696

EMPLOYMENT-UNEMPLOYMENT

HEARINGS

BEFORE THE

JOINT ECONOMIC COMMITTEE

CONGRESS OF THE UNITED STATES

NINETY-FOURTH CONGRESS

FIRST SESSION

PART 4

FEBRUARY 7, MARCH 7, APRIL 4, AND MAY 2, 1975

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FRIDAY, FEBRUARY 7, 1975

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

The committee met, pursuant to notice, at 12 noon, in room G-308, Dirksen Senate Office Building, Hon. Hubert H. Humphrey (chairman of the committee) presiding.

Present: Senators Humphrey and Proxmire; and Representative Brown of Michigan.

Also present: John R. Stark, executive director; Courtenay M. Slater, senior economist; William A. Cox, Lucy A. Falcone, Robert D. Hamrin, Sarah Jackson, Jerry J. Jasinowski, L. Douglas Lee, Carl V. Sears, and Larry Yuspeh, professional staff members; Michael J. Runde, administrative assistant; Leslie J. Bander, minority economist; and George D. Krumbhaar, Jr., minority counsel.

Chairman HUMPHREY. The committee will come to order.

Mr. Shiskin, Julius Shiskin, the Commissioner of Labor Statistics, we welcome you once again to this committee, and we are looking forward to your report on these rather disappointing statistics. Possibly, you can give us a greater indepth understanding of what is happening here today. Would you come forward please and proceed in your own manner.

STATEMENT OF HON. JULIUS SHISKIN, COMMISSIONER, BUREAU OF LABOR STATISTICS, DEPARTMENT OF LABOR, ACCOMPANIED BY W. JOHN LAYNG, ASSISTANT COMMISSIONER, OFFICE OF PRICES AND LIVING CONDITIONS; AND JAMES R. WETZEL, ASSISTANT COMMISSIONER, OFFICE OF CURRENT EMPLOYMENT ANALYSIS

Mr. SHISKIN. Thank you, Mr. Chairman.

I want to be sure that you know Mr. Wetzel, who is in charge of our employment statistics and Mr. Layng, who is in charge of our price statistics. We have other experts in the room on wages and productivity in case those matters come up.

Chairman HUMPHREY. May I say that Mr. Wetzel's wife is a Congressional fellow in my office, and if Mr. Wetzel is as able as his wife, you are a most fortunate man.

Mr. SHISKIN. May I say, if Mrs. Wetzel is as able as her husband, you are a most fortunate man.

Chairman HUMPHREY. We are both lucky.

Mr. SHISKIN. Yes, we are. I would like to put the Employment Situation press release in the record, if I may.

Chairman HUMPHREY. Yes.

[The press release referred to follows:]

NEWS

U. S. DEPARTMENT OF LABOR
BUREAU OF LABOR STATISTICS

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USDL 75-75
FOR RELEASE: 10:00 A. M. (EST)
Friday, February 7, 1975

THE EMPLOYMENT SITUATION: JANUARY 1975

Unemployment increased sharply in January, pushing the Nation's unemployment rate to 8.2 percent, its highest point recorded over the entire post-World War II period, and employment declined for the fourth straight month, it was reported today by the Bureau of Labor Statistics of the U. S. Department of Labor.

Unemployment totaled 7.5 million in January (seasonally adjusted), an increase of 930,000 from December. The unemployment rate was a full percentage point above the previous month and 3 points above January 1974. The highest levels previously reached by the jobless rate were 7.5 percent in July 1958 and 7.9 percent in October 1949. (As is usual at this time of the year, the seasonally adjusted household survey data have been revised on the basis of experience through December 1974; see the note on page 6.)

Total employment (as measured by the monthly survey of households) declined by 640,000 from December to January to 84.6 million, with three-fourths of the decrease occurring among adult men. The employment reduction since last September exceeded 1.8 million.

At 77.3 million, the number of nonagricultural payroll jobs (as measured by the monthly survey of business establishments) dropped by 440,000 from December and 1.6 million from its peak of last October. These cutbacks were accompanied by declines in the workweek.

Unemployment

Most of the 930,000 increase in joblessness in January can be traced to layoffs, as the number of persons who had lost their last job increased by 640,000 to 3.8 million. (See tables A-1 and A-5.) Since last August, joblessness rose by 2.6 million (1.8 million of which stemmed from job loss), more rapidly than in any 5-month span since the initiation of the monthly survey in 1940.

This surge in unemployment stands in sharp contrast to the picture just 15 months earlier, when the unemployment rate had fallen to a 3½-year low of 4.6 percent. Although a small part of the subsequent increase took place during last winter's "energy crisis" period, the unemployment rate rose most sharply from August to January, when it went from 5.4 percent to 8.2 percent. (See table A-2.)

Table A. Highlights of the employment situation (seasonally adjusted data)

Selected categories	Quarterly averages					Monthly data		
	1973	1974				Nov.	Dec.	Jan.
	IV	I	II	III	IV	1974	1974	1975
	(Millions of persons)							
Civilian labor force	89.8	90.5	90.6	91.4	91.8	91.7	91.8	92.1
Total employment	85.6	85.8	86.0	86.4	85.7	85.7	85.2	84.6
Adult men	48.4	48.5	48.5	48.5	48.3	48.4	48.0	47.5
Adult women	29.7	29.8	30.1	30.5	30.1	29.9	30.0	29.9
Teenagers	7.5	7.5	7.4	7.4	7.4	7.4	7.2	7.1
Unemployment	4.3	4.7	4.7	5.0	6.1	6.0	6.6	7.5
	(Percent of labor force)							
Unemployment rates:								
All workers	4.7	5.1	5.1	5.5	6.6	6.6	7.2	8.2
Adult men	3.1	3.4	3.5	3.7	4.8	4.6	5.3	6.0
Adult women	4.7	5.1	5.1	5.4	6.5	6.6	7.2	8.1
Teenagers	14.3	15.2	15.1	16.1	17.5	17.4	18.1	20.8
White	4.3	4.6	4.6	5.0	5.9	5.9	6.4	7.5
Negro and other races	8.6	9.2	9.1	9.6	11.7	11.6	12.5	13.4
Household heads	2.8	2.9	3.0	3.2	4.1	3.9	4.6	5.2
Married men	2.2	2.4	2.4	2.7	3.3	3.3	3.8	4.5
Full-time workers	4.3	4.6	4.6	5.0	6.2	6.2	6.8	7.7
State insured	2.7	3.2	3.3	3.4	4.3	4.3	4.8	5.5
	(Weeks)							
Average duration of unemployment	9.8	9.5	9.7	9.9	9.9	9.8	10.0	10.7
	(Millions of persons)							
Nonfarm payroll employment	77.8	78.0	78.3	78.7	78.3p	78.4	77.7p	77.3p
Goods-producing industries	25.0	24.9	24.9	24.8	24.1p	24.2	23.6p	23.2p
Service-producing industries	52.8	53.1	53.5	53.9	54.2p	54.2	54.1p	54.1p
	(Hours of work)							
Average weekly hours:								
Total private nonfarm	36.9	36.7	36.7	36.7	36.4p	36.2	36.4p	36.1p
Manufacturing	40.6	40.4	39.9	40.1	39.7p	39.5	39.4p	39.1p
Manufacturing overtime	3.7	3.5	3.2	3.4	2.9p	2.8	2.7p	2.2p
	(1967=100)							
Hourly Earnings Index, private nonfarm:								
In current dollars	150.3	152.7	156.2	160.3	164.2p	164.1	165.3p	166.2p
In constant dollars	109.3	107.8	107.5	107.1	106.5p	106.3	106.4p	N.A.

p= preliminary.
N.A.= not available.

The large month-to-month increase in unemployment was shared by virtually all worker groups, many of which surpassed their highest previously recorded jobless rates. However, the rate for adult men, at 6.0 percent, was still substantially below its postwar highs--7.0 percent in July 1958 and 7.9 percent in October 1949. Likewise, the jobless rate for workers covered by regular State unemployment insurance programs, at 5.5 percent, was below highs reached during the 1949, 1954, 1958, and 1961 recessions. Rates were near or above record levels for adult women (8.1 percent), teenagers (20.8 percent), household heads (5.2 percent), whites (7.5 percent), blacks (13.4 percent), and full-time workers (7.7 percent).

Unemployment increases were pervasive among the major occupational groups, but blue-collar workers experienced the largest, their rate moving from 9.3 percent in December to 11.0 percent in January. In similar fashion, among the major industries, manufacturing workers were very hard hit; at 10.5 percent, the factory jobless rate was more than double the year-ago figure (4.8 percent).

The unemployment rate for Vietnam-era veterans aged 20-34 years continued its swift ascent in January, rising to 9.0 percent from 7.6 percent in December. For the youngest veterans (20-24 years old), the rate was 19.7 percent in January, compared with 11.6 percent for nonveterans of the same ages. In contrast to recent experience, unemployment of 30-34 year-old veterans was higher than among their nonveteran counterparts.

The average (mean) duration of unemployment, which usually lags behind movements in total unemployment, posted its first substantial increase since the start of the current cyclical downturn. It moved up to 10.7 weeks, after holding close to 10 weeks during most of 1973 and 1974. Long-term unemployment--persons unemployed for 15 weeks or more--stood at 1.5 million, 220,000 higher than in December and nearly twice as high as in January 1974. Of this total, 620,000 had been looking for a job for 27 or more weeks, also almost double a year earlier. (See table A-4.)

In addition to the increase in joblessness, there was a continued increase in the number of employed persons working part time for economic reasons--the "partially unemployed." In January, 3.8 million persons were on curtailed work schedules or holding part-time jobs because of the inability to find full-time work. (See table A-3.) When combined with unemployment on a man-hours basis, the resulting measure--labor force time

lost--reached 8.9 percent in January, up from 7.9 percent in December and 5.6 percent in January 1974 (table A-2).

Civilian Labor Force and Total Employment

The civilian labor force increased by 290,000 (seasonally adjusted) in January after remaining stable since September. Adult women and teenagers accounted for all of the upturn, as the male labor force declined for the third straight month. (See table A-1.) Over the past year, the labor force has grown by a considerably smaller amount than in the prior year.

Employment fell for the fourth consecutive month in January, as 640,000 fewer persons had jobs than in December. Adult men showed the largest over-the-month decline--470,000 to 47.5 million. Although employment had grown modestly last summer after recovering from the impact of energy shortages, large declines in the most recent months--which totaled 1.8 million from September to January--more than offset the earlier gains. Blue-collar workers bore the brunt of these employment reductions, their job total decreasing by 1.7 million from September to January (table A-3).

Industry Payroll Employment

Total nonagricultural payroll employment, at 77.3 million in January (seasonally adjusted), was down 440,000 from December, the third consecutive monthly decline. The 3-month decrease totaled 1.6 million, the largest in the postwar period. Job cutbacks were posted in 78 percent of all industries in January and in 86 percent of all industries over the October-January period. (See tables B-1 and B-6.)

As in the previous 2 months, the January decline was largely concentrated in manufacturing, with both the durable and nondurable sectors hard hit. Durable goods employment fell by 280,000, as declines were posted in all categories. In the nondurable goods industries, employment also fell substantially (165,000), with the largest decreases taking place in textiles and apparel. January marked the fourth straight monthly declines in manufacturing, bringing the factory job total to its lowest level since January of 1972.

Employment in contract construction remained about unchanged in January, after posting a large decline over the previous 4 months. Mining, on the other hand, posted

an increase of 40,000, as the last of the striking coal miners returned to work.

In the service-producing industries, employment declines of 55,000 in trade and 35,000 in transportation and public utilities offset a 40,000 increase in services and smaller pickups elsewhere. In marked contrast to the goods industries, which have lost 1.7 million jobs over the past year, payroll employment in the service sector has increased by 1.2 million.

Hours of Work

The average workweek for all production or nonsupervisory workers declined 0.3 hour in January to a seasonally adjusted level of 36.1 hours. Compared with January of 1974, average hours were down 0.6 hour. (See table B-2.)

In manufacturing, the workweek was also down 0.3 hour over the month to 39.1 hours. Compared with January 1974, factory hours have declined 1.3 hours. Factory overtime fell a half hour in January to 2.2 hours, the lowest level since mid-1961.

The aggregate man-hours of private production or nonsupervisory workers fell by 1.2 percent in January, following a 1.3-percent decline in December. (See table B-5.) Over the past year, total man-hours have declined 4.4 percent. Factory man-hours were down 3.8 percent over the month and 13.0 percent from a year ago.

Hourly and Weekly Earnings

Average hourly earnings of production or nonsupervisory workers on private nonagricultural payrolls rose 0.2 percent (seasonally adjusted) in January. Since January 1974, hourly earnings have advanced 8.6 percent. Average weekly earnings fell 0.6 percent but were up 6.9 percent over last January.

Before adjustment for seasonality, average hourly earnings rose 2 cents in January to $4.40. Hourly earnings have increased 35 cents from a year ago. Weekly earnings averaged $157.08 in January, down $2.79 from December but up $10.06 over January 1974. (See table B-3.)

The Hourly Earnings Index

The Hourly Earnings Index--earnings adjusted for overtime in manufacturing, seasonality, and the effects of changes in the proportion of workers in high-wage and low-wage industries--was 166.2 (1967=100) in January, 0.6 percent higher than in December. The

index was 9.6 percent above January a year ago. During the 12-month period ending in December, the Hourly Earnings Index in dollars of constant purchasing power declined 2.5 percent. (See table B-4.)

Note on Seasonal Adjustment

At the beginning of each calendar year, the Bureau of Labor Statistics revises the seasonally adjusted labor force series derived from the Current Population Survey (household survey) to take into account data from the previous year. The revisions just completed did not affect the previously published 1974 seasonally adjusted overall unemployment rate for 10 months of the year and altered it by only 0.1 percentage point in the other 2 months. New seasonal adjustment factors for the 12 major components of the civilian labor force--along with the newly revised historical data for the labor force, employment, and unemployment series--will appear in the February 1975 issue of Employment and Earnings. The following table presents the seasonally adjusted monthly unemployment rates of 1974 as originally published and as revised based on the application of new seasonal adjustment factors incorporating data through December 1974.

Months in 1974	Unemployment rate as originally published	Revised unemployment rate
January.....	5.2	5.2
February.....	5.2	5.2
March.....	5.1	5.1
April.....	5.0	5.0
May.....	5.2	5.2
June.....	5.2	5.2
July.....	5.3	5.3
August.....	5.4	5.4
September.....	5.8	5.8
October.....	6.0	6.0
November.....	6.5	6.6
December.....	7.1	7.2

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. Unless otherwise indicated, data for both series relate to the week of the specified month containing the 12th day. A description of the two surveys appears in the BLS publication *Employment and Earnings*.

Table A-1. Employment status of the noninstitutional population

(Numbers in thousands)

Employment status	Not seasonally adjusted			Seasonally adjusted					
	Jan. 1974	Dec. 1974	Jan. 1975	Jan. 1974	Sept. 1974	Oct. 1974	Nov. 1974	Dec. 1974	Jan. 1975
TOTAL									
Total noninstitutional population[1]	149,656	152,020	152,230	149,656	151,367	151,593	151,812	152,020	152,230
Total labor force	91,354	93,538	93,342	92,723	93,922	94,058	93,921	94,015	94,284
Participation rate	61.0	61.5	61.3	62.0	62.0	62.0	61.9	61.8	61.9
Civilian noninstitutional population[1]	147,398	149,809	150,037	147,398	149,130	149,380	149,600	149,809	150,037
Civilian labor force	89,096	91,327	91,149	90,465	91,705	91,844	91,708	91,803	92,091
Participation rate	60.4	61.0	60.8	61.4	61.5	61.5	61.3	61.3	61.4
Employed	84,088	85,220	82,969	85,800	86,402	86,304	85,689	85,202	84,562
Agriculture	3,197	2,959	2,888	3,749	3,489	3,440	3,375	3,339	3,383
Nonagricultural industries	80,891	82,261	80,082	82,051	82,913	82,864	82,314	81,863	81,179
Unemployed	5,008	6,106	8,180	4,665	5,303	5,540	6,019	6,601	7,529
Unemployment rate	5.6	6.7	9.0	5.2	5.8	6.0	6.6	7.2	8.2
Not in labor force	58,303	58,482	58,888	56,933	57,445	57,536	57,892	58,006	57,946
Males, 20 years and over									
Total noninstitutional population[1]	63,455	64,462	64,552	63,455	64,181	64,279	64,374	64,462	64,552
Total labor force	51,753	52,177	52,153	52,169	52,311	52,534	52,509	52,414	52,244
Participation rate	81.6	80.9	80.8	82.2	81.5	81.8	81.6	81.3	80.9
Civilian noninstitutional population[1]	61,628	62,690	62,824	61,628	62,405	62,506	62,601	62,690	62,824
Civilian labor force	49,926	50,405	50,425	50,343	50,535	50,781	50,737	50,642	50,513
Participation rate	81.0	80.4	80.3	81.7	81.0	81.2	81.0	80.8	80.4
Employed	47,869	47,787	46,753	48,648	48,583	48,584	48,379	47,961	47,490
Agriculture	2,448	2,311	2,226	2,665	2,500	2,477	2,429	2,451	2,422
Nonagricultural industries	45,421	45,476	44,527	45,983	46,083	46,107	45,950	45,510	45,068
Unemployed	2,057	2,618	3,672	1,695	1,952	2,197	2,358	2,681	3,025
Unemployment rate	4.1	5.2	7.3	3.4	3.9	4.3	4.6	5.3	6.0
Not in labor force	11,702	12,286	12,399	11,285	11,870	11,725	11,864	12,048	12,309
Females, 20 years and over									
Civilian noninstitutional population[1]	69,840	70,961	71,061	69,840	70,638	70,749	70,858	70,961	71,061
Civilian labor force	31,170	32,555	32,632	31,182	32,129	32,039	32,059	32,305	32,556
Participation rate	44.6	45.9	45.9	44.6	45.5	45.3	45.2	45.5	45.8
Employed	29,491	30,526	29,856	29,594	30,290	30,237	29,945	29,992	29,932
Agriculture	455	366	389	613	489	494	464	454	524
Nonagricultural industries	29,035	30,160	29,467	28,981	29,801	29,743	29,481	29,538	29,408
Unemployed	1,680	2,029	2,776	1,588	1,839	1,802	2,114	2,313	2,624
Unemployment rate	5.4	6.2	8.5	5.0	5.7	5.6	6.6	7.2	8.1
Not in labor force	38,670	38,406	38,429	38,658	38,509	38,710	38,799	38,656	38,505
Both sexes, 16-19 years									
Civilian noninstitutional population[1]	15,930	16,157	16,152	15,930	16,107	16,124	16,141	16,157	16,152
Civilian labor force	7,999	8,367	8,092	8,940	9,041	9,024	8,912	8,856	9,020
Participation rate	50.2	51.8	50.1	56.1	56.1	56.0	55.2	54.8	55.8
Employed	6,728	6,907	6,361	7,558	7,529	7,483	7,365	7,249	7,140
Agriculture	293	282	272	471	500	469	482	434	437
Nonagricultural industries	6,435	6,625	6,088	7,087	7,029	7,014	6,883	6,815	6,703
Unemployed	1,271	1,459	1,732	1,382	1,512	1,541	1,547	1,607	1,880
Unemployment rate	15.9	17.4	21.4	15.5	16.7	17.1	17.4	18.1	20.8
Not in labor force	7,931	7,790	8,060	6,990	7,066	7,100	7,229	7,301	7,132
WHITE									
Civilian noninstitutional population[1]	130,393	132,356	132,553	130,393	131,828	132,013	132,189	132,356	132,553
Civilian labor force	78,944	81,065	80,933	80,065	81,337	81,439	81,337	81,338	81,706
Participation rate	60.5	61.2	61.1	61.4	61.7	61.7	61.5	61.5	61.6
Employed	74,897	76,149	74,172	76,341	77,017	76,997	76,538	76,106	75,555
Unemployed	4,047	4,916	6,762	3,724	4,320	4,442	4,799	5,232	6,151
Unemployment rate	5.1	6.1	8.4	4.7	5.3	5.5	5.9	6.4	7.5
Not in labor force	51,449	51,291	51,620	50,328	50,491	50,574	50,852	51,018	50,847
NEGRO AND OTHER RACES									
Civilian noninstitutional population[1]	17,005	17,452	17,484	17,005	17,322	17,367	17,411	17,452	17,484
Civilian labor force	10,152	10,262	10,216	10,447	10,457	10,461	10,394	10,389	10,464
Participation rate	59.7	58.8	58.4	61.4	60.4	60.2	59.7	59.5	59.8
Employed	9,191	9,072	8,797	9,486	9,423	9,316	9,188	9,090	9,057
Unemployed	960	1,190	1,418	961	1,034	1,145	1,206	1,299	1,407
Unemployment rate	9.5	11.6	13.9	9.2	9.9	10.9	11.6	12.5	13.4
Not in labor force	6,853	7,191	7,268	6,558	6,865	6,906	7,017	7,063	7,020

[1] Seasonal variations are not present in the population figures; therefore, identical numbers appear in the unadjusted and seasonally adjusted columns.

NOTE: Data relate to the noninstitutional population 16 years of age and over. Total noninstitutional population and total labor force include persons in the Armed Forces.

Table A-2. Major unemployment indicators, seasonally adjusted

Selected categories	Number of unemployed persons (in thousands)		Unemployment rates					
	Jan. 1974	Jan. 1975	Jan. 1974	Sept. 1974	Oct. 1974	Nov. 1974	Dec. 1974	Jan. 1975
Total, 16 years and over	4,665	7,529	5.2	5.8	6.0	6.6	7.2	8.2
Males, 20 years and over	1,695	3,025	3.4	3.9	4.3	4.6	5.3	6.0
Females, 20 years and over	1,588	2,624	5.1	5.7	5.6	6.6	7.2	8.1
Both sexes, 16-19 years	1,382	1,880	15.5	16.7	17.1	17.4	18.1	20.8
White, total	3,724	6,151	4.7	5.3	5.5	5.9	6.4	7.5
Males, 20 years and over	1,388	2,487	3.1	3.6	4.0	4.2	4.7	5.5
Females, 20 years and over	1,242	2,170	4.6	5.3	5.2	6.1	6.5	7.7
Both sexes, 16-19 years	1,094	1,494	13.7	15.1	14.8	15.1	15.9	18.4
Negro and other races, total	961	1,407	9.2	9.9	10.9	11.6	12.5	13.4
Males, 20 years and over	313	547	6.0	6.8	7.6	8.5	9.3	10.5
Females, 20 years and over	359	470	8.5	8.3	9.5	9.8	10.9	11.0
Both sexes, 16-19 years	289	390	28.7	32.7	34.5	36.9	37.7	41.1
Household heads	1,533	2,764	2.9	3.4	3.7	3.9	4.6	5.2
Married men, spouse present	926	1,780	2.3	2.8	3.0	3.3	3.8	4.5
Full-time workers	3,557	6,089	4.6	5.3	5.8	6.2	6.8	7.7
Part-time workers	1,070	1,400	8.1	8.7	8.7	9.2	9.6	10.5
Unemployed 15 weeks and over[1]	780	1,537	.9	1.1	1.1	1.2	1.4	1.7
State insured[2]	1,929	3,603	3.1	3.5	3.6	4.3	4.8	5.5
Labor force time lost[3]	--	--	5.6	6.4	6.6	7.2	7.9	8.9
OCCUPATION[4]								
White-collar workers	1,348	2,027	3.2	3.5	3.3	3.8	4.1	4.6
Professional and technical	287	371	2.3	2.5	2.3	2.6	2.5	2.9
Managers and administrators, except farm	160	304	1.7	2.1	1.8	2.2	2.6	3.3
Sales workers	218	328	3.9	4.1	4.5	5.0	6.0	5.7
Clerical workers	683	1,024	4.4	4.9	4.5	5.1	5.4	6.3
Blue-collar workers	1,907	3,482	5.9	7.0	7.4	8.3	9.3	11.0
Craft and kindred workers	450	825	3.8	4.8	5.0	5.3	6.1	7.0
Operatives	1,036	1,965	6.8	7.6	8.1	9.8	10.7	13.1
Nonfarm laborers	421	692	8.5	10.3	10.8	11.0	13.0	14.3
Service workers	613	1,025	5.7	6.4	6.6	6.8	7.1	8.1
Farm workers	66	111	2.0	2.6	2.6	2.5	2.4	3.6
INDUSTRY[4]								
Nonagricultural private wage and salary workers[5]	3,379	5,759	5.1	6.0	6.2	6.8	7.7	8.7
Construction	420	634	9.1	12.0	12.0	13.5	14.9	15.0
Manufacturing	1,053	2,253	4.8	6.0	6.4	7.4	8.9	10.5
Durable goods	590	1,361	4.6	5.3	6.1	7.0	8.7	10.5
Nondurable goods	463	892	5.2	6.9	6.9	7.9	9.1	10.3
Transportation and public utilities	165	294	3.0	3.3	3.4	3.4	3.9	5.9
Wholesale and retail trade	967	1,404	6.0	6.6	6.8	7.0	8.1	8.5
Finance and service industries	780	1,147	4.4	4.8	4.8	5.4	5.4	6.2
Government workers	357	499	2.5	3.0	3.0	3.5	3.2	3.4
Agricultural wage and salary workers	100	148	6.4	6.7	7.9	7.2	7.9	10.2
VETERAN STATUS								
Males, Vietnam-era veterans[6]:								
20 to 34 years	294	541	5.2	5.4	5.7	6.1	7.6	9.0
20 to 24 years	145	216	10.6	12.6	12.1	13.0	15.6	19.7
25 to 29 years	114	230	3.6	3.9	4.8	5.1	6.7	6.9
30 to 34 years	35	95	2.9	2.7	2.4	3.0	3.7	6.1
Males, nonveterans:								
20 to 34 years	689	1,202	5.1	5.9	6.8	7.5	8.1	8.6
20 to 24 years	423	724	7.2	8.3	8.9	9.9	10.4	11.6
25 to 29 years	157	287	4.0	4.2	6.2	6.9	7.2	7.2
30 to 34 years	109	191	3.0	3.6	3.9	4.2	5.1	5.1

[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.
[6] Vietnam-era veterans are those who served after August 4, 1964.

Table A-3. Selected employment indicators

(In thousands)

Selected categories	Not seasonally adjusted		Seasonally adjusted					
	Jan. 1974	Jan. 1975	Jan. 1974	Sept. 1974	Oct. 1974	Nov. 1974	Dec. 1974	Jan. 1975
Total employed, 16 years and over	84,088	82,969	85,800	86,402	86,304	85,689	85,202	84,562
Males	51,523	50,099	52,845	52,671	52,674	52,410	51,953	51,329
Females	32,565	32,870	32,955	33,731	33,630	33,279	33,249	33,233
Household heads	50,248	49,434	50,778	50,914	50,957	50,737	50,427	49,933
Married men, spouse present	38,921	37,499	39,384	38,887	38,978	38,727	38,377	37,954
Married women, spouse present	19,243	19,369	19,211	19,857	19,813	19,599	19,463	19,339
OCCUPATION								
White-collar workers	41,331	41,967	41,439	41,984	41,914	41,733	41,690	42,073
Professional and technical	12,225	12,539	12,123	12,474	12,327	12,237	12,200	12,439
Managers and administrators, except farm	9,011	8,786	9,157	8,753	8,883	8,811	8,760	8,929
Sales workers	5,321	5,331	5,370	5,554	5,490	5,382	5,279	5,379
Clerical workers	14,774	15,311	14,789	15,203	15,214	15,303	15,451	15,326
Blue-collar workers	29,016	27,047	30,184	29,861	29,800	29,579	29,018	28,134
Craft and kindred workers	11,101	10,603	11,429	11,534	11,538	11,509	11,251	10,920
Operatives	13,861	12,746	14,200	13,920	13,779	13,654	13,395	13,059
Nonfarm laborers	4,054	3,698	4,555	4,407	4,483	4,416	4,372	4,155
Service workers	10,930	11,442	11,155	11,537	11,609	11,478	11,548	11,661
Farm workers	2,790	2,514	3,270	3,003	2,974	2,914	2,926	2,954
MAJOR INDUSTRY AND CLASS OF WORKER								
Agriculture:								
Wage and salary workers	1,166	1,052	1,452	1,403	1,378	1,386	1,272	1,310
Self-employed workers	1,757	1,581	1,866	1,723	1,703	1,625	1,673	1,680
Unpaid family workers	273	255	493	381	374	346	356	376
Nonagricultural industries:								
Wage and salary workers	73,133	74,135	76,013	76,709	76,764	76,213	75,465	74,942
Private households	1,372	1,256	1,449	1,382	1,370	1,267	1,259	1,326
Government	13,835	14,538	13,655	13,979	13,997	14,039	14,321	14,351
Other	59,926	58,341	60,909	61,348	61,397	60,907	59,885	59,265
Self-employed workers	5,329	5,455	5,429	5,694	5,735	5,704	5,641	5,561
Unpaid family workers	421	490	483	540	482	484	498	549
PERSONS AT WORK [1]								
Nonagricultural industries	77,172	76,719	77,009	77,887	77,768	77,417	76,526	76,592
Full-time schedules	63,911	62,233	63,988	64,562	64,306	63,694	62,733	62,295
Part time for economic reasons	2,385	3,597	2,579	2,808	2,929	3,180	3,375	3,837
Usually work full time	1,274	2,123	1,222	1,269	1,377	1,575	1,847	2,037
Usually work part time	1,111	1,474	1,356	1,539	1,552	1,605	1,528	1,800
Part time for noneconomic reasons	10,876	10,889	10,443	10,517	10,533	10,543	10,418	10,460

[1] Excludes persons "with a job but not at work" during the survey period for such reasons as vacation, illness, or industrial disputes.

Table A-4. Duration of unemployment

(Numbers in thousands)

Weeks of unemployment	Not seasonally adjusted		Seasonally adjusted					
	Jan. 1974	Jan. 1975	Jan. 1974	Sept. 1974	Oct. 1974	Nov. 1974	Dec. 1974	Jan. 1975
Less than 5 weeks	2,644	3,641	2,408	2,654	2,763	2,981	3,077	3,316
5 to 14 weeks	1,575	2,985	1,405	1,701	1,754	1,931	2,062	2,663
15 weeks and over	789	1,554	780	989	1,016	1,117	1,319	1,537
15 to 26 weeks	478	960	454	603	640	691	782	914
27 weeks and over	311	594	326	386	376	426	537	623
Average (mean) duration, in weeks	9.0	10.1	9.5	9.7	9.8	9.8	10.0	10.7
PERCENT DISTRIBUTION								
Total unemployed	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Less than 5 weeks	52.8	44.5	52.4	49.7	50.0	49.4	47.6	44.1
5 to 14 weeks	31.4	36.3	30.6	31.8	31.7	32.0	31.9	35.4
15 weeks and over	15.8	19.0	17.0	18.5	18.4	18.5	20.4	20.4
15 to 26 weeks	9.5	11.7	9.9	11.3	11.6	11.5	12.1	12.2
27 weeks and over	6.2	7.3	7.1	7.2	6.8	7.1	8.3	8.3

Table A-5. Reasons for unemployment

[Numbers in thousands]

Reason	Not seasonally adjusted		Seasonally adjusted					
	Jan. 1974	Jan. 1975	Jan. 1974	Sept. 1974	Oct. 1974	Nov. 1974	Dec. 1974	Jan. 1975
NUMBER OF UNEMPLOYED								
Lost last job	2,519	4,858	1,987	2,256	2,418	2,840	3,190	3,831
Left last job	757	780	738	745	834	784	788	760
Reentered labor force	1,227	1,905	1,239	1,592	1,450	1,670	1,762	1,924
Seeking first job	504	637	679	726	770	784	778	858
PERCENT DISTRIBUTION								
Total unemployed	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Job losers	50.3	59.4	42.8	42.4	44.2	46.7	48.9	52.0
Job leavers	15.1	9.5	15.9	14.0	15.2	12.9	12.1	10.3
Reentrants	24.5	23.3	26.7	29.9	26.5	27.5	27.0	26.1
New entrants	10.1	7.8	14.6	13.6	14.1	12.9	11.9	11.6
UNEMPLOYED AS A PERCENT OF THE CIVILIAN LABOR FORCE								
Job losers	2.8	5.3	2.2	2.5	2.6	3.1	3.5	4.2
Job leavers	.8	.9	.8	.8	.9	.9	.9	.8
Reentrants	1.4	2.1	1.4	1.7	1.6	1.8	1.9	2.1
New entrants	.6	.7	.8	.8	.8	.9	.8	.9

Table A-6. Unemployment by sex and age

Sex and age	Not seasonally adjusted			Seasonally adjusted unemployment rates					
	Thousands of persons		Percent looking for full-time work						
	Jan. 1974	Jan. 1975	Jan. 1975	Jan. 1974	Sept. 1974	Oct. 1974	Nov. 1974	Dec. 1974	Jan. 1975
Total, 16 years and over	5,008	8,180	81.0	5.2	5.8	6.0	6.6	7.2	8.2
16 to 19 years	1,271	1,732	53.5	15.3	16.7	17.1	17.4	18.1	20.8
16 to 17 years	606	746	25.1	18.8	18.5	18.8	19.5	21.2	22.6
18 to 19 years	665	985	75.1	13.2	16.0	15.7	15.8	16.0	19.6
20 to 24 years	1,170	1,829	87.0	8.3	9.4	9.4	10.5	11.7	12.4
25 years and over	2,567	4,619	89.0	3.2	3.7	4.0	4.4	4.9	5.7
25 to 54 years	2,122	3,938	90.5	3.3	3.8	4.2	4.7	5.1	6.1
55 years and over	445	681	80.0	2.8	3.0	3.1	3.2	3.7	4.2
Males, 16 years and over	2,764	4,644	85.6	4.3	5.0	5.4	5.7	6.4	7.2
16 to 19 years	707	972	54.6	14.1	16.9	16.5	17.1	17.4	19.8
16 to 17 years	365	439	26.4	18.2	18.4	17.9	19.7	21.1	22.3
18 to 19 years	341	533	77.9	11.4	16.6	15.2	15.1	14.9	18.2
20 to 24 years	648	1,070	90.9	7.7	9.1	9.4	10.4	11.2	12.6
25 years and over	1,409	2,602	95.0	2.6	3.0	3.4	3.7	4.2	4.8
25 to 54 years	1,130	2,189	97.0	2.6	3.1	3.6	3.9	4.4	5.1
55 years and over	280	412	84.2	2.6	2.8	2.7	2.8	3.4	3.9
Females, 16 years and over	2,244	3,535	75.0	6.5	6.9	7.0	7.8	8.5	9.7
16 to 19 years	564	759	52.0	17.1	16.5	17.8	17.6	19.0	22.1
16 to 17 years	241	307	23.1	19.6	18.6	20.0	19.3	21.4	23.0
18 to 19 years	324	452	71.9	15.3	15.3	16.2	16.6	17.3	21.1
20 to 24 years	522	759	81.6	9.0	9.7	9.5	10.7	12.4	12.2
25 years and over	1,157	2,017	81.2	4.2	4.8	4.9	5.7	5.9	7.1
25 to 54 years	992	1,750	82.3	4.5	5.1	5.2	6.1	6.3	7.6
55 years and over	165	268	73.9	3.0	3.5	3.7	3.9	4.4	4.9

Table B-1. Employees on nonagricultural payrolls, by industry

[In thousands]

Industry	Not seasonally adjusted				Seasonally adjusted					
	Jan. 1974	Nov. 1974	Dec. 1974[p]	Jan. 1975[p]	Jan. 1974	Sept. 1974	Oct. 1974	Nov. 1974	Dec. 1974[p]	Jan. 1975[p]
TOTAL	76,837	79,125	78,486	76,250	77,925	78,844	78,865	78,404	77,733	77,295
GOODS-PRODUCING	24,351	24,437	23,564	22,603	25,009	24,733	24,585	24,187	23,619	23,212
MINING	647	693	655	687	658	682	692	693	660	698
CONTRACT CONSTRUCTION	3,647	3,981	3,724	3,385	4,098	3,939	3,911	3,861	3,800	3,803
MANUFACTURING	20,057	19,763	19,185	18,531	20,253	20,112	19,982	19,633	19,159	18,711
Production workers	14,691	14,351	13,831	13,209	14,876	14,671	14,548	14,222	13,793	13,374
DURABLE GOODS	11,882	11,683	11,321	10,938	11,968	11,906	11,841	11,611	11,296	11,015
Production workers	8,681	8,449	8,130	7,758	8,765	8,651	8,593	8,380	8,098	7,830
Ordnance and accessories	182.4	183.2	183.5	181.4	181	183	184	182	182	180
Lumber and wood products	633.0	585.8	564.3	532.5	655	628	610	586	573	551
Furniture and fixtures	544.4	503.5	486.5	458.5	544	529	518	497	483	459
Stone, clay, and glass products	682.0	669.4	646.6	607.9	704	686	678	667	653	627
Primary metal industries	1,339.9	1,325.2	1,294.7	1,263.2	1,348	1,349	1,353	1,336	1,305	1,271
Fabricated metal products	1,500.8	1,466.8	1,416.2	1,348.0	1,508	1,496	1,479	1,452	1,406	1,355
Machinery, except electrical	2,174.8	2,220.8	2,205.1	2,165.6	2,175	2,228	2,239	2,227	2,201	2,166
Electrical equipment	2,068.1	1,958.7	1,888.1	1,839.9	2,072	2,016	2,000	1,939	1,875	1,844
Transportation equipment	1,800.2	1,797.3	1,703.4	1,641.8	1,804	1,809	1,807	1,769	1,685	1,645
Instruments and related products	519.2	527.7	520.5	511.6	521	534	532	526	519	513
Miscellaneous manufacturing	437.2	445.0	412.0	387.5	456	448	441	430	414	404
NONDURABLE GOODS	8,175	8,080	7,864	7,593	8,285	8,206	8,141	8,022	7,863	7,696
Production workers	6,010	5,902	5,701	5,451	6,111	6,020	5,955	5,842	5,695	5,544
Food and kindred products	1,677.5	1,723.5	1,675.7	1,606.9	1,738	1,724	1,719	1,705	1,691	1,665
Tobacco manufactures	80.1	80.8	80.4	78.7	81	75	77	75	76	79
Textile mill products	1,033.4	957.7	928.2	873.0	1,036	1,004	978	954	923	875
Apparel and other textile products	1,359.5	1,307.4	1,239.8	1,187.9	1,383	1,336	1,320	1,291	1,242	1,208
Paper and allied products	709.0	695.6	682.5	661.3	713	711	701	691	679	665
Printing and publishing	1,109.7	1,108.2	1,108.7	1,097.6	1,111	1,113	1,112	1,104	1,101	1,099
Chemicals and allied products	1,043.3	1,062.4	1,042.7	1,024.8	1,051	1,073	1,071	1,065	1,046	1,032
Petroleum and coal products	190.9	196.0	193.3	183.5	195	194	195	196	195	188
Rubber and plastics products, nec.	685.0	669.3	641.1	618.1	688	693	690	664	639	621
Leather and leather products	286.3	278.9	271.2	261.6	289	283	287	277	271	264
SERVICE-PRODUCING	52,486	54,688	54,922	53,647	52,916	54,111	54,280	54,217	54,114	54,083
TRANSPORTATION AND PUBLIC UTILITIES	4,653	4,702	4,667	4,580	4,710	4,679	4,699	4,697	4,672	4,636
WHOLESALE AND RETAIL TRADE	16,675	17,342	17,613	16,699	16,851	17,166	17,160	17,048	16,933	16,876
WHOLESALE TRADE	4,202	4,309	4,287	4,209	4,227	4,275	4,287	4,283	4,266	4,234
RETAIL TRADE	12,473	13,033	13,326	12,490	12,624	12,891	12,873	12,765	12,667	12,642
FINANCE, INSURANCE, AND REAL ESTATE	4,091	4,166	4,162	4,143	4,132	4,176	4,183	4,183	4,183	4,185
SERVICES	13,011	13,707	13,659	13,535	13,236	13,647	13,705	13,721	13,728	13,769
GOVERNMENT	14,056	14,771	14,821	14,690	13,987	14,443	14,531	14,568	14,598	14,617
FEDERAL	2,659	2,724	2,759	2,715	2,680	2,747	2,748	2,746	2,738	2,737
STATE AND LOCAL	11,397	12,047	12,062	11,975	11,307	11,696	11,783	11,822	11,860	11,880

[p]preliminary.

Table B-2. Average weekly hours of production or nonsupervisory workers[1] on private nonagricultural payrolls, by industry

Industry	Not seasonally adjusted				Seasonally adjusted					
	Jan. 1974	Nov. 1974	Dec. 1974[p]	Jan. 1975[p]	Jan. 1974	Sept. 1974	Oct. 1974	Nov. 1974	Dec. 1974[p]	Jan. 1975[p]
TOTAL PRIVATE	36.3	36.2	36.5	35.7	36.7	36.7	36.6	36.2	36.4	36.1
MINING	42.5	36.5	42.0	41.9	42.9	43.4	43.4	36.4	41.5	42.3
CONTRACT CONSTRUCTION	34.8	36.5	36.9	35.4	36.4	36.5	37.2	37.1	37.6	37.1
MANUFACTURING	39.9	39.7	39.9	38.6	40.4	40.0	40.1	39.5	39.4	39.1
Overtime hours	3.3	2.9	2.8	2.1	3.5	3.3	3.2	2.8	2.7	2.2
DURABLE GOODS	40.5	40.4	40.9	39.4	41.0	40.8	40.7	40.2	40.3	39.9
Overtime hours	3.4	3.1	3.0	2.2	3.6	3.5	3.4	3.0	2.8	2.3
Ordnance and accessories	41.2	41.9	42.1	41.7	41.5	41.5	41.4	41.9	41.6	42.0
Lumber and wood products	39.6	38.4	38.5	36.6	40.5	39.2	38.9	38.5	38.4	37.5
Furniture and fixtures	39.2	38.0	38.0	35.7	39.7	38.8	38.6	37.7	37.3	36.2
Stone, clay, and glass products	40.6	41.3	41.1	40.1	41.7	41.3	41.4	41.2	41.1	41.2
Primary metal industries	41.8	41.3	41.5	39.7	41.8	42.1	42.2	41.7	41.3	39.7
Fabricated metal products	40.6	40.6	41.1	39.8	41.3	41.2	41.0	40.4	40.6	40.4
Machinery, except electrical	42.3	42.4	42.9	41.8	42.5	42.7	42.4	42.3	42.1	42.0
Electrical equipment	39.6	39.8	40.1	39.2	39.9	39.8	39.7	39.4	39.5	39.5
Transportation equipment	39.6	39.8	41.0	38.2	40.3	40.2	40.6	39.5	39.6	38.9
Instruments and related products	40.4	40.3	40.3	39.5	40.7	40.1	39.9	39.9	39.8	39.8
Miscellaneous manufacturing	38.0	38.4	38.6	37.5	38.6	38.6	38.4	38.0	38.3	38.1
NONDURABLE GOODS	39.1	38.6	38.5	37.6	39.5	39.0	39.0	38.4	38.2	38.0
Overtime hours	3.2	2.6	2.4	2.0	3.4	3.0	2.9	2.5	2.4	2.1
Food and kindred products	40.4	40.1	40.5	39.7	40.7	40.3	40.3	40.0	40.1	40.0
Tobacco manufactures	38.9	38.1	38.7	37.4	39.2	38.5	37.0	37.4	37.7	37.7
Textile mill products	40.2	37.9	37.0	35.7	40.6	39.2	38.3	37.6	36.6	36.0
Apparel and other textile products	34.7	34.7	34.3	33.5	35.3	35.3	35.4	34.4	34.3	34.1
Paper and allied products	42.6	41.5	41.7	40.9	42.9	41.9	41.7	41.3	41.3	41.2
Printing and publishing	37.2	37.5	37.8	36.7	37.8	37.6	37.7	37.4	37.3	37.3
Chemicals and allied products	41.7	41.3	41.3	40.7	41.8	41.5	41.4	41.2	41.0	40.8
Petroleum and coal products	41.8	42.4	42.4	41.4	42.6	42.2	42.6	42.2	42.5	42.2
Rubber and plastics products, nec	40.5	40.0	39.7	38.9	40.8	40.5	40.8	39.8	39.3	39.2
Leather and leather products	37.2	36.7	36.4	35.2	37.5	36.7	37.0	36.6	35.9	35.5
TRANSPORTATION AND PUBLIC UTILITIES	40.3	40.0	40.1	39.5	40.7	40.4	40.4	39.9	40.1	39.9
WHOLESALE AND RETAIL TRADE	33.8	33.7	34.1	33.3	34.3	34.1	33.9	33.9	33.9	33.8
WHOLESALE TRADE	38.9	38.6	39.0	38.4	39.1	38.9	38.7	38.6	38.6	38.6
RETAIL TRADE	32.3	32.1	32.7	31.8	32.9	32.5	32.4	32.4	32.4	32.3
FINANCE, INSURANCE, AND REAL ESTATE	36.7	36.7	36.9	36.8	36.8	36.9	36.7	36.7	36.9	36.9
SERVICES	33.7	33.8	33.9	33.8	34.0	34.1	33.9	34.0	33.9	34.1

[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.
[p] 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			
	Jan. 1974	Nov. 1974	Dec. 1974[p]	Jan. 1975[p]	Jan. 1974	Nov. 1974	Dec. 1974[p]	Jan. 1975[p]
TOTAL PRIVATE	$4.05	$4.30	$4.38	$4.40	$147.02	$157.83	$159.87	$157.08
Seasonally adjusted	4.05	4.30	4.39	4.40	148.64	157.83	159.80	158.84
MINING	5.00	5.22	5.41	5.63	212.50	190.53	227.22	235.90
CONTRACT CONSTRUCTION	6.52	7.00	7.05	7.13	226.90	255.50	260.45	252.40
MANUFACTURING	4.22	4.58	4.64	4.64	168.38	181.83	185.14	179.10
DURABLE GOODS	4.48	4.88	4.95	4.92	181.44	197.15	202.46	193.85
Ordnance and accessories	4.58	4.83	4.95	4.94	188.70	204.47	208.40	206.00
Lumber and wood products	3.71	4.02	4.01	3.98	146.92	154.37	154.39	145.67
Furniture and fixtures	3.36	3.59	3.63	3.64	131.71	136.42	137.94	129.95
Stone, clay, and glass products	4.30	4.65	4.67	4.66	174.58	192.05	191.94	186.87
Primary metal industries	5.25	5.88	5.92	5.85	219.45	242.84	245.68	232.25
Fabricated metal products	4.40	4.76	4.82	4.79	178.64	193.26	198.10	190.64
Machinery, except electrical	4.74	5.12	5.19	5.17	200.50	217.09	222.65	216.11
Electrical equipment	4.00	4.32	4.41	4.39	158.40	171.94	176.84	172.09
Transportation equipment	5.27	5.72	5.79	5.74	208.69	227.66	237.39	219.27
Instruments and related products	4.05	4.32	4.40	4.40	163.62	174.10	177.32	173.80
Miscellaneous manufacturing	3.40	3.59	3.67	3.73	129.20	137.86	141.66	139.88
NONDURABLE GOODS	3.82	4.13	4.18	4.21	149.36	159.42	160.93	158.30
Food and kindred products	3.99	4.29	4.35	4.40	161.20	172.03	176.18	174.68
Tobacco manufactures	3.89	4.25	4.31	4.39	151.32	161.93	166.80	164.19
Textile mill products	3.07	3.27	3.27	3.28	123.41	123.93	120.99	117.10
Apparel and other textile products	2.85	3.10	3.12	3.15	98.90	107.57	107.02	105.53
Paper and allied products	4.33	4.69	4.72	4.73	184.46	194.64	196.82	193.46
Printing and publishing	4.79	5.10	5.15	5.15	178.19	191.25	194.67	189.01
Chemicals and allied products	4.65	5.05	5.09	5.08	193.91	208.57	210.22	206.76
Petroleum and coal products	5.40	5.80	5.84	5.86	225.72	245.92	247.62	242.60
Rubber and plastics products, nec	3.92	4.16	4.21	4.20	158.76	166.40	167.14	163.38
Leather and leather products	2.90	3.11	3.12	3.15	107.88	114.14	113.57	110.88
TRANSPORTATION AND PUBLIC UTILITIES	5.23	5.65	5.69	5.72	210.77	226.00	228.17	225.94
WHOLESALE AND RETAIL TRADE	3.34	3.58	3.58	3.65	112.89	120.65	122.08	121.55
WHOLESALE TRADE	4.29	4.67	4.71	4.74	166.88	180.26	183.69	182.02
RETAIL TRADE	2.99	3.18	3.18	3.24	96.58	102.08	103.99	103.03
FINANCE, INSURANCE, AND REAL ESTATE	3.70	3.92	3.97	3.99	135.79	143.86	146.49	146.83
SERVICES	3.61	3.86	3.90	3.92	121.66	130.47	132.21	132.50

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

Table B-4. Hourly earnings index for production or nonsupervisory workers[1] on private nonagricultural payrolls, by industry division, seasonally adjusted

(1967=100)

Industry	Jan. 1974	Aug. 1974	Sept. 1974	Oct. 1974	Nov. 1974	Dec.[p] 1974	Jan.[p] 1975	Percent change from: Jan. 1974-Jan. 1975	Percent change from: Dec. 1974-Jan. 1975
TOTAL PRIVATE NONFARM:									
Current dollars	151.7	160.2	162.1	163.3	164.1	165.3	166.2	9.6	.6
Constant (1967) dollars	108.4	107.0	106.8	106.7	106.3	106.4	N.A.	(2)	(3)
MINING	154.3	165.7	167.3	167.8	167.2	172.1	174.1	12.9	1.2
CONTRACT CONSTRUCTION	156.0	166.8	167.9	167.2	168.3	169.9	171.6	10.0	1.0
MANUFACTURING	148.7	158.0	159.6	161.5	162.5	163.4	164.3	10.5	.5
TRANSPORTATION AND PUBLIC UTILITIES	161.4	167.1	171.8	174.1	174.1	175.3	176.2	9.2	.5
WHOLESALE AND RETAIL TRADE	148.5	157.2	158.7	159.7	160.3	161.0	162.3	9.3	.8
FINANCE, INSURANCE, AND REAL ESTATE	142.8	149.8	152.9	152.8	153.4	155.2	155.5	8.9	.2
SERVICES	156.4	163.4	164.4	165.4	166.8	168.3	169.6	8.5	.8

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

[2] Percent change was -2.5 from December 1973 to December 1974, the latest month available.

[3] Percent change was less than 0.05 from November 1974 to December 1974, the latest month available.

N.A. = not available.

[p]=preliminary.

NOTE: All series are in current dollars except where indicated. The index excludes 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 changes in the proportion of workers in high-wage and low-wage industries.

Table B-5. Indexes of aggregate weekly man-hours of production or nonsupervisory workers[1] on private nonagricultural payrolls, by industry, seasonally adjusted

(1967 = 100)

Industry division and group	1974												1975
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.[p]	Jan.[p]
TOTAL	113.5	113.7	113.3	112.7	113.6	113.5	113.3	113.4	113.4	113.0	111.2	109.8	108.5
GOODS-PRODUCING	106.0	106.1	105.1	102.9	105.0	104.6	104.0	103.8	103.7	103.0	99.4	96.8	93.8
MINING	107.3	108.8	108.5	108.9	110.1	110.3	110.2	109.9	112.3	114.0	95.8	101.7	110.1
CONTRACT CONSTRUCTION	120.2	125.1	121.2	119.1	119.7	117.8	115.3	115.6	115.2	116.5	114.4	113.5	112.1
MANUFACTURING	103.4	102.6	102.2	99.8	102.2	102.1	101.8	101.6	101.3	100.3	96.9	93.6	90.0
DURABLE GOODS	104.2	103.0	102.7	100.4	103.0	103.2	102.8	102.5	102.5	101.7	98.1	94.7	90.6
Ordnance and accessories	50.3	49.6	50.5	49.3	49.5	48.0	48.2	47.7	49.1	49.0	49.0	49.2	48.6
Lumber and wood products	108.9	109.6	108.7	108.4	108.3	106.8	104.9	103.4	99.9	95.8	90.6	88.1	82.1
Furniture and fixtures	117.5	116.4	115.9	113.8	115.6	115.6	114.0	112.3	111.0	107.4	100.6	96.3	88.0
Stone, clay, and glass products	113.3	113.4	112.8	111.2	112.0	110.8	110.9	110.6	108.8	107.7	105.2	102.4	98.1
Primary metal industries	104.1	102.3	101.6	100.6	101.2	102.2	101.6	102.6	104.6	105.0	102.3	98.3	91.6
Fabricated metal products	109.6	108.2	108.2	103.6	107.4	108.0	108.3	108.1	107.8	105.8	101.9	98.6	93.8
Machinery, except electrical	107.7	106.9	107.4	103.1	107.1	108.1	106.9	109.2	109.9	109.7	108.5	106.1	103.2
Electrical equipment and supplies	107.2	106.4	106.0	102.9	105.1	105.5	105.1	100.8	102.5	101.2	96.3	92.5	90.5
Transportation equipment	90.4	86.8	86.2	86.4	90.2	90.0	90.8	91.1	90.5	92.0	87.0	82.2	77.8
Instruments and related products	113.2	114.5	114.3	111.9	114.2	116.4	114.9	115.8	114.2	113.0	111.3	108.9	107.6
Miscellaneous manufacturing, ind.	103.9	103.3	103.8	100.6	104.4	104.7	104.4	103.0	101.3	98.7	94.6	91.3	88.5
NONDURABLE GOODS	102.3	102.1	101.4	99.0	101.1	100.5	100.3	100.2	99.5	98.2	95.0	92.1	89.2
Food and kindred products	99.6	99.6	99.6	96.9	98.8	97.4	96.5	97.3	97.9	97.4	95.6	94.8	92.8
Tobacco manufactures	92.2	91.3	87.6	89.2	88.6	85.1	84.4	84.5	82.5	83.1	81.4	83.4	87.4
Textile mill products	106.0	105.4	103.9	100.6	103.4	103.1	101.9	100.4	98.8	93.7	89.5	84.2	78.3
Apparel and other textile products	95.0	95.0	93.4	90.8	94.0	91.1	92.9	91.7	91.3	90.3	85.9	81.9	79.2
Paper and allied products	105.4	104.4	104.4	102.2	103.9	103.6	103.3	102.5	101.8	99.3	96.8	94.8	92.0
Printing and publishing	99.9	100.1	99.1	97.5	99.4	99.7	99.4	100.2	99.1	99.1	96.9	96.5	96.1
Chemicals and allied products	104.1	104.2	104.3	103.9	103.9	104.8	105.3	106.0	105.5	105.1	103.3	99.8	96.8
Petroleum and coal products	108.0	108.3	107.6	107.1	107.5	103.0	107.0	105.4	106.1	103.0	107.0	106.9	101.8
Rubber and plastics products, nec	134.6	133.9	132.6	126.9	131.8	134.7	133.6	135.8	134.1	134.6	125.3	118.0	114.1
Leather and leather products	79.9	80.6	81.9	79.7	80.1	80.1	78.9	78.6	76.6	75.7	74.8	71.6	68.6
SERVICE-PRODUCING	118.7	118.9	119.0	119.4	119.6	119.7	119.8	120.0	120.2	119.9	119.4	118.8	118.7
TRANSPORTATION AND PUBLIC UTILITIES	110.3	109.9	109.4	110.4	109.8	108.7	109.7	109.3	108.4	108.9	107.5	107.2	105.8
WHOLESALE AND RETAIL TRADE	115.9	116.0	116.1	116.7	116.7	116.5	116.7	116.7	116.8	116.3	115.4	114.3	113.9
WHOLESALE TRADE	115.2	115.2	115.0	115.6	115.7	115.8	115.8	115.2	115.8	115.4	114.9	114.4	113.4
RETAIL TRADE	116.2	116.3	116.6	117.2	117.1	116.8	117.1	117.2	117.2	116.6	115.6	114.3	114.0
FINANCE, INSURANCE, AND REAL ESTATE	123.3	123.7	123.3	123.4	123.5	123.8	123.2	123.7	124.3	123.8	123.0	123.7	123.8
SERVICES	125.0	125.7	126.0	126.1	126.8	128.0	127.5	128.3	129.0	128.7	129.2	128.8	129.9

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

[p]=preliminary.

Table B-6. Indexes of diffusion of changes in number of employees on nonagricultural payrolls, 1972 to date[1]

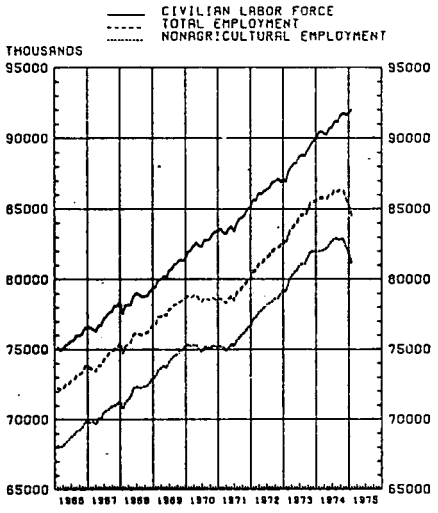
Year and month	172 industries				30 industries	
	Span				Span	
	1-month	3-month	6-month	12-month	1-month	6-month
1972						
January	68.6	71.2	78.8	77.3	88.3	91.7
February	70.6	80.5	82.0	81.7	68.3	90.0
March	75.0	80.8	84.9	79.7	88.3	96.7
April	76.2	84.0	79.7	82.3	91.7	90.0
May	75.6	82.8	81.1	84.3	78.3	86.7
June	77.6	74.4	82.6	84.3	78.3	88.3
July	45.6	74.4	84.6	83.7	53.3	86.7
August	73.0	74.4	82.0	84.0	85.0	86.7
September	74.7	82.0	80.2	85.2	85.0	88.3
October	82.6	83.4	82.8	83.1	95.0	90.0
November	73.5	79.4	82.3	82.0	83.3	90.0
December	75.3	80.5	84.6	84.3	76.7	88.3
1973						
January	73.8	82.0	82.3	80.5	70.0	86.7
February	73.3	81.1	77.9	83.1	86.7	81.7
March	76.2	79.4	80.8	84.9	85.0	85.0
April	66.9	77.0	75.9	85.8	70.0	83.3
May	57.8	73.3	76.5	86.3	63.3	78.3
June	72.1	66.6	74.7	84.0	80.0	70.0
July	59.9	73.0	73.8	79.1	68.3	80.0
August	66.6	68.6	74.7	74.4	70.0	86.7
September	59.6	74.7	71.8	68.9	51.7	85.0
October	75.9	78.2	72.1	64.5	86.7	88.3
November	77.3	72.4	68.3	65.1	75.0	71.7
December	58.7	68.6	62.5	61.6	60.0	68.3
1974						
January	62.5	54.9	55.8	61.6	48.3	56.7
February	47.1	50.9	50.9	59.0	48.3	53.3
March	48.0	44.8	50.0	54.9	51.7	50.0
April	54.1	51.7	49.4	48.0	48.3	45.0
May	55.5	56.4	50.0	40.7	56.7	43.3
June	58.7	52.0	50.6	29.4 p	51.7	46.7
July	48.8	46.8	39.5	27.0 p	51.7	45.0
August	52.3	42.2	34.3		56.7	36.7
September	38.1	43.6	27.6 p		48.3	20.0 p
October	40.4	29.1	23.8 p		40.0	21.7 p
November	19.2	21.5 p			13.3	
December	19.5 p	14.2 p			15.0 p	
1975						
January	22.1 p				20.0 p	
February						
March						
April						
May						
June						
July						
August						
September						
October						
November						
December						

[1] Each index represents the percent of industries in which employment increased over the indicated span. The 30 industries cover all nonagricultural payroll employment. The 172 industries represent greater detail and cover all private nonagricultural payroll employment.

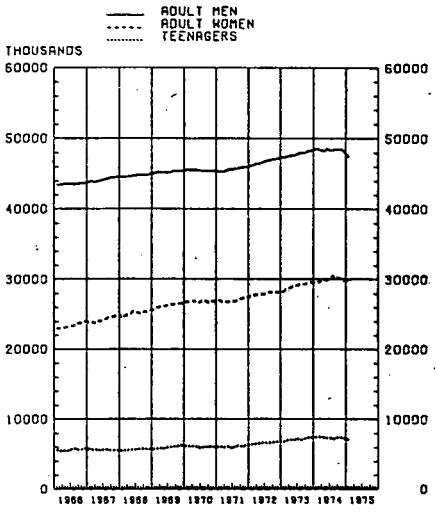
p = preliminary.

LABOR FORCE, EMPLOYMENT, UNEMPLOYMENT
HOUSEHOLD DATA - SEASONALLY ADJUSTED

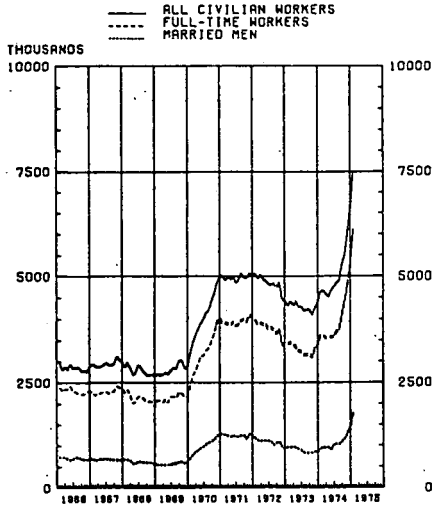
1. LABOR FORCE AND EMPLOYMENT



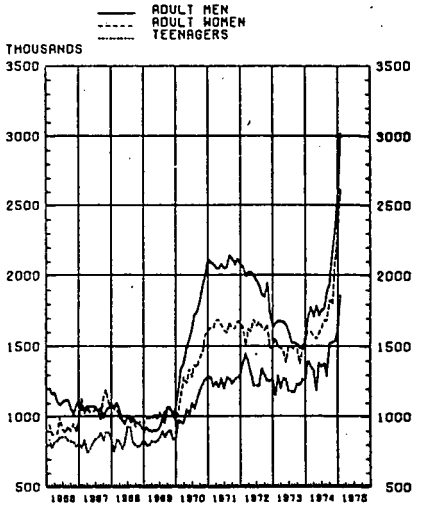
2. TOTAL EMPLOYMENT



3. UNEMPLOYMENT

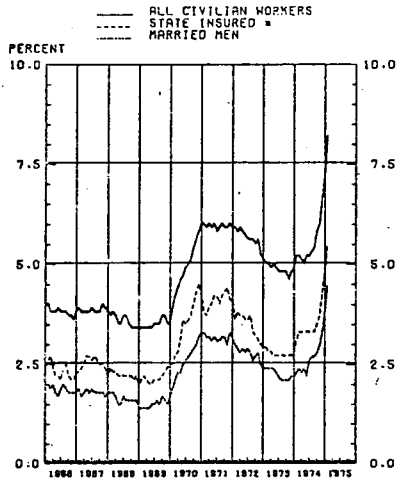


4. UNEMPLOYMENT

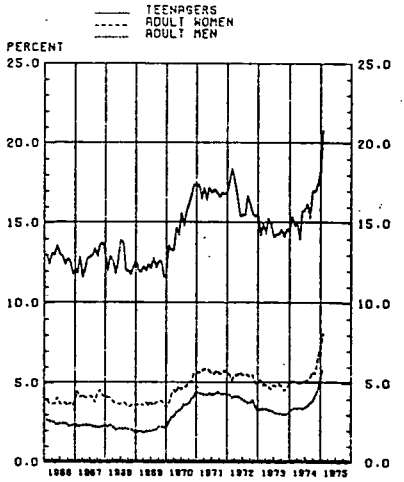


UNEMPLOYMENT RATES
HOUSEHOLD DATA - SEASONALLY ADJUSTED

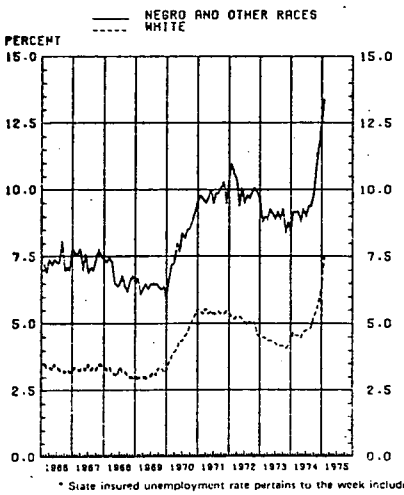
5. UNEMPLOYMENT RATES



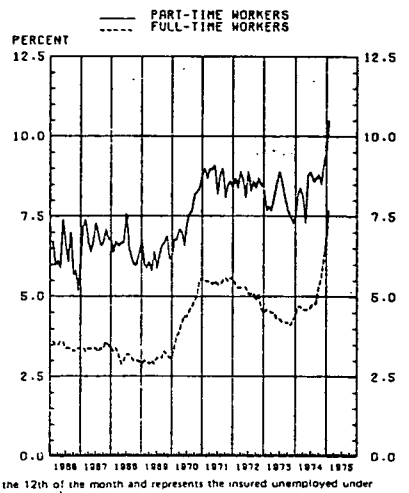
6. UNEMPLOYMENT RATES



7. UNEMPLOYMENT RATES



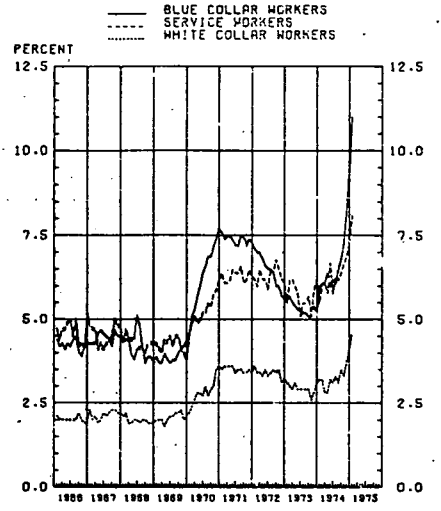
8. UNEMPLOYMENT RATES



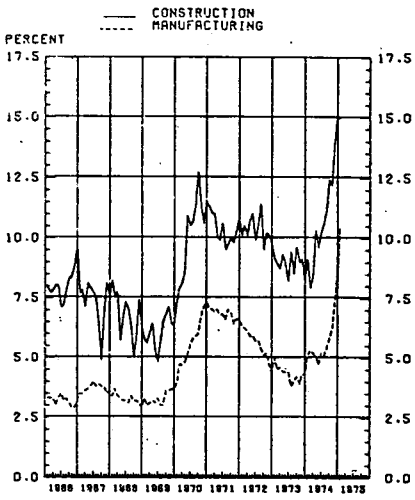
* State insured unemployment rate pertains to the week including the 12th of the month and represents the insured unemployed under State programs as a percent of average covered employment. The figures are derived from administrative records of unemployment insurance systems.

UNEMPLOYMENT
HOUSEHOLD DATA - SEASONALLY ADJUSTED

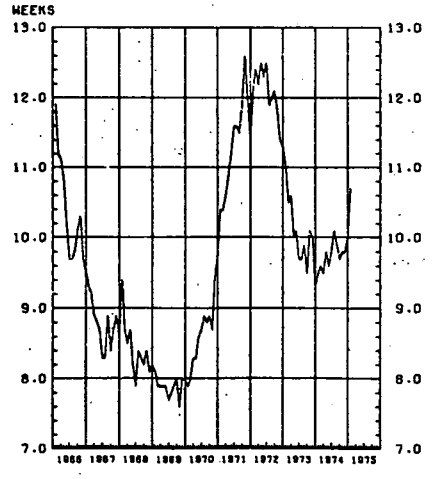
9. UNEMPLOYMENT RATES



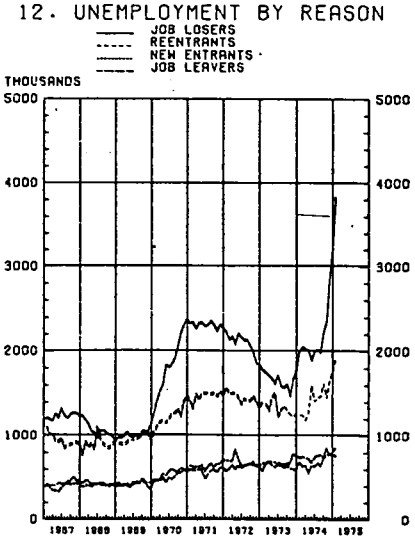
10. UNEMPLOYMENT RATES



11. AVERAGE DURATION OF UNEMPLOYMENT

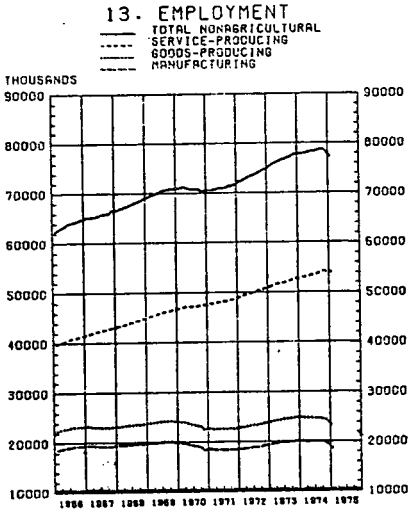


12. UNEMPLOYMENT BY REASON

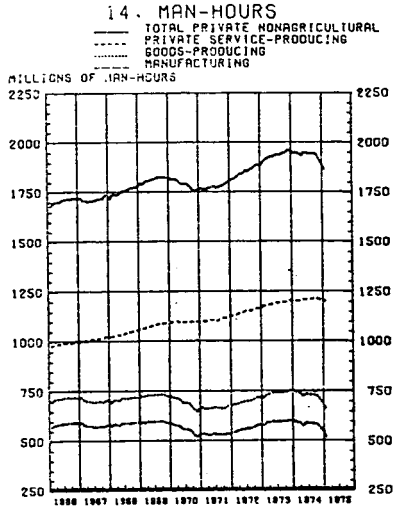


NONAGRICULTURAL EMPLOYMENT AND HOURS
ESTABLISHMENT DATA - SEASONALLY ADJUSTED

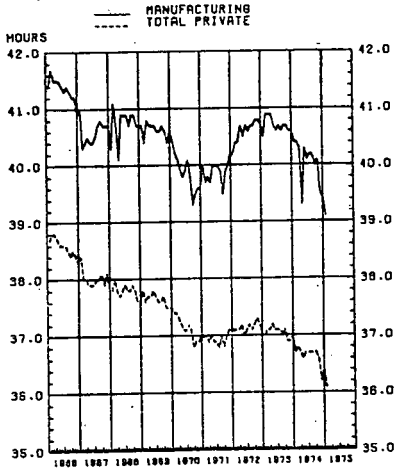
13. EMPLOYMENT



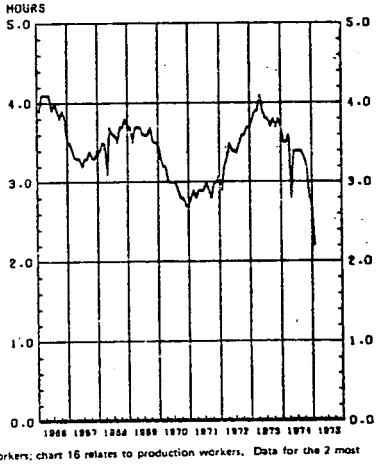
14. MAN-HOURS



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.

Mr. SHISKIN. Mr. Chairman, and members of the committee, I thought it might be useful to supplement the BLS release, the Employment Situation, with a few observations.

Considering unemployment; the dramatic change in the unemployment situation during the past 4 months is vividly shown in the first table of my prepared statement. We start with October 1973, the month when the long cyclical decline in unemployment reached its lowest level, 4.6 percent, and show the changes between this month to March 1974 and from March to August 1974. Over this 10-month period, the unemployment rate rose less than a point, 0.8 to be exact, as unemployment increased by about 800,000 persons. Over the next 5 months, from August 1974 to January 1975, it rose 2.8 points, or about 2,600,000 persons. This recent rise was very widespread and affected nearly every worker group. In terms of numbers, adult men were hardest hit, with well over a million added to the unemployment rolls. The number of women affected, however, was almost as great, with more than 900,000 added to the unemployment rolls. In terms of rates of unemployment, teenagers, and particularly black teenagers, were hard hit.

I have a technical point on the statistics themselves, and I took the liberty of taking the time of this committee to mention it because it concerns the question as to whether the recession has accelerated in the very last month.

Interpreting the movements within this most recent 5-month period, it is to be noted that the periods between the surveys were not always the same. In particular, the time spread between the November and the December survey was 3 weeks, compard with 6 weeks between the December and January surveys. This situation prevailed because of the difficulties of conducting the survey just before the Christmas holiday. The difference in the timing of the surveys suggests that the rise in unemployment between November and December might have been understated to some extent, while that between December and January could have been overstated. Hence, it may be better to analyze both months together, rather than each month separately.

Let me emphasize that this does not affect the total level of unemployment. That figure is as accurate as we can estimate. It is the distribution of the increase between those periods.

Chairman HUMPHREY. Within the time frame?

Mr. SHISKIN. Yes.

I have a brief table, and I will not go over it. I have summarized it in the text. It is very dramatic because it shows very little increase in unemployment between October 1973, when the unemployment was at its lowest level, and March 1974. Then there was a very steep and rapid decrease in employment and a sharp increase in unemployment.

This point regarding the time spread between the months is supported by the employment data from the establishment survey where the periods between the survey weeks were more nearly equal.

This establishment survey shows that nonfarm payroll employment declined by 670,000 between November and December, compared with 440,000 between December and January.

That is, the employment decline was smaller in the second of 2 months according to the establishment survey and larger according

to the household survey. I believe these differences in survey results reflect differences in the time spans between survey weeks.

Each month I have also been providing this subcommittee with the unemployment rate for the automobile industry. That rate was 24 percent in January, seasonally adjusted, compared with 21.3 percent in December. In the midst of the oil embargo, just 1 year ago, it was 9.2 percent. Some other industries with high unemployment rates, not seasonally adjusted, are—I will just read. The figures are in the table. Construction, lumber, furniture, stone, clay, glass, primary metals, electrical equipment, other transportation equipment, food, textiles, apparel, paper, chemicals, rubber and plastics.

Chairman HUMPHREY. The chart indicates all these rates have gone up substantially.

Mr. SHISKIN. Substantially. There is no question that a very dramatic and widespread rise in unemployment has taken place in recent months.

This Committee has shown interest in the BLS diffusion index of employment in 172 industries. Revised data show that for each of the past 3 months, this index fell below 25. This means that employment in more than 75 percent of the industries declined in each of the past 3 months. Since the employment peak in October 1974, employment has declined in 86 percent of the industries.

I have a brief statement on prices here, but it is the same as what others have also been saying. So I will skip that.

Over the past year the subcommittee has asked us for various different kinds of information, and I have adopted the policy of anticipating your requests, insofar as I could, and adding the appropriate tables. So I now have four tables attached to this prepared statement. One of them, which includes explanatory materials, shows the direct impact of various levels of increase of fuel prices on the CPI. I hope you will find it useful. Other tables show unemployment rates and inflation rates in other countries. These tables are in response to questions Senator Proxmire has asked us about at earlier hearings. They show figures for other countries. The unemployment figures in these other countries are adjusted to our concept, so they are comparable to ours. With that brief statement, I will conclude and do my best to answer to your questions.

Chairman HUMPHREY. We will include, of course, the entire text of your prepared statement with all of the tables and the attachments that are provided so that we may have an accurate and complete picture of your testimony.

[The prepared statement, with attachments, of Mr. Shiskin follows:]

PREPARED STATEMENT OF HON. JULIUS SHISKIN

Mr. Chairman and Members of the Committee: I thought it might be useful to supplement the BLS release, The Employment Situation, with a few observations.

1. *Unemployment.*—The dramatic change in the unemployment situation during the past four months is vividly shown in the table below. We start with October 1973, the month when the long cyclical decline in unemployment reached its lowest level, 4.6 percent, and show the changes between this month to March 1974 and from March to August 1974. Over this 10-month period, the unemployment rate rose less than a point (0.8), as unemployment increased by about 800,000 persons. Over the next 5 months, from August 1974 to January 1975, it rose 2.8 points, or about 2,600,000 persons. This recent rise was very widespread and affected nearly every worker group. In terms of numbers, adult

men were hardest hit, with well over a million added to the unemployment rolls. The number of women affected, however, was almost as great, with more than 900,000 added to the unemployment rolls. In terms of rates of unemployment, teenagers, and particularly black teenagers, were hardest hit.

In interpreting the movements within this most recent 5-month period, it is to be noted that the periods between the surveys were not always the same. In particular, the time spread between the November and the December survey was three weeks ,compared with six weeks between the December and January surveys. This situation prevailed because of the difficulties of conducting the survey just before the Christmas holiday. The difference in the timing of the surveys suggests that the rise in unemployment between November and December might have been understated to some extent, while that between December and January could have been overstated. Hence, it may be better to analyze both months together, rather than each month separately.

CHANGES IN UNEMPLOYMENT DURING 3 5-MONTH PERIODS, OCTOBER 1973–JANUARY 1975
(SEASONALLY ADJUSTED)

Category	Changes in unemployment (thousands)			Changes in unemployment rate		
	October 1973–March 1974	March 1974–August 1974	August 1974–January 1975	October 1973–March 1974	March 1974–August 1974	August 1974–January 1975
Total	486	323	2,604	0.5	0.3	2.8
Adult men	190	207	1,124	.4	.4	2.2
Adult women	205	114	924	.5	.3	2.8
Teenagers	91	2	556	.9	.3	5.5
Household heads	131	410	803	.3	.2	2.0
State insured	449	38	1,458	.6	0	2.2
Job losers	494	1	1,838	.5	0	2.0

This point is supported by the employment data from the establishment survey where the periods between the survey weeks were more nearly equal. This establishment survey shows that nonfarm employment declined by 670,000 between November and December, compared with 440,000 between December and January.

Each month I have also been providing this Committee with the unemployment rate for the automobile industry. That rate was 24.0 percent in January—seasonally adjusted—compared with 21.3 percent in December. In the midst of the oil embargo, just one year ago, it was 9.2 percent. Some other industries with high unemployment rates—*not* seasonally adjusted—are:

	January 1974	January 1975
Construction	14.1	22.6
Manufacturing:		
Lumber	6.3	17.8
Furniture	4.7	12.1
Stone, clay, glass	5.2	12.9
Primary metals	3.5	8.2
Electrical equipment	5.4	12.9
Other transportation equipment	6.0	11.2
Food	6.5	11.8
Textiles	6.1	19.4
Apparel	10.5	17.6
Paper	4.0	11.4
Chemicals	3.8	7.1
Rubber and plastics	5.3	13.8

2. *Employment.*—This Committee has shown interest in the BLS diffusion index of employment in 172 industries. Revised data show that for each of the past 3 months, this index fell below 25. This means that employment in more than 75 percent of the industries declined in each of the past 3 months. Since the employment peak in October, employment has declined in 86 percent of the industries.

3. *Prices.*—We have had two new price statistics releases since our previous hearing on January 3—the WPI and the CPI for December. These reports provided additional evidence that some abatement in nonfood commodity inflation is under way. The Wholesale Price Index for industrial commodities slowed substantially as it fell from a 16.2 percent annual rate in the third quarter to

7.3 percent in the fourth. A slowdown in the rate of inflation does appear to be under way, but it should be recognized that the overall improvement in prices has, thus far, been quite small.

4. *Supplementary materials.*—I attach four documents covering suggestions the Committee has expressed interest in at past hearings:

1. Consumer Price Index for All Items and Selected Components: percent changes in 1973 and 1974; contribution to the change in all items; and relative importance of components.

2. Impact on the Consumer Price Index of Price Increases for Gasoline, Fuel Oil, and Natural Gas.

3. Unemployment Rates in Seven Countries, Adjusted to U.S. Concepts, Seasonally Adjusted, 1973-1974.

4. Consumer Price Index, Seven Countries: Percent Change from Same Period of Previous Year, 1970-1974.

ATTACHMENT 1

CONSUMER PRICE INDEX FOR ALL ITEMS AND SELECTED COMPONENTS: PERCENT CHANGES IN 1973 AND 1974; CONTRIBUTION TO THE CHANGE IN ALL ITEMS; AND RELATIVE IMPORTANCE OF COMPONENTS [1]

	Relative importance, December 1972	December 1972 to December 1973		Relative importance, December 1973	December 1973 to December 1974	
		Percent change	Contribution to change		Percent change	Contribution to change
All items	100.000	8.8	100.0	100.000	12.2	100.0
Food	22.492	20.1	51.1	24.810	12.2	24.6
Commodities less food	40.059	5.0	22.6	38.644	13.2	41.7
Commodities less food and energy items [2]	36.502	3.2	13.2	34.610	12.1	34.2
Energy items [2]	3.557	23.4	9.4	4.034	22.8	7.5
Services	37.448	6.2	26.3	36.546	11.3	33.7
Services less energy items [3]	35.014	6.2	24.4	34.156	10.7	29.9
Energy items [3]	2.434	6.9	1.9	2.390	19.6	3.8
All items less food and energy items	71.517	4.7	37.6	68.766	11.3	64.0
Energy items (commodity and service groups combined)	5.991	16.8	11.3	6.424	21.6	11.4

[1] The relative importance of a component of the consumer price index is its expenditure or value weight expressed as a percentage of all items.

[2] Energy items defined as commodities include gasoline, motor oil, fuel oil, and coal.

[3] Energy items defined as services include natural gas and electricity.

Source: U.S. Department of Labor, Bureau of Labor Statistics, February 1975.

ATTACHMENT 2

IMPACT ON THE CONSUMER PRICE INDEX OF PRICE INCREASES FOR GASOLINE, FUEL OIL, AND NATURAL GAS

This statement describes the impact on the Consumer Price Index of new or additional taxes on domestically produced and imported crude oil and natural gas in interstate commerce and deregulation of crude oil and natural gas prices.

The CPI is currently defined to include all taxes directly applied to the goods and services which make up the index "market basket," such as sales taxes, excise taxes, real estate taxes, automobile registration fees and driver's license fees. Taxes leveled at stages of production or processing before the retail level are also reflected in the CPI to the extent these "earlier" taxes become an integral part of the retail selling price. Changes in taxes influence the index in the same way that price changes do. Consequently, increases in the excise tax or duties on crude oil which are passed through to the retail level would cause increases in the CPI.

Table A presents the effect on the U.S. City Average All Items CPI of specified changes in retail prices of gasoline and fuel oil No. 2, separately and combined. Average retail prices prevailing as of November 1974 are the base on which calculations in the table have been made. In November 1974 average prices of gasoline and fuel oil No. 2 were $.539 and $.3796 per gallon respectively. If the effect of higher excise taxes and import fees is to raise the price of crude oil by $1.00 per barrel, and we assume, for instance, that each addi-

tional 1.00 of tax or duty on a barrel (42 gallons) of crude oil translates into an increase in retail prices of $.025 per gallon for gasoline and for fuel oil, we see from the table the effect on the U.S. City Average All Items CPI is .148 percent from gasoline (column 2), .063 percent from fuel oil No. 2 (column 3), and .211 percent from the combined effects of both (column 4). The effects of other assumed amounts of tax and duty and assumed pass-throughs to retail can be determined from the table in similar fashion.

Table B presents the effects of specified increases in the retail prices of natural gas. It has been suggested that an excise tax of .37 per thousand cubic feet be imposed on gas transmitted in interstate commerce. Estimates of how much this tax would raise retail prices of natural gas depend on assumptions about the rate of pass-through to retail and the proportion of the total that interstate gas sales constitute. Consequently, table B covers the effect of a range of possible retail price increases on the CPI so that alternative assumptions can be evaluated. Effects of specified price increases for natural gas in table B may be combined with those for fuel oil and gasoline in table A to determine combined effects.

The price increases which would result from deregulation of oil or natural gas would influence the index in the same way that higher taxes or duties would and the effects of specified price increases can be determined from tables A and B. It should be noted that calculations in both tables include only the effects of higher prices of the 3 products in question; they do not include the indirect effects of price increases for other goods or services resulting from higher costs of petroleum and natural gas.

As currently defined the CPI does not include those taxes, such as personal income taxes, that are not directly applied to the purchase or continued use of goods and services. Consequently, any reduction in incomes taxes to offset the higher levies on crude oil would not have an offsetting effect on the CPI. For a refund or rebate to be treated in the CPI as an offset to prices, it must be explicitly identifiable as the return to individual consumers of an amount previously paid for goods and services covered by the index. Amounts consumers receive as a result of general reductions in their income taxes or benefits which accrue to them as a result of government spending on public programs do not directly influence the index.

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TABLE A.—ESTIMATED PERCENT CHANGE IN THE U.S. CITY AVERAGE ALL ITEMS CPI RESULTING FROM SPECIFIE INCREASES IN GASOLINE AND FUEL OIL NO. 2 PRICES

(1) From a per gallon price increase of—	(2) In gasoline	(3) In fuel oil No. 2	(4) In combined
$0.005	0.030	0.013	0.042
$0.010	.059	.025	.084
$0.015	.088	.038	.126
$0.020	.118	.050	.169
$0.025	.148	.063	.211
$0.030	.177	.076	.253
$0.035	.206	.088	.295
$0.040	.236	.101	.337
$0.045	.266	.114	.379
$0.050	.295	.126	.421
$0.055	.325	.139	.463
$0.060	.354	.151	.506
$0.065	.384	.164	.548
$0.070	.413	.177	.590
$0.075	.443	.189	.632
$0.080	.472	.202	.674
$0.085	.502	.214	.716
$0.090	.531	.227	.758
$0.095	.561	.240	.801
$0.100	.590	.252	.843
$0.105	.620	.265	.885
$0.110	.649	.278	.927
$0.115	.679	.290	.969
$0.120	.708	.303	1.011
$0.125	.738	.315	1.053
$0.130	.767	.328	1.095
$0.135	.797	.341	1.138
$0.140	.826	.353	1.180
$0.145	.856	.366	1.222
$0.150	.885	.379	1.264

Note.—Based on average price of $0.539 per gallon for gasoline and $0.3796 per gallon for fuel oil No. 2 in November 1974 CPI.

TABLE B.—ESTIMATED PERCENT CHANGE IN THE U.S. CITY AVERAGE ALL ITEMS CPI RESULTING FROM SPECIFIED PRICE INCREASES FOR NATURAL GAS

Price increase per 1,000 ft³:	Effect on all items	Price increase per 1,000 ft³:	Effect on all items
$0.17	0.155	$0.37	0.333
0.22	.198	0.42	.378
0.27	.242	0.47	.423
0.32	.287		

ATTACHMENT 3

UNEMPLOYMENT RATES IN 7 COUNTRIES, ADJUSTED TO U.S. CONCEPTS, SEASONALLY ADJUSTED, 1973–74

Period	United States	Canada	Japan	France	Germany	Italy	United Kingdom[1]
1973	4.9	5.6	1.3	3.5	1.0	3.8	3.0
I	5.0	5.9	1.3	3.3	.8	3.9	3.4
II	4.9	5.4	1.4	3.4	.9	4.6	3.1
III	4.8	5.5	1.2	3.5	1.0	3.5	3.0
IV	4.7	5.5	1.2	3.7	1.2	3.3	2.5
1974	5.6	5.4	----------	[2]4.3	[2]2.2	[2]3.1	[2]3.0
I	5.1	5.5	1.3	3.9	1.5	3.0	2.8
II	5.1	5.2	1.2	3.9	1.9	2.9	2.9
III	5.5	5.4	1.4	4.0	2.4	3.1	3.2
IV	6.6	5.7	----------	5.4	2.9	3.4	[2]3.1
October	6.0	5.4	----------	4.9	2.9	3.4	3.1
November	6.6	5.4	----------	5.5	3.1	----------	3.1
December	7.2	6.1	----------	5.8	2.8	----------	[2]3.2

[1] Great Britain only.
[2] Preliminary estimates.

Note.—Since adjustment factors are available only on an annual basis, BLS calculated the quarterly and monthly figures for the European countries and Japan by applying 1973 annual adjustment factors. The quarterly and monthly unemployment rates for these countries should, therefore, be viewed as only approximate indicators of unemployment under U.S. concepts. Canadian data require no adjustment to U.S. concepts.

Source: U.S. Department of Labor, Bureau of Labor Statistics, February 1975.

ATTACHMENT 4

CONSUMER PRICES IN 7 COUNTRIES, PERCENT CHANGE FROM SAME PERIOD OF PREVIOUS YEAR, 1970–74

Period	United States	Canada	Japan	France	Germany	Italy	United Kingdom
1970	5.9	3.3	7.7	5.2	3.4	4.9	6.4
1971	4.3	2.9	6.3	5.5	5.3	4.8	9.4
1972	3.3	4.8	4.9	6.2	5.5	5.7	7.1
1973	6.2	7.6	11.7	7.3	6.9	10.8	9.2
1974	11.0	10.9	[1]23.4	13.4	7.0	[1]19.1	16.0
I	9.9	9.7	23.2	11.3	7.4	14.4	12.9
II	10.6	10.7	22.6	13.6	7.1	16.4	15.9
III	11.5	11.0	23.4	14.6	7.1	20.6	17.0
IV	12.1	12.0	[1]24.7	15.0	6.5	[1]24.4	18.2
October	12.0	11.6	24.8	14.9	7.1	24.3	17.1
November	12.1	12.0	24.5	14.9	6.5	[1]24.8	18.3
December	12.2	12.4	----------	15.2	5.9	[1]24.1	19.1

[1] Preliminary estimates.

Source: U.S. Department of Labor, Bureau of Labor Statistics, February 1975.

Chairman HUMPHREY. We want to thank you again, Mr. Shiskin, for coming here. You know, this hearing has been more or less a regular feature of the Joint Economic Committee ever since the Department of Labor terminated its regular press briefing by the technical experts of the Department. I believe it was our colleague here, Senator Proxmire, as chairman of this committee, who initiated these hearings as a means by which the Congress and the general public could be kept abreast of and informed about the labor market condition in a timely fashion.

We have, as you know, testimony here now, yesterday from Mr. Greenspan, the day before from Mr. Simon. Mr. Greenspan testified that unemployment rose again last month. His evidence, admittedly, was based on piecemeal information. Your data represents the first nationwide evidence of the employment and unemployment situation, and I think it is important to note that, as you indicated in that portion of your testimony on employment that the index of employment in 172 industries that the rates of unemployment have increased appreciably all across the board.

So it is not anymore that while we focus attention upon the automobile industry with that sharp increase from the oil embargo days of 9 percent up to—what is it today, 24 percent?

Mr. SHISKIN. Yes, 24 percent.

Chairman HUMPHREY. 24 percent.

Nevertheless, the increases take place in other industries, even though not seasonally adjusted. Construction, for example, up from 14 percent to 22.6 percent. Lumber from 6 percent to 17.8 percent. That, of course, relates to what has happened very definitely in the housing industry itself.

I have noticed, as I look through these industries that you have put in your first table here in your prepared statement, that a goodly number of them are related directly to housing.

Mr. SHISKIN. And automobiles.

Chairman HUMPHREY. Yes. When you get into lumber, furniture, stone, clay, glass, electrical equipment.

Mr. SHISKIN. And textiles——

Chairman HUMPHREY. Textiles. Those rates have been quite—unemployment has gone up greatly. Actually, in matters like paper, where it was 4 percent a year ago, it is up to 11 percent, 11.4 percent. Chemicals not as much, from 3.8 percent up to 7.1 percent. But rubber and plastics, both of them relating, obviously, to the automobile industry and the building industry in particular, from 5.3 percent to 13.8 percent.

As you have indicated here, the employment in more than 75 percent of the industries declined in the last 3 months, and actually have declined 86 percent of the industries since the October peak. So we do have a proliferation, so to speak, a general state of unemployment across the economy.

Mr. SHISKIN. If I may make a brief remark, a summary of what I have here?

While it is true that declines in employment and rises in unemployment in this recession are very widespread, it is also true that some industries are hit harder than others. The two industries that are hit the hardest are two of our most basic industries, automobiles and housing.

Chairman HUMPHREY. The rate of increase in the construction, for example, is actually shocking, we have an unemployment rate—it is almost 23 percent, and that has gone up over 8½ points from a year ago.

So, despite all the talk about the fact that the housing industry seems to be improving, actual employment figures discount that assertion.

Are there any industries of major size in which the unemployment rate has not gone up?

Mr. SHISKIN. I do not think there are. I am not sure. I asked my staff to put in a section in this table on industries with low unemployment rates, and they tell me there are so few, it was not worth doing.

Chairman HUMPHREY. In the attachments that you have here on food prices—I think it is attachment number 1—you have made a note of the fact that food prices accounted for over 50 percent of the rise of consumer prices.

Mr. SHISKIN. From 1972 to 1973. If you would look at the other column, under the heading December 1973 to December 1974, food prices increases contributed about 25 percent.

Chairman HUMPHREY. What?

Mr. SHISKIN. 25 percent.

Chairman HUMPHREY. Yes.

Mr. SHISKIN. I put in those 2 years, Senator Humphrey, because I wanted to point out how drastically these impacts can change. While a 25 percent contribution to the increase in CPI is a great deal, it is only half of what it was a year earlier.

On the other hand, commodities less food, which had contributed 23 percent of the rise in 1973 accounted for 42 percent in 1974. This shows in a way, how inflation spreads out. After it starts out, it can spread from any one industry to many others.

Chairman HUMPHREY. You have that segment there that is known as commodities less food and energy items, which is an increase of 13.2 percent CPI in the 1972–73 and has gone up to 34.2 in the 1973–74.

So there are some very substantial increases that go far beyond what is noted in the daily headlines.

Mr. SHISKIN. Incidentally, I might remind this committee, particularly Senator Proxmire, because he was involved in it, we had this great debate last year, great for our subject, on whether we should change the CJI, change the population average. You will recall at that time BLS took the position that we did not know which price groups would contribute most to the total rise in the future. It was for that reason we thought it was so important to expand the population coverage to 80 percent of the population.

I think this table, which, of course, is not new information, verifies the soundness of that judgment.

Chairman HUMPHREY. Just another observation here. You mentioned the drop in the total employed work force. That is not only a rate of unemployment but the total work force. In the last 4 months the labor force has grown by only 400,000, well below the historical trend, I gather, and well below the rate in the last 2 to 3 years.

What has appened to the labor force in other recessions, and are you surprised that the labor force is growing at all since widespread layoffs have received so much public attention, and I will add to that question, what has happened to the women in the labor force?

Mr. SHISKIN. Let me respond to that. Am I surprised that the labor force has grown at all? No; I am not.

I think that there are at least two major elements that are leading to some increase in the labor force. One is that old idea, and I think there is something to it, that when the heads of households lose their jobs, others in the household will go into the labor market. And there is some evidence of that in the figures.

For example, the participation rate of adult males has declined, but the participation rates of women and teenagers have not. In fact, they have increased somewhat. There is another element in that, I think. That is the inflationary elements. No matter where you look you always have to look at the problems of unemployment and inflation together.

Thus, it also seems reasonable to argue that another reason why there is some growth in the labor force is that as prices rise, families have more difficulties in making ends meet, and more members of the family seek employment. Hence, I am not surprised that participation rates of women and teenagers grew.

With respect to your first question, in past recessions the labor force series has not conformed well, an indication that it does not move as systematically as do employment, unemployment, and some of the other labor market aggregate. That is as far as I can go.

Chairman HUMPHREY. I suppose, too, as you indicated here, with the inflation rate up in this recession, this does have a motivating force to get more people in the labor force. And in past recessions, most of them, we did not have this rate of inflation.

Mr. SHISKIN. Correct. It was not until the recession of 1969–70 that consumer prices—let me start that again.

In all previous recessions, consumer prices had not risen at all or had dropped, and in the Great Depression, from 1929 to 1933, consumer prices dropped 26.6 percent. There is a new phenomenon that we are coping with now; a new kind of cyclical phenomenon where we have simultaneously rapid inflation and high unemployment.

Chairman HUMPHREY. I cannot help but keep thinking—maybe I do not have any evidence to support it—but one of the reasons that there is this great increase in the price of many commodities, and particularly those in industries where there can be some degree of administered price not so subject to the competitive forces such as you have, for example, in some of the more perishable goods and food commodities, that there must be some hedging against the possibility of wage and price controls.

As you look down the line, I remember when we took off all these controls; I was of the opinion that the one thing which surely would happened will be a very prompt jump in number of price levels across the country in the different industries and services.

I have a feeling, just a feeling—I wish I had the documentation to support it—that part of the inflation that we have suffered, particularly the last 6 to 10 months, has been a precautionary type, let me say a protective type of price increase, just in case any controls were put on. You see this, for example, in the list price of an automobile as compared with the rebate.

I just was upstairs over at the old Senate Office Building with some farmers who are in the cattle, dairy, and poultry business. I tell you their prices are falling. There is no doubt about that. They do not have a way to fix the price and therefore, the competitive forces of supply and demand are really at work. There is no way that they can fix the price to protect themselves in case of price controls or wage controls.

Mr. SHISKIN. I agree. I might add another point. In anticipation of this terrible unemployment figure that came out today; I thought I should go away for a few days. I went down to Florida. They are

having a good many economic problems in that State. Some of the real estate companies there have also introduced the rebate concept. When they offer a condominium apartment for sale, there is a rebate offer along with it.

Chairman HUMPHREY. We have others here. Mr. Brown?

Representative BROWN of Michigan. Mr. Shiskin, the thing that bothers me the most of all about the statistics is that for some time we have kind of minimized the impact of unemployment figures due to the fact that we could always turn to a prior time and say that the unemployment rate among heads of households or male adults is not much worse than it was in a much better period. I notice, although your statement does not quite say the same thing, that in the release from the Department of Labor it says in the period December to January, there was a decline of 640,000 in employment, and that three-fourths of the decrease occurred among adult males.

This means that we are having greater impact upon households than we were when the figures maybe were high, but they did not reflect that classification.

Mr. SHISKIN. Yes, I agree. First of all, I would like to say, Mr. Congressman, that I have not minimized the importance of the unemployment. Once it began to reach these high levels, we have been emphasizing, both in our releases and hearings, the serious problems involved for the Nation.

I had an interview with U.S. News and World Report recently where I made the same point. To cover your substantive point, I think that it is right—I think one of the things that is overlooked, if you just consider the rates of unemployment, is the fact that there are more adult men working than in other categories. So when they get hit, even if their rate is somewhat lower—and it is lower, for example, than the rate for women or teenagers—they get hit hard because there are more of them. So the rapid rise in unemployment has been a very damaging development for the whole population, including adult males.

Representative BROWN of Michigan. Mr. Chairman, I have no further questions.

Chairman HUMPHREY. Senator Proxmire.

Senator PROXMIRE. Mr. Shiskin, I want to thank you so much for your very helpful statement and for all the things you have done here to make this understandable to us and to the country. I think it is a very helpful presentation because we are in undoubtedly the most troublesome unemployment situation that we have been in since before World War II.

Mr. SHISKIN. We did not have a troublesome unemployment situation in World War II, sir.

Senator PROXMIRE. I said before World War II. Right after World War II there was a period, but obviously a transition period. We were moving out of it.

Mr. SHISKIN. Let me thank you for those kind words about my statement.

Chairman HUMPHREY. Let me join in in complimenting you for your cooperation.

Senator PROXMIRE. I am simply appalled at the colossal level of unemployment in some of these industries. I do not know when you

move from recession to depression, but I am convinced that obviously automobiles are in a depression when you have 24 percent unemployment. Construction: 22.6 percent—I had no idea it was that high, 22.6 percent, almost one out of every four persons in that industry is out of work.

Lumber: 17.8 percent—obviously, that is directly tied to the low level of housing starts, and the answer it seems to me is to do whatever we can to stimulate housing starts. We have a terrific pool of people waiting to work, and we are not using lumber in construction.

It is surprising to me that you have an increase in some of these areas where unemployment has increased so rapidly. Furniture, for example, is now at 12 percent level of unemployment.

Mr. SHISKIN. Furniture is closely related to housing starts.

Senator PROXMIRE. That is right. They are not producing, but their prices rose at an annual rate of 7 percent in December. We do not have the January figures.

Mr. SHISKIN. There has been some acceleration, and their prices have been rising. As Professor Burns so wisely observed a few moments ago, businessmen are beginning to learn anew that one of the elements in competition is reducing prices. We have seen it in automobiles, and tthe brief comment I made about housing sales in Florida—that also seems to be going on in Florida. Hopefully, we will see more competition by way of lower prices.

Senator PROXMIRE. Everybody we have talked to has been surprised at the enormous rapid rate—nobody predicted this. The Council of Economic Advisers predicted we would have a 6-percent unemployment. Then they went to 6½. Then they went to 7 percent, 7½ percent.

Only about 40 days ago, the Chairman of the Council projected 8 percent would be the peak. Yesterday, he said 8½ percent. Now, you are a very competent economist, and nobody is closer to the statistics than you are. Are there any peculiar reasons why we have had this enormously rapid increase that has surpassed the expectations and predictions of all the analysts? Why is it?

Mr. SHISKIN. I do not know of any peculiar reasons. I call your attention to my statement, and I will be extremely cautious about separately analyzing the November–December, December–January movement because of the fact that our survey covered some different timespans.

Senator PROXMIRE. I understand that, and it is very wisely put together. When you put it together you still have a very appalling situation. Over 3 months, you have an increase of about 2 percentage points. We cannot find any time since we have had statistics that you have had that big an increase.

Mr. SHISKIN. The other observation I would like to make, Senator, is to compliment you once again for your wise words about the difficulties of forecasting.

Senator PROXMIRE. Now, we have some hindsight, and we look back, and we ought to have a better understanding.

The reason I am asking this, I want to see——

Mr. SHISKIN. Are you saying with the forecast? I do not want to try to excuse poor forecasts because the record is rife with them.

Senator PROXMIRE. Why did this happen? Why did we get this sudden increase?

Mr. SHISKIN. You want to know why we had a—why we have gone into a very severe recession. That is what the question amounts to.

Senator PROXMIRE. Can we understand now the reason for that?

Mr. SHISKIN. It is a very complicated question. It is beyond my knowledge to answer this.

I may make one or two observations you may consider helpful. First, I think there is a real problem with the approach that divides all of history into two kinds of periods: expansions and recessions. I do not think that such a twofold classification is necessary. Some periods do not fit into either one, and the period from November 1973 to August 1974, which was dominated by energy problems, is one of them.

I think what happened, with the wisdom of hindsight, is that in the winter of 1973–74, when we had the oil embargo, we had an unusual type of situation. What our record shows, what the record now shows is, that unemployment was not very severe compared to that of the recession today. When the oil embargo ended, we had a slight revival. It did not amount to much and it did not last very long, but it was a revival, a short-lived and mild revival.

I think this episode obscured what else was going on underneath. If we had not had the oil embargo, we might have been more perceptive in realizing that a recession was ahead.

Senator PROXMIRE. We have an unsatisfactory, mechanistic explanation or indication by the Chairman of the Federal Reserve Board on the prospects for recovery. He said because we had a very sharp deterioration in unemployment, we might very well have a very sharp recovery.

There are reasons why it seems to me that is going to be extraordinarily difficult. I asked the Chairman of the Council yesterday whether he thought it was possible to get unemployment down by 1976 to say, 5.5 percent. He raised very serious questions that it was possible to do so.

At any rate, is there any reason that you know now to expect that this very, very sharp increase that we have had in the last 2 or 3 months is going to one, likely to diminish, and we are likely to have less increases in the next several months, or any reason that you think it may turn around?

Mr. SHISKIN. First of all——

Senator PROXMIRE. Maybe inventories might be a key.

Mr. SHISKIN. Let me first of all again say that it is beyond the ability of any of us to look ahead with a high degree of accuracy. Our forecasting powers are very limited. We have learned that. You know it very well. You have made this point emphatically at these hearings. I learned it very many years ago, and I do not believe I have ever made a quantitative forecast since I was a student in college.

I do not think we can say much, quantitatively, about what will happen. My view is on the immediate situation, and it is very much like it was at last month's hearing; namely, I think we are going to recover from this recession, but I think things will get worse before recovery gets underway. That is my best judgment.

Let me leave it at that.

Senator PROXMIRE. I have several rather quick questions. Can you break out the unemployment in defense and aerospace industries?

Mr. SHISKIN. No.

Senator PROXMIRE. That would be very helpful for us.

Mr. SHISKIN. We certainly will try.

Senator PROXMIRE. If we had an understanding of what it was, we would be better able to handle the issue when it arises on the floor.

Mr. SHISKIN. I certainly will try. Mr. Wetzel, who is my best authority in this field, is shaking his head emphatically.

Senator PROXMIRE. Your attachment No. 3 shows unemployment in different countries. We are very happy to get that. I know the situation in the United States is the worst of all the major countries from an unemployment standpoint. It is not as bad as some other countries with respect to inflation, but we have a complex picture with all the countries except Germany showing increases greater than here.

In your experience, have we ever had a worse international picture?

Mr. SHISKIN. Let me put it this way: It seems to me what has been happening in recent years is different from what has happened in other periods of history because the movement of employment and other economic indicators in the different countries correspond more closely now. There is greater conformity of expansion in the United States and expansion in other countries and the same is true for recession. So I think the situation today is different in that respect, and that creates problems for the expansions in all the countries. It means that the inflationary pressures are greater, and during the recession——

Senator PROXMIRE. What is Germany doing that is right? They are so much better than we are. They have one-half of our inflation rate, one-third of our unemployment rate, and they are bucking the whole international tide. Why is that?

Mr. SHISKIN. Senator, I do not know.

Senator PROXMIRE. Far more dependent, as Senator Humphrey has pointed out—far more dependent on imported oil than we are.

Mr. SHISKIN. I wish I could answer that. I do not know much about it.

Reprenentative BROWN of Michigan. Will the gentleman yield?

Senator PROXMIRE. Yes.

Representative BROWN of Michigan. On this subject I have had many discussions 2 or 3 years ago, I guess, with a German, and he said the reason that we do not have the inflation that you have is, you remember a Depression, and we remember an inflation. We are not going back to where we had to take a wheelbarrow full of deutsch marks to go get a loaf of bread, and you are not going back to a Depression. Well, you are willing to accept that.

Senator PROXMIRE. That is right on the inflation side, but they are doing so much better on the employment side.

They are doing better both ways.

Chairman HUMPHREY. They have to import so many commodities for industrial development.

Mr. SHISKIN. I would remind this group again, it is not enough to look at the unemployment figures. You have to look at the inflation rates as well. Japan's is 21 percent, France 15 percent, Italy 24 percent. Germany stands out very favorably.

Senator PROXMIRE. One more question: as you know, we expect to have a very serious and difficult debate and discussion on the energy problem. In conference, the policy we adopt has not been decided. We need statistics. We need information, far more than we have got. I understand you are having trouble measuring wholesale prices for petroleum prices. Would you give a brief summary of where you stand on that project? We need that badly.

Mr. SHISKIN. The problem concerns the price of imported oil. We do not include the price of imported oil in the WPI. As far as crude petroleum, as you recall, during the energy crisis you and I discussed this at one of these hearings at great length. We did come out with what I consider to be a very good index. That index does not include imported oil.

There are many historical reasons for it, but it should include it right now, and we are moving as vigorously as possible to it.

However, I must say considering the long list of problems that we have to get the kind of information that we need to include imported oil in the WPI, I do not think we will be able to add reliable data on imported oil to the WPI soon.

Senator PROXMIRE. You will be able to come up with dollars and cents prices, as well as index the numbers?

Mr. SHISKIN. I am not sure.

Senator PROXMIRE. On petroleum products.

Mr. SHISKIN. John?

Mr. LAYNG. We will publish average prices for selected refined petroleum prices this month. There are a few, one or two, that we will not be able to do right now because there is not enough data.

Senator PROXMIRE. Can you give us area data too?

Mr. LAYNG. We have gone to the companies asking for the information.

Senator PROXMIRE. We have problems, midwest, east, and so forth.

One other point about the area unemployment figures: Senator Humphrey pointed out, that it was not as bad in Minnesota as it was in some other places. Senator Sparkman said the unemployment was only about 5.2 percent in Alabama. Do you have the figures, say, for Michigan or California or New York, Massachusetts? Can you give us that?

Mr. SHISKIN. I cannot give it to you today. As I pointed out last month, those figures generally are compiled after the ones we presented today. Also the area data are much weaker because of the thinness of samples, than the data for industries.

We want to take this opportunity to say that we are starting very shortly in collaboration with the Census Bureau and with funds available from the Manpower Administration to expand the CPS sample. The CPS sample from which we get the unemployment figures now includes 47,000 households, and we will have that up to 60,000 before long, and when we get it up to 60,000, Senator Proxmire, we will be able to provide reliable data for every State.

Senator PROXMIRE. Thank you very much.

Chairman HUMPHREY. Just one observation, Mr. Shiskin: again may I say how much we appreciate the cooperation you are extending to us and the extra information you are going to give to us. It will be very helpful.

I want to say to you what I have said to other witnesses. The Congress is now so deeply involved in legislative initiatives that we think that it is very important that we have as much information and data that we can get so we do not go off the deep end and do something we ought not to do.

I noticed in your report the employment situation that was out this morning, your release by the department, these words:

> Total non-agricultural payroll employment was down 440,000 from December, the third consecutive month of decline. Our three-month decrease totaled 1.6 million, the largest in the post-war period. Job cutbacks were posted in 78 percent of all industries in January, and 86 percent of all industries over the October-January period.

Can you think of any other time in the postwar period that we have had such sharp decline in the total number of nonagricultural payroll employment?

Mr. SHISKIN. Yes, as a matter of fact. I have brought with me some data on that. If I can dig it out, I will read the figures to you. Let me hasten to say, Senator, while I am looking for this——

Chairman HUMPHREY. Just give us the period. You can supply the figures.

Mr. SHISKIN. This is a situation that is undeniably one of the worst if not the worst. Here is a table—well, in the severe recession of 1957–58, at one point 88 percent of the industries were declining.

Chairman HUMPHREY. 88 percent of the industries?

Mr. SHISKIN. Were declining.

Chairman HUMPHREY. This time it is 86 percent?

Mr. SHISKIN. So far. May I add that during the 1929–33 Depression, the point was reached where every single industry in the United States was in a decline.

Chairman HUMPHREY. Let us hope and pray that we do not get to that point.

Mr. SHISKIN. About now, we are at the worst level we reached in 1969–70. In 1969–70, at one point, 81 percent of the industries were declining. The comparable figure today in 78 percent. The 86 percent figure is measured over a 3-month span. We took it from the peak in October, so there have been other occasions when things have been about this bad. But, for one thing, there is no doubt that this situation is very bad. For another, this is not over yet. What I am looking at in this table is the worst that happened in earlier recessions. We do not yet know what the worst will be in this recession.

Chairman HUMPHREY. I noticed the last time—let me ask you this—when was the last time that unemployment rose by 3 percent at each point in 1 year?

Mr. SHISKIN. I do not know.

Chairman HUMPHREY. That is a very high rate, is it not?

Mr. WETZEL. We do not have monthly figures for the period of the Depression, but it was sometime during the Depression.

Chairman HUMPHREY. Not since the end of World War II?

Mr. WETZEL. No, sir.

Chairman HUMPHREY. In other words, what we are saying is that the 8.2 percent is the highest rate of unemployment since the end of the Depression?

Mr. SHISKIN. And the rate of increase is also the worst.

Chairman HUMPHREY. The increase is the fastest and most accelerated rate of unemployment. Having said that now, I do not have any more questions to put to you.

It seems to me as one member of this committee—and I only can of course speak for myself—that what we are seeing here is a picture that is unique in our experience since the Great Depression, No. 1, that the rate of unemployment is rising at a rapid rate, faster than any other experience since the Great Depression, and the level of unemployment is the highest it has been since the Great Depression, and I must say as a sort of benediction for this hearing, that the remedies that I have heard proposed are not commensurate with the degree of the problem. That is quite obvious on the economic horizon.

We had Mr. Burns here, and we did not get solid information as to the rate of money growth, although I do think he indicated to us that they were watching it very closely, and the Reserve System would attempt to meet the needs, the economic needs.

But we have the facts here. I do not want to say frightening, but they are at least very disturbing, and these facts continue to get worse. Did I understand you to say to Senator Proxmire that you thought that the worst might not yet have arrived?

Mr. SHISKIN. Let me restate that. I think we will recover from this recession.

Chairman HUMPHREY. I do too.

Mr. SHISKIN. We cannot look very far ahead, but at the moment I think that things will get worse before they get better. Senator Humphrey, in view of all his dismal talk—let me go back to a statement that Professor Burns made. You know he was my professor in the middle 1930's when I was also his assistant at Rutgers University, and I learned a great deal from him then, and I have been learning from him ever since.

Let me repeat one of his statements which was, we have had some very sharp recessions previously, for example, in 1957–58. We have also had very sharp recoveries. So we may have a very sharp recovery from this recession.

Chairman HUMPHREY. I am a congenital optimist, as you know. The only thing that has been kind of worrisome to me is that some people have been outbidding me lately in optimism, and I look over my experience on the committee, as well as on the Committee on Agriculture and Forestry, where I used to listen to the testimony, and still do, of the Secretary of Agriculture. The estimates of what was going to happen to us were so off, so far off. I understand that forecasting is precarious and surely had no scientific accuracy to it.

I can remember when I heard the Secretary of Agriculture say just a couple of years ago that the price of food would not go up more than 8 percent. It went up 22 percent. We have been told that it will go up 15 percent for this coming year, which is surely not very good news, and yesterday Senator Proxmire read into the rec-

ord here the report from the Council of Economic Advisors last year at this time, and that report was one of upbeat; namely, that while the first two quarters of 1974 would be rather bleak, you could expect a great improvement in the last two quarters, substantial improvement in the last two quarters of 1974, and talking about a rate of unemployment, I believe, of around 6 percent or less, so we had reason to be really not only concerned but terribly worried about what is happening to us.

Let me for a moment put in the record while I have a chance here—I am doing this only because I did not do it when Mr. Burns was here—this is not to be contentious, just for facts. Mr. Burns stated to us in his testimony that in the 1960's the rate of inflation was going up considerably, due in part to the rate of Government expenditures, particularly in what you might call the human resources, or the people programs. I want to get the exact quotation of it, so that I do not misquote him, but I have looked at the record here, and I found that the rate of inflation, say after 1951—that was the Korean war period, when we had a sharp rate of inflation, 1950–51—reads as follows: 1952, 2.1; 1953, 1 percent; 1954, 1.5 percent; 1955, 1.4; 1956, 3.4; 1957, 3.7; 1958, 2.5; 1959, 1.7; 1960, 1.6.

Now starting in the 1960s, 1.6; 1961, 1.3; 1962, 1.1; 1963, 1.3; 1964, 1.6; 1965, 1.8; 1966, 2.8. Now is when we start getting trouble: 1967, 3.2; 1968, 4.0; 1969, 4.8. The real truth is that the inflation rate was not due particularly during that time to the fact that we had Federal aid to education or that we were giving better social security denefits or that we were increasing minimum wages, but it was due, if you look at the facts, to one simple fact: the war.

The expenditures in Vietnam, starting in 1966 and 1965—actually they were going up—the first big expenditure was in fiscal 1964. You go right on up through the end of the 1960's, and we are up to 4.8. Since then, we have gone to 5.5, 4.5, 3.4, 5.6, 10.2, and so on. It has been going on up.

I merely wanted to point out that I do not think that the evil that besets us is the fact that we have been helping people with food stamps or social security. I think that if you look at the facts, that the evil that besets us is the heavy military expenditure and the continuing heavy military expenditures added on to a number of other factors. That is one of the great factors that pushes us into high inflation.

Representative BROWN of Michigan. If the gentleman would yield. I do not think it has ever been claimed that it was just one or the other but rather that it was the combination.

Chairman HUMPHREY. I do not think there is any doubt that there is a combination. I merely want to point out that the point that Mr. Burns was making was that we had increased, for example, our Federal outlays for these human resource programs, twice as much as the growth in our GNP, for example.

It is a fact that we have made very substantial increases in these. No doubt this has had some effect. The point that I seek to make—during the 1950's, and we did not do very much about human resource programs, the rate of inflation in those years after the Vietnam war began was higher than it was in the early 1960's when we were doing something about human resource programs.

I do not have any further comments to make here. I just want to express our thanks to you.

Mr. SHISKIN. Mr. Chairman, may I make another remark as we conclude this meeting?

I participated today and in the two previous sessions in dismal discussions about the unemployment situation. I would like, sir, to add the following observation in order to get the long-term economic situation into better perspective.

First of all, we have recovered from every recession we have ever had. Second, some of our recoveries have been very rapid, as in 1958. Now, another point—when I studied business cycles under Mr. Burns and at the National Bureau, one of the principal findings we made was that the severer the recession, the more vigorous the recovery. With that, which I suppose is a somewhat optimistic remark, I am willing to conclude my statement.

Chairman HUMPHREY. I want to concur with you. I had marked up the testimony of Mr. Burns with what I call the good news and the bad news, you know, and he did give us some very solid information as to fundamental improvements that were taking place in our financial and industrial sector, particularly in financial institutions, so I think, as you, that there are many reasons to have faith that we are going to recover from this. I hope that we will recover rapidly. I believe, however, in all candor that that recovery rate is going to relate to things that this Government is willing to do, and particularly what this Government is willing to do to inspire some sense of confidence and continuity.

If I had any complaint over economic policy in recent years, it is that it has lacked any pattern of continuity. It has been in and out, indecisive, no sense of continuing, and I do believe businessmen interested in investment capital are going to take a good, hard look at what we do in the tax program. I think they are going to try to see whether or not they are just going to give us a one-shot injection, or whether we are going to have some continuing types of financial assistance in our tax incentives.

I believe this very strongly. I personally do not believe that a 1-year injection of economic aid will be any more effective in the United States than a 1-year injection of foreign assistance in this country or abroad, even though our economy is much healthier than other economies. There are real structural problems in our economy. To assume that 1 year of investment tax credit is enough, or to assume that 1 year rebate on taxes is enough, I think, is to fail to understand the significance of what is happening to us.

I feel that like with most other things, if we do not do enough on time, whatever we do will be wasted.

Mr. SHISKIN. On the other hand, Senator Humphrey, may I say that in my studies of business cycles and particularly recoveries of the past, it is clear that once the private sector begins to move up, it can move with great vigor. Then if you keep stimulating the economy on top of actions which were taken earlier and the private sector is moving up with great momentum, then you feed the fires of inflation. That pattern is why we have such a difficult problem today.

Chairman HUMPHREY. We face the most difficult problem we have ever had because we do not only have recession; we also do have inflation.

I think you also have to remember that as the private sector does pick up—and I think that it will—the extra—if I may use the word "fuel" that you need to use in terms of some of the governmental actions, both at the Federal Reserve level and at the budget and fiscal level—actually make your economy move a little more rapidly, and I do not believe the people clearly understand that what is being contemplated in Government counsel is continued unemployment for the balance of this decade at a shocking degree.

We cannot continue to tolerate unemployment for the balance of this decade that runs between 8½ and 7 percent. The loss of production and of income, of revenues, is staggering, and when people think in terms of what it costs to combat the recession, I want them to remember what it costs to lose the battle against recession.

It is like taking care of your health. Surely it costs money to go to the doctor. It costs money to take care of yourself. But it costs a lot more to get sick, and funerals are expensive too, and they are quite definitive.

With that, we will definitive this session.

[Whereupon, at 1:20 p.m., the committee adjourned, subject to the call of the Chair.]

EMPLOYMENT-UNEMPLOYMENT

FRIDAY, MARCH 7, 1975

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

The committee met, pursuant to notice, at 11:20 a.m., in room 4221, Dirksen Senate Office Building, Hon. Hubert H. Humphrey (chairman of the committee) presiding.

Present: Senators Humphrey, Proxmire, Javits, and Percy; and Representative Long.

Also present: Loughlin F. McHugh, senior economist; Lucy A. Falcone and George R. Tyler, professional staff members; Michael J. Runde, administrative assistant; and Leslie J. Bander, minority economist.

OPENING STATEMENT OF CHAIRMAN HUMPHREY

Chairman HUMPHREY. I apologize for keeping you waiting, Mr. Shiskin. We had the Budget Committee this morning; as chairman of the Joint Economic Committee, I was asked to testify and as you can see, we have many things going on in the Senate today—what we call unplanned, unorganized government.

Today we contiue our hearings on labor markets and price developments as revealed in today's employment releases of the Bureau of Labor Statistics and yesterday's wholesale price release by the same agency. As we all realize, only too sadly, the employment situation has deteriorated greatly in recent months, and the weekly data on unemployment shows a greater deterioration in February. Obviously, the deterioration of the economic situation needs to be reversed, and we hope it can be done so in a hurry. Equally obvious is the fact that the administration's program, as I see it, is not adequate to the job. We simply have to have a bigger tax cut than that proposed, and higher spending to help create jobs, production, and income. And the tax cut should not be of the sort proposed Wednesday by the Secretary of the Treasury, Mr. Simon, whose ideas seem to be not the trickle-down approach from the rich to the poor, but the trickle-up approach from the poor on up.

I have always believed in what we call, rather than trickle-down, percolate-up. Last night I heard Eric Severeid say "bubble-up." I will take it either way.

Much is being made of the decline of 0.8 percent in the wholesale prices in February. There was no one who welcomes this sign more than I do, but I want to just have a very brief comment about what we have heard this morning. I find little comfort in the fact that the 8.2 percent unemployment rate for February is the announced figure; it is the same as we had in terms of the rate for January. In fact, we can see that the economy continues to weaken because the fact is that the employment, as I understand, dropped by 540,000 jobs in February.

So while the percentage rate remains the same the employment—the number of people unemployed, has increased by over half a million. That means 540,000 people not earning; that means 540,000 people who will be applying for unemployment compensation; 540,000 people that may very well be eligible for some sort of food stamp assistance or other assistance; and it means 540,000 more Americans that have been told there is no place for them at this time in our economy.

The only reason that the unemployment rate remained the same was because, as I understand, 580,000 people who had been looking for a job dropped out of thte work force. This means that over one-half million people have given up—literally given up—looking for work, and they have given up on the system at this time.

This figure is in addition to the real unemployment. In short. true unemployment today, as I see it, is about 10.8 million persons. There are 7.5 million persons at the official rate; 1.8 million part-time unemployed; 900,000 or more that were discouraged unemployed in February 1975; 600,000 newly discouraged unemployed in the month of February; bringing it up to approximately 10.8 million people who are without work. In that group is 1.8 million who are part-time unemployed that want to work full time. A record needs to be made that you have almost 11 million people in this country today who are without gainful employment, or at least full-time gainful employment, which is a tragic loss of human resources of income of potential revenues, and of potential production.

It is to that figure that I address all of our comments about what do we do about this economy. I think these figures are startling. When the public finds out and begins to realize that you have over almost 11 million people in this country that are without work, or over 9 million who are without any kind of work, that it is a fact that this should shake us out of any apathy that we have or any sense of indifference.

This Congress has to pass a tax cut. It has to get on the ball. I have to say here what I said before the Budget Committee: we simply have to have that tax cut before the Senate recesses—this Congress recesses. There is no way that we can get out of here before we do that. Every week makes the figures look worse.

While the percentage figure may leave us in th ditch where we were last month, the fact of the matter is, the wheels of the economy, while in the same ditch, are going deeper down into the much because there are 540,000 people who had jobs last month who do not have them today; 540,000 more. That cannot be tolerated in this country of ours.

Mr. Shiskin?

STATEMENT OF HON. JULIUS SHISKIN, COMMISSIONER, BUREAU OF LABOR STATISTICS, DEPARTMENT OF LABOR, ACCOMPANIED BY W. JOHN LAYNG, ASSISTANT COMMISSIONER, OFFICE OF PRICES AND LIVING CONDITIONS; AND JAMES R. WETZEL, ASSISTANT COMMISSIONER, OFFICE OF CURRENT EMPLOYMENT ANALYSIS

Mr. SHISKIN. Thank you Mr. Chairman. I have a brief statement that I would like to read. I would ask you to put the full press release and this brief statement in the record. As usual, I have Mr. Wetzel, who is our employment expert, on my left, and Mr. Layng, who is our price expert, on my right. There are other people from the Bureau out in the audience; if questions come up on other subjects, we can ask for their help in answering them.

Mr. Chairman and members of the committee, I want to start by thanking the Joint Economic Committee for providing the Bureau of Labor Statistics with an opportunity to explain certain features of the comprehensive and complex body of data released at 10 a.m. this morning. A few remarks to supplement the press release, "The Employment Situation," may be helpful in getting the discussion under way.

EMPLOYMENT SITUATION

After several months of rapid rise, the unemployment rate held at 8.2 percent in February. It is to be noted, however, that the percentage of the population either working or seeking work—participate rate—declined for all major groups, including adult males, adult females and teenagers, and whites and blacks. Thus, the stability of the unemployment rate resulted because more workers left the labor market than entered it in February. The net departures from the labor force may reflect discouragement about job prospects.

Employment continued to show sharp declines in February at about the same rapid rate as in recent past months. This applies to total employment as measured both in the household and establishment surveys. Total man-hours, the most comprehensive measure of labor activity, declined more sharply in February than in any other recent month.

I call your attention to our table 1, particularly the lower part where these rates are shown month by month.

The diffusion indexes now show that employment in about 80 percent of our 172 industries has declined in each of the past 4 months. When October—the month nonagricultural payroll employment reached a peak—is compared directly with February, 87 percent of the 172 industries show declines.

PRICE SITUATION

The Wholesale Price Index for February, released yestreday—I would like to interrupt my statement to say we are now back on our previous schedule of getting the Wholesale Price Index out during the first week of the month—that release showed continued declines in the prices of farm products and processed foods and feeds which more than offset small rises in industrial materials prices. The net result was a decline of 0.8 percent in the All Commodities Index.

The stage of processing classification of wholesale prices also shows continuation of recent patterns, with crude materials—less foods and feeds—continuing to decline, and intermediate materials and producer and consumer—less foods—finished goods showing small rises. While the decline in crude materials prices was the fifth in a row, it was also the smallest. This is consistent with the trend shown by our weekly index of spot market raw materials prices. After declining about 25 percent from the peak in April through late December, this weekly index has been virtually stable.

This pattern of change in wholesale prices suggests further deceleration of the rate of increase in the CPI in the months ahead.

I have also attached for your use several tables in which you have expressed interest. I am now ready to try and answer your questions, Mr. Chairman.

[The press release, together with the tables referred to follow:]

NEWS

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THE EMPLOYMENT SITUATION: FEBRUARY 1975

The Nation's rate of unemployment was unchanged in February, following a sharp uptrend in recent months, but employment declined for the fifth straight month, it was announced today by the Bureau of Labor Statistics of the U. S. Department of Labor. The unemployment rate remained at the January level of 8.2 percent, after climbing at the most rapid pace of the entire post-World War II period between August and January.

Total employment (as measured by the monthly survey of households) declined by nearly 540,000 in February to 84.0 million. Since September 1974, employment has dropped by 2.4 million, the largest 5-month cutback recorded in the postwar period. The civilian labor force decreased by 580,000 over the month.

Total nonagricultural payroll employment (as measured by the monthly survey of establishments) declined 600,000 from January for the fourth straight monthly decrease. At 76.6 million, the number of payroll jobs was 2.3 million lower than last October. There was also a further decline in hours of work. Consequently, total man-hours, the most comprehensive measure of labor activity, continued to drop sharply.

Unemployment

Both the number of unemployed persons and the unemployment rate held steady in February, after increasing sharply in January. Since August 1974, when joblessness began its rapid upsurge, the number of unemployed persons has increased by 2.6 million to 7.5 million, and the jobless rate has risen 2.8 percentage points to 8.2 percent. (See table A-1.)

Despite the February stability in total unemployment, there was a further rise (nearly 200,000) in the number of persons who lost their last jobs. (See table A-5.) This was balanced by a reduction among unemployed labor force re-entrants. Since last

August, job loss has accounted for four-fifths of the overall increase in joblessness, and job losers now comprise 55 percent of the unemployed total (compared with 41 percent in August).

Unemployment rates for most labor force groups were essentially unchanged in February. While there was little or no change in the jobless rates for white workers (7.4 percent), blacks (13.5 percent), adult women (8.1 percent), or teenagers (19.9 per-

Table A. Highlights of the employment situation (seasonally adjusted data)

Selected categories	Quarterly averages					Monthly data		
	1973	1974				Dec.	Jan.	Feb.
	IV	I	II	III	IV	1974	1975	1975
	(Millions of persons)							
Civilian labor force	89.8	90.5	90.6	91.4	91.8	91.8	92.1	91.5
Total employment	85.6	85.8	86.0	86.4	85.7	85.2	84.6	84.0
Adult men	48.4	48.5	48.5	48.5	48.3	48.0	47.5	47.3
Adult women	29.7	29.8	30.1	30.5	30.1	30.0	29.9	29.7
Teenagers	7.5	7.5	7.4	7.4	7.4	7.2	7.1	7.0
Unemployment	4.3	4.7	4.7	5.0	6.1	6.6	7.5	7.5
	(Percent of labor force)							
Unemployment rates:								
All workers	4.7	5.1	5.1	5.5	6.6	7.2	8.2	8.2
Adult men	3.1	3.4	3.5	3.7	4.8	5.3	6.0	6.2
Adult women	4.7	5.1	5.1	5.4	6.5	7.2	8.1	8.1
Teenagers	14.3	15.2	15.1	16.1	17.5	18.1	20.8	19.9
White	4.3	4.6	4.6	5.0	5.9	6.4	7.5	7.4
Negro and other races	8.6	9.2	9.1	9.6	11.7	12.5	13.4	13.5
Household heads	2.8	2.9	3.0	3.2	4.1	4.6	5.2	5.4
Married men	2.2	2.4	2.4	2.7	3.3	3.8	4.5	4.7
Full-time workers	4.3	4.6	4.6	5.0	6.2	6.8	7.7	7.5
State insured	2.7	3.2	3.3	3.4	4.3	4.8	5.5	5.9
	(Weeks)							
Average duration of unemployment	9.8	9.5	9.7	9.9	9.9	10.0	10.7	11.7
	(Millions of persons)							
Nonfarm payroll employment	77.8	78.0	78.3	78.7	78.3	77.7	77.2p	76.6p
Goods-producing industries	25.0	24.9	24.9	24.8	24.1	23.6	23.2p	22.6p
Service-producing industries	52.8	53.1	53.5	53.9	54.2	54.1	54.0p	54.0p
	(Hours of work)							
Average weekly hours:								
Total private nonfarm	36.9	36.7	36.7	36.7	36.4	36.4	36.2p	36.1p
Manufacturing	40.6	40.4	39.9	40.1	39.7	39.4	39.2p	38.8p
Manufacturing overtime	3.7	3.5	3.2	3.4	2.9	2.7	2.3p	2.2p
	(1967=100)							
Hourly Earnings Index, private nonfarm:								
In current dollars	150.3	152.7	156.2	160.3	164.2	165.3	166.1p	167.3p
In constant dollars	109.3	107.8	107.5	107.1	106.5	106.4	106.2p	N.A.

p= preliminary.
N.A.= not available.

cent), all were at or near record levels. (See table A-2.) On the other hand, rates for married men and all adult men rose slightly but remained well below the peak levels reached during the 1949 and 1958 recessions.

Jobless rates for most occupations and industries were also little changed from January levels. However, the unemployment rate for manufacturing workers posted its ninth consecutive monthly increase and in February stood at a record 11.0 percent. The rate for construction workers was 15.9 percent, an indication of the severe problems the industry is experiencing.

The jobless rate for workers covered by State unemployment insurance programs was 5.9 percent in February, up from 5.5 percent in January. At 3.9 million, the number of workers claiming State unemployment insurance benefits now constitutes 52 percent of the jobless total, compared with 44 percent a year earlier.

The unemployment rate for Vietnam-era veterans aged 20-34 years, at 8.8 percent, showed little change from January but was below the rate for nonveterans, which increased to 9.5 percent. (See table A-2.) The jobless rate for the youngest veterans (20-24 years old) was 17.3 percent, slightly below the previous month's high mark and well above that for nonveterans of the same ages (12.6 percent).

The average (mean) duration of unemployment moved up to 11.7 weeks in February, a full week above the January level and nearly 2 weeks higher than December. This pattern is typical during business downturns, as increases in the duration of unemployment always lag those in the overall level and rate of unemployment. In line with the lengthening in mean duration, the number of long-term unemployed—persons unemployed 15 weeks or more—increased by nearly 300,000 to 1.8 million in February. Of this number, 700,000 had been unemployed 27 weeks or more. (See table A-4.)

The number of persons working part time but wanting full-time jobs was relatively stable at 3.7 million in February; however, this followed jumps of 460,000 and 200,000 in the 2 previous months. (See table A-3.)

Civilian Labor Force and Total Employment

The civilian labor force, which had continued to expand, albeit slowly, throughout most of the current economic downturn, dropped by 580,000 in February to 91.5 million

(seasonally adjusted). Most of this unusually large decline occurred among adult women and teenagers. (See table A-1.) The labor force gain over the past 12 months was less than half the expansion of the prior year.

Employment fell by 540,000 in February to 84.0 million, a continuation of the substantial monthly declines from last autumn's peak of 86.4 million. The February reduction was spread among the three major age-sex groups; occupationally, employment contractions were most severe among clerical workers, managers and administrators, and operatives. (See tables A-1 and A-3.)

Industry Payroll Employment

Total nonagricultural payroll employment dropped 600,000 in February to 76.6 million (seasonally adjusted), the lowest level since May 1973. The number of payroll jobs has declined 2.3 million from last October's peak, the largest 4-month decrease since the post-World War II readjustment period. Reductions in employment occurred in about 80 percent of all industries from January to February and in 87 percent of all industries over the October-February span. (See tables B-1 and B-6.)

As in recent months, the decline in February was largely concentrated in manufacturing--425,000--with each of the 21 industries posting decreases. The largest cutbacks occurred in the five major metals and metal-using industries of the durable goods sector and in textiles, apparel, and rubber and plastic products in nondurable goods. The February decline in manufacturing jobs brought the employment total down to 18.3 million, the lowest level since September 1965.

Contract construction employment was down by nearly 200,000 from January. Since its alltime high in February a year ago, construction employment has declined by half a million jobs.

In the service-producing industries, the number of payroll jobs was unchanged in February, as a 50,000 increase in State and local government and a small pickup in services countered declines elsewhere in the sector. Employment in the service-producing industries has fallen 300,000 from the alltime high recorded in October 1974. Since February a year ago, however, employment in the sector has increased by nearly 900,000, in marked contrast to an employment decline of 2.3 million in the goods-producing industries.

_rs of Work

The average workweek for all production or nonsupervisory workers on nonfarm payrolls declined 0.1 hour in February to 36.1 hours, seasonally adjusted. Compared with February 1974, the average workweek was down 0.7 hour. (See table B-2.)

Average hours in manufacturing, which have trended downward since the spring of 1973, fell 0.4 hour in February to 38.8 hours. Factory overtime also continued to show weakness, declining to 2.2 hours. Since April 1973, overtime in manufacturing has dropped 1.9 hours. In February, both the factory workweek and overtime hours were at their lowest levels since the 1960-61 recession.

The aggregate man-hours of private nonfarm production or nonsupervisory workers fell by 1.8 p. rcent in February, following declines in the previous 4 months. Since last September, total man-hours have decreased by 6.0 percent. (See table B-5.) Factory man-hours were down 4.0 percent over the month, 15.6 percent from a year ago, and 17.2 percent from their alltime high reached in late 1973.

Hourly and Weekly Earnings

Average hourly earnings of production or nonsupervisory workers on nonfarm payrolls rose 0.5 percent in February and 8.3 percent from a year ago (seasonally adjusted). Average weekly earnings increased by 0.2 percent in February and 6.3 percent compared with February 1974.

Before adjustment for seasonality, hourly earnings rose 1 cent in February to $4.41. Earnings have increased 34 cents from a year ago. Weekly earnings on average were up 36 cents over the month and $9.32 over the year. (See table B-3.)

The Hourly Earnings Index

The Hourly Earnings Index--earnings adjusted for overtime in manufacturing, seasonality, and the effects of changes in the proportion of workers in high wage and low-wage industries--was 167.3 (1967=100) in February, 0.7 percent higher than in January. The index was 9.6 percent above February a year ago. During the 12-month period ending in January, the Hourly Earnings Index in dollars of constant pu. chasing power declined 2.0 percent. (See table B-4.)

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. Unless otherwise indicated, data for both series relate to the week of the specified month containing the 12th day. A description of the two surveys appears in the BLS publication *Employment and Earnings.*

Table A-1. Employment status of the noninstitutional population

(Numbers in thousands)

Employment status	Not seasonally adjusted			Seasonally adjusted					
	Feb. 1974	Jan. 1975	Feb. 1975	Feb. 1974	Oct. 1974	Nov. 1974	Dec. 1974	Jan. 1975	Feb. 1975
TOTAL									
Total noninstitutional population[1]	149,857	152,230	152,445	149,857	151,593	151,812	152,020	152,230	152,445
Total labor force	91,692	93,342	93,111	92,809	94,058	93,921	94,015	94,284	93,709
Participation rate	61.2	61.3	61.1	61.9	62.0	61.9	61.8	61.9	61.5
Civilian noninstitutional population[1]	147,599	150,037	150,246	147,599	149,380	149,600	149,809	150,037	150,246
Civilian labor force	89,434	91,149	90,913	90,551	91,844	91,708	91,803	92,091	91,511
Participation rate	60.6	60.8	60.5	61.3	61.5	61.3	61.3	61.4	60.9
Employed	84,294	82,969	82,604	85,861	86,304	85,689	85,202	84,562	84,027
Agriculture	3,283	2,888	2,890	3,811	3,440	3,375	3,339	3,383	3,326
Nonagricultural industries	81,011	80,082	79,714	82,050	82,864	82,314	81,863	81,179	80,701
Unemployed	5,140	8,180	8,309	4,690	5,540	6,019	6,601	7,529	7,484
Unemployment rate	5.7	9.0	9.1	5.2	6.0	6.6	7.2	8.2	8.2
Not in labor force	58,165	58,888	59,333	57,048	57,536	57,892	58,006	57,946	58,735
Males, 20 years and over									
Total noninstitutional population[1]	63,536	64,552	64,644	63,536	64,279	64,374	64,462	64,552	64,644
Total labor force	51,772	52,153	52,149	52,136	52,554	52,509	52,414	52,244	52,150
Participation rate	81.5	80.8	80.7	82.1	81.8	81.6	81.3	80.9	80.7
Civilian noninstitutional population[1]	61,709	62,824	62,911	61,709	62,506	62,601	62,690	62,824	62,911
Civilian labor force	49,945	50,425	50,417	50,309	50,781	50,737	50,642	50,515	50,417
Participation rate	80.9	80.3	80.1	81.5	81.2	81.0	80.8	80.4	80.1
Employed	47,754	46,753	46,512	48,554	48,584	48,379	47,961	47,490	47,288
Agriculture	2,483	2,226	2,282	2,694	2,477	2,429	2,451	2,422	2,475
Nonagricultural industries	45,271	44,527	44,230	45,860	46,107	45,950	45,510	45,068	44,813
Unemployed	2,191	3,672	3,905	1,755	2,197	2,358	2,681	3,025	3,129
Unemployment rate	4.4	7.3	7.7	3.5	4.3	4.6	5.3	6.0	6.2
Not in labor force	11,764	12,399	12,494	11,400	11,725	11,864	12,048	12,309	12,494
Females, 20 years and over									
Civilian noninstitutional population[1]	69,937	71,061	71,167	69,937	70,749	70,858	70,961	71,061	71,167
Civilian labor force	31,512	32,632	32,563	31,373	32,039	32,059	32,305	32,556	32,326
Participation rate	45.1	45.9	45.8	44.9	45.3	45.2	45.5	45.8	45.4
Employed	29,823	29,856	29,813	29,772	30,237	29,945	29,992	29,932	29,719
Agriculture	479	389	362	627	494	464	454	524	474
Nonagricultural industries	29,343	29,467	29,450	29,145	29,743	29,481	29,538	29,408	29,245
Unemployed	1,689	2,776	2,750	1,601	1,802	2,114	2,313	2,624	2,607
Unemployment rate	5.4	8.5	8.4	5.1	5.6	6.6	7.2	8.1	8.1
Not in labor force	38,426	38,429	38,604	38,564	38,710	38,799	38,656	38,505	38,841
Both sexes, 16-19 years									
Civilian noninstitutional population[2]	15,952	16,152	16,168	15,952	16,124	16,141	16,157	16,152	16,168
Civilian labor force	7,977	8,092	7,934	8,869	9,024	8,912	8,856	9,020	8,768
Participation rate	50.0	50.1	49.1	55.6	56.0	55.2	54.8	55.8	54.2
Employed	6,717	6,361	6,280	7,535	7,483	7,365	7,249	7,140	7,020
Agriculture	320	272	246	490	469	482	434	437	377
Nonagricultural industries	6,397	6,088	6,034	7,045	7,014	6,883	6,815	6,703	6,643
Unemployed	1,260	1,732	1,654	1,334	1,541	1,547	1,607	1,880	1,748
Unemployment rate	15.8	21.4	20.8	15.0	17.1	17.4	18.1	20.8	19.9
Not in labor force	7,976	8,060	8,235	7,083	7,100	7,229	7,301	7,132	7,400
WHITE									
Civilian noninstitutional population[1]	130,555	132,533	132,720	130,555	132,013	132,189	132,356	132,553	132,720
Civilian labor force	79,301	80,933	80,688	80,129	81,439	81,355c	81,338	81,706	81,071
Participation rate	60.7	61.1	60.8	61.4	61.7	61.5	61.5	61.6	61.1
Employed	75,137	74,172	73,825	76,433	76,997	76,538	76,106	75,555	75,043
Unemployed	4,164	6,762	6,863	3,696	4,442	4,817c	5,232	6,151	6,028
Unemployment rate	5.3	8.4	8.5	4.6	5.5	5.9	6.4	7.5	7.4
Not in labor force	51,255	51,620	52,032	50,426	50,574	50,834c	51,018	50,847	51,649
NEGRO AND OTHER RACES									
Civilian noninstitutional population[1]	17,044	17,484	17,527	17,044	17,367	17,411	17,452	17,484	17,527
Civilian labor force	10,133	10,216	10,225	10,332	10,461	10,394	10,389	10,464	10,387
Participation rate	59.5	58.4	58.3	60.6	60.2	59.7	59.5	59.8	59.3
Employed	9,157	8,797	8,779	9,379	9,316	9,188	9,090	9,057	8,989
Unemployed	976	1,418	1,447	953	1,145	1,206	1,299	1,407	1,398
Unemployment rate	9.6	13.9	14.1	9.2	10.9	11.6	12.5	13.4	13.5
Not in labor force	6,911	7,268	7,301	6,712	6,906	7,017	7,063	7,020	7,140

[1] Seasonal variations are not present in the population figures; therefore, identical numbers appear in the unadjusted and seasonally adjusted columns.

NOTE: Data relate to the noninstitutional population 16 years of age and over. Total noninstitutional population and total labor force include persons in the Armed Forces.
c=corrected.

HOUSEHOLD DATA

Table A-2. Major unemployment indicators, seasonally adjusted

Selected categories	Number of unemployed persons (in thousands)		Unemployment rates					
	Feb. 1974	Feb. 1975	Feb. 1974	Oct. 1974	Nov. 1974	Dec. 1974	Jan. 1975	Feb. 1975
Total, 16 years and over	4,690	7,484	5.2	6.0	6.6	7.2	8.2	8.2
Males, 20 years and over	1,755	3,129	3.5	4.3	4.6	5.3	6.0	6.2
Females, 20 years and over	1,601	2,607	5.1	5.6	6.6	7.2	8.1	8.1
Both sexes, 16-19 years	1,334	1,748	15.0	17.1	17.4	18.1	20.8	19.9
White, total	3,152	6,028	4.6	5.5	5.9	6.4	7.5	7.4
Males, 20 years and over	1,392	2,523	3.1	4.0	4.2	4.7	5.5	5.6
Females, 20 years and over	1,272	2,143	4.7	5.2	6.1	6.5	7.7	7.6
Both sexes, 16-19 years	488	1,362	13.1	14.8	15.1	15.9	18.4	17.5
Negro and other races, total	953	1,398	9.2	10.9	11.6	12.5	13.4	13.5
Males, 20 years and over	350	577	6.7	7.6	8.5	9.3	10.5	11.1
Females, 20 years and over	330	463	7.9	9.5	9.8	10.9	11.0	10.9
Both sexes, 16-19 years	273	358	29.4	34.5	36.9	37.7	41.1	36.7
Household heads	1,545	2,840	3.0	3.7	3.9	4.6	5.2	5.4
Married men, spouse present	970	1,872	2.4	3.0	3.3	3.8	4.5	4.7
Full-time workers	3,561	6,114	4.6	5.8	6.2	6.8	7.7	7.5
Part-time workers	1,091	1,336	8.3	8.7	9.2	9.6	10.5	10.3
Unemployed 15 weeks and over[1]	812	1,822	.9	1.1	1.2	1.4	1.7	2.0
State insured[2]	2,059	3,883	3.3	3.6	4.3	4.8	5.5	5.9
Labor force time lost[3]	—	—	5.6	6.6	7.2	7.9	8.9	8.9
OCCUPATION[4]								
White-collar workers	1,332	1,940	3.1	3.3	3.8	4.1	4.6	4.5
Professional and technical	260	407	2.1	2.3	2.6	2.5	2.9	3.2
Managers and administrators, except farm	155	241	1.7	1.8	2.2	2.6	3.3	2.7
Sales workers	233	304	4.1	4.5	5.0	6.0	5.7	5.3
Clerical workers	684	988	4.5	4.5	5.1	5.4	6.3	6.2
Blue-collar workers	1,902	3,397	6.0	7.4	8.3	9.3	11.0	10.9
Craft and kindred workers	458	763	3.9	5.0	5.3	6.1	7.0	6.5
Operatives	997	1,957	6.6	8.1	9.8	10.7	13.1	13.3
Nonfarm laborers	447	677	9.1	10.8	11.0	13.0	14.3	14.1
Service workers	721	976	6.0	6.6	6.8	7.1	8.1	7.7
Farm workers	73	89	2.1	2.6	2.5	2.4	3.6	3.0
INDUSTRY[4]								
Nonagricultural private wage and salary workers[5]	3,493	5,828	5.3	6.2	6.8	7.7	8.7	8.8
Construction	381	688	8.2	12.0	13.5	14.9	15.0	15.9
Manufacturing	1,121	2,326	5.2	6.4	7.4	8.9	10.5	11.0
Durable goods	628	1,361	4.9	6.1	7.0	8.7	10.5	10.9
Nondurable goods	493	965	5.5	6.9	7.9	9.1	10.3	11.1
Transportation and public utilities	147	261	3.0	3.4	3.4	3.9	5.9	5.2
Wholesale and retail trade	958	1,309	6.0	6.8	7.0	8.1	8.5	8.0
Finance and service industries	866	1,207	4.8	4.8	5.4	5.4	6.2	6.5
Government workers	406	539	2.9	3.0	3.5	3.2	3.4	3.6
Agricultural wage and salary workers	103	115	6.7	7.9	7.2	7.9	10.2	8.8
VETERAN STATUS								
Males, Vietnam-era veterans[6]:								
20 to 34 years	284	519	5.0	5.7	6.1	7.6	9.0	8.8
20 to 24 years	127	182	9.5	12.1	13.0	15.6	19.7	17.3
25 to 29 years	126	243	3.9	4.8	5.1	6.7	6.9	7.4
30 to 34 years	31	94	2.6	2.4	3.0	3.7	6.1	5.9
Males, nonveterans:								
20 to 34 years	713	1,328	5.4	6.8	7.5	8.1	8.6	9.5
20 to 24 years	458	798	7.7	8.9	9.9	10.4	11.6	12.6
25 to 29 years	159	344	4.2	6.2	6.9	7.2	7.2	8.6
30 to 34 years	96	186	2.7	3.9	4.2	5.1	5.1	5.1

[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.
[6] Vietnam-era veterans are those who served after August 4, 1964.

HOUSEHOLD DATA

Table A-3. Selected employment indicators

[In thousands]

Selected categories	Not seasonally adjusted		Seasonally adjusted					
	Feb. 1974	Feb. 1975	Feb. 1974	Oct. 1974	Nov. 1974	Dec. 1974	Jan. 1975	Feb. 1975
Total employed, 16 years and over	84,294	82,604	85,861	86,304	85,689	85,202	84,562	84,027
Males	51,376	49,848	52,731	52,674	52,410	51,953	51,329	51,112
Females	32,918	32,756	33,130	33,630	33,279	33,249	33,233	32,915
Household heads	50,266	49,176	50,790	50,957	50,737	50,427	49,933	49,672
Married men, spouse present	38,797	37,346	39,239	38,978	38,727	38,377	37,934	37,761
Married women, spouse present	19,378	19,288	19,270	19,813	19,599	19,463	19,330	19,173
OCCUPATION								
White-collar workers	41,526	41,776	41,352	41,914	41,733	41,690	42,073	41,602
Professional and technical	12,560	12,717	12,333	12,327	12,237	12,200	12,439	12,492
Managers and administrators, except farm	8,932	8,570	9,011	8,883	8,811	8,760	8,929	8,648
Sales workers	5,273	5,319	5,408	5,490	5,382	5,279	5,379	5,455
Clerical workers	14,761	15,172	14,600	15,214	15,303	15,451	15,326	15,007
Blue-collar workers	28,757	26,789	29,918	29,800	29,579	29,018	28,134	27,859
Craft and kindred workers	11,020	10,584	11,378	11,538	11,509	11,251	10,920	10,923
Operatives	13,752	12,530	14,053	13,779	13,654	13,395	13,059	12,799
Nonfarm laborers	3,985	3,674	4,487	4,483	4,416	4,372	4,155	4,137
Service workers	11,131	11,535	11,234	11,609	11,478	11,568	11,661	11,653
Farm workers	2,881	2,503	3,326	2,974	2,914	2,926	2,954	2,872
MAJOR INDUSTRY AND CLASS OF WORKER								
Agriculture:								
Wage and salary workers	1,213	1,013	1,431	1,378	1,386	1,272	1,310	1,196
Self-employed workers	1,773	1,638	1,911	1,703	1,625	1,673	1,680	1,765
Unpaid family workers	297	239	428	374	346	356	376	345
Nonagricultural industries:								
Wage and salary workers	75,182	73,955	76,137	76,764	76,213	75,671c	74,942	74,811
Private households	1,487	1,288	1,502	1,370	1,267	1,259	1,326	1,301
Government	14,051	14,634	13,834	13,997	14,039	14,231c	14,351	14,404
Other	59,644	58,033	60,801	61,397	60,907	60,181c	59,265	59,106
Self-employed workers	5,409	5,327	5,636	5,735	5,704	5,641	5,561	5,375
Unpaid family workers	421	431	487	482	484	498	549	498
PERSONS AT WORK [1]								
Nonagricultural industries	77,634	76,277	77,227	77,768	77,417	76,526	76,592	75,914
Full-time schedules	63,719	61,513	64,016	64,306	63,694	62,733	62,295	61,822
Part time for economic reasons	2,597	3,602	2,719	2,929	3,180	3,375	3,837	3,747
Usually work full time	1,375	2,086	1,350	1,377	1,575	1,847	2,037	2,047
Usually work part time	1,222	1,516	1,369	1,552	1,605	1,528	1,800	1,700
Part time for noneconomic reasons	11,318	11,162	10,492	10,533	10,543	10,418	10,460	10,345

[1] Excludes persons "with a job but not at work" during the survey period for such reasons as vacation, illness, or industrial disputes.
c=corrected.

Table A-4. Duration of unemployment

[Numbers in thousands]

Weeks of unemployment	Not seasonally adjusted		Seasonally adjusted					
	Feb. 1974	Feb. 1975	Feb. 1974	Oct. 1974	Nov. 1974	Dec. 1974	Jan. 1975	Feb. 1975
Less than 5 weeks	2,383	2,879	2,411	2,765	2,981	3,077	3,316	2,914
5 to 14 weeks	1,851	3,399	1,414	1,754	1,931	2,062	2,663	2,597
15 weeks and over	905	2,031	812	1,016	1,117	1,319	1,537	1,822
15 to 26 weeks	574	1,312	488	640	691	782	914	1,118
27 weeks and over	331	718	324	376	426	537	623	704
Average (mean) duration, in weeks	9.7	11.8	9.6	9.8	9.8	10.0	10.7	11.7
PERCENT DISTRIBUTION								
Total unemployed	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Less than 5 weeks	46.4	34.6	52.0	50.0	49.4	47.6	44.1	39.7
5 to 14 weeks	36.0	40.9	30.5	31.7	32.0	31.9	35.4	35.4
15 weeks and over	17.6	24.4	17.5	18.4	18.5	20.4	20.4	24.8
15 to 26 weeks	11.2	15.8	10.5	11.6	11.5	12.1	12.2	15.2
27 weeks and over	6.4	8.6	7.0	6.8	7.1	8.3	8.3	9.6

Table A-5. Reasons for unemployment

[Numbers in thousands]

Reason	Not seasonally adjusted		Seasonally adjusted					
	Feb. 1974	Feb. 1975	Feb. 1974	Oct. 1974	Nov. 1974	Dec. 1974	Jan. 1975	Feb. 1975
NUMBER OF UNEMPLOYED								
Lost last job	2,565	5,110	2,017	2,418	2,840	3,190	3,831	4,017
Left last job	769	758	741	834	784	788	760	730
Reentered labor force	1,292	1,740	1,252	1,450	1,670	1,762	1,924	1,686
Seeking first job	514	701	620	770	784	778	858	846
PERCENT DISTRIBUTION								
Total unemployed	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Job losers	49.9	61.5	43.6	44.2	46.7	48.9	52.0	55.2
Job leavers	15.0	9.1	16.0	15.2	12.9	12.1	10.3	10.0
Reentrants	25.1	20.9	27.0	26.5	27.5	27.0	26.1	23.2
New entrants	10.0	8.4	13.4	14.1	12.9	11.9	11.6	11.6
UNEMPLOYED AS A PERCENT OF THE CIVILIAN LABOR FORCE								
Job losers	2.9	5.6	2.2	2.6	3.1	3.5	4.2	4.4
Job leavers	.9	.8	.8	.9	.9	.9	.8	.8
Reentrants	1.4	1.9	1.4	1.6	1.8	1.9	2.1	1.8
New entrants	.6	.8	.7	.8	.9	.8	.9	.9

Table A-6. Unemployment by sex and age

Sex and age	Not seasonally adjusted			Seasonally adjusted unemployment rates					
	Thousands of persons		Percent looking for full-time work						
	Feb. 1974	Feb. 1975	Feb. 1975	Feb. 1974	Oct. 1974	Nov. 1974	Dec. 1974	Jan. 1975	Feb. 1975
Total, 16 years and over	5,140	8,309	82.0	5.2	6.0	6.6	7.2	8.2	8.2
16 to 19 years	1,260	1,654	53.7	15.0	17.1	17.4	18.1	20.8	19.9
16 to 17 years	613	740	27.7	17.6	18.8	19.5	21.2	22.6	21.6
18 to 19 years	647	914	74.7	12.9	15.7	15.8	16.0	19.6	18.2
20 to 24 years	1,209	1,963	87.0	8.5	9.4	10.5	11.7	12.4	13.3
25 years and over	2,671	4,693	90.0	3.3	4.0	4.4	4.9	5.7	5.7
25 to 54 years	2,197	3,940	91.6	3.4	4.2	4.7	5.1	6.1	6.0
55 years and over	474	753	80.9	3.0	3.1	3.2	3.7	4.2	4.8
Males, 16 years and over	2,899	4,867	85.6	4.5	5.4	5.7	6.4	7.2	7.4
16 to 19 years	708	961	52.7	14.4	16.5	17.1	17.4	19.8	20.0
16 to 17 years	374	450	27.1	17.5	17.9	19.7	21.1	22.3	22.0
18 to 19 years	334	512	75.0	11.7	15.2	15.1	14.9	18.2	17.9
20 to 24 years	697	1,163	89.4	8.1	9.4	10.4	11.2	12.6	13.3
25 years and over	1,494	2,742	95.6	2.7	3.4	3.7	4.3c	4.8	5.0
25 to 54 years	1,173	2,270	97.6	2.7	3.6	3.9	4.4	5.1	5.1
55 years and over	321	472	85.8	3.0	2.7	2.8	3.4	3.9	4.4
Females, 16 years and over	2,241	3,443	77.0	6.3	7.0	7.8	8.5	9.7	9.4
16 to 19 years	552	693	55.1	15.8	17.8	17.6	19.0	22.1	19.9
16 to 17 years	239	290	28.6	17.6	20.0	19.3	21.4	23.0	21.1
18 to 19 years	313	402	74.4	14.3	16.2	16.6	17.3	21.1	18.5
20 to 24 years	512	799	83.6	8.9	9.5	10.7	12.4	12.2	13.3
25 years and over	1,177	1,951	82.0	4.3	4.9	5.7	5.9	7.1	6.9
25 to 54 years	1,024	1,670	84.0	4.7	5.2	6.1	6.3	7.6	7.4
55 years and over	153	281	72.6	3.0	3.7	3.9	4.4	4.9	5.5

cecorrected.

Table B-1. Employees on nonagricultural payrolls, by industry

[In thousands]

Industry	Not seasonally adjusted				Seasonally adjusted					
	Feb. 1974	Dec. 1974	Jan. 1975[p]	Feb. 1975[p]	Feb. 1974	Oct. 1974	Nov. 1974	Dec. 1974	Jan. 1975[p]	Feb. 1975[p]
TOTAL	77,011	78,441	76,126	75,601	78,053	78,865	78,404	77,690	77,166	76,558
GOODS-PRODUCING	24,319	23,554	22,585	22,032	24,943	24,585	24,187	23,606	23,192	22,579
MINING	646	657	691	694	661	692	693	662	702	710
CONTRACT CONSTRUCTION	3,702	3,722	3,365	3,221	4,127	3,911	3,861	3,798	3,781	3,587
MANUFACTURING	19,971	19,175	18,529	18,117	20,155	19,982	19,633	19,146	18,709	18,282
Production workers	14,598	13,814	13,214	12,830	14,764	14,548	14,222	13,776	13,381	12,977
DURABLE GOODS	11,800	11,316	10,924	10,654	11,883	11,841	11,611	11,291	11,000	10,725
Production workers	8,595	8,119	7,757	7,512	8,669	8,593	8,380	8,086	7,829	7,574
Ordnance and accessories	179.8	182.9	182.4	179.9	180	184	182	182	181	180
Lumber and wood products	636.8	566.6	538.6	527.4	656	610	586	575	557	543
Furniture and fixtures	537.8	486.5	462.9	446.4	541	518	497	483	463	449
Stone, clay, and glass products	681.2	645.7	610.9	605.8	702	678	667	652	630	625
Primary metal industries	1,333.6	1,293.4	1,272.0	1,238.8	1,339	1,353	1,336	1,304	1,280	1,244
Fabricated metal products	1,487.0	1,413.1	1,347.9	1,311.9	1,498	1,479	1,452	1,403	1,355	1,321
Machinery, except electrical	2,180.1	2,203.6	2,164.3	2,126.4	2,169	2,239	2,227	2,199	2,164	2,116
Electrical equipment	2,057.4	1,888.8	1,832.9	1,767.0	2,064	2,000	1,939	1,876	1,837	1,772
Transportation equipment	1,743.3	1,701.9	1,608.8	1,561.6	1,754	1,807	1,769	1,683	1,612	1,571
Instruments and related products	523.2	521.7	511.9	501.0	525	532	526	520	513	503
Miscellaneous manufacturing	439.8	411.9	391.0	387.6	455	441	430	414	408	401
NONDURABLE GOODS	8,171	7,859	7,605	7,463	8,272	8,141	8,022	7,855	7,709	7,557
Production workers	6,003	5,695	5,457	5,318	6,095	5,955	5,842	5,690	5,552	5,403
Food and kindred products	1,663.8	1,677.2	1,610.2	1,588.3	1,739	1,719	1,705	1,692	1,669	1,660
Tobacco manufactures	77.8	80.3	78.2	74.6	81	77	75	76	79	77
Textile mill products	1,028.6	924.7	878.9	852.5	1,030	978	954	919	881	853
Apparel and other textile products	1,375.4	1,234.0	1,184.3	1,176.1	1,373	1,320	1,291	1,236	1,205	1,174
Paper and allied products	708.0	681.8	662.1	642.4	714	701	691	678	666	648
Printing and publishing	1,114.0	1,108.6	1,097.3	1,086.0	1,114	1,112	1,104	1,101	1,098	1,086
Chemicals and allied products	1,044.1	1,047.3	1,031.4	1,019.1	1,052	1,071	1,065	1,050	1,039	1,026
Petroleum and coal products	190.2	193.3	185.1	182.7	196	195	196	195	189	188
Rubber and plastics products, nec	681.9	640.5	617.2	584.5	685	690	664	638	620	587
Leather and leather products	286.8	271.0	260.7	257.2	288	278	277	270	263	258
SERVICE-PRODUCING	52,692	54,887	53,541	53,569	53,110	54,280	54,217	54,084	53,974	53,979
TRANSPORTATION AND PUBLIC UTILITIES	4,651	4,663	4,552	4,519	4,717	4,699	4,697	4,668	4,607	4,583
WHOLESALE AND RETAIL TRADE	16,513	17,591	16,662	16,456	16,871	17,160	17,048	16,912	16,838	16,813
WHOLESALE TRADE	4,190	4,288	4,218	4,181	4,232	4,287	4,283	4,267	4,243	4,223
RETAIL TRADE	12,323	13,303	12,444	12,275	12,639	12,873	12,765	12,645	12,595	12,590
FINANCE, INSURANCE, AND REAL ESTATE	4,105	4,161	4,132	4,125	4,142	4,185	4,183	4,182	4,174	4,162
SERVICES	13,153	13,665	13,500	13,588	13,313	13,705	13,721	13,734	13,733	13,753
GOVERNMENT	14,270	14,807	14,695	14,881	14,067	14,531	14,568	14,588	14,622	14,668
FEDERAL	2,683	2,756	2,709	2,713	2,696	2,748	2,746	2,738	2,731	2,727
STATE AND LOCAL	11,587	12,051	11,986	12,168	11,371	11,783	11,822	11,850	11,891	11,941

[p]preliminary.

Table B-2. Average weekly hours of production or nonsupervisory workers[1] on private nonagricultural payrolls, by industry

Industry	Not seasonally adjusted				Seasonally adjusted					
	Feb. 1974	Dec. 1974	Jan. 1975[p]	Feb. 1975[p]	Feb. 1974	Oct. 1974	Nov. 1974	Dec. 1974	Jan. 1975[p]	Feb. 1975[p]
TOTAL PRIVATE	36.5	36.5	35.8	35.8	36.8	36.6	36.2	36.4	36.2	36.1
MINING	42.8	41.5	41.8	41.8	43.3	43.4	36.4	41.0	42.2	42.3
CONTRACT CONSTRUCTION	36.2	36.8	35.4	35.3	37.6	37.2	37.1	37.5	37.1	36.6
MANUFACTURING	40.1	39.9	38.7	38.5	40.4	40.1	39.5	39.4	39.2	38.8
Overtime hours	3.3	2.8	2.2	2.1	3.5	3.2	2.8	2.7	2.3	2.2
DURABLE GOODS	40.7	40.8	39.5	39.3	40.9	40.7	40.2	40.2	40.0	39.5
Overtime hours	3.4	3.0	2.3	2.2	3.6	3.4	3.0	2.8	2.5	2.3
Ordnance and accessories	41.6	42.3	41.8	41.2	41.4	41.4	41.9	41.8	42.1	41.0
Lumber and wood products	40.1	38.2	37.0	37.2	40.7	38.9	38.5	38.1	37.9	37.7
Furniture and fixtures	39.0	38.0	35.9	35.5	39.6	38.6	37.7	37.3	36.4	36.1
Stone, clay, and glass products	41.1	41.0	39.8	39.6	41.8	41.4	41.2	41.0	40.9	40.3
Primary metal industries	41.4	41.3	40.4	39.9	41.5	42.2	41.7	41.1	40.4	40.0
Fabricated metal products	40.8	41.1	39.8	39.4	41.2	41.0	40.4	40.6	40.4	39.8
Machinery, except electrical	42.4	42.9	41.6	41.2	42.4	42.4	42.3	42.1	41.8	41.2
Electrical equipment	39.7	40.1	39.1	39.1	39.9	39.7	39.4	39.5	39.4	39.3
Transportation equipment	40.1	40.9	38.9	39.0	40.3	40.6	39.5	39.5	39.6	39.2
Instruments and related products	40.6	40.3	39.3	38.8	40.8	39.9	39.9	39.8	39.6	39.0
Miscellaneous manufacturing	38.7	38.4	37.4	37.3	38.7	38.4	38.0	38.1	38.0	37.3
NONDURABLE GOODS	39.2	38.5	37.6	37.3	39.5	39.0	38.4	38.2	38.0	37.6
Overtime hours	3.0	2.5	2.1	1.9	3.2	2.9	2.5	2.5	2.2	2.0
Food and kindred products	40.0	40.4	39.6	39.1	40.7	40.3	40.0	40.0	39.9	39.7
Tobacco manufactures	37.6	38.7	37.2	36.7	38.8	37.0	37.4	37.7	37.5	37.9
Textile mill products	40.4	37.0	35.8	35.8	40.6	38.3	37.6	36.6	36.1	36.0
Apparel and other textile products	35.4	34.2	33.4	33.4	35.6	35.4	34.4	34.2	34.0	33.6
Paper and allied products	42.1	41.6	40.8	40.0	42.5	41.7	41.3	41.2	41.1	40.4
Printing and publishing	37.3	37.8	36.9	36.9	37.7	37.7	37.4	37.3	37.5	37.3
Chemicals and allied products	41.8	41.3	40.5	40.3	41.9	41.4	41.2	41.0	40.6	40.4
Petroleum and coal products	41.9	42.2	41.1	41.3	42.7	42.6	42.2	42.3	41.9	42.1
Rubber and plastics products, nec	40.6	39.9	39.2	38.5	40.8	40.8	39.8	39.5	39.5	38.7
Leather and leather products	37.7	36.6	35.4	35.0	37.8	37.0	36.6	36.1	35.7	35.1
TRANSPORTATION AND PUB UTILITIES	40.2	40.1	39.7	39.5	40.5	40.4	39.9	40.1	40.1	39.8
WHOLESALE AND RETAIL TRADE	33.9	34.2	33.3	33.4	34.4	33.9	33.9	34.0	33.8	33.9
WHOLESALE TRADE	38.7	39.0	38.4	38.4	39.0	38.7	38.6	38.6	38.6	38.7
RETAIL TRADE	32.4	32.7	31.8	31.8	32.9	32.4	32.4	32.4	32.3	32.3
FINANCE, INSURANCE, AND REAL ESTATE	36.8	36.9	37.0	37.2	36.8	36.7	36.7	36.9	37.1	37.2
SERVICES	33.8	34.0	33.9	34.0	34.0	33.9	34.0	34.0	34.2	34.2

[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.

p=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			
	Feb. 1974	Dec. 1974	Jan. 1975 p	Feb. 1975 p	Feb. 1974	Dec. 1974	Jan. 1975 p	Feb. 1975 p
TOTAL PRIVATE	$4.07	$4.38	$4.40	$4.41	$148.56	$159.87	$157.52	$157.88
Seasonally adjusted	4.08	4.39	4.40	4.42	150.14	159.80	159.28	159.56
MINING	5.01	5.42	5.65	5.72	214.43	224.93	236.17	239.10
CONTRACT CONSTRUCTION	6.54	7.05	7.08	7.06	236.75	259.44	250.63	249.22
MANUFACTURING	4.22	4.65	4.65	4.67	169.22	185.54	179.96	179.80
DURABLE GOODS	4.48	4.95	4.94	4.97	182.34	201.96	195.13	195.32
Ordnance and accessories	4.59	4.95	4.96	5.02	190.94	209.39	207.33	206.82
Lumber and wood products	3.76	4.02	4.03	4.01	150.78	153.56	149.11	149.17
Furniture and fixtures	3.39	3.63	3.64	3.67	132.21	137.94	130.68	130.29
Stone, clay, and glass products	4.33	4.68	4.66	4.68	177.96	191.88	185.47	185.33
Primary metal industries	5.28	5.92	5.92	5.99	218.59	244.50	239.17	239.00
Fabricated metal products	4.40	4.82	4.78	4.80	179.52	198.10	190.24	189.12
Machinery, except electrical	4.76	5.20	5.17	5.20	201.82	223.08	215.07	214.24
Electrical equipment	3.99	4.41	4.41	4.44	158.40	176.84	172.43	173.60
Transportation equipment	5.23	5.81	5.76	5.80	209.72	237.63	224.06	226.20
Instruments and related products	4.07	4.40	4.41	4.42	165.24	177.32	173.31	171.50
Miscellaneous manufacturing	3.41	3.67	3.74	3.75	131.97	140.93	139.88	139.88
NONDURABLE GOODS	3.82	4.19	4.22	4.23	149.74	161.32	158.67	157.78
Food and kindred products	4.01	4.35	4.40	4.40	160.40	175.74	174.24	172.04
Tobacco manufactures	3.86	4.31	4.38	4.52	145.14	166.80	162.94	165.88
Textile mill products	3.06	3.27	3.28	3.29	123.62	120.99	117.42	117.78
Apparel and other textile products	2.86	3.11	3.15	3.14	101.24	106.36	105.21	104.88
Paper and allied products	4.31	4.73	4.75	4.75	181.45	196.77	193.80	190.00
Printing and publishing	4.81	5.15	5.15	5.19	179.41	194.67	190.04	191.51
Chemicals and allied products	4.65	5.10	5.12	5.14	194.37	210.63	207.36	207.14
Petroleum and coal products	5.42	5.84	5.91	6.06	227.10	246.45	242.90	250.28
Rubber and plastics products, nec	3.92	4.21	4.22	4.21	159.15	167.98	165.42	162.09
Leather and leather products	2.93	3.11	3.15	3.17	110.46	113.83	111.51	110.95
TRANSPORTATION AND PUBLIC UTILITIES	5.26	5.67	5.70	5.72	211.45	227.37	226.29	225.94
WHOLESALE AND RETAIL TRADE	3.35	3.58	3.65	3.67	113.57	122.44	121.55	122.58
WHOLESALE TRADE	4.31	4.70	4.72	4.77	166.80	183.30	181.25	183.17
RETAIL TRADE	2.99	3.18	3.24	3.26	96.88	103.99	103.03	103.67
FINANCE, INSURANCE, AND REAL ESTATE	3.71	3.97	3.99	4.06	136.53	146.49	147.63	151.03
SERVICES	3.64	3.90	3.90	3.93	123.03	132.60	132.21	133.62

[1] See footnote 1, table B-2.
p=preliminary.

Table B-4. Hourly earnings index for production or nonsupervisory workers[1] on private nonagricultural payrolls, by industry division, seasonally adjusted

[1967=100]

Industry	Feb. 1974	Sept. 1974	Oct. 1974	Nov. 1974	Dec. 1974	Jan.[P] 1975	Feb.[P] 1975	Percent change from: Feb. 1974-Feb. 1975	Percent change from: Jan. 1975-Feb. 1975
TOTAL PRIVATE NONFARM:									
Current dollars	152.7	162.1	163.3	164.1	165.3	166.1	167.3	9.6	0.7
Constant (1967) dollars	107.7	106.8	106.7	106.3	106.4	106.2	N.A.	(2)	(3)
MINING	156.1	167.3	167.8	167.2	172.5	174.2	177.5	13.7	1.9
CONTRACT CONSTRUCTION	158.0	167.9	167.2	168.3	170.1	170.4	170.3	7.8	-.1
MANUFACTURING	149.6	159.6	161.5	162.5	163.5	164.6	166.1	11.0	.9
TRANSPORTATION AND PUBLIC UTILITIES	162.5	171.8	174.1	174.1	174.7	175.6	176.7	8.7	.6
WHOLESALE AND RETAIL TRADE	149.1	158.7	159.7	160.3	161.0	162.5	163.5	9.6	.7
FINANCE, INSURANCE, AND REAL ESTATE	143.1	152.9	152.8	153.4	155.1	155.3	157.7	10.2	1.5
SERVICES	157.5	164.4	165.4	166.8	168.3	168.7	169.9	7.9	.7

[1] See footnote 1, table B-2.
[2] Percent change was -2.0 from January 1974 to January 1975, the latest month available.
[3] Percent change was -0.1 from December 1974 to January 1975, the latest month available.

N.A. = not available.
[P]preliminary.

NOTE: All series are in current dollars except where indicated. The index excludes 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 changes in the proportion of workers in high-wage and low-wage industries.

Table B-5. Indexes of aggregate weekly man-hours of production or nonsupervisory workers[1] on private nonagricultural payrolls, by industry, seasonally adjusted

[1967 = 100]

Industry division and group	1974											1975	
	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.[P]	Feb.[P]
TOTAL	113.7	113.3	112.7	113.6	113.5	113.3	113.4	113.4	113.0	111.2	109.7	108.6	106.6
GOODS-PRODUCING	106.1	105.1	102.9	105.0	104.6	104.0	103.8	103.7	103.0	99.4	96.5	94.0	89.8
MINING	108.8	108.5	108.9	110.1	110.3	110.2	109.9	112.3	114.0	95.8	100.9	113.2	114.1
CONTRACT CONSTRUCTION	125.1	121.2	119.1	119.7	117.8	115.3	115.6	115.2	116.5	114.4	113.1	111.6	103.0
MANUFACTURING	102.6	102.2	99.8	102.2	102.1	101.8	101.6	101.3	100.3	96.9	93.4	90.2	86.6
DURABLE GOODS	103.0	102.7	100.4	103.0	103.2	102.8	102.5	102.5	101.7	98.1	94.4	90.9	86.9
Ordnance and accessories	49.6	50.5	49.3	49.5	48.0	48.2	47.7	49.1	49.0	49.0	49.5	49.3	48.0
Lumber and wood products	109.6	108.7	108.4	108.3	106.8	104.9	103.4	99.9	95.8	90.6	87.8	84.3	81.1
Furniture and fixtures	116.4	115.9	113.8	115.6	115.6	114.0	112.3	111.0	107.4	100.6	96.1	89.2	86.1
Stone, clay, and glass products	113.4	112.8	111.2	112.0	110.8	110.9	110.6	108.8	107.7	105.2	101.7	97.7	95.1
Primary metal industries	102.3	101.6	100.6	101.2	102.2	101.6	102.6	104.6	105.0	102.3	97.7	94.1	90.0
Fabricated metal products	108.2	108.2	103.6	107.4	108.0	108.3	108.1	107.8	105.8	101.9	98.4	93.8	89.2
Machinery, except electrical	106.9	107.4	103.1	107.1	108.1	106.9	109.2	109.9	109.7	108.5	106.0	103.4	98.7
Electrical equipment and supplies	106.4	106.0	102.9	105.1	105.5	105.1	100.8	102.5	101.2	96.3	92.3	89.5	84.9
Transportation equipment	86.8	86.2	86.4	90.2	90.0	90.8	91.1	90.5	92.0	87.0	81.9	77.6	74.5
Instruments and related products	114.5	114.3	111.9	114.2	116.4	114.9	115.8	114.2	113.0	111.3	108.9	106.7	101.4
Miscellaneous manufacturing, ind.	103.3	103.8	100.6	104.4	104.7	104.4	103.0	101.3	98.7	94.6	90.2	88.3	85.0
NONDURABLE GOODS	102.1	101.4	99.0	101.1	100.5	100.3	100.2	99.5	98.2	95.0	92.0	89.3	86.2
Food and kindred products	99.6	99.6	96.9	98.8	97.4	96.5	97.3	97.9	97.4	95.6	94.7	92.8	91.5
Tobacco manufactures	91.3	87.6	89.2	88.6	85.1	84.4	84.5	82.5	83.1	81.4	83.4	86.9	85.2
Textile mill products	105.4	103.9	100.6	103.4	103.1	101.9	100.4	98.8	93.7	89.5	83.9	78.9	75.9
Apparel and other textile products	95.0	93.4	90.8	94.0	91.1	92.9	91.7	91.3	90.3	85.9	81.3	78.8	75.7
Paper and allied products	104.4	104.4	102.2	103.9	103.6	103.3	102.5	101.8	99.3	96.8	94.4	91.8	87.4
Printing and publishing	100.1	99.1	97.5	99.4	99.7	99.4	100.2	99.1	99.1	96.9	96.4	96.6	94.5
Chemicals and allied products	104.2	104.3	103.9	103.9	104.8	105.3	106.0	105.5	105.1	103.3	100.3	97.3	94.9
Petroleum and coal products	108.3	107.6	107.1	107.5	108.0	107.0	105.4	106.1	108.0	107.0	106.4	98.5	93.8
Rubber and plastics products, nec	133.9	132.6	126.9	131.8	134.7	133.6	135.8	134.1	134.6	125.3	118.6	115.0	105.3
Leather and leather products	80.6	81.9	79.7	80.1	80.1	78.9	78.6	76.6	75.7	74.8	71.9	69.0	66.3
SERVICE-PRODUCING	118.9	119.0	119.4	119.6	119.7	119.8	120.0	120.2	119.9	119.4	118.9	118.7	118.2
TRANSPORTATION AND PUBLIC UTILITIES	109.9	109.4	110.4	109.8	108.7	109.7	109.3	108.4	108.9	107.5	107.1	105.6	104.2
WHOLESALE AND RETAIL TRADE	116.0	116.1	116.7	116.7	116.5	116.7	116.7	116.8	116.3	115.4	114.2	113.6	113.3
WHOLESALE TRADE	115.2	115.0	115.6	115.7	115.8	115.8	115.2	115.8	115.4	114.9	114.5	113.7	113.3
RETAIL TRADE	116.3	116.6	117.2	117.1	116.8	117.1	117.2	117.2	116.6	115.6	114.1	113.5	113.3
FINANCE, INSURANCE, AND REAL ESTATE	123.7	123.3	123.4	123.5	123.8	123.2	123.7	124.3	123.8	123.0	123.7	124.1	123.9
SERVICES	125.7	126.0	126.1	126.8	128.0	127.5	128.3	129.0	128.7	129.2	129.3	130.1	129.7

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

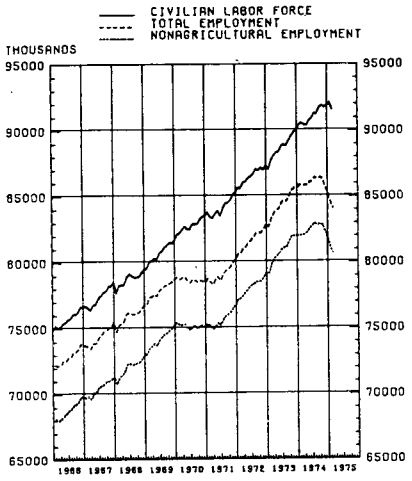
Table B-6. Indexes of diffusion of changes in number of employees on payrolls in 172 private nonagricultural industries [1]

Year and month	Span			
	1-month	3-months	6-months	12-months
1972				
January	68.6	71.2	78.8	77.3
February	70.6	80.5	82.0	81.7
March	75.0	80.8	84.9	79.7
April	76.2	84.0	79.7	82.3
May	75.6	82.8	81.1	84.3
June	77.6	74.4	82.6	84.3
July	45.6	74.4	84.6	83.7
August	73.0	74.4	82.0	84.0
September	74.7	82.0	80.2	85.2
October	82.6	83.4	82.8	83.1
November	73.5	79.4	82.3	82.0
December	75.3	80.5	84.6	84.3
1973				
January	73.8	82.0	82.3	80.5
February	73.3	81.1	77.9	83.1
March	76.2	79.4	80.8	84.9
April	66.9	77.0	75.9	85.8
May	57.8	73.3	76.5	86.3
June	72.1	66.6	74.7	84.0
July	59.9	73.0	73.8	79.1
August	66.6	68.6	74.7	74.4
September	59.6	74.7	71.8	68.9
October	75.9	78.2	72.1	64.5
November	77.3	72.4	68.3	65.1
December	58.7	68.6	62.5	61.6
1974				
January	62.5	54.9	55.8	61.6
February	47.1	50.9	50.9	59.0
March	48.0	44.8	50.0	54.9
April	54.1	51.7	49.4	48.0
May	55.5	56.4	50.0	40.7
June	58.7	52.0	50.6	30.5
July	48.8	46.8	39.5	25.9p
August	52.3	42.2	34.3	20.9p
September	38.1	43.6	27.3	
October	40.4	29.1	20.6p	
November	19.2	20.9	17.2p	
December	19.8	12.8p		
1975				
January	18.0p	13.1p		
February	20.6p			
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				

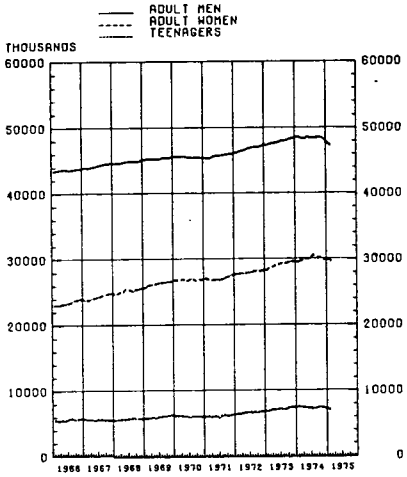
[1] Each index represents the percent of industries in which employment increased over the indicated span.
p = preliminary.

LABOR FORCE, EMPLOYMENT, UNEMPLOYMENT
HOUSEHOLD DATA - SEASONALLY ADJUSTED

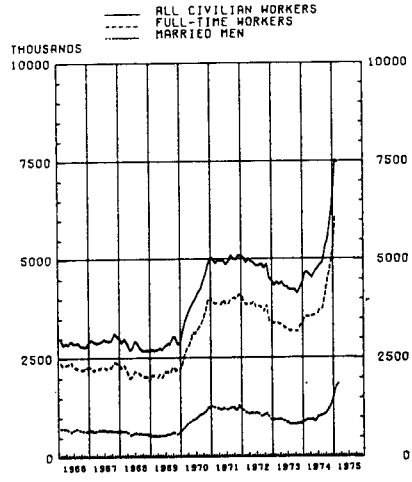
1. LABOR FORCE AND EMPLOYMENT



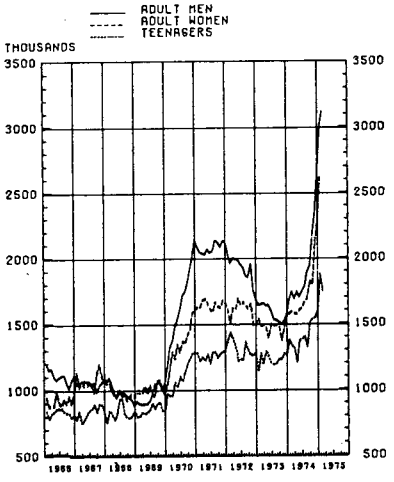
2. TOTAL EMPLOYMENT



3. UNEMPLOYMENT

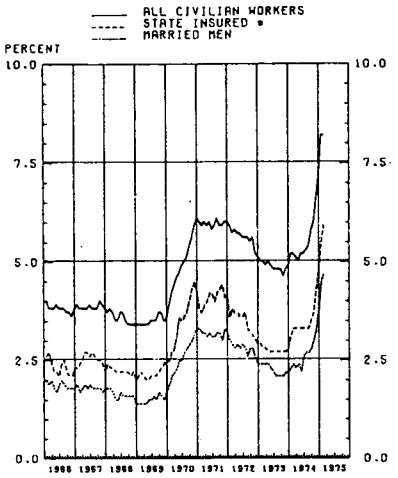


4. UNEMPLOYMENT

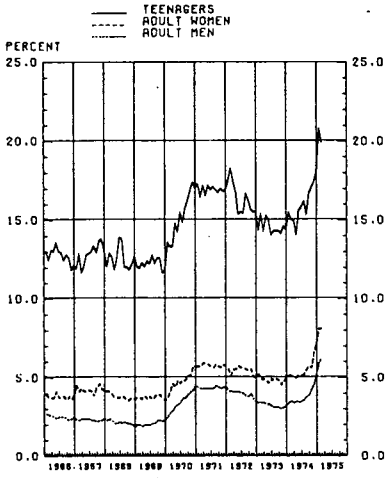


UNEMPLOYMENT RATES
HOUSEHOLD DATA - SEASONALLY ADJUSTED

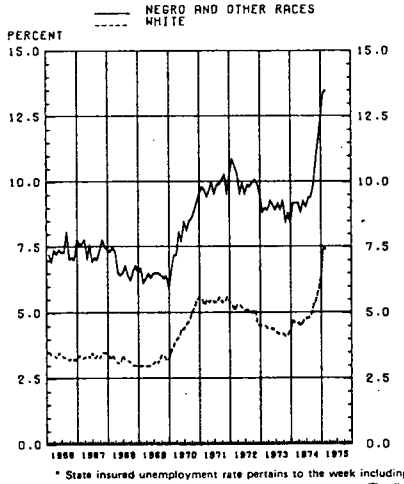
5. UNEMPLOYMENT RATES



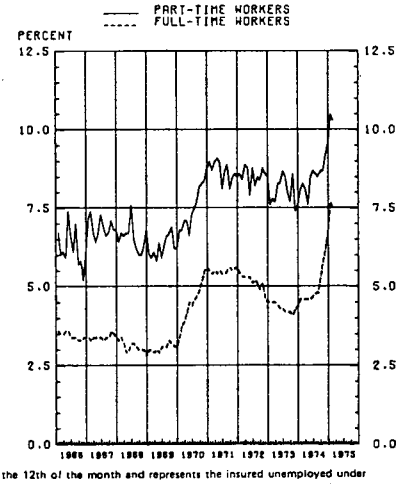
6. UNEMPLOYMENT RATES



7. UNEMPLOYMENT RATES



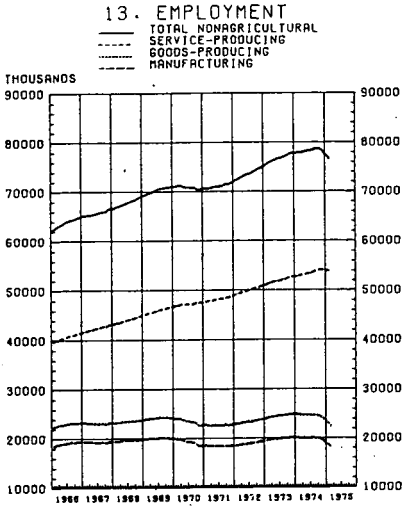
8. UNEMPLOYMENT RATES



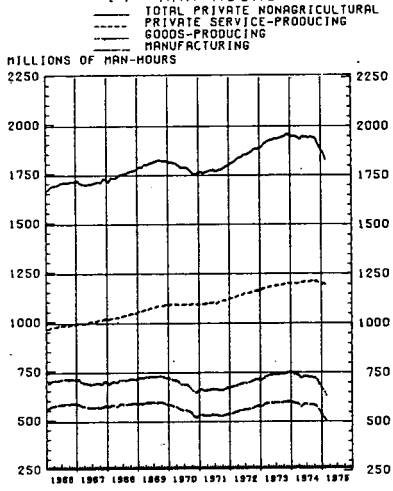
* State insured unemployment rate pertains to the week including the 12th of the month and represents the insured unemployed under State programs as a percent of average covered employment. The figures are derived from administrative records of unemployment insurance systems.

NONAGRICULTURAL EMPLOYMENT AND HOURS
ESTABLISHMENT DATA - SEASONALLY ADJUSTED

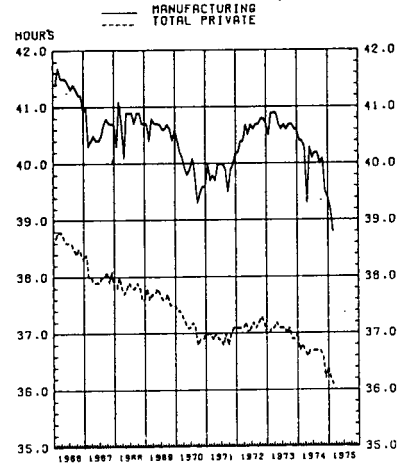
13. EMPLOYMENT



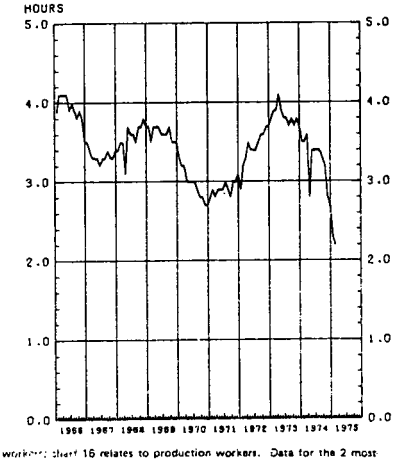
14. MAN-HOURS



15. AVERAGE WEEKLY HOURS



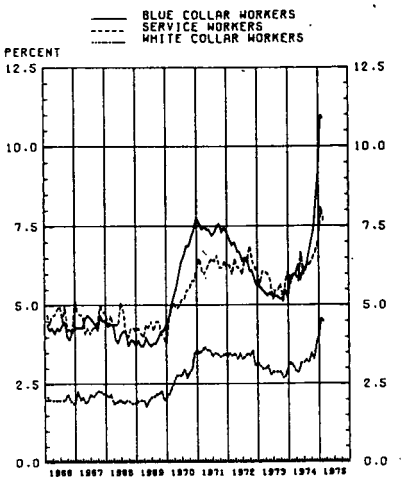
16. AVERAGE WEEKLY OVERTIME HOURS IN MANUFACTURING



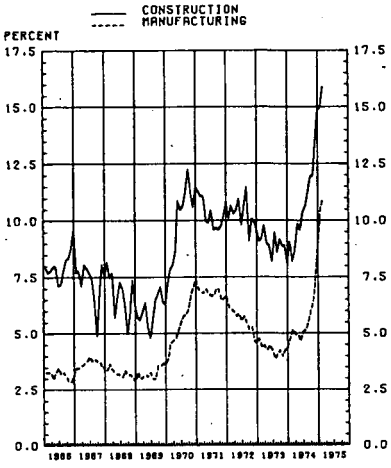
NOTE: Charts 14 and 15 relate to production or nonsupervisory workers; chart 16 relates to production workers. Data for the 2 most recent months are preliminary in charts 13-16.

UNEMPLOYMENT
HOUSEHOLD DATA - SEASONALLY ADJUSTED

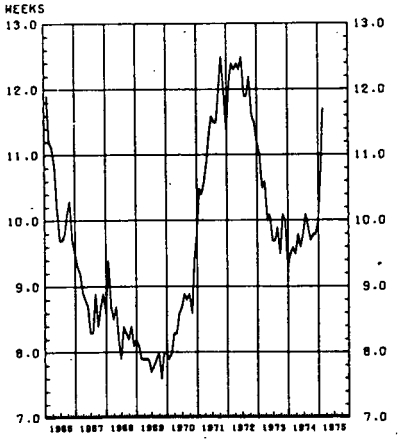
9. UNEMPLOYMENT RATES



10. UNEMPLOYMENT RATES



11. AVERAGE DURATION OF UNEMPLOYMENT



12. UNEMPLOYMENT BY REASON

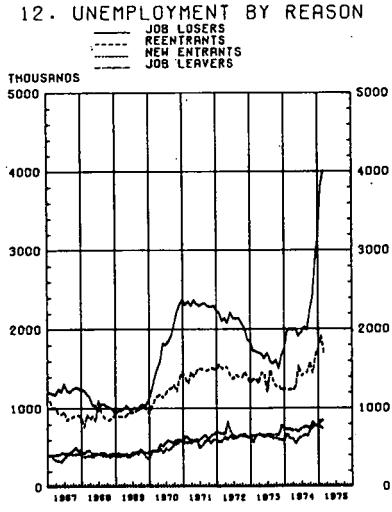


TABLE 1.—RECENT CHANGES IN PRINCIPAL LABOR FORCE AGGREGATES

[Numbers in thousands]

	August 1974–September 1974	September 1974–October 1974	October 1974–November 1974	November 1974–December 1974	December 1974–January 1975	January 1975–February 1975
	Change in level					
Civilian labor force participation rates:						
Total, all workers	+0.3		−0.2		+0.1	−0.5
Males, 20 years plus		+0.2	−.2	−0.2	−.4	−.3
Females, 20 years plus	−.1	−.2	−.1	+.3	+.3	−.4
Both sexes, 16–19 years	+2.5	−.1	−.8	−.4	+.1	−1.6
Total nonaggregate payroll employment	+183	+21	−461	−714	−524	−608
Goods-producing employment	−20	−148	−398	−581	−414	−613
Total employment (household survey)	+128	−98	−615	−487	−640	−535
Total unemployment	+378	+237	+479	+582	+928	−45
Total unemployment rate	+.4	+.2	+.6	+.6	+1.0	
Index of aggregate weekly man-hours (1967=100):						
Total private		−.4	−1.8	−1.5	−1.1	−2.0
Manufacturing	−.3	−1.0	−.4	−3.5	−3.2	−3.6
	Percent change					
Civilian labor force participation rates:						
Total, all workers	+0.5		−0.3		+0.2	−0.8
Males, 20 years plus		+0.2	−.2	−0.2	−.5	−.4
Females, 20 years plus	−.2	−.4	−.2	+.7	+.7	−.9
Both sexes, 16–19 years	+4.7	−.2	−1.4	−.7	+1.8	−2.9
Total nonaggregate payroll employment	+.2	+.03	−.6	−.9	−.7	−.8
Goods-producing employment		−.6	−1.6	−2.4	−1.8	−2.7
Total employment (household survey)	+.1	−.1	−.7	−.6	−.8	−.5
Total unemployment	+7.7	+4.5	+8.6	+9.7	+14.1	−.6
Total unemployment rate	+7.4	+3.4	+10.0	+9.1	+13.9	
Index of aggregate weekly man-hours (1967=100):						
Total private		−.4	−1.6	−1.3	−1.0	−1.8
Manufacturing	−.3 +	−1.0	−.4	−3.6	−3.4	−4.0

Source: U.S. Department of Labor, Bureau of Labor Statistics, Mar. 6, 1975.

TABLE 2.—INDUSTRIES THAT HAVE SHOWN LARGE INCREASES IN UNEMPLOYMENT OVER THE PAST YEAR—UNEMPLOYMENT RATE, NOT SEASONALLY ADJUSTED

Industry	February 1974	February 1975
Construction	13.0	24.0
Manufacturing	6.0	12.6
Lumber	7.8	20.9
Furniture	6.4	17.5
Stone-clay-glass	5.4	13.6
Primary metals	3.5	9.4
Fabricated metals	5.6	12.2
Machinery	3.3	7.0
Electrical equipment	4.7	13.0
Automobiles	13.6	24.9
Food	8.8	12.3
Textiles	8.0	17.9
Apparel	7.0	18.8
Paper	4.5	12.4
Rubber and plastics	7.1	15.7

TABLE 3.—UNEMPLOYMENT RATES IN 7 COUNTRIES, ADJUSTED TO U.S. CONCEPTS, SEASONALLY ADJUSTED, 1970–75

Period	United States	Canada	Japan	France	Germany	Italy [1]	United Kingdom [2]
1970	4.9	5.9	1.2	3.2	0.5	3.5	3.1
1971	5.9	6.4	1.3	3.6	.7	3.5	3.9
1972	5.6	6.3	1.4	3.8	.9	4.0	4.4
1973	4.9	5.6	1.3	3.5	1.0	3.8	3.0
1974	5.6	5.4	[3] 1.4	[3] 4.3	[3] 2.3	[3] 3.1	[3] 3.0
I	5.1	5.5	1.4	3.9	1.6	3.0	2.8
II	5.1	5.2	1.3	3.9	2.0	3.0	2.9
III	5.5	5.4	1.4	4.0	2.5	3.1	3.2
IV	6.6	5.7	[4] 1.6	5.4	2.9	3.3	[3] 3.2
November 1974	6.6	5.4	[3] 1.5	5.5	3.0	----------	3.1
December 1974	7.2	6.1	----------	5.8	2.8	----------	[3] 3.3
January 1975	8.2	6.7	----------	6.1	2.8	----------	[3] 3.4

[1] Quarterly unemployment rates are for the 1st month in each quarter.
[2] Great Britain only.
[3] Preliminary estimates.
[4] Average for October and November.

Note: Since adjustment factors are available only on an annual basis, BLS calculated the quarterly and monthly figures for the European countries and Japan by applying 1973 annual adjustment factors. The quarterly and monthly enemployment rates for these countries should, therefore, be viewed as only approximate indicators of unemployment under U.S. concepts. Canadian data require no adjustment to U.S. concepts.

Source: U.S. Department of Labor, Bureau of Labor Statistics, March 1975.

TABLE 4.—CONSUMER PRICES IN 7 COUNTRIES, PERCENT CHANGE FROM SAME PERIOD OF PREVIOUS YEAR, 1970–75

Period	United States	Canada	Japan	France	Germany	Italy	United Kingdom
1970	5.9	3.3	7.7	5.2	3.4	4.9	6.4
1971	4.3	2.9	6.3	5.5	5.3	4.8	9.4
1972	3.3	4.8	4.9	6.2	5.5	5.7	7.1
1973	6.2	7.6	11.7	7.3	6.9	10.8	9.2
1974	11.0	10.9	23.2	13.4	7.0	19.1	16.0
I	9.9	9.7	23.2	11.3	7.4	14.4	12.9
II	10.6	10.7	22.6	13.6	7.1	16.4	15.9
III	11.5	11.0	23.4	14.6	7.1	20.6	17.0
IV	12.1	12.0	23.4	15.0	6.5	24.7	18.2
November 1974	12.1	12.0	24.5	14.9	6.5	25.3	18.3
December 1974	12.2	12.4	21.0	15.2	5.9	24.5	19.1
January 1975	11.7	12.1	----------	----------	[1] 6.1	----------	[1] 19.9

[1] Preliminary estimates.

Source: U.S. Department of Labor, Bureau of Labor Statistics, March 1975.

Chairman HUMPHREY. We thank you again for the explicitness of your statement. There are three things that I would note. First of all, that employment, as you said, continued to show sharp declines in February. The thing I want to make sure of is that no one gets any comfort out of the fact that we have a steady rate of unemployment of 8.2 percent, because the rate is deceptive. What is important, is the number of unemployed. The number of unemployed continues to grow.

As you have said, quite candidly, the employment continued to show sharp declines in February at about the same rate as in the recent past month. Does total man-hours—and this is what is the

measurement of income because most workers are paid on the hourly basis—total man-hours, the most comprehensive measure of labor activity, declined more sharply in February than in any other recent month. I think that is a startling statistical fact.

Then I recall the third point on the price situation: the Wholesale Price Index. It showed continued declines in the prices of farm products, processed foods and feeds which more than offset small rises in industrial materials prices. This city of Washington is going to get the message if it is the last thing that I do, that there is no joy in Rivertown, may I say, when those farm prices are going down, because the farm economy is highly financed at high rates of interest, and there is great difficulty in rural America today. Local banks are loaned up to their ears; the farmers cannot get credit even to put in this year's crop in many places. And now with these prices plummeting as they have been, particularly in the feed grains—with wheat having gone down from over $5 a bushel down to $3.40, and with soybeans having gone down from over $10 a bushel to $5 a bushel, and with cattle prices still remaining at the depression-level prices as far as the cattle industry is concerned—there is an unbelievable amount of economic distress and potential disaster in the rural part of our economy.

So our Wholesale Price Index takes on a better picture, primarily because one segment of the economy takes on a worse picture. Is that a fair statement?

Mr. SHISKIN. I would add that there has been a very sharp deceleration in the rate of increase in industrial materials prices, which had been rising at a fantastic rate—a 20–30 percent annual rate, and is way down to a relatively low annual rate of increase now—between 5 and 10 percent.

Chairman HUMPHREY. They are still increasing.

Mr. SHISKIN. Very, very slightly, Senator. Besides, you know our Wholesale Price Index also includes some commodities—about 10 percent of them—that are lagged. They are not quite up to date; that is, they are included in the index, not for the month covered by the date, but for the following month. For example, some data in the February WPI actually covers January. One of the principal ones lagged items in the index is industrial chemicals. I think the price picture for industrial materials prices also has improved greatly.

Chairman HUMPHREY. I think it is good news—what has been happening in the industrial price segment. I do not mean to say it is not. It is still up. It is sticky, it is always slow in every period of recession. There is a wholesale price in the industrial sector, particularly in chemicals, as you noted in your report here, that still hangs in there pretty high. It is slower to decline.

Mr. SHISKIN. Let me say this again. There is a lag in the incorporation of these data into the index. We are not quite up to date with it on that, sir.

Chairman HUMPHREY. I grant you that sir. I am simply pointing out that when you have an accumulated picture here on the Wholesale Price Index and you see the declines that are taking place in the agricultural commodities, you simply have to see what is happening in terms of the solvency of the agricultural sector.

Many of the grain producers—the wheat producers have had a very good year, there is no doubt about that. The question is, from here on out, what happens? I hope those prices are going to move up a bit—not only stabilize, but move up—because a wheat farmer cannot produce wheat below $3.25. He just cannot produce it; he plain goes broke.

I just noticed a report from my home State this month—the past month, in February—on dairy income. The Minnesota dairy farmers lost over $30 million this last month, our dairy farmers, absolute total loss. We just happen to have a lot of those folks. When we get these declines in farm prices, I want the record not to be only related to industry.

One of the problems in this city of Washington, all these government statistics, is that they constantly are recording all this to manufacturing and banks and what have you. I, as chairman of this committee, from the midwest, am going to give some perspective to this economy. It is just as I said in the Budget Committee. I heard Mr. Greenspan say that he had some good news; farm prices were going down. That is not good news. If he could tell us retail supermarket prices are going down, that would be great. As my wife paid $1.69 for bacon the other day at a Safeway Store, there must have been some hogs in Minnesota that thought they had gone to heaven. The price of pigs does not relate to anything that happens to the price of bacon.

I yield to my esteemed colleague, here, Senator Proxmire.

Mr. SHISKIN. Mr. Chairman, may I make another remark. What I am saying is not intended at all to deny anything you have said up to now about food prices. I want to add also—to put the price picture in perspective that the best leading indicator in the price field is our index of crude material prices which excludes foodstuffs and some other farm products. Now that index, as I point out, dropped 5 months in a row. We know when that index drops, this pattern is usually followed by drops in the prices of intermediate materials and finished goods.

Chairman HUMPHREY. It is slower.

Mr. SHISKIN. Yes. I think the Wholesale Price Index trend must be interpreted as meaning inflationary conditions are easing.

Chairman HUMPHREY. I agree, and I want to make it very clear that I do agree. And we would expect and hope that our inflationary picture would be dropping gradually, but steadily; indeed, the Joint Economic Committee staff study indicates that it ought to come down to about 6 and 7 percent. And hopefully, we can sustain it—keep pushing that inflation rate down. If we can do that, that will permit us to make more drastic recoverey measures. To be able to take measures in terms of tax reductions and expenditures that will get the economy moving.

Senator PERCY. May I make a brief comment on your comment on farm prices?

Chairman HUMPHREY. Surely.

Senator PERCY. I would like to say to all those people who screamed and hollered to cut out all farm exports because prices were going up to the consumer, that that would have been the most short-sighted policy that we could have engaged in, after trying

to build these export markets for 40 or 50 years, for us to suddenly and precipitously cut off our customers that we have been carefully developing abroad, and cut those markets off now that farm prices are declining, and we are looking for sales in some areas and we need them. How short sighted that would have been, and foolhardy. We certainly would have undercut the very kind of markets that we have been trying to build for years.

I hope that those that call for us to do that will now recognize the error of their recommendation.

Chairman HUMPHREY. Senator, I thoroughly agree.

Senator Proxmire.

Senator PROXMIRE. I see here there is a rollcall, Mr. Shiskin. Perhaps we can come back.

I see the principal message that comes through here today is that the deterioration in the economy continues at a rapid pace. I say that because the very large drop in employment is so significant here. I see that the civilian labor force went down by 600,000.

Mr. SHISKIN. 580,000.

Senator PROXMIRE. Six-tenths of 1 percent, half a million.

Mr. SHISKIN. 580,000.

Senator PROXMIRE. Total employment went down from 84.6 to 84.0, or 600,000. Is that right?

Mr. SHISKIN. 540,000. The two figures are very similar.

Senator PROXMIRE. How does that fit in with what happened between November and December, and December and January?

Mr. SHISKIN. Those figures are shown in table 1,[1] Senator Proxmire. Let us take a look at that. We do not have the figures there on the labor force, but we do have on participation rates. Participation rates had been rising or declining modestly in previous months since the middle of last year. Now they have dropped sharply.

I think that is responsive to your question, because this is the key area.

Senator PROXMIRE. I think that is right. I am trying to get behind the unemployment figure which is the same, and appears to indicate stability. But the alarming thing is the civilian labor force which rose in January over December declined so very sharply in February.

Mr. SHISKIN. I think that is a key figure.

Senator PROXMIRE. The decline in man-hours; the significance of that among other things is that the man-hours of work indicates demand in the economy. It is continuing to decline, is it not?

It indicates that, number one, the employers are not able to keep their work force busy. Last year we had the shortest hours in the history of our country, as I understand it, the first time in all American history that people worked less than 37 hours a week. That continues to deteriorate so that 1975 in the first 2 months, we were very close to 36 hours a week, where we had been at 37 hours in our history before that. We continue to decline here. The demand is so weak that we are unable to keep our work force busy.

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[1] See table 1, p. 628.

Now that suggests, let me just ask, does that not suggest that policies that we adopt to expand the economy have a very long way to go—and I mean many, many months and perhaps years before we get to a demand-type of inflation. Is that right?

Mr. SHISKIN. I think one point has to be added to your summary, mainly in part the reduction in both employment and hours of work reflects an effort on the part of employers to reduce inventories, so that the demand cannot, at this time I think, be measured by these data.

Senator PROXMIRE. It is an effort. But, inventories have not been reduced. Very little.

Mr. SHISKIN. Very little.

Senator PROXMIRE. Very little progress in that area.

Mr. SHISKIN. The other observation——

Senator PROXMIRE. Is that not correct? Am I correct or incorrect?

Mr. SHISKIN. Our measures of inventories, as you know, have a very limited accuracy, particularly the month-to-month changes. I understand that McGraw Hill has recently conducted a survey that has confirmed what you have said.

Senator PROXMIRE. That would suggest that there is going to be a further deterioration in production until demand begins to pick up.

Mr. SHISKIN. Right.

But I want to say, Senator, there are a lot of dire long-term forecast figures around. I come back to my own specialty of the past, in the field of business cycles. I have said this before, and I would like to say this again, that historically sharp recessions—and this is certainly a sharp recession—have been followed by vigorous recoveries. I guess if you have to make a guess, that is the best guess to make right now. That is the guess I would make.

Senator PROXMIRE. We hope, that is a pretty hopeful situation, and that did not happen in the 1930's, did it?

Mr. SHISKIN. It happened after 1937; there was a very vigorous recovery in 1938.

Senator PROXMIRE. We had a very sharp deterioration in the early 1930's, and it took a long, long time to get back by way of a lot of Government interventions.

Mr. SHISKIN. That is true.

Senator PROXMIRE. With the very vigorous Government policies before we began to recover. Even in 1937, there was a recovery, but the recovery still left us with what, 17 percent unemployment?

Mr. SHISKIN. We got down so deep in 1933, it took a long time to get back up.

Chairman HUMPHREY. I am going to step out and cast a vote. We will work it out so that when I get back somebody else can go.

Senator PROXMIRE [presiding]. Senator Percy.

Senator PERCY. I am unable to come back and I appreciate this opportunity very much. I have a couple of questions for Mr. Shiskin.

Looking at the unemployment figures by industry here, obviously construction 24 percent, and I hear estimates that in some part of the country by summer, unless it picks up, unemployment

in construction could get as high as 50 percent. Looking at lumber, 20.9 percent; furniture, 17.5 percent; stone, clay, glass, 13.6 percent; textiles, 17.9 percent.

Would it not seem that funds released for housing, with all of the ripple effect that that would have, and the quick impact that you could have by construction of housing, would be far better for the country than billions of dollars released for road construction to increase the energy long-range problem, pouring money into an area that takes 12 months to really get the money committed. Would not housing money be a great deal better as far as focusing with a shotgun or a rifle on the real problems that we face?

Mr. SHISKIN. Senator Percy, perhaps you remember as Commissioner of Labor Statistics, I do not think it is appropriate for me to comment on alternative economies policy actions. However, it would be helpful, perhaps, for me to say that the two industries that have been hit the hardest in this recession are construction, residential and commercial construction, and the automobile industry. Much of the unemployment has fanned out from those two industries. That is where a great deal of the recovery must take place.

Senator PERCY. I would like to ask you another question that is really not within your provenance, other than that you are very close to unemployment. You are very close to unemployment. You are very close to human beings, concerned about them, know what motivates them, makes them act.

We have a gigantic tax bill. We will probably increase it over the level of the President. I do not imagine we can afford not to do it. I just wonder whether people, when there is this much unemployment and this much discouragement with the employment picture, where the work force number of hours being put in is being reduced and that extra premium of overtime being taken out of income, whether or not when people get a couple of hundred dollars back in a tax rebate, they are going to rush out and spend it, buy a car, buy capital goods or hardware or whatever it may be.

Mr. SHISKIN. I do not know, Senator, but I think we ought to find out.

Let me put in a pitch for a BLS proposal, since I really cannot answer your question. We have in our budget for this year, the budget which both the President and the Congress approved, funds to plan an ongoing quarterly consumer expenditures survey.

So, instead of updating the Consumer Price Index by a special survey once every 10 years, we would do it through a survey that is taken every quarter.

Let me say parenthetically that the total cost over a 10-year period would be about the same as the present one. In that kind of survey, if we had a survey like that in force, we could track down things like this, and then we would know for next time.

At the present time, we would not even know next time when this comes up what the right things to do are, because we will not have collected the data.

Senator PERCY. I am very supportive of your request for those funds. I think it would be a wise investment. Lastly, do we have

a figure for the number of heads of households that are unemployed?

Mr. SHISKIN. Yes, sir, we have a figure on the rate, and I will give you that.

Senator PERCY. I see my deadline for the vote has arrived. We leave it in the hands of my distinguished colleague of the House.

Mr. SHISKIN. It is 5.4 percent and 2,840,000 persons.

Representative LONG [presiding]. Mr. Shiskin, two or three questions that I would like to explore with you.

One of them, the staff of the Joint Economic Committee over the last few months has prepared an estimate of unemployment using a little different approach than that which you used in your statistics. I am not being critical, because you have to deal in absolutes. To some extent we are dealing in things that are not absolute.

They prepared an estimate of unemployment which includes what you have as unemployed, the conventional definition of unemployment, plus they have added two other factors to it. One is discouraged workers who sort of remove themselves from the labor market, and a fraction of those who really want full-time employment and who can only find part-time jobs.

Now, if you take the figures that they have worked out and add them to what you have, that ends up with the unemployment rate for the month of January being, according to the figures they give me, 10.9 percent. I am not at all suggesting that you change your way of arriving at the figures that you use, but I would like to have your comments on the validity of the measure that they have devised for public policy purposes, because I think it becomes a more meaningful figure than the absolute statistic, if it is a valid way of arriving at a public policy statement figure with respect to what unemployment is.

Mr. SHISKIN. There is a great deal of controversy today about the definition of unemployment. One type of criticism we get is the very one that you made, that there are certain marginal groups, like these discouraged workers or part-time workers who would like full-time jobs that are not included but should be. We also get a similar type of criticism, which is, there are many workers today who are not making adequate wages. They are getting wages below the poverty level. The argument there is that we should count them as unemployed.

There is also a different-type of argument being made. For example, former Governor Reagan has been saying on television and radio, at least over the last few weeks, that many of the people we count as unemployed really should not be counted as unemployed.

Representative LONG. Should not?

Mr. SHISKIN. Should not.

His argument is many of them have incomes that do not require them to be working. He would exclude, I suppose, most or all of our teenagers, and most of our other secondary workers. I think he would also exclude adult male workers who have been unemployed for short periods of time. That would give you a very low unemployment figure.

Representative LONG. You are not suggesting that there is any validity to that approach?

Mr. SHISKIN. I am describing to you the kinds of criticism that I, as Commissioner of Labor Statistics, have to respond to. This is a very controversial subject. I was recently interviewed in the U.S. News and World Report, in which I tried to rationalize our present definition. I think our definition is about as objective as you can be. That does not mean that here and there there are not ways of improving it. By and large, I think it is the most objective way that can be developed for measuring unemployment, and until we can find a better way, we have to stick to it.

[The interview referred to follows:]

[From the U.S. News & World Report, Feb. 3, 1975]

WHEN YOU LOOK BEHIND THE FIGURES ON U.S. JOBLESS—INTERVIEW WITH JULIUS SHISKIN, COMMISSIONER, BUREAU OF LABOR STATISTICS

Layoffs are piling up faster than in past recessions, hitting a wider range of jobs. Mr. Shiskin explains how the Government measures such trends, and defends the accuracy of federal statistics on unemployment.

Q. Mr. Shiskin, your agency has reported that 7.1 per cent of people in the labor force are out of work. Some Government economists say the rate will go to 8 percent or more. Do you agree?

A. The Bureau of Labor Statistics does not make forecasts of that kind. But I can say that it is clear from many indicators—the rate of housing starts, new orders, hours of work, and so on—that economic conditions will get worse before they get better.

Q. Is unemployment rising faster today than was the case in past recessions?

A. Yes. In the last few months we have had a very rapid increase—from 6 per cent in October to more than 7 per cent in December.

But even with that loss in jobs, the total number of people at work—85.2 million—is still very high by historical standards. Furthermore, the proportion of the civilian working-age population that is employed—57.4 per cent in the last quarter of 1974—is higher than in some boom periods.

Let's look at some earlier figures:

During the severe recession of 1957-58 we had a drop of 4.3 per cent in the number of nonfarm payroll jobs. In the depression of the 1930s, employment shrank by 32 percent. If you assume this current recession began in November, 1973, we've had a decline of only 0.2 per cent. In all the earlier recessions and depressions, total employment dropped much more sharply.

Of course, the major difference between the present period and earlier years is that now we're having rapid price increases along with rises in unemployment and declines in output. Over the last year, the consumer price index rose 12.1 per cent. In the recession of 1957-58, it dropped 1 per cent. In the depression of the '30s, it dropped 27 per cent. So the problem is much more complicated today, because we have to cope with inflation as well as recession.

Q. How many people are out of work now?

A. The total is over 6.5 million, of whom more than 3 million have lost their jobs. A rule of thumb is that one tenth of a percentage point change in the rate of unemployment involves about 90,000 people.

Q. Who's being hit hardest by the increase in joblessness?

A. Clearly, two of the industries hurt the most are automobiles, where the unemployment rate at last count was 20 per cent, and construction. Troubles there are affecting many allied industries such as tires, glass, lumber and appliances, for example. But almost all sectors of the economy are being hurt. When we traced the impact on employment of the energy shortages last year, we found that it fell on a rather narrow group of industries and workers. This recession is different. It's quite widespread.

In terms of numbers of persons, adult males are hurt the most right now, because there are more of them in the labor force. In terms of the rate of joblessness, of course, the teenagers are hardest hit, and women next.

Q. How does BLS determine who is unemployed and who isn't?

A. We count as unemployed anyone who is not employed and has actively looked for a job in the previous four weeks but hasn't found one.

Do you get criticism about how you judge whether someone has actually looked for work?

A. We get many, many criticisms on just that point, and these criticisms are of two kinds.

One is that we don't investigate thoroughly enough the vigor with which the unemployed are hunting for jobs. The interviews that provide our unemployment statistics, done for us by the Census Bureau, ask people if they are looking for work, and then *how* they are looking—maybe by answering help-wanted ads, writing letters to employers, going for job interviews. There is a list of possibilities on the report form. Some critics think this is not enough, that we ought to collect more information about the frequency and intensity with which people look for a job before we count anyone as unemployed.

Then at the other end of the spectrum, we are criticized for not counting as unemployed people who have given up looking for work—so-called "discouraged workers." Maybe they couldn't find a job, or thought they couldn't. Maybe there was no work to which they were suited, or the job market in their community was hopeless. Perhaps they thought they didn't make a good-enough appearance to please an employer.

We show these "discouraged workers" in our statistical breakdown, but we do not include these workers in our total unemployment figure. In the third quarter of 1974, there were about 600,000 such workers. Our latest figure for the fourth quarter of 1974, shows that their numbers had risen to about 850,000.

We get still another criticism about our figures: that we don't count as unemployed the many people who do work, but earn very low wages—below the officially determined poverty level. These are referred to by some people as the "subemployed" or the "underemployed."

Naturally, we think our statistics are the best and the most accurate we can obtain with the funds and resources available to us. There have been any number of reviews of our methods. In 1961, President Kennedy appointed a presidential commission to review our concepts, and we followed, by and large, the recommendations they made. They suggested, for example, that we not count "discouraged workers" as unemployed, and we do not do so.

Q. Just to be clear about it: Do the 850,000 "discouraged workers" include those people who have not found jobs they deemed suitable?

A. They include people who say they want jobs, and are available for work, but were not actively looking during the previous four-week period. It is possible that in some prior period some of them had looked but could not find suitable jobs, and thus gave up their search. All of them think they cannot find a job "now."

Q. Suppose a housewife is interviewed and says, "Yes, I would like a job between 2 p.m. and 5 p.m. each weekday, but can't find one." Is she classified as unemployed by BLS?

A. Yes, if she was actively seeking work. Persons looking for a part-time job would be counted as unemployed if they can't get one.

Q. What about a youth home from college for Christmas vacation, who is trying unsuccessfully to find work just for the holidays. Would this student be considered unemployed?

A. That's correct.

Q. Even though he was going back to college in another three or four weeks?

A. Right. Now, there are probably few college students looking for work at that particular holiday time. But in June there are a great many. One of our greatest problems is how to seasonally adjust our figures for the months of June to September to take into account this movement of youths into and out of the job market each year.

Q. Should a jobless teen-ager be given the same weight in the statistics as an unemployed auto worker who is the head of a family?

A. That is a value judgment which BLS, as a statistical agency, is not prepared to make.

Now, in terms of economic hardship, I guess the assumption normally would be that an unemployed head of a household is more damaged economically than others, particularly if that person is the sole breadwinner in a family. Think of the father—even a man who may have an independent income—who has to

come home every day and face his wife and children and say, "I don't have a job." The children see that all their friends' fathers have jobs. That can hurt.

However, I think it is important to bear in mind that any kind of unemployment is damaging. Let's talk for a minute about jobless teen-agers. They are going to be the future workers and the decision makers in this country. It can be damaging socially and psychologically to have these youngsters, who sometime will be moving into positions of responsibility, unable to find jobs for long periods of time.

Q. Is a teen-ager listed as unemployed if he or she has never held a job but wants one and is hunting for one?

A. Yes. We count anyone age 16 and over who is actively looking for a job and can't find one as unemployed.

Q. Is there any way of coming up with an "unemployment discomfort index" which would take into account the amount and average duration of unemployment?

A. We've given a lot of thought to compiling statistics of that type to supplement, but not replace, our general measurement of unemployment. Let me mention a few of them:

We're working on a plan for weighting the unemployed by their average earning before they lost their jobs. For example, if x number of male teenagers were unemployed, you would take the average earnings of all male teenagers and multiply the number by that figure. You would also take the average earnings of adult men and multiply that figure by the number of unemployed adult males. These data would be combined with similar data for women into an index that would give you a measure which you might call the "economic impact" of unemployment.

My predecessor at BLS, Geoffrey Moore, has made up an index which weights unemployment by its duration. A person unemployed for 15 weeks has 15 times as much weight in that index as one who has been out of work for only one week.

There has been talk of compiling an index of the joblessness of household heads who have no other wage earners in the family. That would get at economic hardship, though it would not take into account assets a head of a household might have, such as savings or investments or home-ownership. We wouldn't be able to tell whether a person was well off financially even though unemployed.

Q. Should there be greater emphasis, in measuring unemployment, on the breadwinner who is sole support of the family?

A. It is a value judgment to say that one type of unemployment is worse than another. Let us consider, for a moment, reasons for including women. We've had tremendous growth in the United States, and a lot of it has come from the entrance of women into the labor force in large numbers.

To give a personal example: I have two daughters who are married, have children and also work. Believe me, it would be very hard for them to make an adjustment if they lost their jobs. They're living at a standard which is set not by their husbands' incomes, but by that of both partners. They'd have to make a major adjustment in their ways of life if the women stopped working.

There is nothing more damaging to the quality of life than unemployment for anyone actively seeking work.

A. We hear a lot about the hard-core unemployed. How do you define that group?

A. We don't have a definition. It is not a technical term by any means. Some use it to describe people out of a job for 15 weeks or more. Others say six months or more. At latest count—for December—about 550,000 persons had been jobless for more than six months.

Q. Some people say this is the real hardship group, the one that should get the publicity rather than the broader figure that includes teen-agers and part-time workers—

A. If you look at our monthly press releases, you'll find in the first few paragraphs a discussion of the over-all unemployment figure. But we also give a lot of space to discussing the various jobless categories and groupings—men, women, whites, blacks, Spanish-Americans, teen-agers, young adults, veterans, poverty-area residents, and so on—as well as the length of time people have been seeking work.

Policy makers must understand the full dimension of the unemployment problem if they are to carry out effective programs to combat unemployment. People will differ in their views of which groups should receive the most help, but I think it would be a mistake to overlook the problems and needs of any of the unemployed.

Q. There are reports of 4 to 8 million illegal aliens in this country now, taking jobs that American citizens would otherwise get. Do your figures on employment and unemployment include the illegal aliens in any way?

A. Yes. We do not ask whether the person interviewed is a citizen or an illegal alien. Insofar as illegal aliens make up a part of the population and are included in this sample, they are covered in the employment and unemployment figures.

Q. How do you collect unemployment statistics each month?

A. The survey, as I've noted, is conducted for us by the Bureau of the Census. The Bureau has a comprehensive file of households recorded in the census that is taken every 10 years. That file is kept up to date. For our survey, the census people select a sample of 1 in every 1,500 households in the country—or about 58,000 all told. Whe nan interviewer checks on these households, some, of course, don't exist—houses have been demolished, apartments are vacant, and so on. So what we are left with is about 47,000 households. The field enumerators, mostly women, go to these households and ask questions.

The first interview is done in person. Follow-up interviews are usually by telephone. We will go to a household for four consecutive months, drop that address for the next eight months, then return for four final months. So each month, 75 per cent of the households were in the previous month's sample, and the remainder are new.

Q. The enumerator has no choice about where she is going—

A. No. She is told the exact address she is to contact. We pick household addresses rather than particular people. That gives us tight control on the accuracy of the sample.

Q. What improvements would you like to make in collecting unemployment statistics?

A. If I were given a large amount of extra money, I would get more details on unemployment in local areas. Today the unemployment figures are being used for allocating billions of dollars' worth of manpower revenue-sharing funds—federal money going out to localities to be used for manpower training and public-service jobs. Still, we are having to estimate local-area unemployment all over the country on the basis of a 47,000-household national sample. We recently got money to add some 13,000 households to our monthly survey, and that will eventually give us better data for States. With even more money, I'd continue to improve local-area reporting of unemployment.

Mr. SHISKIN. Now, let me add this: Nearly 15 years ago President Kennedy appointed a committee to appraise the unemployment and employment statistics. They came out with a series of recommendations which we, by and large, have followed. In particular, they recommended that we exclude discouraged workers from our unemployment counts. I am very hopeful that we can get another review of these concepts started fairly soon. I plan to talk about it to Secretary Dunlop as soon as he can find time, in what will be a very busy schedule, and get that review underway.

To summarize my point, the definition of unemployment is controversial. There are many points of view, which have been subjected to many reviews during many periods. Thus far the one BLS uses is the best and most objective definition that we have been able to reach.

Representative LONG. As I recall, the Comprehensive Unemployment Training Act of 1973 requires the Secretary of Labor to begin work on those annual statistical measures—however it is worded—the measure of labor-market-related economic hardship in the Nation, the general scope.

Mr. SHISKIN. Yes.

Representative LONG. Could you give us a progress report. How you are proceeding along that line?

Mr. SHISKIN. What BLS did this year is to compile a very substantial listing of all the different activities that are proposed under CETA, along with something else that has been very close, and of very great concern, to many of our Congressmen—local area—employment statistics.

We compiled a compendium of what we could do in each of those areas, and what the cost would be. However, the only money that we have in our fiscal 1975 budget is to expand the local area unemployment statistics. There will be an expansion of the CPS sample from 47,000 of those at present, to 60,000. We have received no funds to carry out any of these other studies, under CETA, that you referred to.

Representative LONG. If you take the present situation and the statistics that you have given us today, while while they appear neuter, they are not in my opinion neuter. They are an estimate of a substantial change when you write all the figures out, in the early questioning, and I am sure you responded to this, but it concerns me that the Bureau of Labor Statistics might have abandoned its national job vacancy duties that were imposed upon it some time ago.

I know there are problems in making this series meaningful and making it work, and I well recognize this, and you have been alluding to those because it is all interrelated here. Why cannot these be worked out? I think if you reestablish the job vacancy index that this might help a great deal and this maybe perhaps ought to be a priority.

At the very least, there would be some psychological value in it, as I see it, in focusing the attention on the jobs that are open, even if they are very limited by recession because there are some jobs open. All you have to do is open the Washington Post every day and look at the ones that are open.

I wonder why you dropped the series and why you do not try to open it up again.

Mr. SHISKIN. We had a series on job vacancies in manufacturing with only a few very industry breakdowns. The behavior of the series was very similar to the help wanted advertising series, which is compiled by the Conference Board, a private New York concern. The series that we had did not contribute anything additional to our knowledge of the national economy. The people who want vacancy statistics have been pressuring us to provide vacancy statistics with detailed occupational breaks. Neither our discontinued survey nor the Conference Board survey includes such information.

What they want to do is match up the vacancies for certain occupations against what would be shown in unemployment statistics as unemployed by occupation. A survey of that kind would require a far greater scope, many times greater than the one that we had going several years ago.

Representative LONG. Excuse me, you are saying in effect, the detail that would be required for that to be meaningful is beyond the capacity that you have at the present time.

Mr. SHISKIN. Beyond the funds that we have.

Representative LONG. That is capacity.

Mr. SHISKIN. The series we had was not responsive to that need. We did not have occupational breaks, so I went to the funding authorities in the administration, and I said, we ought to drop this series and start with a fresh series of the kind that is responsive to the demands for vacancy data by occupation.

Now, the estimate that we had to get that series underway was $800,000 for 1 year, just to get it underway. Eventually the full series would cost a great deal more because it would involve a lot of detailed occupational data. I have not been able to get that program approved in the last 2 years.

Representative LONG. You have not?

Mr. SHISKIN. No.

Representative LONG. You have recommended the program?

Mr. SHISKIN. What we do at BLS is to provide a list of projects that we feel would be useful in the field and that we could do, and that was on the list.

Representative LONG. Do you know what level in the hierarchy above you that this was stopped?

Mr. SHISKIN. I would not say it was stopped.

Representative LONG. It did not go forward. It is obvious it was stopped.

Mr. SHISKIN. There were other pressing demands for funds. Somebody had to provide money to expand CPS, to provide better local unemployment estimates to use as the basis for revenue-sharing allocations. There were other kinds of statistics that were required, and they elected for them. Thus, decisions had to be made on whether to go for an expanded vacancy statistical survey or to improve the wholesale price index or to improve export-import price indexes.

The decision was made to move in other directions. It was not that anyone was against the vacancy survey. It did not have the high priority the others did, considering the costs involved. I would rather put it that way.

Representative LONG. Let me put it another way then. If Congress more or less earmarked the money for this particular program from the standpoint of you personally, this would be something you would like to undertake?

Mr. SHISKIN. You can be assured the BLS would be responsive to such an effort on the part of Congress or the Administration. We are here to serve the Congress, the Administration, the public. If funds are provided for a body of data like job vacancies, by occupation, we will do our level best to provide such data.

Representative LONG. Obviously from the answers you have given to my question, you consider this a higher priority than some of the other things that were done.

Mr. SHISKIN. I would not say that. I think you misinterpreted me. I put in for consideration a list of high priority projects of which the vacancy by occupation statistics was one. That gets reviewed at various channels in the Government. We have different review committees. The final decisions did not include the job vacancy by occupations survey. That may be changed next year. If it

is, you can be assured that we will bend every effort to provide such data.

Representative LONG. I have probably used my time.

Senator PROXMIRE [presiding]. Senator Javits.

Senator JAVITS. Thank you.

Mr. Shiskin, I want to thank you very much for the fine show you run and the reliability of the information that you put out.

Second, I have one question in which I have a very great interest. Is this situation still a great and drastic emergency of unemployment, despite everything we are trying to do, even up until the moment these figures came out?

Mr. SHISKIN. Without certifying every word you used, I would say, yes.

Now, let me put it in my own words—we still are in one of the deepest and most widespread recessions in American history, and the February figures do not change that.

Senator JAVITS. The fact that the figures have remained stable and that they might indicate some kind of a turn, I gather, is invalidated by two factors—(1), of the shrinking size of the work force that is seeking work; and (2), the relationship of hours worked to the total number who are employed.

Mr. SHISKIN. Yes. Let me dwell for a moment on the first point you made, which I think is the key to the present unemployment figure. We know that 580,000 people dropped out of the labor force. The question is what happened to them?

Now, one obvious explanation is—let me interrupt that to say, we know that they did not get jobs because the number of jobs dropped by about the same amount. The question is what happened? Well, one likely answer is that they became discouraged.

Now, a discouraged worker is a person who says he would take a job if he were offered one, but is not actively looking for a job. We do not include in our counts persons who are unemployed and available, but not actively looking for work. Now we have a subsample of our total sample which we ask many more detailed questions than we do every month. For example, we get information on poverty area unemployment, Spanish-American unemployment, and on discouraged worker unemployment that way.

These figures are available once a quarter. They will become available 30 days from today, approximately. What we have at the present time is some very partial and limited information on them. It is a subsample; we have only 2 out of 3 months. I looked at those figures yesterday, and they suggest that the number of discouraged workers will increase sharply when the figures come out next month.

Senator JAVITS. One other question: From your vantage point, you see no reason whatsoever why we should change whatever policy we have made, adjusted to what you call the most serious recession in recent history, because of the figures that have come out today.

Mr. SHISKIN. That is correct.

Senator JAVITS. How does the 7½ million unemployed as an absolute figure, rank with the total number of unemployed, without regard to the size of the work force, to the Great Depression of the 1930's?

Mr. SHISKIN. No. I would not compare the present situation with the Great Depression of the 1930's, Senator.

Senator JAVITS. I am talking about the number of unemployed, absolute number.

Mr. SHISKIN. Again, I do not know that. I just do not know. But I do know that we are nowhere near, yet, to the levels of the Great Depression of the 1930's.

Senator JAVITS. To what extent are we short? We had over 10 million unemployed. Three million were in the WPA.

Mr. SHISKIN. That is a good question. I am glad you asked it, and I am prepared to answer it, and I will as soon as I can find my table on this subject.

Let me give you a few figures, Senator Javits. In the 1929–1933 depression, GNP in constant dollars dropped approximately 33 percent, about one-third. GNP so far has dropped about 5 percent. The 5 percent was worse than any post-World War II depression, but nowhere near the 1930's.

Senator JAVITS. What about the unemployment figures?

Mr. SHISKIN. All right. I have the unemployment rates. Our rate is 8.2 percent. The rate in the Great Depression was 25 percent.

Senator JAVITS. How many people? How many in the way of numbers of people?

Mr. SHISKIN. I do not have that. Of course, we had a much smaller population.

Senator JAVITS. Of course. We had a smaller population, and a work force, as I remember it, of about 60 million.

Mr. SHISKIN. May I give you two other figures in this context because this is a subject that is constantly being alluded to. We have had a small drop in total employment so far—2.7 percent. In the Great Depression the drop was 32 percent. We are nowhere near that.

There is another phenomenon that I feel is necessary to point to, which is our prices. Our CPI is still rising at about 7 percent, at the latest reading. During the Great Depression the CPI dropped 27 percent.

Senator JAVITS. I have to go and vote. Would you be good enough to translate the percentages and figures into numbers and make them available? I have to run.

Mr. SHISKIN. Mr. Wetzel, who is sitting to my left, tells me there were 12.8 million people unemployed in 1933.

Senator JAVITS. There were 3½ million in the WPA. I say the same amount of human misery is the situation today.

Thank you.

Chairman HUMPHREY [presiding]. The table that you have, table 2 [1] on industries with large increases of unemployment, though I think it is very revealing, I would like a little more information on what has happened in the last month. I see that construction in February has an unemployment rate of 24 percent. Was that not 22 percent in January?

Mr. SHISKIN. I have the January data here. I have to find it among my papers.

[1] See table 2, p. 628.

While I am looking, let me say that there is a little good news here. The unemployment rate in the automobile industry has dropped. The figures in this table you are looking at are not seasonally adjusted. We have run into a lot of processing problems in the last few months, and we have been unable to do all the seasonal adjustments that we need to. So we have this series unadjusted, but we have seasonally adjusted the unemployment figures in the automobil industry, and that shows unemployment dropped from about 24 percent to about 20 percent.

Chairman HUMPHREY. Twenty percent?

Mr. SHISKIN. Twenty percent is not a low figure, but a little lower than last month.

Chairman HUMPHREY. That is some encouragement. In construction and manufacturing, what——

Mr. SHISKIN. By the way, I have that figure, Senator Humphrey. Your question was about——

Chairman HUMPHREY. The construction industry.

Mr. SHISKIN. That is not a seasonally adjusted figure.

Chairman HUMPHREY. Was 22.6 percent seasonally adjusted?

Mr. SHISKIN. No.

Chairman HUMPHREY. A comparable rate for February series is 24 percent not seasonally adjusted?

Mr. SHISKIN. No.

Chairman HUMPHREY. There is an increase in unemployment?

Mr. SHISKIN. We cannot be sure because those figures are not seasonally adjusted, and I apologize for that. Hopefully, we can solve our computer problems in the next 30 days, and next month I will have all seasonally adjusted figures.

Senator Humphrey, you know the rate is very high, whether it is 22.6 or 22.5, our figures are just not that accurate anyway.

Chairman HUMPHREY. The thing I want to emphasize here, from my observation is that while the rate of unemployment remains at 8.2 percent, but insofar as the elements in our economy that make for productivity or stability or progress, that those elements have in a sense deteriorated somewhat. The wholesale price index is better than it was due in large measure to the drop in agricultural prices, but not totally, but you do have this additional 540,000 people without jobs. That is going to obviously place another strain on the Federal budget in terms of unemployment benefits and others.

You do have another 580,000 approximately that have disappeared from the labor market. You do have also a drop in hours, in man-hours per week, and I read that that drop is now to a new low, is it not?

Mr. SHISKIN. I believe so.

Chairman HUMPHREY. In other words, Senator Proxmire, you have indicated that the previous figure was 37 hours per week.

Senator PROXMIRE. We never in all American history had the average workweek less than 37 hours in any year until 1974.

Chairman HUMPHREY. Now, it is down to 36.

Mr. SHISKIN. I always use that total figure on hours worked in nonagricultural employment with a great deal of caution because there has been such a change in mix. A lot of the decline in hours in nonagricultural employment has arisen because of the increase in

the number of part-time workers in retail trade, wholsale, and services. That is not a meaningful figure.

Let me amend that statement: It is a meaningful figure for some purposes because it is the real amount of hours that have been worked. If you are trying to interpret it and say it is lower than in another period, you have to bear in mind that a lot of part-time workers have come into the labor force. There are two reasons why economists like me prefer to use manufacturing hours: (1) is that the mix has been relatively stable; (2) it is a very volatile industry, a very sensitive industry. Hours there have dropped to a very low level.

Senator Humphrey, to come back again to the basic point. While, naturally, we have to review all these figures carefully, study them and criticize them in our minds and question them each month, the fact remains that we are in a very serious recession.

Chairman HUMPHREY. Yes; I think that is the point that we need to maintain here without wanting it to be sustained. The fact is that we are in a very serious recession. I tend to agree with you that some of the patterns of the past have showed it as a recession. It was very deep. There was also a chance for a rather good recovery, a more timely recovery. I hope that is the case.

We are interested in all the projections that we have had with the inflation problem that we have to deal with now, which is unique, plus the recession that your treatment of the dual situation is so much more complicated. It is a very complicated matter.

Mr. SHISKIN. I could not agree with you more, Senator.

Chairman HUMPHREY. The March 3 Wall Street Journal claimed —and I quote now—"The unemployment rate for January was pulled up to 8.2 percent, largely because of joblessness of teenagers and adult women." Furthermore, the article said, "Part of the January rise in unemployment reflected new workers who merely went into the jobless numbers."

Yet, in the release of the Bureau of Labor Statistics, you said that since August the job loss accounted for 80 percent of the overall increase in unemployment. In other words, there were layoffs.

Mr. SHISKIN. We call that category the job losers.

Chairman HUMPHREY. Am I not correct, therefore, Mr. Shiskin, that any increase in unemployment of which 80 percent can be explained by layoffs is a serious one?

Mr. SHISKIN. It certainly is.

Chairman HUMPHREY. Are not the implications for output, income, and consumption roughly the same regardless of the laid-off worker's age or sex?

Mr. SHISKIN. I would say no, I would not agree with that. It seems to me that the implications for output is that the job losers are more important than other categories because in recent months they have lost jobs, for the most part, in major heavy industries. They are the ones who have occupied very important jobs in durable goods industries.

Chairman HUMPHREY. In a sense the job losers are the ones that have a more serious impact on output?

Mr. SHISKIN. I think that I alluded to this point last time, but let me try to make the same point again in another way. If you look

at the figures on hourly earnings, you can see this point again. We have two figures on hourly earnings. One is the figure that just emerges by straightforward calculations based on payrolls, number of employees, and hours worked.

Then we make another calculation which includes an adjustment for interindustry shifts. The industry composition is assumed to be the same. The figures that are adjusted for interindustry shifts show average hourly earnings to be higher than the ones that are not adjusted.

That means that the impact of this recession has been greater on people who earn more money.

Chairman HUMPHREY. Yes; on the higher income workers?

Mr. SHISKIN. Right.

Chairman HUMPHREY. I have no further questions.

I want to thank you, Mr. Shiskin. I must go to another appointment. I do appreciate your coming here to discuss these matters with us. Senator Proxmire will continue.

Mr. SHISKIN. Thank you.

Senator PROXMIRE [presiding]. I would like to get back to the weekly hours of work. I think that is significant for several reasons, not only showing how limited demand is, but also showing how far we are from utilizing our capacity adequately, not only capacity of our plants, but our work force capacity.

One thing that unemployment measures, of course, is the failure of the economy to demand the work from people who make that work available, and to the extent that people work shorter hours, that is a further refinement. I noticed, and you probably suggested that we look at the ingredients of hours that were worked. In manufacturing it is lower than it has been at any time, on the table that I have here, economic indicators that may have been that low in the Depression. I do not know when it was as low as it is here, and that went down of course, and manufacturing according to what you have given us rather sharply. It went down from 39.2 preliminary to 38.2, so that is a sharp drop.

Manufacturing overtime declined. Contract construction—it went down in February, and I presume you do not have figures on that—but I presume since the overall figure is down that that is more likely to have dropped than have gone up.

Retail trade hours worked went down, so it is consistent, and by taking the overall figure it seems to me that I am not exaggerating the situation or taking a figure that is not meaningful. Sure, there have been changes. There is a long-term change in the way people work, I presume, but even allowing for that, it is clear that this is another index of the weakness of the economy.

Let me ask you about the dispersion.

Mr. SHISKIN. Let me make another observation on hours worked. Of course, you recall from our earlier conversation that I spent a lot of my professional life working at the National Bureau of Economic Research, on leading economic indicators. Hours worked in manufacturing is one of the leading indicators. It ranks with new orders and stock prices as one of the best leading indicators.

Senator PROXMIRE. By leading indicators, you mean the kind of indicator, as it goes up, it indicates people are more likely to be

hired. As it goes down, we are likely to have more unemployment, more people laid off?

Mr. SHISKIN. Yes; so what you would normally expect before production and employment rises, is a rise in hours worked and in the level of new orders for durable goods. The series on hours worked has not yet turned around, nor has new orders.

Senator PROXMIRE. You gave us some valuable information on the dispersion of this recession.

Mr. SHISKIN. Yes.

Senator PROXMIRE. How it is not concentrated in automobiles, housing, and one or two other industries, but goes right across the board in virtually every industry we have. You report to us that, as I recall, in December, 75 percent of the industries suffered a decline in employment. In January it was, 85 percent. Do you have any figures now for February?

Mr. SHISKIN. Yes; we have them in the release now. If you have a copy of the release, Senator, I will direct you to them. I believe it is the last table. Yes it is the last table, table B–6.[1]

You will recall from other conversations that this survey, the establishment survey on employment, earnings, and hours is closed out each month with incomplete returns in order to get an early figure. We later revise it when we get later returns. So these figures bounce around a little, because of the revisions. Do you have that table?

Senator PROXMIRE. It is a tough figure. It is a tough table. It is hard to understand.

Mr. SHISKIN. Perhaps I can figure out a better way to add it up. Let us look at table B–6, the first column, which shows the time series from 1972—a monthly series to February 1975. In this first column we measure those changes month to month, so we describe what happened between January and February 1975.

What happened is that 79 percent of the industries declined. Now, the other columns show what happens if you make calculations over longer periods of time instead of on a month-to-month basis. The monthly series tends to give erratic results; the calculations over 3-, 6-, 9-, and 12-month spans tend to be smoother.

Nevertheless, when you look at the month-to-month changes, which tend to be erratic, what you see is that for 4 months in a row, about 80 percent of the industries had declines in employment.

Senator PROXMIRE. Fascinating; very interesting. If you compare that with the previous figure in October, for instance, less than 60 percent had a decline, so it is a sudden, very sharp increase, and it has maintained that very high rate of fall, around 20 percent for 4 consecutive months.

Mr. SHISKIN. You will recall we made up this index in response to questions you raised about the impact of the oil embargo on the economy. Then, only industries heavily dependent on oil were declining—about 50 percent of all industries. Now, we have 80 percent of all industries declining.

This recession has had a much greater impact on the economy than the oil embargo.

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[1] See table B–6, p. 623.

Senator PROXMIRE. The significance here is the decline comes on top of a very low level of utilization of manpower. What I am getting at, perhaps I misinterpret these figures, the decline is what, from the same month a year ago, or the decline from the preceding month?

Mr. SHISKIN. Month to month.

Senator PROXMIRE. The first column.

Mr. SHISKIN. In the first column we are comparing February 1975, to January 1975.

Senator PROXMIRE. In January 1975, it was the period in which employment was low, and unemployment was high in 80 percent of the industries. It got even worse in February.

Mr. SHISKIN. What you are saying is this table indicates that things have been getting progressively worse. That is correct.

Senator PROXMIRE. You indicated some recovery, some reduced unemployment in the automobile industry. Could that be because of of the rebate program which may be temporary, can you tell?

Mr. SHISKIN. I do not know. When you get unemployment rates of, say, 24 or 25 percent and they adjust to 20 percent, it is hard to say whether that adjustment is significant. I would say there was a slight improvement in the automobile industry in February.

Senator PROXMIRE. The improvement in the automobile industry must have been offset by a deterioration somewhere else?

Mr. SHISKIN. That is correct.

Senator PROXMIRE. Can you indicate where that took place?

Mr. SHISKIN. Eighty percent of the industries are declining.

Senator PROXMIRE. Are there one or two industries where it is particularly marked?

Mr. SHISKIN. Yes; in the other table, we gave a list of high unemployment rates in various industries.

Senator PROXMIRE. That compares February 1975, with February 1974.

Mr. SHISKIN. Yes.

Senator PROXMIRE. The deterioration of the last month?

Mr. SHISKIN. I do not have that. Hopefully, next time I will. I do not today.

Senator PROXMIRE. You also have a breakdown on what happened to individual categories of workers, teenagers, blacks, adult men, and so forth. It seems that it is fairly stable. The one big area where we had a substantial increase, or what appears to be a substantial increase is the adult man.

Mr. SHISKIN. Also, married men, household heads, and job losers. But these are mostly adult men.

Senator PROXMIRE. It looks like February was bad news for the principal breadwinners in the family. Are those figures statistically significant, or was it the same?

Mr. SHISKIN. When you have a rise in the unemployment rate for household heads, for married men with spouses present, job losers. adult men, I would say that is significant whatever the statistical ratio shows, Senator.

Mr. WETZEL. The statistical ratio is also significant.

Senator PROXMIRE. What?

Mr. WETZEL. It meets the tests of economic significance and statistical significance.

Senator PROXMIRE. What can you tell us about the various regions of the country? I heard, for example, that the South, which had done rather well, some reports indicate it is not doing very well.

Mr. SHISKIN. We still do not have anything on that. We are struggling, as you know with our program on local area unemployment statistics so we can get some regional data. We just have not been able to make any progress. We have a new program underway for which we now have the funds from the Manpower Administration to expand the CPS sample from 47,000 households to 60,000. That would yield us by the end of this year reasonably accurate data for every State in the United States. We do not have it today.

Senator PROXMIRE. Mr. Shiskin, again I am not going to ask you to take a policy position or to make forecasts of specific figures, but there has been an assumption on the part of almost everybody, whether they are in the administration or out of the administration that unemployment is likely to increase. The assumption has been that it will increase to perhaps 9 percent. Some people say it may go to 10 percent.

Is there anything in the figures today that show some stability to indicate unemployment may be bottoming out, and unemployment may decline?

Mr. SHISKIN. Senator, let me answer that question this way. It is a very important question. I am very glad to have an opportunity to make some observations about it.

We are reaching levels of recession, levels of unemployment that we are not familiar with. I think that economists and policy people like you have to be extremely cautious in applying past patterns to periods like this. Perhaps what will keep happening, if the recession does get worse, is that the unemployment rate will go up, but other things could happen, too.

For example, the unemployment rate may be stable or even go down, but the number of discouraged workers may rise sharply. What I am saying is in a situation like this, we have to look for different patterns; we have to be watchful to discern patterns of behavior, responses to the economic situation that are different from responses in the past.

What I think we have to be doing in the next few months as well as looking at the unemployment rate is looking at participation rates and other types of statistics we put out that are similar to those. So what I am saying is I really do not think that that question—whether the unemployment rate is bottoming out—is necessarily the right question to be addressing ourselves to in appraising the current unemployment situation.

Senator PROXMIRE. It is to get an understanding of what is going to happen. We may have unemployment stabilize, what you are saying, as I understand it, at 8.2 percent. At the same time, the economic situation could deteriorate rather seriously. People get discouraged; they no longer seek work. The number of discouraged increases; production continues to drop; incomes decline, real incomes. It is not reflected in the unemployment figures. It is just as

bad for the economy and just as unfortunate for those people who would like to have work but are discouraged from seeking it.

Mr. SHISKIN. Yes, that is possible, and we have to be careful not to make mechanical interpretations of any of the trends in our familiar statistics.

Senator PROXMIRE. Is there anything that we can get statistically that will give us a better guide now than the unemployment figure we have been using, that everybody relies on to give an indication?

Mr. SHISKIN. You have to use the unemployment figures, but you have to use them in conjunction with participation rates, data on discouraged workers, and other data I cannot think of now.

We must be eternally watchful that either signs of improvement or signs of further difficult are not showing up in other ways.

Senator PROXMIRE. Is there any way that the employment survey could be taken that would give us a prompt notion of the discouraged workers, or any way that we could refine the situation?

Mr. SHISKIN. First of all, the decision to exclude discouraged workers from the unemployment rate I think was a good decision.

Senator PROXMIRE. You think it was a good decision?

Mr. SHISKIN. Yes, I think it was. The reason is it is not an objective measure. We have an objective measure; we ask, are you available for work and have you looked for work during the past 4 weeks; that is objective. It is consistent from month to month. If you think of it in another category—people who are not looking, but say they would like a job—you are never quite sure what you have got. There are a lot of people who may be marginally attached to the labor force. So the number out of work could change drastically from month to month without being significant if we included discouraged workers. So I think we were wise in leaving them out in calculating the unemployment rate. However, we show the number of discouraged workers separately, so everyone can see how many people report in this way to us.

However, what we could do to learn more about them, of course, is to expand our subsample to provide better data on discouraged workers every month. At present the sample is so thin, the best we can do is come up with an accurate figure once a quarter. If we expanded the sample, we could come up with one every month.

Senator PROXMIRE. How about State-insured unemployment? Is that an objective figure that would give us a perhaps clearer notion under some circumstances? I notice that you break that down by week. That has gone up steadily—7.2, 7.4, 7.4, 7.6—do you have later figures on that?

Mr. SHISKIN. Yes, we have a little chart we put together each week showing the State-insured unemployed.

Senator PROXMIRE. That would show, as I understand it, the people who are actually getting unemployment compensation and therefore not a matter of a psychological response from somebody who is interviewed at their home, but would be a reflection of what actually happened to those who apply for unemployment compensation.

Mr. SHISKIN. Right. Let me answer your question and add something. The last figure we have on that is 5.9 percent for the CPS

survey week, and that compares with 5.5 percent for the previous survey week.

Senator PROXMIRE. Seasonally adjusted?

Mr. SHISKIN. These are seasonally adjusted. The figures that are put out by the Manpower Administration——

Senator PROXMIRE. The figures that I was reading were raw figures, not seasonally adjusted?

Mr. SHISKIN. The figures that are issued by the Manpower Administration are put out for administrative purposes and are not seasonally adjusted. We seasonally adjust them, and I have a chart here that contains seasonally-adjusted figures. In the latest survey week, the rate was 5.9 percent; the previous week was 6.0 percent. It was 6.0 percent the previous week and 5.5 percent the previous CPS survey week. There are statistics on that.

In terms of the significance of the concept, the closest analog that we have in the CPS is the job loser series.

Senator PROXMIRE. People who are laid off?

Mr. SHISKIN. Yes.

Senator PROXMIRE. What was the performance of that in the last month?

Mr. SHISKIN. It went up. Mr. Wetzel tells me that the rise is statistically significant, and I say it is also economically significant.

Senator PROXMIRE. How much did it go up?

Mr. SHISKIN. Two-tenths.

Senator PROXMIRE. From what to what?

Mr. SHISKIN. Let me look at the release.

Senator PROXMIRE. Again, I will not say it is a better figure, but it is a precise statistical figure determined on the basis of people who are actually laid off, and not on the basis of who said they were looking for work.

Mr. SHISKIN. These are people who are laid off. Job losers rose from 4.2 to 4.4 percent.

Senator PROXMIRE. If I may, I have some questions, I wrote you a letter, I do not know if you had a chance to look into it?

Mr. SHISKIN. Most of my time in the last week has been spent answering your letters, Senator Proxmire.

Senator PROXMIRE. This was the letter questioning the inflation statistics. It was based upon a very interesting analysis that I submitted to you indicating that the inflation statistics were very partial and arbitrary and limited. If they were more comprehensive, they might show a different picture. Did you have a chance to look at it?

Mr. SHISKIN. I certainly did and I answered your letter.

Senator PROXMIRE. For the record, would you tell me what your response is to that? That was a criticism by a very able person, Sylvia Porter.

Mr. SHISKIN. That was a very interesting column she wrote. I have a copy of my response here. I will not read it. It is a long letter.

Miss Porter makes two points. To begin with, she criticizes the use of sampling in the CPI. She questions the use of sampling insofar as it applies to prices of commodities. In effect she says, look at all these important things you leave out. I think she is wrong on

that. We can use sampling in pricing commodities just as we can use sampling in the unemployment survey, in the employment survey and in retail sales. The usefulness of sampling in all these areas can be demonstrated. We know what the sampling error is, so I do not think she is right on that point.

The second point that she makes I think is a much more serious and important point. In effect she says our sampling frame of commodities is out of date. She refers to the 1960–61 survey as the sampling frame. That is true. While we try to keep our sample up to date by bringing in new products when we learn about them, we cannot do a very good job without a very comprehensive survey.

I have two examples in my letter to you of cases which were not in our sampling frame, but are important today. One is microwave ovens, and the other electronic calculators. They were not in existence in 1960–61, at least at the present level. That means they did not have a chance to get selected in our probability sample, so in that respect she has a correct point.

And what our answer to that Senator, Proxmire, is what I have been proposing to the committee of Congress as well as the administration—that we abandon the decennial method of updating the CPI and go to an ongoing quarterly survey. Instead of updating the CPI once every 10 years with a massive program we should have a small program every quarter. We could then come out with results very quickly after the end of each year, and the second point that Miss Porter mentions could be overcome.

Senator PROXMIRE. Do you think that that out-of-date factor would affect the accuracy or appropriateness of your statistics on inflation?

Mr. SHISKIN. We do not know.

Senator PROXMIRE. Understating or overstating inflation?

Mr. SHISKIN. We will not know until we come out with a new series. If we knew that, we would not have to do the updating at all. It is because the patterns of consumption change, the commodities that come into the market change, and new types of retail stores emerge, that we have to update the CPI program.

Senator PROXMIRE. I want to study your letter. I am not sure you are right. You may well be right on the sampling situation. I would like to look at it.

[The letter and newspaper article referred to follow:]

MARCH 4, 1975.

HON. WILLIAM PROXMIRE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PROXMIRE: I am responding to your letter of February 13 concerning Sylvia Porter's recent column on the Consumer Price Index (CPI).

Ms. Porter's column, entitled "Index Omissions Give False Picture," notes that many goods and services, which she believes represent a substantial expenditure by today's families, are not priced in the CPI. She infers that the effect of these exclusions is to understate the rate of change in the CPI.

There are actually two major, and separable, points of criticism made in the column. First, criticism is leveled at the ability of sampling techniques, as they are applied to prices, to produce reliable estimates of what is actually happening. Use of sampling techniques will produce reliable estimates of a larger universe of activity in the case of consumer prices as in other cases.

When a sample of items is selected, with known probability of selection, estimates of price movement of all items can be produced and estimates of sampling error can be published (for the CPI as a whole, the sampling error indicates that the chances are 95 out of 100 the true price change does not differ from the sample estimate by more than 0.1 percent).

The advantages of utilizing a sample rather than trying to cover the full universe are well known: costs are lower, the burden on respondents is reduced, and more attention can be given to training of interviewers and checking their reports to insure high-quality data. Hence, it is not necessary or desirable to price every item in the market place to produce reliable measures of changes in price paid by the consumer.

For example, one of the items specifically cited as an important omission from the sample is "pasta." This item—which by the way is not represented by canned spaghetti as Ms. Porter states—is part of the cereal and grain products group in the CPI. This group is represented by a sample of 4 items—corn flakes, rice, flour and cracker meal—which were selected by probability methods to represent price movement of this category. From a statistical viewpoint, it is important to have a sample of items to represent the category, and it is important that they be selected by objective probability methods, not "judgments," made on the basis of personal experience. If too few items are selected, this will show up as a larger sampling error, which we can measure. With probability methods, each item had the appropriate chance to be selected; therefore, it cannot be argued that the "wrong" item was selected.

The BLS now uses probability sampling techniques in all its new or revised programs. In the CPI, selection of items for pricing using probability techniques was introduced in 1964 and we are planning the use of improved probability methods in the current revision.

The second issue Ms. Porter raises is much more serious ,and one which I have discussed at several hearings before Congressional committees, namely, how frequently the CPI sample should be updated. In evaluating this issue, however, it is necessary to maintain a distinction between the items that are not in the current sample simply as a result of the selection procedure and those items which are not included but which would be if the sample were of more recent vintage. To illustrate, let us assume that BLS could today pick a new item sample, of about the same size as the sample presently in use, from the results of the 1972-73 Survey of Consumer Expenditures. The new sample might include electronic calculators and microwave ovens; consumers did not buy these in 1960—times have changed. However, I am confident that the list of items not selected would still include many which Ms. Porter would miss—it is still a sample. Nevertheless, I am sure we would have a sample of items which would yield accurate estimates for the price categories we publish.

The effect that a more timely revision would have on the behavior of the index—whether it would rise faster or slower with an updated market basket—is open to speculation and will continue to be until there is empirical evidence. However, there are reasons to believe that spending patterns have changed in some areas—expenditures in energy, for example—in an important way and that is part of the reason why a comprehensive revision of the index is under way.

As you know, the current item sample is based on 1960-61 relationships. By the time the revised CPI is operational in 1977, a period of 13 years will have elapsed between major overhauls of the index. In fact, by the time it is introduced it will be several years out of date. The index market basket should not be changed every year or two, since we are measuring the change in the price of a fixed market basket. At the same time, it should not be fixed for so long a period that it no longer represents goods and services currently bought or the way Americans spend their incomes.

As I have stated previously, I believe we should shift away from large-scale decennial CPI revision programs to smaller and more timely programs based upon quarterly sample surveys. An ongoing quarterly Consumer Expenditure Survey, for which we have planning funds in FY 1975, would provide greater flexibility in the process of keeping the CPI up to date. The ongoing CES would also have the advantage that numerous analytical studies could be made on a current basis. These could, for example, include prompt information to

analyze the effects of a rise in fuel prices upon spending patterns, and the effects of a tax rebate on spending and savings. Further, a continuing CES could, after a break-in period, be tabulated rapidly, so that shifts in spending patterns and market baskets could be analyzed promptly, and introduced into the index more quickly when the decision is made that such changes are necessary. We estimate that the costs of this alternative program would be roughly the same as the costs of the present decennial program over a 10-year period.

Decisions on the future updating of the CPI and an ongoing quarterly CES will, of course, depend in the end upon Congressional and Administration priorities for these programs relative to other program objectives. We are hopeful that the means will be found to allow BLS to move ahead to an operating quarterly expenditures survey in the latter part of FY 1977.

If I can be of further assistance, please let me know.

Sincerely yours,

JULIUS SHISKIN, *Commissioner.*

YOUR MONEY'S WORTH

INDEX OMISSIONS GIVE FALSE PICTURE

(By Sylvia Porter)

Item: In the Consumer Price Index—the closest measure we have of fluctuations in our living costs across-the-board and probably the most important single index the U.S. government publishes—the only cosmetic product priced is pressed face powder. Fluctuations in this one product are supposed to reflect price change in shampoo, suntan lotion, other makeup, on which we spend billions of dollars a year. Omitted from the "personal care" category are hair dryers, water picks and sanitary supplies.

Item: To represent all the small appliances in the home on which we also spend billions a year are carpet sweepers! Not priced are such far more important products as toasters, blenders, rotisseries, irons, electric frying pans.

Item: Among foods, "pasta" is represented by a can of spaghetti—that's all. Not included are any of the dry pastas crowding supermarket shelves today. Also not included among foods are imported cheeses, peanut butter, meat extenders, snacks, frozen TV dinners, tonic and other mixers, bottled water, diet beverages, cat food, organic foods, artificial sweetners, dessert mixes, spices, sauces or condiments (except salad dressing).

Not since 1961-62—a full 13 years ago—has the official "marketbasket" of the Bureau of Labor Statistics through which we trace changes in our cost of living been updated. The 396 different types of goods and services chosen to represent the then-current spending patterns of U.S. city families are now startling out-of-date. With the incomes of an estimated one-half of the U.S. population already tied or soon to be pegged to this one index, a reconstruction of the marketbasket is imperative.

This reconstruction is now underway—and it tells the fascinating tale of how much our spending patterns have changed over the years. To suggest a few astounding omissions:

Despite the fantastic explosion in the whole field of "convenience" foods, the only prepared foods in today's index are canned bean and chicken soups, spaghetti and tomato sauce, instant mashed and frozen french-fried potatoes, baby food, sweet pickle relish and pretzels.

Vodka is not even counted among alcoholic beverages, although vodka sales have soared 320 per cent in the past 15 years and vodka is now running neck and neck with bourbon as the top selling alcoholic drink.

Conspicuously omitted from the list of household supplies and services are heavy duty cleaners, floor wax, baggies and aluminum foil, most of today's home plastic products, diaper service, landscaping and home security products and services.

Of course hopsital care is counted and priced—but among major factors in today's zooming health care costs not priced by the index are emergency room care, nursing home care, convalescent care. Not included among outpatient medical laboratory tests are Pap smears, electrocardiograms, chest x-rays and

blood tests. In today's CPI index, a "routine urinalysis" speaks for a long list of costly lab tests, now also routine to millions.

To represent the category of 'postage, stationery, school and office supplies," an adding machine is priced. Ignored are products ranging from ballpoint pens to typewriters, copying services and minicalculators.

So it goes. As I went down the 396 goods and services supposed to chart our cost of living. I couldn't help noticing how many items you might consider commonplace or next to commonplace are not included—luggage, stereo sets or phonographs, tape decks, musical instruments, auto rental, sewing machines, home study courses. And among astonishing omissions: mobile homes, boats, motorcycles.

Nor could I miss how drastically underplayed are the phenomenal booms we have been experiencing in leisure time, travel and education, do-it-yourself, convenience products, pet ownership. The new CPI, reflecting the "market-basket" of our times and tracing new trends of the 1970s, won't be ready until spring, 1977. The world we live in—according to statistics charting our cost of living—won't be ours at all. It will be the early 1967s, an era that well may seem ancient history to you. P.S. You can do your own guessing as to whether the updating will accelerate or decelerate our living cost rise. The authorities won't say—but it's not too tough to guess. Try.

Senator PROXMIRE. There is one other area I wrote you about, the fact that the Wall Street Journal reports that you have three philosophers in your Department, to talk to computers, and it takes someone with a philosophical background, education and technique to talk to computers. They can find out all kinds of interesting fascinating information.

Would you submit for the committee, because I think it might be very useful to the members of this committee, 8 or 10 kinds of economic problems that the experts might be able to help us with by getting data from computers, if we simply understood it. I would like to talk to a computer and ask the computer some questions, but I am not a philosopher. I have not had the experience with that. We have this marvelous new technology, and apparently they give us some exciting answers, according to the Wall Street Journal story. I think we ought to be able to use it.

I did not mean to criticize you for hiring philosophers.

Mr. SHISKIN. I am very proud of the philosophers at BLS, Senator. I did not know very much about this matter until I got your letter and looked into it. I was not only relieved, but very pleased at the good answers I got. These three philosophers are people who have majored in philosophy; two are Ph. D.'s, and one is working on a dissertation for a Ph. D. All three of them have worked in that branch of philosophy that concerns languages and communications.

That group of people—they are three of a group—has written a new computer language which we call table producing language. It is a special computer language written expressly for the purpose of going to a very large file of data and extracting information that is automatically turned into a table. It is called the TPL, table producing language, and these philosophers were specially prepared for that assignment by virtue of their experience and studies of communications and language. It is really fascinating.

By the way, I think, although I guess they will read this and come in for a raise, we got a great bargain. Two are grade 9's; one is a grade 12.

Senator PROXMIRE. I noticed their compensation is relatively modest, and they get $9,000, $10,000, $11,000.

Mr. SHISKIN. That group has written this language. The language now is in very widespread use. What we now can do because we have this computer language is very economically go to a tremendous file of data with a simple set of instructions, and produce a table. My staff tells me I could fill in these instruction sheets. You do not have to be a computer expert.

What comes out is a finished table that can go right to the printer for reproduction.

Senator PROXMIRE. What I am asking, 8 or 10 whatever you would like to give me, examples of how this has been done, how they ask the questions, the table they have gotten, any suggestions you can make on how they use this.

Mr. SHISKIN. I sent examples to you.

Senator PROXMIRE. I have not gotten it yet.

Mr. SHISKIN. I am sure it has been received; I had this material hand delivered to your office. You can start off with something like this that sounds awful, but when we got into this one, I concluded it is terrific. What I offered to do, Senator—I hope you will take me up on this—if you or your staff will assemble appropriate people in the Congress, we will have a briefing and show Congress various congressional staffs, how they, too, can make use of this program.

Senator PROXMIRE. I think we can do that. If we could have two or three examples it would be useful.

Mr. SHISKIN. They are there.

Senator PROXMIRE. Once we have it, we can get people to attend.

Mr. SHISKIN. I have provided them for you, Senator. This is a big bargain that we have. I think the people who have developed that deserve a lot of credit. It is innovative. It is economical, and it is going to enable us to do things we never could do before on the same time and cost scale.

[The information referred to follows:]

U.S. SENATE,
Washington, D.C., February 21, 1975.

Hon. JULIUS SHISKIN,
Commissioner of Labor Statistics,
Department of Labor,
Washington, D.C.

DEAR JULIUS: I'm enclosing an article by Barry Newman of the *Wall Street Journal* which contends that there are three "philosophers" working in the Division of General Systems, Office of Systems and Standards, Office of Statistical Operations and Processing, Bureau of Labor Statistics, United States Department of Labor.

The article says that they are writing a new language for computers that will enable social scientists in the Bureau of Labor Statistics to turn out quick and easy tables comparing things like the income of potato peelers in Paducah with the income of shoeshiners in Sheboygan.

Would you tell me how much this operation costs the Federal Government including the salaries of the persons involved who are identified as John Sinks, Stephen Weiss and Roxanna Kamen. Also any other expenses involved in this operation and what benefits for the bureau, for the government and for the taxpayer have been derived from their work and can be expected to be derived in the near future.

Sincerely,

WILLIAM PROXMIRE, U.S.S.

Enclosure.

PHILOSOPHERS PONDER A PRACTICAL PROBLEM: THEIR LACK OF JOBS—THEIR IVORY TOWERS SHAKEN BY ECONOMY, SOME BECOME CABBIES OR COMMODITY MEN

(By Barry Newman, *Staff Reporter of* The Wall Street Journal)

"Philosophy teaches us to speak with the appearance of truth on all things, and causes us to be admired by the less learned."

—Descartes, Discourse on Method, 1637

WASHINGTON—A journey into deepest bureaucracy: Through the revolving doors of the Brobdingnagian government office block, along wide, windowless corridors, into a labyrinth of gray-metal partitions to a remote cluster of cubicles called the Division of General Services, Office of Systems and Standards, Office of Statistical Operations and Processing, Bureau of Labor Statistics, United States Department of Labor.

This is where John Sinks, Stephen Weiss and Roxanna Kamen labor at their gray desks over ominous stacks of computer printouts covered with ciphers that are barely discernible in the dim fluorescence.

Who are they? Why are they here? Is there any meaning in their lives?

Well, actually, the existential questions are only partly appropriate. These toilers in the bowels of bureaucracy aren't automations. They are philosophers, working for the government.

As you might suspect, the federal government doesn't employ philosophers in large numbers. Yet these three have found a niche back here in the Division of General Systems, etc. What is their purpose in life? Putting it simply, they are writing a new language for computers that will enable social scientists in the Bureau of Labor Statistics to turn out quick and easy tables comparing things like the income of potato peelers in Paducah with the income of shoeshiners in Sheboygan.

"All the user has to do is tell the computer what he wants and out pops his table," Stephen Weiss says.

HOW THE CRYING NEED DEVELOPED

Fitting philosophy to such mundane matters has hardly been a traditional concern of philosophical thinkers, many of whom seem to prefer pondering such pressing questions as whether God can make a rock bigger than He (or She) can carry. The great majority of philosophers in this country have cozy jobs in academia. They teach philosophy to students who go on to teach philosophy to other students, and so forth. A crying need hasn't developed to put all that philosophizing to pragmatic use—until lately, that is.

Dislocations in the academic job market have shaken hundreds of philosophers out of their ivory towers and landed them in the middle of a very imperfect world. The American Philosophical Association says about 500 philosophers have recently lost their teaching jobs. Another 2,000 recent doctoral graduates can't find their first academic appointment. They are all competing for just 200 university openings in the country.

Thus, large numbers of out-of-work philosophers are floating around. But what does an out-of-work philosopher do? Open a philosophy store? Climb a mountain in Nepal and contemplate until the recessino blows over? It isn't a philosophical question for the Philosophical Association, which has been watching numerous philosophers abandon the profession for alternative pursuits—like driving a cab. "We just recognized that, dammit, this can't go on," says Norman Bowie, who runs the association's placement operation.

TRAINED THINKERS

So the association is starting a campaign to create jobs for philosophers in government and also in business and in industry. The number with jobs like those of the three philosophers in the Bureau of Labor Statistics is minuscule, but Prof. Bowie is certain there is room for philosophers in all kinds of situations. They are trained thinkers, he says, who can help solve problems involving anything from reverse discrimination to the definition of death.

"If you ask a philosopher what he studies, he'll tell you there isn't any stuff he really studies," Prof. Bowie says. With a little supplemental training, Prof. Bowie's reasoning goes, philosophers ought to be qualified for any job in general because they aren't qualified for any job in particular.

The position may be better expressed in this disquisition by Michael Novak, the philosopher-theologian: "The philosopher is a professional question asker, a shaker of foundations. He is a true believer in no single method of inquiry; he is obliged to accept no single perspective. . . . It is at least one role of the philosopher to be a danger to specialists: to point out when the expert is naked. Such amateurishness as his requires the greatest professional skill."

Telling this to a businessman who is busy laying off production workers is going to be quite a feat, but the Philosophical Association is determined to give it a try. The first task, though, is to enlighten the innocent ranks of unemployed philosophers to the rude ways of business and government.

This has fallen to Vincent Vaccaro, another philosopher who has found refuge from the bread line in the deep folds of the government bureaucracy. Mr. Vaccaro works for the Navy. His title is employe development specialist in the Civilian Personnel Office of the Naval Supply Systems Command, and he says a lot of what he does, especially the position papers he writes, has to do with philosophy. "It's very nebulous," he says. "This is why philosophers are good at it."

With Mike Davis, another philosopher working for the Navy, Mr. Vaccaro is writing a primer for philosophers on the job hunt. It tends to be a little elementary.

"Where do I look?" the guide asks. The answer: "The most convenient place to begin is the classified ad section of the newspaper." At interviews, the guide instructs, "A simple but often ignored rule is to *dress neatly.*"

Interviews might be taken slightly aback when a philosopher strolls in looking for work. "Be prepared to explain why you majored in philosophy," the guide warns. "In answering, try not to be too philosophical."

The few philosophers who have gathered the courage to try for jobs in the real world haven't found prospective employers fabulously impressed by their philosophical credentials. John Sinks, who works at the Bureau of Labor Statistics, says he was practically laughed out the door at other government offices, including the Central Intelliegnce Agency. Stephen Weiss, who works with Mr. Sinks, got similar receptions at several companies. "There were jobs I could do," he says, "but industry just didn't realize it."

Which isn't too surprising, considering that Mr. Weiss's major qualification —his doctorate—dealt with "the problem of vaguesness." He succeeded in becoming the first man to solve the ancient Greek paradox of "The Heap" by proving that if you have a bowl with "a lot" of nuts in it and you take away one nut at time, you will eventually arrive at a point where you no longer have "a lot" of nuts. The utility of this discovery might be lost on someone looking for hands to help run a steel mill.

Nevertheless, Mr. Sinks and Mr. Weiss did eventually find jobs outside the academic cocoon, and so have a few others. John Blyth, for example, taught philosophy at Hamilton College in New York State for 26 years. He now has left of his own accord and become a successful management consultant, using his background to fashion such things as "decision tables" that tell insurance salesmen what sort of will a customer should have. A number of philosophers have been hired by computer companies to help design their machines. International Business Machines Corp. says it has several but won't allow any interviews because that would be an invasion of employe privacy (a position that might be opened to philosophical analysis).

It is especially rare for a philosopher to ply his trade with the title "Philosopher" on his office door. Peter Brown is one of the rare ones. Mr. Brown, who is 35 years old, divides his time between the Academy for Contemporary Problems of the Battelle Memorial Institute and the Urban Institute, two think tanks across the street from each other here in Washington.

His work is distinguished from that of university philosophers on two counts. First, he operates in the realm of public policy where decisions have to be made—and soon. Second, he doesn't spend his time debating with other philosophers: He makes his conclusions known to the people who make policy.

Alas, most philosophers compelled to store their academic gowns in mothballs aren't as fortunate as Peter Brown. The best they can do is accept their lot and try to be rational about it, in the best Platonic style. Take Ken Tolmachoff,

who is 36 years old and has a job as a market analyst in the Market and Technical Services Division, Office of Stockpile Disposal, General Services Administration. He spent eight years in the Marines, 18 months in the Passionist Fathers' monastery in St. Paul, Kan., dropped out to get his doctorate in political philosophy, and now is "a commodities man."

MARCH 4, 1975.

HON. WILLIAM PROXMIRE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PROXMIRE: This is in response to your letter of February 21.

I am very pleased to advise you that the BLS has developed and is improving a powerful new computer language to enable our staff to turn out tables more inexpensively and more promptly than the traditional computer languages allow. It is called *T*able *P*roducing *L*anguage (TPL).

The traditional languages are COBOL (*C*ommon *B*usiness *O*riented *L*anguage) and FORTRAM (*For*mula *Tran*slation). These languages have general application in the sense that they are used to solve a wide spectrum of problems in business and science, problems ranging from accounting, inventory, and production to weather forecasting and getting men to the moon. Partly because they are general purpose, they require the user to instruct the computer, step by step, on how to solve the problem being presented to it. This approach requires that the user know how computers work, and most users outside the computer sciences do not acquire this knowledge without some extra effort. In addition, these languages require that each task by dealt with almost as if it were without precedent. In any case, we formerly had to write a new computer program for each new table, a fairly expensive and restrictive requirement.

The BLS *T*able *P*roducing *L*anguage has limited application—it can only prepare tables, nothing else. On the other hand, this narrow focus has allowed us to embody in it several advantages over the better known traditional languages.

First, the TPL system already knows what a table is and how to generate one. It only needs to be told the particulars about the one wanted. Thus, when the user describes the table he wants with the *T*able *P*roducing *L*anguage, he is relieved of the tedious and time-consuming effort otherwise involved in telling the computer, step by step, how to make the calculations and to lay out the table framework. Second, this approach has severed the connection between the user and the computer. The user need not be familiar with how the computer works. Moreover, it allows our social scientists to use everyday local BLS language to describe the tables. In short, TPL has reduced our burden, speeded up our work, and increased our capacity to respond.

The TPL belongs to an emerging class of languages which the computer people call very high level, problem-oriented—very high level because they are disengaged from the computer, and problm-oriented because they deal with narrow problems. There are other examples. Early efforts for structural engineers created computer programs called STRUDL and STRESS to help them solve problems of structure and stress in building bridges, for instance.

Why have we paid so much attention to tables? BLS is a major source of publications in the Federal Government—many reports, pamphlets, bulletins, journals, and so forth. Most of what we have printed for us is not text. By far, the largest proportion is statistical tables. But what you see is only the tip of the iceberg. Behind each published table there are other tables, used by our survey statisticians to help them vouch for the accuracy of the published results of our survey, so important in measuring the state of our complex economy. Finally, many Bureau economists, demographers, and other social scientists rely on tabulating portions of our extensive data base to gain new insights into the conditions of the economy. The form of these tabulations is not predictable because the analyst typically engages in an interactive process —study on one table leads to new questions, which require different tables, which generate new questions, and so on till the analyst is satisfied.

These were the powerful forces pressing us to find better, less costly, more responsive ways to generate statistical tables. Except for other national statistical agencies, I do not see any other institutions or enterprises generating tables on so great a scale and thus have so compelling a set of reasons to do

the job; and, in the end, I suppose that is why it was done by an agency like BLS.

TPL is in widespread use in the Bureau and we are benefiting greatly. For example, all the tables in our publication titled, "Characteristics of Agreements Covering 1,000 Workers or More." Bulletin 1822 were entirely processed by TPL, from cross-tabulation to composition for photo-offset printing. Another case illustrates TPL as a research tool. By applying it to the Current Population Survey data, various measures of workers welfare were assessed. Some results of this type of research were published in "measuring Annual Earnings of Household Heads in Production Jobs," *Monthly Labor Review*, April 1974, pp. 2–11.

Use of TPL has spread to other parts of the Department. For example, the Employment Standards Administration was commissioned by the Congress to provide tabulated information on the Sheltered Workshop program on relatively short notice. Over 1,000 tables were prepared quickly at considerable cost avoidance.

The Department of Labor's Manpower Administration has recognized TPL as an important new tool for tabulating operating statistics and has installed a copy of TPL in the Manpower Administration Computer Systems Institute (MACSI) in Topeka, Kansas, for distribution to State Employment Security agencies. The first training class for State staff was held at MACSI last week and three members of the Wisconsin Industrial Commission staff were among those attending.

Other Federal agencies are using TPL. One of the earliest was the Council of Economic Advisers whose economists use it for research.

The National Center for Health Statistics acquired a copy almost a year ago and has installed it in their computer facility at Triangle Research Park, North Carolina. The reports we get back indicate that they find it very helpful.

A local private vendor of computer services, Moshman Associates, acquired a copy of TPL to help them with a job they were doing for the National Science Foundation. Their letter testifies that the system "significantly lowered estimated NSF table production costs and was, to a large extent, responsible for an under-budget project completion."

Benefits have already been gained, and as TPL is more extensively used in BLS, the Department of Labor, and other Federal agencies, far greater gains can be expected to accrue.

But, you have asked, at what cost? And, an implied question is, "Why Philosophers?" I am proud to say that we do indeed have the three bright young people identified in *The Wall Street Journal* story and they do have degrees in philosophy (two are Ph.D.s and the other is working on her thesis for a doctorate). They were selected partly because they studied in that branch of philosophy which deals with languages, how they work, their structure, composition and meaning. In addition, the philosophical discipline stresses logical and abstract thought, both very important qualifications for solving computer language problems. We have found this background to be most helpful in building our "language" for communicating our tabulation requirements to a computer. Two, Roxanna Kamen and Stephen E. Weiss, are working for us at GS–9 ($12,841), and the other, John Sinks, is a GS–12 ($18,463).

Their salaries, however, are only part of the total cost of TPL to date, which comes to about $450.000. We have a team of five or six highly trained and motivated staff workign on the design and development of this system, the effort starting almost four years ago.

A direct cost/benefit analysis would require that a job of some significance would have to be done both the old and the new way. This would be costly, and wasteful because a useful analysis can be based on information at hand and can lead to conclusions about the benefits compared to costs.

A primary push to build the TPL system came from the decennial Consumer Expenditure study of the family market basket which provides us with a base for revising the Consumer Price Index. In the past, similar efforts have resulted in printing as many as 18 thick volumes of statistical tables about the way families spend their money. Production of these publications has been slow and costly. This time around, we know we have the tools to move more promptly and we expect to avoid costs on the order of $200,000, compared to former practices.

I believe that the Bureau has developed a computer product that has wide application where statistical tables are concerned. My staff has made it known that the system is available so that the application of government funds in this case can have benefits beyond those accruing to BLS. A forthcoming announcement in the *Statistical Reporter*, published by OMB, will bring it to the attention of other Federal agencies. The January issue of *The Review of Public Data Use*, a journal that enjoys a wide readership among users of statistical data files compiled by government agencies, has an article about TPL prepared by Rudolph C. Mendelssohn, our Assistant Commissioner for Systems and Standards. He has also prepared a more comprehensive report, entitled "Development and Uses of *T*able *P*roducing *L*anguage," which will be released about the end of March.

All of the BLS top staff is conscious that we must justify and constantly re-evaluate all activities in the Bureau in terms of costs and benefits. We cannot afford to allow projects which are not relevant to the Bureau's mission or not justified by the value of benefits received to continue. I have no hesitation in saying that the TPL program rates high when judged by these standards.

The TPL probably would be helpful in some congressional studies. If the JEC, or any other branch of Congress, would like to learn more about it, I would be glad to make members of the BLS staff available for a briefing.

Sincerely yours,

JULIUS SHISKIN, *Commissioner.*

Senator PROXMIRE. Thank you very, very much, Mr. Shiskin and gentlemen.

The committee stands adjourned.

[Whereupon, at 12:45 p.m., the committee adjourned, subject to the call of the Chair.]

EMPLOYMENT-UNEMPLOYMENT

FRIDAY, APRIL 4, 1975

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

The committee met, pursuant to notice at 11:10 a.m., in room 1202, Dirksen Senate Office Building, Hon. William Proxmire (member of the committee) presiding.

Present: Senator Proxmire and Representative Long.

Also present: Louglin F. McHugh and Courtenay M. Slater, senior economists; Richard F. Kaufman, general counsel; William A. Cox, Jerry J. Jasinowski, L. Douglas Lee, and Carl V. Sears, professional staff members; Michael J. Runde, administrative assistant; and Leslie J. Bander, minority economist.

Senator PROXMIRE. The committee will come to order.

Mr. Commissioner, we welcome you, although the news that you bring us is once again most unfortunate and tragic. We are very grateful to you for coming before us and explaining the significance and the full meaning of these unemployment figures that we now have.

Go right ahead.

STATEMENT OF HON. JULIUS SHISKIN, COMMISSIONER, BUREAU OF LABOR STATISTICS, DEPARTMENT OF LABOR, ACCOMPANIED BY JANET L. NORWOOD, DEPUTY COMMISSIONER, OFFICE OF DATA ANALYSIS; AND JAMES R. WETZEL, ASSISTANT COMMISSIONER, OFFICE OF CURRENT EMPLOYMENT ANALYSIS

Mr. SHISKIN. Mr. Chairman, I have with me Ms. Janet Norwood and Mr. James Wetzel, also Mr. Layng who often accompanies me is out of town. Ms. Norwood is the Deputy Commissioner of the Bureau of Labor Statistics.

I do have a statement which I wish to read.

Senator PROXMIRE. Yes, sir.

Mr. SHISKIN. It is not a very long one but longer than usual, and in preface let me say that I decided to make it a little longer because we have been getting many questions about why the WPI declines aren't immediately reflected in the CPI, so I thought I would take this opportunity today to explain that to the best of our ability.

Senator PROXMIRE. To explain what?

Mr. SHISKIN. Let me try that again. When the CPI came out late last month, we got many questions regarding the differences in the behavior of the WPI and CPI. As you know, the WPI has declined 4 consecutive months and CPI is still rising. We got many questions mostly from the media on why this CPI hasn't responded more promptly to the declines in the WPI. Now in recognition of the great interest in that question——

Senator PROXMIRE. Responded more promptly to the Wholesale Price Index.

Mr. SHISKIN. Yes, in recognition of the great importance of that. Yes, and the——

Senator PROXMIRE. Yes.

Mr. SHISKIN. I have a section here which tries to answer that question.

I want to thank the Joint Economic Committee for providing this opportunity to explain certain features and implications of the comprehensive and complex body of data released at 10 a.m. this morning in our press release, "The Employment Situation."

Now, employment and unemployment; the employment situation continued to worsen in March. The major employment aggregates—man-hours worked and employment, as measured both in the establishment and household surveys—declined again. The total unemployment rate rose to 8.7 percent, compared to the recent October 1973 low of 4.6. The number of persons working part time who would like full-time jobs rose to 3.9 million compared with 2.4 million in October 1973. The number of persons unemployed 15 weeks or longer has now reached the 2 million mark, and the number unemployed 27 weeks or longer is almost three-quarters of a million. The number of persons no longer seeking jobs because of discouragment exceeded 1 million for the first time since this series was started in 1967 and has increased by more than 450,000, or 73 percent over the past 6 months. Thus the unemployment situation is extremely serious, with about 8 million unemployed, the highest number since 1940, with virtually all demographic, occupational and industry groups adversely affected.

Some recent financial indicators suggest that a pickup in economic activity may be ahead. In this connection it is worth noting that the unemployment rate has consistently lagged real GNP and unemployment at cyclical upturns. Thus, the total unemployment rate lagged by 1, 3, 3, and 12 months at the 1954, 1958, 1961, and 1970 business cycle troughs. Furthermore, both the long-term unemployed and the number of discouraged workers move in cyclical conformtiy with the total unemployment rate, but consistently lag that rate. Consequently, continued weakness in these unemployment rate indicators is likely to continue even after the recession has turned around. Therefore, we should be looking to other indicators for early signs of the end of the business cycle recession now underway. This month's data does provide some such indications, although of course, one month's data rarely is decisive, and we will need more data before firm conclusions can be drawn.

Considering our leading employment indicators, diffusion indexes typically lead their corresponding aggregates. The new BLS comprehensive diffusion index of employment, which shows the percent

of 172 nonagricultural industries in which employment increased, may be expected to lead total employment. As can be seen in Chart 1, this index rose in March for the first time since the spring of last year. After 4 months in which the percent of industries rising remained below 20, the index reached a low of 15 percent in February. But in March the percent rising went up to 28, the highest figure since last October. The other columns in our diffusion index table show comparisons over longer spans—3, 6, and 12 months. Thus, in computing the 6-month span index, March 1975 is compared with September 1974, February 1975, with August 1974, and so on. These longer-term comparisons reduce the effects of irregularities on the underlying cyclical trends, but reveal new cyclical trends less promptly. This explains why we show the 1-month change but the longer changes as well.

Hours worked in manufacturing, one of the most reliable leading indicators, declined by $0.1 hour, while overtime hours were unchanged. The layoff rate leveled off in February and the accession rate rose for the second consecutive month. Initial claims for unemployment insurance has been level or declining for the last 8 weeks or so.

All the leading employment indicators are shown in chart 1 toward the end of this presentation.

Further, rates of decline clearly slowed in March, as can be seen in table 1. Man-hours worked, the most comprehensive measure of labor activity, dropped 1.2 percent, compared to 1.7 percent last month. The decline in manufacturing man-hours also equaled 1.2 percent, but this compares to declines of over 3 percent in each of the previous 3 months. Employment as measured in the establishment survey declined by 0.4 percent, the smallest rate since the decline in employment got under way in November. Similarly, employment as measured by the household survey declined 0.2 percent, the smallest rate of decline since last October.

Now, consider manufacturing industry unemployment rates; this committee has expressed an interest in unemployment rates for industries at levels of detail not published in our monthly release. We are providing such information, on a seasonally adjusted basis, for the first time today, for 16 manufacturing industries where unemployment rates have recently been at unusually high levels—table 2.

Here I direct your attention to table 2. Let me emphasize that in the past we did not have these figures seasonally adjusted so they will look a little different from what you have seen in earlier presentations, at earlier hearings.

In some—furniture and fixtures, primary metal products, fabricated metals, and apparel—rates are high and still rising. In others, notably automobiles, lumber and wood products, and food products, rates are high but declining.

Let me point out in the automobile industry the unemployment rate, though extremely high, has now declined for 3 months in a row.

It reached a peak in January of 24 percent, then it dropped to 20.1 percent in February and 17.5 percent in March.

In still others, textile mill products and rubber and plastics, rates are high but comparatively stable.

Conclusion on Employment Situation; where do I come out on the Employment Situation. I will try to summarize that in a sentence or two.

Thus, as measured by employment indicators, the economy continued to decline in March, but at a slower rate than any month since last August, when the recession struck in full fury. Of course, 1-month's data does not, by any means, constitute a trend and I do not want to overemphasize its significance. For what it is worth, the limited evidence provided by the March employment figures may be suggesting weakening of the forces of recession.

Take the price situation; the Wholesale Price Index for March, released yesterday, showed continued declines in the prices of farm products and processed foods and feeds. It also showed continued slowing in the rate of increase in industrial commodities, with the current rate of increase in industrial commodities, now at 0.2 percent compared to 0.5 percent in both January and February. The net result was a decline of 0.6 percent in the All Commodities Index.

The stage of processing classification of wholesale prices also shows continuation of recent past patterns, with crude materials, less foods and feeds, declining for the 6th consecutive month and intermediate materials and consumer, less foods, finished goods, less foods, showing small rises. Producer finished goods rose 1 percent, larger than the previous month, but less than half the monthly increases last fall. This pattern of change in wholesale prices suggests further deceleration of the rate of increase in the CPI in the months ahead.

We have been asked frequently why the CPI continues to rise rapidly when the WPI has been declining. In answering this question, the first thing to note is that the rate of increase in the CPI has in fact, slowed noticeably since last fall. Since last December, the CPI has risen an average of 0.6 percent per month on a seasonally adjusted basis. In contrast, the average monthly rate during most of last year was 1 percent.

One of the basic reasons for the difference in performance between the WPI and CPI stems for the difference in coverage between the two indexes. For example. the CPI includes services, which represent about 36 percent of total index weight, and these prices have been rising rapidly. The WPI, on the other hand, has no services component. The consumer finished goods component. The consumer finished goods component most nearly comparable to the commodities component of the CPI represents less than a third of the total index weight in the WPI. Even in the consumer finished goods component, there are differences in coverage between the WPI and the CPI. For example, used cars and home purchase are included in the CPI but not in the WPI. The food component in the CPI includes prices of restaurant meals and snacks away from home and the WPI, of course, does not.

Here is a summary statement on that point. Overall, components that are common to both indexes represent about 30 percent of the weight of the WPI and about 50 percent of the weight in the CPI.

Even if the concepts were strictly comparable, the CPI and the WPI would probably move differently because demand and supply

conditions at a given time could differ in consumers' and producers' markets. Still, wholesale and retail prices for foods and nonfood consumer commodities show similarity in their movements because of the interrelationship of prices at the two stages of production, as can be seen in charts 2 and 3.

May I direct your attention to these charts toward the back. Chart 2 shows CPI commodities less food used, cars and home purchases, and WPI finished goods less foods. Those two charts seem to move quite similarly to me. That is when appropriate CPI commodities are used, that are also in the WPI, the movements of the two series look quite similar. The amplitude of the WPI is a little greater but otherwise the movements are roughly the same.

Here I direct your attention to the next chart.

In the food component, the magnitude of change is greater at the farm than at the wholesale level, and the amplitude is also greater at wholesale than at retail. The magnitude of change in the nonfood commodities component is very close at wholesale and retail.

If you look at chart 3 you will see the greatest amplitude of fluctuation occurs in the bottom tier, for WPI farm products.

In the middle we see the WPI consumer foods and finally CPI food at home. We must realize that it is historically true that prices of farm products, included in the WPI, have greater amplitudes of fluctuation than those of WPI consumer foods or CPI foods.

Although crude materials prices in the WPI continued to decline, the BLS weekly index of spot market raw materials prices has risen slightly in recent weeks. This index, which had declined about 25 percent from the peak in April through late December, had been virtually stable until mid-March.

These rises in the last few weeks I think are something to watch.

I have one final point and here I respond to the great interest in the CPI revision program.

As you know, part of the program for updating and revising the Consumer Price Index, the BLS has compiled detailed consumer expenditure data covering 1972–73. The survey consisted of two parts: (1) A Quarterly Panel Survey, and (2) a diary or record keeping survey. While publication of all these data will not be possible before the end of next year, we can make some of the data available as processing and review is completed. Accordingly, we will make available on April 16 selected data from the first-year diary covering July 1972–June 1973. These data cover items for which the diary was the major collection vehicle, namely, food at home, food away from home, household supplies, and personal care products and services. The energy component data colleceted in the diary, which is similarly included in the quarterly survey, will also be presented then because of the important public policy issues immediately involved and the need for information to permit an assessment of the impact of various tax proposals.

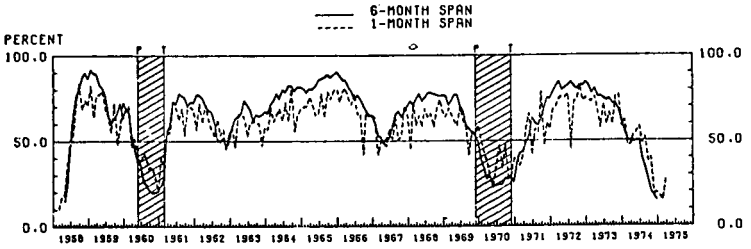
These data will be simultaneously released in Washington and at the American Marketing Association meeting in Chicago.

I will now be glad to try to answer your questions.

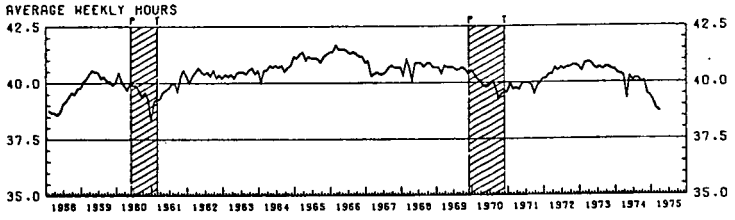
[The charts and tables, together with the press release referred to follow:]

Chart 1. LEADING EMPLOYMENT INDICATORS
SEASONALLY ADJUSTED

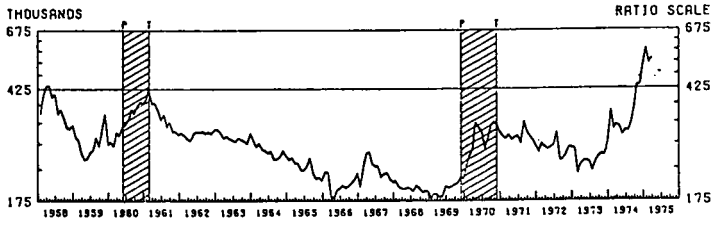
DIFFUSION INDEX OF EMPLOYMENT



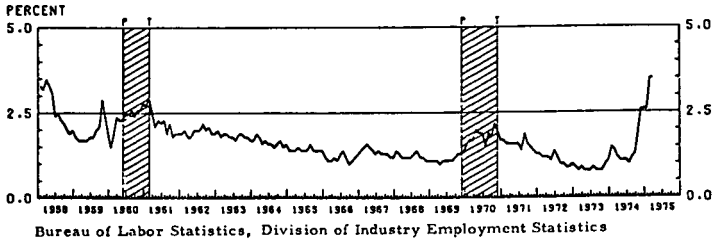
MANUFACTURING WORKWEEK



INITIAL CLAIMS



MANUFACTURING LAYOFFS



Bureau of Labor Statistics, Division of Industry Employment Statistics

Chart 2. PERCENT CHANGE FOR WPI CONSUMER FINISHED GOODS LESS FOOD AND CPI COMMODITIES LESS FOOD, USED CARS, AND HOME PURCHASE 6-MONTH SPAN 1970-75
(SEASONALLY ADJUSTED ANNUAL RATES)

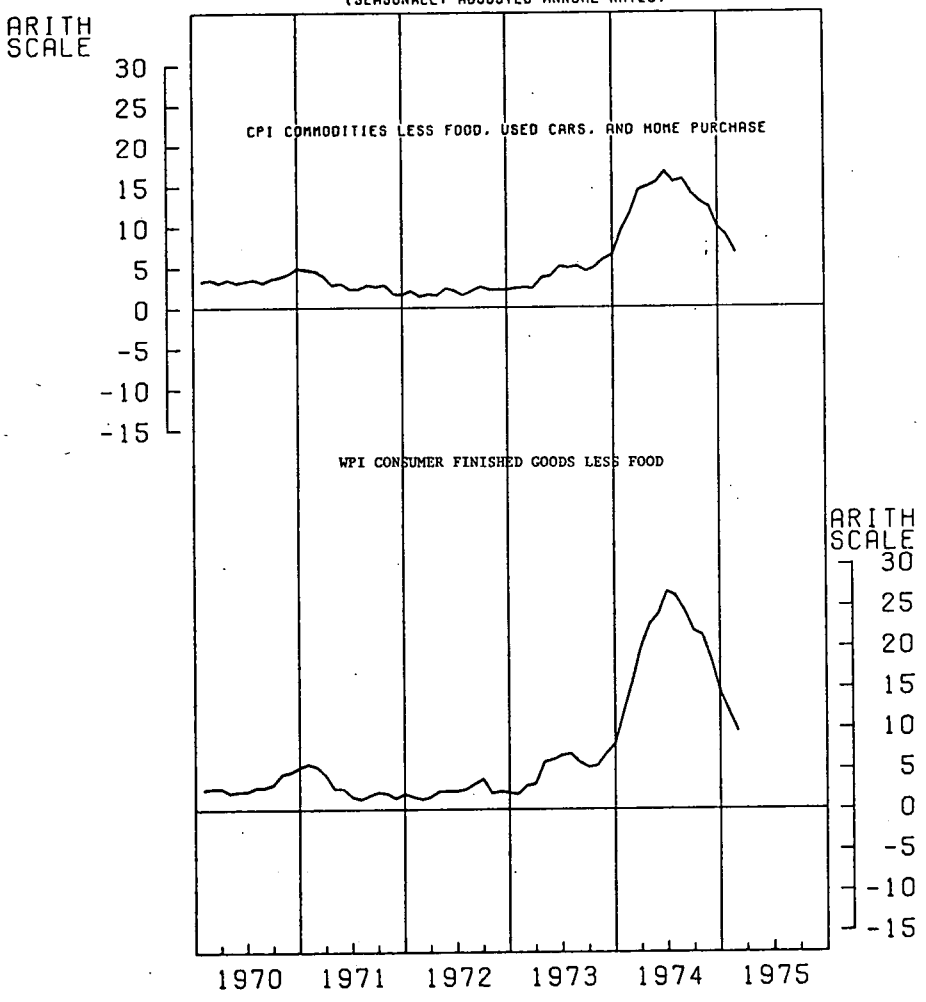


Chart 3. PERCENT CHANGE FOR MAJOR CPI AND WPI FOOD INDEXES 6-MONTH SPAN AT SEASONALLY ADJUSTED ANNUAL RATES 1970-75

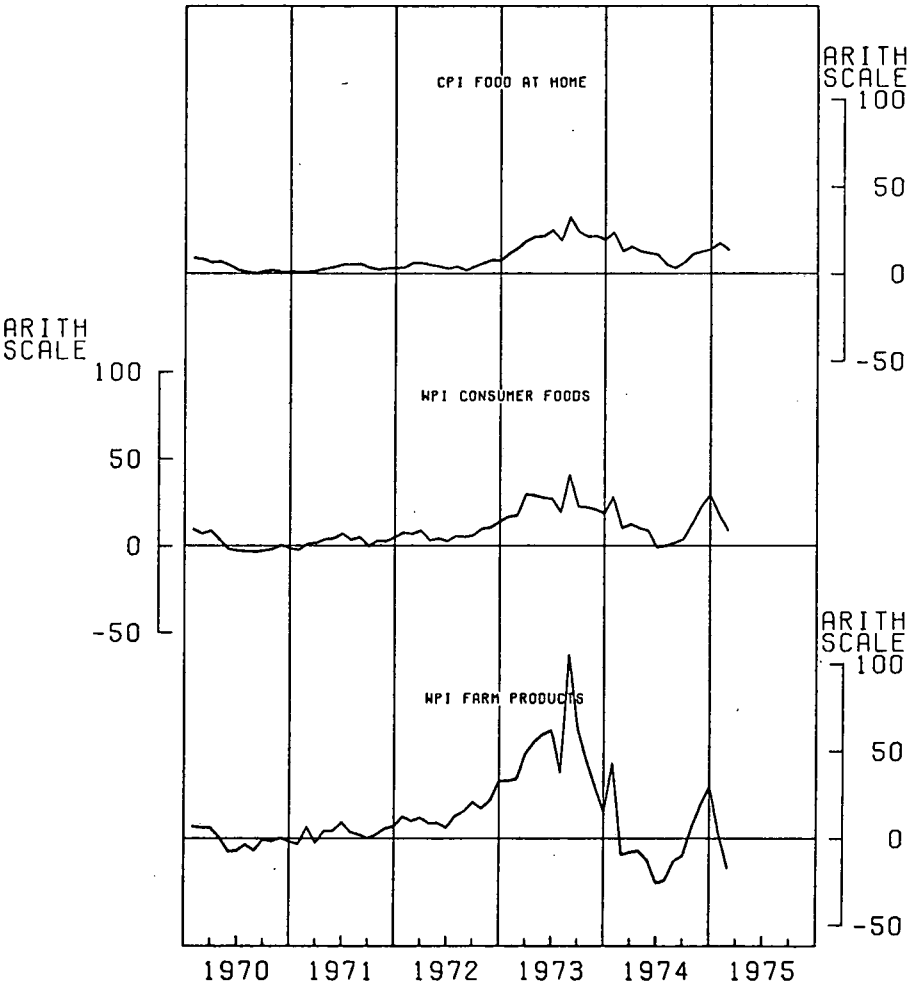


Table 1--Recent Changes in Principal Labor Force Aggregates
(numbers in thousands)

	Aug.'74-Sept.'74	Sept.'74-Oct.'74	Oct.'74-Nov.'74	Nov.'74-Dec.'74	Dec.'74-Jan.'75	Jan.'75-Feb.'75	Feb.'75-Mar.'75
	Change in level						
Civilian labor force participation rates							
Total, all workers....	+0.3	--	-0.2	--	+0.1	-0.5	+0.1
Males, 20 years +.....	--	+0.2	-0.2	-0.2	-0.4	-0.3	-0.1
Females, 20 years +...	-0.1	-0.2	-0.1	+0.3	+0.3	-0.4	+0.4
Both sexes, 16-19 years.....	+2.5	-0.1	-0.8	-0.4	+0.1	-1.6	+0.1
Employment							
Total nonagr. payroll employment.....	+183	+21	-461	-714	-463	-549	-325
Goods-producing employment.....	-20	-148	-398	-581	-399	-615	-260
Total employment (household survey)..	+128	-98	-615	-487	-640	-535	-180
Unemployment							
Total unemployment....	+378	+237	+479	+582	+928	-45	+496
Total unemployment rate	+0.4	+0.2	+0.6	+0.6	+1.0	--	+0.5
Index of aggregate weekly man-hours (1967=100)							
Total private.....	--	-0.4	-1.8	-1.5	-1.0	-1.9	-1.3
Manufacturing.....	-0.3	-1.0	-3.4	-3.5	-3.1	-3.4	-1.0
	Percent change						
Civilian labor force participation rates							
Total, all workers....	+0.5	--	-0.3	--	+0.2	-0.8	+0.2
Males, 20 years +.....	--	+0.2	-0.2	-0.2	-0.5	-0.4	-0.1
Females, 20 years +...	-0.2	-0.4	-0.2	+0.7	+0.7	-0.9	+0.9
Both sexes, 16-19 years.....	+4.7	-0.2	-1.4	-0.7	+1.8	-2.9	+0.2
Employment							
Total nonagr. payroll employment.....	+0.2	+0.03	-0.6	-0.9	-0.6	-0.7	-0.4
Goods-producing employment.....	--	-0.6	-1.6	-2.4	-1.7	-2.7	-1.2
Total employment (household survey)..	+0.1	-0.1	-0.7	-0.6	-0.8	-0.6	-0.2
Unemployment							
Total unemployment....	+7.7	+4.5	+8.6	+9.7	+14.1	-0.6	+6.6
Total unemployment rate	+7.4	+3.4	+10.0	+9.1	+13.9	--	+6.1
Index of aggregate weekly man-hours (1967=100)							
Total private.....	--	-0.4	-1.6	-1.3	-0.9	-1.7	-1.2
Manufacturing.....	-0.3	-1.0	-3.4	-3.6	-3.3	-3.8	-1.2

U.S. Department of Labor
Bureau of Labor Statistics
April 2, 1975

Table 2--Unemployment rates by detailed manufacturing industries, seasonally adjusted

Industry	October 1973	January 1975	February 1975	March 1975
Durable goods industries:				
Lumber and wood products	5.9	13.4	12.9	11.9
Furniture and fixtures	3.5	10.7	14.6	17.2
Stone, clay and glass	2.7	9.6	10.9	9.6
Primary metal products	2.2	7.6	8.6	12.0
Fabricated metals	4.7	10.8	10.5	12.4
Machinery	2.2	6.0	6.7	8.1
Electrical equipment	4.2	12.8	11.8	11.8
Transportation equipment	4.3	16.2	14.3	13.5
Automobiles	4.0	24.0	20.1	17.5
Other transportation equipment	6.9	9.8	7.9	9.8
Nondurable goods industries:				
Food and kindred products	3.9	10.9	9.9	9.2
Textile mill products	4.1	14.8	16.9	13.7
Apparel	6.4	13.0	18.5	19.8
Printing and publishing	3.8	6.9	7.5	5.6
Rubber and plastics	6.1	14.4	15.0	14.5
Chemicals	2.1	5.7	5.2	7.9
Petroleum and coal products	1.6	4.2	1.7	4.7

U.S. Department of Labor
Bureau of Labor Statistics
April 2, 1975

NEWS

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USDL 75-187
FOR RELEASE: 10:00 A. M. (EDT)
Friday, April 4, 1975

THE EMPLOYMENT SITUATION: MARCH 1975

Unemployment increased further and employment continued to decline in March, it was reported today by the Bureau of Labor Statistics of the U. S. Department of Labor. At 8.7 percent, the Nation's unemployment rate was up 0.5 percentage point from January and February and 4.1 percentage points from the October 1973 low. This was the highest rate since 1941.

Total employment (as measured by the monthly survey of households) declined by nearly 200,000 in March to 83.8 million. Though not as large as in earlier months, this marked the sixth consecutive month of employment reductions, which have totaled 2.6 million since last September. With the unemployment increase of 500,000 exceeding the employment decrease, the labor force rose by over 300,000; this increase partially erased the large labor force drop in February.

Total nonagricultural payroll employment (as measured by the monthly survey of establishments) also continued to decrease in March, but the 325,000 drop--to 76.4 million--was not as sharp as in previous months. Since last October, nonagricultural payroll jobs have receded by 2.5 million, with the manufacturing and construction industries bearing the brunt of the cutbacks. Because there was also a further constriction in the workweek, total man-hours, the most comprehensive measure of labor activity, continued its descent.

Unemployment

Unemployment resumed its steep upward trend in March, after leveling off temporarily between January and February, largely because of withdrawals from the labor force. At 8.0 million, the number of unemployed persons in March was 500,000 above the previous month and 3.1 million above the August 1974 level, when joblessness began its rapid climb.

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More than two-thirds of the increased unemployment in March can be traced to job loss, as the number of persons who lost their last job rose to 4.4 million. Since last August, the number of job losers has increased by 2.3 million, about 700,000 women and 1.6 million men. This rise accounted for over three-fourths of the overall increase in unemployment. (See tables A-1 and A-5.)

Table A. Highlights of the employment situation (seasonally adjusted data)

Selected categories	Quarterly averages					Monthly data		
	1974				1975	Jan. 1975	Feb. 1975	Mar. 1975
	I	II	III	IV	I			
	(Millions of persons)							
Civilian labor force	90.5	90.6	91.4	91.8	91.8	92.1	91.5	91.8
Total employment	85.8	86.0	86.4	85.7	84.1	84.6	84.0	83.8
Adult men	48.5	48.5	48.5	48.3	47.3	47.5	47.3	47.0
Adult women	29.8	30.1	30.5	30.1	29.8	29.9	29.7	29.9
Teenagers	7.5	7.4	7.4	7.4	7.0	7.1	7.0	7.0
Unemployment	4.7	4.7	5.0	6.1	7.7	7.5	7.5	8.0
	(Percent of labor force)							
Unemployment rates:								
All workers	5.1	5.1	5.5	6.6	8.3	8.2	8.2	8.7
Adult men	3.4	3.5	3.7	4.8	6.3	6.0	6.2	6.8
Adult women	5.1	5.1	5.4	6.5	8.2	8.1	8.1	8.5
Teenagers	15.2	15.1	16.1	17.5	20.5	20.8	19.9	20.6
White	4.6	4.6	5.0	5.9	7.6	7.5	7.4	8.0
Negro and other races	9.2	9.1	9.6	11.7	13.7	13.4	13.5	14.2
Household heads	2.9	3.0	3.2	4.1	5.5	5.2	5.4	5.8
Married men	2.4	2.4	2.7	3.3	4.8	4.5	4.7	5.2
Full-time workers	4.6	4.6	5.0	6.2	7.9	7.7	7.8c	8.3
State insured	3.2	3.3	3.4	4.3	6.0	5.5	5.9	6.5
	(Weeks)							
Average duration of unemployment	9.5	9.7	9.9	9.9	11.3	10.7	11.7	11.4
	(Millions of persons)							
Nonfarm payroll employment	78.0	78.3	78.7	78.3	76.8p	77.2	76.7p	76.4p
Goods-producing industries	24.9	24.9	24.8	24.1	22.7p	23.2	22.6p	22.3p
Service-producing industries	53.1	53.5	53.9	54.2	54.0p	54.0	54.1p	54.0p
	(Hours of work)							
Average weekly hours:								
Total private nonfarm	36.7	36.7	36.7	36.4	36.1p	36.2	36.1p	35.9p
Manufacturing	40.4	39.9	40.1	39.7	38.9p	39.2	38.8p	38.7p
Manufacturing overtime	3.5	3.2	3.4	2.9	2.2p	2.3	2.2p	2.2p
	(1967=100)							
Hourly Earnings Index, private nonfarm:								
In current dollars	152.7	156.2	160.3	164.0r	167.2p	166.0	166.9p	168.7p
In constant dollars	107.8	107.5	107.1	106.3r	N.A.	106.1	106.1p	N.A.

p= preliminary. r = revised.
N.A.= not available. c=corrected.

The March increase in joblessness was shared by virtually all worker groups. Rates were near or above alltime highs for adult women (8.5 percent), teenagers (20.6 percent), whites (8.0 percent), blacks (14.2 percent), household heads (5.8 percent), and full-time workers (8.3 percent). Rates for adult men and married men, at 6.8 and 5.2 percent respectively, were up significantly from the previous month but were still below post-World War II highs.

With the exception of white-collar workers, there were widespread increases in the unemployment rates among the major occupational groups. Blue-collar workers were particularly hard hit, as their jobless rate moved from 10.9 percent in February to a record 12.5 percent in March, double their year-earlier rate. (See table A-2.) Similarly, all major industries showed increases. The unemployment rate for construction workers was up sharply, to 18.1 percent, and the rate for manufacturing workers rose for the tenth consecutive month to 11.4 percent--like the blue-collar rate, more than double a year ago.

The unemployment rate of workers covered by State unemployment insurance programs, at 6.5 percent in March, was up from 5.9 percent in February and 5.5 percent in January. However, it remained well below postwar record levels. The number of workers claiming State unemployment insurance benefits, 4.3 million, represented 53 percent of the jobless total this March compared with 45 percent a year earlier.

The unemployment rate for Vietnam-era veterans aged 20-34 was essentially unchanged from February and January at a level--9.0 percent--that was below the rate for nonveterans, which rose to 10.5 percent. (See table A-2.) The rate for the youngest veterans (20-24 years old) was also about the same as in February, at 17.5 percent, but continued to be higher than their nonveteran counterparts (14.7 percent).

The average (mean) duration of unemployment held relatively steady in March at 11.4 weeks, after rising sharply in January and February. However, long-term unemployment--persons unemployed 15 weeks or more--increased 170,000 from the February level to 2.0 million. This increase followed jumps totaling 700,000 in the previous 3 months. (See table A-4.)

In addition to the increase in joblessness, the number of persons working part time

but wanting full-time jobs; at 3.9 million, was up 170,000 in March, after showing little change in February. (See table A-3.) When combined with unemployment on a man-hours basis, the resulting measure--labor force time lost--reached 9.6 percent in March, up from 8.9 percent in February and 5.6 percent in March 1974.

Total Employment and Civilian Labor Force

Total employment edged downward in March to 83.8 million (seasonally adjusted), with adult men accounting for all of the decline. (See table A-1.) Since last September's peak, adult men have comprised two-thirds of the 2.6 million drop in employment.

On an occupational basis, an employment gain for white-collar workers in March was more than offset by declines among craft and kindred workers and operatives in the blue-collar occupations, both of whom have been hard hit by the slump in economic activity. Employment in these two groups has declined by 900,000 and 1.7 million, respectively, from their peaks of last summer. (See table A-3.)

The civilian labor force rose by 320,000 in March to 91.8 million, seasonally adjusted, after posting a 580,000 decline in February. The March increase occurred entirely among adult women as the adult male and teenage labor force levels were unchanged over the month. (See table A-1.) The overall labor force was no larger in March than last October despite an increase of 1.1 million in the working-age population.

Participation in the labor force, at 61.0 percent of the civilian noninstitutional population, was essentially unchanged from February but well below the levels prevailing over the October-January period. During recessionary periods, some workers leave the labor force because of discouragement over job prospects. This has happened in the present downturn.

Discouraged Workers

During periods of economic distress, some workers become discouraged with job prospects and give up the search for work. Persons who are not actively seeking work are not counted as "unemployed" but are classified as not in the labor force. Data have been collected on the number of persons not looking for jobs because they believed they could not find work--"discouraged workers"--since 1967. Up to this year, the number of discouraged workers has fluctuated cyclically within a range of 550,000 to 850,000. (See

table B.) In the first quarter of this year, however, the discouraged count soared to 1.1 million, the highest level since the initiation of the series. As might be expected, the incidence of discouragement lags market conditions, following about one quarter after the unemployment rate during the period these data have been available. Thus, while the recent increases of unemployment began in the third quarter of 1974, the number of discouraged workers did not rise until the fourth quarter. Since the third quarter, the number of discouraged has increased by nearly half a million (73 percent).

A large proportion of the discouraged are younger or older workers, women, and blacks--groups who experience the greatest difficulty in finding jobs. For example, blacks accounted for about 30 percent of the discouraged total in the first quarter, a much larger ratio than their proportion of the labor force (11 percent). By contrast, only a small proportion of the discourage are males aged 25 to 59. In 1974, this group represented 42 percent of the labor force but less than 10 percent of the discouraged worker total.

This special section has been added to this release to add perspective on recent labor force developments. More detailed data on discouraged workers appear regularly in the quarterly press release, Labor Force Developments. The release covering data for the first quarter of 1975 will be issued on April 14.

Table B. Discouraged workers, 1967-75
(In thousands)

Year	Seasonally adjusted quarterly averages				Annual averages
	I	II	III	IV	
1967....	766	674	755	732	728
1968....	701	700	652	611	667
1969....	609	574	540	580	574
1970....	574	618	683	685	638
1971....	768	726	823	774	774
1972....	803	793	747	719	766
1973....	615	775	664	671	679
1974....	662	652	626	812	686
1975....	1,084	--	--	--	--

Industry Payroll Employment

Total nonagricultural payroll employment was 76.4 million (seasonally adjusted) in March, down 325,000 from February and 2.5 million from last October's peak level. Although the March decline was not as sharp as those of intervening months since October, the overall 5-month drop was the largest since the postwar readjustment period in 1945. Cutbacks in employment occurred in about 72 percent of all industries from February to March, compared with a proportion of 85 percent, as revised, from January to February. (See tables B-1 and B-6.)

In manufacturing, employment decreased by 160,000 in March, following declines ranging from 350,000 to 500,000 in each of the previous 4 months. March reductions were most pronounced in the primary metal, machinery, and electrical equipment industries within the durable goods sector and apparel in nondurable goods. Partially countering these declines was a 50,000 job gain in the transportation equipment industry, as a number of auto workers were recalled from layoff; however, the industry's job total was still 215,000 short of its July 1974 level.

Employment in contract construction dropped 110,000 in March to 3.5 million, following a decline of 190,000 in the previous month. Construction jobs have fallen 640,000 from the alltime high reached in February 1974.

In the service-producing industries, the number of payroll jobs fell slightly, as an increase in State and local government was outweighed by declines elsewhere in the sector. Employment in the services sector has declined by 260,000 since last October. Compared with March 1974, however, employment in these industries has grown by 865,000, in marked contrast to a job decline totaling 2.5 million in the goods-producing industries. The only industry exhibiting strong growth in recent months has been State and local government, with Federally-financed public service jobs making a major contribution.

Hours of Work

The average workweek for all production or nonsupervisory workers on nonfarm payrolls continued to decline in March, dropping 0.2 hour to 35.9 hours, seasonally adjusted. (See table B-2.) The average workweek has fallen 0.8 hour since last September and 1.3 hours from the April 1973 high.

In most of the manufacturing industries, average hours edged down, resulting in an overall drop of a tenth of an hour to 38.7 hours. This followed a drop of 0.4 hour in February. Since March a year ago, the average manufacturing workweek has been reduced 1.6 hours. Factory overtime was unchanged over the month at 2.2 hours but was 1.3 hours less than a year ago. Both the factory workweek and overtime hours in March were at their lowest levels since the 1960-61 recession.

The aggregate man-hours of private nonfarm production or nonsupervisory workers dropped 1.2 percent in March, the sixth consecutive monthly decline. Since September 1974, the index of total man-hours has fallen 7.0 percent to 105.5 (1967=100). The index of worker hours in manufacturing also declined by 1.2 percent, much less than rate of decrease in the previous 3 months; at 85.9 (1967=100) the index was 15.9 percent lower than March a year ago and 17.9 percent below the alltime high reached in November 1973. (See table B-5.)

Hourly and Weekly Earnings

Average hourly earnings of production or nonsupervisory workers on nonfarm payrolls increased 0.5 percent in March and 8.0 percent from a year ago (seasonally adjusted). Average weekly earnings, however, edged down 0.1 percent over the month, owing to the decline in the workweek, but were up 5.7 percent from March 1974.

Before seasonal adjustment, hourly earnings rose 2 cents in February to $4.42. Earnings have increased 33 cents from a year ago. Average weekly earnings were up 27 cents from February and $8.50 from March 1974. (See table B-3.)

The Hourly Earnings Index

The Hourly Earnings Index--earnings adjusted for overtime in manufacturing, seasonality, and the effects of changes in the proportion of workers in high-wage and low-wage industries-- was 168.7 (1967=100) in March, 1.0 percent higher than in February. The index was 9.8 percent above March a year ago. During the 12-month period ending in February, the Hourly Earnings Index in dollars of constant purchasing power declined 1.6 percent. (See table B-4.)

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. Unless otherwise indicated, data for both series relate to the week of the specified month containing the 12th day. A description of the two surveys appears in the BLS publication *Employment and Earnings.*

Table A-1. Employment status of the noninstitutional population

(Numbers in thousands)

Employment status	Not seasonally adjusted			Seasonally adjusted					
	Mar. 1974	Feb. 1975	Mar. 1975	Mar. 1974	Nov. 1974	Dec. 1974	Jan. 1975	Feb. 1975	Mar. 1975
TOTAL									
Total noninstitutional population[1]	150,066	152,445	152,646	150,066	151,812	152,020	152,230	152,445	152,646
Total labor force	91,884	93,111	93,593	92,632	93,921	94,015	94,284	93,709	94,027
Participation rate	61.2	61.1	61.3	61.7	61.9	61.8	61.9	61.5	61.6
Civilian noninstitutional population[1]	147,816	150,246	150,447	147,816	149,600	149,809	150,037	150,246	150,447
Civilian labor force	89,633	90,913	91,395	90,381	91,708	91,803	92,091	91,511	91,829
Participation rate	60.6	60.5	60.7	61.1	61.3	61.3	61.4	60.9	61.0
Employed	84,878	82,604	83,036	85,779	85,689	85,202	84,562	84,027	83,849
Agriculture	3,334	2,890	2,988	3,653	3,375	3,339	3,383	3,326	3,265
Nonagricultural industries	81,544	79,714	80,048	82,126	82,314	81,863	81,179	80,701	80,584
Unemployed	4,755	8,309	8,359	4,602	6,019	6,601	7,529	7,484	7,980
Unemployment rate	5.3	9.1	9.1	5.1	6.6	7.2	8.2	8.2	8.7
Not in labor force	58,183	59,333	59,053	57,435	57,892	58,006	57,946	58,735	58,618
Males, 20 years and over									
Total noninstitutional population[1]	63,622	64,644	64,730	63,622	64,374	64,462	64,552	64,644	64,730
Total labor force	51,752	52,149	52,311	51,869	52,509	52,414	52,244	52,150	52,136
Participation rate	81.3	80.7	80.8	81.5	81.6	81.3	80.9	80.7	80.5
Civilian noninstitutional population[1]	61,801	62,911	62,997	61,801	62,601	62,690	62,824	62,911	62,997
Civilian labor force	49,931	50,417	50,579	50,048	50,737	50,642	50,515	50,417	50,403
Participation rate	80.8	80.1	80.3	81.0	81.0	80.8	80.4	80.1	80.0
Employed	47,962	46,512	46,612	48,354	48,379	47,961	47,490	47,288	46,990
Agriculture	2,503	2,282	2,310	2,624	2,429	2,451	2,422	2,475	2,421
Nonagricultural industries	45,459	44,230	44,302	45,730	45,950	45,510	45,068	44,813	44,569
Unemployed	1,969	3,905	3,966	1,694	2,358	2,681	3,025	3,129	3,413
Unemployment rate	3.9	7.7	7.8	3.4	4.6	5.3	6.0	6.2	6.8
Not in labor force	11,870	12,494	12,419	11,753	11,864	12,048	12,309	12,494	12,594
Females, 20 years and over									
Civilian noninstitutional population[1]	70,035	71,167	71,266	70,035	70,858	70,961	71,061	71,167	71,266
Civilian labor force	31,650	32,563	32,789	31,502	32,059	32,305	32,556	32,326	32,637
Participation rate	45.2	45.8	46.0	45.0	45.2	45.5	45.8	45.4	45.8
Employed	30,089	29,813	30,073	29,916	29,945	29,992	29,932	29,719	29,877
Agriculture	493	362	374	583	464	454	524	474	443
Nonagricultural industries	29,596	29,450	29,699	29,333	29,481	29,538	29,408	29,245	29,434
Unemployed	1,561	2,750	2,716	1,586	2,114	2,313	2,624	2,607	2,760
Unemployment rate	4.9	8.4	8.3	5.0	6.6	7.2	8.1	8.1	8.5
Not in labor force	38,385	38,604	38,477	38,533	38,799	38,656	38,505	38,841	38,629
Both sexes, 16-19 years									
Civilian noninstitutional population[1]	15,981	16,168	16,184	15,981	16,141	16,157	16,152	16,168	16,184
Civilian labor force	8,052	7,934	8,027	8,831	8,912	8,856	9,020	8,768	8,789
Participation rate	50.4	49.1	49.6	55.3	55.2	54.8	55.8	54.2	54.3
Employed	6,826	6,280	6,351	7,509	7,365	7,249	7,140	7,020	6,982
Agriculture	338	246	304	446	482	434	437	377	401
Nonagricultural industries	6,488	6,034	6,047	7,063	6,883	6,815	6,703	6,643	6,581
Unemployed	1,226	1,654	1,677	1,322	1,547	1,607	1,880	1,748	1,807
Unemployment rate	15.2	20.8	20.9	15.0	17.4	18.1	20.8	19.9	20.6
Not in labor force	7,928	8,235	8,157	7,150	7,229	7,301	7,132	7,400	7,395
WHITE									
Civilian noninstitutional population[1]	130,739	132,720	132,879	130,739	132,189	132,356	132,553	132,720	132,879
Civilian labor force	79,483	80,688	81,108	80,178	81,355	81,338	81,706	81,071	81,546
Participation rate	60.8	60.8	61.0	61.3	61.5	61.5	61.6	61.1	61.4
Employed	75,675	73,825	74,243	76,520	76,538	76,106	75,555	75,043	75,039
Unemployed	3,808	6,863	6,865	3,658	4,817	5,232	6,151	6,028	6,507
Unemployment rate	4.8	8.5	8.5	4.6	5.9	6.4	7.5	7.4	8.0
Not in labor force	51,256	52,032	51,771	50,561	50,834	51,018	50,847	51,649	51,333
NEGRO AND OTHER RACES									
Civilian noninstitutional population[1]	17,077	17,527	17,568	17,077	17,411	17,452	17,484	17,527	17,568
Civilian labor force	10,150	10,225	10,286	10,264	10,394	10,389	10,464	10,387	10,364
Participation rate	59.4	58.3	58.6	60.1	59.7	59.5	59.8	59.3	59.0
Employed	9,203	8,779	8,792	9,315	9,188	9,090	9,057	8,989	8,893
Unemployed	948	1,447	1,494	949	1,206	1,299	1,407	1,398	1,471
Unemployment rate	9.3	14.1	14.5	9.2	11.6	12.5	13.4	13.5	14.2
Not in labor force	6,927	7,301	7,281	6,813	7,017	7,063	7,020	7,140	7,204

[1] Seasonal variations are not present in the population figures; therefore, identical numbers appear in the unadjusted and seasonally adjusted columns.

NOTE: Data relate to the noninstitutional population 16 years of age and over. Total noninstitutional population and total labor force include persons in the Armed Forces.

Table A-2. Major unemployment indicators, seasonally adjusted

Selected categories	Number of unemployed persons (in thousands)		Unemployment rates					
	Mar. 1974	Mar. 1975	Mar. 1974	Nov. 1974	Dec. 1974	Jan. 1975	Feb. 1975	Mar. 1975
Total, 16 years and over	4,602	7,980	5.1	6.6	7.2	8.2	8.2	8.7
Males, 20 years and over	1,694	3,413	3.4	4.6	5.3	6.0	6.2	6.8
Females, 20 years and over	1,586	2,760	5.0	6.6	7.2	8.1	8.1	8.5
Both sexes, 16-19 years	1,322	1,807	15.0	17.4	18.1	20.8	19.9	20.6
White, total	3,658	6,507	4.6	5.9	6.4	7.5	7.4	8.0
Males, 20 years and over	1,363	2,817	3.0	4.2	4.7	5.5	5.6	6.2
Females, 20 years and over	1,283	2,263	4.7	6.1	6.5	7.7	7.6	8.0
Both sexes, 16-19 years	1,012	1,427	12.8	15.1	15.9	18.4	17.5	18.1
Negro and other races, total	949	1,471	9.2	11.6	12.5	13.4	13.5	14.2
Males, 20 years and over	339	606	6.6	8.5	9.3	10.5	11.1	11.8
Females, 20 years and over	295	483	7.1	9.8	10.9	11.0	10.9	11.2
Both sexes, 16-19 years	315	382	33.1	36.9	37.7	41.1	36.7	41.6
Household heads	1,551	3,082	3.0	3.9	4.6	5.2	5.4	5.8
Married men, spouse present	938	2,048	2.3	3.3	3.8	4.5	4.7	5.2
Full-time workers	3,526	6,514	4.6	6.2	6.8	7.7	7.8c	8.3
Part-time workers	1,063	1,448	8.1	9.2	9.6	10.5	10.3	10.9
Unemployed 15 weeks and over[1]	820	1,991	.9	1.2	1.4	1.7	2.0	2.2
State insured[2]	2,059	4,263	3.3	4.3	4.8	5.5	5.9	6.5
Labor force time lost[3]	--	--	5.6	7.2	7.9	8.9	8.9	9.6
OCCUPATION[4]								
White-collar workers	1,250	2,031	2.9	3.8	4.1	4.6	4.5	4.6
Professional and technical	246	375	2.0	2.6	2.5	2.9	3.2	2.9
Managers and administrators, except farm	140	243	1.5	2.2	2.6	3.3	2.7	2.7
Sales workers	219	344	3.9	5.0	6.0	5.7	5.3	6.0
Clerical workers	645	1,069	4.1	5.1	5.4	6.3	6.2	6.6
Blue-collar workers	1,912	3,901	6.0	8.3	9.3	11.0	10.9	12.5
Craft and kindred workers	447	1,021	3.7	5.3	6.1	7.0	6.5	8.7
Operatives	1,027	2,076	7.0	9.8	10.7	13.1	13.3	14.1
Nonfarm laborers	438	804	9.0	11.0	13.0	14.3	14.1	16.2
Service workers	714	1,068	6.0	6.8	7.1	8.1	7.7	8.5
Farm workers	97	134	3.0	2.5	2.4	3.6	3.0	4.5
INDUSTRY[4]								
Nonagricultural private wage and salary workers[5]	3,360	6,208	5.1	6.8	7.7	8.7	8.8	9.3
Construction	394	781	8.7	13.5	14.9	15.0	15.9	18.1
Manufacturing	1,090	2,421	5.0	7.4	8.9	10.5	11.0	11.4
Durable goods	613	1,412	4.8	7.0	8.7	10.5	10.9	11.3
Nondurable goods	477	1,009	5.4	7.9	9.1	10.3	11.1	11.6
Transportation and public utilities	140	273	2.8	3.4	3.9	5.9	5.2	5.6
Wholesale and retail trade	946	1,460	5.9	7.0	8.1	8.5	8.0	8.7
Finance and service industries	774	1,242	4.3	5.4	5.4	6.2	6.5	6.7
Government workers	408	585	2.8	3.5	3.2	3.4	3.6	3.9
Agricultural wage and salary workers	118	163	7.7	7.2	7.9	10.2	8.8	12.0
VETERAN STATUS								
Males, Vietnam-era veterans[6]:								
20 to 34 years	282	537	4.9	6.1	7.6	9.0	8.8	9.0
20 to 24 years	115	183	9.0	13.0	15.6	19.7	17.3	17.5
25 to 29 years	136	271	4.2	5.1	6.7	6.9	7.4	8.1
30 to 34 years	31	83	2.6	3.0	3.7	6.1	5.9	5.2
Males, nonveterans:								
20 to 34 years	723	1,484	5.4	7.5	8.1	8.6	9.5	10.5
20 to 24 years	450	933	7.6	9.9	10.4	11.6	12.6	14.7
25 to 29 years	164	349	4.3	6.9	7.2	7.2	8.6	8.5
30 to 34 years	109	202	3.0	4.2	5.1	5.1	5.1	5.5

[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.
[6] Vietnam-era veterans are those who served after August 4, 1964.

c=corrected.

Table A-3. Selected employment indicators

[In thousands]

Selected categories	Not seasonally adjusted		Seasonally adjusted					
	Mar. 1974	Mar. 1975	Mar. 1974	Nov. 1974	Dec. 1974	Jan. 1975	Feb. 1975	Mar. 1975
Total employed, 16 years and over	84,878	83,036	85,779	85,689	85,202	84,562	84,027	83,849
Males	51,678	50,010	52,502	52,410	51,953	51,329	51,112	50,781
Females	33,200	33,025	33,277	33,279	33,249	33,233	32,915	33,068
Household heads	50,503	49,365	50,745	50,737	50,427	49,933	49,672	49,613
Married men, spouse present	38,752	37,425	39,035	38,727	38,377	37,954	37,761	37,689
Married women, spouse present	19,446	19,387	19,330	19,599	19,463	19,330	19,173	19,271
OCCUPATION								
White-collar workers	41,704	42,031	41,628	41,733	41,690	42,073	41,602	41,944
Professional and technical	12,444	12,915	12,237	12,237	12,200	12,439	12,492	12,699
Managers and administrators, except farm	8,893	8,713	8,939	8,811	8,760	8,929	8,648	8,757
Sales workers	5,391	5,349	5,448	5,382	5,279	5,379	5,455	5,401
Clerical workers	14,977	15,055	15,004	15,303	15,451	15,326	15,007	15,085
Blue-collar workers	29,007	26,772	29,698	29,579	29,018	28,134	27,859	27,420
Craft and kindred workers	11,371	10,514	11,560	11,509	11,251	10,920	10,923	10,674
Operatives	13,546	12,447	13,709	13,654	13,395	13,059	12,799	12,598
Nonfarm laborers	4,089	3,812	4,449	4,416	4,372	4,155	4,137	4,148
Service workers	11,249	11,632	11,176	11,478	11,548	11,661	11,653	11,560
Farm workers	2,917	2,600	3,170	2,914	2,926	2,954	2,872	2,814
MAJOR INDUSTRY AND CLASS OF WORKER								
Agriculture:								
Wage and salary workers	1,257	1,059	1,417	1,386	1,272	1,310	1,196	1,194
Self-employed workers	1,749	1,649	1,821	1,625	1,673	1,680	1,765	1,716
Unpaid family workers	329	280	408	346	356	376	345	347
Nonagricultural industries:								
Wage and salary workers	75,606	74,019	76,251	76,213	75,671	74,942	74,811	74,584
Private households	1,416	1,337	1,421	1,267	1,259	1,326	1,301	1,342
Government	14,224	14,632	13,988	14,039	14,231	14,351	14,404	14,387
Other	59,966	58,050	60,842	60,907	60,181	59,265	59,106	58,855
Self-employed workers	5,362	5,497	5,386	5,704	5,641	5,561	5,375	5,519
Unpaid family workers	574	531	512	484	498	549	498	474
PERSONS AT WORK [1]								
Nonagricultural industries	78,196	76,620	77,161	77,417	76,526	76,592	75,914	75,679
Full-time schedules	64,240	61,579	64,128	63,694	62,733	62,295	61,822	61,456
Part time for economic reasons	2,388	3,683	2,535	3,180	3,375	3,837	3,747	3,916
Usually work full time	1,261	1,906	1,248	1,575	1,847	2,037	2,047	1,887
Usually work part time	1,127	1,777	1,287	1,605	1,528	1,800	1,700	2,029
Part time for noneconomic reasons	11,568	11,358	10,498	10,543	10,418	10,460	10,345	10,307

[1] Excludes persons "with a job but not at work" during the survey period for such reasons as vacation, illness, or industrial disputes.

Table A-4. Duration of unemployment

[Numbers in thousands]

Weeks of unemployment	Not seasonally adjusted		Seasonally adjusted					
	Mar. 1974	Mar. 1975	Mar. 1974	Nov. 1974	Dec. 1974	Jan. 1975	Feb. 1975	Mar. 1975
Less than 5 weeks	2,117	2,830	2,434	2,981	3,077	3,316	2,914	3,253
5 to 14 weeks	1,588	2,975	1,398	1,931	2,062	2,663	2,597	2,619
15 weeks and over	1,051	2,553	820	1,117	1,319	1,537	1,822	1,991
15 to 26 weeks	682	1,699	504	691	782	914	1,118	1,259
27 weeks and over	369	855	316	426	537	623	704	732
Average (mean) duration, in weeks	10.8	13.0	9.5	9.8	10.0	10.7	11.7	11.4
PERCENT DISTRIBUTION								
Total unemployed	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Less than 5 weeks	44.5	33.9	52.3	49.4	47.6	44.1	39.7	41.4
5 to 14 weeks	33.4	35.6	30.1	32.0	31.9	35.4	35.4	33.3
15 weeks and over	22.1	30.5	17.6	18.5	20.4	20.4	24.8	25.3
15 to 26 weeks	14.3	20.3	10.8	11.5	12.1	12.2	15.2	16.0
27 weeks and over	7.8	10.2	6.8	7.1	8.3	8.3	9.6	9.3

HOUSEHOLD DATA

Table A-5. Reasons for unemployment

[Numbers in thousands]

Reason	Not seasonally adjusted		Seasonally adjusted					
	Mar. 1974	Mar. 1975	Mar. 1974	Nov. 1974	Dec. 1974	Jan. 1975	Feb. 1975	Mar. 1975
NUMBER OF UNEMPLOYED								
Lost last job	2,335	5,120	1,992	2,840	3,190	3,831	4,017	4,369
Left last job	712	792	717	784	788	760	730	798
Reentered labor force	1,193	1,802	1,227	1,670	1,762	1,924	1,686	1,854
Seeking first job	516	646	617	784	778	858	846	773
PERCENT DISTRIBUTION								
Total unemployed	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Job losers	49.1	61.2	43.8	46.7	48.9	52.0	55.2	56.1
Job leavers	15.0	9.5	15.7	12.9	12.1	10.3	10.0	10.2
Reentrants	25.1	21.6	26.9	27.5	27.0	26.1	23.2	23.8
New entrants	10.8	7.7	13.6	12.9	11.9	11.6	11.6	9.9
UNEMPLOYED AS A PERCENT OF THE CIVILIAN LABOR FORCE								
Job losers	2.6	5.6	2.2	3.1	3.5	4.2	4.4	4.8
Job leavers	.8	.9	.8	.9	.9	.8	.8	.9
Reentrants	1.3	2.0	1.4	1.8	1.9	2.1	1.8	2.0
New entrants	.6	.7	.7	.9	.8	.9	.9	.8

Table A-6. Unemployment by sex and age

Sex and age	Not seasonally adjusted			Seasonally adjusted unemployment rates					
	Thousands of persons		Percent looking for full-time work						
	Mar. 1974	Mar. 1975	Mar. 1975	Mar. 1974	Nov. 1974	Dec. 1974	Jan. 1975	Feb. 1975	Mar. 1975
Total, 16 years and over	4,755	8,359	82.4	5.1	6.6	7.2	8.2	8.2	8.7
16 to 19 years	1,226	1,677	53.7	15.0	17.4	18.1	20.8	19.9	20.6
16 to 17 years	618	750	27.5	18.1	19.5	21.2	22.6	21.6	22.3
18 to 19 years	607	927	74.9	12.8	15.8	16.0	19.6	18.2	19.5
20 to 24 years	1,065	1,952	88.7	8.1	10.5	11.7	12.4	13.3	14.3
25 years and over	2,465	4,730	90.0	3.2	4.4	4.9	5.7	5.7	6.1
25 to 54 years	2,037	3,978	91.9	3.3	4.7	5.1	6.1	6.0	6.4
55 years and over	428	752	80.6	2.7	3.2	3.7	4.2	4.8	4.8
Males, 16 years and over	2,634	4,890	87.5	4.3	5.7	6.4	7.2	7.4	7.9
16 to 19 years	665	923	57.3	14.3	17.1	17.4	19.8	20.0	20.2
16 to 17 years	353	411	30.4	17.4	19.7	21.1	22.3	22.0	20.8
18 to 19 years	312	512	78.9	12.1	15.1	14.9	18.2	17.9	20.0
20 to 24 years	601	1,178	91.8	7.8	10.4	11.2	12.6	13.3	14.8
25 years and over	1,368	2,788	95.8	2.7	3.7	4.3	4.8	5.0	5.4
25 to 54 years	1,121	2,320	98.0	2.7	3.9	4.4	5.1	5.1	5.5
55 years and over	247	468	84.6	2.4	2.8	3.4	3.9	4.4	4.7
Females, 16 years and over	2,121	3,469	75.3	6.2	7.8	8.5	9.7	9.4	9.8
16 to 19 years	561	753	49.3	15.8	17.6	19.0	22.1	19.9	21.0
16 to 17 years	265	339	24.2	18.9	19.3	21.4	23.0	21.1	24.2
18 to 19 years	296	414	70.0	13.7	16.6	17.3	21.1	18.5	18.8
20 to 24 years	464	774	84.0	8.5	10.7	12.4	12.2	13.3	13.6
25 years and over	1,097	1,942	81.8	4.2	5.7	5.9	7.1	6.9	7.3
25 to 54 years	916	1,658	83.2	4.5	6.1	6.3	7.6	7.4	7.8
55 years and over	181	285	73.3	3.2	3.9	4.4	4.9	5.5	5.0

Table B-1. Employees on nonagricultural payrolls, by industry

[In thousands]

Industry	Not seasonally adjusted				Seasonally adjusted					
	Mar. 1974	Jan. 1975	Feb. 1975[p]	Mar. 1975[p]	Mar. 1974	Nov. 1974	Dec. 1974	Jan. 1975	Feb. 1975[p]	Mar. 1975[p]
TOTAL	77,362	76,185	75,726	75,741	78,089	78,404	77,690	77,227	76,678	76,353
GOODS-PRODUCING	24,396	22,599	22,048	21,909	24,880	24,187	23,606	23,207	22,592	22,332
MINING	648	689	688	692	662	693	662	700	703	707
CONTRACT CONSTRUCTION	3,786	3,372	3,230	3,220	4,102	3,861	3,798	3,789	3,597	3,489
MANUFACTURING	19,962	18,538	18,130	17,997	20,116	19,633	19,146	18,718	18,292	18,136
Production workers	14,582	13,225	12,853	12,754	14,719	14,222	13,776	13,392	13,000	12,875
DURABLE GOODS	11,793	10,933	10,645	10,566	11,862	11,611	11,291	11,010	10,715	10,624
Production workers	8,584	7,767	7,504	7,452	8,645	8,380	8,086	7,838	7,565	7,502
Ordnance and accessories	180.5	182.7	182.4	182.1	181	182	182	182	183	183
Lumber and wood products	641.6	537.8	525.1	524.6	657	586	575	556	541	537
Furniture and fixtures	536.5	462.9	447.7	440.4	540	497	483	463	450	444
Stone, clay, and glass products	688.0	612.8	600.8	592.5	702	667	652	632	619	605
Primary metal industries	1,328.5	1,268.9	1,230.6	1,202.9	1,329	1,336	1,304	1,277	1,236	1,203
Fabricated metal products	1,484.2	1,345.1	1,320.7	1,303.3	1,495	1,452	1,403	1,352	1,330	1,312
Machinery, except electrical	2,191.7	2,165.1	2,134.0	2,100.6	2,181	2,227	2,199	2,165	2,123	2,090
Electrical equipment	2,043.2	1,831.5	1,769.7	1,737.5	2,056	1,939	1,876	1,835	1,775	1,748
Transportation equipment	1,728.7	1,622.4	1,540.5	1,589.7	1,739	1,769	1,683	1,626	1,550	1,599
Instruments and related products	524.1	512.5	504.6	498.7	526	526	520	514	506	501
Miscellaneous manufacturing	445.6	391.1	388.8	393.5	456	430	414	408	402	402
NONDURABLE GOODS	8,169	7,605	7,485	7,431	8,254	8,022	7,855	7,708	7,577	7,512
Production workers	5,998	5,458	5,349	5,302	6,074	5,842	5,690	5,554	5,435	5,373
Food and kindred products	1,672.4	1,612.3	1,592.9	1,599.9	1,744	1,705	1,692	1,671	1,664	1,668
Tobacco manufactures	74.6	78.5	75.5	72.2	80	75	76	79	78	77
Textile mill products	1,024.4	879.7	862.5	862.3	1,024	954	919	881	863	862
Apparel and other textile products	1,367.3	1,183.1	1,180.4	1,162.2	1,359	1,291	1,236	1,204	1,178	1,155
Paper and allied products	709.7	662.3	642.9	634.4	714	691	678	666	648	638
Printing and publishing	1,110.8	1,097.0	1,090.4	1,083.6	1,111	1,104	1,101	1,098	1,090	1,084
Chemicals and allied products	1,051.2	1,030.5	1,019.8	1,014.2	1,054	1,065	1,050	1,038	1,027	1,017
Petroleum and coal products	190.2	185.7	181.4	176.1	195	196	195	190	187	180
Rubber and plastics products, nec.	679.1	615.8	583.9	573.5	682	664	638	619	586	576
Leather and leather products	288.8	259.7	255.2	252.7	291	277	270	262	256	255
SERVICE-PRODUCING	52,966	53,586	53,678	53,832	53,209	54,217	54,084	54,020	54,086	54,021
TRANSPORTATION AND PUBLIC UTILITIES	4,670	4,552	4,494	4,496	4,708	4,697	4,668	4,607	4,558	4,532
WHOLESALE AND RETAIL TRADE	16,584	16,687	16,484	16,514	16,914	17,048	16,912	16,863	16,841	16,804
WHOLESALE TRADE	4,199	4,217	4,181	4,175	4,237	4,283	4,267	4,242	4,223	4,213
RETAIL TRADE	12,385	12,470	12,303	12,339	12,677	12,765	12,645	12,621	12,618	12,591
FINANCE, INSURANCE, AND REAL ESTATE	4,120	4,131	4,118	4,122	4,145	4,183	4,182	4,173	4,155	4,147
SERVICES	13,246	13,513	13,596	13,639	13,339	13,721	13,734	13,747	13,761	13,735
GOVERNMENT	14,346	14,703	14,986	15,061	14,103	14,568	14,588	14,630	14,771	14,803
FEDERAL	2,691	2,711	2,719	2,726	2,699	2,746	2,738	2,733	2,733	2,734
STATE AND LOCAL	11,655	11,992	12,267	12,335	11,404	11,822	11,850	11,897	12,038	12,069

p=preliminary.

Table B-2. Average weekly hours of production or nonsupervisory workers[1] on private nonagricultural payrolls, by industry

Industry	Not seasonally adjusted				Seasonally adjusted					
	Mar. 1974	Jan. 1975	Feb. 1975 P	Mar. 1975 P	Mar. 1974	Nov. 1974	Dec. 1974	Jan. 1975	Feb. 1975 P	Mar. 1975 P
TOTAL PRIVATE	36.5	35.8	35.8	35.7	36.7	36.2	36.4	36.2	36.1	35.9
MINING	42.5	42.0	41.9	40.6	43.1	36.4	41.0	42.4	42.5	41.1
CONTRACT CONSTRUCTION	36.5	35.4	35.3	34.5	36.7	37.1	37.5	37.1	36.6	34.7
MANUFACTURING	40.2	38.7	38.5	38.6	40.3	39.5	39.4	39.2	38.8	38.7
Overtime hours	3.4	2.2	2.1	2.1	3.6	2.8	2.7	2.3	2.2	2.2
DURABLE GOODS	40.9	39.5	39.3	39.3	40.9	40.2	40.2	40.0	39.5	39.3
Overtime hours	3.6	2.3	2.2	2.1	3.7	3.0	2.8	2.5	2.3	2.2
Ordnance and accessories	42.5	41.8	41.7	41.5	42.2	41.9	41.8	42.1	41.5	41.2
Lumber and wood products	40.3	37.0	37.9	38.2	40.3	38.5	38.1	37.9	38.4	38.2
Furniture and fixtures	39.3	35.9	36.0	36.2	39.5	37.7	37.3	36.4	36.6	36.4
Stone, clay, and glass products	41.5	39.8	39.7	39.5	41.6	41.2	41.0	40.9	40.4	39.6
Primary metal industries	41.7	40.5	40.1	40.0	41.6	41.7	41.1	40.5	40.2	39.9
Fabricated metal products	41.1	39.8	39.3	39.5	41.3	40.4	40.6	40.4	39.7	39.7
Machinery, except electrical	42.7	41.6	41.3	41.3	42.4	42.3	42.1	41.8	41.3	41.1
Electrical equipment	39.9	39.1	38.8	38.9	40.0	39.4	39.5	39.4	39.0	39.0
Transportation equipment	40.3	38.8	38.7	38.5	40.4	39.5	39.5	39.5	38.9	38.6
Instruments and related products	40.5	39.2	38.6	38.7	40.5	39.9	39.8	39.5	38.8	38.7
Miscellaneous manufacturing	38.9	37.5	37.5	37.7	38.8	38.0	38.1	38.1	37.5	37.6
NONDURABLE GOODS	39.2	37.6	37.4	37.6	39.4	38.4	38.2	38.0	37.7	37.8
Overtime hours	3.1	2.1	2.0	2.1	3.2	2.5	2.5	2.2	2.1	2.2
Food and kindred products	39.9	39.6	39.3	39.7	40.5	40.0	40.0	39.9	39.9	40.3
Tobacco manufactures	36.4	37.0	36.4	37.9	37.8	37.4	37.7	37.3	37.6	39.3
Textile mill products	40.3	35.7	35.9	36.7	40.3	37.6	36.6	36.0	36.1	36.7
Apparel and other textile products	35.5	33.4	33.4	33.6	35.4	34.4	34.2	34.0	33.6	33.5
Paper and allied products	42.3	40.8	40.3	40.3	42.5	41.3	41.2	41.1	40.7	40.5
Printing and publishing	37.6	36.9	36.8	36.9	37.6	37.4	37.3	37.5	37.2	36.9
Chemicals and allied products	41.8	40.5	40.4	40.4	41.8	41.2	41.0	40.6	40.5	40.4
Petroleum and coal products	42.2	41.2	40.9	40.7	42.8	42.2	42.3	42.0	41.6	41.3
Rubber and plastics products, nec	40.6	39.2	38.6	38.2	40.7	39.8	39.5	39.5	38.8	38.3
Leather and leather products	37.8	35.4	35.1	34.9	38.1	36.6	36.1	35.7	35.2	35.1
TRANSPORTATION AND PUBLIC UTILITIES	40.0	39.8	40.0	39.0	40.4	39.9	40.1	40.2	40.3	39.4
WHOLESALE AND RETAIL TRADE	34.0	33.3	33.4	33.6	34.4	33.9	34.0	33.8	33.9	34.0
WHOLESALE TRADE	38.8	38.5	38.3	38.4	38.9	38.6	38.6	38.7	38.6	38.5
RETAIL TRADE	32.4	31.8	31.9	32.1	32.9	32.4	32.4	32.3	32.4	32.6
FINANCE, INSURANCE, AND REAL ESTATE	36.7	37.0	37.0	36.8	36.7	36.7	36.9	37.1	37.0	36.8
SERVICES	33.8	33.9	33.9	33.7	34.0	34.0	34.0	34.2	34.1	33.9

[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.

p=preliminary.

ESTABLISHMENT DATA

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			
	Mar. 1974	Jan. 1975	Feb. 1975 p	Mar. 1975 p	Mar. 1974	Jan. 1975	Feb. 1975 p	Mar. 1975 p
TOTAL PRIVATE	$4.09	$4.39	$4.40	$4.42	$149.29	$157.16	$157.52	$157.79
Seasonally adjusted	4.10	4.39	4.41	4.43	150.47	158.92	159.20	159.04
MINING	5.01	5.68	5.73	5.76	212.93	238.56	240.09	233.86
CONTRACT CONSTRUCTION	6.53	7.07	6.97	7.11	238.35	250.28	246.04	245.30
MANUFACTURING	4.24	4.65	4.67	4.70	170.45	179.96	179.80	181.42
DURABLE GOODS	4.51	4.94	4.96	5.00	184.46	195.13	194.93	196.50
Ordnance and accessories	4.59	4.99	5.06	5.08	195.08	208.58	211.00	210.82
Lumber and wood products	3.78	4.04	4.08	4.13	152.33	149.48	154.63	157.77
Furniture and fixtures	3.41	3.63	3.65	3.67	134.01	130.32	131.40	132.85
Stone, clay, and glass products	4.36	4.67	4.70	4.71	180.94	185.87	186.59	186.05
Primary metal industries	5.32	5.92	5.99	6.02	221.84	239.76	240.20	240.80
Fabricated metal products	4.45	4.78	4.83	4.89	182.90	190.24	189.82	193.16
Machinery, except electrical	4.79	5.17	5.18	5.21	204.53	215.07	213.93	215.17
Electrical equipment	4.01	4.41	4.44	4.46	160.00	172.43	172.27	173.49
Transportation equipment	5.26	5.75	5.73	5.82	211.98	223.10	221.75	224.07
Instruments and related products	4.08	4.41	4.43	4.45	165.24	172.87	171.00	172.22
Miscellaneous manufacturing	3.42	3.74	3.71	3.72	133.04	140.25	139.13	140.24
NONDURABLE GOODS	3.84	4.22	4.24	4.26	150.53	158.67	158.58	160.18
Food and kindred products	4.03	4.40	4.44	4.46	160.80	174.24	174.49	177.06
Tobacco manufactures	3.97	4.38	4.52	4.72	144.51	162.06	164.53	178.89
Textile mill products	3.07	3.28	3.29	3.31	123.72	117.10	118.11	121.48
Apparel and other textile products	2.88	3.14	3.13	3.14	102.24	104.88	104.54	105.50
Paper and allied products	4.34	4.74	4.74	4.79	183.58	193.39	191.02	193.04
Printing and publishing	4.85	5.15	5.18	5.22	182.36	190.04	190.62	192.62
Chemicals and allied products	4.67	5.14	5.15	5.18	195.21	208.17	208.06	209.27
Petroleum and coal products	5.42	5.90	6.12	6.22	228.72	243.08	250.31	253.15
Rubber and plastics products, nec	3.92	4.23	4.22	4.24	159.15	165.82	162.89	161.97
Leather and leather products	2.94	3.15	3.18	3.20	111.13	111.51	111.62	111.68
TRANSPORTATION AND PUBLIC UTILITIES	5.25	5.64	5.65	5.69	210.00	224.47	226.00	221.91
WHOLESALE AND RETAIL TRADE	3.37	3.65	3.68	3.68	114.58	121.55	122.91	123.65
WHOLESALE TRADE	4.33	4.73	4.78	4.80	168.00	182.11	183.07	184.32
RETAIL TRADE	3.01	3.24	3.26	3.26	97.52	103.03	103.99	104.65
FINANCE, INSURANCE, AND REAL ESTATE	3.71	3.98	4.03	4.06	136.16	147.26	149.11	149.41
SERVICES	3.66	3.91	3.95	3.97	123.71	132.55	133.91	133.79

[1] See footnote 1, table B-2.
p=preliminary.

Table B-4. Hourly earnings index for production or nonsupervisory workers[1] on private nonagricultural payrolls, by industry division, seasonally adjusted

[1967=100]

Industry	March 1974	Oct. 1974	Nov. 1974	Dec. 1974	Jan. 1975	Feb.[p] 1975	March[p] 1975	Percent change from	
								Mar. 1974-Mar. 1975	Feb. 1975-Mar. 1975
TOTAL PRIVATE NONFARM:									
Current dollars	153.6	163.1[r]	163.9[r]	165.1[r]	166.0	166.9	168.7	9.8	1.0
Constant (1967) dollars	107.3	106.6[r]	106.2[r]	106.2[r]	106.1	106.1	N.A.	(2)	(3)
MINING	157.4	167.8	167.2	172.5	174.9	177.6	179.0	13.7	.8
CONTRACT CONSTRUCTION	159.0	167.2	168.3	170.1	170.2	168.3	172.7	8.6	2.6
MANUFACTURING	150.6	161.5	162.5	163.5	164.6	165.9	167.7	11.3	1.1
TRANSPORTATION AND PUBLIC UTILITIES	163.3	172.2[r]	172.3[r]	173.2[r]	173.8	174.3	176.4	8.0	1.2
WHOLESALE AND RETAIL TRADE	150.2	159.7	160.3	161.0	162.6	163.7	164.5	9.5	.5
FINANCE, INSURANCE, AND REAL ESTATE	143.9	152.8	153.4	155.0[r]	155.0	156.5	158.6	10.2	1.4
SERVICES	158.4	165.4	166.8	168.3	169.1	170.7	171.7	8.4	.6

[1] See footnote 1, table B-2.
[2] Percent change was -1.6 from February 1974 to February 1975, the latest month available.
[3] Percent change was less than 0.05 from January 1975 to February 1975, the latest month available.

N.A. = not available. r = revised.
p=preliminary.

NOTE: All series are in current dollars except where indicated. The index excludes 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 changes in the proportion of workers in high-wage and low-wage industries.

Table B-5. Indexes of aggregate weekly man-hours of production or nonsupervisory workers[1] on private nonagricultural payrolls, by industry, seasonally adjusted

[1967 = 100]

Industry division and group	1974										1975		
	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.P	Mar.P
TOTAL	113.3	112.7	113.6	113.5	113.3	113.4	113.4	113.0	111.2	109.7	108.7	106.8	105.5
GOODS-PRODUCING	105.1	102.9	105.0	104.6	104.0	103.8	103.7	103.0	99.4	96.5	94.1	90.1	87.8
MINING	108.5	108.9	110.1	110.3	110.2	109.9	112.3	114.0	95.8	100.9	113.3	113.3	110.6
CONTRACT CONSTRUCTION	121.2	119.1	119.7	117.8	115.3	115.6	115.2	116.5	114.4	113.1	111.9	103.5	94.6
MANUFACTURING	102.2	99.8	102.2	102.1	101.8	101.6	101.3	100.3	96.9	93.4	90.3	86.9	85.9
DURABLE GOODS	102.7	100.4	103.0	103.2	102.8	102.5	102.5	101.7	98.1	94.4	91.0	86.9	85.7
Ordnance and accessories	50.5	49.3	49.5	48.0	48.2	47.7	49.1	49.0	49.0	49.5	49.3	49.1	49.3
Lumber and wood products	108.7	108.4	108.3	106.8	104.9	103.4	99.9	95.8	90.6	87.8	84.1	82.2	81.3
Furniture and fixtures	115.9	113.8	115.6	115.6	114.0	112.3	111.0	107.4	100.6	96.1	89.2	87.3	85.4
Stone, clay, and glass products	112.8	111.2	112.0	110.8	110.8	110.6	108.8	107.7	105.2	101.7	98.1	92.6	90.5
Primary metal industries	101.6	100.6	101.2	102.2	101.6	102.6	104.6	105.0	102.3	97.7	94.0	89.6	86.1
Fabricated metal products	108.2	103.6	107.4	108.0	108.3	108.1	107.8	105.8	101.9	98.4	93.4	90.1	89.0
Machinery, except electrical	107.4	103.1	107.1	108.1	106.9	109.2	109.9	109.7	108.5	106.0	103.3	99.2	96.6
Electrical equipment and supplies	106.0	102.9	105.1	105.5	105.1	100.8	102.5	101.2	96.3	92.3	89.6	84.8	83.2
Transportation equipment	86.2	86.4	90.2	90.0	90.8	91.1	90.5	92.0	87.0	81.9	78.4	72.5	75.7
Instruments and related products	114.3	111.9	114.2	116.4	114.9	115.8	114.2	113.0	111.3	108.9	106.8	101.9	100.3
Miscellaneous manufacturing, ind	103.8	100.6	104.4	104.7	104.4	103.0	101.3	98.7	94.6	90.2	88.5	85.7	86.0
NONDURABLE GOODS	101.4	99.0	101.1	100.5	100.3	100.2	99.5	98.2	95.0	92.0	89.3	86.9	86.0
Food and kindred products	99.6	96.9	98.8	97.4	96.5	97.3	97.9	97.4	95.6	94.7	93.0	92.6	93.8
Tobacco manufactures	87.6	89.2	88.6	85.1	84.4	84.5	82.5	83.1	81.4	83.4	86.4	85.8	88.3
Textile mill products	103.9	100.6	103.4	103.1	101.9	100.4	98.8	93.7	89.5	83.9	78.7	77.3	78.6
Apparel and other textile products	93.4	90.8	94.0	91.1	92.9	91.7	91.3	90.3	85.9	81.3	78.8	76.1	74.1
Paper and allied products	104.4	102.2	103.9	103.6	103.3	102.5	101.8	99.3	96.8	94.4	92.0	88.2	85.8
Printing and publishing	99.1	97.5	99.4	99.7	99.4	100.2	99.1	99.1	96.9	96.4	96.6	94.7	93.0
Chemicals and allied products	104.3	103.9	103.9	104.8	105.3	106.0	105.5	105.1	103.3	100.3	97.1	95.3	93.9
Petroleum and coal products	107.6	107.1	107.5	108.0	107.0	105.4	106.1	108.0	107.0	106.4	100.5	97.0	92.0
Rubber and plastics products, nec	132.6	126.9	131.8	134.7	133.6	135.8	134.1	134.6	125.3	118.6	114.7	105.4	101.7
Leather and leather products	81.9	79.7	80.1	80.1	78.9	78.6	76.6	75.7	74.8	71.9	68.7	65.9	65.4
SERVICE-PRODUCING	119.0	119.4	119.6	119.7	119.8	120.0	120.2	119.9	119.4	118.9	118.9	118.4	117.7
TRANSPORTATION AND PUBLIC UTILITIES	109.4	110.4	109.8	108.7	109.7	109.3	108.4	108.9	107.5	107.1	105.9	104.9	102.3
WHOLESALE AND RETAIL TRADE	116.1	116.7	116.7	116.5	116.7	116.7	116.8	116.3	115.4	114.2	113.8	113.7	113.9
WHOLESALE TRADE	115.0	115.6	115.7	115.8	115.8	115.2	115.8	115.4	114.9	114.5	114.0	113.0	112.4
RETAIL TRADE	116.6	117.2	117.1	116.8	117.1	117.2	117.2	116.6	115.6	114.1	113.7	113.9	114.5
FINANCE, INSURANCE, AND REAL ESTATE	123.3	123.4	123.5	123.8	123.2	123.7	124.3	423.8	123.0	123.7	124.2	123.2	122.0
SERVICES	126.0	126.1	126.8	128.0	127.5	128.3	129.0	128.7	129.2	129.3	130.2	129.8	128.9

[1] See footnote 1, table B-2.
p=preliminary.

Table B-6. Indexes of diffusion of changes in number of employees on payrolls in 172 private nonagricultural industries[1]

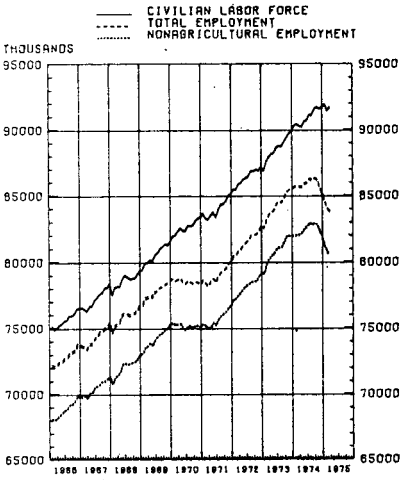
Year and month	Span			
	1-month	3-months	6-months	12-months
1972				
January	68.6	71.2	78.8	77.3
February	70.6	80.5	82.0	81.7
March	75.0	80.8	84.9	79.7
April	76.2	84.0	79.7	82.3
May	75.6	82.8	81.1	84.3
June	77.6	74.4	82.6	84.3
July	45.6	74.4	84.6	83.7
August	73.0	74.4	82.0	84.0
September	74.7	82.0	80.2	85.2
October	82.6	83.4	82.8	83.1
November	73.5	79.4	82.3	82.0
December	75.3	80.5	84.6	84.3
1973				
January	73.8	82.0	82.3	80.5
February	73.3	81.1	77.9	83.1
March	76.2	79.4	80.8	84.9
April	66.9	77.0	75.9	85.8
May	57.8	73.3	76.5	86.3
June	72.1	66.6	74.7	84.0
July	59.9	73.0	73.8	79.1
August	66.6	68.6	74.7	74.4
September	59.6	74.7	71.8	68.9
October	75.9	78.2	72.1	64.5
November	77.3	72.4	68.3	65.1
December	58.7	68.6	62.5	61.6
1974				
January	62.5	54.9	55.8	61.6
February	47.1	50.9	50.9	59.0
March	48.0	44.8	50.0	54.9
April	54.1	51.7	49.4	48.0
May	55.5	56.4	50.0	40.7
June	58.7	52.0	50.6	30.5
July	48.8	46.8	39.5	25.9
August	52.3	42.2	34.3	22.1p
September	38.1	43.6	27.3	17.7p
October	40.4	29.1	20.3	
November	19.2	20.9	17.7p	
December	19.8	13.7	15.1p	
1975				
January	17.7	12.8p		
February	15.1p	14.8p		
March	28.2p			
April				
May				
June				
July				
August				
September				
October				
November				
December				

[1] Each index represents the percent of industries in which employment increased over the indicated span.

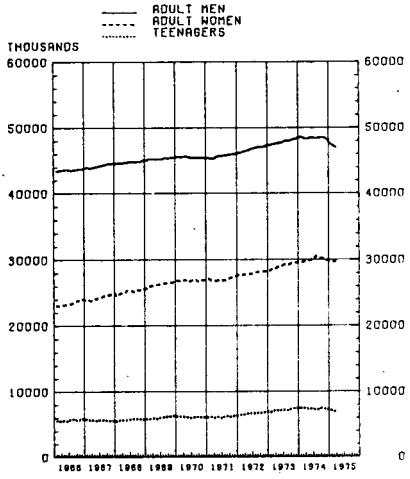
p = preliminary.

LABOR FORCE, EMPLOYMENT, UNEMPLOYMENT
HOUSEHOLD DATA - SEASONALLY ADJUSTED

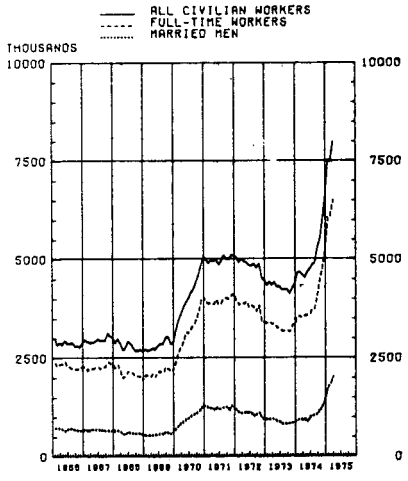
1. LABOR FORCE AND EMPLOYMENT



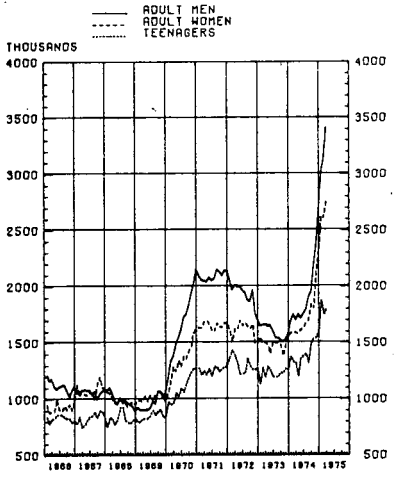
2. TOTAL EMPLOYMENT



3. UNEMPLOYMENT

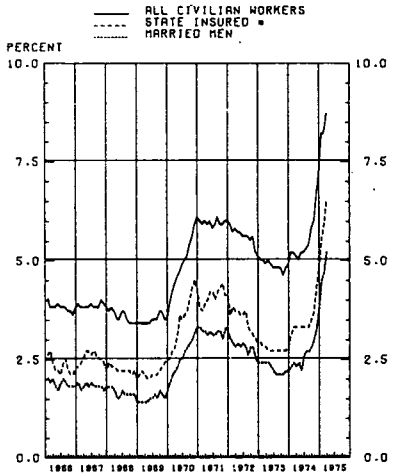


4. UNEMPLOYMENT

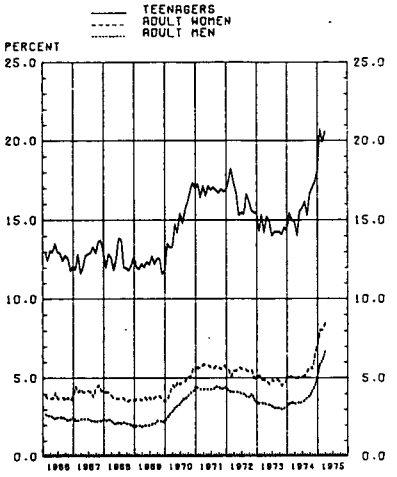


UNEMPLOYMENT RATES
HOUSEHOLD DATA - SEASONALLY ADJUSTED

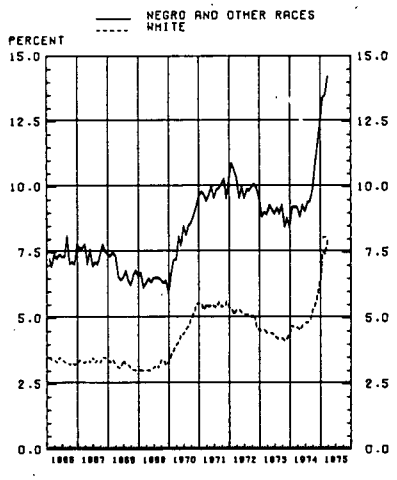
5. UNEMPLOYMENT RATES



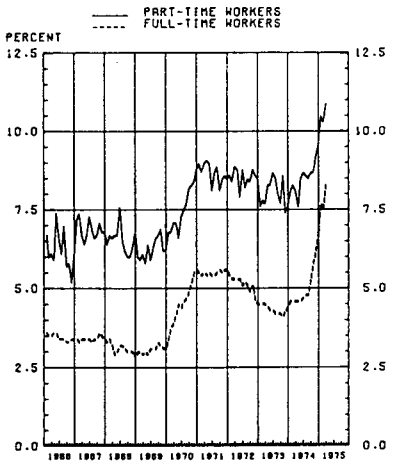
6. UNEMPLOYMENT RATES



7. UNEMPLOYMENT RATES



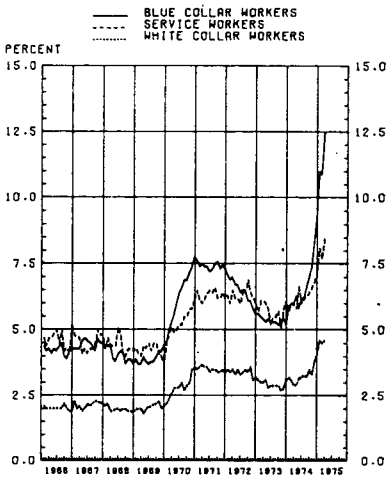
8. UNEMPLOYMENT RATES



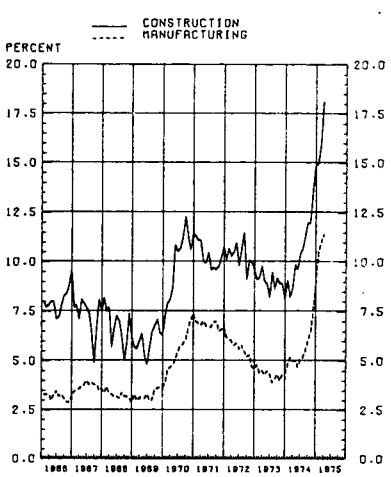
* State insured unemployment rate pertains to the week including the 12th of the month and represents the insured unemployed under State programs as a percent of average covered employment. The figures are derived from administrative records of unemployment insurance systems.

UNEMPLOYMENT
HOUSEHOLD DATA - SEASONALLY ADJUSTED

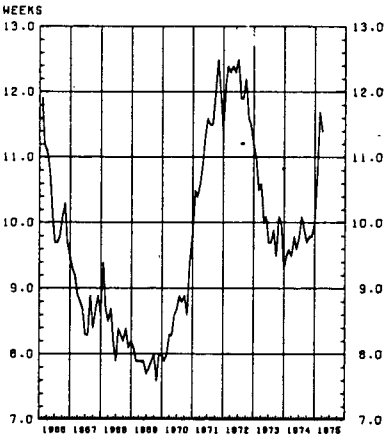
9. UNEMPLOYMENT RATES



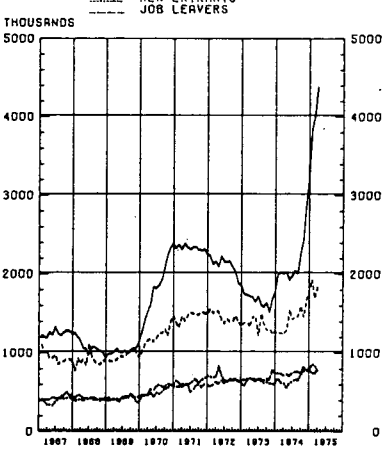
10. UNEMPLOYMENT RATES



11. AVERAGE DURATION OF UNEMPLOYMENT

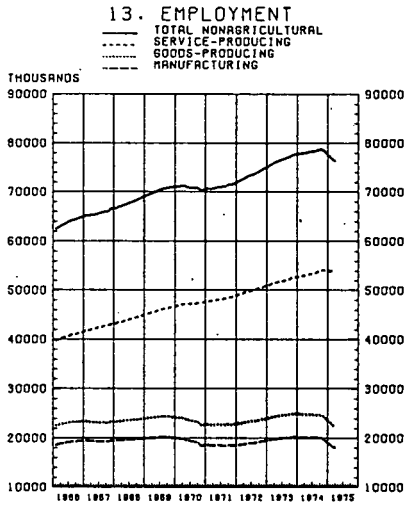


12. UNEMPLOYMENT BY REASON

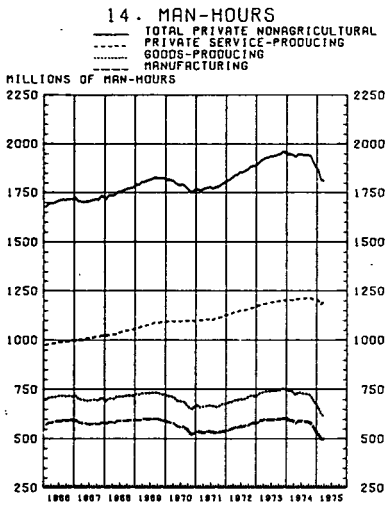


NONAGRICULTURAL EMPLOYMENT AND HOURS
ESTABLISHMENT DATA - SEASONALLY ADJUSTED

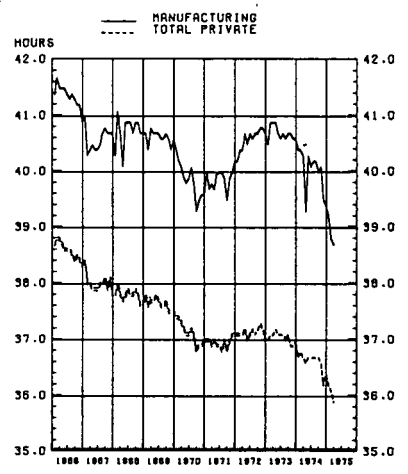
13. EMPLOYMENT



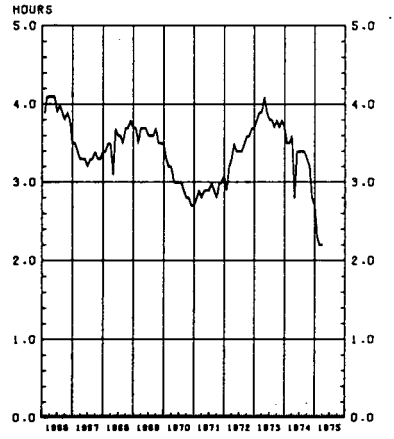
14. MAN-HOURS



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.

Senator PROXMIRE. Well, thank you very much, Mr. Commissioner.

On page 3 of your press release, not your statement but the release, you have this statement. I will read part of it and ask you about it as I go along. Blue-collar workers were particularly hard hit as their jobless rate moved from 10.9 percent in February to a record 12.5 percent in March, double their yearly earlier rate.

This seems to me to be an appalling level of unemployment. Is that a record since the Great Depression.

Mr. SHISKIN. I am not sure, but it's clearly a very, very high figure and, like you, I find it very deplorable.

Senator PROXMIRE. How is blue collar worker defined? Does that include simply manufacturing workers or——

Mr. WETZEL. If I may Senator. The blue collar category includes the skilled craftsmen, supervisors, machine operators or operatives, the truck drivers, and laborers of all categories from all nonfarm industries. The data on occupational unemployment——

Senator PROXMIRE. What are the marginal groups that would not be included? Would it not include clerical workers?

Mr. WETZEL. Service workers, laborers on farms, and in the professional and technical occupations, sales workers, and clerical workers would not be in that category. Manufacturing industries employ about half of all persons engaged in blue collar work.

Senator PROXMIRE. I take it that this is one reason, Mr. Shiskin, why the unemployment for adult males constitutes two-thirds of the increase in unemployment over the last several months?

Mr. SHISKIN. Yes, sir.

Senator PROXMIRE. Blue collar workers, by and large, are adult males?

Mr. SHISKIN. Heavy industry has been hit very hard. Many of the workers in heavy industry are blue collar workers, and they are mostly adult males.

Senator PROXMIRE. This indicates the dimension of the tragedy, too, because so many of the blue collar workers are the principal wage earners for their families.

Mr. SHISKIN. As a matter of fact, all the components, demographic, occupational, and industrial, are hitting alltime highs or are close to them. Now, we have a rate of unemployment for household heads of 5.8 percent.

Senator PROXMIRE. You found a kind of silver lining in this dark cloud. I think you make Mr. Pangloss seem like a pessimist.

Mr. SHISKIN. Senator, I would not put it that way, not at all.

Senator PROXMIRE. You say in your release, you say, all major industries showed increases. Then in your dispersion discussion you pointed it out the number of industries what, 72 percent or 74 percent that showed a decrease.

Mr. SHISKIN. Still a very big figure.

Senator PROXMIRE. It is a very big figure, particularly when you recognize that you are moving down all the way. There was a big drop in employment in January in a widespread number of industries, a further drop in February, so you are operating from a low, relatively low level of employment and high level unemployment, so if you have an unemployment increase in March on top of the in-

crease in February, it seems to me that you have a very seriously deepening recession.

Mr. SHISKIN. Well, I think the recession did deepen in March, and I said so. The point I was making though is that a diffusion index almost always leads the aggregate to which it refers. So a diffusion index of employment would lead employment. As far as I know every single time in history the diffusion index has led the corresponding aggregate. We may be getting that kind of lead. I think the jump from 15 to 28 percent of industries rising goes beyond the margin of revisions. There have been little improvement in that index in recent months but I haven't mentioned them. But I do mention the improvement this month, because it is so large.

Senator PROXMIRE. As long as more than 50 percent; in this case more than 70 percent of the industries are suffering a drop in employment, below the low levels in February of this year. It would seem to me this can hardly be viewed as an improvement in the situation.

Mr. SHISKIN. Mr. Chairman, let me try to make the point clear. There is no question in my mind that the recession continued in March. It did, and things, particularly in terms of unemployment, are in a very bad state. Now the question is what early signals are we getting that the recession may be coming to an end. For that we have to look at a different kind of measure, not a measure of performance like unemployment or employment or GNP. These are all measures of performance. Here's how some economists do it. We look at series, indicators, which usually lead measures of performance. There are some very useful leading employment indicators. Two of the best are the layoff rate and the accession rate. How many people got laid off and the percent that were hired, new accession. In the case of those two series, the layoff rate was stable, the accession rate has now——

Senator PROXMIRE. Stable at a very high level?

Mr. SHISKIN. Yes. But that is always true during a recession, although this recession is worse than others in recent history.

Another leading employment indicator is our diffusion index, and that seems to have turned up, too.

Senator PROXMIRE. It seems to me that has worsened. If you have more than 70 percent of your industries with lower employment in March than in February, it is hard for me to see why it constitutes an improvement. It seems, to use an analogy that the chairman of the committee, Senator Humphrey likes to use, it would seem if somebody had a temperature that had gone from 100° to 104° one day and went to 105° the next day, the patient is in pretty good shape, his temperature went up only a degree.

Mr. SHISKIN. Let me try a different kind of analogy. Every time I have been here in the last 3 months or so all I have seen are black clouds.

There are a lot of black clouds today. But there seems to be a little break here and there in the clouds. There, in that context, you have to look not at measures of performance because the performance of the economy has worsened but, you have to look at what we call leading indicators.

Let me give you another example: New orders for durable goods. The measure of performance is production or shipments; they tell you what the economy is doing at a given time. But the new order series tells you what its likely to do in the months that are ahead. Now similarly, we have leading employment indicators and these are looking better this month than previous months.

Senator PROXMIRE. The unemployment rate, you say in your next sentence, for construction workers rose sharply to 18.1 percent. Is that seasonally adjusted?

Mr. SHISKIN. Yes.

Senator PROXMIRE. That is the highest its been in this recession and has been for many years; is that correct?

Mr. SHISKIN. Yes, there is no doubt, Senator, that unemployment levels are reaching new all-time highs, are getting worse the last few months. As I indicate in my statement, it is a very serious situation.

Senator PROXMIRE. Then you go on to say that the rate for manufacturing workers rose for 10 consecutive months to 11.4 percent, more than double the rate a year ago. Then you go on to say that the length of employment, number of persons employed more than 15 weeks which measures to a considerable extent the severity and tragedy of unemployment for individual cases, that increased 170,000 from the February level to 2 million. That is a very large increase; is it not?

Mr. SHISKIN. I added in my statement that the number unemployed for 27 weeks, half a year, is now about three-quarters of a million. So performance of economy in terms of employment, Mr. Chairman, is very bad.

Senator PROXMIRE. Then you had another indication of the weakness of the economy, when you say on top of page 4, and I quote, "when combined with unemployment on a man-hours basis the resulting measure—labor force time lost—reached 9.6 percent in March, up from 8.9 percent in February, and 5.6 percent in March of 1974.

What does this labor force time lost measure——

Mr. SHISKIN. That consists of the time lost by the unemployed plus the time lost by those who would like full time jobs but are working part time.

There is also another element in the worsening employment situation: People who are on part time, but don't have all the part time they want.

Senator PROXMIRE. You indicate that one of the indicators—one of the most reliable—is hours worked.

Mr. SHISKIN. That is a leading indicator and that has dropped.

Senator PROXMIRE. That tends to indicate what is going to happen in the future?

Mr. SHISKIN. What is likely to.

Senator PROXMIRE. It didn't drop very much, it dropped one-tenth of a percent.

Mr. SHISKIN. Yes, sir.

Senator PROXMIRE. But it did drop.

Mr. SHISKIN. Yes, sir.

Senator PROXMIRE. That, too, indicates a weakness.

Mr. SHISKIN. The evidence among the leading indicators, as I point out in my statement, is not at all decisive; but there is some evidence.

If I may say this. You know, this recession is not going to last forever. We are going to get signs that the economy is going to turn around. We have our first few signs in the March figures.

Senator PROXMIRE. Well, now, I have talked about this, you and I have been talking about this manufacturing, one school of thought, purchases and consumer durables, autos, appliances, and so forth, but I note in the final table attached to your statement very high unemployment rates are shown in nondurable apparel, 19.8 percent.

Mr. SHISKIN. Apparel is a disaster area.

Senator PROXMIRE. Textile mill area, rubber and plastic, 14.5. The weakness is not in durables; is that right?

Mr. SHISKIN. Yes, sir.

Senator PROXMIRE. You gave us a very helpful list some time ago of the industries that showed the highest level of unemployment, this was either last month or 2 months ago.

Mr. SHISKIN. These are the industries.

Senator PROXMIRE. Do you have that available now?

Mr. SHISKIN. This is the list. This list differs from the previous list.

Senator PROXMIRE. What list is that, where do you show that?

Mr. SHISKIN. Table 2, the one you are looking at.

Senator PROXMIRE. It is in your testimony?

Mr. SHISKIN. In my statement.

The difference, Mr. Chairman, between this list and the ones I have shown earlier is that for the first time we have been able to seasonally adjust these detailed industry figures. Unemployment data shown earlier for industries are not seasonally adjusted.

Senator PROXMIRE. My time is up.

Representative LONG. Thank you. Mr. Commissioner, on page 5 of your release, rather than your statement, the first beginning paragraph, you state that a large portion of the discouraged are younger or older workers, women, and black groups who experience the greatest difficulty in finding jobs. For example, blacks accounted for about 30 percent of the discouraged total in the first quarter, a much larger ratio than their proportion of the labor force, which is 11 percent.

Mr. SHISKIN. Yes, sir.

Representative LONG. So doesn't that really mean that there are about 300,000 blacks who basically have become discouraged and who have given up all hope of even getting a job?

Mr. SHISKIN. Mr. Wetzel, who is very good at arithmetic, confirms that your statement of 300,000 is correct.

Representative LONG. They have just given up.

Mr. SHISKIN. That is the way it appears. They say they would like to have a job, but they are not looking for one.

Representative LONG. Let's take that and go another step to translate that into overall figures. We take the 8 million that are unemployed in the United States today and we take the 1.1 million

who have given up and dropped out of the labor force altogether—and if we add those two together we get a number of unemployed of about 9.1 million. Is that correct?

Mr. SHISKIN. Yes. Let me put it this way; one-tenth of a point in the unemployment rate is equal to 93,000 workers.

Representative LONG. Say that again, please.

Mr. SHISKIN. One tenth of a point in the unempolyment rate is equal to about 93,000 workers.

Now, we have about 1.1 million discouraged workers. If you would count them as unemployed, and we don't do it, and there is a long background here which we can discuss if you wish—if you want to count them as unemployed, you would be adding about a 1.2 percentage point to the unemployment rate.

Representative LONG. You would be doing what?

Mr. SHISKIN. Adding 1.2 to the unemployment rate.

Representative LONG. Assuming that they become discouraged and have given up, and assuming the validity of adding them to the unemployed, then you come to 9.2 million, which is a combination of unemployed, plus those who are discouraged and have given up.

Mr. SHISKIN. That is right.

Representative LONG. Which means if you translate that figure into rates, instead of an unemployment rate of 8.7 percent, we go to somewhere between 9 and 10 percent unemployed, using my definition of the term.

Mr. SHISKIN. 9.9 percent. But it's no accident that we don't do that. The reason we don't do that is that the discouraged worker has not put his ability to get a job to the market test. We only count, as unemployed, people who have tried the job market and say they can't find a job. As you can see while we show the, discouraged worker as part of this category in our discussion, and we don't underestimate the importance of it, we don't feel it's appropriate to add them, because we can't measure them as objectively; that is, through a market test, as we do the others.

Representative LONG. But just because of the fact that you can't measure them doesn't mean that they are not unemployed.

Mr. SHISKIN. It certainly doesn't and I don't want to underestimate their importance. We are very much concerned about the people behind these figures. We put them in our release; we discuss them; we make them available. We don't add them together, however, for the reason I gave you. I might say that there have been numerous commissions that have considered this question, the most recent one being a commission appointed by President Kennedy, and they recommend that we show the data, we discuss them, we point out their significance, but we do not add them to the unemployment figures. We are following their recommendation as well as our own judgment, which confirms it.

Representative LONG. So, in conclusion, we can say that nearly 10 percent of the American labor force is either unemployed or has become so discouraged about their ability to get a job that they are no longer looking for a job.

Mr. SHISKIN. If you add them together, insofar as it is valid to add them together, that is the number you get.

Representative LONG. As the Senator did, I also noticed that you alluded to some encouraging news. Of course, all of us have a tendency to look for some encouraging news, and I well recognize that——

Mr. SHISKIN. Mr. Long, I hope you will forgive me for interrupting you. I want to say I have been doing this kind of short-term forecasting many, many years and I take precautions to make sure I am not always looking for favorable developments that aren't there. In fact, I lean over backwards. The last 3 or 4 months I have been very careful to avoid any kind of optimistic statement. Now I think there are a few signs here that the black clouds are breaking up. Now I may come back here next month and tell you the black clouds got together again; but what I think right now—I would have to say on the basis of my many years of experience—is that there are a few signs, not many, not decisive, but some signs that the black clouds are breaking up.

Representative LONG. I agree with you, and you did put a very substantial condition on your statement saying that by no stretch of the imagination were you assured that this was any turnaround. But at least it was something that you could look at and take into consideration. I think that they are worthy of looking at more closely, and I would like to look at them again.

If you look in the financial section of today's Washington Post, the lead story is that the retail sales for Sears have declined 2.9 percent during March. Since Sears-Roebuck is a big national chain, and since one of the things that the big chains have done during all of this period of recession is to pretty well hold up their monthly retail sales. I find the lead story in the financial section today to be very unencouraging.

Mr. SHISKIN. Well, you know if you look at the total retail sales for the country as a whole, and we only have February figures so far, they have risen in the last few months, not including March, Representative Long, in the last 2 months.

Representative LONG. If you read only the stories, some of the others that are not as big as Sears are decreasing, and a number of others increased during the comparable period. But the point I was making is that because Sears had been able to do this during this period, and do this being the largest, I used them as a bellwether.

Mr. SHISKIN. They are something to be concerned about. The national data we put together indicate that for 2 months in a row we have had an increase in retail sales. We will be getting a new figure on retail sales soon. It won't be my department; it will be the Department of Commerce, which will, on the 10th of this month, release the retail sales figure for March.

Representative LONG. I am sorry, I didn't understand you.

Mr. SHISKIN. You cited Sears. Sales of some of the biggest companies went down in March but what I have said in looking at retail stores for the United States as a whole, that in the last few months there has been a rise in retail sales. They are rises in current dollars, I should hasten to say. Now there will be a new figure on retail sales put out by the Department of Commerce soon; it usually comes out the 10th of the month.

Representative LONG. Tenth of the month.

Mr. SHISKIN. Yes, sir.

Representative LONG. The figures you are speaking from are February figures, and so they do not include the figures I am speaking of here that Sears evidentally released in New York yesterday.

Mr. SHISKIN. That is correct.

Representative LONG. We have no way of knowing what those figures are.

Mr. SHISKIN. We have to wait another week or so.

Representative LONG. That would be one of the factors taken into consideration because Sears is so big.

Mr. SHISKIN. Absolutely.

Representative LONG. Thank you, Mr. Chairman.

Senator PROXMIRE. I have asked you in the past about this and I would like to ask you further now, because I think you are in a very strong position in the administration to give us some useful and reliable answers.

We had testimony from the head of the Department of Justice; the Attorney General, Mr. Levi, who testified that rising unemployment would cause more crime, and I think the statistics are fascinating here, and another very, very powerful argument that we should do far more than we are about reducing unemployment. In fact, one conclusion is that the best way we could reduce crime would be to reduce unemployment; it would be more effective than any kind of deterrent system or even improvement in the criminal justice system.

I would like to ask you about some of these statistics because you are our expert in that area.

In the New York Times this morning Mr. Tom Wicker says this:

As reported by the Los Angeles Times, the FBI statistics show the incidence of crime to have risen by 17 percent in 1974 compared to only 6 percent in 1973. Violent crimes—murder, rape, robbery and assault—more than doubled to 11 from 5 percent; property crimes tripled from 6 to 17 percent in 1974. Crime statistics are not entirely reliable for many reasons, but these FBI figures seem to reflect a definite upward trend.

That these increases at least to some extent are the product of rising unemployment can hardly be doubted. For one thing the crime increases were sharpest in the last three months of 1974, when the economic recession was gathering speed and producing large-scale layoffs and business failures.

For another, cities where unemployment was at its worst suffered the biggest increases in the incidence of crime. As the number of unemployed persons nearly doubled from 7.7 to 14.9 percent in Detroit, for example, the crime rate there rose by 17.9 percent. But in Houston, where the rise in joblessness was only from 3.7 to 4.6 percent, crime increased by only 10 percent.

Then, one other point I would like to make before I ask your observations on these statistics.

High unemployment, moreover, is likely to result—as the FBI figures suggest—in precisely the most-feared forms of crime. Since layoffs disproportionately affect the poor, the unskilled and the disadvantaged, they stimulate muggings, robbery and assault, which are predominantly crimes of the poor, often against other poor people. And one high-risk class of potential offenders—ex-convicts—are particularly affected by hard economic times. It is difficult enough for ex-cons to find work during periods of prosperity, and all but impossible in a recession—which is one good reason why recidivism rates are estimated as high as 70 percent.

Then, finally, he pointed out that people talk about the deterrence, but deterrence is a limited prescription for what ails us.

That is, the more desperate economically a potential offender may be, the harder he will be to deter from committing an offense. Thus, as economic deprivation heightens desperation, as seems clearly to be the case at present, the less effect deterrence may have.

What is your observation? I know there is considerable question about the soundness of our crime statistics, but after all these are probably fairly comparable in 1973 and 1974 and these statistics have been consistently gathered, have they not and, therefore, can't we rely on this conclusion by Attorney Levi?

Mr. SHISKIN. I wouldn't claim to be an expert on crime statistics. When I was in OMB, almost 2 years ago, I did follow them and the figures that were put out by the FBI were checked by another survey, which was supported and financed by the Department of Justice, on what is called victimization. The Bureau of the Census took a simple poll of households and asked them certain questions which indicated whether they had been victims of a crime. Those studies showed the FBI figures were substantially lower than the Census figures.

Senator PROXMIRE. Well, will you do this for me.

Mr. SHISKIN. Now, I am not an expert in this field. That is all I know about crime statistics. However, what I can say simply and honestly is that Wicker's presentation seems quite reasonable to me.

Senator PROXMIRE. Well, he is a splendid columnist. It is an attempt to prove a point and so in order to make sure that we have the solidest documentation we could get, would you do this, will you take the cities which have had the largest increase in unemployment, the five cities, and the five cities that have had the least, and give us soon as you can, for the record, the corresponding changes in crime rates for the last year.

Is that possible?

Mr. SHISKIN. I am not sure. Mr. Wetzel, Senator Proxmire asked us to get is the cities with the highest percentage increase in crime, not the highest rate of crime. Can we nail that down to cities?

Mr. WETZEL. I think if we get the crime figures.

Mr. SHISKIN. We will get as close as we can and I will be prepared to answer that question in a letter to the committee.

Senator PROXMIRE. I think it will be very helpful; we need all the muscle we can get with the administration to persuade them this is a problem that is not only an economic problem but a terrible social problem. It is one area where there is enormous public sentiment for action to combat crime.

[The letter referred to was subsequently supplied for the record:]

U.S. DEPARTMENT OF LABOR,
BUREAU OF LABOR STATISTICS,
Washington, D.C., April 29, 1975.

HON. WILLIAM PROXMIRE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PROXMIRE: During the April 4 Hearing on the employment situation and in your letter of April 15, you requested crime statistics for 1973 and 1974 for the 5 major cities with the highest rates of unemployment. The tabulation below provides the desired statistics:

PERCENT CHANGE IN THE CRIME INDEX FOR LARGE CITIES WITH THE HIGHEST AND LOWEST UNEMPLOYMENT RATES FOR 1974

City	Unemployment rate for 1974 SMSA[1]	Crime index[2] (percentage change; 1973–74)		
		Total	Violent crime	Property crime
Highest unemployment rates:				
Detroit	9.0	17.9	18.0	17.9
Buffalo	8.7	10.8	−1.6	12.6
San Bernardino	8.6	10.0	−6.2	11.7
San Diego	7.7	16.0	29.8	15.1
San Francisco	7.5	−2.8	−5.2	−2.4
Lowest unemployment rates:				
Dallas	3.5	17.7	−13.1	22.2
Denver	3.7	8.4	−3.5	9.9
Houston	3.9	10.5	7.8	10.8
Chicago	4.5	13.4	8.6	14.5
Cleveland	4.3	23.5	31.3	21.8

[1] Annual average unemployment rates for 1974 for entire SMSA provided by the Current Population Survey.
[2] Data relate to the central city of the SMSA. Data were drawn from Uniform Crime Reports (1974 preliminary annual release), Mar. 31, 1975, Federal Bureau of Investigation.

You also indicated interest in a detailed study of the relationship of unemployment and changes in crime rates. I, too, feel such a study would provide valuable insights but we simply are not in a position to undertake a study of this magnitude at this time.

Sincerely yours,

JULIUS SHISKIN, *Commissioner.*

Representative LONG. This area of discussion is extremely interesting to me. With your experience that you have had in statistics over the years, would you see any advantage to having a continuing correlation between the crime rates and unemployment rates?

Mr. SHISKIN. Yes, I think it would be useful.

Representative LONG. Pursuing Senator Proxmire's suggestion in this regard, that might be something worth taking up with the new Attorney General, who seems to show genuine and great concern about that matter. Something we don't know about might exist and that might be very important to both the Department of Jusice and to those of us on Capitol Hill who have responsibilities in this regard.

Mr. SHISKIN. Well, I can tell you this. We will be in touch with them and see if we can't work out some joint study. I think it would be worthwhile. When you get into it you will probably want other variables besides unemployment in the cities, I think. A study like that is worthwhile and I get asked that question very often, by the way, in different kinds of interviews. It is not a new question at all. It is an obvious and important question, and the reason it's obvious makes it so important.

Representative LONG. To your knowledge, nothing like this has really be done before?

Mr. SHISKIN. Not systematically.

Representative LONG. Not——

Mr. SHISKIN. Not to my knowledge. I am not omniscient. To the best of my knowledge there is no comprehensive systematic study of these relations.

Senator PROXMIRE. Give us these two things then as soon as you can. You might be able to give us that in a few days. Also as soon as possible, a complete comprehensive study that Congressman Long called for.

Mr. SHISKIN. May I add this observation, that there is another indication of what happens when unemployment increases. Our workload has increased fourfold. Our mail has increased fourfold. Half of the increase is congressional mail and in addition, we are getting many requests from other branches of government and within our own department for additional studies. We are really working up to the hilt. If the interest in the price statistics and wage statistics had declined we could cope with this by shifting people around but the inquiries in these other fields are growing, too.

Senator PROXMIRE. Do what you can. If you find it is too much a burden, let us know.

Mr. SHISKIN. I am aware of the great importance of this question, Senator.

Senator PROXMIRE. Now, you gave us a most useful analysis of the reason why there is a discrepancy between the drop in wholesale prices and continued rise in consumer prices, an excellent analysis. However, I am still very puzzled as to why in the food area where you have had this consistent drop in farm prices over a number of months now, why there has been no reflection at all, not much of a reflection, in consumer food prices.

Mr. SHISKIN. There has been a——

Senator PROXMIRE. At the consumer level prices are still rising.

Mr. SHISKIN. But there has been a reflection.

Senator PROXMIRE. They are still rising, they are still going up.

Mr. SHISKIN. They are not down to zero.

Senator PROXMIRE. Farm prices are going down.

Mr. SHISKIN. Let's look at the chart again.

Senator PROXMIRE. The last chart includes food.

Mr. SHISKIN. We have a chart with CPI food at home, chart 3, top line, and the percent change is going down and the comparable WPI consumer foods is going down, too. Now, the reason—may I just finish this point. I am on chart 3. The reason the wholesale price index went down is the bottom curve. WPI farm produce which is now declining. But WPI consumers foods aren't declining, nor are CPI food at home prices.

Senator PROXMIRE. Well, the food, maybe I was completely mistaken. It was my understanding that the food component of the Consumer Price Index has risen. Am I wrong? I am talking about the overall food component, bought at home.

Mr. SHISKIN. Food at home—it is rising but at a lower rate.

Senator PROXMIRE. What, is it rising at a higher rate?

Mr. SHISKIN. Yes.

Senator PROXMIRE. Still rising.

Mr. SHISKIN. Yes, sir, whereas WPI farm products, if you look at the bottom line, is now below zero, which means that the rate of change is negative. So the only food prices that are actually falling are the farm products prices.

Let me hasten to point out that we have moving averages here. These are very irregular series and so we show moving averages to smooth out some of the irregularities.

Senator PROXMIRE. I have the Consumer Price Index for February and it shows a small rise in food prices in February; 0.1 percent.

Mr. SHISKIN. Very small. Ms. Norwood who has spent much of her career on prices has an observation.

Ms. NORWOOD. The CPI food at home component in seasonally adjusted February actual 1-month change was minus one-tenth. I think the important thing, Senator, however, is if you go back through, from about last August until about November, we were having price increases of from 1½ to 2 percent per month in the food at home component of the CPI, whereas last month we were down considerably from that, and in fact even if one looks at January and December we were down to about one-half of what the increases were for those several months before. There is some slackening in that rate.

Senator PROXMIRE. Well I am glad to be corrected on that.

Mr. Long.

Representative LONG. Thank you, Mr. Chairman.

Mr. Commissioner, you know that one tends to look at these things in terms of personal situations. Last weekend, I saw my daughter writing letters looking for a summer job. She is going to be finishing high school this year. As I look at the unemployment figures, I begin to wonder what is going to happen when the summer comes, assuming that the programs that the Congress now has under consideration are not put into effect at that time. Analyzing the material you have given us, the unemployment rate for people aged 20–24 is, I figure out, 14.3. The rate for those from 16 to 19 is 20.6. This means that 3.6 million persons between 16 and 24 years are unemployed in March, not taking any seasonal adjustment into consideration.

What is going to happen in June? Do you have any idea? Have you looked at how many graduates from high school and college will go on to the labor market in June? What is that going to do to the figures that we are dealing with now?

Mr. SHISKIN. I haven't looked into it. I have discussed it with my colleagues a bit. I am very concerned about the June figures. I will ask Jim Wetzel if he would like to add something. I would like only to refer to one of our problems that I have alluded to here. It is a very technical problem: how to make a good seasonal judgment of this series and the worst month is June.

Representative LONG. Couldn't you take the figures that you have now, that are more or less constant figures, and apply the historical experience with respect to seasonal adjustment come out with some figures in that regard?

Mr. SHISKIN. June is going to be a very rough month for us and also for the college students who are looking for jobs.

Senator PROXMIRE. The worst month is June but here in March we had 8 million unemployed, the highest number unemployed since 1940.

Mr. SHISKIN. The 8 million figure is seasonally adjusted. I think what Representative Long has been talking about——

Representative LONG. What is the unadjusted figure for March?

Mr. SHISKIN. 7.9 million.

Senator PROXMIRE. That is higher than we have had since 1940, isn't it?

Mr. SHISKIN. Eight million seasonally adjusted; higher than at any time since 1940. In June we are going to have a much bigger

unadjusted figure. That is the month when seasonal adjustment is most difficult and, let me take this opportunity to add, that this year, seasonal adjustments are especially difficult because we have been utilizing the historical data to make these adjustments. We are using data for the period 1968–74 to seasonally adjust 1975 data. The 1975 data are at a different level and so our seasonal adjustments are more uncertain than they usually are. June is going to be a very rough month for us technically—statistically, but more important, it will be very rough for the people.

Representative LONG. How many additional live bodies do you project are going to be on the streets looking for a job in June than are at the present time?

Mr. WETZEL. Congressman, that would really amount to a projection.

Representative LONG. I recognize that.

Mr. SHISKIN. Jim do we have, the seasonal factors?

Mr. WETZEL. Historical experience for this category is something as follows. Between April and July, which covers most school dismissal points, there is typically a net increment to the 16- to 21-year-old labor force of something approaching 4 million. Of that number, typically, four-fifths have been employed in July. Now we are facing entirely different economic circumstances this spring. The history of that change when we look at the figures in October is that approximately one-half that net increment continues in the labor force on a permanent basis.

Representative LONG. The others go to college?

Mr. WETZEL. Or return to high school.

Representative LONG. So then we are looking at the possibility of an additional 2 million people joining the labor force at that time, using round figures.

Mr. WETZEL. Yes, sir.

Mr. SHISKIN. More than that.

Representative LONG. I am sorry.

Mr. SHISKIN. More.

Senator PROXMIRE. More than that joining the labor force?

Mr. SHISKIN. Yes, sir.

Senator PROXMIRE. How many?

Mr. SHISKIN. The figure Jim gave was 4 million. About 80 percent of them in the past have been absorbed.

Senator PROXMIRE. 4 million join the labor force and 2 million will be unemployed.

Mr. SHISKIN. I didn't say that. This is what has happened in the past.

Representative LONG. Thank you.

Mr. SHISKIN. June is going to be a very rough month.

Senator PROXMIRE. This morning, the Director of the Office of Management and Budget, you may have heard him, stated, and I quote: "Gradual rates of improvement have shown, for example, a steady 6½ percent annual rate of growth in real GNP projections that do not reach either full employment or price stability by 1980."

"Nonetheless", he said, "the economic projections assume a more rapid movement toward full employment than the Nation has expe-

rienced in the past, in nearly all peacetime periods of comparable length."

He was referring to projections of the economy obtained in the budget. As a business-cycle analyst, would you agree that is true?

Mr. SHISKIN. What I would say, as a business-cycle analyst, is that severe recessions have been followed by vigorous recoveries in the past. Let me give you one example of that. We had a severe recession in 1957. In 1957, industrial production declined 13 percent in 8 months. Ten months later, the previous peak level had been surpassed.

So you see we had a very sharp drop in 1957, and that was followed by a very vigorous rise.

Senator PROXMIRE. Mr. Lynn is wrong as far as 1957 is concerned?

Mr. SHISKIN. Pardon me. No, no. The rate of increase was very rapid. You had a very rapid rate of increase after the recession ended. You had a rapid decline and then you had a rapid increase.

Senator PROXMIRE. What he said, he said if we get a 6½ percent growth over the next 5 years, he said the economic projections assume a more rapid movement toward full employment than the Nation has experienced in the past nearly all——

Mr. SHISKIN. He is talking about a 5-year period.

Senator PROXMIRE. You have shown one example, 1957, which was more rapid recovery.

Mr. SHISKIN. I cannot comment on that. In all the cases, in 1957, also 1937, when we had severe recessions, we had very rapid recoveries and we had very high rates of growth during those recovery periods.

Senator PROXMIRE. You say 57. What were the others?

Mr. SHISKIN. The other two short but severe recessions in the last 50 or so years were 1937–38 and 1920–21.

Senator PROXMIRE. What you are saying is that in all previous severe recessions we had a more rapid recovery than the 6½ years' growth would indicate here?

Mr. SHISKIN. Yes, but this is for a relatively short period. You go down and then you go up very rapidly, then you slow down. That is what is happening in the three cases.

Senator PROXMIRE. That is a longer period.

Mr. SHISKIN. I cannot comment on that. I have no comment on the longer period.

Senator PROXMIRE. Now, at an 8-percent annual average unemployment rate, how many individuals are likely to experience a period of unemployment sometime during the year?

Mr. SHISKIN. More, but I do not know the number.

Senator PROXMIRE. Would it be up to 20 million?

Mr. SHISKIN. I do not know.

Mr. WETZEL. Based on historical experience it could be as many as 20 million.

Senator PROXMIRE. You nodded, you say that is true?

Mr. WETZEL. Yes, as I recall, historical data on the work experience during the year shows that the number of persons with some unemployment averages from two-and-a-half to three times the average annual unemployment level.

Senator PROXMIRE. It would be between 16 and 20 million, something like that. How many of these individuals are likely to be out of work for 6 months or more?

Mr. SHISKIN. I do not know.

Mr. WETZEL. We could submit figures showing the historical experience. The proportions relative to the 20 million figure you gave would be, I think, comparatively small. Right now, of course, we are dealing with a particularly severe recession and we have no basis for making a judgment about what is going to happen in 1975.

Senator PROXMIRE. Let me get back to the 20 million, 18, whatever it is, if you include the dependents of those affected by unemployment, it would approach how many million Americans? Would it approach a third of half of the work force?

Mr. SHISKIN. You have to bear in mind in this connection that about 60 percent of the unemployed are secondary workers.

Senator PROXMIRE. I realize what I am saying is if you lose a secondary worker, if a man and wife both work and the man makes more, so the wife is a secondary worker, she loses her job, this can have serious impact on the families' income, not quite as serious maybe if the main income is lost, but quite serious. What I am trying to get at is how many people are affected then by loss of jobs if you have up to 20 million people losing their jobs through the year?

Can you give us any estimate on that?

Mr. WETZEL. I do not think we can estimate it now but what we could do is take a look at the incidence of unemployment among heads of households and calculate an average household size. I do not have the figures here to do that but we can put together a statement and submit it in a matter of a week.

[The following information was subsequently supplied for the record:]

The monthly data, which are the prime subject of these hearings, present a snapshot of the employment situation in a particular one-week period. Over the course of several months, many persons move into or out of jobs and data on work experience for a longer period are needed to show this larger panorama.

Drawing on a special series of questions added to the household survey in March of each year, the Bureau is able to provide an annual analysis of the work experience of the population during the previous full calendar year.

During 1973, 14.5 million workers experienced some unemployment. This is more than three times the average monthly number. If this 3 to 1 relationship observed for 1973 and most earlier years were to prevail in 1975 and if monthly unemployment averaged 7.5 million in 1975, then the number of persons experiencing unemployment would total about 22.5 million.

In 1973, about 1.4 million persons who had some work experience were jobless for 6 months or more. They accounted for nearly 10 percent of all persons who experienced unemployment. If this relationship were to be repeated in 1975, then about 2¼ million workers would have 6 months or more of unemployment during 1975.

It is difficult to establish even a rough approximation of the number of persons indirectly affected by unemployment and the extent of the impact because of the vast diversity in family size and work relationships. Thus the following comment should be regarded as indicative of a broad range of possibilities.

In 1973 there were 46.3 million persons with work experience who fell in the category of heads of households with relatives present. Of that number, 5 million experienced some unemployment. If the average household has 3 persons who are affected by the heads of households spell of unemployment

then as many as 30 million persons were directly or indirectly affected by unemployment in 1973. If this relationship were to be repeated in 1975, perhaps as many as 40 million persons would be affected by unemployment.

This guesstimate probably is on the high side and should be interpreted with caution. There is some double counting in the overall figure because more than one worker in a household may have a period of joblessness (more than half of all American households have two or more workers) and thus would be "affected" twice. Also, the reader should note that the word "affected" is statistically imprecise. There is a natural tendency to associate unemployment with severe hardship for the family. Included in these estimates are heads of households and their dependents who are "affected" by a one- or two-week layoff in an otherwise full work year. In 1973, about 15 percent of the heads of households with unemployment had such experience and another 20 percent had less than 4 weeks of joblessness in the course of a year.

The Bureau is now working on procedures to develop more detailed and frequent data on employment status by family size and structure.

Senator PROXMIRE. Well, it would seem that the average size is between three and four.

Mr. WETZEL. That is true. And our current experience is something in the neighborhood of 40 percent of the unemployed are heads of households, and if you assumed a separate arithmetic relationship——

Senator PROXMIRE. I am not talking about the heads of households, I want to know those affected overall. If you lose any worker in most families these days, it is a serious loss. You point out on page 5 that you get more discouraged workers as time goes on followed by one quarter after the unemployment rate. What you are saying in effect is that the 1.1 million discouraged count in the first quarter of 1975 really reflect more closely the unemployment rate in the fourth quarter of 1974, when the average unemployment rate for 3 months ending the year was 6.6 percent.

Mr. SHISKIN. Yes, sir.

Senator PROXMIRE. We have finished the first quarter of 1975 where we had an average unemployment rate of 8.4 percent. Can we not reasonably expect or assume that another enormous increase in the number of discouraged workers who give up looking for work is taking place right now, which will not be reflected in the statistics until the end of the second quarter of this year.

Mr. SHISKIN. Yes, sir, I do not know about the word enormous but I think we can expect——

Senator PROXMIRE. Enormous——

Mr. SHISKIN. But we can expect a further increase in the number of discouraged workers on the basis of the unemployment figures for this quarter.

Representative LONG. That goes back to the question that I had raised previously. All I was doing was adding up the figures that existed at that time. If you now consider the 10 million figure that we had obtained by adding the two together that are currently unemployed, and those that are so discouraged that have given up looking for a job, and if you add the third factor in here, we would really probably exceed that 10 million.

Mr. SHISKIN. A bit over 9 million was the number, and about 10 percent.

Representative LONG. Ten percent?

Mr. SHISKIN. 9.8 percent; but this figure does not take the lag of discouraged workers into account.

Senator Proxmire, I do not know whether you are coming to the end of this session, but I had hoped that you would have reacted to what I thought was a very exciting announcement. After all of our discussions about the CPI revision we are going to come out with soon, in less than 2 weeks, some new data from the CPI revision program.

Senator PROXMIRE. I am sorry, I missed that.

Mr. SHISKIN. I thought you might have, because we think it is very important and we are very excited about it. What I include in my announcement is a statement that on April 16, we will be releasing the first data from our consumer expenditure surveys. These are data on consumer buying patterns in 1972. They will cover 10 food items; personal services and products, and some household items. We will show these data by income groups; how much money was spent in 1972 by this sample of families on beef—let us say, according to their income, according to the size of their family, and according to the age of the household head. We will have spent over $17 million on this project and we will now, on April 16, for the first time, see some of the results.

Senator PROXMIRE. We want to congratulate you on that, I think that is most useful, it is great to get that kind of statistic, we have not had it. It will give us much better perception of the effect of inflation on the American family but it is exactly what we need for us to react, we have to have the data to——

Mr. SHISKIN. Thank you very much for your compliment. You watched us very carefully and I think quite properly. We will continue to be concerned about our money and our time schedule. I am happy to say, on the whole, I think we are about on schedule on the CPI vision but on this particular item we are ahead of schedule.

Senator PROXMIRE. That is good and that is rare in Government.

Mr. SHISKIN. I can hardly believe it, myself.

Representative LONG. Mr. Chairman, I think the commissioner will recall I discussed this matter with him at some length about a month ago today; and I apologize for not bringing it up. I really am greatly surprised and encouraged that Mr. Shiskin was able to do it in such a relatively short period of time. Last month, Mr. Shiskin said we had done work on it over a long period of time, and thought he did have it in a position to make a presentation on it, and I would like to add my congratulations. I think you have done a remarkable job.

Mr. SHISKIN. Thank you, sir.

You know I would like to take a few moments to praise our staff. When I came to BLS less than 2 years ago, I believed the CPI revision program would never come out and now it is coming out. The staff is working overtime. The CPI revision staff alone worked more than 700 hours overtime last month. I think they are doing a fantastic job, and on schedule. You know, what is even more remarkable, we have no cost overrun, and are about on schedule on the money, too, for that program.

Senator PROXMIRE. That is remarkable.

Well, let me conclude by saying that this has been an enlightening but a most depressing morning for us. Total man-hours fell an annual rate of about 10 percent in the first quarter, that is in the first

quarters of 1975, compared to the last quarter of 1974. This indicates that a typical forecast of a 10 percent rate of decline in real GNP in the first quarter of 1975 is not at all exaggerated. We all hope and expect that recovery lies ahead; but the current situation, the one on which we have the facts and figures, is still a very weak economic situation—continuing declines and output in employment with increases in unemployment. It is amazing under such circumstances that Secretary of the Treasury Simon, the chief economic spokesman for the administration, that Director Lynn head of Office of Management and Budget, and others, face the staggering rise of unemployment with such equinimity. What word of comfort do they have for the millions of young people who will be entering the labor market in June. I am so glad that you and Congressman Long emphasize that.

What we think of as the safe rate of unemployment—it seems to me we have exceeded that—and the projections are going to be above the safe rate of unemployment over the next several years; also I am grateful that you are going to give us data on the effect this unemployment is going to have on crime because this is going to be a further weapon which we are going to need to get some action in Government on it. Thank you very much.

The committee stands adjourned.

[Whereupon, at 12:20 p.m., the committee adjourned, subject to the call of the Chair.]

EMPLOYMENT-UNEMPLOYMENT

FRIDAY, MAY 2, 1975

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

The committee met, pursuant to notice, at 12:20 p.m., in room 318, Russell Senate Office Building, Hon. Hubert H. Humphrey (chairman of the committee) presiding.

Present: Senators Humphrey and Proxmire; and Representatives Brown of Ohio and Brown of Michigan.

Also present: Loughlin F. McHugh and Courtenay M. Slater, senior economists; Richard F. Kaufman, general counsel; William A. Cox, Jerry J. Jasinowski, L. Douglas Lee, and Carl V. Sears, professional staff members; Michael J. Runde, administrative assistant; and Leslie J. Bander, minority economist.

OPENING STATEMENT OF CHAIRMAN HUMPHREY

Chairman HUMPHREY. Mr. Shiskin, would you come forth, please?

Mr. Shiskin, I read your statement that you are going to give us, and after I read it I got to thinking that the local mortician was a better conveyor of good news than the Good Humor man, because you see that shook me up a little bit. I am sorry to hear the bad news that you have to bring to this committee, even though there are some parts of it that give us encouragement.

I think the fact of the matter is that the central problem is unemployment and recession. I see where Mr. Rees of the Wage-Price Stability Council projects the rate of inflation by December will be about 8 percent and we have had others that thought it would be lower. It is still too high, but it is substantially lower than it was; but the rate of unemployment is still dangerously high.

It is true that, as your press release notes, there has been an increase in employment, but it is still 2,300,000 lower than last summer. And teenage unmployment continues at shockingly high rates; and blacks and other minority groups once more have suffered unemployment of more than 14 percent.

But the one thing that is disturbing is the average duration of unemployment increased once more to almost 13 weeks—the highest in 10 years. The number of long-term unemployed, those jobless

for 15 weeks or longer rose by more than 400,000 in March, to a total of 2,400,000 in April. And over half of this April increase involved persons out of work for ½ year or more.

These are the families, the breadwinners, that are really unhappy and are suffering.

The chairman of our subcommittee on Priorities and Economy in Government, Senator Proxmire, has, over the years, given us the most succinct analysis from the committee's point of view—and I am going to ask Senator Proxmire to lead off on the questioning, and then we will go to our regular system of our other colleagues here.

Senator PROXMIRE. Why don't you not go on with your statement, Mr. Shiskin.

Chairman HUMPHREY. Please.

STATEMENT OF HON. JULIUS SHISKIN, COMMISSIONER, BUREAU OF LABOR STATISTICS, DEPARTMENT OF LABOR

Mr. SHISKIN. I welcome the opportunity to explain to the Joint Economic Committee certain features and implications of the comprehensive and complex body of data released at 10 a.m. this morning in our press release, The Employment Situation.

The unemployment rate continued to rise, from a low of 4.6 percent in October 1973 to 8.7 percent in March and 8.9 percent in April. Once again, the rise in unemployment in April was rather widespread, with increases in the unemployment rate for many demographic, occupational and industry groups. Here and there the unemployment rate declined; for example, for part-time workers and clerical workers. On balance, the overall unemployment situation became even more serious in April than in previous months.

Gentlemen, may I ask you to look at chart 1, where the unemployment series that I am discussing are charted.

The number of persons unemployed 15 weeks and longer rose from 2.0 million in March to 2.4 million in April, and the number unemployed 27 weeks and longer rose from about 750,000 in March to almost 1 million in April. The average mean duration of unemployment rose from 11.4 to 12.9 weeks, the highest level in more than 10 years.

As I have just said, all these series, all these unemployment indicators, are charted in chart 1. I want to comment that all these unemployment indicators tend to lag at cyclical upturns, all of them.

May I ask you, as I continue, to look at chart 2.

Despite the increases in unemployment, total employment, as measured in the household survey, rose by 240,000 in April. Total nonagricultural employment, as measured by the establishment survey, was little changed, while employment in manufacturing industries continued to decline, by about 100,000 in April compared to 140,000 in March and more than 400,000 in both February and January. Employment in service-producing industries rose slightly. On balance, employment showed little or no change in April, the first time there has not been a significant drop since last summer. These data are shown in chart 2.

The index of man-hours worked, the most comprehensive measure of employment activity, also showed little change in April, but there were small rises in both contract construction and manufacturing.

Gentlemen, now may I ask you to look at chart 3.

Almost all the employment indicators which tend to move early around business cycle troughs improved, as can be seen in chart 3. The BLS diffusion index of employment in 172 industries rose for the second month in a row, from a low of about 17 percent in February, to 26 percent in March, and 43 percent in April. The workweek rose slightly. The factory accession rate has now risen for 3 months in a row. The factory layoff rate, which tends to fall when the economy improves, has now declined for 2 months in a row. Initial claims for unemployment insurance were well below levels in January and February. Of this group of indicators, only overtime hours in manufacturing declined, from 2.3 in March to 2.2 in April.

These data indicate that the unemployment situation continues to be extremely serious, with more than 8 million unemployed and the total rate at the highest level since 1941. As noted last month, the unemployment rate has consistently lagged real GNP, industrial production, and employment at cyclical upturns. The April data on employment and manhours worked—measures of current employment performance—appear to be suggesting some weakening of the forces of recession. Most employment indicators which tend to move early are improving and, therefore, suggest the possibility that the forces of recovery are beginning to stir. Of course, 1 or 2 months' data rarely are decisive and we will need data for more months before any firm conclusion about a change in cyclical trends can be drawn.

I will now be glad to try to answer your questions.

[The press release referred to, together with charts 1–3 follow:]

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USDL 75-256
FOR RELEASE: 10:00 A. M. (EDT)
Friday, May 2, 1975

THE EMPLOYMENT SITUATION: APRIL 1975

Unemployment continued to increase in April, but total employment rose slightly, it was reported today by the Bureau of Labor Statistics of the U. S. Department of Labor. The unemployment rate moved up to 8.9 percent from 8.7 percent in March. This was the highest rate since 1941 and nearly double the rate of October 1973, the pre-recession low.

Total employment (as measured by the monthly survey of households) rose by 240,000 in April to 84.1 million. This represented the first employment gain in 7 months; between last September and March, employment had receded by 2.6 million. With employment and unemployment both rising, the labor force posted a strong advance for the second month in a row, and the rate of labor force participation actually exceeded the year-earlier figure.

Total nonagricultural payroll employment (as measured by the monthly survey of establishments) held steady in April at 76.3 million, as a continued drop in manufacturing jobs was countered by small gains in the services sector. Since last October's peak level, payroll jobs have diminished by 2.6 million, with all but 200,000 of the reduction occurring in the goods-producing industries.

Unemployment

Unemployment rose by 200,000 in April to 8.2 million, seasonally adjusted, following an increase of 500,000 in the previous month. Since August 1974, when the extraordinarily large increases in unemployment began, the jobless count has risen by 3.3 million persons. As has been the case throughout this recession, the April increase in unemployment stemmed primarily from job loss. Since August, the number of job losers has risen by 2.7 million, accounting for more than four-fifths of the total increase. Job loss now accounts for 57 percent of total joblessness, compared with only 41 percent last August. (See tables A-1 and A-5.)

Most of the April increase in unemployment occurred among adult men. Their jobless rate was 7.0 percent, up from 6.8 percent in March and at its highest level since July 1958. This rise was also reflected in unemployment rate increases for married men and household heads to 5.6 percent and 6.0 percent, respectively. Both the level and rate of unemployment for each of these three worker groups have doubled over the past year.

Table A. Highlights of the employment situation (seasonally adjusted data)

Selected categories	Quarterly averages					Monthly data		
	1974				1975	Feb. 1975	Mar. 1975	Apr. 1975
	I	II	III	IV	I			
	(Millions of persons)							
Civilian labor force	90.5	90.6	91.4	91.8	91.8	91.5	91.8	92.3
Total employment	85.8	86.0	86.4	85.7	84.1	84.0	83.8	84.1
Adult men	48.5	48.5	48.5	48.3	47.3	47.3	47.0	47.1
Adult women	29.8	30.1	30.5	30.1	29.8	29.7	29.9	30.0
Teenagers	7.5	7.4	7.4	7.4	7.0	7.0	7.0	7.0
Unemployment	4.7	4.7	5.0	6.1	7.7	7.5	8.0	8.2
	(Percent of labor force)							
Unemployment rates:								
All workers	5.1	5.1	5.5	6.6	8.3	8.2	8.7	8.9
Adult men	3.4	3.5	3.7	4.8	6.3	6.2	6.8	7.0
Adult women	5.1	5.1	5.4	6.5	8.2	8.1	8.5	8.6
Teenagers	15.2	15.1	16.1	17.5	20.5	19.9	20.6	20.4
White	4.6	4.6	5.0	5.9	7.6	7.4	8.0	8.1
Negro and other races	9.2	9.1	9.6	11.7	13.7	13.5	14.2	14.6
Household heads	2.9	3.0	3.2	4.1	5.5	5.4	5.8	6.0
Married men	2.4	2.4	2.7	3.3	4.8	4.7	5.2	5.6
Full-time workers	4.6	4.6	5.0	6.2	7.9	7.8	8.3	8.7
State insured	3.2	3.3	3.4	4.3	6.0	5.9	6.4r	6.8
	(Weeks)							
Average duration of unemployment	9.5	9.7	9.9	9.9	11.3	11.7	11.4	12.9
	(Millions of persons)							
Nonfarm payroll employment	78.0	78.3	78.7	78.3	76.8p	76.7	76.3p	76.3p
Goods-producing industries	24.9	24.9	24.8	24.1	22.7p	22.6	22.3p	22.2p
Service-producing industries	53.1	53.5	53.9	54.2	54.0p	54.1	54.0p	54.1p
	(Hours of work)							
Average weekly hours:								
Total private nonfarm	36.7	36.7	36.7	36.4	36.0p	36.0	35.9p	36.0p
Manufacturing	40.4	39.9	40.1	39.7	38.9p	38.8	38.8p	39.0p
Manufacturing overtime	3.5	3.2	3.4	2.9	2.3p	2.3	2.3p	2.2p
	(1967=100)							
Hourly Earnings Index, private nonfarm:								
In current dollars	152.7	156.2	160.3	164.0	167.3p	167.2	168.8p	168.8p
In constant dollars	107.8	107.5	107.1	106.3	106.4p	106.3	106.9p	N.A.

p= preliminary. r = revised.
N.A.= not available.

Unemployment rates for the other major demographic groups--adult women (8.6 percent), teenagers (20.4 percent), whites (8.1 percent), and blacks (14.6 percent)--were all about unchanged in April but remained at or near record high levels.

Increases in joblessness were concentrated in the construction, manufacturing, and transportation and public utilities industries and among the blue-collar occupational grouping. Jobless rates of 19.3 percent in construction and 12.2 percent in manufacturing were alltime recorded highs.

The unemployment rate of workers covered by State unemployment insurance programs reached 6.8 percent in April, still somewhat below post-World War II record levels. The number of workers claiming State unemployment insurance benefits, at 4.5 million, represented 55 percent of the jobless total, compared with 47 percent a year earlier.

The unemployment rate for Vietnam-era veterans aged 20-34 years rose from 9.0 percent in March to 9.9 percent in April but was not materially different from the jobless rate of nonveterans of the same ages (10.4 percent). The rate for young veterans (those 20-24 years) soared to 22.8 percent in April; they continued to be the only group to have a substantially higher jobless rate than their nonveteran counterparts. (See table A-2.)

The number of long-term unemployed (those jobless for 15 weeks or longer) rose by 410,000 to a level of 2.4 million in April. More than half of this increase came among those persons unemployed for 6 months or longer. As a result of this lengthening in the jobless period for many workers, there was a marked jump in the average (mean) duration of unemployment, by 1.5 weeks to 12.9 weeks. This was the highest level in more than 10 years. Since last November, average duration of unemployment has risen by 3.1 weeks, and the number jobless for 15 weeks or more has risen by 1.3 million. (See table A-4.)

Total Employment and Civilian Labor Force

Total employment rose by 240,000 in April to 84.1 million, seasonally adjusted. (See table A-1.) This increase followed six consecutive monthly employment declines that totaled 2.6 million. Adult males, who have experienced the greatest number of job losses during this recession, accounted for more than half of the April employment gain. On an occupational basis, employment increases were recorded among both craft

and kindred workers and operatives, worker groups which have been severely affected by the slump in economic activity. (See table A-3.)

The civilian labor force rose for the second straight month, increasing by 430,000 to 92.3 million. All of the increase took place among adult workers. Over the past year, the civilian labor force has risen by 1.9 million, with adult women accounting for more than 1.1 million of the rise and adult men the balance. (See table A-1.)

The civilian labor force participation rate--the proportion of the civilian population either working or looking for work--rose to 61.2 percent in April, up from 61.0 percent in both the previous month and April a year ago. Labor force participation rates were higher for both adult men (80.3 percent) and adult women (46.0 percent), the latter a record. The participation rate for teenagers, on the other hand, dropped substantially over the month to 53.9 percent.

Industry Payroll Employment

Total nonagricultural payroll employment, at 76.3 million seasonally adjusted, was about unchanged from March, following 5 straight months of sharp declines. Increases in employment from March to April occurred in about 43 percent of all industries, compared with 26 percent from February to March and a recession low of only 17 percent from January to February. (See tables B-1 and B-6.)

Declines in manufacturing, which have played a dominant role in the economic downturn, continued in April but at a slower pace. The decrease occurred in the durable goods sector, with machinery and primary metals registering most of the decline; there were also smaller job cutbacks in fabricated metals and electrical equipment. Employment in transportation equipment, which had increased by 40,000 from February to March, held steady in April. A positive development in the factory job picture was an increase in textile and apparel jobs; these industries had been very hard hit in recent months.

The deteriorating job situation in contract construction appeared to be abating, as employment in the industry held about steady in April at close to 3.5 million.

Partially offsetting the manufacturing declines were small gains in several of the service-producing industries. Compared with April a year ago, employment in the services industries has increased by 725,000, most of which occurred before last October. In

marked contrast, an over-the-year employment decline of 2.6 million was registered in the goods-producing industries.

Hours of Work

Following an almost steady downward trend dating back to last fall, the average workweek for all production or nonsupervisory workers on nonfarm payrolls edged up in April to 36.0 hours, seasonally adjusted. Manufacturing was a major contributor to this change, with a rise of 0.2 hour to 39.0 hours. Increases in the factory workweek were posted in nearly every durable goods industry and most of the nondurable industries as well. (See table B-2.) However, factory overtime inched down to 2.2 hours; since the April 1973 high, overtime hours have dropped 1.9 hours.

Aggregate man-hours of private nonfarm production or nonsupervisory workers, at 105.5 (1967=100), was about the same in April, following a 1.0-percent decline in March. Since last September, the index of total worker hours has fallen 7.0 percent. (See table B-5.) After declining for 10 consecutive months, factory man-hours increased by 0.2 percent in April to 86.1 (1967=100). However, the manufacturing index was still down 15.8 percent from last May.

Hourly and Weekly Earnings

Average hourly earnings of production or nonsupervisory workers on nonfarm payrolls edged up 0.2 percent in April, seasonally adjusted. Since April of last year, hourly earnings have advanced by 8.3 percent. Average weekly earnings rose at a rate of 0.5 percent over the month and 6.5 percent over the year.

Before adjustment for seasonality, hourly earnings rose 1 cent in April to $4.44. (See table B-3.) Since April 1974, hourly earnings were up 34 cents. Average weekly earnings rose 36 cents from March and $9.68 from April a year ago.

The Hourly Earnings Index

The Hourly Earnings Index--earnings adjusted for overtime in manufacturing, seasonality, and the effects of changes in the proportion of workers in high-wage and low-wage industries--was 168.8 (1967=100) in April, unchanged from March. The index was 9.4 percent above April a year ago. During the 12-month period ended in March, the Hourly Earnings Index in dollars of constant purchasing power declined 0.4 percent. (See table B-4.)

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. Unless otherwise indicated, data for both series relate to the week of the specified month containing the 12th day. A description of the two surveys appears in the BLS publication *Employment and Earnings*.

Table A-1. Employment status of the noninstitutional population

(Numbers in thousands)

Employment status	Not seasonally adjusted			Seasonally adjusted					
	Apr. 1974	Mar. 1975	Apr. 1975	Apr. 1974	Dec. 1974	Jan. 1975	Feb. 1975	Mar. 1975	Apr. 1975
TOTAL									
Total noninstitutional population[1]	150,283	152,646	152,840	150,283	152,020	152,230	152,445	152,646	152,840
Total labor force	91,736	93,593	93,564	92,567	94,015	94,284	93,709	94,027	94,457
Participation rate	61.0	61.3	61.2	61.6	61.8	61.9	61.5	61.6	61.8
Civilian noninstitutional population[1]	148,040	150,447	150,645	148,040	149,809	150,037	150,246	150,447	150,645
Civilian labor force	89,493	91,395	91,369	90,324	91,803	92,091	91,511	91,829	92,262
Participation rate	60.5	60.7	60.7	61.0	61.3	61.4	60.9	61.0	61.2
Employed	85,192	83,036	83,549	85,787	85,202	84,562	84,027	83,849	84,086
Agriculture	3,437	2,988	3,171	3,515	3,339	3,383	3,326	3,265	3,238
Nonagricultural industries	81,756	80,048	80,377	82,272	81,863	81,179	80,701	80,584	80,848
Unemployed	4,301	8,359	7,820	4,537	6,601	7,529	7,484	7,980	8,176
Unemployment rate	4.8	9.1	8.6	5.0	7.2	8.2	8.2	8.7	8.9
Not in labor force	58,547	59,053	59,276	57,716	58,006	57,946	58,735	58,618	58,383
Males, 20 years and over									
Total noninstitutional population[1]	63,712	64,730	64,812	63,712	64,462	64,552	64,644	64,730	64,812
Total labor force	51,738	52,311	52,320	51,912	52,414	52,244	52,150	52,136	52,414
Participation rate	81.2	80.8	80.7	81.5	81.3	80.9	80.7	80.5	80.9
Civilian noninstitutional population[1]	61,897	62,997	63,080	61,897	62,690	62,824	62,911	62,997	63,080
Civilian labor force	49,924	50,579	50,588	50,097	50,642	50,515	50,417	50,403	50,683
Participation rate	80.7	80.3	80.2	80.9	80.8	80.4	80.1	80.0	80.3
Employed	48,104	46,612	46,901	48,341	47,961	47,490	47,288	46,990	47,123
Agriculture	2,508	2,310	2,401	2,506	2,451	2,422	2,475	2,421	2,399
Nonagricultural industries	45,596	44,302	44,500	45,835	45,510	45,068	44,813	44,569	44,724
Unemployed	1,820	3,966	3,688	1,756	2,681	3,025	3,129	3,413	3,560
Unemployment rate	3.6	7.8	7.3	3.5	5.3	6.0	6.2	6.8	7.0
Not in labor force	11,973	12,419	12,492	11,800	12,048	12,309	12,494	12,594	12,397
Females, 20 years and over									
Civilian noninstitutional population[1]	70,139	71,266	71,358	70,139	70,961	71,061	71,167	71,266	71,358
Civilian labor force	31,611	32,789	32,756	31,612	32,305	32,556	32,326	32,637	32,845
Participation rate	45.1	46.0	45.9	45.1	45.5	45.8	45.4	45.8	46.0
Employed	30,159	30,073	30,145	30,033	29,992	29,932	29,719	29,877	30,007
Agriculture	494	374	414	541	454	524	474	443	453
Nonagricultural industries	29,666	29,699	29,731	29,492	29,538	29,408	29,245	29,434	29,554
Unemployed	1,452	2,716	2,611	1,579	2,313	2,624	2,607	2,760	2,838
Unemployment rate	4.6	8.3	8.0	5.0	7.2	8.1	8.1	8.5	8.6
Not in labor force	38,528	38,477	38,602	38,527	38,656	38,505	38,841	38,629	38,513
Both sexes, 16-19 years									
Civilian noninstitutional population[1]	16,004	16,184	16,207	16,004	16,157	16,152	16,168	16,184	16,207
Civilian labor force	7,958	8,027	8,025	8,615	8,856	9,020	8,768	8,789	8,734
Participation rate	49.7	49.6	49.5	53.8	54.8	55.8	54.2	54.3	53.9
Employed	6,929	6,351	6,503	7,413	7,249	7,140	7,020	6,982	6,956
Agriculture	435	304	357	468	434	437	377	401	386
Nonagricultural industries	6,494	6,047	6,146	6,945	6,815	6,703	6,643	6,581	6,570
Unemployed	1,029	1,677	1,522	1,202	1,607	1,880	1,748	1,807	1,778
Unemployment rate	12.9	20.9	19.0	14.0	18.1	20.8	19.9	20.6	20.4
Not in labor force	8,046	8,157	8,182	7,389	7,301	7,132	7,400	7,395	7,473
WHITE									
Civilian noninstitutional population[1]	130,922	132,879	133,039	130,922	132,356	132,553	132,720	132,879	133,039
Civilian labor force	79,415	81,108	81,113	80,089	81,338	81,706	81,071	81,546	81,825
Participation rate	60.7	61.0	61.0	61.2	61.5	61.6	61.1	61.4	61.5
Employed	75,950	74,243	74,711	76,470	76,106	75,555	75,043	75,039	75,193
Unemployed	3,465	6,865	6,402	3,619	5,232	6,151	6,028	6,507	6,632
Unemployment rate	4.4	8.5	7.9	4.5	6.4	7.5	7.4	8.0	8.1
Not in labor force	51,507	51,771	51,926	50,833	51,018	50,847	51,649	51,333	51,214
NEGRO AND OTHER RACES									
Civilian noninstitutional population[1]	17,118	17,568	17,606	17,118	17,452	17,484	17,527	17,568	17,606
Civilian labor force	10,078	10,286	10,256	10,196	10,389	10,464	10,387	10,364	10,401
Participation rate	58.9	58.6	58.3	59.6	59.5	59.8	59.3	59.0	59.1
Employed	9,242	8,792	8,837	9,296	9,090	9,057	8,989	8,893	8,886
Unemployed	835	1,494	1,418	900	1,299	1,407	1,398	1,471	1,515
Unemployment rate	8.3	14.5	13.8	8.8	12.5	13.4	13.5	14.2	14.6
Not in labor force	7,041	7,281	7,350	6,922	7,063	7,020	7,140	7,204	7,205

[1] Seasonal variations are not present in the population figures; therefore, identical numbers appear in the unadjusted and seasonally adjusted columns.

NOTE: Data relate to the noninstitutional population 16 years of age and over. Total noninstitutional population and total labor force include persons in the Armed Forces.

Table A-2. Major unemployment indicators, seasonally adjusted

Selected categories	Number of unemployed persons (in thousands)		Unemployment rates					
	Apr. 1974	Apr. 1975	Apr. 1974	Dec. 1974	Jan. 1975	Feb. 1975	Mar. 1975	Apr. 1975
Total, 16 years and over	4,537	8,176	5.0	7.2	8.2	8.2	8.7	8.9
Males, 20 years and over	1,756	3,560	3.5	5.3	6.0	6.2	6.8	7.0
Females, 20 years and over	1,579	2,838	5.0	7.2	8.1	8.1	8.5	8.6
Both sexes, 16-19 years	1,202	1,778	14.0	18.1	20.8	19.9	20.6	20.4
White, total	3,619	6,632	4.5	6.4	7.5	7.4	8.0	8.1
Males, 20 years and over	1,431	2,912	3.2	4.7	5.5	5.6	6.2	6.4
Females, 20 years and over	1,262	2,333	4.6	6.5	7.7	7.6	8.0	8.2
Both sexes, 16-19 years	926	1,387	12.0	15.9	18.4	17.5	18.1	17.8
Negro and other races, total	900	1,515	8.8	12.5	13.4	13.5	14.2	14.6
Males, 20 years and over	327	650	6.4	9.3	10.5	11.1	11.8	12.6
Females, 20 years and over	300	478	7.2	10.9	11.0	10.9	11.2	11.2
Both sexes, 16-19 years	273	387	30.5	37.7	41.1	36.7	41.6	40.2
Household heads	1,593	3,194	3.0	4.6	5.2	5.4	5.8	6.0
Married men, spouse present	966	2,226	2.4	3.8	4.5	4.7	5.2	5.6
Full-time workers	3,583	6,824	4.6	6.8	7.7	7.8	8.3	8.7
Part-time workers	982	1,395	7.6	9.6	10.5	10.3	10.9	10.4
Unemployed 15 weeks and over[1]	875	2,403	1.0	1.4	1.7	2.0	2.2	2.6
State insured[2]	2,118	4,494	3.3	4.8	5.5	5.9	6.4r	6.8
Labor force time lost[3]	--	--	5.7	7.9	8.9	8.9	9.6	9.7
OCCUPATION[4]								
White-collar workers	1,224	2,094	2.9	4.1	4.6	4.5	4.6	4.7
Professional and technical	283	450	2.3	2.5	2.9	3.2	2.9	3.4
Managers and administrators, except farm	148	295	1.6	2.6	3.3	2.7	2.7	3.3
Sales workers	188	342	3.3	6.0	5.7	5.3	6.0	5.8
Clerical workers	605	1,007	3.9	5.4	6.3	6.2	6.6	6.2
Blue-collar workers	1,989	4,156	6.3	9.3	11.0	10.9	12.5	13.0
Craft and kindred workers	469	1,074	3.9	6.1	7.0	6.5	8.7	9.0
Operatives	1,033	2,248	6.9	10.7	13.1	13.3	14.1	14.9
Nonfarm laborers	487	834	10.3	13.0	14.3	14.1	16.2	17.2
Service workers	689	1,015	5.8	7.1	8.1	7.7	8.5	8.2
Farm workers	86	118	2.7	2.4	3.6	3.0	4.5	4.0
INDUSTRY[4]								
Nonagricultural private wage and salary workers[5]	3,422	6,582	5.2	7.7	8.7	8.8	9.3	9.8
Construction	449	832	9.9	14.9	15.0	15.9	18.1	19.3
Manufacturing	1,075	2,638	5.0	8.9	10.5	11.0	11.4	12.2
Durable goods	625	1,651	4.9	8.7	10.5	10.9	11.3	12.8
Nondurable goods	450	987	5.1	9.1	10.3	11.1	11.6	11.4
Transportation and public utilities	133	320	3.1	3.9	5.9	5.2	5.6	6.6
Wholesale and retail trade	957	1,525	6.0	8.1	8.5	8.0	8.7	9.1
Finance and service industries	767	1,226	4.3	5.4	6.2	6.5	6.7	6.6
Government workers	421	569	2.9	3.2	3.4	3.6	3.9	3.8
Agricultural wage and salary workers	112	167	7.9	7.9	10.2	8.8	12.0	12.6
VETERAN STATUS								
Males, Vietnam-era veterans[6]:								
20 to 34 years	286	593	5.0	7.6	9.0	8.8	9.0	9.9
20 to 24 years	114	239	9.2	15.6	19.7	17.3	17.5	22.8
25 to 29 years	139	241	4.3	6.7	6.9	7.4	8.1	7.3
30 to 34 years	33	113	2.7	3.7	6.1	5.9	5.2	6.8
Males, nonveterans:								
20 to 34 years	752	1,471	5.6	8.1	8.6	9.5	10.5	10.4
20 to 24 years	440	920	7.4	10.4	11.6	12.6	14.7	14.5
25 to 29 years	178	284	4.7	7.2	7.2	8.6	8.5	6.9
30 to 34 years	134	267	3.7	5.1	5.1	5.1	5.5	7.2

[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.
[6] Vietnam-era veterans are those who served after August 4, 1964.

r = revised.

Table A-3. Selected employment indicators

[In thousands]

Selected categories	Not seasonally adjusted		Seasonally adjusted					
	Apr. 1974	Apr. 1975	Apr. 1974	Dec. 1974	Jan. 1975	Feb. 1975	Mar. 1975	Apr. 1975
Total employed, 16 years and over	85,192	83,549	85,787	85,202	84,562	84,027	83,849	84,086
Males	51,927	50,407	52,430	51,953	51,329	51,112	50,781	50,873
Females	33,265	33,142	33,357	33,249	33,233	32,915	33,068	33,213
Household heads	68,864	49,696	50,767	50,427	49,933	49,672	49,613	49,796
Married men, spouse present	38,858	37,662	39,007	38,377	37,954	37,761	37,689	37,813
Married women, spouse present	19,575	19,454	19,506	19,463	19,330	19,173	19,271	19,376
OCCUPATION								
White-collar workers	41,590	42,092	41,621	41,690	42,073	41,602	41,944	42,098
Professional and technical	12,446	12,780	12,291	12,200	12,439	12,492	12,699	12,616
Managers and administrators, except farm	8,883	8,612	9,004	8,760	8,929	8,648	8,757	8,725
Sales workers	5,416	5,515	5,429	5,279	5,379	5,455	5,403	5,526
Clerical workers	14,845	15,185	14,897	15,451	15,326	15,007	15,085	15,231
Blue-collar workers	29,182	27,216	29,722	29,018	28,134	27,859	27,420	27,724
Craft and kindred workers	11,361	10,716	11,510	11,251	10,920	10,923	10,674	10,857
Operatives	13,749	12,636	13,984	13,395	13,059	12,799	12,598	12,855
Nonfarm laborers	4,072	3,864	4,228	4,372	4,155	4,137	4,148	4,012
Service workers	11,353	11,493	11,247	11,548	11,661	11,653	11,560	11,385
Farm workers	3,066	2,747	3,133	2,926	2,954	2,872	2,814	2,803
MAJOR INDUSTRY AND CLASS OF WORKER								
Agriculture:								
Wage and salary workers	1,257	1,118	1,300	1,272	1,310	1,196	1,194	1,156
Self-employed workers	1,758	1,716	1,777	1,673	1,680	1,765	1,716	1,735
Unpaid family workers	421	337	447	356	376	345	347	358
Nonagricultural industries:								
Wage and salary workers	75,710	74,339	76,176	75,671	74,942	74,811	74,584	74,759
Private households	1,440	1,315	1,440	1,259	1,326	1,301	1,342	1,315
Government	14,148	14,643	14,021	14,231	14,351	14,404	14,387	14,512
Other	60,122	58,381	60,715	60,181	59,265	59,106	58,855	58,932
Self-employed workers	5,540	5,558	5,628	5,641	5,561	5,375	5,519	5,648
Unpaid family workers	506	481	494	498	549	498	474	469
PERSONS AT WORK [1]								
Nonagricultural industries	76,720	77,260	75,749	76,526	76,592	75,914	75,679	76,371
Full-time schedules	63,568	62,129	63,381	62,733	62,295	61,822	61,456	61,943
Part time for economic reasons	2,132	3,480	2,392	3,375	3,837	3,747	3,916	3,884
Usually work full time	1,052	1,825	1,086	1,847	2,037	2,047	1,887	1,883
Usually work part time	1,080	1,655	1,306	1,528	1,800	1,700	2,029	2,001
Part time for noneconomic reasons	11,020	11,651	9,976	10,418	10,460	10,345	10,307	10,544

[1] Excludes persons "with a job but not at work" during the survey period for such reasons as vacation, illness, or industrial disputes.

Table A-4. Duration of unemployment

[Numbers in thousands]

Weeks of unemployment	Not seasonally adjusted		Seasonally adjusted					
	Apr. 1974	Apr. 1975	Apr. 1974	Dec. 1974	Jan. 1975	Feb. 1975	Mar. 1975	Apr. 1975
Less than 5 weeks	1,931	2,419	2,312	3,077	3,316	2,914	3,253	2,897
5 to 14 weeks	1,257	2,347	1,444	2,062	2,663	2,597	2,619	2,695
15 weeks and over	1,112	3,054	875	1,319	1,537	1,822	1,991	2,403
15 to 26 weeks	728	2,002	528	782	914	1,118	1,259	1,452
27 weeks and over	384	1,052	347	537	623	704	732	951
Average (mean) duration, in weeks	11.2	14.7	9.8	10.0	10.7	11.7	11.4	12.9
PERCENT DISTRIBUTION								
Total unemployed	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Less than 5 weeks	44.9	30.9	49.9	47.6	44.1	39.7	41.4	36.2
5 to 14 weeks	29.2	30.0	31.2	31.9	35.4	35.4	33.3	33.7
15 weeks and over	25.9	39.1	18.9	20.4	20.4	24.8	25.3	30.1
15 to 26 weeks	16.9	25.6	11.4	12.1	12.2	15.2	16.0	18.2
27 weeks and over	8.9	13.5	7.5	8.3	8.3	9.6	9.3	11.9

Table A-5. Reasons for unemployment

[Numbers in thousands]

Reason	Not seasonally adjusted		Seasonally adjusted					
	Apr. 1974	Apr. 1975	Apr. 1974	Dec. 1974	Jan. 1975	Feb. 1975	Mar. 1975	Apr. 1975
NUMBER OF UNEMPLOYED								
Lost last job	2,069	4,783	2,015	3,190	3,831	4,017	4,369	4,657
Left last job	674	746	729	788	760	730	798	806
Reentered labor force	1,110	1,663	1,279	1,762	1,924	1,686	1,854	1,916
Seeking first job	448	627	547	778	858	846	773	766
PERCENT DISTRIBUTION								
Total unemployed	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Job losers	48.1	61.1	44.1	48.9	52.0	55.2	56.1	57.2
Job leavers	15.7	9.5	16.0	12.1	10.3	10.0	10.2	9.9
Reentrants	25.8	21.3	28.0	27.0	26.1	23.2	23.8	23.5
New entrants	10.4	8.0	12.0	11.9	11.6	11.6	9.9	9.4
UNEMPLOYED AS A PERCENT OF THE CIVILIAN LABOR FORCE								
Job losers	2.3	5.2	2.2	3.5	4.2	4.4	4.8	5.0
Job leavers	.8	.8	.8	.9	.8	.8	.9	.9
Reentrants	1.2	1.8	1.4	1.9	2.1	1.8	2.0	2.1
New entrants	.5	.7	.6	.8	.9	.9	.8	.8

Table A-6. Unemployment by sex and age

Sex and age	Not seasonally adjusted			Seasonally adjusted unemployment rates					
	Thousands of persons		Percent looking for full-time work						
	Apr. 1974	Apr. 1975	Apr. 1975	Apr. 1974	Dec. 1974	Jan. 1975	Feb. 1975	Mar. 1975	Apr. 1975
Total, 16 years and over	4,301	7,820	83.9	5.0	7.2	8.2	8.2	8.7	8.9
16 to 19 years	1,029	1,522	57.2	14.0	18.1	20.8	19.9	20.6	20.4
16 to 17 years	500	675	35.3	16.0	21.2	22.6	21.6	22.3	21.5
18 to 19 years	529	847	74.7	12.5	16.0	19.6	18.2	19.5	19.7
20 to 24 years	968	1,829	89.6	8.1	11.7	12.4	13.3	14.3	14.6
25 years and over	2,304	4,469	90.6	3.3	4.9	5.7	5.7	6.1	6.3
25 to 54 years	1,919	3,725	92.3	3.6	5.1	6.1	6.0	6.4	6.7
55 years and over	384	744	82.3	2.6	3.7	4.2	4.8	4.8	5.1
Males, 16 years and over	2,401	4,571	87.6	4.4	6.4	7.2	7.4	7.9	8.3
16 to 19 years	581	883	57.9	14.3	17.4	19.8	20.0	20.2	21.7
16 to 17 years	306	405	36.8	17.0	21.1	22.3	22.0	20.8	22.8
18 to 19 years	275	478	75.7	12.5	14.9	18.2	17.9	20.0	21.3
20 to 24 years	542	1,135	93.0	7.7	11.2	12.6	13.3	14.8	15.8
25 years and over	1,278	2,553	95.4	2.8	4.3	4.8	5.0	5.4	5.6
25 to 54 years	1,051	2,102	97.7	3.0	4.4	5.1	5.1	5.5	5.9
55 years and over	226	451	84.9	2.4	3.4	3.9	4.4	4.7	4.9
Females, 16 years and over	1,900	3,249	78.7	5.9	8.5	9.7	9.4	9.8	9.7
16 to 19 years	448	638	56.4	13.5	19.0	22.1	19.9	21.0	18.7
16 to 17 years	194	269	33.1	14.8	21.4	23.0	21.1	24.2	19.8
18 to 19 years	254	369	73.2	12.5	17.3	21.1	18.5	18.8	17.8
20 to 24 years	426	695	83.7	8.5	12.4	12.2	13.3	13.6	13.3
25 years and over	1,026	1,916	84.2	4.2	5.9	7.1	6.9	7.3	7.5
25 to 54 years	868	1,622	85.5	4.5	6.3	7.6	7.4	7.8	8.1
55 years and over	158	293	77.8	3.0	4.4	4.9	5.5	5.0	5.4

Table B-1. Employees on nonagricultural payrolls, by industry

[In thousands]

Industry	Not seasonally adjusted				Seasonally adjusted					
	Apr. 1974	Feb. 1975	Mar. 1975 p	Apr. 1975 p	Apr. 1974	Dec. 1974	Jan. 1975	Feb. 1975	Mar. 1975 p	Apr. 1975 p
TOTAL	77,994	75,753	75,735	76,080	78,226	77,690	77,227	76,708	76,346	76,293
GOODS-PRODUCING	24,589	22,048	21,916	21,950	24,899	23,606	23,207	22,595	22,338	22,220
MINING	659	687	691	694	665	662	700	702	706	700
CONTRACT CONSTRUCTION	3,919	3,229	3,210	3,320	4,087	3,798	3,789	3,596	3,478	3,462
MANUFACTURING	20,011	18,132	18,015	17,936	20,147	19,146	18,718	18,297	18,154	18,058
Production workers	14,629	12,851	12,755	12,697	14,744	13,776	13,392	12,996	12,871	12,804
DURABLE GOODS	11,879	10,652	10,582	10,507	11,913	11,291	11,010	10,722	10,641	10,534
Production workers	8,671	7,507	7,455	7,397	8,693	8,086	7,838	7,567	7,502	7,416
Ordnance and accessories	179.5	181.9	181.3	178.2	181	182	182	182	182	180
Lumber and wood products	649.7	527.9	530.8	536.1	660	575	556	544	543	544
Furniture and fixtures	535.5	446.7	441.4	438.0	541	483	463	449	445	442
Stone, clay, and glass products	692.9	599.8	596.8	601.6	699	652	632	618	609	607
Primary metal industries	1,335.8	1,230.1	1,205.7	1,184.9	1,328	1,304	1,277	1,235	1,206	1,178
Fabricated metal products	1,487.7	1,321.3	1,302.1	1,293.1	1,495	1,403	1,352	1,331	1,311	1,300
Machinery, except electrical	2,191.2	2,139.2	2,113.2	2,067.7	2,183	2,199	2,165	2,129	2,103	2,059
Electrical equipment	2,039.9	1,765.7	1,743.3	1,728.3	2,054	1,876	1,835	1,771	1,754	1,740
Transportation equipment	1,791.8	1,547.0	1,583.0	1,594.6	1,788	1,683	1,626	1,556	1,593	1,591
Instruments and related products	526.7	503.6	496.0	493.3	529	520	514	505	498	495
Miscellaneous manufacturing	448.1	389.1	388.7	391.3	455	414	408	402	397	398
NONDURABLE GOODS	8,132	7,480	7,433	7,429	8,234	7,855	7,708	7,575	7,513	7,524
Production workers	5,958	5,344	5,300	5,300	6,051	5,690	5,554	5,429	5,369	5,388
Food and kindred products	1,654.4	1,592.1	1,598.3	1,594.3	1,732	1,692	1,671	1,664	1,667	1,669
Tobacco manufactures	73.4	75.7	71.5	68.3	80	76	79	78	76	74
Textile mill products	1,020.9	859.5	857.2	868.2	1,023	919	881	860	857	870
Apparel and other textile products	1,357.4	1,180.2	1,170.4	1,182.3	1,356	1,236	1,204	1,178	1,163	1,181
Paper and allied products	709.2	644.8	634.4	625.3	714	678	666	650	638	629
Printing and publishing	1,109.7	1,088.7	1,082.4	1,074.7	1,111	1,101	1,098	1,089	1,082	1,076
Chemicals and allied products	1,051.1	1,019.6	1,011.3	1,007.3	1,053	1,050	1,038	1,027	1,014	1,009
Petroleum and coal products	191.7	181.6	185.7	187.2	195	195	190	187	190	190
Rubber and plastics products, nec	675.7	583.2	571.8	570.8	679	638	619	586	574	574
Leather and leather products	288.5	254.3	250.1	250.5	291	270	262	256	252	252
SERVICE-PRODUCING	53,405	53,705	53,819	54,130	53,327	54,084	54,020	54,113	54,008	54,073
TRANSPORTATION AND PUBLIC UTILITIES	4,671	4,497	4,475	4,468	4,704	4,668	4,607	4,561	4,511	4,499
WHOLESALE AND RETAIL TRADE	16,851	16,475	16,498	16,664	16,945	16,912	16,863	16,832	16,788	16,794
WHOLESALE TRADE	4,208	4,180	4,169	4,165	4,251	4,267	4,242	4,222	4,207	4,207
RETAIL TRADE	12,643	12,295	12,329	12,499	12,694	12,645	12,621	12,610	12,581	12,587
FINANCE, INSURANCE, AND REAL ESTATE	4,137	4,127	4,131	4,147	4,154	4,182	4,173	4,164	4,156	4,164
SERVICES	13,380	13,606	13,656	13,787	13,367	13,734	13,747	13,771	13,752	13,773
GOVERNMENT	14,366	15,000	15,059	15,064	14,157	14,588	14,630	14,785	14,801	14,843
FEDERAL	2,708	2,719	2,724	2,737	2,705	2,738	2,733	2,733	2,732	2,734
STATE AND LOCAL	11,658	12,281	12,335	12,327	11,452	11,850	11,897	12,052	12,069	12,109

p=preliminary.

Table B-2. Average weekly hours of production or nonsupervisory workers[1] on private nonagricultural payrolls, by industry

Industry	Not seasonally adjusted				Seasonally adjusted					
	Apr. 1974	Feb. 1975	Mar. 1975[p]	Apr. 1975[p]	Apr. 1974	Dec. 1974	Jan. 1975	Feb. 1975	Mar. 1975[p]	Apr. 1975[p]
TOTAL PRIVATE	36.3	35.7	35.7	35.7	36.6	36.4	36.2	36.0	35.9	36.0
MINING	42.6	42.0	41.3	40.5	43.0	41.0	42.4	42.5	41.8	40.9
CONTRACT CONSTRUCTION	35.9	35.3	34.7	36.5	36.3	37.5	37.1	36.6	34.9	36.9
MANUFACTURING	39.1	38.5	38.7	38.8	39.3	39.4	39.2	38.8	38.8	39.0
Overtime hours	2.7	2.2	2.2	2.1	2.8	2.7	2.3	2.3	2.3	2.2
DURABLE GOODS	39.6	39.4	39.4	39.5	39.7	40.2	40.0	39.6	39.4	39.6
Overtime hours	2.7	2.3	2.2	2.1	2.9	2.8	2.5	2.4	2.3	2.3
Ordnance and accessories	41.1	41.4	41.5	41.4	41.2	41.8	42.1	41.2	41.2	41.5
Lumber and wood products	40.1	38.1	37.7	37.9	40.1	38.1	37.9	38.6	37.7	37.9
Furniture and fixtures	38.3	35.7	36.2	36.7	38.8	37.3	36.4	36.3	36.4	37.1
Stone, clay, and glass products	41.1	39.5	39.3	40.4	41.3	41.0	40.9	40.2	39.4	40.6
Primary metal industries	41.5	40.1	39.9	39.4	41.3	41.1	40.5	40.2	39.8	39.2
Fabricated metal products	39.4	39.3	39.5	39.6	39.5	40.6	40.4	39.7	39.7	39.7
Machinery, except electrical	40.6	41.2	41.2	41.2	40.7	42.1	41.8	41.2	41.0	41.3
Electrical equipment	38.7	38.8	39.0	39.0	38.9	39.5	39.4	39.0	39.1	39.2
Transportation equipment	38.1	38.9	38.9	39.4	38.8	39.5	39.5	39.1	39.0	40.1
Instruments and related products	39.3	38.7	39.0	39.3	39.4	39.8	39.5	38.9	39.0	39.4
Miscellaneous manufacturing	37.6	37.6	37.8	38.3	37.8	38.1	38.1	37.6	37.7	38.3
NONDURABLE GOODS	38.4	37.4	37.7	37.9	38.6	38.2	38.0	37.7	37.9	38.1
Overtime hours	2.6	2.0	2.1	2.0	2.8	2.5	2.2	2.1	2.2	2.1
Food and kindred products	39.2	39.3	39.8	39.4	39.8	40.0	39.9	39.9	40.4	40.0
Tobacco manufactures	37.5	36.4	37.7	37.7	38.5	37.7	37.3	37.6	39.1	38.7
Textile mill products	38.9	35.9	36.7	37.5	39.1	36.6	36.0	36.1	36.7	37.7
Apparel and other textile products	34.4	33.4	33.7	34.3	34.5	34.2	34.0	33.6	33.6	34.4
Paper and allied products	41.5	40.1	40.3	40.7	41.7	41.2	41.1	40.5	40.5	40.9
Printing and publishing	36.9	36.8	36.9	36.6	37.1	37.3	37.5	37.2	36.9	36.8
Chemicals and allied products	42.0	40.4	40.4	40.4	41.8	41.0	40.6	40.5	40.4	40.2
Petroleum and coal products	42.7	41.1	41.2	40.4	42.6	42.3	42.0	41.9	41.8	40.3
Rubber and plastics products, nec	39.1	38.5	38.4	39.3	39.1	39.5	39.5	38.7	38.5	39.3
Leather and leather products	36.6	35.2	34.8	35.8	37.1	36.1	35.7	35.3	35.0	36.3
TRANSPORTATION AND PUBLIC UTILITIES	40.4	39.6	39.6	39.3	40.8	40.1	40.2	39.9	40.0	39.7
WHOLESALE AND RETAIL TRADE	34.1	33.4	33.5	33.4	34.4	34.0	33.8	33.9	33.9	33.7
WHOLESALE TRADE	38.7	38.3	38.4	38.4	39.0	38.6	38.7	38.6	38.5	38.7
RETAIL TRADE	32.7	31.8	31.9	31.9	33.0	32.4	32.3	32.3	32.4	32.2
FINANCE, INSURANCE, AND REAL ESTATE	36.7	36.9	36.8	36.5	36.7	36.9	37.1	36.9	36.8	36.5
SERVICES	33.8	33.9	33.8	33.6	34.0	34.0	34.2	34.1	34.0	33.8

[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.

p=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			
	Apr. 1974	Feb. 1975	Mar. 1975[p]	Apr. 1975[p]	Apr. 1974	Feb. 1975	Mar. 1975[p]	Apr. 1975[p]
TOTAL PRIVATE	$4.10	$4.41	$4.43	$4.44	$148.83	$157.44	$158.15	$158.51
Seasonally adjusted	4.11	4.42	4.44	4.45	150.43	159.12	159.40	160.20
MINING	5.11	5.73	5.75	5.78	217.69	240.66	237.48	234.09
CONTRACT CONSTRUCTION	6.56	6.99	7.11	7.12	235.50	246.75	246.72	259.88
MANUFACTURING	4.25	4.67	4.71	4.72	166.18	179.80	182.28	183.14
DURABLE GOODS	4.51	4.96	5.00	5.03	178.60	195.42	197.00	198.69
Ordnance and accessories	4.61	5.05	5.08	5.09	189.47	209.07	210.82	210.73
Lumber and wood products	3.80	4.10	4.12	4.09	152.38	156.21	155.32	155.01
Furniture and fixtures	3.42	3.65	3.67	3.68	130.99	130.31	132.85	135.06
Stone, clay, and glass products	4.41	4.68	4.71	4.77	181.25	184.86	185.10	192.71
Primary metal industries	5.40	5.98	6.01	6.05	224.10	239.80	239.80	238.37
Fabricated metal products	4.41	4.83	4.90	4.94	173.75	189.82	193.55	195.62
Machinery, except electrical	4.73	5.19	5.22	5.23	192.04	213.83	215.06	215.48
Electrical equipment	4.01	4.43	4.47	4.51	155.19	171.88	174.33	175.89
Transportation equipment	5.24	5.73	5.81	5.83	199.64	222.90	226.01	229.70
Instruments and related products	4.07	4.44	4.47	4.48	159.95	171.83	174.33	176.06
Miscellaneous manufacturing	3.42	3.73	3.74	3.74	128.59	140.25	141.37	143.24
NONDURABLE GOODS	3.86	4.24	4.27	4.26	148.22	158.58	160.98	161.45
Food and kindred products	4.07	4.43	4.46	4.46	159.54	174.10	177.51	175.72
Tobacco manufactures	4.11	4.52	4.70	4.80	154.13	164.53	177.19	180.96
Textile mill products	3.05	3.29	3.30	3.30	118.65	118.11	121.11	123.75
Apparel and other textile products	2.89	3.13	3.16	3.16	99.42	104.54	106.49	108.39
Paper and allied products	4.37	4.75	4.77	4.78	181.36	190.48	192.23	194.55
Printing and publishing	4.85	5.18	5.21	5.23	178.97	190.62	192.25	191.42
Chemicals and allied products	4.72	5.15	5.17	5.21	198.24	208.06	208.87	210.48
Petroleum and coal products	5.55	6.14	6.31	6.35	236.99	252.35	259.97	256.54
Rubber and plastics products, nec	3.86	4.22	4.23	4.27	150.93	162.47	162.43	167.81
Leather and leather products	2.95	3.18	3.21	3.22	107.97	111.94	111.71	115.28
TRANSPORTATION AND PUBLIC UTILITIES	5.28	5.68	5.70	5.71	213.31	224.93	225.72	224.40
WHOLESALE AND RETAIL TRADE	3.38	3.68	3.68	3.69	115.26	122.91	123.28	123.25
WHOLESALE TRADE	4.38	4.78	4.79	4.79	169.51	183.07	183.94	183.94
RETAIL TRADE	3.01	3.27	3.27	3.28	98.43	103.99	104.31	104.63
FINANCE, INSURANCE, AND REAL ESTATE	3.72	4.05	4.08	4.04	136.52	149.45	150.14	147.46
SERVICES	3.68	3.96	3.97	3.96	124.38	134.24	134.19	133.06

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

ESTABLISHMENT DATA

Table B-4. Hourly earnings index for production or nonsupervisory workers[1] on private nonagricultural payrolls, by industry division, seasonally adjusted

[1967=100]

Industry	Apr. 1974	Nov. 1974	Dec. 1974	Jan. 1975	Feb. 1975	Mar.[p] 1975	Apr.[p] 1975	Percent change from	
								Apr. 1974-Apr. 1975	Mar. 1975-Apr. 1975
TOTAL PRIVATE NONFARM:									
Current dollars	154.3	163.9	165.1	166.0	167.2	168.8	168.8	9.4	(2)
Constant (1967) dollars	107.2	106.2	106.3	106.1	106.3	106.9	N.A.	(3)	(4)
MINING	158.8	167.2	172.5	174.9	177.9	178.8	178.7	12.5	-.1
CONTRACT CONSTRUCTION	159.7	168.3	170.1	170.2	168.9	172.9	173.6	8.7	.4
MANUFACTURING	151.7	162.5	163.5	164.6	165.9	167.6	168.3	11.0	.4
TRANSPORTATION AND PUBLIC UTILITIES	163.5	172.3	173.2	173.8	175.2	176.9	176.7	8.1	-.1
WHOLESALE AND RETAIL TRADE	150.6	160.3	161.0	162.6	164.0	164.6	164.6	9.3	(2)
FINANCE, INSURANCE, AND REAL ESTATE	144.4	153.4	155.0	155.0	157.2	159.3	157.5	9.1	-1.1
SERVICES	159.3	166.8	168.3	169.1	171.0	171.8	171.1	7.4	-.4

[1] See footnote 1, table B-2.
[2] Less than 0.05 percent.
[3] Percent change was -0.4 from March 1974 to March 1975, the latest month available.
[4] Percent change was 0.6 from February 1975 to March 1975, the latest month available.

N.A. = not available. [p]preliminary.

NOTE: All series are in current dollars except where indicated. The index excludes 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 changes in the proportion of workers in high-wage and low-wage industries.

Table B-5. Indexes of aggregate weekly man-hours of production or nonsupervisory workers[1] on private nonagricultural payrolls, by industry, seasonally adjusted

[1967 = 100]

Industry division and group	1974									1975			
	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.[p]	Apr.[p]
TOTAL	112.7	113.6	113.5	113.3	113.4	113.4	113.0	111.2	109.7	108.7	106.7	105.6	105.5
GOODS-PRODUCING	102.9	105.0	104.6	104.0	103.8	103.7	103.0	99.4	96.5	94.1	90.0	87.9	88.6
MINING	108.9	110.1	110.3	110.2	109.9	112.3	114.0	95.8	100.9	113.5	113.5	112.1	108.3
CONTRACT CONSTRUCTION	119.1	119.7	117.8	115.3	115.6	115.2	116.5	114.4	113.1	111.9	103.4	94.7	99.3
MANUFACTURING	99.8	102.2	102.1	101.8	101.6	101.3	100.3	96.9	93.4	90.3	86.9	85.9	86.1
DURABLE GOODS	100.4	103.0	103.2	102.8	102.5	102.5	101.7	98.1	94.4	91.0	86.9	85.8	85.5
Ordnance and accessories	49.3	49.5	48.0	48.2	47.7	49.1	49.0	49.0	49.5	49.3	48.2	48.2	48.0
Lumber and wood products	108.4	108.3	106.8	104.9	103.4	99.9	95.8	90.6	87.8	84.1	83.0	81.1	81.3
Furniture and fixtures	113.8	115.6	115.6	114.0	112.3	111.0	107.4	100.6	96.1	89.2	86.3	85.6	86.5
Stone, clay, and glass products	111.2	112.0	110.8	110.8	110.6	108.8	107.7	105.2	101.7	98.1	93.9	90.6	92.9
Primary metal industries	100.6	101.2	102.2	101.6	102.6	104.6	105.0	102.3	97.7	94.0	89.5	86.0	82.8
Fabricated metal products	103.6	107.4	108.0	108.3	108.1	107.8	105.8	101.9	98.4	93.4	90.1	88.6	87.8
Machinery, except electrical	103.1	107.1	108.1	106.9	109.2	109.9	109.7	108.5	106.0	103.3	99.3	97.1	95.1
Electrical equipment and supplies	102.9	105.1	105.5	105.1	100.8	102.5	101.2	96.3	92.3	89.6	84.6	83.7	83.3
Transportation equipment	86.4	90.2	90.0	90.8	91.1	90.5	92.0	87.0	81.9	78.4	73.1	75.8	77.7
Instruments and related products	111.9	114.2	116.4	114.9	115.8	114.2	113.0	111.3	108.9	106.8	102.1	99.7	100.7
Miscellaneous manufacturing, ind.	100.6	104.4	104.7	104.4	103.0	101.3	98.7	94.6	90.2	88.5	86.0	85.1	86.4
NONDURABLE GOODS	99.0	101.1	100.5	100.3	100.2	99.5	98.2	95.0	92.0	89.3	86.8	86.1	87.0
Food and kindred products	96.9	98.8	97.4	96.5	97.3	97.9	97.4	95.6	94.7	93.0	92.4	93.4	92.8
Tobacco manufactures	89.2	88.6	85.1	84.4	84.5	82.5	83.1	81.4	83.4	86.4	85.8	86.5	84.2
Textile mill products	100.6	103.4	103.1	101.9	100.4	98.8	93.7	89.5	83.9	78.7	76.9	77.9	81.4
Apparel and other textile products	90.8	94.0	91.1	92.9	91.7	91.3	90.3	85.9	81.3	78.8	76.1	75.0	78.1
Paper and allied products	102.2	103.9	103.6	103.3	102.5	101.8	99.3	96.8	94.4	92.0	88.0	85.8	85.4
Printing and publishing	97.5	99.4	99.7	99.4	100.2	99.1	99.1	96.9	96.4	96.6	94.5	92.9	92.1
Chemicals and allied products	103.9	103.9	104.8	105.3	106.0	105.5	105.1	103.3	100.3	97.1	95.4	93.2	92.3
Petroleum and coal products	107.1	107.5	108.0	107.0	105.4	106.1	108.0	107.0	106.4	100.5	97.7	101.7	98.1
Rubber and plastics products, nec	126.9	131.8	134.7	133.6	135.8	134.1	134.6	125.3	118.6	114.7	105.1	102.0	104.1
Leather and leather products	79.7	80.1	80.1	78.9	78.6	76.6	75.7	74.8	71.9	68.7	65.8	64.3	66.7
SERVICE-PRODUCING	119.4	119.6	119.7	119.8	120.0	120.2	119.9	119.4	118.9	118.9	118.2	117.8	117.2
TRANSPORTATION AND PUBLIC UTILITIES	110.4	109.8	108.7	109.7	109.3	108.4	108.9	107.5	107.1	105.9	103.9	102.9	101.7
WHOLESALE AND RETAIL TRADE	116.7	116.7	116.5	116.7	116.7	116.8	116.3	115.4	114.2	113.8	113.4	113.3	113.0
WHOLESALE TRADE	115.6	115.7	115.8	115.8	115.2	115.8	115.4	114.9	114.5	114.0	113.0	112.1	112.7
RETAIL TRADE	117.2	117.1	116.8	117.1	117.2	117.2	116.6	115.6	114.1	113.7	113.5	113.7	113.1
FINANCE, INSURANCE, AND REAL ESTATE	123.4	123.5	123.8	123.2	123.7	124.3	123.8	123.0	123.7	124.2	123.2	122.5	121.4
SERVICES	126.1	126.8	128.0	127.5	128.3	129.0	128.7	129.2	129.3	130.2	129.9	129.5	128.9

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

Table B-6. Indexes of diffusion of changes in number of employees on payrolls in 172 private nonagricultural industries[1]

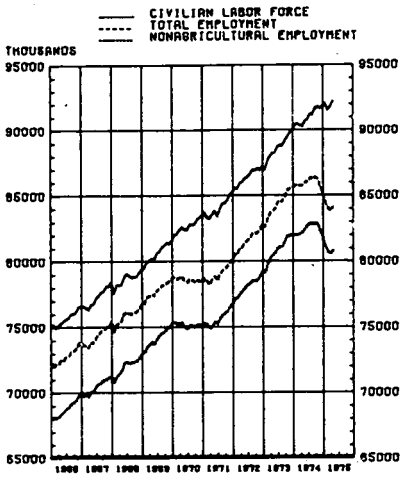
Year and month	Span			
	1-month	3-months	6-months	12-months
1972				
January	68.6	71.2	78.8	77.3
February	70.6	80.5	82.0	81.7
March	75.0	80.8	84.9	79.7
April	76.2	84.0	79.7	82.3
May	75.6	82.8	81.1	84.3
June	77.6	74.4	82.6	84.3
July	45.6	74.4	84.6	83.7
August	73.0	74.4	82.0	84.0
September	74.7	82.0	80.2	85.2
October	82.6	83.4	82.8	83.1
November	73.5	79.4	82.3	82.0
December	75.3	80.5	84.6	84.3
1973				
January	73.8	82.0	82.3	80.5
February	73.3	81.1	77.9	83.1
March	76.2	79.4	80.8	84.9
April	66.9	77.0	75.9	85.8
May	57.8	73.3	76.5	86.3
June	72.1	66.6	74.7	84.0
July	59.9	73.0	73.8	79.1
August	66.6	68.6	74.7	74.4
September	59.6	74.7	71.8	68.9
October	75.9	78.2	72.1	64.5
November	77.3	72.4	68.3	65.1
December	58.7	68.6	62.5	61.6
1974				
January	62.5	54.9	55.8	61.6
February	47.1	50.9	50.9	59.0
March	48.0	44.8	50.0	54.9
April	54.1	51.7	49.4	48.0
May	55.5	56.4	50.0	40.7
June	58.7	52.0	50.6	30.5
July	48.8	46.8	39.5	25.9
August	52.3	42.2	34.3	22.4
September	38.1	43.6	27.3	19.5p
October	40.4	29.1	20.3	16.6p
November	19.2	20.9	18.0	
December	19.8	13.7	14.8p	
1975				
January	17.7	13.7	11.9p	
February	16.6	13.7p		
March	26.2p	21.8p		
April	42.7p			
May				
June				
July				
August				
September				
October				
November				
December				

[1] Each index represents the percent of industries in which employment increased over the indicated span.

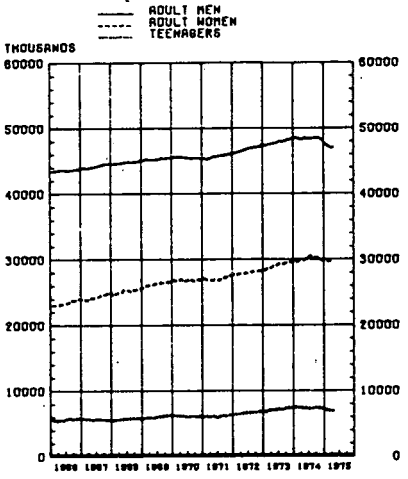
p = preliminary.

LABOR FORCE, EMPLOYMENT, UNEMPLOYMENT
HOUSEHOLD DATA - SEASONALLY ADJUSTED

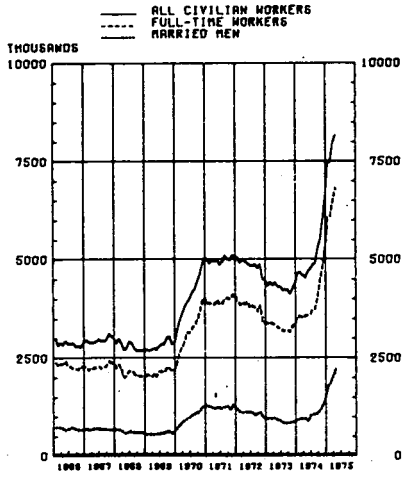
1. LABOR FORCE AND EMPLOYMENT



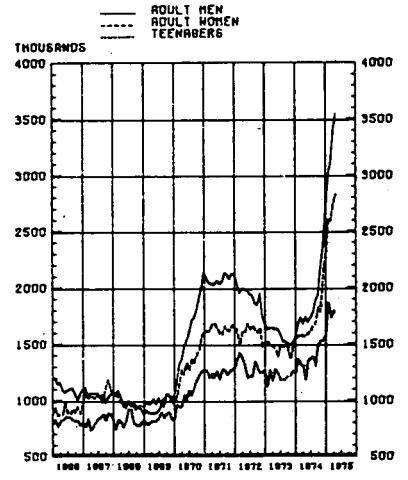
2. TOTAL EMPLOYMENT



3. UNEMPLOYMENT

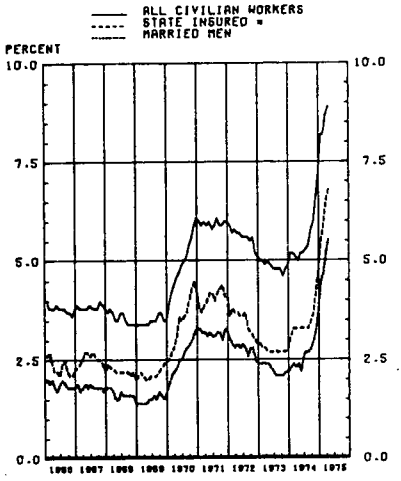


4. UNEMPLOYMENT

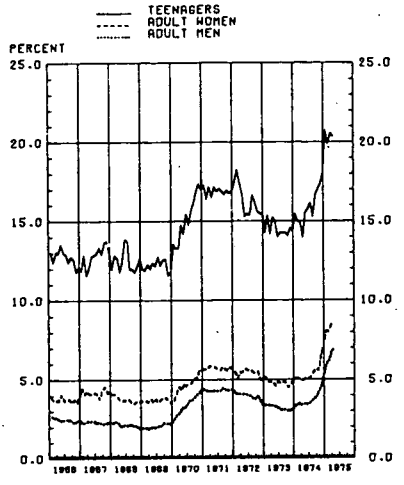


UNEMPLOYMENT RATES
HOUSEHOLD DATA - SEASONALLY ADJUSTED

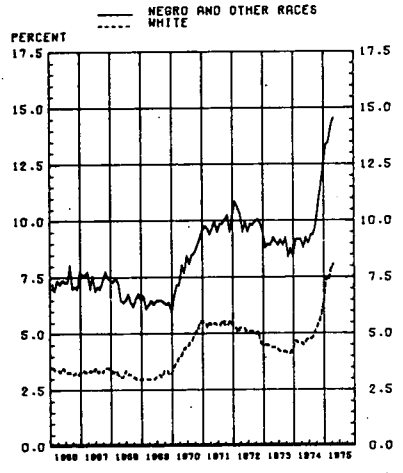
5. UNEMPLOYMENT RATES



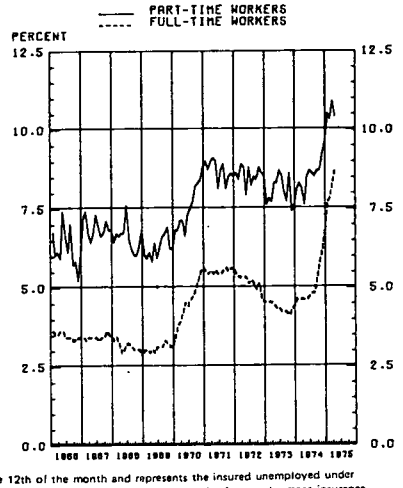
6. UNEMPLOYMENT RATES



7. UNEMPLOYMENT RATES



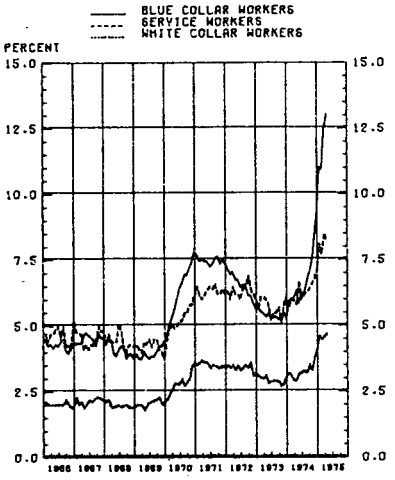
8. UNEMPLOYMENT RATES



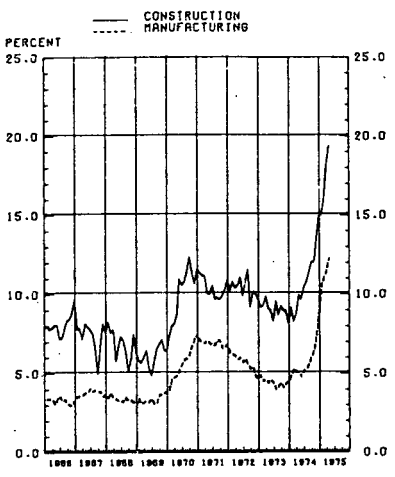
* State insured unemployment rate pertains to the week including the 12th of the month and represents the insured unemployed under State programs as a percent of average covered employment. The figures are derived from administrative records of unemployment insurance systems.

UNEMPLOYMENT
HOUSEHOLD DATA - SEASONALLY ADJUSTED

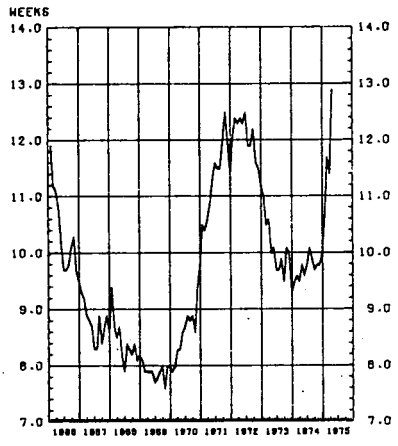
9. UNEMPLOYMENT RATES



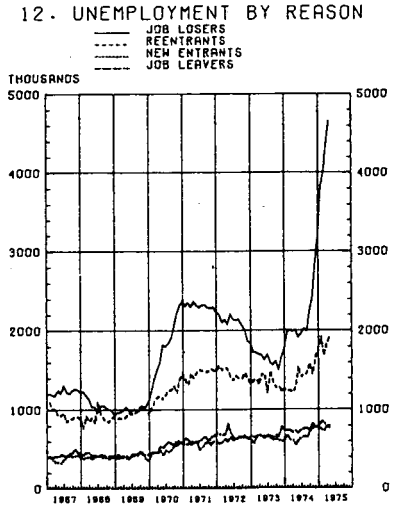
10. UNEMPLOYMENT RATES



11. AVERAGE DURATION OF UNEMPLOYMENT

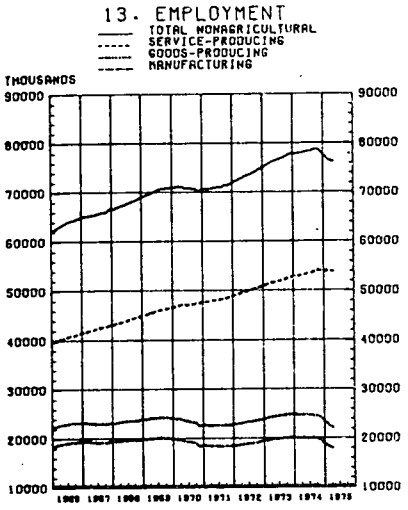


12. UNEMPLOYMENT BY REASON

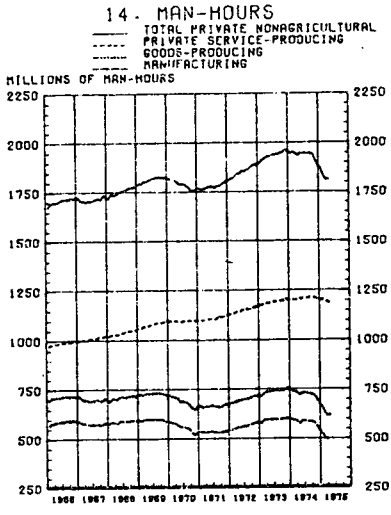


NONAGRICULTURAL EMPLOYMENT AND HOURS
ESTABLISHMENT DATA - SEASONALLY ADJUSTED

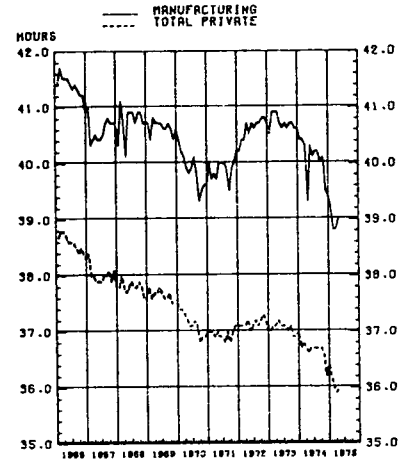
13. EMPLOYMENT



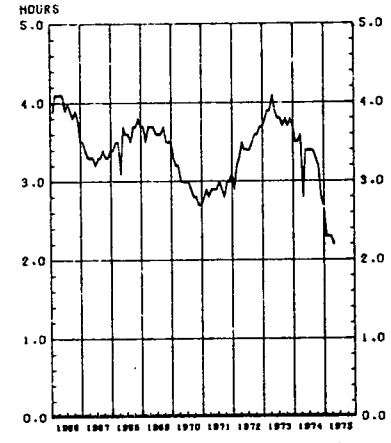
14. MAN-HOURS



15. AVERAGE WEEKLY HOURS

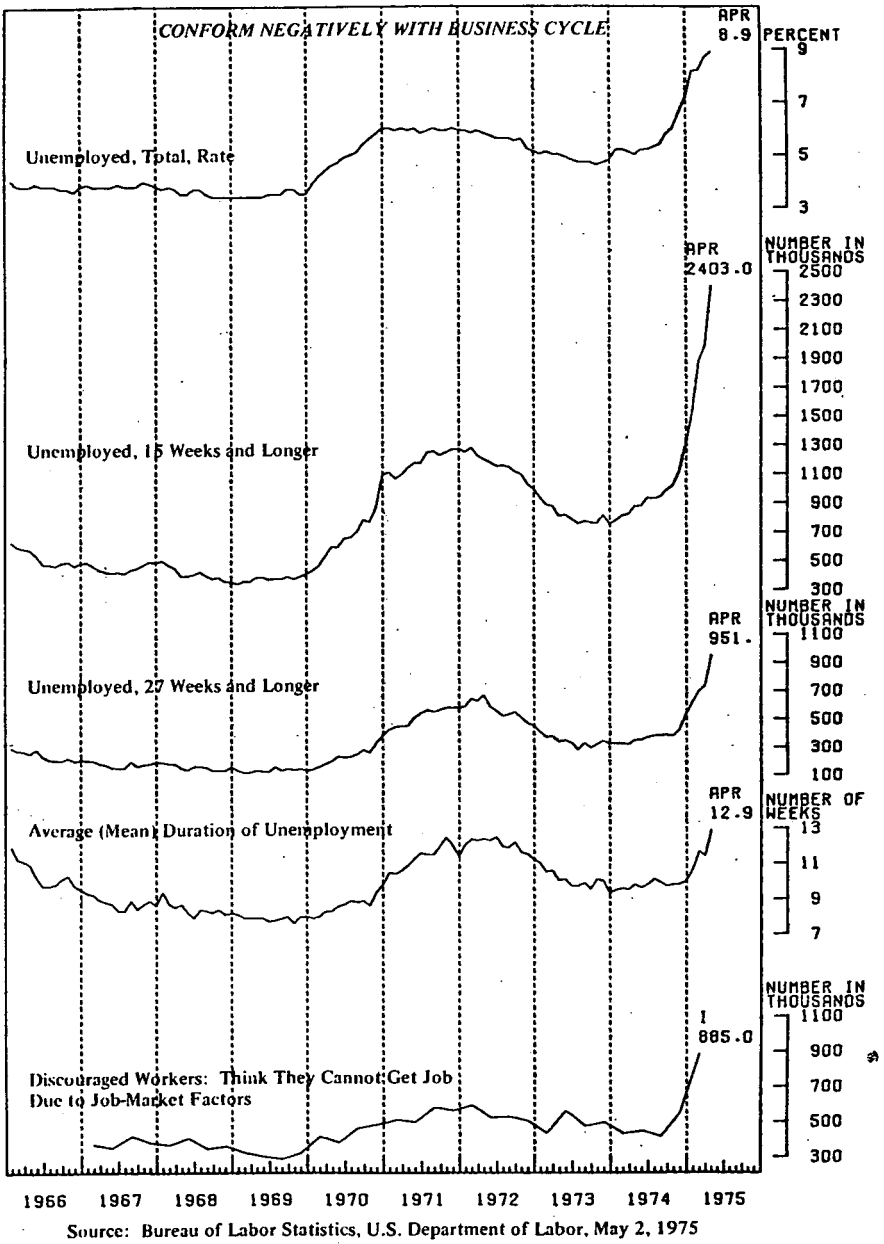


16. AVERAGE WEEKLY OVERTIME HOURS IN MANUFACTURING



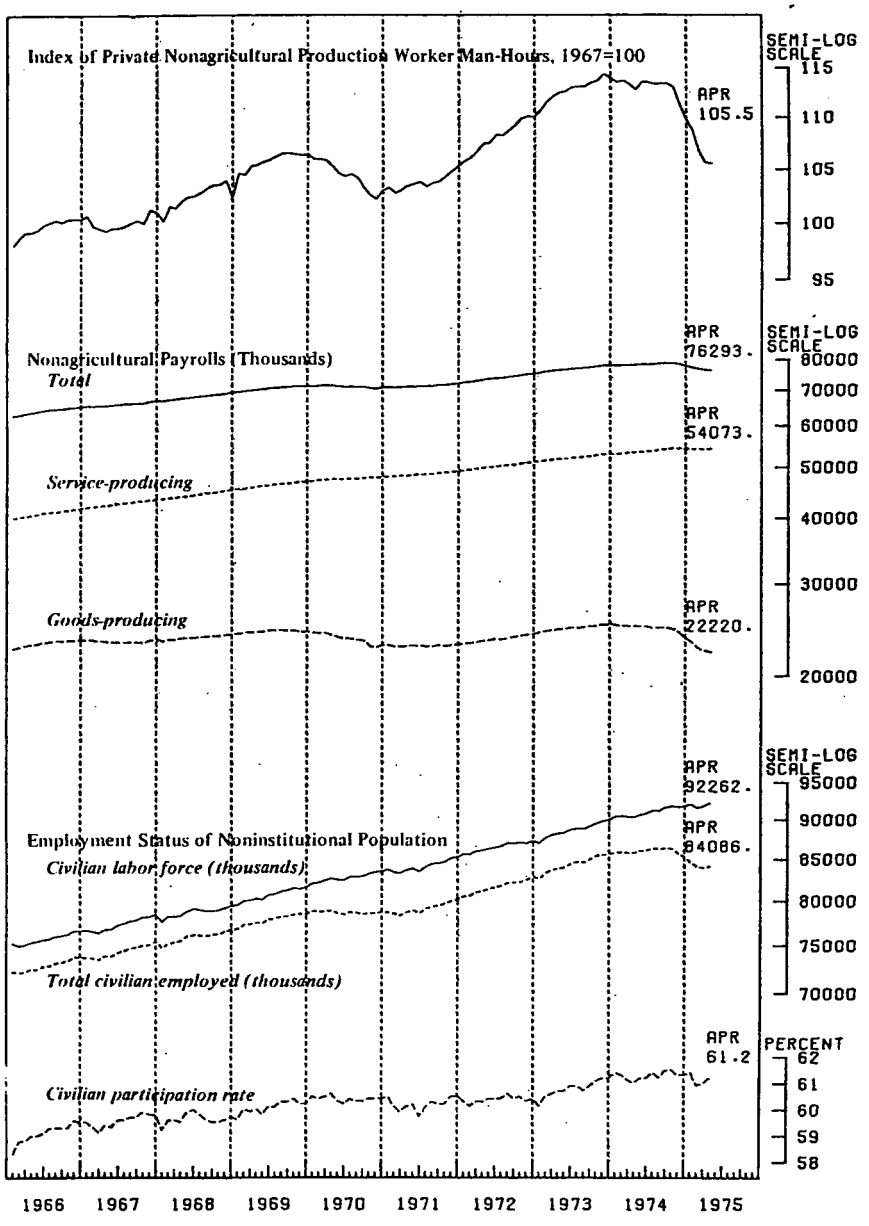
NOTE: Charts 14 and 15 relate to production or nonsupervisory workers; chart 16 relates to production workers. Data for the 2 most recent months are preliminary in charts 13-16.

Chart 1. UNEMPLOYMENT INDICATORS, 1966-75
(LATE MOVERS AT BUSINESS CYCLE TROUGHS)



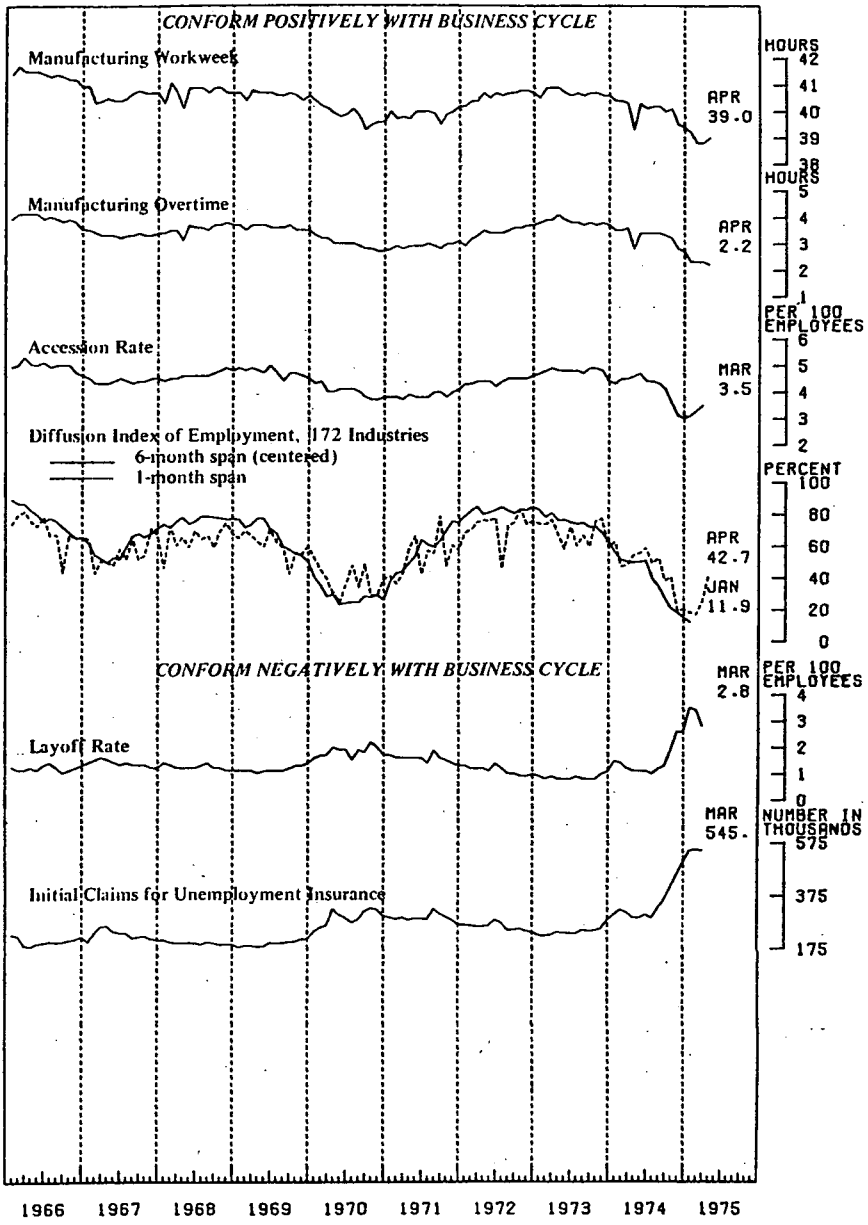
Source: Bureau of Labor Statistics, U.S. Department of Labor, May 2, 1975

Chart 2. INDICATORS OF LABOR ACTIVITY—
MEASURES OF PERFORMANCE, 1966-75



Source: Bureau of Labor Statistics, U.S. Department of Labor, May 2, 1975

Chart 3. EMPLOYMENT INDICATORS, 1966-75
(EARLY MOVERS AT BUSINESS CYCLE TROUGHS)



Source: Bureau of Labor Statistics, U.S. Department of Labor, May 2, 1975

Chairman HUMPHREY. The only observation I would make, quickly, when you asked us to refer to the charts, that chart 1, the one that I had hoped where the indicators would show that they ought to go down, are going up; in other words, the charts that go down, should go up; and the charts that go up, in a sense, should go down.

Mr. SHISKIN. Mr. Chairman, there was—I would take some pains to point out that the indicators on chart 1, the unemployment indicators, usually turn down late in cyclical upturns. The implication of that is that, if you are concerned with economic policy issues, you should also be looking at the series that tend to improve early at cyclical troughs.

Chairman HUMPHREY. That may tell us something here, Mr. Shiskin; that is, the stimulus that is being put in the economy, as Congressman Brown has indicated, has really not had much chance to work, yet. For example, the investment tax credit, the tax rebate, the tax reductions that give more take-home pay, these things have really not had a chance to take effect, yet. So if there are some hopeful signs here ,as Mr. Greenspan has indicated, and as you have noted in certain parts of your statement, it is very probable that we can begin to see—let us say in the next 3 months or so—some kind of movement up the ladder.

Mr. SHISKIN. Yes, I agree with that, Mr. Chairman.

I would only add, when we divide the indicators up according to those that move early and those that move late, we find that the series that reflect intentions, such as new orders, tend to have very early movements. I think that it is also true that the country was very well aware of the potential tax cut, of the imminent passing of the tax cut that Congress had under consideration, and that did have an impact on the early moving series. I think the impact will be greater when the checks arrive, but I think there has been some impact already.

Chairman HUMPHREY. Just quickly; last month you supplied me some details—seasonally adjusted unemployment rates by industry. Could you do that?

Mr. SHISKIN. I have them here. To keep the statement short, I will turn them in for the record.

Chairman HUMPHREY. So we have them.

Mr. SHISKIN. The picture is not much different from last month. There is no doubt the unemployment rate is very high.

I might mention that the unemployment rate for the automobile industry, which was at a very high level—24 percent in January, dropped to 17.5 percent in March, and last month was 18 percent, which I would say is essentially no change from the month before.

[The material referred to follows:]

UNEMPLOYMENT RATES BY DETAILED MANUFACTURING INDUSTRIES, SEASONALLY ADJUSTED

Industry	October 1973	February 1975	March 1975	April 1975
Durable goods industries:				
Lumber and wood products	5.9	12.9	11.9	17.8
Furniture and fixtures	3.5	14.6	17.2	13.4
Stone, clay and glass	2.7	10.9	9.6	10.7
Primary metal products	2.2	8.6	12.0	12.0
Fabricated metals	4.7	10.5	12.4	11.0
Machinery	2.2	6.7	8.1	10.9
Electrical equipment	4.2	11.8	11.8	13.7
Transportation equipment	4.3	14.3	13.5	13.9
Automobiles	4.0	20.1	17.5	18.0
Other transportation equipment	6.9	7.9	9.8	9.6
Nondurable goods industries:				
Food and kindred products	3.9	9.9	9.2	9.2
Textile mill products	4.1	16.9	13.7	17.1
Apparel	6.4	18.5	19.8	19.0
Printing and publishing	3.8	7.5	5.6	7.0
Rubber and plastics	6.1	15.0	14.6	15.3
Chemicals	2.1	5.2	7.9	5.7
Petroleum and coal products	1.6	1.7	4.7	1.9

Chairman HUMPHREY. You are going to supply us, I understand, data relating to unemployment rates in major cities, amongst groups, hopefully.

Mr. SHISKIN. I do not believe I made a commitment to do that.

Chairman HUMPHREY. We would like to have you do it.

Mr. SHISKIN. What I did make a commitment to do was provide an answer to Senator Proxmire's question which, as I recall it, was to provide data for the cities that have the highest unemployment rates in 1974, and the lowest unemployment rate and the corresponding increases in crime in those cities.

I have sent you a letter with an answer to it.

Chairman HUMPHREY. Senator Proxmire.

Senator PROXMIRE. Mr. Shiskin, I think you are a very honorable, honest man. I do not mean, by challenging this press release, to indicate anything to the contrary. I do question whether this should constitute—I notice you insert the adverb "slightly." I wonder, in the light of your statement that you make to us today, if we should focus that much attention on it.

In the second paragraph of your release you say, "total employment rose by 240,000 in April to 84.1 million." You say, "this represents the first employment gain in seven months, between last September and March."

Now, when you give us a more sophisticated interpretation of that, you say this—you say, "it rose by 240,000" and you say, "total non-agricultural employment as measured by the establishment survey is little changed, while manufacturing industries continue to decline." Then you say, "on balance, the overall employment showed little or no change in April, the first time there has not been a significant drop."

I do not mean to be nit-picking. It seems to me, in view of the critical nature of the overall employment, that when you take the establishment survey, which I understand may be very reliable—you check with the establishment to see how many people are on the payroll; you then come up with the conclusion that there really was not any change in employment.

Mr. SHISKIN. The question is why did you lead off with that sentence?

Senator PROXMIRE. Why did you emphasize this? You seem to. The fact that employment rose in April.

Mr. SHISKIN. Senator Proxmire, I certainly did not intend to emphasize that, and I might take just a minute to tell you——

Senator PROXMIRE. It is the first sentence in the second paragraph, to indicate that it is.

Mr. SHISKIN. Let me say first that we did not intend to emphasize that. I made that clear in my interpretive statement.

I might tell you, at least to some of us, this is a little amusing—at about 8:30 last night, we discovered that the first sentence had been dropped from the release, and we had to go back to the office—I did not do it, but some of my colleagues did—in the middle of the night to correct the release. There may have been some hidden hand at work there, I do not know; but we put it back in.

Senator PROXMIRE. I think the good Lord was doing the right kind of work.

Mr. SHISKIN. Maybe.

As a matter of fact, I was the one who noticed that, and when I telephoned them, the men in charge of the actual production were not home—they apparently relaxed after getting the release out. If I had then known what I know this minute, I probably would not have called it to their attention.

Let me answer this more seriously.

Each month we face a problem in this very important press release which goes all over the world and gets a great deal of attention. One point of view is that we should determine what are the most important developments each month and feature them. That is a very difficult thing to do because of the very short period of time we have to write this release. We do it all in about 24 hours; that is, the whole job of review. Determining the most important developments each month is a very dangerous thing to do, because you are making judgments in an environment of really crisis production. The other alternative is to have a routine sequence and to stick to that sequence every month. And I believe that is the sounder way to do it, and that is what we have been doing.

The sequence calls for us starting out with a statement from the household release, and that is what we did. And that covers the first paragraph and the second paragraph. And to follow it with a statement from the establishment survey. We go from the household survey to the establishment survey.

When there are very small changes in employment, it is not unlikely that the two surveys will move in opposite directions because they are not reflecting any real movement; there is just a little noise in there. That is the way I interpret it, where I came out, on balance——

Senator PROXMIRE. Your interpretation is right. The only point in the interpretation——

Mr. SHISKIN. Senator Proxmire, I think if you will read the three paragraphs together, and certainly the whole release, that is what comes through.

Senator PROXMIRE. Now, because it does affect congressional policy so directly, this question that the chairman stressed properly at the beginning, that the length of time the people are out of work is one of the most discouraging aspects of this.

You say the number of persons unemployed 15 weeks or longer rose from 2 million to 2.4 million. That is a very big increase, a 20 percent increase. Then you go on to say that the number who were unemployed for 27 weeks and longer rose by an amount of 250,000—one-third in 1 month; just 1 month.

Does that suggest that we might take another look at unemployment compensation extension? Do you have any figures on the number of people running out of unemployment compensation?

Mr. SHISKIN. I do not have them.

As you know, we have a new Secretary of Labor, and he will be before you very soon—in 2 weeks, I think—and I think it would be appropriate for him to answer that question.

I would like to say that I think it is a very good question and a very important one. I would ask you to direct it to Secretary Dunlop when he appears here.

Senator PROXMIRE. How about the erratic factors in the economy? One of the elements that had considerable effect on what happened in the last couple of months has been the rebates in the automobile industry that has resulted in an extraordinary burst of sales over a short period of time. It appears unlikely that the automobile industry is going to continue that; in fact, General Motors announced they were going to increase their prices in the coming year.

Is there any distortion that you can suggest to us, possibly in the activities in the automobile industry, that may have affected these overall figures?

Mr. SHISKIN. The automobile industry is, of course, in a very uncertain state. I believe Chrysler is starting a new rebate program, and also many local dealers have their own rebate programs. In fact, I got a check in the mail this week from my local dealer, a Chrysler dealer, a $100 check; if I buy a car from him, that check becomes good.

Senator PROXMIRE. Is there any way to correct this data by taking the automobile industry out for a moment?

Mr. SHISKIN. You certainly can take it out, but it is one of the biggest industries in the United States.

Senator PROXMIRE. If you took it out, what would be the effect?

Mr. SHISKIN. I cannot answer that offhand.

This point is responsive, really, to your statement, Senator Proxmire. There is some evidence now that the forces of recovery are awakening. We may get a recovery; the recession may end; it is possible, but it is very uncertain. There have been other occasions in the past when we thought recessions would end and they did not end.

Senator PROXMIRE. Let me interrupt again to say, the difficulty is that—we just had Chairman Greenspan before us; unfortunately I did not have the time to go into his inventory figures, which were some of the most encouraging aspects of his presentation. But the inventory figures are enormously affected by what is happening in

the automobile industry. That is where the inventory worked down 90 percent or close to it. The rebates had a lot to do with that. Set that aside, and you have quite a different economic picture of our overall economy.

I am wondering——

Mr. SHISKIN. Let me make two observations.

Senator PROXMIRE. The chairman points out that the Ford Motor Co. reported that since the rebate was stopped their sales had dropped 10 percent.

Mr. SHISKIN. Senator, let me say first that we will provide some statistic on employment and unemployment with the automobile industry taken out for the record so you will have that.

[The information referred to follows:]

ESTIMATED CONTRIBUTION OF AUTOMOBILE INDUSTRY UNEMPLOYMENT TO TOTAL UNEMPLOYMENT, JANUARY-APRIL 1975

[Seasonally adjusted; numbers in thousands]

	Jan. 1975	Feb. 1975	Mar. 1975	Apr. 1975
Total unemployment	7,529	7,484	7,980	8,179
Auto unemployment	279	227	200	201
Total less auto	7,250	7,257	7,780	7,978
Total employment	84,562	84,027	83,849	84,086
Auto employment	914	892	897	903
Total less auto	83,648	83,135	82,952	83,183
Total unemployment rate	8.2	8.2	8.7	8.9
Rate without autos	8.0	8.0	8.6	8.8
Difference	.2	.2	.1	.1

Mr. SHISKIN. Now, let me also make this observation. I just happened to attend a meeting 2 days ago of a business group in which there was an extended discussion of the automobile industry. One of the things I learned there was that stocks of foreign automobiles are exceptionally high, particularly German and Japanese cars. And the American automobile experts are expecting some very severe competition from that source in the next few months. And that will, no doubt, also have an impact on the domestic automobile sales. So that is another important element.

As you know, I am not an expert on the automobile industry.

Senator PROXMIRE. One of the big points you made, one of the innovations you have brought to these hearings was to tell us the diffusion or the dispersion of unemployment throughout industry. This is just not a housing, or automobile recession or depression, but is one that affects many industries.

You indicate today that the diffusion index is one of the employment indicators that seems favorable. Nevertheless, what was that level in April?

Mr. SHISKIN. 42.7 percent.

Senator PROXMIRE. 42.7 percent of the industry in the country has less or more employment?

Mr. SHISKIN. 43 percent of the industries in this country have increased their employment.

Senator PROXMIRE. That is not as encouraging as I thought it might be. That means that 57 percent did not.

Mr. SHISKIN. Right.

Senator PROXMIRE. That suggests to me, in view of the fact that they had a low level of employment in March, that since they reduced that in April, a majority of industries, that suggests that the dispersion is still very serious and still very widespread, and most industries went the wrong way.

Mr. SHISKIN. Let me try to explain it.

When we use the expression diffusion in the sense that a movement is widespread, widely diffused, or not widespread. So the term is diffusion. If the diffusion index is 50, that means that half the industries are rising and half are declining. Disregarding weights for a moment, you can expect that the economy is level at a point like that. You see? So the economy would be level. When more than half are rising, the economy is rising; and if not, the economy is declining.

So the 43 figure I gave you indicates that the economy is still declining, according to that particular measure. What is significant, however, is that movement from 17 percent—rising in February—a very small figure. Then, in March, we got a 26 percent rise. Now we have a 43 percent rise. So I think the trend is significant. It still means, though, if you use this figure alone and the weights balance out, that employment is declining.

Senator PROXMIRE. My time is up.

Representative BROWN of Ohio. I am interested in some other things that I do not know whether they are significant trends or not. Since this is hardly a political time, I would like to learn something rather than tell you what I think.

Services are up in employment and nondurables are up in employment, but the durable still seem to be going down. What is the significance of that?

Mr. SHISKIN. The most cyclically sensitive part of the economy is the durable goods industries, and they will have to turn around before we can have any vigorous recovery. On the other hand, as you know, our economy has become more service oriented. Hence, we have sort of a balancing wheel, a stabilizing element in the service industry. The fact that the service industries are rising a little is a favorable development.

Representative BROWN of Ohio. I notice that you had, in the durable goods industries, you had a service category. I was trying to figure out what that might be.

Mr. SHISKIN. Table B–1; is that right?

Representative BROWN of Ohio. Yes. Perhaps I am misled here.

Mr. SHISKIN. Our breakdown of industries into these categories is in table B–1, establishment data.

Representative BROWN of Ohio. I am sorry, I have my notes wrong; I beg your pardon.

Let me ask you one other thing.

The other industry, or the other figure that I found interesting, was that the number of people who have been unemployed 27 weeks and over continues to rise, the number of people who have been un-

employed less than 5 weeks seems to be in the process of going down. I would assume that that also, to some extent, reflects the automobile industry situation, where an industry that took its lumps and is just lying there, is where a lot of these people who are unemployed, are unemployed from?

Mr. SHISKIN. Congressman Brown, I would give that a more general interpretation and say it reflects the fact that layoffs are now declining, layoffs across-the-board are declining. So there are fewer new people becoming unemployed.

Representative BROWN of Ohio. Which would tend to indicate the end of the unemployment trend—rather than a flattening out of the situation.

Mr. SHISKIN. Exactly.

Representative BROWN of Ohio. The problem is what happens to the young people, and that brings us back to Senator Bentsen's question, which may have had a number of young voters in mind. What about the problem of dealing with the people who will be coming on the work force this year? Are we likely to have more young people enter the work force this year than in the last couple of years? The question relates to the fact, as I understand it, college enrollments are down or have been down for the last couple of years, and the decision made a few years ago of a percentage of our population not to pursue college but rather to go into the work force—was the change in that decision reflected a couple of years ago and may not be sharply reflected this year as in the past?

Mr. SHISKIN. I cannot answer that question. It is a question about the future. A few remarks I can make may be helpful.

One is that the job market, being as bad as it is, may discourage some of these youngsters, and they may do other things, like go back to school.

Representative BROWN of Ohio. Or not drop out of school.

Mr. SHISKIN. Or not drop out of school. They just may be discouraged workers where they do not do much of anything, and that is a very regrettable and deplorable situation.

Representative BROWN of Ohio. And not be counted in the labor force because they would not be looking for work.

Mr. SHISKIN. They would not be counted in the labor force because they would not be looking for work, so they may not show up as unemployed for that reason.

We are all very concerned, as I said on another occasion, about our release early in July, which will provide the Jnne figures, because that is when the large numbers of students come into the market. And we think we will not only have a hard time at BLS to make appropriate seasonal adjustments to that series, but more important, we think those students are going to have a very hard time, and that is apt to be a critical period during this recession.

Representative BROWN of Ohio. I suppose the question of unemployment is not unlike the question of inventories. There is a tendency in a business to let go, if you have the freedom to do it and are not controlled by seniority, to let go your least efficient employees first, or those people—to retire people earlier and do the things that would tend to leave you with a hardcore of the most efficient people in the operation.

Can you give me any indication of the extent to which there are supportive influences in the economy, beyond unemployment benefits, for the people who have been let go from industry?

Mr. SHISKIN. Well, for one thing, we now have a very large number of secondary workers. The most recent figures available show that more than 60 percent of all households now have another earner in the family. So that is supportive; that is one element.

Representative BROWN of Ohio. It is not a question—wait a minute—how they reflected in unemployment statistics?

Mr. SHISKIN. They are counted just like anyone else.

Representative BROWN of Ohio. If they have two jobs and they lose one, are they technically uenmployed?

Mr. SHISKIN. I was talking about something else. I was talking about the fact that a household head today is quite likely to have at least one other earner in the household.

Representative BROWN of Ohio. Another member of the household working?

Mr. SHISKIN. Yes.

Representative BROWN of Ohio. Let me ask you the question two different ways.

Suppose one person in the household has two jobs and loses one of those jobs. Is that reflected in the unemployment statistics?

Mr. SHISKIN. He would be counted as employed.

Representative BROWN of Ohio. The other side of the question is, suppose there is a household where there is a full-time employed person and a part-time employed person and the part-time employed person loses the job, then is that person counted as unemployed?

Mr. SHISKIN. Yes.

Representative BROWN of Ohio. Would those two things tend to balance out?

Mr. SHISKIN. I do not know.

One tendency people talk a lot about—there is not much hard evidence, but we think it is true—that as household heads lose their jobs, other persons in that household enter the labor market. That is, if the household head loses his job, his children, if they are old enough or his wife, may seek a job. That would tend to raise the unemployment rates.

Representative BROWN of Ohio. Because that expands the number of people seeking work.

Mr. SHISKIN. In a market of this kind, they are less likely to get jobs.

Representative BROWN of Ohio. I have read about the principal last in, first out. Does that have an impact on the porportion of nonwhite unemployment, in view of the fact that we have some efforts to stimulate the particular efforts to employ nonwhites in the last few years?

Mr. SHISKIN. Let me answer the question the following way. This is a very important question for the Department of Labor. The reason it is very important question for the Department of Labor is that the department is responsible for enforcing the laws against discrimination.

Now, a few weeks ago, I was asked by the Solicitor of the Labor Department, as a matter of fact, the question whether there is any

evidence in the overall figures that there is discrimination against minority groups going on during layoffs. We did a very comprehensive study, considering the time we had available—and it was fairly well reported in the press, I might say. That study showed that the overall predominating factor in job layoffs and job losses during this recession was the industry affiliation; that is, the people who lost the jobs, for the most part, were in the industries that were prone to unfavorable reaction to the recession, the automobile industry, the construction industry. And if I may make another comment on this——

Representative BROWN of Ohio. Within that industry, though, the automobile industry, is clearly a seniority industry because it is highly unionized and would be a last in, first out situation.

The retail establishment that may not be unionized—what about that impact?

Mr. SHISKIN. I cannot answer that question within that industry, but again, overall what we saw in these figures is for the most part, it was the adult males who lost their jobs; that is, most of the job loss came among adult males. The reason is that the adult males were in the industries prone to recessions. Now women—by the way, all groups, all demographic groups, all occupational groups, have been hard hit by this recession. But, for example, adult males got hardest hit because they are in the automobile, construction, and related industries for the most part. Women were also hard hit, also had large job losses; but they were smaller than adult males both in absolute and percentage terms because many of the women are in trade and services.

Again, if you look at apparel and textiles, where there are a great many women working, they suffered very large job losses in those industries.

On balance, however, it was the adult males that got hardest hit.

Representative BROWN of Ohio. Are you doing any further studies of the effect of the recession on black unemployment or nonwhite employment, to the effect of the recession on this business of splatter effects of someone in the house losing their job and sending two people into the job market looking for jobs? So that we could get some real statistics out of this experience, because I would urge you to do that at this time so that if we do get into a recession—I should say, not "if" but "when" we have another recession at another period of time, we can better target our assistance to those people who might be affected and better view the statistics.

Mr. SHISKIN. We are doing what we can. These are all extremely important questions. Our activities move inversely with the business cycle. That is, during recessions, we have most of our work. And, the group of our staff under Mr. Wetzel, to my left, who handle the employment and unemployment figures, have never had such a heavy burden.

We have been overwhelmed by the increase in our workload. We did the study on "job losers." Who are the people who lost their jobs? What seemed to be the basic nature of the cause of job loss?

The answer was very clear. It was the industry. Now Secretary Dunlop asked me the other day if we would take a similar look at

what the experiences are of job leavers, those people who quit, and the percent is way down. People do not quit their jobs at this time. Secretary Dunlop also wants us to look at new entrants and reentrants. Hopefully, next we can turn to that.

Representative BROWN of Ohio. Would you furnish those statistics? I would very much like to know what you are doing.

Mr. SHISKIN. Sure. As a matter of fact, I have the statement on job losers which I have said something about, and I hope you will allow me to put it in the record.

Representative BROWN of Ohio. Mr. Chairman, he is asking permission.

Mr. SHISKIN. I have been talking about job losers, and I have a statement here, and with time being what it is——

Senator PROXMIRE. We will be happy to have that printed in the record.

[The statement referred to follows:]

JOB LOSERS IN THE CURRENT RECESSION

About two weeks ago a special analysis of the impact of the recession over the past five quarters (1973 fourth quarter to 1975 first quarter), according to reason for unemployment (job losers, job leavers, job reentrants and new entrants), was prepared for Secretary Dunlop. I discussed the findings of that analysis subsequently at a meeting of the Secretary's seminar for the press on April 23. After publication of some of those findings, we had many telephone inquiries, including one from the JEC staff.

In light of those questions, I thought it would be useful to report our principal findings to this Committee.

1. Our analysis showed that over the past 5 quarters unemployment has been mainly due to job loss; more than 70 percent of the added unemployed had lost their last job (Table 1).

2. In the first quarter of 1975, 54 percent of the unemployed were job losers compared to 39 percent in the fourth quarter of 1973, when unemployment was at a cyclical low. Persons jobless for other reasons—job leavers, reentrants, and new entrants—made up a smaller percentage of the unemployed in the first quarter of 1975 (45 percent) than in the fourth quarter of 1973 (60 percent) (Table 1).

3. The number of job losers has been very high—of the 7.7 million average unemployed in the first quarter of 1975, 4.1 million were job losers. The increase in job loss during the period from the cyclical low in unemployment in the fourth quarter of 1973 through the first quarter of 1975 was 2.4 million (Table 1).

4. Although this recession has spread to about 80 percent of the industries, job loss has been particularly heavy in the goods-producing sector—construction, lumber and wood products, automobiles and related industries, and other heavy manufacturing industries. These industries are mostly staffed by mature, experienced workers with family responsibilities.

5. Most job losers have been adult males, with increases of 1.6 million or 150 percent over this five-quarter period (Table 2).

6. Job loss among women has been substantial, but less so than for men, with an increase of 800,000 job losers, or about 140 percent from the fourth quarter of 1973 to the first quarter of 1975. The lesser impact on women reflects the fact that the industries which have been more heavily staffed by women—services, trade, etc.—have suffered less than construction and manufacturing.

7. Black workers have had their usual experience of over-representation among the unemployed. Though they make up only about one-tenth of the Nation's labor force, they have accounted for about one-fifth of the job losers over these 5 quarters (Table 3).

8. An occupational breakdown shows that blue-collar workers suffered most job losses (Table 4), with operatives (such as assembly line workers and

truck drivers) suffering the most job layoffs and craftsmen and kindred workers (such as electricians, carpenters and mechanics) next. Women blue-collar workers in the textile and apparel industries were also heavily affected. (This comparison covers the period, first quarter 1974 to first quarter 1975, because seasonally adjusted data for job losers by occupation are not available.)

These findings indicate that the job-loser pattern for the recent period is dominated by industry developments—that is, the principal factor determining job loss in this recession has been a person's industry attachment rather than sex, color, or age. In absolute and relative terms, men have experienced greater job loss than women. This was to be expected because they account for the bulk of the employment in the industries where the biggest cutbacks have taken place. On the basis of the information now available, there do not seem to be significant differences between the percent increases in job loss for black males and white males. Thus, blacks continue to be overrepresented in this category of the unemployed, as in all others. Similarly, there is no evidence that older workers (over 45) have suffered a disproportionate share of job losses during the recession period. However, none of these findings is meant to imply that there have been no individual instances of discrimination against women, blacks, or older workers.

A study of job losers will be issued by BLS in the series Employment in Perspective in a few weeks.

TABLE 1.—RECENT UNEMPLOYMENT DATA BY REASONS FOR UNEMPLOYMENT

[In thousands, seasonally adjusted]

	Quarter IV 1973	Quarter I 1975	Change	
			Absolute	Percent
Total unemployed	4,265	7,664	3,399	80
Job losers	1,648	4,072	2,424	147
Job leavers	738	763	25	3
Reentrants	1,250	1,821	571	46
New entrants	603	826	223	37
Percent distribution:				
Total	100	100		
Job losers	39	54		
Job leavers	17	10		
Reentrants	29	24		
New entrants	14	11		

Note.—Individual items may not add to totals because of independent seasonal adjustment and rounding.

TABLE 2.—UNEMPLOYED JOB LOSERS BY SEX, AGE, COLOR, AND INDUSTRY GROUPS

[Numbers in thousands]

Sex, age, color and industry groups	1973		1974				1975, I
	III	IV	I	II	III	IV	
Total, 16 years and over	1,597	1,648	1,999	1,966	2,095	2,816	4,072
Male, total	1,010	1,071	1,310	1,261	1,370	1,832	2,679
16–45 years	732	768	973	961	1,023	1,380	2,010
45 years and over	278	299	332	313	354	440	657
Female, total	594	580	687	685	745	993	1,389
16–45 years	419	413	498	493	525	682	976
45 years and over	170	172	188	195	218	319	416
White, total	1,276	1,360	1,610	1,562	1,763	2,310	3,344
Male	809	892	1,054	1,015	1,147	1,494	2,197
Female	467	468	556	547	616	808	1,146
Black, total	328	291	388	383	352	523	725
Male	201	179	257	246	223	338	482
Female	127	112	131	138	129	185	243
Goods-producing industries	835	853	1,096	1,083	1,178	1,726	2,555
Trade, finance, and services	589	615	714	696	713	867	1,191

Note.—Individual items may not add to totals due to independent seasonal adjustment.

TABLE 3.—PROPORTIONS OF CIVILIAN LABOR FORCE AND JOB LOSS UNEMPLOYMENT ACCOUNTED FOR BY BLACK AND WHITE MEN AND WOMEN

Color and sex	1973 III	1973 IV	1974 I	1974 II	1974 III	1974 IV	1975, I
Total civilian labor force (thousands)	88,980	89,823	90,467	90,644	91,396	91,785	91,810
Total job losers (thousands)	1,597	1,648	1,999	1,966	2,095	2,816	4,072
White male:							
Percent of job losers	50.7	54.1	52.7	51.6	54.7	53.1	54.0
Percent of labor force	54.7	54.6	54.6	54.4	54.2	54.3	54.0
White female:							
Percent of job losers	29.2	28.4	27.8	27.8	29.4	28.7	28.1
Percent of labor force	33.9	34.0	34.0	34.2	34.5	34.3	34.7
Black male:							
Percent of job losers	12.6	10.9	12.9	12.5	10.6	12.0	11.8
Percent of labor force	6.3	6.3	6.4	6.4	6.2	6.2	6.2
Black female:							
Percent of job losers	8.0	6.8	6.6	7.0	6.2	6.6	6.0
Percent of labor force	5.1	5.1	5.1	5.1	5.1	5.1	5.1

Note.—Individual items may not add to totals due to independent seasonal adjustment.

TABLE 4.—INCREASE IN THE NUMBER OF JOB LOSERS BY MAJOR OCCUPATIONAL GROUP (NOT SEASONALLY ADJUSTED)

Occupational group and sex	Change from 1974, I to 1975, I: Thousands	Change from 1974, I to 1975, I: Percent
Total:		
White collar	494	88
Professional and managerial	166	87
Sales and clerical	328	89
Blue collar	1,901	220
Craftsmen and kindred	536	119
Operatives	1,055	130
Laborers	309	94
Services and farm	159	45
Male:		
White collar	241	98
Blue collar	1,417	112
Services and farm	87	53
Female:		
White collar	252	80
Blue collar	485	149
Services and farm	70	45

TABLE 5.—PERCENTAGE INCREASES IN THE NUMBER OF JOB LOSERS BY INDUSTRY GROUP, SEX AND AGE, AND COLOR AND SEX OVER SUCCESSIVE QUARTERS FROM 3D QUARTER 1973 TO 1ST QUARTER 1975 (BASED ON SEASONALLY ADJUSTED DATA)

Group	Percentage increase to quarter I 1975 from— III, 1973	IV, 1973	I, 1974	II, 1974	III, 1974	IV, 1974
Total	155	147	104	107	94	45
Industry:						
Goods-producing [1]	206	200	133	136	117	48
Trade, finance, services	102	94	67	71	67	37
Sex and age:						
Male	165	150	105	112	96	46
16–44 years	175	162	107	109	96	46
45 years and over	136	120	98	110	86	49
Female	134	139	102	103	86	40
16–44 years	133	136	96	98	86	43
45 years and over	145	142	121	113	91	30
Color and sex:						
White	162	146	108	114	90	45
Males	172	146	108	116	92	47
Females	145	145	106	110	86	42
Negro and other races	121	149	87	89	106	39
Males	140	169	88	96	116	43
Females	91	117	85	76	88	31

[1] Group includes manufacturing, construction, mining and transportation, and public utilities.

Source: Bureau of Labor Statistics, Office of Current Employment Analysis.

Mr. SHISKIN. The second study I mentioned is just getting underway and I can assure you that we will do everything we can, but we have some very severe liminations in terms of staff and time.

Our letterload has increased fourfold since the recession began.

Representative BROWN of Ohio. Have you requested new staff?

Mr. SHISKIN. I could take men from John Layng's Office of Prices and put them in Unemployment for a while, but the letters on prices have not decreased either. We really cannot respond very well to such pressures in the short run because it takes trained, experienced professional people to make the kind or responsible judgment that are needed about these data.

Representative BROWN of Ohio. Mr. Chairman, it may be beneficial if our Subcommittee on Statistics would encourage that kind of study, and financing for it.

Senator PROXMIRE. Congressman Brown of Michigan.

Representative BROWN of Michigan. Thank you, Mr. Chairman.

Mr. Shiskin, I was most impressed and pleased by your last two sentences, where you said that most economic indicators are showing an early improvement and suggest that the forces of recovery are beginning to stir; then you expressed a caveat that of course 1 or 2 month's data are rarely precise and will need data for more months before a conclusion about cyclical trends can be drawn.

Let me draw your attention to the last sentence. How do you develop your data?

Mr. SHISKIN. The data on unemployment?

Representative BROWN of Michigan. Yes.

Mr. SHISKIN. This report that we issued today encompasses two of the major surveys of the Federal Government. One is a survey of 47,000 households based on what we call a probability sample. We work jointly with the other major Federal statistical agency in the economics field, the Census Bureau. It was actually their field representatives who collected the data, on contract with BLS.

We have a questionnaire that is designed jointly by us and the Census Bureau, and each month a corps of field agents ask 47,000 households questions about their employment and unemployment status.

We have a second survey which goes to establishments—that is a bigger sample—and also it includes all the big companies—and from them we can not only get data on employment, but also on hours of work and earnings.

So we have these two major surveys going on that are conducted every single month. They are massive enterprises. Really, Congressman Brown, it is really a traumatic experience and takes 2 or 3 days before I appear here to get all those data together.

I have had experiences where I was not sure I was going to have it on time, but we have managed every time since I have been Commissioner. That is, in a nutshell, what we do.

We have more detailed descriptions of these programs that we would be glad to make available to you.

Representative BROWN of Michigan. I understood that this is the general way you developed your data. That leads to the second question—then why do you feel, in view of the fact that you do this

month after month, year after year, do you feel that the data that you have developed might not be accurate?

Mr. SHISKIN. I think the data are accurate. I had another point in mind. I have one caveat to my statement about the data being accurate.

The data on unemployment are accurate, and we know the extent to which they are subject to error. So, when we say that the unemployment rate is 8.9 percent, we would add, in professional discussion, that this is subect to a 0.2 percent error. It could be 9.1 or 8.7. We know the range of error.

Our other survey that comes from establishments —unlike the household survey, we do not get all the returns in at the same time. We struggle with the companies to get the returns back, and I think we closed out this month with only 42 percent of the returns. When I am here next month, I will have a better figure for April than I have today, because I will have gotten more returns.

Congressman Brown, that is not what I had in mind. What I had in mind is this: If you will take a look at my third chart, you will see some very tentative upturns. Let us assume that these data are absolutely accurate. Well, you never know whether these upturns are going to continue.

The trend of the economy is not like a sine curve. It does not move smoothly all the time. I have been through a half dozen of these upturns where I have watched the data carefully, and once in awhile you will have an abortive one. It will start up and then it will start back down again. It is because of this fact that I entered that caveat.

Representative BROWN of Michigan. That leaves me having now determined the methodology of the sample, how valid your conclusion can be when you suggest the possibility that the forces of recovery are beginning to stir.

The factors that you are talking about there, are those the ones on your chart? Or what are the factors?

Mr. SHISKIN. The ones in chart 3. I am assuming the data are accurate. I know there is an element of inaccuracy and uncertainty about that, too, but that is not why I entered that caveat.

The reason I entered the caveat is—look at the top curve on the manufacturing work week we have used. It is not a smooth curve. Every once in awhile you get a little rise and that is soon followed by a drop.

Look at the beginning of 1973. At the beginning of 1973 the workweek rose. It continued a couple of months, then it leveled off and then it dropped again. Now that can happen this time, too.

What is reassuring this time is that, of the series which move early, nearly all of them are moving in the right direction. Nearly all of them on this page, I should hasten to say, because those on the other pages are not moving in the right directions.

Nearly all the ones on this page are. That is reassuring.

Representative BROWN of Michigan. These are the factors you are talking about when you say that most indicators that tend to move early are improving? Those are the ones on page 2, right?

Mr. SHISKIN. Right.

Representative BROWN of Michigan. Let me kind of put your figures in the context of Mr. Greenspan's statement where he said that many of the things—inventories are declining. They are going to have to be replenished.

If you put these early indicators, superimpose those on Mr. Greenspan's testimony, do you not give further support for the fact that they are valid and probably will begin continuing at a compounded, if anything, rate rather than a static rate?

Mr. SHISKIN. Yes, I agree. I have limited my statement to the employment indicator. Mr. Greenspan talked about inventories. I published an article in the New York Times last Sunday about stock prices. I argued there that the record shows that the best leading indicator is stock prices. Of course, we all know what has been happening to stock prices since last December, so I think the evidence for an early recovery is beginning to build up.

I am a man who has seen great disappointments in my life. I think it is wiser to make a cautious statement at this time, to lean in the direction of being cautious, than the other way.

Representative BROWN of Michigan. I do not expect you to answer this, because this is not in your province, really. If superimposing your figures on Mr. Greenspan's testimony, that this trend is valid, it is occurring, then probably there is a little bit of support given by that to the caution that has been expressed by many on overstimulating?

Mr. SHISKIN. I think that is true.

Representative BROWN of Michigan. I yield to Congressman Brown.

Representative BROWN of Ohio. I would like to make a statement with reference to a comment I made earlier about companies laying off their inefficient employees first.

In this additional statement you gave us about the "job losers," could you give us a profile of the job losers at different times during a recession? It seems to me that when the recession cuts deeply, it may cause the layoff of a man who has never been laid off previously in his employment career.

But, at some stages of the game, perhaps you are laying off people who are regular job losers—people have lost their jobs from time to time because they have never established themselves in a particular job for extended periods of time.

Do you understand what I am asking?

Mr. SHISKIN. Yes, and I am very sympathethic to it. Unfortunately, you know it is another kind of study added to the huge number we already have in our inventory. I just do not think we can do much on it.

Representative BROWN of Ohio. You do not have any statistics on it?

Mr. SHISKIN. If we had been able to staff up for this, we would have on board the 10 or 15 more expert analysts that could be doing these things. We do not have them. We cannot turn them out in a short period of time. All I can tell you is we will do our best.

However, Congressman Brown, let me call your attention to table 5 of that extra statement. And, while it is not a "profile"—in the

statement on job losers—if you look at table 5 at the very end, the last one, what we did in that table was to take as our base the first quarter of 1975 and we said, "What kind of a change in all these categories—age, sex, and color, has taken place? What has now happened to them over the course of this recession?"

And we started in the third quarter of 1973 and took the percentage increases in each one of these groups between that quarter and the first quarter of 1975.

We did it again from the fourth quarter of 1973 to the first quarter of 1975 and so on for each of the quarters, so that you can see what happened in the long span, and you can also see what happened in the last few quarters, and that may be helpful in connection with your question.

Now there are a lot of data here, and there are a lot of students in the United States, a lot of universities. The Joint Economic Committee has a staff. We hope they will study these data and maybe they can help us respond to these many, many questions which are legitimate, interesting, and exciting that we are being asked today, but cannot fully respond to.

Representative BROWN of Ohio. Mr. Chairman, I think that that is a very good suggestion. I would like to see us devote some of the resources of this committee to determining the impact of unemployment on various kinds of people and find out just what is happening in unemployment and reemployment in an economic crisis of this nature.

We make a lot of assumptions in the Congress and pass a lot of legislation based upon those assumptions. Frankly we do not have the statistics to back them up. We "think" we know what is happening in a layoff situation, or in a rising unemployment situation, but it would be very helpful if we knew the kind of person we are trying to offer assistance to.

Mr. SHISKIN. I agree completely with you.

Senator PROXMIRE. I want to commend you on your very helpful study. I have had a chance to look at it—on job losers—it is an excellent job. Have you released that to the press?

Mr. SHISKIN. Yes. he background on that——

Senator PROXMIRE. When did you release that study?

Mr. SHISKIN. Two weeks ago. The background is, as you may know, Senator Proxmire, Secretary Dunlop has had a practice of meeting with a group of reporters that cover his area once a week, over many years.

He has continued that in the Department of Labor and I wrote this memo to Secretary Dunlop. This was originally a memo to Secretary Dunlop. I wrote it to him because there are serious problems within the Department being raised by the questions of discrimination, and he thought it would be useful for me to discuss the findings of this study with his group of reporters.

So he invited me over and I did so, 2 weeks ago Wednesday.

Senator PROXMIRE. Very good. I want to commend you on it. I agree with Congressman Brown that we ought to encourage you on this line. It is very helpful and it would be good to get as sharp and clear a notion of the people who are losing their jobs as pos-

sible. It would certainly help us in our job training programs and in our decisions for providing jobs in various areas. I think that is the kind of information we would like to have.

I would like to ask a couple of more questions. I realize the hour is very late and I will be as quick as I can. The unemployment rate for males, age 20 to 24, is 15.8 percent. 43 percent of the unemployed are under 25 years of age.

This is not a very good time to be finishing school and looking for a job, it it?

Mr. SHISKIN. No, it is not a good situation. As I say, on balance, the overall employment situation became even more serious in April than in previous months. That is one manifestation of it.

Senator PROXMIRE. Is it not also true that the problem for married men who are supporting families is particularly serious now? While unemployment grew two-tenths of 1 percent for the general work force, it grew twice as rapidly for married men? Therefore, the impact of this increase in unemployment in April of this year is perhaps more serious than the 8.7 to 8.9 figure?

Mr. SHISKIN. I would think that is true. I would agree. This is from my "Job Losers Memo": "Although this recession has spread to 80 percent of the industries—we wrote this before we got the figures this month—job loss has been particularly heavy in the goods producing sector, construction, lumber, and wood products, automobiles and related industries, and other heavy manufacturing industries."

"These industries are mostly staffed by mature, experienced workers with family responsibilities."

Senator PROXMIRE. The breadwinners of the family—the main breadwinners in many cases—so the effect can be devastating.

Now you have a very, very helpful breakdown of unemployment by industry here which really startles me. In the first industry, lumber and wood products, you had a jump from 11.9 percent unemployment in March to 17.8 percent—almost a 50-percent increase —almost exactly a 50-percent increase in unemployment in 1 month.

Now in view of the 19-percent unemployment in the construction trades, again my view is that this indicates that housing is having a devastating effect and we desperately need some kind of program to get the housing starts moving again.

Representative BROWN of Michigan. Senator, would you yield for a second?

Senator PROXMIRE. Yes.

Representative BROWN of Michigan. Pursuant to what Senator Proxmire is asking you, I notice in table A–3—I need the chart explained to me, in the first place, I guess—"Household Heads" on table A–3, April 1974, 68 million plus; April 1975, 49 million plus.

Then we go along over to the "seasonally adjusted" figures and you have 1974 "seasonally adjusted" at 50 million plus?

Mr. SHISKIN. That is obviously an error in April 1974. It looks wrong. We make mistakes, too.

Mr. WETZEL. The April 1974 figure is incorrect in that table. The correct figure should be 50,687; we regret the error.

Representative BROWN of Michigan. Let me pursue that with you, this "seasonally adjusted"? The seasonally adjusted figure for

April 1974 was 50 million. Seasonally adjusted for April 1975 is 49 million. So you had about 1 million seasonally adjusted difference between 1974 and 1975, right?

Mr. SHISKIN. Yes, 1 million more household heads unemployed.

Representative BROWN of Michigan. That would amount to in that basic category, we usually figure 500,000 for percentage? Is that about right? About 2 percent?

Mr. SHISKIN. One million people? What are you relating to 1 million people? How many household heads are there?

Representative BROWN of Michigan. What was the percentage?

Mr. SHISKIN. Fifty million household heads, 1 out of 50 is 2 percent. If you look at the unemployment figures, you see a very bleak, gloomy and dismal figure.

Representative BROWN of Michigan. What was the percentage of unemployment in April 1974?

Mr. WETZEL. Overall 5 percent, heads of households, 3 percent.

Representative BROWN of Michigan. And we have an 8.9 percent now, so we had an increase in unemployment overall of 3.9 percent?

Mr. WETZEL. For heads of households, however, it doubled to 6 percent.

Representative BROWN of Michigan. Thank you.

Senator PROXMIRE. I have a letter here from Mr. Henry Lowenstern to Mr. James Paine, one of the most vigorous criticisms I have of one department of another.

He complains vehemently about the enormous increase in price that the Government Printing Office is charging to various publishing agencies for the material that they send out. It is such a strong statement, he ends up by saying, "I find it hard to believe that the imperious attitude of GPO in dealing with publishing agencies in the executive branch.

They have to charge cost plus 50 percent, and this is having an adverse effect, it seems, on the use of your work.

Mr. SHISKIN. I think that is true.

Senator PROXMIRE. Do you have any documentation to indicate that this is not in accordance with the law? That these costs are excessive?

Mr. SHISKIN. Do I have any?

Senator PROXMIRE. Any documentation that the GPO is not complying with the law in charging such high prices?

Mr. SHISKIN. No. Henry Lowenstern, let me make it clear, is the Chief Publications Officer for the BLS. I have been following that issue for the 2 years I have been in BLS and when he showed me that letter before he sent it out, I authorized him to send it. We are in a very deplorable situation with respect to printing.

Senator PROXMIRE. You are suffering 200 or 300 percent increases in the cost of publication?

Mr. SHISKIN. Yes. As a matter of fact, it is very ironic note, when you look at the increases in prices and earnings that we publish in our documents, which are pretty high, as you know, and you compare them with the increases in the prices of our documents showing those figures. You find a ratio that is very much greater for the increases in the prices of the documents we publish than in the prices we report in them.

Senator PROXMIRE. It may be that somebody should have the GAO look into that.

Mr. SHISKIN. I would hope that some way can be found to resolve this problem, because we are convinced that many of our publications are losing their readership. You know, we bear the cost of preparing these publications, and they are very heavy. We put out the Monthly Labor Review, for example, which utilizes a great deal of BLS staff time. BLS costs are by far the largest part of the total cost of publications.

Then, the GPO comes along and raises the prices to the public to such an extent that we think our market is being eliminated.

Another point that Mr. Lowenstern has been making is that last year we made a study, a field study, with some private contractors and concluded, after allowing them normal profits, that they could produce our publications and distribute them for one-third of the price being charged by the GPO.

Senator PROXMIRE. That is shocking. We will do what we can. I understand—I am told by the staff that GAO has made some kind of a survey, but not comprehensive or adequate, and we think they can do a lot better than they have done.

Let me conclude by asking you quickly about the crime statistics, because I think they are central, and you were very good to respond to my letter and respond with such promptness.

Apparently my letter was not well phrased. Somehow we missed the boat here. What I wanted to do is find out the correspondence between the rises in unemployment and the rise in crime.

What I got instead was a list of the highest unemployment rate cities, and the rising crime in those cities. Clearly if there had not been a sharp rise in those cities, then the statistics you gave me on the percentage rise in crime, you see, would not be very helpful.

Mr. SHISKIN. I read your letter very carefully, and I think we answered your letter.

Senator PROXMIRE. You have with the figures—you certainly have the figures on unemlopment increases.

Mr. SHISKIN. The letter is here somewhere——

Senator PROXMIRE. I have a copy of it right here.

Mr. SHISKIN. One thing, take a look at Dallas, for example. The unemployment rate there is 3.5 percent——

Senator PROXMIRE. That is it.

Mr. SHISKIN. How much could that increase?

Senator PROXMIRE. But the rate of crime increases is almost the same as it is in Detroit, and Dallas has the lowest unemployment rate for any big city and Detroit has the highest. The rate of crime increase is the same.

But, the difficulty is, I do not have a comparison then of what unemployment was before in Detroit.

Mr. SHISKIN. We can do it for these cities and I will send you another letter.

Senator PROXMIRE. Furthermore, if possible, I would like to get these a little more up to date. This is the rate for 1974 unemployment.

Mr. SHISKIN. The problem there is that we do not have crime data that are more up to date.

Senator PROXMIRE. At least can you give me the cities that had the biggest increase in unemployment so I can compare those figures?

Mr. SHISKIN. I think so.

Senator PROXMIRE. As you know, the relationship between unemployment and crime many people feel is central to any other aspect.

Mr. SHISKIN. This is a rather surprising table.

Senator PROXMIRE. This seems to refute it, but there is not enough data here.

Mr. SHISKIN. I would agree. As I said last month, I think this subject deserves a very comprehensive study. This is not it.

Senator PROXMIRE. Without spending much time or effort, I think you can give me at least the figures for the unemployment in 1973 and 1974.

Mr. SHISKIN. I understand. We will do that.

Senator PROXMIRE. Very good.

Mr. Shiskin, thank you again so very much for your patience and your most responsive replies to our questions.

The committee will stand adjourned.

[Whereupon, at 1:25 p.m., the committee adjourned, subject to the call of the Chair.]

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