
EMPLOYMENT AND UNEMPLOYMENT OF VETERANS AND NONVETERANS, 20-29 YEARS OLD
(Seasonally Adjusted)



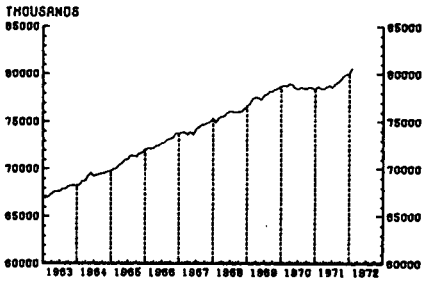
LABOR FORCE AND EMPLOYMENT—HOUSEHOLD SURVEY

SEASONALLY ADJUSTED

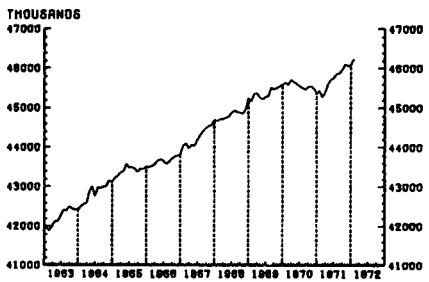
1. CIVILIAN LABOR FORCE



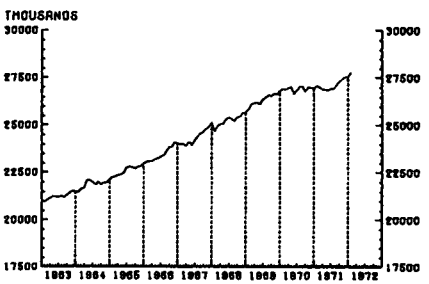
2. TOTAL EMPLOYMENT



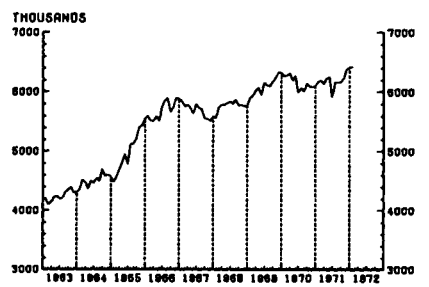
3. EMPLOYMENT OF AOULT MEN



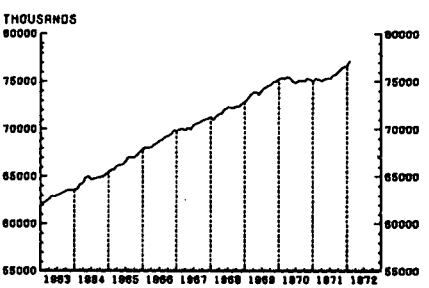
4. EMPLOYMENT OF AOULT WOMEN



5. EMPLOYMENT OF TEENAGERS



6. NONAGRICULTURAL EMPLOYMENT



UNEMPLOYMENT—HOUSEHOLD SURVEY

SEASONALLY ADJUSTED

7. TOTAL UNEMPLOYMENT
(NUMBER OF UNEMPLOYED)

8. ALL CIVILIAN WORKERS
(UNEMPLOYMENT RATE)

9. ADULT MEN
(UNEMPLOYMENT RATE)

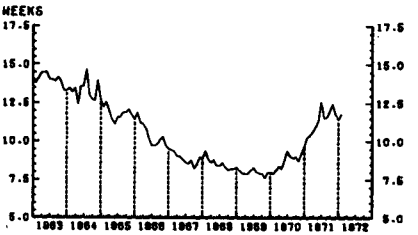
10. ADULT WOMEN
(UNEMPLOYMENT RATE)

11. TEENAGERS
(UNEMPLOYMENT RATE)

12. MARRIED MEN
(UNEMPLOYMENT RATE)

13. STATE INSURED
(UNEMPLOYMENT RATE)

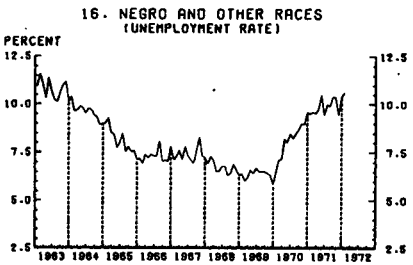
14. AVERAGE DURATION OF UNEMPLOYMENT

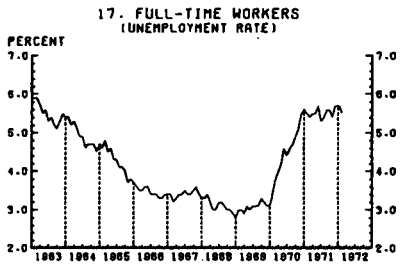


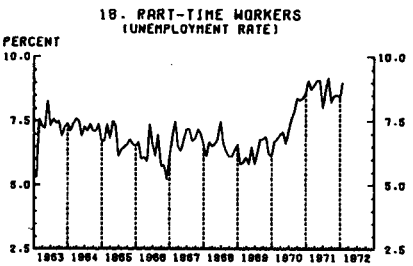
NOTE: Data for chart 13 represent the insured unemployed under State programs as a percent of average covered employment and are derived from administrative records of unemployment insurance systems.

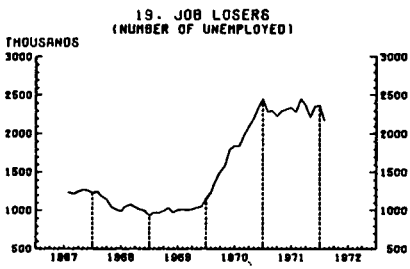
UNEMPLOYMENT—HOUSEHOLD SURVEY

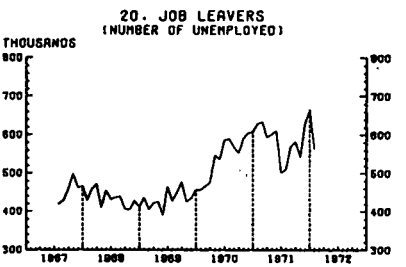
SEASONALLY ADJUSTED

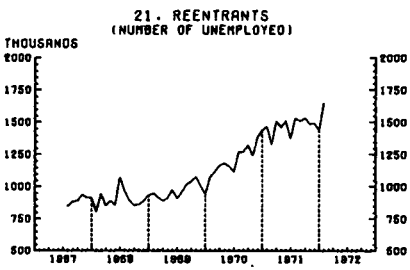


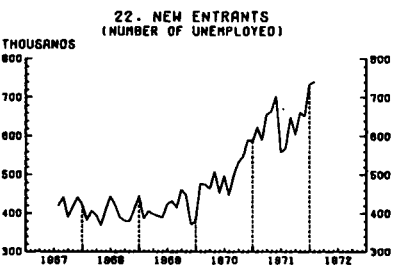








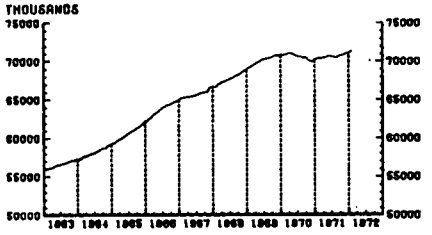




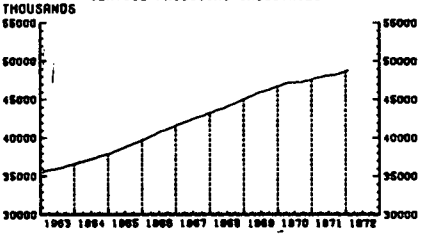
NONAGRICULTURAL EMPLOYMENT AND HOURS—ESTABLISHMENT SURVEY

SEASONALLY ADJUSTED

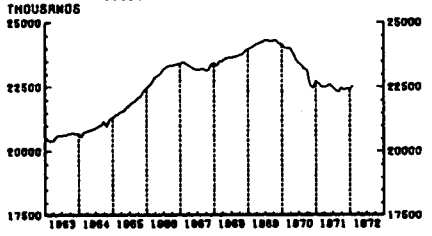
23. TOTAL NONAGRICULTURAL EMPLOYMENT



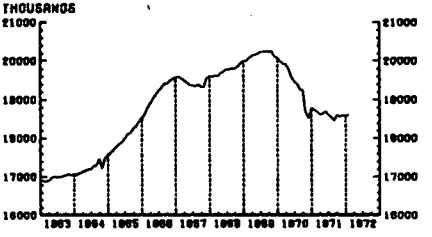
24. EMPLOYMENT
SERVICE-PRODUCING INDUSTRIES



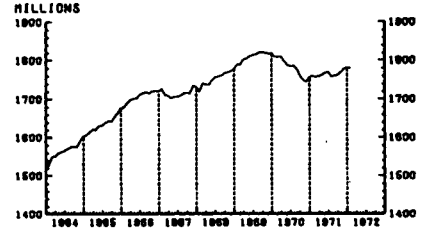
25. EMPLOYMENT
GOODS-PRODUCING INDUSTRIES



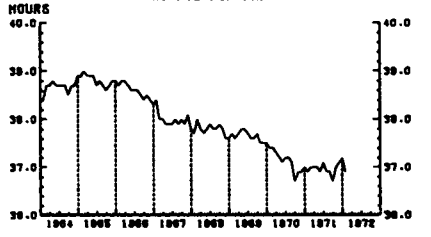
26. EMPLOYMENT IN MANUFACTURING



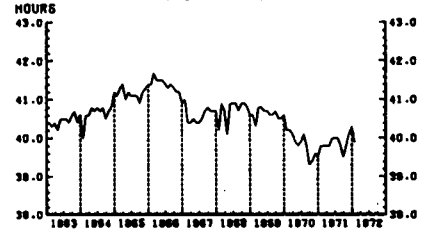
27. MAN-HOURS
PRIVATE NONFARM



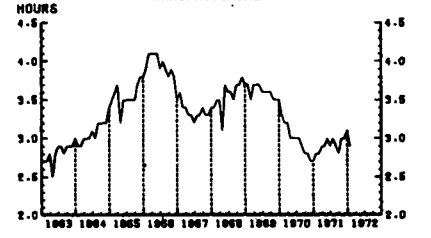
28. AVERAGE WEEKLY HOURS
PRIVATE NONFARM



29. AVERAGE WEEKLY HOURS
MANUFACTURING



30. AVERAGE OVERTIME HOURS
MANUFACTURING



NOTE: Charts 27 and 28 relate to production or nonsupervisory workers; charts 29 and 30 relate to production workers. Data for the 2 most recent months are preliminary in charts 23-30.

Chairman PROXMIRE. May I say that I will also put in the record—because I have referred to it, it is only fair—your article on "Employment: The Neglected Indicator," from yesterday's Wall Street Journal.

Mr. MOORE. Thank you.

(The article follows:)

[From the Wall Street Journal, Feb. 3, 1972]

EMPLOYMENT: THE NEGLECTED INDICATOR

(By Geoffrey H. Moore)

Ask any newspaper reader what the *unemployment* rate today is and he will probably know it is about 6%. Ask him whether *employment* is rising or falling or remaining about the same and he probably won't have the foggiest idea. If he has thought about it at all, he may reason that employment and unemployment are just reverse sides of the same coin, and if you know what is happening to one, the opposite must be happening to the other. Unfortunately, he would be wrong.

In general, a great deal more is said about the unemployment rate and its movements than about the level of employment and its movements. This is understandable because of our public concern about the hardships suffered by many who can't find work. But, as an indicator of the economic situation, employment deserves at least equal attention. Three principal reasons underlie this assertion.

First, the concept of employment is firmer than the concept of unemployment. Having a job and being paid for it is, for the most part, an observable experience. True, there are some fuzzy situations—as when a person is on strike, or when he has accepted a job but has not yet started to work, or when he is on vacation without pay, or when he is working only a few hours a week. But most of these situations can be objectively identified and decided by rules set up for the purpose.

The concept of unemployment is quite different. For those who have had a job and have just been laid off, the situation may be clear. Nevertheless, unless the worker is doing something to seek work, he will not be counted as unemployed according to the definition used for many years in the U.S. Those who are unemployed because they have been laid off constitute only 40% to 50% of the unemployed. The rest have either quit their jobs voluntarily or have not recently (or ever) had a job. Now they are seeking one.

THE JOB SEEKERS

Seeking a job is not as clear-cut a condition as having a job. One can seek half-heartedly or energetically. One can seek a job, yet turn down one or more offers. One can set realistic or unrealistic standards for pay, hours, type of work or location. Furthermore, one can accept a job without having sought it, in which case one will become employed without having been unemployed. Or one can seek a job and at the same time have another fulltime activity, such as being a student. Or one can have given up seeking a job because none was to be found, yet be quite ready to take one if the opportunity comes along.

In short, for a sizable number of the jobless, whether one is unemployed or not is to some degree a matter of opinion. In the household survey from which estimates of total employment and unemployment are derived, questions are answered by the respondent—often the housewife who happens to be at home and who answers for the entire family. Hence there is bound to be some variability in opinion from one household to another, or from the same household at different times. This is one reason for paying close attention to unemployment rates for those whose status is not likely to be in doubt—married men or heads of household, those who have lost their job or those who are seeking full-time work. It is also a reason for focusing on employment trends, since variability of opinion is likely to be much less important when the individual is employed.

A second reason for watching the trend of employment is statistical. *Because only a small fraction of the labor force is unemployed,* the numbers are subject to a much larger relative sampling error than the numbers of employed. More-

over, seasonal variations are easier to eliminate in employment than in unemployment, so the results are less subject to revision. Hence one can be more confident with respect to a developing trend in the employment than in the unemployment data.

A third reason that employment deserves equal consideration with unemployment as an index of the economic health of the nation has to do with their cyclical behavior. Ordinarily the total labor force of the country—those at work and seeking work—grows fairly steadily year in and year out with the growth of population. The business cycle has some effect on the rate of growth of labor force, especially on those workers who are not the family breadwinners, but the influence is relatively small. What the business cycle does affect in a substantial way is employment, and these effects take time to spread across the entire economy. Not all companies or establishments or industries begin to expand at once when an economic recovery begins, nor do they all contract at once when a recession hits.

GROWTH OF THE LABOR FORCE

As a result, at the beginning of a recovery the expansion of aggregate employment usually starts off at a slow pace, less than the continuing growth of the labor force. Indeed, the growth of the labor force may be stimulated to some degree by the improving employment situation. Unemployment continues to rise, therefore, despite the rise in employment.

But the rise in unemployment under these conditions is not a sign that the economy is deteriorating. On the contrary, the economy is gaining strength. Moreover, the outlook is improving even for many of those who are unemployed, because the prospects for finding a job improve when employment is rising—since that means more workers are being hired than are being fired.

In short, at a time of economic recovery unemployment is typically a lagging indicator relative to employment. Not until the expansion of employment catches up with and surpasses the growth in the labor force is there any decline in unemployment.

It is equally true, of course, and for similar reasons, that at the time of an economic downturn unemployment tends to be a leading indicator relative to employment. The slowing in the rate of increase in total employment, while the labor force continues to grow at about the same pace as before, usually brings about a rise in unemployment before employment begins to decline. This underlines the importance of considering the movements of both employment and unemployment.

Indeed, none of the points made above denigrate the importance of the unemployment data. What they do suggest is that just as close attention should be paid to the trend of employment in appraising the economic scene.

(Mr. Moore is Federal Commissioner of Labor Statistics.)

Chairman PROXMIRE. I am sorry, Mr. Commissioner, I think you have a new colleague here at the table. I wish you would identify him for the record.

Mr. MOORE. Yes. Mr. Norman Samuels, head of our Wages and Industrial Relations in the Bureau of Labor Statistics.

Chairman PROXMIRE. Mr. Samuels, welcome.

Mr. MOORE. Total employment in January rose from the December level at a fairly substantial rate. We calculated about an increase of 240,000, seasonally adjusted. The unemployment rate remained essentially unchanged. It was at 5.9 percent in January, compared with 6 percent in December.

Since last summer, as you pointed out, there has been virtually no change in the unemployment rate. There has been a very substantial increase in employment. It comes to a figure of about 1.3 million since July, which is an annual rate of 2.6 million, and that is a very substantial rate of increase in employment in terms of historical experience.

That is employment as measured by the household survey. There was a similar increase in January in our figures on nonfarm payroll employment, and they reached a new high level of 71.4 million in

January. They, too, have shown a substantial increase since August, of about 875,000.

The workweek in the private nonfarm sector declined in January from December, and it did also in manufacturing, fairly sharply.

Looking at some of the details about unemployment——

Chairman PROXMIRE. What did you say about the workweek; it did what?

Mr. MOORE. It declined in January from its December level, particularly in manufacturing industries.

Chairman PROXMIRE. Overall it declined as well as in manufacturing?

Mr. MOORE. Yes, sir.

Chairman PROXMIRE. That is a perverse indicator, then, is it not?

Mr. MOORE. Yes; it is. It is a downswing.

Chairman PROXMIRE. Obviously, if the workweek increases, there is more likelihood of more employment. As the workweek declines, it is more likely the employer will use his old force rather than hire new people.

Mr. MOORE. As a general rule, but all of these figures fluctuate from one month to another and you have to look at more than 1 month at a time to get a trend. But this was a sharp decline.

Looking at some of the details about unemployment, the unemployment rate for full-time workers declined slightly from 5.7 percent to 5.5 percent, while the rate for part-time workers rose from 8.4 to 9 percent.

The rate of unemployment among married men, which is a relatively stable measure of unemployment, and, of course, very important for families as well as men, declined from 3.2 percent to 3 percent in January.

The rates for white workers and for Negro workers were substantially unchanged from their December levels.

The rate of joblessness as measured by the State unemployment insurance figures, which covered those people who were covered by unemployment insurance, and are derived entirely independent from our survey of unemployment, dropped from 4.1 percent in December to 3.4 percent in January. And the 3.4 is the lowest since the spring of 1970.

Chairman PROXMIRE. That is very good news, is it not? It is pretty spectacular and a sharp improvement.

Mr. MOORE. Yes.

Chairman PROXMIRE. How do you explain that discrepancy, the fact that that indicator of unemployment dropped so sharply while the overall figures for unemployment we get from the regular census remained about the same?

Mr. MOORE. Well, it is not easy to explain differences of that sort, but one factor you have to bear in mind is the people who have unemployment insurance had jobs and they lost them, so the closer comparison is with the household figures on the job losers that are in the total unemployed. Not everybody who is unemployed had a job. Many people are seeking a job for the first time.

But if you restrict the figures to those who had a job and lost it and are now seeking one, that, too, dropped in January, although not

spectacularly. It is now at the level of 2.5 percent and that is the lowest it has been since the autumn of 1970. There is a certain degree of consistency.

Chairman PROXMIRE. Does this take into account those who have become ineligible for unemployment compensation because they have been out of work so long? Would that account for part of it, because many tens of thousands of people are unemployed long enough so that they exhausted their unemployment compensation benefits?

Mr. MOORE. The exhaustions are not counted in the insured rate. The are counted in our job loser rates.

Chairman PROXMIRE. So that would be another explanation?

Mr. MOORE. That could be another explanation, although I do not know it developed that much between December and January.

I think the length of unemployment, this is how long a person remains unemployed, is a very important factor to be considered, and our measure of the average duration came to 11.8 weeks in January, which is a rise from the preceding month after a decline in the 2 previous months. The high point of that average duration was 12.6 weeks, and that was reached last June. So it is a little bit below its high but has not declined very much.

The employment and unemployment of veterans are recorded in the release and for the first time we have figures that are adjusted for seasonal variations. I think a lot of people may wonder how there can be seasonal variation in employment or unemployment of veterans, but there nevertheless is, and we have attempted to eliminate it in order to get a better idea of the trend in the figures. This is the first time we have reported the results.

The unemployment rate for veterans on that basis, seasonally adjusted, in January was 8.5 percent, which is about the same as it has been for the last 3 months of 1971, but lower than it was earlier in the year. Over the year 1971 as a whole, it averaged 8.8 percent, and in January it is a bit below that average level.

For nonveterans of the same age group, 20 to 29, the unemployment rate at 7.5 percent was about the same, also, as in the last part of 1971, but a little higher than the average for the year 1971 as a whole.

So the differential between the veterans rate and the nonveterans unemployment rate has narrowed during that period.

The employment from our payroll records, which are reported by employers rather than by households, shows a substantial increase in January, about a quarter of a million, and it is about evenly divided between the goods-producing industries and the service-producing industries in the economy.

As I mentioned before, the workweek declined in January. We do not have any special reason to account for that rather sharp decline. It is a number that fluctuates from one month to another, but we cannot explain the drop in this particular month.

The payroll data gives us information on average hourly earnings and average weekly earnings of production and nonsupervisory workers in the private nonagricultural economy. They show an increase in January of 3 cents in their average hourly wage of $3.50. The average weekly earnings dropped in January compared with December. In the period from January to January, there has been a 6 percent in-

crease in average weekly earnings. During the most recent period we have the consumer price index for, through December, prices showed an increase of 3.4 percent. So weekly earnings have gone up faster than the price level.

In this release, we present for the first time in a release an hourly earnings index. Hereafter we will continue reporting it in the employment release. We regard it as the best available monthly measure of the underlying wage movements for production or nonsupervisory workers in the private nonfarm economy. It is based on the hourly earnings reported in the payroll records, but we try to take account of two types of change that affect average hourly earnings but are unrelated to wage rate developments. One of those factors is the fluctuations in overtime pay in manufacturing and we eliminate overtime premiums from the figures in manufacturing. We also take account of the shifts of workers between high-wage and low-wage industries, since that can affect the overall average without any charge in the wage rate.

So the index eliminates those two sources of fluctuation that are unrelated to wage rate changes themselves.

The index shows in January an increase of four-tenths of a percent over December and 6.2 percent above a year ago.

In December, of which we have the consumer price index available, the hourly earnings index showed an increase of 6.6 percent as compared with an increase in the consumer price index of 3.4 percent. That means that the purchasing power of hourly earnings have increased a little more than 3 percent during 1971.

I think that is an important development. It is the first time since 1964 when we began this series, and also when the general inflation began, that there has been that great an increase in hourly earnings after allowing for changes in prices. In other words, the real wage has taken a substantial jump during 1971, whereas in all of the years before that, going back to 1964, the real wage was increasing very little indeed.

That, I think, is related to the recent upswing in productivity. The real wages follow to some degree the trend in output per man-hour and the two have been moving this past year in a much better way in terms of increase than they have moved in the last 4 or 5 years.

Chairman PROXMIRE. I agree that is an excellent point. It is very good news. The difficulty, of course, is that if you put this over a little longer period, over 2 or 3 years, the increase in real wages have been quite low. Although the last year, you are absolutely right, it has been a big improvement.

Mr. MOORE. The trend now seems to be up.

Well, that concludes my statement. I do want to mention and stress the fact that we have revised the seasonal adjustment factors, as we always do at the beginning of a new calendar year, for last year. So that the unemployment rate, for example, as now reported, seasonally adjusted, is a little different in several months of last year than when it was originally reported.

For example, the December rate was originally reported at 6.1 percent and we now report it as 6 percent. Earlier in the year, there were several small changes in the adjusted rate of that sort.

That is a routine revision that we undertake at the beginning of the new year, when we have complete data for the preceding year.

The other adjustment I want to mention is that we have in the January figures, for the first time, incorporated the results of the 1970 census of population, to which this sample survey is adjusted. The census turned out to show a slightly larger population than had been calculated by adding births and subtracting deaths and so on, over the years since 1960, since the preceding census.

So we adjusted all of our labor force, employment, and unemployment figures to new levels beginning in January. For the unemployment rate, it makes absolutely no difference at all. It would have been reported the same either way. For employment and labor force and the details of those figures, there is an increase due to the rise in the population base on which the figures are computed.

So that needs to be taken into account. And in our release, we have tried to point out that and have taken it into account in making comparisons between January and earlier months.

I would hope that everyone else would do likewise.

Thank you very much.

Chairman PROXMIRE. Mr. Commissioner, thank you very much. As usual, it is a very professional and competent presentation you make.

I do feel—maybe I am wrong that you put the best possible face on a pretty gloomy situation—but the fundamental question that I ask is why is it that we allegedly are in a recovery period, a period in which the President has said again and again that 1971 was a good year, 1972 will be a great year, profits seem to be increasing, many other indicators are good, but unemployment drags along at the same dreary level of 5.9, 6, 6.1 percent, right around 6 percent.

We now have 5.447 million unemployed. As many unemployed as we have had at almost any period in the last 10 years. There are 3 or 4 months maybe in the last 10 years, or 11 years, since 1961, that we have had as many unemployed as we had last month. You have told us that if employment continues to expand as it has in the past, that we are going to get on top of this unemployment situation. We have been waiting a long time for that and it has not happened. What is your response?

Mr. MOORE. Well, I agree that it is a serious problem. I think it is necessary to understand, at least, the arithmetic of it.

We have had in the last 6 months a very sharp rise in employment, the number of people with jobs. Now, why hasn't that reduced unemployment?

Well, the arithmetic of it is that the labor force, the number of people that are in the population, that are looking for jobs, as well as those that have jobs, has increased just as fast as employment has. So while it has been an unusually rapid increase in employment, it has also been an unusually rapid increase in the labor force and the employment increase has just not caught up with the labor force.

Chairman PROXMIRE. The labor force, Mr. Commissioner, is not above normal; is it?

Mr. MOORE. Oh, the increase is.

Chairman PROXMIRE. The increase in the last 5 or 6 months, but before that you had a very sluggish increase in the labor force.

Mr. MOORE. No. During the first part of the year, you mean. That is true.

Chairman PROXMIRE. That is right.

Mr. MOORE. But then you were not having the employment increase, either. But over, say, the last 2 years, there has been a very sharp rate of increase in the labor force, unusually rapid, and even though there has been some increase in employment, it has not been enough to reach into the unemployment figures.

That is sort of the arithmetic of it, and I think it ought to be generally understood why that is. But the employment of people, which is sort of the positive side of the equation, has been behaving in a vigorous fashion.

Chairman PROXMIRE. For the last few months, but, again, as I say, it seems to be from a fairly low base.

One of the things that concerns me, I have just been handed an article from the Washington Post of last month, January 9, which reports that a detailed Federal study has found that there are more than 15,000 jobless persons in Washington's poorest neighborhoods who want employment but are not actively seeking it.

Using job figures, those people actively seeking jobs, the study said unemployment in the surveyed areas was at 4.8 percent. However, if those who are not seeking a job but said they wanted one were added to the labor force, the unemployment rate would be about 13 percent, not 4.8 percent.

If this is true in Washington, I imagine it might very well be true in many other large cities throughout the country. The study found that persons who wanted work and were not actively seeking jobs outnumbered persons actively seeking jobs by 2 to 1. That raises the question, once again, of the precision and accuracy of the method now of ascertaining unemployment.

If this 2-to-1 figure maintains, would you say it might maintain elsewhere or is there a peculiar situation in Washington that would not permit it to do so? Could we multiply the 5.4 million unemployed by 2, and say there is an additional 10.8 million people who would like jobs if they could get them and say the 10.8 plus the 5.4 adds up to maybe 15 million or 16 million unemployed?

Mr. MOORE. Well, I would like to comment on that, Mr. Chairman. We do collect every month the figures on the number of people who are not in the labor force that say they want a job. Now, only a fraction of those people who say they want a job are really in a position to take one. They have various reasons why they say they want one, but they have not been looking for one, they are simply not available. They may be ill, they may be discouraged for one reason or another from looking for a job. They have a number of reasons why they say that although they want a job, they are not now seeking one and many of them are simply not available to work.

So while we measure that and report that figure every month, we do not include it in the total unemployed. That has been a long standing practice that goes back years and years, and we have simply adhered to that practice.

Now, one point about that is if we did include such people as unemployed, naturally, we ought to include them all of the way back into the historical period.

Chairman PROXMIRE. Yes, indeed. I am not accusing you of dishonesty for not having comparable statistics, but what I would like to get is some idea of what this amounts to.

Mr. MOORE. I am going to come to that.

If we did include them all of the way back, we would be adding a very substantial number to the unemployed in 1969, 1968, 1967, all of the way back to the period that we have the figures for.

Let me just give you a few figures that we have from the National Unemployment and Employment Survey to illustrate this point. In the fourth quarter of 1971, we reported that there were 4.3 million people that were not in the labor force, but said they wanted a job.

Chairman PROXMIRE. What was that date again?

Mr. MOORE. This was the fourth quarter of 1971.

In the fourth quarter of 1970, there were about 4 million. It has gone up about 300,000 over that year. In 1969, it was about 4.5 million. In 1968, it was about 4.5 million. In 1967, it was 4.7 million.

So over this whole period, there has been roughly 4.5 million people saying that they want a job, they want one now, but they are not doing anything about getting it.

Chairman PROXMIRE. This figure you are giving me, I am not sure it is a useful figure. But I understand it would include people who could not take jobs. You say they are ill, they are otherwise occupied because of family responsibilities, they would like a job but they cannot take it. What I want is the figures you give on discouraged workers, those who are capable of taking a job, but just are discouraged because they are not actively, overtly, seeking work.

Mr. MOORE. I will be glad to come to that. But my point is remarking on this is that the article in the Washington Post included these people, those that want a job, in the figures. That is what moved the unemployment rate up.

Chairman PROXMIRE. It was a good article, I thought, because it broke it down. It indicated that the survey found 15,000 wanted regular jobs, 9,000 said they intended to actively seek work, an additional 23,000 wanted jobs under certain conditions, and 3,600 cited their inability to find work was a secondary reason for not seeking it. So they had a series of statistics and explained what they were.

Mr. MOORE. The reason why they got up to 13.5 percent was because they added those that wanted a job into the total.

Now, turning to the people who are discouraged from seeking work and think they cannot get a job, the figures are very much smaller. In the fourth quarter of 1971, we reported 788,000. In 1970, on the average for the year, we reported 638,000. In 1969, it was 574,000. In 1968, it was 667,000. In 1967, it was 732,000. Again, the level has been a little over 700,000 and there was some upswing in the number during 1970.

Chairman PROXMIRE. The fact the trend is increasing is significant and unfortunate. If you add those discouraged workers to the 5.4, you get about 6.2 million out of work. Now, what is the reasoning behind not including in the statistics people of this kind, who could work, want work, but who are not actively seeking work?

Mr. MOORE. Well I guess it goes back to the Gordon Committee in 1961–62, who studied this matter. They were appointed by President Kennedy, made a very thoroughgoing study of the unemployment and employment statistics, and recommended that the basic criterion for

considering a person unemployed was whether he was actively seeking work and whether he was available to take work. All of the other people who might want a job but are not doing anything about finding it would not be counted as unemployed.

So they made that recommendation and we have followed it.

Now, while it is true that the numbers of people who think they cannot get a job have increased, they have not increased in very large numbers. In 1969, for example, the average for the year was 574,000. For the fourth quarter of 1971, it was 788,000, an increase of about 200,000, which if we had added it to the unemployment rate would have increased it. But it would have increased it, also, back in 1969, and in all of the other years as well.

Chairman PROXMIRE. I would like to get into your position that employment is the neglected indicator, and that we have, as a society, and perhaps many of us in Congress who speak out on this, have neglected the employment situation. In your article you stress that we should look at the employment numbers as well as the unemployment numbers.

Let us go over the definition of "employed." Anyone who has worked 1 hour or more during the survey week is counted as employed. Correct?

Mr. MOORE. Yes sir.

Chairman PROXMIRE. The domestic worker who did one-half day of ironing or cleaning but was unable to find work the other four and a half days is therefore counted as employed. Is that correct?

Mr. KAITZ. Yes.

Chairman PROXMIRE. The day laborer who goes out in the morning to a street corner "hiring hall" is counted as employed if he obtains even part of 1 day's work during the entire week. Is that correct?

Mr. MOORE. Yes.

Chairman PROXMIRE. How about the 15-year-old girl who babysits for a few hours during the survey week. Is she employed? Would her mother normally think to volunteer this information to the interviewer?

As I get it the interviewer would come around and ask the mother, if she was the one who answered, whether people in the family have worked or not, had worked, were seeking work. She had a daughter who babysit for a few dollars during the week. Do you think normally that mother would remember that?

Mr. MOORE. You mean if she is also seeking work at the same time?

Chairman PROXMIRE. Well, that might be the situation.

Mr. MOORE. I think it is a little doubtful which she would remember or which she would report.

Mr. KAITZ. I think that is an uncertain element.

Chairman PROXMIRE. At any rate, the point I am trying to make is employment is a vague concept, too. You have the 14-year-old boy, for example, with a morning paper route, and he may be doing pretty well, making a substantial, relatively substantial amount of money. But he is not considered employed, is he, because he is only 14?

Mr. MOORE. That is right. The thing about employment is——

Chairman PROXMIRE. He has a steady job and earns more money than millions of other people in the country.

Mr. MOORE. The fact that there is money coming in from employment gives you something rather objective to think about and observe.

Chairman PROXMIRE. Because of his age, he is arbitrarily ruled out, is not considered as an employed person?

Mr. MOORE. If he is under 16, yes.

Chairman PROXMIRE. So when you say in your article, employment is a "firmer" concept than unemployment, I am not sure that that is correct. In addition to the examples that I have just cited here, we have examples of those who work for substandard wages. Those who are qualified for a well-paying job but find only a poor one. Two and a half million persons who want full time and find only part time. So both the employment and unemployment are arbitrary definitions, it seems to me. One is no more arbitrary than the other.

Mr. MOORE. Well, they may be arbitrary, sir, but I think by and large the fact that when you are employed you are bringing money into the family, or into your own pocketbook, is a pretty definite observation and you are pretty well qualified to say what you are doing, that you are earning a wage. But when you are unemployed and seeking work, well, it just seems to me there is not that objectivity about it that there is in the case of the wage earner.

Chairman PROXMIRE. That is your feeling, but I would think there would be millions of people who are making a pittance, who are able to get jobs for only a few hours a week and who want full-time work, who you say are employed and they say are not employed. At any rate, I do not want to press that too hard.

Let me get into something I think is very important for the future, of whether or not we are going to be able to get on top of this unemployment situation. You spoke about the fact the work week had declined in the last month and I think that is an unfortunate, certainly discouraging element.

Another matter of great concern that I think has been put extraordinarily well was by one of the best economic writers in the business, Leonard Silk of the New York Times. There is a very close relationship between output growth, productivity growth, and changes in employment. If the productivity growth is unusually rapid, then fewer new workers need to be hired to achieve any given rate of increase in total output. The reverse, of course, is also true—if productivity growth is slow, more workers are needed to produce any given increase in output.

In the article I am referring to, the New York Times last week by Leonard Silk, he argues because productivity growth has increased so sluggishly in the past 2 years, employment may be somewhat above what we would expect based on historical relationships. Therefore, the unemployment rate, high as it is, is lower than we would expect based on historical trends.

Mr. Silk goes on to argue that even if real output grows 6 percent in 1972, as the administration has forecasted, unemployment could still be 6 percent at the end of this year.

Now, this has been the great optimistic basis for forecasting a good year or great year in 1972, that the real output is going to grow at 6 percent. If it grows a little less than that, we will be in trouble. But even if it grows at 6 percent, the entire growth of output could be

accommodated by the rapidly rising productivity needed to put us back on the productivity trend line, together with expansion of the labor force.

Mr. Silk's conclusions are based on a study by Mr. George Perry, one of the finest economists in this field, and that re-examines and updates our estimates of GNP potential and the relationship between output and unemployment changes.

I know we cannot ask you to forecast, but would you agree that productivity growth has been below the historical trend over the last 3 years? And if productivity growth had been more rapid during the past 2 years, would not unemployment currently be higher than it actually is?

Mr. MOORE. Well, I would not analyze the situation that way, sir. That is, I do not believe——

Chairman PROXMIRE. How about answering that question? I know we have gone through this before. Isn't this correct, that productivity growth has been below the historical trend over the last 3 years?

Mr. MOORE. Except for last year, yes. But last year we had quite a good productivity growth and by the 1969 and 1970 standards, it was very good indeed.

Chairman PROXMIRE. It was not sensational last year by any means. Productivity increase was, as you say, somewhat better than it had been, but it certainly wasn't—it was 3.4 percent. That is just about average.

Mr. MOORE. But it is much better than zero, which it was the year before.

Chairman PROXMIRE. If productivity growth had been more rapid during the past 2 years, would not unemployment be higher than it actually is? Is that correct or incorrect, that statement, that it would be higher?

Mr. MOORE. I would say not. No. The reason I say that is I do not think a low rate of growth in productivity is good for employment and a high rate of growth in productivity is bad for employment. I think if you look at the historical facts about it, you will not find that.

Chairman PROXMIRE. I am not saying that. What I am saying is if productivity growth had been higher last year than it was, and if the production had been at the same level, we would then have higher unemployment, would we not?

Mr. MOORE. That is a matter of arithmetic.

Chairman PROXMIRE. So we would have? And the arithmetic comes out that unemployment would be higher.

Mr. MOORE. Yes, sir. The arithmetic works out that way. Whether it would work out that way in fact is another question.

Chairman PROXMIRE. No, but I am getting at the 6 percent figure, you see. That is a very rosy optimistic figure. It is a good figure and we all hope we can achieve it. Maybe we can do so. Would you agree, based on past experience, more rapid productivity growth is to be expected during an economic recovery?

Mr. MOORE. In the early stages of recovery, and I would say that is about the first year, that is true.

Chairman PROXMIRE. What stage are we in now; are we still in the early stages?

Mr. MOORE. Well, the National Bureau of Economic Research, that dates these matters, dated the beginning of the recovery as November 1970.

Chairman PROXMIRE. So we are not in the early stages on the basis of history?

Mr. MOORE. Well beyond.

Chairman PROXMIRE. Well beyond. That would mean the productivity is not likely to increase as rapidly as it did last year when it was only 3.4 percent, which is about the average or maybe a little less. Certainly less than what we would like it to be.

Mr. MOORE. Based on this historical experience, that is right. It is not likely to increase quite as rapidly, although it certainly may do so. But, on the other hand, this projected 6 percent rate of output looked at on a quarterly basis, is not quite as rapid an increase as we have had in recent quarters, either.

Chairman PROXMIRE. I would like to ask you now about the effect of collective bargaining contracts on wage agreements and on prices.

According to the BLS release last week, contracts covering 4½ million workers expired last year. But the release covers only 3½ million workers who agreed to new contracts before November 13. Another one-half million workers were covered by contracts still awaiting Pay Board action at the end of the year, and the final one-half million had not yet agreed to new contracts.

Is this a larger end-of-year overhang than usual? If so, is it the need to get Pay Board approval which is causing unusual delay?

Mr. MOORE. I would like to have Mr. Samuels answer that. I believe that is correct, but——

Mr. SAMUELS. It is a larger overhang, Mr. Chairman. All of it is not entirely due to the Pay Board, I am sure, although there is some backlog there.

Chairman PROXMIRE. Can you tell us how much that backlog amounts to?

Mr. SAMUELS. No, I cannot.

Chairman PROXMIRE. Can you give us an estimate? Would it be half of it?

Mr. SAMUELS. I am not certain, Mr. Chairman. I really do not know the figures on what is——

Chairman PROXMIRE. We had Judge Boldt before the Banking Committee just last week for confirmation and it became very clear to us that the Pay Board has not been able to act until very recently on many, many applications.

Mr. SAMUELS. That is correct.

Chairman PROXMIRE. Involving, I presume, hundreds of thousands, maybe millions of workers.

Mr. SAMUELS. That may be correct. I just do not have the figure on what their backlog is. I could only say that this year our yearend release has a smaller proportion of the settlements that were made during the year than we normally have, due to the various factors that we have indicated in that release.

Chairman PROXMIRE. So you can say you do not know how much of it, but at least part of it is because the Pay Board has not acted?

Mr. SAMUELS. That is correct.

Chairman PROXMIRE. How long will it be before you will be able to do an analysis comparing wage settlement after the Pay Board was established, with previous settlements?

Mr. SAMUELS. After the Pay Board was established?

Chairman PROXMIRE. Yes. Since the Pay Board was established, many people feel the settlements have been higher, that the Pay Board has not served any purpose at all. We had these spectacular increases in coal wages, railroads, aerospace; far above the guidelines.

Mr. SAMUELS. We do produce quarterly data, Mr. Chairman. And the fourth quarter, of course, includes some of the freeze. And we do not have all of the actions in the fourth quarter resulting from the Pay Board. But our next quarter release, hopefully, will include much of the information since the Pay Board has been in action.

Chairman PROXMIRE. One of the weaknesses in the Pay Board's statistics is that they, and also in the Price Commission, is that they do not give cumulative increases. I think you always look at the Price Commission, for example, and the Pay Board does the same kind of thing, and they give the increase on the Price Commission for a particular product. It may be 2 percent, 3 percent, or 7 percent for that product. Then they give the impact this had on all of the firm's prices, all of its sales. But they do not accumulate that. The same firm comes back 10, 12, 15 times during a year. If they accumulated it, you might get a quite different picture. We are hopeful we can get that from the Pay Board.

Mr. Moore, to get back to the article which you wrote in the Wall Street Journal, you said this:

> Those who are unemployed because they have been laid off constitute only 40 percent to 50 percent of the unemployed. The rest have either quit their jobs voluntarily or have not recently or ever had a job. Now they are seeking one.

I am disturbed by several implications of that statement. You say only 40 to 50 percent are unemployed because they are laid off. I am amazed that you prefaced that by using the adverb "only." To be precise, in 1971, 46.3 percent of the unemployed had been laid off. Is this higher or lower by historical standards?

Mr. MOORE. I think it is running between 40 and 50 percent. We have only had those figures since 1967, but during most of that time——

Chairman PROXMIRE. What percentage of the unemployed relate to this all-high employment year?

Maybe I can help you on that. In 1969, the high employment year, laid off constituted 36 percent of the unemployed. So it is substantially higher. That 46 percent is almost a third higher.

Mr. MOORE. Oh, yes. You would expect it to be higher with a business slowdown going on. But the reason for the word "only" is simply that I thought a great many people think of the unemployed as being only those who have lost a job. That is not the case. It is only true of about half of them.

Chairman PROXMIRE. Well, the fact that unemployment has risen in the past 2 years, higher and higher percentage has been laid off workers of that unemployed, doesn't this question the validity of a current

popular theory in administration circles, they claim a large percent is due to women or teenagers who are new or are reentrants in the labor force? You have a higher percentage of people who are laid off. It is hard to argue the reason you have the unemployment is because you have the expanding labor force with so many kids and so many housewives coming into it.

Mr. MOORE. Well, except that they may be subject to higher layoff rates than the rest, as well.

Chairman PROXMIRE. Let me give you the figures. I have the figures here: Lost last job, unemployed persons by reason for unemployment, 1968 was 38 percent; 1969, 35 percent; 1970, 44 percent; 1971, 46 percent. So the last 3 years it has been rising and at a rather sharp rate. The trend line is definitely up. So those who have lost their jobs account for a higher proportion of unemployed now, not a lesser proportion.

Also, you seem to dismiss the other 50 percent of the unemployed who were not laid off but who were new entrants or reentrants in the labor force. You are not implying, I hope, that the recent college graduate or Vietnam veteran looking for his first job isn't as unemployed as someone laid off?

Mr. MOORE. No, sir. I am certainly not implying that. But I think, again, it is a more definite observable situation when somebody has had a job and has lost it and is now seeking to get another job, than if he has never had a job before. Because it depends on what activities he is engaging in to seek work, and what he is thinking and doing about the offers that he may be getting. That is less clear in the case of someone who has never had a job before.

Chairman PROXMIRE. Mr. Moore, last month my staff requested from you, and it was provided, data on the labor force time lost in our economy. I understand you compute total man-hours that are potentially available and subtract from them the number of hours actually worked. The difference is the number of potentially available man-hours that were not used productively or man-hours lost. In 1971, man-hours lost were over 210 million compared to 126 million in 1969.

A tremendous increase. It seems to me this is a useful alternative way of presenting employment and unemployment data, since it makes allowance for those working only part time for economic reasons. The point I made before, that the person who seeks work and can only work 1 day a week due to a hiring law and works a few hours, this statistic embraces that.

The employment series, for example, counts equally if the laborer can only find a job for 2 hours a week and the man who has a full-time job. The man-hours series instead focuses on the total hours worked. Usually unemployment statistics give a better picture with composition of employment. I wish you would consider publishing either monthly or periodically the man-hour series on labor force time lost.

Mr. MOORE. Well, we would be glad to consider that. As you know, we do publish the percentage rate in terms of labor force time lost and that has been normally higher than the unemployment rate, as simply counting the number of people. All the way back into the fifties, it has been at a higher rate than the general unemployment rate that we publish every month. So we do publish the percentage. What we have not published are the numerator and the denominator.

Chairman PROXMIRE. Of course, I want those statistics very much and I think scholars can use them. I doubt very much they will have the kind of appeal to the public, because what I think most of us can grasp is the fact there are 5.4 million people that want jobs; that the percentage is now 6 percent. It would be very hard for this statistic to get through, but I think it would be useful for those who go into this in more detail.

Mr. MOORE. Mr. Chairman, I have been experimenting a little in recent weeks with another kind of measure of unemployment which is related to the one you mention, that takes into account how many weeks of unemployment have been experienced by the unemployed. That, of course, is a very significant factor. A few weeks of unemployment may not mean very much, but for the person who is unemployed for months, it becomes a very serious matter indeed.

So it is possible to construct a measure from our statistics that takes into account both how long the unemployment has lasted and how many people or what percentage of the labor force had been experiencing unemployment. As I say, we have been experimenting with that kind of a measure. We have not published it as yet.

Chairman PROXMIRE. Mr. Moore, on August 15, President Nixon made a spectacular and historic speech on the new economic policy. On August 15, I appeared on "Meet the Press," and I said what we should do was have a freeze on wages and prices, that we should cut loose from gold and stimulate the economy with tax cuts. Eight hours later, the President picked up the "Proxmire program" and made it the national program. I would like to suggest another one this morning. Some people might say this is ridiculous, President Nixon will never do anything like that, but I think it is no more ridiculous than what he has done. And I think what he has done is not ridiculous but right.

Supposing the President should recognize that we Democrats have one issue left, in a sense, and that is the unemployment issue. I hope we lose it. Because I hope the unemployment declines sharply, of course. But say the President should announce a program in which—I want your comment on the soundness of this program or the wisdom of it or the consequences of it—should say, until unemployment gets below 5 percent, every month the Government is going to follow a policy of hiring 100,000 people, the Government is going to be an employer of last resort.

What would be the practicality of that kind of an approach? We have something close to it in the proposals made by several Senators that we have large public service employment programs. But nothing quite this ambitious or this determined and this definite, to put us on a course of making sure that we do, or as sure as we can, that we do reduce unemployment and reduce it sharply. What would be the consequences? You are undoubtedly in many ways the outstanding authority on unemployment, not only as a Commissioner, but also a fine economist. What would be the effect of this kind of Government program, in your judgment?

Mr. MOORE. Well, Senator, I have tried as Commissioner of the Bureau of Labor Statistics to stay out of comments——

Chairman PROXMIRE. I am not saying he should do this. I am not saying you should say whether he should do it or not. I think he should, but I am not asking you to make judgment on that. I am just saying what you, as an economic professional, say the effect of this would be. Would it be very highly inflationary; would it be an enormous expense, or counterproductive; or would it be a practical approach to our most serious economic problem?

Mr. MOORE. That is why I am in difficulty. While I am an economist, I am also the Commissioner of Labor Statistics, and I work for the Secretary of Labor. I would much prefer if any comments are to be made on that, that the Secretary of Labor make them. And he is, I know, scheduled to appear before your committee on February 17.

Chairman PROXMIRE. Let me ask you this: Can you think of anything we can do—anything that we can do—directly and expressly to get this nagging, tragic, and wasteful unemployment problem under control and begin to be sure we can move ahead?

Mr. MOORE. Well, I think the concentration has to be on employment; that is, what is it that will stimulate employment. The private economy is certainly the biggest employer that there is. The measures that have been taken have been directed, as you have indicated, toward that problem. And as they take hold, it will have some effect. But I really do not want to go further into the policy issue.

Chairman PROXMIRE. Before I yield to Senator Percy, I would like to ask one other question. You suggested in your article that attention should be focused on unemployment rates for those whose unemployment status is not likely to be in doubt, married men or head of household. But I think you raised a significant point here and I am not disagreeing with your concept of doubtful unemployment status, but I do think we should put more emphasis than we do on unemployment of married men because they are the breadwinners, by and large.

In January 1969, an overall unemployment of 3.4 percent, the rate for married men was 1.4 percent. In January 1972, overall rate was 5.9 percent, while the rate for married men was 3.4 percent. Isn't it significant that the rate for the family breadwinner has more than doubled—has risen proportionately more than the overall rate? Doesn't this imply the head of the household has borne a greater share of increased unemployment than other groups?

Mr. MOORE. Well, proportionately, it certainly has risen more; that is, the unemployment rate for married men has virtually doubled in this period. In terms of the percentage of the labor force of married men that are unemployed, the increase has been about 1.5 percentage points and that is a little less than the increase in the overall unemployment rate, which was from about 3.5 percent to roughly 6 percent.

So it depends on what your percentage is, whether you think of the labor force as being the base, how many are actually working and seeking work, in which case the married men had a smaller proportionate increase, or whether you think of the level of unemployment itself as the base, in which case they had a larger percentage.

Chairman PROXMIRE. Senator Percy.

Senator PERCY. Mr. Moore, I am sorry I was not here earlier. I was over in the Appropriations Committee. If I repeat any of the chair-

man's questions, you can just so indicate and I will read the record later.

What does it mean that the December figures as revised were 6 percent? In other words, it was 6.1 percent when you first reported. The revised figure brings it down to 6 percent. Is that correct?

Mr. MOORE. Yes.

Senator PERCY. What is the nature of those refinements that brought that figure down? I realize one-tenth of 1 percent is not much, but when you are working down in that direction, it is very significant. At least the trend is down.

Mr. MOORE. The reason for it is that every year when we have the full preceding calendar year available, we revise the seasonal adjustment of the preceding year's figures. It is simply the result of that revision of the seasonal adjustment factors that cause that shift of a tenth of 1 percent in the unemployment rate for December.

Several other months earlier in the year are also changed. The largest change is two-tenths of 1 percent and most of them are changed by one-tenth of 1 percent.

Senator PERCY. You indicate that the unemployment rate was essentially unchanged, but it is down to 5.9 percent. Is there any indication whether on refinement that figure might lean toward 5.8 percent, or maybe toward 6 percent? In other words, would it be significant if there was a two-tenths percent drop?

Mr. MOORE. It would be a little more significant than a one-tenth drop.

Chairman PROXMIRE. Marginal.

Senator PERCY. I am a great believer in trends and I am hopeful that we are going to be seeing the trend in this lower direction. That is the important thing each month, I think, that we will be looking for.

Mr. MOORE. As the one who has to report these figures, I couldn't hope any more than you.

Senator PERCY. You recall last month I raised some questions, not really based on knowledge, but on hunches and inclinations, feeling that maybe this 6 percent is not as high as we might interpret it because of larger numbers of women and more young people are out on the job market, who are only casually looking for work. So I went this month and I intend to try to go every month in between these sessions to visit unemployment compensation offices.

I went to the one on Milwaukee Avenue, just north of Irving Park Boulevard in Chicago, and spent a morning there, walking from person to person as they stood waiting for their unemployment compensation checks or recertification. I talked to the staff members, the director, and the counseling people, to try to find out why people are out of work on the North Side of Chicago.

Statistics are one thing, but human beings actually telling you their story are something else. It was interesting. Electronics workers simply cannot find jobs in Chicago anymore. This is a very shocking thing to me. We have seen it coming over a period of years. We used to be an electronic center and now most of that has moved to Japan, Korea, Hong Kong, and so forth.

So that is one reason. The people who have been skilled in electronic assembly work are failing to realize that they have to now change that

job skill. No longer, at least in Chicago, can they use that job skill and apply it on that kind of work. They have got to change that skill.

I saw something of a resistance of individuals to recognize they have to do something to get some training, and not just wait to see if something opens up. I don't see anything coming along that is going to open up dramatically in that particular field.

I found quite a few construction workers. They are unemployed. They are in the statistics, of course, but it is cold weather. It is not just this year, it is every year. And their income, they kind of figure they have to average it out over the year. Their hourly rates take that into account. So at that particular time, that was a fairly subsantial number of the unemployed standing in line there. I would say there were 300 or 400 that particular morning I was in there.

I found a number who said that they could find work, but as one woman said, "I had the title of office manager. You don't think I am going to take a title less than that now, so I am holding out." Have you had jobs available to you for the skills you possess? "Oh, yes," but she added, "It would lower me in status in my own eyes and maybe jeopardize my future." So she is saying she can get a job, plenty of them with her secretarial skills, but she wants to be an office manager and she is just holding out. And there were several who had that kind of experience.

I did find a number of people who—I am not sure they are really looking for work—are second members of a family which has someone employed. This might be a wife who had worked before, who was out of work now, drawing unemployment compensation, but not looking very hard for a job. I asked one woman, "How many calls do you make a day and can you give me a list of the places, the companies you have called on in the last week?" She couldn't. The last month? And she couldn't and wouldn't. She finally said, "Well, we are not feeling any pressure. After all, my husband is working and I am getting unemployment compensation." So she is a part of those statistics.

Chairman PROXMIRE. Will the Senator yield at that point?

Senator PERCY. Yes, sir.

Chairman PROXMIRE. I want to apologize. Unfortunately, I am chairman of the—and I mean unfortunately—Appropriations Subcommittee on Foreign Operations and I have to go to the floor. We have a foreign aid bill up and they are waiting for me there.

I apologize, Mr. Commissioner, and I apologize, Senator Percy, for having to leave.

Senator Percy will continue to chair the meeting as long as he wishes and I am sure you will be in better hands, Mr. Moore, at least more friendly as far as your policies are concerned, not as far as you are personally. I would just like to leave one little parting arrow I can shoot into your back as I go, and that is I am somewhat shocked, Mr. Commissioner, you refused to answer on policy grounds, what would be the effect of having our Government act as an employer of last resort, Federal Government, but you do not hesitate to write a policy article for the Wall Street Journal entitled, "Employment: The Neglected Indicator."

I think this is somewhat inconsistent. I see a difference, but I do not think the difference is very great.

Senator PERCY. Mr. Chairman, on your behalf I will take up the argument of the employer of last resort and argue your case. Which is my case. I would rather have people working even if they are hired for public service by the Government, than to be on welfare.

Chairman PROXMIRE. You may turn out to be in less friendly hands.

Senator PERCY (presiding). I would like to say, under normal seniority patterns, it may be years before I become chairman of this committee, so this may go on for hours.

My conclusion was, as I left the unemployment office—and I intend to do this downstate in other offices, also—that I did not see any real widespread hardship as the result of my somewhat limited sampling that morning. The unemployment statistics, when I walked out, did not bother me quite as much, as they might have otherwise, if I thought of 6 million people walking the streets, earnestly looking for work, and being turned down with doors slammed in their face.

I did find several people who had been in electronics. Most of them had working experience with a company that had closed or moved its department out of Chicago. Those people literally did not know how to go look for a job. They never had to look for work. They needed counseling on how to find jobs and how to go about looking. I found them really uninformed as to what was needed to search and seek, if I can use that phrase, and find a job.

But I am going to try in these hearings to better inform myself as to the nature of unemployment in the United States. We cannot tolerate it, I know that.

But I was disturbed this morning when I read an article in the Chicago Sun-Times. It is a UPI story entitled, "Future Crush of Workers Seen as Full Employment Curb."

A long-range study of the economy prepared for the White House predicted Thursday it will take nearly 20 years to achieve the administration's goal of 4 percent unemployment because of a greatly expanded labor market.

I wonder if you have seen that particular article or study that was prepared for the White House?

Mr. MOORE. No, sir. I have not seen it. I think I have seen reference to it in the paper. I have not seen it myself or had an opportunity to study it.

Senator PERCY. It says:

Even with the economy operating at full capacity, theoretical "full employment" actually will be 4.5 percent in the next decade, rather than the 4 percent rule of thumb now used by the administration, because of the crush of young people in the labor force.

I am wondering, because the chairman mentioned your department with respect to policy positions. Is it your department that defines full employment at the 4 percent level?

Mr. MOORE. No, sir. It is not the Bureau of Labor Statistics.

Senator PERCY. Is this a political decision, then, based on certain facts? That 4 percent figure is a very, very important part of our present budgetary process. It now accounts for the $25.5 billion deficit which is a full employment surplus of $700 million by the new economics of my friend George Shultz. If it were 4.5 percent, we could not justify that kind of a deficit now. It would have to be something less than that. I would very much appreciate having a statistical com-

putation made by our own staff, or by your department, as to what the factors are involved now in determining full employment and then what the deficit would be. I should get that from the Bureau of the Budget, I suppose, taking a hypothetical case, if it were 4.5 percent.

But I would hope possibly that report could be studied carefully by you, because of our high regard for your analytical abilities. At our next meeting possibly we could discuss it here or I would be very happy and would be most interested if I could be educated as to the impact of this study on the statistics that we are given and whether or not our goal of 4 percent unemployment is unrealistic or not, and whether 4.5 percent might be a new figure, particularly considering some of the unemployed that are voluntary and some of the unemployed I have literally seen there, people classified as unemployed who really are not looking very hard for work for a variety of factors.

Lastly, was there any further comment you would want to make on Chairman Proxmire's question on the Government as an employer of last resort? I understand this was mainly a question as to whether or not your agency is in a policy role in that category. I understand that you are not.

Mr. MOORE. Yes. That was my position, that I did not think we should take a stand on whether it was a good idea or a bad one, since it is a policy proposal and ordinarily we should not do that.

I must say, if I may comment on the chairman's last remark, I did not regard the article that I wrote for Wall Street Journal, or that was published in it, as a policy statement in any way whatsoever. It was simply an attempt to analyze the statistics that we produce on employment, as well as unemployment, and call people's attention to some of the differences between them that I thought would help them to interpret the employment and unemployment situation.

Senator PERCY. Did Chairman Proxmire order that article be incorporated in the record this morning?

Mr. MOORE. Yes, he did.

Senator PERCY. Fine.

I have no further questions. The committee is adjourned until the call of the Chair. We thank you very much.

(Whereupon, at 12:25 p.m., the committee adjourned, subject to the call of the Chair.)

CURRENT LABOR MARKET DEVELOPMENTS

FRIDAY, MARCH 3, 1972

CONGRESS OF THE UNITED STATES,
JOINT ECONOMIC COMMITTEE,
Washington, D.C.

The committee met, pursuant to notice, at 11 a.m., in room 1202, New Senate Office Building, Hon. William Proxmire (chairman of the committee) presiding.

Present: Senator Proxmire; and Representatives Conable and Brown.

Also present: John R. Stark, executive director; Loughlin F. McHugh, senior economist; Courtenay M. Slater, economist; and George D. Krumbhaar, Jr., and Walter B. Laessig, minority counsels.

OPENING STATEMENT OF CHAIRMAN PROXMIRE

Chairman PROXMIRE. The committee will come to order.

We welcome once again Mr. Moore. We are glad to have you.

I am very happy to see that the information on unemployment is improving. It is very, very good news. It is nothing spectacular, of course, but it is a steady reduction to 6 percent in December, 5.9 in January, and 5.7 in February. We hope this trend will continue.

Let me say we are only a short time away from the first anniversary of the Labor Department's decision to do away with the press briefing my technicians. As you are aware, I feel I must disagree most emphatically with Secretary Hodgson's explanation in which he said he wanted to eliminate the circus atmosphere.

The trouble, I find, with the elimination of briefings, as serious as it is, is it is one of the leading indicators of a growing disbelief in the credibility of expert interpretation of economic developments. I am sure you are aware of the growing credibility gap.

I can warn you economic reporters will increasingly call to question the reliability of the basic data. This credibility gap will undoubtedly widen. There is not one reference to the possible contribution of your agency or yourself to this study, whereas, when you appeared with Secretary Hodgson recently Secretary Hodgson argued this was not a study of statistics but a study of unemployment, itself. Since then we have found that Secretary Hodgson was not correct. It is a study of the statistics and they are explicitly indicated as part of the study.

Moreover, the study originally planned to take 3 weeks 10 years ago, took 8 months.

Mr. Moore, we have Professor Bassie who originally had been scheduled to appear before you. He graciously agreed to follow you. We will have him on after you have concluded with your testimony.

We are delighted to have a chance to welcome you.

Statistics have given us all much trouble.

STATEMENT OF HON. GEOFFREY H. MOORE, COMMISSIONER, BUREAU OF LABOR STATISTICS, DEPARTMENT OF LABOR, ACCOMPANIED BY NORMAN SAMUELS, ASSISTANT COMMISSIONER FOR WAGES AND INDUSTRIAL RELATIONS; AND HYMAN KAITZ, ASSISTANT COMMISSIONER FOR CURRENT EMPLOYMENT ANALYSIS

Mr. MOORE. Thank you, Mr. Chairman. I have with me Mr. Kaitz, assistant commissioner of our Office of Current Employment Analysis; and Mr. Norman Samuels, assistant commissioner of our Office of Wages and Industrial Relations. Mr. Popkin, whom I have frequently brought to these meetings, could not be here today as he has another meeting he couldn't avoid.

I would like, if you will, to put the employment press release in the record, as usual.

Chairman PROXMIRE. It will be received.

(The press release referred to follows:)

[Bureau of Labor Statistics, Department of Labor, Press Release No. 72-134, Mar. 3, 1972]

THE EMPLOYMENT SITUATION: FEBRUARY 1972

Unemployment declined slightly in February, and employment was essentially unchanged, the U.S. Department of Labor's Bureau of Labor Statistics reported today. The overall jobless rate was 5.7 percent in February, down from 5.9 percent in January and 6.0 percent in December.

Total employment was 80.6 million in February, seasonally adjusted, unchanged from January. Since last summer, however, the number of jobholders has risen substantially.

Nonfarm payroll employment likewise was little changed in February but also has posted sizeable gains since last summer. The average workweek in manufacturing rebounded in February from a drop in the previous month, reaching its highest level in over 2 years.

UNEMPLOYMENT

The number of unemployed persons totaled 5.4 million in February, the same level as in the previous month and in February a year ago. After adjustment for the usual seasonal rise, however, unemployment was down 160,000 over the month. The decline was most marked among adult women, whose rate moved down from 5.5 to 5.0 percent.

The unemployment rate for all adult men (20 years and over), at 4.0 percent in February, was slightly below its January level of 4.2 percent; the entire decline took place among those 20 to 24 years of age (whose rate dipped from 10.4 to 9.2 percent), as the rate for men 25 years and older held steady at 3.2 percent. The jobless rate for married men edged down for the third consecutive month, reaching 2.8 percent in February, its lowest level since the summer of 1970.

In contrast to the favorable developments among adult workers, the jobless rate for teenagers rose over the month and at 18.8 percent equaled the previous post-World War II highs.

Unemployment rates for full-time workers (5.3 percent) and part-time workers (8.4 percent) were little changed in February. The jobless rate for workers covered by State unemployment insurance programs, which had dropped substantially in January (from 4.1 to 3.4 percent), was also about unchanged over the month, at 3.5 percent.

The unemployment rate for white workers edged down in February (from 5.3 to 5.1 percent), while the rate for Negroes was about the same over the month (10.5 percent). This marked the first time since August 1969 that the

Negro-white jobless rate ratio has been at or above 2.0 to 1 for two successive months. The widening of this ratio in recent months stems from a sharp rise in joblessness among Negro youth and a decline among white adults.

The jobless rates for workers in most major industry groups in February moved down slightly from January. The largest movement took place in durable goods manufacturing, where the rate declined from 6.7 to 6.1 percent. Among the occupation groups, the rate for white-collar workers declined from 3.6 to 3.3 percent. This was mainly a result of a reduction in joblessness among professional and technical workers, whose rate moved down from 3.1 to 2.5 percent, its lowest level in 8 months.

TABLE A.—HIGHLIGHTS OF THE EMPLOYMENT SITUATION (SEASONALLY ADJUSTED)

Selected categories	Feb. 1972	Jan. 1972	Feb. 1971	1971— 4th qtr.	3d qtr.	2d qtr.	1st qtr.	4th qtr. 1970
Millions of persons:								
Civilian labor force [1]	85.5	85.7	83.4	85.0	84.2	83.7	83.5	83.4
Total employment [1]	80.6	80.6	78.5	80.0	79.2	78.7	78.5	78.6
Unemployment	4.9	5.1	4.9	5.0	5.0	5.0	5.0	4.8
Percent of labor force:								
Unemployment rates:								
All workers	5.7	5.9	5.9	5.9	6.0	6.0	6.0	5.8
Adult men	4.0	4.2	4.3	4.3	4.4	4.4	4.3	4.2
Adult women	5.0	5.5	5.6	5.7	5.7	5.8	5.7	5.5
Teenagers	18.8	17.8	16.9	16.9	16.8	16.9	17.3	17.2
White	5.1	5.3	5.4	5.4	5.5	5.5	5.5	5.4
Negro and other races	10.5	10.6	9.6	10.1	10.1	9.9	9.5	9.2
Married men	2.8	3.0	3.2	3.2	3.2	3.2	3.2	3.2
Full-time workers	5.3	5.4	5.4	5.6	5.5	5.5	5.5	5.4
State insured	3.5	3.4	3.7	4.2	4.2	4.1	3.8	4.3
Millions of persons:								
Nonfarm payroll employment	71.7	71.6	70.4	71.0	70.6	70.7	70.4	70.1
Goods-producing industries	22.5	22.5	22.5	22.4	22.4	22.5	22.5	22.6
Service-producing industries	49.2	49.1	47.9	48.6	48.3	48.1	47.9	47.6
Hours of work:								
Average weekly hours:								
Total private nonfarm	37.2	37.0	37.0	37.1	36.8	37.0	37.0	36.9
Manufacturing	40.4	40.0	39.8	40.1	39.8	39.9	39.8	39.5
Manufacturing overtime	3.1	2.9	2.8	3.0	2.9	2.9	2.8	2.7

[1] Civilian labor force and total employment figures for periods prior to January 1972 are not strictly comparable with data for this and subsequent months because of the introduction of 1970 census data into the estimation procedures. As a result of these adjustments, the labor force and employment were raised by a little over 300,000.

Note: Payroll employment and hours figures for latest 2 months are preliminary.

Source: Table A-1, A-3, B-1, and B-2.

The number of workers jobless less than 5 weeks was 2.1 million, seasonally adjusted, 220,000 below the January level. By contrast, the number unemployed for 27 weeks or more rose over the month. Partly as a result of these movements, the average (mean) duration of joblessness increased to 12.5 weeks in February, seasonally adjusted. During the past 10 months, the average duration has fluctuated between 11.4 and 12.6 weeks.

CIVILIAN LABOR FORCE AND TOTAL EMPLOYMENT

The civilian labor force, at 85.5 million, seasonally adjusted, was little changed in February, as was total employment, at 80.6 million. Since February 1971, however, the civilian labor force has expanded by 1.7 million and employment by 1.8 million (after eliminating the effects of the population control adjustment introduced in January 1972). Over the year, employment of adult men has risen by about 900,000, employment of adult women by 700,000, and employment of teenagers by 200,000. Since last summer, the gains have been concentrated among adult women.

VIETNAM ERA VETERANS

The employment situation for Vietnam Era veterans 20 to 29 years old improved in February, as employment continued to rise while unemployment did not show the usual seasonal increase. About 4.1 million veterans were in the labor force in February; 3.7 million held jobs and 400,000 were unemployed. After seasonal adjustment, the unemployment rate for veterans, at 7.4 percent, was substantially below the January level of 8.5 percent and the lowest in more than a year. (See table A–7.)

Young veterans 20 to 24 years old accounted for most of the over-the-month reduction in the veterans' unemployment rate. Their jobless rate in February was 9.7 percent, seasonally adjusted, down from 12.3 percent in January. The unemployment rate for young veterans 20 to 24 years old has generally been much higher than for nonveterans of the same age, but the improvement in February erased most of the difference. The rate for 25–29 year-old veterans, at 5.4 percent, was about the same as a month earlier.

For all nonveterans 20 to 29 years old, the seasonally adjusted unemployment rate of 7.0 percent was essentially the same as in January and most of 1971. Contrary to its previous pattern, the nonveteran rate was not significantly below that for veterans.

INDUSTRY PAYROLL EMPLOYMENT

Nonfarm payroll employment stood at 71.7 million in February seasonally adjusted, little changed from the upward-revised January level. Over the last 6 months, however, payroll employment has risen by almost 1.2 million. In February, employment continued to gain in the service-producing industries, but this was partly offset by a decline in contract construction.

In the service-producing industries, employment rose 150,000, seasonally adjusted, as large gains were posted in trade, services, and State and local government. Since August 1971, service-producing employment has increased by nearly 1 million jobs.

The number of workers on contract construction payrolls dipped 80,000, seasonally adjusted, in February to 3.2 million, following a nearly equal increase between December and January. Employment in this industry has fluctuated around the narrow 3.2 to 3.3 million range over the past year and a half.

In manufacturing, employment was essentially unchanged in February, at 18.6 million (seasonally adjusted). There were no significant changes in either the durable or nondurable goods sectors.

HOURS OF WORK

The average workweek for all rank-and-file workers on private nonagricultural payrolls edged up in February. After seasonal adjustment, the average workweek rose 0.2 hour to 37.2 hours. This brought average hours back to the December level, the highest point since July 1970.

The largest increase in the workweek occurred in manufacturing—0.4 hour, seasonally adjusted—as average hours rose to 40.4 hours, their highest level since December 1969. Within manufacturing, the workweek in durable goods rose 0.5 hour to 41.0 hours, seasonally adjusted, following a decline of nearly an equal amount between December and January. The average workweek for durable goods has risen 1.3 hours since September. In nondurable goods, the average workweek rose 0.3 hour in February.

Overtime hours in manufacturing went up 0.2 hour in February to 3.1 hours, seasonally adjusted. This increase brought factory overtime back to its December level, which had been the highest level since March 1970.

HOURLY AND WEEKLY EARNINGS

Average hourly earnings of production and nonsupervisory workers on private nonagricultural payrolls in February were unchanged from January at $3.54, both before and after seasonal adjustment. Compared with a year ago, average hourly earnings were up 19 cents, or 5.7 percent.

Due to the slight rise in the actual workweek, average weekly earnings in February rose 35 cents to $130.27. After adjusting for seasonality, average weekly earnings were up 71 cents over the month.

Compared with February 1971, average weekly earnings have risen $7.66 or 6.2 percent. During the latest 12-month period for which the Consumer Price Index is available—January 1971 to January 1972—consumer prices rose 3.4 percent.

HOURLY EARNINGS INDEX

In February, the Bureau's Hourly Earnings Index, seasonally adjusted, was 134.2 (1967=100), about the same as in January according to preliminary figures.

TABLE B.—HOURLY EARNINGS INDEX FOR PRODUCTION OR NONSUPERVISORY WORKERS IN PRIVATE NONFARM INDUSTRIES, SEASONALLY ADJUSTED

[1967=100]

Industry	February [1] 1972	January [1] 1972	December 1971	November 1971	February 1971	Percent change: January 1972–February 1972	Percent change: February 1971–February 1972
Total private nonfarm:							
Current dollars	134.2	134.3	133.5	131.6	126.7	−.1	5.9
Constant (1967) dollars	[2]	108.9	108.5	107.3	105.6	[3]	[4]
Mining	132.6	133.6	132.8	126.2	124.1	−.7	6.9
Contract construction	144.2	144.0	142.7	142.1	134.2	.2	7.4
Manufacturing	132.3	132.4	131.6	129.0	125.0	[5]	5.9
Transportation and public utilities	137.7	137.7	136.2	133.4	126.5	[5]	8.9
Wholesale and retail trade	132.0	132.3	131.8	130.1	125.3	−.2	5.3
Finance, insurance, and real estate	129.7	130.4	129.4	127.9	124.0	−.5	4.6
Services	133.6	134.0	133.1	131.9	128.1	−.3	4.3

[1] Preliminary.
[2] Data not available.
[3] Percent change was 0.3 from December 1971 to January 1972, the latest month available.
[4] Percent change was 3.1 from January 1971 to January 1972, the latest month available.
[5] Less than 0.05 percent.

Note: All series are in current dollars except where indicated.

The index was 5.9 percent higher than February a year ago. (See table B.) Between February 1971 and February 1972, all industries posted increases, ranging from 4.3 percent in services to 8.9 percent in transportation and public utilities. Because erratic monthly fluctuations can occur in the index, changes over longer intervals than a month should be observed before reaching conclusions as to a trend.

During the 12-month period ending in January, the Hourly Earnings Index in dollars of constant purchasing power rose 3.1 percent.

The index is designed to measure underlying wage movements for production or nonsupervisory workers in the private nonfarm economy. It is adjusted to exclude effects of two types of changes that are unrelated to underlying wage rate developments: fluctuations in overtime premiums in manufacturing (the only sector for which overtime data are available) and the effects of shifts of workers between high-wage and low-wage industries. However, it is not a pure measure of wage rate change, since it is affected by such factors as fluctuations of earnings under incentive plans, changes in the proportion of low- and high-paid workers within establishments, and overtime variations outside of manufacturing.

This release presents and analyzes statistics from two major surveys. Data on labor force, total employment, and unemployment are derived from the sample survey of households conducted and tabulated by the Bureau of the Census for the Bureau of Labor Statistics. Statistics on payroll employment, hours, and earnings are collected by State agencies from payroll records of employers and are tabulated by the Bureau of Labor Statistics. A description of the two surveys appears in the BLS publication *Employment and Earnings.*

Note: Figures for periods prior to January 1972 in the tables and charts are not strictly comparable with current data because of the introduction of 1970 Census data into the estimation procedures. For example, the civilian labor force and employment totals were raised by more than 300,000 as a result of the census adjustment. An explanation of the changes and an indication of the differences appears in "Revisions in the Current Population Survey" in the February 1972 issue of *Employment and Earnings.*

TABLE A-1.—EMPLOYMENT STATUS OF THE NONINSTITUTIONAL POPULATION BY SEX AND AGE

[In thousands]

Employment status, age, and sex	February 1972	January 1972	February 1971	Seasonally adjusted: February 1972	January 1972	December 1971	November 1971	October 1971
TOTAL								
Total labor force	87,318	87,147	85,653	88,075	88,301	87,883	87,812	87,467
Civilian labor force	84,778	84,553	82,703	85,535	85,707	85,225	85,116	84,750
Employed	79,356	79,106	77,262	80,623	80,636	80,098	80,020	79,832
Agriculture	2,909	2,869	2,846	3,357	3,393	3,400	3,419	3,416
Nonagricultural industries	76,458	76,237	74,415	77,266	77,243	76,698	76,601	76,416
On part time for economic reasons	2,234	2,321	2,390	2,303	2,429	2,388	2,604	2,502
Usually work full time	1,147	1,220	1,267	1,127	1,146	1,084	1,263	1,148
Usually work part time	1,087	1,101	1,123	1,176	1,283	1,304	1,341	1,354
Unemployed	5,412	5,447	5,442	4,912	5,071	5,127	5,096	4,918
MEN, 20 YEARS AND OVER								
Civilian labor force	48,126	48,039	47,281	48,181	48,259	48,169	48,200	48,179
Employed	45,665	45,554	44,698	46,255	46,247	46,080	46,066	46,124
Agriculture	2,243	2,230	2,194	2,394	2,442	2,439	2,503	2,494
Nonagricultural industries	43,422	43,323	42,504	43,861	43,805	43,641	43,563	43,630
Unemployed	2,461	2,485	2,582	1,926	2,012	2,089	2,134	2,055
WOMEN, 20 YEARS AND OVER								
Civilian labor force	29,535	29,468	28,804	29,358	29,424	29,284	29,254	29,082
Employed	27,940	27,774	27,071	27,878	27,794	27,592	27,571	27,471
Agriculture	419	408	386	575	564	547	528	530
Nonagricultural industries	27,251	27,366	26,685	27,303	27,230	27,045	27,043	26,941
Unemployed	1,595	1,695	1,733	1,480	1,630	1,692	1,683	1,611
BOTH SEXES, 16-19 YEARS								
Civilian labor force	7,117	7,046	6,619	7,996	8,024	7,772	7,662	7,489
Employed	5,761	5,779	5,492	6,490	6,595	6,426	6,383	6,237
Agriculture	247	230	265	388	387	414	388	392
Nonagricultural industries	5,514	5,548	5,227	6,102	6,208	6,102	5,995	5,845
Unemployed	1,356	1,267	1,127	1,506	1,429	1,346	1,279	1,252

TABLE A-2.—FULL-TIME AND PART-TIME STATUS OF THE CIVILIAN LABOR FORCE BY SEX AND AGE

[Numbers in thousands]

Full-time and part-time employment status, sex, and age	February 1972	February 1971	Seasonally adjusted: February 1972	January 1972	December 1971	November 1971	October 1971	February 1971
FULL TIME								
Total, 16 years and over:								
Civilian labor force	71,565	70,304	72,997	73,261	73,170	73,020	72,550	71,628
Employed	67,333	66,012	69,123	69,279	69,023	68,889	68,643	67,753
Unemployed	4,233	4,292	3,874	3,982	4,147	4,131	3,907	3,875
Unemployment rate	5.9	6.1	5.3	5.4	5.7	5.7	5.4	5.4
Men, 20 years and over:								
Civilian labor force	45,619	44,920	45,847	45,892	45,805	45,898	45,766	45,110
Employed	43,369	42,554	44,074	44,061	43,881	43,909	43,848	43,246
Unemployed	2,250	2,365	1,773	1,831	1,924	1,989	1,918	1,864
Unemployment rate	4.9	5.3	3.9	4.0	4.2	4.3	4.2	4.1
Women, 20 years and over:								
Civilian labor force	22,895	22,521	22,921	23,009	22,992	22,985	22,735	22,542
Employed	21,583	21,160	21,691	21,704	21,680	21,643	21,464	21,266
Unemployed	1,312	1,361	1,230	1,305	1,312	1,342	1,271	1,276
Unemployment rate	5.7	6.0	5.4	5.7	5.7	5.8	5.6	5.7
PART TIME								
Total, 16 years and over:								
Civilian labor force	13,213	12,399	12,540	12,595	12,083	12,125	12,190	11,757
Employed	12,034	11,250	11,482	11,476	11,072	11,094	11,158	10,732
Unemployed	1,179	1,149	1,058	1,119	1,011	1,031	1,032	1,025
Unemployment rate	8.9	9.3	8.4	8.9	8.4	8.5	8.5	8.7

Note: Persons on part-time schedules for economic reasons are included in the full-time employed category; unemployed persons are allocated by whether seeking full- or part-time work.

TABLE A-3.—MAJOR UNEMPLOYMENT INDICATORS, PERSONS 16 YEARS AND OVER

Selected categories	Thousands of persons unemployed		Seasonally adjusted rates of unemployment					
	February 1972	February 1971	February 1972	January 1972	December 1971	November 1971	October 1971	February 1971
Total (all civilian workers)	5,412	5,442	5.7	5.9	6.0	6.0	5.8	5.9
Men, 20 years and over	2,461	2,582	4.0	4.2	4.3	4.4	4.3	4.3
Women, 20 years and over	1,595	1,733	5.0	5.5	5.8	5.8	5.5	5.6
Both sexes, 16–19 years	1,356	1,127	18.8	17.8	17.3	16.7	16.7	16.9
White	4,383	4,511	5.1	5.3	5.4	5.6	5.3	5.4
Negro and other races	1,028	931	10.5	10.6	10.4	9.4	10.4	9.6
Married men	1,461	1,645	2.8	3.0	3.2	3.3	3.0	3.2
Full-time workers	4,233	4,292	5.3	5.4	5.7	5.7	5.4	5.4
Part-time workers	1,179	1,149	8.4	8.9	8.4	8.5	8.5	8.7
Unemployed 15 weeks and over[1]	1,422	1,179	1.5	1.4	1.5	1.5	1.5	1.3
State insured[2]	2,553	2,744	3.5	3.4	4.1	4.1	4.4	3.7
Labor force time lost[3]			6.1	6.4	6.4	6.4	6.5	6.4
OCCUPATION[4]								
White-collar workers	1,410	1,429	3.3	3.6	3.6	3.4	3.4	3.5
Professional and technical	271	332	2.5	3.1	2.9	2.9	3.1	3.2
Managers and administrators, except farm	154	155	1.6	1.9	1.8	1.9	1.7	1.6
Sales workers	263	251	4.0	4.4	4.0	3.9	3.9	4.0
Clerical workers	721	691	4.7	4.7	4.9	4.6	4.7	4.8
Blue-collar workers	2,598	2,694	7.0	7.1	7.5	7.5	7.1	7.4
Craftsmen and kindred workers	678	657	4.4	4.3	4.8	4.6	4.7	4.5
Operatives	1,276	1,427	7.5	7.9	8.2	8.2	7.8	8.5
Nonfarm laborers	644	610	11.8	11.6	11.9	11.8	10.6	11.1
Service workers	742	743	5.9	6.1	6.4	6.6	6.0	6.0
Farm workers	89	102	2.7	2.8	2.7	3.7	1.9	3.2
INDUSTRY[4]								
Nonagricultural private wage and salary workers[5]	4,262	4,410	5.9	6.1	6.3	6.2	5.9	6.2
Construction	689	668	10.3	9.8	11.2	9.7	10.2	10.9
Manufacturing	1,422	1,635	6.0	6.4	6.9	6.6	6.2	6.8
Durable goods	838	1,013	6.1	6.7	6.7	6.7	6.4	7.2
Nondurable goods	584	622	6.0	6.0	7.1	6.3	5.8	6.4
Transportation and public utilities	222	225	3.9	4.1	4.1	4.4	4.3	4.1
Wholesale and retail trade	1,095	1,049	6.2	6.3	6.5	6.6	6.1	6.2
Finance and service industries	816	806	4.9	5.3	4.9	5.1	4.9	4.9
Government wage and salary workers	377	334	2.8	3.0	3.2	3.2	3.2	2.7
Agricultural wage and salary workers	119	128	8.3	8.6	7.5	9.6	7.0	9.5

[1] Unemployment rate calculated as a percent of civilian labor force.
[2] Insured unemployment under State programs—unemployment rate calculated as a percent of average covered employment.
[3] Man-hours lost by the unemployed and persons on part time for economic reasons as a percent of potentially available labor force man-hours.
[4] Unemployment by occupation includes all experienced unemployed persons, whereas that by industry covers only unemployed wage and salary workers.
[5] Includes mining, not shown separately.

TABLE A-4.—UNEMPLOYED PERSONS 16 YEARS AND OVER BY DURATION OF UNEMPLOYMENT

[In thousands]

Duration of unemployment	February 1972	February 1971	Seasonally adjusted					
			February 1972	January 1971	December 1971	November 1971	October 1971	February 1971
Less than 5 weeks	2,080	2,154	2,142	2,358	2,410	2,290	2,140	2,218
5 to 14 weeks	1,909	2,108	1,454	1,502	1,509	1,650	1,529	1,605
15 weeks and over	1,422	1,179	1,294	1,198	1,273	1,311	1,253	1,073
15 to 26 weeks	766	728	634	646	724	741	628	619
27 weeks and over	656	451	660	562	549	570	625	454
Average (mean) duration, in weeks	12.6	10.5	12.5	11.8	11.4	11.8	12.5	10.4

TABLE A-5.—UNEMPLOYED PERSONS BY REASON FOR UNEMPLOYMENT

[Numbers in thousands]

Reason for unemployment	February 1972	February 1971	Seasonally adjusted: February 1972	January 1972	December 1971	November 1971	October 1971	February 1971
NUMBER OF UNEMPLOYED								
Lost last job	2,677	2,958	2,077	2,169	2,365	2,360	2,206	2,295
Left last job	611	644	603	564	666	629	541	635
Reentered labor force	1,557	1,372	1,503	1,652	1,432	1,493	1,486	1,325
Never worked before	566	468	713	742	736	651	663	589
PERCENT DISTRIBUTION								
Total unemployed	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Lost last job	49.5	54.3	42.4	42.3	45.4	46.0	45.1	47.4
Left last job	11.3	11.8	12.3	11.0	12.8	12.3	11.0	13.1
Reentered labor force	28.8	25.2	30.7	32.2	27.5	29.1	30.4	27.4
Never worked before	10.5	8.6	14.6	14.5	14.2	12.7	13.5	12.2
UNEMPLOYED AS A PERCENT OR THE CIVILIAN LABOR FORCE								
Lost last job	3.1	3.6	2.4	2.5	2.8	2.8	2.6	2.8
Left last job	.7	.8	.7	.7	.8	.7	.6	.8
Reentered labor force	1.8	1.7	1.8	1.9	1.7	1.8	1.8	1.6
Never worked before	.7	.6	.8	.9	.9	.8	.8	.7

TABLE A-6.—UNEMPLOYED PERSONS BY AGE AND SEX

Age and sex	Thousands of persons: February 1972	Thousands of persons: February 1971	Percent looking for full-time work, February 1972	Seasonally adjusted employment rates: February 1972	January 1972	December 1971	November 1971	October 1971	February 1971
Total, 16 years and over	5,412	5,442	78.2	5.7	5.9	6.0	6.0	5.8	5.9
16 to 19 years	1,356	1,127	49.5	18.8	17.8	17.3	16.7	16.7	16.9
16 and 17 years	611	472	26.5	22.0	19.1	18.8	18.3	19.9	18.0
18 and 19 years	745	655	68.3	16.7	16.8	16.3	15.4	14.5	16.1
20 to 24 years	1,205	1,224	84.4	8.8	10.1	10.1	10.4	9.2	9.6
25 years and over	2,850	3,091	89.3	3.6	3.7	4.1	4.0	4.0	4.0
25 to 54 years	2,314	2,479	90.1	3.7	3.9	4.3	4.2	4.3	4.1
55 years and over	536	611	85.8	3.1	3.1	3.4	3.4	3.0	3.5
Males, 16 years and over	3,293	3,236	80.8	5.3	5.3	5.4	5.4	5.3	5.3
16 to 19 years	832	654	49.5	19.6	17.3	17.3	16.2	16.5	16.5
16 and 17 years	377	298	25.2	21.8	18.7	19.0	18.1	20.3	17.9
18 and 19 years	455	355	69.7	17.6	16.1	16.0	14.7	13.7	15.2
20 to 24 years	736	730	85.9	9.2	10.4	10.5	10.7	9.7	9.9
25 years and over	1,726	1,852	93.7	3.2	3.2	3.5	3.5	3.5	3.5
25 to 54 years	1,358	1,421	95.9	3.2	3.3	3.6	3.7	3.7	3.3
55 years and over	368	430	85.6	3.2	3.0	3.0	3.2	2.9	3.8
Females, 16 years and over	2,119	2,206	74.1	6.4	6.9	7.0	6.9	6.7	6.8
16 to 19 years	524	473	49.4	17.9	18.4	17.3	17.3	17.0	17.4
16 and 17 years	234	174	28.6	22.3	19.6	18.5	18.7	19.2	18.2
18 and 19 years	290	299	66.2	15.6	17.7	16.7	16.2	15.6	17.1
20 to 24 years	470	494	81.9	8.4	9.6	9.6	10.0	8.6	9.2
25 years and over	1,125	1,239	82.4	4.3	4.6	5.0	4.8	4.9	4.8
25 to 54 years	957	1,058	81.7	4.7	4.9	5.4	5.2	5.3	5.4
55 years and over	169	181	85.8	2.9	3.3	3.9	3.7	3.0	3.1

TABLE A-7.—EMPLOYMENT STATUS OF MALE VIETNAM ERA VETERANS AND NONVETERANS 20 TO 29 YEARS OLD

[Numbers in thousands]

Employment status	Feb. 1972	Jan. 1972	Feb. 1971	Seasonally adjusted: Feb. 1972	Jan. 1972	Dec. 1971	Nov. 1971	Oct. 1971	Feb. 1971
VETERANS [1]									
Total, 20 to 29 years old:									
Civilian noninstitutional population	4,436	4,380	3,807	(2)	(2)	(2)	(2)	(2)	(2)
Civilian labor force	4,086	3,974	3,472	4,100	3,390	3,985	3,957	3,910	3,476
Employed	3,690	3,574	3,091	3,798	3,649	3,650	3,621	3,598	3,184
Unemployed	396	400	381	302	341	335	336	312	292
Unemployment rate	9.7	10.1	11.1	7.4	8.5	8.4	9.5	8.0	8.4
20 to 24 years:									
Civilian noninstitutional population	2,008	1,991	1,893	(2)	(2)	(2)	(2)	(2)	(2)
Civilian labor force	1,811	1,749	1,660	1,842	1,745	1,773	1,786	1,790	1,676
Employed	1,585	1,502	1,408	1,663	1,530	1,550	1,572	1,616	1,477
Unemployed	226	245	252	179	215	223	214	174	199
Unemployment rate	12.5	14.1	15.2	9.7	12.3	12.6	12.0	9.7	11.9
25 to 29 years:									
Civilian noninstitutional population	2,428	2,389	1,194	(2)	(2)	(2)	(2)	(2)	(2)
Civilian labor force	2,275	2,225	2,812	2,258	2,245	2,212	2,171	2,120	1,800
Employed	2,105	2,072	1,683	2,135	2,119	2,110	2,049	1,982	1,707
Unemployed	170	153	129	123	126	112	122	138	93
Unemployment rate	7.5	6.9	7.1	5.4	5.6	5.1	5.6	6.5	5.2
NONVETERANS									
Total, 20 to 29 years old									
Civilian noninstitutional population	9,707	9,662	9,209	(2)	(2)	(2)	(2)	(2)	(2)
Civilian labor force	8,215	8,248	7,821	8,368	8,425	8,483	8,346	8,284	7,959
Employed	7,502	7,516	7,139	7,783	7,793	7,834	7,668	7,680	7,400
Unemployed	713	732	682	584	632	649	678	604	559
Unemployment rate	8.7	8.9	8.7	7.0	7.5	7.7	8.1	7.3	7.0
20 to 24 years:									
Civilian noninstitutional population	5,802	5,790	5,332	(2)	(2)	(2)	(2)	(2)	(2)
Civilian labor force	4,507	4,569	4,139	4,665	4,751	4,706	4,576	4,546	4,282
Employed	3,998	4,053	3,663	4,244	4,284	4,255	4,105	4,125	3,889
Unemployed	509	516	476	421	467	451	471	421	393
Unemployment rate	11.3	11.3	11.5	9.0	9.8	9.6	10.3	9.3	9.3
25 to 29 years:									
Civilian noninstitutional population	3,905	3,872	3,877	(2)	(2)	(2)	(2)	(2)	(2)
Civilian labor force	1,708	3,679	3,682	3,703	3,674	3,777	3,770	3,738	3,677
Employed	3,504	3,463	3,476	3,539	3,509	3,579	3,563	3,555	3,551
Unemployed	204	216	206	164	165	198	207	183	166
Unemployment rate	5.5	5.9	5.6	4.4	4.5	5.2	5.5	4.9	4.5

[1] Vietnam era veterans are those who served after Aug. 4, 1964; they are all classified as war veterans. Over 80 percent of the Vietnam era veterans of all ages are 20 to 29 years old. Post-Korean-peacetime veterans 20 to 29 years old are not included in this tiable.

[2] Not applicable.

TABLE B-1.—EMPLOYEES ON NONAGRICULTURAL PAYROLLS, BY INDUSTRY

[In thousands]

Industry	Not seasonally adjusted						Seasonally adjusted			
					Change from					
	February 1972[1]	January 1972[1]	December 1971	February 1971	January 1972	February 1971	February 1972[1]	January 1972[1]	December 1971	Change from January 1972
Total	70,733	70,661	72,034	69,450	72	1,283	71,686	71,603	71,185	83
Goods-producing (total)	21,952	22,005	22,377	21,984	−53	−32	22,476	22,544	22,418	−68
Mining	597	601	605	606	−4	−9	613	615	607	−2
Contract construction	2,880	2,963	3,177	2,846	−83	34	3,236	3,318	3,245	−82
Manufacturing	18,475	18,441	18,595	18,532	34	−57	18,627	18,611	18,566	16
Production workers	13,408	13,372	13,514	13,378	36	30	13,539	13,523	13,474	16
Durable goods	10,541	10,519	10,575	10,597	22	−56	10,588	10,573	10,548	15
Production workers	7,602	7,578	7,629	7,591	24	11	7,640	7,625	7,594	15
Ordnance and accessories	182.5	184.2	185.5	200.7	−1.7	−18.2	182	183	184	−1
Lumber and wood products	578.3	584.2	591.8	550.7	−5.9	27.6	594	604	600	−10
Furniture and fixtures	474.7	477.5	478.3	447.3	−2.8	27.4	476	478	474	−2
Stone, clay, and glass products	619.0	620.4	627.3	604.8	−1.4	14.2	638	640	632	−2
Primary metal industries	1,181.1	1,177.3	1,168.6	1,260.4	3.8	−79.3	1,181	1,183	1,176	−2
Fabricated metal products	1,338.3	1,333.1	1,343.4	1,321.2	5.2	17.1	1,345	1,336	1,331	9
Machinery, except electrical	1,799.1	1,783.5	1,786.2	1,819.3	15.6	−20.2	1,790	1,785	1,793	5
Electrical equipment	1,801.3	1,797.9	1,805.8	1,790.3	3.4	11.0	1,803	1,796	1,793	7
Transportation equipment	1,721.4	1,729.3	1,743.3	1,776.1	−7.9	−54.7	1,716	1,716	1,719	0
Instruments and related products	440.4	432.9	435.3	430.3	7.5	10.1	442	434	434	8
Miscellaneous manufacturing	405.1	398.7	409.8	395.8	6.4	9.3	421	418	412	3

Nondurable goods	7,934	7,922	8,020	7,935	12	−1	8,039	8,038	8,018	1
Production workers	5,806	5,794	5,885	5,787	12	19	5,899	5,898	5,880	1
Food and kindred products	1,668.8	1,691.6	1,734.0	1,682.9	−22.8	−14.1	1,749	1,760	1,748	−11
Tobacco manufactures	69.3	70.1	73.4	75.6	−.8	−6.3	72	71	69	1
Textile mill products	978.5	974.2	976.3	955.1	4.3	23.4	982	981	974	1
Apparel and other textile products	1,359.0	1,334.9	1,355.6	1,360.7	24.1	−1.7	1,358	1,352	1,357	6
Paper and allied products	682.3	684.7	693.5	685.8	−2.4	−3.5	687	688	690	−1
Printing and publishing	1,084.7	1,084.2	1,091.4	1,094.1	.5	−9.4	1,087	1,089	1,084	−2
Chemicals and allied products	999.7	995.7	1,001.0	1,019.4	4.0	−19.7	1,006	1,004	1,005	2
Petroleum and coal products	182.9	183.7	188.6	186.3	−.8	−3.4	188	188	191	0
Rubber and plastics products, nec	599.8	596.7	597.8	566.0	3.1	33.8	601	599	594	2
Leather and leather products	309.0	305.8	308.0	309.0	3.2	0	309	306	306	3
Service-producing	48,781	48,656	49,657	47,466	125	1,315	49,210	49,059	48,767	151
Transportation and public utilities	4,427	4,469	4,469	4,454	−12	−27	4,499	4,511	4,465	−12
Wholesale and retail trade	15,166	15,270	16,089	14,721	−104	445	15,514	15,451	15,315	63
Wholesale trade	3,882	3,877	3,915	3,799	5	83	3,929	3,908	3,884	21
Retail trade	11,284	11,393	12,174	10,922	−109	362	11,585	11,543	11,431	42
Finance, insurance, and real estate	3,847	3,837	3,841	3,715	10	132	3,882	3,876	3,860	6
Services	12,039	11,941	12,029	11,667	98	372	12,185	12,135	12,089	50
Government	13,302	13,169	13,229	12,909	133	393	13,130	13,086	13,038	44
Federal	2,651	2,646	2,684	2,646	5	5	2,667	2,667	2,669	0
State and local	10,651	10,523	10,545	10,263	128	388	10,463	10,419	10,369	44

[1] Preliminary

TABLE B-2.—AVERAGE WEEKLY HOURS OF PRODUCTION OR NONSUPERVISORY WORKERS [1] ON PRIVATE NONAGRICULTURAL PAYROLLS, BY INDUSTRY

Industry	February 1972 [2]	January 1972 [2]	December 1971	February 1971	Change from January 1972	Change from February 1971	Seasonally adjusted: February 1972 [2]	Seasonally adjusted: January 1972 [2]	Seasonally adjusted: December 1971	Seasonally adjusted: Change from January 1972
Total, private	36.8	36.7	37.3	36.6	0.1	0.2	37.2	37.0	37.2	0.2
Mining	42.2	42.4	42.8	41.9	−.2	.3	42.7	42.9	42.6	−.2
Contract construction	36.0	35.8	36.5	35.5	.2	.5	37.3	37.4	36.8	−.1
Manufacturing	40.0	39.8	40.7	39.4	.2	.6	40.4	40.0	40.3	.4
Overtime hours	2.9	2.8	3.2	2.7	.1	.2	3.1	2.9	3.1	.2
Durable goods	40 6	40.3	41.4	39.9	.3	.7	41.0	40.5	40.9	.5
Overtime hours	2.8	2.7	3.2	2.6	.1	.2	3.0	2.8	3.0	.2
Ordnance and accessories	42.7	42.1	42.4	41.2	.6	1.5	42.9	41.6	42.0	1.3
Lumber and wood products	40.1	39.9	40.8	39.3	.2	.8	40.6	40.8	40.8	−.2
Furniture and fixtures	39.9	39.9	40.9	38.7	0	1.2	40.8	40.5	39.9	.3
Stone, clay, and glass products	41.3	40.9	41.6	40.6	.4	.7	42.2	41.8	41.6	.3
Primary metal industries	41.0	40.5	41.0	40.5	.5	.5	41.1	40.4	41.0	.7
Fabricated metal products	40.5	40.2	41.3	39.8	.3	.7	41.1	40.5	40.9	.6
Machinery, except electrical	41.4	41.0	41.9	40.1	.4	1.3	41.4	41.0	41.3	.4
Electrical equipment	39.9	39.9	40.9	39.2	0	.7	40.4	40.0	40.3	.4
Transportation equipment	40.5	40.4	42.5	40.8	.1	−.3	41.2	40.5	41.7	.7
Instruments and related products	39.9	40.3	40.8	39.3	−.4	.6	40.3	40.5	40.4	−.2
Miscellaneous manufacturing	39.1	38.7	39.5	38.0	.4	1.1	39.5	39.0	39.2	.5
Nondurable goods	39.3	39.1	39.8	38.7	.2	.6	39.7	39.4	39.5	.3
Overtime hours	2.9	2.9	3.1	2.7	0	.2	3.1	3.1	3.0	0
Food and kindred products	39.6	39.7	40.6	40.0	−.1	−.4	40.0	40.0	40.3	0
Tobacco manufactures	33.2	34.0	36.0	35.6	−.8	−2.4	33.7	34.7	35.6	−1.0
Textile mill products	41.0	40.8	41.5	40.0	.2	1.0	41.2	41.3	41.0	−.1
Apparel and other textile products	35.9	35.4	35.9	34.7	.5	1.2	36.2	35.8	35.9	.4
Paper and allied products	42.4	41.9	42.8	41.4	.5	1.0	42.8	42.2	42.3	.7
Printing and publishing	37.3	37.1	38.0	37.1	.2	.2	37.6	37.5	37.5	.1
Chemicals and allied products	41.7	41.5	41.9	41.3	.2	.4	41.9	41.7	41.7	.2
Petroleum and coal products	42.2	41.8	42.3	42.3	.4	−.1	42.8	42.3	42.7	.5
Rubber and plastics products, n.e.c.	40.7	40.5	41.2	39.6	.2	1.1	41.0	40.7	40.9	.3
Leather and leather products	38.9	38.3	38.7	36.9	.6	2.0	38.9	38.1	37.9	.8
Transportation and public utilities	40.3	40.0	40.6	40.4	.3	−.1	40.5	40.2	40.5	.3
Wholesale and retail trade	34.8	34.7	35.5	34.6	.1	.2	35.3	35.1	35.3	.2
Wholesale trade	39.7	39.7	40.3	39.4	0	.3	40.0	39.8	40.0	.2
Retail trade	33.2	33.2	34.1	33.1	0	.1	33.7	33.7	33.9	0
Finance, insurance, and real estate	37.1	37.1	37.0	36.8	0	.3	37.1	37.1	37.0	0
Services	34.1	33.9	34.2	34.0	.2	.1	34.3	34.1	34.2	.2

[1] Data relate to production workers in mining and manufacturing; to construction workers in contract construction; and to nonsupervisory workers in transportation and public utilities; wholesale and retail trade; finance, insurance, and real estate; and services. These groups account for approximately 4/5 of the total employment on private nonagricultural payrolls.

[2] Preliminary.

TABLE B-3.—AVERAGE HOURLY AND WEEKLY EARNINGS OF PRODUCTION OR NONSUPERVISORY WORKERS[1] ON PRIVATE NONAGRICULTURAL PAYROLLS, BY INDUSTRY

Industry	Average hourly earnings						Average weekly earnings					
					Change from—						Change from—	
	February 1972[2]	January 1972[2]	December 1971	February 1971	January 1972	February 1971	February 1972[2]	January 1972[2]	December 1971	February 1971	January 1972	February 1971
Total private	$3.54	$3.54	$3.51	$3.35	0	$0.19	$130.27	$129.92	$130.92	$122.61	$0.35	$7.66
Seasonally adjusted	3.54	3.54	3.52	3.35	0	.19	131.69	130.98	130.94	123.95	.71	7.74
Mining	4.27	4.31	4.27	4.00	−$0.04	.27	180.19	182.74	182.76	167.60	−2.55	12.59
Contract construction	5.98	5.98	5.93	5.56	0	.42	215.28	214.08	216.45	197.38	1.20	17.90
Manufacturing	3.71	3.70	3.69	3.51	.01	.20	148.40	147.26	150.18	138.29	1.14	10.11
Durable goods	3.95	3.94	3.93	3.74	.01	.21	160.37	158.78	162.70	149.23	1.59	11.14
Ordnance and accessories	4.05	4.00	3.98	3.77	.05	.28	172.94	168.40	168.75	155.32	4.54	17.62
Lumber and wood products	3.16	3.19	3.19	3.06	−.03	.10	126.72	127.28	130.15	120.26	−.56	6.46
Furniture and fixures	2.98	2.98	2.98	2.84	0	.14	118.90	118.90	121.88	109.91	0	8.99
Stone, clay, and glass products	3.77	3.75	3.74	3.55	.02	.22	155.70	153.38	155.58	144.13	2.32	11.57
Primary metal industries	4.57	4.54	4.50	4.09	.03	.48	187.37	183.87	184.50	165.65	3.50	21.72
Fabricated metal products	3.88	3.88	3.87	3.67	0	.21	157.14	155.98	159.83	146.07	1.16	11.07
Machinery, except electrical	4.18	4.17	4.16	3.90	.01	.28	173.05	170.97	174.30	156.39	2.08	16.66
Electrical equipment	3.61	3.61	3.60	3.43	0	.18	144.04	144.04	147.24	134.46	.00	9.58
Transportation equipment	4.60	4.60	4.62	4.44	0	.16	186.30	185.84	196.35	181.15	.46	5.15
Instruments and related products	3.63	3.64	3.62	3.48	−.01	.15	144.84	146.69	147.70	136.76	−1.85	8.08
Miscellaneous manufacturing	3.06	3.06	3.05	2.94	0	.12	119.65	118.42	120.48	111.72	1.23	7.93
Nondurable goods	3.39	3.38	3.36	3.20	.01	.19	133.23	132.16	133.73	123.84	1.07	9.39
Food and kindred products	3.51	3.51	3.51	3.32	0	.19	139.00	139.35	142.51	132.80	−.35	6.20
Tobacco manufactures	3.36	3.32	3.29	3.02	.04	.34	111.55	112.88	118.44	107.51	−1.33	4.04
Textile mill products	2.71	2.68	2.62	2.54	.03	.17	111.11	109.34	108.73	101.60	1.77	9.51
Apparel and other textile products	2.57	2.56	2.55	2.48	.01	.09	92.26	90.62	91.55	86.06	1.64	6.20
Paper and allied products	3.83	3.81	3.80	3.58	.02	.25	162.39	159.64	162.64	148.21	2.75	14.18
Printing and publishing	4.34	4.34	4.36	4.08	0	.26	161.88	161.01	165.68	151.37	.87	10.51
Chemicals and allied products	4.10	4.10	4.06	3.84	0	.26	170.97	170.15	170.11	158.59	.82	12.38
Petroleum and coal products	4.88	4.85	4.65	4.49	.03	.39	205.94	202.73	196.70	189.93	3.21	16.01
Rubber and plastic products, n.e.c.	3.55	3.53	3.53	3.32	.02	.23	144.49	142.97	145.44	131.47	1.52	13.02
Leather and leather products	2.69	2.67	2.65	2.58	.02	.11	104.64	102.26	102.56	95.20	2.38	9.44
Transportation and public utilities	4.46	4.45	4.41	4.08	.01	.38	179.74	178.00	179.05	164.83	1.74	14.91
Wholesale and retail trade	2.98	2.97	2.91	2.83	.01	.15	103.70	103.06	103.31	97.92	.64	5.78
Wholesale trade	3.82	3.81	3.79	3.59	.01	.23	151.65	151.26	152.74	141.45	.39	10.20
Retail trade	2.66	2.65	2.61	2.54	.01	.12	88.31	87.98	89.00	84.07	.33	4.24
Finance, insurance, and real estate	3.39	3.39	3.34	3.24	0	.15	125.77	125.77	123.58	119.23	0	6.54
Services	3.08	3.08	3.06	2.95	0	.13	105.03	104.41	104.65	100.30	.62	4.73

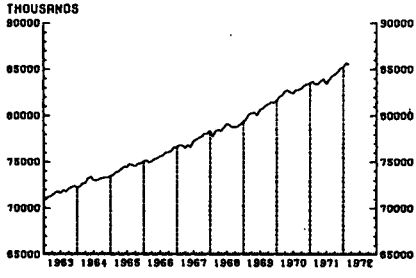
[1] See footnote 1, table B-2.

[2] Preliminary.

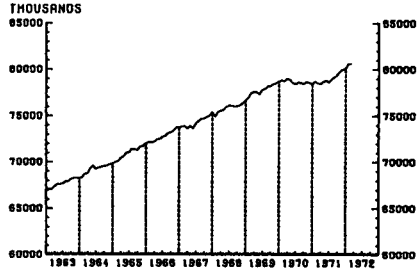
LABOR FORCE AND EMPLOYMENT—HOUSEHOLD SURVEY

SEASONALLY ADJUSTED

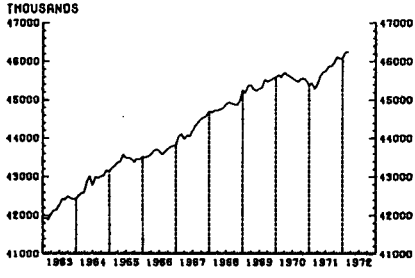
1. CIVILIAN LABOR FORCE



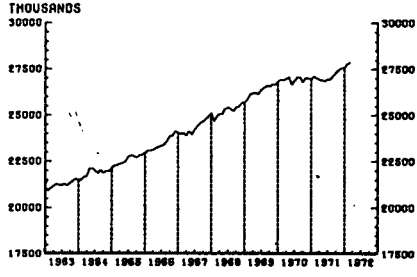
2. TOTAL EMPLOYMENT



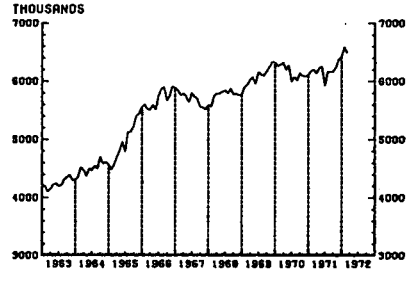
3. EMPLOYMENT OF ADULT MEN



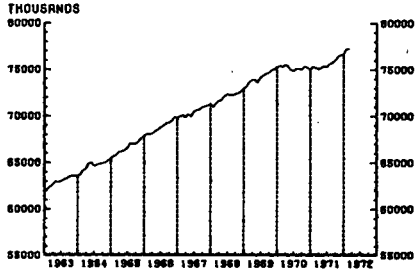
4. EMPLOYMENT OF ADULT WOMEN



5. EMPLOYMENT OF TEENAGERS



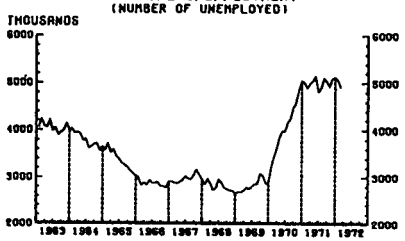
6. NONAGRICULTURAL EMPLOYMENT



UNEMPLOYMENT—HOUSEHOLD SURVEY

SEASONALLY ADJUSTED

7. TOTAL UNEMPLOYMENT
(NUMBER OF UNEMPLOYED)

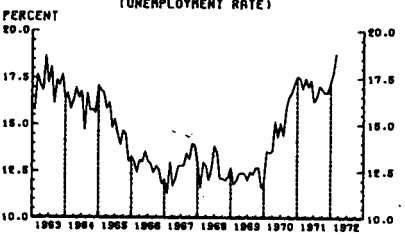


8. ALL CIVILIAN WORKERS
(UNEMPLOYMENT RATE)

9. ADULT MEN
(UNEMPLOYMENT RATE)

10. ADULT WOMEN
(UNEMPLOYMENT RATE)

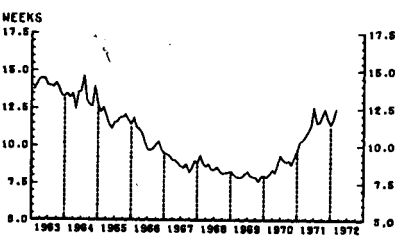
11. TEENAGERS
(UNEMPLOYMENT RATE)



12. MARRIED MEN
(UNEMPLOYMENT RATE)

13. STATE INSURED
(UNEMPLOYMENT RATE)

14. AVERAGE DURATION OF UNEMPLOYMENT

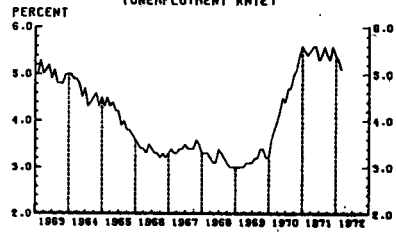


NOTE: Data for chart 13 represent the insured unemployed under State programs as a percent of average covered employment and are derived from administrative records of unemployment insurance systems.

UNEMPLOYMENT—HOUSEHOLD SURVEY

SEASONALLY ADJUSTED

15. WHITE WORKERS
(UNEMPLOYMENT RATE)

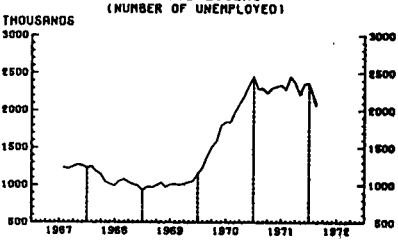


16. NEGRO AND OTHER RACES
(UNEMPLOYMENT RATE)

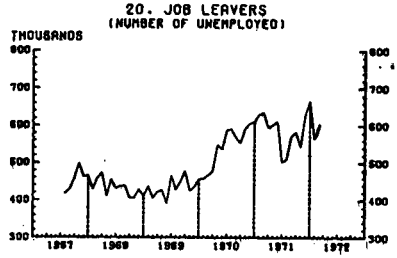
17. FULL-TIME WORKERS
(UNEMPLOYMENT RATE)

18. PART-TIME WORKERS
(UNEMPLOYMENT RATE)

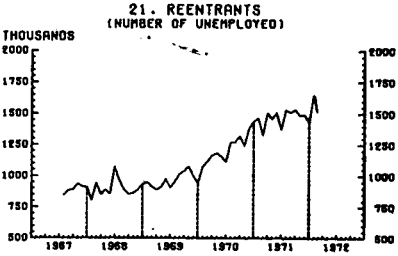
19. JOB LOSERS
(NUMBER OF UNEMPLOYED)



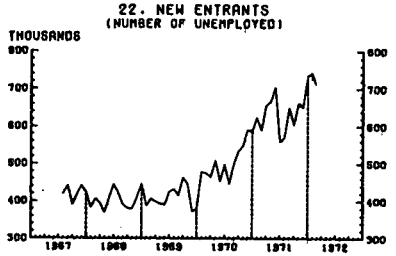
20. JOB LEAVERS
(NUMBER OF UNEMPLOYED)



21. REENTRANTS
(NUMBER OF UNEMPLOYED)



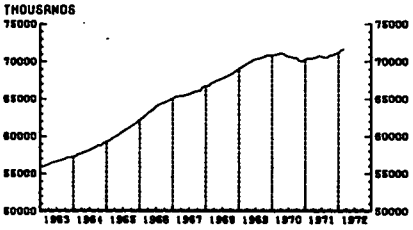
22. NEW ENTRANTS
(NUMBER OF UNEMPLOYED)



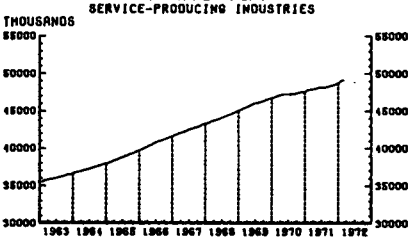
NONAGRICULTURAL EMPLOYMENT AND HOURS—ESTABLISHMENT SURVEY

SEASONALLY ADJUSTED

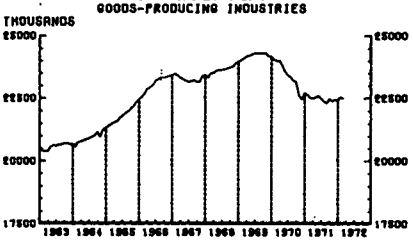
23. TOTAL NONAGRICULTURAL EMPLOYMENT



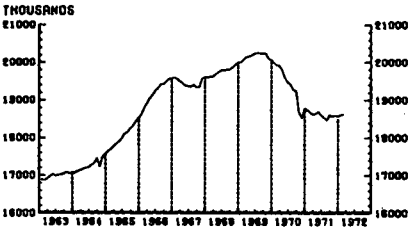
24. EMPLOYMENT
SERVICE-PRODUCING INDUSTRIES



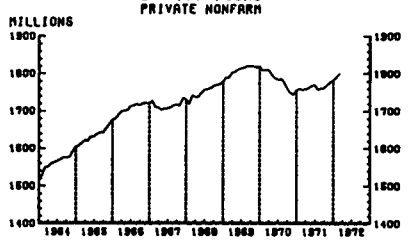
25. EMPLOYMENT
GOODS-PRODUCING INDUSTRIES



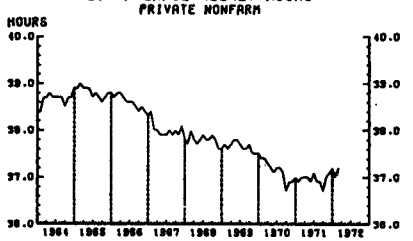
26. EMPLOYMENT IN MANUFACTURING



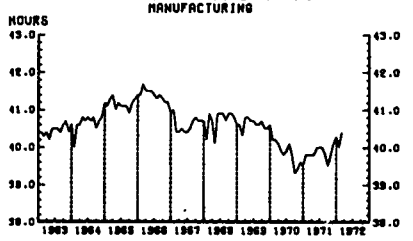
27. MAN-HOURS
PRIVATE NONFARM



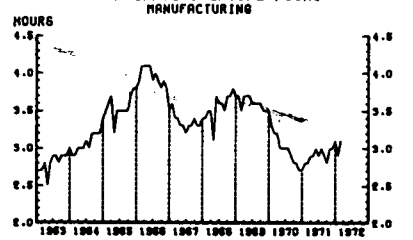
28. AVERAGE WEEKLY HOURS
PRIVATE NONFARM



29. AVERAGE WEEKLY HOURS
MANUFACTURING

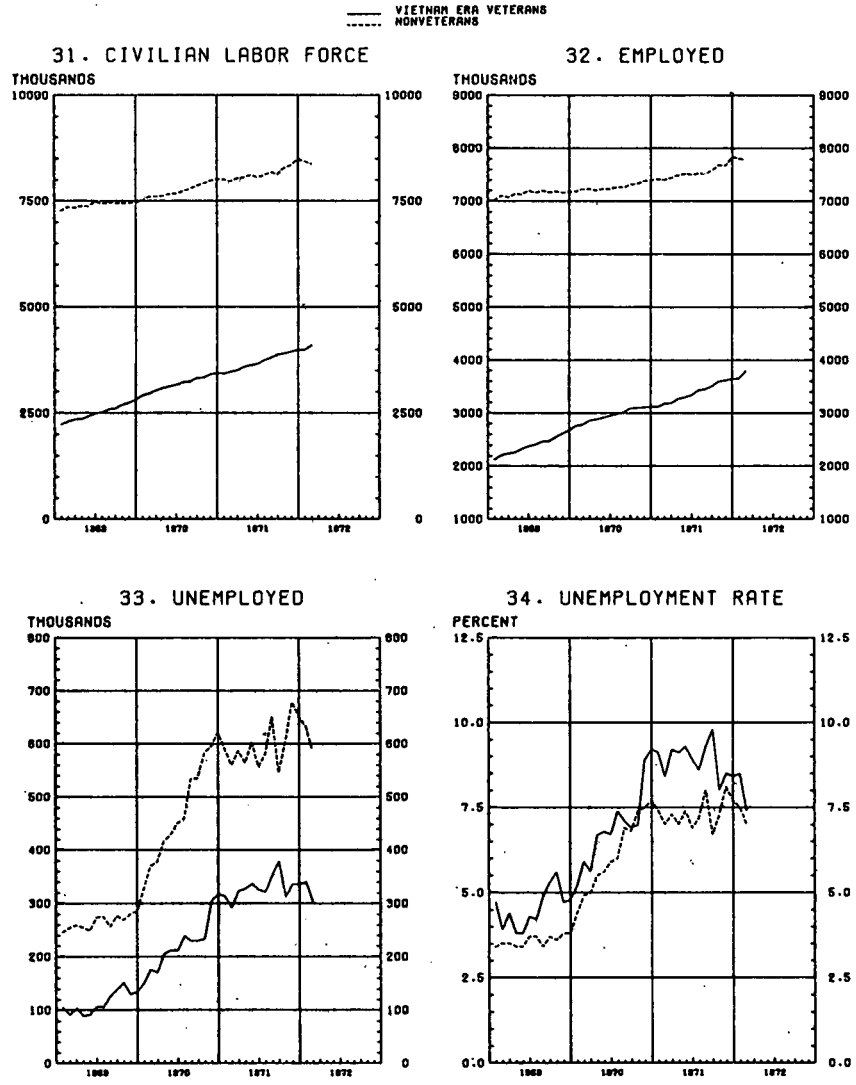


30. AVERAGE OVERTIME HOURS
MANUFACTURING



NOTE: Charts 27 and 28 relate to production or nonsupervisory workers; charts 29 and 30 relate to production workers. Data for the 2 most recent months are preliminary in charts 23-30.

EMPLOYMENT AND UNEMPLOYMENT OF VETERANS AND NONVETERANS 20-29 YEARS
SEASONALLY ADJUSTED



Mr. MOORE. The story is as you have indicated. With respect to unemployment it was 6 percent in December, 5.9 in January, and 5.7 in February. Total employment remained about the same in February as it was in January. Both months, though, are substantially higher than they were in December and a good deal higher than they were last summer. There has been an increase of about 1,300,000 in the total employment in the country since last summer.

The other measure that we have of employment, the payroll statistics which are obtained from employers rather than from households, was also little changed in February, but that, too, has gained substantially since last summer, an increase of about 1.2 million, I believe, since last July.

Looking at the details in the unemployment picture, the rate of unemployment this month, that is, between January and February, moved down most sharply among adult women, where the rate declined from 5.5 percent to 5 percent.

For adult men there was a small dip from 4.2 percent to 4. But for teenagers, there was an increase from 17.8 percent to 18.8 percent. That teenage rate, I think, is one of the most troublesome parts of our employment picture at the moment, since this rate is just about as high as it has ever been.

For married men, the jobless rate went down to 2.8 percent, and that is the lowest level since the summer of 1970.

The unemployment insurance rate which is obtained altogether independently from the household survey, and is simply another measure of the incidence of unemployment among those who are covered by unemployment insurance, remained about the same, 3.5 percent in the February survey week as compared with 3.4 last month.

Both of those rates, 3.4 and 3.5, are below where they were in December and earlier in the year when they were in the 4-percent range.

The unemployment rate for white workers went down slightly, from 5.3 to 5.1 percent. The rate for Negroes remained about the same, 10.5 percent. That, again, is another troublesome factor in the unemployment picture at the present time. The black rate has remained at a relatively high level.

One of the interesting developments this month, I think, has been the decline in unemployment among major industries. In the seven major industries for which we calculate an unemployment rate, basing it on whether a person who is now unemployed had his last job in that industry, six out of the seven industries had a decline in the unemployment rate from last month. While some of those declines were very small, it is a widespread movement. That is supported by the employment statistics on an industry basis that we get from our establishment survey, from the employers, in that among the 30 major industries that we survey, 25 had an increase in employment over the last 6 months.

Chairman PROXMIRE. How many industries?

Mr. MOORE. Twenty-five out of the 30 had an increase in employment over the last 6 months. A couple of them had no change and two or three had a decline.

One of the things as a student of the business cycle that I have always paid very close attention to during either a recession or a recovery is how widespread that recovery, if it is underway, has gotten.

This observation that I just made on how many industries are now showing a rise in employment I believe is showing that the recovery has become a very widespread movement.

A year ago the situation was just about the reverse, with something like three-quarters or 80 percent of the industries that we survey showing a decline in employment. The shift in the behavior of industry employment has come about fairly gradually, fairly steadily, and it is just about as high as it has ever been in terms of the proportion of industries that are now showing increases.

The same thing is true, I might add, with respect to the workweek. There has been a very widespread upward movement in the workweek in manufacturing, and this month the average workweek in manufacturing went to 40.4 hours, which is the highest figure, I believe, since July 1970. Again, most industries in the manufacturing sector have been showing increases in the workweek over the last 6 to 9 months.

The duration of joblessness, how long it lasts for those who are unemployed, has levelled off over the last 8 to 10 months at around about 12 weeks. This month, in February, the average turned out to be 12½ weeks. It has fluctuated in the last 10 months between 11½ and 12½ weeks.

One of the elements in a recovery that one expects to see happen as the employment situation improves is a reduction in the average length of unemployment. There has been no appreciable reduction yet, but in the last 8 to 10 months there has been no increase either.

The employment and unemployment situation for Vietnam veterans showed a substantial improvement this month, also. The unemployment rate for veterans is 7.4 percent, which is down from the January level of 8.5 percent, and is the lowest level in more than a year. Comparatively, the veterans' rate has almost reached the level for nonveterans of the same age group. Most of the time in the past it has been higher than the nonveteran rate, but in February it was almost at the same level.

The employment report also contains information on hourly earnings. They remained in February at the January level of $3.54. That is an average for all nonsupervisory and production workers in private nonfarm jobs. That was up about 5.7 percent from a year ago.

The index that we compute regularly now and release in this report on average hourly earnings was also about the same in February as in January, 5.9 percent higher than a year ago.

Over the year the hourly earnings index, which I think is one of our best measures of the underlying movements in wage rates, has been definitely exceeding the rise in prices. The price index over the year has been rising about 3 to 3.5 percent, and the nearly 6 percent increase in wages have meant that real earnings have gone up something like 3 percent during the last 12 months.

Well, that summarizes the story that we have in our press release this month, Mr. Chairman. I will be glad to answer any questions.

Chairman PROXMIRE. Thank you, Commissioner Moore. I think it is interesting that you say veterans' unemployment has dropped decidedly, and real wages continue to rise.

The staff has pointed out to me, that there does seem to be one particular peculiar element in the statistics this month. I am referring

to the staff of the Joint Economic Committee. It goes back to what you and Secretary Hodgson and other administrations have stressed, to look at employment instead of unemployment. Employment involves 94 or 95 percent of the work force, instead of the 5 or 6 percent unemployed.

Employment didn't go up at all, even seasonably adjusted in February. That seems strange in a recovery period. The only reason unemployment declined in February, I am told, is because there was a labor force decline. You say in the press release that the civilian labor force seasonally adjusted was little change in February. Yet, when I look at the table A of the press release, I see that the civilian labor force declined by 200,000.

Is that a statistically significant change, would you say?

Mr. MOORE. Our measures of the statistical significance of the month-to-month changes show that was not a significant decline, but it was a decline in the numbers. There is no question about that.

Chairman PROXMIRE. If employment had increased by 200,000, would you still call it insignificant?

Mr. MOORE. Our level of significance for total civilian employment is 239,000, and unless it approximately equals that it is not a statistically significant change.

Chairman PROXMIRE. Let me pursue this a little further. Suppose employment had stayed constant, as it did, and the labor force, instead of declining, had also stayed constant. Would not the unemployment rate then remain at 5.9 percent?

Mr. MOORE. Total unemployment certainly would have remained at the same level and the unemployment rate would have, also.

Chairman PROXMIRE. Suppose employment had stayed constant as it did and the labor force had grown by an average amount of 140,000. Then what would have happened to the unemployment rate? I calculate it would be about 6.1 percent.

Mr. MOORE. From the 5.9, I guess that would be about right.

Mr. KAITZ. What were the figures again?

Chairman PROXMIRE. Suppose employment had stayed constant, as it did, and the labor force had grown by an average amount of about 140,000. In that event, I calculate that unemployment would be 6.1 percent. So it seems that the significant factor that developed during this period in the labor market in February was that the labor force declined.

Mr. MOORE. Well, you can put it that way. But let me put it a little differently.

Chairman PROXMIRE. My own reaction is in the first place I have complete and absolute faith in your analysis. I know you are a completely honest man and very capable. I am very, very encouraged to see this drop. But I do think the staff raises a legitimate point. You say I could put it that way. What is wrong with putting it that way? Why is that unfair?

Mr. MOORE. Well, another way to put it is simply that we measure the number of employed and we also measure the number of unemployed. If we add them together we get the civilian labor force.

The reason why the civilian labor force went down is because unemployment went down. Employment remained the same and unemployment declined.

Chairman PROXMIRE. Perhaps what happened is we had more discouraged workers. Instead of the same people seeking work they gave up. This is what reflected a better unemployment figure, is that correct?

Mr. MOORE. Well, that is a possibility. I don't have any figures to establish that.

Chairman PROXMIRE. A decline of 200,000 in the labor force, in a growing country, demographic figures indicating more young people coming into the market all the time, we certainly wouldn't expect a drop in the size of the labor force, should we?

Mr. MOORE. No. But we wouldn't expect employment to remain constant either. It just happened to do so this month. In other words, there is a degree of fluctuation in these figures because of sampling and other events that happened during the month. One can't depend on them for a precise measurement of the month-to-month change. I don't personally know, really, what the significance is, if there is any, to the decline in the sum of the employment and the unemployment figure.

Chairman PROXMIRE. Let me say that one of the points which has been stressed, and I think with considerable effectiveness by the administration, is that we have had a growing labor force, especially in the last 6 months of 1971, which continued perhaps in January.

Now we don't have that in February. Because of this fact, you do have a drop in the unemployment statistic, the percentages having fallen. This does not seem to be the kind of drop in unemployment which many of us might expect. With growth in the economy, with more people at work, with the labor force growing, the employment growing more rapidly, that is quite a different picture.

Congressman Conable.

Representative CONABLE. I wanted to raise only one point in connection with this problem.

One thing that happens when the head of a household loses his job is that other members of his household go out and try to add to the family income in order to eke out a family's budget. Therefore, you can very easily have one man lose his job and three people go into the unemployment rolls, at least out seeking work. The son and the wife, for instance.

Isn't this a possible explanation of the decline in the labor force, also, if employment has been rising? I acknowledge that employment has not been rising on the basis of this month's statistics but it certainly has over the past year.

Isn't that a perfectly logical explanation of some shrinkage of the labor force, as much as the discouragement which the chairman suggests as a possible factor?

Mr. MOORE. Yes, I think it is perfectly possible that that happened, but I have no facts to say whether it did happen.

Chairman PROXMIRE. I was just going to say isn't it true that our whole experience has been that when the economy begins to prosper and grow and develop, more people enter the work force, not fewer. They don't drop out because the economy develops. You have a growing labor force. One indicator of growth is the growth of the labor force.

Mr. MOORE. As a general proposition that is true, but it is not true every month.

Chairman PROXMIRE. In addition to the 5 million persons officially counted as unemployed in 1971, there were 774,000 discouraged workers and 2.4 million who worked part time because no full-time work was available. Are those numbers about correct?

Mr. MOORE. Did you say during 1971?

Chairman PROXMIRE. Yes.

Mr. MOORE. 774,000 is the number of people who said that they wanted a job now but think they could not get one. We count them as discouraged workers.

Chairman PROXMIRE. I am not suggesting that you change your method of reporting, but I suggest that you might add this as useful additional indicator. If the number of hours of these part-time workers or unemployed is converted to the equivalent number of full-time unemployed, that would add 1.1 million to the count of unemployment.

If I add this and the discouraged workers to the 5 million unemployed, I get a total of the equivalent of almost 7 million unemployed persons. If I adjust the labor force to include discouraged workers and then take this 6.9 million as a percentage, I get an expanded unemployment rate of 8.1 percent.

I am not being critical of the official unemployment rate. In fact, it is, I would agree, the most valuable single statistic we have on the unemployment situation. But would it be helpful if BLS also published additionally, from time to time, an expanded estimate of the unemployment rate which would include the discouraged workers and the part-time unemployed?

Mr. MOORE. We do publish the figures separately. In that procedure we are following the recommendations that the Gordon committee made some 10 years ago. I rather think that is a good practice.

The Bureau of Labor Statistics has followed this procedure in terms of defining the unemployment figure for many, many years, and to diverge from that I think would very likely be a mistake.

Chairman PROXMIRE. I am not asking for any divergence. I am asking for that from time to time you combine these and tell us what it is so we can compare this element and have a little better understanding, one more in depth. I think it does reflect some degree of distress, where distressed people can't find jobs.

Mr. MOORE. One thing we do publish in one of the early tables in the report is the percent of time lost through unemployment and underemployment. That figure for February was 6.1 percent. For January, it was 6.4 percent, and for December it was 6.4. It has been in the neighborhood of 6.4, 6.5, all during last year. The February figure is lower than any figure last year except for June.

Chairman PROXMIRE. What is the February figure?

Mr. MOORE. 6.1 percent.

Chairman PROXMIRE. Do you have any explanation of the sharp rise in teenage unemployment to 18.8 percent? That is the highest rate, I understand, since sometime in the 1940's.

Mr. MOORE. The only observation I have been able to make on that is that it is confined to the 16- and 17-year-old group, not the 18- and

19-year-olds. I don't really know why there was such a sudden jump in February for the 16- to 17-year-old group.

Chairman PROXMIRE. Would you call that much of a change significant? Should we be concerned with that much of a jump, would you think?

Mr. MOORE. Even that is not statistically significant, no. You see, it is a very small group. It has a very small sample coverage and, hence, the possibilities of sampling errors are that much bigger.

Chairman PROXMIRE. How much of a change is it?

Mr. MOORE. In terms of the total 16- to 19-year-old group, there was an increase of 77,000, and it requires an 87,000 increase to be statistically significant.

Chairman PROXMIRE. What were the percentage figures?

Mr. MOORE. 17.8 and 18.8. It was a full percentage point.

Chairman PROXMIRE. You say 77,000 would not give us a figure that would let us come to a firm conclusion?

Mr. MOORE. It is very close to it.

Chairman PROXMIRE. Congressman Conable.

Representative CONABLE. We haven't been very successful in transferring the circus atmosphere to this hearing room, have we? I notice the modest interest in good news today, anyway. I must say that I have also noticed that there has been a sharp falling off in general of interest in economic matters. I hope that is a reflection of the fact that usually happiness is directly proportional to the lack of news content.

I would like to ask you, sir, if you have any explanation for the sharp drop in female unemployment. That is something that is of some interest not only to me but to my wife, who seems to be quite interested in women's activities of one sort or another.

I think it is an area of increasing public consciousness. Does that reflect reductions in the number of women seeking jobs?

Mr. MOORE. I think if you look over the past 6 months it reflects a substantial increase in the number of women employed. There has been a very sharp rise in the employment of women, and I believe that has tended to reduce the amount of unemployment they are experiencing. But just why that is—possibly it is tied in with the fact that the service industries as a whole have really continued to grow over this whole period and they employ large numbers of women.

So the employment situation for women has improved over the last 6 months. That, I think, has been reflected in their unemployment rates.

Representative CONABLE. The question of significance always comes up. I remember a year ago when the unemployment rate went up and you said it was very significant, and yet you say that dropping by one-tenth of a percent isn't very significant viewed as a month-to-month shift.

However, in this case we have had now 3 months of decline. Does this mean that cumulatively we are developing some significance, that we can begin to say that we have a trend, or is it still too soon to tell on that? What do you view in these statistics that might indicate the existence of a hard statistical trend instead of just a 1 month aberration?

Mr. MOORE. There have been 2 months of decline. The rate in December was 6. It has dropped from 6 in December to 5.9 and then 5.7, three-tenths of a percent over the 2 months.

I asked my staff yesterday that very question and their answer was over the 2 months, from December to February, this would be counted as a statistically significant decline. Of course, the larger it gets, the more significant it is. I think one think that that tells me is that it is very difficult to answer the question in any meaningful way about what is significant and what isn't. It has a very limited significance, if I may use that word in answer to the question, because it depends on how you look at the figures and which ones you decide to look at.

Over the 2 months there has been a statistically significant drop.

Representative CONABLE. Which in this collection of statistics that make up your report this month do you consider the most significant, however insignificant the significance may be?

Mr. MOORE. I have great difficulty answering that question. I do think that basically the employment figures are the ones that are the most dependable and the most economically significant from the standpoint of the economy as a whole.

If we cannot generate an increase in employment that is widespread among the different industries, then the economy is in trouble. As I pointed out, in recent months the economy has been doing that. There has been an increase in the scope of the expansion in employment. It is now at just about as high a level as it usually ever gets.

Representative CONABLE. Let me ask you what the rate of unemployment in durable goods manufacturing was. It declined from 6.7 to 6.1 percent. Isn't that indicative of the expansionary economic policies that we have been pursuing? Doesn't that show that they may have been taking some effect?

Mr. MOORE. Yes; and I think the employment figures in the durable goods area show the same thing.

Representative CONABLE. I am talking about the durable goods industries.

Mr. MOORE. Right.

Representative CONABLE. I just wonder in relation to government policy if that isn't a significant figure.

Mr. MOORE. I, as you know, don't like to get into government policy matters. I think the broad effect of government policies is not only in the durable goods industries but in many others as well. Unless it is broader than simply a few industries, it really isn't going to be too effective. I think certainly the improvement this month in the durable goods manufacturing unemployment rate was a very favorable development in those industries.

Representative CONABLE. In the press release you point out that the reduction in joblessness among professional and technical workers has moved from 3.1 to 2.5 percent, the lowest level in 8 months. That is a 20-percent drop in 1 month of unemployment in that particularly sensitive area of workers, professional and technical.

Is that significant? Are these people likely to be the first people hired back in a trend of increasing employment? Is it possible to generalize about that?

Mr. MOORE. For one thing, the drop in terms of our test of significance is significant. It is a drop of six-tenths of a percent. Whether it is at all common that professional and technical people are the first to be rehired, I really don't know from my own knowledge, whether that is a safe generalization or not.

I am afraid I just can't answer your question.

Representative CONABLE. Overtime has gone up two-tenths hours in February, to 3.1 hours seasonally adjusted. What has been the trend in overtime? Has that been a pretty flat statistic? That is usually a harbinger of increasing employment, isn't it, if overtime is going up? Don't employers tend to keep people on longer hours rather than taking on more hungry mouths to feed, at least for a while?

Mr. MOORE. Yes, that certainly is the usual tendency. Over the past year there has been an irregular rise in the number of overtime hours being paid for. It got down to as low as about 2.7 hours at the end of 1970. It is now 3.1. It has recovered about a third of the decline that it entered into back in 1969. So it is a sensitive indicator of the employment situation and it has been moving up.

Representative CONABLE. That is all, Mr. Chairman.

Chairman PROXMIRE. Congressman Brown.

Representative BROWN. To return to the question that the chairman and Mr. Conable were discussing about the head of household being in the work force, being out of a job and then getting a job, when he gets out of a job his wife and children may go out and look for work. Then, when he gets his job back they no longer have to work.

If that were the scenario of unemployment generally, and you could prove it statistically, I would assume that the statistics would read something like this: That the number of job losers would be down, that is, the number of men losing jobs would decline. Full-time unemployment would be down. Part-time unemployment would be down because these men would be having either part-time jobs or full-time jobs. The unemployment for married men would be down. Unemployment for adult men would be down. Overtime would be up. The job-leavers would be up. Unemployment for adult women would be down because they ould have left the job market. Is that right?

Mr. MOORE. Yes.

Representative BROWN. In fact, those things have all occurred in this month, so maybe there is a scenario showing up here that men who have full-time jobs lost them but are getting them back to the extent that their wives no longer have to work.

The only thing that doesn't fit into the scenario is that you expect also the unemployment for teenagers would be down because teenagers would have left the employment field altogether. But, apparently, unemployment for teenagers is up and up sharply. So teenagers are still in the field or are still coming into the field.

Can you tell me what the picture is specifically with teenagers? Is it that there is a number of people in that age group seeking employment, that that number has increased? Just what is the circumstance?

Mr. MOORE. The total labor force for teenagers has been moving up in the last 5 months or so relatively sharply. Employment of teenagers has also been moving up fairly sharply in the last 5 months or so.

It has not been sharply enough to reduce their unemployment rate. This time we had, as I indicated, a relatively sharp rise in the teenage

unemployment rate. It was concentrated in the very young group, 16- to 17-year-olds.

Representative BROWN. If we are squeezing out the inefficient workers and the people who do not do a good job in their employment—in other words, the marginal worker is no longer continued in his job—I would expect that the statistics would show that the average length of time of unemployment would increase.

In other words, you would have laid off the guy you didn't want to keep and he would not be among those you would call back. Also, you might layoff the teenage worker, the one who is inexperienced in his job. That seems to be what has happened.

That is what the statistics indicate happen. Can we assume that industry is moving toward a more efficient work force?

Can we assume that professionals are coming back on the job and adult men are coming back on the job?

Mr. MOORE. With any expansion of demand that is at all widespread I think you do expect to see that happening. But what puzzles me about the numbers is that there has been a sharp rise in the employment of teenagers as well as in their unemployment.

That seems a little inconsistent with the idea that they are being laid off in order to employ more experienced people.

Representative BROWN. The last time we upped the minimum wage, I was running a business, and we had experience where we were hiring teenagers or those that would be in this 20 to 24 age group as the economy grew, but at the same time we were having an anticipation of an increase in the minimum wage.

In anticipation of that increase I can recall very specifically letting two youngsters go and replacing them with an older man because as a result of the minimum wage increase it would be cheaper for me to hire a man at a full-time job than it was to hire two teenagers at the minimum wage.

Is that likely to be in this picture any place?

Mr. MOORE. I just have no information that it is in the picture.

Representative BROWN. We have been told that we should be very careful about a minimum wage increase at this particular time.

I want to talk about one other area of the Government program. You note that the unemployment for all of those in the 20- to 24-age category has dropped, I think, from 10.4 to 9.2. Yet the unemployment for the veterans, a much smaller group in that age category, has dropped from 12.3 to 9.7, a sharp drop. If we don't include the veteran figures, I would assume that the unemployment for nonveterans in the 20- to 24-age group has not been as much impacted by the decline in unemployment.

In other words, the guy that is getting hired in that age category of 20 to 24 is the veteran of Vietnam, is that right?

Mr. MOORE. That is correct.

Representative BROWN. So the program which the administration has undertaken to try to get employment for veterans of Vietnam would appear to be operating with a rather significant degree of success in view of those statistics, wouldn't it?

Mr. MOORE. Yes, it is consistent with that interpretation. That is, there has been a greater improvement in the veteran employment and unemployment situation than there has been in the nonveterans of the same age group.

Representative BROWN. Let us look at another area that seems not to have been very successful, and that is the sharp rise and rather discouragingly sharp rise and consistent rise of the joblessness among Negro youths and Negroes generally.

Is there some way to explain this more fully? How does this relate historically to joblessness among nonwhites and particularly among Negro youths?

Mr. MOORE. I would have to say it is unusual. Usually the employment and unemployment of blacks moves along pretty much in the same way and about the same time as the unemployment and employment of whites.

Representative BROWN. I was very encouraged to say by the bad news, if that is the way to put it, that when we were having increased unemployment rates this time, that the blacks were not being laid off as sharply as had been the case in previous times of unemployment increase. Isn't that correct?

Mr. MOORE. Yes. The ratio of unemployment of blacks to whites was lower this time than it has usually been in the past.

Representative BROWN. In other words, the blacks were being held on the job though the jobs were not holding up quite as well. But now that we seem to be in a generalized recovery, the blacks are not benefiting from that, blacks and teenagers as two separate categories and then teenage blacks as a specific category, not benefiting from that as much as one might anticipate.

Is there any explanation that you can give to that?

Mr. MOORE. One possibility that I would think of offhand, and I don't know whether it would hold up under investigation, is that over the last 10 years or so there has been a very substantial shift in the kinds of occupations and the kinds of industries in which blacks are employed.

In general, they have moved into, I would say, more secure jobs. They are less likely to have a high unemployment rate. That is a great benefit to them when unemployment is rising because their unemployment will then not rise as much as it otherwise would. But it is a little bit on the opposite side when the situation is improving and their situation will not improve as much either.

Representative BROWN. I would suggest that this means that in the future we are going to have to take a more careful look at the structural aspects of our labor force and unemployment and our efforts to cure that problem.

I must say that I think programs such as the OIC and several others in that field, specifically designed to train minority groups and vocational education, designed to go to teenage employment, may very well be part of our consideration of the unemployment factor.

Mr. MOORE. It is one reason, sir, why I think the employment and unemployment situation needs to be looked at in great detail, to isolate the problems. Paying attention simply to the overall aggregates just doesn't tell you where the problems are or what ought to be done about them.

Representative BROWN. My time is up, but I want to underscore this rather sharp rise in teenage unemployment with some comments that I made the other day, or some observations I made the other day, when Secretary Connally and some of the other men testified generally on the situation in our society.

To me, it is an indication that we are shifting more sharply than perhaps we are willing to recognize into a highly technologically based society wherein those elements of our society who are untrained and merely have their youth and dextrousness and strength, the things that go with youth, are no longer as much in demand as they were in a rural, agrarian society or even in a society where the basic unit was the assembly line.

In other words, you had to be able to do something well and rapidly in the physical sense. Now we are into a cybernetic kind of technology where we must have people who are trained and where we spot them in the work force.

The day seems to be coming where we will have to spend a lot more time training or we will have to find some way to keep entertained and passive those elements of our society who are not equipped for the kind of technological society in which we find ourselves living.

Mr. MOORE. I would agree with that as a long-run trend.

Representative BROWN. My time is up.

Chairman PROXMIRE. I apologize to Mr. Bassie, but I do want to pursue just a little bit further some further points with Mr. Moore.

I think it is an interesting situation which has been developing here. As far as teenage unemployment is concerned, you gave me the answer that it was not statistically significant, the change from 17.8 to 18.8. If we go back and take the change in November, we find it was 16.7 percent unemployed in November, 17.3 in December, 17.8 in January, 18.8 in February.

Would you consider that trend statistically significant?

Mr. MOORE. Let me consult my adviser on that.

He said he thinks it would be, yes, sir.

Chairman PROXMIRE. That seems to me to be very alarming. Incidentally, referring to what Congressman Brown said, the evidence we have is that the teenagers now, 16 to 19 years old, are far better educated, even to the extent that they have had an opportunity in many cases to be better trained than any other group of teenagers.

In a sense, that element should be a positive element in overcoming the structural difficulty of getting people employed who have had little education, who have been dropouts in the past.

Mr. MOORE. It is true, sir, that many of the teenagers that are counted as unemployed, as well as those counted as employed, are in school. Many more of them are in school these days than was true in the past.

Chairman PROXMIRE. To get back very quickly to the hours. Congressman Conable discussed that. It is true that the hours went back up to the level they were in December 1971; however, that is an extraordinarily low level of hours worked. It is lower than any period in the 1960's, far lower. It is almost at a recession level.

So it is hard to see much encouragement from the fact that people, instead of working 36.9 hours are working 37.2. It is still very, very far down. In fact, I can't find any statistics going back as far as we kept them where they were that low. Maybe in the 1930's they got below that but we have to go back that far.

We have a long way to go before the overtime problem is developed to the point where we would hire new people. I think that is one of the reasons why we are having so much difficulty with more production, in getting more people employed. It would seem more logical to put people who are not working full time to work full time before you go into the labor market for more people.

Mr. MOORE. In terms of that trend, Senator, I think one of the big reasons for it is the very much larger proportion of people who are working on a part-time week basis. That proportion has increased over the years. That has tended to reduce the average length of workweek very substantially.

That, I would say, is a trend and has really nothing to do with the current economic situation.

Chairman PROXMIRE. It may have something to do with it, especially the fact that you have so many people who want to work full time but who can only work part time.

Mr. MOORE. Yes, but you had that before this developed.

Chairman PROXMIRE. I hesitate to do this, because the hour is late and Mr. Bassie is ready, but I can't resist it.

In December and January, we had a spectacular increase, unfortunately, in the wholesale price index, which is a foreshadower of what is going to happen in consumer prices. By and large, over the past few years the wholesale price index has behaved far better than the consumer price index. It has risen at about half the rate, or at least much less. But in December and January, the increase was over 6 percent seasonally adjusted.

This is explained that the bulge is to be expected after the freeze. How long do you expect this bulge to last?

Mr. MOORE. I have not had anything to say about that bulge or how long it may or may not last. I have compiled a table, and I would be very happy to put it into the record if you wish, which shows the behavior of the consumer price index and the wholesale price index and hourly earnings during the period prior to the freeze, during the freeze period, during the post-freeze period, and during the period starting from August as a whole.

Chairman PROXMIRE. We would be delighted to have that go into the record. It will be placed in the record at this point.

(The information to be furnished for the record follows:)

MEASURES OF PRICE AND WAGE CHANGES BEFORE AND DURING THE PRICE-WAGE-RENT STABILIZATION PROGRAM

[Seasonally adjusted percent change, compound annual rate]

	6 months prior to phase I February to August 1971	Phase I August to November 1971	Phase II November 1971 to February 1972	Phases I and II August 1971 to February 1972
CPI, all items	4.1	1.7	[1] 4.0	[2] 2.6
CPI, food	5.4	1.7	[1] 3.0	[2] 2.2
CPI, commodities less food	3.7	0	[1] 3.1	[2] 1.2
CPI, services[3] (not seasonally adjusted)	4.5	3.1	[1] 5.2	[2] 3.9
CPI, rent[3] (not seasonally adjusted)	3.9	2.8	[1] 2.6	[2] 2.7
WPI, all commodities	4.6	—0.8	7.7	3.4
WPI, farm products and processed foods and feeds[4]	4.6	0.0	7.14	8.4
WPI, industrials	5.7	+1.3	4.2	1.4
WPI, consumer foods[4]	4.4	—0.3	15.6	7.4
WPI, consumer commodities less food	1.8	—1.1	3.6	1.3
WPI, producer finished goods	3.3	—2.7	6.3	1.7
Spot market price index, 13 industrial raw materials[5]	—2.0	+3.1	24.9	13.4
Hourly earnings index, private nonfarm production workers	6.8	2.2	8.3	5.1

[1] November 1971 to January 1972.
[2] August 1971 to January 1972.
[3] Not seasonally adjusted because data contain virtually no seasonal movements.
[4] Raw agricultural products are exempt from the price controls.
[5] Weekly index, not a component of the WPI. Includes copper, lead, and steel scrap, zinc, tin, cotton, print cloth, wool tops, burlap hides, rubber, rosin, tallow.

Source: Bureau of Labor Statistics, U.S. Department of Labor, Mar. 10, 1972.

Mr. MOORE. In looking at the period as a whole, and comparing it with the preceding period, we can see whether this bulge, as some people have called it, has completely erased the effect of the freeze so that the level of prices now compared with August had really increased just as fast as before. Then I think you would have to conclude that neither the freeze nor phase II was very effective.

But in fact that is not the case by any means. For example, if you take the CPI since August and through January, the rate of increase has been 2.6 percent as compared with 4.1 percent in the 6 months preceding the August date.

Chairman PROXMIRE. We all recognize that the freeze was effective. At least I do, and I think most other people have to recognize that. But the wholesale price of industrial products, which is peculiarly subject to the freeze and the subsequent phase II had an increase at an annual rate of over 4 percent, most recently, and that was the rate before the freeze was put into effect.

Mr. MOORE. What I mean is that if the bulge—if this recent rate of increase—has been sufficiently rapid to eradicate the effect of the freeze, itself, then the whole policy, it seems to me, would be relatively ineffective. But it has not been that big.

In the case of the industrial wholesale price index, since August and through January, it has increased at the rate of eight-tenths of 1 percent. Before August it was increasing at a rate of 5.7 percent. So the bulge has simply not by any means eliminated the effect of the freeze. It has just not been that big.

Chairman PROXMIRE. I am trying to confine this to industrial wholesale prices.

Mr. MOORE. That is what I am talking about.

Chairman PROXMIRE. There you say that the bulge has not been as big since when? Did you take the whole period?

Mr. MOORE. Between August and January it went up 0.8 percent at an annual rate, and prior to the freeze it went up at a 5.7 percent rate. [Data for February, available on March 10, show an increase of 1.4 percent at annual rate, August through February.]

Chairman PROXMIRE. What I am saying is that we have to wait before we can tell.

Mr. MOORE. That is true. If the bulge continues, at the recent rates, there will be a very different situation.

Chairman PROXMIRE. I have other questions, but my colleagues may want to question you further.

Representative BROWN. Mr. Chairman, I do have one question because it relates to a point that the chairman raised when he was discussing full-time employment.

I am under the impression that the labor laws which established the time beyond which workers received time and a half for overtime were changed somewhere along the line in the Depression. The 40-hour week was established at that time, am I correct?

Mr. MOORE. Yes. I think in 1935.

Representative BROWN. And we are still laboring under the requirement of the 40-hour week as the limit beyond which time and a half is paid. But many industries have negotiated 37½-hour weeks or less beyond which time and a half for overtime is paid.

So, in fact, in many industries a full workweek is something less than 40 hours. When you are talking about full-time employment, how

does that work out? Full-time employment for employees this year as opposed to full-time employment for employees 10 years ago means what?

Mr. MOORE. Our current definition is that a 35-hour week is full-time. I don't recall whether we have changed that definition. I don't believe it has been changed.

Representative BROWN. Since when?

Mr. KAITZ. In terms of the household survey our classification procedure is to classify people as full time if they work 35 or more hours per week and part time if they work less. This is a concept which we use in the household survey and it does not necessarily conform to the actual practices in industry.

As far as I know, our definition has been consistent over time. It has not changed.

Representative BROWN. Can you give me some idea what the average rate at which time and a half begins is? What has happened to that rate in the last 10 or 20 years? In many industries the 37½-hour week is now common, whereas, 10 years ago a 37½-hour week was relatively rare.

Have you taken that into account at all in your statistics?

Mr. MOORE. We may be able to supply some information for the record, Mr. Brown, but I have no real knowledge of what the answer is to that.

Representative BROWN. Tell me what the average time and a half rate was in terms of hours worked and how that has changed over the period of the last few years. I think it would be helpful. I think it should be reflected in some way of what your full-time week is. If you are accepting a full-time week as 35 hours in 1936, after the 40-hour week was passed, my guess is nobody got time and a half until they worked 40 hours in 1936, but in 1972, some 35 years later, certainly 35 hours is closer to a full-time week than it was then.

How long has the 35-hour full-time week been statistically in effect? Do you go back to the 1920's or 1930's?

Mr. MOORE. Our household survey goes back only to the 1940's. It was not in existence before then. If we can find any information that has a bearing on your question, we will supply it.

Representative BROWN. I wish you would give it a good solid look. It seems to me there is one that might stand a little revision in terms of what many industries have had negotiated or have negotiated with their employees.

I dare say that a lot of newsmen who cover this committee have had their average hours of work negotiated by the Guild changed from 40 hours to 37½ hours in recent years.

Mr. MOORE. We will be glad to look into it, Congressman Brown.

(The information to be furnished for the record follows:)

The table below relates to weekly overtime provisions in major collective bargaining agreements, that is, the weekly hours to be worked before overtime is paid. During the period covered, 1956–57 to 1971, the proportion of workers covered by agreements specifying overtime to be paid after 40 hours has increased, and there has been some increase also in the proportions to be paid overtime after 35 or 37½ hours.

PERCENT OF WORKERS COVERED BY AGREEMENTS PROVIDING WEEKLY OVERTIME

Straight-time hours	1956–57	1971
All workers covered	100.0	100.0
30 hrs	(1)	(2)
35 hrs	1.0	2.1
36 hrs	(1)	.5
37½ hrs	(2)	1.1
40 hrs	50.4	65.9
48 hrs	(1)	.5
Other	10.4	1.1
No reference	37.9	28.6

[1] Not available.
[2] Less than 0.005.

Chairman PROXMIRE. Thank you very, very much, Commissioner Moore. We appreciate your appearance.

Mr. Bassie, I want to apologize once again for your waiting so long. As a matter of fact, you were originally invited to appear at 10:30, I think. I had to Chair a hearing of the Banking Committee until 11 o'clock.

You have appeared before this committee and have been most helpful a number of times. We tried to get your testimony earlier in connection with the evaluation of the President's report. You may wish to give us your assessments now.

I want to also ask you about your position with respect to the Bureau of Labor Statistics situation since you were appointed head of a committee to inquire into what was happening. Would you give us your views on these matters?

STATEMENT OF V. LEWIS BASSIE, PROFESSOR OF ECONOMICS, COLLEGE OF COMMERCE AND BUSINESS, UNIVERSITY OF ILLINOIS

Mr. BASSIE. Thank you, Senator Proxmire and gentlemen.

It is true that I am a member of a committee that was supposed to study the matter of possible arrangements to bias economic statistics. However, I cannot speak as a member of that committee because the committee has never met yet, and we are not going to report for another month or two. However, I will be glad to give you my own personal views.

Chairman PROXMIRE. Give us just a word about this committee, who appointed it, what its mission is, and so forth.

Mr. BASSIE. This subject came up for discussion at the last meeting of the conference on income and wealth.

Chairman PROXMIRE. What is that conference?

Mr. BASSIE. It is a special group of scholars who have contributed to and are interested in the national income and product accounts and matters related to their use. That group has been in existence since the 1930's. It is a fairly select group because the members have to be elected on the basis of their contributions in this field.

Representative BROWN. Elected by the members of the group?

Mr. BASSIE. Yes. By the other members of the conference.

Representative BROWN. It is sort of like a fraternity? You don't just join up but you have to be asked?

Mr. BASSIE. Yes, that is true. However, you could apply if you felt you had made a significant contribution, and that would be taken into account by the members of the conference.

Chairman PROXMIRE. One of the distinguished economists on our staff says if you don't regularly attend you are kicked out, and he was.

Mr. BASSIE. Well, I think they do try to keep the group limited to those people who are really interested in the subject. Of course, all of us are interested in these basic statistics because we all have to rely on them for the analyses we make and for any kind of proposed solutions we want to recommend.

Unless we have good data we can't perform adequately. There were a number of people who made some kind of expressions of concern about the matter. I spoke on the point and as a result got myself stuck with an assignment to look into it.

We have been gathering material up to this point but have not arrived at any conclusions. However, we will be making some kind of a report at the next meeting of the conference.

As you know, I also had expressed my concern to this committee last fall. I was out of the country for a year. When I came back in September, this subject came up at luncheon one day. A group of us were eating together and we decided we would send an expression of our concern. We did that. So I have some information on it.

The thing that is behind it all, of course, is what I might call the cosmetic approach of the administration. This administration is extremely conscious of its public relations image, and as a result the fear is fairly widespread among statisticians and economists that maybe some efforts were being made to use the statistical mechanisms of the Government for purposes they were not designed to serve.

That fear to some extent persists. Even though Commissioner Moore made a statement to the press and sent it to all of us, the fear hasn't been entirely removed. There are several difficulties, even though I don't challenge anything in his statement. I thought he made a very good statement of his position and I admire the fact that he insists on maintaining the integrity of the labor data.

My own feeling is that we should not tolerate any change in the procedures of collecting the unemployment statistics at this time. I am also very much against any change in the interpretation of the full employment target. On the first of these, at least, his statement was very definitive. On the second, the administration has not really stood fast, but I think it is important we should at this time.

Now, coming back to what is unsatisfactory, you see, the nature of his statement was that, "Well, we were planning a reorganization anyway and it is just a coincidence that it came up in timing at the same time as these incidents relating to the unemployment statistics." I think it is true, that it has been well established, that a reorganization was underway. But anybody can see that a reorganization didn't have to affect these particular men in this particular way. In other words, it is too much of a coincidence.

Also, the statement left too many things unsaid to be really satisfactory. It didn't give any new information on what went on behind the scenes or any new evidence that would detach the actions against these men from the incidents that had brought them on.

You see, the situation that has been created here goes back beyond this reorganization. If this were an isolated case, we might take a different view of it. Actually, of course, it goes back to Secretary Hickel's dismissal and other incidents throughout the Government which showed that the problem is much broader, and that various people have been put under pressure to behave in a certain way that would be considered favorable.

The fear persists that anybody down the line who wants to protect his job might tend to bias his work to some extent. This might even be carried on to such an extent that a person like Commissioner Moore could not control fully the efforts of his subordinates. So there has been some persisting fear.

If the incidents in the Bureau of Labor Statistics were, as I said, isolated cases, they could perhaps be dismissed as water over the dam. But as some people felt, the matter should have further study.

Chairman PROXMIRE. As I understand it, Mr. Bassie, what you are telling us is that a group of scholars and a number of others whom you have consulted in addition are concerned about the possibilities that this or any administration, Republican or Democratic—all of them are self-serving, whether Johnson, Kennedy, Eisenhower, everybody wants to put the best light on their performance.

One way of evaluating the performance of an administration is to see what happens in employment, in inflation, and so forth. We rely on statistics for that. Are you telling us that these scholars are concerned that the administration might find ways of tampering with the statistics or of changing the method of collection so they wouldn't be comparable and would give an inadequately favorable appearance to economic developments? Did it go that far? Be as specific as possible.

Mr. BASSIE. I think I have to give you a kind of yes and no answer on that. Some people have this concern and many of the others don't. It is not unanimous by any means. Nobody has any evidence of real fudging of the figures.

Chairman PROXMIRE. If anything like that developed, wouldn't it be a scandal that would just have the most tremendous repercussions? It seems to me it would be far more damaging to any administration than any possible gain. If, for example, they instructed the hundreds of people—they would have to be instructed—who gather, interpret, or handle these statistics to change in any way, this is the kind of story which our alert press would have and would disclose very quickly, wouldn't you assume?

Mr. BASSIE. I should certainly hope so, Senator.

Chairman PROXMIRE. How could we protect ourselves against this possibility? Once again, I hope my question isn't too partisan because this could happen to any administration.

Mr. BASSIE. I should think that this ought to go right back to the administration itself, and there ought to be some kind of an order coming out that all the public relations men let the statistical offices

alone to do their jobs without interference. I am sure Commissioner Moore has no interest other than to be let alone to do his job properly. I think we should not have the kind of pressures that seem to have developed here in recent years.

Chairman PROXMIRE. Do you recall the decision on the part of the administration to stop the press conferences which had been conducted by the top technicians in the Department, in which they interpreted and explained the latest unemployment statistics to a press group that was permitted to examine and cross-examine in the presence of other reporters?

Would you call that discontinuance one element in developing a lack of credibility or a concern on the part of these scholars?

Mr. BASSIE. It certainly has been interpreted that way. I was out of the country at the time these incidents occurred and have read about them sometime afterward. Again I would say that the feeling about them is not by any means unanimous. These press conferences have, to some extent, been a matter of controversy in the past. Their termination, coming just at the time it did, though, and in relationship to certain disputed incidents, puts the official intent in a bad light.

In some way I feel these incidents were futile, and I have somewhat the same feeling about the discussion here today. You see, the current decline in unemployment under the circumstances of winter weather and a sluggish economy did not impress me as very meaningful. I doubt that it is wise to put much weight on these month-to-month jiggles.

But it was originally just that kind of effort, to interpret month-to-month jiggles favorably, that led to the whole hassle in the first place.

Chairman PROXMIRE. In your oral statement, you spoke about two things I think concern us very much. One is a change in the method of collecting statistics. Are you referring to the Connally task force which is supposed to report in 3 weeks on the method of collecting unemployment statistics, and so forth?

Mr. BASSIE. No. I had no reference to that and I don't know what that task force is going to report. We should keep the survey as it is now because if we don't there is going to be a period of months when we will not be able to interpret the results of a new survey.

You can never interpret these things properly for a while until you have a series of probably at least a year under your belt. So at this juncture it would be bad to be put adrift by having the methodology changed.

Chairman PROXMIRE. Are they trying to change the methodology?

Mr. BASSIE. I don't know.

Chairman PROXMIRE. My staff says they are. You don't know whether they are or not?

Mr. BASSIE. I don't know, but I would be against it.

Chairman PROXMIRE. I am concerned. I would think that a highly competent, concerned, and interested man like you who has been looking into this kind of thing would have some knowledge about that.

Mr. BASSIE. I have no access to the task force. I have no channel of information there.

Chairman PROXMIRE. You spoke about the change in the unemployment target. It has been 4 percent. There is talk that there is at least one Treasury study, disavowed by Mr. Connally when he appeared be-

fore this committee, which I disclosed which says that the 4 percent is unrealistic; you can't get down to 4 percent; that 5 percent is the logical level for us to shoot at for unemployment without the kind of inflation that is unacceptable.

What do you mean by the assertion that we should not change our target?

Mr. BASSIE. Well, it is precisely this: I feel in part much the same way some of the others do whose views you referred to; namely, that it is going to be extremely difficult to get down to 4 percent. I think it is doubtful that we could accomplish that in the next few years.

But I don't say, because of that, I am going to swing over and define the problem out of existence. That does not seem to me a proper approach at all. So I say we should keep the present target, and we should try to do what we can about reducing the unemployment problem.

Chairman PROXMIRE. Then you also mentioned the Hickel dismissal as relating to this whole situation. It seems to me that is not related very clearly to the economic area. It would also seem that the President should be free to hire or fire anybody he wants to with respect to his Cabinet. That is his own group of personal representatives. I would think the President could hire or fire and dismiss people with whom he disagreed or who disagreed with him very quickly without questioning his action. When you get into the people who are directly responsible to Commissioner Moore you might have a different kind of a situation.

Mr. BASSIE. I can't fully agree with you on that. I know it is a tradition that we let the President have the men he wants in his Cabinet. But these Cabinet members, who are department heads and who are directing the structure of the various bureaus under their department headship could make many changes, and it is not to me a simple matter that the President should be able to redirect all those activities at his will. I think some restraints on that process would be desirable in the public interest.

Chairman PROXMIRE. Let me ask you about——

Mr. BASSIE. I only referred to Secretary Hickel, not by way of tying it to the statistical-economic problem, but merely as indicating that the administration is rather intolerant of dissent and that people who are in other kinds of functions than those of Cabinet members to some extent would feel the same kind of fear of losing their status or positions.

Chairman PROXMIRE. Give me your views, if you would like, a summary, on the business outlook.

Mr. BASSIE. Here I have quite a divergence with most of my colleagues. I believe the economic situation is not satisfactory, and I think that in fact it is barely favorable. I can't say that even that applies to more than a few months ahead. The recovery up to this point has been very weak. In fact, it so far has not even progressed as fast as my own calculations indicated it should have.

This situation is very difficult to explain. None of the people who are more optimistic than I have come up with any explanation of why, with a buildup in the Government deficit of over $30 billion in the last 2 years, we do not have more response from the economy.

Chairman PROXMIRE. It is expected to be $60 billion in the next year. You have a colossal deficit, an easy monetary policy, we are reassured

again and again, and you have the most recent statistic to indicate that is finally taking some bite.

You have warned us about accepting these month-to-month changes, but the most recent available business indicators seem to be favorable. The unemployment figures while still a matter of concern seem to be improving, although I questioned that this morning, as you may have observed, because of the most recent drop in the labor force. Nevertheless, in general there seems to be a recovery. Do you fault the $85 to $100 billion prediction of increase in the gross national product for the next year?

Mr. BASSIE. Yes; definitely. In the forecast I worked out it was only about half as big as that, and of that, maybe 60 percent came in the category of price increase rather than real production.

Chairman PROXMIRE. How much would you suggest?

Mr. BASSIE. About 2 or a little over, about 2¼ percent, maybe of real growth.

Chairman PROXMIRE. You say you are disappointed in that?

Mr. BASSIE. It hasn't been progressing fast enough to develop that, as far as I can see.

Chairman PROXMIRE. Why are you so gloomy in view of the efforts of the Government and the obvious incentive the administration has to have good times before the election?

Mr. BASSIE. The efforts of the Government are of a rather peculiar, temporary character that is not going to succeed in stimulating the private economy the way they would like it to. I have an illustration I could come back to later of how getting out favorable statistics and favorable reports on the current statistics will not in my opinion succeed in bringing out this response.

There is a great tendency among public relations people in general to feel that if only everybody thinks right and has confidence in the future, that everything will work out all right. I don't think that is true. The economy doesn't work that way.

Chairman PROXMIRE. It works that way to some extent.

Mr. BASSIE. Only for limited periods of time. You see, I would be willing to concede that the wage-price freeze had a good psychological effect temporarily, but now I think that is being lost.

Chairman PROXMIRE. But the actions by the consumer, the consumer is now saving much more than he has in the past. If he starts spending, that will be helpful. If the businessman decides it is a good time to expand his plant and equipment, to invest, that is going to be very helpful. As Franklin Roosevelt said, "We have nothing to fear but fear itself." He was right. It developed after a while that we were able to make a recovery.

I would agree with you that if the situation doesn't warrant it, and if the administration is just going to talk as Herbert Hoover did, promising that prosperity is right around the corner without a basis for it, it is liable to be counterproductive. But here you do have a policy of greatly expanding government spending and increasing the deficit, which should stimulate employment, stimulate economic activity. You have a policy of expanding the money supply. You have a policy of reassuring the business by holding down prices. Why isn't this going to work? What other ingredient can we put into it that will make it work? What can we do? Is there anything we can do?

Mr. BASSIE. I think we have to make plans on a more permanent basis than some of the devices being used to make the Government accounts look especially good in the 6 months' period we are in now, the last half of fiscal 1972—for example, I think something more ought to be done directly on the employment front. On that score I have supported Congressman Reuss's proposal.

But I think the way these forecasts are worked out I can't really accept the picture of strong growth that is supposed to come from the private economy, given these particular budgets that the administration is planning and the other stimulants that are supposed to exist in the economy.

For one thing, I think the concensus forecast is somewhat inconsistent. If we were really going to get a big upsurge in real activity, such as 6 percent, then I doubt that we can hold the price line to 3 percent.

Second, I think there is too much projection of past trends. There is not enough recognition of the fact that the situation has changed. It changed in 1969, and many of those past trends are broken. It is not appropriate to extend them on into the future.

I also think that the way that they deflate creates an increment to real production that is not really there. You have to approach the growth problems from the side of real production in order to make any firm calculation of feasibility, of getting unemployment down, and also from the standpoint of firming up price developments. Unless you know the impact of real production on resources, you can't determine that. But, nevertheless, people are making guesses about the price changes. They are making the guess that the price increase is only going to be half as big as it was, and, therefore, when we deflate our projections by this restricted price increase, then we get a much bigger increase in real production. It is not logically sound.

I can also cite a number of other reasons why I don't agree with these forecasts. These would be in terms of the specific sectors of the economy. We get into a rather long story here.

Chairman PROXMIRE. I certainly agree with you wholeheartely on the necessity for a job creation program. I have been calling for that consistently. I think the committee will do that in its report. As you say, Congressman Reuss has a very good bill that will provide jobs, with a multiplier. I would agree that you can't expect nature to take its course on the basis of a deficit and monetary policy alone. We need something that will persuade the American people to believe because it is true that there are going to be more jobs in the future.

Would you submit a statement for the record on the business outlook? Do you want to make a summary of the specific breakdowns?

Mr. BASSIE. I could, but I would have to rely on computations made before the recent data revisions.

(The following information was subsequently supplied for the record:)

Plant and Equipment. Most forecasters rely on the survey of planned capital outlays, which is now predicting a year-to-year gain of 9 percent. There are four reasons for expecting less: First, the initial survey estimates have been revised downward for almost every quarter in the last four years; second, the price component incorporated in the reported plans may be higher than will be realized; third, the expectations are inconsistent with the current business drive to economize and cut back everything dispensable; and finally, the fuandamentals of

capacity utilization are against a really strong gain. This last point is admitted for manufacturing, but dismissed elsewhere, as if there is no excess capacity in the rest of the economy. Actually, there has been overbuilding of skyscrapers and some other commercial facilities. Even the electric utilities are confronted with a slowing of growth in power demand from 7 to 5 percent, which will soon affect their plans if it persists. The manufacturing sector will probably contribute nothing in real terms. Nonmanufacturing will increase, partly as a delayed response to the housing boom, but even a 9 percent advance will represent only about $2½ billion in real terms.

Business Inventories. There is no independent basis for expecting a spurt in inventory accumulation to the $10 billion level predicted. Total inventories were not low at the end of 1971. They were built up above past norms in the early Vietnam years and have held steady since. They could be run off again if the war ended and the inflation was controlled. The upswing in 1971 did not produce much accumulation, and a similar increase in 1972 will not break the business policy of keeping them in line. A sharp run-up might be touched off by some new disturbance but, like the splurge in consumer credit, it could be a danger signal rather than a contribution to steady growth.

Housing. Homebuilding has also had its day and will ease off in 1972 from the 2¼ million level of the fourth quarter. It reached that high only as a result of the patchwork of subsidies provided to get quick action from speculative builders, and the backlog of building that had been blocked by lack of financing in fiscal 1970 is now being worked off. The rate of building, plus 500,000 mobile homes, is well above the current effective demand, so that vacancies will increase. Since this is a slow-moving cycle, the decline in 1972 is likely to be moderate.

Government Spending. Federal, state, and local government spending will probably increase all through 1972. Most of an estimated $20 billion increase in the federal budget will be devoted to transfers and grants rather than purchases of goods and services. The fiscal stimulus to private spending will not be large. A similar diversion appears in other government accounts, and when purchases of goods and services are deflated to a constant dollar basis, they too are far less than decisive. Nevertheless, they will help push up a generally lackluster economy and may contribute about a third of the advance in real gross product.

Foreign Trade. Expectations of large gains in net exports are unrealistic. The devaluation improves our competitive position, but most countries expect their prdoucts to remain competitive and retain their market shares. Hence, the recessions now being experienced abroad may be important enough as a negative factor to offset most of the gains from favorable exchange rates.

Consumption. There ought to be a better basis for projecting consumption than such figments as return of confidence and improved job prospects. Consumption does not usually lead the economy, and though it has done so in the special circumstances of the recent past, it cannot be expected to do so in the future. There are no backlogs of demand, and such special stimuli as the major tax cuts and soaring welfare payments of 1970 and 1971 are not now in the picture.

The recently announced advance of consumer credit at an annual rate of $17½ billion was taken as a favorable indication of strength plausible enough to support a gain in the stock market. This is one of the most amazing misconceptions of recent years. If this huge item of dissaving assures anything at all, it is that consumer borrowing will drop back in the months ahead. This is an important assurance *against* the growth of consumption in 1972.

Auto purchases were shifted into 1971 at both ends—by the General Motors strike and again in the fourth quarter by Phase I to a level that can hardly be sustained in 1972. Perhaps the favorable treatment of this industry will prevent any serious setback, but auto demand now has to be counted with the negative factors.

For all these reasons, it appears that the economy is not going any place in particular unless some powerful new stimulus is experienced. Without it, a realistic forecast for this unstable economy gives much lower results than the 1972 consensus prediction of a $90 billion to $100 billion advance in gross national product. In fact, balancing all the factors on assumptions somewhat less favorable than those widely relied upon would give results only half as large. This advance of 4.5 percent might divide 2 percent for real production and 2.5 percent for prices—the latter not on the basis of controls, but on weakness in growth, though it would seem to spell success for Phase II all the same.

This forecast is not designed to represent the worst outcome possible for 1972. It suggests that both inflation and growth would be dwindling in the second half of the year, but 1972 will be a touchy year for some key variables, so that a more definite turn is possible by year-end.

One of the implications of this is that unemployment will increase rather than decline. A year-to-year growth of little more than 2 percent, given the gains already made, translates into a 1.5 percent growth from year-end to year-end. Productivity will also be increasing, perhaps by 3.5 percent. Even with a partly offsetting decline in working hours, therefore, the growth in number of jobs is not likely to match the growth in the labor force. So unemployment may also grow, perhaps to 6.5 or even 7 percent.

Chairman PROXMIRE. The hour is late and we did keep you so long. I apologize. You have been a most gracious and helpful witness.

Mr. BASSIE. Thank you, Senator.

Chairman PROXMIRE. The committee will stand adjourned.

(Whereupon, at 12:35 p.m., the committee adjourned, subject to the call of the Chair.)

CURRENT LABOR MARKET DEVELOPMENTS

FRIDAY, APRIL 7, 1972

CONGRESS OF THE UNITED STATES,
JOINT ECONOMIC COMMITTEE,
Washington, D.C.

The committee met, pursuant to notice, at 10:10 a.m., in room 318, Old Senate Office Building, Hon. William Proxmire (chairman of the committee) presiding.

Present: Senator Proxmire and Representative Conable.

Also present: Loughlin F. McHugh, senior economist; Lucy A. Falcone, research economist; and George D. Krumbhaar, Jr., and Walter B. Laessig, minority counsels.

OPENING STATEMENT OF CHAIRMAN PROXMIRE

Chairman PROXMIRE. The committee will come to order.

This morning's hearing marks the first anniversary for our regular monthly discussion of employment and unemployment with the technicians of the Labor Department. It was a year ago at this time that the committee called on these experts once it was decided that their regular press briefings were discontinued. I hope these conferences will be resumed. They were helpful to the press and the public.

Our first witnesses today are Robert L. Popper and Janice Clinthoren of the Community Council of Greater New York. Mr. Popper, I have read your statement. I would be delighted to have you go ahead.

I wonder if before you present your statement you would give us a little background as to yourself. I note that your statement is very short. We would be glad to have you present it in full.

And I might add that any additional materials you wish to include will be included in the record.

STATEMENT OF ROBERT L. POPPER, MEMBER, BOARD OF DIRECTORS, COMMUNITY COUNCIL OF GREATER NEW YORK, ACCOMPANIED BY BERNARD SHIFFMAN, EXECUTIVE DIRECTOR; AND JANICE CLINTHORNE, CHIEF, BUDGET STANDARD SERVICE

Mr. POPPER. Thank you. I am a retired businessman, and when I retired I decided to do what I wanted to do, which was to be involved in health and welfare planning. And I am on the board of directors of Blue Cross of Greater New York, the hospital review and planning council, and the community council, among many others.

You will find that when you wear a pair of pants and you are willing to do some work, you will soon have all the work you want to do. And I find it very rewarding and very interesting to make an effort to have a better life in these United States.

Chairman PROXMIRE. Mr. Popper, may I interrupt.

Usually we don't have the privilege of having witnesses who are beautiful and feminine and blonde. And that is the case this morning. So we would certainly like this very attractive young lady introduced to the committee, if you would do so.

Mr. POPPER. I would like to, but I would like to have her tell you herself. Her name is Mrs. Janice Clinthorne, and she is a member of the staff of the Greater Community Council. She knows everything, you see. I am the mouthpiece today.

Chairman PROXMIRE. Mrs. Clinthorne.

Mrs. CLINTHORNE. I am here to assist Mr. Popper. I am the chief of budget standards service at the community council.

Chairman PROXMIRE. Mr. Popper.

Mr. POPPER. Mr. Chairman and members of the committee, I am Robert L. Popper, an officer of the board of directors of the Community Council of Greater New York. On behalf of the citizens of New York I wish to thank you for the opportunity of sharing the community council's point of view on the recent decisions by the Bureau of Labor Statistics to reduce the flow of essential data to thousands of consumers of which we are but one.

The Community Council of Greater New York is one of about 400 local voluntary health and welfare planning councils which perform essential research and informational tasks in their communities. The New York Community Council defines itself as an informational and research action center, created and supported by the private and public welfare community to attend to the public interest of the citizens of New York in the health and welfare field.

As an information and research action center, the community council has focused its resources and activity on the issue of welfare reform—or putting it another way—focusing on the options in providing adequate income and social services to the people who need help, a subject which I share with a great many other people, I understand. We are vitally concerned with the changes which are taking place in the poverty areas—we need hard information about urban employment, unemployment, and underemployment. Most important we must have the family budget data which was produced by the Bureau of Labor Statistics. We have been informed that for the next year or two we will not be privy to this information which has been available for at least the past decade.

We understand the complexity of gathering and analyzing data. We, too, are constantly faced with using "old" or "second best" data as a basis for current planning. We are sympathetic with the Bureau's problem in attempting to move from one program of fact gathering to another which may be more productive in the future . . . However, it is our contention that while the switch is taking place, it is essential that current information continue to flow while "old" methodologies are being improved. The blackout of information can only be interpreted as a political decision to keep busy Americans uninformed,

especially when it coincides with the period prior to a national election. Basic information about the condition of poverty, employment, and inflation is public property and its dissemination is in the public interest.

Furthermore, although it may seem somewhat presumptuous on our part to suggest this, if the Bureau of Labor Statistics is considering developing substitute kinds of data, it might be useful if a very wide range of consumers of this service were consulted before making a decision to change the service—not to provide additional obstacles but in terms of permitting our ideas of data utilization to be considered.

The Bureau announced that beginning in January 1972, identification and publication of the poverty neighborhood statistics would not be feasible until the changes in defining poverty areas to reflect the 1970 decennial census data could be completed. The flow of these new data is not expected to resume until sometime in 1973. As a regular consumer we feel that this would be comparable to the New York Times announcing a modernization of its format and type while simultaneously advising us that there would be no further news until 1973 when their "switch-over" is complete.

We are also aware that we live in a time of tight Federal budgets. Our community council experience is that this condition of tight budgets is a constant state of affairs rather than a temporary one. What any organization's leadership does or does not do is a conscious decision of that leadership. After following with keen interest the Urban Employment Survey, begun in 1968, and described by the Bureau of Labor Statistics as "the first effort to develop on a continuing basis information on people living in poverty areas," we are dismayed to discover that this survey has been abandoned. Although the costly field work was completed for the second year of the survey, the Bureau of Labor Statistics has neither analyzed nor published reports on the data collected and it is our understanding that they do not plan to do so. This important survey for which the original investment was made was aborted in spite of the fact that data on employment and work, especially as these data related to marginal and low-income workers, are central to all efforts to reform the welfare system. How can Federal decisionmakers both in the House and the Senate insist on "Back to Work Legislation" when the facts on unemployment, especially in the urban centers, are not known. What we do know is that unemployment is higher than ever—that teenagers and women are more disadvantaged—and if you are black/Puerto Rican/Chicano, et cetera, you have the third strike called on you.

If our Senators and Congressmen are seriously going to make legislative decisions regarding income support to the poor—decisions regarding the employability of employable but not working poor, surely they should do so on the basis of facts which are provided them by an objective Government agency rather than on the basis of complaints by a legislator who cannot get an inexpensive maid to iron his shirts.

I will not bore you with the complicated nongovernmental structure of the Community Council of Greater New York. As mentioned earlier, "the United Way"—the voluntary effort for fundraising and social planning, supports 400 councils, many of which in one form or

another develop budget standard material. The Budget Standard Service of the Community Council of Greater New York has served the public for many years as a center for gathering and disseminating information relative to family living costs and family budget standards for New York City. As a cooperative community service, it shares and coordinates its findings and source material with participating health and welfare agencies. The budget standard service's primary functions are to collect retail prices, develop family budget standards and offer consultation services related to these data. The basic function of the budget standard service is to develop objective budget standards defining family needs in terms of goods and services required for health and well-being.

As an instructed representative of the budget standard service, we are here to protest the dubious future status of data formerly provided on a continuous basis by the Bureau of Labor Statistics. For the past several years, the Bureau has published annual budget costs for a family of four living at three different levels—lower, intermediate, and higher—for different parts of the country. The 1971 budget costs would typically have been published at the end of 1971; however, the Bureau of Labor Statistics did not publish them at that time, and has only recently announced that such figures were being prepared. We are told to expect them some time this spring. We are given no assurances that such information will continue to be made available in the future.

In addition to the uncertain future of these statistics, we are further concerned with any Bureau of Labor Statistics decisions regarding the development of family budget standards following the completion of the 1972–73 consumer expenditure survey. In a recent issue of the "Monthly Labor Review," Geoffrey Moore, Commissioner of the Bureau of Labor Statistics, wrote:

> At the present time, the Bureau is considering alternative ways to assess living costs in different places without relying on the normative aspects of the present family budgets, constructed for a hypothetical family, as has been the case in the past . . .

He goes on to say:

> Because the BLS knows of no effective way to determine what income is needed and how it should be spent, it proposes to develop information on actual spending at different income levels so it will be clear what the figures represent.

It is clear that what Mr. Moore is proposing is to divorce the budget standards from any standards of adequacy. While there are no scientific standards established for some budget categories such as clothing, house furnishing, personal care, et cetera, there do exist such standards for food and housing. For example, the family budget standards published by the Bureau of Labor Statistics in 1969 for three standards of living used family food plans developed by the U.S. Department of Agriculture as the basis for the food-at-home component of the budget. The food plans take into account both the nutritional allowances recommended by the National Research Council and the consumption patterns of the families for whom the plans are developed. Standards for the shelter components of the budgets were those established by the American Public Health Association and the U.S. Public Housing Administration and relate to sleeping space

requirements, essential household requirements (such as plumbing), adequate utilities and heat, structural condition, and neighborhood location.

We maintain that it is essential that such standards of adequacy be incorporated into any future budget standards developed. A presentation of data relating to how American families of specific income levels actually spend their money would be useful; however, it is no substitute for the kind of budget standard that the Bureau of Labor Statistics has been developing for many years. The existing budget standard, published initially in the 1967 BLS publication entitled "The City Worker's Family Budget" and adapted for three levels in a following report called Three standards of Living, has served agencies such as the community council as a useful tool for a variety of purposes. These purposes would not be served by substituting expenditure survey data for the BLS budget standards. The council has adapted the BLS budget standards into a family budget standard that can be applied to any type or size of family or to individuals of any age or sex. We update the cost of our family budget standard yearly to keep abreast of fluctuating market prices. Assisting us in developing and updating our family budget standards, the council utilizes the voluntary services of home economists and nutritionists from a wide range of public and voluntary health and welfare agencies throughout the New York City area.

Our family budget standard is developed on the same assumption as that of existing BLS budget standards: That its list of foods and services maintain health and social well-being, nurture of the child, and family participation in community activities. Future BLS data which take no account of such criteria will be of limited use in developing future family budget standards, and would seriously impair the council's ability to continue developing these standards.

The loss of such standards would be a real and serious one in the Metropolitan New York City area; the standards serve several vital uses such as—

1. Enabling agencies in the health and welfare field to make an objective assessment of the economic status of the family or individuals;
2. Serving as a guide for counseling on family money management and budgeting;
3. Providing a basis for establishing equitable fee scales based on ability to pay for services provided by public or voluntary social and health agencies;
4. Determining eligibility for free service;
5. Serving as a source of authoritative material for home economics and other teachers of consumer and money management courses at all levels;
6. Serving as a guide for the establishment of foster home board rates for the care of children and others; and
7. Forming the basis for setting income limits for eligibility for various public programs.

We thank you for giving us your time and interest and the opportunity to share our concerns with you. As one community council in one city, we pledge our cooperation and we are sure that with little effort the Bureau of Labor Statistics might find it possible to utilize

the voluntary research and data collection sector in many imaginative ways so that the public interest, rather than a special interest, is best served.

Thank you.

Chairman PROXMIRE. Does Mrs. Clinthorne have any additional statement she would like to add?

Mrs. CLINTHORNE. No; not to that.

Chairman PROXMIRE. I see the panel has been enhanced by the addition of another gentleman.

Mr. POPPER. This character is worth five of us, because he is Mr. Bernard Shiffman, who is the executive director of the community council.

Mr. SHIFFMAN. My name is Bernard Shiffman. I am the executive director of the community council. I am sorry I am late, but I came this morning from Detroit. And it is slower in Detroit than it is in Washington. They had snow and ice which slowed down transportation.

Chairman PROXMIRE. Slower than Washington is pretty slow.

Mr. SHIFFMAN. I just want to add to the testimony some late happenings. I came from a conference of council executives of the major urban areas, and we had the opportunity to discuss the community council's testimony. The metro executives begged that I share their concern with you about the availability of social data at today's hearing.

Chairman PROXMIRE. Very good.

Do you have any statement you would like to make in addition to that?

Mr. SHIFFMAN. The community council and my major concern as a social planner is that the time when we are trying to focus on the conditions in the poverty areas of our cities, is not the time for there to be a breakdown of information that makes rational planning possible. The basic information that we are really concerned about is contained in the testimony. And I would like to underline that it is not only New York City that is concerned about this information, but this concern is shared by representatives from councils in Los Angeles, Chicago, St. Louis, Detroit, and a number of medium ranking cities, Indianapolis, Cincinnati, et cetera. There were 24 representatives, and all of them are engaged in the same kind of social planning activity in our urban centers. They asked that I share with this committee their concern about the potential drying up of this information, and urged that everything be done to keep open the faucets so that the basic information, that only the Government through the Bureau of Labor Statistics can develop, will continue to be available.

Chairman PROXMIRE. Mr. Shiffman, I am just delighted that you have come on this occasion directly from this kind of a meeting. It adds a dimension of reality to our hearings this morning, and immediacy. And it is so good to know that you speak not only for New York, but for many other areas of the country, your organization does. So you are very welcome.

Mr. Popper, I think it is especially relevant for you to appear as a witness today, because the community council is a user of budget data and poverty area unemployment data. Sometimes when statistics are produced at the Federal level, the needs of private organizations and

local governments are often ignored, as Mr. Shiffman's presence and remarks imply. That certainly seems to be the case in the Department of Labor.

You indicated in your statement how the family budget data are used by the community council. Could you tell us about the importance of statistics on poverty area employment, unemployment, underemployment?

Mr. POPPER. Yes. If you want to try to deal with the problems of people, particularly in the poverty areae, which is what the Community Council of Greater New York has decided that its main push must go for in this period—we don't know whether it is going to be 1 year, we hope it will be a very short time, but it could be longer—but if you are going to push for the sensible handling of problems of poor people, you must know the facts about the poor people. You can't be told that the unemployment rate in the country has dropped from 6.0 to 5.9 and be satisfied when we know that in the ghetto areas it may be 18.4.

Chairman PROXMIRE. Let me interrupt to say that that is very helpful to us, because this committee has been holding more hearings on unemployment than any congressional committee in history I am sure by far. We have done this every single month now for more than a year. This has never been done before by the Congress. Yet we haven't gotten into this, despite that enormous amount of statistical data that we have, we haven't gotten into this particular on-the-spot kind of problem that you are telling us about this morning.

Mr. POPPER. You see, it is a problem that grows geometrically rather than arithmetically. Because if you don't know the facts you don't know what to do about vocational training, and you don't know what to do about job training, and you don't know with whom you are dealing. If you just tell me that in New York City the unemployment rate is 5.9 percent, or whatever it is, that is fine. That is a nice gross figure. But if you are dealing with a welfare problem—and it appears to me from what I read in the papers that except for the C5A the whole country is really quite involved with welfare—if you are dealing with these people, you must know the facts that are going to help them. I read a piece in the Times coming down, and I couldn't resist them.

Chairman PROXMIRE. Thanks for the plug on the C5A. This committee appreciates that. That was this committee's work.

Mr. SHIFFMAN. Let me give another example just to that point, sir.

Chairman PROXMIRE. Surely.

Mr. SHIFFMAN. Mr. Popper gave one excellent example of his usage of material. I will describe another. I represent the community council in another organization called the Council Against Poverty, which is the OEO funded antipoverty unit. They control, spend, or designate the expenditure of approximately $60 million a year. That expenditure is made in geographic areas based on a poverty index. This year they are or should re-evaluate the poverty index and update the formula for the distribution of $60 million. The $60 million is spent primarily in the poverty areas, and is distributed and used for and by blacks, Puerto Ricans, and some poor whites.

To the degree that the formula for distribution is fair and adequate—to that degree there is satisfaction among the participant minority groups. To the degree that that poverty index is made up out

of pipe dreams—I was going to say marihuana, but one doesn't know if it is legal or not legal now—to the degree that the formula is not based on facts, it can lead to tensions and problems in those communities that are really very unnecessary.

To develop that poverty index, where do you get factual data? Who has the material from which you can abstract and design a method to create that formula? Only the Bureau of Labor Statistics can produce the essential data.

That is one practical application for the use of this data which is immediate and useful. It does help us direct the expenditures of poverty funds in the poverty areas. I am sure there are other usages.

Chairman PROXMIRE. Mr. Popper, do you have the staff or the monetary resources to develop substitute statistics during the period when the Federal Government is not publishing any statistics in this area?

Mr. POPPER. No, sir; we do not.

Chairman PROXMIRE. That is both important and unfortunate.

Mr. POPPER. It requires a considerable amount of money.

Chairman PROXMIRE. Maybe we ought to stop for a minute to emphasize and underline that. If you don't have these facts that are vital to the public interest no one does. That is why it is so important that the Federal Government not pass up this service. You can not do it without our help and if you don't do it nobody is going to do it.

Mr. POPPER. Precisely. And it would be impossible for us to do it.

And I would like to bring out one thing. We talk of ourselves as a consumer, but we are a conglomerate among consumers. A community council has as its affiliates and constituents a number of voluntary health and welfare agencies.

What is the number in New York?

It runs into the hundreds of people who use our information.

We have a book, for instance, that will have a very wide distribution. But all of us put together couldn't do the job. That can only be done by the Department of Labor and the Bureau of Labor Statistics.

This is the type of literature we give out to the agencies in New York who use them, including the public agencies.

Chairman PROXMIRE. Thank you very much.

In your statement you say:

> It is clear that what Mr. Moore is proposing is to divorce the budget standards from any standards of adequacy.

That is a very, very serious charge. The follow-up witness this morning after you conclude your remarks will be Mr. Moore. We have great faith in him. He is recognized by everybody as a highly competent nonpartisan official. And he has impressed this committee with his ability and his honesty. We will ask him about your charge. Will you give us a little more documentation on that, in fairness to Mr. Moore?

Mrs. CLINTHORNE. I think I should answer that, because I am more familiar with the material.

The Bureau of Labor Statistics has been publishing the standard budgets for several years—and the latest ones are the "City Worker's Family Budget," that came out in 1967, and the "Three Standards of Living," which present lower, intermediate, and higher budgets. We

have adapted those budgets in the publications that we have presented to you. What the council is concerned about in the statements from Mr. Moore is the possibility that the data from the national expenditure survey which is currently underway in this country will not be used to develop the same kind of standard budgets that we have had in the past, which we used as a criteria of adequacy. I am not clear as to what kind of information the BLS anticipates producing when they finish the expenditure survey, but it is my impression that they are going to come out with a display of actual expenditures by different levels of income. I don't know if they intend to show these income levels by family size. Certainly that would be an essential factor in evaluating income—that is, knowing how many people are supported by a given income. Even so, I am not sure how we can adapt this kind of data, income-level data, into the kind of material we need to determine what it requires for a family of four or five or six to maintain a level of living that would assure the health and well-being of the family, the nurture of the children, and the family's participation in community activities. This has been the assumption that underlies the former standard budgets. But simple expenditure data alone will not give us this kind of information.

Mr. SHIFFMAN. Janice, wasn't one of the ideas in the old budget standards procedures that we develop a model of what people should have that would be adequate based on a selected set of criteria, and the present suggested system would be moving away from that to telling how people actually spend their money and using actual expenditures as the suggested standard? That is two different "sets" of information. The latter which is being proposed is information on how people actually spent their money—and that may be wisely, foolishly, et cetera—and then you base your standard budget on that. Or you can develop a set of criteria based on what is needed—what does a family of four need in order to meet all of their social and physical needs in order to survive in a city like New York, Detroit, et cetera. That is the information we have been getting. It is the moving away from that—the failure to stay with the notion of adequacy—about which we are really concerned.

One other thing. I had hoped to be here before the official testimony started, so that we could say to you that we have had nothing but cooperation from the Bureau of Labor Statistics. We have had complete and outstanding cooperation with the New York BLS office. It is not a question of a relationship or administrative problem, but it is really a matter of social policy. It is the social policy that is determined not by the New York office, but official policy that may be connected with budgetary limitations or political implications. We don't challenge the integrity or the intelligence or the skill of the personnel working in the BLS, because we have got a great deal of respect for all of them. All that we are concerned about is that the information that councils and voluntary planning groups have been getting, should not be interrupted until the new information format is designed. And when it comes—and we don't know what is in the minds of the designers of the new information—when it comes there should not be a lag in information of from 6 to 16 months, but there should be continuity, or an uninterrupted flow of information until there is a switchover. That is both our pitch, and our hope.

Mr. POPPER. I would like to add one thing if I could, Senator. Many agencies in New York, including the public ones, do a good deal of counseling. It is a peculiar thing in our society that we expect the people with the lowest income to be the most intelligent about spending those incomes. And this isn't necessarily true. When big business makes a mistake it often gets bailed out. But a family living on $150 a week for four people must spend their money very, very carefully. And yet they have very little training to do this.

These budget figures that we have been getting are used by many agencies to say to a given family, you should be spending your money on better protein rather than beans and rice, or you should buy this type of clothing rather than that type of clothing, which is flashy but wears out quicker. Without these figures, just knowing what they have been spending on, there is no way for us to build on the future and say, according to this budget—you know how people like things in writing—according to this budget this is what you ought to be spending for this and that. This is why we feel these figures are important.

Chairman PROXMIRE. Congressman Conable.

Representative CONABLE. Thank you.

Mr. Popper, does your organization make any analysis of the accuracy of the statistics you get from the BLS, or do you accept them as they are given?

Mrs. CLINTHORNE. We accept the BLS information as valid data, and we adapt them into a more flexible framework. We also adapt them to reflect special consumer patterns in New York City.

Representative CONABLE. Did you have any idea about the accuracy of the information you have been getting recently? Apparently the changeover is related in substantial part to the new census.

Mrs. CLINTHORNE. Yes, I understand that they are holding up certain data because they are waiting until the new data from the 1970 census becomes available, so they can redefine poverty areas based on the newer population information.

Representative CONABLE. As one who was redistricted in 1968 on the basis of the 1960 census, I am aware that there are frequently inaccuracies on statistics based so far back. And I am aware of the fact that in New York City you had a population growth of a million Negroes and Puerto Ricans during the past decade which probably has altered the pattern of poverty there very substantially, and which certainly requires substantial accommodation in your approach to the overty statistics in the city.

But you maintain that the statistics you have been getting are better than nothing at all?

Mrs. CLINTHORNE. Yes.

Representative CONABLE. And you have had nothing at all since the shiftover has begun?

Mr. SHIFFMAN. By the time the 1970 census comes out, even the 1970 statistics will no longer be accurate. In New York City, as a matter of fact, the recently collected census data has been inaccurate twice, and the tapes have gone back a couple of times for corrections. We are always working with a margin of error.

In 1965, I believe, there was a census recheck in New York City with updating of some of the data. There are other sources of data that go to adjust your basic information bank constantly. In the world of

statistics nothing stands still long enough so that a report handed to the Senator today representing yesterday could have changed drastically. What we are saying is that in this world you do have to have some signposts, and you have got to build from there. We do have a basic framework. Until whatever is new comes through, it does seem to me that as inaccurate as that information is and as outdated as we all know it is, is still provides a base for building onto. Janice's job really is to use that BLS framework as primary source data, and to utilize all the skill we have in New York City to convert that to usable data that meets New York's needs at a particular moment in time.

Representative CONABLE. What has been the nature of contact of the community council with the BLS? This has been, I assume, more than on a person to person contact with the people working in the New York office. Have you made any protest to the Bureau of Labor Statistics of what you consider to be the failure of this data at this point?

Mrs. CLINTHORNE. We have written to Mr. Moore, and we have raised the same points that we are raising with you gentlemen today. I wrote in regard to the budget cost data and the standard budget data, and I questioned whether these were going to be available. I received a letter from Mr. Moore which said, yes, they are now going to public the family budget cost data—we expect it in the next month or so. This cost data will reflect the prices for fall of 1971. We are very relieved to hear this. We have been getting calls regularly from people wanting information about the lower level budget and there isn't any substitute for it. The budget standard service can't produce it.

So, we are glad to hear that the 1971 budget costs will soon be available. We are concerned with whether this is going to be continuously available in the future. We are not sure about the future plans of BLS. The future status of the standard budget data, I understand from Mr. Moore's letter, is up in the air, they haven't made a final decision on this. They are trying to gather opinions from academic sources and business and labor groups. And we are just trying to add our voice as a different kind of consumer.

Representative CONABLE. You have made representations to the BLS' however?

Mrs. CLINTHORNE. Yes.

Representative CONABLE. And your purpose in appearing here today is to try to enlist congressional assistance in pressing the BLS to continue to provide the kind of statistics you need?

Mrs. CLINTHORNE. Yes.

Representative CONABLE. I wanted to understand exactly what had transpired.

Mr. POPPER. We have also written that same letter to our congressional leaders, who have assured us that they are interested and will do what they can. So, we are on record, we are not fighting this boar from behind his back.

Representative CONABLE. Mr. Popper, to what extent are there other consumers of BLS statistics similarly situated to you? And are there any organizations representing similar councils which are in direct and constant contact with the BLS about the kind of statistics that are needed for this type of statistical consumer activity?

Mr. POPPER. That is where Mr. Shiffman was yesterday and this morning.

Representative CONABLE. I know he referred to it.

Mr. SHIFFMAN. I was going to say that according to the Chinese calendar, this is the year of the rat, but in the United States of America it is the year of the consumer. In the year of the consumer what we are discovering is that many groups have begun to feel that they have a right to request information rather than take handouts. With the Bureau of Labor Statistics we have never questioned what they put out, and have always accepted this as being the Gospel, and we use it.

The group that I was with yesterday, a group of 25 executives, representing, as I said, a complete spread from Florida north to the Canadian border and from east to west, most of them had not heard what was going on—most of them weren't aware that their statistical departments were not going to be receiving this information. Most of them didn't know that there was going to be a cutback of information, even though the great New York Times had published these facts on a number of occasions. And one of the real problems we have—and one of the reasons why we agreed that we would come here—is because so few social planning groups had heard about it, we thought the Community Council of Greater New York had better get here because others wouldn't be here. Second, we came because we did want to take this opportunity to start sharing with our own constituents what we already know. And we don't know the whole bag.

What I am trying to say to you is that increasingly there are users of information who are becoming aware—all of our research staff people in the city of New York, from the universities, from the sectarian religious organizations, and those that come from the voluntary agencies that charge sliding scale fees—all have been made aware of the possibility of losing our rational base for social planning.

I wrote the executive director of the United Way, which represents more than 400 community chests and councils across the country, suggesting that this may be something that the national organization should take on, rather than be represented by the Communty Council of Greater New York. And we are beginning to involve some of the Bureau of Labor Statistics users to join us in our request for a continuation of the data flow.

Representative CONABLE. I have the impression that New York has very special problems because of the tremendous concentration of poverty there, because of the high cost of living, and because of the extent of the urbanization in that area. I just wondered if there were a number of other similar councils representing other metropolitan areas, and to what extent you can speak for them.

Mr. POPPER. Let's see if I can help you with this.

There are 400 councils throughout the United States. You would think that because of that they would have a good association which could come down here instead of local groups and make their presentation. But oddly enough, many of these councils are interested in entirely different fields. They vary from being the representatives of the establishment agencies in their towns like the Boy Scouts and the Girl Scouts and the Y, all the way down to that we have done in New York.

But our movement in New York as a council is quite unique. Councils tend to have committees for aging, and committees for unwed

mothers, and committees for you name it. We decided that New York was such a town that we could only tackle one subject at a time and do it intelligently and completely. So we have decided to go into this problem of welfare with all its concomitant problems, employment and education and vocational education, and so forth. So we probably are uniquely interested in these statistics.

I imagine there are other councils and other agencies in San Francisco, Chicago, and so forth, there must be. But they do not have the same compulsion, if you want, that we do to come down here and talk about it.

Mr. SHIFFMAN. I was going to say that the one thing that the group that I met with in the last 2 days could unanimously agree on was that this is a noncontroversial issue that concerns them all. I am sure that this issue is something that all councils could get behind and work together on. That is point one. Point number two is that even though New York has many problems, other cities have their problems. For example, Cleveland's unemployment rate is much higher than New York's. Chicago has a much more difficult time serving and involving people in services in their poverty areas. And if you go across the country, it is not a unique problem of New York. I would like to get that on the record. We are not talking about New York's special need for this information. We are saying New York utilizes it, but it is a need for any town—one of the smallest town in Georgia, Warner-Robbins, in which I worked, could and needs to use this BLS information.

Representative CONABLE. I talked about your relationship to other organizations. What about your relationship to the State? Can you comment on the eligibility standards and support levels presently used by the Department of Social Services in New York State? Do they correspond to need, for instance? Do you get information from the State also as well as from the BLS? To what extent are you dependent exclusively on the BLS for the statistics you are using? To what extent can you gear into some other agencies that can provide you with what you need to know also?

Mrs. CLINTHORNE. As a matter of fact, the State Department of Social Welfare in New York also uses the BLS. The welfare allowances are based on the lower level of living budget that the BLS developed, with some adaptations. All of us recognize that the BLS data may not be perfect statistical data, it may not be without faults, but we have adapted it for our own use, and we have made adjustments for it. Moreover, the fact remains that none of us are going to be able to produce anything as valid as this BLS data. We have no resources to do costly expenditure surveys. Before BLS produced such budget data, and before they developed standard budgets, health and welfare agencies that charged fees for services, based on ability to pay, did so on their own judgment of what a family's economic status was. At one agency a family might be judged rich enough to pay a fee, and at another agency, the same family might be judged too poor to pay a fee. It depended on the economic yardstick used by the particular agency.

If BLS doesn't continue to develop standard budget data, this situation will happen again; there will be no generally accepted objective criteria. Every agency will start developing its own criteria for adequacy—you will find a proliferation of adequacy standards.

Representative CONABLE. Is it correct that the eligibility standards and support levels presently used by the Department of Social Services in New York do correspond to need and not to actual expenditure?

Mrs. CLINTHORNE. They were originally based on need, but there was a 10 percent cutback in welfare grants in 1971, so the grants no longer meet need.

Representative CONABLE. Would you say coverage expenditure——

Mr. SHIFFMAN. New York State starts with the minimum need budget rather than minimum adequate budget, and on that basis they make a 10 percent cut so that people in need who are eligible for assistance have to live on 10 percent less than minimum need.

Representative CONABLE. But they do start with need and not average expenditure, which is what is now being suggested you would receive from the BLS.

Mr. SHIFFMAN. Right.

Representative CONABLE. I think that is all, Mr. Chairman.

Chairman PROXMIRE. Mrs. Clinthorne, Mr. Popper, and Mr. Shiffman, I want to thank you for a most helpful presentation.

Mr. SHIFFMAN. I did want to share with the chairman that we are not only asking for social data to be given to us as a planning council—but as a representative of a number of councils which exist all across the country—and we would be happy to work with the Bureau and to give them information that we develop which is in tune with the local neighborhood and community. It could be a two-way sharing—the voluntary and the Government—with the Government providing that which it can provide best, and the voluntary agencies in turn giving back to Government units that which we can do better, since we exist and collect information out in the community. It is in that spirit that I think that we could make a better informational system than we currently have. And one of the reasons we accepted your invitation was to try to make a better match between what the Government agency is doing and what the voluntary sector is doing.

Chairman PROXMIRE. Thank you very much.

Mr. POPPER. Thank you very much for hearing us.

Chairman PROXMIRE. Thank you for your most helpful testimony.

Mr. Moore, we are delighted to have you.

Will you identify all of the men who are with you again this morning for the record and proceed as you wish?

STATEMENT OF HON. GEOFFREY H. MOORE, COMMISSIONER, BUREAU OF LABOR STATISTICS, DEPARTMENT OF LABOR, ACCOMPANIED BY HYMAN KAITZ, ASSISTANT COMMISSIONER FOR CURRENT EMPLOYMENT ANALYSIS; JOEL POPKIN, ASSISTANT COMMISSIONER FOR PRICES AND LIVING CONDITIONS; AND NORMAN SAMUELS, ASSISTANT COMMISSIONER FOR WAGES AND INDUSTRIAL RELATIONS

Mr. MOORE. I have with me Mr. Hyman Kaitz, who is in charge of our Current Employment Analysis Office.

Mr. Joel Popkin, in charge of our Prices and Living Conditions Office, and Mr. Norman Samuels, who is in charge of our Wages and Industrial Relations Office.

We have today two press releases, one on employment and one on wholesale prices. And I would like if you will put them in the record as a part of the record.

Chairman PROXMIRE. Without objection, that will be done at this point.

(The press releases follow:)

[Bureau of Labor Statistics, Department of Labor, Press Release No. 72-212, Apr. 7, 1972]

THE EMPLOYMENT SITUATION: MARCH 1972

Employment increased markedly in March while unemployment rose slightly, the U.S. Department of Labor's Bureau of Labor Statistics reported today. The overall unemployment rate was 5.9 percent in March, following a decline from 6.0 percent to 5.7 percent between December and February.

Total employment rose 620,000 in March to 81.2 million, seasonally adjusted, the largest monthly gain since June 1967. The increase took place primarily among males, both teenagers and adults.

Nonfarm payroll employment also rose substantially between February and March. Increases were widespread among the major industries, with the largest job gain occurring in manufacturing.

UNEMPLOYMENT

The number of unemployed persons totaled 5.2 million in March, down 200,000 from the previous month. After adjustment for usual seasonal changes, however, unemployment was up by 160,000. Most of this increase took place among adult women, whose jobless rate moved up from 5.0 to 5.4 percent, following a decline of similar magnitude in February.

The unemployment rate for all adult men (20 years and over), at 4.1 percent in March, was essentially unchanged over the month. The rate for those 20–24 years of age moved up from 9.2 to 10.4 percent, a return to the January level, while the rate for men 25 years and older held steady at 3.2 percent for the third successive month. The jobless rate for married men also was unchanged over the month at 2.8 percent, its lowest level since the summer of 1970.

The jobless rate for teenagers eased down from 18.8 to 17.9 percent in March after an increase of about the same amount in February.

The jobless rate for heads of households, at 3.4 percent, was about unchanged in March, after declining substantially between December and February (from 3.8 to 3.3 percent). The February rate was the lowest recorded level since the late summer of 1970. (Seasonally adjusted data on household heads are being introduced for the first time in this release—see table A.)

The jobless rate for white workers inched up in March—from 5.1 to 5.3 percent—while the 10.5-percent rate for Negroes has been at about this level for the past 4 months. Compared with a year ago, the rate for white workers decreased slightly, while that for Negroes was higher.

Unemployment rates for full-time workers (5.4 percent) and part-time workers (8.7 percent) were about unchanged in March. The jobless rate for workers covered by State unemployment insurance programs, at 3.5 percent in March, has remained virtually unchanged since January but was down from 4.1 percent in late fall. Jobless rates for most major industry and occupational groups also were little changed over the month.

The number of workers unemployed less than 5 weeks was 2.3 million, seasonally adjusted, 170,000 above the February level. In contrast, the number unemployed for 15 or more weeks declined by 70,000. The average (mean) duration of joblessness, at 12.4 weeks, was essentially unchanged in March but was nearly 2 weeks longer than a year ago.

TABLE A.—HIGHLIGHTS OF THE EMPLOYMENT SITUATION (SEASONALLY ADJUSTED)

Selected categories	March 1972	February 1972	January 1972	1st quarter 1972	4th quarter 1971	3d quarter 1971	2d quarter 1971	1st quarter 1971
	Millions of persons							
Civilian labor force [1]	86.3	85.5	85.7	85.9	85.0	84.2	83.7	83.5
Total employment [1]	81.2	86.0	80.6	80.8	80.0	79.2	78.7	78.5
Unemployment	5.1	4.9	5.1	5.0	5.0	5.0	5.0	5.0
	Percent of labor force							
Unemployment rates:								
All workers	5.9	5.7	5.9	5.8	5.9	6.0	6.0	6.0
Adult men	4.1	4.0	4.2	4.1	4.3	4.4	4.4	4.3
Adult women	5.4	5.0	5.5	5.3	5.7	5.7	5.8	5.7
Teenagers	17.9	18.8	17.8	18.2	16.9	16.8	16.9	17.3
White	5.3	5.1	5.3	5.3	5.4	5.5	5.5	5.5
Negro and other races	10.5	10.5	10.6	10.6	10.1	10.1	9.9	9.5
Household heads	3.4	3.3	3.5	3.4	3.6	3.7	3.7	3.6
Married men	2.8	2.8	3.0	2.9	3.2	3.2	3.2	3.2
Full-time workers	5.4	5.3	5.4	5.4	5.6	5.5	5.5	5.5
State insured [2]	3.5	3.5	3.4	3.5	4.2	4.2	4.1	3.8
	Millions of persons							
Nonfarm payroll employment	[3] 72.0	[3] 71.7	71.6	[3] 71.8	71.0	70.6	70.7	70.4
Goods-producing industries	[3] 22.6	[3] 22.5	22.5	[3] 22.6	22.4	22.4	22.5	22.5
Service-producing industries	[3] 49.3	[3] 49.2	49.0	[3] 49.2	48.6	48.3	48.1	47.9
	Hours of work							
Average weekly hours:								
Total private nonfarm	[3] 37.1	[3] 37.2	37.0	[3] 37.1	37.1	36.8	37.0	37.0
Manufacturing	[3] 40.4	[3] 40.5	40.0	[3] 40.3	40.1	39.8	39.9	39.8
Manufacturing overtime	[3] 3.3	[3] 3.2	2.9	[3] 3.1	3.0	2.9	2.9	2.8

[1] Civilian labor force and total employment figures for periods prior to January 1972 are not strictly comparable with data for this and subsequent months because of the introduction of 1970 census data into the estimation procedures. As a result of these adjustments, the labor force and employment totals were raised by a little over 300,000.

[2] Insured unemployment data relate to the week containing the 12th, as is the case with all other statistics presented in this release.

[3] Preliminary.

Note: Payroll employment and hours figures for latest 2 months are preliminary.

Source: Tables A–1, A–3, B–1, and B–2.

CIVILIAN LABOR FORCE AND TOTAL EMPLOYMENT

The civilian labor force and employment both increased substantially in March. The civilian labor force, at 86.3 million (seasonally adjusted), was up by 780,000, following a slight decline in February. Since March 1971, the civilian labor force has risen by 2.4 million (after eliminating the effects of the 1970 Census population control adjustment introduced into the household survey in January 1972).

Total employment rose by 620,000 (seasonally adjusted) in March, with one-half of the increase occurring among adult men, their largest monthly gain in over 5 years. Teenagers accounted for one-third of this gain in jobs and adult women for one-sixth. Since March 1971, total employment has risen by 2.4 million.

VIETNAM ERA VETERANS

About 4.1 million Vietnam Era veterans 20 to 29 years old were in the labor force in March; 3.7 million were employed, and 400,000 were unemployed. After improving substantially in February, their seasonally adjusted unemployment rate rose from 7.4 to 8.6 percent, returning to the levels of January and the last few months of 1971. However, the number of employed veterans held steady over the month. (See table A–7.)

Veterans 20 to 24 years old accounted for nearly all of the increase in the overall veteran rate in March. Their jobless rate rose from 9.7 percent to 12.3 percent, a return to the January level. With this increase, their rate was again significantly higher than for nonveterans of the same age, as had been the case in

most recent months. For veterans 25 to 29 years, the 5.6-percent unemployment rate was about the same as in February and a year earlier.

For nonveterans in the 20 to 29 year age group, the seasonally adjusted unemployment rate was 7.5 percent in March, not essentially different from levels prevailing for more than a year and a full percentage point below the veterans' rate.

INDUSTRY PAYROLL EMPLOYMENT

Nonfarm payroll employment rose more sharply than it usually does between February and March. After seasonal adjustment, the number of payroll jobs was up by 275,000 to 72.0 million. Total payroll employment has been rising steadily since last August, posing a gain of 1.4 million.

About 165,000, or three-fifths, of the March increase in payroll employment occurred in the service-producing sector. This gain resulted in part from the return to payrolls of 50,000 striking workers in the transpotation and public utilities industry. However, sizable employment gains were also registered in wholesale and retail trade, services, and State and local government. (See table B–1.)

Within the goods-producing sector, manufacturing employment rose by 90,000, seasonally adjusted, in March. Two-thirds of the increase occurred in the durable goods industries, with the largest gains taking place in primary metals, fabricated metals, and electrical equipment. At 18.8 million, factory employment was up 310,000 from its August 1971 low.

The number of workers on contract construction payrolls was little changed in March. Employment in this industry has fluctuated around the 3.2 to 3.3 million range for about a year and a half.

HOURS OF WORK

The average workweek for all rank-and-file workers on private nonagricultural payrolls was little changed in March at 37.1 hours, seasonally adjusted, remaining somewhat above the low levels that prevailed during the summer of 1971. The average workweek in manufacturing was also little changed in March at 40.4 hours, seasonally adjusted. Nevertheless, in the last 2 months, the factory workweek was at its highest point since December 1969.

Overtime hours in manufacturing inches up 0.1 hour in March to 3.3 hours, seasonally adjusted. This represented the highest level for factory overtime since January 1970.

HOURLY AND WEEKLY EARNINGS

Average hourly earnings of production or nonsupervisory workers on private nonagricultural payrolls rose 2 cents in March to $3.57. After adjustment for seasonality, average hourly pay was up 3 cents. Compared with March a year ago, hourly earnings have risen 21 cents, or 6.3 percent.

The March gain in hourly earnings, coupled with a small rise in weekly hours (not seasonally adjusted), resulted in a rise of $1.09 in average weekly earnings to $131.73. After seasonal adjustment, average weekly earnings were up by 76 cents.

Since March 1971, average weekly earnings have risen $8.08 or 6.5 percent. During the latest 12-month period for which the Consumer Price Index is available—February 1971 to February 1972—consumer prices rose by 3.7 percent.

HOURLY EARNINGS INDEX

In March, the Bureau's Hourly Earnings Index, seasonally adjusted, was 135.5 (1967-100), 0.6 percent higher than in February, according to preliminary figures. The index was 6.5 percent higher than March a year ago. (See table B.) Between March 1971 and March 1972, all industries posted increases, ranging from 4.6 percent in finance, insurance and real estate to 9.8 percent in transportation and public utilities. During the 12-month period ending in February, the Hourly Earnings Index in dollars of constant purchasing power rose 2.5 percent.

The index is adjusted to exclude effects of two types of changes that are unrelated to underlying wage rate developments: fluctuations in overtime premiums in manufacturing (the only sector for which overtime data are available) and the effects of shifts of workers between high-wage and low-wage industries.

TABLE B.—HOURLY EARNINGS INDEX FOR PRODUCTION OR NONSUPERVISORY WORKERS IN PRIVATE NONFARM INDUSTRIES, SEASONALLY ADJUSTED

[1967=100]

Industry	March 1972 [1]	February 1972 [1]	January 1972	December 1971	March 1971	Percent change: February to March 1972	Percent change: March 1971 to March 1972
Total private nonfarm:							
Current dollars	135.5	134.7	134.5	133.5	127.3	0.6	6.5
Constant (1967) dollars	[2]	108.6	109.0	108.5	106.2	[3]	[4]
Mining	134.8	134.0	134.1	132.8	124.5	.6	8.3
Contract construction	145.3	144.1	144.1	142.7	134.7	.8	7.8
Manufacturing	133.4	132.7	132.3	131.6	125.5	.5	6.3
Transportation and public utilities	139.3	137.9	137.6	136.2	126.9	1.0	9.8
Wholesale and retail trade	133.2	132.5	132.6	131.8	126.0	.6	5.8
Finance, insurance, and real estate	130.4	130.0	130.8	129.4	124.7	.3	4.6
Services	135.3	134.7	134.8	133.1	128.6	.5	5.3

[1] Preliminary.
[2] Indicates data are not available.
[3] Percent change was −0.4 from January to February 1972, the latest month available.
[4] Percent change was 2.5 from February 1971 to February 1972, the latest month available.

Note: All series are in current dollars except where indicated.

Quarterly Developments

The January-March period was the third successive quarter in which the civilian labor force and total employment posted substantial gains. The level and rate of unemployment, however, were little changed from the levels evident since the fourth quarter of 1970. (See table A.)

LABOR FORCE AND TOTAL EMPLOYMENT

The civilian labor force, at 85.9 million (seasonally adjusted), in the first quarter, was almost 500,000 above the previous quarter (after eliminating the effect of the introduction of 1970 Census population controls). It has risen sharply since the second quarter of last year—by 1.8 million—consisting of 740,000 adult women, 620,000 teenagers, and 430,000 adult men.

Total employment rose 550,000 (seasonally adjusted) in the first quarter to 80.8 million. Employment has been advancing markedly since mid-1971, after remaining weak during 1970 and the first half of 1971. The increase in employment this quarter was about equally divided among adult men, adult women, and teenagers; half of the pickup was among persons in part-time jobs.

UNEMPLOYMENT

The number of jobless persons averaged 5.0 million (seasonally adjusted) in the first quarter, the same level that has prevailed since the fourth quarter of 1970. The jobless rate in the first quarter, at 5.8 percent, was slightly below the levels posted during 1971.

For adult men, the unemployment rate edged down from 4.3 to 4.1 percent in the first quarter, while the rate for adult women declined from 5.7 to 5.3 percent. Both rates reached their lowest point since the third quarter of 1970. In contrast, the unemployment rate for teenagers rose from 16.9 to 18.2 percent, surpassing the previous post-World War II high recorded in the second quarter of 1963. The jobless rate for household heads, which was either 3.6 or 3.7 percent throughout 1971, declined to 3.4 percent in the first quarter of 1972.

The jobless rate for Negro workers edged up slightly in the first quarter, from 10.1 to 10.6 percent. This was due chiefly to a deterioration in the job situation among teenagers, whose unemployment rate rose to a record quarterly level. The rate for whites, at 5.3 percent, was little changed from the fourth quarter, although slightly below the rates of the previous three quarters. The ratio of Negro-to-white jobless rates rose to 2.0 to 1, after remaining below this ratio since the fall of 1969. Moreover, the Negro-to-white jobless rate ratio for teenagers rose from 2.1:1 to 2.4:1 over the quarter, the highest in almost three years. The Negro-white rate ratio also increased substantially among adult women—from 1.6:1 to 1.9:1. In contrast, the ratio for adult men declined over the quarter

(from 2.0:1 to 1.8:1). (During the past decade, the Negro-white jobless rate ratio has narrowed considerably for adult men, declined by a smaller margin for adult women, and widened for teenagers.)

INDUSTRY EMPLOYMENT

Nonagricultural payroll employment averaged 71.8 million in the first quarter of 1972 (seasonally adjusted), an increase of 730,000 from the previous quarter and 1.1 million from the third quarter of last year. The first quarter's increase was attribuable to employment pickups in both the goods-producing and service-producing industries.

In the goods-producing industries, employment increased 155,000 in the January-March quarter to 22.6 million (seasonally adjusted), it's highest level since the end of 1970. The number of factory jobs rose by 110,000 over the quarter, returning to the year-ago level but remaining nearly 1.6 million below the alltime high reached in the third quarter of 1969.

In the service-producing sector, the number of workers on payrolls, at 49.2 million (seasonally adjusted), increased 570,000 over the quarter, the largest quarter-to-quarter increase in the post-World War II period. As has been the case in recent years, trade, services, and State anl local government accounted for the bulk of the first quarter gain. Since the third quarter of 1969, employment in the service-producing sector has risen 3 million; in contrast, employment in the goods-producing sector has declined by 1.7 million.

This release presents and analyzes statistics from two major surveys. Data on labor force, total employment, and unemployment are derived from the sample survery of households conducted and tabulated by the Bureau of the Census for the Bureau of Labor Statistics. Statistics on payroll employment, hours, and earnings are collected by State agencies from payroll records of employers and are tabulated by the Bureau of Labor Statistics. A description of the two surveys appears in the BLS publication *Employment and Earnings.*

TABLE A-1.—EMPLOYMENT STATUS OF THE NONINSTITUTIONALIZED POPULATION BY SEX AND AGE

[In thousands]

Employment status, age, and sex	Not seasonally adjusted			Seasonally adjusted				
	March 1972	February 1972	March 1971	March 1972	February 1972	January 1972	December 1971	November 1971
TOTAL								
Total labor force	87,914	87,318	85,598	88,817	88,075	88,301	87,883	87,812
Civilian labor force	85,410	84,778	82,668	86,313	85,535	85,707	85,225	85,116
Employed	80,195	79,366	77,493	81,241	80,623	80,636	80,098	80,020
Agriculture	3,094	2,909	3,042	3,482	3,357	3,393	3,400	3,419
Nonagricultural industries	77,101	76,458	74,452	77,759	77,266	77,243	76,698	76,601
On part time for economic reasons	2,312	2,234	2,377	2,416	2,303	2,429	2,388	2,604
Usually work full time	1,172	1,147	1,284	1,155	1,127	1,146	1,048	1,263
Usually work part time	1,140	1,087	1,093	1,261	1,176	1,283	1,304	1,341
Unemployed	5,215	5,412	5,175	5,072	4,912	5,071	5,127	5,096
MEN, 20 YEARS AND OVER								
Civilian labor force	48,479	48,126	47,367	48,582	48,181	48,259	48,169	48,200
Employed	46,147	45,665	44,996	46,569	46,255	46,247	46,080	46,066
Agriculture	2,287	2,243	2,324	2,400	2,394	2,442	2,439	2,503
Nonagricultural industries	43,860	43,422	42,671	44,169	43,861	43,805	43,641	43,563
Unemployed	2,333	2,461	2,371	2,013	1,916	2,012	2,089	2,134
WOMEN, 20 YEARS AND OVER								
Civilian labor force	29,709	29,535	28,710	29,574	29,358	29,424	29,284	29,254
Employed	28,105	27,940	27,049	27,972	27,878	27,794	27,592	27,571
Agriculture	479	419	412	620	575	564	547	528
Nonagricultural industries	27,626	27,521	26,637	27,352	27,303	27,230	27,045	27,043
Unemployed	1,604	1,595	1,661	1,602	1,480	1,630	1,692	1,683
BOTH SEXES, 16 TO 19 YEARS								
Civilian labor force	7,222	7,117	6,591	8,157	7,996	8,024	7,772	7,662
Employed	5,943	5,761	5,448	6,700	6,490	6,595	6,426	6,383
Agriculture	328	247	305	462	388	387	414	388
Nonagricultural industries	5,615	5,414	5,143	6,238	6,102	6,208	2,012	5,995
Unemployed	1,278	1,356	1,142	1,457	1,506	1,429	1,346	1,279

Note: Figures for periods prior to January 1972 in the tables and charts are not strictly comparable with current data because of the introduction of 1970 census data into the estimation procedures. For example, the civilian labor force and employment totals were rasied by more than 30),C00 as a result of the census adjustment. An explanation of the changes and in indication of the differences appears in "Revisions in the Current Population Survey" in the February 1972 issue of Employment and Earnings.

TABLE A–2.—FULL- AND PART-TIME STATUS OF THE CIVILIAN LABOR FORCE BY SEX AND AGE

[Numbers in thousands]

Full- and part-time employment status, sex, and age	March 1972	March 1971	Seasonally adjusted: March 1972	February 1972	January 1972	December 1971	November 1971	March 1971
FULL TIME								
Total, 16 years and over:								
Civilian labor force	72,022	69,896	73,714	72,997	73,261	73,170	73,020	71,434
Employed	67,951	65,828	69,734	69,123	69,279	69,023	68,889	67,483
Unemployed	4,071	4,068	3,980	3,874	3,982	4,147	4,131	3,951
Unemployment rate	5.7	5.8	5.4	5.3	5.4	5.7	5.7	5.5
Men, 20 years and over:								
Civilian labor force	45,841	44,866	46,123	45,847	45,892	45,805	45,898	45,130
Employed	43,706	42,698	44,282	44,074	44,061	43,881	43,909	43,260
Unemployed	2,135	2,169	1,841	1,773	1,831	1,924	1,989	1,870
Unemployment rate	4.7	4.8	4.0	3.9	4.0	4.2	4.3	4.1
Women, 20 years and over:								
Civilian labor force	23,064	22,228	23,208	22,921	23,009	22,992	22,985	22,365
Employed	21,751	20,887	21,904	21,691	21,704	21,680	21,643	21,034
Unemployed	1,313	1,340	1,304	1,230	1,305	1,312	1,342	1,331
Unemployment rate	5.7	6.0	5.6	5.4	5.7	5.7	5.8	6.0
PART TIME								
Total, 16 years and over:								
Civilian labor force	13,389	12,772	12,596	12,540	12,595	12,083	12,125	12,022
Employed	12,244	11,666	11,497	11,482	11,476	11,072	11,094	10,958
Unemployed	1,144	1,107	1,099	1,058	1,119	1,011	1,031	1,064
Unemployment rate	8.5	8.7	8.7	8.4	8.9	8.4	8.5	8.9

Note: Persons on part-time schedules for economic reasons are included in the full-time employed category; unemployed persons are allocated by whether seeking full- or part-time work.

TABLE A–3.—MAJOR UNEMPLOYMENT INDICATORS (PERSONS 16 YEARS AND OVER)

Selected categories	Thousands of persons unemployed: March 1972	March 1971	Seasonally adjusted rates of unemployment: March 1972	February 1972	January 1972	December 1971	November 1971	March 1971
Total (all civilian workers)	5,215	5,174	5.9	5.7	5.9	6.0	6.0	6.0
Men, 20 years and over	2,333	2,371	4.1	4.0	4.2	4.3	4.4	4.3
Women, 20 years and over	1,604	1,661	5.4	5.0	5.5	5.8	5.8	5.8
Both sexes, 16 to 19 years	1,278	1,142	17.9	18.8	17.8	17.3	16.7	17.5
White	4,239	4,311	5.3	5.1	5.3	5.4	5.6	5.5
Negro and other races	976	864	10.5	10.5	10.6	10.4	9.4	9.5
Married men	1,343	1,505	2.8	2.8	3.0	3.2	3.3	3.2
Full-time workers	4,071	4,068	5.4	5.3	5.4	5.7	5.7	5.5
Part-time workers	1,144	1,106	8.7	8.4	8.9	8.4	8.5	8.9
Unemployed 15 weeks and over [1]	1,579	1,419	1.4	1.5	1.4	1.5	1.5	1.3
State insured [2]	2,297	2,639	3.5	3.5	3.4	4.1	4.1	3.9
Labor force time lost [3]			6.3	6.1	6.4	6.4	6.4	6.5
OCCUPATION [4]								
White-collar workers	1,376	1,419	3.5	3.3	3.6	3.6	3.4	3.7
Professional and technical	254	325	2.5	2.5	3.1	2.9	2.9	3.3
Managers and administrators, except farm	161	156	1.9	1.7	1.9	1.8	1.9	1.7
Sales workers	249	267	4.1	4.0	4.4	4.0	3.9	4.5
Clerical workers	712	671	4.9	4.7	4.7	4.9	4.6	4.9
Blue-collar workers	2,443	2,497	6.9	7.0	7.1	7.5	7.5	7.4
Craftsmen and kindred workers	595	658	4.0	4.4	4.3	4.8	4.6	4.8
Operatives	1,226	1,314	7.7	7.5	7.9	8.2	8.2	8.5
Nonfarm laborers	623	525	11.7	11.8	11.6	11.9	11.8	10.4
Service workers	758	678	6.6	5.9	6.1	6.4	6.6	6.1
Farm workers	71	80	1.9	2.7	2.8	2.7	3.7	2.3

See footnotes at end of table.

TABLE A-3.—MAJOR UNEMPLOYMENT INDICATORS (PERSONS 16 YEARS AND OVER)—Continued

Selected categories	Thousands of persons unemployed		Seasonally adjusted rates of unemployment					
	March 1972	March 1971	March 1972	February 1972	January 1972	December 1971	November 1971	March 1971
INDUSTRY [4]								
Nonagricultural private wage and salary workers [5]	4,133	4,178	6.1	5.9	6.1	6.3	6.2	6.4
Construction	600	599	9.8	10.3	9.8	11.2	9.7	10.7
Manufacturing	1,385	1,559	6.2	6.0	6.4	6.9	6.6	7.0
Durable goods	815	958	6.3	6.1	6.7	6.7	6.7	7.3
Nondurable goods	570	601	6.1	6.0	6.0	7.1	6.3	6.5
Transportation and public utilities	200	164	4.0	3.9	4.1	4.1	4.4	3.4
Wholesale and retail trade	1,073	1,025	6.7	6.2	6.3	6.5	6.6	6.7
Finance and service industries	849	811	5.3	4.9	5.3	4.9	5.1	5.2
Government wage and salary workers	341	318	2.8	2.8	3.0	3.2	3.2	2.8
Agricultural wage and salary workers	90	99	6.0	8.3	8.6	7.5	9.6	6.7

[1] Unemployment rate calculated as a percent of civilian labor force.
[2] Insured unemployment under State programs—unemployment rate calculated as a percent of average covered employment. As is the case with other data presented in this release, data relate to the week containing the 12th.
[3] Man-hours lost by the unemployed and persons on part time for economic reasons as a percent of potentially available labor force man-hours.
[4] Unemployment by occupation includes all experienced unemployed persons, whereas that by industry covers only unemployed wage and salary workers.
[5] Includes mining, not shown separately.

TABLE A-4.—UNEMPLOYED PERSONS 16 YEARS AND OVER, BY DURATION OF UNEMPLOYMENT

[In thousands]

Duration of unemployment	March 1972	March 1971	Seasonally adjusted					
			March 1972	February 1972	January 1972	December 1971	November 1971	March 1971
Less than 5 weeks	2,004	1,868	2,311	2,142	2,358	2,410	2,290	2,155
5 to 14 weeks	1,632	1,888	1,412	1,454	1,502	1,509	1,650	1,633
15 weeks and over	1,579	1,419	1,224	1,294	1,198	1,273	1,311	1,100
15 to 26 weeks	849	895	591	634	636	724	741	645
27 weeks and over	729	524	633	660	562	549	570	455
Average (mean) duration, in weeks	14.1	12.2	12.4	12.5	11.8	11.4	11.8	10.7

TABLE A-5.—UNEMPLOYED PERSONS BY REASON FOR UNEMPLOYMENT

[Numbers in thousands]

Reason for unemployment	March 1972	March 1971	Seasonally adjusted					
			March 1972	February 1972	January 1972	December 1971	November 1971	March 1971
NUMBER OF UNEMPLOYED								
Lost last job	2,525	2,652	2,118	2,077	2,169	2,365	2,360	2,225
Left last job	623	548	674	603	564	666	629	593
Reentered labor force	1,508	1,477	1,542	1,503	1,652	1,432	1,493	1,511
Never worked before	559	498	737	713	742	735	651	658
PERCENT DISTRIBUTION								
Total unemployed	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Lost last job	48.4	51.2	41.8	42.4	42.3	45.5	46.0	44.9
Left last job	11.9	10.6	13.3	12.3	11.0	12.8	12.3	11.3
Reentered labor force	28.9	28.5	30.4	30.7	32.2	27.5	29.1	30.2
Never worked before	10.7	9.6	14.5	14.6	14.5	14.2	12.7	13.6
UNEMPLOYED AS A PERCENT OF THE CIVILIAN LABOR FORCE								
Lost last job	3.0	3.2	2.5	2.4	2.5	2.8	2.8	2.7
Left last job	.7	.7	.8	.7	.7	.8	.7	.7
Reentered labor force	1.8	1.8	1.8	1.8	1.9	1.7	1.8	1.8
Never worked before	.7	.6	.9	.8	.9	.9	.8	.8

TABLE A-6.—UNEMPLOYED PERSONS BY AGE AND SEX

Age and sex	Thousands of persons		Percent looking for full-time work,	Seasonally adjusted unemployment rates					
	March 1972	March 1971	March 1972	March 1972	February 1972	January 1972	December 1971	November 1971	March 1971
Total 16 years and over	5,215	5,175	78.1	5.9	5.7	5.9	6.0	6.0	6.0
16 to 19 years	1,278	1,142	48.7	17.9	18.8	17.8	17.3	16.7	17.5
16 and 17 years	616	516	25.0	20.7	22.0	19.1	18.8	18.3	18.7
18 and 19 years	663	626	70.6	15.8	16.7	16.8	16.3	15.5	16.7
20 to 24 years	1,194	1,129	87.1	9.9	8.8	10.1	10.4	10.4	10.1
25 years and over	2,743	2,903	87.8	3.7	3.6	3.7	4.1	4.0	4.0
25 to 54 years	2,195	2,345	89.3	3.9	3.7	3.9	4.3	4.2	4.2
55 years and over	547	558	81.9	3.3	3.1	3.1	3.4	3.4	3.4
Males, 16 years and over	3,076	3,008	80.8	5.3	5.3	5.3	5.4	5.4	5.3
16 to 19 years	744	636	47.2	17.8	19.6	17.3	17.3	16.2	16.8
16 and 17 years	384	303	23.7	21.4	21.8	18.7	19.0	18.1	18.3
18 and 19 years	359	333	72.1	15.1	17.6	16.1	16.0	14.7	15.7
20 to 24 years	735	651	85.0	10.4	9.2	10.4	10.5	10.7	10.2
25 years and over	1,598	1,720	94.5	3.2	3.2	3.2	3.5	3.5	3.5
25 to 54 years	1,223	1,342	97.2	3.1	3.2	3.3	3.6	3.7	3.5
55 years and over	375	378	85.6	3.4	3.2	3.0	3.0	3.2	3.5
Females, 16 years and over	2,139	2,167	74.1	6.8	6.4	6.9	7.0	6.9	7.1
16 to 19 years	535	506	50.8	17.9	17.9	18.4	17.3	17.3	18.5
16 and 17 years	231	213	27.3	19.8	22.3	19.6	18.5	18.7	19.3
18 and 19 years	304	293	68.8	16.8	15.6	17.7	16.7	16.2	17.8
20 to 24 years	459	478	90.4	9.2	8.4	9.6	9.6	10.0	10.0
25 years and over	1,145	1,183	78.4	4.7	4.3	4.6	5.0	4.8	5.0
25 to 54 years	972	1,003	79.4	5.1	4.7	4.9	5.4	5.2	5.5
55 years and over	172	180	73.8	3.1	2.9	3.3	3.9	3.7	3.2

TABLE A-7.—EMPLOYMENT STATUS OF MALE VIETNAM ERA VETERANS AND NONVETERANS 20 TO 29 YEARS OLD

[Numbers in thousands]

Employment status	March 1972	February 1972	March 1971	Seasonally adjusted: March 1972	February 1972	January 1972	December 1971	November 1971	March 1971
VETERANS [1]									
Total, 20 to 29 years old:									
Civilian noninstitutional population	4,470	4,436	3,867	(2)	(2)	(2)	(2)	(2)	(2)
Civilian labor force	4,112	4,086	3,490	4,137	4,100	3,990	3,985	3,957	3,509
Employed	3,710	3,690	3,120	3,783	3,798	3,649	3,650	3,621	3,185
Unemployed	402	396	370	354	302	341	335	336	324
Unemployment rate	9.8	9.7	10.6	8.6	7.4	8.5	8.4	8.5	9.2
20 to 24 years:									
Civilian noninstitutional population	2,000	2,008	1,927	(2)	(2)	(2)	(2)	(2)	(2)
Civilian labor force	1,803	1,811	1,670	1,817	1,842	1,745	1,773	1,786	1,682
Employed	1,545	1,585	1,424	1,594	1,663	1,530	1,550	1,572	1,470
Unemployed	258	226	246	223	179	215	223	214	212
Unemployment rate	14.3	12.5	14.7	12.3	9.7	12.3	12.6	12.0	12.6
25 to 29 years:									
Civilian noninstitutional population	2,470	2,428	1,940	(2)	(2)	(2)	(2)	(2)	(2)
Civilian labor force	2,309	2,275	1,820	2,320	2,258	2,245	2,212	2,171	1,827
Employed	2,165	2,105	1,696	2,189	2,135	2,119	2,100	2,049	1,71_
Unemployed	144	170	124	131	123	126	112	122	115
Unemployment rate	6.2	7.5	6.8	5.6	5.4	5.6	5.1	5.6	6.2
									1
NONVETERANS									
Total, 20 to 29 years old;									
Civilian noninstitutional population	9,779	9,707	9,240	(2)	(2)	(2)	(2)	(2)	(2)
Civilian labor force	8,327	8,215	7,864	8,513	8,368	8,425	8,483	8,346	8,028
Employed	7,679	7,502	7,264	7,873	7,783	7,793	7,834	7,668	7,441
Unemployed	648	713	600	640	584	632	649	688	587
Unemployment rate	7.8	8.7	7.6	7.5	7.0	7.5	7.7	8.1	7.3
20 to 24 years:									
Civilian noninstitutional population	5,884	5,802	5,358	(2)	(2)	(2)	(2)	(2)	(2)
Civilian labor force	4,642	4,507	4,180	4,843	4,665	4,751	4,706	4,576	4,362
Employed	4,165	3,998	3,776	4,352	4,244	4,284	4,255	4,105	3,946
Unemployed	477	509	404	491	421	467	451	471	416
Unemployment rate	10.3	11.3	9.7	10.1	.0	9.8	9.6	10.3	9.5
25 to 29 years:									
Civilian noninstitutional population	3,895	3,905	3,882	(2)	(2)	(2)	(2)	(2)	(2)
Civilian labor force	3,685	3,708	3,684	3,670	3,703	3,674	3,777	3,770	3,666
Employed	3,514	3,504	3,488	3,521	3,539	3,509	3,579	3,563	3,495
Unemployed	171	204	196	149	164	165	198	207	171
Unemployment rate	4.6	5.5	5.3	4.1	4.4	4.5	5.2	5.5	4.7

[1] Vietnam era veterans are those who served after Aug. 4, 1964; they are all classified as war veterans. 81 percent of the Vietnam era veterans of all ages are 20 to 29 years old. Post Korean-peacetime veterans 20 to 29 years old are not included in this table.

[2] Not applicable.

TABLE B-1.—EMPLOYEES ON NONAGRICULTURAL PAYROLLS, BY INDUSTRY

[In thousands]

Industry	March 1972[1]	February 1972[1]	January 1972	March 1971	Change from— February 1972	Change from— March 1971	Seasonally adjusted March 1972[1]	Seasonally adjusted February 1972[1]	Seasonally adjusted January 3972	Seasonally adjusted Change from February 1972
Total	71,328	70,749	70,643	69,782	579	1,546	71,978	71,702	71,584	276
Goods producing	22,205	22,001	22,007	22,063	204	142	22,636	22,526	22,545	110
Mining	599	595	602	608	4	−9	613	611	616	2
Contract construction	2,961	2,883	2,965	2,967	78	−6	3,257	3,239	3,320	18
Manufacturing	18,645	18,523	18,440	18,488	122	157	18,766	18,676	18,609	90
Production workers	13,557	13,448	13,373	13,345	109	212	13,662	13,581	13,527	81
Durable goods	10,665	10,579	10,522	10,550	86	115	10,687	10,627	10,574	60
Production workers	7,710	7,630	7,581	7,552	80	158	7,728	7,668	7,629	60
Ordnance and accessories	183.7	183.4	184.2	195.7	.3	−12.0	183	183	183	0
Lumber and wood products	595.7	586.0	584.5	554.2	9.7	41.5	608	602	604	6
Furniture and fixtures	480.3	478.8	477.8	447.4	1.5	32.9	483	480	478	3
Stone, clay, and glass products	628.5	620.6	620.5	608.9	7.9	19.6	642	640	640	2
Primary metal industries	1,206.3	1,184.5	1,180.5	1,265.7	21.8	−59.4	1,205	1,185	1,186	20
Fabricated metal products	1,349.6	1,339.2	1,333.1	1,291.0	10.4	58.6	1,356	1,346	1,336	10
Machinery, except electrical	1,817.4	1,808.2	1,782.3	1,812.2	9.2	5.2	1,801	1,799	1,784	2
Electrical equipment	1,812.9	1,800.8	1,793.6	1,781.2	12.1	31.7	1,818	1,803	1,792	15
Transportation equipment	1,737.6	1,733.3	1,730.1	1,765.4	4.3	−27.8	1,726	1,728	1,716	−2
Instruments and related products	440.5	437.8	435.1	428.5	2.7	12.0	441	439	436	2
Miscellaneous manufacturing	412.4	406.2	400.2	399.5	6.2	12.9	424	422	419	2

Nondurable goods	7,980	7,944	7,918	7,938	36	42	8,079	8,049	8,035	30
Production workers	5,847	5,818	5,792	5,793	29	54	5,934	5,913	5,898	21
Food and kindred products	1,673.0	1,667.4	1,688.2	1,678.6	5.6	−5.6	1,754	1,748	1,757	6
Tobacco manufactures	67.5	68.3	70.2	70.1	−.8	−2.6	74	71	71	3
Textile mill products	985.6	976.0	972.3	954.7	9.6	30.9	989	980	979	9
Apparel and other textile products	1,370.2	1,364.5	1,335.7	1,374.8	5.7	−4.6	1,363	1,363	1,353	0
Paper and allied products	686.2	683.5	684.3	683.8	2.7	2.4	691	688	688	3
Printing and publishing	1,092.5	1,089.1	1,085.5	1,092.0	3.4	.5	1,093	1,091	1,090	2
Chemicals and allied products	999.4	995.9	995.3	1,019.1	3.5	−19.7	1,001	1,002	1,003	−1
Petroleum and coal products	186.7	186.7	183.2	187.0	0	−.3	191	192	188	−1
Rubber and plastics products, not elsewhere classified	607.9	602.8	597.5	571.2	5.1	36.7	611	604	600	7
Leather and leather products	311.2	310.0	306.1	306.6	1.2	4.6	312	310	306	2
Service-producing	49,123	48,748	48,636	47,719	375	1,404	49,342	49,176	49,039	166
Transportation and public utilities	4,474	4,411	4,430	4,466	63	8	4,528	4,483	4,502	45
Wholesale and retail trade	15,285	15,143	15,266	14,789	142	496	15,529	15,491	15,447	38
Wholesale trade	3,888	3,871	3,871	3,806	17	82	3,935	3,918	3,902	17
Retail trade	11,397	11,272	11,395	10,983	125	414	11,594	11,573	11,545	21
Finance, insurance, and real estate	3,864	3,843	3,833	3,735	21	129	3,887	3,878	3,872	9
Services	12,113	12,018	11,926	11,758	95	355	12,198	12,164	12,120	34
Government	13,387	13,333	13,181	12,971	54	416	13,200	13,160	13,098	40
Federal	2,659	2,656	2,654	2,649	3	10	2,672	2,672	2,675	0
State and local	10,728	10,677	10,527	10,322	51	406	10,528	10,488	10,423	40

[1] Preliminary.

TABLE B-2.—AVERAGE WEEKLY HOURS OF PRODUCTION OR NONSUPERVISORY WORKERS [1] ON PRIVATE NONAGRICULTURAL PAYROLLS, BY INDUSTRY

Industry	March 1972 [2]	February 1972 [2]	January 1972	March 1971	Change from February 1972	Change from March 1971	Seasonally adjusted: March 1972 [2]	Seasonally adjusted: February 1972 [2]	Seasonally adjusted: January 3972	Seasonally adjusted: Change from February 1972
Total private	36.9	36.8	36.7	36.8	0.1	0.1	37.1	37.2	37.0	−0.1
Mining	42.3	42.1	42.5	42.1	.2	.2	43.0	42.6	43.0	.4
Contract construction	36.8	36.0	35.8	37.1	.8	−.3	37.5	37.3	37.4	.2
Manufacturing	40.3	40.1	39.8	39.7	.2	.6	40.4	40.5	40.0	−.1
Overtime hours	3.1	3.0	2.8	2.7	.1	.4	3.3	3.2	2.9	.1
Durable goods	41.0	40.7	40.4	40.4	.3	.6	41.0	41.1	40.6	−.1
Overtime hours	3.2	3.0	2.8	2.7	.2	.5	3.3	3.2	2.9	.1
Ordnance and accessories	42.0	42.3	41.7	41.8	−.3	.2	42.1	42.5	41.2	−.4
Lumber and wood products	40.9	40.3	40.0	39.9	.6	1.0	40.9	40.8	40.9	.1
Furniture and fixtures	40.2	39.9	39.7	39.4	.3	.8	40.5	40.8	40.3	−.3
Stone, clay, and glass produces	41.8	41.3	40.9	41.3	.5	.5	42.2	42.1	41.8	.1
Primary metal industries	41.1	40.9	40.7	40.8	.2	.3	41.1	41.0	40.6	.1
Fabricated metal products	40.6	40.4	40.1	40.1	.2	.5	40.8	41.0	40.4	−.2
Machinery, except electrical	41.7	41.3	41.0	40.5	.4	1.2	41.4	41.3	41.0	.1
Electrical equipment	40.2	40.1	40.0	39.7	.1	.5	40.2	40.6	40.1	−.4
Transportation equipment	41.6	41.2	40.6	41.3	.4	.3	42.0	41.9	40.7	.1
Instruments and related products	40.3	40.3	40.1	39.7	0	.6	40.3	40.7	40.3	−.4
Miscellaneous manufacturing	39.3	39.1	38.7	38.8	.2	.5	39.3	39.5	39.0	−.2
Nondurable goods	39.3	39.3	39.1	38.9	0	.4	39.5	39.7	39.4	−.2
Overtime hours	3.0	3.0	2.9	2.7	0	.3	3.2	3.2	3.1	0
Food and kindred products	39.9	39.6	39.8	39.9	.3	0	40.1	40.0	40.1	.1
Tobacco manufactures	33.9	33.5	34.1	36.8	.4	−2.9	35.0	34.0	34.8	1.0
Textile mill products	41.1	41.0	40.8	40.2	.1	.9	41.2	41.2	41.3	0
Apparel and other textile products	35.9	36.0	35.3	35.4	−.1	.5	35.7	36.3	35.7	−.6
Paper and allied products	42.3	42.3	41.9	41.6	0	.7	42.6	42.7	42.1	−.1
Printing and publishing	37.7	37.2	37.1	37.5	.5	.2	37.7	37.5	37.5	.2
Chemicals and allied products	41.7	41.7	41.6	41.4	0	.3	41.7	41.9	41.8	−.2
Petroleum and coal products	41.6	41.4	41.7	41.8	.2	−.2	41.7	42.0	42.2	−.3
Rubber and plastics products, nec	40.5	40.7	40.6	39.9	−.2	.6	40.9	41.0	40.8	−.1
Leather and leater products	37.8	38.5	38.2	37.1	−.7	.7	38.1	38.5	38.0	−.4
Transportation and public utilities	40.1	40.0	39.8	40.2	.1	−.1	40.5	40.2	40.0	.3
Wholesale and retail trade	34.7	34.7	34.7	34.7	0	0	35.0	35.2	35.1	−.2
Wholesale trade	39.8	39.7	39.6	39.6	.1	.2	39.9	40.0	39.7	−.1
Retail trade	33.1	33.1	33.2	33.1	0	0	33.5	33.6	33.7	−.1
Finance, insurance, and real estate	37.1	37.1	37.3	36.9	0	.2	37.1	37.1	37.3	0
Services	33.9	34.0	33.9	34.0	−.1	−.1	33.9	34.2	34.1	−.3

[1] Data relate to production workers in mining and manufacturing; to construction workers in contract construction; and to nonsupervisory workers in transportation and public utilities; wholesale and retail trade; finance, insurance, and real estate; and services. These groups account for approximately four-fifths of the total employment on private nonagricultural payrolls.

[2] Preliminary.

TABLE B-3.—AVERAGE HOURLY AND WEEKLY EARNINGS OF PRODUCTION OR NONSUPERVISORY WORKERS[1] ON PRIVATE NONAGRICULTURAL PAYROLLS, BY INDUSTRY

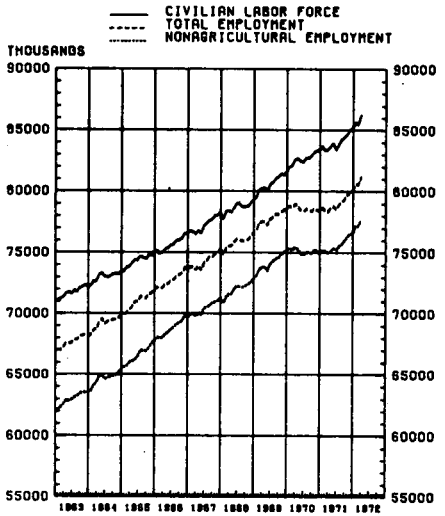
Industry	Average hourly earnings						Average weekly earnings					
					Change from—						Change from—	
	March 1972[2]	February 1972[2]	January 1972	March 1971	February 1972	March 1971	March 1972[2]	February 1972[2]	January 1972	March 1971	February 1972	March 1971
Total private	$3.57	$3.55	$3.54	$3.36	$0.02	$0.21	$131.73	$130.64	$129.92	$123.65	$1.09	$8.08
Seasonally adjusted	3.58	3.55	3.54	3.37	.03	.21	132.82	132.06	130.98	124.69	.76	8.13
Mining	4.30	4.41	4.32	4.01	.01	.29	181.89	181.45	183.60	168.82	.44	13.07
Contract construction	5.97	5.98	5.99	5.54	−.01	.43	219.70	215.28	214.44	205.53	4.42	14.17
Manufacturing	3.74	3.72	3.71	3.52	.02	.22	150.72	149.17	147.66	139.74	1.55	10.98
Durable goods	3.99	3.96	3.95	3.75	.03	.24	163.59	161.17	159.58	151.50	2.42	12.09
Ordnance and accessories	4.01	4.04	3.98	3.77	−.03	.24	168.42	170.89	165.97	157.59	−2.47	10.83
Lumber and wood products	3.25	3.20	3.21	3.05	.05	.20	132.93	128.96	128.40	121.70	3.97	11.23
Furniture and fixtures	3.00	2.98	2.98	2.85	.02	.15	120.60	118.90	118.31	112.29	1.70	8.31
Stone, clay, and glass products	3.80	3.78	3.76	3.57	.02	.23	158.84	156.11	153.78	147.77	2.73	11.40
Primary metal industries	4.57	4.55	4.54	4.12	.02	.45	187.83	186.10	184.78	168.10	1.73	19.73
Fabricated metal products	3.92	3.89	3.88	3.66	.03	.26	159.15	157.16	155.59	146.77	1.99	12.38
Machinery, except electrical	4.22	4.18	4.16	3.94	.04	.28	175.97	172.63	170.56	159.57	3.34	16.40
Electrical equipment	3.65	3.62	3.60	3.46	.03	.19	146.73	145.16	144.00	137.36	1.57	9.37
Transportation equipment	4.66	4.65	4.60	4.42	.01	.24	193.86	191.58	186.76	182.55	2.28	11.31
Instrument and related products	3.71	3.68	3.67	3.49	.03	.22	149.51	148.30	147.17	138.55	1.21	10.96
Miscellaneous manufacturing	3.07	3.07	3.07	2.93	.00	.14	120.65	120.04	118.81	113.68	.61	6.97
Nondurable goods	3.40	3.39	3.38	3.21	.01	.19	133.62	133.23	132.16	124.87	.39	.875
Food and kindred products	3.56	3.53	3.52	3.34	.03	.22	142.04	139.79	140.10	133.27	2.25	8.77
Tobacco manufacturers	3.39	3.39	3.32	3.11	.00	.28	114.92	113.57	113.21	114.45	1.35	.47
Textile mill products	2.71	2.71	2.69	2.55	.00	.16	111.38	111.11	109.75	102.51	.27	8.87
Apparel and other textile products	2.57	2.57	2.56	2.47	.00	.10	92.26	92.52	90.37	87.44	−.26	4.82
Paper and allied products	3.83	3.83	3.81	3.60	.00	.23	162.01	162.01	159.64	149.76	.00	12.25
Printing and publishing	4.40	4.36	4.35	4.09	.04	.31	165.88	162.19	161.39	153.38	3.69	12.50
Chemical and allied products	4.10	4.11	4.10	3.84	−.01	.26	170.97	171.39	170.56	158.98	−.42	11.99
Petroleum and coal products	4.87	4.88	4.84	4.50	−.01	.37	202.59	202.03	201.83	188.10	.56	14.49
Rubber and plastics products, nec	3.52	3.54	3.54	3.32	−.02	.20	142.56	144.08	143.72	132.47	−1.52	10.09
Leather and leather products	2.69	2.70	2.67	2.59	−.01	.16	101.68	103.95	101.99	96.09	−2.27	5.59
Transportation and public utilities	4.48	4.47	4.46	4.07	.01	.41	179.65	178.80	177.51	163.61	.85	16.04
Wholesale and retail trade	2.99	2.99	2.97	2.84	.00	.15	103.75	103.75	103.06	98.55	.00	5.20
Wholesale trade	3.85	3.83	3.82	3.59	.02	.26	153.23	152.05	151.27	142.16	1.18	11.07
Retail trade	2.66	2.66	2.66	2.55	.00	.11	88.05	88.05	88.31	84.41	.00	3.64
Finance, insurance, and real estate	3.39	3.40	3.40	3.24	−.01	.15	125.77	126.14	126.82	119.56	−.37	6.21
Services	3.11	3.10	3.09	2.95	0.1	.16	150.43	105.40	104.75	100.30	.03	5.13

[1] See footnote, 1 table B-2.

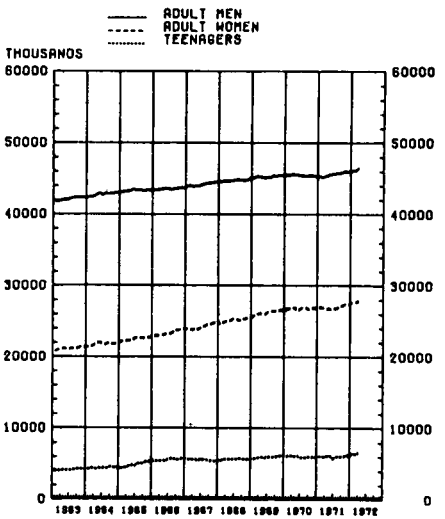
[2] Preliminary.

LABOR FORCE, EMPLOYMENT, UNEMPLOYMENT
HOUSEHOLD DATA - SEASONALLY ADJUSTED

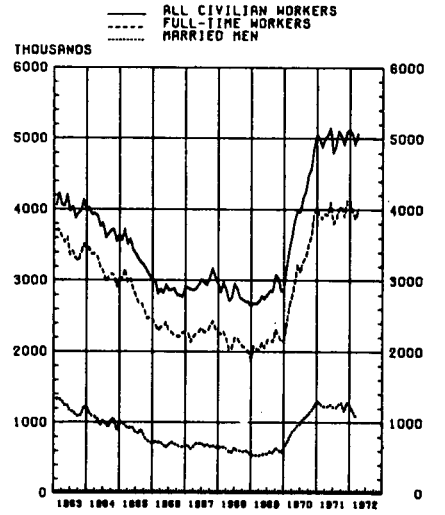
1. LABOR FORCE AND EMPLOYMENT



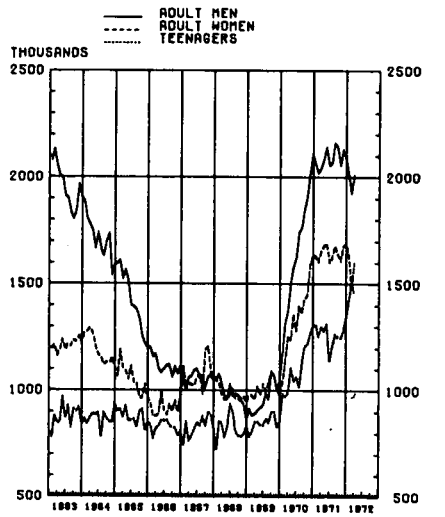
2. TOTAL EMPLOYMENT



3. UNEMPLOYMENT

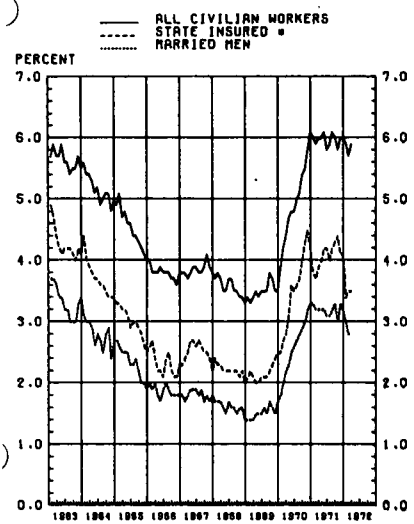


4. UNEMPLOYMENT

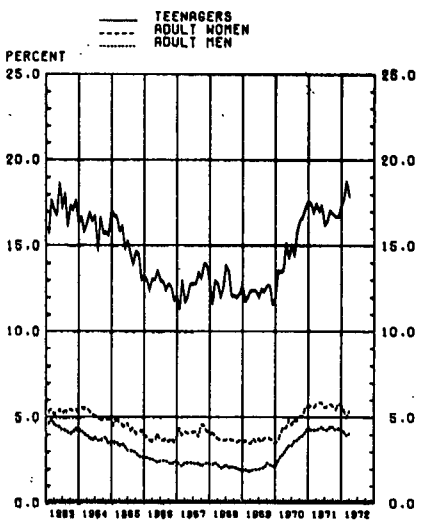


UNEMPLOYMENT RATES
HOUSEHOLD DATA - SEASONALLY ADJUSTED

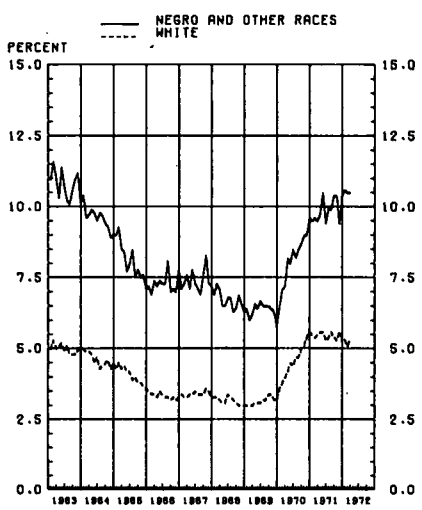
5. UNEMPLOYMENT RATES



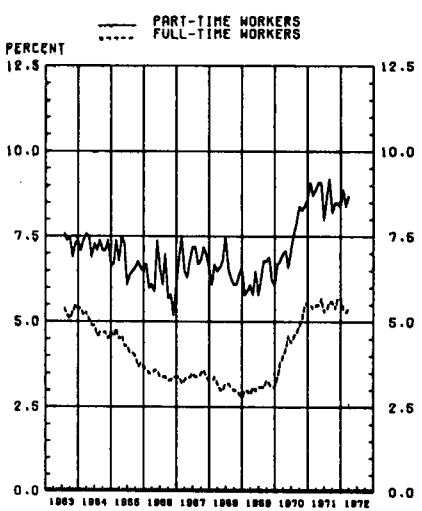
6. UNEMPLOYMENT RATES



7. UNEMPLOYMENT RATES



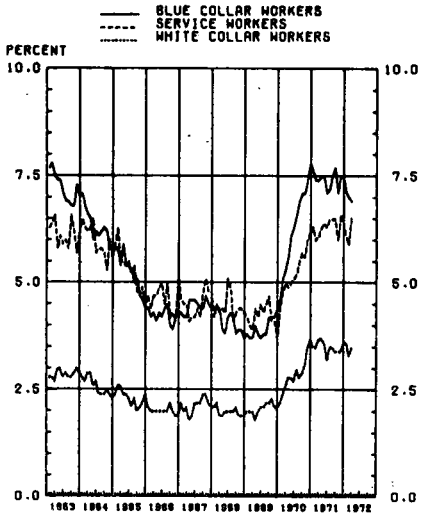
8. UNEMPLOYMENT RATES



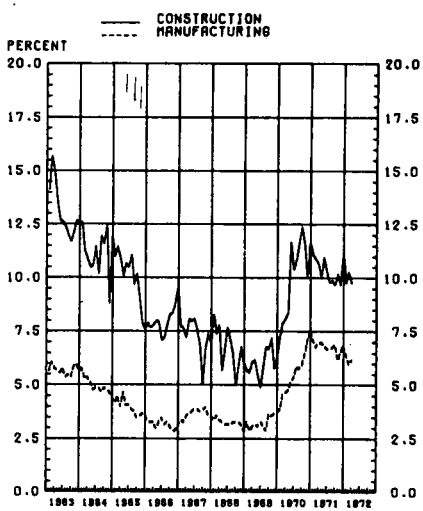
* State insured unemployment rate pertains to the week including the 12th of the month and represents the insured unemployed under State programs as a percent of average covered employment. The figures are derived from administrative records of unemployment insurance systems.

UNEMPLOYMENT
HOUSEHOLD DATA - SEASONALLY ADJUSTED

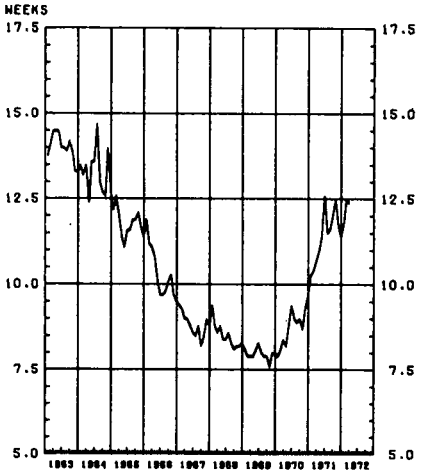
9. UNEMPLOYMENT RATES



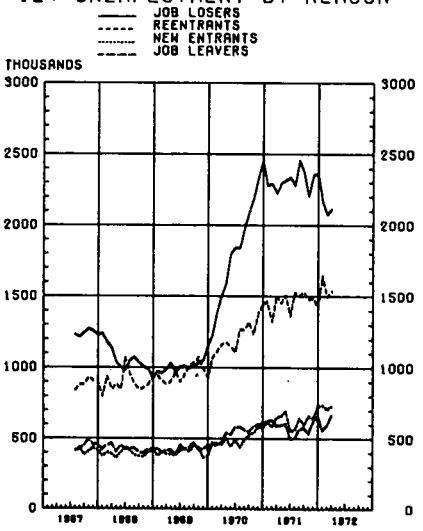
10. UNEMPLOYMENT RATES



11. AVERAGE DURATION OF UNEMPLOYMENT

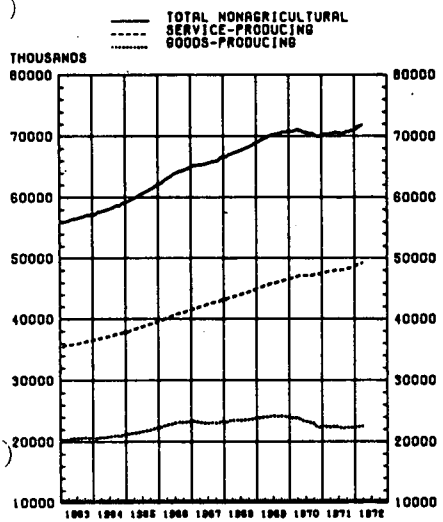


12. UNEMPLOYMENT BY REASON

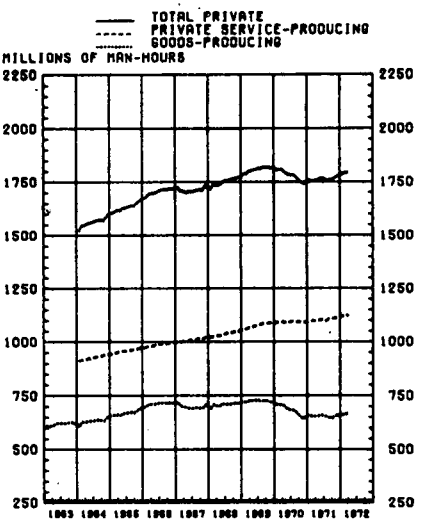


NONAGRICULTURAL EMPLOYMENT AND HOURS
ESTABLISHMENT DATA - SEASONALLY ADJUSTED

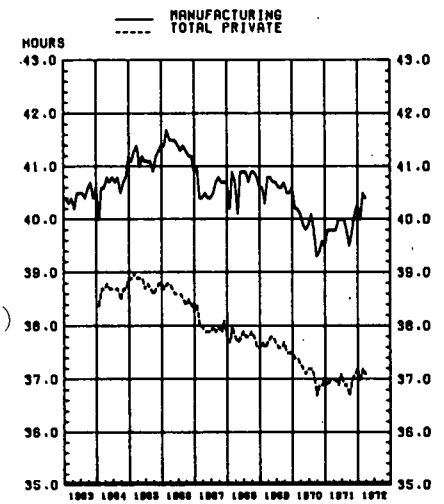
13. EMPLOYMENT



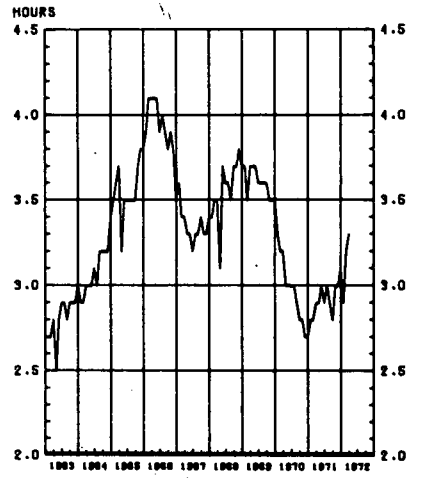
14. MAN-HOURS



15. AVERAGE WEEKLY HOURS

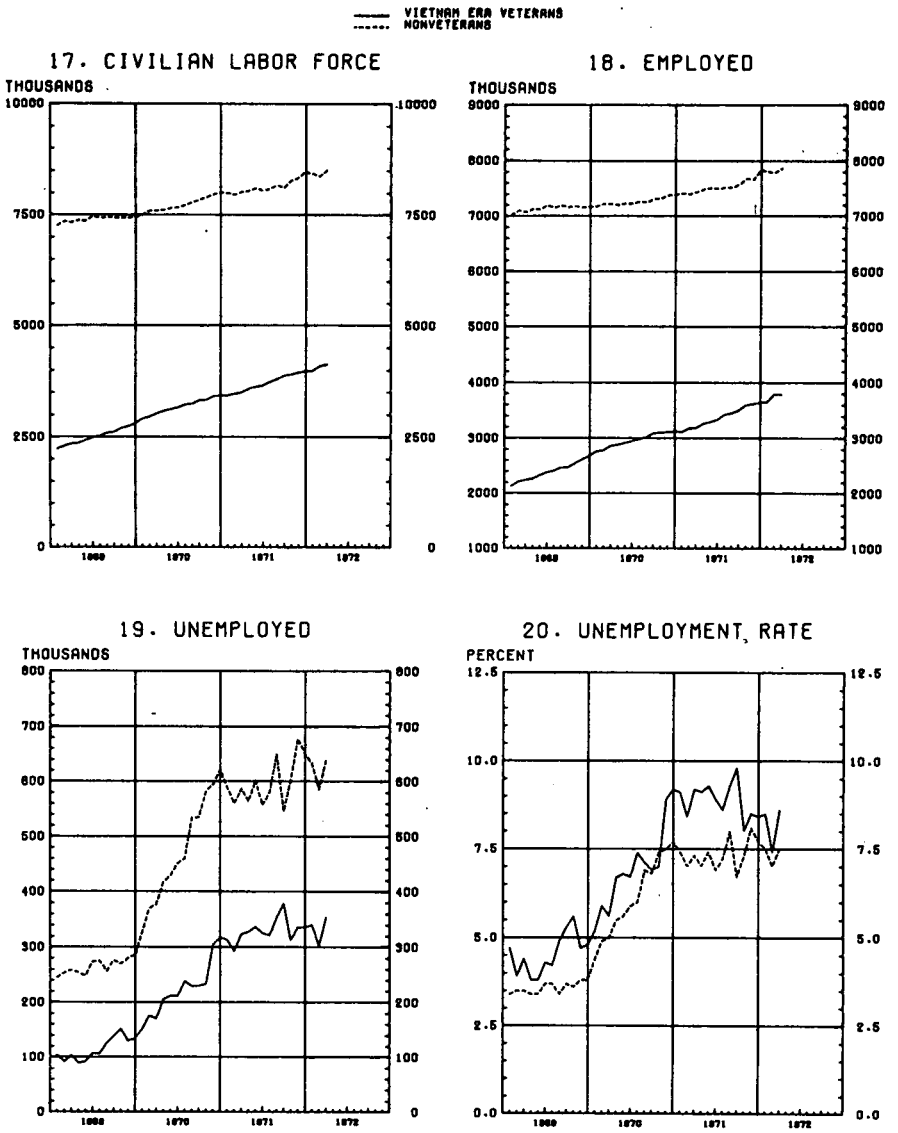


16. AVERAGE WEEKLY OVERTIME HOURS IN MANUFACTURING



NOTE: Charts 14 and 15 relate to production or nonsupervisory workers; chart 16 relates to production workers. Data for the 2 most recent months are preliminary in charts 13-16.

EMPLOYMENT AND UNEMPLOYMENT OF VETERANS AND NONVETERANS 20-29 YEARS
SEASONALLY ADJUSTED



[Bureau of Labor Statistics, Department of Labor, Press Release No. 72–213, Apr. 7, 1972]

WHOLESALE PRICE INDEXES: MARCH 1972

The Wholesale Price Index of All Commodities rose 0.1 percent between February and March, the U.S. Department of Labor's Bureau of Labor Statistics announced today.

Industrial commodities increased 0.3 percent.

Prices of farm products and processed foods and feeds declined 0.4 percent.

Consumer finished goods, a selection of commodities closely comparable to those in the commodity component of the Consumer Price Index, were down 0.3 percent, largely because of a drop in wholesale prices of meats and fresh vegetables.

Of the 15 major commodity groups measured by the Wholesale Price Index, 11 advanced between February and March while 4 declined.

In March, the All Commodities WPI was 117.4 (1967=100), 3.9 percent above a year earlier.

SEASONALLY ADJUSTED CHANGES

On a seasonally adjusted basis, the Wholesale Price Index also increased 0.1 percent in March.

Industrial commodities advanced 0.3 percent.

Farm products and processed foods and feeds were down 0.3 percent.

Consumer finished goods decreased 0.2 percent.

The March Wholesale Price Index was the fourth monthly WPI to reflect price changes in Phase II of the Economic Stabilization Program. (For a discussion of the contribution of price changes for those items exempt from Phase II to the percentage change in wholesale prices in March, see page 3). During these 4 months—December through March—the WPI rose at a seasonally adjusted annual rate of 6.0 percent. This compares with a decline at an annual rate of 0.8 percent in the 3 months ended in November when most prices were frozen during Phase I of the program, and a rise at an annual rate of 4.6 percent in the 6 months that ended last August, the month in which the Stabilization Program was put into effect. In the first 7 months of the program, the WPI rose at an annual rate of 3.1 percent.

The industrial commodities index advanced at an annual rate of 4.2 percent in the first 4 months of Phase II that ended in March. This compares with a decline at an annual rate of 1.3 percent in the 3 months of Phase I ended in November and an advance at a rate of 5.7 percent in the 6-month period from February to August of 1971. From August, when the policy was announced, to March, the industrial commodity index increased at an annual rate of 1.8 percent.

The index for farm products and processed foods and feeds rose at an annual rate of 12.0 percent from November to March. The index was unchanged during the 3 months of Phase I after rising at a rate of 2.3 percent in the March–August period. During Phase I and Phase II to March, the component increased at a rate of 6.7 percent.

For consumer finished goods, the November–March period shows an increase at an annual rate of 5.9 percent; the food component rose 9.0 percent, nonfood commodities, 3.5 percent. During Phase I, prices of consumer finished goods decreased at a rate of 1.4 percent following an advance at a rate of 2.9 percent in the 6 months preceding the freeze. From August to March, consumer finished goods increased at a 2.7 percent annual rate.

PRICE CHANGES FOR MATERIALS AND FINISHED GOODS (SEASONALLY ADJUSTED)

Among consumer finished goods, foods declined 0.7 percent in March (seasonally adjusted) after a substantial increase in February, largely because of lower prices for meat products and fresh vegetables; foods were 4.2 percent higher than a year earlier. Consumer nonfood finished goods were 0.3 percent higher over the month. Within this grouping, nondurable finished goods advanced 0.4 percent because of increases for items such as footwear and gasoline; durables showed no change on average.

Producer finished goods moved up by a smaller amount than in February (0.3 percent), largely as a result of increases for machinery and railroad equipment. Continued advances for metals and lumber were the principal cause of the 0.3

percent gain for processed (intermediate) materials, supplies, and components (excluding foods and feeds). The sharp rise of 1.7 percent for crude materials for further processing (excluding foods, feeds and fibers) chiefly reflected the continued climb in prices of hides and skins and scrap metals.

PRICE CHANGES FOR COMMODITY GROUPS, NOT SEASONALLY ADJUSTED

Metals and metal products were the most important influence on the industrials index in March (as they were in January and February), accounting for slightly more than one-third of the total advance. Within the metals group, increases for nonferrous metals caused more than 70 percent of the rise; a variety of fabricated products and iron and steel scrap also registered gains. Cattlehide quotations rose about 28 percent, influenced in great measure by the embargo on hides exports by Argentina; these increases were further reflected in substantially higher prices for leather, footwear and footwear cut stock. Lumber and wood product prices continued to move up, particularly softwood lumber and ploywood. All categories of pulp, paper and allied products, except woodpulp, registered gains; the most important were for converted paper and paperboard products, and paper. Prices of gasoline, distillates and natural gas were up. Machinery and equipment rose at a more moderate rate than in February. An important increase for cotton products, and smaller advances for manmade fiber textile products and apparel, were partially offset by substantial declines for jute woven goods and manila rope, which had risen earlier. The index for transportation equipment was up slightly, largely as a result of advances for railroad equipment. A small gain for nonmetallic mineral products chiefly reflected higher prices for concrete products, gypsum products and bituminous paving materials, moderated by declines for flat glass. Increases for furniture, dinnerware, and home electronic equipment slightly outweighed an average decline for household appliances. Toys and children's vehicles, photographic supplies, and watches and clocks were up in price. Declines for inedible fats and oils, some organic chemicals, and plastic resins caused a moderate decrease for chemicals despite higher prices for prepared paints and mixed fertilizers. Crude natural rubber and a number of plastic products were lower.

Sharply lower prices for fresh and dried vegetables and a substantial drop in hog quotations after earlier advances were chiefly responsible for the decline in the farm products index; these decreases were moderately principally by advances for eggs, oilseeds, fluid milk and grains. Lower meat prices were almost entirely responsible for the decline in the processed foods and feels index; fats and oils and alcoholic beverages also decreased, but manufactured animal feeds were higher as were most of the other categories of processed foods.

ANALYSIS OF EFFECT OF ITEMS EXEMPT FROM PHASE II

When domestic raw agricultural products and imports which are exempted from Phase II regulations are eliminated, the WPI for March on an unadjusted basis shows an increase of 0.2 percent in contrast to the 0.1 percent for the overall index. After similar exclusions are made from the farm products and processed foods and feeds component, this component of the index shows almost half of the 0.4 percent decline. The chief reason for this difference is domestic raw agricultural products which on average declined more than the other farm products and processed foods included in the index. Price movements for imported raw agricultural products had only a small effect on the change. After elimination of imported items from the industrials component, it still shows a rise of 0.3 percent because the net impact of price movements for these items was slight. The decline for consumer finished goods, after elimination of items exempt from Phase II controls, was 0.2 percent compared with the 0.3 percent decrease for this component as a whole.

A Note on Seasonally Adjusted and Unadjusted Data

Because price data are used for different purposes by different groups, the Bureau of Labor Statistics publishes seasonally adjusted as well as unadjusted changes each month.

For analyzing general price trends in the economy, seasonally adjusted data usually are preferred since they eliminate the effect of changes that normally occur at about the same time and in about the same magnitude every year—such as price movements resulting from normal weather patterns, regular production and supply cycles, model changovers, seasonal discounts and holidays. Seasonally adjusted data are subject to revision when seasonal factors are revised.

The unadjusted data are of principal interest to users who need information which can be related to the actual dollar values of transactions. Individuals requiring this information include marketing specialists, purchasing agents, budget and cost analysts, contract specialists, and commodity traders. Unadjusted data generally are used in escalating contracts such as purchase agreements or real estate leases.

TABLE 1.—WHOLESALE PRICE INDEXES FOR MAJOR COMMODITY GROUPS, MARCH 1972 (UNDAJUSTED, UNLESS OTHERWISE INDICATED)

Commodity groups	Indexes (1967=100 unless otherwise noted)				Percent change to March 1972 from—		
	March 1972	February 1972	December 1971	March 1971	1 month ago	3 months ago	1 year ago
All commodities	117.4	117.3	115.4	113.0	0.1	1.7	3.9
All commodities (1957-59=100)	124.6	124.5	122.4	119.9	----	----	----
Farm products, and processed foods and feeds	119.1	119.6	115.9	113.4	−.4	2.8	5.0
Farm products	119.7	120.7	115.8	113.0	−.8	3.4	5.9
Processed foods and feeds	118.6	118.8	115.9	113.7	−.2	2.3	4.3
Industrial commodities	116.9	116.5	115.3	112.8	.3	1.4	3.6
Textile products and apparel	112.1	112.0	110.6	106.9	.1	1.4	4.9
Hides, skins, leather, and related products	123.0	119.1	116.2	112.5	3.3	5.9	9.3
Fuels and related products and power	116.5	116.1	115.0	112.8	.3	1.3	3.3
Chemicals and allied products	103.4	103.5	103.4	104.5	−.1	0	−1.1
Rubber and plastic products	108.9	109.2	109.4	109.1	−.3	−.5	−.2
Lumber and wood products	139.5	137.7	132.7	123.4	1.3	5.1	13.0
Pulp, paper, and allied products	112.3	111.6	110.7	109.3	.6	1.4	2.7
Metals and metal products	123.4	122.6	120.8	116.5	.7	2.2	5.9
Machinery and equipment	117.3	117.1	116.1	114.9	.2	.9	2.1
Furniture and household durables	110.9	110.8	110.2	109.6	.1	.6	1.2
Nonmetallic mineral products	124.8	124.6	124.2	120.9	.2	.5	3.2
Transportation equipment (December 1968=100)	113.8	113.6	112.9	109.5	.2	.8	3.9
Miscellaneous products	114.2	114.0	113.2	112.8	.2	.9	1.2
Seasonally adjusted:							
Farm products	118.6	120.2	117.0	----	−1.3	1.4	----
Processed foods and feeds	119.2	118.7	116.8	----	.4	2.1	----

TABLE 2—PERCENT CHANGES FROM PREVIOUS MONTH IN INDEXES FOR WPI GROUPINGS UNADJUSTED AND SEASONALLY ADJUSTED

Month	All commodities		Industrial commodities		Farm products, and processed foods and feeds		Consumer finished goods total		Consumer foods		Consumer goods excluding foods	
	Unadjusted	Seasonally adjusted	Unadjusted	Seasonally adjusted	Unadjusted	Seasonally adjusted	Unadjusted	Seasonally adjusted	Unadjusted	Seasonally adjusted	Unadjusted	Seasonally adjusted
March 1971	0.2	0.2	0.3	0.3	−0.2	0	0.1	0.2	0.6	0.9	−0.2	−0.1
April 1971	.3	.5	.4	.5	−.1	.5	−.1	.3	−.1	.8	−.1	0
May	.4	.3	.4	.4	.9	−.2	.6	.4	1.0	0	.4	.4
June	.4	.4	.2	.3	1.0	.4	.4	.1	.7	0	.1	0
July	.3	.2	.5	.7	−.3	−1.0	−.1	−.5	−.7	−1.6	.4	.5
August	.3	.7	.5	.5	−.3	1.4	.3	1.1	.4	2.2	.1	.2
September	−.3	−.4	−.1	−.1	−1.4	−1.7	−.5	−.9	−1.0	−2.1	−.2	−.1
October	−.1	.1	0	−.3	0	1.4	.2	.6	.1	2.1	.3	−.3
November	.1	.1	−.1	0	.5	.3	.2	−.1	.6	−.1	0	.1
December 1971	.8	.7	.3	.3	2.0	2.1	1.0	1.1	1.7	1.8	.4	.4
January 1972	.8	.4	.5	.4	1.3	.2	.4	.3	.8	−.1	.2	.4
February 1972	.9	.7	.5	.4	1.9	1.8	.8	.8	1.6	1.9	.2	.1
March 1972	.1	.1	.3	.3	−.4	−.3	−.3	−.2	−1.0	−.7	.2	.3

TABLE 3.—PERCENT CHANGES IN WPI AND COMPONENTS (SEASONALLY ADJUSTED COMPOUND ANNULAR RATES FOR 3 MONTHS AND 6 MONTHS; UNADJUSTED FOR 12 MONTHS)

Month	All commodities			Industrial commodities			Farm products and processed foods and feeds		
	From 3 months ago	From 6 months ago	From 12 months ago	From 3 months ago	From 6 months ago	From 12 months ago	From 3 months ago	From 6 months ago	From 12 months ago
March 1971	5.4	3.0	2.8	2.9	3.3	3.6	11.3	2.0	.4
April 1971	6.0	3.6	3.1	3.7	3.3	3.7	12.9	4.5	1.3
May 1971	3.9	4.3	3.4	5.0	4.0	3.6	1.4	5.1	2.8
June 1971	4.7	5.0	3.6	5.3	4.1	3.7	3.2	7.2	3.3
July 1971	3.5	4.7	3.3	6.1	4.9	4.1	−3.1	4.6	1.4
August 1971	5.3	4.6	4.0	6.5	5.7	4.4	3.2	2.3	3.1
September 1971	2.1	3.4	3.2	4.7	5.0	4.2	−5.5	−1.2	.4
October 1971	1.7	2.6	3.1	.7	3.4	3.3	4.3	.5	2.4
November 1971	−.8	2.2	3.2	−1.3	2.5	3.2	0	1.6	3.4
December 1971	3.8	2.9	4.0	.1	2.4	3.2	16.6	5.0	6.0
January 1972	5.0	3.3	4.0	2.8	1.7	3.3	10.9	7.6	6.1
February 1972	7.7	3.4	4.0	4.2	1.4	3.6	17.4	8.4	5.3
March 1972	5.1	4.4	3.9	4.5	2.3	3.6	7.0	11.7	5.0

Month	Consumer finished goods, total			Consumer foods			Consumer goods excluding foods		
	From 3 months ago	From 6 months ago	From 12 months ago	From 3 months ago	From 6 months ago	From 12 months ago	From 6 months ago	From 6 months ago	From 12 months ago
March 1971	5.5	3.5	2.2	12.0	2.8	−.4	2.2	4.3	3.8
April 1971	4.4	3.7	2.6	14.3	5.8	1.1	−.4	2.8	3.6
May 1971	3.3	4.2	3.1	6.8	6.0	2.4	1.1	2.9	3.5
June 1971	2.9	4.2	3.2	3.2	7.5	2.6	1.5	1.8	3.4
July 1971	−.4	2.0	2.4	6.4	3.4	.5	3.3	1.5	3.6
August 1971	2.5	2.9	3.5	2.1	4.4	3.1	2.5	1.8	3.5
September 1971	−1.4	.7	2.1	−6.1	.6	2.2	2.2	1.8	2.1
October 1971	3.2	1.4	2.5	9.1	1.0	3.3	−.7	1.3	2.0
November 1971	−1.4	.5	2.4	−.3	.9	3.3	−1.1	.7	1.8
December 1971	6.6	2.5	3.3	16.4	4.5	6.0	1.1	1.6	1.7
January 1972	5.0	4.1	3.1	6.7	7.9	5.7	3.6	1.4	1.4
February 1972	8.8	3.6	3.2	15.6	7.4	5.9	3.6	1.3	1.5
March 1972	3.5	5.0	2.9	4.5	10.3	4.2	2.9	2.0	1.9

Note: As of December 1971, industrial commodities account for 73.162 percent of the All Commodities index; farm products and processed foods and feeds 26.838 percent. Consumer foods account for 39.252 percent of the total consumer finished goods index and consumer goods excluding foods 60.748. Consumer finished goods have a weight of 33.270 in the All Commodities index.

TABLE 4.—WHOLESALE PRICE INDEXES FOR SPECIAL GROUPINGS, UNADJUSTED AND SEASONALLY ADJUSTED

Commodity groups	Indexes (1967–100)			Percent change to March 1972 from:	
	March 1972	February 1972	March 1971	1 month ago	1 year ago
Consumer finished goods:					
Not seasonally adjusted	115.3	115.6	112.1	−0.3	2.9
Seasonally adjusted	115.3	115.5		−.2	
Foods:					
Not seasonally adjusted	119.4	120.6	114.6	−1.0	4.2
Seasonally adjusted	119.6	120.5		−.7	
Finished goods, except foods:					
Not seasonally adjusted	112.7	112.5	110.6	.2	1.9
Seasonally adjusted	112.7	112.4		.3	
Nondurable:					
Not seasonally adjusted	112.4	112.1	110.7	.3	1.5
Seasonally adjusted	112.5	112.1		.4	
Durable					
Not seasonally adjusted	113.2	113.2	110.4	0	2.5
Seasonally adjusted	113.0	113.0		0	
Intermediate materials, supplies and components except selected items: [1]					
Not seasonally adjusted	117.6	117.2	112.7	.3	4.3
Seasonally adjusted	117.1	116.8		.3	
Crude materials for further processing, except selected items: [2]					
Not seasonally adjusted	129.1	127.0	121.4	1.7	6.3
Seasonally adjusted	128.3	126.1		1.7	
Producer finished goods:					
Not seasonally adjusted	119.0	118.8	116.0	.2	2.6
Seasonally adjusted	118.9	118.6		.3	
Manufactured goods, total:					
Not seasonally adjusted	116.7	116.5	112.7	.2	3.5
Seasonally adjusted	116.5	116.3		.2	
Durable:					
Not seasonally adjusted	120.4	120.1	115.5	.2	4.2
Seasonally adjusted	119.9	119.6		.3	

[1] Excludes intermediate materials for food manufacturing and manufactured animal feeds.
[2] Excludes crude foodstuffs and feedstuffs, plant and animal fibers, oilseeds, and leaf tobacco.

TABLE 5.—WHOLESALE PRICE INDEXES FOR COMMODITY GROUPS AND SUBGROUPS, MARCH 1972

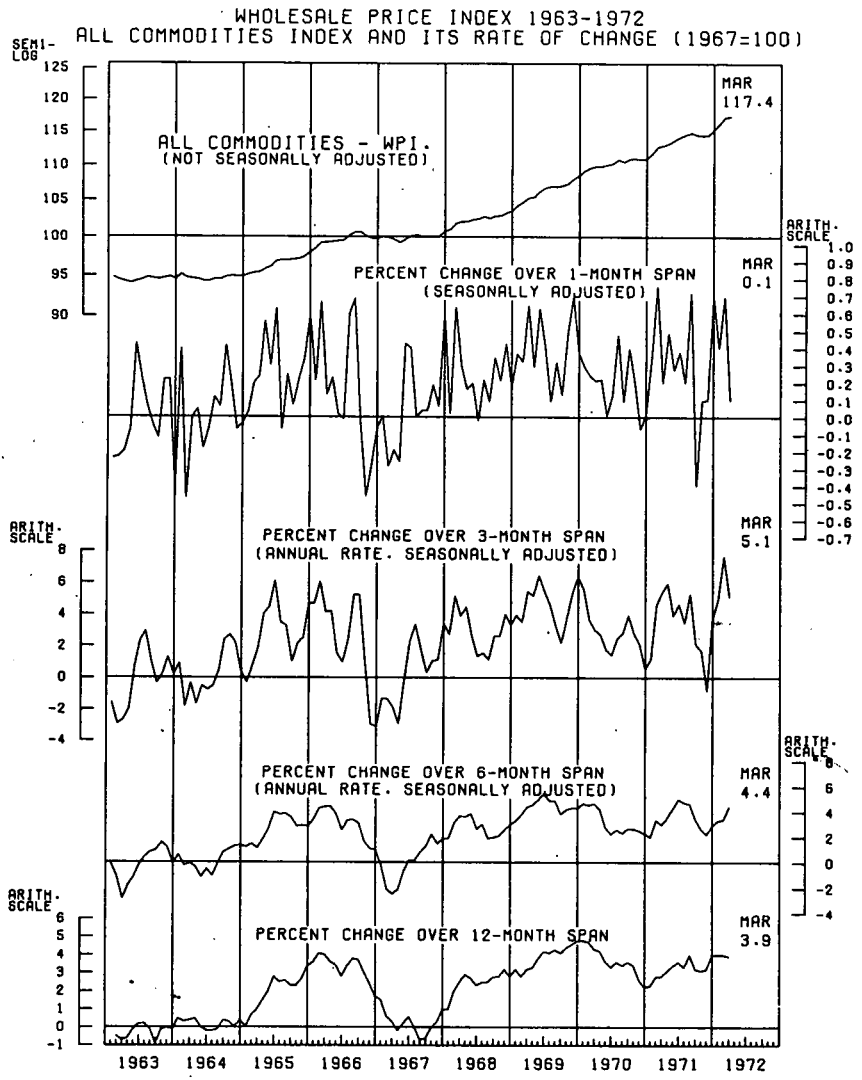
[1967 equals 100 unless otherwise indicated]

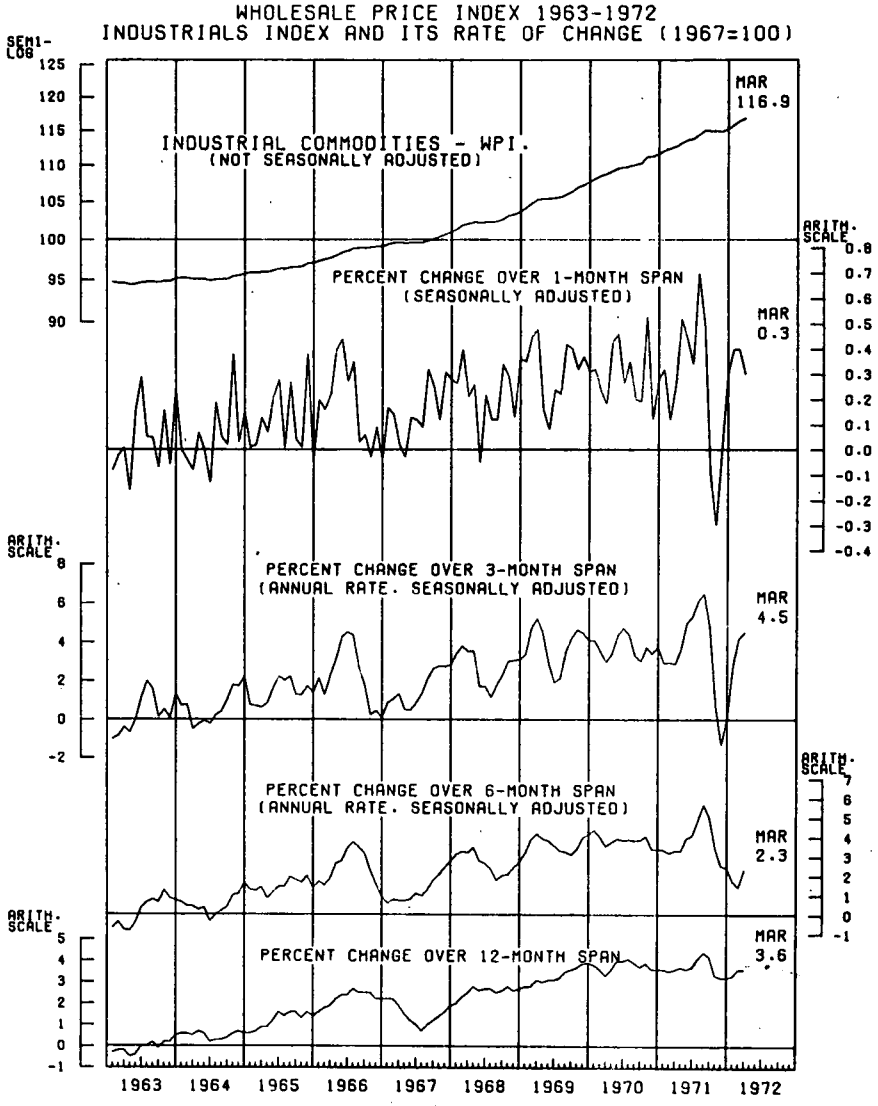
Grouping	Indexes			Percent change to March 1972 from—	
	1972		1971		
	March	February	March	1 month ago	1 year ago
Farm products	119.7	120.7	113.0	−0.8	5.9
Fresh and dried fruits and vegetables	112.8	127.5	125.3	−11.5	−10.0
Grains	93.8	93.0	108.4	.9	−13.5
Livestock	136.7	139.6	114.9	−2.1	19.0
Live poultry	107.6	105.4	110.1	2.1	7.5
Plant and animal fibers	114.3	113.2	88.9	1.0	28.6
Fluid milk	121.8	120.5	118.1	1.1	3.1
Eggs	107.7	91.9	101.2	17.2	6.4
Hay, hayseeds, and oilseeds	114.4	110.2	107.6	3.8	6.3
Other farm products	117.5	116.8	116.1	.6	1.2
Processed foods and feeds	118.6	118.8	113.7	−.2	4.3
Cereal and bakery products	112.6	112.4	111.5	.2	1.0
Meats, poultry, and fish	127.3	130.5	112.9	−2.5	12.8
Dairy products	118.0	117.5	115.0	.4	2.6
Processed fruits and vegetables	116.7	116.1	111.9	.5	4.3
Sugar and confectionery	121.9	121.1	119.2	.7	2.3
Beverages and beverage materials	116.7	116.8	115.3	−.1	1.2
Animal fats and oils	130.4	133.5	142.1	−2.3	−8.2
Crude vegetable oils	115.6	116.8	128.8	−1.0	−10.2
Refined vegetable oils	120.6	120.1	152.5	.4	−20.9
Vegetable oil end products	120.8	121.1	119.4	−.2	1.2
Miscellaneous processed foods	113.7	113.8	113.7	−.1	0
Manufactured animal feeds	108.5	103.7	107.2	4.6	1.2
Textile products and apparel	112.1	112.0	106.9	.1	4.9
Cotton products	119.6	118.0	107.8	1.4	10.9
Wool products	92.0	92.2	94.5	−.2	−2.6
Manmade fiber textile products	106.1	105.9	97.6	.2	8.7
Apparel	114.1	114.0	112.2	.1	1.7
Textile housefurnishings	108.7	108.5	103.5	.2	5.0
Miscellaneous textile products	130.9	141.6	106.7	−7.6	22.7
Hides, skins, leather, and related products	123.0	119.1	112.5	3.3	9.3
Hides and skins	173.8	148.9	105.5	16.7	64.7
Leather	128.4	120.6	108.6	6.5	18.2
Footwear	120.1	118.5	116.5	1.4	3.1
Other leather and related products	111.9	111.2	107.5	.6	4.1
Fuels and related products and power	116.5	116.1	112.8	.3	3.3
Coal	192.6	192.6	176.0	0	9.4
Coke	155.0	155.0	145.9	0	6.2
Gas fuels	110.9	110.2	109.4	.6	1.4
Electric power	120.0	120.0	111.1	0	8.0
Crude petroleum	113.2	113.2	113.2	0	0
Petroleum products, refined	106.3	105.5	105.9	.8	.4
Chemicals and allied products	103.4	103.5	104.5	−.1	−1.1
Industrial chemicals	101.0	101.4	102.2	−.4	−1.2
Prepared paint	117.9	117.3	115.1	.5	2.4
Paint materials	102.7	102.7	103.5	0	−.8
Drugs and pharmaceuticals	102.5	102.2	102.6	.3	−.1
Fats and oils, inedible	103.5	110.7	144.3	−6.5	−28.3
Agricultural chemicals and chemical products	90.6	90.2	93.9	.4	−3.5
Plastic resins and materials	88.9	89.3	87.3	−.4	1.8
Other chemical and allied products	112.7	112.5	111.5	.2	1.1
Rubber and plastic products	108.9	109.2	109.1	−.3	−.2
Rubber and rubber products	112.9	113.0	111.2	−.1	1.5
Crude rubber	98.5	98.8	99.1	−.3	−.6
Tires and tubes	108.4	108.4	107.5	0	.8
Miscellaneous rubber products	120.4	120.4	117.2	0	2.7
Plastic construction products (December 1969–100)	93.6	93.8	95.9	−.2	−2.4
Unsupported plastic film and sheeting (December 1970=100)	98.9	99.9	102.7	−1.0	−3.7
Laminated plastic sheets, high pressure (December 1970=100)	98.1	98.6	99.5	−.5	−1.4

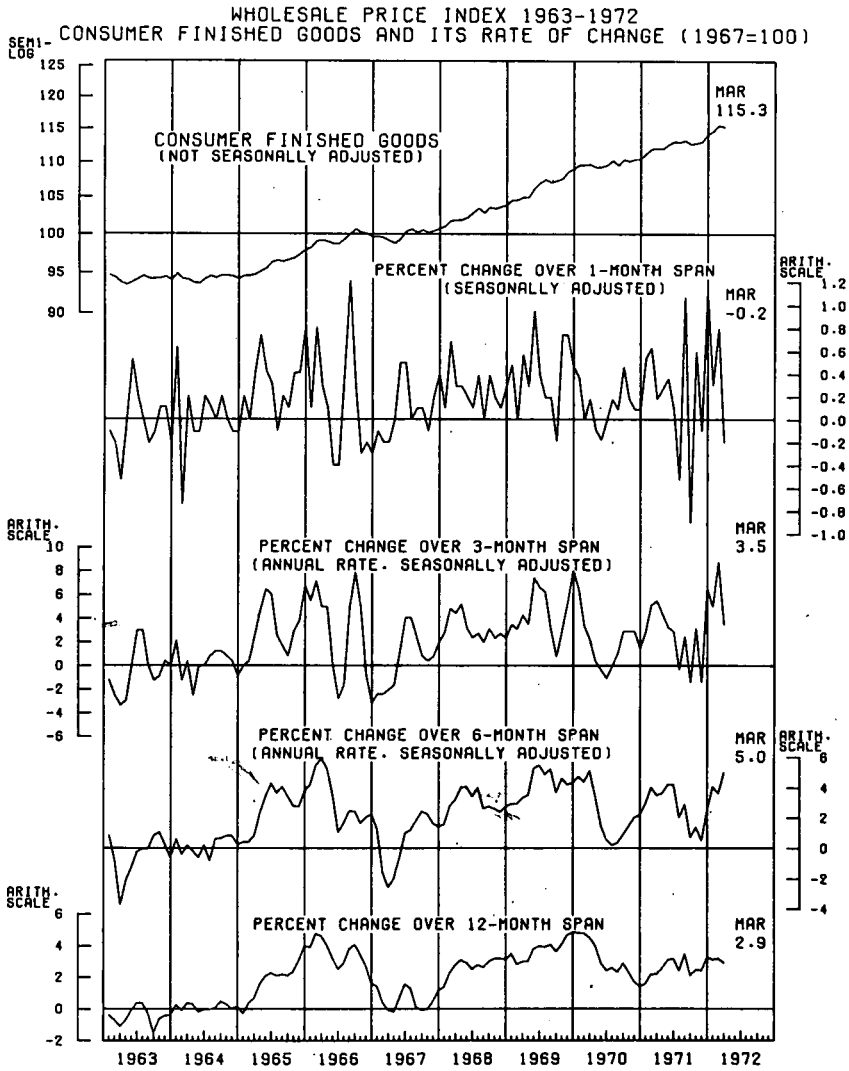
TABLE 5.—WHOLESALE PRICE INDEXES FOR COMMODITY GROUPS AND SUBGROUPS, MARCH 1972—Continued

(1967 equals 100 unless otherwise indicated)

Grouping	Indexes			Percent change to March 1972 from—	
	1972		1971		
	March	February	March	1 month ago	1 year ago
Lumber and wood products	139.5	137.7	123.4	1.3	13.0
Lumber	152.4	150.4	129.0	1.3	18.1
Millwork	125.8	125.5	116.2	.2	8.3
Plywood	128.9	125.1	120.2	3.0	7.2
Other wood products	120.1	119.9	118.3	.2	1.5
Pulp, paper, and allied products	112.3	111.6	109.3	.6	2.7
Pulp, paper, and products, excluding building paper and board	112.5	111.9	109.6	.5	2.6
Woodpulp	111.5	111.5	112.2	0	−.6
Wastepaper	129.3	126.6	104.8	2.1	23.4
Paper	115.7	115.3	113.1	.3	2.3
Paperboard	103.6	103.5	102.5	.1	1.1
Converted paper and paperboard products	112.2	111.4	109.0	.7	2.9
Building paper and board	105.6	104.7	101.4	.9	4.1
Metals and metal products	123.4	122.6	116.5	.7	5.9
Iron and steel	128.3	128.2	118.2	.1	8.5
Nonferrous metals	117.2	115.0	113.7	1.9	3.1
Metal containers	127.1	127.1	115.8	0	9.8
Hardware	119.2	119.0	115.5	.2	3.2
Plumbing fixtures and brass fittings	118.9	118.6	113.2	.3	5.0
Heating equipment	117.0	116.2	114.5	.7	2.2
Fabricated structural metal products	122.1	122.0	116.6	.1	4.7
Miscellaneous metal products	124.1	123.2	117.9	.7	5.3
Machinery and equipment	117.3	117.1	114.9	.2	2.1
Agricultural machinery and equipment	122.0	121.5	116.5	.4	4.7
Construction machinery and equipment	125.0	124.7	120.8	.2	3.5
Metalworking machinery and equipment	119.4	118.9	116.0	.4	2.9
General purpose machinery and equipment	121.5	121.2	117.8	.2	3.1
Special industry machinery and equipment	123.0	123.1	119.6	−.1	2.8
Electrical machinery and equipment	110.1	110.0	109.7	.1	.4
Miscellaneous machinery	119.0	118.8	116.3	.2	2.3
Furniture and household durables	110.9	110.8	109.6	.1	1.2
Household furniture	116.8	116.7	114.0	.1	2.5
Commercial furniture	118.7	118.3	118.2	.3	.4
Floor coverings	98.2	98.2	100.2	0	−2.0
Household appliances	107.4	107.5	107.0	−.1	.4
Home electronic equipment	93.0	92.9	93.7	.1	−.7
Other household durable goods	124.5	124.1	119.8	.3	3.9
Nonmetallic mineral products	124.8	124.6	120.9	.2	3.2
Flat glass	122.4	123.6	125.3	−1.0	−2.3
Concrete ingredients	124.6	124.6	120.6	0	3.3
Concrete products	124.5	123.8	118.5	.6	5.1
Structural clay products excluding refractories	116.2	116.1	113.6	.1	2.3
Refractories	127.1	127.1	126.7	0	.3
Asphalt roofing	131.2	131.2	123.6	0	6.1
Gypsum products	115.3	112.8	98.9	2.2	16.6
Glass containers	131.5	131.5	131.5	0	0
Other nonmetallic minerals	126.4	125.9	121.4	.4	4.1
Transportation equipment (December 1968=100)	113.8	113.6	109.5	.2	3.9
Motor vehicles and equipment	118.1	118.1	113.8	0	3.8
Railroad equipment	127.3	123.9	119.9	2.7	6.2
Miscellaneous products	114.2	114.0	112.8	.2	1.2
Toys, sporting goods, small arms, ammunition	114.5	114.0	113.1	.4	1.2
Tobacco products	117.4	117.4	116.9	0	.4
Notions	111.7	111.7	111.7	0	0
Photographic equipment and supplies	106.9	106.7	105.8	.2	1.0
Other miscellaneous products	114.5	114.4	111.8	.1	2.4


WHOLESALE PRICE INDEX 1963-1972
ALL COMMODITIES INDEX AND ITS RATE OF CHANGE (1967=100)
SEMI-LOG
125
120
115
110
105
100
95
90
MAR
117.4
ALL COMMODITIES - WPI.
(NOT SEASONALLY ADJUSTED)
ARITH. SCALE
1.0
0.9
0.8
0.7
0.6
0.5
0.4
0.3
0.2
0.1
0.0
-0.1
-0.2
-0.3
-0.4
-0.5
-0.6
-0.7
MAR
0.1
PERCENT CHANGE OVER 1-MONTH SPAN
(SEASONALLY ADJUSTED)
ARITH. SCALE
8
6
4
2
0
-2
-4
MAR
5.1
PERCENT CHANGE OVER 3-MONTH SPAN
(ANNUAL RATE. SEASONALLY ADJUSTED)
ARITH. SCALE
8
6
4
2
0
-2
-4
MAR
4.4
PERCENT CHANGE OVER 6-MONTH SPAN
(ANNUAL RATE. SEASONALLY ADJUSTED)
ARITH. SCALE
6
5
4
3
2
1
0
-1
MAR
3.9
PERCENT CHANGE OVER 12-MONTH SPAN
1963
1964
1965
1966
1967
1968
1969
1970
1971
1972


WHOLESALE PRICE INDEX 1963-1972
INDUSTRIALS INDEX AND ITS RATE OF CHANGE (1967=100)
SEMI-LOG
INDUSTRIAL COMMODITIES - WPI.
(NOT SEASONALLY ADJUSTED)
MAR
116.9
PERCENT CHANGE OVER 1-MONTH SPAN
(SEASONALLY ADJUSTED)
MAR
0.3
ARITH. SCALE
PERCENT CHANGE OVER 3-MONTH SPAN
(ANNUAL RATE. SEASONALLY ADJUSTED)
MAR
4.5
PERCENT CHANGE OVER 6-MONTH SPAN
(ANNUAL RATE. SEASONALLY ADJUSTED)
MAR
2.3
PERCENT CHANGE OVER 12-MONTH SPAN
MAR
3.6
1963
1964
1965
1966
1967
1968
1969
1970
1971
1972


WHOLESALE PRICE INDEX 1963-1972
CONSUMER FINISHED GOODS AND ITS RATE OF CHANGE (1967=100)
SEMI-LOG
CONSUMER FINISHED GOODS
(NOT SEASONALLY ADJUSTED)
MAR
115.3
PERCENT CHANGE OVER 1-MONTH SPAN
(SEASONALLY ADJUSTED)
MAR
-0.2
ARITH. SCALE
PERCENT CHANGE OVER 3-MONTH SPAN
(ANNUAL RATE. SEASONALLY ADJUSTED)
MAR
3.5
PERCENT CHANGE OVER 6-MONTH SPAN
(ANNUAL RATE. SEASONALLY ADJUSTED)
MAR
5.0
PERCENT CHANGE OVER 12-MONTH SPAN
MAR
2.9
1963
1964
1965
1966
1967
1968
1969
1970
1971
1972

Mr. MOORE. As usual, we come with some rather good news and some not so good news. I think the most optimistic looking news in our press releases today is the fact that total civilian employment rose very sharply in March, more than 600,000 people. And the wholesale price index only rose one-tenth of 1 percent. On the other hand, the unemployment rate rose to 5.9 percent in March following a decline from 6 percent in December to 5.7 in February.

Over the year total employment has risen by almost two and a half million, which is a relatively sharp increase.

The employment press release gives the details about the unemployment rates for different groups of workers. One thing that I think is interesting is that the jobless rate for teenagers went down from 18.8 last month to 17.9 in March, which is about where it was in January.

We are presenting for the first time on a seasonally adjusted basis the jobless rate for heads of households, which was 3.4 percent in March. We are introducing this as a measure of the jobless rates for people who have responsibilities for maintaining households, both male and female. It supplements in that sense the rate for married males that we have had for a great many years.

It is somewhat higher than the rate for the married males, about a half a percentage point on the average. But it moves along very closely with the married male rate.

The unemployment rate for white workers went up in March from 5.1 to 5.3 percent. The rate for Negroes at 10.5 percent remained about the same.

I think it is useful in considering the employment figures to recognize that there was a substantial increase in the labor force between February and March, but there had also been a very slight decline between January and February. So, if you take the 2 months together the increase, though it is substantial, is a little less striking.

And the same thing is true of employment, since it showed virtually no change between January and February, and is up more than 600,000 in March. Over the 2 months together it is about a 300,000 monthly increase.

The unemployment rate for veterans also rose in March, back to the level that it had in January and the latter part of 1971, 8.6 percent. Employment of veterans has held steady over this past month.

The payroll employment figures that we collect independently of the household survey, and which contain a lot of detail by industry, show an increase in March of 275,000. A good bit of that is in the manufacturing sector.

I would like to say, though it isn't discussed in the press release, that I think, within the manufacturing sector, which has been quite sluggish in terms of total employment in the past year, and down considerably from where it was 2 years ago, there has been a change going on within the aggregates for manufacturing. More and more industries are showing expansion in employment and increases in their hiring rates, reductions in their layoff rates, and an increase in the workweek. I think this suggests an expansionary process getting underway in the manufacturing sector which has been one of the most sluggish in the economy in the last year and a half or so.

The workweek for total private nonfarm employees was about the same in March as in February. And that was also true of the manufacturing workweek. Taking the 2 months February and March together, the manufacturing workweek is at its highest level since late 1969.

The employment press release also includes information about the average hourly earnings. And they rose in March.

We also presented an index of average hourly earnings which adjusts for overtime in manufacturing, and for shifts in the relative importance of high wage versus low wage industries. That, too, showed an increase in March.

That index now is 6½ percent higher than it was a year ago. I think it is one of the best measures that we have of the rate of increase in wages.

Included in the empolyment press release is a report on the quarterly developments over the past year. I won't take time to summarize them.

On the wholesale price side of the picture, as I mentioned earlier, the total index rose one-tenth of 1 percent, both unadjusted and adjusted for seasonal variations. The industrial commodities part of that index rose three-tenths of a percent. The prices of farm products and processed foods and feeds declined.

Consumer finished goods, which cover some of the commodities that are included in the consumer price index press release, were down three-tenths of a percent before seasonal adjustment, and two-tenths after seasonal adjustment, largely because of a drop in the wholesale prices of meats and fresh vegetables.

We include in the press release on the WPI, an analysis of the changes in that index during phase I and phase II of the economic stablization program. I should like if I may, Mr. Chairman, to put into the record another table that we have been constructing regularly that shows a sort of scorecard of the changes in prices and wages during the period prior to the stabilization program during the freeze itself and during the post-freeze period.

I have copies of this table here if you would like to have them.

Chairman PROXMIRE. Yes, indeed. Thank you, sir.

(The table referred to follows:)

MEASURES OF PRICE AND WAGE CHANGES BEFORE AND DURING THE PRICE-WAGE-RENT STABILIZATION PROGRAM

[Seasonally adjusted percent change, compound annual rate]

	6 months prior to phase I: February to August 1971	Phase I: August to November 1971	Phase II: November 1971 to March 1972	Phases I and II: August 1971 to March 1972
CPI, all items	4.1	1.7	[1] 4.9	[1] 3.3
CPI, food	5.4	1.7	[1] 9.3	[1] 5.4
CPI, commodities less food	3.7	0	[1] 1.7	[1] .9
CPI, services [2]	4.5	3.1	[1] 4.4	[1] 3.7
CPI, rent [2]	3.9	2.8	[1] 3.1	[1] 3.0
WPI, all commodities	4.6	−.8	6.0	3.1
WPI, industrials	5.7	−1.3	4.2	1.8
WPI, farm products, processed foods and feeds [3]	2.3	0	12.0	6.7
WPI, consumer foods [3]	4.4	−.3	9.0	4.9
WPI, consumer commodities less food	1.8	−1.1	3.5	1.5
WPI, producer finished goods	3.3	−2.7	5.5	1.9
Spot market price index, 13 industrial raw materials [2 4]	−2.0	+3.1	31.8	18.6
Private nonfarm production workers:				
Earnings in current dollars:				
Hourly [5]	6.8	2.2	9.1	6.1
Gross weekly	6.1	4.6	8.9	7.0
Spendable weekly [6]	5.4	4.1	12.6	8.8
Earnings in constant dollars:				
Hourly [5]	2.6	.3	[1] 4.9	[1] 2.4
Gross weekly	1.9	2.9	[1] 4.4	[1] 3.6
Spendable weekly [6]	1.3	2.3	[1] 9.6	[1] 5.9

[1] Data through February 1972.
[2] Not seasonally adjusted; data contain almost no seasonal movements.
[3] Raw agricultural products are exempt from the price controls.
[4] Weekly index, not a component of the WPI. Includes copper, lead and steel scrap, zinc, tin, cotton, print cloth, wool tops, burlap, hides, rubber, rosin, and tallow.
[5] Adjusted for overtime (manufacturing only) and for interindustry employment shifts.
[6] Worker with 3 dependents.

Source: Bureau of Labor Statistics, Department of Labor, Apr. 7, 1972.

Mr. MOORE. They indicate the changes in our most important price and wage measures, the rates of change at an annual rate after allowance for seasonal factors. I think one of the more important new figures that we have in it today is the rate of increase in the wholesale price index from August through March, which came to 3.1 percent at an annual rate, and in the industrial component for the same period at an annual rate of 1.8 percent, both figures being lower than they were prior to August 1971 when the stabilization program began.

Similarly, on the wage side, the annual rate of increase in the hourly earnings index from August through March is 6.1 percent, which is down slightly from the annual rate prior to the wage freeze when the annual rate of increase was 6.8 percent.

In t erms of real earnings, that is, after allowance for the increase in the consumer price index, the annual rate of increase in the hourly earnings since August comes to slightly under 2½ percent. And that is just about what it was before August in the last 6 months prior to the freeze.

So, in terms of real earnings the increase has been over this whole period at the rate of about 2½ percent. In terms of weekly earnings the rate has been a little higher, because of the increase in the length of the workweek. And in terms of spendable earnings, that is, earnings after taxes, on a weekly basis, the rate of increase in real earnings has been higher yet, because of the reduction in tax rates.

Mr. Chairman, that summarizes the picture, as I see it.

Chairman PROXMIRE. Thank you very much, Mr. Moore.

Do you have any other statements by anybody else?

Mr. MOORE. I guess not.

Chairman PROXMIRE. The very last remarks you made are encouraging.

I didn't have that figure, and I would like to emphasize it to the press. The new economic program of President Nixon seems to be working, on the inflation side. This surprises me a little. As a Democrat, I have been critical.

You point out that prices have not gone up quite as much since the new economic program went into effect. And you point out that wages have gone up not quite as much, is that correct?

Mr. MOORE. Not quite as much as they did before.

Chairman PROXMIRE. That is my point.

Mr. MOORE. Right.

Chairman PROXMIRE. And, of course, that was the purpose of the freeze, the purpose of the inflation aspect of an economic program. So, that is mighty encouraging.

Representative CONABLE. Real wages have gone up more, haven't they?

Mr. MOORE. I would say they have been increasing at about the same rate on an hourly basis, but they have gone up more on a weekly basis because of the increase in the length of the workweek. People are taking home more pay because of longer hours and overtime pay.

Chairman PROXMIRE. On the other hand, would it be fair to say that the unemployment level still remains around 6 percent, where it has been since November of 1970, and has been for about 17 months.

Mr. MOORE. Well, there are various ways of saying the same thing. I think the quarterly figures probably give a fair picture of the general levels and trends over a period of time. The first quarter figure is

just slightly lower in terms of the percentage rate of unemployment than it was during last year. But it is only a very slight decline.

Chairman PROXMIRE. So it is working on the inflation end, the new economic program of the President. It is failing, I think dramatically, on the employment end, inasmuch as you have had no improvement, and it has been at a very high level in terms of the experience over the last 5 or 6 years. Is that a fair conclusion?

Mr. MOORE. Well, I continue to stress the employment as well as the unemployment side.

Chairman PROXMIRE. Good. And I think this is a very propitious time to do it because of the nature of the statistics during the past months.

Tell me now if this is a fair summary of the situation.

Unemployment for teenagers is down this month, but it was close to an alltime high a month ago, it is down a little.

Blacks, whose unemployment has been very high, is the same.

Everybody else is worse off, apparently, white males, adult women, the 20 to 24 age group—I am not sure about the latter, but everybody else seems to be worse off this month, is that right?

Mr. MOORE. Well, I will have to point to the married males. They are about the same, 2.8 percent.

Chairman PROXMIRE. What is fascinating about this is that it is kind of a reversal in many of those areas from what we have had before this month. Congressman Conable was pointing that out to me on the price thing, and I think it is true on the employment side, too. In the recent past we have had bad news in some of the areas where we have good news this month, and vice versa. And I think that applies to the interpretation which you gave us of the overall figure to a considerable extent.

Unemployment went up——

Representative CONABLE. About 160,000.

Chairman PROXMIRE. Unemployment went up—you point out that there was nonetheless a big increase in the number of jobs, the job-seekers pouring into the market were so great that unemployment rose, is that correct?

Mr. MOORE. Well, again, I think you can always look at the employment and the unemployment side separately. If you add them together, you get the total civilian labor force. But it seems to me it is simplest to think of the number of people who have jobs which increased very substantially over the month, while the number of people seeking jobs also increased, but relatively modestly. Adding the two together, you get a big increase in the total number in the labor market that are either at work or seeking work. It was a very substantial increase, better than 750,000.

Chairman PROXMIRE. Is the big difference simply seasonal adjustment?

Mr. MOORE. Well, it may have something to do with the change between February and March. But we regard the March adjustment as reasonably secure.

Chairman PROXMIRE. I am really puzzled, you know. It is hard to understand this kind of a situation. It is worse and it is better, much worse and much better, the same month, the same time. It seems to me that—I am baffled, I have been chairing these hearings

and listening to this kind of testimony now, fine testimony, from you, for more than a year. And if I am puzzled, think what the typical citizen who doesn't follow this very closely must be.

Mr. MOORE. I think the only answer I would have to that is that it is simply very important to look at more than just 1 month. Those figures, because of sampling variations, because of problems with seasonal adjustment, and other things that happen to affect 1 particular month, vary from month to month quite sharply. But if you look at the trend over a longer period, I think you get a more reliable picture of what is going on in the economy. I think, too, you have to look at a variety of other figures which we have as well that have a bearing on the total situation. Doing that, as I said, I would characterize the situation as showing a continued rapid rise in employment at least since last summer, and a fairly steady level with some decline, but not marked, in the volume of unemployment.

Chairman PROXMIRE. Let's square that observation with what your superior in the Labor Department has said. Last month the unemployment dropped to 5.7 percent. Secretary Hodgson said what appeared to be the opposite. I quote from his statement:

> As we observed, an extraordinary number of job seekers, especially Vietnam veterans, have been pouring into the labor market, straining the market capacity to absorb them all. As expected, when the inflow of job seekers eased off, the unemployment rate retreated. The 5.7 figure for February released today confirms what we have been saying, and strengthens our faith in President Nixon's economic program.

That was last month, when we had the reverse kind of situation. That was Secretary Hodgson's explanation.

Now, which is it, Mr. Moore, this month's explanation or last month's explanation?

Mr. MOORE. Well, again I would like to stick to my view that you have to look at those figures over a longer period than a month.

Chairman PROXMIRE. Last month you could agree with the Secretary of Labor, who is the President's principal political appointment in this area and who is also your boss. This month the statistics are different, and you have to disagree with his last month's interpretation, is that right?

Mr. MOORE. No. I think the basic trend of employment is favorable. It is at a very rapid pace. It is bound, if it keeps up at that pace, to reduce unemployment. Now, it won't reduce unemployment every month, because these numbers just don't behave that way. But I think it is a very strong trend on the employment side. And it is also true that it has not so far had very much effect on the unemployment rate.

Chairman PROXMIRE. Well, if faith in the President's economic program was strengthened last month, why isn't it weakened this month?

Mr. MOORE. Well, one of the objectives, it seems to me, that we all want is an increase in the number of people at work, the number of jobs. That has occurred. So, I don't see any reason for failing to consider that aspect of the matter.

Chairman PROXMIRE. My time is up.

Congressman Conable.

Representative CONABLE. Mr. Moore, how many people are working now compared to a year ago? That takes out the seasonal adjustment factor, does it not?

Mr. MOORE. Yes. The number employed a year ago was 77.5 million.

Representative CONABLE. Is that total employment or nonagricultural?

Mr. MOORE. That is total employment, 77.5 million in March of 1971. And it is 80.2 million in March of 1972. But I must point out that between December and January we made an adjustment in the estimation procedure which added about 300,000 to the employment total.

Representative CONABLE. That would be 2.7 if you had made no adjustment?

Mr. MOORE. It would be 2.4 if you allow for that adjustment, and 2.7 if you don't. And I think you ought to allow for it.

Representative CONABLE. So, employment has risen by at least 2.4 million since a year ago?

Mr. MOORE. Yes, sir.

Representative CONABLE. Now, what has happened to the total number of unemployed people in that same period of time?

Mr. MOORE. Well, it was 5.2 million in March of 1971, and 5.2 million in March of 1972. And there the adjustment for the population shift is virtually negligible, so I think we can ignore it.

Representative CONABLE. So, in effect our labor market has grown by 2.4 million during that period of time, taking out the adjustment for statistical change in the last month?

Mr. MOORE. That is correct.

Representative CONABLE. What growth rate do we have to have from now on? Can we assume a constant increase in the labor market? What growth rate do we have to have to cut into the 6 percent unemployment that we have got? I have heard it said previously that roughly 4½ percent real growth rate was necessary to absorb the number of people coming into the job market in employment.

Does that figure still hold?

Mr. MOORE. Well, Mr. Conable, I am going to stick to my last and avoid forecasts. I do know that the rate of increase in the labor force of 2.4 million is an unusually rapid rate. We don't expect that over the long run, and we haven't had it in the past over the long run. So, if the increase in employment of 2.4 million over the past year continues, it seems to me inevitable that it will reduce unemployment.

Representative CONABLE. Our labor force, in other words, has been increasing faster than our population during the same period, is that accurate?

Mr. MOORE. Yes.

Representative CONABLE. What you are saying in effect, then, is that if we maintain this rate of increase in employment, we should see a percentage statistical improvement also?

Mr. MOORE. Yes. But everything depends on what happens to the labor force. Just looking at the past experience, that would seem to be a reasonable prospect. But as I say, I am not going to forecast either the labor force or employment or unemployment.

Representative CONABLE. Now, looking at these statistics that you brought in for this month, do you have any change in your attitude as to what the soft spots in the economy are? Do you see any statistics that are to you as a statistician considerably more significant than the statistics you brought to us last month, or do you consider the trends

to simply have maintained themselves during this period of time? Do you find any areas of change that are significant to you as a statistician, that is what I am saying.

Mr. MOORE. Well, I think there is one thing that I have learned in the last month as I have been studying what has happened in the manufacturing sector. And that is what I mentioned earlier in my statement. Manufacturing has been, as I said, a sluggish sector in terms of total employment. In terms of some things that I think need emphasis, the situation in manufacturing seems to me to be undergoing change. What I see is that with increase in the hiring rates and reductions in the layoff rates, the net accession rate, which is the difference between hirings and separations, has gone up to about the level that it had in 1968, which is just about a complete recovery in the rate of accession to manufacturing payrolls. Unless you study those particular statistics which we issue, you are very likely not to observe this in the total employment figures.

Representative CONABLE. Let me ask you if you feel any concern about the rise in the wholesale price index for industrial commodities of 0.3 percent. That is somewhat higher than it has been, is it not? And this, of course, tends to translate into even greater retail price increase, where this is largely negated in this month's statistics by the decline in the cost of farm products and processed foods. It seems to me that last month we had somewhat the reverse of that, with food prices going up quite sharply, and industrial commodities going up only modestly. At that time, as I recall, you told us that food prices had wide short range swings, and that the significant factor was the industrial commodities. Do you see any concern about the increase to 0.3 percent? Is that likely to translate itself into a rising spiral of inflation on the CPI ultimately?

Mr. MOORE. Well, the rate of increase in the industrial commodities component of the wholesale price index has been between 0.3 and 0.4 ever since December. It is 0.3 this month, last month it was 0.4, the month before it was 0.4, and the month before that it was 0.3. So, it has been in that range.

Now, that is a rate of increase that I think is higher than most of us want to see.

Representative CONABLE. Is that what you call a bulge still, a bulge following phase II?

Mr. MOORE. It certainly could be that. We don't really know that until you see the bulge disappear. It is hard to see a bulge while it is still on, or see whether it is a bulge.

Chairman PROXMIRE. This is about the best meeting that we have had. I am enjoying this a great deal.

I don't mean to interrupt your train of thought, but it looks like it is a good idea to have the same witnesses back over and over again, because after rehearsal you seem to be in great shape now. It is like having a play on Broadway for 7 years, 2,000 performances, by the last performance they are doing pretty well.

Representative CONABLE. Speaking for myself, I can see my bulge. I can't see beyond it.

Mr. KAITZ. Senator, this is our first anniversary.

Chairman PROXMIRE. You have been here every single month explaining the labor statistics since a year ago. This is literally the 13th time.

I am sorry to interrupt. Go ahead.

Mr. MOORE. Perhaps Mr. Popkin, who is our expert on prices, can offer some further observations on this whole situation.

Mr. POPKIN. I think there are a couple of points here. One of them, which can be seen from the table that Commissioner Moore asked to be placed in the record, is the fact that with respect to the industrials component of the WPI, if you look at its performance during the entire stabilization period from August through March, the increase is at an annual rate of 1.8 percent.

Now, if you break that down—let's say compare phase II to the 6 months before the stabilization policy—you see that these three-tenths and four-tenths monthly changes which Commissioner Moore just cited translate to an annual rate during phase II of 4.2 percent, which is 1.5 percentage points below the 5.7 rate that obtained in the 6 months just immediately preceding the initiation of the stabilization program in August.

With respect to the question of the transmission of wholesale price changes, say, for industrials into retail price changes, I think that it has got to be viewed at several levels. The industrial commodities component includes crude materials, intermediate materials, and consumer finished goods.

Now, in this particular month, for example, lumber and metals and metal products were very important factors in that three-tenths rise. You see, you have got to go from that stage to their translation into manufactured consumer finished goods, and then from there to the CPI. So, the effect of any particular rise in the industrials component really depends on where it is taking place, and what the speed of transmission and the amount of transmission is. By that I mean, let's say, if steel goes up by x percent, but steel is 5 percent of the cost of the finished good that the consumer buys, you don't assume that that x percent is passed through.

Representative CONABLE. My time is up, Mr. Chairman.

Thank you.

Chairman PROXMIRE. Mr. Moore, you declined to give Mr. Conable—I thought it was a very significant question and discourse—you declined to give him what the rate of growth was that was necessary to cut into unemployment, as I understand it; is that correct?

Mr. MOORE. The rate of growth——

Chairman PROXMIRE. The rate of growth of the economy necessary to reduce unemployment.

Mr. MOORE. Yes, sir.

Chairman PROXMIRE. That is such a significant question that I don't know how we can adopt the right kind of policies or indeed appraise the integrity or honesty of President Nixon's 5-percent unemployment by the end of 1972 prediction unless we have some information on prospective economic growth.

I know you don't like to make predictions. But from what you know from the past, would you be willing to say, then, that a 5-percent level of unemployment by November is a reasonable possibility?

Mr. MOORE. I just don't want to say anything on that.

Chairman PROXMIRE. You can't tell us whether President Nixon is being responsible or not, even you in your position.

Mr. MOORE. I believe my position is to present the statistical facts to the public.

Chairman PROXMIRE. I have no question about you, your reputation and background; what I am trying to find out is whether the President could have any basis for this, or whether it is just a political statement. You are in the administration now. You are his principal professional authority. From what you are saying it looks as if the President's statement is just based on politics and not based on any kind of sound economical analysis; that is possible; is that right?

Mr. MOORE. No, I don't think that is right.

Chairman PROXMIRE. Why isn't it right? I don't want to be unfair. Why isn't it right?

Mr. MOORE. It is not based on my own economic analysis. He has his own economic advisers, and they provide him with——

Chairman PROXMIRE. You are too modest. Are you telling me that if you had more ability that you would be able to make this kind of conclusion? I won't accept that.

Mr. MOORE. I don't want to be that modest.

Chairman PROXMIRE. You are coming right out of Dickens; you are really humble.

Mr. MOORE. My point is simply that I think the Bureau of Labor Statistics that I represent today should present the facts and should avoid speculation as to what the facts may be 6 or 12 months in the future.

Chairman PROXMIRE. To get into industrial prices: They rose at a 0.2-percent rate in March.

Mr. MOORE. 0.3 percent.

Chairman PROXMIRE. I stand correct, 0.3 percent. This was almost as great as in the early part of last year.

Now, I indicated that overall there may be some progress, slight progress, in the President's inflation fight. Do you think this bears that out? Do you think this month is encouraging in that regard, too?

Mr. MOORE. Well, I think I can only point to this table that shows the rate of increase in industrial——

Chairman PROXMIRE. It looks like I am too biased on the side of the President; I am helping him too much.

Mr. MOORE. There has been a reduction in the rate of increase of industrials, the prices, from 5.7 percent prior to the freeze to 4.2 percent since the freeze was ended. And that is a reduction.

Chairman PROXMIRE. Your employment press release states that total employment has risen by 2.4 million since March of 1971; that is, in the last year the total employment has been very encouraging. Can you and your staff tell us how much of this increase has been in full-time employment and how much in part time?

Mr. MOORE. Mr. Kaitz tells me that the increase in full-time employment over the year ending in March was 2.1 million, and in part time it was 600,000. Now, each of those figures includes this upward adjustment because of the change in the method of estimation in January.

Chairman PROXMIRE. Would you repeat that?

Mr. MOORE. The two figures?

Chairman PROXMIRE. Yes.

Mr. MOORE. For the full time it is an increase of 2.1 million, and for the part time an increase of 600,000. But both of those figures include the upward adjustment that we made in January for the change in the population base. And I don't have—unless Mr. Kaitz has it here—it broken down separately for the part time and the full time. Overall it was an upward adjustment of 300,000. So, both of those figures, the 2.1 and the 0.6, need to be adjusted downward for that factor.

Chairman PROXMIRE. The encouraging aspect of this is that most of us rather look at part-time employment when we analyze unemployment. And the fact is that if a person works 1 hour, as I understand it, 1 hour at any time during a week, he is considered employed.

So that the part time element does tend to distort the picture pretty badly, unless people understand that.

Mr. MOORE. Oh, yes. But though there is a large number of people employed part time, the number of people who work only 1 hour is certainly very small. Part-time employment has been increasing, though not as rapidly as I indicated the full-time employment is increasing.

Chairman PROXMIRE. Mr. Moore, the increase in the labor force was very large, as you pointed out, over the past year. Have you made any analysis of the factors involved in the increase? What has happened to the number of discouraged workers?

Mr. MOORE. Well, we have figures quarterly on the number of discouraged workers; that is, those who are not in the labor force and who would like to have a job, but who think there are no jobs available. Those numbers were higher in 1971 and the first quarter of 1972 than they were during 1970, by about 150,000.

The figure for the first quarter of 1972 is 800,000 in that group. So I think that during the year; that is, during 1971 as a whole, there has not been any particular trend one way or the other. The figure for the first quarter of 1971 was just about 800,000 also. There has not been any upward trend in the number of discouraged workers.

Chairman PROXMIRE. We have been interested, as you know, in this committee more than the administration has been, because they have done very little in it, and we have done a lot. And maybe we have exaggerated it, but we have been interested in the effects of the military program on employment and unemployment.

There was almost nothing in the President's economic report until this year, when they had, I think, one or two pages out of 160, and those pages were very skimpy. And we had a very substantial part of our report dealing with that. What proportion of unemployment can be charged to defense cutbacks? Can you give me a number? I have seen a number as low as 0.1 of 1 percent, although the administration, without much analysis, has indicated that this is one of the principal reasons for the difficulty in improving the unemployment picture.

Mr. MOORE. I don't have a figure in my head, sir, on that.

Chairman PROXMIRE. Would you say that 0.1 of 1 percent sounds out of line? Would you dispute it?

Mr. MOORE. I would say it sounds low to me, but I just don't have the numbers in mind.

Chairman PROXMIRE. It sounds low, but it is possible?

The best our staff can come to is 0.1 of 1 percent.

Let me proceed a little further. Actual total outlays for defense has not been reduced at all. There has been a shift in the amounts being proposed to be spent, up $6 billion in the coming year. And it is true there had previously been a sharp cut in real terms because of inflation, of course. And there had been a reduction, an enormous reduction in the number of people in the Armed Services from 3.5 million to 2.4 million. Also because of pay increases there has been no substantial change in the gross amount of pay. Is it right or wrong to attribute unemployment to these military decisions when virtually no dollar cut has been made in defense, and we can anticipate an increase?

Mr. MOORE. I would make this observation, that in any period when substantial shifts are occurring in the direction of the economy away from defense spending and toward other spending, and out of the Armed Forces and into the labor force, those shifts require adjustments. They usually take some time to make. One of the results is that people are looking for jobs for longer periods of time, and they are more likely to end up in the unemployment count that we make than in times when everything is going along more or less smoothly.

So I think a period of shifting priorities is one in which more people will be looking for other types of work than they have had. Certainly in the aerospace industry that has been a big factor.

Chairman PROXMIRE. You know how much I respect you as an economist. And what you say is certainly the conventional wisdom. But how do you account for what happened right after World War II? At that time we cut about $70 billion from the defense budget. And it was a far smaller economy, about a quarter of the size of what the economy is now in dollar terms.

We reduced the military by 10 to 12 million, not one and a half million. But unemployment went down, not up. So why is it that with virtually no dollar cut in defense and only 1 million men out from the Armed Forces in 2 or more years, why is there any unemployment due to this fact?

Mr. MOORE. I think one great difference between World War II, or post-World War II, immediately after the war, and now is that then there had been a long period—several years—of suppressed demand. There were cutbacks of all sorts in consumer goods production, and demands on the part of consumers were building up. The consumers went into the market to get goods immediately after the war, that had been controlled prior to that. That stimulated the market for private production and stimulated employment in those industries very rapidly.

Now, in recent years there has been no such cutting back on the demand side that accompanied the war period, the building up of the Vietnam period. And consequently I don't believe there is anything like the amount of pent-up demand that there was during and immediately after World War II.

Chairman PROXMIRE. I think you have made the best possible case for a very impossible position. It is a fine defense, but my commonsense doesn't let me accept it, that you could have a situation in one case where you had an enormous and dramatic sudden reduction of military spending from 50 percent of our gross national product to almost zero with, as I say, no increase in unemployment, and in this case very little change.

And the administration was saying that the reason that unemployment is bad is because of the war, the Vietnam war.

But I have detained you a long time. I have just a couple more questions I would like to ask about wholesale prices.

With the decline in wholesale prices for farm products—from 120.2 to 118.6 seasonally adjusted in 1 month—and the decline of 119.6 to 119.1 in overall farm products, processed food and feed category, how do you explain the continued rise in wholesale prices?

Mr. MOORE. You mean the wholesale prices of farm products?

Chairman PROXMIRE. No, the overall rise in wholesale prices. Everybody is saying, the administration is saying, well, prices have gone up because of the food prices, until recently they were saying that that was the explanation. Now we have a different situation, that old explanation just doesn't apply now.

Mr. MOORE. I think that nonfood prices, the prices of goods other than foods, did continue to go up. It is only the farm products and the foods that declined. All I can say is that one declined and the other went up.

Chairman PROXMIRE. We know that. But you tell us why.

Mr. MOORE. Well, I really don't understand your question. Are you asking why farm product prices went down and other prices continued to go up?

Chairman PROXMIRE. I am asking you to explain what actually happened.

Mr. MOORE. That is what actually happened. The farm prices in March went down at the wholesale level, and the prices of nonfarm products continued to rise.

Chairman PROXMIRE. Are you telling me that there is no explanation? And if there isn't, what is the Congress and the public going to do? If anybody in the country can explain it, you can. And I don't mean that a sarcasm, at all. You are the man that the President has picked, and he has wisely picked. And if you can't explain it, it is inexplicable. It is like even God doesn't have an answer.

Mr. MOORE. Let me make an attempt and maybe Mr. Popkin can help me out.

Chairman PROXMIRE. Call on the Angel Gabriel.

Mr. MOORE. In the case of nonfarm products I think there has been a continued increase in the money volume of demand. Incomes have continued to rise. They haven't been dropping at all.

With that demand the prices have tended to keep on going up. And that is despite the controls that have been put on prices, they haven't stopped he rise completely.

On the other hand——

Chairman PROXMIRE. Are you saying that in a situation in which we have 25 percent of our capacity idle, that there has been a demand that is driving up prices?

Mr. MOORE. The money volume of demand has continued to go up all through this 2- or 3-year period quarter by quarter. So I think that has been a factor.

Personal incomes have continued to go up all through the period, and they are still rising relatively rapidly.

So that is the background on the demand side.

Now, with reference to farm products, why did they go down this month? I guess all I can say—and maybe Mr. Popkin can amplify it—is that farm product prices fluctuate, they go up rapidly in one month, and stop going up or decline in another month. They have been doing that all during the past year, and they have kept on doing it this month. That is, there was a very rapid rise in February, and there was a small decline in March.

Now, what explains the fluctuations in farm prices, and why they fluctuate more than industrial commodity prices, is a very big subject. It has to do with the shifts in the supply of farm products from month to month. In general, the supply situation changes much more rapidly in the farm sector than it does in the industrial sector.

Chairman PROXMIRE. Does Mr. Popkin want to add to that?

Mr. POPKIN. I think it does get back to supply and demand. But the supply curve is usually defined to include costs and profits. And the shifts in supply in the farm area are frequently great, and seem to have a lot to do with the large fluctuations that we observe in the farm product prices. But nonetheless there are shifts in demand and supply curves in the industrial area. For example, within the industrials group there were declines from February to March for two major groups, rubber and plastic products, and chemicals and allied products. And I guess you would ask, why did those products go down and the rest of the industrials go up? And I think it does get back to supply and demand.

Again the supply curve is defined as including returns to all factors of production.

Chairman PROXMIRE. I think that is a good answer. But we have to terminate this. Let me just ask the final question.

Mr. Moore, an article appeared in the Wall Street Journal on March 31, and I am going to quote it to you and ask your response:

> Specialty steelmakers, eager to cash in on an upturn in demand, are pushing through across-the-board price boosts of one of their highest volume products, stainless steel sheet. As is typical in the industry . . . increases don't result from higher list prices but a reduction in discounts.

The article goes on to say that discounts are being reduced by 5 percent, which is effectively a 5 percent price increase to users of stainless steel. I intend to question Mr. Grayson next week when we are having our hearings on the President's program on inflation—and we will have Mr. Meany later, of course—I intend to question Mr. Grayson next week on the Price Commission's role in this increase.

However, I would like to know from you, Mr. Moore, how this 5 percent increase in stainless steel prices will be reflected in the wholesale price index. How does BLS collect price information, from the seller at list discount prices or from the buyer?

If fluctuations and discounts are not taken into account, how can the wholesale or consumer price indexes accurately reflect actual prices

being paid? How can the WPI or CPI possibly measure the success or failure of a wage-price control program?

Mr. MOORE. Well, I can only give you a general answer to that question. We can supply more details for the record.

(The following information was subsequently supplied for the record:)

For the nine stainless steel items priced in the WPI we obtain list price information from the major stainless steel producers in this country. Although discounting is common in this industry, the WPI does not reflect it because our reporters will not supply us with such data.

Mr. MOORE. The wholesale price index is based in part on list prices. But it is a relatively small part. And overall——

Mr. POPKIN. When you say "based on list prices" that statement reflects the fact that for some commodities we have to rely on prices published in trade journals. We don't get prices from sellers in those areas.

In other areas where we do go to sellers, we may in fact get a list price.

But I would like to point out that the questionnaire that is used in collecting wholesale prices asks for all discounts and changes in them. So it isn't that we go out to collect list prices, we go out to collect transaction prices. We don't always get them.

And our guess is that the portion of the wholesale price index for which we either have to rely on trade publications or for which sellers do not, we feel, report transactions prices, but in fact report list prices, that portion we would estimate to be 20 percent of the weight of the index. But it is by no means a pervasive problem. We know the sectors where we have some problems, and we are working on them.

In the January Wholesale Price Index, for example, we made a transition to a new series of transaction prices for aluminum ingots collected from buyers because we knew we had some trouble on the sellers' side. So it is not a pervasive problem since it affects only about 20 percent of the index, but the Bureau of Labor Statistics always seeks to get the transactions price.

Mr. MOORE. I think we should supply an answer to your question about steel sheets for the record.[1] I don't have that information.

Chairman PROXMIRE. Yes, I would like to get that. That would be very helpful, for the record.

You say you think this may be the exception?

Mr. MOORE. Well, as Mr. Popkin said, about 20 percent of the wholesale price index is based on list prices. And the other 80 percent is, we think, a good approximation to the actual transaction price. We are working on the 20 percent. But it is not 100 percent by any means.

Chairman PROXMIRE. I said that was the last question. But let me just observe that I am amazed and astounded, Mr. Moore, that you would attribute the continued increase in industrial prices to an excess of demand when a million people are unemployed and industry is operating at 75 percent of capacity. It is just very, very hard for me to understand that. And I would challenge any economist to support that.

---

[1] See submission for the record above, this page.

Mr. Moore. If I may remind you, I said money demand, not physical demand.

Chairman Proxmire. Demand is demand is demand, as Gertrude Stein might say.

Mr. Moore. I think that is right. But if you think of the amount of money that people have at their disposal to spend, that has increased continuously for months and years. And there has been no reduction in money demand in that sense.

Chairman Proxmire. But that increased from 1962 to 1963 without this kind of consequence, and we were in a situation in which there was about the same amount of employment, but more capacity utilization and prices were relatively stable.

Mr. Moore. Well, it increased very much more rapidly after 1965, the money demand.

Chairman Proxmire. Mr. Moore, thank you very much. I think this has been an excellent hearing, a most interesting and useful hearing, and a very appropriate one for our first anniversary.

Mr. Moore. Thank you very much.

Chairman Proxmire. The committee will stand adjourned.

(Whereupon, at 12:05 p.m., the committee adjourned, subject to the call of the Chair.)

CURRENT LABOR MARKET DEVELOPMENTS

FRIDAY, MAY 5, 1972

CONGRESS OF THE UNITED STATES,
JOINT ECONOMIC COMMITTEE,
Washington, D.C.

The committee met, pursuant to notice, at 11:05 a.m., in room 1202, New Senate Office Building, Hon. William Proxmire (chairman of the committee) presiding.

Also present: John R. Stark, executive director; Loughlin F. McHugh, senior economist; Courtenay M. Slater, economist; Lucy A. Falcone and Jerry J. Jasinowski, research economists; and George D. Krumbhaar, Jr., minority counsel.

OPENING STATEMENT OF CHAIRMAN PROXMIRE

Chairman PROXMIRE. The committee will come to order.

Once again, welcome Commissioner Moore. Since this elimination of the press conference over a year ago, you have faithfully trecked up the Hill month after month to discuss employment, unemployment, and price trends.

We are now just 6 months from the 1972 presidential election when President Nixon will be laying it all on the line. Now is the period when the honesty and accuracy of the economic figures—especially the central political figure of unemployment will be under the greatest scrutiny. The election or defeat of President Nixon could hang on that figure.

And as the election comes closer and closer the predictions of the administration that unemployment would drop to 5 percent look increasingly less likely.

Even the more conservative estimates of independent economists—Heller, Samuelson, Ackly, and critics of the administration who said that unemployment was too high—that it was being treated too softly—but in spite of all this they said they thought unemployment would drop to 5½ percent or less.

Well, they were wrong, too. The growing political danger point for President Nixon is that nagging figure of 5.8 percent, 5.9 percent, 6 percent unemployment just won't go away.

This past month everything seemed to be coming up roses for the economy. All the figures seemed good—industrial production, profits, sales, and an increasing volume of optimistic expressions that "Happy days are here again."

And what do we find. Is unemployment falling toward 5 percent? No.

60-174 O—72—pt. 3——10

Is it falling toward 5.5 percent? No.

It remains stuck where it has been for nearly a year and a half—for 16 consecutive—painful months unemployment has not improved at all.

Excuses we have by the carload. The work force is growing too fast. Too many women want work. The teenagers can't get jobs because of the minimum wage.

Well, even with the most patient it just won't wash.

Take this month's figures—it's not women, or blacks or kids who can't find jobs—the increases are among whites, among married males.

Here's where the increase in unemployment is and we're getting it as I say in what appeared to be one of the best recovery months in a long, long time.

Commissioner Moore, in the next 6 months you are going to be in the eye of a huricane with a presidential election hanging in the balance, on a statistic.

Your performance has been professional and competent, but this is far from an ideal arrangement. I continue to hope that Secretary Hodgson will see the light soon, and permit your technical experts to resume their analysis of labor market and price developments.

I note with regret that the third major figure in the BLS shakeup, Leon Greenberg has retired from Federal service at the Productivity Commission. The other two are, of course, well known—Harold Goldstein demoted, and Peter Henle eased out—at least temporarily. In that connection, I wonder whether any plans have been developed for the reemployment of Mr. Henle. If you can't answer this today, perhaps you might check with departmental officials and let the staff know of what planning is in the works for his reemployment.

I also have another request to make of you. You did not have a chance last month to hear the full testimony of the repersentatives of the Community Council of Greater New York. They were very much concerned about the possibility that the low-income budgets regularly prepared by you will no longer be published in a form which they consider adequate for advising people on welfare.

As you know, this is another instance being widely used as proof that the administration can't help the poor. The problem is taken care of by not recognizing it exists. I wish you would prepare for the record your comments on their complaints. Perhaps you already have some prepared remarks.

Since you were here last month, we have had two sets of hearings, one on wage-price controls, and the other on productivity. I might say the testimony was quite gloomy. Neither wages nor prices are acting in a fashion which promises to meet the President's goals on the inflation front. Indeed your latest report on productivity and unit labor costs for the first quarter of this year was shocking.

Total private output per man-hour up at a rate of 2.1 percent, unit labor costs up at a 6.3 percent rate. How can you explain a rise in productivity of less than 3 percent in the past year, in a year when we are supposed to be having a strong recovery? Have we ever experienced such a low rate of productivity in the first year of a cyclical recovery? We have had a Presidential Productivity Commission for almost 2 years, and as far as I can see, it has done practically nothing. Is the Price Commission going to be depending on you for estimates of productivity by industry?

Now to come to the most disturbing fact of all. Another month of close to 6 percent unemployment—17 dreary months—17 months when the economy was supposed to be recovering. Mr. Hodgson can spend his time looking at that doughnut! But I say for all to hear, the jobless worker can't eat that doughnut. It's unemployment which tells the sad fact in his life—he is the "hole" in the doughnut and we cannot let that be.

Mr. Moore, you may go right ahead with your statement, and then we will have some questions for you.

STATEMENT OF HON. GEOFFREY H. MOORE, COMMISSIONER, BUREAU OF LABOR STATISTICS, DEPARTMENT OF LABOR, ACCOMPANIED BY NORMAN SAMUELS, ASSISTANT COMMISSIONER FOR WAGES AND INDUSTRIAL RELATIONS; JOEL POPKIN, ASSISTANT COMMISSIONER FOR PRICES AND LIVING CONDITIONS; HYMAN KAITZ, ASSISTANT COMMISSIONER FOR CURRENT EMPLOYMENT ANALYSIS; AND JEROME MARK, ASSISTANT COMMISSIONER FOR PRODUCTIVITY AND TECHNOLOGY

Mr. MOORE. Thank you very much.

I hope that I am able to survive the hurricane that you mentioned as well as you survived your holdup experience last night.

Chairman PROXMIRE. Thank you.

Mr. MOORE. I brought along with me four of my staff, Mr. Jerome Mark, who is head of our Productivity and Technology Office; Hyman Kaitz, head of the Current Employment Analysis Office; Joel Popkin, who is head of the Prices and Living Conditions Office; and Norman Samuels, who is head of the Wages and Industrial Relations Office.

I would like, if I may, to put the employment situation press release in the record, as we have usually done in the past.

Chairman PROXMIRE. Without objection, it will be printed in full in the record, including the tables.

(The press release referred to follows:)

[Bureau of Labor Statistics, Department of Labor, Press Release No. 72-274, May 5, 1972]

THE EMPLOYMENT SITUATION: APRIL 1972

The Nation's employment situation was essentially unchanged in April, the U.S. Department of Labor's Bureau of Labor Statistics reported today. The overall unemployment rate was 5.9 percent, the same as in March and about the same as a year ago.

Total employment also was unchanged in April, following a substantial increase between February and March. The number of jobholders has risen 2.2 million over the past year, with most of this increase occurring since last summer.

Nonagricultural payroll employment rose by 180,000 in April. The largest over-the-month pickups occurred in trade and manufacturing; the latter industry also registered a sizable increase in the average workweek.

UNEMPLOYMENT

The number of unemployed persons totaled 4.7 million in April, down 500,000 from the previous month, in line with the seasonally expected change. After seasonal adjustment, the level of unemployment was the same as it was in March (5.1 million).

Jobless rates for the major age-sex groups—adult men (4.3 percent), adult women (5.4 percent), and teenagers (17.3 percent)—showed little or no change in April. However, the teenage unemployment rate was down from the 18.8-per-

cent rate reached in February. Jobless rates for heads of households (3.4 percent) and married men (2.9 percent) remained at about their March levels, but both have declined since last fall.

The unemployment rate for white workers was about unchanged in April at 5.4 percent, but the rate for Negro workers moved down from 10.5 to 9.6 percent. The decline in Negro unemployment occurred largely among adult females, as jobless rates for Negro adult males and teenagers were about unchanged in April.

The jobless rate for workers covered by State unemployment insurance programs (3.6 percent) was essentially unchanged in April. Similarly, jobless rates for the major industry and occupational groups showed little movement over the month. However, the rate for manufacturing workers edged down in April (to 5.8 percent) and has declined substantially over the past year, particularly among durable goods workers.

The number of workers unemployed less than 5 weeks dropped 140,000, seasonally adjusted, in April, and those unemployed 15 weeks or more also declined over the month. In contrast, the number of jobless in the middle duration category (5 to 10 weeks) increased between March and April. As a result of these offsetting movements, the average (mean) duration of joblessness held constant at 12.4 weeks.

Out of a total of 5.1 million jobless in April (seasonally adjusted), 2.0 million were persons who had lost their last job, 600,000 had voluntarily left their last job to seek another, 1.6 million were re-entrants to the labor force, and 900,000 were seeking their first job. Since the end of 1971, the number of job losers has declined substantially, while the number of new jobseekers and re-entrants has increased.

TABLE A.—HIGHLIGHTS OF THE EMPLOYMENT SITUATION (SEASONALLY ADJUSTED DATA)

Selected categories	April 1972	March 1972	February 1972	1st quarter 1972	4th quarter 1971	3d quarter 1971	2d quarter 1971	1st quarter 1971
Civilian labor force (millions of persons)[1]	86.3	86.3	85.5	85.9	85.0	84.2	83.7	83.5
Total employment[1]	81.2	81.2	80.6	80.8	80.0	79.2	78.7	78.5
Adult men	46.5	46.6	46.3	46.4	46.1	45.9	45.7	45.4
Adult women	27.9	28.0	27.9	27.9	27.5	27.1	26.9	27.0
Teenagers	6.8	6.7	6.5	6.6	6.3	6.2	6.1	6.2
Unemployment	5.1	5.1	4.9	5.0	5.0	5.0	5.0	5.0
Unemployment rates (percent of labor force):								
All workers	5.9	5.9	5.7	5.8	5.9	6.0	6.0	6.0
Adult men	4.3	4.1	4.0	4.1	4.3	4.4	4.4	4.3
Adult women	5.4	5.4	5.0	5.3	5.7	5.7	5.8	5.7
Teenagers	17.3	17.9	18.8	18.2	16.9	16.8	16.9	17.3
White	5.4	5.3	5.1	5.3	5.4	5.5	5.5	5.5
Negro and other races	9.6	10.5	10.5	10.6	10.1	10.1	9.9	9.5
Household heads	3.4	3.4	3.3	3.4	3.6	3.7	3.7	3.6
Married men	2.9	2.8	2.8	2.9	3.2	3.2	3.2	3.2
Full-time workers	5.4	5.4	5.3	5.4	5.6	5.5	5.5	5.5
State insured[2]	3.6	3.5	3.5	3.5	4.2	4.2	4.1	3.8
Average duration of unemployment (weeks)	12.4	12.4	12.5	12.2	11.9	11.7	11.7	10.5
Nonfarm payroll employment (millions of persons)	[3] 72.2	[3] 72.0	71.7	[3] 71.8	71.0	70.6	70.7	70.4
Goods-producing industries	[3] 22.7	[3] 22.7	22.5	[3] 22.6	22.4	22.4	22.5	22.5
Service-producing industries	[3] 49.5	[3] 49.3	49.2	[3] 49.2	48.6	48.3	48.1	47.9
Average weekly hours:								
Total private nonfarm	[3] 37.3	[3] 37.1	37.2	[3] 37.1	37.1	36.8	37.0	37.0
Manufacturing	[3] 40.8	[3] 40.4	40.5	[3] 40.3	40.1	39.8	39.9	39.8
Manufacturing overtime	[3] 3.4	[3] 3.3	3.2	[3] 3.1	3.0	2.9	2.9	2.8
Hourly earnings index, private nonfarm (1967=100):								
In current dollars	[3] 136.4	[3] 135.5	134.7	[3] 134.9	132.2	130.7	128.8	126.7
In constant dollars	([4])	[3] 109.3	108.6	[3] 109.0	107.8	107.2	106.6	105.9

[1] Civilian labor force and total employment figures for periods prior to January 1972 should be raised by about 300,000 to be comparable with subsequent data. See box above table A–1.
[2] For calculation of this rate, see table A–3, footnote 2.
[3] Preliminary.
[4] Not applicable.

Source: Tables A–1, A–3, A–4, B–1, B–2, and B–4.

CIVILIAN LABOR FORCE AND TOTAL EMPLOYMENT

The civilian labor force, at 86.3 million, seasonally adjusted, was essentially unchanged in April, as was total employment at 81.2 million. Since April 1971, however, both the labor force and total employment have expanded by nearly 2.2 million (after eliminating the effects of the 1970 Census population control adjustment introduced into the household survey in January 1972). Adult men accounted for 820,000 of this over-the-year increase in employment, adult women for 880,000, and teenagers for 470,000.

VIETNAM ERA VETERANS

The job situation for Vietnam Era veterans 20 to 29 years of age was essentially unchanged in April. About 4.1 million veterans were in the labor force, 3.8 million employed and 340,000 unemployed. Their unemployment rate in April, at 8.6 percent, seasonally adjusted, was the same as in March and not significantly different from a year earlier. Neither the 20–24 year-old nor 25–29 year-old veteran age categories recorded a significant change in their jobless rates of 12.7 and 5.4 percent, respectively. For nonveterans 20 to 29 years old, the seasonally adjusted unemployment rate of 7.6 percent in April also was not materially different from either a month or a year ago. (See table A–7.)

INDUSTRY PAYROLL EMPLOYMENT

The number of persons on nonfarm payroll jobs rose by 180,000 to 72.2 million, seasonally adjusted, in April. Payroll employment has been rising steadily since last August, posting a gain of 1.6 million over the period.

Manufacturing accounted for 80,000 of the seasonally adjusted advance in employment between March and April. At 18.9 million, factory employment was up 400,000 from its August 1971 low. Three-fifths of the April increase occurred in the durable goods sector, with gains concentrated in the major metals and metal-using industries.

The number of workers on contract construction payrolls was little changed in April. Employment in this industry has been in the 3.2 to 3.3 million area for nearly 2 years.

In the service-producing sector, the biggest March–April gains were posted in wholesale and retail trade (95,000) and State and local government (30,000). The unusually large increase in trade employment followed almost no change in March; the increase between February and April better represents recent developments in this industry.

HOURS OF WORK

The average workweek for all rank-and-file workers on private nonagricultural payrolls rose 0.2 hour to 37.3 hours, seasonally adjusted, the highest level since March 1970. By far the largest increase in average hours occurred in manufacturing—0.4 hour, seasonally adjusted—as the workweek reached 40.8 hours, the highest point in 3 years. Increases were widespread among the 21 manufacturing industries, with the largest gains taking place in durable goods, where the workweek rose 0.5 hour to 41.5 hours, seasonally adjusted, its highest level since March 1969.

Overtime hours in manufacturing inched up 0.1 hour in April to 3.4 hours, seasonally adjusted. This represented the highest level for factory overtime since December 1969.

HOURLY AND WEEKLY EARNINGS

Average hourly earnings of production or nonsupervisory workers on private nonagricultural payrolls rose by 2 cents in April to $3.59. Hourly earnings also increased by 2 cents on a seasonally adjusted basis. Compared with April a year ago, hourly earnings have risen 21 cents, or 6.2 percent.

The April gain in hourly earnings, coupled with a small rise in weekly hours, resulted in an advance of $1.10 average weekly earnings to $132.83. After seasonal adjustment, average weekly earnings were up by $1.46.

Since April 1971, average weekly earnings have risen $8.78 or 7.1 percent. During the latest 12-month period for which the Consumer Price Index is available—March 1971 to March 1972—consumer prices rose by 3.5 percent.

HOURLY EARNINGS INDEX

In April, the Bureau's Hourly Earnings Index, seasonally adjusted, was 136.4 (1967=100), 0.6 percent higher than in March, according to preliminary figures. The index was 6.5 percent higher than April a year ago. (See table B–4.) Between April 1971 and April 1972, all industries posted increases, ranging from 4.8 percent in finance, insurance and real estate to 10.3 percent in transportation and public utilities. During the 12-month period ending in March, the Hourly Earnings Index in dollars of constant purchasing power rose 2.9 percent.

This release presents and analyzes statistics from two major surveys. Data on labor force, total employment, and unemployment are derived from the sample survey of households conducted and tabulated by the Bureau of the Census for the Bureau of Labor Statistics. Statistics on payroll employment, hours, and earnings are collected by State agencies from payroll records of employers and are tabulated by the Bureau of Labor Statistics. A description of the two surveys appears in the BLS publication *Employment and Earnings.*

Note: Figures for periods prior to January 1972 in the tables and charts are not strictly comparable with current data because of the introduction of 1970 Census data into the estimation procedures. For example, the civilian labor force and employment totals were raised by more than 300,000 as a result of the census adjustment. An explanation of the changes and an indication of the differences appears in "Revisions in the Current Population Survey" in the February 1972 issue of *Employment and Earnings.*

TABLE A-1.—EMPLOYMENT STATUS OF THE NONINSTITUTIONAL POPULATION BY SEX AND AGE

[In thousands]

Employment status, age, and sex	April 1972	March 1972	April 1971	Seasonally adjusted: April 1972	March 1972	February 1972	Janaury 1972	December 1971
Total								
Total labor force	87,787	87,914	85,780	88,747	88,817	88,075	88,301	87,883
Civilian labor force	85,324	85,410	82,898	86,284	86,313	85,535	85,707	85,225
Employed	80,627	80,195	78,204	81,205	81,241	80,623	80,636	80,098
Agriculture	3,287	3,094	3,505	3,324	3,482	3,357	3,393	3,400
Nonagricultural industries	77,339	77,101	74,699	77,881	77,759	77,266	77,243	76,698
On part time for economic reasons	2,251	2,312	2,230	2,558	2,416	2,303	2,429	2,388
Usually work full time	1,081	1,172	1,242	1,131	1,155	1,127	1,146	1,084
Usually work part time	1,170	1,140	988	1,427	1,261	1,176	1,283	1,034
Unemployed	4,697	5,215	4,694	5,079	5,072	4,912	5,071	5,127
MEN, 20 YEARS AND OVER								
Civilian labor force	48,465	48,479	47,565	48,614	48,582	48,181	48,259	48,169
Employed	46,412	46,147	45,494	46,541	46,569	46,255	46,247	46,080
Agriculture	2,417	2,287	2,518	2,370	2,400	2,394	2,442	2,439
Nonagricultural industries	43,994	43,860	42,976	44,171	44,169	43,861	43,805	43,641
Unemployed	2,054	2,333	2,070	2,073	2,013	1,926	2,012	2,089
WOMEN, 20 YEARS AND OVER								
Civilian labor force	28,539	29,709	28,572	29,508	29,574	29,358	29,424	29,284
Employed	28,029	28,105	26,978	27,913	27,972	27,878	27,794	27,592
Agriculture	515	479	535	563	620	575	564	547
Nonagricultural industries	27,514	27,626	26,444	27,350	27,352	27,033	27,230	27,054
Unemployed	1,509	1,604	1,593	1,595	1,602	1,480	1,630	1,692
BOTH SEXES, 16 TO 19 YEARS								
Civilian labor force	7,320	7,222	6,761	8,612	8,157	7,996	8,024	7,772
Employed	6,186	5,943	5,731	6,751	6,700	6,490	6,595	6,426
Agriculture	355	328	452	391	462	388	387	414
Nonagricultural industries	5,821	5,615	5,279	6,360	6,238	6,102	6,208	6,012
Unemployed	1,134	1,278	1,030	1,411	1,457	1,506	1,429	1,346

TABLE A-2.—FULL- AND PART-TIME STATUS OF THE CIVILIAN LABOR FORCE BY SEX AND AGE

[Numbers in thousands]

Full- and part-time employment status, sex, and age	April 1972	April 1971	Seasonally adjusted					
			April 1972	March 1972	February 1972	January 1972	December 1971	April 1971
FULL TIME								
Total, 16 years and over:								
Civilian labor force	71,996	70,211	73,691	73,714	72,997	73,261	73,170	71,803
Employed	68,304	66,512	69,725	69,734	69,123	69,279	69,023	67,868
Unemployed	3,692	3,699	3,966	3,980	3,874	3,982	4,147	3,935
Unemployment rate	5.1	5.3	5.4	5.4	5.3	5.4	5.7	5.5
Men, 20 years and over:								
Civilian labor force	45,906	45,051	46,199	46,123	45,847	45,892	45,805	45,339
Employed	44,020	43,130	44,330	44,282	44,074	44,061	43,881	43,434
Unemployed	1,886	1,922	1,869	1,841	1,773	1,831	1,924	1,905
Unemployment rate	4.1	4.3	4.0	4.0	3.9	4.0	4.2	4.2
Women, 20 years and over:								
Civilian labor force	22,964	22,276	23,145	23,208	22,921	23,009	22,992	22,455
Employed	21,765	21,003	21,896	21,904	21,691	21,704	21,680	21,130
Unemployed	1,200	1,273	1,249	1,304	1,230	1,305	1,312	1,325
Unemployment rate	5.2	5.7	5.4	5.6	5.4	5.7	5.7	5.9
PART TIME								
Total, 16 years and over:								
Civilian labor force	13,328	12,687	12,466	12,596	12,540	12,595	12,083	11,881
Employed	12,323	11,692	11,369	11,497	11,482	11,476	11,072	10,794
Unemployed	1,005	995	1,097	1,099	1,058	1,119	1,011	1,087
Unemployment rate	7.5	7.8	8.8	8.7	8.4	8.9	8.4	9.1

Note: Persons on part-time schedules for economic reasons are included in the full-time employed category; unemployed persons are allocated by whether seeking full- or part-time work.

TABLE A-3.—MAJOR UNEMPLOYMENT INDICATORS, PERSONS 16 YEARS AND OVER

Selected categories	Thousands of persons unemployed		Seasonally adjusted rates of unemployment					
	April 1972	April 1971	April 1972	March 1972	February 1972	January 1972	December 1971	April 1971
Total (all civilian workers)	4,697	4,694	5.9	5.9	5.7	5.9	6.0	6.0
Men, 20 years and over	2,054	2,070	4.3	4.1	4.0	4.2	4.3	4.4
Women, 20 years and over	1,509	1,593	5.4	5.4	5.0	5.5	5.8	5.9
Both sexes, 16–19 years	1,134	1,030	17.3	17.9	18.8	17.8	17.3	17.0
White	3,859	3,844	5.4	5.3	5.1	5.3	5.4	5.6
Negro and other races	838	849	9.6	10.5	10.5	10.6	10.4	9.8
Household heads	1,744	1,790	3.4	3.4	3.3	3.5	3.8	3.6
Married men	1,171	1,259	2.9	2.8	2.8	3.0	3.2	3.2
Full-time workers	3,692	3,699	5.4	5.4	5.3	5.4	5.7	5.5
Part-time workers	1,005	995	8.8	8.7	8.4	8.9	8.4	9.1
Unemployed 15 weeks and over [1]	1,532	1,466	1.3	1.4	1.5	1.4	1.5	1.3
State insured [2]	2,049	2,323	3.6	3.5	3.5	3.4	4.1	4.0
Labor force time lost [3]			6.3	6.3	6.1	6.4	6.4	6.5
OCCUPATION [4]								
White-collar workers	1,220	1,295	3.4	3.5	3.3	3.6	3.6	3.7
Professional and technical	208	284	2.3	2.5	2.5	3.1	2.9	3.2
Managers and administrators, except farm	129	133	1.8	1.9	1.7	1.9	1.8	1.6
Sales workers	212	239	3.7	4.1	4.0	4.4	4.0	4.4
Clerical workers	671	639	4.9	4.9	4.7	4.7	4.9	5.0
Blue-collar workers	2,042	2,176	6.8	6.9	7.0	7.1	7.5	7.5
Craftsmen and kindred workers	523	519	4.4	4.0	4.4	4.3	4.8	4.6
Operatives	1,057	1,220	7.4	7.7	7.5	7.9	8.2	8.7
Nonfarm laborers	463	436	10.7	11.7	11.8	11.6	11.9	10.4
Service workers	692	667	6.3	6.6	5.9	6.1	6.4	6.3
Farm workers	63	58	2.2	1.9	2.7	2.8	2.7	1.9
INDUSTRY [4]								
Nonagricultural private wage and salary workers [5]	3,567	3,737	5.9	6.1	5.9	6.1	6.3	6.3
Construction	497	428	10.6	9.8	10.3	9.8	11.2	10.0
Manufacturing	1,189	1,429	5.8	6.2	6.0	6.4	6.9	7.0
Durable goods	670	869	5.8	6.3	6.1	6.7	6.7	7.5
Nondurable goods	519	560	5.9	6.1	6.0	6.0	7.1	6.4
Transportation and public utilities	179	181	3.7	4.0	3.9	4.1	4.1	3.8
Wholesale and retail trade	932	925	6.2	6.7	6.2	6.3	6.5	6.5
Finance and service industries	757	764	5.1	5.3	4.9	5.3	4.9	5.2
Government workers	307	292	2.9	2.8	2.8	3.0	3.2	2.9
Agricultural wage and salary workers	72	83	6.0	6.0	8.3	8.6	7.5	6.4

[1] Unemployment rate calculated as a percent of civilian labor force.
[2] Insured unemployment under State programs—unemployment rate calculated as a percent of average covered employment. As with the other statistics presented, insured unemployment data relate to the week containing the 12th.
[3] Man-hours lost by the unemployed and persons on part time for economic reasons as a percent of potentially available labor force man-hours.
[4] Unemployment by occupation incudes all experienced unemployed persons, whereas that by industry covers only unempoyed wage and salary workers.
[5] Includes mining, not shown separately.

TABLE A-4.—UNEMPLOYED PERSONS 16 YEARS AND OVER BY DURATION OF UNEMPLOYMENT

[In thousands]

Duration of unemployment	April 1972	April 1971	Seasonally adjusted					
			April 1972	March 1972	February 1972	January 1972	December 1971	April 1971
Less than 5 weeks	1,876	1,882	2,169	2,311	2,142	2,358	2,410	2,176
5 to 14 weeks	1,290	1,346	1,521	1,412	1,454	1,502	1,509	1,587
15 weeks and over	1,532	1,466	1,137	1,224	1,294	1,198	1,273	1,088
15 to 26 weeks	776	948	482	591	634	636	724	640
27 weeks and over	756	518	655	633	660	562	549	448
Average (mean) duration, in weeks	14.3	12.6	12.4	12.4	12.5	11.8	11.4	11.0

TABLE A-5.—UNEMPLOYED PERSONS BY REASON FOR UNEMPLOYMENT

[In thousands]

Reason for unemployment	April 1972	April 1971	Seasonally adjusted: April 1972	March 1972	February 1972	January 1972	December 1971	April 1971
NUMBER OF UNEMPLOYED								
Lost last job	2,140	2,413	2,040	2,118	2,077	2,169	2,365	2,300
Left last job	565	557	611	674	603	564	666	602
Reentered labor force	1,316	1,232	1,557	1,542	1,503	1,652	1,432	1,459
Never worked before	676	491	917	737	713	742	736	666
PERCENT DISTRIBUTION								
Total unemployed	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Lost last job	45.6	51.5	39.8	41.8	42.4	42.3	45.5	45.8
Left last job	12.0	11.9	11.9	13.3	12.3	11.0	12.8	12.0
Reentered labor force	28.0	26.3	30.4	30.4	30.7	32.2	27.5	29.0
Never worked before	14.4	10.5	17.9	14.5	14.6	14.5	14.2	13.2
UNEMPLOYED AS A PERCENT OF THE CIVILIAN LABOR FORCE								
Lost last job	2.5	[illegible].9	2.4	2.5	2.4	2.5	2.8	2.7
Left last job	.7	.7	.7	.8	.7	.7	.8	.7
Reentered labor force	1.5	1.5	1.8	1.8	1.8	1.9	1.7	1.7
Never worked before	.8	.6	1.1	.9	.8	.9	.9	.8

TABLE A-6.—UNEMPLOYED PERSONS BY AGE AND SEX

Age and sex	Thousands of persons: April 1972	April 1971	Percent looking for full-time work, April 1972	Seasonally adjusted unemployment rates: April 1972	March 1972	February 1972	January 1972	December 1971	April 1971
Total, 16 years and over	4,697	4,694	78.6	5.9	5.9	5.7	5.9	6.0	6.0
16 to 19 years	1,134	1,030	53.4	17.3	17.9	18.8	17.8	17.3	17.0
16 and 17 years	549	489	32.1	19.1	20.7	22.0	19.1	18.8	18.2
18 and 19 years	585	541	73.5	15.5	15.8	16.7	16.8	16.3	15.7
20 to 24 years	1,059	1,020	85.4	10.0	9.9	8.8	10.1	10.1	10.2
25 years and over	2,504	2,644	87.2	3.8	3.7	3.6	3.7	4.1	4.0
25 to 54 years	1,959	2,103	89.6	3.8	3.9	3.7	3.9	4.3	4.2
55 years and over	545	541	78.3	3.6	3.3	3.1	3.1	3.4	3.5
Males, 16 years and over	2,668	2,642	82.5	5.3	5.3	5.3	5.3	5.4	5.4
16 to 19 years	614	572	51.3	16.7	17.8	19.6	17.3	17.3	16.5
16 and 17 years	315	296	30.8	19.3	21.4	21.8	18.7	19.0	18.7
18 and 19 years	299	275	72.9	14.8	15.1	17.6	16.1	16.0	14.8
20 to 24 years	644	574	89.3	10.7	10.4	9.2	10.4	10.5	10.3
25 years and over	1,410	1,497	93.0	3.3	3.2	3.2	3.2	3.5	3.5
25 to 54 years	1,064	1,138	97.5	3.2	3.1	3.2	3.3	3.6	3.4
55 years and over	346	359	79.8	3.5	3.4	3.2	3.0	3.0	3.6
Females, 16 years and over	2,030	2,052	73.4	6.8	6.8	6.4	6.9	7.0	7.1
16 to 19 years	520	459	55.8	18.0	17.9	17.9	18.4	17.3	17.7
16 and 17 years	234	193	33.8	19.0	19.8	22.3	19.6	18.5	17.7
18 and 19 years	286	266	74.1	16.4	16.8	15.6	17.7	16.7	16.7
20 to 24 years	415	447	79.5	9.0	9.2	8.4	9.6	9.6	10.1
25 years and over	1,094	1,147	79.5	4.6	4.7	4.3	4.6	5.0	5.0
25 to 54 years	895	965	80.3	4.9	5.1	4.7	4.9	5.4	5.5
55 years and over	199	182	75.9	3.6	3.1	2.9	3.3	3.9	3.3

TABLE A–7.—EMPLOYMENT STATUS OF MALE VIETNAM ERA VETERANS AND NONVETERANS 20 TO 29 YEARS OLD

[In thousands]

Employment status	April 1972	March 1972	April 1971	Seasonally adjusted: April 1972	March 1972	February 1972	January 1972	December 1971	April 1971
VETERANS [1]									
Total 20 to 29 years old:									
Civilian noninstitutional population	4,498	4,470	3,929	(2)	(2)	(2)	(2)	(2)	(2)
Civilian labor force	4,127	4,112	3,563	4,161	4,137	4,100	3,990	3,985	3,584
Employed	3,783	3,710	3,248	3,804	3,783	3,798	3,649	3,650	3,266
Unemployed	344	402	315	357	354	302	341	335	328
Unemployment rate	8.3	9.8	8.8	8.6	8.6	7.4	8.5	8.4	9.1
20 to 24 years:									
Civilian noninstitutional population	1,987	2,000	1,940	(2)	(2)	(2)	(2)	(2)	(2)
Civilian labor force	1,788	1,803	1,695	1,810	1,817	1,842	1,745	1,773	1,716
Employed	1,573	1,545	1,482	1,581	1,594	1,663	1,530	1,550	1,489
Unemployed	215	258	213	229	223	179	215	223	227
Unemployment rate	12.0	14.3	12.6	12.7	12.3	9.7	12.3	12.6	13.2
25 to 29 years:									
Civilian noninstitutional population	2,511	2,470	1,989	(2)	(2)	(2)	(2)	(2)	(2)
Civilian labor force	2,339	2,309	1,868	2,351	2,320	2,258	2,245	2,212	1,878
Employed	2,210	2,165	1,766	2,223	2,189	2,135	2,119	2,100	1,777
Unemployed	129	144	102	128	131	123	126	112	101
Unemployment rate	5.5	6.2	5.5	5.4	5.6	5.4	5.6	5.1	5.4
NONVETERANS									
Total 20 to 29 years old:									
Civilian noninstitutional population	9,840	9,779	9,280	(2)	(2)	(2)	(2)	(2)	(2)
Civilian labor force	8,361	8,327	7,905	8,527	8,513	8,368	8,425	8,483	8,054
Employed	7,758	7,679	7,383	7,875	7,873	7,783	7,793	7,834	7,491
Unemployed	603	648	522	652	640	585	632	649	563
Unemployment rate	7.2	7.8	6.6	7.6	7.5	7.0	7.5	7.7	7.0
20 to 24 years:									
Civilian noninstitutional population	5,918	5,884	5,406	(2)	(2)	(2)	(2)	(2)	(2)
Civilian labor force	4,640	4,642	4,249	4,813	8,843	4,665	4,751	4,706	4,405
Employed	4,211	4,165	3,889	4,332	4,352	4,244	4,284	4,255	4,001
Unemployed	429	477	360	481	491	421	467	451	404
Unemployment rate	9.2	10.3	8.5	10.0	10.1	9.0	9.8	9.6	9.2
25 to 29 years:									
Civilian noninstitutional population	3,922	3,895	3,874	(2)	(2)	(2)	(2)	(2)	(2)
Civilian labor force	3,721	3,685	3,656	3,714	3,670	3,703	3,674	3,777	3,649
Employed	3,547	3,514	3,494	3,543	3,521	3,539	3,509	3,579	3,499
Unemployed	174	171	162	171	149	164	165	198	159
Unemployment rate	4.7	4.6	4.4	4.6	4.1	4.4	4.5	5.2	4.4

[1] Vietnam era veterans are those who served after Aug. 4, 1964; they are classified as war veterans, 81 percent of the Vietnam era veterans of all ages are 20 to 29 years old. Post-Korean-peacetime veterans 20 to 29 years old are not included in this table.

[2] Not applicable.

TABLE B-1.—EMPLOYEES ON NONAGRICULTURAL PAYROLLS, BY INDUSTRY

[In thousands]

Industry	Not seasonally adjusted				Change from		Seasonally adjusted			
	April 1972 [1]	March 1972 [1]	February 1972	April 1971	March 1972	April 1971	April 1972 [1]	March 1972 [1]	February 1972	Change from March 1972
Total	71,834	71,339	70,776	70,309	495	1,525	72,172	71,990	71,729	182
Goods-producing	22,413	22,218	22,013	22,263	195	150	22,693	22,650	22,538	43
Mining	597	597	596	617	0	−20	603	611	612	−8
Contract construction	3,119	2,965	2,880	3,164	154	−45	3,235	3,262	3,236	−27
Manufacturing	18,697	18,656	18,537	18,482	41	215	18,855	18,777	18,690	78
Production workers	13,615	13,577	13,465	13,357	38	258	13,758	13,683	13,597	75
Durable goods	10,704	10,673	10,590	10,562	31	142	10,743	10,695	10,637	48
Production workers	7,758	7,727	7,648	7,578	31	180	7,791	7,744	7,685	47
Ordnance and accessories	183.9	183.2	183.0	192.8	.7	−8.9	185	183	182	2
Lumber and wood products	582.0	591.5	587.3	556.4	−9.5	25.6	593	604	603	−11
Furniture and fixtures	478.8	481.1	479.3	448.1	−2.3	30.7	483	484	481	−1
Stone, clay, and glass products	644.5	631.0	621.7	622.8	13.5	21.7	650	645	641	5
Primary metal industries	1,221.9	1,212.5	1,186.7	1,273.3	9.4	−51.4	1,218	1,211	1,187	7
Fabricated metal products	1,354.0	1,350.5	1,338.7	1,323.3	3.5	30.7	1,364	1,357	1,345	7
Machinery, except electrical	1,815.3	1,808.6	1,806.6	1,796.7	6.7	18.6	1,803	1,792	1,798	11
Electrical equipment	1,813.5	1,807.8	1,800.8	1,772.8	5.7	40.7	1,830	1,813	1,803	17
Transporation equipment	1,756.3	1,756.4	1,741.5	1,748.7	−.1	7.6	1,753	1,744	1,736	9
Instruments and related products	439.0	437.9	436.8	425.4	1.1	13.6	440	438	438	2
Miscellaneous manufacturing	414.7	412.5	407.3	401.7	2.2	13.0	424	424	423	0
Nondurable goods	7,993	7,983	7,947	7,920	10	73	8,112	8,082	8,053	30
Production workers	5,857	5,850	5,817	5,779	7	78	5,967	5,939	5,912	28
Food and kindred products	1,681.6	1,679.2	1,668.9	1,674.3	2.4	7.3	1,761	1,760	1,749	1
Tobacco manufactures	65.2	67.2	68.4	69.2	−2.0	−4.0	74	73	71	1
Textile mill products	986.8	984.9	976.6	954.9	1.9	31.9	990	988	981	2
Apparel and other textile products	1,363.6	1,372.4	1,365.9	1,362.5	−8.8	1.1	1,375	1,366	1,365	9
Paper and allied products	689.5	687.4	683.9	683.4	2.1	6.1	696	692	689	4
Printing and publishing	1,093.9	1,090.5	1,087.6	1,087.0	3.4	6.9	1,095	1,091	1,090	4
Chemicals and allied products	1,002.0	998.4	996.6	1,021.6	3.6	−19.6	1,001	1,000	1,003	1
Petroleum and coal products	186.7	187.0	186.8	188.0	−.3	−1.3	189	191	192	−2
Rubber and plastics products, not elsewhere classified	614.9	608.6	603.0	572.9	6.3	42.0	619	612	604	7
Leather and leather products	308.4	307.8	309.5	306.5	.6	1.9	312	309	309	3

See footnotes at end of table.

TABLE B-1.—EMPLOYEES ON NONAGRICULTURAL PAYROLLS, BY INDUSTRY—Continued

[In thousands]

Industry	Not seasonally adjusted						Seasonally adjusted			
					Change from					
	April 1972 [1]	March 1972 [1]	February 1972	April 1971	March 1972	April 1971	April 1972 [1]	March 1972 [1]	February 1972	Change from March 1972
Service-producing	49,421	49,121	48,763	48,046	300	1,375	49,479	49,340	49,191	139
Transportation and public utilities	4,500	4,486	4,407	4,469	14	31	4,536	4,540	4,479	−4
Wholesale and retail trade	15,419	15,269	15,147	14,974	150	445	15,606	15,513	15,495	93
Wholesale trade	3,898	3,889	3,866	3,808	9	90	3,945	3,936	3,913	9
Retail trade	11,521	11,380	11,281	11,166	141	355	11,661	11,577	11,582	84
Finance, insurance, and real estate	3,890	3,866	3,844	3,758	24	132	3,902	3,889	3,879	13
Services	12,235	12,120	12,031	11,867	115	368	12,211	12,205	12,177	6
Government	13,377	13,380	13,334	12,978	−3	399	13,224	13,193	13,161	31
Federal	2,664	2,656	2,656	2,662	8	2	2,669	2,669	2,672	0
State and local	10,713	10,724	10,678	10,316	−11	397	10,555	10,524	10,489	31

[1] Preliminary.

TABLE B–2.—AVERAGE WEEKLY HOURS OF PRODUCTION OR NONSUPERVISORY WORKERS [1] ON PRIVATE NONAGRICULTURAL PAYROLLS, BY INDUSTRY

Industry	April 1972	March 1972	February 1972	April 1971	Change from March 1972	Change from April 1971	Seasonally adjusted April 1972	Seasonally adjusted March 1972	Seasonally adjusted February 1972	Seasonally adjusted Change from March 1972
Total private	37.0	36.9	36.8	36.7	0.1	0.3	37.3	37.1	37.2	0.2
Mining	42.4	42.3	42.0	42.3	.1	.1	42.3	43.0	42.5	−.7
Contract construction	36.8	36.8	36.0	37.0	0	−.2	36.9	37.5	37.3	−.6
Manufacturing	40.5	40.3	40.1	39.5	.2	1.0	40.8	40.4	40.5	.4
Overtime hours	3.2	3.1	3.0	2.7	.1	.5	3.4	3.3	3.2	.1
Durable goods	41.2	41.0	40.7	40.0	.2	1.2	41.5	41.0	41.1	.5
Overtime hours	3.3	3.2	3.0	2.6	.1	.7	3.6	3.3	3.2	.3
Ordnance and accessories	42.1	42.1	42.2	41.3	0	.8	42.3	42.2	42.4	.1
Lumber and wood products	41.4	40.9	40.4	40.1	.5	1.3	41.4	40.9	40.9	.5
Furniture and fixtures	40.1	40.2	39.8	38.9	−.1	1.2	40.7	40.5	40.7	.2
Stone, clay, and glass products	41.7	41.8	41.2	41.1	−.1	.6	41.7	42.2	42.0	−.5
Primary metal industries	41.1	41.2	41.0	41.1	−.1	0	41.0	41.2	41.1	−.2
Fabricated metal products	41.1	40.7	40.4	39.8	.4	1.3	41.4	40.9	41.0	.5
Machinery, except electrical	42.0	41.7	41.4	40.0	.3	2.0	42.0	41.4	41.4	.6
Electrical equipment	40.5	40.3	40.2	39.4	.2	1.1	40.9	40.3	40.7	.7
Transportation equipment	41.8	41.6	41.2	39.8	.2	2.0	42.7	42.0	41.9	.7
Instruments and related products	39.9	40.3	40.4	39.5	−.4	.4	40.1	40.3	40.8	−.2
Miscellaneous manufacturing	39.5	39.3	39.2	38.5	.2	1.0	39.6	39.3	39.1	.3
Nondurable goods	39.5	39.4	39.2	38.9	.1	.6	39.9	39.6	39.6	.3
Overtime hours	3.1	3.1	3.0	2.7	0	.4	3.3	3.3	3.2	0
Food and kindred products	39.9	39.8	39.6	39.8	.1	.1	40.2	40.0	40.0	.2
Tobacco manufactures	33.4	33.4	33.1	36.7	0	−3.3	34.1	34.5	33.6	−.4
Textile mill products	41.4	41.3	41.0	40.0	.1	1.4	41.8	41.4	41.2	.4
Apparel and other textile products	36.0	36.0	35.9	35.0	0	1.0	36.1	35.8	36.2	.3
Paper and allied products	42.7	42.4	42.2	41.9	.3	.8	43.1	42.7	42.6	.4
Printing and publishing	37.8	37.7	37.2	37.3	.1	.5	38.0	37.7	37.5	.3
Chemical and allied products	41.9	41.7	41.6	41.9	.2	0	41.7	41.7	41.8	0
Petroleum and coal products	42.8	41.6	41.4	42.3	1.2	.5	42.2	41.7	42.0	.5
Rubber and plastics products, nec	41.0	40.8	40.7	39.9	.2	1.1	41.4	41.2	41.0	.2
Leather and leather products	37.8	37.9	38.5	37.2	−.1	.6	38.9	38.2	38.5	.7
Transportation and public utilities	40.2	40.3	40.2	40.2	−.1	0	40.6	40.7	40.4	−.1
Wholesale and retail trade	34.8	34.8	34.6	34.8	0	0	35.2	35.1	35.1	.1
Wholesale trade	39.9	39.8	39.7	39.4	.1	.5	40.1	39.9	40.0	.2
Retail trade	33.2	33.2	33.0	33.3	0	−.1	33.6	33.6	33.5	0
Finance, insurance, and real estate	37.1	37.1	37.1	36.9	0	.2	37.1	37.1	37.1	0
Services	34.0	33.9	34.0	34.0	.1	0	34.1	33.9	34.2	.2

[1] Data relate to production workers in mining and manufacturing: to construction workers in contract construction: and to nonsupervisory workers in transportation and public utilities; wholesale and retail trade; finance, insurance, and real estate; and services. These groups account for approximately four-fifths of the total employment on private nonagricultural payrolls.

[2] Preliminary.

TABLE B-3.—AVERAGE HOURLY AND WEEKLY EARNINGS OF PRODUCTION OR NONSUPERVISORY WORKERS[1] ON PRIVATE NONAGRICULTURAL PAYROLLS, BY INDUSTRY

Industry	Average hourly earnings						Average weekly earnings					
	April 1972[2]	March 1972[2]	February 1972	April 1971	Change from— March 1972	Change from— April 1971	April 1972[2]	March 1972[2]	February 1972	Apri l1971	Change from— March 1972	Change from— April 1971
Total Private	$3.59	$3.57	$3.55	$3.38	$0.02	$0.21	$132.83	$131.73	$130.64	$124.05	$1.10	$8.78
Seasonally adjusted	3.60	3.58	3.55	3.39	.02	.21	134.28	132.82	132.06	125.43	1.46	8.85
Mining	4.34	4.31	4.31	4.04	.03	.30	184.02	182.31	181.02	170.89	1.71	13.13
Contract Construction	5.99	5.97	5.98	5.55	.02	.44	220.43	219.70	215.28	205.35	.73	15.08
Manufacturing	3.77	3.75	3.72	3.54	.02	.23	152.69	151.13	149.17	139.83	1.56	12.86
Durable goods	4.01	3.99	3.96	3.76	.02	.25	165.21	163.59	161.17	150.40	1.62	14.81
Ordnance and accessories	4.03	4.01	4.04	3.80	.02	.23	169.66	168.82	170.49	156.94	.84	12.72
Lumber and wood products	3.23	3.23	3.21	3.07	0	.16	133.72	132.11	129.68	123.11	1.61	10.61
Furniture and fixtures	3.02	3.01	2.99	2.86	.01	.16	121.10	121.00	119.00	111.25	.10	9.85
Stone, clay, and glass products	3.85	3.82	3.78	3.59	.03	.26	160.55	159.68	155.74	147.55	.87	13.00
Primary metal industries	4.61	4.58	4.55	4.17	.03	.44	189.47	188.70	186.55	171.39	.77	18.08
Fabricated metal products	3.95	3.92	3.89	3.70	.03	.25	162.35	159.54	157.16	147.26	2.81	15.09
Machinery, except electrical	4.23	4.21	4.19	3.95	.02	.28	177.66	175.56	173.47	158.00	2.10	19.66
Electrical equipment	3.65	3.63	3.62	3.47	.02	.18	147.83	146.29	145.52	136.72	1.54	11.11
Transportation equipment	4.71	4.68	4.65	4.40	.03	.31	196.88	194.69	191.58	175.12	2.19	21.76
Instruments and related products	3.71	3.70	3.69	3.49	.01	.22	148.03	149.11	149.08	137.68	−1.08	10.17
Miscellaneous manufacturing	3.07	3.06	3.06	2.94	.01	.13	121.17	120.62	119.95	113.19	1.01	8.08
Nondurable goods	3.42	3.41	3.40	3.23	.01	.19	135.09	134.35	133.28	125.65	.74	9.44
Food and kindred products	3.58	3.57	3.53	3.37	.01	.21	142.84	142.09	139.79	134.13	.75	8.71
Tobacco manufactures	3.42	3.40	3.37	3.24	.02	.18	114.23	113.56	111.55	118.91	.67	−4.68
Textile mill products	2.72	2.71	2.71	2.55	.01	.17	112.61	111.92	111.11	102.00	.69	10.61
Apparel and other textile products	2.58	2.57	2.58	2.47	.01	.11	92.88	92.52	92.62	86.45	.36	6.43
Paper and allied products	3.86	3.85	3.83	3.61	.01	.25	164.82	163.24	161.63	151.26	1.58	13.56
Printing and publishing	4.44	4.40	4.36	4.14	.04	.30	167.83	165.88	162.19	154.42	1.95	13.41
Chemicals and allied products	4.13	4.11	4.12	3.88	.02	.25	173.05	171.39	171.39	162.57	1.66	10.48
Petroleum and coal products	4.90	4.88	4.88	4.58	.02	.32	209.72	203.01	202.03	193.73	6.71	15.99
Rubber and plastics products, nec	3.51	3.54	3.54	3.36	−.03	.15	143.91	144.43	144.08	134.06	−.52	9.85
Leather and leather products	2.69	2.70	2.70	2.58	−.01	.11	101.68	102.33	103.95	95.98	−.65	5.70
Transportation and public utilities	4.53	4.51	4.48	4.10	.02	.43	182.11	181.75	180.10	164.82	.36	17.29
Wholesale and retail trade	2.99	2.99	2.98	2.85	0	.14	104.05	104.05	103.11	99.18	0	4.87
Wholesale trade	3.83	3.82	3.82	3.62	.01	.21	152.82	152.04	151.65	142.63	.78	10.19
Retail trade	2.68	2.67	2.66	2.56	.01	.12	88.98	88.64	87.78	85.25	.34	3.73
Finance, insurance, and real estate	3.41	3.40	3.40	3.26	.01	.15	126.51	126.14	126.14	120.29	.37	6.22
Services	3.12	3.11	3.11	2.96	.01	.16	106.08	105.43	105.74	100.64	.65	5.44

[1] See footnote 1, table B-2.

[2] Preliminary.

TABLE B-4.—HOURLY EARNINGS INDEX FOR PRODUCTION OR NONSUPERVISORY WORKERS IN PRIVATE NONFARM INDUSTRIES, SEASONALLY ADJUSTED

[1967=100]

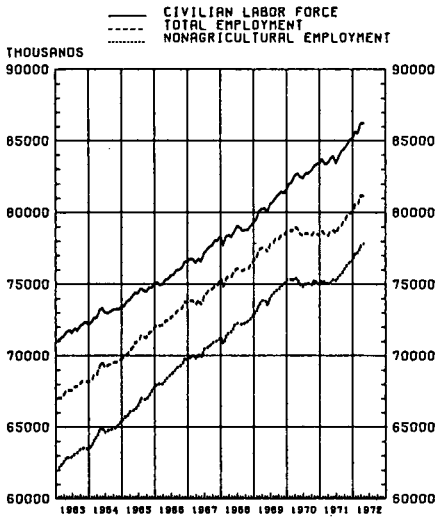
Industry	April [1] 1972	March [1] 1972	February 1972	January 1972	December 1971	November 1971	April 1971	Percent change over month and year: March 1972 to April 1972	Percent change over month and year: April 1971 to April 1972
Total private nonfarm:									
Current dollars	136.4	135.5	134.7	134.5	133.5	131.6	128.1	0.6	6.5
Constant (1967) dollars	[2]	109.3	108.6	109.0	108.5	107.3	106.6	[3]	[4]
Mining	135.5	134.6	134.0	134.1	132.8	126.2	125.5	.7	8.0
Contract construction	146.0	145.0	144.2	144.1	142.7	142.1	135.9	.6	7.4
Manufacturing	134.0	133.5	132.8	132.3	131.6	129.0	126.2	.4	6.2
Transportation and public utilities	140.5	140.2	138.1	137.6	136.2	133.4	127.4	.2	10.3
Wholesale and retail trade	133.6	132.9	132.3	132.6	131.8	130.1	126.9	.5	5.2
Finance, insurance, and real estate	131.8	130.6	130.0	130.8	129.4	127.9	125.8	.9	4.8
Services	137.2	135.4	134.8	134.8	133.1	131.9	129.3	1.3	6.1

[1] Preliminary.
[2] Not available.
[3] Percent change was 0.6 from February 1972 to March 1972, the latest month available.
[4] Percent change was 2.9 from March 1971 to March 1972, the latest month available.

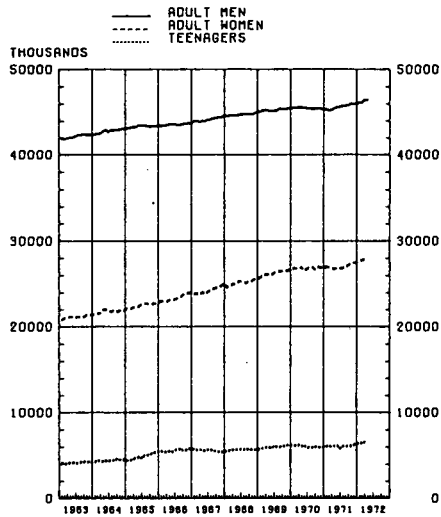
Note: All series are in current dollars except where indicated. The index is adjusted to exclude effects of 2 types of changes that are unrelated to underlying wage-rate developments: Fluctuations in overtime premiums in manufacturing (the only sector for which overtime data are available) and the effects of shifts of workers between high-wage and low-wage industries.

LABOR FORCE, EMPLOYMENT, UNEMPLOYMENT
HOUSEHOLD DATA - SEASONALLY ADJUSTED

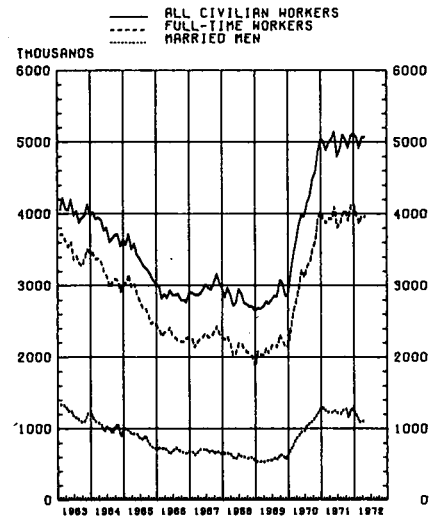
1. LABOR FORCE AND EMPLOYMENT



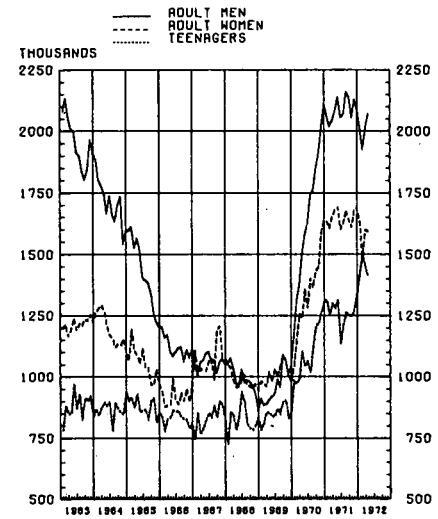
2. TOTAL EMPLOYMENT



3. UNEMPLOYMENT

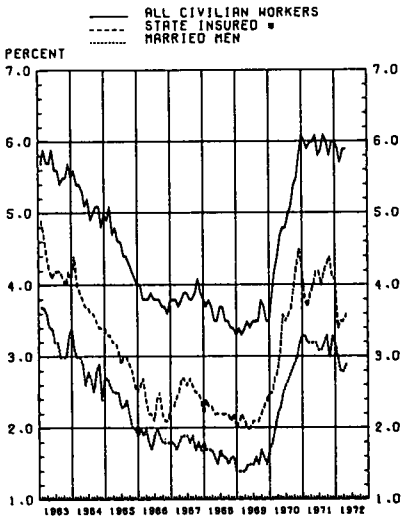


4. UNEMPLOYMENT

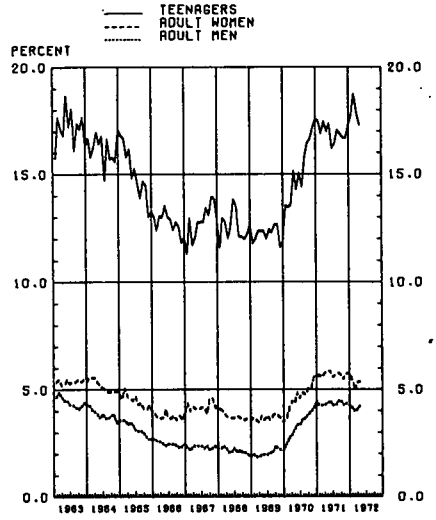


UNEMPLOYMENT RATES
HOUSEHOLD DATA - SEASONALLY ADJUSTED

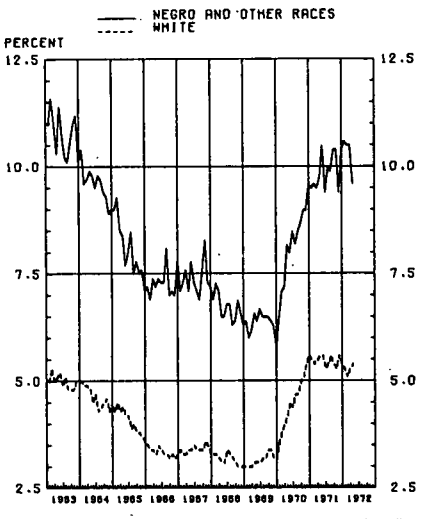
5. UNEMPLOYMENT RATES



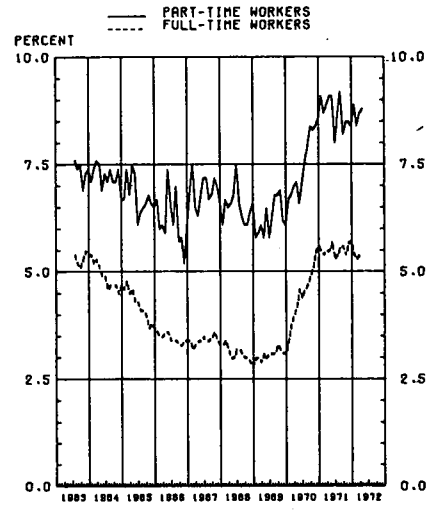
6. UNEMPLOYMENT RATES



7. UNEMPLOYMENT RATES



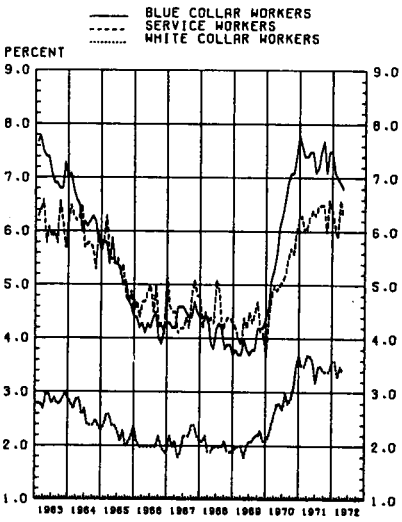
8. UNEMPLOYMENT RATES



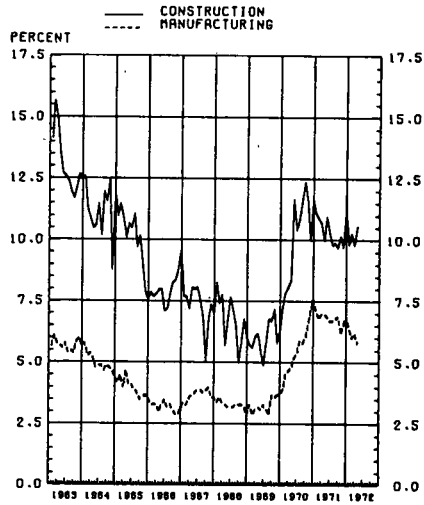
* State insured unemployment rate pertains to the week including the 12th of the month and represents the insured unemployed under State programs as a percent of average covered employment. The figures are derived from administrative records of unemployment insurance systems.

UNEMPLOYMENT
HOUSEHOLD DATA - SEASONALLY ADJUSTED

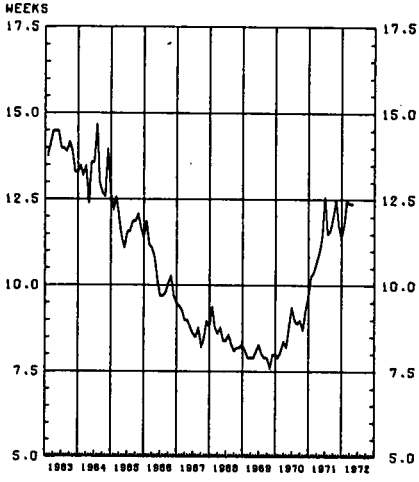
9. UNEMPLOYMENT RATES



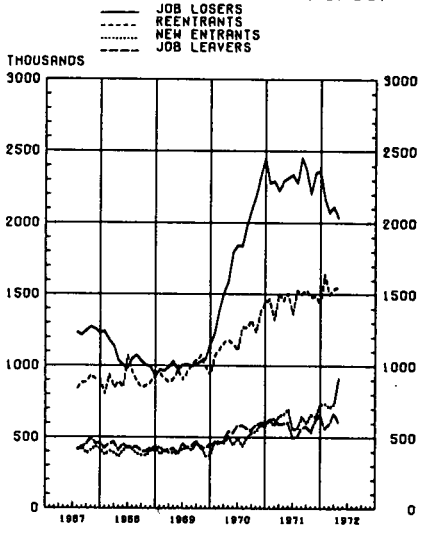
10. UNEMPLOYMENT RATES



11. AVERAGE DURATION OF UNEMPLOYMENT

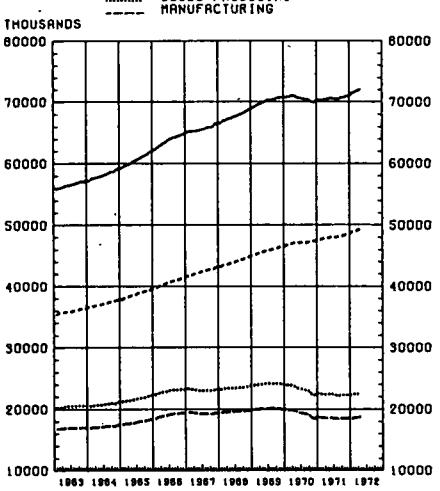


12. UNEMPLOYMENT BY REASON

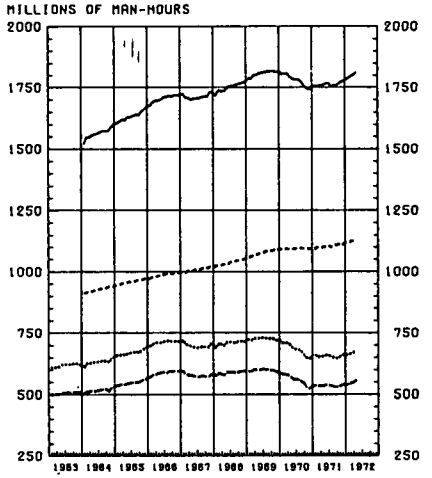


NONAGRICULTURAL EMPLOYMENT AND HOURS
ESTABLISHMENT DATA - SEASONALLY ADJUSTED

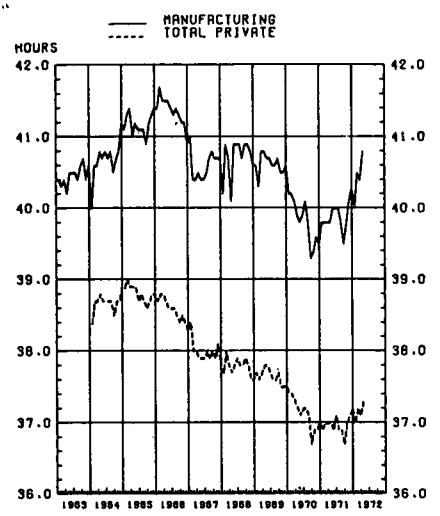
13. EMPLOYMENT



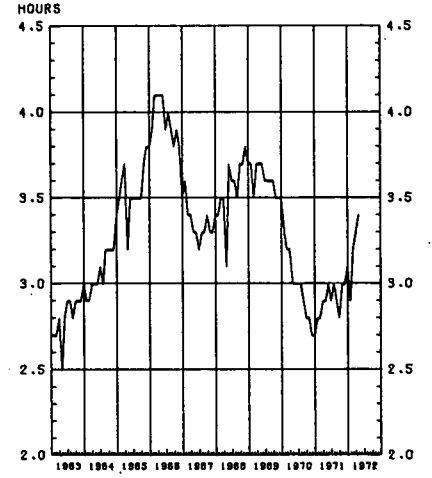
14. MAN-HOURS



15. AVERAGE WEEKLY HOURS



16. AVERAGE WEEKLY OVERTIME HOURS IN MANUFACTURING

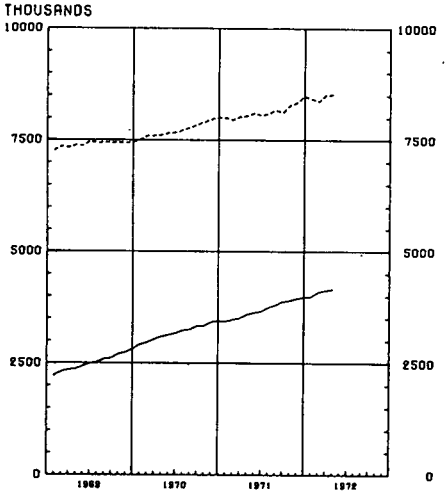


NOTE: Charts 14 and 15 relate to production or nonsupervisory workers; chart 16 relates to production workers. Data for the 2 most recent months are preliminary in charts 13-16.

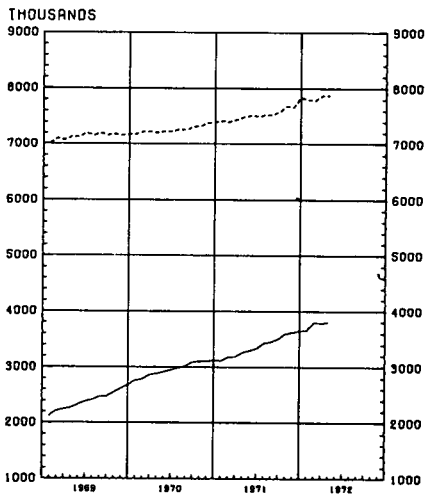
EMPLOYMENT AND UNEMPLOYMENT OF VETERANS AND NONVETERANS 20-29 YEARS
SEASONALLY ADJUSTED

VIETNAM ERA VETERANS
NONVETERANS

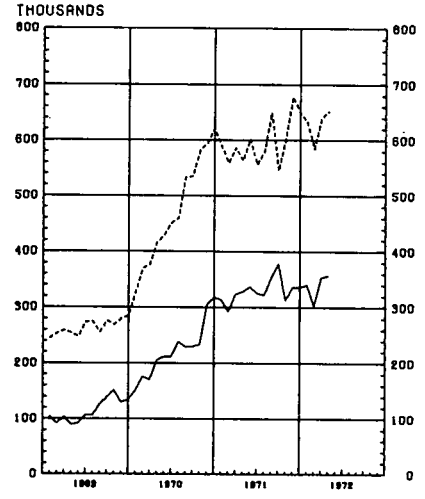
17. CIVILIAN LABOR FORCE



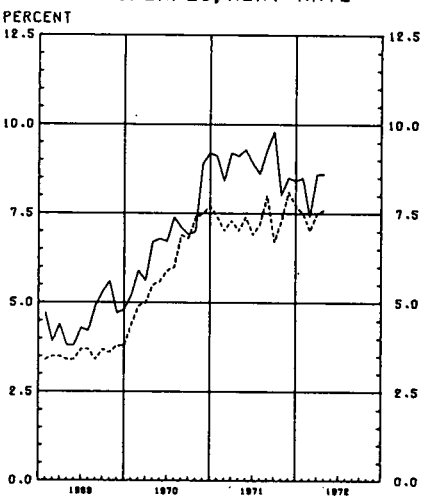
18. EMPLOYED



19. UNEMPLOYED



20. UNEMPLOYMENT RATE



Mr. MOORE. Thank you.

The press release indicates that the basic employment situation was not very different in April from what it was in March. The unemployment rate was 5.9 percent, the same as in March, and total employment was also about unchanged.

Over the year, of course, there has been a very substantial increase in the number of job holders, a rise of 2.2 million. And most of that increase has occurred since last summer.

On this point I would like to make one other observation which isn't in the press release. We have been experimenting with a measure of the ratio of employment to the population. Of course, as you yourself have pointed out, and as is clear, the number of people employed tends to grow over a long trend as the country grows. There are more people in the country, and more are employed. So there is some point in computing the ratio of employment to population to see how employment is growing in relation to the size of the population. If you take the ratio to the population 16 years and older—that is essentially the working population—you find that the current rate is 55.9 percent. Last month it was 56 percent, which was very close to an all-time high. It is not the highest in the whole postwar period. There were 4 years in which this percentage was exceeded. One of them was 1956, another was 1968, another was 1969, and another was 1970. But the March and April figures are very close to a new high level, and higher than all the other years except those four that I mentioned.

Chairman PROXMIRE. Isn't it true that participation rates are something that we have had for some time, they have been rising steadily over the past years, and this is kind of a social factor, that more people are working? And it is something that we, of course, have to recognize in meeting our employment problem. But it is something that is as fundamental as is the fact that people live and die and their working lives extend over a certain period of time.

Mr. MOORE. It certainly is a basic trend. But I do think the relation of employment to population does give some indication as to the relative number of employment opportunities there are in the economy. And it is different, since it combines the labor force participation rate with the employment rate, the percentage of the labor force that is employed, into one figure.

Chairman PROXMIRE. Wouldn't you balance that with the statistics also as to the discouraged workers? I think to the extent that the participation rate is increasing, that is a very valid and proper point, and I am glad you make it. But you also ought to recognize that there does seem to be some evidence that the number of people who are not counted as unemployable but have just given up also seems to be increasing.

Mr. MOORE. Well, in a very small way, in terms of the aggregate number, there has been some increase in the number of discouraged workers this year as compared with last. But over the period that we have the figures for, since 1967, there really hasn't been very much of an upward trend in that figure.

I am getting away from the press release. But I did want to make the point, that the ratio of employment to population is a relatively high number so far this spring.

Also in April the payroll employment figures rose by 180,000, with the largest increases occurring in trade and manufacturing. And in manufacturing also there was a very sizable increase in the average workweek.

As I pointed out at the hearings last month, there has been a movement within the manufacturing sector toward a better employment situation. Last week we released our labor turnover figures on new hires and layoffs and vacancies. And they also showed an improvement in March that is continuing a trend that those numbers have been showing for the last 6 months or so.

And this month in manufacturing we saw some evidence of that trend appearing in the employment figures, as well as in the hiring rates.

The jobless rates for the major age-sex groups, adult men, adult women, and teen-agers, showed little change during the months from March to April. The teen-age unemployment rate, though, was down from the very high level it reached in February: 18.8 percent in February, and 17.3 in April.

The unemployment rate for white workers was about the same, up 0.1 percent in April, 5.4 percent. The rate for Negro workers was down from 10.5 to 9.6.

The duration of unemployment remained about the same on the average, that is, about 12.4 weeks. It has been hovering around 12 weeks for several months now.

With respect to the employment and unemployment of veterans, their rate also remained about the same in April as in March, 8.6 percent. If you look at the chart on the veterans' employment situation, attached to the press release, on the last page, you will find some decline, as I would put it, in the rates for veterans over the past 6 months as compared with earlier last year, whereas for nonveterans of the same age group the rates have remained just about on a plateau.

The employment press release also contains new figures for April on hourly and weekly earnings, including the hourly earnings index, which is adjusted for changes in the employment mix, that is, the shift in the number of workers in different industries. That is important, because different industries pay different levels of wages, and a shift from a low wage industry to a high wage industry will raise the average. We allow for that in this index by keeping the mix constant. Hence it provides, we think, a better measure of wage rates or the change in wage rates than the gross hourly earnings itself.

Well, that index rose 0.6 of a percent in March. It now stands 6.5 percent higher than April a year ago. We don't have the April consumer price index yet, but looking back at the March numbers, you will see that the rise in the CPI was about 3½ percent over the year. During the year ending in March the real hourly earnings index rose 2.9 percent.

Chairman PROXMIRE. That much of an increase in 1 month is, of course, in a sense good news, that is, it means that people have more money and more income, and it helps the economy grow.

But at the same time it is certainly an inflationary factor, is it not, to the extent that it reflects higher wages that represent a higher cost and push up prices?

Mr. MOORE. Yes, it is a relatively high rate relative to productivity, and also relative to prices.

I would like, if I may to say a few words about the wholesale price press release which we also issued today.

Chairman PROXMIRE. I wish you would.

Mr. MOORE. The overall figures show an increase of 0.1 of a percent between March and April, unadjusted for seasonal variations. But after adjustments for the usual seasonable change, the WPI rose 0.3 percent.

The industrial commodities within that index rose 0.3 percent both before and after seasonal adjustment.

Chairman PROXMIRE. Let's see if I understand this. What happened was that farm prices declined 0.7 percent. They are not controlled, they are not under the price control operation by and large. Industrial commodities, no the other hand, unadjusted increased 0.3 percent, is that right?

Mr. MOORE. Yes.

Chairman PROXMIRE. There was a significant increase in industrial commodities that are under control, but there was a fall in farm prices?

Mr. MOORE. Yes.

The consumer finished goods component of the WPI, which includes both foods and nonfoods, actually dropped 0.4 percent unadjusted, and 0.1 percent seasonally adjusted.

Chairman PROXMIRE. Can you give us any help on figuring the lag? It has always seemed common sense that wholesale prices today are reflected in the future at some time in higher consumer prices. Here you have a situation in which consumer prices this past month fell but wholesale prices increased.

Wouldn't this indicate that we can expect an increase in consumer prices in the future with this component going up, wholesale prices?

Mr. MOORE. Well, I guess it depends upon whether you are looking at the long run or the short run. I think the component of the WPI that is closest to the consumer price index is the consumer finished goods. And that now has declined 2 months in a row. It declined 0.2 percent last month.

Chairman PROXMIRE. It can't continue, though, because consumer finished goods are made, in part at least, from the wholesale goods and the industrial goods as they come down the line. So, that in the longer run the reflection should be in higher consumer prices. There is no way you can escape that.

Mr. MOORE. Well, in the longer run that may be, though there are other costs that are involved as well, labor costs, and interest, and a lot of other things besides the materials from which the consumer goods are made.

Chairman PROXMIRE. And most of the decline in consumer finished goods is in food items, which, as I said, are not subject to control by and large, and which have an erratic course which is very hard to predict as related to the farm supply controls.

Mr. MOORE. Yes. The decline was essentially due to the food component. The nonfood consumer goods prices rose 0.3 percent.

Over the year, that is, from April to April, the consumer nonfood finished goods rose 2.2 percent. They are a little more than 2 percent higher now than they were a year ago.

I brought along with me, Mr. Chairman, a copy of the table that we presented last month and I believe the month before on measures of price and wage changes during and before the stabilization program. And I should like, if I may, to put that table in the record. And I would be glad to give you a copy.

Chairman PROXMIRE. Without objection, the table will be printed in full in the record at this point.

(The table referred to follows:)

MEASURES OF PRICE AND WAGE CHANGES BEFORE AND DURING THE PRICE-WAGE-RENT STABILIZATION PROGRAM

[Seasonally adjusted percent change, compound annual rate]

	6 months prior to phase I: February to August 1971	Phase I: August to November 1971	Phase II: November 1971 to March 1972	Phases I and II: August 1971 to March 1972
CPI, all items	4.1	1.7	[1] 3.7	[1] 2.8
CPI, food	5.4	1.7	[1] 7.4	[1] 4.9
CPI, commodities less food	3.7	0	[1] 2.1	[1] 1.2
CPI, services [2]	4.5	3.1	[1] 3.7	[1] 3.5
CPI, rent [2]	3.9	2.8	[1] 2.9	[1] 2.8
WPI, all commodities	4.7	−.2	5.1	3.1
WPI, industrials	5.4	−.5	4.1	2.4
WPI, farm products, processed foods and feeds [3]	3.0	1.1	7.5	5.0
WPI, consumer foods [3]	4.6	.3	5.0	3.2
WPI, consumer commodities less food	1.6	−.4	3.3	1.9
WPI, producer finished goods	3.5	−2.0	4.8	2.2
Spot market price index, 13 industrial raw materials [2] [4]	−2.0	3.1	30.7	19.5
Private nonfarm production workers:				
Earnings in current dollars:				
Hourly [5]	6.8	[6] 1.9	9.0	6.3
Gross weekly	6.1	4.6	9.9	7.9
Spendable weekly [7]	5.4	4.1	10.2	8.5
Earnings in constant dollars:				
Hourly [5]	2.6	0.3	[1] 5.5	[1] 3.2
Gross weekly	1.9	2.9	[1] 5.0	[1] 4.1
Spendable weekly [7]	1.3	[6] 2.4	[1] 5.5	[1] 4.8

[1] Data through March 1972.
[2] Not seasonally adjusted; data contain almost no seasonal movements.
[3] Raw agricultural products are exempt from the price controls.
[4] Weekly index, not a component of the WPI. Includes copper, lead, and steel scrap, zinc, tin ,cotton, print cloth, wool tops, burlap, hides, rubber, rosin, and tallow.
[5] Adjusted for overtime (manufacturing only) and for interindustry employment shifts.
[6] Revised.
[7] Gross weekly earnings, after taxes, for worker with three dependents. In annualizing the rates of change the effect of the change in tax rates at the beginning of 1972 is taken into account separately.

Note: WPI items revised to include data based on updated seasonal factors.

Source: Bureau of Labor Statistics, Department of Labor, May 5, 1972.

Mr. MOORE. I should also like the WPI press release in the record if that is all right.

Chairman PROXMIRE. Yes, that will be printed in full in the record at this point.

(The WPI press release referred to follows:)

[Bureau of Labor Statistics, Department of Labor, Press Release No. 72-275, May 5, 1972]

WHOLESALE PRICE INDEXES: APRIL 1972

The Wholesale Price Index of All Commodities rose 0.1 percent between March and April, the U.S. Department of Labor's Bureau of Labor Statistics announced today.

*Industrial commodities increased 0.3 percent.

*Prices of farm products and processed foods and feeds declined 0.7 percent.

*Consumer finished goods, a selection of commodities closely comparable to those in the commodity component of the Consumer Price Index, were down 0.4 percent, largely reflecting lower prices for meats, eggs, and poultry.

*Of the 15 major commodity groups measured by the Wholesale Price Index, 10 advanced between March and April, four declined, and one showed no change.

In April, the All Commodities WPI was 117.5 (1967=100), 3.7 percent above a year earlier.

SEASONALLY ADJUSTED CHANGES (BASED ON REVISED SEASONAL FACTORS; SEE NOTE TO TABLE 1)

On a seasonally adjusted basis, the Wholesale Price Index increased 0.3 percent in April.

*Industrial commodities advanced 0.3 percent.

*Farm products and processed foods and feeds decreased 0.1 percent.

*Consumer finished goods edged down 0.1 percent.

The April Wholesale Price Index was the fifth monthly WPI to reflect price changes in the post-freeze phase of the Economic Stabilization Program. (For a discussion of the contribution of price changes for those items exempt from post-freeze controls to the percentage change in wholesale prices in April, see page 3). During the 5-month period—November to April—the WPI rose at a seasonally adjusted annual rate of 5.1 percent. This compares with a rise at an annual rate of 4.7 percent during the period from February to August 1971, the 6-month period immediately preceding the economic stabilization program. In the first 8 months of the program, which includes the period from August to November when most prices were frozen, the WPI rose at an annual rate of 3.1 percent.

During the 5 months since the freeze ended in November the industrial commodities index advanced at an annual rate of 4.1 percent. This compares with an advance at a rate of 5.4 percent in the 6-month period from February to August of 1971. From August, when the stabilization policy was announced, to April, the industrial commodities index rose at an annual rate of 2.4 percent.

The index for farm products and processed foods and feeds rose at an annual rate of 7.5 percent from November to April. In the period from February to August 1971, it advanced at a rate of 3.0 percent.

Over the entire stabilization period, during which prices of only processed foods and feeds were controlled, the farm products and processed foods and feeds component increased at a rate of 5.0 percent.

For consumer finished goods, the November to April period shows an increase at an annual rate of 3.9 percent; the food component rose 5.0 percent, nonfood commodities, 3.3 percent. In the 6 months preceding the freeze, prices of consumer finished goods advanced at a rate of 3.2 percent. From August to April, consumer finished goods, most of which were subject to the August to November freeze, increased at a 2.0 percent annual rate.

PRICE CHANGES FOR MATERIALS AND FINISHED GOODS (SEASONALLY ADJUSTED)

Among consumer finished goods, foods declined 0.3 percent in April (seasonally adjusted), chiefly because of lower prices for meats, eggs, and poultry; foods were 3.1 percent higher than a year earlier. Consumer nonfood finished goods were 0.3 percent higher over the month. Within this grouping, both nondurable and durable finished goods advanced 0.4 percent due to higher prices for products such as gasoline, footwear, textiles, paper products, and household furniture.

Producer finished goods moved up 0.4 percent principally because of widespread increases for machinery and advances for railroad cars and commercial furniture. Further rises for lumber, paper, metals, and textile products were important in the 0.5 percent gain for processed (intermediate) materials, supplies, and components (excluding foods and feeds). The index for crude materials for further processing (excluding foods, feeds and fibers) declined 0.8 percent on a seasonally adjusted basis in large part because hides and skins did not advance as much as usual and nonferrous scrap declined contraseasonally.

PRICE CHANGES FOR COMMODITY GROUPS, NOT SEASONALLY ADJUSTED

The most important influence on the industrials index in April was higher prices for hides, skins, leather, and related products. Tight supplies world-wide have pushed up prices of hides and skins and the increased costs of these materials have been passed on in prices of leather, footwear, and some other leather products. An unusually sharp rise for chemicals and allied products chiefly reflected increases for inedible fats and oils, fertilizer materials, several industrial chemicals, and some miscellaneous chemical products. Lumber and wood products moved up in price for the fifth consecutive month; softwood lumber was the major influence. The index for machinery and equipment advanced at the same moderate rate as in March.

Most textile products were higher in price, with manmade fiber products showing the most important gain; apparel edged up only slightly. All categories of pulp, paper and allied products, except woodpulp, rose; converted paper and paperboard products, paperboard, and paper contributed most of the gain. Among nonmetallic mineral products, advances for glass containers, concrete ingredients, concrete products, and brick and tile outweighed declines for flat glass and gypsum products. Gasoline prices continued to strengthen; natural gas and electric power were higher but bituminous coal declined. Metals and metal products, which in recent months had been a major influence on the industrials index, edged up only 0.1 percent as a result of moderate increases for nonferrous metals and some fabricated products. Increases for commercial and household appliances were partially offset by declines for television receivers. Crude natural rubber and plastic film and sheeting were lower in price. There were declines for small arms and ammunition and photographic equipment and supplies.

Substantial declines for cattle and hogs and a steep drop in egg prices were responsible for most of the decrease in the farm products index; chicken prices also were down sharply. Most other farm products, including fresh and dried fruits and vegetables and grains, were higher. The processed foods and feeds index declined principally because of lower prices for meats and processed poultry; dairy products (most cheese) and sugar and confectionery also were lower. Other foods were generally somewhat higher.

EFFECT OF ITEMS IDENTIFIED AS EXEMPT FROM POST-FREEZE CONTROLS

When the effect of price changes for domestic raw agricultural products and imports, which are exempt from post-freeze controls, is eliminated, the WPI for April on an unadjusted basis still shows an increase of 0.1 percent. After similar exclusions are made from the farm products and processed foods and feeds component, this component of the index shows a decline of 0.5 percent compared with 0.7 percent before the exclusion. Price movements for imported raw agricultural products had only a small effect on the change. After elimination of imported items from the industrials component, it still shows a rise of 0.3 percent because the net impact of price movements for these items was slight. The decline for consumer finished goods, after elimination of the effects of price changes for items exempt from post-freeze controls, was 0.3 percent compared with the 0.4 percent decrease for this component as a whole.

A Note on Seasonally Adjusted and Unadjusted Data

Because price data are used for different purposes by different groups, the Bureau of Labor Statistics publishes seasonally adjusted as well as unadjusted changes each month.

For analyzing general price trends in the economy, seasonally adjusted data usually are preferred since they eliminate the effect of changes that normally occur at about the same time and in about the same magnitude every year—such as price movements resulting from normal weather patterns, regular production and supply cycles, model changeovers, seasonal discounts and holidays. Seasonally adjusted data are subject to revision when seasonal factors are revised.

The unadjusted data are of principal interest to users who need information which can be related to the actual dollar values of transactions. Individuals requiring this information include marketing specialists, purchasing agents, budget and cost alaysts, contract specialists, and commodity traders. Unadjusted data generally are used in escalating contracts such as purchase agreements or real estate leases.

TABLE 1.—WHOLESALE PRICE INDEXES FOR MAJOR COMMODITY GROUPS (UNADJUSTED, UNLESS OTHERWISE INDICATED)

Commodity groups	Indexes (1967=100 unless otherwise noted)				Percent change to April 1972 from—		
	April 1972	March 1972	January 1972	April 1971	1 month ago	3 months ago	1 year ago
All commodities	117.5	117.4	116.3	113.3	0.1	1.0	3.7
All commodities (1957–59=100)	124.7	124.6	123.4	120.2			
Farm products and processed foods and feeds	118.3	119.1	117.4	113.3	−.7	.8	4.4
Farm products	119.1	119.7	117.8	113.0	−.5	1.1	5.4
Processed foods and feeds	117.7	118.6	117.2	113.5	−.8	.4	3.7
Industrial commodities	117.3	116.9	115.9	113.3	.8	1.2	3.5
Textile products and apparel	112.6	112.1	111.3	107.5	.4	1.2	4.7
Hides, skins, leather, and related products	127.2	123.0	117.8	114.0	3.4	8.0	11.6
Fuels and related products and power	116.9	116.5	116.0	113.0	.3	.8	3.5
Chemicals and allied products	104.1	103.4	103.4	104.5	.7	.7	−.4
Rubber and plastic products	108.7	108.9	109.5	109.0	−.2	−.7	−.3
Lumber and wood products	141.1	139.5	134.9	124.6	1.1	4.6	13.2
Pulp, paper, and allied products	112.8	112.3	110.8	109.6	.4	1.8	2.9
Metals and metal products	123.5	123.4	121.4	117.8	.1	1.7	4.8
Machinery and equipment	117.6	117.3	116.5	115.0	.3	.9	2.3
Furniture and household durables	111.0	110.9	110.2	109.7	.1	.7	1.2
Nonmetallic mineral products	125.6	124.8	124.3	121.6	.6	1.0	3.3
Transportation equipment (December 1968=100)	113.8	113.8	113.4	109.7	0	.4	3.7
Miscellaneous products	114.1	114.2	113.7	112.7	−.1	.4	1.2
Seasonally adjusted:							
Farm products	118.9	118.2	118.4		.6	.4	
Processed foods and feeds	118.2	118.8	117.2		−.5	.9	

Note: In accordance with longstanding policy, seasonal adjustment factors have been recaluclated to reflect developments during the past 12 months. For this reason, some of the seasonally adjusted figures shown above, and elsewhere in this release, differ from those previously reported. The new factors, to be used through March 1973, will be published in the May release.

TABLE 2.—PERCENT CHANGES FROM PREVIOUS MONTH IN INDEXES FOR WPI GROUPINGS UNADJUSTED AND SEASONALLY ADJUSTED[1]

Month	All commodities		Industrial commodities		Farm products, and processed foods and feeds		Consumer finished goods, total		Consumer foods		Consumer goods excluding foods	
	Unadjusted	Seasonally Adjusted	Unadjusted	Seasonally Adjusted	Unadjusted	Seasonally Adjusted	Unadjusted	Seasonally Adjusted	Unadjusted	Seasonally Adjusted	Unadjusted	Seasonally Adjusted
April 1971	0.3	0.5	0.4	0.4	−0.1	0.5	−0.1	0.3	−0.1	0.8	−0.1	0
May 1971	.4	.3	.4	.5	.9	.2	.6	.4	1.0	.2	.4	.4
June 1971	.4	.4	.2	.3	1.0	.4	.4	.1	.7	.2	.1	0
July 1971	.3	.2	.5	.6	−.3	−.7	−.1	−.4	−.7	−1.5	.4	.4
August 1971	.3	.7	.5	.5	−.3	1.2	.3	1.1	.4	2.0	.1	.2
September 1971	−.3	−.3	−.1	−.1	−1.4	−1.2	−.5	−.8	−1.0	−1.8	−.2	0
October 1971	−.1	.1	0	−.2	0	1.1	.2	.4	.1	2.1	.3	−.2
November 1971	.1	.1	−.1	.1	.5	.3	.2	.1	.6	−.2	0	.1
December 1971	.8	.6	.3	.2	2.0	1.4	1.0	.9	1.7	1.5	.4	.4
January 1972	.8	.5	.5	.4	1.3	.9	.4	.3	.8	.4	.2	.3
February 1972	.9	.5	.5	.4	1.9	1.2	.8	.7	1.6	1.5	.2	.2
March 1972	.1	.1	.3	.4	−.4	−.3	−.3	−.2	−1.0	−1.0	.2	.3
April 1972	.1	.3	.3	.3	−.7	−.1	−.4	−.1	−1.2	−.3	.2	.3

[1] See note, table 1.

TABLE 3.—PERCENT CHANGES IN WPI AND COMPONENTS (SEASONALLY ADJUSTED COMPOUND ANNUAL RATES FOR 3 MONTHS AND 6 MONTHS; UNADJUSTED FOR 12 MONTHS)[1]

Month	All commodities			Industrial commodities			Farm products and processed foods and feeds		
	From 3 months ago	From 6 months ago	From 12 months ago	From 3 months ago	From 6 months ago	From 12 months ago	From 3 months ago	From 6 months ago	From 12 months ago
April 1971	5.1	3.2	3.1	3.5	3.2	3.7	9.7	3.1	1.3
May 1971	3.9	3.9	3.4	4.8	3.8	3.6	2.5	4.5	2.8
June 1971	4.7	5.0	3.6	5.1	4.0	3.7	4.3	7.6	3.3
July 1971	3.6	4.3	3.3	5.7	4.6	4.1	−0.7	4.4	1.4
August 1971	5.4	4.7	4.0	6.0	5.4	4.4	3.6	3.0	3.1
September 1971	2.5	3.6	3.2	4.4	4.7	4.2	−2.8	0.7	0.4
October 1971	2.3	3.0	3.1	1.3	3.4	3.3	4.7	1.9	2.4
November 1971	−0.2	2.6	3.2	−0.5	2.7	3.2	1.1	2.3	3.4
December 1971	3.5	3.0	4.0	0.6	2.5	3.2	12.2	4.4	6.0
January 1972	5.1	3.7	4.0	2.8	2.0	3.3	10.9	7.7	6.1
February 1972	6.9	3.3	4.0	4.0	1.7	3.6	14.7	7.6	5.3
March 1972	4.9	4.2	3.9	4.5	2.6	3.6	7.0	9.6	5.0
April 1972	3.8	4.5	3.7	4.5	3.6	3.5	3.1	6.9	4.4

	Consumer finished goods, total			Consumer foods			Consumer goods excluding foods		
	From 3 months ago	From 6 months ago	From 12 months ago	From 3 months ago	From 6 months ago	From 12 months ago	From 3 months ago	From 6 months ago	From 12 months ago
April 1971	4.0	3.5	2.6	11.5	4.5	1.1	0	2.6	3.6
May 1971	3.3	3.6	3.1	6.5	4.8	2.4	1.1	2.8	3.5
June 1971	2.9	4.0	3.2	4.6	8.1	2.6	1.5	1.8	3.4
July 1971	.4	2.2	2.4	−4.4	3.2	.5	2.9	1.5	3.6
Aug. 1971	3.2	3.2	3.5	2.8	4.6	3.1	2.2	1.6	3.5
Sept. 1971	−.4	1.3	2.1	−5.1	−.3	.6	2.2	1.8	3.1
Oct. 1971	2.9	1.6	2.5	9.4	2.3	3.3	0	1.5	2.0
Nov. 1971	−1.1	1.1	2.4	.3	1.6	3.3	−.4	.9	1.8
Dec. 1971	5.8	2.7	3.3	14.4	4.2	6.0	1.1	1.6	1.7
Jan. 1972	5.0	4.0	3.1	7.0	8.2	5.7	2.9	1.4	1.4
Feb. 1972	7.6	3.2	3.2	14.5	7.2	5.9	3.3	1.4	1.5
March 1972	3.2	4.5	2.9	3.8	8.9	4.2	2.9	2.0	1.9
April 1972	1.8	3.4	2.5	.7	3.8	3.1	2.9	2.9	2.2

[1] See note, table 1.

Note: As of December 1971, industrial commodities account for 73.162 percent of the All Commodities index; farm products and processed foods and feeds 26.838 percent. Consumer foods account for 39.252 percent of the total consumer finished goods index and consumer goods excluding foods 60.748. Consumer finished goods have a weight of 33.270 in the All Commodities index.

TABLE 4.—WHOLESALE PRICE INDEXES FOR SPECIAL GROUPINGS, UNADJUSTED AND SEASONALLY ADJUSTED [1]

Commodity groups	Indexes (1967=100)			Percent change to April 1972 from—	
	April 1972	March 1972	April 1971	1 month ago	1 year ago
Consumer finished goods:					
Not seasonally adjusted	114.8	115.3	112.0	−0.4	2.5
Seasonally adjusted	115.1	115.2		−.1	
Foods:					
Not seasonally adjusted	118.0	119.4	114.5	−1.2	3.1
Seasonally adjusted	118.8	119.2		−.3	
Finished goods, excluding foods:					
Not seasonally adjusted	112.9	112.7	110.5	.2	2.2
Seasonally adjusted	113.0	112.7		.3	
Nondurable:					
Not seasonally adjusted	112.7	112.4	110.5	.3	2.0
Seasonally adjusted	112.9	112.5		.4	
Durable:					
Not seasonally adjusted	113.3	113.2	110.5	.1	2.5
Seasonally adjusted	113.4	113.0		.4	
Intermediate materials, supplies and components excluding selected items:					
Not seasonally adjusted	118.2	117.6	113.3	.5	4.3
Seasonally adjusted	117.8	117.2		.5	
Crude materials for further processing, excluding selected items: [3]					
Not seasonally adjusted	129.3	129.1	124.1	.2	4.2
Seasonally adjusted	127.5	128.5		−.8	
Producer finished goods:					
Not seasonally adjusted	119.3	119.0	116.1	.3	2.8
Seasonally adjusted	119.3	118.8		.4	
Manufactured goods, total:					
Not seasonally adjusted	116.9	116.7	113.0	.2	3.5
Seasonally adjusted	116.9	116.6		.3	
Durable:					
Not seasonally adjusted	120.8	120.4	116.1	.3	4.0
Seasonally adjusted	120.4	120.0		.3	

[1] See note, table 1.

[2] Excludes intermediate materials for food manufacturing and manufactured animal feeds.

[3] Excludes crude foodstuffs and feedstuffs, plant and animal fibers, oilseeds, and leaf tobacco.

TABLE 5.—WHOLESALE PRICE INDEXES FOR COMMODITY GROUPS AND SUBGROUPS, APRIL 1972

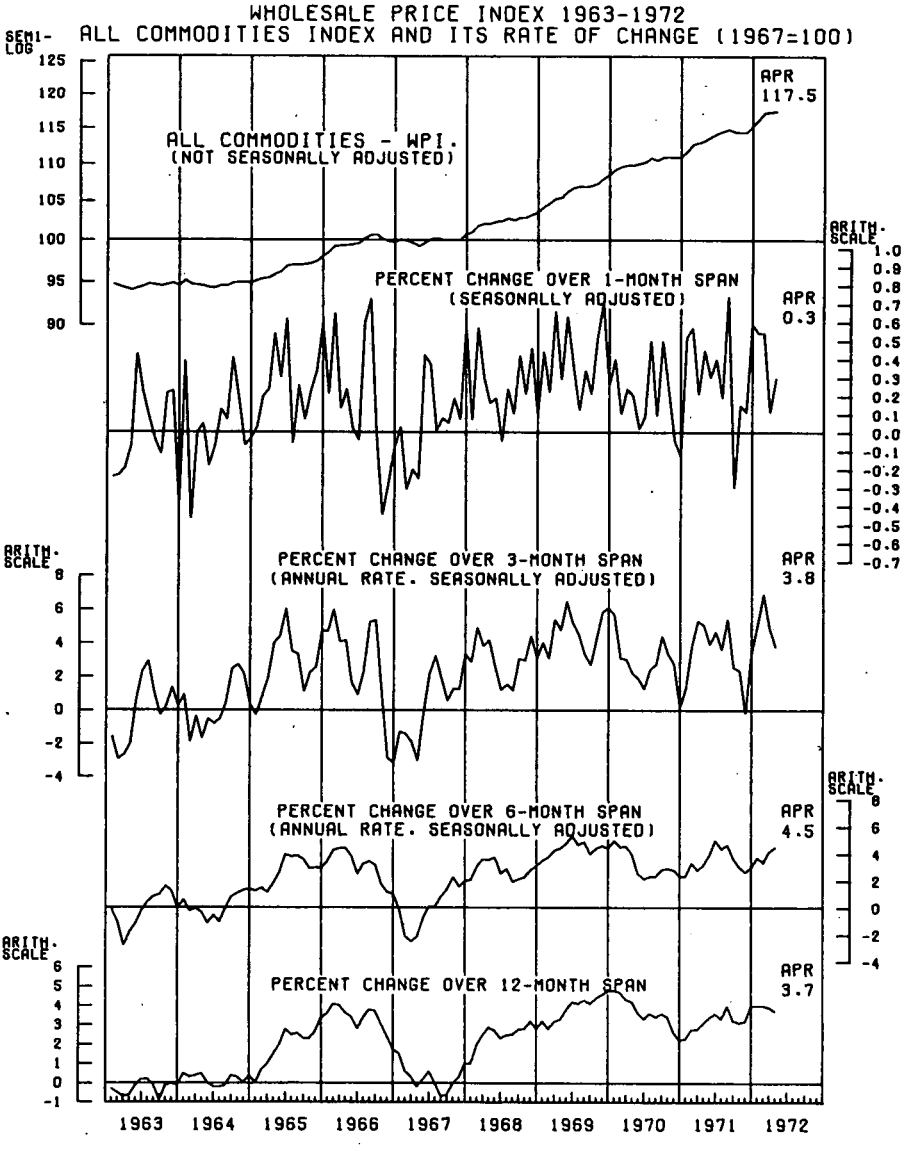
[1967=100 unless otherwise indicated]

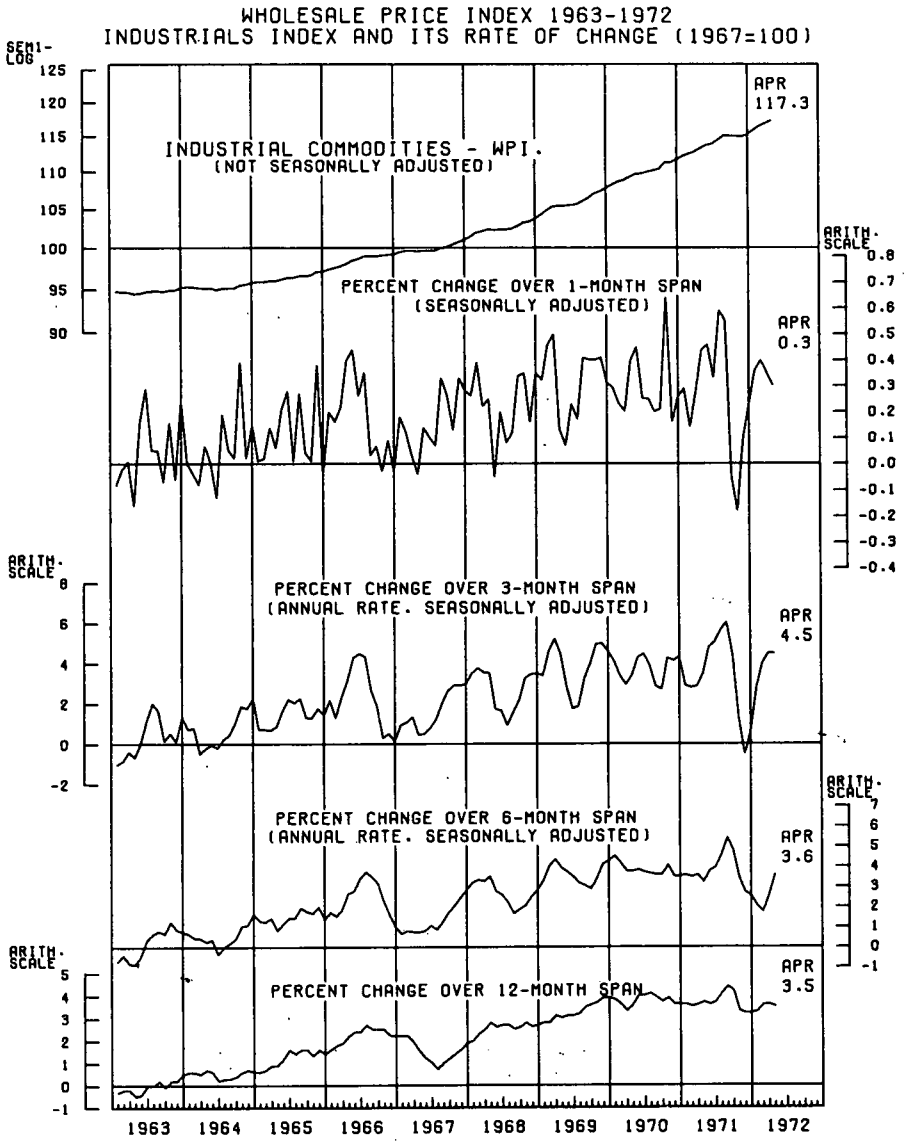
Grouping	Indexes			Percent change to April 1972 from—	
	1972		1971		
	April	March	April	1 month ago	1 year ago
Farm products	119.1	119.7	113.0	−0.5	5.4
Fresh and dried fruits and vegetables	117.6	112.8	120.8	4.3	−2.6
Grains	96.0	93.8	106.8	2.3	−10.1
Livestock	133.8	136.7	116.9	−2.1	14.5
Live poultry	94.1	107.6	99.5	−12.5	−5.4
Plant and animal fibers	122.1	114.3	89.4	6.8	36.6
Fluid milk	122.1	121.8	119.7	.2	2.0
Eggs	87.2	107.7	104.4	−19.0	−16.5
Hay, hayseeds, and oilseeds	118.5	114.4	104.8	3.6	13.1
Other farm products	118.0	117.5	114.4	.4	3.1
Processed foods and feeds	117.7	118.6	113.5	−.8	3.7
Cereal and bakery products	112.8	112.6	111.5	.2	1.2
Meats, poultry, and fish	123.6	127.3	113.3	−2.9	9.1
Dairy products	117.5	118.0	115.5	−.4	1.7
Processed fruits and vegetables	118.3	116.7	113.0	1.4	4.7
Sugar and confectionary	121.1	121.9	118.6	−.7	2.1
Beverages and beverage materials	117.2	116.7	115.6	.4	1.4
Animal fats and oils	127.8	130.4	135.9	−2.0	−6.0
Crude vegetable oils	118.9	115.6	120.4	2.9	−1.2
Refined vegetable oils	120.9	120.6	125.2	.2	−3.4
Vegetable oil end products	120.7	120.8	119.4	−.1	1.1
Miscellaneous processed foods	113.8	113.7	114.3	.1	−.4
Manufactured animal feeds	108.5	108.5	104.4	0	3.9
Textile products and apparel	112.6	112.1	107.5	.4	4.7
Cotton products	120.5	119.6	108.9	.8	10.7
Wool products	93.0	92.0	94.4	1.1	−1.5
Manmade fiber textile products	107.2	106.1	98.6	1.0	8.7
Apparel	114.2	114.1	112.2	.1	1.8
Textile housefurnishings	108.7	108.7	103.5	0	5.0
Miscellaneous textile products	131.1	130.9	118.7	.2	10.4
Hides, skins, leather, and related products	127.2	123.0	114.0	3.4	11.6
Hides and skins	188.6	173.8	121.1	8.5	55.7
Leather	138.1	128.4	111.0	7.6	24.4
Footwear	122.4	120.1	116.6	1.9	5.0
Other leather and related products	113.7	111.9	107.7	1.6	5.6
Fuels and related products and power	116.9	116.5	113.0	.3	3.5
Coal	191.2	192.6	184.0	−.7	3.9
Coke	155.3	155.0	145.9	.2	6.4
Gas fuel	112.5	110.9	105.9	1.4	6.2
Electric power	120.5	120.0	112.3	.4	7.3
Crude petroleum	113.2	113.2	113.2	0	0
Petroleum products, refined	106.6	106.3	105.3	.3	1.2
Chemicals and allied products	104.1	103.4	104.5	.7	−.4
Industrial chemicals	101.5	101.0	101.9	.5	−.4
Prepared paint	118.3	117.9	115.9	.3	2.1
Paint materials	103.0	102.7	103.5	.3	−.5
Drugs and pharmaceuticals	102.4	102.5	102.0	−.1	.4
Fats and oils, inedible	112.2	103.5	143.0	8.4	−21.5
Agricultural chemicals and chemical products	92.2	90.6	94.1	1.8	−2.0
Plastic resins and materials	88.3	88.9	88.2	−.7	.1
Other chemicals and allied products	113.5	112.7	111.8	.7	1.5
Rubber and plastic products	108.7	108.9	109.0	−.2	−.3
Rubber and rubber products	112.9	112.9	110.8	0	1.9
Crude rubber	98.2	98.5	99.8	−.3	−1.6
Tires and tubes	108.4	108.4	107.5	0	.8
Miscellaneous rubber products	120.4	120.4	116.3	0	3.5
Plastic construction products (Dec. 1969=100)	93.6	93.6	95.5	0	−2.0
Unsupported plastic film and sheeting (Dec. 1970=100)	98.4	98.9	102.6	−.5	−4.1
Laminated plastic sheets, high pressure (December 1970=100)	98.4	98.1	101.0	.3	−2.6

TABLE 5.—WHOLESALE PRICE INDEXES FOR COMMODITY GROUPS AND SUBGROUPS, APRIL 1972—Continued

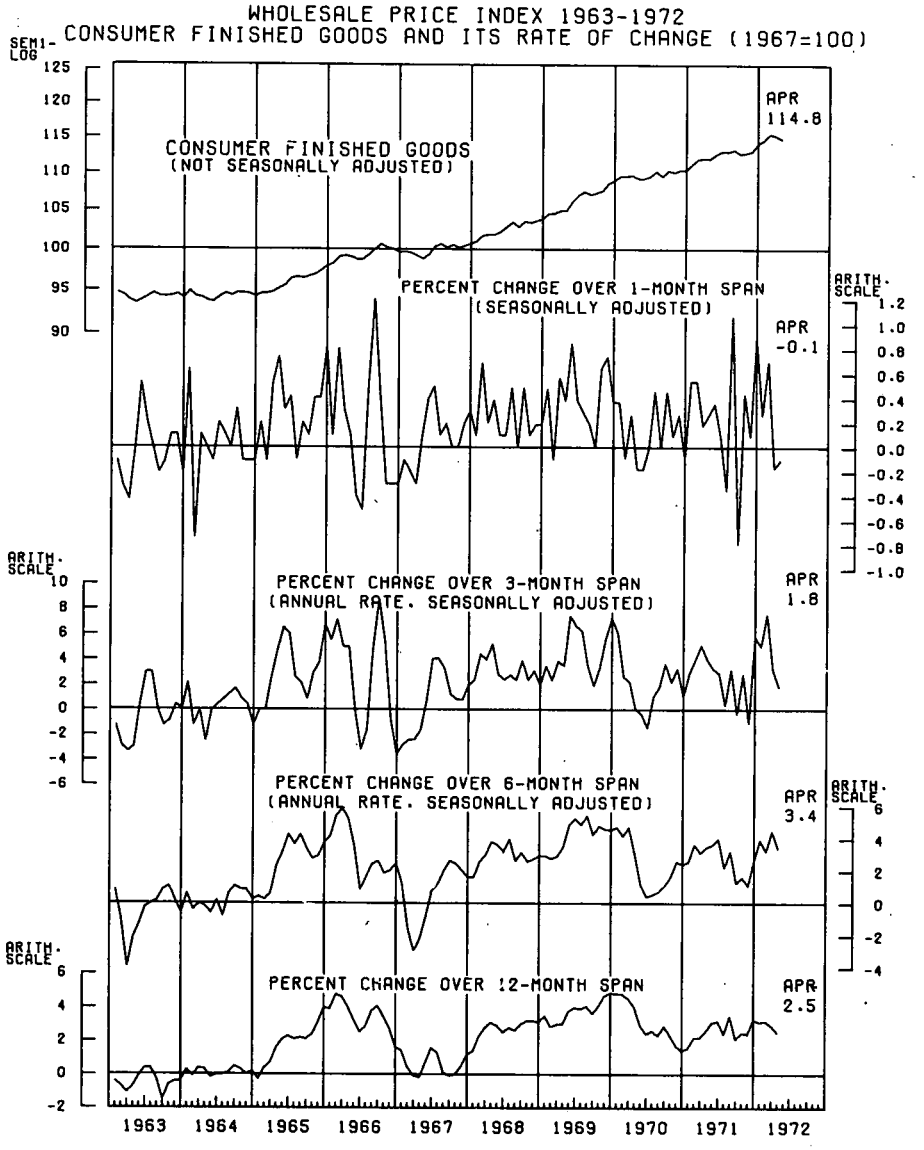
[1967=100 unless otherwise indicated]

Grouping	Indexes			Percent change to April 1972 from—	
	1972		1971		
	April	March	April	1 month ago	1 year ago
Lumber and wood products	141.1	139.5	124.6	1.1	13.2
Lumber	155.1	152.4	131.5	1.8	17.9
Millwork	126.6	125.8	118.6	.6	6.7
Plywood	128.9	128.9	115.6	0	11.5
Other wood products	121.1	120.1	119.3	.8	1.5
Pulp, paper, and allied products	112.8	112.3	109.6	.4	2.9
Pulp, paper, and products, excluding building paper and board	113.1	112.5	109.9	.5	2.9
Woodpulp	111.5	111.5	112.2	0	−.6
Wastepaper	131.0	129.3	107.7	1.3	21.6
Paper	115.9	115.7	114.3	.2	1.4
Paperboard	105.6	103.6	103.0	1.9	2.5
Converted paper and paperboard products	112.7	112.2	108.8	.4	3.6
Building paper and board	106.1	105.6	101.7	.5	4.3
Metals and metal products	123.5	123.4	117.8	.1	4.8
Iron and steel	128.3	128.3	118.4	0	8.4
Nonferrous metals	117.6	117.2	117.2	.3	.3
Metal containers	127.3	127.1	123.1	.2	3.4
Hardware	119.6	119.2	115.6	.3	3.5
Plumbing fixtures and brass fittings	119.0	118.9	114.9	.1	3.6
Heating equipment	117.9	117.0	114.7	.8	2.8
Fabricated structural metal products	122.1	122.1	116.8	0	4.5
Miscellaneous metal products	124.3	124.1	118.0	.2	5.3
Machinery and equipment	117.6	117.3	115.0	.3	2.3
Agricultural machinery and equipment	122.1	122.0	116.7	.1	4.6
Construction machinery and equipment	125.7	125.0	120.9	.6	4.0
Metalworking machinery and equipment	119.7	119.4	116.6	.3	2.7
General purpose mach nery and equipment	121.9	121.5	118.3	.3	3.0
Special industry machinery and equipment	123.4	123.0	119.7	.3	3.1
Electrical machinery and equipment	110.2	110.1	109.5	.1	.6
Miscellaneous machinery	119.6	119.0	117.0	.5	2.2
Furniture and household durables	111.0	110.9	109.7	.1	1.2
Household furniture	116.9	116.8	114.1	.1	2.5
Commercial furniture	119.2	118.7	118.1	.4	.9
Floor coverings	98.2	98.2	99.8	0	−1.6
Household appliances	107.5	107.4	107.1	.1	.4
Home electronic equipment	92.8	93.0	93.7	−.2	−1.0
Other household durable goods	124.5	124.5	120.1	0	3.7
Nonmetallic mineral products	125.6	124.8	121.6	.6	3.3
Flat glass	121.1	122.4	126.2	−1.1	−4.0
Concrete ingredients	126.4	124.6	121.0	1.4	4.5
Concrete products	125.1	124.5	119.4	.5	4.8
Structural clay products excluding refractories	117.2	116.2	114.5	.9	2.4
Refractories	127.1	127.1	126.7	0	.3
Asphalt roofing	131.2	131.2	123.6	0	6.1
Gypsum products	114.9	115.3	101.0	−.3	13.8
Glass containers	136.2	131.5	131.5	3.6	3.6
Other nonmetallic minerals	126.4	126.4	122.0	0	3.6
Transportation equipment (December 1968=100)	113.8	113.8	109.7	0	3.7
Motor vehicles and equipment	118.1	118.1	114.1	0	3.5
Railroad equipment	128.4	127.3	119.9	.9	7.1
Miscellaneous products	114.1	114.2	112.7	−.1	1.2
Toys, sporting goods, small arms, ammunition	114.0	114.5	112.5	−.4	1.3
Tobacco products	117.4	117.4	116.5	0	.8
Notions	111.7	111.7	111.7	0	0
Photographic equipment and supplies	106.2	106.9	105.8	−.7	.4
Other miscellaneous products	115.0	114.5	112.2	.4	2.5


WHOLESALE PRICE INDEX 1963-1972
ALL COMMODITIES INDEX AND ITS RATE OF CHANGE (1967=100)
SEMI-LOG
125
120
115
110
105
100
95
90
APR
117.5
ALL COMMODITIES - WPI.
(NOT SEASONALLY ADJUSTED)
ARITH. SCALE
1.0
0.9
0.8
0.7
0.6
0.5
0.4
0.3
0.2
0.1
0.0
-0.1
-0.2
-0.3
-0.4
-0.5
-0.6
-0.7
PERCENT CHANGE OVER 1-MONTH SPAN
(SEASONALLY ADJUSTED)
APR
0.3
ARITH. SCALE
8
6
4
2
0
-2
-4
PERCENT CHANGE OVER 3-MONTH SPAN
(ANNUAL RATE. SEASONALLY ADJUSTED)
APR
3.8
PERCENT CHANGE OVER 6-MONTH SPAN
(ANNUAL RATE. SEASONALLY ADJUSTED)
APR
4.5
ARITH. SCALE
8
6
4
2
0
-2
-4
ARITH. SCALE
6
5
4
3
2
1
0
-1
PERCENT CHANGE OVER 12-MONTH SPAN
APR
3.7
1963
1964
1965
1966
1967
1968
1969
1970
1971
1972



60-174 O - 72 - pt. 3 - 12


WHOLESALE PRICE INDEX 1963-1972
CONSUMER FINISHED GOODS AND ITS RATE OF CHANGE (1967=100)
SEMI-LOG
CONSUMER FINISHED GOODS
(NOT SEASONALLY ADJUSTED)
APR
114.8
PERCENT CHANGE OVER 1-MONTH SPAN
(SEASONALLY ADJUSTED)
APR
-0.1
ARITH. SCALE
PERCENT CHANGE OVER 3-MONTH SPAN
(ANNUAL RATE, SEASONALLY ADJUSTED)
APR
1.8
PERCENT CHANGE OVER 6-MONTH SPAN
(ANNUAL RATE, SEASONALLY ADJUSTED)
APR
3.4
PERCENT CHANGE OVER 12-MONTH SPAN
APR
2.5
1963
1964
1965
1966
1967
1968
1969
1970
1971
1972

Mr. MOORE. The new figures in this table of measures of price and wage changes before and during the stabilization program are those pertaining to the WPI and the earnings in current dollars. And as you can see from that table, the rates of increase during the whole of the stabilization program, which is the last column on the right, in the wholesale price index, came to 3.1 percent at an annual rate. In the 6 months prior to the stabilization program the rate of increase was 4.7. So, there has been some reduction. Likewise, in the industrial component of the WPI the rate over the period since last August is 2.4 percent at an annual rate compared with 5.4 in the 6 months immediately preceding the freeze.

In the case of earnings, there has also been a slight decline in the rate. It is now registered at 6.3 percent at an annual rate since last August, in hourly earnings. It was 6.8 percent in the 6 months prior to the freeze.

Chairman PROXMIRE. With this table the part that seems of most concern—because we have to look at the future as to what the total impact is—is that in the 6 months prior to the freeze the wholesale price index of all commodities rose 4.7 percent. Since the freeze, since phase II went into effect, November 1971 to April 1972, it has been rising more rapidly, at a 5.1 percent rate. Of course during the freeze there would be no price rises. But in this period of controls the rise has been sharper, when you consider all wholesale prices.

Mr. MOORE. If you take all wholesale prices—you can see from the table that the acceleration is attributable to the farm price and processed food sector, which went up 7.5 percent during phase II at an annual rate, and 3 percent prior to the freeze.

Chairman PROXMIRE. And the most spectacular increase by far—and it was an astonishing, shocking increase—was the spot market price index of industrial raw materials.

Now, this has no labor content or very little labor content, I would think. And whereas it had fallen in the 6 months before the freeze by 2 percent, it went up 30.7 during the control period, since November. Now, those industrial raw materials, as I say, would have a low labor content, right? And they would be subject, I would think—perhaps not, but I would think that they would be subject to controls.

Mr. MOORE. Well, they are for the most part. But one thing, historically that index shows—it is a very volatile index, and the prices that are in it for scrap metals and other types of raw materials move around a great deal. Most of them are subject—all of them that are subject to the controls are subject to the May 1970, ceiling level. I don't know offhand which ones are still below that level, but a great many of them I believe are.

We can look into that; but that was true several months ago, and I believe it is probably true today.

The weekly earnings shown in this table, in terms of rates of increase, have done better than the hourly earnings, partly because of the increase in the length of the workweek in recent months, and partly because in terms of spendable earnings, of the reduction of tax rates that has occurred this year.

That concludes my statement, Mr. Chairman.

Chairman PROXMIRE. Thank you very much, Mr. Moore.

I have got a whole series of questions.

First, let me begin by getting back to the principal figure which I discussed, that is, the unemployment figure. With the figure just released this month, unemployment has remained at 6 percent for 17 months. And this is supposed to be a recovery figure. And without being political about it, the fact is that a lot of economic statistics indicate that there has been a recovery—as I said, profits are improved, there is more industrial production, sales have been going up. Pierre Rinfret and a lot of other economists are saying that we are moving ahead at a great rate. I don't know anybody on Wall Street that is saying we are not. Even Janeway, the great Cassandra, seems to be either silent or optimistic. And, yet, we have in this recovery period, this very high unemployment.

Do you know of any other period of so-called recovery in which unemployment has so stubbornly refused to budge over such a long period of time?

Mr. MOORE. Well, the 1961 recovery, from 1961 to 1963, was relatively unexciting also. The level of unemployment was not quite as high as it has been in recent months, but nevertheless it stuck at a fairly high level for that period for quite some time. And furthermore, as you know, there has been a shift in the composition of the labor force since then which has tended to raise the average unemployment rate, because there are more teenagers and more women in the labor force now than then. And that has added approximately a half percentage point to the level.

Chairman PROXMIRE. Do you have those figures with you to show from 1961 to 1963, how they dropped, say, in the quarterly period, or how they remained stable? Because in each quarter now they seem to be almost exactly the same. It is my understanding that from 1961 to 1963, there was some fall. Give it to us by quarters if you have it, or roughly, or by the first, fourth, seventh, and ninth month.

Mr. MOORE. Let me start with the annual figures, if I may. That is one way to summarize it.

Chairman PROXMIRE. All right.

Mr. MOORE. In 1961, the average annual figure was 6.7 percent; 1962 was 5.5; 1963 was 5.7; and 1964 was 5.2.

Chairman PROXMIRE. You had a very sharp drop between 1961 and 1962; didn't you?

Mr. MOORE. That is right. It was then around 5.5 percent.

Chairman PROXMIRE. The committee will stand in recess. I will be back in 10 minutes, there is a vote on the floor

(Recess.)

Chairman PROXMIRE. Commissioner, the question I was asking was whether or not there was a period of recovery in which unemployment remained at its very high level. And you indicated that in the 1961–63 era you thought perhaps it had. And you pointed out that it did drop in 1961 and 1962, but then it remained at a high level for the following year—or how long was that, it remained at what, about 5.5 percent?

Mr. MOORE. It remained, as I said, on an annual average basis, it was 5.5 in 1962, and 5.7 in 1963, and it dropped to 5.2 in 1963. So it remained, I would say—in early 1962, it got down to around the 6.2 level—within the range of 5.5 to 6 until nearly 1964.

Chairman PROXMIRE. But in the early recovery period it dropped and it dropped very sharply.

Mr. MOORE. That is correct.

Chairman PROXMIRE. And it dropped down by more than 1 percent. And in this recovery period it hasn't dropped at all, it has remained high. Furthermore, in that recovery period the inflation was at a rate of about 1 percent, or less than 2 percent, I think it was around 1. In this recovery period inflation has been around 4 percent. So, that the inflation performance has been worse and the recovery has been much slower.

Mr. Popkin, I would like to ask you or Mr. Moore, during the freeze when I was trying to determine whether prices were actually frozen or not I examined the Consumer Price Index and the Wholesale Price Index in some detail. We found that price after price was not a "monthly price." It was a 3-month, or 6-month, or a moving average.

In fact, we could find only a very few prices for items that were truly monthly items. These indices did not truly show what happened to prices from one month to the next.

Now, what have you been able to do about the situation? Do you now have figures which clearly show what has happened to prices during the freeze and during the phase II program since?

Mr. MOORE. I think all along we have had prices that show what has heppened during the freeze. We collect on a monthly basis approximately 100,000 prices. And they go into the Consumer Price Index.

Mr. POPKIN. Almost 50 percent of the weight of the CPI is priced monthly.

Mr. MOORE. So that a large proportion of the CPI is on a monthly basis. There are other prices such as rent that we don't feel it worthwhile to obtain monthly, they don't change that often, and so we don't do it. But I think what we have tabulated on the basis of our monthly statistics do show the effect of the freeze and the postfreeze development.

Chairman PROXMIRE. My staff indicates to me that they are disappointed—they are surprised that it is as high as 50 percent, but they still think that is not as good a statistical showing as we should be able to make.

Is it a matter of inadequate funds to be able to do more?

Mr. MOORE. Basically that is it. It was decided some years ago to cut back on the expenditures for the CPI, and one way of doing it was to collect fewer prices on a monthly basis.

Chairman PROXMIRE. Would you give to us an estimate for the record on how much it would take to provide monthly figures throughout this area, so that we are in a better position to analyze and evaluate and stay on top of this in terms of policy? I can't think of any more important, and it is hard to think of an investment that would be more useful. The price control program is very much in the balance. The administration has decontrolled a large part of the economy, and I think that it should decontrol more of it. Whether it should or not depends on what we know about the facts of what is going on. We can't make that decision, and they can't make that decision as well if much of their statistics come in on a quarterly basis instead of a

monthly basis. So, if you could estimate what additional funds you need I think maybe we could be helpful.

Mr. MOORE. I would like to say that we have developed a proposal to do exactly that, though it would not put the CPI on a 100-percent monthly basis. I myself would not recommend that.

Chairman PROXMIRE. We are not asking for that. But we have asked for a far more comprehensive one.

Mr. MOORE. It would make a substantial improvement. And I would be glad to supply that for the record.

(The following information was subsequently supplied for the record:)

STATEMENT ON EXPANDED MONTHLY PRICING FOR THE CPI

The current BLS proposal for expanded monthly pricing in the CPI includes the following: 1. Additional monthly pricing of some nonfood commodities in all 51 CPI quarterly priced areas. Every commodity would be priced monthly in some areas and on a quarterly basis in other areas. This plan, which involves collection of about 42,000 additional prices, would spread some monthly pricing into every quarterly area.

2. Restoration of monthly pricing in the five largest CPI (monthly) areas for a number of commodities such as nails, beer, etc., which were cut back to quarterly pricing by the BLS as a result of economy measures some years ago. This would restore the monthly pricing aspects of the basic CPI sample design.

3. More timely introduction in all CPI pricing areas of items which exhibit large price changes at regular intervals during the year. Seasonal apparel items, new cars and some other seasonal items would be priced in every area in selected months of each year so that prices of new models or styles would be reflected in a timely manner in the index.

4. Identification and adjustment of pricing cycles for items that change infrequently in price so that the cycles correspond more closely to the timing of actual price changes in the market place.

5. Monthly pricing in all CPI areas of 18 CPI items such as gasoline and transportation services, prices of which either change frequently and by large amounts or are collected by mail.

6. Initiation of research on (a) imputing or estimating price movements for items and areas remaining on the rotating cycle and (b) experimentation and development of data, monthly pricing and computational procedures for homes and used cars presently represented in the index by three-month moving averages.

Chairman PROXMIRE. The Price Commission published in the Wednesday, May 5, Federal Register an amendment to the rules of the Price Commission, the amendment including a table "Average Annual Rate of Productivity Gain by Standard Industrial Classification."

Now, there is no indication in the table itself or in the introductory material to indicate that the Bureau of Labor Statistics is the source of this industry productivity material, but I am informed that the Bureau of Labor Statistics is indeed the source of the data from which the Price Commission calculated the 400 industry productivity rates in the table.

Is BLS the source of the industrial productivity data?

Mr. MOORE. I would like Mr. Mark to answer that question. But I think basically the answer is yes.

Chairman PROXMIRE. It is very important, of course, in determining the policies and analyzing the policies of the Price Commission. We have been critical of them, and we have been calling for refunds to

consumers where prices have been in excess of what their standards were.

Mr. MARK. Mr. Chairman, we have been publishing indexes for about 40 manufacturing and nonmanufacturing industries, for some time. In addition to that, we have developed and have been maintaining, but haven't been publishing, a series of measures for about 350 manufacturing, 4-digit SIC industries. These measures were based essentially on deflated value of production per man-hour.

Chairman PROXMIRE. And these are the figures on which the Price Commission relied, is that right?

Mr. MARK. We did provide these indexes which we had for the period 1958 to 1969 to the Price Commission as such. The Price Commission then examined these indexes, and on the basis of various criteria decided that they would use a long term trend rate as a basis for using the productivity consideration and price for these measures.

We did not have measures for all industries. Moreover, there were some industries that they felt should be examined perhaps more fully than others. And they did substitute some trend measures other than the ones which would have been derived from using the 350 indexes that we provided to them.

But in answer to your question, by and large these measures were based on data from the BLS.

Chairman PROXMIRE. How reliable do you consider the BLS source data on outputs and inputs by the Price Commission in calculating the productivity rates?

Mr. MARK. I would say it varies considerably.

Chairman PROXMIRE. You say some of it is of questionable validity?

Mr. MARK. I think some of them do have some problems of validity, because the question really hinges on the adequacy of the price deflators which were used in the output measures.

In some instances, about 188 of the 350, we felt we had fairly good and substantial deflators.

In other cases they were of less reliability.

And in some cases imputations have been made from other areas where no price data have been available.

Chairman PROXMIRE. If the BLS considered these data not reliable enough, at least some of it, to be used for making productivity estimates, what is the justification for the Price Commission using the same material for making productivity analyses?

Mr. MARK. We gave the information to them with the caveat that we felt that the alternative to this would be that there would be no informaion available, and we would make this available to the Price Commission.

Chairman PROXMIRE. So you did provide it with a caveat?

Mr. MARK. We did.

Chairman PROXMIRE. That it was questionable.

Would you stake the prestige of BLS on the productivity data issued by the Price Commission?

Maybe I should ask that of Mr. Moore.

Mr. MOORE. Let me try to answer that. The question really is whether, for the use that the Price Commission is making of these

data; namely, to get an estimate of a long run trend, whether the data are valid or not. And that is not quite the same thing as the criterion that the BLS would apply to publishing these data year by year or quarter by quarter.

Chairman PROXMIRE. They want to do more than get long range trend, as I understand it, they want to use it to police the system and determine whether or not price indexes are justified, and determine whether rollbacks are required. So, it is for a very specific, definite purpose that has a profound effect on the consumer and on business. What I want to know is why you released the data to the Price Commission if there is some question as to its validity.

Mr. MOORE. Well, as I say, for the purpose of measuring the long-run trends we did think that the measures that we had developed ourselves, but not in all cases published, were the best that were available, and we made them available on that basis.

Chairman PROXMIRE. Why didn't you issue the productivity estimate directly from your office, BLS, instead of having it going to the Price Commission?

Mr. MOORE. Well, the issue, frankly, was not raised with us, and we didn't consider it.

Chairman PROXMIRE. Let me get into an area of considerable equity and justice. Recently the Subcommittee on Employment, Manpower, and Poverty of the Labor and Public Welfare Committee released estimates of subemployment in poverty areas and poor areas in 51 cities. Subemployment includes the unemployed, the part-time employed, discouraged workers, and full-time workers earning less than $80 a week, in other words the working poor.

In the area surveyed subemployment averaged not the 6 percent we have, or 8 percent, but over 30 percent, about a third of the potential employed people. These estimates are based on a 1960 census survey of these areas.

Would you comment on the significance of this subemployment index?

Mr. MOORE. Yes, sir; I would be glad to.

The problem of measuring sub or underemployment has been around a long time. So far there has been no consensus of agreement on just what such a measure should include or exclude. And what the Bureau of Labor Statistics has done in this connection, as well as the Census Bureau, is to provide a variety of figures, types of measures, and concepts that bear on the problem but do not add up to any single number like 30 percent or 20 percent or whatever. And the reason, as I stated, is that there is not, I believe, a generally accepted type of measure of that sort.

Chairman PROXMIRE. Wouldn't this be helpful. It seems to me that you and I recognize, as people who want to do economic justice, that one of the things we have to do is have the Congress and the public recognize the poverty and the need for adequate wages in our society. And one way to do this is to actually give the fact to people. Some members of this committee, and many Members of Congress, and many members of the public, just don't believe that there is a poverty problem in this country, they think that anybody that has got any guts and will is going to find a job, and a good one, it is just a problem of getting out and working. And I think this is something that we ought to do our very best to lay before the public and the Congress in the

clearest, simplest, most honest way we can. I don't understand why your agency doesn't prepare this kind of an index. You may say it is not 30 percent, you may say it is not 20 percent, and you may disagree with the notion that, say, $80 a week is—you may say—too high, although I think maybe it is too low.

Whatever it is, I think if you arrived at something like this we would be in a far better position to rally public understanding and support as to how important it is to get at poverty and how to do it. I am not saying that you have to make value judgments yourself, or make political judgments, but if you understood the importance of this to some of us in the Congress, and you could see that they are trying to arrive at an agreed upon subemployment index, it would be very helpful.

Mr. MOORE. I would like to make some efforts in that direction. But I must say that we have been providing a wealth of data on this subject. The census employment survey itself was supported by the Department of Labor and by BLS. And we have analyzed and studied these figures very carefully. We have also conducted other survey in the same field, and published the results. And we do do something in this field every month with the household employment survey.

Chairman PROXMIRE. Let me just interrupt to say that as I understand it the BLS was supposed to do something with their data, but as I understood it they weren't permitted to really do something effective with it. I know that if you release data and information when we have all kinds of seemingly unrelated complex statistics, it doesn't mean nearly as much as it would mean if we could zero on a figure, if we could agree on something like a subemployment index, no matter how it is discussed or disagreed with, it would be something that we could focus on.

I think the fact that we have an unemployment figure—whether the 6 percent is fair and valid or not is debatable, but the fact that we have that is an enormous help in persuading people that we have a problem, and it is necessary that we do something about it. And in the same way, I would hope that you would do your best to try to arrive at some kind of a subemployment figure.

Mr. MOORE. Mr. Kaitz seems anxious to take the forum.

Mr. KAITZ. Mr. Chairman, I just want to add a couple of points to this.

The data collected in the census employment survey are far more detailed and voluminous than we collect on a monthly basis. For example, in the calculation of the subemployment rate that you referred to, weekly wage figures are used, and they are converted to hourly rates of pay, for example, $3.50, or $2. We don't have that kind of information on a monthly basis at the present time. We haven't been collecting wage figures, in other words, for the employed or unemployed on a monthly basis.

So, we have no way of determining monthly how many people——

Chairman PROXMIRE. Is this because you don't have the funds to do it?

Mr. KAITZ. Well, we haven't had a program to incorporate questions on wages earned by people in the monthly survey. There have been proposals, and we have discussed this, and we have made recommendations ourselves.

Chairman PROXMIRE. Are you saying that the Secretary of Labor and others have indicated that they don't want this data, or they have not indicated any support for it.

Mr. KAITZ. No, I don't think that is the case at all.

Chairman PROXMIRE. Have they indicated this support for it.

Mr. KAITZ. I think there hasn't been a very pressing demand for this.

Chairman PROXMIRE. Your boss is the Secretary of Labor. And he hasn't indicated that he wants it.

Here is one Senator who says that he would like to have it very much. And as I understand it, the Employment, Manpower, and Poverty Subcommittee of the Senate Labor and Public Welfare Committee has indicated that they have a very great interest in it. And we will do what we can to see if we can have the statement in our report. I think both the majority and the minority would join in getting this kind of a figure.

At any rate, you say it is not a matter of the funds, it is primarily a matter of not having a sufficient demand, sufficient interest in this kind of figure; is that right?

Mr. MOORE. There is no question but that it takes funds, and to reproduce anything like the census employment survey monthly would take a very large sum of money.

Chairman PROXMIRE. What do you mean by very large?

Mr. MOORE. Well, that survey itself costs in the neighborhood of $10 million, and that only covers 1 month.

Chairman PROXMIRE. How much would it cost to get a subemployment figure that would be adequate and valid in your judgment on a regular monthly basis, how much would it cost each year?

Mr. MOORE. The problem is, we do not know yet what a valid measure of subemployment is. We provide and already know some things about it, but to provide a——

Chairman PROXMIRE. Let me give you some hypotheses, then. To get the unemployed, which you already have, the part-time employed, which you have already, the disadvantaged workers, which you have, not on a monthly basis, but on a quarterly basis, and the full-time workers earning less than $80 a week, which you do not have—now, that latter figure is the only figure that you have to have—can you give me some kind of rough estimate? Would that be $10 million a year to get all these figures and put them together and give them to us on a monthly basis?

If so, I think it is well worth the investment.

Mr. MOORE. I couldn't give you an estimate offhand, but we would be able to work out something.

Chairman PROXMIRE. Does that sound about right more or less? I am not asking you to stick to it. You wouldn't expect it to be many times like that?

Mr. MOORE. No, it wouldn't be many times that just to get the figures on earnings of workers in the household employment survey.

Chairman PROXMIRE. Very good.

Let's see if we can get a consensus here in the committee among committee members, and we will press you for it, and try to do something about that.

Now, our productivity growth in the first quarter was terrible. I think you will admit this. You reported it. Do you believe that it was as low as the productivity increase that was indicated?

Mr. MOORE. Well, I think you have to study those figures carefully. The total private economy productivity growth is 2.1 percent on an annual rate. That is a low figure.

Chairman PROXMIRE. It certainly is when you consider the fact that to make progress we need more than 3 percent.

Mr. MOORE. But the reason why it was low is that it was affected very sharply by an actual decline in agricultural output and productivity. So, that the nonfarm component, the private nonfarm component, went up at the rate of 3.7 percent at an annual rate. And that is not such a low figure.

Chairman PROXMIRE. It is not such a low figure, but it is not such an impressive figure either.

Mr. MOORE. Relative to the increase in output that accompanied it, it is not outside the range of past experience, I would say.

Chairman PROXMIRE. Our experts tell us not to pay too much attention to quarterly data on productivity. But the same picture appears if we look at the year-to-year change, or indeed if we look at the last several years. You talked of strong productivity gain in the recovery period. where is it?

Mr. MOORE. Well, over the past several years there is no question but that we have had relatively poor productivity growth. This past year it has been better than in several of the recent years. And part of that is certainly due to the recovery in the economy that has taken place.

But I think basically we need to have a higher rate of productivity growth, and we should be taking actions to obtain that, it is low in that sense.

Chairman PROXMIRE. The Wholesale Price Index in April shows a rise of 3.6 percent on an annual rate basis. Do you have any idea of how such an increase translates into the Consumer Price Index, and when?

Let me just go on to say this: Wholesale prices have risen at an annual rate of 5.1 percent since the freeze ended compared with 4.7 percent since February–August of last year. Initially I understood you to say that the WPI increase was due to a post-freeze bulge. The freeze lasted only 3 months. And how long is the bulge going to last?

Mr. POPKIN. I will try to answer the first question first.

The increase in the industrial component was 0.3 percent. I might add parenthetically, in projecting change to an annual rate, we like to have 3 months' data, because of the randomness in any 1 month. But to evaluate the 0.3 change in industrial prices has be—you have to go to the next step and look at where it occurred in the production process. This month's increase was largely centered at the intermediate goods level. And those goods have to undergo further transformation to become finished producer goods or consumer goods, and then obviously have to be shipped and sold in retail markets.

Chairman PROXMIRE. So that means in the future we will get higher prices.

Mr. POPKIN. So that one would expect a longer lag in transmission when the increase centers at the intermediate goods level. I can't define the lag precisely, but these lags seem to be in the neighborhood of a couple of months to 6 to 9 months, depending on the complexity of the goods, and the complexity of the transformation that they have to go through before they reach the final market.

Chairman PROXMIRE. The GNP deflator rose at the rate of over 6 percent in the first quarter. Is there any special factor involved there? That was really shocking. As I understand, the overall GNP rose at an annual rate of about 11.5 percent, with more than 6 percent of the increase in prices, and 5.-something percent increase in real output.

Mr. POPKIN. Actually if you look at the personal consumption expenditure component of that deflator, that is, those prices in the GNP which relate only to consumer goods, and make an adjustment which puts those prices on a fixed weight base rather than the moving weight base in which the deflator is usually stated, you come down in the neighborhood of somewhere between 4 and 5 percent, which is quite consistent with what the CPI showed from the fourth quarter of 1971 to the first quarter of 1972.

Chairman PROXMIRE. You are saying that the 6-percent increase is because the deflator has a hangover from the previous period?

Mr. POPKIN. No, I am saying that it includes consumer goods, but it also includes producer goods, and it includes the prices of construction, and it includes the prices the Government pays for goods, and the salaries of its employees. It covers more of the economy than either the CPI or the WPI.

Chairman PROXMIRE. Because it covers more than the consumer goods, which includes some of the most inflationary elements in our society, the cost of health services, the cost of services generally, I would think that it would be less of an increase than the increase in the Consumer Price Index.

Mr. POPKIN. Well, the cost of the services that are not reflected in the CPI, like the payment for Government services, and price movement in the construction sector, on the average have been higher than the price increases for consumer goods, they tend to make that deflator show a larger rise than the CPI.

It all boils down to whether you are looking at the kind of prices that consumers are being faced with, or you are looking at a broader measure that includes the prices that producers are paying for their capital goods, and construction, and the Government is paying for the things that it buys.

Mr. MOORE. May I make a point in that connection?

Chairman PROXMIRE. Yes, indeed.

Mr. MOORE. If you start with the total GNP deflator, it did increase in the first quarter, as you indicated, 6.2 percent at an annual rate. If you eliminate the governmental part of it, which is Government salaries, you come down to a 5.3-percent annual rate for the private GNP deflator.

If you also eliminate the change in the mix of industries in terms of their price levels, that is, if you use fixed weights rather than the changing weight system that the deflator involves, you come down to an annual rate of 4.7 percent.

Now, I think in terms of the price level, what we usually think of as the change in the price level, that last figure is a more representative figure than either of the other two.

Chairman PROXMIRE. What concerns me is the fundamental underlying factor here. I suppose there is no more fundamental element of cost and prices than wages and labor cost. And here we have such soaring unit labor cost. Just look at your most recent release on productiv-

ity and unit labor cost. As I say, labor is the most important element in cost. How can prices possibly be kept down if labor costs rise? Isn't it it just inevitable as the day follows the night and the sun that rises is going to set that when labor costs go up as they are, that we are going to expect prices to go up in the future?

Mr. MOORE. Again, it is the old story of not looking only at 1 month or one quarter. That is, if you look at the quarters that proceded this first quarter, the rise in unit labor cost was very much lower, in the neighborhood of 1 to 2 percent. And I think that has to be balanced out with the very rapid rise in the first quarter as far as it's possible effect on the price level.

Chairman PROXMIRE. Let me quote from something that President Nixon said down at the ranch, not the Lyndon Johnson ranch but the Connally ranch. He said:

> Some people are getting the idea that this is a something or nothing economy.

He went on to say:

> Look at all the want ads—

this is what he told the bankers and publishers and oilmen—

> and ask yourselves, why are there millions of unemployed and millions on welfare when jobs are going begging? It is because too many people have forgotten that no job is menial that provides bread on the table and shelter for the family. It is that spirit that we need to revive.

I am not asking you to make a political comment on a political statement, but I am asking you to comment on this analysis of unemployment.

Has the job vacancy rate as indicated by want ads in the newspaper, or any other index that we have, has the job vacancy rate increased very much lately and if so, how much?

Mr. MOORE. I don't have the figures here. There has been an upturn in the help wanted ads index for the country as a whole. So far it has been relatively slight.

Chairman PROXMIRE. I am talking about your own BLS job vacancy index. That is what you are looking at now.

Mr. MOORE. I see. Well, for the BLS job vacancy figures which relate only to manufacturing, again, there has been an upturn. We released a report on that this past week. But still they are at a relatively low rate.

Chairman PROXMIRE. So that any argument that the jobs are going begging in any big significant new way here doesn't seem to be borne out by the facts; is that right?

Mr. MOORE. Well, the problem is, we can only look nationwide at manufacturing. I don't believe that there are very many jobs going begging in the manufacturing area.

Chairman PROXMIRE. Mr. Commissioner, if you don't have the figures, I am sure President Nixon, in spite of his great intelligence network and his enormous personal staff, doesn't have any more figures than you have on this. You should and do know more about the statistics than anyone in the administration. And if the only figures available are on manufacturing, I think that he is just talking through his 10-gallon hat down there.

Mr. MOORE. I hope you will pardon me for refraining from commenting on that statement.

Chairman PROXMIRE. Your refraining is eloquent, your restraint.

You are a business cycle analyst, Mr. Moore. Just where are we in the present cycle? For months you have come before us telling us we are in a recovery phase, do you still say that?

Mr. MOORE. Definitely. The recovery began, I believe, approximately in November 1970, and it has continued ever since. No recovery looks exactly like earlier ones, and no recovery continues at a steady pace in all respects. I think recovery has continued, and it is definitely an expansion. Total output is now higher than it has ever been before, and total employment is higher than it has ever been before. Most of the measures of the recovery show expansion.

Chairman PROXMIRE. That is right. All the leading indicators are favorable. But unemployment is still high, we still can't get it low, we can't get on top of it. Why?

When can we expect that to improve?

Mr. MOORE. As I pointed out, with respect to 1961, 1962, 1963, and 1964, that was a recovery, too. And it turned out to be a tremendous one.

Chairman PROXMIRE. I hope we don't get unemployment down the way we did then. Then we got it down by accelerating the Vietnam war, we sent 500,000 troops to Vietnam. The way things are going in Vietnam maybe we are going to do that again, but I sure hope not.

Mr. MOORE. In the early years of that recovery unemployment went down, but it went down pretty slowly.

Chairman PROXMIRE. And it was only in 1964 that it began to come down, it wasn't a big acceleration, but the Vietnam war certainly was a source of employment.

I alluded in my opening statement to the family budget estimates, which we were told last month would be discontinued. What are your plans?

Mr. MOORE. What I have been seeking to do, Mr. Chairman, every since I became Commissioner, is to find some way to improve the family budget statistics that the BLS has been issuing. We have a plan now for such an improvement. It has two elements to it. They are based on the major uses that are made of these family budget data.

One of those major uses—and it is really very widespread in terms of the demand for the numbers—is to compare the cost of living, so-called, in different areas. People want to compare the cost of living in Washington with New York, or Chicago with San Francisco.

Now, the only figures that we issue at present are the family budgets for different cities. And people do use them to measure differences in costs in other cities. The plan that we have to improve that is to base the comparison on the CPI market basket rather than on the budgets The reason for that is that the budgets are a hypothetical construction, they are based on assumptions, not what people actually buy, but on what we assume they buy in the budget. It is a hypothetical set of figures.

Chairman PROXMIRE. It is a much more comprehensive overall picture of a family's problem, it is not their market basket, it is what a family really has to do. After all, you don't live by bread alone,

you also have to have the shelter and health insurance and all the other costs. Would they be included in the so-called market basket?

Mr. MOORE. Definitely. Whatever is in the Consumer Price Index would be in these measures of the comparative costs in different areas. And I think it would be a far more acceptable basis for comparing the costs in different cities to base it on what people actually buy or did buy in some base period, than to base it on the budget.

Chairman PROXMIRE. How does this affect people on welfare? They now tell us that welfare people would object to it and feel it wouldn't be fair.

Mr. MOORE. That is the second part of this plan to improve the budget statistics.

I have the view, as the head of this statistical agency, that it should not be the function of a statistical agency to set norms, to reach value judgments, on what is a desirable or an adequate or a necessary level of living.

On the other hand, I do think it is a part of the function of a statistical agency to develop measures of average expenditures, and the distribution of expenditures by income level, by type of family, by geographic location. That is statistics. And that is what a statistical agency should be doing.

The second part of our plan is to develop measures of actual expenditures—that is, the actual cost of living for families in different circumstances, living in different places, having different levels of income, and having different numbers of children, and so on—and to suggest that as the guideline, if you like, for people who wish a guideline, that a statistical agency such as BLS would make available. But we would not be setting any norms as in effect the family budget figures do.

Chairman PROXMIRE. I understand your reluctance. But if you don't set the norms, who does, who should?

Mr. MOORE. Well, the people who want the norms set, the welfare agencies, the colleges who want to set norms for scholarships, it is their job to determine what the policy should be, and not a statistical agency's job.

Chairman PROXMIRE. Maybe we can get back to this in a different way. The low budget for an urban family of four is $7,200. That indicates what a family can live on in a city which has a fairly low cost of living without being in a very difficult poverty position. What would that translate into on an hourly basis, $3.50 an hour, roughly?

Mr. MOORE. It is roughly 2,000 hours for the average single worker.

Chairman PROXMIRE. So that would be $7,000.

Mr. MOORE. On a full-time basis.

Chairman PROXMIRE. In the light of that, isn't the $1.90 figure used by the Pay Board as the substandard limit, below which you are exempt from the restrictions on holding down pay, isn't that awfully low?

Mr. MOORE. Well, you are leading the question right into the point I was making. I don't believe it is the job of a statistical agency to say whether a given figure is low or whether it is high, in this sense. The Pay Board determined what that figure should be, and that was

its policy. But it isn't up to the BLS to determine what that policy should be.

Chairman PROXMIRE. Mr. Moore, again I want to thank you very, very much for coming up here. As I say, you always do a professional, competent job, and you are most responsive and helpful. We are all very unhappy, I know you are, about the high level of unemployment, and the fact that it has continued as long as it has. And I hope and pray that next month we have a happier statistic to work on. As I said in my opening remarks, we are getting very close to the time when it is going to become so political that it might very well be the biggest issue in the country.

The committee will stand adjourned. We will reconvene on this subject about a month from now.

(Whereupon, at 12:25 p.m., the committee adjourned, subject to call of the Chair.)

CURRENT LABOR MARKET DEVELOPMENTS

FRIDAY, JUNE 2, 1972

CONGRESS OF THE UNITED STATES,
JOINT ECONOMIC COMMITTEE,
Washington, D.C.

The committee met, pursuant to notice, at 11 a.m., in room 1202, New Senate Office Building, Hon. William Proxmire (chairman of the committee) presiding.

Also present: John R. Stark, executive director; Loughlin F. McHugh, senior economist; Courtenay M. Slater, economist; George D. Krumbhaar, Jr., and Walter B. Laessig, minority counsels; and Leslie J. Bander, minority economist.

OPENING STATEMENT OF CHAIRMAN PROXMIRE

Chairman PROXMIRE. The committee will come to order.

This morning marks the 15th anniversary of our monthly meetings on the employment and unemployment situation. Let me begin by repeating for the 15th time, or perhaps for the 1500th time, that these meetings, valuable as they have been, are a poor substitute for the monthly press briefings formerly held by the Bureau of Labor Statistics experts. I again urge you, Mr. Moore, to do all that you can to get those briefings reinstated.

Throughout these 15 months we have scanned the statistical releases eagerly for signs that the economy is strengthening sufficiently to begin reducing unemployment. For many months there were few such signs. We spoke of a recovery period, but the recovery did not materialize. In recent weeks some of the economic indicators have at last begun to look a little stronger. The leading indicators have risen rather rapidly, surveys have indicated a strengthening of investment intentions, and, as you have stressed so often, Mr. Moore, the last few months have seen a rapid growth of the labor force and of employment.

The economic analysts have grasped eagerly at these signs of a stronger economy. Just yesterday at least two leading newspapers carried columns replete with phrases such as "momentum," broadly based expansion," 'driving force," and "record annual rate." A great deal of optimism is generated in the Wall Street Journal, the financial sections of our leading newspapers, and so on. We all hope that the analysts are right in their judgment that the economy is picking up steam. But despite these supposed signs of strength, unemployment has continued near its deadly 6 percent rate. It continued near that rate last month, when it was 5.9 percent once again.

Although we hope that there is genuine and sustained improvement in the economy, it is important that we not be lulled into false optimism. We must not let ourselves be deluded into thinking that things

60-174 O—72—pt. 3——13

are better than they are. There are still 5.1 million Americans looking for work, seasonally adjusted. We can say that is 2 million more people looking for work than when President Nixon took office. Unemployment still seems destined to be substantially above 5 percent at the end of this year. The number of discouraged workers increased in the first quarter of this year. Positive actions to reduce unemployment are still very much needed.

Mr. Moore, you are a noted expert in business cycle analysis. This morning we want to get your expert judgment not only this month's employment survey, but on the significance of some of the other recent economic statistics. It is most important at this stage that we have a hard, objective look at the economic situation. The news may be good. Some of the news—news on profits, the news on production, the news on consumer spending, and so forth—may be good. But it does not seem to be doing the job of reducing unemployment the way it should.

I do have one other observation. That is this: The unemployment figure for May of 5.9 percent is discouraging and dismal news. For 18 months in a row, the figure has hovered at a 6-percent level. Meanwhile, we have been showered with a plethora of statistics and statements insisting that the economy is recovering, that the expansion is broadly based and that some indicators are advancing at record rates. When the full time equivalent unemployment of those working only part-time for economic reasons and the discouraged workers are included in the unemployment rate, the figure is closer to 8 percent. The time is long overdue for the administration to act. I call upon the President to set a specific interim goal of 4 percent unemployment, set the date when it will be achieved—I think this is just as important as setting the date for getting out of Vietnam—and push the policies that will get the job done.

Mr. Moore, I would be delighted to have you make any remarks you wish and then we will go to questioning.

STATEMENT OF HON. GEOFFREY H. MOORE, COMMISSIONER, BUREAU OF LABOR STATISTICS, DEPARTMENT OF LABOR, ACCOMPANIED BY HYMAN KAITZ, ASSISTANT COMMISSIONER FOR CURRENT EMPLOYMENT ANALYSIS; JOEL POPKIN, ASSISTANT COMMISSIONER FOR PRICES AND LIVING CONDITIONS; JEROME MARK, ASSISTANT COMMISSIONER FOR PRODUCTIVITY AND TECHNOLOGY; AND NORMAN SAMUELS, ASSISTANT COMMISSIONER FOR WAGES AND INDUSTRIAL RELATIONS

Mr. MOORE. Thank you, Mr. Chairman. I should like to put in the record, if you have no objection, the three press releases issued today—the one on the employment situation, the one on job vacancies, hires, layoffs, and quits in manufacturing—and the one on the Wholesale Price Index.

Chairman PROXMIRE. Without objection, all three of those will be printed in the record. We will be delighted to have them.

Mr. MOORE. I should also like to put in the record if I may a table which you have had before on measures of price and wage changes before and during price-wage-rent stabilization program. I have copies of that table here.

Chairman PROXMIRE. Go right ahead. That will all be put in the record.

(The documents referred to follow:)

[Bureau of Labor Statistics, Department of Labor, Press Release No. 72-347, June 2, 1972]

THE EMPLOYMENT SITUATION: MAY 1972

Employment rose in May while unemployment remained unchanged, the U.S. Department of Labor's Bureau of Labor Statistics reported today. The overall unemployment rate was 5.9 percent, the same as in the two previous months but below the year-ago rate of 6.1 percent.

Total employment increased slightly from the April level, continuing the upward trend in evidence over the past year. Since May 1971, the number of jobholders has risen by 2.3 million.

Nonagricultural payroll jobs also rose in May, as manufacturing employment posted its fifth consecutive monthly gain. The manufacturing workweek, however, declined in May, after rising substantially in April.

UNEMPLOYMENT

The number of unemployed persons totaled 4.3 million in May, down 350,000 from the previous month. This was in line with the expected seasonal change, and, after seasonal adjustment, the level of unemployment was the same as in April and March (5.1 million).

Although the overall jobless rate was unchanged over the month, there were some diverse movements among the major labor force groups. The rate of unemployment for adult women rose from 5.4 to 5.9 percent, a return to the levels prevailing late last fall; most of this increase occurred among those 20–24 years of age. The teenage unemployment rate, on the other hand, dropped from 17.3 to 15.7 percent between April and May and was at its lowest point in almost 2 years. The jobless rate for adult men, at 4.3 percent, was unchanged over the month, as was the rate for married men (2.9 percent). However, the rate for household heads inched up from 3.4 to 3.6 percent.

The unemployment rate for white workers, at 5.3 percent, was about unchanged in May, while the rate for Negro workers moved up over the month from 9.6 to 10.7 percent. This followed a decline of nearly the same magnitude in April.

Unemployment among full-time workers edged up in May to 5.6 percent, whereas the jobless rate for part-time workers dropped from 8.8 to 8.1 percent over the month. The jobless rate for workers covered by State unemployment insurance programs (3.7 percent) was essentially unchanged in May.

There were few changes in jobless rates for the major industry and occupational groups. However, the rate for construction workers moved up from 10.6 to 12.5 percent, the first time that this rate had exceeded the 12-percent mark in a year and a half.

TABLE A.—HIGHLIGHTS OF THE EMPLOYMENT SITUATION (SEASONALLY ADJUSTED DATA)

Selected categories	May 1972	April 1972	March 1972	1st quarter 1972	4th quarter 1971	3d quarter 1971	2d quarter 1971	1st quarter 1971
	Millions of persons							
Civilian labor force [1]	86.5	86.3	86.3	85.9	85.0	84.2	83.7	83.5
Total employment [1]	81.4	81.2	81.2	80.8	80.0	79.2	78.7	78.5
Adult men	46.6	46.5	46.6	46.4	46.1	45.9	45.7	45.4
Adult women	27.9	27.9	28.0	27.9	27.5	27.1	26.9	27.0
Teenagers	6.9	6.8	6.7	6.6	6.3	6.2	6.1	6.2
Unemployment	5.1	5.1	5.1	5.0	5.0	5.0	5.0	5.0
	Percent of labor force							
Unemployment rates:								
All workers	5.9	5.9	5.9	5.8	5.9	6.0	6.0	6.0
Adult men	4.3	4.3	4.1	4.1	4.3	4.4	4.4	4.3
Adult women	5.9	5.4	5.4	5.3	5.7	5.7	5.8	5.7
Teenagers	15.7	17.3	17.9	18.2	16.9	16.8	16.9	17.3
White	5.3	5.4	5.3	5.3	5.4	5.5	5.5	5.5
Negro and other races	10.7	9.6	10.5	10.6	10.1	10.1	9.9	9.5
Household heads	3.6	3.4	3.4	3.4	3.6	3.7	3.7	3.6
Married men	2.9	2.9	2.8	2.9	3.2	3.2	3.2	3.2
Full-time workers	5.6	5.4	5.4	5.4	5.6	5.5	5.5	5.5
State insured [2]	3.7	3.6	3.5	3.5	4.2	4.2	4.1	3.8

See footnotes at end of table.

TABLE A.—HIGHLIGHTS OF THE EMPLOYMENT SITUATION (SEASONALLY ADJUSTED DATA)—Continued

Selected categories	May 1972	April 1972	March 1972	1st quarter 1972	4th quarter 1971	3d quarter 1971	2d quarter 1971	1st quarter 1971
				Weeks				
Average duration of unemployment	12.5	12.4	12.4	12.2	11.9	11.7	11.7	10.5
				Millions of persons				
Nonfarm payroll employment	[3] 72.5	[3] 72.3	72.0	71.8	71.0	70.6	70.7	70.4
Goods-producing industries	[3] 22.8	[3] 22.7	22.7	22.6	22.4	22.4	22.5	22.5
Service-producing industries	[3] 49.7	[3] 49.5	49.4	49.2	48.6	48.3	48.1	47.9
				Hours of work				
Average weekly hours:								
Total private nonfarm	[3] 37.0	[3] 37.2	37.1	37.1	37.1	36.8	37.0	37.0
Manufacturing	[3] 40.5	[3] 40.8	40.4	40.3	40.1	39.8	39.9	39.8
Manufacturing overtime	[3] 3.3	[3] 3.6	3.3	3.1	3.0	2.9	2.9	2.8
				1967=100				
Hourly earnings index, private nonfarm:								
In current dollars	[3] 136.6	[3] 136.2	135.5	134.9	132.2	130.7	128.8	126.7
In constant dollars	[4]	[3] 109.6	109.2	108.9	[5] 107.7	107.2	[5] 106.7	105.9

[1] Civilian labor force and total employment figures for periods prior to January 1972 should be raised by about 300,000 to be comparable with subsequent data. (See box above table A-1.)
[2] For calculation of this rate, see table A-3, footnote 2.
[3] Preliminary.
[4] Not available.
[5] Revised.

Source: Tables A-1, A-3, A-4, B-1, B-2, and B-4.

The average (mean) duration of unemployment, at 12.5 weeks (seasonally adjusted) in May, has remained at about that level since February. This was a week longer than average joblessness a year ago.

CIVILIAN LABOR FORCE A YEAR AGO

The civilian labor force edged up between April and May to a level of 86.5 million, seasonally adjusted. Total employment also rose slightly, to 81.4 million, with most of the increase occurring among teenagers. Since May 1971, the civilian labor force has expanded by 2.2 million, while total employment has increased by 2.3 million (after eliminating the effects of the 1970 Census population control adjustment introduced in January 1972). Adult men accounted for 800,000 of the over-the-year increase in employment, adult women for 870,000, and teenagers for 590,000.

VIETNAM ERA VETERANS

The employment situation of Vietnam Era veterans 20 to 29 years old was essentially unchanged in May. Of the 4.2 million veterans in the labor force, about 3.9 million were employed, 560,000 more than a year earlier, and 310,000 were unemployed, the same level as in May 1971.

The veterans' unemployment rate was 8.1 percent in May, seasonally adjusted, not materially different from the preceding months in 1972. However, the rate was below that of a year earlier (9.3 percent). All of the over-the-year improvment in the unemployment rate occurred among young veterans 20 to 24 years old. Their rate in May, at 10.3 percent, was down from 13.2 percent in May 1971; it also declined over the month. On the other hand, the jobless rate for 25–29 year-old veterans (6.4 percent) was not significantly changed from either a month or a year earlier.

For nonveterans in the 20 to 29 year age group, the seasonally adjusted unemployment rate was 7.1 percent in May 1972, roughly the same as the levels prevailing for more than a year. The gap between the unemployment rate of

veterans and the lower rate of nonveterans has been narrowing since October 1971. For the first 5 months of 1972, the difference averaged 0.9 percentage point, half that for the same period a year earlier.

INDUSTRY PAYROLL EMPLOYMENT

Nonfarm payroll employment totaled 72.5 million in May, seasonally adjusted, an increase of 200,000 from the April level. The number of payroll jobs has been rising steadily since last August, posting a gain of more than 1.9 million over the period.

The May gain was about equally divided between the goods-producing and service-producing sectors of the economy. Within the goods sector, manufacturing employment rose by 90,000, seasonally adjusted; most of the increase occurred in the durable goods sector and was concentrated in the major metal-using industries. At 19.0 million, factory employment was up 500,000 from its August 1971 low but still 1.3 million below its alltime high reached in the summer of 1969.

The number of workers on contract construction payrolls was little changed over the month, after allowance for seasonal variations, and has fluctuated in the narrow range of 3.2 to 3.3 million since May 1970.

In the service-producing sector employment gains were posted in services, State and local government, transportation and public utilities, and finance, insurance, and real estate. Trade employment was little changed in May following a particularly large increase in April.

HOURS OF WORK

The average workweek for all rank-and-file workers on private nonagricultural payrolls did not increase as it usually does in May and, after seasonal adjustment, declined 0.2 hour to 37.0 hours. In manufacturing, the average workweek decreased by 0.3 hour to 40.5 hours, seasonally adjusted, after posting a substantial rise in the previous month. The decline was pervasive throughout the durable and nondurable goods industries.

Overtime hours in manufacturing declined 0.3 hour to 3.3 hours, seasonally adjusted. This return factory overtime to the March level, after it had reached a 2½ year high in April.

HOURLY AND WEEKLY EARNINGS

Average hourly earnings of production or nonsupervisory workers on private nonagricultural payrolls rose 2 cents in May to $3.61. On a seasonally adjusted basis, hourly earnings were up by 1 cent. Compared with a year ago, hourly earnings have risen 20 cents, or 5.9 percent.

Although weekly hours (not seasonally adjusted) were unchanged in May, the gain in hourly earnings raised average weekly earnings to $133.21, up 74 cents from the previous month. However, after seasonal adjustment, average weekly earnings declined by 35 cents.

Compared with May a year ago, average weekly earnings have risen $7.72, or 6.2 percent. During the latest 12-month period for which the Consumer Price Index is available—April 1971 to April 1972—consumer prices rose by 3.4 percent.

HOURLY EARNINGS INDEX

In May, the Bureau's Hourly Earnings Index, seasonally adjusted, was 136.6 (1967=100), 0.3 percent higher than in April, according to preliminary figures. The index was 5.8 percent higher than May a year ago. (See table B–4.) Between May 1971 and May 1972, all industries posted increases, ranging from 4.0 percent in finance, insurance, and real estate to 9.4 percent in transportation and public utilities. During the 12-month period ending in April, the Hourly Earnings Index in dollars of constant purchasing power rose 2.9 percent.

This release presents and analyzes statistics from two major surveys. Data on labor force, total employment, and unemployment are derived from the sample survey of households conducted and tabulated by the Bureau of the Census for the Bureau of Labor Statistics. Statistics on payroll employment, hours, and earnings are collected by State agencies from payroll records of employers and are tabulated by the Bureau of Labor Statistics. A description of the two surveys appears in the BLS publication *Employment and Earnings.*

TABLE A-1. EMPLOYMENT STATUS OF THE NONINSTITUTIONAL POPULATION BY SEX AND AGE

[In thousands]

Employment status, age, and sex	May 1972	April 1972	May 1971	Seasonally adjusted: May 1972	April 1972	March 1972	February 1972	January 1972
TOTAL								
Total labor force	87,986	87,787	85,954	88,905	88,747	88,817	88,075	88,301
Civilian labor force	85,567	85,324	83,104	86,486	86,284	86,313	85,535	85,707
Employed	81,223	80,627	78,709	81,394	81,205	81,241	80,623	80,636
Agriculture	3,531	3,287	3,598	3,353	3,324	3,482	3,357	3,393
Nonagricultural industries	77,692	77,339	75,111	78,041	77,881	77,759	77,266	77,243
On part time for economic reasons	2,113	2,251	2,183	2,421	2,558	2,416	2,303	2,429
Usually work full time	996	1,081	1,102	1,102	1,131	1,155	1,127	1,146
Usually work part time	1,117	1,170	1,081	1,319	1,427	1,261	1,176	1,283
Unemployed	4,344	4,697	4,394	5,092	5,079	5,072	4,912	5,071
MEN, 20 YEARS AND OVER								
Civilian labor force	48,519	48,465	47,684	48,700	48,614	48,582	48,181	48,259
Employed	46,680	46,412	45,780	46,628	46,541	46,569	46,255	46,247
Agriculture	2,500	2,417	2,546	2,404	2,370	2,400	2,394	2,442
Nonagricultural industries	44,180	43,994	43,234	44,224	44,171	44,169	43,861	43,805
Unemployed	1,840	2,054	1,904	2,072	2,073	2,013	1,926	2,012
WOMEN, 20 YEARS AND OVER								
Civilian labor force	29,649	29,539	28,567	29,625	29,508	29,574	29,358	29,424
Employed	28,097	28,029	27,058	27,883	27,913	27,972	27,878	27,794
Agriculture	629	515	608	551	563	620	575	564
Nonagricultural industries	27,469	27,514	26,450	27,332	27,350	27,352	27,303	27,230
Unemployed	1,552	1,509	1,509	1,742	1,595	1,602	1,480	1,630
BOTH SEXES, 16 TO 19 YEARS								
Civilian labor force	7,399	7,320	6,853	8,161	8,162	8,157	7,996	8,024
Employed	6,447	6,186	5,872	6,883	6,751	6,700	6,490	6,595
Agriculture	403	355	444	398	391	462	388	387
Nonagricultural industries	6,044	5,831	5,428	6,485	6,360	6,238	6,102	6,208
Unemployed	952	1,134	981	1,278	1,411	1,457	1,506	1,429

Note: Figures for periods prior to January 1972 in the tables and charts are not strictly comparable with current data because of the introduction of 1970 census data into the estimation procedures. For example, the civilian labor force and employment totals were raised by more than 300,000 as a result of the census adjustment. An explanation of the changes and an indication of the differences appear in "Revisions in the Current Population Survey" in the February 1972 issue of "Employment and Earnings."

TABLE A-2.—FULL- AND PART-TIME STATUS OF THE CIVILIAN LABOR FORCE BY SEX AND AGE

[Numbers in thousands]

Full and part-time employment status, sex, and age	May 1972	May 1971	May 1972	April 1972	March 1972	February 1972	January 1972	May 1972
				Seasonally adjusted				
FULL TIME								
Total, 16 years and over:								
Civilian labor force	72,379	70,601	74,032	73,691	73,714	72,997	73,261	72,163
Employed	68,746	66,968	69,918	69,725	69,734	69,123	69,279	68,052
Unemployed	3,633	3,633	4,114	3,966	3,980	3,874	3,982	4,111
Unemployment rate	5.0	5.1	5.6	5.4	5.4	5.3	5.4	5.7
Men, 20 years and over:								
Civilian labor force	46,067	45,299	46,330	46,199	46,123	45,847	45,892	45,566
Employed	44,352	43,521	44,441	44,330	44,282	44,074	44,061	43,608
Unemployed	1,715	1,778	1,889	1,869	1,841	1,773	1,831	1,958
Unemployment rate	3.7	3.9	4.1	4.0	4.0	3.9	4.0	4.3
Women, 20 years and over:								
Civilian labor force	23,038	22,264	23,292	23,145	23,208	22,921	23,009	22,508
Employed	21,741	21,018	21,828	21,896	21,904	21,691	21,704	21,102
Unemployed	1,297	1,246	1,464	1,249	1,304	1,230	1,305	1,406
Unemployment rate	5.6	5.6	6.3	5.4	5.6	5.4	5.7	6.2
PART TIME								
Total, 16 years and over:								
Civilian labor force	13,188	12,503	12,406	12,466	12,596	12,540	12,595	11,819
Employed	12,477	11,742	11,403	11,369	11,497	11,482	11,476	10,743
Unemployed	711	761	1,003	1,097	1,099	1,058	1,119	1,076
Unemployment rate	5.4	6.1	8.1	8.8	8.7	8.4	8.9	9.1

Note: Persons on part-time schedules for economic reasons are included in the full-time employed category; unemployed persons are allocated by whether seeking full- or part-time work.

TABLE A-3.—MAJOR UNEMPLOYMENT INDICATORS, PERSONS 16 YEARS AND OVER

Selected categories	Thousands of persons unemployed		Seasonally adjusted rates of unemployment					
	May 1972	May 1971	May 1972	April 1972	March 1972	February 1972	January 1972	May 1971
Total (all civilian workers)	4,344	4,394	5.9	5.9	5.9	5.7	5.9	6.1
Men, 20 years and over	1,840	1,904	4.3	4.3	4.1	4.0	4.2	4.5
Women, 20 years and over	1,552	1,509	5.9	5.4	5.4	5.0	5.5	5.9
Both sexes, 16–19 years	952	981	15.7	17.3	17.9	18.8	17.8	17.4
White	3,504	3,589	5.3	5.4	5.3	5.1	5.3	5.6
Negro and other races	840	806	10.7	9.6	10.5	10.5	10.6	10.5
Household heads	1,624	1,673	3.6	3.4	3.4	3.3	3.5	3.8
Married men	1,023	1,149	2.9	2.9	2.8	2.8	3.0	3.2
Full-time workers	3,633	3,633	5.6	5.4	5.4	5.3	5.4	5.7
Part-time workers	711	761	8.1	8.8	8.7	8.4	8.9	9.1
Unemployed 15 weeks and over [1]	1,306	1,310	1.4	1.3	1.4	1.5	1.4	1.4
State insured [2]	1,768	2,030	3.7	3.6	3.5	3.5	3.4	4.2
Labor force time lost [3]			6.3	6.3	6.3	6.1	6.4	6.6
OCCUPATION [4]								
White-collar workers	1,240	1,254	3.6	3.4	3.5	3.3	3.6	3.6
Professional and technical	245	322	2.4	2.3	2.5	2.5	3.1	3.2
Managers and administrators, except farm	110	125	1.5	1.8	1.9	1.7	1.9	1.5
Sales workers	217	230	4.5	3.7	4.1	4.0	4.4	5.1
Clerical workers	667	577	5.3	4.9	4.9	4.7	4.7	4.8
Blue-collar workers	1,836	1,949	6.8	6.8	6.9	7.0	7.1	7.5
Craftsmen and kindred workers	472	398	4.7	4.4	4.0	4.4	4.3	4.3
Operatives	954	1,141	7.1	7.4	7.7	7.5	7.9	8.7
Nonfarm laborers	409	410	10.9	10.7	11.7	11.8	11.6	11.4
Service workers	625	631	6.1	6.3	6.5	5.9	6.1	6.4
Farm workers	51	36	3.0	2.2	1.9	2.7	2.8	2.1

See footnotes at end of table.

TABLE A-3.—MAJOR UNEMPLOYMENT INDICATORS, PERSONS 16 YEARS AND OVER—Continued

Selected categories	Thousands of persons unemployed		Seasonally adjusted rates of unemployment					
	May 1972	May 1971	May 1972	April 1972	March 1972	February 1972	January 1972	May 1971
INDUSTRY [4]								
Nonagricultural private wage and salary workers [5]	3,313	3,453	6.0	5.9	6.1	5.9	6.1	6.4
Construction	412	336	12.5	10.6	9.8	10.3	9.8	11.0
Manufacturing	1,149	1,313	6.0	5.8	6.2	6.0	6.4	6.9
Durable goods	666	786	6.3	5.8	6.3	6.1	6.7	7.3
Nondurable goods	483	527	5.7	5.9	6.1	6.0	6.0	6.4
Transportation and public utilities	151	181	3.5	3.7	4.0	3.9	4.1	4.3
Wholesale and retail trade	864	887	6.3	6.2	6.7	6.2	6.3	6.8
Finance and service industries	722	712	5.0	5.1	5.3	4.9	5.3	5.1
Government workers	308	299	2.9	2.9	2.8	2.8	3.0	3.0
Agricultural wage and salary workers	66	59	8.8	6.0	6.0	8.3	8.6	7.7

[1] Unemployment rate calculated as a percent of civilian labor force.
[2] Insured unemployment under State programs—unemployment rate calculated as a percent of average covered employment. As with the other statistics, insured unemployment data relate to the week containing the 12th.
[3] Man-hours lost by the unemployed and persons on part time for economic reasons as a percent of potentially available labor force man-hours.
[4] Unemploymet by occupation inlcudes all experienced unemployed persons, whereas that by industry covers only unemployed wage and salary workers.
[5] Includes mining, not shown separately.

TABLE A-4.—UNEMPLOYED PERSONS 16 YEARS AND OVER BY DURATION OF UNEMPLOYMENT

[In thousands]

Duration of unemployment	May 1972	May 1971	Seasonally adjusted					
			May 1972	April 1972	March 1972	February 1972	January 1972	May 1971
Less than 5 weeks	1,832	1,850	2,223	2,169	2,311	2,142	2,358	2,245
5 to 14 weeks	1,205	1,235	1,514	1,521	1,412	1,454	1,502	1,552
15 weeks and over	1,306	1,310	1,180	1,137	1,224	1,294	1,198	1,183
15 to 26 weeks	683	768	587	482	591	634	636	667
27 weeks and over	623	542	593	655	633	660	562	516
Average (mean) duration, in weeks	13.8	12.5	12.5	12.4	12.4	12.5	11.8	11.4

TABLE A-5.—UNEMPLOYED PERSONS BY REASON FOR UNEMPLOYMENT

[Numbers in thousands]

Reason for unemployment	May 1972	May 1971	Seasonally adjusted					
			May 1972	April 1972	March 1972	February 1972	January 1972	May 1971
NUMBER OF UNEMPLOYED								
Lost last job	2,021	2,133	2,199	2,040	2,118	2,077	2,169	2,321
Left last job	541	509	649	611	674	603	564	611
Reentered labor force	1,191	1,234	1,460	1,557	1,542	1,503	1,652	1,513
Never worked before	590	519	802	917	737	713	742	705
PERCENT DISTRIBUTION								
Total unemployed	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Lost last job	46.5	48.6	43.0	39.8	41.8	42.4	42.3	45.1
Left last job	12.5	11.6	12.7	11.9	13.3	12.3	11.0	11.9
Reentered labor force	27.4	28.1	28.6	30.4	30.4	30.7	32.2	29.4
Never worked before	13.6	11.8	15.7	17.9	14.5	14.6	14.5	13.7
UNEMPLOYED AS A PERCENT OF THE CIVILIAN LABOR FORCE								
Lost last job	2.4	2.5	2.5	2.4	2.5	2.4	2.5	2.8
Left last job	.6	.6	.8	.7	.8	.7	.7	.7
Reentered labor force	1.4	1.5	1.7	1.8	1.8	1.8	1.9	1.8
Never worked before	.7	.6	.9	1.1	.9	.8	.9	.8

TABLE A-6.—UNEMPLOYED PERSONS BY AGE AND SEX

Age and sex	Thousands of persons		Percent looking for full-time work, May 1972	Seasonally adjusted unemployment rates					
	May 1972	May 1971		May 1972	April 1972	March 1972	February 1972	January 1972	May 1971
Total, 16 years and over	4,344	4,394	83.6	5.9	5.9	5.9	5.7	5.9	6.1
16 to 19 years	952	981	65.1	15.7	17.3	17.9	18.8	17.8	17.4
16 and 17 years	424	454	38.0	16.6	19.1	20.7	22.0	19.1	19.0
18 and 19 years	529	527	86.8	15.8	15.5	15.8	16.7	16.8	17.1
20 to 24 years	1,044	1,067	90.9	9.9	10.0	9.9	8.8	10.1	10.8
25 years and over	2,347	2,346	87.9	3.9	3.8	3.7	3.6	3.7	4.0
25 to 54 years	1,859	1,871	90.0	4.0	3.8	3.9	3.7	3.9	4.1
55 years and over	488	476	80.1	3.6	3.6	3.3	3.1	3.1	3.5
Males, 16 years and over	2,390	2,453	86.3	5.3	5.3	5.3	5.3	5.3	5.5
16 to 19 years	550	550	62.9	16.6	16.7	17.8	19.6	17.3	17.6
16 and 17 years	262	248	37.4	18.0	19.3	21.4	21.8	18.7	17.8
18 and 19 years	288	302	86.5	16.2	14.8	15.1	17.6	16.1	18.3
20 to 24 years	552	592	92.8	9.4	10.7	10.4	9.2	10.4	10.7
25 years and over	1,287	1,312	93.6	3.4	3.3	3.2	3.2	3.2	3.5
25 to 54 years	991	1,006	97.0	3.4	3.2	3.1	3.2	3.3	3.5
55 years and over	296	305	82.1	3.5	3.5	3.4	3.2	3.0	3.5
Females, 16 years and over	1,954	1,941	80.4	6.8	6.8	6.8	6.4	6.9	7.1
16 to 19 years	402	432	68.2	14.6	18.0	17.9	17.9	18.4	17.1
16 and 17 years	162	206	39.5	14.8	19.0	19.8	22.3	19.6	20.5
18 and 19 years	241	225	87.1	15.3	16.4	16.8	15.6	17.7	15.7
20 to 24 years	492	475	88.8	10.6	9.0	9.2	8.4	9.6	10.8
25 years and over	1,060	1,034	81.1	4.8	4.6	4.7	4.3	4.6	4.8
25 to 54 years	868	833	81.9	5.0	4.9	5.1	4.7	4.9	5.2
55 years and over	191	171	78.0	3.8	3.6	3.1	2.9	3.3	3.4

TABLE A-7.—EMPLOYMENT STATUS OF MALE VIETNAM ERA VETERANS AND NONVETERANS 20 TO 29 YEARS OLD

[Numbers in thousands]

Employment status	May 1972	Apr. 1972	May 1971	Seasonally adjusted					
				May 1972	Apr. 1972	Mar. 1972	Feb. 1972	Jan. 1972	May 1971
VETERANS [1]									
Total, 20 to 29 years old:									
Civilian noninstitutional population	4,519	4,498	3,983	(2)	(2)	(2)	(2)	(2)	(2)
Civilian labor force	4,166	4,127	3,608	4,196	4,161	4,137	4,100	3,990	3,637
Employed	3,854	3,783	3,297	3,858	3,804	3,783	3,798	3,649	3,300
Unemployed	312	344	311	338	357	354	302	341	337
Unemployment rate	7.5	8.3	8.6	8.1	8.6	8.6	7.4	8.5	9.3
20 to 24 years:									
Civilian noninstitutional population	1,970	1,987	1,948	(2)	(2)	(2)	(2)	(2)	(2)
Civilian labor force	1,783	1,788	1,704	1,792	1,810	1,817	1,842	1,745	1,717
Employed	1,613	1,573	1,495	1,608	1,581	1,594	1,663	1,530	1,491
Unemployed	170	215	209	184	229	223	179	215	226
Unemployment rate	9.5	12.0	12.3	10.3	12.7	12.3	9.7	12.3	13.2
25 to 29 years:									
Civilian noninstitutional population	2,549	2,511	2,035	(2)	(2)	(2)	(2)	(2)	(2)
Civilian labor force	2,383	2,339	1,904	2,404	2,351	2,320	2,258	2,245	1,920
Employed	2,241	2,210	1,802	2,250	2,223	2,189	2,135	2,119	1,809
Unemployed	142	129	102	154	128	131	123	126	111
Unemployment rate	6.0	5.5	5.4	6.4	5.4	5.6	5.4	5.6	5.8
NONVETERANS									
Total, 20 to 29 years old:									
Civilian noninstitutional population	9,914	9,840	9,317	(2)	(2)	(2)	(2)	(2)	(2)
Civilian labor force	8,374	8,361	7,944	8,555	8,527	8,513	8,368	8,425	8,115
Employed	7,847	7,758	7,420	7,949	7,875	7,873	7,783	7,793	7,513
Unemployed	527	603	524	606	652	640	585	632	602
Unemployment rate	6.3	7.2	6.6	7.1	7.6	7.5	7.0	7.5	7.4
20 to 24 years:									
Civilian noninstitutional population	5,958	5,918	5,450	(2)	(2)	(2)	(2)	(2)	(2)
Civilian labor force	4,642	4,640	4,294	4,808	4,813	4,843	4,665	4,751	4,451
Employed	4,260	4,211	3,912	4,369	4,332	4,352	4,244	4,284	4,012
Unemployed	382	429	382	439	481	491	421	467	439
Unemployment rate	8.2	9.2	8.9	9.1	10.0	10.1	9.0	9.8	9.9
25 to 29 years:									
Civilian noninstitutional population	3,956	3,922	3,867	(2)	(2)	(2)	(2)	(2)	(2)
Civilian labor force	3,732	3,721	3,650	3,747	3,714	3,670	3,703	3,674	3,664
Employed	3,587	3,547	3,508	3,580	3,543	3,521	3,539	3,509	3,501
Unemployed	145	174	142	167	171	149	164	165	163
Unemployment rate	3.9	4.7	3.9	4.5	4.6	4.1	4.4	4.5	4.4

[1] Vietnam era veterans are those who served after Aug. 4, 1964; they are all classified as war veterans. 80 percent of the Vietnam era veterans of all ages are 20 to 29 years old. Post-Korean-peacetime veterans 20 to 29 years old are not included in this table.

[2] Not applicable.

TABLE B-1.—EMPLOYEES ON NONAGRICULTURAL PAYROLLS, BY INDUSTRY

[In thousands]

Industry	May 1972 [1]	April 1972 [1]	March 1972	May 1971	Change from April 1972	Change from May 1971	Seasonally adjusted: May 1972 [1]	Seasonally adjusted: April 1972 [1]	Seasonally adjusted: March 1972	Seasonally adjusted: Change from April 1972
Total	72,451	71,934	71,374	70,738	517	1,713	72,475	72,269	72,030	206
Goods-producing	22,664	22,444	22,226	22,441	220	223	22,822	22,723	22,662	99
Mining	603	598	599	622	5	−19	603	604	613	−1
Contract construction	3,250	3,135	2,974	3,265	115	−15	3,260	3,252	3,272	8
Manufacturing	18,811	18,711	18,653	18,554	100	257	18,959	18,867	18,777	92
Production workers	13,711	13,627	13,572	13,441	84	270	13,841	13,770	13,677	71
Durable goods	10,797	10,729	10,671	10,607	68	190	10,841	10,766	10,696	75
Production workers	7,838	7,779	7,723	7,634	59	204	7,873	7,813	7,741	60
Ordnance and accessories	185.7	182.9	182.9	194.2	2.8	−8.5	187	183	602	3
Lumber and wood products	596.4	590.7	591.8	566.9	5.7	29.5	599	602	604	−3
Furniture and fixtures	484.4	482.0	481.2	451.3	2.4	33.1	490	486	484	4
Stone, clay, and glass products	655.5	641.1	631.3	630.1	14.4	25.4	658	646	645	12
Primary metal industries	1,229.6	1,223.8	1,214.0	1,278.8	5.8	−49.2	1,223	1,220	1,213	3
Fabricated metal products	1,367.1	1,354.4	1,349.0	1,328.5	12.7	38.6	1,378	1,364	1,356	14
Machinery, except electrical	1,826.4	1,814.4	1,808.2	1,784.3	12.0	42.1	1,825	1,802	1,792	23
Electrical equipment	1,819.3	1,810.9	1,806.9	1,775.5	8.4	43.8	1,838	1,827	1,812	11

Transportation equipment	1,774.0	1,772.0	1,754.8	1,764.0	2.0	10.0	1,778	1,768	1,743	10
Instruments and related products	441.2	440.3	438.1	427.6	.9	13.6	443	441	439	2
Miscellaneous manufacturing	417.5	416.8	412.7	406.2	.7	11.3	422	426	425	—4
Nondurable goods	8,014	7,982	7,982	7,947	32	67	8,118	8,101	8,081	17
Production workers	5,873	5,848	5,849	5,807	25	66	5,968	5,957	5,936	11
Food and kindred products	1,690.1	1,672.8	1,676.1	1,693.2	17.3	—3.1	1,755	1,752	1,757	3
Tobacco manufacturers	64.9	65.9	67.2	68.4	—1.0	—3.5	74	75	73	—1
Textile mill products	989.3	986.0	985.0	958.5	3.3	30.8	994	989	988	5
Apparel and other textile products	1,362.9	1,365.2	1,371.5	1,369.8	—2.3	—6.9	1,366	1,376	1,365	—10
Paper and allied products	694.2	690.5	687.1	675.3	3.7	18.9	701	697	692	4
Printing and publishing	1,089.6	1,091.3	1,091.5	1,085.1	—1.7	4.5	1,095	1,092	1,092	3
Chemicals and allied products	1,001.1	1,001.1	999.6	1,020.4	0	—19.3	1,004	1,000	1,002	4
Petroleum and coal products	188.5	187.5	186.8	189.8	1.0	—1.3	189	190	191	—1
Rubber and plastic products, not elsewhere classified	621.2	614.1	608.8	577.7	7.1	43.5	626	618	612	8
Leather and leather products	311.7	307.9	308.2	308.8	3.8	2.9	314	312	309	2
Service-producing	49,787	49,490	49,148	48,297	297	1,490	49,653	49,546	49,368	107
Transportation and public utilities	4,518	4,486	4,482	4,500	32	18	4,536	4,522	4,536	14
Wholesale and retail trade	15,538	15,449	15,274	15,071	89	467	15,617	15,636	15,518	—19
Wholesale trade	3,913	3,904	3,894	3,823	9	90	3,957	3,953	3,941	6
Retail trade	11,625	11,545	11,380	11,248	80	377	11,660	11,685	11,577	—25
Finance, insurance, and real estate	3,910	3,887	3,867	3,780	23	130	3,918	3,899	3,890	19
Services	12,384	12,276	12,131	11,953	108	431	12,286	12,251	12,217	35
Government	13,437	13,392	13,394	12,993	45	444	13,296	13,238	13,207	58
Federal	2,660	2,664	2,656	2,659	—4	1	2,668	2,669	2,669	—1
State and local	10,777	10,728	10,738	10,334	49	443	10,628	10,569	10,538	59

[1] Preliminary.

TABLE B-2.—AVERAGE WEEKLY HOURS OF PRODUCTION OR NONSUPERVISORY WORKERS[1] ON PRIVATE NONAGRICULTURAL PAYROLLS, BY INDUSTRY

Industry	May 1972	April 1972	March 1972	May 1971	Change from April 1972	Change from May 1971	Seasonally adjusted May 1972	Seasonally adjusted April 1972	Seasonally adjusted March 1972	Seasonally adjusted Change from April 1972
Total private	36.9	36.9	36.9	36.8	0.0	0.1	37.0	37.2	37.1	−0.2
Mining	42.2	42.4	42.2	42.4	−.2	−.2	42.2	42.3	42.9	−.1
Contract construction	36.7	36.7	36.8	37.0	0	−.3	36.5	36.8	37.5	−.3
Manufacturing	40.5	40.5	40.3	40.0	0	.5	40.5	40.8	40.4	−.3
Overtime hours	3.2	3.3	3.1	2.9	−.1	.3	3.3	3.6	3.3	−.3
Durable goods	41.2	41.2	41.0	40.5	0	.7	41.2	41.5	41.0	−.3
Overtime hours	3.3	3.3	3.2	2.8	0	.5	3.4	3.6	3.3	−.2
Ordnance and accessories	42.2	42.3	42.2	41.5	−.1	.7	42.2	42.5	42.3	−.3
Lumber and wood products	41.2	41.1	40.9	40.2	.1	1.0	40.8	41.1	40.9	−.3
Furniture and fixtures	40.0	40.1	40.2	39.5	−.1	.5	40.4	40.7	40.5	−.3
Stone, clay, and glass products	41.9	41.9	41.8	41.6	0	.3	41.7	41.9	42.2	−.2
Primary metal industries	41.5	41.6	41.3	41.1	−.1	.4	41.4	41.5	41.3	−.1
Fabricated metal products	41.1	41.0	40.6	40.7	.1	.4	41.1	41.3	40.8	−.2
Machinery, except electrical	41.5	41.8	41.7	40.5	−.3	1.0	41.5	41.8	41.4	−.3
Electrical equipment	40.2	40.4	40.3	39.8	−.2	.4	40.3	40.8	40.3	−.5
Transportation equipment	42.4	42.0	41.7	41.2	.4	1.2	42.3	42.9	42.1	−.6
Instruments and related products	40.9	40.5	40.3	39.8	.4	1.1	41.1	40.7	40.3	.4
Miscellaneous manufacturing	39.1	39.5	39.3	38.8	−.4	.3	39.2	39.6	39.3	−.4
Nondurable goods	39.4	39.5	39.4	39.2	−.1	.2	39.6	39.9	39.6	−.3
Overtime hours	3.0	3.2	3.1	2.9	−.2	.1	3.1	3.4	3.3	−.3
Food and kindred products	40.3	40.1	40.0	40.3	.2	0	40.5	40.8	40.6	−.3
Tobacco manufactures	33.5	33.1	33.3	37.9	.4	−4.4	33.9	33.8	34.4	.1
Textile mill products	40.9	41.3	41.3	40.6	−.4	.3	41.1	41.7	41.4	−.6
Apparel and other textile products	35.7	35.9	36.0	35.5	−.2	.2	35.7	36.0	35.8	−.3
Paper and allied products	42.4	42.6	42.4	42.0	−.2	.4	42.5	43.0	42.7	−.5
Printing and publishing	37.6	37.8	37.6	37.6	−.2	0	37.7	38.0	37.6	−.3
Chemicals and allied products	41.6	41.9	41.8	41.5	−.3	.1	41.6	41.7	41.8	−.1
Petroleum and coal products	42.1	42.8	41.6	42.5	−.7	−.4	41.4	42.2	41.7	−.8
Rubber and plastics products, not elsewhere classified	41.2	41.0	40.8	40.3	.2	.9	41.3	41.4	41.2	−.1
Leather and leather products	38.6	38.0	37.9	37.8	.6	.8	38.6	39.1	38.2	−.5
Transportation and public utilities	40.3	40.2	40.2	39.8	.1	.5	40.5	40.6	40.6	−.1
Wholesale and retail trade	34.9	34.8	34.8	34.8	.1	.1	35.2	35.2	35.1	0
Wholesale trade	39.9	39.8	39.8	39.6	.1	.3	40.1	40.0	39.9	.1
Retail trade	33.4	33.3	33.2	33.3	.1	.1	33.8	33.7	33.6	.1
Finance, insurance, and real estate	37.0	37.0	37.1	36.9	0	.1	37.1	37.0	37.1	.1
Services	33.8	33.9	34.0	33.9	−.1	−.1	34.0	34.0	34.0	0

[1] Data relate to production workers in mining and manufacturing; to construction workers in contract construction; and to nonsupervisory workers in transportation and public utilities; wholesale and retail trade; finance, insurance, and real estate; and services. These groups account for approximately four-fifths of the total employment on private nonagricultural payrolls.

[2] Preliminary.

TABLE B-3.—AVERAGE HOURLY AND WEEKLY EARNINGS OF PRODUCTION OR NONSUPERVISORY WORKERS[1] ON PRIVATE NONAGRICULTURAL PAYROLLS, BY INDUSTRY

Industry	Average hourly earnings						Average weekly earnings					
					Change from—						Change from—	
	May 1972[2]	April 1972[2]	March 1972	May 1971	April 1972	May 1971	May 1972[2]	April 1972[2]	March 1972	May 1971	April 1972	May 1971
Total private	$3.61	$3.59	$3.57	$3.41	$0.02	$0.20	$133.21	$132.47	$131.73	$125.49	$0.74	$7.72
Seasonally adjusted	3.61	3.60	3.58	3.41	.01	.20	133.57	133.92	132.82	125.83	−.35	7.74
Mining	4.35	4.34	4.30	4.04	.01	.31	183.57	184.02	181.46	171.30	−.45	12.27
Contract construction	6.03	6.00	5.97	5.65	.03	.38	221.30	220.20	219.70	209.05	1.10	12.25
Manufacturing	3.78	3.77	3.74	3.55	.01	.23	153.09	152.69	150.72	142.00	.40	11.09
Durable goods	4.03	4.01	3.99	3.78	.02	.25	166.04	165.21	163.59	153.09	.83	12.95
Ordnance and accessories	4.08	4.05	4.02	3.81	.03	.27	172.18	171.32	169.64	158.12	.86	14.06
Lumber and wood products	3.28	3.24	3.22	3.12	.04	.16	135.14	133.16	131.70	125.42	1.98	9.72
Furniture and fixtures	3.02	3.02	3.01	2.88	0	.14	120.80	121.10	121.00	113.76	−.30	7.04
Stone, clay, and glass products	3.87	3.84	3.82	3.63	.03	.24	162.15	160.90	159.68	151.01	1.25	11.14
Primary metal industries	4.64	4.60	4.57	4.15	.04	.49	192.56	191.36	188.74	170.57	1.20	21.99
Fabricated metal products	3.96	3.95	3.92	3.74	.01	.22	162.76	161.95	159.15	152.22	.81	10.54
Machinery, except electrical	4.24	4.23	4.21	3.97	.01	.27	175.96	176.81	175.56	160.79	−.85	15.17
Electrical equipment	3.66	3.64	3.63	3.49	.02	.17	147.13	147.06	146.29	138.90	.07	8.23
Transportation equipment	4.73	4.71	4.67	4.43	.02	.30	200.55	197.82	194.74	182.52	2.73	18.03
Instruments and related products	3.74	3.71	3.70	3.52	.03	.22	152.97	150.26	149.11	140.10	2.71	12.87
Miscellaneous manufacturing	3.08	3.08	3.06	2.94	0	.14	120.43	121.66	120.26	114.07	−1.23	6.36
Nondurable goods	3.43	3.43	3.41	3.24	0	.19	135.14	135.49	134.35	127.01	−.35	8.13
Food and kindred products	3.59	3.58	3.56	3.38	.01	.21	144.68	143.56	142.40	136.21	1.12	8.47
Tobacco manufactures	3.46	3.45	3.39	3.30	.01	.16	115.91	114.20	112.89	125.07	1.71	−9.16
Textile mill products	2.71	2.72	2.71	2.56	−.01	.15	110.84	112.34	111.92	103.94	−1.50	6.90
Apparel and other textile products	2.57	2.58	2.57	2.47	−.01	.10	91.75	92.62	92.52	87.69	−.87	4.06
Paper and allied products	3.86	3.85	3.84	3.62	0.1	2.4	163.66	164.01	162.82	152.04	−.35	11.62
Printing and publishing	4.46	4.43	4.39	4.18	.03	.28	167.70	167.45	165.06	157.17	.25	10.53
Chemicals and allied products	4.13	4.12	4.11	3.90	.01	.23	171.81	172.63	171.80	161.85	−.82	9.96
Petroleum and coal products	4.93	4.95	4.88	4.58	−.02	.35	207.55	211.86	203.01	194.65	−4.31	12.90
Rubber and plastics products, not elsewhere classified	3.57	3.56	3.54	3.38	.01	.19	147.08	145.96	144.43	136.21	1.12	10.87
Leather and leather products	2.71	2.70	2.70	2.58	.01	.13	104.61	102.60	102.33	97.52	2.01	7.09
Transportation and public utilities	4.53	4.52	4.50	4.13	.01	.40	182.56	181.70	180.90	164.37	.86	18.19
Wholesale and retail trade	3.00	3.00	2.99	2.87	0	.13	104.70	104.40	104.05	99.88	.30	4.82
Wholesale trade	3.85	3.85	3.83	3.67	0	.18	153.62	153.23	152.43	145.33	3.9	8.29
Retail trade	2.68	2.68	2.67	2.57	0	.11	89.51	89.24	88.64	85.58	.27	3.93
Finance, insurance, and real estate	3.43	3.43	3.41	3.30	0	.13	126.91	126.91	126.51	121.77	0	5.14
Services	3.12	3.12	3.11	2.98	0	.14	105.46	105.77	105.74	101.02	−.31	4.44

[1] See footnote 1, table B-2.

[2] Preliminary.

TABLE B-4.—HOURLY EARNINGS INDEX FOR PRODUCTION OR NONSUPERVISORY WORKERS IN PRIVATE NONFARM INDUSTRIES, SEASONALLY ADJUSTED, 1967=100

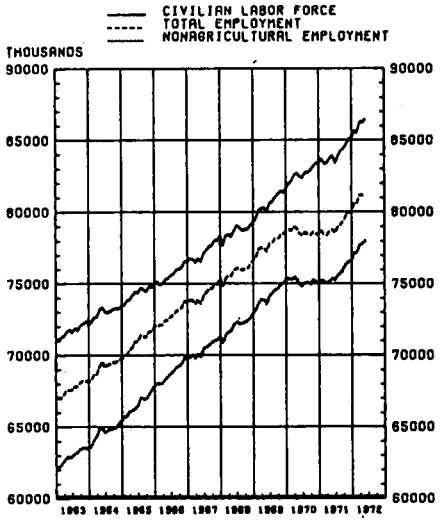
Industry	May 1972[1]	April 1972[1]	March 1972	February 1972	January 1972	December 1971	May 1971	Percent change over month and year: April 1972–May 1972	Percent change over month and year: May 1971–May 1972
Total private nonfarm:									
Current dollars	136.6	136.2	135.5	134.7	134.5	133.5	129.1	0.3	5.8
Constant (1967) dollars	[2]	109.6	109.2	108.6	109.0	108.5	106.9	[3]	[4]
Mining	135.5	135.4	134.6	134.0	134.1	132.8	126.4	[5]	7.2
Contract construction	146.4	146.2	145.0	144.2	144.1	142.7	137.4	.2	6.5
Manufacturing	134.8	133.8	133.4	132.8	132.3	131.6	126.9	.7	6.3
Transportation and public utilities	140.7	140.4	140.0	138.1	137.6	136.2	128.6	.2	9.4
Wholesale and retail trade	133.7	133.8	133.0	132.3	132.6	131.8	127.9	−.1	4.5
Finance, insurance, and real estate	132.4	132.6	131.0	130.0	130.8	129.4	127.3	−.2	4.0
Services	136.4	136.3	135.4	134.8	134.8	133.1	131.0	.1	4.2

[1] Preliminary.
[2] Indicates data are not available.
[3] Percent change was 0.4 from March 1972 to April 1972, the latest month available.
[4] Percent change was 2.9 from April 1971 to April 1972, the latest month available.
[5] Less than 0.05 percent.

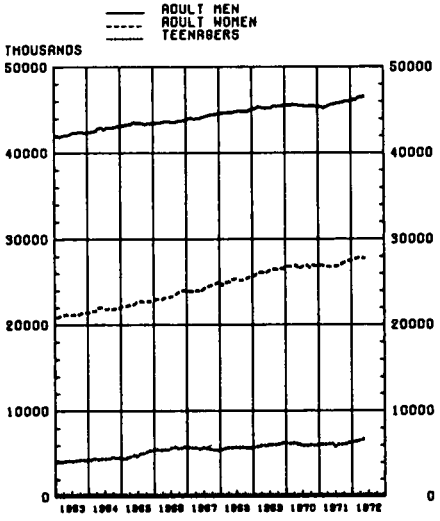
Note: All series are in current dollars except where indicated. The index excludes effects of 2 types of changes that are unrelated to underlying wage-rate developments: Fluctuations in overtime premiums in manufacturing (the only sector for which overtime data are available) and the effects of changes in the proportion of workers in high-wage and low-wage industries. The seasonal adjustment eliminates the effect of changes that normally occur at the same time and in about the same magnitude each year.

LABOR FORCE, EMPLOYMENT, UNEMPLOYMENT
HOUSEHOLD DATA - SEASONALLY ADJUSTED

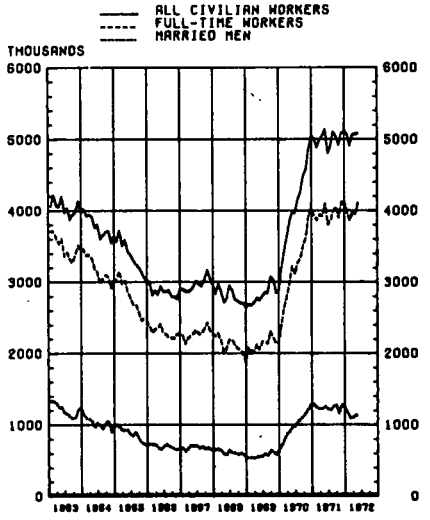
1. LABOR FORCE AND EMPLOYMENT



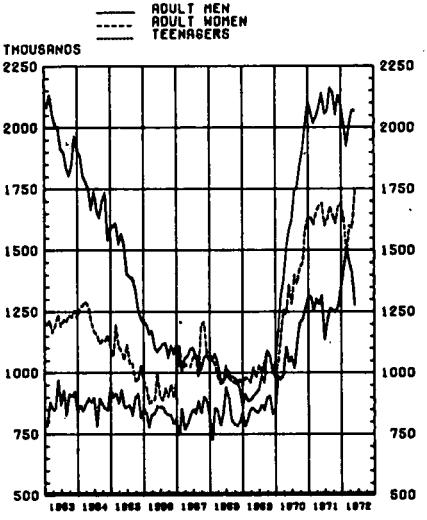
2. TOTAL EMPLOYMENT



3. UNEMPLOYMENT

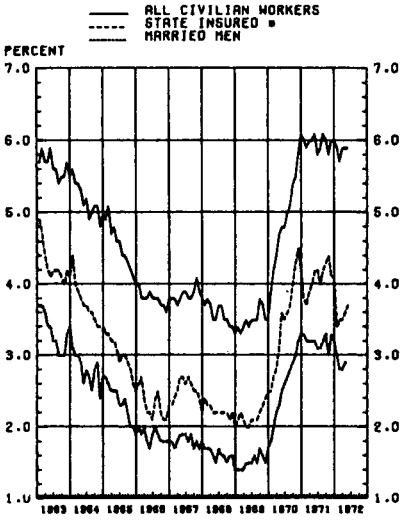


4. UNEMPLOYMENT

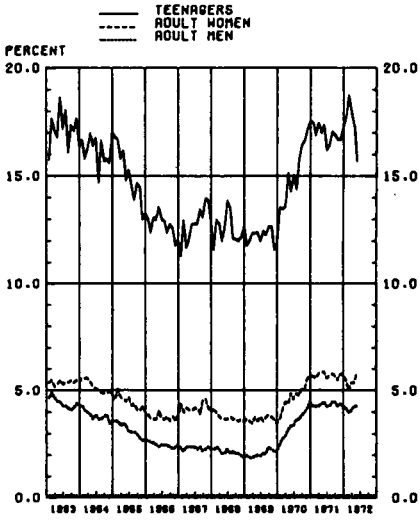


UNEMPLOYMENT RATES
HOUSEHOLD DATA - SEASONALLY ADJUSTED

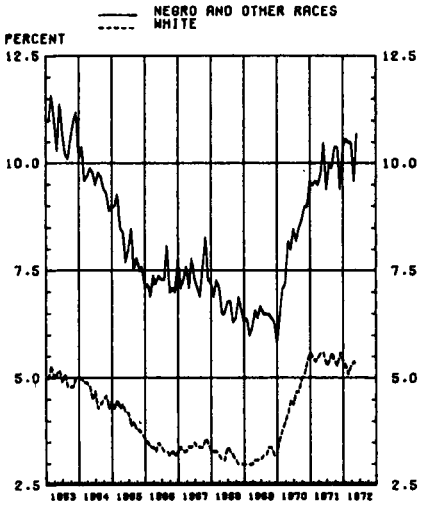
5. UNEMPLOYMENT RATES



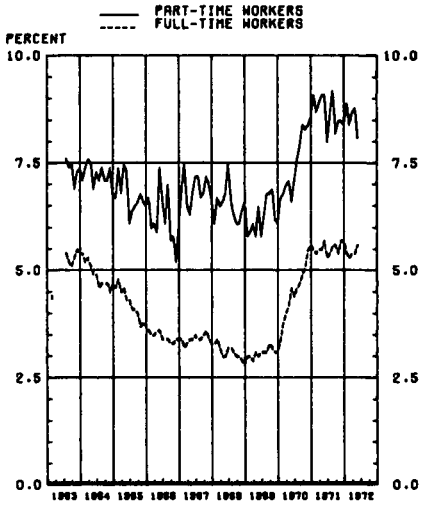
6. UNEMPLOYMENT RATES



7. UNEMPLOYMENT RATES



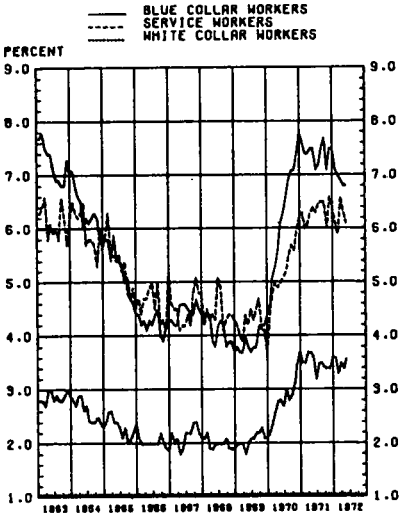
8. UNEMPLOYMENT RATES



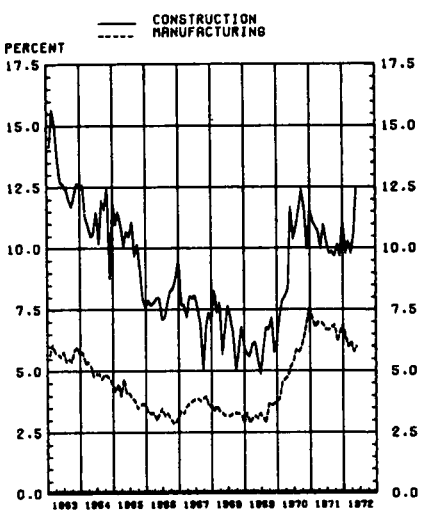
* State insured unemployment rate pertains to the week including the 12th of the month and represents the insured unemployed under State programs as a percent of average covered employment. The figures are derived from administrative records of unemployment insurance systems.

UNEMPLOYMENT
HOUSEHOLD DATA - SEASONALLY ADJUSTED

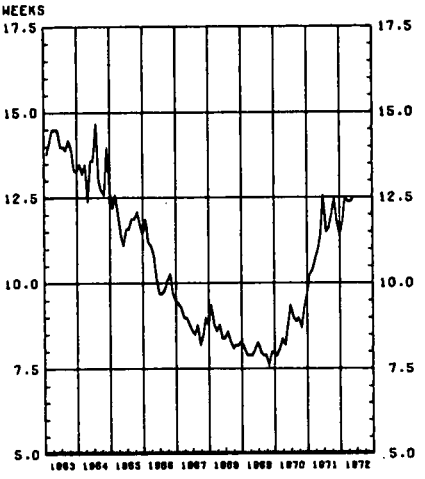
9. UNEMPLOYMENT RATES



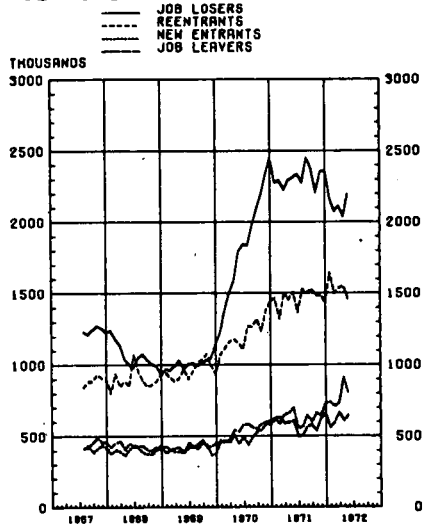
10. UNEMPLOYMENT RATES



11. AVERAGE DURATION OF UNEMPLOYMENT

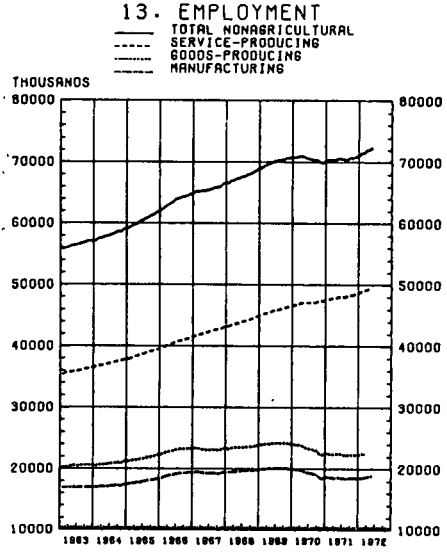


12. UNEMPLOYMENT BY REASON

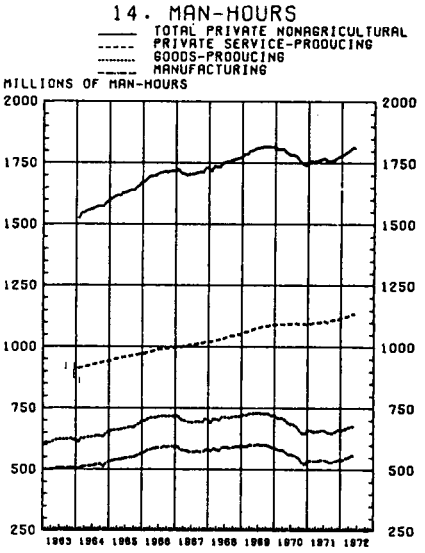


NONAGRICULTURAL EMPLOYMENT AND HOURS
ESTABLISHMENT DATA - SEASONALLY ADJUSTED

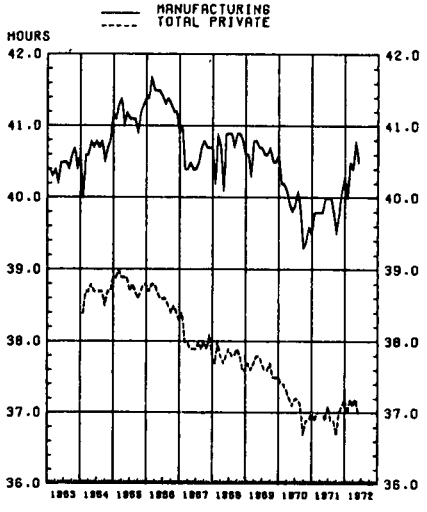
13. EMPLOYMENT



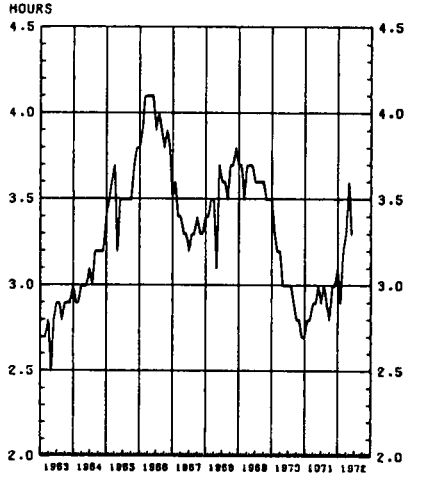
14. MAN-HOURS



15. AVERAGE WEEKLY HOURS



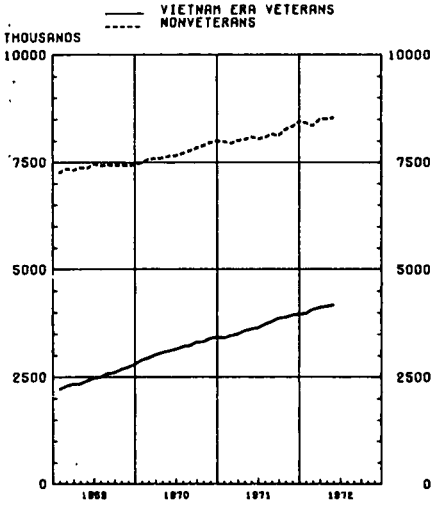
16. AVERAGE WEEKLY OVERTIME HOURS IN MANUFACTURING



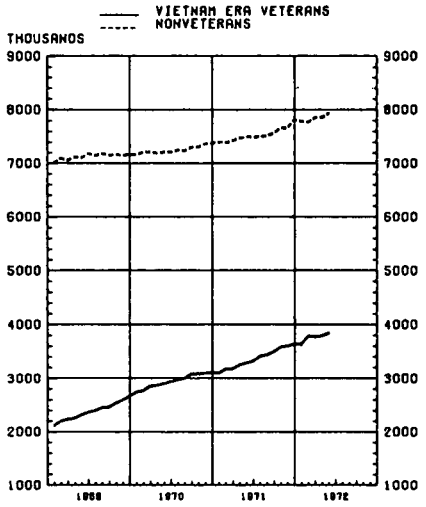
NOTE: Charts 14 and 15 relate to production or nonsupervisory workers; chart 16 relates to production workers. Data for the 2 most recent months are preliminary in charts 13-16.

VETERANS AND NONVETERANS, 20-29 YEARS
HOUSEHOLD DATA - SEASONALLY ADJUSTED

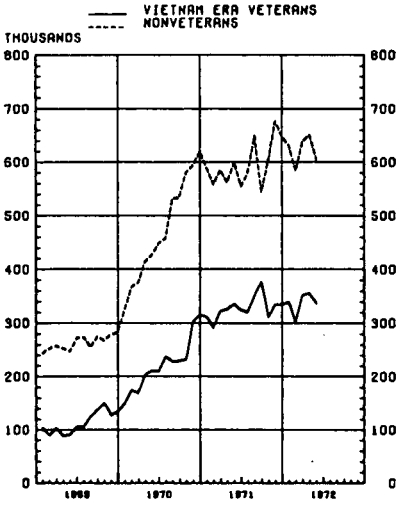
17. CIVILIAN LABOR FORCE



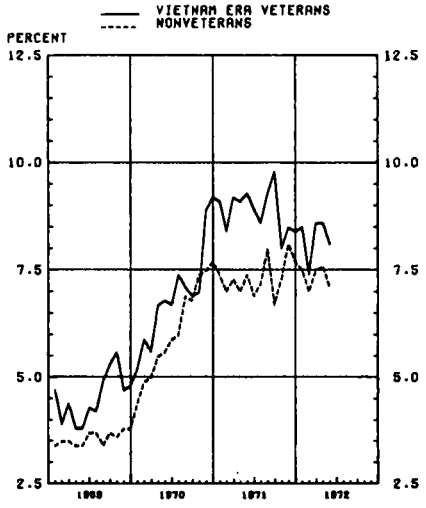
18. EMPLOYED



19. UNEMPLOYED



20. UNEMPLOYMENT RATE



[Bureau of Labor Statistics, Department of Labor, Press Release No. 72-343, June 2, 1972]

JOB VACANCIES, HIRES, QUITS, AND LAYOFFS IN MANUFACTURING: APRIL 1972

Factory layoffs declined further in April to a level matching the lowest point of the post-Korean War period, the U.S. Department of Labor reported today. New hires remained at the highest level in over two years, and the number of job vacancies rose for the fourth consecutive month.

HIRES, QUITS, AND LAYOFFS

Total accessions to manufacturing payrolls, which include new hires, recalls, and transfers from other establishments within the same company, remained unchanged in April at 45 per 1,000 workers, seasonally adjusted, their highest point since December 1969.

New hires did not change between March and April, remaining at 31 per 1,000 workers, seasonally adjusted, the highest level since February 1970.

Layoffs in manufacturing declined by 2 per 1,000 workers in April to 10 per 1,000, seasonally adjusted, returning to their April 1969 level, the lowest since the Korean War period. The April layoff rate was 5 per 1,000 workers below the rate of a year ago.

The factory quit rate, which partially reflects worker assessment of the availability of job opportunities, remained essentially unchanged in April at 21 per 1,000 workers, seasonally adajusted, after having registered a significant upward trend over the previous 5 months.

JOB VACANCIES

Job vacancies in manufacturing totaled 125,000 (not seasonally adjusted) at the end of April, an increase of 14,000 over the revised March level. This was the highest job vacancy level since August 1970, although still substantially below the levels of early 1970. The vacancy rate edged up from 6 to 7 per 1,000 factory jobs in April, also reaching its highest point since August 1970. Increases in vacancies were evident among most major industries in the durable and nondurable goods sectors.

The rate of long-term vacancies in manufacturing (vacancies that have remained unfilled for 30 days or more) was unchanged in April at 2 per 1,000 jobs. The long-term vacancy rate has been either 1 or 2 per 1,000 since June 1970. The ratio of long-term to total vacancies, at 26 percent in April, was about the same as in March but slightly below the 30-percent level of April a year ago.

Data on manufacturing job vacancies by occupation for 16 metropolitan areas, which combined represent about one-fifth of total manufacturing employment, indicated that 36 percent of all occupational vacancies in February 1972 (latest month available) were in white-collar occupations and 64 percent in blue-collar and service occupations. Nearly all of the white-collar openings were in the professional and technical and clerical fields, while over three-fourths of the blue-collar openings were in machine trades, benchwork, and structural work occupations. The proportion of job vacancies increased over the year in the professional and technical and machine trades occupations and decreased in clerical and benchwork occupations.

Technical Note

Total accessions, new hires, total separations, quits, and layoffs reflect the gross movement of wage and salary workers into and out of employment in individual establishments over the entire calendar month and are expressed as a rate per 100 employees. Job vcancies are the stock of unfilled job openings for which firms are actively trying to recruit new workers as of the close of the last business day of the reference month. The job vacancy rate is computed by dividing the number of job vacancies by the sum of employment and vacancies and multiplying the quotient by 100.

New hires and other labor turnover rates for the manufacturing total are available on both an actual and seasonally adjusted basis. Job vacancy data are not seasonally adjusted, as insufficient years of data are available to permit seasonal adjustment.

Labor turnover and job vacancy data are developed in a cooperative Federal-State program by the Department of Labor's Manpower Administration and Bureau of Labor Statistics with State employment security agencies. Summary data for the areas in the survey are compiled and published monthly in *Employment and Earnings*. In addition, cooperating State employment security agencies issue periodic releases on the labor turnover and job vacancy picture in the areas covered. Additional information on the concepts, methodology, and other technical aspects of the labor turnover-job vacancy programs is also contained in the technical note of *Employment and Earnings*.

TABLE 1.—JOB VACANCIES, HIRES, QUITS, AND LAYOFFS IN MANUFACTURING

Category	1972				1971									
	April[1]	March	February	January	December	November	October	September	August	July	June	May	April	March
SEASONALLY ADJUSTED														
Hires, quits, and layoffs:[2]														
Total accession rate	4.5	4.5	4.5	4.4	3.9	4.1	3.6	3.9	4.2	3.7	3.7	3.8	4.0	3.9
New hire rate	3.1	3.1	3.0	2.9	2.9	2.7	2.4	2.5	2.8	2.5	2.4	2.5	2.5	2.5
Total separation rate	4.0	4.2	4.1	4.2	4.4	4.1	4.0	3.9	4.5	4.4	4.1	4.0	4.3	4.1
Quit rate	2.1	2.2	2.1	2.0	1.9	1.9	1.7	1.7	1.9	1.8	1.9	1.8	1.7	1.7
Layoff rate	1.0	1.2	1.2	1.3	1.4	1.4	1.4	1.7	1.9	1.5	1.5	1.5	1.6	1.5
NOT SEASONALLY ADJUSTED														
Hires, quits, and layoffs:														
Total accession rate	4.1	4.0	3.7	4.1	2.5	3.3	3.8	4.8	5.3	4.0	4.9	3.9	3.7	3.5
New hire rate	2.8	2.7	2.4	2.5	1.6	2.2	2.7	3.3	3.4	2.7	3.5	2.6	2.3	2.2
Total separation rate	3.7	3.8	3.5	4.0	3.8	3.7	4.3	5.3	5.5	4.8	3.8	3.7	4.0	3.7
Quit rate	2.0	1.9	1.6	1.7	1.2	1.5	1.9	2.9	2.8	1.8	1.8	1.7	1.6	1.5
Layoff rate	.9	1.1	1.1	1.4	1.8	1.5	1.5	1.5	1.8	2.1	1.2	1.2	1.4	1.4
Job vacancies:														
Total vacancies (thousands)	215	111	97	90	78	79	90	98	106	90	90	94	93	83
Job vacancy rate[3]	.7	.6	.5	.5	.4	.4	.5	.5	.6	.5	.5	.5	.5	.4
Long-term vacancies (thousands)	33	30	27	25	26	25	28	28	28	28	26	27	28	27
Long-term vacancy rate[4]	.2	.2	.1	.1	.1	.1	.1	.1	.2	.1	.1	.1	.2	.1

[1] Preliminary.
[2] Total during the month per 100 employees.
[3] Computed by dividing the number of job vacancies at the end of the month by the sum of employment and all job vacancies and multiplying the quotient by 100.
[4] Computed by dividing the number of long-term job vacancies at the end of the month by the sum of employment and all job vacancies and multiplying the quotient by 100. Long-term vacancies are those that have remained unfilled 30 days or more.

TABLE 2.—HIRING, LAYOFF, AND QUIT RATES IN MANUFACTURING, BY MAJOR INDUSTRY GROUP[1]

[Per 100 employees]

Major industry group	Accession rates						Separation rates								
	Total			New hires			Total			Quits			Layoffs		
	April 1972[2]	March 1972	April 1971	April 1972[2]	March 1972	April 1971	April 1972[2]	March 1972	April 1971	April 1972[2]	March 1972	April 1971	April 1972[2]	March 1972	April 1971
Manufacturing	4.1	4.0	3.7	2.8	2.7	2.3	3.7	3.8	4.0	2.0	1.9	1.6	0.9	1.1	1.4
Seasonally adjusted	4.5	4.5	4.0	3.1	3.1	2.5	4.0	4.2	4.3	2.1	2.2	1.7	1.0	1.2	1.6
Durable goods	3.9	3.8	3.4	2.6	2.5	2.0	3.3	3.4	3.7	1.7	1.6	1.3	.8	.9	1.4
Ordnance and accessories	NA	1.9	1.6	NA	1.0	.7	NA	2.0	3.7	NA	.8	.7	NA	.8	2.0
Lumber and wood products	6.1	6.0	5.9	4.9	4.8	4.5	5.5	5.7	4.8	3.7	3.5	2.9	.8	1.1	1.0
Furniture and fixtures	5.9	5.8	4.9	5.2	5.0	3.8	5.8	5.6	4.8	3.9	3.7	2.9	.6	.7	.9
Stone, clay, and glass products	5.3	4.5	4.9	3.7	3.1	3.2	3.5	3.8	3.6	2.0	1.9	1.8	.7	.9	1.0
Primary metal industries	3.4	3.7	2.9	1.7	1.5	1.8	2.4	2.5	2.6	1.0	.9	1.0	.6	.7	.6
Fabricated metal products	NA	4.0	3.8	NA	2.8	2.2	NA	3.9	4.0	NA	1.8	1.5	NA	1.2	1.6
Machinery, except electrical	2.9	2.9	2.2	2.1	2.1	1.2	2.5	2.6	3.1	1.2	1.2	.9	.6	.7	1.4
Electrical equipment	NA	3.1	2.6	NA	2.1	1.3	NA	3.1	3.3	NA	1.4	1.2	NA	.7	1.2
Transportation equipment	NA	3.6	3.3	NA	2.1	1.6	NA	3.3	4.1	NA	1.2	1.0	NA	1.3	2.3
Instruments and related products	2.9	3.0	2.5	2.1	2.3	1.6	2.3	2.8	2.6	1.2	1.3	1.0	.4	.6	.9
Miscellaneous manufacturing	5.3	5.6	5.2	4.0	4.3	3.4	4.6	4.8	4.7	2.6	2.6	2.2	1.0	1.1	1.4
Nondurable goods	4.3	4.2	3.9	3.1	3.0	2.7	4.3	4.4	4.3	2.4	2.3	2.0	1.2	1.3	1.5
Food and kindred products	5.2	4.9	5.2	3.4	2.9	3.2	5.1	5.5	5.4	2.3	2.3	2.3	2.0	2.5	2.4
Tobacco manufactures	2.0	1.8	2.8	1.1	1.2	1.5	5.9	3.2	5.1	1.3	1.2	1.2	3.8	1.3	3.2
Textile mill products	5.8	5.9	4.9	4.8	4.6	3.7	5.8	5.5	5.4	4.2	4.0	3.4	.5	.5	.9
Apparel and other textile products	5.5	5.4	4.9	3.9	3.9	3.2	6.0	6.0	5.9	3.3	3.2	2.7	1.9	2.0	2.4
Paper and allied products	2.9	2.7	2.5	2.0	1.9	1.7	2.7	2.8	2.7	1.4	1.4	1.3	.6	.6	.8
Printing and publishing	2.9	2.9	2.5	2.1	2.3	1.9	2.9	2.9	2.7	1.6	1.6	1.4	.7	.7	.7
Chemicals and allied products	2.0	2.1	1.9	1.6	1.6	1.3	2.0	1.8	2.1	1.1	.9	.9	.4	.4	.6
Petroleum and coal products	2.1	1.4	1.9	1.7	1.2	1.5	1.5	1.6	1.6	.6	.6	.6	.4	.4	.4
Rubber and plastics products, n.e.c.	4.7	4.6	4.0	3.4	3.6	2.9	4.1	4.1	4.4	2.4	2.2	2.1	.7	.8	1.2
Leather and leather products	6.5	6.3	5.9	4.8	4.7	4.0	6.5	6.6	6.1	3.8	3.6	3.0	1.5	1.8	2.1

[1] Month-to-month changes in total employment in manufacturing as indicated by labor turnover rates are not precisely comparable with those shown by the Bureau's employment and payroll reports, as the fomer are based on data for the entire month, while the latter, for the most part, refer to a 1-week period which includes the 12th of the month. Employees on strike are not counted as turnover actions. Explanatory notes outlining the concepts, methodology, and sources used in preparing labor turnover data are available on request.

[2] Preliminary.

TABLE 3.—JOB VACANCY RATES AND PERCENTAGE DISTRIBUTION OF JOB VACANCIES IN MANUFACTURING BY SELECTED INDUSTRY GROUPS

[Not seasonally adjusted]

Industry	Job vacancy rate [1]			Long-term vacancy rate [2]			Long-term vacancies as a percent total [3]			Percent distribution of job vacancies		
	April 1972 [4]	March 1972	April 1971	April 1972 [4]	March 1972	April 1971	April 1972 [4]	March 1972	April 1971	April 1972 [4]	March 1972	April 1971
Total manufacturing	0.7	0.6	0.5	0.2	0.2	0.2	26	27	30	100.0	100.0	100.0
Durable goods	.6	.5	.4	.2	.1	.1	23	24	24	56.0	53.0	49.6
Primary metal industries	.3	.2	.4	.1	.1	.1	25	28	24	2.6	2.6	4.9
Machinery, except electrical	.7	.6	.4	.2	.1	.1	23	26	28	10.1	9.1	7.3
Electrical equipment and supplies	.8	.7	.5	.2	.2	.1	23	23	17	11.7	11.6	8.7
Transportation equipment	.7	.5	.4	.2	.1	.1	24	24	23	10.1	8.5	7.9
Instruments and related products	1.1	.9	.8	.3	.2	.1	23	19	18	3.8	3.8	3.6
Nondurable goods	.7	.6	.6	.2	.2	.2	30	31	37	44.0	47.0	50.4
Textile mill products	1.2	1.1	.8	.3	.2	.2	23	20	23	9.7	10.1	8.8
Apparel and other textile products	1.3	1.4	1.3	.5	.6	.7	42	45	53	14.6	17.2	19.5
Printing and publishing	.4	.4	.4	.1	.1	.1	20	21	20	3.5	3.5	4.3
Chemicals and allied products	.6	.5	.4	.2	.1	.2	34	29	40	4.9	4.7	4.8

[1] Computed by dividing the number of job vacancies at the end of the month by the sum of employment and all vacancies and multiplying the quotient by 100.

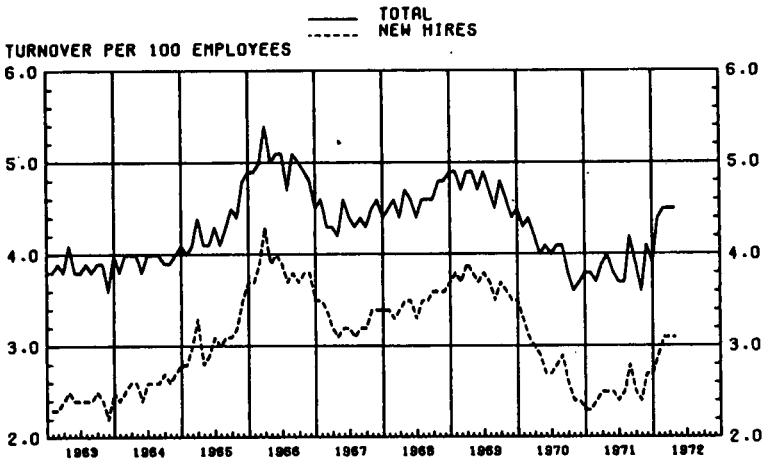
[2] Computed by dividing the number of long-term job vacancies at the end of the month by the sum of employment and all job vacancies and multiplying the quotient by 100. Long-term vacancies are those that have remained unfilled for 30 days or more.

[3] Percentages are computed by dividing the unrounded long-term job vacancy rates by the unrounded total job vacancy rates.

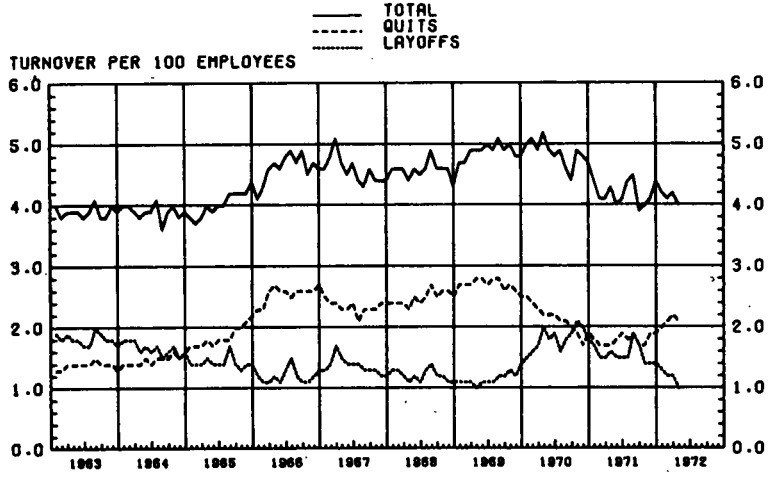
[4] Preliminary.

MANUFACTURING LABOR TURNOVER
SEASONALLY ADJUSTED

ACCESSIONS



SEPARATIONS



[Bureau of Labor Statistics, Department of Labor, Press Release No. 72-348, June 2, 1972]

WHOLESALE PRICE INDEXES: MAY 1972

The Wholesale Price Index of All Commodities rose 0.6 percent between April and May, the U.S. Department of Labor's Bureau of Labor Statistics announced today.

Industrial commodities increased 0.3 percent.

Prices of farm products and processed foods and feeds advanced 1.4 percent.

Consumer finished goods, a selection of commodities closely comparable to those in the commodity component of the Consumer Price Index, were up 0.6 percent.

Of the 15 major commodity groups measured by the Wholesale Price Index, 14 advanced between April and May and one showed no change.

In May, the All Commodities WPI was 118.2 (1967=100), 3.9 percent above a year earlier.

SEASONALLY ADJUSTED CHANGES

On a seasonally adjusted basis, the Wholesale Price Index rose 0.5 percent in May. (New seasonal factors, which were introduced last month, are shown in Table 5.)

Industrial commodities were up 0.4 percent.

Farm products and processed foods and feeds advanced 0.8 percent.

Consumer finished goods were 0.3 percent higher.

For changes over 3-, 6-, and 12-month spans see Table 2.

The May Wholesale Price Index was the sixth monthly WPI to reflect price changes in the post-freeze phase of the Economic Stablization Program. (For a discussion of the contribution of price changes for those items exempt prom post-freeze controls to the percentage change in wholesale prices in May, see page 3.) During the 6-month period—November to May—the WPI rose at a seasonally adjusted annual rate of 5.2 percent. This compares with a rise at an annual rate of 4.7 percent during the period from February to August 1971, the 6-month period immediately preceding the economic stabilization program. In the first 9 months of the progam, which includes the period from August to November when most prices were frozen, the WPI rose at an annual rate of 3.4 percent.

During the 6 months since the freeze ended in November, the industrial commodities index advanced at an annual rate of 4.1 percent, compared with 5.4 percent in the 6-month period from February to August of 1971. From August, when the stablization policy was annuonced, to May, the industrial commodities index rose at an annual rate of 2.6 percent.

The index for farm products and processed foods and feeds rose at an annual rate of 7.8 percent from November to May. In the period from February to August 1971, it advanced at an annual rate of 3.0 percent. Over the entire stabilization period, during which prices of only processed foods and feeds were controlled, the farm products and processed foods and feeds component increased at an annual rate of 5.5 percent.

For consumer finished goods, the November to May period shows an increase at an annual rate of 3.9 percent; the food component rose 5.2 percent, and nonfood commodities rose 3.1 percent. In the 6 months preceding the freeze, prices of consumer finished goods advanced at a rate of 3.2 percent. From August to May, consumer finished goods, most of which were subject to the August-to-November freeze, increased at a 2.2 percent annual rate.

PRICE CHANGES FOR MATERIALS AND FINISHED GOODS (SEASONALLY ADJUSTED)

Among consumer finished goods, foods advanced 0.5 percent in May (seasonally adjusted), chiefly because of higher prices for meats and eggs. Consumer nonfood finished goods increased 0.2 percent over the month. Within this grouping, nondurable finished goods were up 0.3 percent due to higher prices for products such as household textiles and footwear; however durable finished goods showed no change.

Producer finished goods moved up 0.2 percent, chiefly due to increases for machinery and railroad equipment. Continued rises for lumber and textile products were important in the 0.5 percent gain for processed (intermediate) materials,

supplies, and components (excluding foods and feeds). The index for crude materials for further processing (excluding foods, feeds, and fibers) rose 1.2 percent, principally as a result of increases for cattlehides and because nonferrous scrap did not decline as much as usual for this time of year.

PRICE CHANGES FOR COMMODITY GROUPS, NOT SEASONALLY ADJUSTED

The commodity group with the greatest influence on the overall industrials index in May was textile products and apparel: increases centered in textiles—cotton, wool and manmade fiber products; apparel registered only a nominal gain. Machinery and equipment advanced at the same rate as in April. The index for lumber and wood products also equalled its April gain with softwood lumber showing the most important increase. Quotations for cattlehides continued to climb, but sheep and lambskins and leather were lower; earlier increases for leather were reflected in prices for footwear and other leather products. Advances for inedible fats and oils, drugs and pharmaceuticals, paint materials, and some miscellaneous chemical products helped raise the average for chemicals and allied products. The fuels index reflected higher prices for electric power and natural gas.

An advance for pulp, paper and allied products was the result principally of higher prices for converted paper and paperboard products; building paper and board and paperboard also rose but wastepaper declined. Metals and metal products edged up only slightly, chiefly because of increases for nonferrous metals and some fabricated metal products. Higher prices for insulation materials, concrete ingredients, and flat glass were partially offset by decreases for gypsum products in the group index for nonmetallic mineral products. Household and commercial furniture, some home electronic equipment, flatware, and mirrors were up in price, slightly outweighing declines for some household appliances. The index for rubber and plastic products edged up because of increases for crude natural rubber and unsupported plastic film and sheeting. although plastic construction products declined. Increases for motor vehicle parts and railroad equipment outweighed decreases for motor vehicles in the transportation equipment index. The decrease for motor vehicles chiefly reflected price rollbacks for certain cars and changes in rebates for some others. (See Table 4 for revisions reflecting these changes.)

Sharp increases for livestock, particularly hogs, caused almost 60 percent of the May rise in the farm products index; other important advances occurred for fresh and dried vegetables, raw cotton, grains, eggs, and chickens; fresh fruits were lower. The processed foods and feeds index moved up almost entirely because of higher prices for meats and processed poultry; the most important decline was for fish.

EFFECT OF ITEMS IDENTIFIED AS EXEMPT FROM POST-FREEZE CONTROLS

When the effect of price changes for domestic raw agricultural products and imports, which are exempt from post-freeze controls, is eliminated, the WPI for May on a seasonally unadjusted basis shows an increase of 0.4 percent in contrast to the 0.6 percent for the overall index. After similar exclusions are made from the farm products and processed foods and feeds component, this component of the index shows an increase of 0.6 percent compared with 1.4 percent before the exclusion. Following elimination of imported items from the industrials component, it still shows a rise of 0.3 percent because the net impact of price movements for these items was negligible. The increase of 0.6 percent for consumer finished goods also remained unchanged after elimination of the effect of price changes for items exempt from post-freeze controls.

A Note on Seasonally Adjusted and Unadjusted Data

Because price data are used for different purposes by different groups, the Bureau of Labor Statistics publishes seasonally adjusted as well as unadjusted changes each month.

For analyzing general price trends in the economy, seasonally adjusted data usually are preferred since they eliminate the effect of changes that normally occur at about the same time and in about the same magnitude every year—

such as price movements resulting from normal weather patterns, regular production and supply cycles, model changeovers, seasonal discounts and holidays. Seasonally adjusted data are subject to revision when seasonal factors are revised.

The unadjusted data are of principal interest to users who need information which can be related to the actual dollar values of transactions. Individuals requiring this information include marketing specialists, purchasing agents, budget and cost analysts, contract specialists, and commodity traders. Unadjusted data generaly are used in escalating contracts such as purchase agreements or real estate leases.

TABLE 1.—WHOLESALE PRICE INDEXES FOR MAJOR COMMODITY GROUPS AND SPECIAL GROUPINGS, MAY 1972

Index	Relative importance[1]	Unadjusted indexes (1967=100 unless otherwise noted)		Unadjusted percent change to May 1972 from:		Seasonally adjusted percent change between		
	December 1971	May 1972	April 1972	April 1972	May 1971	April to May 1972	March to April 1972	February to March 1972
All commodities	100.0	118.2	117.5	0.6	3.9	0.5	0.3	0.1
All commodities (1957–59=100)		125.4	124.7					
COMMODITY GROUPS								
Farm products, and processed foods and feeds	26.838	120.0	118.3	1.4	5.0	.8	−.1	−.3
Farm products	10.432	122.2	119.1	2.6	7.2	1.3	.6	−1.3
Processed foods and feeds	16.405	118.6	117.7	.8	3.6	.3	−.5	.1
Industrial commodities	73.162	117.6	117.3	.3	3.4	.4	.4	.3
Textile products and apparel	6.849	113.3	112.6	.6	5.1	.7	.5	.2
Hides, skins, leather and related products	1.254	129.5	127.2	1.8	13.2	2.0	2.4	3.3
Fuels and related products and power	7.174	117.5	116.9	.5	2.9	.4	.2	.5
Chemicals and allied products	5.716	104.4	104.1	.3	.1	.3	.8	−.4
Rubber and plastic products[2]	2.257	108.8	108.7	.1	.1			
Lumber and wood products	2.854	142.7	141.1	1.1	14.3	1.7	.7	.4
Pulp, paper and allied products	4.705	113.2	112.8	.4	3.0	.4	.4	.6
Metals and metal products	13.439	123.6	123.5	.1	4.3	.1	0	.9
Machinery and equipment	12.280	117.9	117.6	.3	2.3	.3	.3	.2
Furniture and household durables	3.438	111.1	111.0	.1	1.1	.1	.2	.2
Nonmetallic mineral products	3.296	125.9	125.6	.2	3.4	.4	.6	.1
Transportation equipment (December 1968=100)[2]	7.416	113.8	[3]113.7	.1	3.6			
Miscellaneous products[2]	2.486	114.1	114.1	0	1.4			
SPECIAL GROUPINGS								
Consumer finished goods	33.270	115.5	114.8	.6	2.5	.3	0	−.3
Foods	13.059	119.5	118.0	1.3	3.4	.5	−.3	−1.0
Finished goods, excluding food	20.211	113.1	112.9	.2	2.0	.2	.3	.3
Nondurable	12.383	113.1	112.7	.4	1.9	.3	.4	.4
Durable	7.828	113.1	[3]113.2	−.1	2.2	0	.4	.3
Producer finished goods	10.201	119.4	119.3	.1	2.7	.2	.4	.3
Manufactured goods	83.270	117.4	116.9	.4	3.4	.4	.3	.3
Durable	43.242	121.0	120.8	.2	3.9	.4	.3	.3
Intermediate materials supplies and components excluding selected items[4]	41.355	118.6	118.6	.3	4.2	.5	.5	.2
Crude materials for further processing, excluding selected items[5]	2.814	129.9	129.3	.5	5.2	1.2	−.8	1.9

[1] Comprehensive relative importance figures are computed once each year in December.
[2] Not seasonally adjusted.
[3] Revised. Reflects rollback of prices and revisions in rebates for some passenger cars. See table 4.
[4] Excludes intermediate materials for food manufacturing and manufactured animal feeds.
[5] Excludes crude foodstuffs and feedstuffs, plant and animal fibers, oilseeds, and leaf tobacco.

TABLE 2.—PERCENT CHANGES IN WPI AND COMPONENTS, MAY 1972

Month	All commodities					Industrial commodities				
	From previous month		At compound annual rates from—			From previous month		At compound annual rates from—		
	Unadjusted	Seasonally adjusted	3 months ago (seasonally adjusted)	6 months ago (seasonally adjusted)	12 months ago (unadjusted)	Unadjusted	Seasonally adjusted	3 months ago (seasonally adjusted	6 months ago (seasonally (adjusted)	12 months ago (unadjusted)
May 1971	0.4	0.3	3.9	3.9	3.4	0.4	0.5	4.8	3.8	3.6
June 1971	.4	.4	4.7	5.0	3.6	.2	.3	5.1	4.0	3.7
July 1971	.3	.2	3.6	4.3	3.3	.5	.6	5.7	4.6	4.1
August 1971	.3	.7	5.4	4.7	4.0	.5	.5	6.0	5.4	4.4
September 1971	−.3	−.3	2.5	3.6	3.2	−.2	−.1	4.4	4.7	4.2
October 1971	−.1	.1	2.3	3.0	3.1	0	−.2	1.3	3.4	3.3
November 1971	.1	.1	−.2	2.6	3.2	−.1	.1	−.5	2.7	3.2
December 1971	.8	.6	3.5	3.0	4.0	.3	.2	.6	2.5	3.2
January 1972	.8	.5	5.1	3.7	4.0	.5	.4	2.8	2.0	3.3
February 1972	.9	.5	6.9	3.3	4.0	.5	.4	4.0	1.7	3.6
March 1972	.1	.1	4.9	4.2	3.9	.3	.3	4.2	2.4	3.5
April 1972	.1	.3	3.8	4.5	3.7	.4	.4	4.5	3.6	3.5
May 1972	.6	.5	3.4	5.2	3.9	.3	.4	4.3	4.1	3.4

Month	Farm products and processed foods and feeds					Consumer foods				
	From previous month		At compound annual rates from—			From previous month		At compound annual rates from—		
	Unadjusted	Seasonally adjusted	3 months ago (seasonally adjusted)	6 months ago (seasonally adjusted)	12 months ago (unadjusted)	Unadjusted	Seasonally adjusted	3 months ago (seasonally adjusted)	6 months ago (seasonally adjusted)	12 months ago (unadjusted)
May 1971	0.9	0.2	2.5	4.5	2.8	1.0	0.2	6.5	4.8	2.4
June 1971	1.0	.4	4.3	7.6	3.3	.7	.2	4.6	8.1	2.6
July 1971	−.3	−.7	−.7	4.4	1.4	−.7	−1.5	−4.4	3.2	.5
August 1971	−.3	1.2	3.6	3.0	3.1	.4	2.0	2.8	4.6	3.1
September 1971	−1.4	−1.2	−2.8	.7	.4	−1.0	−1.8	−5.1	−.3	.6
October 1971	0	1.1	4.7	1.9	2.3	.1	2.1	9.4	2.3	3.3
November 1971	.5	.3	1.1	2.3	3.4	.6	−.2	.3	1.6	3.3
December 1971	2.0	1.4	12.2	4.4	6.0	1.7	1.5	14.4	4.2	6.0
January 1972	1.3	.9	10.9	7.7	6.1	.8	.4	7.0	8.2	5.7
February 1972	1.9	1.2	14.7	7.6	5.3	1.6	1.5	14.5	7.2	5.9
March 1972	−.4	−.3	7.0	9.6	5.0	−1.0	−1.0	3.8	8.9	4.2
April 1972	−.7	−.1	3.1	6.9	4.4	−1.2	−.3	.7	3.8	3.1
May 1972	1.4	.8	1.4	7.8	5.0	1.3	.5	−3.3	.2	3.4

TABLE 2.—PERCENT CHANGES IN WPI AND COMPONENTS, MAY 1972—Continued

Month	Consumer finished goods, total					Consumer goods, excluding foods				
	From previous month		At compound annual rates from—			From previous month		At compound annual rates from—		
	Unadjusted	Seasonally adjusted	3 months ago (seasonally adjusted)	6 months ago (seasonally adjusted)	12 months ago (unadjusted)	Unadjusted	Seasonally adjusted	3 months ago (seasonally adjusted)	6 months ago (seasonally adjusted)	12 months ago (unadjusted)
May 1971	0.6	0.4	3.3	3.6	3.1	0.4	0.4	1.1	2.8	3.5
June 1971	.4	.1	2.9	4.0	3.2	.1	0	1.5	1.8	3.4
July 1971	−.1	−.4	.4	2.2	2.4	.4	.4	2.9	1.5	3.6
August 1971	.3	1.1	3.2	3.2	3.5	.1	.2	2.2	1.6	3.5
September 1971	−.5	−.8	−.4	1.3	2.1	−.2	0	2.2	1.8	3.1
October 1971	.2	.4	2.9	1.6	2.5	.3	−.2	0	1.5	2.0
November 1971	.2	.1	−1.1	1.1	2.4	0	.1	−.4	.9	1.8
December 1971	1.0	.9	5.8	2.7	3.3	.4	.4	1.1	1.6	1.7
January 1972	.4	.3	5.0	4.0	3.1	.2	.3	2.9	1.4	1.4
February 1972	.8	.7	7.6	3.2	3.2	.2	.2	3.3	1.4	1.5
March 1972	−.3	−.3	2.8	4.3	2.8	.2	.3	2.9	2.0	1.9
April 1972	−.3	0	1.8	3.4	2.5	.2	.3	2.9	2.9	2.2
May 1972	.6	.3	.3	3.9	2.5	.2	.2	2.9	3.1	2.0

TABLE 3.—WHOLESALE PRICE INDEXES FOR COMMODITY GROUPS AND SUBGROUPS

[1967–100 unless otherwise indicated]

Grouping	Indexes 1972 May	Indexes 1972 April	Indexes May 1971	Percent change to May 1972 from— 1 month ago	Percent change to May 1972 from— 1 year ago
Farm products	122.2	119.1	114.0	2.6	7.2
Fresh and dried fruits and vegetables	120.6	117.6	127.5	2.6	−5.4
Grains	97.5	96.0	107.2	1.6	−9.0
Livestock	139.8	133.8	119.0	4.5	17.5
Live poultry	96.3	94.1	101.3	2.3	−4.9
Plant and animal fibers	130.1	122.1	90.3	6.6	44.1
Fluid milk	122.5	122.1	118.7	.3	3.2
Eggs	90.6	87.2	92.4	3.9	−1.9
Hay, hayseeds, and oilseeds	116.9	118.5	106.8	−1.4	9.5
Other farm products	119.5	118.0	113.6	1.3	5.2
Processed foods and feeds	118.6	117.7	114.5	.8	3.6
Cereal and bakery products	113.3	112.8	111.5	.4	1.6
Meats, poultry, and fish	126.8	123.6	116.4	2.6	8.9
Dairy products	117.4	117.5	116.2	−.1	1.0
Processed fruits and vegetables	119.0	118.3	114.0	.6	4.4
Sugar and confectionery	120.8	121.1	119.2	−.2	1.3
Beverage and beverage materials	117.2	117.2	115.7	0	1.3
Animal fats and oils	127.3	127.8	131.5	−.4	−3.2
Crude vegetable oils	112.8	118.9	120.6	−5.1	−6.5
Refined vegetable oils	119.6	120.9	128.3	−1.1	−6.8
Vegetable oil end products	120.7	120.7	118.5	0	1.9
Miscellaneous processed foods	115.0	113.8	113.9	1.1	1.0
Manufactured animal feeds	108.4	108.5	104.6	−.1	3.6
Textile products and apparel	113.3	112.6	107.8	.6	5.1
Cotton products	121.5	120.5	109.6	.8	10.9
Wool products	98.3	93.0	93.5	5.7	5.1
Manmade fiber textile products	108.0	107.2	99.7	.7	8.3
Apparel	114.3	114.2	112.2	.1	1.9
Textile housefurnishings	109.3	108.7	104.3	.6	4.8
Miscellaneous textile products	129.8	131.1	113.6	−1.0	14.3
Hides, skins, leather, and related products	129.5	127.2	114.4	1.8	13.2
Hides and skins	200.3	188.6	121.4	6.2	65.0
Leather	137.8	138.1	113.0	−.2	21.9
Footwear	124.6	122.4	116.7	1.8	6.8
Other leather and related products	115.3	113.7	107.9	1.4	6.9
Fuels and related products and power	117.5	116.9	114.2	.5	2.9
Coal	191.2	191.2	182.8	0	4.6
Coke	155.3	155.3	147.6	0	5.2
Gas fuels	113.0	112.5	106.9	.4	5.7
Electric power	121.2	120.5	112.6	.6	7.6
Crude petroleum	113.2	113.2	113.2	0	0
Petroleum products, refined	107.3	106.6	107.4	.7	−.1
Chemicals and allied products	104.4	104.1	104.3	.3	.1
Industrial chemicals	101.4	101.5	101.5	−.1	−.1
Prepared paint	118.3	118.3	115.9	0	2.1
Paint materials	103.5	103.0	103.5	.5	0
Drugs and pharmaceuticals	102.8	102.4	101.9	.4	.9
Fats and oils, inedible	116.0	112.2	138.8	3.4	−16.4
Agricultural chemicals and chemical products	92.1	92.2	93.8	−.1	−1.8
Plastic resins and materials	88.6	88.3	88.2	.3	.5
Other chemicals and allied products	114.1	113.5	112.1	.5	1.8
Rubber and plastic products	108.8	108.7	108.7	.1	.1
Rubber and rubber products	113.0	112.9	110.9	.1	1.9
Crude rubber	98.6	98.2	100.6	.4	−2.0
Tires and tubes	108.4	108.4	107.5	0	.8
Miscellaneous rubber products	120.4	120.4	116.3	0	3.5
Plastic construction products (Dec. 1969=100)	93.3	93.6	94.6	−.3	−1.4
Unsupported plastic film and sheeting (Dec. 1970=100)	98.5	98.4	102.2	.1	−3.6
Laminated plastic sheets, high pressure (Dec. 1970=100)	98.4	98.4	99.1	0	−.7
Lumber and wood products	142.7	141.1	124.9	1.1	14.3
Lumber	157.0	155.1	132.8	1.2	18.2
Millwork	127.6	126.6	120.3	.8	6.1
Plywood	130.3	128.9	111.0	1.1	17.4
Other wood products	122.7	121.1	119.2	1.3	2.9
Pulp, paper, and allied products	113.2	112.8	109.9	.4	3.0
Pulp, paper, and products, excluding building paper and board	113.4	113.1	110.2	.3	2.9
Woodpulp	111.5	111.5	112.4	0	−.8
Wastepaper	130.5	131.0	107.6	−.4	21.3
Paper	115.9	115.9	114.2	0	1.5
Paperboard	105.8	105.6	102.6	.2	3.1
Converted paper and paperboard products	113.3	112.7	109.4	.5	3.6
Building paper and board	106.5	106.1	102.7	.4	3.7

TABLE 3.—WHOLESALE PRICE INDEXES FOR COMMODITY GROUPS AND SUBGROUPS—Continued

[1967=100 unless otherwise indicated]

Grouping	Indexes 1972 May	Indexes 1972 April	Indexes May 1971	Percent change to May 1972 from— 1 month ago	Percent change to May 1972 from— 1 year ago
Metals and metal products	123.6	123.5	118.5	.1	4.3
Iron and steel	128.3	128.3	120.1	0	6.8
Nonferrous metals	117.8	117.6	117.2	.2	.5
Metal containers	127.3	127.3	123.1	0	3.4
Hardware	120.3	119.6	115.6	.5	4.0
Plumbing fixtures and brass fittings	119.0	119.0	115.8	0	2.8
Heating equipment	118.1	117.9	115.1	.2	2.6
Fabricated structural metal products	122.0	122.1	117.3	−.1	4.0
Miscellaneous metal products	124.4	124.3	118.2	.1	5.2
Machinery and equipment	117.9	117.6	115.3	.3	2.3
Agricultural machinery and equipment	122.3	122.1	116.6	.2	4.9
Construction machinery and equipment	125.6	125.7	121.1	−.1	3.7
Metalworking machinery and equipment	120.0	119.7	117.4	.3	2.2
General purpose machinery and equipment	122.2	121.9	118.7	.2	2.9
Special industry machinery and equipment	123.5	123.4	120.4	.1	2.6
Electrical machinery and equipment	110.5	110.2	109.4	.3	1.0
Miscellaneous machinery	120.3	119.6	117.2	.6	2.6
Furniture and household durables	111.1	111.0	109.0	.1	1.1
Household furniture	117.1	116.9	115.0	.2	1.8
Commercial furniture	119.4	119.2	118.1	.2	1.1
Floor coverings	98.2	98.2	99.8	0	−1.6
Household appliances	107.2	107.5	107.1	−.3	.1
Home electronic equipment	92.9	92.8	93.7	.1	−.9
Other household durable goods	125.0	124.5	120.1	.4	4.1
Nonmetallic mineral products	125.9	125.6	121.8	.2	3.4
Flat glass	121.5	121.1	124.4	.3	−2.3
Concrete ingredients	126.7	126.4	121.2	.2	4.5
Concrete products	125.1	125.1	119.6	0	4.6
Structural clay products excluding refractories	117.2	117.2	114.5	0	2.4
Refractories	127.1	127.1	126.7	0	.3
Asphalt roofing	131.2	131.2	123.6	0	6.1
Gypsum products	113.4	114.9	101.2	−1.3	12.1
Glass containers	136.2	136.2	131.5	0	3.6
Other nonmetallic minerals	128.4	126.4	124.8	1.6	2.9
Transportation equipment (December 1968=100)	113.8	[1] 113.7	109.8	.1	3.6
Motor vehicles and equipment	118.1	[1] 118.0	114.2	.1	3.4
Railroad equipment	129.6	128.4	120.4	.9	7.6
Miscellaneous products	114.1	114.1	112.5	0	1.4
Toys, sporting goods, small arms, ammunition	114.1	114.0	112.4	.1	1.5
Tobacco products	117.5	117.4	116.5	.1	.9
Notions	111.7	111.7	111.7	0	0
Photographic equipment and supplies	106.2	106.2	105.9	0	.3
Other miscellaneous products	114.9	115.0	111.6	−.1	3.0

[1] Revised.

TABLE 4.—REVISED WHOLESALE PRICE INDEXES REFLECTING ROLLBACKS OF PRICES AND REVISIONS IN REBATES FOR SOME PASSENGER CARS

[1967=100 unless otherwise indicated]

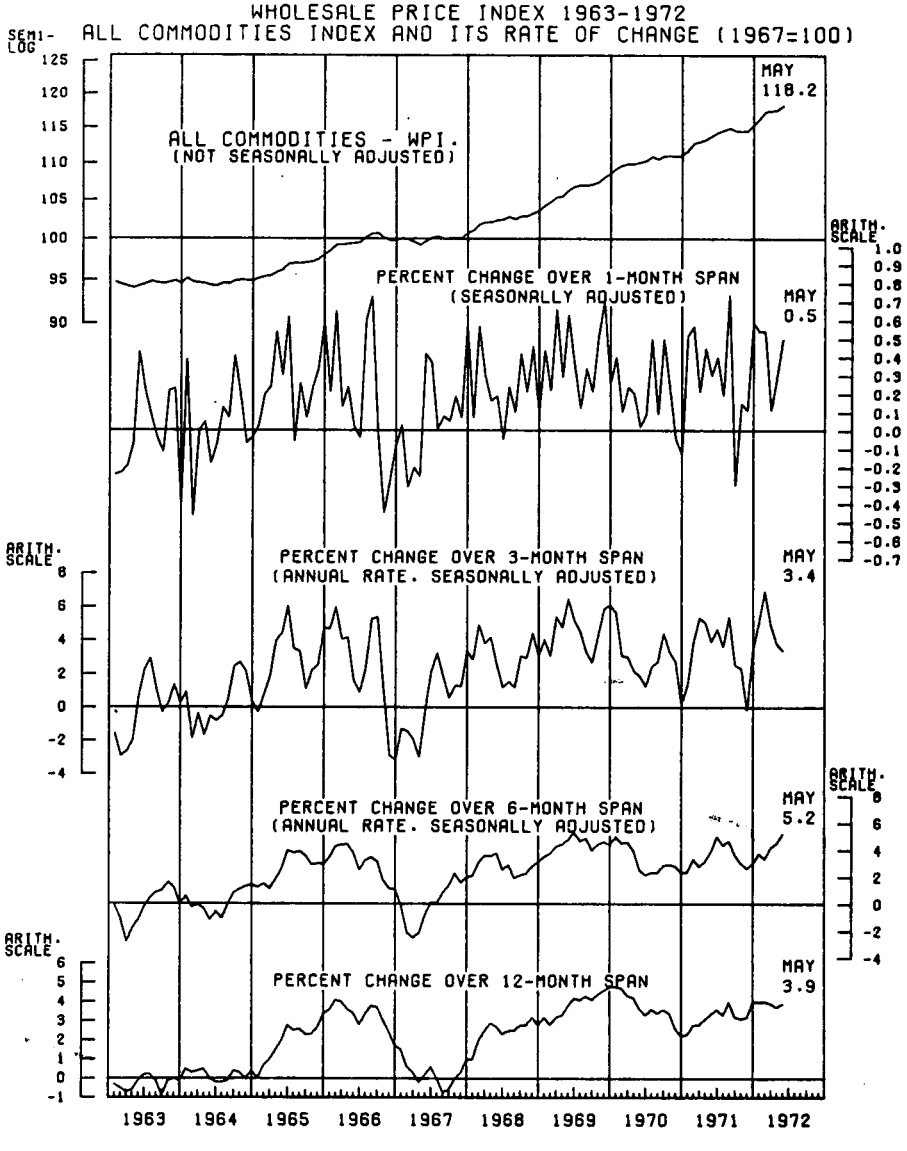
Group	April 1972 Revised	April 1972 Previously published	March 1972 Revised	March 1972 Previously published	February 1972 Revised	February 1972 Previously published
Industrial commodities	[1] 117.3	117.3	116.8	116.9	[1] 116.5	116.5
Transportation equipment (December 1968=100)	113.7	113.8	113.6	113.8	[1] 113.6	113.6
Motor vehicles and equipment	118.0	118.1	118.0	118.1	118.0	118.0
Motor vehicles	116.4	116.6	116.4	116.6	116.5	116.6
Passenger cars	115.5	115.6	115.4	115.7	115.6	115.7
Consumer finished goods	[1] 114.8	114.8	115.2	115.3	[1] 115.6	115.6
Durable	113.2	113.3	113.1	113.2	[1] 113.2	113.2
Manufactured goods, durable	[1] 120.8	120.8	[1] 120.4	120.4	120.0	120.1

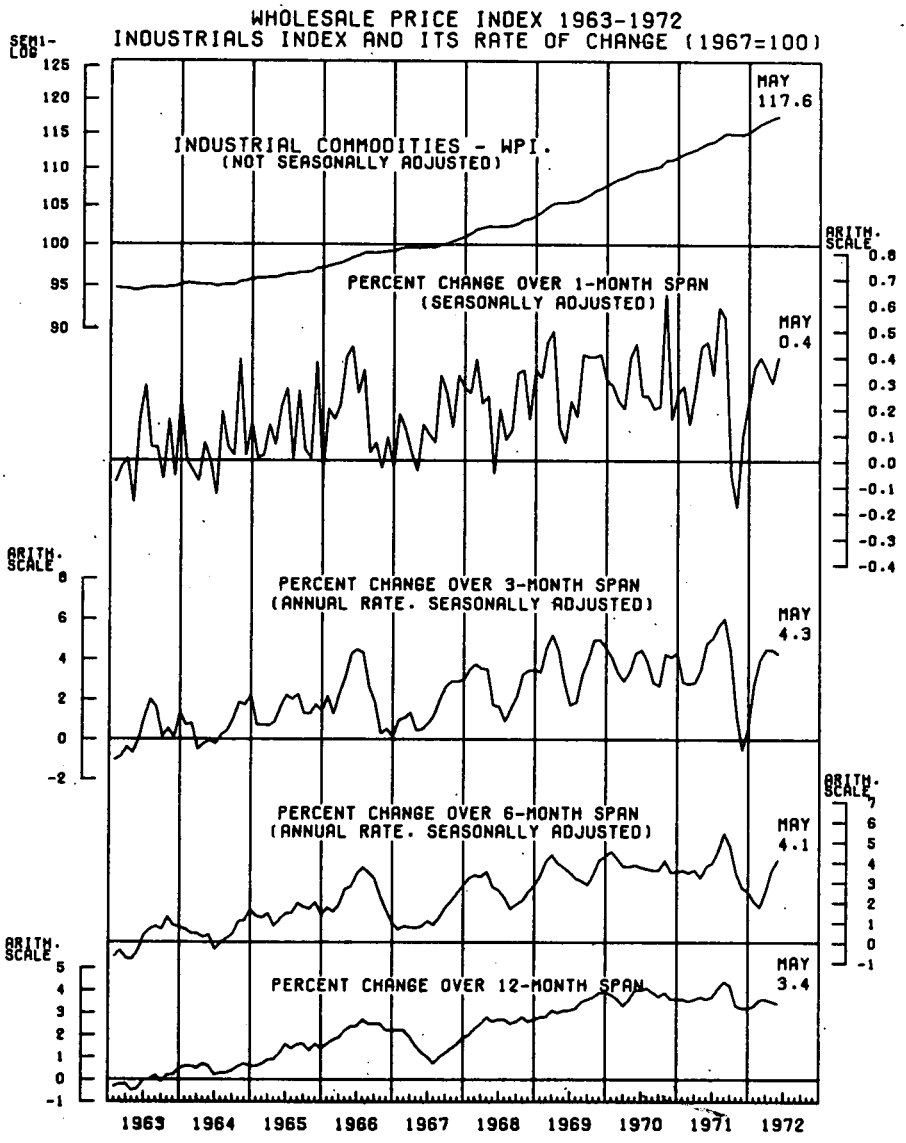
[1] Index not affected by corrections.

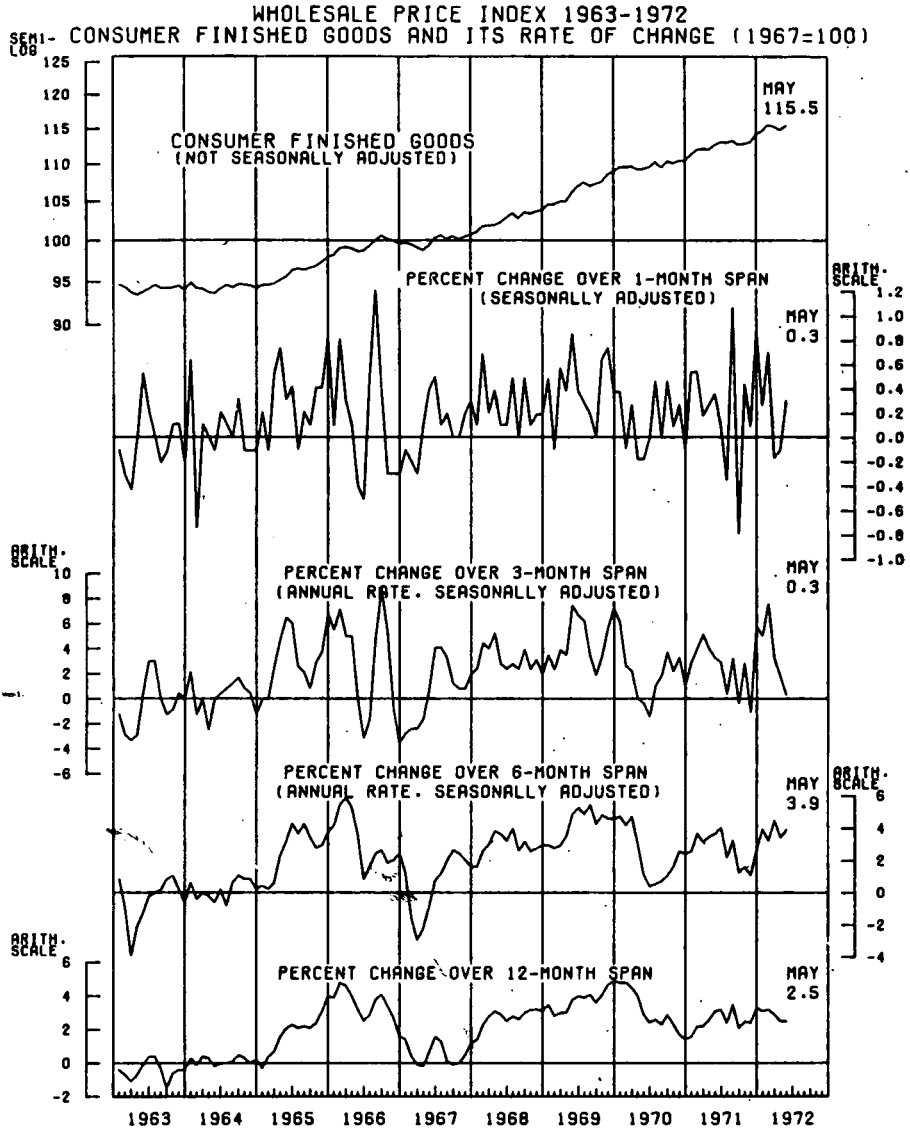
TABLE 5.—WHOLESALE PRICE INDEX SEASONAL ADJUSTMENT FACTORS FOR USE WITH 1972 INDEXES (CALCULATED FROM DATA THROUGH MARCH 1972)

Index	January	February	March	April	May	June	July	August	September	October	November	December
COMMODITY GROUPS												
All commodities (1967=100)	99.98	100.30	100.27	100.08	100.22	100.26	100.33	99.86	99.82	99.58	99.56	99.75
Farm products, and processed foods and feeds	99.8	100.5	100.4	99.8	100.5	101.1	101.5	99.9	99.7	98.6	98.8	99.4
Farm products	99.5	100.8	101.3	100.2	101.4	101.9	101.8	99.1	98.5	97.6	98.4	99.4
Processed foods and feeds	100.0	100.1	99.8	99.6	100.0	100.5	101.4	100.6	100.2	99.3	99.1	99.4
Industrial commodities	100.09	100.21	100.20	100.20	100.10	99.94	99.88	99.85	99.82	100.00	99.81	99.92
Textile products and apparel	100.2	100.0	99.9	99.8	99.7	99.9	100.0	100.2	100.2	100.0	100.0	100.0
Hides, skins, leather, and related products	99.9	99.8	99.8	100.8	100.6	100.1	100.0	99.8	99.7	99.9	99.8	99.8
Fuels and related products and power	99.4	100.1	99.9	100.1	100.2	100.5	100.2	99.9	100.0	99.9	99.8	99.9
Chemicals and allied products	99.8	100.0	100.3	100.2	100.2	100.1	100.0	100.0	99.9	99.9	99.9	99.7
Rubber and plastic prodcts[1]												
Lumber and wood products	99.4	100.5	101.4	101.9	101.3	99.7	100.5	99.9	100.1	98.9	97.7	98.8
Pulp, paper and allied products	100.1	100.3	100.3	100.3	100.2	100.0	100.0	99.9	99.8	99.8	99.7	99.5
Metals and metal products	100.1	100.3	100.1	100.2	100.2	100.0	99.9	99.8	100.2	100.1	99.7	99.5
Machinery and equipment	100.2	100.2	100.2	100.1	100.0	99.9	99.9	99.8	99.8	99.9	99.9	100.1
Furniture and household durables	100.2	100.3	100.2	100.1	100.1	99.9	99.9	99.9	99.8	99.8	99.8	99.9
Nonmetallic mineral products	100.3	100.4	100.5	100.5	100.3	100.1	100.1	100.0	99.7	99.6	99.3	99.2
Transportation equipment (December 1968=100)[1]												
Miscellaneous products[1]												
SPECIAL GROUPINGS												
Consumer finished goods	100.1	100.2	100.1	99.7	100.0	100.3	100.5	99.7	100.0	99.7	99.8	99.9
Foods	100.1	100.2	100.2	99.3	100.1	100.6	101.4	99.8	100.6	98.6	99.4	99.7
Finished goods, excluding food	100.1	100.1	100.0	99.9	99.9	100.0	100.0	99.9	99.7	100.2	100.1	100.2
Nondurable	99.9	100.0	99.9	99.8	99.9	100.2	100.2	100.1	100.1	100.0	99.9	100.0
Durable	100.4	100.4	100.2	99.9	99.8	99.7	99.6	99.4	99.0	100.7	100.5	100.4
Producer finished goods	100.4	100.3	100.2	100.0	99.9	99.8	99.8	99.6	99.6	100.0	100.0	100.3
Manufactured goods	100.0	100.2	100.1	100.0	100.0	100.1	100.2	100.0	99.9	99.9	99.8	99.8
Durable	100.2	100.3	100.3	100.3	100.1	99.9	99.8	99.6	99.7	100.0	99.8	99.9
Intermediate materials supplies and components excluding selected items[2]	100.0	100.2	100.3	100.3	100.2	99.9	99.9	99.8	100.0	99.9	99.7	99.7
Crude materials for further processing, excluding selected items[3]	100.2	100.7	100.5	101.4	100.7	100.1	99.4	99.4	99.7	99.4	99.1	99.4

[1] Not seasonally adjusted.
[2] Excludes intermediate materials for food manufacturing and manufactured animal feeds.
[3] Excludes crude foodstuffs and feedstuffs, plant and animal fibers, oilseeds, and leaf tobacco


WHOLESALE PRICE INDEX 1963-1972
ALL COMMODITIES INDEX AND ITS RATE OF CHANGE (1967=100)
SEMI-LOG
ALL COMMODITIES - WPI.
(NOT SEASONALLY ADJUSTED)
MAY
118.2
PERCENT CHANGE OVER 1-MONTH SPAN
(SEASONALLY ADJUSTED)
MAY
0.5
ARITH. SCALE
PERCENT CHANGE OVER 3-MONTH SPAN
(ANNUAL RATE. SEASONALLY ADJUSTED)
MAY
3.4
PERCENT CHANGE OVER 6-MONTH SPAN
(ANNUAL RATE. SEASONALLY ADJUSTED)
MAY
5.2
PERCENT CHANGE OVER 12-MONTH SPAN
MAY
3.9
1963
1964
1965
1966
1967
1968
1969
1970
1971
1972


WHOLESALE PRICE INDEX 1963-1972
INDUSTRIALS INDEX AND ITS RATE OF CHANGE (1967=100)
SEMI-LOG
125
120
115
110
105
100
95
90
MAY
117.6
INDUSTRIAL COMMODITIES - WPI.
(NOT SEASONALLY ADJUSTED)
ARITH. SCALE
0.8
0.7
0.6
0.5
0.4
0.3
0.2
0.1
0.0
-0.1
-0.2
-0.3
-0.4
PERCENT CHANGE OVER 1-MONTH SPAN
(SEASONALLY ADJUSTED)
MAY
0.4
ARITH. SCALE
8
6
4
2
0
-2
PERCENT CHANGE OVER 3-MONTH SPAN
(ANNUAL RATE. SEASONALLY ADJUSTED)
MAY
4.3
ARITH. SCALE
7
6
5
4
3
2
1
0
-1
PERCENT CHANGE OVER 6-MONTH SPAN
(ANNUAL RATE. SEASONALLY ADJUSTED)
MAY
4.1
ARITH. SCALE
5
4
3
2
1
0
-1
PERCENT CHANGE OVER 12-MONTH SPAN
MAY
3.4
1963
1964
1965
1966
1967
1968
1969
1970
1971
1972


WHOLESALE PRICE INDEX 1963-1972
CONSUMER FINISHED GOODS AND ITS RATE OF CHANGE (1967=100)
SEMI-LOG
CONSUMER FINISHED GOODS
(NOT SEASONALLY ADJUSTED)
MAY
115.5
PERCENT CHANGE OVER 1-MONTH SPAN
(SEASONALLY ADJUSTED)
MAY
0.3
ARITH. SCALE
PERCENT CHANGE OVER 3-MONTH SPAN
(ANNUAL RATE, SEASONALLY ADJUSTED)
MAY
0.3
PERCENT CHANGE OVER 6-MONTH SPAN
(ANNUAL RATE, SEASONALLY ADJUSTED)
MAY
3.9
PERCENT CHANGE OVER 12-MONTH SPAN
MAY
2.5
1963
1964
1965
1966
1967
1968
1969
1970
1971
1972

MEASURES OF PRICE AND WAGE CHANGES BEFORE AND DURING THE PRICE-WAGE-RENT STABILIZATION PROGRAM

1. MONTHLY SERIES

[Seasonally adjusted percent change, compound annual rate]

	12 months, January 1969 to January 1970	12 months, January 1970 to January 1971	6 months prior to phase I February to August 1971	3 months, phase I: August to November 1971	5 months, phase II: November 1971 to April 1972	8 months, phases I and II: August 1971 to April 1972
CPI						
All items	6.2	5.2	4.1	1.9	3.3	2.8
Food	7.2	1.8	5.4	1.7	5.5	4.1
Commodities less food	4.5	4.7	3.7	0	2.3	1.4
Services [1]	7.6	7.9	4.5	3.1	3.7	3.5
Rent [1]	3.8	4.6	3.9	2.8	3.1	3.0
WPI						
All commodities	4.8	2.3	4.7	−.2	[2] 5.2	[2] 3.4
Industrial commodities	3.8	3.6	5.4	−.5	[2] 4.1	[2] 2.6
Farm products, processed foods, feeds [3]	7.6	−1.5	3.0	1.1	[2] 7.8	[2] 5.5
Consumer foods [3]	8.1	−2.7	4.6	.3	[2] 5.2	[2] 3.6
Consumer commodities except food	3.1	4.2	1.6	−.4	[2] 3.1	[2] 1.9
Producer finished goods	4.5	5.0	3.5	−2.0	[2] 4.3	[2] 2.2
Spot market price index, indus materials [1 4]	12.8	−6.5	−2.0	3.1	[2] 35.2	[2] 23.5
Private nonfarm production workers:						
Earnings in current dollars:						
Hourly [5]	6.7	7.3	6.8	1.9	[2] 7.8	[2] 5.8
Gross weekly	5.3	5.0	6.1	4.6	[2] 7.0	[2] 6.2
Spendable weekly [6]	5.5	6.0	5.4	4.1	[2] 7.7	[2] 7.0
Earnings in constant dollars:						
Hourly [5]	.5	2.0	2.7	0	5.3	3.2
Gross weekly	−.9	−.2	2.0	2.6	5.7	4.5
Spendable weekly [6]	−.7	.8	1.3	2.1	6.1	5.1

[1] Not seasonally adjusted; data contain almost no seasonal movements
[2] Data through May 1972.
[3] Raw agricultural products are exempt from the price controls.
[4] Weekly index, not a component of WPI. Includes copper, lead, and steel scrap, zinc, tin, cotton, print cloth, wool tops, burlap, hides rubber, rosin and tallow.
[5] Adjusted for overtime (manufacturing only) and for interindustry employment shifts.
[6] Gross weekly earnings, after taxes, for worker with 3 dependents. In annualizing the rates of change the effect of the change in tax rates at the beginning of 1972 is taken into account separately.

MEASURES OF PRICE AND WAGE CHANGES BEFORE AND DURING THE PRICE-WAGE-RENT STABILIZATION PROGRAM

2. QUARTERLY SERIES

[Seasonally adjusted percent change, compound annual rate]

	I–69 to I–70	I–70 to I–71	I–71 to II–71	Phase I: II–71 to IV–71	Phase II: IV–71 to I–72	Phases I and II II–70 to I–72
GNP price deflators:						
Total	5.7	5.3	4.2	2.1	6.2	3.4
Private, fixed wts	4.9	5.1	5.0	2.6	4.6	3.3
Pers. cons. expend., fixed wts	5.0	4.7	4.5	2.5	4.0	3.0
Private Nonfarm:						
Hourly compensation	6.9	7.3	6.6	5.3	9.3	6.6
Output per man-hour	−1.0	3.7	2.7	3.4	3.7	3.5
Unit labor costs	8.0	3.5	3.8	1.8	5.4	3.0
Unit nonlabor payments	−1.1	9.5	4.6	.7	2.1	1.2
Price deflator	4.7	5.5	4.1	1.4	4.2	2.3
Real hourly compensation	.7	2.2	2.1	.9	5.7	3.1
Corporate nonfinancial:						
Hourly compensation	6.3	7.8	6.5	4.9	10.4	6.8
Output per man-hour	−.1	4.6	3.7	4.6	7.0	5.4
Unit labor costs	6.4	3.1	−.7	.3	3.2	1.3
Unit nonlabor costs	9.4	8.2	.6	6.3	−2.8	3.2
Unit profits	−19.8	10.5	01.0	−6.0	20.4	2.1
Price deflator	3.5	5.1	3.6	1.0	3.5	1.8
Real hourly compensation	.1	2.8	2.3	0.6	6.8	3.3

Negotiated wage changes, all industries	(Mean percentage adjustment, decisions reached during period)					
	1969	1970	I and II–71	III and IV–71	I–72	III–IV–7 and I–72
Wages and benefits, 1st year	10.9	13.1	10.5	15.0	9.3	13.7
Wages, 1st year	9.2	11.9	10.0	13.5	8.4	12.4

Mr. MOORE. To summarize briefly on the employment situation, the total employment numbers rose slightly in May from the April level, about 190,000 increase. This is a continuation of the upward rate, as you have had during the past year. The unemployment rate, as you have already noted, remained at 5.9 percent, which is where it has been in April and March, but it is slightly below the 6.1 level of a year ago.

I might say that in the first 5 months of this year, the unemployment rate has been slightly below the year ago level in each of the 5 months.

The payroll employment statistics, which are independently derived from a different survey, where we get the data directly from employers rather than from households, the number of payroll employment jobs rose in May also, and manufacturing employment, particularly, picked up, as it has over the last 5 months.

The other press release that I mentioned on job vacancies, new hires and layoffs is in manufacturing, pertained to the month of April. But they support these May figures as well by showing that the number of job vacancies in the manufacturing sector has risen to 125,000, and that is the highest it has been since August 1970. The new-hire rate, while it did not increase between March and April, was still at a relatively high level; and the layoff rate in manufacturing was at the lowest level that it has been in the post-Korean war period; namely, one per hundred workers employed.

So in manufacturing, as I have pointed out in the last two or three sessions, there has been evidence of an improvement. That sector, of course, was at a relatively low level for almost a year.

The changes in the overall unemployment rate in different age and sex groups are somewhat divergent. The rate of unemployment for adult women rose from 5.4 percent to 5.9 percent. The jobless rate for adult men remained the same at 4.3 percent; but the unemployment rate for teenagers dropped from 17.3 to 15.7 percent. This is a new low rate for the teenage sector, and certainly is a gratifying drop from the very high level on which is has been hovering in recent months.

The unemployment rate for white workers was about the same as in April; the rate for Negro workers rose to 10.7 percent from the lower level that it had in April.

Among veterans, the unemployment——

Chairman PROXMIRE. That Negro unemployment rate, that is the highest in how long? It is the highest, I notice, in your table here for the last 3 months, higher than any quarter of last year—10.7 percent seems to be a very, very high level of unemployment for blacks.

Well, give it to me a little later.

Mr. KAITZ. We had 10.5 in May.

Chairman PROXMIRE. This is 10.7, so it is higher than that. It seems to be one of the highest figures we have had in a long time. It is very discouraging.

Go ahead.

Mr. MOORE. In looking at the chart attached to the employment situation press release, chart 7, where you have the Negro rate and the white race plotted separately, the 10.7 is the highest back to 1963.

Chairman PROXMIRE. The highest rate of any month since 1963 for blacks?

Mr. MOORE. That is right. On the other hand, I would like to point out that that rate fluctuates widely from month to month, as you can see from the chart. It has been moving up and down, from around 9½——

Chairman PROXMIRE. Certainly wouldn't you say an increase from 9½, which is what it was, to 10.7, is significant?

Mr. MOORE. Yes, it is a statistically significant 1-month change. But I think you can see by just looking at the figures that in the last year, the rate has varied from one month to another from around 9½ percent to 10½ percent.

Turning to the veterans employment situation, the number employed remained about the same as in April. The unemployment rate in May was 8.1 percent. In April, it was 8.6 percent. And in the last few months, it has been down below the level of a year earlier. For nonveterans in the same age group—that is, 20 to 29 years old—the unemployment rate was 7.1 percent in May. There is a gap of about 1 percentage point between those two rates, veterans versus nonveterans. That is a smaller gap than existed earlier last year, but it has remained for several months at about a 1 percentage point difference.

I have mentioned already the improvement in employment in the payroll survey. The workweek for nonagricultural workers declined two-tenths of an hour to 37 hours. In manufacturing, it declined three-tenths, to 40.5 hours. It looks now as though the April workweek was exceptionally high, 40.8, and the 40.5 is approximately where it was in March.

The employment report also contains information on average hourly earnings. These rose 2 cents an hour in May and have climbed 5.8 percent over the year ending in May. The weekly earnings have risen over the whole year a little more than 6 percent, and this, of course, is faster than the rise in the Consumer Price Index which, from April to April, was up 3.4 percent. So real earnings on a weekly basis have increased over the year by almost 3 percent.

The hourly earnings index that we publish, in which we make adjustment for the changes in the employment mix; namely, the number of people working at high wages relative to lower wages in different industries—and we also allow for overtime in manufacturing and adjust the figures for seasonal variations—this index rose 0.3 percent in May from April and now stands 5.8 percent higher than a year ago.

Chairman PROXMIRE. What figure is that that you just gave us?

Mr. MOORE. That is the average hourly earnings index.

Chairman PROXMIRE. I beg your pardon. I though you were talking about hours of work. Go ahead.

Mr. MOORE. That is earnings per hour.

Turning to the wholesale price press release, which we——

Chairman PROXMIRE. How about hours of work? That is one that really troubles me and concerns me very greatly, because we are not going to make much progress, it would seem to me, in diminishing unemployment as long as people are not working full hours. An employer is going to work his current employees until they are working full time, it would seem. He will not hire new employees until then. I notice that the average workweek for all rank-and-file workers on private nonagricultural payrolls did not rise in May and after seasonal

adjustment, declined 0.2 hours to 37 hours. If that is not the lowest, it perhaps has been lower in past times, but it is very low historically, is it not, 37 hours per week? Is that not a dangerous indicator to a certain extent?

Mr. MOORE. There has been a long trend downward in recent years. For example, in 1965, it was in the neighborhood of 38½ hours. In recent years——

Chairman PROXMIRE. What concerns me is with all the good news we have heard, and I am sure it is sincerely expressed, nevertheless, this is a factor that has not been discussed and it seems to me it is a very important one.

Mr. MOORE. Well, I think the change in the workweek is an important indicator and it certainly did drop by two-tenths of an hour this month.

On the other hand, as I have observed before, there are month-to-month fluctuations in the workweek as well as in other indicators, and this could be something of a very short-run fluctuation. We simply do not know at this point.

Chairman PROXMIRE. In other words, that will come in next month as a leading indicator that is adverse? That is a leading indicator?

Mr. MOORE. It is a leading indicator.

Chairman PROXMIRE. It is just out this month and next month it will have to be included as a minus figure?

Mr. MOORE. That is correct.

Turning to the wholesale price index press release, let me refer simply to the seasonally adjusted figures, which I think are better to measure the trends over short periods of time. The total index for wholesale prices rose five-tenths of 1 percent in May. The industrial component—that is, excluding farm products and processed foods and feeds—rose four-tenths of 1 percent. The larger rise in the total index than in the industrial sector was due to the rapid advance in farm products and processed foods.

Chairman PROXMIRE. Let me just interrupt again. I apologize for interrupting so frequently. But once again, you are a bearer of double bad tidings. All of us hoped and prayed and expected that the unemployment rate would be down; it is not. It is at the same dead level. We had also hoped that wholesale prices would moderate, in view of the fact that we have had a control program on for 6 months now, and that is up shockingly. It is up a full 6 percent on an annual rate. And you have said that is seasonally adjusted. It is up even more on raw data; is that not correct?

Mr. MOORE. The total——

Chairman PROXMIRE. And this foreshadows what is likely to happen to consumer prices 2, 3, or 4 months from now; is that not correct?

Mr. MOORE. Well, it depends on what component of the WPI you look at. I was about to mention the consumer finished goods prices, which is one of the components of the Wholesale Price Index.

Chairman PROXMIRE. But that is down the pike a little bit. The wholesale prices which would foreshadow the future for industrial commodities—that is up. Farm products and processed foods and feeds, that is up sharply.

Mr. MOORE. Well, that is true, but the commodities that are most closely related to the consumer level of prices are the prices of consumer finished goods. They went up three-tenths of 1 percent in May, seasonally adjusted.

Chairman PROXMIRE. An annual rate of 3.6 percent?

Mr. MOORE. It is approximately at that level; yes, sir.

Chairman PROXMIRE. I think that is the worst performance in the last 3 months, even for that.

Mr. MOORE. The index for consumer finished goods was unchanged in April. It went down three-tenths of one percent in March and was up seven-tenths of one percent in February. So over the past 3 months, there has been only a three-tenths of 1 percent rise in that index at an annual rate. Over the 6 months ending in May, the index has risen at an annual rate of 3.9 percent. And over 12 months, I might say, it has risen at a rate of 2.5 percent.

I think it does pay at times to look at the rates of change over longer periods and let me just mention a few of them.

For the industrial price index, the May figure is 3.4 percent above a year ago. The farm products and processed foods and feed prices are up 5 percent above a year ago, and consumer goods are up 2½ percent above a year ago. Part of that is consumer foods, which are up 3.4 percent, while the nonfoods are up only 2 percent compared with a year ago.

The table that I asked to have put in the record deals with prices and wage changes prior to the economic stabilization program that began in August, and running through to either April or May, depending on the latest figures that we have. Let me just call attention to a few of the figures in that table.

Chairman PROXMIRE. What table is that? What is the number?

Mr. MOORE. I do not have a number.

Chairman PROXMIRE. That is all right. We can follow it.

Mr. MOORE. The new figures in the table are for the WPI. During the whole of phases I and II—that is, since August—the entire economic stabilization program to date, the total, all-community WPI has risen at the annual rate of 3.4 percent. Now, this compares with a rate of increase immediately prior to the stabilization program of 4.7 percent. The industrial commodities in the WPI have risen during this stabilization period at the annual rate of 2.6 percent, which is just about half the rate that it was moving up immediately before the freeze.

Chairman PROXMIRE. Do you have a basis of comparison when you take the freeze period out? The freeze period, it seems to me, is not a a typical, because after all, we did freeze all prices, period. There was no increase for 3 months. And it was very effective. If you take that out and compare the phase II with the 6 months phase II, you get a different story; do you not?

Mr. MOORE. For the total index, you get a 5.2 annual rate since November, and for industrials, you get a 4.1 annual rate since November.

Chairman PROXMIRE. So it is about the same as it was before the controls were put into effect?

Mr. MOORE. Well, for the total index, it is a little higher; for the industrials, it is a little lower.

Chairman PROXMIRE. For the total index, it is higher with controls in effect than it was without controls in effect, just taking phase II?

Mr. MOORE. That is true, but of course, a part of the total, namely the farm products and raw food, are not controlled. You can see from the next line in the table that during phase II, they have risen at the annual rate of 7.8 percent.

The table also covers earnings in hourly and weekly form. Again, if I may use the whole stabilization period as an example, the hourly rate of increase in earnings or the increase in hourly earnings has been at a 5.8 percent annual rate since August, which is a bit lower, approximately 1 percentage point lower than the annual rate of increase immediately prior to the stabilization program.

On a weekly basis, the rates are about the same as they were prior to the inauguration of the stabilization program because the lengthening of the workweek has offset the decline in the rate of increase in hourly earnings. And on a spendable weekly basis—that is, after taxes—the rate of increase is 7 percent during the stabilization period as compared to 5.4 percent immediately prior to the stabilization period.

Chairman PROXMIRE. Now, here, when you move over to phase II as compared to the period before we had any controls over wages, I think you get the most damning indictment of the control program. The control of wages, as I understand it, was to reduce as much as possible the inflationary impact of wage increases—in other words, hold wage increases down so you hold prices down. What has happened is since November 1971, when phase II began, to April 1972, hourly wages have increased 7.8 percent. Before we had controls, they increased 6.8 percent. In other words, the controls seem to be perverse. In that not correct?

Mr. MOORE. Well, a lot of that happened between November and December and there was, certainly, a bulge in the rate of increase in hourly earnings immediately following the postfreeze period.

Chairman PROXMIRE. At the same time, Judge Boldt testified before this committee and he agreed—he had it right in his statement—that the most difficult and troublesome wage settlements had been postponed and they have to come up later. So there may be even further wage increases which will add an even further inflationary impact down the line.

I do not mean again to interrupt the flow of your thoughts, but I thought that was something to say on the way.

Mr. MOORE. The next group of figures in the table convert the earnings into constant dollars—eliminating the price change from the dollar figures. Of course, they are all lower, since prices have been rising, but nevertheless, there has been a significant rate of increase in both the hourly and especially in the weekly earnings in real dollars.

Chairman PROXMIRE. That is good news for the working man.

Mr. MOORE. I believe so.

Chairman PROXMIRE. I think we have to concede that that is an important thing.

Mr. MOORE. It compares very favorably with the prefreeze period.

Chairman PROXMIRE. So the working man has been getting an increase of 5.3 percent, increase in constant dollars under phase II, is that correct?

Mr. MOORE. On an hourly basis.

Chairman PROXMIRE. On an hourly average rate.

Mr. MOORE. That compares with 2.7 immediately prior to the freeze.

Chairman PROXMIRE. Well, that is good news.

Mr. MOORE. The next section of the table gives some quarterly data and covers not only prices and hourly compensation, but productivity and unit costs. There in the case of the private nonfarm hourly compensation during phases I and II—that is, since the second quarter of 1971—the annual rate of increase has been 6.6 percent in hourly compensation; 3.5 percent in output per man-hour; and 3 percent in unit labor costs.

The rate of increase in productivity, as you can see, is a bit faster than it was prior to the stabilization period, and even though the rates of increase in hourly compensation have been about the same or a little bit lower, unit labor costs have gone up less rapidly, primarily because of the more rapid increase in productivity.

Chairman PROXMIRE. But again, you take phase II and you have that same inflationary factor that it seems to me we are going to have to pay for in coming months. It shows unit labor costs of 5.4 percent in phase II. That is the most recent figure, that is the area that it seems to me may be most germane—as compared with 3.8-percent unit labor cost increase in the period before. Is that right?

Mr. MOORE. Yes, that is right. That is the first quarter change.

Chairman PROXMIRE. So the unit labor cost, which is the key to future inflationary developments or inflationary pressures, do seem once again a danger signal.

Mr. MOORE. I would call your attention to the next section of the table, which covers the corporate nonfinancial sector. These are a new set of figures that we began publishing just this month, and they have some merits compared with the private nonfarm sector that we published heretofore and are continuing to publish. There, while the rates of increase in hourly compensation in recent quarters have been fairly high, so have the rates of increase in output per man-hour. Hence the rates of increase in unit labor costs have been a bit lower than they have been in the private nonfarm sector.

Chairman PROXMIRE. The most shocking and startling aspect of this whole table, it seems to me, is the remarkable increase in phase II in unit profits—far, far greater than any other element—labor costs, nonlabor costs, hourly compensation—and twice as great as it was in the period before the control program went into effect.

In other words, if the control program is controlling anything, it sure is not controlling profits. Profits have doubled in comparison with what they were in the 6 months before the control program went into effect. Is that right?

We have a 20.4-percent increase here in unit profits in phase II. That, of course, dwarfs anything else in the table.

Mr. MOORE. Well, the rate of increase has doubled, but profits have certainly not doubled.

Chairman PROXMIRE. No, no; the rate of increase has doubled and the amount of increase is far greater than any other categories—far

greater than hourly compensation or the unit labor, non-labor costs, or anything else.

Mr. MOORE. Well, as in all of these cases, the figures fluctuate. It is particularly true of profits that they move around a good deal more than most of the other figures that are more stable.

And of course, profits were declining over a period prior to this stabilization period so that while they are beginning to catch up to where they were——

Chairman PROXMIRE. Not according to this table. From the first quarter of 1969 to the second quarter of 1970, according to this table, they increased 11 percent. In the first quarter of 1971, they increased 11½ percent.

Mr. MOORE. Then they went down 20 percent.

Chairman PROXMIRE. They went down 20 percent from the first of 1969 to the first of 1970. That is ancient history compared to the rest of this. At any rate, the latest figures show a 20-percent increase.

Mr. MOORE. And over phases I and II as a whole, a 2.1-percent increase.

Chairman PROXMIRE. Because of the freeze, yes.

Mr. MOORE. Yes; the freeze really hit profits rather hard.

I think that is all that I would like to comment on at this time. Mr. Chairman.

Chairman PROXMIRE. All right, I have a series of questions here.

Unemployment in May as I said was right there at the same old deadly 6-percent level. Your release does mention that at 5.9 percent, the rate was a little bit below the 1-year-ago rate of 6.1 percent. Would you not agree with me that essentially, there has been no significant change in the unemployment situation, that we have been right there at 6 percent ever since December of 1970?

Mr. MOORE. I think I detect a slight improvement in the unemployment rate. As I mentioned earlier, the figures have been lower in the first 5 months of this year than in the corresponding months a year ago in every single month.

Chairman PROXMIRE. But so slightly lower. After all, 5.9 percent and 6.1 percent is a very marginal difference; is it not?

Mr. MOORE. Well, it is small, there is no question about that. I think one thing that I would like to observe is that there has been a shift in the composition of unemployment, in this sense: About 43 percent of the total unemployed in May lost their jobs. The rest reentered the labor force, quit their jobs, or were new entrants into the labor force.

Now, the 43 percent—that actually lost their jobs—is lower than it was a year ago. And if you look over the past few months, I think you can detect a downward trend in the proportion of the unemployed that have actually lost their jobs.

Now, I thhink that that reflects the improving employment situation—fewer people have been losing their jobs, more have been becoming employed. At the same time, there has been an expansion in the number of people entering the labor force and still seeking work—that is, not being able to find work immediately, and thereby being counted as unemployed.

So there has been that important shift in composition that I think makes the unemployment figures look a little more consistent with the improving employment figures.

Chairman PROXMIRE. Now, I have a table put out by your agency—lost last job, May 1971, 2.8. January 1972, 2.5; February 1972, 2.4; March 1972, 2.5; April 1972, 2.4; May 1972, 2.5. I certainly do not see any very encouraging trend there. It is about as flat and level as these things ever get. You still have about 2½ percent of the unemployed as a percentage of the labor force that lost their jobs. Is that right?

Mr. MOORE. 2.5 percent of the labor force have lost their jobs. My point is that as a proportion of the total unemployed, that is a smaller proportion than it was a year ago.

Chairman PROXMIRE. Let me ask you some other ones. How about the significance of these figures. You say employment increased slightly. Was the increase a statistically significant one, in your view?

Mr. MOORE. According to our standard test of significance it was less than a significant increase.

Chairman PROXMIRE. It was not?

Mr. MOORE. Not significant.

Chairman PROXMIRE. You say the labor force edged up. Was that statistically significant?

Mr. MOORE. No, that was not significantly higher, either.

Chairman PROXMIRE. Which increased the most, employment or the labor force?

Mr. MOORE. I am sorry, I didn't get the question.

Chairman PROXMIRE. Which increased the most, employment or the labor force?

Mr. MOORE. The labor force increased slightly more than employment.

Chairman PROXMIRE. The changes are almost the same?

Mr. MOORE. Almost the same.

Chairman PROXMIRE. So there does not seem to be any fundamental improvement, you know. They used to say, instead of looking at the hole, the unemployment, look at the doughnut, the part that you eat. Even though there is more employment, there is not any change that you can see. It is still the same.

Mr. MOORE. There has been a small improvement.

Chairman PROXMIRE. You do not know. It is statistically insignificant, the improvement, if any.

Mr. MOORE. It is within the margin of error, but I must point out that if you follow that criteria consistently and limit your observation to that, you will not detect any trends at all. For example, over the last 12 months, there have been only 5 months out of that whole period where there was a statistically significant increase in employment. Yet there was a total increase of nearly 2½ million over that 12-month period.

Chairman PROXMIRE. Well, all I say is that for this month, May, you simply can't see any statistically significant improvement in employment and certainly no improvement in unemployment.

Mr. MOORE. That is correct for this month; yes, sir.

Chairman PROXMIRE. Unemployment for adult women went up from 5.4 to 5.9 percent. For teenagers, it went down as you said, from 17.3 to 15.7 percent. For blacks it went up from 9.6 to 10.7.

I have already asked you about blacks. You have said that was statistically significant. How about the other two? How significant was the teenager change and the adult women change?

Mr. MOORE. Both of those changes were statistically significant.

Chairman PROXMIRE. Let me get back to the wholesale prices for a minute. How can anyone keep suggesting that the price control mechanism is working in the light of the May wholesale price increases at the annual rate of increase of 6 percent, the Industrial Price Index is up 4.8 percent. When you eliminate all items exempt from controls, the increase is still 4.8 percent. Do we have to go on a starvation diet if that bulge continues, does not recede?

Mr. MOORE. Well, as you know, Mr. Chairman, I try not to comment on policy aspects of the program. What we do try to do is provide some of the facts that are needed to take a look at it. I do not really have any observations to make on that.

Chairman PROXMIRE. Well, let me say as one who can comment on the policy, I do not see how you can say a control program is working when you have that kind of increase in wholesale prices and that kind of increase in the part that is supposed to be under control.

Now, the index of leading indicators showed a relatively large rise in April, according to that estimate. This index has now been rising fairly steadily for some time—about 18 months, I believe. Yet during those same 18 months, there was no progress in reducing unemployment.

You are a leading expert in business cycle analysis. Could you tell us exactly what the sustained rise in the leading indicators means? How long do these indicators have to keep rising before we see some impact on unemployment?

Mr. MOORE. Well, I think the rise in the leading indicators has been and still is telling us that a recovery in the economy has been underway since about a year and a half ago. That is what typically happens when such a recovery gets underway. There are sharp rises in many of the leading-type indicators. They are followed relatively shortly afterwards by increases in many of the general indicators of the performance of the economy such as employment and output and a decline in unemployment.

Now, in this case, there has not been a very large decline in unemployment.

Chairman PROXMIRE. There has not been any.

Mr. MOORE. I think there has been a slight decline, but it has not been very great.

Now, I think the significant or one of the significant facts has been that the total labor force has increased relatively sharply in this recovery period as compared with previous recovery periods. In fact, there is not a recovery period in the whole post war era when the labor force has increased as rapidly as it has in the last 2 years. So that is simply another way of saying that there are a lot of people looking for work as well as a lot of people working. In fact, the percentage of the population that is actually at work is very near an alltime record high. There have been only 4 years in the whole postwar period when the percentage of the population that is actually at work has been any higher than it is today. So that indicates a relatively large number of employment opportunities.

On the other hand, you do have a relatively large number of people seeking work. Some of them have lost their jobs, as I mentioned ear-

lier—about 43 percent in May were unemployed because they lost their jobs. A larger fraction, 57 percent, had either quit their jobs or had newly entered into the labor force or had decided to seek work after not having worked or sought work before.

Chairman PROXMIRE. Let me indicate what I am getting at. I am really concerned about whether the leading indicators are really telling us anything. The basic, fundamental economic statistics which is most commonly known in the American public and appreciated is unemployment. That is what they look at more than anything else. Maybe they are wrong, but they look at it. It is an important figure, as we all know, very vital.

Let's look at these other things. Am I correct in that of the 12 leading indicators, three of them are prices and that a fourth is corporate profits? You see, we have had a price control program in effect since August. It does not directly affect stock prices, but it should affect those other three. The other three are industrial material prices, ratio of price to unit labor cost in manufacturing, and corporate profits after taxes. Can we expect these components, the leading indicators, to follow their usual cyclical pattern at the present time? It seems to me the control program makes a big difference in what these prices show. And good business cycle analysis should recognize that the control program should modify our evaluation of the performance of the leading indicators which, as I say, is heavily weighted on the side of prices; is that not correct?

Mr. MOORE. I really do not think that they are heavily weighted on the side of prices. The industrial materials price index that is in there is a commodity price index that is true. But its recent behavior, I must say, does not suggest that it is very firmly under control. It has been rising at a very rapid rate. The other price index that is among the leading indicators is stock prices and they, as you know, have not been under control at all. The ratio of prices to——

Chairman PROXMIRE. I wonder how reliable they are, too. You are talking about common stock in the stock market?

Mr. MOORE. Yes, that is the common stock price index.

Chairman PROXMIRE. They seem to fluctuate so much on the basis of war news, on the basis of SALT talks, and on the basis of other things that are irrelevant.

Mr. MOORE. Well, that is true from day to day and month to month. But broad trends in stock prices have made it one of the best leading indicators that we have.

Chairman PROXMIRE. Well, let's take corporate profits. They are no doubt a very good barometer of changes in the economy, but this data is only available quarterly, and then only with a substantial timelag. When did we get our data on the first quarter profits? The answer is, it seems to me, not until mid-May; is that not right?

Mr. MOORE. I believe that is right; yes.

Chairman PROXMIRE. And this data is still preliminary; isn't it?

Mr. MOORE. Yes.

Chairman PROXMIRE. So how can the statistic which is available only after such a long delay be of value as a leading indicator? By the time we got data on corporate profits, had not most analysts already formed a pretty firm idea on which way the economy is heading?

Mr. MOORE. I think the answer to that is it is not as good a leading indicator as if we had it more promptly. But in its historical behavior, it has certainly behaved in the fashion of other leading indicators.

Furthermore, there is among the leading indicators a monthly ratio of profits to unit labor costs in manufacturing. That is available monthly. And one reason why it was selected among the leading indicators was just exactly that; it gives a more up to date picture, at least for that sector, on one of the profit determinants—namely, the ratio of prices to unit labor costs.

Chairman PROXMIRE. Of course, there again, you have the control program which makes it hard to know whether or not this is telling us that something is useful.

Mr. MOORE. I think that is certainly true. You have to interpret all of these data with a view to what is happening both within the economy and outside the economy and make the best judgment one can about it.

Chairman PROXMIRE. I have asked you to do something a little differently than we have done before this morning, as you know. I have asked you to come prepared to discuss employment and unemployment in other industrialized countries. I have done this because the debates between Senator McGovern and Senator Humphrey and because of the debate going on between the Democratic Party and President Nixon have convinced many of us we ought to take a good hard look at the nature of our unemployment overall. The budget is formed on the basis of so-called full employment. We have a $30 billion deficit we are facing because we are operating at about 6 percent unemployment instead of 4. But there are strong arugments that we should be looking at a 3-percent unemployment. Mr. Charles Schultze, the former Budget Director, indicated that we ought to take a hard look at buttoning down the economy and doing as we did in World War II, as we had in World War II, 2 percent unemployment, almost everybody at work, very few on welfare, and far better revenues for the Federal Government. Then we can do something better than the big tax increases which some have suggested and which concern the taxpayer, properly.

I think you have brought with you, one of your staff experts on the subject. It is well known that many industrialized countries consistently keep their unemployment rate far, far below that in the United States, yet they are free countries, with free economies: France, with 1.6 percent, Japan, 1.6 percent, United Kingdom, 3.8 percent.

I would like to ask you first, how comparable are these statistics with ours? Does the BLS ever prepare any statistics on an adjusted basis which will give you a more valid comparison? What do these studies show?

Mr. MOORE. Let me tackle that question first, and I will ask Mr. Mark to comment further.

First of all, we have prepared a table, and I would like to have this in the record, also, if I may.

Chairman PROXMIRE. Without objection, it will be printed in full in the record at this point.

(The table referred to follows:)

UNEMPLOYMENT RATES IN 9 COUNTRIES

[In percent]

	1971	1969	1963
United States	5.9	3.5	5.7
Canada	6.4	4.7	5.5
Great Britain	5.3	3.7	3.8
Italy	3.4	3.7	2.7
France	2.7	2.1	1.9
Sweden	2.6	1.9	.7
Australia	1.6	1.5	(1)
Japan	1.3	1.1	1.3
Germany	.7	.8	.5

[1] Data begin with 1964, when the rate was 1.4 percent.

Source: Prepared by the Bureau of Labor Statistics from national and international sources. Data are adjusted, insofar as possible, to U.S. concepts. March 1972.

Mr. MOORE. This shows the unemployment rate in nine countries, including the United States, for 1971, for 1969, and 1963. I chose, of course, 1971 as the most recent year for which we can get data from these countries. I chose 1969 because it was the lowest rate in recent years in the United States, 3.5 percent, and I chose 1963 because the level of unemployment in the United States then was not too far from what it is now. It was 5.7 percent during that year; and during a few months of the year, it reached 5.9.

Well, there are several things that this table tells us. One is that the 5.9-percent rate in the United States in 1971 was exceeded by the Canadian rate of 6.4 percent, but was higher than the rates in any of the other countries that are included in the table.

Another thing that the table tells us is that in all of the countries with one exception—namely, Italy—the unemployment rates were higher in 1971 than they were in 1969. And I think it is true also in all of the countries, with one other exception—that is, Japan—the 1971 rates were higher than they were in 1963.

Chairman PROXMIRE. I am not sure I follow this. In Germany, the rate in 1971 was lower than in 1969.

Mr. MOORE. I am sorry, that is another exception. There would be two exceptions.

Chairman PROXMIRE. Incidentally, it is interesting what that level was. It was 0.7, seven-tenths of 1 percent unemployment. We talk about full employment at 4 percent. I think if they had 3 percent unemployment, they would have a revolution. It is a fantastic difference.

Mr. MOORE. I would like to make some comments on that, but let me make one more point with respect to this table; namely, it shows that year after year, these countries maintained something like the same relative position in terms of the level of their unemployment rates as in other years. And it is true in this case that the ranking or the order in which these countries' rates fall is exactly the same in 1971 as it was in 1969 and also in 1963. The same thing would be true, broadly speaking, if other years had been shown here.

So the fact that the unemployment rates for many of these other countries in 1971 were lower than the rate in the United States, has got to be taken—has to take into account the fact that in other years, exactly the same thing is true.

Chairman PROXMIRE. Yes. Well, I think we concede that.

Mr. MOORE. Well, on your point about the 0.7-percent rate for Germany, although we have adjusted these rates as best we can so that the concept is the same as used in the United States, we are not entirely sure that that is the case. Furthermore, the economic circumstances in some of these countries are rather different.

For example, Germany imports some of its labor force when labor conditions are tight and does not import as many when labor conditions are loose.

Chairman PROXMIRE. For the benefit of those who do not have the table, let me take a minute to go over this. As you say, in 1971, Canada had higher unemployment than we had, and Great Britain's was fairly comparable: 5.3.

But the rest: Italy, 3.4 percent; France, 2.7; Sweden, 2.6; Australia, 1.6 percent; Japan, 1.3; Germany, 0.7 percent.

All these nations, of course, suffer from inflation, but none of them has a control program like ours. They all have a free enterprise system in the sense that they have private property and they have privately owned industry that competes and so forth. Yet they are successful in holding down their unemployment so greatly. If we could do this, all the problems that we have been so concerned about would be greatly eased. We would have much of the revenues to meet the very serious problems we have, without the very sharp increase in taxes, would we not? And it seems to me that this committee is charged under the Full Employment Act of 1946 with the responsibility for doing our best to achieve this. I do not think we have given sufficient attention to what we are doing wrong, as compared to these other countries. You speak of trade and you speak of Germany importing a labor force. That is very true. But it is hard for me to believe that there could be this great difference between free enterprise economies. I can understand it with controlled ecnomies, which none of us would accept, regardless of price.

Mr. MOORE. Well, there are other differences as well. For example, I have not studied this question specifically, but it seems to me possible and indeed quite likely in some of these countries that if we had statistics on the number of unemployed who had lost their jobs—had been working and lost their jobs and now are unemployed, seeking work—that would be more comparable to what the situation is in this country. As I mentioned earlier, less than half of the people who are unemployed in the United States actually lost their jobs; the others are new entrants and reentrants.

Chairman PROXMIRE. They have new entrants, too, of course, do they not? They have young people coming into their work force. So even if we assume that they have two-thirds of ours, their unemployment performance is far, far better than ours. We have 2½ percent of our work force who have lost their jobs, are unemployed because they have lost their job. The total amount of unemployment in France is 2.7, Sweden, 2.6; in Australia, 1.6—less than ours. So we know on that criterion, too, their performance is better.

I would agree they have a more homogeneous society than ours, they do not have the minorities we have. Perhaps they have fewer women working; I do not know. But it seems to me there is no explana-

tion that satisfies me that our performance has to be as poor as it has been in the unemployment area.

Let me ask you this: Have the countries which have sustained lower unemployment also experienced higher rates of inflation than the United States, or have these countries generally gotten better trade-offs between inflation and unemployment?

Mr. MOORE. I have only general knowledge, but I would say that they have experienced over the last, say, 10 to 20 years a greater rate of inflation than the United States has.

Chairman PROXMIRE. In recent years, they have been closer, more comparable?

Mr. MOORE. Yes, I think that is true. In recent years, they have been.

Chairman PROXMIRE. Are there basic differences in social structure which enables some other countries to have a better experience than the United States? For instance, I believe in Japan, firms have a far different attitude about keeping workers on the payroll through difficult times or bad. Once a man goes to work for a company, he is part of that company, in almost all cases, for the rest of his life.

Mr. MOORE. Yes, the Japanese do have that custom and it is quite pervasive. And that probably holds down their unemployment rate significantly.

Chairman PROXMIRE. Let me ask you to comment—let me phrase it this way. Mr. Charles Schultze of Brookings suggested in a hearing this week that we ought to give some thought to the policy of pushing the unemployment rate very low in this country, accompanying this with strict controls, rationing if necessary. A lower unemployment rate would accomplish so many things—not only put people to work, but remove the fear of losing their job; remove many pressures against technological change, against cutting back on military spending. It would give us a chance to improve income distribution. It would make the welfare problem so much easier to solve. Most of us would be far happier if people, instead of being on welfare, would be working. I am not endorsing this idea of lower unemployment or of imposing controls, because I am opposed to controls unless they are absolutely essential, but I think we ought to take a look at it.

Do you have any comment, Mr. Moore?

Mr. MOORE. I think that is venturing into the policy area and I want to avoid that.

Chairman PROXMIRE. Well, let me ask you then, without your giving any position as to whether we ought to do it or not—and as I say, I am not supporting this.

In your view, given our history, our social structure, would it be feasible for us to have a system to push unemployment down to 2 percent and have a price control and rationing system that would prevent inflation? Is that possible? We would have to go back to World War II for an experience like this.

Mr. MOORE. Well, I think the historical evidence is that at the times when unemployment has gotten anywhere near that low, we have had pretty rampant inflation. Now, I was going to mention this one consideration: Unemployment is another way of saying seeking work, and there are many reasons for seeking work, and for seeking work over longer or shorter periods of time. One of those considerations is

whether you can afford to be unemployed for a longer period of time on the chance that you will be able to get a better job by looking further and waiting longer until the job that you want turns up. Now, that is partly a matter of affluence, how welloff people are. Particularly I think that is true of young people and how welloff their parents are, whether they can be supported readily while they are seeking to get the best job that they can find and one that they want the most. So there is that consideration. That does give you a freedom in the United States to seek work over longer periods than would be feasible for people in less affluent circumstances. And that, I think, in itself tends to raise the rate of unemployment. I do not think that that is a thing that we should be trying to do away with.

Chairman PROXMIRE. Well, perhaps, but we can still have that and a far lower rate of unemployment. As I say, we have had one historical experience when we had full employment, really full employment—superfull employment—in World War II. And the amazing thing about that to me is with all the terrible elements of war—and Heaven knows they are terrible and all of us want to avoid it at any cost—nevertheless, from the standpoint of the economy of our country, the economic well-being of our people, although 50 percent of our production went into the war effort—nevertheless, the people as a whole were infinitely better off than they were in the depression period when they didn't have work. So even though what they were producing in the GNP in 1942–45 was shot up, shot to pieces, or used for military purposes, nevertheless, people were far, far better off. And we had stable prices because we had, during that period, effective control.

Mr. MOORE. But what happened immediately after that?

Chairman PROXMIRE. Well, we had a period when prices went up, but we still had a much better situation immediately afterward than we have had ever since.

I am informed that the April job vacancy rate in manufacturing was released this morning. That rate for April was 0.7, which is an improvement over the March rate of 0.6 and the February rate of 0.5; am I correct?

Mr. MOORE. Yes.

Chairman PROXMIRE. A rising job vacancy rate should be good news—that is, there are more jobs seeking people, seeking people to work. I am calling attention to it because I do not want to give the impression that I always stress just bad news. But the job vacancy rate is available only for manufacturing and is not seasonally adjusted; is that right?

Mr. MOORE. Yes.

Chairman PROXMIRE. How does that compare, April 1972, with April 1971?

Mr. MOORE. The rate last April was 0.5.

Chairman PROXMIRE. So it represents an improvement?

Mr. MOORE. Yes, a slight improvement.

Chairman PROXMIRE. Nevertheless, I think we should not let this euphoria overwhelm us. I understand in April of 1969, the job vacancy rate was 1.4, or twice as great.

Mr. MOORE. That is true.

Chairman PROXMIRE. So we have a long way to go before we get to a full employment situation.

Mr. MOORE. The vacancies have come back up from the low level that they reached, but they have by no means come back to where they were in the manufacturing sector.

Chairman PROXMIRE. The staff informs me that the number of discouraged workers—that is, the number of persons who say they are not in the labor force because they cannot get a job—was higher in the first quarter of this year than it was a year earlier. On a seasonally adjusted basis, the number was slightly higher in the first quarter than it was in the first quarter of last year. How does this fit into the picture painted by so many analysts recently of a strong and accelerating economic recovery?

Mr. MOORE. Well, the statement is correct but as between the fourth quarter and the first quarter, there was a very minute increase. It was 796,000 in the fourth quarter and 802,000 in the first quarter.

I think that it fits in the sense that there has been very little change in the unemployment situation and there is certainly very little change in these numbers of people who have been looking for work but have decided that they cannot find a job, can't get a job, and hence have dropped out of the labor force.

Chairman PROXMIRE. I wonder if you could help me on another one? In this committee's most recent annual report, we published an estimate of what the unemployment rate would be if it were expanded to include discouraged workers and the full-time equivalent of part-time unemployment. We estimated that in 1971, this rate was 8.1 percent. This estimate was made by the committee staff, but it was based entirely on official BLS data. We entitled this "Total Officially Measured Unemployment."

I suggested to you at one of our earlier hearings that BLS undertake the publication of this or a similar index on a regular basis. I wonder if you can give me this morning an estimate for the first quarter of 1972 of what the unemployment rate would be if the discouraged workers and part-time unemployed were included?

Mr. MOORE. Well, I really can't do that; we have not computed that.

Chairman PROXMIRE. Our staff says 8.1 percent. Would you fault that? It is about the same as it has been.

Mr. MOORE. I would have to verify the calculations and we can put a statement in the record about it.

Chairman PROXMIRE. All right, fine.

(The following statement was subsequently supplied for the record:)

Table 1 on page 9 of the 1972 Joint Economic Report is entitled "Total Officially Measured Unemployment." Only the top line in this table contains the officially measured unemployment published by the Bureau of Labor Statistics. The addition to the unemployed of the full-time equivalent of that part of a full workweek not worked by people on part-time who desire full-time work (line 3) logically calls for the subtraction from the unemployed of the excess of the number seeking only part-time work over their full-time equivalent. Accordingly, the Bureau of Labor Statistics takes these three categories: (1) those looking for full-time work; (2) those working part-time but desring full-time work, and (3) those looking for part-time work, converts them to full-time equivalents and combines them into the measure of "labor force time lost," which is published in table A–3 of our monthly press release, "The Employment Situation."

This rate has been running higher than the official unemployment rate, ever since the series began in 1955, and in recent years has been approximately one-

half a percentage point higher. In May 1972 this rate was 6.3 percent as compared with the unemployment rate of 5.9 percent. In 1971, it averaged 6.4 percent compared with the official jobless rate of 5.9 percent. In 1969, it was 3.9 percent compared with the official rate of 3.5 percent.

The labor force time lost measure does not include "discouraged workers"—i.e., those who are not seeking work because they think they cannot find a job. We do not have any information on whether they want full-time or part-time work. Moreover, we do not have any information on persons who are at work or seeking work but would not do so if other members of the household, either unemployed or "discouraged," found work. Such persons are, in effect, proxies for some of the unemployed or "discouraged." In a measure of underutilization of human resources those who would drop out of the labor force if unemployment was reduced should be taken into account. We have no satisfactory means of doing so.

Consequently, the BLS has provided separate information on the number of "discouraged" workers. This procedure is in accord with the recommendations of the Gordon Committee, appointed by President Kennedy in 1961. The Committee recommended that the concept of unemployment be restricted to those who had actually tested the job market within a reasonably recent period.

Chairman PROXMIRE. What is the average length of the expansion phase of previous business cycles?

Mr. MOORE. I don't have the averages in my head, but roughly 3 to 4 years.

Chairman PROXMIRE. The National Bureau of Economic Research estimates for 27 cycles from 1854 to 1970 is 33 months. Now, if this present recovery started in November 1970, which is the low point as identified by the National Bureau, it has been running about 19 months—about two-thirds of the time—not quite two-thirds—yet unemployment is not declining at all. Suppose this is an average 33-month recovery. Would that give us time to get back to full employment, or might we be in danger of entering a period where unemployment is going to stay above 4 percent for quite a long time?

Mr. MOORE. Let me make two observations. One is that while the average over that long period, going back more than a hundred years, comes out to 33 months, it is quite clear that in the postwar period, in the last 25 or 30 years, the average length of expansion has been longer than it was in earlier years. That is why I said that between 3 and 4 years is where that average is; I do not remember the exact number of months. But in any case, the average in the postwar period has been distinctly longer than the average prior to World War II. So I think if we come up to the post-World War II average, we still have a long way to go and plenty of time to get the unemployment rate down.

Chairman PROXMIRE. I have one other question that I am very concerned about. It relates to Government productivity—productivity of people in government. The assumption has been made that there is not such a thing. Fortunately, we have been successful in getting the GAO to make a study of it. This committee requested it and the GAO has a report on it. The headline of a news release from the Labor Department states "Federal Government productivity rises faster over the past 4 years than in private nonfarm sector, Hodgson reports."

I wonder if you would consider that a meaningful comparison? The comparison used as the terminal year fiscal 1971. That was a year characterized as a recession year for the private economy. Was there also a recession affecting Government?

Mr. MOORE. Not that I am aware of.

Chairman PROXMIRE. That is right. So the comparison is not very appropriate. Do you believe that the trend values of productivity would show public or private productivity advancing more rapidly?

Mr. MOORE. Well, it so happens that this figure for Government of 2 percent per year is the only figure that we have. It covers the period 1967 to 1971. If we had a longer period, we would get a better fix on the trend. Certainly the long-run trend in the private nonfarm sector has been higher than 2 percent. It has been in the neighborhood of 3 percent.

Chairman PROXMIRE. So that headline in that story by the Secretary of Labor was quite misleading. He indicated that the productivity in the Federal Government was higher than it is in the private sector. We don't know. Maybe it is. But on the basis of the statistics we have, the suggestion is that it is not. It is about two-thirds. If you accept the figures—and as I say, we ought to be careful about making any initial judgment on it, but certainly we cannot make any judgment that it is higher.

Mr. MOORE. What the Secretary said, and I just happen to have his statement here, is this, that the rate of gain in productivity in the Federal Government as presently estimated averaged about 2 percent a year over the period I just mentioned, from fiscal 1967 to fiscal 1971. Then he went on to say "Not a spectacular increase, of course, but you must remember that for this period, it compares with a rate of 1.5 percent for the private, nonfarm sector."

Chairman PROXMIRE. That is the point where I think he went off base. Because you are comparing it in a period when the private, nonfarm sector was moving into a recession, which is always a lesser increase in productivity. Is that not right?

Mr. MOORE. Well, for fiscal 1971, I do not remember what the rate of increase in productivity was, but I do not believe it was as low as it was the year before. I think there was an improvement.

Chairman PROXMIRE. Yes, but you just told us it was 3 percent in the long-term trend average, 3 or 3½ percent.

Mr. MOORE. Well, that is right.

Chairman PROXMIRE. So that Mr. Mark, who spoke to us before and gave us 3 percent is disagreeing with the Secretary of Labor.

Mr. MOORE. I do not think the Secretary of Labor would disagree with my statement.

Chairman PROXMIRE. I do not think he would, either, but he would have to disagree with himself.

Mr. MOORE. Well, I think his statement as I just read it is accurate.

Chairman PROXMIRE. Well, as you probably know, it was at the urging of this committee that the GAO undertook the Government productivity study. Yet there was no reference to either the committee or the GAO in the release, leaving the impression that the work was done by the Labor Department. What was the Labor Department's contribution to the study?

Mr. MOORE. Well, we cooperated with and participated in the study, both in providing some data with respect to productivity in the BLS itself, which I am proud to say was a bit better than the 2 percent—closer to 4 percent—and by providing some technical expertise to the participants in the study itself. We were not responsible for the final product.

Chairman PROXMIRE. How did you get the figure for BLS at 4-percent productivity.

Mr. MOORE. I would like Mr. Mark to explain that. What we did was look at some of the measures or some possible measures of the output of the Bureau of Labor Statistics and compare them with the man-hours that we put into producing them.

Chairman PROXMIRE. Did he measure your productivity, Mr. Commissioner?

Mr. MOORE. My own?

Chairman PROXMIRE. Yes.

Mr. MOORE. Not independently of the rest of the staff.

Mr. Mark.

Mr. MARK. Essentially, it was a count of the publications separately weighted by type of publication——

Chairman PROXMIRE. Number of pages?

Mr. MARK. No, by reports.

Chairman PROXMIRE. Number of reports?

Mr. MARK. Number of reports and statistical series and information requests. We combined these with weights which reflected the differential man-hour requirements to develop the particular series and reports that were provided.

Chairman PROXMIRE. How can number of reports—since reports vary in length, reports vary in intensity required for developing reports or vary in research, they vary in so many ways—how can they be any kind of reasonable measure of productivity, number of reports?

Mr. MARK. They were weighted separately, Mr. Chairman, by type of report to take into account, insofar as we could, some of the differences that you just mentioned and by examining the changing labor requirements to produce similar types of reports, we could get some indication of the productivity change.

Chairman PROXMIRE. The main thrust I have here is that the General Accounting Office did most of the work, did they not?

Mr. MARK. They did. Yes, as you mentioned, this study was initiated at your request and conducted by the General Accounting Office and the OMB. The staff director was from the General Accounting Office. We provided technical advice from time to time and some staff support to them. But the report and the responsibility was in the General Accounting Office.

Chairman PROXMIRE. Secretary Hodgson is a very mild, unassuming kind of fellow, does not like to claim any more credit than he deserves. But in this particular instance, one got the impression by reading this that it was not the General Accounting Office that did it or the Joint Economic Committee that requested it, but that it was a Labor Department study and that the Labor Department did the work and deserves the credit for having made the analysis. That is what concerns us.

Thank you very much, Mr. Commissioner. Once again, you have done a fine job. We look forward to seeing you again.

The committee will stand adjourned.

(Whereupon, at 12:15 p.m., the committee was adjourned, to reconvene subject to the call of the Chair.)

○