767

EMPLOYMENT-UNEMPLOYMENT

HEARINGS

BEFORE THE

JOINT ECONOMIC COMMITTEE

CONGRESS OF THE UNITED STATES

NINETY-FOURTH CONGRESS

FIRST SESSION

PART 6

OCTOBER 3, NOVEMBER 7, AND DECEMBER 5, 1975, AND JANUARY 9, 1976

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CONTENTS

WITNESSES AND STATEMENTS

SUBMISSIONS FOR THE RECORD

FRIDAY, NOVEMBER 7, 1975

FRIDAY, DECEMBER 5, 1975

FRIDAY, JANUARY 9, 1976

EMPLOYMENT-UNEMPLOYMENT

FRIDAY, OCTOBER 3, 1975

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

The committee met, pursuant to notice, at 11:35 a.m., in room 1202, Dirksen Senate Office Building, Hon. Hubert H. Humphrey (chairman of the committee) presiding.

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

Also present: Lucy A. Falcone, Robert D. Hamrin, Jerry J. Jasinowski, L. Douglas Lee, and Courtenay M. Slater, professional staff members; Michael J. Runde, administrative assistant; and M. Catherine Miller, minority economist.

OPENING STATEMENT OF CHAIRMAN HUMPHREY

Chairman HUMPHREY. Mr. Shiskin, we welcome you again for your regular monthly appearance before the Joint Economic Committee. You and your colleagues are here to discuss with us once again the latest developments in the unemployment situation and we also will be discussing the Wholesale Price Index.

We thank you for your continued cooperation. I must say, Mr. Shiskin, that I personally find this morning's unemployment statistics downright depressing. As you characterize them in your press release, unemployment and total employment were little changed in September. Now, considering that we are supposed to be, according to all the rhetoric that we have heard from high places, in economic recovery, I find it depressing that the unemployment rate has remained stuck at about 8.4 percent for 3 consecutive months.

This merely confirms my earlier suspicions that the rapid drop in the unemployment rate from 8.9 was not consistent with economic growth and therefore could not be expected to continue. I think it is fair to say that the recovery that we have experienced, and there has been some, is primarily the product of the tax rebate, the tax reduction that the Congress passed and the liquidation of inventories, and of course then the rebuilding of some of those inventories. Those are all short term. If that tax reduction is not continued, and I think it ought to be continued and in a larger measure—might I add that the total tax reduction was about $22 billion to $23 billion for 1975—in order to accommodate that amount of tax reduction for 1976, we not only have to extend the Tax Reduction Act, we would also have to build in an additional tax reduction of around $8 billion or more so

that the tax reduction for 1976 would be within the same basic ball park figure of the $22 billion to $23 billion of 1975. Nothing would be worse than to lose any momentum which we currently have and that momentum, I must confess, is rather sluggish.

I think the recovery is indeed delicate and fragile and that any shock wave could cause it to fall apart. Now we are going to face a 10-percent increase in oil prices on imported oil. There is a knock-down, dragout battle going on in Congress right now on natural gas prices and, of course, we have only a modest extension of oil controls, oil price controls. If there is a total decontrol and total deregulation of natural gas supplies, we can expect a substantial increase in energy prices, that and food prices.

Now, all of this confirms the viewpoint expressed in the Joint Economic Committee's Midyear Review of the Economy that we released this past Wednesday. And that view said in substance that the unemployment rate will remain very close to 8 percent through 1976. That is a colossal waste of human resources, production, and income. It is the No. 1 waste of the American scene. It just makes insignificant other wastes that we have encountered.

Now, one of the most disturbing trends that has been hit by these aggregate numbers is the length of time people are unemployed. The number of people who are unemployed for 27 weeks or more—that is over a half a year—what we call the hardcore unemployed now stands at 1.6 million. This is the highest level since World War II. What is even more alarming is that it has been increasing very rapidly and I conceive very little let up. This means that an increasing number of people will exhaust their unemployment benefits in the near future unless some further action is taken.

While I am not asking you to make a forecast, Mr. Shiskin, at the proper time I would like to know how many people will have exhausted their unemployment benefits by the end of this year, if this current trend continues or the current trend increases. With the Federal Government deliberately running a policy, and I underscore, with the Federal Government deliberately running a policy of high unemployment rates in the hopes that they will discourage the rate of inflation, it becomes the Government's responsibility to do something to help the unfortunate people who are literally being sacrificed in the administration's so-called war against inflation.

I do not mean that this is a policy that can be extended into the indefinite future. The Midyear Review of the Economy as presented by the Joint Economic Committee has a program designed to get people off the unemployment rolls and back into jobs. I am convinced that the American public is going to be fed up with just longer term unemployment compensation. I think they want people to go to work. And it is the job of the Federal Government, State and local government to find ways to put people to work so that they produce, so that they have incomes, so that they can pay taxes, so that they can maintain their work skills or learn work skills.

We are now in a syndrome of where we are just paying people off to shut up and have them stand, not in bread lines, but in food stamp lines and unemployment compensation lines and welfare lines, while the Government goes merrily on its way, predicting that recovery is at hand.

Mr. Shiskin, I notice that the price news is not too good. In fact, it is no better than the unemployment news. Yesterday the Department reported that the September increases in the Wholesale Price Index were sixth-tenths of 1 percent. Now, that is less than August, eight-tenths of 1 percent. It is not clear to all that this is an accurate representation of what is happening to wholesale prices. The components of the Wholesale Price Index went up much more rapidly than the total. That is an interesting phenomenon.

An article in this morning's Wall Street Journal that I read stated that, "The method of calculating the wholesale price index masked, covered up an acceleration of inflation and all of its major components." I would like to know whether you regard this as a fair characterization of the behavior of the Wholesale Price Index last month, and I would like to know what the Department intends to do about this, if anything.

Now, Mr. Commissioner, let me just say one other thing. I notice that the price of food went up again. And I charge the price of food going up to Mr. Ford's embargo. And I will tell you why. There is no shortage of food and anybody who can count knows that there is none. The largest carryover of wheat, corn, soybeans, grain sorghums, and coarse grains in our history, we have got them right now. But the day that Mr. Ford put on the embargo frightened the entire community, the commodity community, and it is fear which accelerates price.

If the President of the United States would say today that there is a shortage of oil, the price of oil, regardless of supply, would skyrocket. And when the largest food producer in the world announces to the world an embargo, he plays into the hands of the speculators, and they are making a killing. He lowers the income of the farmer who is the producer, and he increases the price of food to the ultimate consumer because every single processor, wholesaler, and supermarket operator has to project a new price on the basis that there will be a scarcity from here on out. These so-called inflation fighters, instead of getting the hose out with water have tapped into the gasline. They are putting gasoline on these food prices.

I have been waiting to tell Mr. Ford and his advisers about this. The President is off the beam on these food prices. Coming from the Midwest where I know that there is a billion, almost 2 billion bushels of wheat in this year's crop, 2 billion 100 million, with a 400-million bushel carryover, which is 2.5 billion bushels with only 800 million needed for domestic consumption, for the Government of the United States to declare an embargo and to send a shock wave throughout the world that there is going to be a food crisis and that we are going to make one is to highjack the food prices all along the line.

And I am just fed up to the ears with this kind of yoyo stop and go economic policy that is characterizing this Government. Is it any wonder that investments are down? Is it any wonder that prices are uncertain? Is it any wonder that industry does not expand? And the reason, of course, is that they never know what the rules are going to be tomorrow. There has been no continuity of policy whatsoever. No one has known until just this week what the President was going to

do on tax extension. And then he says he will extend the tax cut if the Congress cuts the appropriations.

Now, he knows the limits of appropriations cuts just as well as I do because the big appropriation is the defense appropriation and that is the one he says do not touch. Now, if he wants to cut the appropriations for the old age recipients, that will be his responsibility, not with our help or my help.

I want to conclude by saying that as long as the monetary policy of this country prevails as it is, denying housing construction that Senator Proxmire has given so much attention to, as long as housing stops are a low $1.3 billion, this economy is doomed to high unemployment and recession. And there is nothing being done.

I might say to my colleagues, after Mrs. Carla Hills was here 1½ or 2 months ago, telling us how the June housing starts looked good, how things were really going to blossom, it is a sheer bundle of bunk. There has been no housing boom and there has been no major construction in the housing field. It amounts to a hoot. All we have had is a lot of talk.

And I hope that you can give us a little insight if you can this morning as a respected member of Government, a man who is here not as a political man, but as a professional, as to what we can look forward to, because it is perfectly obvious as I see it, and I have been working very carefully in this area, that we are doomed to about 8-percent unemployment between now and at least in mid-1976 or longer. And that is unacceptable, intolerable, and an incredible waste of resources, and no one can justify that under present circumstances.

Mr. Shiskin, I am glad to hear what you have to say.

STATEMENT OF HON. JULIUS SHISKIN, COMMISSIONER, BUREAU OF LABOR STATISTICS, DEPARTMENT OF LABOR, ACCOMPANIED BY MARGARET S. STOTZ, CHIEF, DIVISION OF INDUSTRIAL PRICES AND PRICE INDEXES; AND JACK BREGGER, CHIEF, DIVISION OF EMPLOYMENT AND UNEMPLOYMENT ANALYSIS

Mr. SHISKIN. Thank you, Mr. Chairman.

I have with me today Mr. Bregger who is one of our employment and unemployment experts, and I asked Mrs. Stotz to come. Mrs. Stotz is head of the Wholesale Price Division and I felt sure you would have some questions on that subject.

Chairman HUMPHREY. She can possibly help us with that comment in the Wall Street Journal.

Mr. SHISKIN. I have a brief statement which I would like to read.

Mr. Chairman and members of the committee, 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 economic recovery, which began in the second quarter of 1975, continued in September, though the improvements in the employment situation between August and September appeared to be small. The unemployment rate, at 8.3 percent, though well below the levels

reached in the first quarter of 1975, remained high by historical standards. Some of the categories which showed declining unemployment last month rose in September, for example, adult males, household heads and married men. On the other hand, teenage unemployment, which rose in August, declined in September.

The total number unemployed 15 weeks or longer was virtually unchanged between August and September, but those unemployed 27 weeks or more increased substantially, about 11 percent. The average duration of unemployment rose again to 16.2 weeks, the highest figure since November 1961. These figures on long term unemployment tend to lag, that is, to improve after other measures of economic performance.

Total employment and total nonagricultural employment, as measured in the household survey, showed little change between August and September. However, the increase in total civilian employment since last March has been very substantial, over 1.5 million, and the increase in nonagricultural employment has been 1.3 million over the same 6-month period.

More evidence of continuing recovery was apparent in the September data provided by the establishment survey though, again, the increases were less than during the previous 2 months. Thus the increase in total payroll employment was 182,000 in September, compared to 350,000 between July and August and 336,000 between June and July. Employment in manufacturing, however, showed a gain of 182,000 in September compared to 162,000 the month before when employment in manufacturing rose substantially for the first time since late 1973. Most of the rise took place in the durable goods industries, and particularly in primary metals, electrical equipment and machinery. A substantial rise also took place in nondurable manufactures, particularly textiles and apparel.

With nonagricultural employment, as measured in the household survey, showing virtually no change, and nonagricultural employment, as measured in the establishment survey, rising again, the divergence in recent trends in these two employment measures continued to narrow.

Average hours of work showed little change. Aggregate hours, the most comprehensive index of labor activity, rose from an index of 106.0 in June to 107.2 in August and 107.7 in September. The index of aggregate manufacturing hours rose more vigorously over this period.

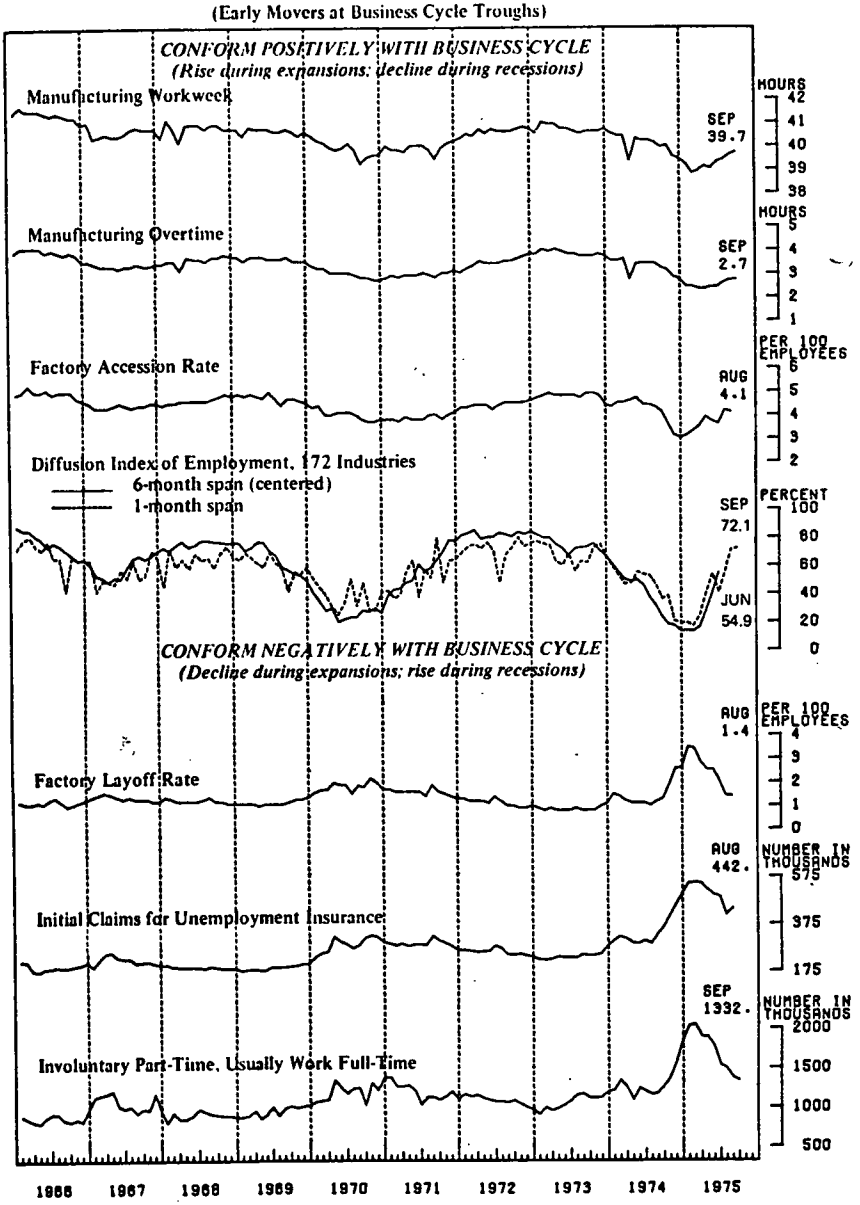
The clearest evidence of continuing recovery provided by these data appeared in the diffusion index of employment in 172 industries, which has risen from about 17 percent in February to about 72 in September. More than 70 percent of the industries rose between July and August and also between August and September. This index reveals the widespread rise in employment, a characteristic of cyclical recovery.

As usual, I am attaching charts showing recent trends in the employment indicators classified by their usual cyclical timing.

I shall now try to answer your questions.

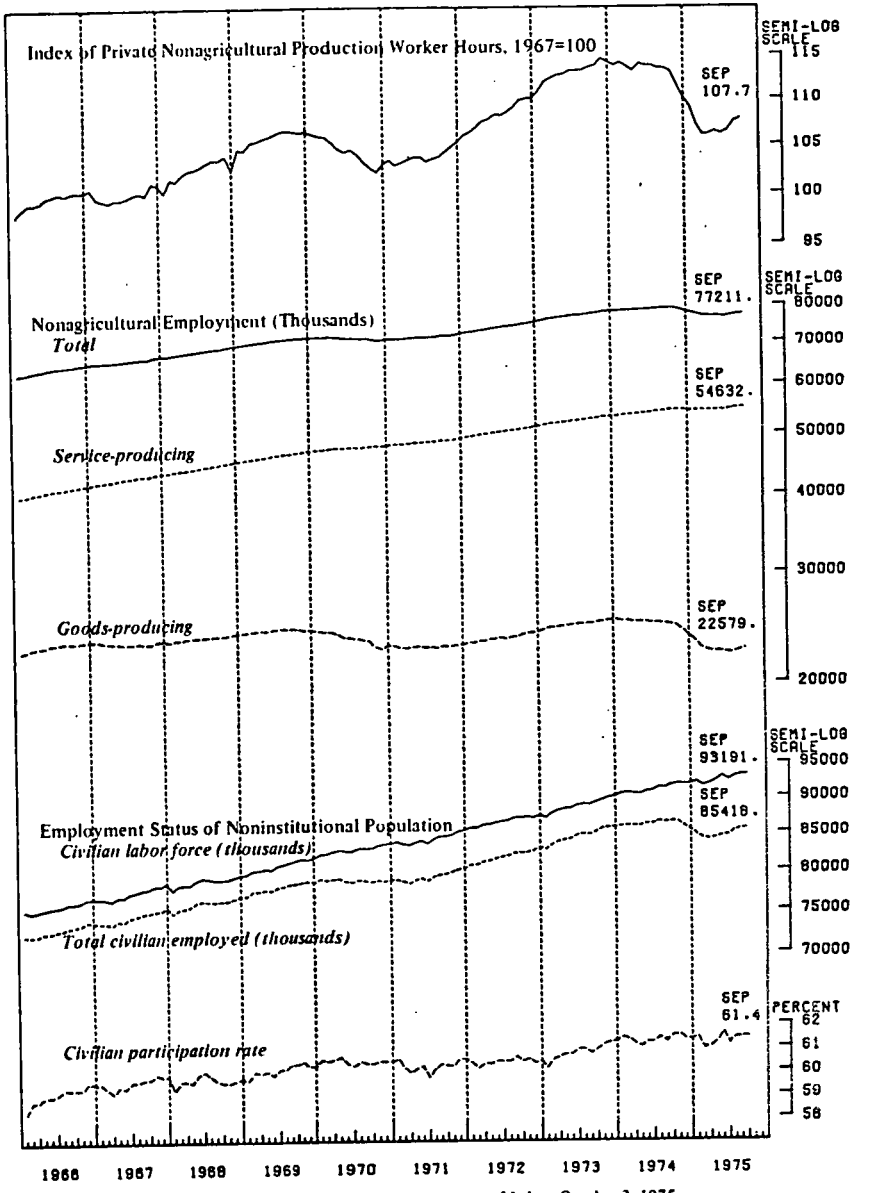
[The charts referred to, together with the press release follow:]

Chart 1. EMPLOYMENT INDICATORS, 1966-75
(Early Movers at Business Cycle Troughs)



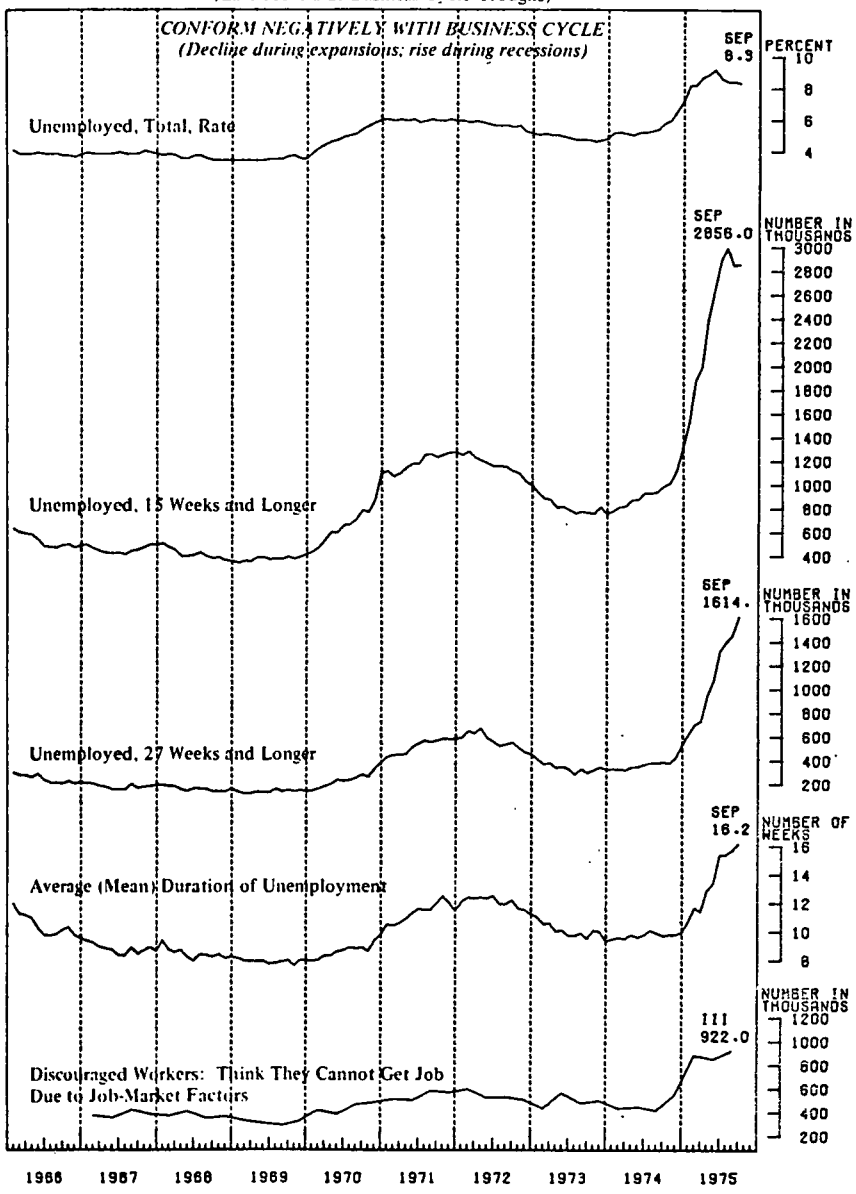
Source: Bureau of Labor Statistics, U.S. Department of Labor, October 3, 1975

Chart 2. INDICATORS OF LABOR ACTIVITY—
MEASURES OF PERFORMANCE, 1966-75



Source: Bureau of Labor Statistics, U.S. Department of Labor, October 3, 1975

Chart 3. UNEMPLOYMENT INDICATORS, 1966-75
(Late Movers at Business Cycle Troughs)



Source: Bureau of Labor Statistics, U.S. Department of Labor, October 3, 1975

NEWS

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Friday, October 3, 1975

THE EMPLOYMENT SITUATION: SEPTEMBER 1975

Unemployment and total employment were little changed in September while nonagricultural payroll employment continued to rise, it was reported today by the Bureau of Labor Statistics of the U. S. Department of Labor. The unemployment rate was 8.3 percent, little different from July and August when it was 8.4 percent but substantially below the recession peak of 8.9 percent reached in the second quarter of the year.

Total employment--as measured by the monthly survey of households--was about unchanged from August to September after posting a gain of one and a half million in the previous 5-month span. Employment had declined by 2.6 million over the September-March period.

Total nonagricultural payroll employment--as measured by the monthly survey of establishments--increased by about 180,000 in September, nearly all of it in the bellwether manufacturing industries. Since the June low, payroll employment has risen by 870,000, which has resulted in a considerable narrowing of the recent trend differences in the household and establishment series. (Establishment data have been revised based on new benchmark levels and seasonal adjustment factors, as in past years.)

Unemployment

The number of persons unemployed totaled 7.8 million in September, seasonally adjusted, essentially unchanged from the levels prevailing since July. The rate of unemployment has also shown little movement over the past 3 months but, at 8.3 percent, was six-tenths of a percentage point below the recession peak registered in the second quarter. A year ago, when the sharp increases in joblessness first began, the rate was 5.8 percent.

As was the case in August, the stability in overall joblessness masked divergent movements among the major labor force groups. After declining to 6.6 percent in August, the jobless rate for adult men returned to the June-July level of 7.0 percent. This change also was reflected in increased joblessness among household heads and married men. The rate for teenagers, on the other hand, which had increased sharply in August, declined

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

Selected categories	Quarterly averages					Monthly data		
	1974		1975			July 1975	Aug. 1975	Sept. 1975
	III	IV	I	II	III			
	(Millions of persons)							
Civilian labor force	91.4	91.8	91.8	92.5	93.1	92.9	93.1	93.2
Total employment	86.4	85.7	84.1	84.3	85.3	85.1	85.4	85.4
Adult men	48.5	48.3	47.3	47.2	47.6	47.5	47.7	47.6
Adult women	30.5	30.1	29.8	30.1	30.6	30.6	30.7	30.6
Teenagers	7.4	7.4	7.0	7.0	7.1	7.0	7.0	7.2
Unemployment	5.0	6.1	7.0	8.2	7.8	7.8	7.8	7.8
	(Percent of labor force)							
Unemployment rates:								
All workers	5.5	6.6	8.3	8.9	8.4	8.4	8.4	8.3
Adult men	3.7	4.8	6.3	7.1	6.9	7.0	6.6	7.0
Adult women	5.4	6.5	8.2	8.5	7.7	7.9	7.7	7.5
Teenagers	16.1	17.5	20.5	20.5	19.8	19.1	21.1	19.3
White	5.0	5.9	7.6	8.2	7.7	7.9	7.6	7.6
Negro and other races	9.6	11.7	13.7	14.3	13.8	13.0	14.0	14.3
Household heads	3.2	4.1	5.5	6.1	5.7	6.0	5.5	5.7
Married men	2.7	3.3	4.8	5.7	5.2	5.4	5.0	5.3
Full-time workers	5.0	6.2	7.9	8.5	8.2	8.1	8.2	8.2
State insured	3.4	4.3	6.0	6.9	5.9	6.2	5.8r	5.8
	(Weeks)							
Average duration of unemployment	9.9	9.9	11.3	13.9	15.8	15.4	15.7	16.2
	(Millions of persons)							
Nonfarm payroll employment	78.7	78.3	76.9	76.4	77.0p	76.7	77.0p	77.2p
Goods-producing industries	24.8	24.1	22.8	22.3	22.4p	22.2	22.4p	22.6p
Service-producing industries	54.0	54.2	54.1	54.1	54.6p	54.5	54.6p	54.6p
	(Hours of work)							
Average weekly hours:								
Total private nonfarm	36.6	36.3	36.1	35.9	36.1p	36.0	36.2p	36.0p
Manufacturing	40.1	39.6	39.0	39.1	39.6p	39.4	39.6p	39.7p
Manufacturing overtime	3.3	2.9	2.4	2.4	2.7p	2.6	2.7p	2.7p
	(1967=100)							
Hourly Earnings Index, private nonfarm:								
In current dollars	160.6	164.3	167.7	170.7	174.1p	173.1	174.2p	174.9p
In constant dollars	107.2	106.5	106.7	107.1	N.A.	106.6	107.1p	N.A.

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

to 19.3 percent in September, approximating the levels prevailing in June and July. The jobless rate for adult women continued its downward drift that has totaled a full percentage point from the second quarter high of 8.5 percent. Unemployment rates for most of the other labor force categories, including the major industry and occupational groups, showed little or no change over the month. (See table A-2.)

Although the unemployment rate for workers covered by regular State unemployment insurance programs was unchanged at 5.8 percent in September, it has dropped sharply from the peak of 7.0 percent attained in May. There were 3.9 million persons (seasonally adjusted) claiming regular State U. I. benefits, but the total number of unemployed insurance claimants is much larger when the 2.5 million persons (not seasonally adjusted) claiming benefits under various special programs, including the Federal extended benefits programs, are taken into account.

The number of persons unemployed 15 weeks or more was essentially unchanged at 2.9 million in September, after posting the first real decline in August since late 1973. However, there was a continued increase in the number of persons unemployed 27 weeks and over, sometimes referred to as the hard-core unemployed; at 1.6 million, this was the highest level in the post-World War II period and constituted one-fifth of the jobless total. Offsetting this increase was a second straight monthly decline in the number of persons jobless 15-26 weeks. On an overall basis, the average period of joblessness continued to rise, and, at 16.2 weeks, mean duration was at its highest level since late 1961. (See table A-4.)

The number of unemployed who had lost their last job increased by 300,000 in September to 4.6 million, a return to the July level. Unemployment stemming from job loss had dropped by nearly 600,000 over the May-August period. (See table A-5.)

Total Employment and Civilian Labor Force

Total employment was about unchanged in September at 85.4 million, seasonally adjusted, after registering gains totaling about 1.5 million from the March low point to August. Employment remained about a million below its year-earlier peak level. (See table A-1.)

Similarly, the civilian labor force, at 93.2 million, was essentially the same as in August, following gains totaling 800,000 in the 2 previous months. Over the past year, the labor force has expanded by less than 1.4 million, with all of the increase limited to the last 7 months. In the 3 previous years, the labor force rose at a considerably faster pace, a million or more workers per year in excess of the current year's gain.

Industry Payroll Employment

Total nonagricultural payroll employment increased for the third consecutive month, rising by 180,000 to 77.2 million (seasonally adjusted) in September. (See table B-1.) This growth was concentrated primarily in the manufacturing industries, which also posted a gain of 180,000. For the second consecutive month, more than 70 percent of the 172 industries in the BLS diffusion index registered employment increases. (See tables B-1 and B-6.)

Within manufacturing, large gains took place in both the durable and nondurable goods industries (up 100,000 and 80,000, respectively). Within durable goods, the largest increases took place in the electrical equipment, primary metals, machinery, and furniture industries. In nondurable goods, substantial gains were posted in food processing, apparel, and textile mill products.

Other than manufacturing, the only industry to show a sizeable over-the-month increase in September was services. Most of the remaining industries were about unchanged, with just one--State and local government--posting a large decline, much of which resulted from a teachers' strike.

While growth has been resumed in manufacturing, the other highly cyclical industry, contract construction, has held at a low plateau in the past few months that was 700,000 jobs below the pre-recession peak reached in early 1974.

Hours

The average workweek for all production or nonsupervisory workers on nonfarm payrolls dropped two-tenths of an hour to 36.0 hours in September (seasonally adjusted), a return to the June and July levels. Over the year, average weekly hours have fallen by 0.5 hour. (See table B-2.)

There were widespread declines in average weekly hours within the service-producing sector, which counteracted small pickups in both mining and manufacturing. Factory overtime remained at 2.7 hours in September, substantially above the 2.3-hour low posted in March and April.

With employment gains somewhat greater than the decline in the workweek, the index of aggregate hours of private nonfarm production or nonsupervisory employees rose 0.3 percent over the month to 107.7 (1967=100). The index of aggregate factory hours moved up markedly--by 1.7 percent--to 90.2, continuing the uptrend from the March low of 86.4. However, the September factory index was 14 percent below its alltime high reached in December 1973. (See table B-5.)

Hourly and Weekly Earnings

Average hourly earnings of production or nonsupervisory workers on private nonagricultural payrolls rose 0.4 percent in September and were up 6.3 percent over the year (seasonally adjusted). Average weekly earnings fell 0.1 percent in September but have advanced 4.8 percent from a year earlier.

Before adjustment for seasonality, average hourly earnings rose 7 cents in September to $4.62. Since last September, average hourly earnings have risen 27 cents. Average weekly earnings in September were $167.24, an increase of 71 cents over the month and $7.59 from last September. (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 174.9 (1967=100) in September, 0.4 percent higher than in August. The index was 7.9 percent above September a year ago. During the 12-month period ended in August, the Hourly Earnings Index in dollars of constant purchasing power declined 0.1 percent. (See table B-4.)

Benchmark and Seasonal Adjustment Revisions

Establishment-based data (tables B-1 through B-6) have been revised to reflect new employment benchmark levels (counts of payroll employment in all establishments) for March 1974. This revision was primarily one of level and had little effect on current

trends. Data as early as April 1973 are subject to revision. (Average hours and earnings data may also be slightly affected because of changes in the employment weights used in deriving the averages.) Total nonagricultural payroll employment for March 1974 was revised upward by 80,000 (0.1 percent).

As in past years, the factors used to seasonally adjust establishment series also have been revised to reflect the most current seasonal experience, and thus the seasonally adjusted data as early as January 1970 are also subject to change. A detailed discussion of these changes and the revised data will be published in the October 1975 issue of the BLS periodical, Employment and Earnings.

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*.

HOUSEHOLD DATA

Table A-1. Employment status of the noninstitutional population

(Numbers in thousands)

Employment status	Not seasonally adjusted			Seasonally adjusted					
	Sept. 1974	Aug. 1975	Sept. 1975	Sept. 1974	May 1975	June 1975	July 1975	Aug. 1975	Sept. 1975
TOTAL									
Total noninstitutional population[1]	151,367	153,824	154,052	151,367	153,051	154,278	153,585	153,824	154,052
Total labor force	93,661	96,493	94,965	93,922	95,121	94,518	95,102	95,331	95,361
Participation rate	61.9	62.7	61.6	62.0	62.1	61.7	61.9	62.0	61.9
Civilian noninstitutional population[1]	149,150	151,639	151,882	149,150	150,870	151,100	151,399	151,639	151,882
Civilian labor force	91,444	94,308	92,795	91,705	92,940	92,340	92,916	93,146	93,191
Participation rate	61.3	62.2	61.1	61.5	61.6	61.1	61.4	61.4	61.4
Employed	86,242	86,612	85,274	86,402	84,402	84,444	85,078	85,352	85,418
Agriculture	3,563	3,886	3,626	3,489	3,512	3,304	3,450	3,468	3,546
Nonagricultural industries	82,679	82,726	81,647	82,913	80,890	81,140	81,628	81,884	81,872
Unemployed	5,202	7,696	7,522	5,303	8,538	7,896	7,838	7,794	7,773
Unemployment rate	5.7	8.2	8.1	5.8	9.2	8.6	8.4	8.4	8.3
Not in labor force	57,706	57,331	59,087	57,445	57,930	58,760	58,483	58,493	58,691
Males, 20 years and over									
Total noninstitutional population[1]	64,181	65,234	65,353	64,181	64,901	65,000	65,128	65,234	65,353
Total labor force	52,371	53,121	52,754	52,311	52,788	52,439	52,795	52,794	52,936
Participation rate	81.6	81.4	80.7	81.5	81.3	80.7	81.1	80.9	81.0
Civilian noninstitutional population[1]	62,405	63,498	63,629	62,405	63,180	63,282	63,403	63,498	63,629
Civilian labor force	50,595	51,385	51,030	50,535	51,067	50,721	51,070	51,058	51,213
Participation rate	81.1	80.9	80.2	81.0	80.8	80.2	80.5	80.4	80.2
Employed	48,907	48,250	47,938	48,583	47,333	47,166	47,499	47,682	47,638
Agriculture	2,574	2,579	2,557	2,500	2,457	2,394	2,435	2,463	2,483
Nonagricultural industries	46,334	45,671	45,381	46,083	44,876	44,772	45,064	45,219	45,155
Unemployed	1,688	3,136	3,092	1,952	3,734	3,555	3,571	3,376	3,575
Unemployment rate	3.3	6.1	6.1	3.9	7.3	7.0	7.0	6.6	7.0
Not in labor force	11,810	12,113	12,599	11,870	12,113	12,561	12,333	12,441	12,416
Females, 20 years and over									
Civilian noninstitutional population[1]	70,638	71,839	71,926	70,638	71,463	71,574	71,729	71,839	71,926
Civilian labor force	32,284	32,663	33,349	32,129	32,835	33,023	33,173	33,239	33,108
Participation rate	45.7	45.5	46.4	45.6	45.9	46.1	46.2	46.3	46.0
Employed	30,248	29,925	30,593	30,290	29,998	30,332	30,563	30,690	30,618
Agriculture	521	628	573	489	537	480	529	548	538
Nonagricultural industries	29,728	29,298	30,020	29,801	29,461	29,852	30,034	30,142	30,080
Unemployed	2,036	2,738	2,756	1,839	2,837	2,691	2,610	2,549	2,490
Unemployment rate	6.3	8.4	8.3	5.7	8.6	8.1	7.9	7.7	7.5
Not in labor force	38,354	39,176	38,577	38,509	38,628	38,551	38,556	38,600	38,818
Both sexes, 16-19 years									
Civilian noninstitutional population[1]	16,107	16,302	16,327	16,107	16,226	16,244	16,267	16,302	16,327
Civilian labor force	8,565	10,259	8,416	9,041	9,038	8,596	8,673	8,849	8,870
Participation rate	53.2	63.8	51.5	56.1	55.7	52.9	53.3	54.3	54.3
Employed	7,098	8,437	6,742	7,529	7,071	6,946	7,016	6,980	7,162
Agriculture	468	680	496	500	518	430	486	457	525
Nonagricultural industries	6,618	7,757	6,246	7,029	6,553	6,516	6,530	6,523	6,637
Unemployed	1,478	1,823	1,674	1,512	1,967	1,650	1,657	1,869	1,708
Unemployment rate	17.3	17.8	19.9	16.7	21.8	19.2	19.1	21.1	19.3
Not in labor force	7,542	6,042	7,911	7,066	7,188	7,648	7,594	7,453	7,457
WHITE									
Civilian noninstitutional population[1]	131,828	133,760	133,954	131,828	133,217	133,402	133,579	133,760	133,954
Civilian labor force	81,100	83,417	82,169	81,337	82,428	81,908	82,436	82,476	82,584
Participation rate	61.5	62.4	61.3	61.7	61.9	61.4	61.7	61.7	61.7
Employed	76,900	77,217	76,144	77,017	75,387	75,451	75,925	76,182	76,270
Unemployed	4,200	6,201	6,025	4,320	7,041	6,457	6,511	6,294	6,314
Unemployment rate	5.2	7.4	7.3	5.3	8.5	7.9	7.9	7.6	7.6
Not in labor force	50,728	50,343	51,785	50,491	50,789	51,494	51,143	51,284	51,370
NEGRO AND OTHER RACES									
Civilian noninstitutional population[1]	17,322	17,879	17,929	17,322	17,652	17,698	17,820	17,879	17,929
Civilian labor force	10,344	10,891	10,627	10,457	10,494	10,469	10,468	10,623	10,746
Participation rate	59.7	60.9	59.3	60.4	59.4	59.2	58.7	59.4	59.9
Employed	9,342	9,325	9,130	9,423	8,953	9,034	9,103	9,134	9,205
Unemployed	1,002	1,495	1,497	1,034	1,541	1,435	1,365	1,489	1,541
Unemployment rate	9.7	13.7	14.1	9.9	14.7	13.7	13.0	14.0	14.3
Not in labor force	6,978	6,988	7,302	6,865	7,158	7,229	7,352	7,256	7,183

[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					
	Sept. 1974	Sept. 1975	Sept. 1974	May 1975	June 1975	July 1975	Aug. 1975	Sept. 1975
Total, 16 years and over	5,303	7,773	5.8	9.2	8.6	8.4	8.4	8.3
Males, 20 years and over	1,952	3,575	3.9	7.3	7.0	7.0	6.6	7.0
Females, 20 years and over	1,839	2,490	5.7	8.6	8.1	7.9	7.7	7.5
Both sexes, 16-19 years	1,512	1,708	16.7	21.8	19.2	19.1	21.1	19.3
White, total	4,320	6,314	5.3	8.5	7.9	7.9	7.6	7.6
Males, 20 years and over	1,624	2,976	3.6	6.8	6.4	6.6	6.1	6.5
Females, 20 years and over	1,478	1,950	5.3	8.2	7.6	7.4	6.9	6.8
Both sexes, 16-19 years	1,218	1,388	15.1	19.5	17.6	17.6	19.1	17.4
Negro and other races, total[1]	1,034	1,541	9.9	14.7	13.7	13.0	14.0	14.3
Males, 20 years and over	351	645	6.8	12.0	11.9	11.4	11.1	12.1
Females, 20 years and over	356	534	8.3	12.2	11.7	10.8	12.6	12.1
Both sexes, 16-19 years	327	362	32.7	39.9	33.2	33.5	37.4	37.2
Household heads	1,809	3,051	3.4	6.3	6.1	6.0	5.5	5.7
Married men, spouse present	1,117	2,128	2.8	5.8	5.7	5.4	5.0	5.3
Full-time workers	4,127	6,526	5.3	8.8	8.2	8.1	8.2	8.2
Part-time workers	1,174	1,320	8.7	11.1	10.3	10.0	10.7	9.6
Unemployed 15 weeks and over[1]	989	2,856	1.1	2.8	3.1	3.2	3.1	3.1
Stats insured[2]	2,251	3,897	3.5	7.0	6.9	6.2	5.8r	5.8
Labor force time lost[3]	--	--	6.4	9.9	8.9	8.8	8.6	9.0
OCCUPATION[4]								
White-collar workers	1,517	2,103	3.5	5.4	4.8	4.8	4.6	4.7
Professional and technical	321	436	2.5	3.6	3.2	3.6	2.9	3.3
Managers and administrators, except farm	184	323	2.1	3.5	3.0	2.9	3.0	3.4
Sales workers	237	327	4.1	5.9	6.0	4.9	5.9	5.6
Clerical workers	775	1,017	4.9	7.8	6.7	6.8	6.4	6.3
Blue-collar workers	2,245	3,660	7.0	13.0	12.6	12.1	11.5	11.5
Craft and kindred workers	587	1,033	4.8	9.3	9.4	9.6	8.2	8.6
Operatives	1,153	1,878	7.6	14.4	14.0	12.9	12.7	12.7
Nonfarm laborers	505	749	10.3	17.7	16.0	15.9	16.2	15.2
Service workers	789	1,125	6.4	8.7	8.5	8.3	9.3	8.7
Farm workers	79	109	2.6	3.7	3.3	2.6	3.8	3.4
INDUSTRY[4]								
Nonagricultural private wage and salary workers[5]	3,997	6,113	6.0	10.1	9.6	9.2	9.1	9.1
Construction	543	873	12.0	21.8	21.0	20.8	19.9	19.2
Manufacturing	1,304	2,248	6.0	12.3	12.0	11.1	10.5	10.6
Durable goods	701	1,439	5.3	12.7	12.9	11.5	11.3	11.3
Nondurable goods	603	809	6.9	11.6	10.7	10.4	9.5	9.4
Transportation and public utilities	164	281	3.3	6.7	5.8	5.6	5.7	5.8
Wholesale and retail trade	1,079	1,499	6.6	8.9	8.3	8.3	8.9	8.7
Finance and service industries	886	1,188	4.8	7.2	6.6	6.3	6.1	6.3
Government workers	437	632	3.0	4.9	3.9	4.3	4.0	4.2
Agricultural wage and salary workers	101	153	6.7	9.4	10.5	8.4	10.5	9.9
VETERAN STATUS								
Males, Vietnam-era veterans[6]:								
20 to 34 years	315	561	5.4	9.4	9.7	9.6	9.0	9.2
20 to 24 years	148	202	12.6	21.2	19.9	17.6	17.5	20.0
25 to 29 years	129	239	3.9	7.1	8.1	8.6	8.2	7.3
30 to 34 years	38	120	2.7	6.9	6.7	6.6	5.9	6.5
Males, nonveterans:								
20 to 34 years	815	1,526	5.9	10.7	10.0	10.5	9.6	10.5
20 to 24 years	514	927	8.3	14.7	12.9	14.4	13.6	14.3
25 to 29 years	164	367	4.2	8.5	9.4	8.6	8.0	8.5
30 to 34 years	137	232	3.6	5.9	5.9	5.9	4.7	6.2

[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] Aggregate hours lost by the unemployed and persons on part time for economic reasons as a percent of potentially available labor force 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					
	Sept. 1974	Sept. 1975	Sept. 1974	May 1975	June 1975	July 1975	Aug. 1975	Sept. 1975
Total employed, 16 years and over	86,242	85,274	86,402	84,402	84,444	85,078	85,352	85,418
Males	52,771	51,580	52,671	51,172	50,861	51,287	51,448	51,490
Females	33,470	33,694	33,731	33,230	33,583	33,791	33,904	33,928
Household heads	51,334	50,776	50,914	49,924	49,903	50,241	50,524	50,373
Married men, spouse present	39,224	38,309	38,887	37,853	37,743	37,920	38,048	37,967
Married women, spouse present	19,876	19,869	19,857	19,317	19,478	19,692	19,693	19,849
OCCUPATION								
White-collar workers	41,774	42,304	41,984	42,127	42,528	42,499	42,593	42,504
Professional and technical	12,519	12,864	12,474	12,780	12,727	13,026	13,030	12,813
Managers and administrators, except farm	8,763	9,169	8,753	8,864	9,039	8,710	8,937	9,160
Sales workers	5,443	5,409	5,554	5,510	5,652	5,585	5,535	5,519
Clerical workers	15,049	14,862	15,203	14,973	15,110	15,178	15,091	15,012
Blue-collar workers	30,100	28,283	29,861	27,772	27,618	27,815	28,070	28,053
Craft and kindred workers	11,566	10,960	11,534	10,860	10,852	11,014	11,112	10,927
Operatives	14,082	13,116	13,920	12,733	12,586	12,662	12,867	12,960
Nonfarm laborers	4,452	4,208	4,407	4,179	4,180	4,139	4,091	4,166
Service workers	11,291	11,529	11,537	11,383	11,589	11,681	11,670	11,776
Farm workers	3,077	3,158	3,003	3,062	2,908	3,027	3,006	3,081
MAJOR INDUSTRY AND CLASS OF WORKER								
Agriculture:								
Wage and salary workers	1,428	1,418	1,403	1,344	1,230	1,357	1,368	1,393
Self-employed workers	1,750	1,789	1,723	1,762	1,730	1,714	1,688	1,761
Unpaid family workers	385	420	381	463	381	410	400	415
Nonagricultural industries:								
Wage and salary workers	76,488	75,570	76,709	74,768	75,114	75,350	75,826	75,822
Private households	1,364	1,308	1,382	1,411	1,472	1,353	1,379	1,325
Government	13,875	14,380	13,979	14,440	14,558	14,744	14,785	14,481
Other	61,249	59,882	61,348	58,917	59,084	59,253	59,662	60,016
Self-employed workers	5,661	5,600	5,694	5,569	5,659	5,689	5,670	5,634
Unpaid family workers	530	476	540	508	401	401	460	485
PERSONS AT WORK [1]								
Nonagricultural industries	78,297	77,268	77,887	76,098	76,288	75,305	76,505	76,943
Full-time schedules	65,358	63,801	64,562	61,917	61,853	61,138	62,442	63,044
Part time for economic reasons	2,650	3,036	2,808	3,877	3,354	3,179	3,106	3,233
Usually work full time	1,280	1,344	1,269	1,764	1,530	1,486	1,369	1,332
Usually work part time	1,370	1,692	1,539	2,113	1,824	1,693	1,737	1,901
Part time for noneconomic reasons	10,289	10,431	10,517	10,304	11,081	10,988	10,957	10,666

[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					
	Sept. 1974	Sept. 1975	Sept. 1974	May 1975	June 1975	July 1975	Aug. 1975	Sept. 1975
Less than 5 weeks	3,006	3,161	2,654	3,134	2,692	2,823	2,676	2,790
5 to 14 weeks	1,358	1,939	1,701	2,620	2,498	2,120	2,361	2,430
15 weeks and over	838	2,422	989	2,643	2,887	2,998	2,842	2,856
15 to 26 weeks	488	965	603	1,568	1,561	1,604	1,383	1,242
27 weeks and over	349	1,457	386	1,075	1,326	1,394	1,459	1,614
Average (mean) duration, in weeks	8.9	14.9	9.7	13.4	15.4	15.4	15.7	16.2
PERCENT DISTRIBUTION								
Total unemployed	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Less than 5 weeks	57.8	42.0	49.7	37.3	33.3	35.5	34.0	34.5
5 to 14 weeks	26.1	25.8	31.8	31.2	30.9	26.7	30.0	30.1
15 weeks and over	16.1	32.2	18.5	31.5	35.7	37.8	36.1	35.4
15 to 26 weeks	9.4	12.8	11.3	18.7	19.3	20.2	17.6	15.4
27 weeks and over	6.7	19.4	7.2	12.8	16.4	17.6	18.5	20.0

Table A-5. Reasons for unemployment

[Numbers in thousands]

Reason	Not seasonally adjusted		Seasonally adjusted					
	Sept. 1974	Sept. 1975	Sept. 1974	May 1975	June 1975	July 1975	Aug. 1975	Sept. 1975
NUMBER OF UNEMPLOYED								
Lost last job	1,881	3,816	2,256	4,863	4,808	4,567	4,263	4,576
Left last job	870	950	745	869	779	826	777	814
Reentered labor force	1,761	1,977	1,592	2,114	1,846	1,771	1,879	1,786
Seeking first job	690	779	726	848	670	648	876	819
PERCENT DISTRIBUTION								
Total unemployed	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Job losers	36.2	50.7	42.4	55.9	59.3	58.5	54.7	57.2
Job leavers	16.7	12.6	14.0	10.0	9.6	10.6	10.0	10.2
Reentrants	33.9	26.3	29.9	24.3	22.8	22.7	24.1	22.3
New entrants	13.3	10.4	13.6	9.8	8.3	8.3	11.2	10.2
UNEMPLOYED AS A PERCENT OF THE CIVILIAN LABOR FORCE								
Job losers	2.1	4.1	2.5	5.2	5.2	4.9	4.6	4.9
Job leavers	1.0	1.0	.8	.9	.8	.9	.8	.9
Reentrants	1.9	2.1	1.7	2.3	2.0	1.9	2.0	1.9
New entrants	.8	.8	.8	.9	.7	.7	.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						
	Sept. 1974	Sept. 1975	Sept. 1975	Sept. 1974	May 1975	June 1975	July 1975	Aug. 1975	Sept. 1975
Total, 16 years and over	5,202	7,522	78.5	5.8	9.2	8.6	8.4	8.4	8.3
16 to 19 years	1,478	1,674	53.6	16.7	21.8	19.2	19.1	21.1	19.3
16 to 17 years	659	754	29.2	18.5	22.8	20.3	19.9	23.1	21.9
18 to 19 years	820	919	73.8	16.0	21.2	18.2	18.4	19.5	18.0
20 to 24 years	1,248	1,834	85.7	9.4	14.8	12.8	13.6	13.1	13.6
25 years and over	2,476	4,015	86.7	3.7	6.4	6.6	6.2	5.8	6.0
25 to 54 years	2,085	3,439	86.9	3.8	6.9	7.0	6.6	6.2	6.3
55 years and over	390	576	77.6	3.0	4.9	4.9	4.8	4.5	4.6
Males, 16 years and over	2,451	3,947	83.8	5.0	8.5	8.1	8.1	7.9	8.0
16 to 19 years	764	854	55.9	16.9	21.2	20.6	19.9	21.7	19.4
16 to 17 years	351	403	31.3	18.4	22.7	21.5	21.0	23.5	22.4
18 to 19 years	412	452	77.9	16.6	19.9	19.4	19.0	19.8	18.2
20 to 24 years	603	1,035	87.0	9.1	15.6	14.0	14.8	14.2	15.3
25 years and over	1,085	2,057	93.9	3.0	5.8	5.9	5.7	5.3	5.6
25 to 54 years	875	1,712	96.3	3.1	6.2	6.3	6.0	5.6	5.9
55 years and over	210	345	82.3	2.8	4.8	4.7	4.6	4.3	4.6
Females, 16 years and over	2,751	3,575	72.6	6.9	10.2	9.2	9.0	9.1	8.8
16 to 19 years	715	819	51.4	16.5	22.4	17.6	18.2	20.5	19.1
16 to 17 years	307	351	26.8	18.6	22.9	18.7	18.6	22.5	21.3
18 to 19 years	408	468	69.9	15.3	22.6	16.8	17.8	19.3	17.8
20 to 24 years	645	799	84.1	9.7	13.9	11.4	12.1	11.7	11.7
25 years and over	1,391	1,957	79.3	4.8	7.5	7.6	7.0	6.6	6.6
25 to 54 years	1,211	1,727	77.5	5.1	8.0	8.1	7.5	7.1	7.0
55 years and over	180	230	70.9	3.5	5.1	5.2	5.1	4.9	4.5

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

(In thousands)

Industry	Not seasonally adjusted				Seasonally adjusted					
	Sept. 1974	July 1975	Aug. 1975p	Sept. 1975p	Sept. 1974	May 1975	June 1975	July 1975	Aug. 1975p	Sept. 1975p
TOTAL	79,171	76,439	76,903	77,502	78,830	76,510	76,343	76,679	77,029	77,211
GOODS-PRODUCING	25,247	22,370	22,883	23,076	24,714	22,339	22,233	22,222	22,401	22,579
MINING	713	758	765	755	708	738	741	743	751	749
CONTRACT CONSTRUCTION	4,160	3,605	3,676	3,625	3,902	3,439	3,392	3,395	3,404	3,401
MANUFACTURING	20,374	18,007	18,442	18,696	20,104	18,162	18,100	18,084	18,246	18,429
Production workers	14,913	12,744	13,173	13,431	14,652	12,887	12,849	12,840	13,001	13,171
DURABLE GOODS	12,054	10,425	10,591	10,771	11,943	10,595	10,527	10,465	10,559	10,661
Production workers	8,781	7,301	7,468	7,650	8,674	7,454	7,404	7,348	7,447	7,543
Ordnance and accessories	179.9	172.0	168.1	165.9	178	177	173	172	167	164
Lumber and wood products	631.3	573.9	583.4	582.9	618	546	552	557	563	570
Furniture and fixtures	520.8	432.7	455.7	467.2	518	439	437	441	450	465
Stone, clay, and glass products	699.3	615.1	623.2	623.8	686	609	605	604	608	612
Primary metal industries	1,352.3	1,138.3	1,147.4	1,166.7	1,352	1,168	1,149	1,134	1,147	1,167
Fabricated metal products	1,522.9	1,286.2	1,335.9	1,352.3	1,506	1,324	1,317	1,298	1,335	1,338
Machinery, except electrical	2,235.2	2,005.0	2,001.2	2,031.3	2,242	2,064	2,035	2,017	2,013	2,037
Electrical equipment	2,040.9	1,702.0	1,738.9	1,779.1	2,023	1,735	1,723	1,712	1,746	1,763
Transportation equipment	1,883.6	1,623.2	1,638.6	1,688.4	1,850	1,653	1,657	1,645	1,645	1,649
Instruments and related products	524.9	481.3	481.4	487.4	523	481	481	482	479	485
Miscellaneous manufacturing	463.3	395.5	417.0	426.2	447	399	398	403	406	411
NONDURABLE GOODS	8,320	7,582	7,851	7,925	8,161	7,567	7,573	7,619	7,687	7,768
Production workers	6,132	5,443	5,705	5,781	5,978	5,433	5,445	5,492	5,554	5,628
Food and kindred products	1,827.8	1,703.4	1,793.7	1,811.2	1,707	1,670	1,671	1,668	1,678	1,691
Tobacco manufactures	88.6	72.0	85.7	88.5	80	75	75	79	79	80
Textile mill products	987.6	884.7	922.5	936.3	989	885	891	897	917	937
Apparel and other textile products	1,357.4	1,191.4	1,257.9	1,284.7	1,339	1,205	1,215	1,245	1,248	1,267
Paper and allied products	707.3	632.9	645.4	653.7	706	631	627	633	640	652
Printing and publishing	1,113.7	1,065.2	1,070.8	1,074.8	1,116	1,079	1,073	1,068	1,073	1,077
Chemicals and allied products	1,071.4	1,006.8	1,016.1	1,007.7	1,067	1,004	1,000	999	1,008	1,004
Petroleum and coal products	201.2	204.6	204.9	203.9	198	195	197	199	200	201
Rubber and plastics products, nec.	690.2	571.0	591.0	600.9	684	574	572	575	587	596
Leather and leather products	275.1	249.8	263.1	263.3	275	249	252	256	257	263
SERVICE-PRODUCING	53,924	54,069	54,020	54,426	54,116	54,171	54,110	54,457	54,628	54,632
TRANSPORTATION AND PUBLIC UTILITIES	4,720	4,504	4,491	4,488	4,683	4,491	4,469	4,464	4,464	4,452
WHOLESALE AND RETAIL TRADE	17,182	16,936	16,959	17,065	17,143	16,857	16,877	16,984	17,016	17,026
WHOLESALE TRADE	4,252	4,190	4,197	4,191	4,239	4,175	4,153	4,161	4,164	4,178
RETAIL TRADE	12,930	12,746	12,762	12,874	12,904	12,682	12,724	12,823	12,852	12,848
FINANCE, INSURANCE, AND REAL ESTATE	4,228	4,266	4,270	4,232	4,224	4,208	4,202	4,203	4,215	4,228
SERVICES	13,767	14,144	14,156	14,085	13,767	13,889	13,871	13,990	14,044	14,085
GOVERNMENT	14,027	14,219	14,144	14,556	14,299	14,726	14,691	14,816	14,889	14,841
FEDERAL	2,728	2,800	2,775	2,746	2,746	2,732	2,738	2,745	2,756	2,765
STATE AND LOCAL	11,299	11,419	11,369	11,810	11,553	11,994	11,953	12,071	12,133	12,076

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					
	Sept. 1974	July 1975	Aug. 1975[p]	Sept. 1975[p]	Sept. 1974	May 1975	June 1975	July 1975	Aug. 1975[p]	Sept. 1975[p]
TOTAL PRIVATE	36.7	36.4	36.6	36.2	36.5	35.9	36.0	36.0	36.2	36.0
MINING	43.4	42.3	41.6	42.7	43.1	42.6	42.2	42.1	41.4	42.4
CONTRACT CONSTRUCTION	37.6	37.3	37.8	37.6	36.7	36.9	35.7	36.2	36.7	36.7
MANUFACTURING	40.3	39.2	39.6	40.1	39.9	39.0	39.3	39.4	39.6	39.7
Overtime hours	3.6	2.5	2.8	3.0	3.2	2.4	2.4	2.6	2.7	2.7
DURABLE GOODS	41.0	39.5	39.8	40.4	40.7	39.5	39.6	39.8	40.1	40.1
Overtime hours	3.8	2.4	2.6	2.8	3.4	2.2	2.3	2.5	2.6	2.5
Ordnance and accessories	41.5	39.7	41.2	42.0	41.5	41.1	41.6	40.1	41.4	42.0
Lumber and wood products	39.5	39.0	39.8	39.9	39.1	38.8	39.0	39.1	39.5	39.5
Furniture and fixtures	39.2	37.5	38.8	39.5	38.7	37.5	37.6	37.8	38.3	39.0
Stone, clay, and glass products	41.7	40.8	41.1	41.4	41.3	40.2	40.3	40.6	40.7	41.0
Primary metal industries	42.4	39.5	39.6	40.1	41.9	39.5	39.1	39.7	39.9	39.7
Fabricated metal products	41.4	39.3	39.9	40.5	41.1	39.5	39.5	39.5	39.9	40.2
Machinery, except electrical	42.7	39.9	40.3	40.5	42.5	40.5	40.4	40.5	40.7	40.3
Electrical equipment	40.1	38.9	39.4	40.0	39.8	39.1	39.3	39.5	39.5	39.7
Transportation equipment	40.5	40.7	40.0	41.1	40.1	39.5	40.0	40.7	41.2	40.7
Instruments and related products	40.4	39.2	39.4	40.3	40.1	39.3	39.4	39.7	39.6	40.0
Miscellaneous manufacturing	38.6	37.8	38.3	38.8	38.5	38.1	38.3	38.1	38.2	38.7
NONDURABLE GOODS	39.3	38.9	39.3	39.7	38.9	38.3	38.7	38.8	39.1	39.3
Overtime hours	3.3	2.8	3.1	3.2	2.9	2.4	2.6	2.8	2.9	2.8
Food and kindred products	41.0	40.5	40.7	41.2	40.3	39.9	39.9	40.1	40.1	40.5
Tobacco manufactures	39.0	34.7	38.1	39.3	38.2	36.9	39.8	35.4	37.5	38.5
Textile mill products	39.3	39.4	40.5	41.0	39.1	38.9	39.2	39.6	40.3	40.8
Apparel and other textile products	35.3	35.3	35.8	36.3	35.1	34.4	35.2	35.2	35.4	36.1
Paper and allied products	42.2	41.6	42.2	42.3	41.9	40.9	41.5	41.6	41.9	42.0
Printing and publishing	37.9	36.7	37.2	37.4	37.5	36.7	36.7	36.7	37.1	37.0
Chemicals and allied products	41.5	40.8	41.0	41.3	41.5	40.6	40.7	40.9	41.2	41.3
Petroleum and coal products	42.9	41.8	41.2	41.1	42.3	41.5	41.2	41.3	41.2	40.5
Rubber and plastics products, nec	40.8	39.6	39.9	40.4	40.4	39.6	39.6	40.0	39.9	40.0
Leather and leather products	36.4	38.2	38.2	38.6	36.6	36.5	37.5	37.8	38.0	38.8
TRANSPORTATION AND PUBLIC UTILITIES	40.4	39.9	40.0	39.6	40.2	39.2	39.5	39.4	39.6	39.4
WHOLESALE AND RETAIL TRADE	34.1	34.5	34.6	33.6	34.0	33.9	33.8	33.6	33.8	33.5
WHOLESALE TRADE	38.9	38.7	38.6	38.5	38.8	38.6	38.4	38.5	38.5	38.4
RETAIL TRADE	32.6	33.3	33.3	32.2	32.5	32.5	32.4	32.2	32.2	32.1
FINANCE, INSURANCE, AND REAL ESTATE	36.7	36.4	36.4	36.0	36.8	36.4	36.5	36.3	36.3	36.1
SERVICES	34.0	34.3	34.3	33.7	33.9	33.9	33.9	33.7	33.8	33.6

[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			
	Sept. 1974	July 1975	Aug. 1975[p]	Sept. 1975 [p]	Sept. 1974	July 1975	Aug. 1975[p]	Sept. 1975 [p]
TOTAL PRIVATE	$4.35	$4.53	$4.55	$4.62	$159.65	$164.89	$166.53	$167.24
Seasonally adjusted	4.31	4.54	4.56	4.58	157.32	163.44	165.07	164.88
MINING	5.38	5.88	5.92	6.03	233.49	248.72	246.27	257.48
CONTRACT CONSTRUCTION	7.01	7.24	7.30	7.38	263.58	270.05	275.94	277.49
MANUFACTURING	4.54	4.81	4.82	4.87	182.96	188.55	190.87	195.29
DURABLE GOODS	4.83	5.13	5.16	5.23	198.03	202.64	205.37	211.29
Ordnance and accessories	4.82	5.22	5.28	5.37	200.03	207.23	217.54	225.54
Lumber and wood products	4.05	4.31	4.36	4.38	159.98	168.09	173.53	174.76
Furniture and fixtures	3.59	3.74	3.77	3.78	140.73	140.25	146.28	149.31
Stone, clay, and glass products	4.65	4.93	4.95	5.00	193.91	201.14	203.45	207.00
Primary metal industries	5.81	6.11	6.29	6.38	246.34	241.35	249.08	255.84
Fabricated metal products	4.74	5.04	5.09	5.16	196.24	198.07	203.09	208.98
Machinery, except electrical	5.05	5.33	5.38	5.45	215.46	212.67	216.81	220.73
Electrical equipment	4.27	4.61	4.61	4.68	171.23	179.33	181.63	187.20
Transportation equipment	5.64	6.00	6.01	6.15	228.42	244.20	240.40	252.77
Instruments and related products	4.29	4.56	4.58	4.62	173.32	178.75	180.45	186.19
Miscellaneous manufacturing	3.56	3.79	3.80	3.81	137.42	143.26	145.54	147.83
NONDURABLE GOODS	4.09	4.36	4.36	4.39	160.74	169.60	171.35	174.28
Food and kindred products	4.22	4.55	4.58	4.59	173.02	184.28	186.41	189.11
Tobacco manufactures	4.05	4.62	4.31	4.34	157.95	160.31	164.21	170.56
Textile mill products	3.28	3.34	3.37	3.43	128.90	131.60	136.49	140.63
Apparel and other textile products	3.09	3.16	3.17	3.21	109.08	111.55	113.49	116.52
Paper and allied products	4.64	5.05	5.08	5.10	195.81	210.08	214.38	215.73
Printing and publishing	5.08	5.41	5.44	5.49	192.53	198.55	202.37	205.33
Chemicals and allied products	4.98	5.42	5.45	5.49	206.67	221.14	223.45	226.74
Petroleum and coal products	5.78	6.51	6.56	6.55	247.96	272.12	270.27	269.21
Rubber and plastics products, nec	4.12	4.42	4.39	4.41	168.10	175.03	175.16	178.16
Leather and leather products	3.07	3.22	3.21	3.25	111.75	123.00	122.62	125.45
TRANSPORTATION AND PUBLIC UTILITIES	5.58	5.90	6.03	6.08	225.43	235.41	241.20	240.77
WHOLESALE AND RETAIL TRADE	3.55	3.73	3.75	3.78	121.06	128.69	129.75	127.01
WHOLESALE TRADE	4.63	4.88	4.91	4.93	180.11	188.86	189.53	189.81
RETAIL TRADE	3.16	3.33	3.34	3.37	103.02	110.89	111.22	108.51
FINANCE, INSURANCE, AND REAL ESTATE	3.91	4.13	4.14	4.18	143.50	150.33	150.70	150.48
SERVICES	3.85	4.03	4.02	4.12	130.90	138.23	137.89	138.84

[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	Sept. 1974	Apr. 1975	May 1975	June 1975	July 1975	Aug.[P] 1975	Sept.[P] 1975	Percent change from: Sept. 1974–Sept. 1975	Percent change from: Aug. 1975–Sept. 1975
TOTAL PRIVATE NONFARM:									
Current dollars	162.0	169.4	170.6	172.2	173.1	174.2	174.9	7.9	0.4
Constant (1967) dollars	107.0	106.8	107.1	107.3	106.6	107.1	N.A.	(2)	(3)
MINING	167.6	178.1	180.7	182.8	184.0	186.2	187.8	12.1	.9
CONTRACT CONSTRUCTION	167.3	173.7	173.4	175.9	177.4	177.2	176.6	5.6	-.3
MANUFACTURING	159.7	168.6	169.7	171.0	172.2	173.3	174.5	9.3	.7
TRANSPORTATION AND PUBLIC UTILITIES	170.3	177.6	179.3	181.1	182.4	185.5	185.4	8.9	-.1
WHOLESALE AND RETAIL TRADE	158.7	164.9	166.4	167.5	168.3	169.6	169.7	6.9	.1
FINANCE, INSURANCE, AND REAL ESTATE	152.6	159.4	160.4	163.1	161.5	163.1	163.3	7.1	.2
SERVICES	165.9	172.5	173.5	175.5	175.8	176.9	177.6	7.1	.4

[1] See footnote 1, table B-2.
[2] Percent change was -0.1 from August 1974 to August 1975, the latest month available.
[3] Percent change was 0.4 from July 1975 to August 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 hours of production or nonsupervisory workers[1] on private nonagricultural payrolls, by industry, seasonally adjusted

[1967 = 100]

Industry division and group	1974				1975								
	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.[P]	Sept.[P]
TOTAL	113.3	112.9	111.3	109.9	108.9	107.0	105.9	106.0	106.3	106.0	106.4	107.4	107.7
GOODS-PRODUCING	103.4	102.7	99.2	96.7	94.5	90.7	88.4	89.2	89.4	88.9	89.3	90.9	92.2
MINING	116.0	119.9	99.7	106.0	117.4	116.7	115.9	113.7	119.4	118.4	118.8	117.7	120.1
CONTRACT CONSTRUCTION	114.7	114.9	112.9	112.1	111.0	104.1	94.5	99.0	99.3	94.9	96.2	97.9	97.7
MANUFACTURING	101.0	100.0	96.8	93.6	90.8	87.4	86.4	86.6	86.6	86.8	87.1	88.7	90.2
DURABLE GOODS	102.6	101.7	98.3	94.9	91.8	87.9	86.6	86.5	85.4	85.2	84.9	86.6	87.7
Ordnance and accessories	48.6	48.4	48.4	48.8	48.3	48.3	47.7	47.7	47.5	46.9	44.7	43.9	44.5
Lumber and wood products	98.4	94.7	89.6	87.1	83.8	82.3	81.6	82.5	84.4	85.8	86.7	88.8	90.5
Furniture and fixtures	108.4	105.3	98.9	94.9	88.0	85.1	83.9	85.8	87.7	87.2	88.7	92.1	97.9
Stone, clay, and glass products	108.8	107.2	105.2	102.3	98.5	94.1	91.2	92.6	92.6	92.4	93.1	94.1	95.4
Primary metal industries	104.1	104.0	101.9	98.0	94.8	90.6	87.3	84.1	82.1	80.8	80.0	81.7	82.7
Fabricated metal products	108.0	106.2	102.8	99.6	94.9	92.1	90.2	90.1	89.0	88.5	86.7	90.9	92.1
Machinery, except electrical	109.9	110.7	108.6	106.3	104.0	100.8	98.3	96.6	93.1	91.3	90.4	90.9	91.2
Electrical equipment and supplies	102.2	100.9	96.6	92.8	90.2	85.3	84.3	83.3	81.9	81.8	81.6	84.1	85.6
Transportation equipment	93.0	93.1	88.7	84.0	81.1	75.1	77.3	80.4	80.2	81.4	82.0	82.8	82.2
Instruments and related products	111.8	110.6	108.9	106.6	105.0	100.7	98.3	98.2	97.1	97.0	98.1	97.1	100.2
Miscellaneous manufacturing, ind.	101.0	98.4	94.6	91.1	89.4	87.3	85.6	86.0	86.5	87.0	87.7	89.0	91.4
NONDURABLE GOODS	98.6	97.5	94.5	91.7	89.3	86.7	86.0	86.7	88.2	89.1	90.2	91.8	93.8
Food and kindred products	96.2	96.2	94.8	93.9	92.8	92.5	92.6	92.4	92.9	93.1	93.4	93.7	95.7
Tobacco manufactures	88.5	86.4	83.8	86.1	88.2	86.9	86.7	83.4	80.3	86.7	80.8	86.9	89.2
Textile mill products	97.1	92.6	88.4	83.3	78.0	75.8	77.2	80.8	85.7	87.0	88.5	92.6	96.0
Apparel and other textile products	91.0	90.3	86.3	82.2	80.1	76.9	76.5	78.5	79.8	82.4	84.6	85.4	88.5
Paper and allied products	100.9	98.4	95.7	93.9	91.0	87.4	85.3	84.5	85.7	86.4	87.6	89.1	91.2
Printing and publishing	99.3	99.1	97.5	97.0	96.7	94.9	93.9	92.6	92.0	91.2	90.9	92.5	92.3
Chemicals and allied products	104.9	104.0	102.4	99.3	96.6	95.0	92.4	91.4	92.7	92.6	93.0	94.9	95.3
Petroleum and coal products	109.0	110.6	109.6	108.7	102.8	100.2	104.0	101.4	104.4	105.3	107.2	107.8	106.8
Rubber and plastics products, nec	132.3	132.8	123.0	117.4	113.8	104.2	100.4	102.1	105.1	105.1	106.9	109.8	112.0
Leather and leather products	74.2	73.5	73.0	70.3	67.8	64.4	63.0	65.8	66.8	69.6	71.4	72.1	75.7
SERVICE-PRODUCING	120.2	120.0	119.6	119.1	118.9	118.4	118.1	117.6	118.0	117.8	118.3	118.8	118.5
TRANSPORTATION AND PUBLIC UTILITIES	108.0	107.7	106.8	106.2	105.0	103.5	102.1	102.3	100.3	100.6	100.3	100.6	99.8
WHOLESALE AND RETAIL TRADE	116.5	116.3	115.7	114.7	114.3	113.7	113.9	113.4	113.9	113.7	114.6	114.9	114.7
WHOLESALE TRADE	114.5	114.3	113.8	113.3	113.0	112.1	111.6	111.5	111.4	110.3	110.8	110.9	111.0
RETAIL TRADE	117.3	117.0	116.4	115.2	114.7	114.2	114.8	114.0	114.8	115.0	116.0	116.4	116.0
FINANCE, INSURANCE, AND REAL ESTATE	125.8	125.0	125.1	125.1	125.2	124.5	123.6	122.1	122.9	123.2	122.3	122.8	122.6
SERVICES	129.1	129.1	129.3	129.3	129.9	129.9	129.6	129.3	130.3	129.9	130.4	131.3	131.1

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

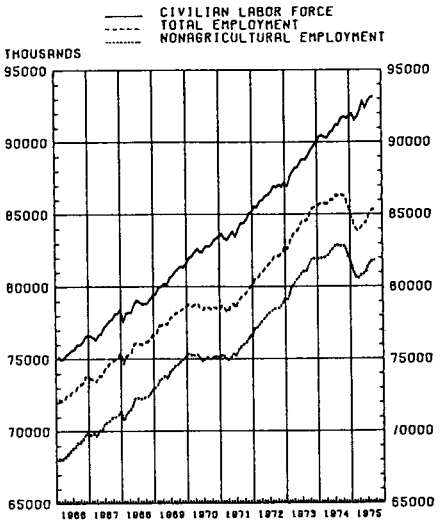
Table B-6. Indexes of diffusion: Percent of industries in which employment[1] increased

Year and month	Over 1-month span	Over 3-month span	Over 6-month span	Over 12-month span
1972				
January	69.5	76.2	81.7	77.3
February	73.5	82.8	83.1	81.1
March	75.0	80.2	85.2	78.8
April	71.8	82.0	78.5	82.3
May	76.2	77.6	79.9	84.6
June	70.6	70.3	79.9	84.3
July	48.0	70.6	83.1	84.0
August	67.7	70.6	81.7	84.0
September	73.0	80.8	80.2	85.2
October	79.9	83.4	83.7	82.8
November	73.3	79.1	82.0	80.8
December	75.9	82.0	84.0	83.1
1973				
January	76.7	84.0	81.7	81.1
February	75.0	83.7	79.4	80.8
March	73.8	76.2	79.4	82.6
April	62.5	71.5	74.7	81.4
May	59.9	70.3	72.1	79.7
June	68.0	63.1	66.6	78.5
July	55.8	66.9	72.1	75.6
August	63.1	64.8	72.7	73.5
September	61.6	74.7	73.0	69.2
October	72.7	75.9	75.6	66.0
November	75.0	76.5	70.3	66.6
December	66.6	70.1	66.0	64.2
1974				
January	59.3	62.8	60.8	63.4
February	52.6	53.8	55.2	59.6
March	46.5	48.0	49.7	55.2
April	47.1	48.3	48.5	50.3
May	55.2	51.7	49.7	40.1
June	53.2	52.6	45.6	28.2
July	52.3	45.1	37.2	27.0
August	45.9	39.2	31.1	22.4
September	36.0	40.4	23.3	20.9
October	37.8	28.8	17.7	18.6
November	20.1	21.5	17.2	16.6
December	18.6	13.4	13.1	14.0
1975				
January	18.6	12.5	13.4	16.6
February	16.6	13.7	13.1	17.4p
March	25.0	19.2	16.3	17.4p
April	40.4	35.8	27.9	
May	53.8	40.4	40.4p	
June	40.4	48.5	54.9p	
July	55.2	54.7p		
August	71.2p	76.7p		
September	72.1p			
October				
November				
December				

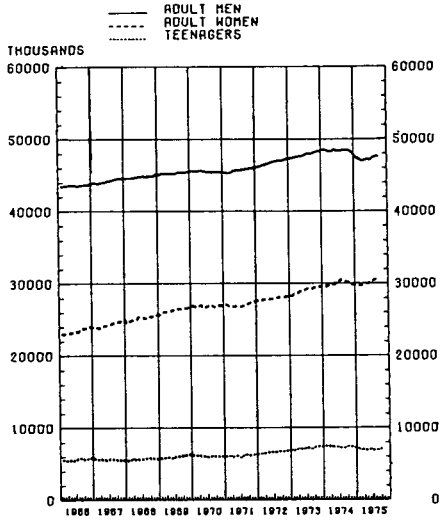
[1] Number of employees, seasonally adjusted, on payrolls of 172 private nonagricultural industries.
p = preliminary.

LABOR FORCE, EMPLOYMENT, UNEMPLOYMENT
HOUSEHOLD DATA - SEASONALLY ADJUSTED

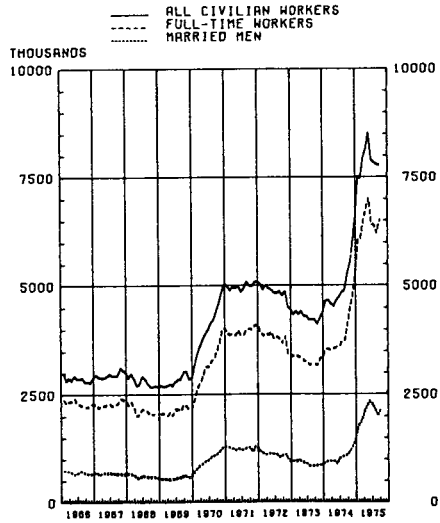
1. LABOR FORCE AND EMPLOYMENT



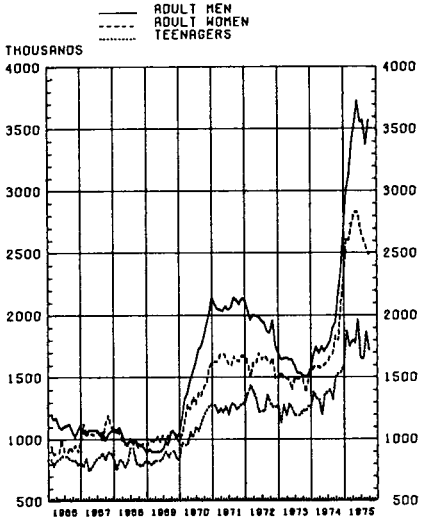
2. TOTAL EMPLOYMENT



3. UNEMPLOYMENT

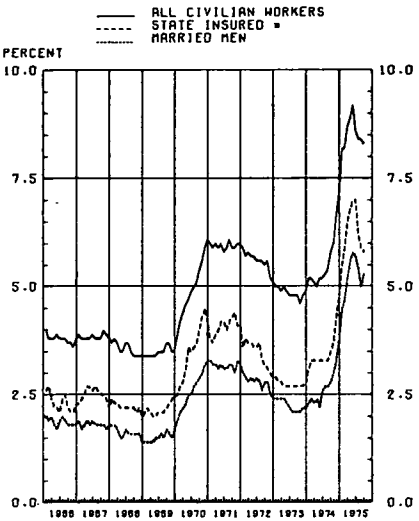


4. UNEMPLOYMENT

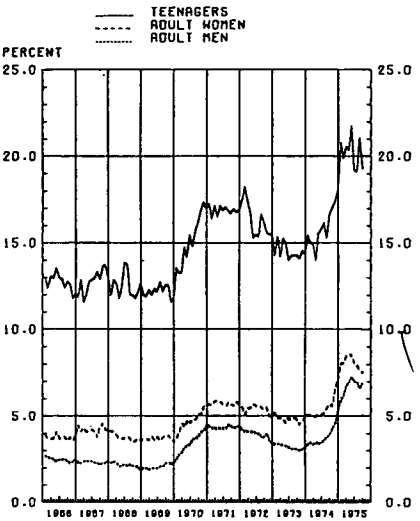


UNEMPLOYMENT RATES
HOUSEHOLD DATA - SEASONALLY ADJUSTED

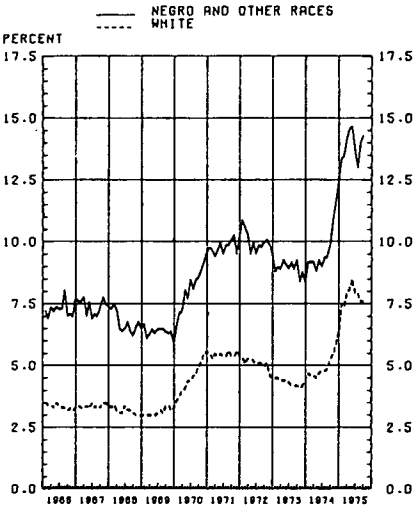
5. UNEMPLOYMENT RATES



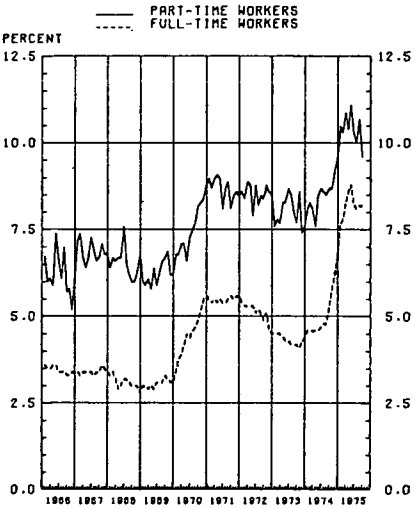
6. UNEMPLOYMENT RATES



7. UNEMPLOYMENT RATES



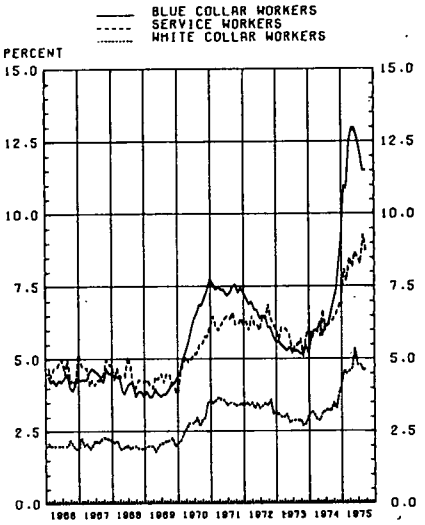
8. UNEMPLOYMENT RATES



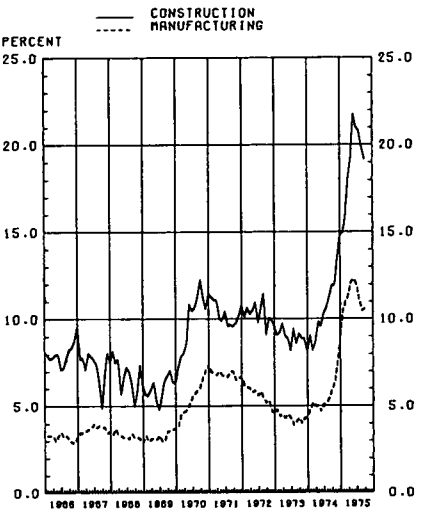
* State insured unemployment rate pertains to the week including the 12th of the month and represents the insured unemployed under State programs as a percent of average covered employment. The figures are derived from administrative records of unemployment insurance systems.

UNEMPLOYMENT
HOUSEHOLD DATA - SEASONALLY ADJUSTED

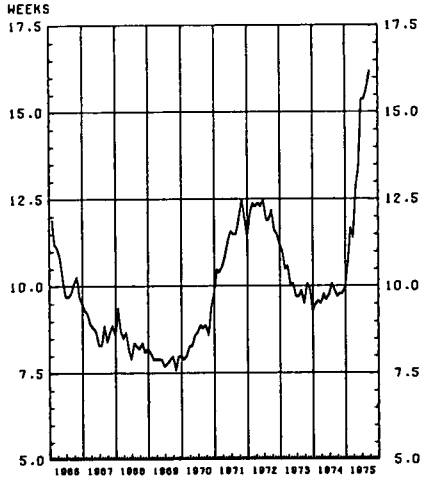
9. UNEMPLOYMENT RATES



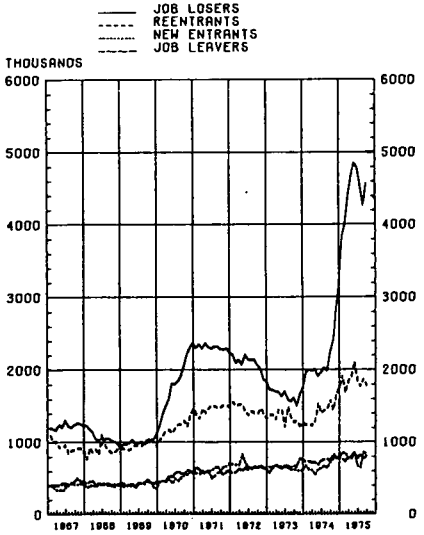
10. UNEMPLOYMENT RATES



11. AVERAGE DURATION OF UNEMPLOYMENT

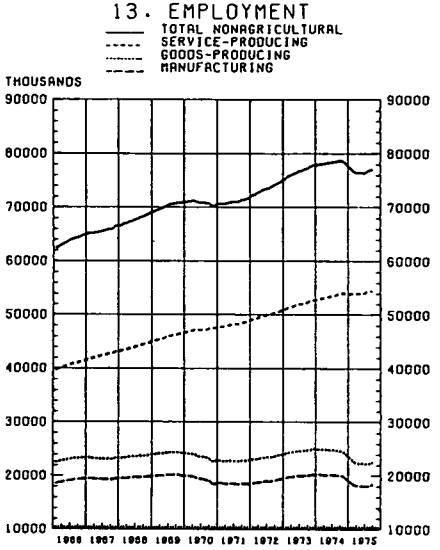


12. UNEMPLOYMENT BY REASON

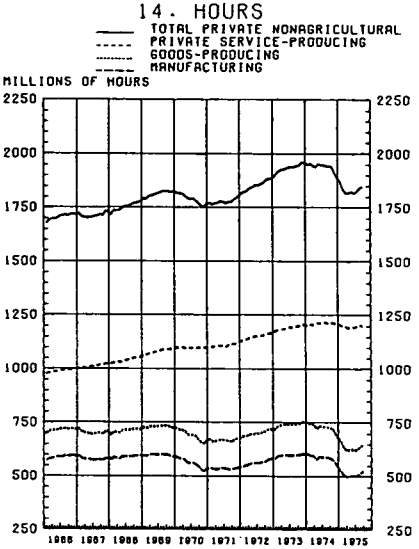


NONAGRICULTURAL EMPLOYMENT AND HOURS
ESTABLISHMENT DATA - SEASONALLY ADJUSTED

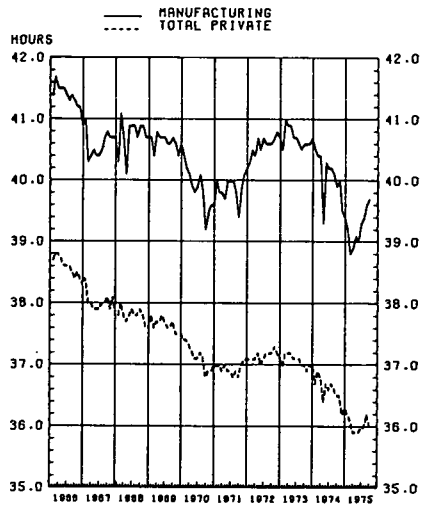
13. EMPLOYMENT



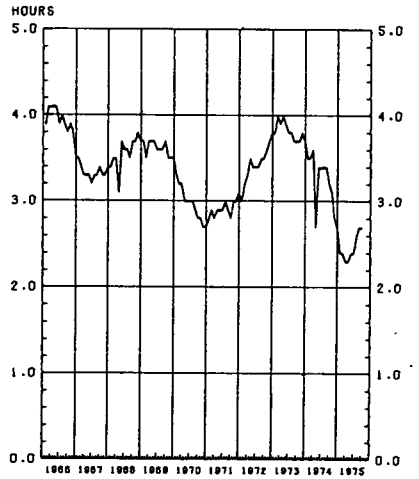
14. HOURS



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.

Chairman HUMPHREY. Thank you, Mr. Shiskin.

I just have a few questions here. I noticed that in your figures on employment in manufacturing you mention they rose substantially for the first time since late 1973. Is that not in part due to the liquidation of inventories and the replenishment? You said the rise was in durable goods, particularly in metals and electrical equipment and machinery. But as I look back, those were items that were heavily overstocked, there was heavy inventory and those are the items of which there was inventory liquidation and there obviously had to be some replenishment.

Mr. SHISKIN. Mr. Chairman, what we experienced from about mid-1974 to about May 1975 was an inventory adjustment. And that is, I think, the principal reason that we had a recession.

Chairman HUMPHREY. That was when they were selling off their inventory. Now they are getting down.

Mr. SHISKIN. Now they are rebuilding but this is a typical cyclical pattern. As I have said at earlier meetings of this group, this has been a classic business cycle with recession and recovery. It is dominated by the inventory component. We had an inventory adjustment from mid-1974 to mid-1975 and now we are having an inventory rebound. The rebound is exactly what we expected.

Chairman HUMPHREY. But there are some things that are different. For example, the inventory liquidation took place at a time of the rebates and tax reduction. And if you do not have the same kind of stimulus or stimuli that keeps that alive, you are going to have the same kind of seesaw again because the inventory adjustments are of a temporary nature.

Mr. SHISKIN. In the early stages of recovery.

Chairman HUMPHREY. Capital goods investment, the long-term investments are not up where they ought to be, anywhere near where they ought to be. Now, you say a substantial rise took place in nondurable manufacturers, particularly textile and apparel. But if we go back to the charts that we received here at the early part of the year, they were heavily overstocked in apparel and textiles. Then you had a normal adjustment in the business cycle of the selloff of the inventory, and then again, the rebuilding. Autos are still down, are they not, substantially?

Mr. SHISKIN. No, autos are very strong. As a matter of fact——

Chairman HUMPHREY. Well, when you say very strong, they have improved, but they are not anywhere near where they ought to be.

Mr. SHISKIN. The 30 days ending September 20, show automobile sales at a 10.2 million annual rate, which is quite high. Now, you know, that is again 1 month and I would like to de-emphasize figures for a single month. And we might think in terms of a figure of an annual rate of 9.5 million autos. But the automobile performance is not bad.

Mr. Chairman, I thought it might be helpful to you and other members of the committee if I were to indicate what the typical behavior of recoveries has been in the past, so that if this recovery follows typical recoveries of the past, and so far it seems to me quite on target, here are some of the things that we should expect.

First, the rate of rise during the early stages of an expansion has ordinarily been more rapid after a severe contraction than after a

moderate one. You know, I have been saying that for months here. And it certainly seems to be borne out. We have, without a doubt, had a vigorous third quarter. And so, this is exactly what you expect after an inventory adjustment. I said months ago that we would have this kind of a rebound, and it is exactly what we have.

But now we look at the typical behavior beyond the first period. The rate of expansion has usually been more rapid in its early stages, the first 6 to 9 months, than in later stages. So, the impact of the rebound usually carries from 6 to 9 months. You get a very rapid movement and then a slowdown.

Next, the rate of advance in aggregate economic activity during expansions has been more nearly uniform in different cycles than the rates of decline during different cyclical contractions. Thus, a more accurate estimate can ordinarily be made of the rate of advance at the beginning of an expansion, than can be made of the rate of decline at the beginning of a contraction.

Now, what I am saying is that, in general, economists have done better in forecasting rates of expansions than recessions. And by and large, they have done quite well in forecasting real output and employment, once the economy turned around.

And, finally, despite slower rates of expansion, previous peak levels have generally been regained much more quickly after mild contractions because the amount of ground to be recovered is smaller than that after a severe contraction. This is a very relevant point now. We have had approximately 4 months of recovery and people are deploring the fact—and I think that is quite justified—that we are still a long way from the previous peak. And we are. We have to bear in mind, however, that we have had only 4 months of recovery, that historically it has taken much longer, a year to 18 months, to get back to previous peak levels.

And I think that if you think in those terms, you would be more patient in seeing the recovery unfold. And what I am trying to do now to provide an historical background against which we can judge the 1975 recovery.

Chairman HUMPHREY. There are some facts that disturb me, Mr. Shiskin. The numbers you have given here today give a contradictory picture of what is happening in the economy. Employment, as measured by what we call the household survey technique, stayed the same from August to September. Employment as measured by a payroll survey increased by 180,000. But the number of people who lost their last jobs actually rose by 313,000 in September, increasing from 4.2 million up to 4.6. How can we term this a recovery when relatively large numbers of workers are still being laid off from their jobs?

Mr. SHISKIN. First of all, with 4 months of recovery, we are a long way from previous peak levels and we are not where we would like to be, which is well above the previous peak levels.

If you are judging the levels, they are not very satisfactory.

The other point I would want to make in this context is that you just can't put too much weight on 1 month's figures. Now this is an old, familiar theme.

Congress has heard it again and again. Nevertheless, people put a great deal of stress on 1 month's figures, including Congressmen. For

example, it was only 2 months ago here when there was a great deal of concern over the fact that our employment survey as measured by household reports, was behaving quite differently from the payroll survey, which is based on establishment reports. Now, we knew that from historical experience that such divergencies take place, but the two series eventually come together.

Now let me give you another example.

Chairman HUMPHREY. Mr. Shiskin, why the additional 313,000 layoffs?

Mr. SHISKIN. What we found last month was that there was a sharp decline in the number of job losers, and this month is has bounced back.

Chairman HUMPHREY. September ought to be a good month. If you cannot do well in September, it means that you cannot even enjoy the Fourth of July. I mean, September is the boom month.

Mr. SHISKIN. Well, Mr. Chairman, may I remind you that these figures are all seasonally adjusted, which takes into account differences in different months. But that is a 1-month figure. And those figures do not look very good.

Maybe next month and the month after that, they will continue to look poor. But my own guess, and that is all it is, is that this is another one of those aberrations that occurs in monthly figures. And if the recovery continues, we will not be talking this way.

And I would just urge us all in the interest, in your interest and in mine and in the interest of good policy, not to get carried away by any particular month's figures.

Chairman HUMPHREY. I am not carried away and I realize that there has been a movement toward recovery. May I say, though, that in sampling around the country we have had the pollsters doing some work and they are going to come before this committee. And we do not find the same kind of euphoric feeling about reovery, or let me say uplift, about recovery. I have been doing a unique project on my own, picking up the telephone at night, getting a WATS line, and just calling around to people who come and register in my office that I do not get a chance to see. And I say to them, what does it look like out your way?

It is an interesting thing. Most of the people, not all, but most of the people you talk to say, well, where are they getting all this good news? Where are they getting all this good news?

I had a fellow last night who got on the phone, he was out in Montana, and I was talking to him about savings and loan. He said they are wrecking me, they are ruining me. And if you go out and talk to these housing contractors, and so on, then they will simply say, well, Humphrey, what kind of juice are they sipping down there? It's just not happening to us.

Now, I am the town's No. 1 optimist. I was born with a large amount of optimism serum in me. But when you really take a look at what is going on out in the country, it just does not seem to be that good.

Now, you have this problem of the numbers of workers who are unemployed 6 months or more, which I refer to, and this is the largest number, I believe, since the Great Depression.

And the Secretary of Labor has told this committee and other committees that the administration will not support extension of unemployment insurance benefits beyond 65 weeks.

Can you tell us how many of those 1.6 million are approaching unemployment of approximately 12 months? In other words, how many of them are running out?

Mr. SHISKIN. The number that have exhausted their benefits?

Chairman HUMPHREY. Yes.

Mr. SHISKIN. We do not have that with us today, but we could put it in the record.

Chairman HUMPHREY. Do you have any idea?

Mr. SHISKIN. No.

Chairman HUMPHREY. What do you think, what is going to happen, let us say, if 50 percent of these people——

Mr. SHISKIN. I do not have those figures now, but I would like to say, to repeat what I said in my statement, that the figures on long-term unemployment tend to lag the business cycle. They always tend to go up during the early stages of recovery. Now, in the past they have always gone down, once recovery got well underway.

So if the recovery continues, you can expect them to go down.

Chairman HUMPHREY. But have we not had the slowest recovery?

Mr. SHISKIN. Absolutely not. We have had a vigorous recovery.

Chairman HUMPHREY. Vigorous recovery? The rate of economic growth is higher than——

Mr. SHISKIN. The third quarter of this year, the first quarter of recovery has been one of the most vigorous on record. That is exactly what I have been saying, and this is one of the times I have been right in advance.

Chairman HUMPHREY. We have not had any such figures that indicate that, Mr. Shiskin, and I would appreciate it if you can give them to us. It might be very reassuring. We have had growth rates estimated at 6 percent. And we surely are far behind what it normally has been.

Mr. SHISKIN. Well, I will give you a few charts.

Chairman HUMPHREY. Well, I mean, just give us some simple figures.

Mr. SHISKIN. I have in front of me, sir, a chart which compares the early stages of recovery for employment for the median recovery since the end of World War II and for four other recoveries, the current one is the most vigorous. And it is more vigorous than the median, that is in terms of employment.

I would be glad to make these charts available to you and your staff.

Chairman HUMPHREY. I would be very interested in the formula that you used for measuring that recovery because——

Mr. SHISKIN. Well, what we do is to compare the rate of increase in the first month, the first quarter of each of the recoveries since the end of World War II.

I have that charted in front of me and I would be glad to make a copy available to you.

Chairman HUMPHREY. My time has run out. And I will have one of my colleagues follow up on this because I wondered whether it was industrial production, gross national product, income, employment, or what is the formula?

Mr. SHISKIN. Well, this is employment. I have the employment figures.

Senator RIBICOFF. Mr. Chairman, I want to associate myself with your opening remarks. My observations, as I have listened over the past years to both you and Senator Proxmire, is that both of you gentlemen have been much more consistently accurate than the entire staff of economic advisers of this administration.

And I am puzzled as to where this administration gets its economic advice.

Last Wednesday, Mr. Chairman, we had a group of mayors and Mr. Simon was before us, to try to figure out whether there was anything we could do in New York City.

And we had a very callous attitude from the administration. This is just symptomatic. It has nothing to do with these statistics.

Now, yesterday, I see Mr. Burns disagrees with Mr. Simon and Mr. Simon says maybe he will take a different look at it. Their interpretation of the facts and figures, where do they come from? And, this "good news" that we keep reading, where does it come from?

I notice, I called last night, in anticipation of this meeting, the labor authorities in the State of Connecticut. We have some 150,000 people out of work and the unemployment rate now is 11.7 percent.

Why, Mr. Shiskin, would a State like Connecticut have 11.7-percent unemployment?

Mr. SHISKIN. Well, I cannot speak on any particular State, sir.

Senator RIBICOFF. In your statistics that you get—are you gathering them from Wisconsin, Massachusetts, Connecticut, Louisiana?

Do you not have the statistics for individual States?

Mr. SHISKIN. The statistics on individual States are presently being produced by the Manpower Administration. We expect to have State statisctics, before very long, based on the household survey.

As some of you may know, we are now in the midst of a very major expanding the monthly sample from 47,000 to 60,000 households. amount of money from the Manpower Administration, and we are expanding the monthly sompple from 47,000 to 60,000 households.

Both the House and the Senate have now agreed on the BLS budget, and that will allow a further increase, so we will have a very substantial increase in the sample, and we will have better data in the future. But at the present time, those data do not come from us. They will come from the Manpower Administration.

While some States have high unemployment rates, and it is unfortunate at the moment that Connecticut is one of them, others have lower rates.

Senator RIBICOFF. I gather that you are optimistic about these figures, these figures show optimism to you that you have just given us today?

Mr. SHISKIN. Sir, let me just try to answer the points that you have made. I am very pleased that this administration has made no effort at all to influence me in what I say to you or to the public. I have heard absolutely nothing from the White House, from the economic advisers, or from Mr. Dunlop. In fact, Mr. Dunlop goes out of his way to avoid talking to me the week that the unemployment figures come out, because he does not want it to appear that he could be influencing my statements. So I am talking as a professional statistician who has

worked in research organizations, who has worked in different Government departments for more than 30 years in the field of economic statistics and business cycles.

What I am saying is that we have now begun an economic recovery. It is approximately 4 months old. It is a very vigorous recovery, by historical standards.

The confusing element is that people forget when they talk, that we have only had 4 months of recovery, and after a serious recession, such as the one we just finished, it has taken, historically, between 12 and 18 months to get back to the previous levels, so we are a long way from the previous high levels, at this point.

But the recovery in the first 4 months has been strong.

Senator RIBICOFF. The impact, Senator Humphrey, I think all of us would find, in our respective States—now, what are your ideas about the future of unemployment? You say we have a recovery going, but every recovery, as it keeps going, on unemployment lags considerably behind recovery. Is that not so?

Mr. SHISKIN. Unemployment usually has lagged behind; yes.

Senator RIBICOFF. How far does it lag behind?

Mr. SHISKIN. It has varied a great deal. Usually, the lag has been quite short, only a month or two. But it has also taken as long as 9 months after the trough before unemployment has started down.

If you average out the figures for the second quarter of 1975, you would get 8.9 percent. Now we are at 8.3 percent, and we have dropped six-tenths of 1 percentage point during the first 3 months. That is not a bad drop. By historical standards—and I keep saying, by historical standards—after a severe recession, unemployment has declined between 1.5 and 2 points during the first year.

Senator RIBICOFF. Let me ask you—I recognize your integrity, and I respect it, yet, as an economist and statistician, you must have some thoughts and ideas of your own, separate from Mr. Simon and Mr. Burns. Is that not correct?

Mr. SHISKIN. It certainly is, but I have never expressed them publicly.

Senator RIBICOFF. I was rather surprised when you say that from your statistics, you do not have the number of people who have exhausted their unemployment compensation.

Mr. SHISKIN. I do not happen to have that. Those figures are also put out by the Manpower Administration.

Senator RIBICOFF. Let me ask you—I hope you would make available to the committee as soon as possible, those figures.

Mr. SHISKIN. As I indicated earlier, we shall.

[The information referred to follows:]

In responding to questions on exhaustions of unemployment insurance benefits, it should be stressed that the relationship between the count of long-term unemployed from the Current Population Survey (household survey) and eligibility for unemployment insurance is far from exact. Many of those unemployed for long periods are not eligible for unemployment compensation due to their work experience, and, similarly, a number of those eligible for unemployment compensation would not meet the criteria to be counted as unemployed because of the "forgiveness" feature of unemployment compensation.

In September 1975, nearly 1.5 million persons (not seasonally adjusted) were unemployed 6 months or longer, with about 190,000 unemployed for a period longer than the maximum benefit duration period (66 weeks or more). A breakdown is provided below:

Unemployed persons 27 weeks and over, by weeks, September 1975 (not seasonally adjusted)

27 to 42 weeks	804,000
43 to 51 weeks	204,000
52 to 65 weeks	267,000
66 weeks and over	187,000
Total 27 weeks and over	1,457,000

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

For the reasons mentioned above, it is not possible to estimate from these data the number of persons who are exhausting eligibility for unemployment compensation. Administrative counts of benefit exhaustions are collected under the unemployment insurance system and are newly available by program type. Persons exhausting their personal eligibility for the regular State program (up to 26 weeks) but with potential entitlement still remaining could be eligible for the regular extended benefits program (50% of regular benefits up to an additional 13 weeks) and, thereafter, for the Federal Supplemental Benefits (FSB) program (100% of regular benefits up to a maximum 26 weeks or more). The entitlement to these various terms of benefit eligibility depend on State laws and individual work histories. An individual finally exhausts benefits when statutory eligibility under all programs is finally exhausted.

Data on exhaustions by statutory program are available through the first six months of 1975. Because data are not available subsequent to June, the impact of the additional 13 weeks of eligibility under FSB may not be reflected in the text table that follows:

UNEMPLOYMENT INSURANCE EXHAUSTEES, BY PROGRAM, JANUARY–JUNE 1975 [1]

	Regular program [2]	Regular extended [2]	FSB [2]
January	228,900	52,300	100
February	230,000	50,300	6,300
March	278,100	96,100	29,700
April	358,800	128,300	[3] 86,500
May	404,500	201,700	[3] 56,800
June	456,000	195,200	[3] 76,500

[1] Does not include exhaustions from unemployment compensation for Federal employees and exservicemen programs.
[2] Exhaustees from these programs frequently are eligible to immediately receive benefits under programs with additional benefit weeks, to include the final 13 weeks extension under FSB.
[3] Preliminary.

Source: U.S. Department of Labor, Manpower Administration, October 1975.

Senator RIBICOFF. What do you think a nation's responsibility is to the people who have used up their unemployment compensation and no longer have any place to turn?

Mr. SHISKIN. Well, sir, you are taking me into an area that, traditionally and historically, the Commissioner of Labor Statistics has studiously avoided. The reason that we have, the reason we do that—and I applaud the tradition—is that we want to remain credible. As Commissioner of Labor Statistics, I want to explain the figures to the best of my ability. If I were to enter the policy field, I would be conflicting with some of my peers in other agencies, I would be getting into highly controversial areas, and my credibility on the things I am expert about, I think, would be reduced.

So, therefore, I must respectfully say that these are areas which I think it is better for us to avoid.

Senator RIBICOFF. You see, this is the thing that troubles me in the whole bureaucracy, the fact that you are all compartmentalized in what

you consider your own discipline, and you cannot get beyond your discipline.

I look at you, sir, as an intelligent man that must have ideas of his own, and if you are not going to cross-fertilize in the bureaucracy, the men who gather unemployment statistics and give it to them, what your thinking could be, with your colleagues who work in other fields, how are you ever going to bring together a policy? Who makes policy?

I do not know why that would involve the integrity of your statistics gathering, that you cannot tell us, as U.S. Senators, what an intelligent, experienced man may feel about what should be done with people on unemployment. I am sure you must have ideas.

And it is no reflection on your colleagues that we ask you, because we respect you, to get your thinking.

Mr. SHISKIN. But as Commissioner of Labor Statistics, I must concentrate on the work that the Bureau of Labor Statistics does, which is to compile and explain the figures on what has actually happened. Other people in the administration have the responsibility of making policy. And that is the way our work is divided up. We are all extremely busy doing our own work, and the areas of economic policy are areas which I have not worked on, and neither has the——

Senator RIBICOFF. If you and I were taking a walk on a Sunday, and I asked you these questions, and you replied to me that, being in charge of labor statistics, you could not make a statement of what ought to be done?

Mr. SHISKIN. Sir, if you will invite me for a walk on Sunday, I will be glad to tell you what I think, but I am now talking in front of television cameras—I am on the air, and this is not the kind of statement I wish to make, in this kind of a situation. But privately, if you will promise not to quote me, I will be glad to tell you what I think.

Senator RIBICOFF. Mr. Shiskin, you have just made, presented us with the best example of what is wrong with bureaucracy. In other words, when an intelligent man feels constrained toward giving his personal opinion before Members of the Senate and the public, then this is why the bureacracy deserves condemnation, that they could put a man like yourself in a box that you have just allowed yourself to be put into. I think you are entitled to give your opinion on any subject to your friends or to a group of Senators and Congressmen, and I think that it is sad that a man like yourself should feel unable to give this type of answer, because the other questions I would ask are basically philosophical. It is not just the philosophy of Hubert Humphrey or Senator Proxmire or Ted Kennedy, and Abe Ribicoff, because we come to you from your experience to try to determine where we should move in legislation, and these are the problems that we face.

I have just been given a note that my time is up. I had other questions, and maybe we can come back to them.

Chairman HUMPHREY. Congressman Long.

Representative LONG. Thank you, Mr. Chairman.

Mr. Shiskin, the iron and steel component of the wholesale price went up, itself, a full percentage point, in September. Also, I have been reading in the paper that further steel prices are contemplated for sometime in October or November, maybe late October, early November. When will these increases begin to show in these figures?

Mr. SHISKIN. May I turn this question over to Mrs. Stotz?

Mrs. STOTZ. I understand that some steel increases have been announced for October 1. If that is the case, they will be reflected, if they hold in the October index. Our pricing date for October is Tuesday, the 14th.

Representative LONG. If you add that to the 2 percent on farm products, and add to that the contemplated increase in oil prices by the OPEC nations, in reflecting out the percentages that would be reflected by the amounts that we import, and carrying those three basic figures forward, it presents a rather alarming picture with respect to wholesale price index for the next 2 months; does it not, Mr. Shiskin?

Mr. SHISKIN. Let me generalize the point. I think that the most useful predictor of price indexes is the index on crude materials prices, except foodstuffs and feedstuffs. That index has been rising vigorously, so I think that is a matter of considerable concern.

Representative LONG. I did not hear what you said, Mr. Shiskin.

Mr. SHISKIN. I said that I tried to generalize your question, and provide what I consider to be the best answer.

I think the best index the BLS puts out for price forecasting purposes, is our index of crude materials prices—except foodstuffs and feedstuffs. That index has now been rising quite sharply for several months, and I think that is a matter of considerable concern—those trends in the prices.

Representative LONG. I would agree.

Going to another subject, looking at your statement and your earlier information, one of the most tragic numbers appears to be the 1.6 million workers who have been unemployed, as Senator Humphrey said, for 6 months or more. Let me ask you a couple of questions about that, if I may. One, is this the largest number of workers who have been unemployed for such a long period since the Great Depression?

Mr. SHISKIN. It is the highest figure, yes. It is the highest figure since the Great Depression.

Representative LONG. Since the Secretary of Labor has indicated publicly that the administration is not going to support the extension of unemployment insurance benefits beyond 65 weeks, and we do not have the figures with us as to where they stand now, as to how many have used up all of their unemployment compensation, what figure do you have in that regard as to where a particular number is now that have used it up, or where those that are in, say, a 6-month period, or a 7-month period, and all we have to do is project that out by a very simple mathematical formula, and unless there is a substantial improvement, we can pretty well tell right here today, without going back and doing a detailed study, as to how many it is going to be at the end of a year?

Mr. SHISKIN. I think the critical phrase in your question was, "unless the situation improves." If the recovery proceeds in the pattern that has been typical of such recoveries in the past, then there would be a sharp diminution of the number of long-term unemployed.

Representative LONG. Have you or your staff done any analysis at all with respect to the occupations of those that are in the long-term unemployed? For example, are they concentrated in the automobile industry? Are they concentrated in some other industry? And would that perhaps give us some information that might be helpful?

Mr. SHISKIN. Yes. We have a detailed table which we put in the record last month. However, it does not include occupations. We could provide some occupational information also, for broad occupations. And what this table shows is that, for example, 66 percent of the long-term unemployed were male, 16 years and over, thirty-four percent were females, 16 years and over, eighty percent are white; 20 percent black. Fifty-two percent are household heads; 36 percent are married men with their wives present; 20 percent are married women, with spouses present. And 76 percent are job losers. This is the type of information we have provided.

Representative LONG. So you do not have that with respect to the different types of occupations?

Mr. SHISKIN. I do not have that with me. We can provide some information.

Representative LONG. That might be helpful to us.

[The information referred to follows:]

PERSONS UNEMPLOYED 27 WEEKS AND OVER BY MAJOR OCCUPATION, SEPTEMBER 1975

[Numbers in thousands; not seasonally adjusted]

Occupation	Numbers unemployed	Percent of unemployed in group	Percent distribution
Total	1,457	19.4	100.0
White-collar workers	424	18.4	29.1
Professional	97	18.9	6.7
Managers	85	27.7	5.8
Sales	55	17.5	3.8
Clerical	188	16.1	12.9
Blue-collar workers	850	27.0	58.3
Craft	226	26.4	15.5
Operatives	468	28.7	32.1
Nonfarm laborers	157	23.8	10.8
Service workers	7	6.3	.5
No previous work experience	46	5.9	3.2

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

Mr. SHISKIN. Congressman Long, I can say this, however, that we know, from a study we made 7 or 8 months ago that the job losers in this recession are mostly adult males in heavy industry. So they are the kinds of people, adult males, in heavy industry, these are the people who are unemployed today and represent a large percentage of the long-term unemployed.

Representative LONG. Related to that, I have another question. The fact that the unemployment rate has decreased a fair amount since the second quarter rate of 8.9, I think the percentage was, of course, it is encouraging to some degree. And you seem to think that it is very encouraging that it has declined to that extent.

Mr. SHISKIN. Let me put it this way. I feel a lot better about an 8.3 percent, when it has come down from 8.9 than I did when it went from 7.5 to 8.3. The direction is good.

Representative LONG. Actually, though, you seem to go further than that. You seem to think that this was a substantial recovery, for a relatively short period of time.

Mr. SHISKIN. Yes. But you know, each monthly figure is not that accurate. We, who put that together, can say that.

Representative LONG. If you take that six-tenths of 1 percent decline that occurred during that period that we are discussing here, decreasing the unemployment rates for adult men, adult women, teenagers, household heads, married men, fulltime workers, I guess are all the categories—maybe there are one or two other categories there, but only one group, during that period—and that was the Negro and other races, has not declined at all, and in fact, has increased during that same period by 1.3 percentage points, in that 2-month period. Did you pick up any evidence as to why that particular thing might be true? I mean, it is counter to all of the other trends, and it is not only not keeping pace, it is actually counter.

Mr. SHISKIN. Well, the figures are volatile.

The fact that it is a little higher is not necessarily significant. But I think the explanation is as follows: By and large, the people who are becoming employed are people who are getting their jobs back. The people who lost their jobs were mostly adults in heavy industry. I would guess that a proportionate number of Negro men are getting their jobs back, just as the whites are, in those industries. But the unemployment of black women has not improved, and the reason is that they did not lose their jobs to begin with. They were not in the industries which were hard hit by the recession, so they are not getting their jobs back.

Representative LONG. Thank you, Mr. Chairman.

Senator PROXMIRE. Senator Kennedy has to leave.

Chairman HUMPHREY. All right. Senator Kennedy.

Senator KENNEDY. Thank you very much, Mr. Chairman.

I apologize for not hearing the whole presentation here this morning, but I must say, I am very much confused by the kind of impression that you are leaving with the committee, and I want to see if I can clarify it. Your testimony is that we have had the strongest recovery in history.

Mr. SHISKIN. A strong recovery.

Senator KENNEDY. I think you said the strongest.

Mr. SHISKIN. If I did, let me revise that to say, one of the strongest.

Senator KENNEDY. Now, it seems to me—is that based upon the contrast in unemployment figures, from the May peake of 9.2 percent, the decline in June to about 8.6 and then the stabilization at about 8.4?

Mr. SHISKIN. No; it is not. My statement is based on what I consider to be, on the basis of many studies, the best single indicator of economic activity during recessions and recoveries; namely, the nonagricultural payroll employment series. We have had a vigorous recovery in nonagricultural payroll employment.

Senator KENNEDY. Doesn't that cover the same period of time as the May, June, and July unemployment figures?

Mr. SHISKIN. Yes; it is the same period of time; yes.

Senator KENNEDY. Isn't the significant thing the difference between May and June?

Mr. SHISKIN. No. We have had a very sharp rise in employment, nonagricultural payroll employement, since June, June–July, July

and August—the July–August rise was a little bigger than the June–July figures.

Senator KENNEDY. It seems to me that the basis for the judgment is the period of time from May to June and July. The decline in unemployment seems to be the very direct result, as the chairman pointed out, of the economic stimulation that was provided by the tax cut earlier in the year, in March. And you are leaving the impression that with the strong recovery we have had during this period of time, there is every reason for the American people to believe that the recovery is going to continue, now, and for the foreseeable future.

You are emphasizing that this is one of the strongest recoveries for this period of time in the history of the country. But will this be the case over the next 3 or 4 months or the next year? The tax cuts will expire at the end of December, and many in the administration oppose their continuation. How will this affect the recovery?

What justification do you have to assume the recovery will continue? What are the factors on which you are basing your judgment?

You indicated a lack of willingness to speculate on some factors here today, but what are the conditions for this next quarter?

Mr. SHISKIN. OK. Let me try to summarize the points I have made. The recession we have——

Senator KENNEDY. Let me be more precise. Do your statistics or this extraordinary economic recovery so far suggest that it is going to continue? Can the American worker expect, on the basis of your review, that the recovery is going to continue in this immediate period coming up?

Mr. SHISKIN. Another aspect of what I was trying to explain to Senator Ribicoff is that the Bureau of Labor Statistics and the Commissioner do not engage in policy discussions, and we also do not forecast. What I did say is that this recovery follows an inventory adjustment, which was primarily responsible for the recession.

In the past, we have had recoveries following inventory adjustments, and the rebound has, in the past, been vigorous and lasted for 6 to 9 months. Now, that is based on historical experience. This recovery could be different.

Senator KENNEDY. Well, you have been willing, evidently, to make some projections on your chart here, going through 1976, in terms of nonagricultural jobs?

Mr. SHISKIN. No: I do not have any figures on 1976.

Senator KENNEDY. Well, it has the number 78,000 for February 1976; May, 78,000.

Mr. SHISKIN. They are the DRI projections.

Senator KENNEDY. You make these?

Mr. SHISKIN. No: I do not make them. I believe——

Senator KENNEDY. Does the Department subscribe to that?

Mr. SHISKIN. We subscribe to that, along with a great many other services. Oh, do I support it? No, I do not think DRI did very well in the first quarter of recovery, sir. They did very poorly, as a matter of fact. The DRI forecast was for a very weak quarter of expansion and we had a very strong quarter.

But, in essence, sir, we try to enter some forecasted figures as a basis of comparison, and we have entered the DRI figures on this chart.

Senator KENNEDY. You say you are unwilling to make any forecasts for the remainder of this year, based upon the materials that you have presented. Am I correct in understanding that to be your position?

Mr. SHISKIN. I am sorry?

Senator KENNEDY. Am I correct in understanding your position that you are unwilling to make any prediction as to the strength of the recovery in the future, based upon the information that you presently or currently have available to you?

Mr. SHISKIN. Well, I would rather put it this way, though essentially you are saying correctly that it has been traditional that the Commissioner of Labor Statistics has not made forecasts. I try to be helpful to this committee by describing the past patterns of recovery, and in that context, I pointed out that in the past, recoveries similar to this one have been vigorous for 6 to 9 months.

Senator KENNEDY. What significance do you give to the tax cut, in terms of that recovery?

Mr. SHISKIN. I have not made that kind of analysis. I have looked into the past four or five recoveries after inventory adjustments. The recovery in 1970–71 did not follow an inventory adjustment. My investigation of those situations indicated that in all the cases since, let's say, 1958, the administration did take strong counter-cyclical measures. Whether they were as strong as the present one, I cannot say.

Senator KENNEDY. My question is, how do you evaluate the tax cut in terms of the strength of the recovery? Did it make a substantial difference? How would you evaluate it?

Mr. SHISKIN. Well, it was certainly helpful; now, whether it was more or less helpful than the recoveries of the past is what——

Senator KENNEDY. I am just talking about the present recovery.

Mr. SHISKIN. As far as I can see, it was certainly helpful.

Senator KENNEDY. Do you see anything now, in terms of statistics, that is going to be as helpful in bringing unemployment down even further?

Mr. SHISKIN. Well, I think we are not finished with the inventory adjustments, and so I think that we can expect to see further expansion based on the inventory rebound. In addition, what the students of business cycles have learned, is that there is such a thing as the cumulative forces of recovery.

In the days, you know, before the Government participated in counter-cyclical measures, we used to recover from recessions just as we do now. In fact, some of our most vigorous recoveries took place a long time ago, like 1921 and 1938. And they were due to an inventory rebound and the cumulative forces of expansion.

Senator KENNEDY. Thank you, Mr. Chairman.

Chairman HUMPHREY. Senator Proxmire.

Senator PROXMIRE. Mr. Shiskin, I would like to follow up briefly on the same line that some of the other members have questioned you on. As I look at this picture, I think we have to take a look each month, rather than go back and say, we did well for 2 or 3 months up until this month. Let's see what we had this month. What does this month tell us about the recovery?

In the first place, the indicators flattened pretty much in September, and those are the indicators that the economists have selected

as the best indication of what is going to happen in the future. They have been quite promising before that, but in September, they flattened out.

Employment did not increase significantly in the last month at least, there is a difference of opinion.

Now, the household data actually decreased, and the establishment data increased, and you say in your release that there was not much change, so that was not very encouraging.

Unemployment stayed about the same. Hours of work fell. Now, when employment stays the same and hours of work go down, it suggests to me that we are not producing as much and hardly an indication of recovery.

Weekly earnings fell in September. Now, that is significant for several reasons. It indicates, of course, the degree of misery in the economy. It also indicates the lack of capacity of the consumers to buy more. If people's weekly earnings fall, obviously they are not able to buy more and extend the recovery.

Now, there are some other elements you pointed to, one of which is encouraging, the inventory situation. I might point to the fact that expansion, expenditure for new plant and equipment is expected to go down, sharply in real terms, and flatten out, in money terms, which certainly is discouraging, in view of the fact that it is the accelerator of the economy and has been so useful in stimulating economic activity.

Housing is very weak and unlikely to recovery as long as interest rates are high. And there is an indication of the deficit we have and the monetary policy we are following indicates that interest rates will continue to be higher, and will go higher.

So, as I look at the situation, it seems to me—and I wish you would correct me if I am wrong—that while the recovery—you are right—was very substantial in the last quarter, the third quarter, the last month of the last quarter does not give us much cause for celebration, and there is not much indication here that we are moving ahead.

Mr. SHISKIN. Well, there is no doubt that the movements in employment and unemployment, between August and September, were not as favorable as——

Senator PROXMIRE. Any of the areas that I have indicated.

Mr. SHISKIN. We do not have September figures, except for employment.

Senator PROXMIRE. Weekly earnings?

Mr. SHISKIN. Oh, yes.

Senator PROXMIRE. Housing, and so forth.

Mr. SHISKIN. We have had a big improvement in housing.

Senator PROXMIRE. Well, you had improvement the month before last. Last month, we did not. It leveled off. It is still down around 1.26 million housing starts, which is—the annual rate, which is depression level.

Mr. SHISKIN. Have we not all learned by this time not to put so much emphasis on 1 month's figures? Let me say this. Two months ago, you and others were very critical because the WPI—and I have been looking for an opportunity to say this—rose more than most of its components. You will remember the WPI went up 0.8?

Senator PROXMIRE. Yes, I want to get into that in a minute.

Mr. SHISKIN. And this month the total rose less than the components, and if you take the average of the two, it is right on the button. I have a table which shows that this proves for the 100,000th time how unwise it is to emphasize a single month's figures.

And then when you take that single month and annualize it by multiplying by 12, and compounding it, you know, you can get a very wrong point of view. So I would say again and again, let's try to take a longer period of time into account, and not dwell on 1 month's figures. We have been doing that, and then a month or two goes by, and we all realize how unwise it was.

Senator PROXMIRE. Well, let's get into those price figures, because they really are something else. You appeared before us a month ago, and you indicated that you were disturbed that it would undercut the credibility of the BLS, so you were going to get a memonandum to us and see if you could change the situation.

At that time, you indicated that all the commodities seasonally adjusted increased—you said eight-tenths of 1 percent. Food went down seven-tenths and industrial commodities, the other principal ingredient, went up only six-tenths. You add minus seven-tenths to six-tenths and come out with plus eight-tenths. There is no way that can happen.

Mr. SHISKIN. That result was ridiculous.

Senator PROXMIRE. That, in my view, was a mistake, an error, that something was wrong. Now, you say this month that the prices only went up 0.6; then you look at food. Food went up 2.3, and the industrial commodities went up seven-tenths, the sharpest rise, incidentally, in industrial commodities in 10 or 11 months. There is no way you can add 2.3 to 0.7 and come up with 0.6.

Mr. SHISKIN. As I said last time, there must be a way, because we found it.

Senator PROXMIRE. I would sure like to hear it.

Mr. SHISKIN. Senator, if you average the 2 months, let me tell you what you get. Total seven-tenths; industrial commodities, seven-tenths; farm products and processed foods and feeds, seven-tenths. You know that I do not recommend the method that BLS is presently using, which independently adjusts the total and the components, and I am going to change it as soon as I can, in February 1976, when we issue the new January data. In February we will have a new method of seasonal adjustment, which will eliminate these inconsistencies. But, again, this proves for the millionth time the same point, which is that you just cannot dwell on 1 month's figures and expect to reach a sound conclusion. You have to take several months together and this showed up again here.

Senator PROXMIRE. Not a matter of taking several months, it is a matter of having the errors luckily cancel out. It is just as if you predicted that a football team is going to win one week by 20 points, and it loses by 20 points, and the next week you predict it is going to lose by 20 points, and it wins by 20 points, so you say, see, you average it out and we came out exactly right. You were wrong both times.

Mr. SHISKIN. Senator, I am not going to justify this method of seasonal adjustment. I did not introduce it into the BLS, and I am going to eliminate it as soon as I possibly can. So, I will not try to justify it. What I want to say is that it is unwise to concentrate, to focus on a sin-

gle month's figures. If you are a little patient and take a few months together, most of the statistical absurdities cancel out, and that is exactly what happened this time.

Senator PROXMIRE. Nevertheless, we do have to take a look at this once a month. We meet once a month, and we try to take a look at what happened in September, and I think you are right that in the quarter as a whole we did recover well. All I am saying is that there was recovery which, in the last month, there was little or no recovery.

Mr. SHISKIN. It appears to be slow, and what I say is, sure, you are right, on the basis of such figures as we have now. Now, we have to wait for figures for other economic indicators to come out, and we have to wait for more unemployment figures. We have to be a little patient. Let us wait for a few months and see what the figures show.

Senator PROXMIRE. Is it typical for the average workweek to actually decline once the recovery has begun. Should not weekly hours—there is every logical reason to expect that they would be increased. I point out that what an employer would do is that when his people are only working 36 hours on the average, which they were, is to give them a little more work rather than hire new people. In this case, they declined.

Mr. SHISKIN. Senator, it is inevitable that in some months of recovery the workweek will decline. The workweek does not move up smoothly like a sine curve. Very few indicators do; they move up unevenly during recoveries. When they are moving up, they move up unevenly. When they are moving down, they move down unevenly, and you are going to find some months during recoveries in which every one of these favorable indicators moves down.

Senator PROXIMIRE. I might point out that you have asked us to look at longer figures. For the last 3 months the wholesale price index has increased an annual rate of 11 percent. Do you call that meaningful?

Mr. SHISKIN. I certainly would. The wholesale price index tends to rise during periods of expansion, and if it behaves in this expansion as in others, it will rise.

Senator PROXMIRE. Mr. Shiskin, I would like you to get into something that I think is of the greatest significance.

Senator JAVITS. Mr. Chairman, would you just let me do one thing. I have to go to the floor, but we have one question we want to ask about the wholesale price index. May I just ask it in writing and have an answer put in the record? Is that all right, Mr. Chairman?

Senator PROXMIRE. Fine, or ask it orally, if you wish.

Senator JAVITS. Well, I think we would rather do it and put it in the record, and I ask unanimous consent that it be made a part of the record.

[The material referred to follows:]

RESPONSE OF HON. JULIUS SHISKIN TO AN ADDITIONAL WRITTEN QUESTION POSED BY SENATOR JAVITS

Question. In table 3 of the wholesale price index release, we have noticed that the percent change for crude petroleum (under the fuels and related products category) was zero. The footnotes indicate that the change is zero only because the Bureau of Labor Statistics did not have posted prices for that month, rather than an improvement in prices. Further, the illusionary decrease of this component seems to have contributed to the pronounced price slackening in the total

category of fuels and related products, and power (from 2.9 percent increase in August to a 1.6 percent rise in September). How can you justify this very misleading impression of nonexistent improvement?

Answer. The Senator characterized the change in the September Wholesale Price Index for fuels as very misleading, and requested justification for the record of the BLS estimate of no price change for crude petroleum from August to September. The following response is submitted for the record.

Representative crude petroleum prices were not available in September. When price controls on domestic production expired on August 31, the President and members of the Congress indicated that some reinstatement of controls would be likely. Petroleum companies responded to the resulting uncertainty by suspending quotation of prices at which they would purchase crude petroleum. In response to inquiries, companies stated only that they would pay competitive prices. In view of the lack of information, and in anticipation that prices would become available in time for the October Wholesale Price Index, an estimate of no change seemed most appropriate.

The use of an estimate was neither unique nor unusual. Marketing, legislative or administrative developments frequently result in temporary lapses in the availability of representative prices for various commodities. In order to maintain a monthly index, the BLS must estimate missing prices. Our primary objective is to avoid systematic bias or misleading movements in the index. In some instances, the price movement of unreported commodities can be estimated from the price movement of similar commodities. More often, short-term lapses are best estimated as unchanged when data for related products are not available or when, as was the case for crude petroleum, confusion and uncertainty in the market makes the existence or magnitude of price change impossible to determine in the short time.

It is, of course, most important for changes in the BLS indexes to reflect empirical measurement rather than subjective judgments. When prices or good estimates are not available, I believe the least damage is done—both to the indexes and the credibility of the Bureau of Labor Statistics—by estimating no change and by alerting users to this fact. The press release for the September Wholesale Price Index contained the following statement on page 2: "The crude petroleum component for September 1975 was estimated unchanged from August because posted prices were not available."

The unadjusted Wholesale Price Index for fuels and related products and power increased one percent from August to September. This compares with an increase of 2.4 percent from July to August. The use of an estimate of no change from August to September in the crude petroleum component of the fuels index was responsible for only a small portion of this deceleration. The deceleration occurred in the refined petroleum products component, which rose 1.3 percent from August to September compared with 3.8 percent from July to August. This component accounts for about 53 percent of the fuels and related products and power group.

The crude petroleum data for October are available and will be included in the WPI for October, to be released November 6.

Senator PROXMIRE. Now, the "Wall Street Journal" reports this morning that House leaders are working on legislation to make the Government an employer of last resort to eliminate unemployment. Everybody who wants a job would get a job. Now, Mr. Burns, whom we all respect and who is recognized as, perhaps, the outstanding conservative economist, practicing ecenomist in the country, has also proposed that the Government be the employer of last resort.

Now, I am concerned that the terms he has proposed are very unrealistic and will be unlikely to be adopted, but he has proposed this as a change in our approach. Now, you, as an eminent economic expert, particularly in the unemployment area, I would like to ask you if you would give us your reaction as to what would happen if a different employer of last resort program were put into effect in your view on this basis? People who were laid off would be paid the unemployment

compensation rate plus their work costs. New entrants would be paid the minimum wage, and unemployment would be eliminated.

Now, on the basis of your judgment, could this have an extraordinarily inflationary effect, or do you think we could handle it? Can you give us any judgment at all as to the effect this might have on budget or any other economic consequences?

Mr. SHISKIN. Sir, I am sorry, that is the kind of question which we have discussed in the past, and which I pointed out, again, is beyond the province of——

Senator PROXMIRE. I am not asking you to support this or oppose it. I am just asking you what, in your judgment, would be——

Mr. SHISKIN. Senator, this is a very complex question, and I certainly cannot answer it off the top of my head.

Senator PROXMIRE. Then supposing you tell us what you think we should look for with this kind of an approach. I think this is going to be the big economic issue over the next several years because, for once, there is a real chance that we might really make progress in this area. It would be a marvelous thing, but it would also involve enormous risks for the economy. Tell us what we ought to look for.

Mr. SHISKIN. Senator, again, let me say this is like estimating the secondary effects of an increase in oil prices. You remember that dialog where you were interested in getting our judgment, not only on the direct effects of the increase in oil prices, but the indirect effects, and we said, well, we do not do that, and this falls into the same category.

I am sorry. I wish I could be more helpful.

Senator PROXMIRE. Well, let me repeat again. I am not asking you what effect it would have, but can you tell us how we should go about determining the consequences this would have for economic policy. I have asked my staff to try to find out from the Library of Congress what work has been done in this area, who has studied it, what countries have experimented with something like this, what effect it has had, and there is very, very little material, but you are a scholar in this area.

Mr. SHISKIN. Well, as you know, Senator, I think it is fair to say that despite the constraints on us, we go out of our way to be helpful to this committee, and I would give that some thought. I will ask my staff to look into it, and, perhaps, I can give you some useful suggestions between now and the next meeting or at the next meeting.

Senator PROXMIRE. Well, I wish you would, because you have an excellent staff, and, as I say, you are an eminent economist yourself.

Mr. Shiskin, I understand that you might be able to give us a comparison of our unemployment figures for the European countries, and we are very anxious to get that on a comparable basis, statistically honest basis.

Mr. SHISKIN. Well, I had been providing this routinely for this committee for awhile.

Senator PROXMIRE. We have not had it for awhile.

Mr. SHISKIN. That is right, Senator. I did bring an up-to-date table. This is the usual table, and I will read you some figures. In August our rate was 8.4, 8.3 in September. Canada in August had 7.3; Japan in July 1.9.

Senator PROXMIRE. I am sorry, I missed the first one.

Mr. SHISKIN. I will give you a copy of this.

Senator PROXMIRE. Go ahead.

Mr. SHISKIN. United States 8.4 and 8.3; Canada 7.3 in August. The latest figure we have for Japan is July 1.9. France, August 5.4. Germany, August 4.9. The latest figure we have for Italy is the second quarter and that is 4.0. For the United Kingdom we have August 5.7.

Senator PROXMIRE. That is all you have?

Mr. SHISKIN. They are the only figures we have, yes, sir.

Senator PROXMIRE. Any notion at all what the unemployment figures are in the Scandinavian countries?

Mr. SHISKIN. I do not have it here, sir, and I do not know.

Senator PROXMIRE. Do you know, is it a fact that unemployment in this country is the worst of any industrial country in the world?

Mr. SHISKIN. No, I do not have the other countries.

Senator PROXMIRE. It is the worst of these countries, is it not?

Mr. SHISKIN. Yes, we have the highest rate.

Senator PROXMIRE. And the only country comparably high is Canada, and they are enormously affected by our economy.

Mr. SHISKIN. What I have tried to get in here also each time we discussed this subject, Senator Proxmire, are the inflation rates. You may be interested in having them for the sake of the record.

Senator PROXMIRE. Yes, indeed.

[The tables referred to follow:]

TABLE 1.—UNEMPLOYMENT RATES IN SEVEN 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	2.5	[3] 0.5	3.5	3.1
1971	5.9	6.4	1.3	2.8	[3] 0.7	3.5	3.8
1972	5.6	6.3	1.4	[3] 2.8	[3] 0.9	4.0	[3] 4.3
1973	4.9	5.6	1.3	[3] 2.7	[3] 1.0	3.8	[3] 3.0
1974	5.6	5.4	1.4	[3] 3.1	[3] 2.1	3.1	[3] 3.0
I	5.1	5.4	1.3	2.8	1.5	3.0	2.8
II	5.1	5.3	1.3	2.8	1.9	3.0	2.8
III	5.5	5.4	1.4	2.9	2.4	3.1	3.1
IV	6.6	5.6	1.7	3.8	2.9	3.3	3.2
1975:							
I	8.3	7.0	1.7	4.6	3.1	3.0	3.5
II	8.9	7.5	[3] 1.8	5.2	4.1	4.0	4.3
June	8.6	7.2	[3] 1.9	5.5	4.6	----	4.5
July	8.4	7.2	[3] 1.9	5.5	4.8	----	5.3
August	8.4	7.3	----	5.4	4.9	----	5.7

[1] Quarterly rates are for 1st month of quarter.
[2] Great Britain.
[3] Preliminary.

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 the annual 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, October 1975.

TABLE 2.—LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT IN 7 COUNTRIES, ADJUSTED TO U.S. CONCEPTS, 1970–74

[In thousands]

Year	United States	Canada	Japan	France	Germany	Italy	United Kingdom [1]
Civilian labor force:							
1970	82,715	8,323	50,730	21,000	26,240	19,090	24,470
1971	84,113	8,579	51,030	[2] 21,220	26,350	19,010	24,220
1972	80,542	8,840	51,140	[2] 21,450	26,310	18,800	[2] 24,530
1973	88,714	9,225	52,310	[2] 21,670	26,420	18,930	[2] 24,770
1974	91,011	9,602	52,080	[2] 21,950	26,230	19,230	[2] 24,770
Employment:							
1970	78,627	7,829	50,140	20,470	[2] 26,100	18,340	23,730
1971	79,120	8,028	50,390	[2] 20,630	[2] 26,170	18,350	23,300
1972	31,702	8,279	50,410	[2] 20,840	[2] 20,070	18,050	[2] 23,490
1973	84,409	8,706	51,650	[2] 21,080	[2] 26,160	18,210	[2] 24,040
1974	85,936	9,079	51,350	[2] 21,250	[2] 25,680	18,630	[2] 24,040
Unemployment:							
1970	4,088	494	590	530	[2] 140	660	740
1971	4,993	551	040	[2] 500	[2] 180	660	920
1972	4,840	561	730	[2] 610	[2] 240	750	[2] 1,040
1973	4,304	519	670	[2] 500	[2] 260	720	[2] 730
1974	5,070	523	730	[2] 700	[2] 550	600	[2] 730

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

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

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	13.7	7.0	19.1	16.0
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
1975:							
I	11.0	11.7	14.7	13.9	5.9	22.5	20.3
II	9.7	10.5	13.6	12.2	6.2	19.7	24.3
January	11.7	12.1	16.8	14.5	6.1	24.1	19.9
February	11.1	11.8	13.6	13.9	5.8	23.3	19.9
March	10.3	11.3	13.9	13.5	5.9	20.3	21.2
April	10.2	11.1	13.4	12.7	6.1	20.4	21.7
May	9.5	10.1	14.0	12.1	6.1	19.7	25.0
June	9.3	10.4	13.4	11.7	6.4	19.0	26.1
July	9.7	11.0	11.4	11.1	6.2	17.1	26.3
August	8.6	11.1	----------	----------	5.9	----------	[1] 26.9

[1] Preliminary estimate.

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

Mr. SHISKIN. These are all July or August figures, and let me read them across—the annual rate of the CPI. The last figure we have is 8.6 in the United States; 11.1 in Canada; 11.4 in Japan; 11.1 in France; 5.9 in Germany; 17.1 in Italy; 26.9 in the United Kingdom.

Again, we see what we saw some months ago.

Senator PROXMIRE. What is it here again?

Mr. SHISKIN. 8.6.

Senator PROXMIRE. 8.6?

Mr. SHISKIN. Yes. This is the same pattern that we saw earlier which is that Germany seems to do best, both in employment and in inflation, or very well in both, but once you take Germany out of the picture, we have the highest unemployment rate and the lowest inflation rate.

Senator PROXMIRE. Well, Mr. Shiskin, thank you very, very much. We appreciate your responses. As usual, you have been very helpful, and I would once again stress we would like very, very much to get from you your analysis of the Government as, employer of last resort, eliminating unemployment, what we should look for and how we might make an intelligent and useful appraisal of the consequences.

Mr. SHISKIN. Senator, I would be glad to be helpful.

[Whereupon, at 12:55 p.m., the committee adjourned, subject to the call of the Chair.]

EMPLOYMENT-UNEMPLOYMENT

FRIDAY, NOVEMBER 7, 1975

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

The committee met, pursuant to notice, at 12:15 p.m., in room 1202, Dirksen Senate Office Building, Hon. Hubert H. Humphrey (chairman of the committee) presiding.

Present: Senators Humphrey and Proxmire; and Representatives Hamilton and Brown of Michigan.

Also present: Richard F. Kaufman, general counsel; Robert D. Hamrin, L. Douglas Lee, Loughlin F. McHugh, and Courtenay M. Slater, professional staff members; and M. Catherine Miller, minority economist.

OPENING STATEMENT OF CHAIRMAN HUMPHREY

Chairman HUMPHREY. Mr. Shiskin, you are here to talk to us today about the labor market situation and prices for the month of October. I need not tell you we always feel you are helpful.

Yesterday, your office announced, as has been indicated earlier here today, some very disturbing news on what is happening on the inflation front. Senator Proxmire referred to wholesale prices rising 1.8 percent for September and October. On a seasonably adjusted basis this is the largest rise of the past year at an annual rate of over 20 percent. I realize that is only 1 month, but perhaps even more disturbing is the fact that wholesale prices increased 13.5 percent at an annual rate over the last 3 months.

It is incredible to me to see the return of double-digit inflation in the face of the very slack economy we have. And there is, in this economy, a sizable portion of our industrial capacity idle, with anywhere from 8 to 9 million or more Americans out of work. The return to double-digit inflation is mysterious and must be cleared up.

Today, I have asked and announced that this committee and particularly its professional staff will take a major review of the basic structural causes of these price rises. The American people have the right to know what is going on, because they pay the bills.

Your report today shows a significant deterioration in our nation's employment situation. Unemployment rose from 8.3 in September to 8.6 percent of our labor force in October. And in view of all of the rhetoric about recovery, it has been even called prosperity, these figures are shocking. With the default in New York City just ahead, unless the administration changes its position, as was said here by

Senator Javits today, we have a right to be seriously concerned about renewed staggering inflation in the months ahead.

Mr. Shiskin, I also know that much of this increase in wholesale prices is in the areas of the economy that are not subject to variable price fluctuations on a monthly or weekly basis. The index of intermediate materials, supplies and components, excluding foods and feeds, moved up 1.3 percent in October, which is the largest monthly increase so far this year. Prices were higher for iron and steel, textile products, refined petroleum products, electric power, industrial chemicals, fabricated metal products, nonferrous metals, and lumber. These increases more than offset decreases, according to your statement.

We welcome your interpretation of these facts.

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 ROBERT STEIN, ASSISTANT COMMISSIONER, OFFICE OF CURRENT EMPLOYMENT ANALYSIS

Mr. SHISKIN. Thank you, Mr. Chairman.

Mr. Chairman, as you can see, I have Mr. John Layng, our price expert, with us. I also have Mr. Robert Stein, who hasn't been with me before. Mr. Stein has been with BLS many years and is now Assistant Commissioner for Current Employment Analysis. I have a very brief statement to the committee.

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

The official employment rate of 8.6 percent was above the levels in the 3 preceding months and very high by historical standards. The October rise in unemployment was fairly widespread, with rises in many categories; for example, adult females, teenagers, household heads, and full-time workers. On the other hand, the average duration of unemployment and long-term unemployment declined.

During the recent period of high inflation and high unemployment, some of the historical relationships upon which economic analysis is based have been distorted. Among these are the relationships used to develop current seasonal adjustment factors. I have noted at previous hearings earlier this year that the official seasonal adjustments of unemployment in 1975 leave something to be desired. On numerous occasions, I have distributed to this committee a table which compares the results of nine different methods of seasonal adjustment with the results of the official method. This table, updated through October, is attached to this statement.

It is to be noted that the range of differences has been much larger in 1975 than previously. This suggests that the seasonal factors and, consequently, the seasonally-adjusted unemployment rates are less reliable in 1975 than in earlier years. In October the range resulting from these different methods was seven-tenths of 1 percent, higher

than the range in most other months this year. This is not to imply that the official October unemployment rate is too high or too low. It is only to say that it is less certain than usual. It is to be noted that an additive adjustment, which makes different assumptions about historical relationships, yields a figure of 8.3 for October, compared to 8.2 percent in September.

Nonagricultural employment, as measured by the household survey, rose again in October. There was little or no change in total employment, with a decline in agricultural employment offset by a rise in nonagricultural employment. Altogether, total civilian employment has risen substantially since March—nearly 1.6 million—and the increase in nonagricultural employment has been about 1.4 million over the same 7-month period. This rate of increase in employment has been strong compared to other cyclical recoveries, but, as I have already pointed out, the unemployment level continues to remain very high.

Further evidence of continuing recovery—though perhaps at a slower rate than in previous months—was apparent in the October employment data provided by the establishment survey, with a total increase of 217,000 and an upward revision of about 65,000 in the September level.

This brings the total increase since last June, when this indicator reached its cyclical low, to more than 1.1 million. In October, the largest increase in payroll employment took place in nondurable goods industries and especially in food processing, textiles and apparel. A substantial rise also took place in the services sector. Thus nonagricultural employment continued the cyclical rise which started earlier this year.

The diffusion index of employment in 172 industries, which has risen from about 17 percent in February to 72 in August and 76 in September, was 63 in October. The smaller proportion of rising industries in October compared to August and September is consistent with the smaller increase in total nonagricultural employment. Nevertheless, the diffusion index continues to show a widespread rise in employment, a typical characteristic of cyclical recovery.

Average hours of work showed little change. For the cyclically sensitive sector, manufacturing, hours remained stable while overtime hours declined slightly. The index of aggregate hours rose again.

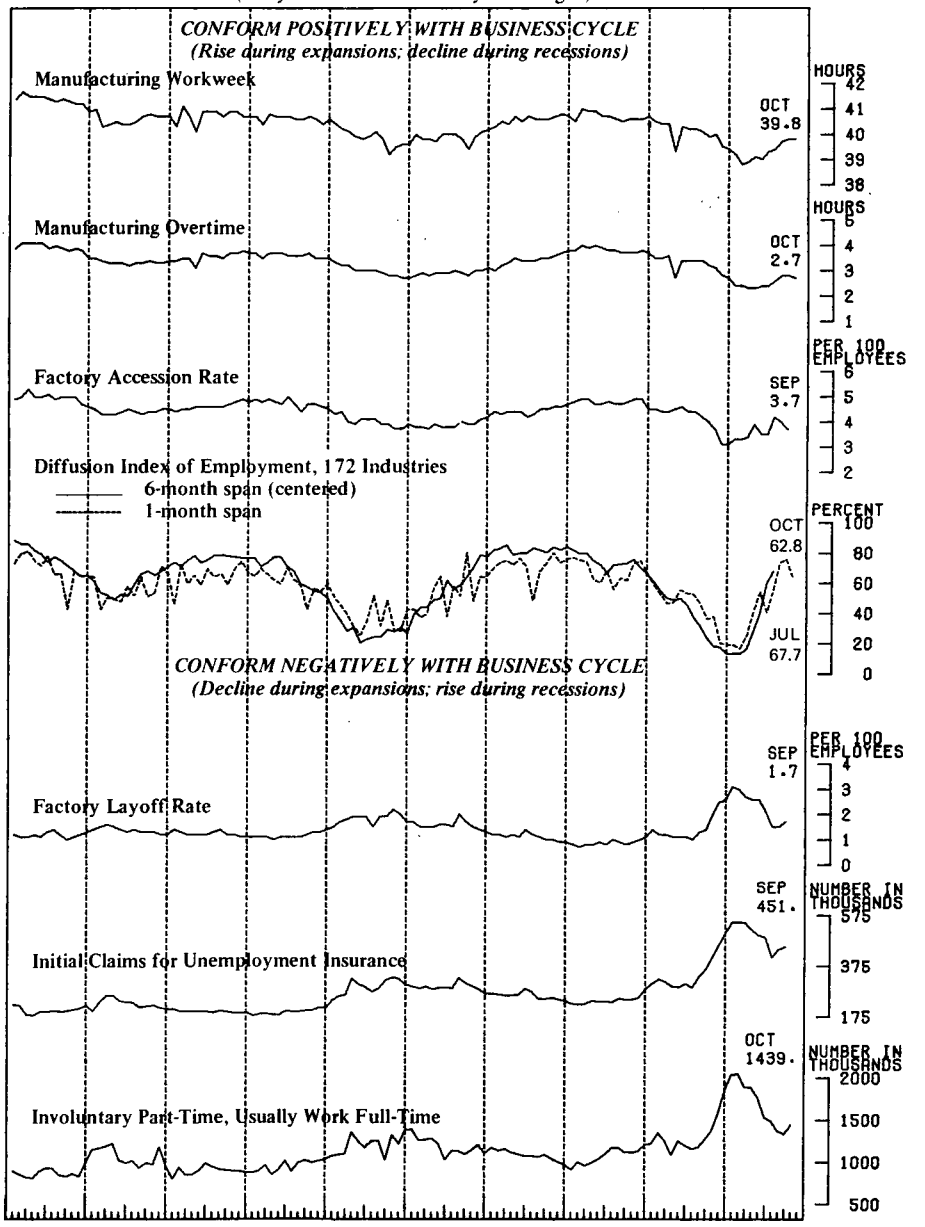
In conclusion, although developments in the overall employment situation between September and October appear to be mixed, on balance the evidence shows that the economic recovery, which began in the second quarter of 1975, continued in October.

As usual, I am attaching charts showing recent trends in the employment indicators classified by their usual cyclical timing.

I shall now try to answer your questions.

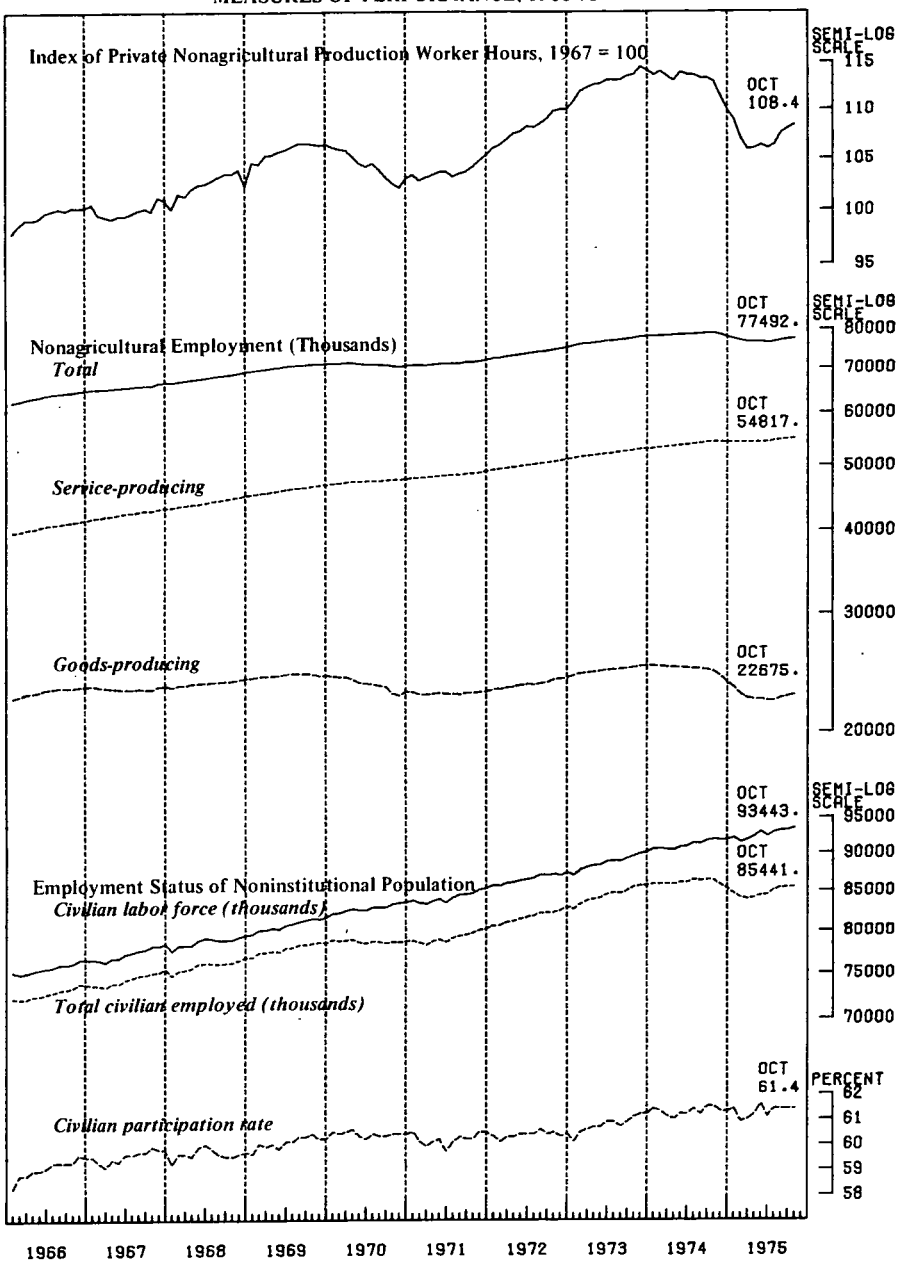
[The charts and table referred to, together with the press release follow:]

Chart 1. EMPLOYMENT INDICATORS, 1966-75
(Early Movers at Business Cycle Troughs)



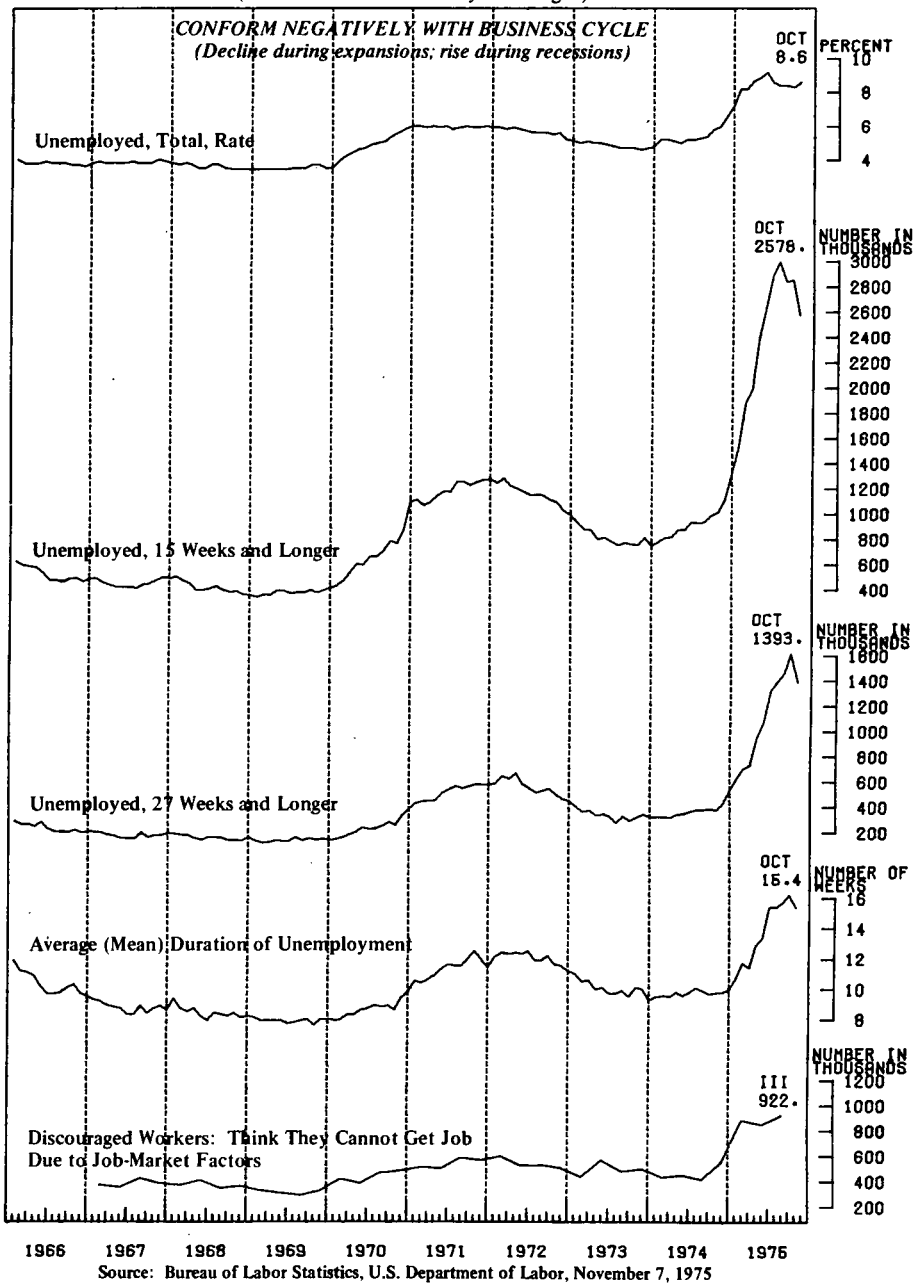
Source: Bureau of Labor Statistics, U.S. Department of Labor, November 7, 1975

Chart 2. INDICATORS OF LABOR ACTIVITY–
MEASURES OF PERFORMANCE, 1966-75



Source: Bureau of Labor Statistics, U.S. Department of Labor, November 7, 1975

Chart 3. UNEMPLOYMENT INDICATORS, 1966-75
(Late Movers at Business Cycle Troughs)



Source: Bureau of Labor Statistics, U.S. Department of Labor, November 7, 1975

UNEMPLOYMENT RATE BY ALTERNATE SEASONAL ADJUSTMENT METHODS

Month	Unadjusted rate	Adjusted rate	Other aggregations					Additive	Direct adjustments			Composite	Composite	Range
			Duration	Ft/pt	Reasons	Occupations	Industry	(X–11)	Rate	Level	Residual	No. 1	No. 2	(col. 2—13)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1974														
January	5.6	5.2	5.1	5.1	5.1	5.2	5.1	5.1	5.1	5.1	5.1	5.1	5.1	0.1
February	5.7	5.2	5.1	5.1	5.1	5.1	5.2	5.2	5.1	5.2	5.1	5.1	5.1	.1
March	5.3	5.1	5.1	5.1	5.0	5.1	5.0	5.1	5.0	5.1	5.1	5.1	5.1	.1
April	4.8	5.0	5.1	5.1	5.1	5.0	5.0	5.0	5.0	5.1	5.1	5.1	5.1	.1
May	4.6	5.2	5.2	5.2	5.3	5.2	5.2	5.1	5.2	5.2	5.2	5.2	5.2	.2
June	5.8	5.2	5.3	5.3	5.2	5.3	5.2	5.3	5.2	5.3	5.3	5.3	5.3	.1
July	5.6	5.3	5.4	5.4	5.4	5.4	5.3	5.4	5.4	5.4	5.4	5.4	5.4	.1
August	5.3	5.4	5.4	5.4	5.3	5.4	5.4	5.4	5.4	5.3	5.5	5.4	5.4	.2
September	5.7	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	0
October	5.5	6.0	6.0	6.2	6.0	6.0	6.0	6.0	6.1	6.1	5.9	6.0	6.0	.3
November	6.2	6.6	6.6	6.6	6.6	6.6	6.5	6.4	6.6	6.6	6.4	6.6	6.6	.2
December	6.7	7.2	7.0	7.2	7.1	7.1	7.1	7.0	7.3	7.2	7.0	7.1	7.1	.3
1975														
January	9.0	8.2	8.2	8.1	8.0	8.1	8.0	8.4	8.2	8.2	8.4	8.2	8.1	.4
February	9.1	8.2	8.0	8.1	8.0	7.9	8.1	8.5	8.2	8.2	8.6	8.2	8.1	.7
March	9.1	8.7	8.6	8.7	8.5	8.6	8.5	8.9	8.7	8.7	9.0	8.7	8.7	.5
April	8.6	8.9	8.7	8.9	8.8	8.8	8.8	8.8	9.0	9.0	8.8	8.8	8.8	.3
May	8.3	9.2	9.0	9.2	9.3	9.3	9.3	8.8	9.4	9.3	8.9	9.1	9.2	.6
June	9.1	8.6	8.7	8.5	8.8	8.6	8.6	8.7	8.2	8.2	8.7	8.7	8.6	.6
July	8.7	8.4	8.5	8.4	8.4	8.3	8.3	8.5	8.4	8.3	8.4	8.4	8.4	.2
August	8.2	8.4	8.5	8.3	8.4	8.5	8.4	8.3	8.3	8.3	8.3	8.4	8.4	.2
September	8.1	8.3	8.6	8.4	8.6	8.4	8.3	8.2	8.2	8.3	8.2	8.4	8.4	.4
October	7.8	8.6	8.6	8.8	8.6	8.5	8.5	8.3	8.7	8.7	8.1	8.5	8.5	.7
November														
December														

Note: An explanation of cols. 1–14 follows.

Source: U.S. Department of Labor, Bureau of Labor Statistics, Nov. 7, 1975.

Col. (1) *Unemployment rate, not seasonally adjusted.*

Col. (2) *Seasonally adjusted unemployment rate.*—This is the rate as published. Each of four unemployed sex-age components—males and females, 16–19 and 20 years and over—are independently seasonally adjusted. The rate is calculated by aggregating the four and dividing them by 12 summed labor force components—these 4 plus 8 employed components, which are the 4 sex-age groups in agriculture and non-agricultural industries. This employment aggregate is also used in the calculation of the labor force base in (3)–(8).

The current "implicit" factors for the total unemployment rate are as follows:

Jan.	109.1	July	105.5
Feb.	111.1	Aug.	97.8
Mar.	104.2	Sept.	98.4
Apr.	95.7	Oct.	91.0
May	89.1	Nov.	94.6
June	110.7	Dec.	93.0

Col. (3) *Duration.*—Unemployment total is aggregated from 4 independently adjusted unemployment by duration groups (0–4, 5–14, 15–26, 27+).

Col. (4) *Full-time and Part-time.*—Unemployment total is aggregated from 6 independently seasonally adjusted unemployment groups, by whether the unemployed are seeking full-time or part-time work and men 20 plus, women 20 plus, and teenagers.

Col. (5) *Reasons.*—Unemployment total is aggregated from 4 independently seasonally adjusted unemployment levels by reason for unemployment—job losers, job leavers, new entrants, and re-entrants.

Col. (6) *Occupation.*—Unemployment total is aggregated from independently seasonally adjusted unemployment by the occupation of the last job held. There are 11 unemployed components—12 major occupations plus new entrants to the labor force (no previous work experience).

Col. (7) *Industry.*—Unemployment total is aggregated from 10 independently adjusted industry and class-of-worker categories, again including new entrants to the labor force.

Col. (8) *Additive Method.*—The basic 4 unemployed sex-age groups—males and females, 16–19 years and 20 years and over—are adjusted by the X–11 additive method rather than the conventional multiplicative method. Employment (8 sex-age groups) is the same, however, as in columns (2)–(7).

Col. (9) *Unemployment rate adjusted directly.*

Col. (10) *Unemployment and labor force levels adjusted directly.*

Col. (11) *Labor force and employment levels adjusted directly, unemployment as a residual and rate then calculated.*

Col. (12) *Average of (2), (3), (4), (5), and (11).*

Col. (13) *Average of (2), (3), (4), (5), (6), (7), and (11).*

NOTE.—The X–11 method, developed by Julius Shiskin at the Bureau of the Census over the period, 1955–65, was used in computing all the seasonally adjusted series described above.

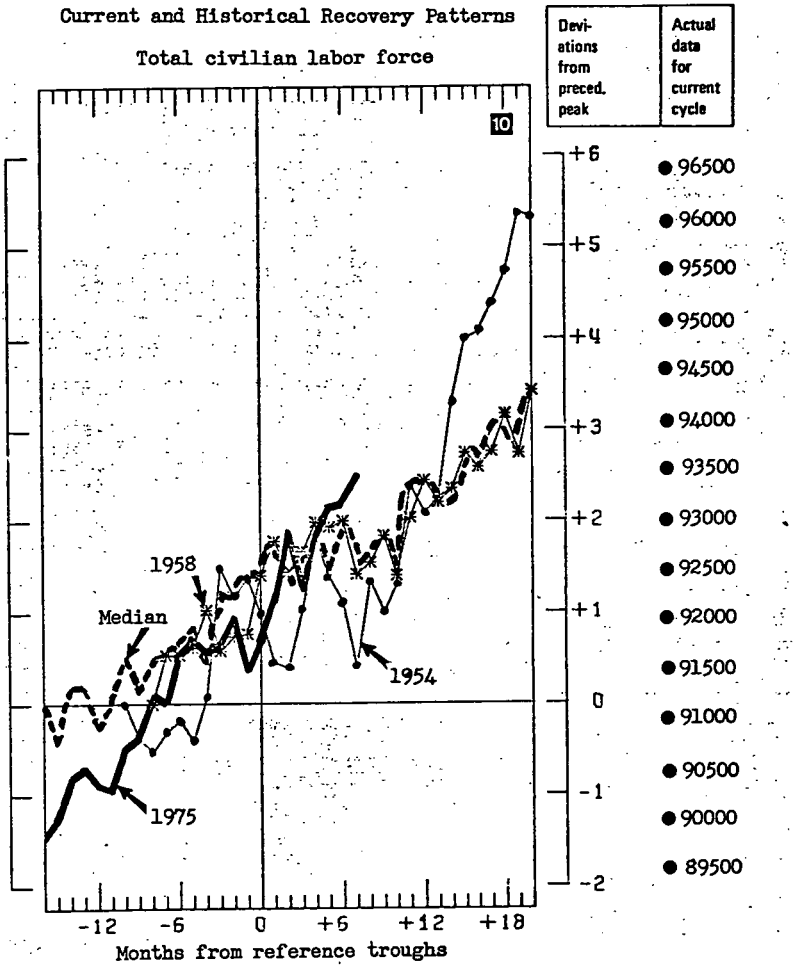
ADDENDUM TO STATEMENT OF HON. JULIUS SHISKIN

Question. How do you reconcile your view that the business-cycle recovery in employment is continuing with the high and rising level of unemployment you reported this morning?

Answer. That does seem contradictory. The evidence is clear that a widespread and vigorous improvement in employment, which began early last spring, is continuing. But after a sharp drop from second quarter 1975 levels, the improvement in unemployment appears to have come to a halt, at least temporarily. This development may be tentatively explained by the behavior of the labor force. Normally during the first nine months or so of recovery the labor force grows relatively little. However, during this recovery the labor force has behaved unusually and experienced substantial growth (see attached chart). Since March, the tentative business-cycle trough date, to October 1975, the labor force grew by 1.6 million and total employment also grew during the same period by 1.6 million. Thus the full rise in the labor force is accounted for by the rise in employment with little or no impact on unemployment. If the labor force had be-

haved as it usually does during the early stages of recovery and showed little growth, then unemployment would be much lower today.

We are now investigating why the growth in the labor force has been different in this recovery from earlier recoveries. Our first step will be to study the patterns for the various age-sex groups. I will try to have a more conclusive statement on this question at the next hearing.


Current and Historical Recovery Patterns
Total civilian labor force
Deviations from preced. peak
Actual data for current cycle
10
+6
+5
+4
+3
+2
+1
0
-1
-2
96500
96000
95500
95000
94500
94000
93500
93000
92500
92000
91500
91000
90500
90000
89500
1958
Median
1954
1975
-12
-6
0
+6
+12
+18
Months from reference troughs

NEWS

U. S. DEPARTMENT OF LABOR
BUREAU OF LABOR STATISTICS

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USDL 75-627
FOR RELEASE: 10:00 A. M. (EST)
Friday, November 7, 1975

THE EMPLOYMENT SITUATION: OCTOBER 1975

Unemployment rose in October and total employment remained about unchanged, while nonagricultural employment continued to increase, it was reported today by the Bureau of Labor Statistics of the U. S. Department of Labor.

The unemployment rate returned to the June level of 8.6 percent, after holding at or near 8.4 percent during the interim months. Most of the increased joblessness over the month resulted from persons reentering the labor force following a period of labor market inactivity. October witnessed the first decline in the number of unemployed seeking jobs for 6 months or more and in the average duration of joblessness since unemployment peaked in the second quarter.

Total employment--as measured by the monthly survey of households--was unchanged for the second straight month after having risen markedly between March and August. The series on nonagricultural payroll employment--as measured by the monthly survey of establishments--increased for the fourth straight month, boosting the job total by more than 1.1 million since the June low.

Unemployment

The number of unemployed persons rose by 230,000 in October to 8.0 million (seasonally adjusted), after having turned down in the third quarter. This increase, combined with an unchanged level of employment, pushed the unemployment rate up three-tenths of a percentage point to 8.6 percent. The October jobless rate remained below the second quarter peak of 8.9 percent. The increase in unemployment was concentrated among persons reentering the labor force after a period of absence. (See tables A-2 and A-5.)

The unemployment situation among major labor force groups as a whole--adult men, adult women, and teenagers--was little changed in October. The only demographic group

to show a notable increase was adult white women, whose unemployment rate moved upward 0.6 percentage point over the month to 7.4 percent--a turnabout from the downward trend that had been established over the prior several months. There were also small jobless rate increases for household heads (to 5.9 percent) and full-time workers (to 8.6 percent).

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

Selected categories	Quarterly averages					Monthly data		
	1974		1975			Aug. 1975	Sept. 1975	Oct. 1975
	III	IV	I	II	III			
	(Millions of persons)							
Civilian labor force	91.4	91.8	91.8	92.5	93.1	93.1	93.2	93.4
Total employment	86.4	85.7	84.1	84.3	85.3	85.4	85.4	85.4
Adult men	48.5	48.3	47.3	47.2	47.6	47.7	47.6	47.7
Adult women	30.5	30.1	29.8	30.1	30.6	30.7	30.6	30.7
Teenagers	7.4	7.4	7.0	7.0	7.1	7.0	7.2	7.1
Unemployment	5.0	6.1	7.0	8.2	7.8	7.8	7.8	8.0
	(Percent of labor force)							
Unemployment rates:								
All workers	5.5	6.6	8.3	8.9	8.4	8.4	8.3	8.6
Adult men	3.7	4.8	6.3	7.1	6.9	6.6	7.0	7.1
Adult women	5.4	6.5	8.2	8.5	7.7	7.7	7.5	7.8
Teenagers	16.1	17.5	20.5	20.5	19.8	21.1	19.3	19.9
White	5.0	5.9	7.6	8.2	7.7	7.6	7.6	7.9
Negro and other races	9.6	11.7	13.7	14.3	13.8	14.0	14.3	14.2
Household heads	3.2	4.1	5.5	6.1	5.7	5.5	5.7	5.9
Married men	2.7	3.3	4.8	5.7	5.2	5.0	5.3	5.2
Full-time workers	5.0	6.2	7.9	8.5	8.1[c]	7.9	8.2	8.6
State insured	3.4	4.3	6.0	6.9	5.9	5.8	5.8	5.7
	(Weeks)							
Average duration of unemployment	9.9	9.9	11.3	13.9	15.8	15.7	16.2	15.4
	(Millions of persons)							
Nonfarm payroll employment	78.7	78.3	76.9	76.4	77.0[p]	77.0	77.3[p]	77.5[p]
Goods-producing industries	24.8	24.1	22.8	22.3	22.4[p]	22.4	22.6[p]	22.7[p]
Service-producing industries	54.0	54.2	54.1	54.1	54.6[p]	54.6	54.7[p]	54.8[p]
	(Hours of work)							
Average weekly hours:								
Total private nonfarm	36.6	36.3	36.1	35.9	36.1[p]	36.2	36.1[p]	36.2[p]
Manufacturing	40.1	39.6	39.0	39.1	39.6[p]	39.7	39.8[p]	39.8[p]
Manufacturing overtime	3.3	2.9	2.4	2.4	2.7[p]	2.8	2.8[p]	2.7[p]
	(1967=100)							
Hourly Earnings Index, private nonfarm:								
In current dollars	160.6	164.3	167.7	170.7	174.3[p]	174.6	175.1[p]	176.8[p]
In constant dollars	107.2	106.5	106.7	107.1	107.1[p]	107.4	107.2[p]	N.A.

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

While most occupational and industry sectors showed little or no unemployment change in October, there was a rise among clerical workers and persons in the finance and service industries--sectors which traditionally have provided a large proportion of the jobs held by women. However, unemployment rates of manufacturing and construction workers continued to descend from the record highs reached in May.

There were contrasting movements among black (Negro and other races) and white labor force groups. The unemployment rate for blacks held steady in October at 14.2 percent, approximating its second quarter peak. The jobless rate for whites, however, which had been gradually declining from its high of 8.2 percent in the second quarter, rose from 7.6 to 7.9 percent over the month.

The unemployment rate for workers covered by regular State unemployment insurance programs, at 5.7 percent in October, continued its downward trend from the May high of 7.0 percent. (See table A-2.) There were 3.8 million persons (seasonally adjusted) claiming regular State U. I. benefits. The number of persons claiming benefits under various special programs, including the Federal extended benefits programs, declined from 2.5 to 2.4 million (not seasonally adjusted) over the month.

The average (mean) duration of unemployment dropped from 16.2 to 15.4 weeks in October, the first decline since it began its dramatic lengthening at the beginning of this year. There was a sharp drop in the number of persons unemployed 15 weeks or longer, particularly those who were unemployed 27 weeks or more. Countering this decrease in long-term unemployment was a jump in the number of persons unemployed for less than 5 weeks.

Total Employment and Civilian Labor Force

Total employment, at 85.4 million (seasonally adjusted), held steady for the second consecutive month. There were offsetting movements, however, as agricultural employment declined by 125,000, while nonagricultural employment continued to rise. (See table A-1.) Employment increases had totaled 1.5 million between March and August, a substantial gain for a 5-month period, but the overall level in October remained nearly a million below the peak registered in September 1974.

The civilian labor force rose by 250,000 in October to 93.4 million (seasonally adjusted). This increase was consistent with the growth in the population, as the civilian labor force participation rate remained unchanged at 61.4 percent. Over the past year, labor force growth was held to 1.4 million persons, considerably below year-to-year gains of 2 million or more prior to the recession.

Industry Payroll Employment

Total nonagricultural payroll employment increased for the fourth straight month in October, rising by 220,000 to 77.5 million (seasonally adjusted). Since the recession low in June, payroll employment has grown by more than 1.1 million. Employment gains occurred in 63 percent of the 172 industries in the BLS diffusion index, compared with approximately 75 percent in the prior 2 months. (See tables B-1 and B-6.)

In manufacturing, employment rose by 110,000, with nearly all of the increase taking place in the nondurable goods sector. This was in contrast to the previous 2 months' experience, when additions to employment were more heavily concentrated in the durable goods industries. Within the nondurable goods group, the apparel, food, and textile industries posted the largest gains. Electrical equipment was the only industry in the durables sector to register a sizeable gain. In addition to the manufacturing increase, there was a gain of 20,000 jobs in mining.

Employment in contract construction declined by 30,000 in October after having stabilized somewhat since June. Employment in this industry has receded by 730,000 from its alltime peak reached in early 1974.

In the service-producing sector, substantial increases took place in both services and State and local government (50,000 and 60,000, respectively). Much of the latter increase resulted from the settlement of several teachers' strikes, which returned approximately 35,000 persons to the employment rolls.

Hours

The average workweek for all production or nonsupervisory workers on nonfarm payrolls edged up 0.1 hour in October to 36.2 hours (seasonally adjusted), the same as the August level. Average weekly hours remained 0.3 hour below the year-earlier figure, however. (See table B-2.)

The average length of the manufacturing workweek was unchanged from September's level of 39.8 hours. Although a full hour above the low reached in February, the factory workweek remained 1.2 hours below the pre-recession high (February 1973). Factory overtime declined slightly in October to 2.7 hours, after being 2.8 hours in the previous 2 months.

The index of aggregate hours of private nonfarm production or nonsupervisory employees increased for the fourth consecutive month, advancing 0.4 percent to 108.4 (1967=100). The index of factory worker hours rose by 0.8 percent to 91.0, continuing the uptrend from the March low of 86.4. (See table B-5.)

Hourly and Weekly Earnings

Average hourly earnings of production or nonsupervisory workers on private nonagricultural payrolls rose 2 cents to $4.62 (seasonally adjusted), an increase of 0.4 percent since September and 6.5 percent over the last 12 months. Average weekly earnings increased 0.7 percent in October to $167.24 and have risen 5.6 percent since last October.

Before adjustment for seasonality, average hourly earnings increased 1 cent to $4.65. Since October 1974, hourly earnings have increased 28 cents. Weekly earnings averaged $168.33 in October, little different from the September level but $8.82 above October a year ago. (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 176.8 (1967=100) in October, 0.9 percent higher than in September. The index was 8.2 percent above October a year ago. During the 12-month period ended in September, the Hourly Earnings Index in dollars of constant purchasing power rose 0.2 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					
	Oct. 1974	Sept. 1975	Oct. 1975	Oct. 1974	June 1975	July 1975	Aug. 1975	Sept. 1975	Oct. 1975
TOTAL									
Total noninstitutional population[1]	151,593	154,052	154,256	151,593	153,278	153,585	153,824	154,052	154,256
Total labor force	94,105	94,965	95,431	94,057	94,518	95,102	95,331	95,361	95,607
Participation rate	62.1	61.6	61.9	62.0	61.7	61.9	62.0	61.9	62.0
Civilian noninstitutional population[1]	149,380	151,882	152,092	149,380	151,100	151,399	151,639	151,882	152,092
Civilian labor force	91,891	92,795	93,267	91,844	92,340	92,916	93,146	93,191	93,443
Participation rate	61.5	61.1	61.3	61.5	61.1	61.4	61.4	61.4	61.4
Employed	86,847	85,274	86,023	86,304	84,444	85,078	85,352	85,418	85,441
Agriculture	3,536	3,626	3,524	3,440	3,304	3,450	3,468	3,546	3,422
Nonagricultural industries	83,312	81,647	82,499	82,864	81,140	81,628	81,884	81,872	82,019
Unemployed	5,044	7,522	7,244	5,540	7,896	7,838	7,794	7,773	8,002
Unemployment rate	5.5	8.1	7.8	6.0	8.6	8.4	8.4	8.3	8.6
Not in labor force	57,489	59,087	58,825	57,536	58,760	58,483	58,493	58,691	58,649
Males, 20 years and over									
Total noninstitutional population[1]	64,279	65,353	65,444	64,279	65,000	65,128	65,234	65,353	65,444
Total labor force	52,491	52,754	52,711	52,554	52,439	52,795	52,794	52,936	53,018
Participation rate	81.7	80.7	80.5	81.8	80.7	81.1	80.9	81.0	81.0
Civilian noninstitutional population[1]	62,506	63,629	63,725	62,506	63,282	63,403	63,498	63,629	63,725
Civilian labor force	50,718	51,030	50,992	50,781	50,721	51,070	51,058	51,213	51,299
Participation rate	81.1	80.2	80.0	81.2	80.2	80.5	80.4	80.5c	80.5
Employed	48,898	47,938	47,983	48,584	47,166	47,499	47,682	47,638	47,666
Agriculture	2,570	2,557	2,514	2,477	2,394	2,435	2,463	2,483	2,422
Nonagricultural industries	46,328	45,381	45,470	46,107	44,772	45,064	45,219	45,155	45,244
Unemployed	1,820	3,092	3,008	2,197	3,555	3,571	3,376	3,575	3,633
Unemployment rate	3.6	6.1	5.9	4.3	7.0	7.0	6.6	7.0	7.1
Not in labor force	11,788	12,599	12,733	11,725	12,561	12,333	12,440	12,416	12,426
Females, 20 years and over									
Civilian noninstitutional population[1]	70,749	71,926	72,029	70,749	71,574	71,729	71,839	71,926	72,029
Civilian labor force	32,581	33,349	33,857	32,039	33,023	33,173	33,239	33,108	33,288
Participation rate	46.1	46.4	47.0	45.3	46.1	46.2	46.3	46.0	46.2
Employed	30,757	30,593	31,224	30,237	30,332	30,563	30,690	30,618	30,685
Agriculture	546	573	599	494	480	529	548	538	542
Nonagricultural industries	30,211	30,020	30,625	29,743	29,852	30,034	30,142	30,080	30,143
Unemployed	1,824	2,756	2,634	1,802	2,691	2,610	2,549	2,490	2,603
Unemployment rate	5.6	8.3	7.8	5.6	8.1	7.9	7.7	7.5	7.8
Not in labor force	38,169	38,577	38,172	38,710	38,551	38,556	38,600	38,818	38,741
Both sexes, 16-19 years									
Civilian noninstitutional population[1]	16,124	16,327	16,338	16,124	16,244	16,267	16,302	16,327	16,338
Civilian labor force	8,593	8,416	8,418	9,024	8,596	8,673	8,849	8,870	8,856
Participation rate	53.3	51.5	51.5	56.0	52.9	53.3	54.3	54.3	54.2
Employed	7,193	6,742	6,816	7,483	6,946	7,016	6,980	7,162	7,090
Agriculture	420	496	412	469	430	486	457	525	458
Nonagricultural industries	6,773	6,246	6,405	7,014	6,516	6,530	6,523	6,637	6,632
Unemployed	1,400	1,674	1,602	1,541	1,650	1,657	1,869	1,708	1,766
Unemployment rate	16.3	19.9	19.0	17.1	19.2	19.1	21.1	19.3	19.9
Not in labor force	7,532	7,911	7,920	7,100	7,648	7,594	7,453	7,457	7,482
WHITE									
Civilian noninstitutional population[1]	132,013	133,954	134,121	132,013	133,402	133,579	133,760	133,954	134,121
Civilian labor force	81,441	82,169	82,627	81,439	81,908	82,476	83,476	82,584	82,836
Participation rate	61.7	61.3	61.6	61.7	61.4	61.7	61.7	61.7	61.8
Employed	77,446	76,144	76,768	76,997	75,451	75,925	76,182	76,270	76,281
Unemployed	3,995	6,025	5,858	4,442	6,457	6,511	6,294	6,314	6,555
Unemployment rate	4.9	7.3	7.1	5.5	7.9	7.9	7.6	7.6	7.9
Not in labor force	50,573	51,785	51,494	50,574	51,494	51,143	51,284	51,370	51,285
NEGRO AND OTHER RACES									
Civilian noninstitutional population[1]	17,367	17,929	17,971	17,367	17,698	17,820	17,879	17,929	17,971
Civilian labor force	10,451	10,627	10,640	10,461	10,469	10,468	10,623	10,746	10,678
Participation rate	60.2	59.3	59.2	60.2	59.2	58.7	59.4	59.9	59.4
Employed	9,402	9,130	9,255	9,316	9,034	9,103	9,134	9,205	9,167
Unemployed	1,049	1,497	1,385	1,145	1,435	1,365	1,489	1,541	1,511
Unemployment rate	10.0	14.1	13.0	10.9	13.7	13.0	14.0	14.3	14.2
Not in labor force	6,916	7,302	7,331	6,906	7,229	7,352	7,256	7,183	7,293

[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.

Table A-2. Major unemployment indicators, seasonally adjusted

Selected categories	Number of unemployed persons (in thousands)		Unemployment rates					
	Oct. 1974	Oct. 1975	Oct. 1974	June 1975	July 1975	Aug. 1975	Sept. 1975	Oct. 1975
Total, 16 years and over	5,540	8,002	6.0	8.6	8.4	8.4	8.3	8.6
Males, 20 years and over	2,197	3,633	4.3	7.0	7.0	6.6	7.0	7.1
Females, 20 years and over	1,802	2,603	5.6	8.1	7.9	7.7	7.5	7.8
Both sexes, 16-19 years	1,541	1,766	17.1	19.2	19.1	21.1	19.3	19.9
White, total	4,442	6,555	5.5	7.9	7.9	7.6	7.6	7.9
Males, 20 years and over	1,807	3,016	4.0	6.4	6.6	6.1	6.5	6.5
Females, 20 years and over	1,445	2,134	5.2	7.6	7.4	6.9	6.8	7.4
Both sexes, 16-19 years	1,190	1,405	14.8	17.6	17.6	19.1	17.4	17.8
Negro and other races, total	1,145	1,511	10.9	13.7	13.0	14.0	14.3	14.2
Males, 20 years and over	392	617	7.6	11.9	11.4	11.1	12.1	11.7
Females, 20 years and over	408	540	9.5	11.7	10.8	12.6	12.1	12.2
Both sexes, 16-19 years	345	354	34.5	33.2	33.5	37.4	37.2	37.0
Household heads	1,961	3,173	3.7	6.1	6.0	5.5	5.7	5.9
Married men, spouse present	1,199	2,071	3.0	5.7	5.4	5.0	5.3	5.2
Full-time workers	4,537	6,859	5.8	8.2	8.1	7.9c	8.2	8.6
Part-time workers	1,148	1,371	8.7	10.3	10.0	10.7	9.6	10.1
Unemployed 15 weeks and over[1]	1,016	2,578	1.1	3.1	3.2	3.1	3.1	2.8
State insured[2]	2,385	3,784	3.6	6.9	6.2	5.8	5.8	5.7
Labor force time lost[3]	--	--	6.6	8.9	8.8	8.6	9.0	9.4
OCCUPATION[4]								
White-collar workers	1,439	2,145	3.3	4.8	4.8	4.6	4.7	4.8
Professional and technical	290	411	2.3	3.2	3.6	2.9	3.3	3.1
Managers and administrators, except farm	165	258	1.8	3.0	2.9	3.0	3.4	2.8
Sales workers	261	345	4.5	6.0	4.9	5.9	5.6	5.9
Clerical workers	723	1,131	4.5	6.7	6.8	6.4	6.3	7.0
Blue-collar workers	2,369	3,579	7.4	12.6	12.1	11.5	11.5	11.2
Craft and kindred workers	612	1,020	5.0	9.4	9.6	8.2	8.6	8.4
Operatives	1,213	1,768	8.1	14.0	12.9	12.7	12.7	12.0
Nonfarm laborers	544	791	10.8	16.0	15.9	16.2	15.2	16.2
Service workers	825	1,188	6.6	8.5	8.3	9.3	8.7	9.1
Farm workers	78	112	2.6	3.3	2.6	3.8	3.4	3.6
INDUSTRY[4]								
Nonagricultural private wage and salary workers[5]	4,135	6,149	6.2	9.6	9.2	9.1	9.1	9.1
Construction	559	810	12.0	21.0	20.8	19.9	19.2	17.9
Manufacturing	1,392	2,151	6.4	12.0	11.1	10.5	10.6	10.2
Durable goods	803	1,312	6.1	12.9	11.5	11.3	11.3	10.5
Nondurable goods	589	839	6.9	10.7	10.4	9.5	9.4	9.8
Transportation and public utilities	166	271	3.4	5.8	5.6	5.7	5.8	5.4
Wholesale and retail trade	1,121	1,535	6.8	8.3	8.3	8.9	8.7	8.8
Finance and service industries	880	1,367	4.8	6.6	6.3	6.1	6.3	7.1
Government workers	438	643	3.0	3.9	4.3	4.0	4.2	4.3
Agricultural wage and salary workers	119	156	7.9	10.5	8.4	10.5	9.9	10.6
VETERAN STATUS								
Males, Vietnam-era veterans[6]:								
20 to 34 years	337	576	5.7	9.7	9.6	9.0	9.2	9.3
20 to 24 years	145	219	12.1	19.9	17.6	17.5	20.0	22.0
25 to 29 years	158	257	4.8	8.1	8.6	8.2	7.3	7.9
30 to 34 years	34	100	2.4	c6.7	6.6	5.9	6.5	5.3
Males, nonveterans:								
20 to 34 years	942	1,443	6.8	10.0	10.5	9.6	10.5	9.9
20 to 24 years	552	878	8.9	12.9	14.4	13.6	14.3	13.6
25 to 29 years	245	355	6.2	9.4	8.6	8.0	8.5	8.1
30 to 34 years	145	210	3.9	5.9	5.9	4.7	6.2	5.6

[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] Aggregate hours lost by the unemployed and persons on part time for economic reasons as a percent of potentially available labor force 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.

HOUSEHOLD DATA

Table A-3. Selected employment indicators

[In thousands]

Selected categories	Not seasonally adjusted		Seasonally adjusted					
	Oct. 1974	Oct. 1975	Oct. 1974	June 1975	July 1975	Aug. 1975	Sept. 1975	Oct. 1975
Total employed, 16 years and over	86,847	86,023	86,304	84,444	85,078	85,352	85,418	85,441
Males	52,796	51,632	52,674	50,861	51,287	51,448	51,490	51,496
Females	34,051	34,392	33,630	33,583	33,791	33,904	33,928	33,945
Household heads	51,458	50,866	50,957	49,903	50,241	50,524	50,373	50,362
Married men, spouse present	39,277	38,342	38,887	37,743	37,920	38,048	37,967	38,038
Married women, spouse present	20,296	20,359	19,813	19,478	19,692	19,693	19,849	19,882
OCCUPATION								
White-collar workers	42,215	42,697	41,914	42,528	42,499	42,593	42,504	42,381
Professional and technical	12,634	13,037	12,327	12,727	13,026	13,030	12,813	12,719
Managers and administrators, except farm	8,943	9,067	8,883	9,039	8,710	8,937	9,160	9,004
Sales workers	5,502	5,562	5,490	5,652	5,585	5,535	5,519	5,551
Clerical workers	15,137	15,031	15,214	15,110	15,178	15,091	15,012	15,107
Blue-collar workers	29,972	28,449	29,800	27,618	27,815	28,070	28,053	28,287
Craft and kindred workers	11,532	11,184	11,538	10,852	11,014	11,112	10,927	11,184
Operatives	13,978	13,196	13,779	12,586	12,662	12,867	12,960	13,014
Nonfarm laborers	4,462	4,069	4,483	4,180	4,139	4,091	4,166	4,089
Service workers	11,612	11,813	11,609	11,589	11,681	11,670	11,776	11,813
Farm workers	3,048	3,064	2,974	2,908	3,027	3,006	3,081	2,990
MAJOR INDUSTRY AND CLASS OF WORKER								
Agriculture:								
Wage and salary workers	1,412	1,352	1,378	1,230	1,357	1,368	1,393	1,319
Self-employed workers	1,728	1,726	1,703	1,730	1,714	1,688	1,761	1,700
Unpaid family workers	395	447	374	381	410	400	415	424
Nonagricultural industries:								
Wage and salary workers	77,054	76,437	76,764	75,114	75,350	75,826	75,822	76,157
Private households	1,399	1,393	1,370	1,472	1,353	1,379	1,325	1,364
Government	14,195	14,612	13,997	14,558	14,744	14,785	14,481	14,410
Other	61,460	60,432	61,397	59,084	59,253	59,662	60,016	60,383
Self-employed workers	5,779	5,591	5,735	5,659	5,689	5,670	5,634	5,547
Unpaid family workers	479	470	482	401	401	460	485	474
PERSONS AT WORK [1]								
Nonagricultural industries	79,383	78,680	77,768	76,288	75,305	76,505	76,943	77,109
Full-time schedules	65,392	64,174	64,306	61,853	61,138	62,442	63,044	63,101
Part time for economic reasons	2,651	3,015	2,929	3,354	3,179	3,106	3,233	3,339
Usually work full time	1,283	1,341	1,377	1,530	1,486	1,369	1,332	1,439
Usually work part time	1,368	1,674	1,552	1,824	1,693	1,737	1,901	1,900
Part time for noneconomic reasons	11,340	11,491	10,533	11,081	10,988	10,957	10,666	10,669

[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					
	Oct. 1974	Oct. 1975	Oct. 1974	June 1975	July 1975	Aug. 1975	Sept. 1975	Oct. 1975
Less than 5 weeks	2,560	2,800	2,765	2,692	2,823	2,676	2,790	3,024
5 to 14 weeks	1,582	2,154	1,754	2,498	2,120	2,361	2,430	2,388
15 weeks and over	902	2,289	1,016	2,887	2,998	2,842	2,856	2,578
15 to 26 weeks	556	1,005	640	1,561	1,604	1,383	1,242	1,185
27 weeks and over	347	1,284	376	1,326	1,394	1,459	1,614	1,393
Average (mean) duration, in weeks	9.5	14.9	9.8	15.4	15.4	15.7	16.2	15.4
PERCENT DISTRIBUTION								
Total unemployed	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Less than 5 weeks	50.8	38.7	50.0	33.3	35.5	34.0	34.5	37.8
5 to 14 weeks	31.4	29.7	31.7	30.9	26.7	30.0	30.1	29.9
15 weeks and over	17.9	31.6	18.4	35.7	37.8	36.1	35.4	32.3
15 to 26 weeks	11.0	13.9	11.6	19.3	20.2	17.6	15.4	14.8
27 weeks and over	6.9	17.7	6.8	16.4	17.6	18.5	20.0	17.4

Table A-5. Reasons for unemployment

[Numbers in thousands]

Reason	Not seasonally adjusted		Seasonally adjusted					
	Oct. 1974	Oct. 1975	Oct. 1974	June 1975	July 1975	Aug. 1975	Sept. 1975	Oct. 1975
NUMBER OF UNEMPLOYED								
Lost last job	1,960	3,617	2,418	4,808	4,567	4,263	4,576	4,460
Left last job	877	874	834	779	826	777	814	832
Reentered labor force	1,485	1,942	1,450	1,846	1,771	1,879	1,786	1,896
Seeking first job	722	811	770	670	648	876	819	865
PERCENT DISTRIBUTION								
Total unemployed	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Job losers	38.8	49.9	44.2	59.3	58.5	54.7	57.2	55.4
Job leavers	17.4	12.1	15.2	9.6	10.6	10.0	10.2	10.3
Reentrants	29.4	26.8	26.5	22.8	22.7	24.1	22.3	23.5
New entrants	14.3	11.2	14.1	8.3	8.3	11.2	10.2	10.7
UNEMPLOYED AS A PERCENT OF THE CIVILIAN LABOR FORCE								
Job losers	2.1	3.9	2.6	5.2	4.9	4.6	4.9	4.8
Job leavers	1.0	.9	.9	.8	.9	.8	.9	.9
Reentrants	1.6	2.1	1.6	2.0	1.9	2.0	1.9	2.0
New entrants	.8	.9	.8	.7	.7	.9	.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						
	Oct. 1974	Oct. 1975	Oct. 1975	Oct. 1974	June 1975	July 1975	Aug. 1975	Sept. 1975	Oct. 1975
Total, 16 years and over	5,044	7,244	79.0	6.0	8.6	8.4	8.4	8.3	8.6
16 to 19 years	1,400	1,602	51.9	17.1	19.2	19.1	21.1	19.3	19.9
16 to 17 years	659	744	29.0	18.6	20.3	19.9	23.1	21.9	22.2
18 to 19 years	741	858	71.8	15.7	18.2	18.4	19.5	18.0	18.3
20 to 24 years	1,110	1,670	85.4	9.4	12.8	13.6	13.1	13.6	14.0
25 years and over	2,535	3,973	87.2	4.0	6.6	6.2	5.8	6.0	6.2
25 to 54 years	2,127	3,336	88.6	4.2	7.0	6.6	6.2	6.3	6.5
55 years and over	408	637	80.1	3.1	4.9	4.8	4.5	4.6	4.9
Males, 16 years and over	2,521	3,837	83.7	5.4	8.1	8.1	7.9	8.0	8.2
16 to 19 years	701	829	54.8	16.5	20.6	19.9	21.7	19.4	20.0
16 to 17 years	343	382	29.6	17.9	21.5	21.0	23.5	22.4	21.6
18 to 19 years	368	447	76.3	15.2	19.4	19.0	19.8	18.2	18.5
20 to 24 years	579	912	88.2	9.4	14.0	14.8	14.2	15.3	14.7
25 years and over	1,242	2,096	93.3	3.4	5.9	5.7	5.3	5.6	5.8
25 to 54 years	1,014	1,728	95.2	3.6	6.3	6.0	5.6	5.9	6.0
55 years and over	227	368	84.2	2.7	4.7	4.6	4.3	4.6	4.6
Females, 16 years and over	2,523	3,406	73.7	7.0	9.2	9.0	9.1	8.8	9.1
16 to 19 years	699	773	48.8	17.8	17.6	18.2	20.5	19.1	19.9
16 to 17 years	325	362	28.5	20.0	18.7	18.6	22.5	21.3	22.8
18 to 19 years	373	411	66.7	16.2	16.8	17.8	19.3	17.8	18.0
20 to 24 years	531	757	82.2	9.5	11.4	12.1	11.7	11.7	13.1
25 years and over	1,293	1,876	80.5	4.9	7.6	7.0	6.6	6.6	6.9
25 to 54 years	1,112	1,607	81.6	5.2	8.1	7.5	7.1	7.0	7.2
55 years and over	181	269	74.3	3.7	5.2	5.1	4.9	4.5	5.3

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

(In thousands)

Industry	Not seasonally adjusted				Seasonally adjusted					
	Oct. 1974	Aug. 1975	Sept. 1975 p	Oct. 1975 p	Oct. 1974	June 1975	July 1975	Aug. 1975	Sept. 1975 p	Oct. 1975 p
TOTAL	79,465	76,900	77,582	78,130	78,790	76,343	76,679	77,023	77,275	77,492
GOODS-PRODUCING	25,012	22,901	23,087	23,077	24,572	22,233	22,222	22,418	22,575	22,675
MINING	718	763	755	759	728	741	743	749	749	770
CONTRACT CONSTRUCTION	4,120	3,688	3,641	3,604	3,872	3,392	3,395	3,415	3,416	3,387
MANUFACTURING	20,174	18,450	18,691	18,714	19,972	18,100	18,084	18,254	18,410	18,518
Production workers	14,709	13,180	13,431	13,449	14,515	12,849	12,840	13,011	13,160	13,265
DURABLE GOODS	11,966	10,592	10,773	10,767	11,870	10,527	10,465	10,563	10,650	10,676
Production workers	8,960	7,468	7,653	7,647	8,599	7,404	7,348	7,450	7,534	7,565
Ordnance and accessories	178.7	167.4	166.7	165.6	178	173	172	167	165	164
Lumber and wood products	608.0	583.9	580.4	580.1	600	552	557	563	568	573
Furniture and fixtures	512.5	457.4	465.8	468.5	507	437	441	452	463	463
Stone, clay, and glass products	687.2	624.9	624.9	624.7	678	605	604	610	613	616
Primary metal industries	1,347.4	1,147.8	1,169.3	1,156.0	1,353	1,149	1,334	1,148	1,169	1,161
Fabricated metal products	1,509.6	1,332.0	1,354.3	1,360.4	1,492	1,317	1,298	1,331	1,340	1,344
Machinery, except electrical	2,245.2	2,000.6	2,028.1	2,026.6	2,257	2,035	2,017	2,103	2,034	2,037
Electrical equipment	2,025.4	1,740.3	1,774.3	1,791.7	2,009	1,723	1,712	1,747	1,758	1,777
Transportation equipment	1,868.9	1,636.8	1,694.1	1,673.2	1,836	1,657	1,645	1,645	1,643	1,644
Instruments and related products	522.7	483.8	487.4	490.2	521	481	482	481	485	488
Miscellaneous manufacturing	460.5	417.0	427.3	429.5	439	398	403	406	412	409
NONDURABLE GOODS	8,208	7,858	7,918	7,947	8,102	7,573	7,619	7,691	7,760	7,842
Production workers	6,019	5,712	5,778	5,802	5,916	5,445	5,492	5,561	5,626	5,700
Food and kindred products	1,772.3	1,804.1	1,808.7	1,775.9	1,704	1,671	1,668	1,688	1,689	1,708
Tobacco manufactures	88.9	85.1	88.4	88.2	79	75	79	78	79	79
Textile mill products	962.5	923.4	937.1	952.5	964	891	897	918	938	954
Apparel and other textile products	1,345.1	1,255.1	1,278.0	1,303.1	1,327	1,215	1,245	1,245	1,260	1,285
Paper and allied products	697.8	644.9	649.8	655.2	694	627	633	639	649	652
Printing and publishing	1,116.8	1,069.5	1,071.7	1,075.6	1,114	1,073	1,068	1,072	1,074	1,072
Chemicals and allied products	1,067.7	1,015.8	1,014.3	1,014.1	1,067	1,000	999	1,008	1,010	1,013
Petroleum and coal products	200.7	204.6	203.5	203.2	199	197	199	199	200	202
Rubber and plastics products, nec.	686.0	592.4	603.5	612.1	683	572	575	588	598	609
Leather and leather products	270.3	262.6	263.0	267.0	271	252	256	256	263	268
SERVICE-PRODUCING	54,453	53,999	54,495	55,053	54,218	54,110	54,457	54,605	54,700	54,817
TRANSPORTATION AND PUBLIC UTILITIES	4,714	4,493	4,502	4,501	4,686	4,469	4,464	4,466	4,466	4,474
WHOLESALE AND RETAIL TRADE	17,249	16,959	17,081	17,125	17,154	16,877	16,984	17,016	17,042	17,032
WHOLESALE TRADE	4,276	4,192	4,193	4,211	4,246	4,153	4,161	4,159	4,180	4,182
RETAIL TRADE	12,973	12,767	12,888	12,914	12,908	12,724	12,823	12,857	12,862	12,850
FINANCE, INSURANCE, AND REAL ESTATE	4,220	4,273	4,240	4,239	4,228	4,202	4,203	4,218	4,236	4,247
SERVICES	13,825	14,162	14,126	14,202	13,797	13,871	13,990	14,050	14,126	14,174
GOVERNMENT	14,445	14,112	14,546	14,986	14,353	14,691	14,816	14,855	14,830	14,890
FEDERAL	2,721	2,775	2,746	2,738	2,745	2,738	2,745	2,756	2,765	2,763
STATE AND LOCAL	11,724	11,337	11,800	12,248	11,608	11,953	12,071	12,099	12,065	12,127

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					
	Oct. 1974	Aug. 1975	Sept. 1975[p]	Oct. 1975[p]	Oct. 1974	June 1975	July 1975	Aug. 1975	Sept. 1975[p]	Oct. 1975[p]
TOTAL PRIVATE	36.5	36.6	36.3	36.2	36.5	36.0	36.0	36.2	36.1	36.2
MINING	43.8	42.0	42.5	43.0	43.4	42.2	42.1	41.8	42.2	42.6
CONTRACT CONSTRUCTION	38.0	37.8	37.5	37.4	37.1	35.7	36.2	36.7	36.6	36.5
MANUFACTURING	40.1	39.7	40.2	39.9	40.0	39.3	39.4	39.7	39.8	39.8
Overtime hours	3.3	2.9	3.1	2.9	3.1	2.4	2.6	2.8	2.8	2.7
DURABLE GOODS	40.9	39.9	40.5	40.2	40.7	39.6	39.8	40.2	40.2	40.0
Overtime hours	3.5	2.7	3.0	2.8	3.3	2.3	2.5	2.7	2.7	2.6
Ordnance and accessories	41.3	41.0	41.9	41.5	41.4	41.6	40.1	41.2	41.9	41.6
Lumber and wood products	39.1	39.8	39.9	39.7	38.9	39.0	39.1	39.5	39.5	39.5
Furniture and fixtures	39.0	38.8	39.3	39.3	38.6	37.6	37.8	38.3	38.8	38.9
Stone, clay, and glass products	41.7	41.1	41.3	41.2	41.3	40.3	40.6	40.7	40.9	40.8
Primary metal industries	41.7	39.6	40.4	39.9	41.9	39.6	39.7	39.9	40.0	40.1
Fabricated metal products	41.0	40.0	40.6	40.4	40.9	39.5	39.5	40.0	40.3	40.3
Machinery, except electrical	42.5	40.4	40.9	40.7	42.5	40.4	40.5	40.8	40.7	40.7
Electrical equipment	39.9	39.5	39.9	39.8	39.7	39.3	39.5	39.6	39.6	39.6
Transportation equipment	40.9	40.0	41.1	40.9	40.5	40.0	40.7	41.2	40.7	40.5
Instruments and related products	40.0	39.3	40.1	39.9	39.9	39.4	39.7	39.5	39.8	39.8
Miscellaneous manufacturing	38.6	38.3	38.8	38.8	38.4	38.3	38.1	38.2	38.7	38.6
NONDURABLE GOODS	39.0	39.5	39.8	39.5	38.9	38.7	38.8	39.3	39.4	39.4
Overtime hours	3.0	3.1	3.3	3.1	2.8	2.6	2.8	2.9	2.9	2.9
Food and kindred products	40.3	41.3	41.5	40.6	40.3	39.9	40.1	40.7	40.8	40.6
Tobacco manufactures	38.7	38.2	38.9	38.1	37.3	39.8	35.4	37.6	38.1	36.7
Textile mill products	38.4	40.6	41.1	41.0	38.4	39.2	39.6	40.4	40.9	41.0
Apparel and other textile products	35.4	35.9	36.1	36.2	35.3	35.2	35.2	35.5	35.9	36.1
Paper and allied products	41.9	42.4	42.5	42.4	41.8	41.5	41.6	42.1	42.2	42.3
Printing and publishing	37.7	37.2	37.4	37.0	37.6	36.7	36.7	37.1	37.0	36.9
Chemicals and allied products	41.3	40.9	41.3	41.3	41.3	40.7	40.9	41.1	41.3	41.3
Petroleum and coal products	43.0	41.0	42.1	41.7	42.6	41.2	41.3	41.0	41.5	41.3
Rubber and plastics products, nec	40.8	40.1	40.7	40.4	40.7	39.6	40.0	40.1	40.3	40.3
Leather and leather products	36.6	38.2	38.2	38.6	36.9	37.5	37.8	38.0	38.4	38.9
TRANSPORTATION AND PUBLIC UTILITIES	40.3	39.9	39.9	39.7	40.1	39.5	39.4	39.5	39.7	39.5
WHOLESALE AND RETAIL TRADE	33.7	34.6	33.7	33.5	33.9	33.8	33.6	33.8	33.6	33.7
WHOLESALE TRADE	38.7	38.7	38.6	38.6	38.7	38.4	38.5	38.6	38.5	38.6
RETAIL TRADE	32.2	33.4	32.2	32.0	32.4	32.4	32.2	32.3	32.1	32.2
FINANCE, INSURANCE, AND REAL ESTATE	36.6	36.4	36.2	36.4	36.6	36.5	36.3	36.3	36.3	36.4
SERVICES	33.7	34.3	33.7	33.6	33.8	33.9	33.7	33.8	33.6	33.7

[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			
	Oct. 1974	Aug. 1975	Sept. 1975[p]	Oct. 1975[p]	Oct. 1974	Aug. 1975	Sept. 1975[p]	Oct. 1975[p]
TOTAL PRIVATE	$4.37	$4.56	$4.64	$4.65	$159.51	$166.90	$168.43	$168.33
Seasonally adjusted	4.34	4.57	4.60	4.62	158.41	165.43	166.06	167.24
MINING	5.38	5.92	6.02	6.00	235.64	248.64	255.85	258.00
CONTRACT CONSTRUCTION	6.99	7.27	7.39	7.48	265.62	274.81	277.13	279.75
MANUFACTURING	4.57	4.82	4.89	4.91	183.26	191.35	196.58	195.91
DURABLE GOODS	4.88	5.16	5.24	5.27	199.59	205.88	212.22	211.85
Ordnance and accessories	4.82	5.28	5.43	5.46	199.07	216.48	227.52	226.59
Lumber and wood products	4.02	4.39	4.41	4.40	157.18	174.72	175.96	174.68
Furniture and fixtures	3.59	3.78	3.80	3.82	140.01	146.66	149.34	150.13
Stone, clay, and glass products	4.66	4.96	5.00	5.01	194.32	203.86	206.50	206.41
Primary metal industries	5.82	6.29	6.39	6.42	242.69	249.08	258.16	256.16
Fabricated metal products	4.76	5.10	5.16	5.18	195.16	204.00	209.50	209.27
Machinery, except electrical	5.09	5.39	5.46	5.51	216.33	217.76	223.31	224.26
Electrical equipment	4.31	4.60	4.67	4.67	171.97	181.70	186.33	185.87
Transportation equipment	5.78	6.01	6.15	6.28	236.40	240.40	252.77	256.85
Instruments and related products	4.31	4.57	4.61	4.61	172.40	179.60	184.86	183.94
Miscellaneous manufacturing	3.54	3.79	3.81	3.83	136.64	145.16	147.83	148.60
NONDURABLE GOODS	4.11	4.36	4.41	4.42	160.29	172.22	175.52	174.59
Food and kindred products	4.26	4.58	4.61	4.65	171.68	189.15	191.32	188.79
Tobacco manufactures	4.06	4.32	4.27	4.22	157.12	165.02	166.10	160.78
Textile mill products	3.26	3.38	3.48	3.53	125.18	137.23	143.03	144.73
Apparel and other textile products	3.10	3.16	3.22	3.23	109.74	113.44	116.24	116.93
Paper and allied products	4.66	5.10	5.10	5.13	195.25	216.24	216.75	217.51
Printing and publishing	5.09	5.45	5.49	5.52	191.89	202.74	205.33	204.24
Chemicals and allied products	5.01	5.44	5.48	5.50	206.91	222.50	226.32	227.15
Petroleum and coal products	5.78	6.55	6.59	6.55	248.54	268.55	277.44	273.14
Rubber and plastics products, nec	4.15	4.39	4.42	4.42	169.32	176.04	179.89	178.57
Leather and leather products	3.07	3.21	3.26	3.25	112.36	122.62	124.53	125.45
TRANSPORTATION AND PUBLIC UTILITIES	5.62	6.05	6.11	6.08	226.49	241.40	243.79	241.38
WHOLESALE AND RETAIL TRADE	3.57	3.76	3.80	3.82	120.31	130.10	128.06	127.97
WHOLESALE TRADE	4.63	4.93	4.95	4.98	179.18	190.79	191.07	192.23
RETAIL TRADE	3.18	3.35	3.39	3.41	102.40	111.89	109.16	109.12
FINANCE, INSURANCE, AND REAL ESTATE	3.90	4.15	4.17	4.19	142.74	151.06	150.95	152.52
SERVICES	3.86	4.03	4.13	4.15	130.08	138.23	139.18	139.44

[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	Oct. 1974	May 1975	June 1975	July 1975	Aug. 1975	Sept.P 1975	Oct.P 1975	Percent change from: Oct. 1974-Oct. 1975	Percent change from: Sept. 1975-Oct. 1975
TOTAL PRIVATE NONFARM:									
Current dollars	163.3	170.6	172.2	173.1	174.6	175.1	176.8	8.2	0.9
Constant (1967) dollars	106.8	107.1	107.3	106.6	107.4	107.2	N.A.	(2)	(3)
MINING	168.8	180.7	182.8	184.0	186.2	187.1	188.6	11.8	.8
CONTRACT CONSTRUCTION	167.3	173.4	175.9	177.4	176.7	176.6	178.9	7.0	1.3
MANUFACTURING	161.3	169.7	171.0	172.2	173.3	174.5	176.3	9.3	1.0
TRANSPORTATION AND PUBLIC UTILITIES	172.4	179.3	181.1	182.4	186.2	186.4	186.3	8.1	(4)
WHOLESALE AND RETAIL TRADE	159.6	166.4	167.5	168.3	170.5	170.5	171.9	7.7	.8
FINANCE, INSURANCE, AND REAL ESTATE	152.9	160.4	163.1	161.5	163.0	163.0	164.3	7.4	.8
SERVICES	167.0	173.5	175.5	175.8	177.1	177.5	179.5	7.5	1.1

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

[2] Percent change was 0.2 from September 1974 to September 1975, the latest month available.

[3] Percent change was -0.2 from August 1975 to September 1975, the latest month available.

[4] Less than 0.05 percent. 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 hours of production or nonsupervisory workers[1] on private nonagricultural payrolls, by industry, seasonally adjusted

(1967 = 100)

Industry division and group	1974			1975									
	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.P	Oct.P
TOTAL	112.9	111.3	109.9	108.9	107.0	105.9	106.0	106.3	106.0	106.4	107.6	108.0	108.4
GOODS-PRODUCING	102.7	99.2	96.7	94.5	90.7	88.4	89.2	89.4	88.9	89.3	91.2	92.3	92.8
MINING	119.9	99.7	106.0	117.4	116.7	115.9	113.7	119.4	118.4	118.8	118.6	119.7	123.4
CONTRACT CONSTRUCTION	114.9	112.9	112.1	111.0	104.1	94.5	99.0	99.3	94.9	96.2	98.3	98.0	96.6
MANUFACTURING	100.0	96.8	93.6	90.8	87.4	86.4	86.6	86.6	86.8	87.1	89.0	90.3	91.0
DURABLE GOODS	101.7	98.3	94.9	91.8	87.9	86.6	86.5	85.4	85.2	84.9	86.7	87.8	88.1
Ordnance and accessories	48.4	48.4	48.8	48.3	48.3	47.7	47.7	47.5	46.9	44.7	43.7	43.3	42.9
Lumber and wood products	94.7	89.6	87.1	83.8	82.3	81.6	82.5	84.4	85.8	86.7	88.8	89.9	90.7
Furniture and fixtures	105.3	98.9	94.9	88.0	85.1	83.9	85.8	87.7	87.2	88.7	92.6	97.1	96.9
Stone, clay, and glass products	107.2	105.2	102.3	98.5	94.1	91.2	92.6	92.6	92.4	93.1	94.5	95.6	95.7
Primary metal industries	104.0	101.9	98.0	94.8	90.6	87.3	84.1	82.1	80.8	80.0	81.7	83.8	83.4
Fabricated metal products	106.2	102.8	99.6	94.9	92.1	90.2	90.1	89.0	88.5	86.7	90.9	92.3	92.6
Machinery, except electrical	110.7	108.6	106.3	104.0	100.8	98.3	96.6	93.1	91.3	90.4	91.0	91.9	92.1
Electrical equipment and supplies	100.9	96.6	92.8	90.2	85.3	84.3	83.3	81.9	81.8	81.6	84.3	85.1	86.7
Transportation equipment	93.1	88.7	84.0	81.1	75.1	77.3	80.4	80.2	81.4	82.0	82.9	81.9	82.0
Instruments and related products	110.6	108.9	106.6	105.0	100.7	98.3	98.2	97.1	97.0	98.1	97.2	99.7	100.4
Miscellaneous manufacturing, Ind.	98.4	94.6	91.1	89.4	87.3	85.6	86.0	86.5	87.0	87.7	89.0	91.7	90.8
NONDURABLE GOODS	97.5	94.5	91.7	89.3	86.7	86.0	86.7	88.2	89.1	90.2	92.4	94.0	95.3
Food and kindred products	96.2	94.8	93.9	92.8	92.5	92.6	92.4	92.9	93.1	93.4	96.1	96.4	97.5
Tobacco manufactures	86.4	83.8	86.1	88.2	86.9	86.7	83.4	80.3	86.7	80.8	85.8	88.3	83.8
Textile mill products	92.6	88.4	83.3	78.0	75.8	77.2	80.8	85.7	87.0	88.5	93.0	96.5	98.5
Apparel and other textile products	90.3	86.3	82.2	80.1	76.9	76.5	78.5	79.8	82.4	84.6	85.3	87.5	89.6
Paper and allied products	98.4	95.7	93.9	91.0	87.4	85.3	84.5	85.7	86.4	87.6	89.6	91.3	92.2
Printing and publishing	99.1	97.5	97.0	96.7	94.9	93.9	92.6	92.0	91.2	90.9	92.4	92.1	91.7
Chemicals and allied products	104.0	102.4	99.3	96.6	95.0	92.4	91.4	92.7	92.6	93.0	94.5	95.8	96.3
Petroleum and coal products	110.6	109.6	108.7	102.8	100.2	104.0	101.4	104.4	105.3	107.2	107.3	109.5	108.9
Rubber and plastics products, nec	132.8	123.0	117.4	113.8	104.2	100.4	102.1	105.1	105.1	106.9	110.6	113.4	115.8
Leather and leather products	73.5	73.0	70.3	67.8	64.4	63.0	65.8	66.8	69.6	71.4	72.1	74.9	77.5
SERVICE-PRODUCING	120.0	119.6	119.1	118.9	118.4	118.1	117.6	118.0	117.8	118.3	119.0	118.9	119.2
TRANSPORTATION AND PUBLIC UTILITIES	107.7	106.8	106.2	105.0	103.5	102.1	102.3	100.3	100.6	100.3	100.5	101.0	100.6
WHOLESALE AND RETAIL TRADE	116.3	115.7	114.7	114.3	113.7	113.9	113.4	113.9	113.7	114.6	115.2	114.8	115.1
WHOLESALE TRADE	114.3	113.8	113.3	113.0	112.1	111.6	111.5	111.4	110.3	110.8	111.0	111.3	111.6
RETAIL TRADE	117.0	116.4	115.2	114.7	114.2	114.8	114.0	114.8	115.0	116.0	116.8	116.2	116.4
FINANCE, INSURANCE, AND REAL ESTATE	125.0	125.1	125.1	125.2	124.5	123.6	122.1	122.9	123.2	122.3	122.9	123.4	123.8
SERVICES	129.1	129.3	129.3	129.9	129.9	129.6	129.3	130.3	129.9	130.4	131.4	131.3	131.9

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

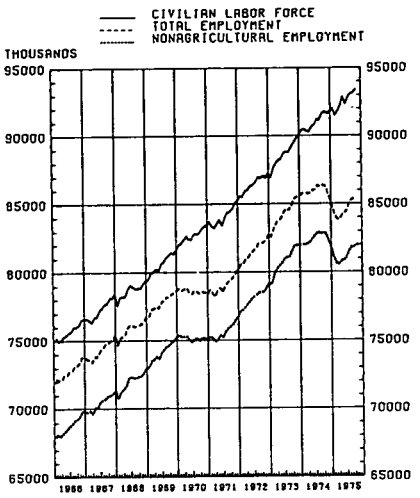
Table B-6. Indexes of diffusion: Percent of industries in which employment[1] increased

Year and month	Over 1-month span	Over 3-month span	Over 6-month span	Over 12-month span
1972				
January	69.5	76.2	81.7	77.3
February	73.5	82.8	83.1	81.1
March	75.0	80.2	85.2	78.8
April	71.8	82.0	78.5	82.3
May	76.2	77.6	79.9	84.6
June	70.6	70.3	79.9	84.3
July	48.0	70.6	83.1	84.0
August	67.7	70.6	81.7	84.0
September	73.0	80.8	80.2	85.2
October	79.9	83.4	83.7	82.8
November	73.3	79.1	82.0	80.8
December	75.9	82.0	84.0	83.1
1973				
January	76.7	84.0	81.7	81.1
February	75.0	83.7	79.4	80.8
March	73.8	76.2	79.4	82.6
April	62.5	71.5	74.7	81.4
May	59.9	70.3	72.1	79.7
June	68.0	63.1	66.6	78.5
July	55.8	66.9	72.1	75.6
August	63.1	64.8	72.7	73.5
September	61.6	74.7	73.0	69.2
October	72.7	75.9	75.6	66.0
November	75.0	76.5	70.3	66.6
December	66.6	70.1	66.0	64.2
1974				
January	59.3	62.8	60.8	63.4
February	52.6	53.8	55.2	59.6
March	46.5	48.0	49.7	55.2
April	47.1	48.3	48.5	50.3
May	55.2	51.7	49.7	40.1
June	53.2	52.6	45.6	28.2
July	52.3	45.1	37.2	27.0
August	45.9	39.2	31.1	22.4
September	36.0	40.4	23.3	20.9
October	37.8	28.8	17.7	18.6
November	20.1	21.5	17.2	16.6
December	18.6	13.4	13.1	14.0
1975				
January	18.6	12.5	13.4	16.6
February	16.6	13.7	13.1	17.4
March	25.0	19.2	16.3	17.7p
April	40.4	35.8	27.9	19.2p
May	53.8	40.4	40.1	
June	40.4	48.5	59.9p	
July	55.2	55.8	67.7p	
August	73.5	78.5p		
September	75.6p	77.9p		
October	62.8p			
November				
December				

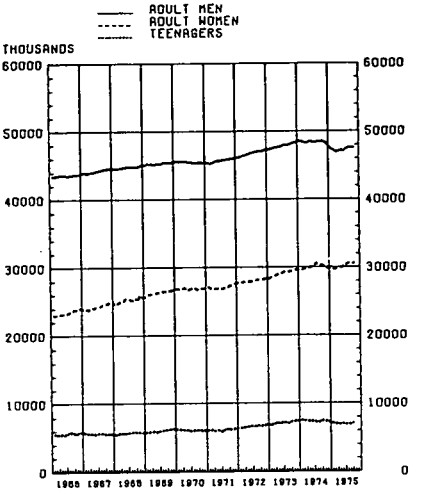
[1] Number of employees, seasonally adjusted, on payrolls of 172 private nonagricultural industries.
p = preliminary.

LABOR FORCE, EMPLOYMENT, UNEMPLOYMENT
HOUSEHOLD DATA - SEASONALLY ADJUSTED

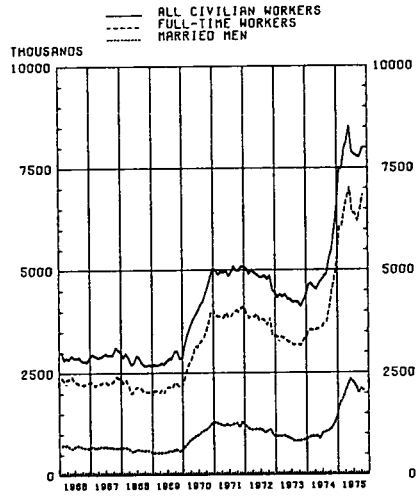
1. LABOR FORCE AND EMPLOYMENT



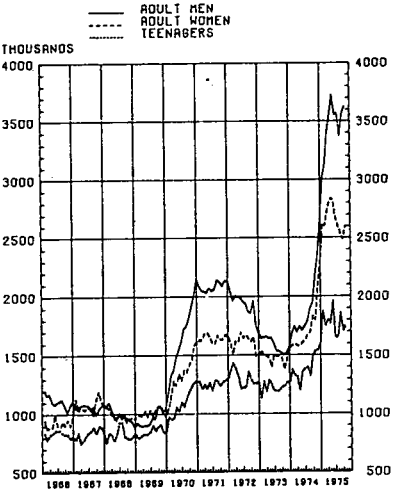
2. TOTAL EMPLOYMENT



3. UNEMPLOYMENT

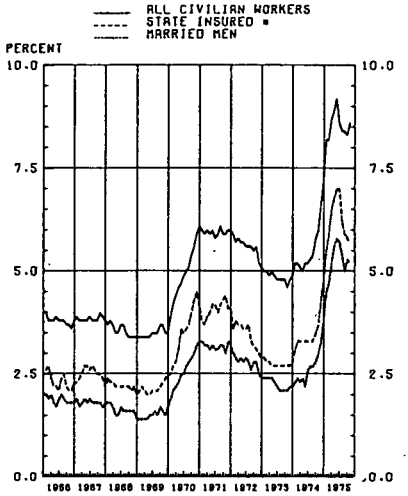


4. UNEMPLOYMENT

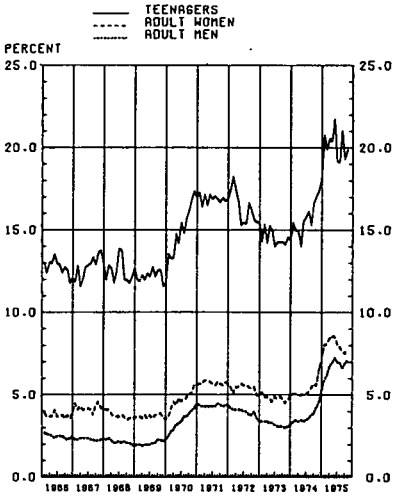


UNEMPLOYMENT RATES
HOUSEHOLD DATA - SEASONALLY ADJUSTED

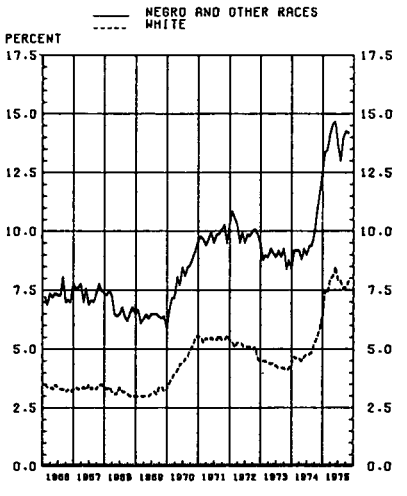
5. UNEMPLOYMENT RATES



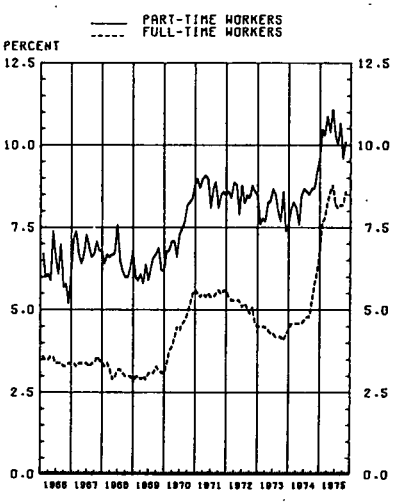
6. UNEMPLOYMENT RATES



7. UNEMPLOYMENT RATES



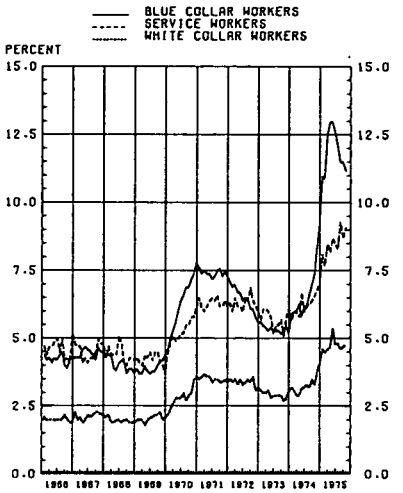
8. UNEMPLOYMENT RATES



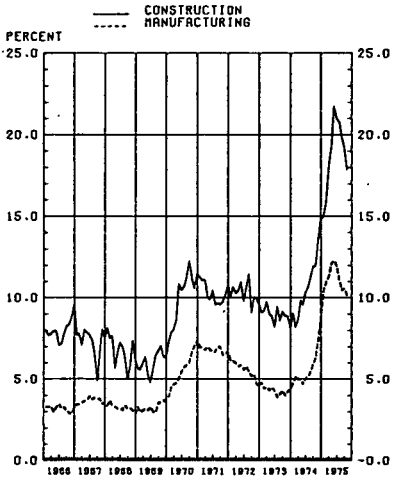
* State insured unemployment rate pertains to the week including the 12th of the month and represents the insured unemployed under State programs as a percent of averaga covered employment. The figures are derived from administrative records of unemployment insurance systems.

UNEMPLOYMENT
HOUSEHOLD DATA - SEASONALLY ADJUSTED

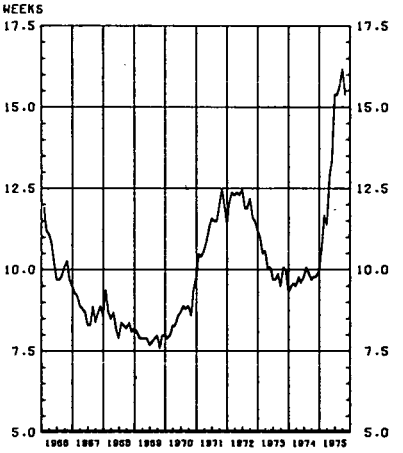
9. UNEMPLOYMENT RATES



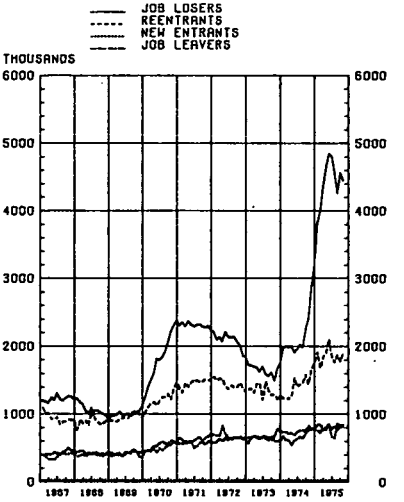
10. UNEMPLOYMENT RATES



11. AVERAGE DURATION OF UNEMPLOYMENT

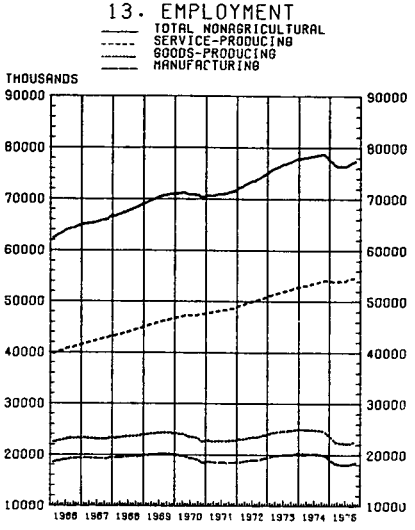


12. UNEMPLOYMENT BY REASON

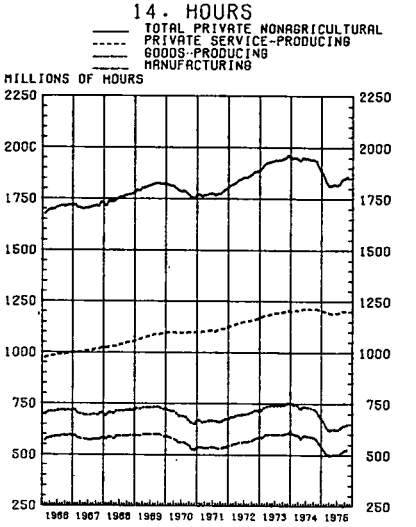


NONAGRICULTURAL EMPLOYMENT AND HOURS
ESTABLISHMENT DATA - SEASONALLY ADJUSTED

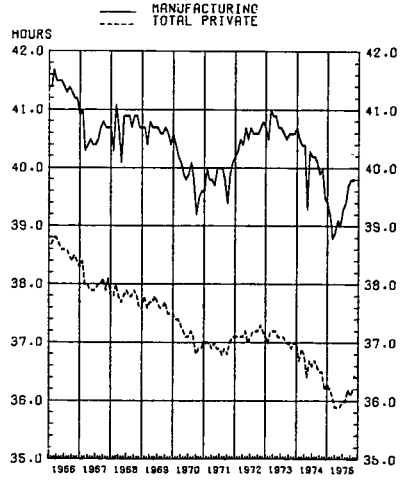
13. EMPLOYMENT



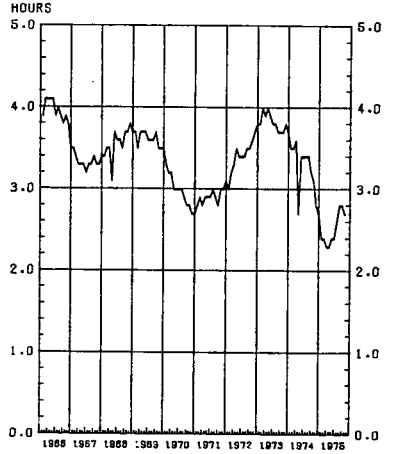
14. HOURS



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.

Chairman HUMPHREY. Thank you very much.

Mr. Shiskin, the expert on our committee on these matters, is sitting to my left, and to your right. Senator Proxmire, over the years, has acquainted himself with the work of the Bureau of Labor Statistics more than any other man in the Congress. I am going to turn the questioning over to the Senator, because we have time limitations today. There isn't a question I can ask that he can't ask better and knows more about.

Senator PROXMIRE. Well, thank you for the introduction, Mr. Chairman, I am sure it is completely untrue, but I like it anyway.

Chairman HUMPHREY. It is true, and I say that regrettably for myself.

Senator PROXMIRE. Well, let me ask you, Mr. Shiskin, you seem to me to have a flavor in this release which is more optimistic than the facts seem to me to warrant. Maybe I am wrong. I hope you can show me where I am wrong.

For instance, you say: "Further evidence of continuing recovery was apparent in the October unemployment data provided by the establishment survey." Now, the U.S. Department of Labor, Bureau of Labor Statistics report, released this morning, which I have here in my hand, shows in table A a total employment level for September of 1975 of 85.4 million and in October of 1975, it was 85.4 million, with no increase at all. Now I take it that is the census data?

Mr. SHISKIN. Yes.

Senator PROXMIRE. That is the data you get by having people come around and knock on the door?

Mr. SHISKIN. The household survey. The total shows little change. Agricultural employment went down and non-agricultural employment went up.

Senator PROXMIRE. But nevertheless, the total is unchanged?

Mr. SHISKIN. Right.

Senator PROXMIRE. Now, why should we put more reliance on the establishment data than the household survey?

Mr. SHISKIN. Well, it isn't only the establishment data. There is also the distinction between nonagricultural and agricultural employment. The agricultural industries are not cyclically sensitive industries. Agriculture does not move in conformity with the business cycle, but the other industries do. What we are conerned about is a business cycle recovery and the prospect for its continuing. For this purpose it is better to look at nonagricultural employment.

Both surveys of nonagricultural employment, the household survey and the establishment survey, show an increase in October as well as in earlier months.

Senator PROXMIRE. Well, I am still not clear in my mind why the agriculture sector of the economy would be disregarded in assessing the employment data, as it affects our recovery.

Mr. SHISKIN. Well, Senator Proxmire——

Senator PROXMIRE. The fact is that we do not have—and this is according to the household survey, which is a pretty fine survey and most comprehensive in that it takes 50,000 or more households that are surveyed—and that shows no increase overall in the economy as a whole in employment.

Mr. SHISKIN. Senator, I would not disparage agriculture in the presence of the chairman of this committee but——

67-973 O - 76 - pt. 6 - 6

Chairman HUMPHREY. Not only in the presence of the chairman of this committee, but in the knowledge of the economy.

Mr. SHISKIN. I agree with you.

Chairman HUMPHREY. Agriculture is important.

Mr. SHISKIN. But I answered a very specific question, and that is, we know from our studies of business cycles that the agricultural sector of the economy does not conform—has not conformed, historically, to the business cycle. And what I have tried to do is to separate the part that does conform from the part that does not conform, in responding to Senator Proxmire. Because you are concerned, as I am concerned, with the prospects of the business recovery continuing. And I think you could do a better job if you set agriculture aside. That is not to disparage agriculture at all.

Senator PROXMIRE. As was pointed out to me by the staff, the actual increase in the nonagricultural industries is 81.87 in September to 82.019, which is a very, very small increase, which is 147,000 out of 81 million, or less than one-fifth of 1 percent.

Mr. SHISKIN. It is a small increase.

Senator PROXMIRE. Why would that be statistically significant?

Mr. SHISKIN. I don't know whether it is or not. You know my views on statistical significance. The question is——

Senator PROXMIRE. Well, would it be economically significant. You say one-fifth of 1 percent.

Mr. SHISKIN. Well, let me say this. I think what is significant is the fact that since April or May of this year, we have had persistent increases in nonagricultural employment. Some months——

Senator PROXMIRE. Well, that is where I would differ with you.

Mr. SHISKIN. Some months——

Senator PROXMIRE. But, let me go back to August. I think you are right. I think we did have a recovery in May, June and July. But then we go back to August. August is 81,884, and we have an actual drop in nonagricultural employment in September and then——

Mr. SHISKIN. In September?

Senator PROXMIRE. And then a very feeble recovery in October. So that, altogether, over those 2 months——

Mr. SHISKIN. Right.

Senator PROXMIRE [continuing]. So that over those two months, you had about one-sixth of 1 percent. On an annual basis, that would be a 1 percent increase. It seems to me that is not very heartening.

Mr. SHISKIN. But there is also the other survey—the establishment survey. As you know, they supplement each other. And the establishment survey shows a very strong rise over the past 4 months.

It is true that the rise in October was smaller than the rise in previous months. There are two comments I would like to make on that.

That is a preliminary figure. The figure for September was revised upward in the following month. That may happen again this time or it may not.

But also, I think there is a more basic point, and that is the following. Those of us who have specialized, and I have done so for a good part of my life, in business-cycle analysis, try to pinpoint trough months in the economy as a whole. We have come to the point of view the best trough month for the recent recession was March. That is the method we use in our——

Senator PROXMIRE. I understand that. You see, what is difficult in the last 2 or 3 months we see this August figure that has very little improvement and——

Mr. SHISKIN. But let me continue. Let's accept, for a moment, the month of March as the trough, and others may agree with me or disagree with me, but we are using March. That means we have had 7 months of recovery. I have said on earlier occasions that this recovery is so far a rebound from an inventory adjustment. Such a rebound usually lasts from 6 to 9 months. And I think we have to expect, in the next few months, to see slower rates of increase then we have had in the first 6 months of this——

Senator PROXMIRE. Well, let me ask you this.

You say that the diffusion index, which indicates the proportion of industries that showed increased employment, was encouraging in August. It was 76 and——

Mr. SHISKIN. I didn't use the word "encouraging."

Senator PROXMIRE. You say it was 72 in August, 76 in September, and now it is going down to 63?

Mr. SHISKIN. Right.

Senator PROXMIRE. We understand it is hard to get a continued increase in the numbers, but it seems to me that is a discouraging element. There is a substantially smaller proportion of industries that report increased employment, an increased number of jobs that reported this increased number of jobs in October, as compared with September or as compared with August. So you have a substantially less—

Mr. SHISKIN. Well, right. I think that the evidence that we have so far, based on these employment data, shows continued recovery, which is, I think, taking place at a slower pace.

Senator PROXMIRE. You say a slower pace?

Mr. SHISKIN. Right.

Senator PROXMIRE. And then there is one other element——

Mr. SHISKIN. Now let me complete my answer to this question. The diffusion index is a rather erratic index. For example, I am just reading more or less at random the numbers for 1973: "74, 63, 60, 68, 56" and skipping down a few months, "73, 75, and 76." So this month's figure is within the range of variation. But of course, I don't want to downplay the decline.

Senator PROXMIRE. Well, you brought it up. I mean, you have it in your release.

Mr. SHISKIN. No, it is lower.

Senator PROXMIRE. Well, all right.

Mr. SHISKIN. I said that the increase in October, based on the employment figures, seems to be smaller than previous months.

Senator PROXMIRE. Now, the contradiction that really strikes me relates to longer term unemployment. You pointed out that long-term unemployment tended to drop and the people were out of work for more than 15 weeks and more than 27 weeks, and so forth, and you said that is somewhat less.

Yet you persistently have told this committee that when that increases, it indicates a recovery in the economy. In other words, when long-term unemployment goes up, it means your short-term unemployment is dropping and more people are being hired. Therefore, the per-

formance now would seem not to be consistent with a recovery, but with perhaps even a possibility of slipping back into a recession.

Mr. SHISKIN. Well, what I said——

Senator PROXMIRE. In other words, unemployment overall is going up and it is a characteristic not of a recovery period but of a slacking off period.

Mr. SHISKIN. What I said was that long-term unemployment tends to lag total unemployment. If you could put aside, for just a moment, the October unemployment figures, what we have seen was a decline of some magnitude in unemployment. And we have been expecting the lagging unemployment figures such as long-term unemployment to go down, and they did go down. And the puzzling thing to me is the rise in the October figure for unemployment. I think I have a clue as to why that has taken place, and hopefully, within the next few minutes, I will get into that.

But I think that is the puzzle, and not the——

Senator PROXMIRE. Well, how about the price statistics. Are you going to tell us that those look pretty good?

Mr. SHISKIN. No, I won't say that.

Senator PROXMIRE. I am talking about wholesale price statistics. Well, how about giving us an interpretation of that?

Mr. SHISKIN. Senator——

Senator PROXMIRE. No, I apologize for that. I don't mean to imply that you are not objective, because of course you are.

But, what I am trying to get at here is that there does seem to be a serious deterioration.

Mr. SHISKIN. I think there is.

Senator PROXMIRE. And it is an alarming deterioration here. As the chairman pointed out a minute ago, the increase in wholesale prices is not just for this month but over the last 3 months, and no matter how you look at this, this seems to be discouraging, particularly when you recognize, as I am sure you would agree, that the industrial commodity prices are rising, at a time when there is slack in the economy and when some industries are operating below 70 percent of their capacity and when demand is weak, that rise would seem puzzling because those are the very industries where prices are going up.

Now, what is the explanation here?

Mr. SHISKIN. Well, first of all, let me say that wholesale prices usually rise during recoveries and that is to be expected. I have said that many times and of course, I think it is true.

I must say, however, that this rise is more than I expected. The sharp rise covers only one month, and hopefully it won't continue, but that we don't know.

What I think is going on is just the kind of thing which you would expect, and that is, during a recovery, Senator, business concerns get optimistic and they test the market. One of the ways they do that is by raising prices. There is no doubt there has been a substantial rise in recent months in industrial prices, in the price of industrial commodities, and it is deplorable.

Incidentally, let me hasten to say that I think the rise in unemployment is also deplorable. I think it is very unfortunate for me that I have to be the Commissioner of Labor Statistics during such a period of high unemployment and high inflation. I wish that the

figures were much lower in both areas, but they are not and I have to report them.

Senator PROXMIRE. Well, my time is just about up, but I call your attention to the fact that these are not just modest increases you might expect in a recovery period.

Mr. SHISKIN. No, indeed.

Senator PROXMIRE. You run down this list and see—looking at this list of metals and metal products and see iron and steel with an increase of 2.1 percent in a month; steel mill products, 3.6 percent. And then you go down the list of construction machinery and equipment and the increase was six-tenths of 1 percent during this month, but almost 13 percent over a year ago.

General purpose machinery went up almost 10 percent over a year ago; electrical machinery and equipment went up to 7.5 percent over a year ago; concrete ingredients went up 12.3 percent over a year ago. These are very big increases.

Railroad equipment went up 13 percent. As I say, these are cases where the demand is not strong. They are operating well below capacity, and there is nothing that I can see in the cost picture that would justify this. There has been a recovery in productivity and a tailing-off of the increase of labor costs, so that there is no justification except for the administered price power.

Mr. SHISKIN. As I said, it is deplorable. I think industry is probing and testing the market, and there has been a large increase in prices in October. Hopefully, this is just a 1-month picture and doesn't represent the underlying trend.

But, as you pointed out, the trend for the last 3 months has been very high.

Senator PROXMIRE. Well, my time is up.

Chairman HUMPHREY. Mr. Shiskin, I always like to have Senator Proxmire open this inquiry, because it is an educational experience for all of us, because he probes right down to the heart of the matter.

I have a couple of points that I want to bring to your attention, primarily as a point of information. Last month we asked you to supply us with some information regarding the number of persons who may have exhausted or were about to exhaust their unemployment insurance benefits. You did subsequently supply us with some information on that, but we feel we would like some additional matters cleared up.

There are several different unemployment insurance programs, as you know. Persons who exhaust their benefits under one program sometimes can continue to draw benefits under another. What I would like to know is since this recession began, how many people have exhausted all entitlement to all benefits? How many such final exhaustions are expected during the next year? What happens to people who have exhausted their benefits? How many find jobs? How many go on welfare? How many draw food stamps? How many are left with no source of support whatsoever? How many have no entitlement to the benefits in the first place?

If we are going to do anything about the advocacy of sensible policy, we must know the answers to these questions. This ties into the information we received from the Labor and Public Welfare Commit-

tee as to the number of people suffering long-term unemployment. That number has been steadily increasing. I think you would agree with that.

Mr. SHISKIN. Except in October.

Chairman HUMPHREY. Yes. Well, in September of 1974, 989,000 people had been unemployed 15 weeks or longer, but by September of this year, this number had jumped to 2,856,000. Many of these people, going back to my original statement, are beginning to exhaust their unemployment benefits.

The Labor and Public Welfare Committee has estimated 1,680,000 people will exhaust their unemployment compensation benefits by the middle of next year. Is this projection comparable to your estimates? That is the first question.

What information or estimates do you have of what becomes of people when their benefits are exhausted? That goes to the original question I had.

Now, today I don't expect you to give us any definitive answer on it. I am going to ask our staff to supply you with a relevant letter, with a letter that relates to these basic questions, and see if we can't get some more information on it.

Mr. SHISKIN. Sir, thank you.

First of all, let me say I think the questions are all very important. During the last few days I have made an intensive search for data on these questions. I think I have to tell you that you will not get solid answers to the kind of questions you asked until early next year.

In most of the States, the extended benefit program ends in mid-November.

Chairman HUMPHREY. Yes.

Mr. SHISKIN. The Manpower Administration will then obtain a report from all of the States. They have only 18 States now—representing only about 20 percent of total unemployment—which have reported on exhausted benefits. But the Manpower Administration will have a report from all the States after November 16. And early in the new year, they will compile a comprehensive report on the kinds of questions you raise. I would be glad to get those questions, and I will be sure to put them before the proper people in the Department so we are responsive to your questions.

Chairman HUMPHREY. Very good.

Mr. SHISKIN. One final comment. On October 14, Secretary Dunlop was asked to provide information of this kind to the Budget Committee, and he did provide such a statement. It is very partial and incomplete. I have copies of it here, and I would be very happy to give them to you, and also to put them into the record.

Chairman HUMPHREY. Very good. We would appreciate having Secretary Dunlop's statement. We will include it in the record, and I am going to ask the staff to examine that statement to see if there are additional questions I could ask.

[The statement of Secretary Dunlop follows:]

INDIVIDUALS EXHAUSTING ALL UNEMPLOYMENT INSURANCE BENEFITS

Unemployment insurance benefits are paid to eligible individuals with previous work force attachment to avoid the severe financial hardships caused by periods

of unemployment. Such payments act as an automatic stabilizer in the economy. Special programs have been enacted extending the number of weeks for which individuals may receive benefits during periods of high employment. Currently, there are three different kinds of unemployment insurance programs:

1. The regular Unemployment Insurance program provides from 8 to a maximum of 26 weeks of benefits, depending on the State and the earnings and employment history of the individual.

2. The Federal-State Extended Benefit (EB) program was provided for in the Employment Security Amendments of 1970. Under this program, which pays benefits only during periods of high unemployment, beneficiaries are eligible to receive additional benefits for one-half of the period for which they are eligible under the regular program; i.e., an increase ranging from 4 to a maximum of 13 weeks of benefits. Thus, a beneficiary could receive up to 39 weeks of unemployment insurance benefits under this program.

3. The Federal Supplemental Benefit program (FSB) was enacted on December 31, 1974, to provide additional benefits during the recent months of high unemployment. Prior to March 31, 1975, individuals were eligible to receive an increment of benefits equal to one-half of the period for which they were eligible under the regular program; i.e., an increase ranging from 4 to a maximum of 13 weeks of benefits. This meant that under all programs an individual could receive from 16 to a maximum of 52 weeks of benefits. Temporary legislation increased total benefits available to a range of 20 to a maximum of 65 weeks during the period April 1 through June 30, 1975.

On June 30, 1975, legislation was enacted which provided that beneficiaries were eligible to receive additional benefits equal to 100 percent of their eligibility under the regular program; i.e., from 8 to 26 weeks of additional benefits through March 1, 1977. Thus, under all programs—regular, extended and supplemental—an individual can receive from 20 to 65 weeks of unemployment insurance benefits.

Since the June 30, 1975 legislation was enacted, a small fraction of those covered have exhausted all unemployment insurance benefits. While considerable interest exists in knowing something about those beneficiares who have exhausted all 65 weeks of benefits, this information will not be available until late November; the earliest month in which beneficiaries can exhaust 65 weeks of benefits in all 52 jurisdictions.

It should be pointed out that there is movement on the part of individuals in and out of the unemployment insurance program as they gain and lose employment during the course of economic activity. Thus, it would be incorrect to visualize the exhaustion of benefits by an individual as representing the culmination of a continuous stream of benefit collection.

August Exhaustees: Number and Characteristics

However, some of those who were not eligible for a full 65 weeks and some of those so eligible have exhausted all benefits. In August, the latest month for which data are available, over 120,000 beneficiaries have exhausted unemployment insurance benefits under all programs, including the Federal Supplemental Benefits Program. Of those that exhausted their benefits in the 18 states (see attached list) reporting on the characteristics of exhaustees for the month of August, about ½ (51%) were male and about 1 out of 5 (19%) were non-white. Almost half (47%) were in the prime working years, 22–44 years of age. Most exhaustees were concentrated in manufacturing (37%), wholesale and retail trade (19%), and contract construction (13%). (See attached table for details.)

Further Information on Exhaustees

A report on age, sex, race, industry, and occupation of exhaustees under legislation and programs in effect prior to June 30th was distributed in August 1975. This report compared exhaustees of regular, extended, and Federal Supplemental Unemployment Insurance Benefits in 10 States. A follow-up study is planned for the middle of November and the results will be made available as soon as possible.

We expect to analyze the personal, family, employment and other economic characteristics of individuals who have exhausted unemployment insurance benefits, including eligibility for and participation in public assistance programs. Of prime concern is what happens to individuals and their families after exhaustion of unemployment insurance benefits.

TABLE 1.—FEDERAL SUPPLEMENTAL BENEFIT PROGRAM EXHAUSTEES FOR THE MONTH ENDING AUG. 31, 1975
(18 STATES REPORTING)

	Percent distribution		
	Total	Male	Female
Number	23,738	12,194	11,544
Percent—Total	100.0	100.0	100.0
Industry:			
Mining	.5	.8	.1
Contract construction	12.5	22.0	2.4
Manufacturing	37.3	33.8	41.0
Durable goods	51.5	55.2	48.3
Nondurable goods	46.5	43.4	49.1
INA [1]	2.0	1.4	2.6
Transportation, communication, and public utilities	4.4	5.1	3.7
Wholesale and retail trade	18.5	15.0	22.3
Finance, insurance, and real estate	3.8	2.5	5.2
Services	12.3	9.3	15.5
State and local government	1.9	1.5	2.4
All other	4.4	4.5	4.2
INA [1]	4.4	5.5	3.2
Race:			
Percent—Total	100.0		
White	80.5		
Other than white	19.5		
Age:			
Percent—Total	100.0		
Under 22	11.4		
22 to 44	47.3		
45 to 64	28.7		
65 and over	8.7		
INA [1]	3.9		

[1] Information not available.

Source: U.S. Department of Labor, Manpower Administration, Oct. 14, 1975.

TABLE 2.—*States reporting*

Alabama, Alaska, Arizona, Arkansas, District of Columbia, Hawaii, Idaho, Maine, Minnesota, Mississippi, New Jersey, North Carolina, Oklahoma, South Carolina, Utah, Vermont, Washington, and Wyoming.

TABLE 3.—DURATION OF UNEMPLOYMENT: DISTRIBUTION OF THE LONG-TERM UNEMPLOYED (27 WEEKS AND OVER)

[By weeks of unemployment (unadjusted data)]

	September 1975	August 1975
Total, less than 27 weeks	6,065,000	6,214,000
Total 27 weeks and over	1,457,000	1,482,000
27 to 42 weeks	[1] 804,000	[1] 891,000
43 to 51 weeks	[1] 204,000	[1] 145,000
52 to 65 weeks	[1] 267,000	[1] 283,000
66 weeks, and over	[1] 187,000	[1] 168,000
Total unemployment	7,522,000	7,696,000

[1] Parts do not add to totals due to rounding.

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

Mr. SHISKIN. It is very partial, because he could only report, at that time, on the 18 States that we had data on, and those 18 States make up only about 20 percent of total unemployment.

Chairman HUMPHREY. But you agree with me that we are facing the hour of decision, so to speak, on what to do about the extension of these benefits?

Mr. SHISKIN. Yes, sir, I do.

Chairman HUMPHREY. One other point I bring to your attention. In today's release from your Bureau, you note that the unemployment rate for workers covered by regular state unemployment programs was at 5.7 percent in October and continued its downward trend from the May high of 7 percent. There were 3,800,000 claiming regular state unemployment insurance benefits. The number of persons claiming benefits under various special programs, including the Federal extended benefit programs, declined from 2.5 to 2.4.

But, isn't it a fact that the number covered by regular state unemployment insurance has decreased simply because their benefits ran out?

Mr. SHISKIN. Yes; but it is not a very significant statistic.

Chairman HUMPHREY. So, again, it is not as encouraging as the statistics would have you believe?

Mr. SHISKIN. And we don't feature it, but the people did ask for it, and it is an important item, so we felt we should include it.

Chairman HUMPHREY. Now, the other point I wanted to ask the staff to bring to your attention and to Secretary Dunlop's attention is that the proportion of workers having some unemployment is highest among workers under 25, as you have noted in all your reports. In 1974, younger workers' share of the increase in unemployment was much greater than their percentage proportion of the work force. They were 26 percent of the work force, but comprised 43 percent of the rising unemployment.

In September of 1975, the unemployment rate for 16- to 24-year-olds was 15.9. The rising unemployment among our young people I consider to be a very serious matter. It is a devastating problem. And we need to find some answers to this problem.

My question is, have you, in your Bureau, or has the Department of Labor, done any study on the problem of youth unemployment, which would shed some light on this situation? I express my concern in the fact that when there are this many young people out of work, as related to their proportion of the total employment force, it has a very frustrating effect. And I hate to say it, but the rise in the crime rates and the rise in the unemployment rates among young people is a pattern which has such relevance that it is frightening, particularly as to crimes of property. And I just wondered whether any special analysis or attention is being given to this problem?

Mr. SHISKIN. We've made many such studies, Mr. Chairman. Many of them have been published. I circulated one. It specialized on the problems of unemployed teenage girls, black teenage girls. There is another study which we have in the mill, which was quoted in yesterday's Wall Street Journal, which I haven't seen yet. But apparently, a member of the BLS staff talked to Mr. Malabre of the Wall Street Journal and told him about that study. But that study hasn't come through my office yet, so I won't comment on it further.

But, we do have a number of such studies in the mill. When we get to see this latest study, we will provide more information on it.

But we are very concerned with this problem, and we have directed a considerable amount of attention to it.

Chairman HUMPHREY. You see the problem of unemployment is not just the overall statistics. Those statistics do not reveal the very nature of the employment and unemployment situation. And it is not just a matter of race. It is also related to age groups regardless of color, and it is related to certain types of industries.

Mr. SHISKIN. Mr. Chairman, may I take this opportunity to call your attention to the "Q. and A." addendum to my statement. It was prepared last night and early this morning, because we just learned something new about recent trends in the labor force. And what we learned is that the pattern of labor force growth in this recovery is different from the pattern of labor force growth in earlier recoveries. Please look at the chart on the last page of my statement. It is a chart which compares the current and historical recovery patterns of the labor force.

Chairman HUMPHREY. The last page of your statement?

Mr. SHISKIN. Yes. I think this is a very interesting finding, and I think it is going to open up many new questions about the causes of unemployment, of high unemployment at the present time.

Let me first explain the finding and perhaps we can talk a little bit about the causes. The labor force pattern during this recovery looks like a big jump. Let me explain that the vertical line running down the chart is the trough month of business cycle recessions. And to the right we plotted the patterns that each of these recovery periods took. So we can compare what happened during recovery periods, Mr. Chairman.

One line in that mass is the median recovery path in the civilian labor force. If you look at that, for the first 9 months——

Chairman HUMPHREY. Which one is that?

Mr. SHISKIN. That is the dashed line. If you look to the left, you will see an arrow that says, "median."

Chairman HUMPHREY. Yes, I've got it.

Mr. SHISKIN. If you trace that to the vertical line and you go across for about 9 months, you see it was relatively flat. So the usual pattern of the labor force, after recovery gets underway, is to show little growth. The labor force slows down. But we have had a very vigorous growth this time. This is very unusual.

The reason that we simultaneously have growing employment and also high levels of unemployment is that the labor force has risen very rapidly this time, compared to other recoveries. So, we have got a new problem in this recovery.

One thing we will do in the next week or so, as I said, is to refine this material. As I said, we worked this up this morning and last night. In fact, this chart was run by my friends who work on the publication, Business Conditions Digest. We made up a rough chart yesterday afternoon. But, this opens up the possibility that a new phenomenon is taking place. And the result of this new phenomenon is that there are simultaneously vigorous growth in employment and very high unemployment.

Chairman HUMPHREY. I want to ask a question which may very well be misunderstood, but I received a number of letters from people around the country, particularly relating to unemployed young people,

stating that one effect that the benefits that are available with benefit payments and food stamps and other things have for an unmarried younger person is to discourage them from seeking employment. Now, that sounds very unusual coming from Hubert Humphrey, but I have gotten too many letters that indicate this, so that I cannot any longer ignore what seems to be a pattern of information.

Is there any rationale to that? Do you get what I am getting at.

Mr. SHISKIN. Yes, because a volume of literature is building up which might be referred to as, "disincentives for employment."

Chairman HUMPHREY. Yes.

Mr. SHISKIN. And perhaps my colleague, Mr. Stein, would like to comment further.

Chairman HUMPHREY. Well, I sure think we ought to look at it. I tell you, sometimes I think we are afraid to open up questions like this. I happen to be one that believes it is mighty good therapy for people to get accustomed to work, even if it doesn't pay as much as they like. Maybe this is an old-fashioned Midwestern idea, but I say this as one who has had that idea for a long period of time.

I am concerned as to whether or not there is a pattern developing that is a disincentive for getting on the job.

Also, I was on the phone last night with a very intelligent and informed person in the manpower field from out in California, and we were talking about educational problems. This person was telling me how poorly equipped young people are that come out of some of our schools for finding employment. He was telling me not only about unemployment, but saying everybody who has any kind of a business today or has a job of any kind, has to fill out all kinds of forms. And our conversation was triggered by the recent survey showing that a huge percentage of the American people do not even know how to fill out the forms that the Government requires them to fill out.

Mr. SHISKIN. Senator, I saw that, and it is deplorable, but let me say this. I have become acquainted with a fairly large number of young employees in the Bureau of Labor Statistics. I think they are absolutely terrific.

Senator PROXMIRE. Absolutely what?

Mr. SHISKIN. Terrific. It is an extraordinary group of very capable young people. They have been well educated and——

Chairman HUMPHREY. Well, you and I run into the same kind. I mean, that is true. because we see them all the time.

Mr. SHISKIN. Yes, sir.

Chairman HUMPHREY. But I want to say that today when you go out and make these analyses of the general population, it is very disturbing to find out that on the one hand our educational program goes in one direction, and on the other hand, your governmental programs that require certain types of information, such as income tax information and job information, goes in the other, and people are not even taught how to fill those out.

You know, up here we have people that we can hand those things over to and they take care of it. But I have gone out and talked to a lot of people, even people who are relatively successful, and they are having trouble with this kind of information that the government wants. When I saw that at least 25 percent of the American people

do not know how to fill out the simple short form of the IRS, then either the IRS form is cockeyed, or the system of education is cockeyed. It is either one or the other.

Mr. SHISKIN. Mr. Chairman, let me comment on that a little bit.

You know, one of the things that I and my contemporaries say is that people in my generation were educated much better than people today. But that hasn't been my experience with the younger BLS staff. I think the junior BLS staff, and that is the only one I know, so that is why I refer to it, is just extraordinarily well educated. And very well trained. Many of them are very talented. And I would say that they are educated as well, or even probably better, than I and my colleagues were educated.

Now, I wonder if the others whom you referred to, those who were polled, I wonder how that percentage today compares with yesteryear?

Chairman HUMPHREY. You mean if you had a survey made then?

Mr. SHISKIN. Yes. You know, I used to swallow that for a while, that thinking that we were better educated, but it isn't true.

Chairman HUMPHREY. Well, of course, we survey everybody today. There is no doubt about that. They ask you how many times you sneeze and the duration of it, to see whether or not Dristan helps.

But anyway, Congressman Brown?

Representative BROWN of Michigan. Thank you, Mr. Chairman.

Mr. Shiskin, I have seen, and I am sure you have seen articles and there was one that appeared recently in the Wall Street Journal, which points out that the percent of the population that is working is back to or above historical levels, yet our unemployment remains high. Have there been changes in the composition of the labor force large enough to account for this? Are people more selective in the jobs they are willing to take? Are there more people demanding part-time work only, and chose to forego jobs that don't match their working hours? All of these are questions in my mind. Is there some way you could chart historically, using the former figures with respect to the labor force, this data, so that we could measure unemployment today, as compared to prior standards?

Mr. SHISKIN. Well, you can do that, and some people have done it. I don't think that particular way of doing it is particularly useful, because the mix—that is, percent adult men, adult women, and teenagers—has changed dramatically and I think those analysts have to face up to the mix that exists today.

It is true, if we had the same mix that we had many years ago, in the middle fifties, we would have a low unemployment rate, but of course, we don't have the same mix. We have a different mix. I think we have to face up to that.

The big development, as you know, was the entrance of women into the labor market. They are having a dramatic effect on the whole labor force picture. Now several members of my staff have speculated that the sharp, unusual rise in the labor force we have seen in the last 6 months or so, and this is just speculation at this stage, is attributable to the entrance of more women into the labor force. We will be checking that in the next few days.

But, my point is, there has been a dramatic change in the mix, and we've got to confront that situation. I personally don't think it is very

helpful to go back and say if you had the 1954 mix, you would have lower unemployment, because we don't have the 1954 mix. We have the present mix. We've got a lot of women who want jobs. We have teenagers, who want jobs, people who in those earlier times did not look for jobs.

Representative BROWN of Michigan. Well, what should be the statistic that we look to: The percentage of our population employed, or the percentage of the work force unemployed?

Mr. SHISKIN. Well, my answer to that is the problem is very complex and you are never going to find one way of approaching it. The reason so much attention is given to unemployment, the reason the media features it, the reason I am asked a lot of questions about it, is that people are concerned about it. They are concerned about unemployed people.

I don't remember ever reading a headline or story that said that 190 million people were free of crime this month. People talk about the victims of crime, and they talk about the number of people who are ill, that is, they focus on problems. And unemployment is a problem.

But on the other hand, there has been a great new phenomenon; namely, the change in the mix of people entering the labor market. As I said, there are many more women in the labor market, many more teenagers, and so on. Now that is a fact. That is something that is very important.

I think to understand the employment situation better, you ought also to look at the employment of those people in relation to the population. It is helpful to look at them both in connection with the total labor force and the total population. And I think the employment-population ratio, which was suggested to BLS by Milton Friedman—let me go back to the origin of this idea for a moment. We dug out some correspondence on that subject. It turns out that in 1970, Milton Friedman wrote my predecessor a letter and suggested he use the employment-population ratio. In July of 1973, when there was no Commissioner of Labor Statistics on board, the staff took its courage in hand and published that figure and BLS has been publishing it ever since. I am very pleased that they did that. That was 1 month before I arrived, so I had nothing to do with it. But I think that is a very useful measure.

I think you've got to look at both unemployment and the employment-population ratio. You've got to look at the mix and see what is the percentage of women employed compared to years ago, and also see who is unemployed, because the search for jobs, I think, is a legitimate and important aspiration of all Americans who wish a job. So, my answer is, there is no one easy thing to look at. You've got to do a lot of hard work. I would be glad to help you in that if you wish me to do so.

Representative BROWN of Michigan. But, I don't think the average American understands what the unemployment figure represents.

Mr. SHISKIN. He doesn't understand, you say?

Representative BROWN of Michigan. I don't think so. You used a couple of different methods, but you have to admit the figures you come up with regarding unemployment may be because someone is discouraged and is not seeking a job and is no longer a statistic.

Mr. SHISKIN. Quite correct. He is no longer counted as unemployed in the figures if he is too discouraged to look for a job. But we have a separate line on discouraged workers. That is why people have so much information on this subject. The Urban League and some others include discouraged workers in unemployment. But our unemployment definition is very straightforward. It says that a person who wishes to work and is available for work and is actively seeking work but can't find it, is unemployed. And the key few words are "actively seeking work."

As I've said many times, some people say they want a job, but they may have a job in mind, like being a Congressman or even being a Commissioner of Labor Statistics, but that is not the real world. The world is people looking for a $7,000 or $8,000 a year job. So we say we want a market test. And the market test is "are you actively seeking work." And I think it is a good definition.

Representative BROWN of Michigan. But I think the unemployment figures were supposed to reflect, and were generally intended to reflect a degree of distress, of economic distress of people who cannot find work, et cetera. Now, if you are looking at the overall economic distress, insofar as employment is concerned, it seems to me a more valid figure is the percentage of the population employed than the percentage of your work force, however you determine that figure.

Mr. SHISKIN. My answer to that is it is also useful to look at unemployment. And the reason it is useful to look at unemployment is because that is where the trouble is. Would you be arguing that we should be citing figures on the percentage of the people who are healthy, or the percentage of the people who are affluent? No, you as a Congressman want to look at problems and the areas of concern. And the area of concern is unemployment.

However, in order to understand the overall picture, it is useful to look both at the employment and unemployment picture, so I think you've got to look at both. There is no easy way.

Representative BROWN of Michigan. But getting back to your analogy about crime rates, we usually relate that to the population?

Mr. SHISKIN. Sure.

Representative BROWN of Michgian. We look at the crime per 1,000 of the population.

Mr. SHISKIN. Right.

Representative BROWN of Michigan. And we include in that percentage of 1,000 those who obviously, who are totally removed from society, who could not be subject to crime.

Mr. SHISKIN. But it is not the healthy—perhaps I shouldn't enter into this territory—but in my terms, I expect our statistics to help solve problems, and the problem is unemployment. The problem is illness. The problem is crime. So, you've got to look at measures of those kinds.

On the other hand, you also want an overall picture. You want to see what percentage of the population is at work and how that has changed. It is very important to know that that percentage has gone up recently. That reflects a big entrance of women into the labor market, and that is an important social and economic phenomenon.

Let me just amend you statement, by the way. To begin with, I think you were quite correct to say unemployment represents distress, but

it is not necessarily economic distress. There are people who wish to have jobs, for reasons other than money. There are teenagers, and women, women whose children have grown, who wish to have jobs in order to have a fuller life. They want to work. They want to get out of the house. They want to have a high standard of living. I think that is reasonable, and an admirable aspiration. So, it is not only economic distress, but——

Representative BROWN of Michigan. Are you saying we should not look upon unemployment figures as the only true test of economic distress?

Mr. SHISKIN. Pardon me?

Representative BROWN of Michigan. I said from what you just said, then, would it be valid for us to say we should not look at only unemployment figures as the true measure of distress?

Mr. SHISKIN. Not of economic distress. But I think it does reflect distress, though not necessarily, economic distress. Perhaps another expression is psychological distress. I think it is a real problem for a teenager to be searching for a job and be unable to find one. The teenagers are going to be taking over the responsible positions in society in some years, and it is a terrible thing to have them, at that early stage of life, have long periods of unemployment, with nothing to do. So, I think that reflects a different kind of problem from the problem of economic distress, but nevertheless, it is something we have to be concerned about.

Senator PROXMIRE. I will be as brief as I can, because the hour is late and the chairman asked me to wind it up, but I do want to follow up with a couple of questions.

It seems to me what the unemployment really measures is the lost opportunity for the economy to use the No. 1 economic resource we have, which is manpower, and the fact we are not using it, and the fact that it is being wasted. Now, I would like to ask you about what I think is an appalling statistic here.

I notice that the Vietnam veterans 20 to 24 years of age, for them you have 22-percent unemployment. Now that is higher than teenaged unemployment, and it is much higher than the non-Vietnam veteran, which is 13.6 in the same age category. These are young men. These are not teenagers. What is the explanation for that?

Mr. SHISKIN. Senator——

Senator PROXMIRE. It is an enormous increase over what it was a year ago.

Mr. SHISKIN. Well, you know, unemployment is too high, so I am not trying to——

Senator PROXMIRE. It is at a depression level.

Mr. SHISKIN. No question about that. But, also, when you look at all the older veterans, you see, for example, at the 30 to 34 years of age bracket, the figure is only 5.3 percent. Now, the experience of veterans is that soon after they get out of the Army, when they are young, there is a very high unemployment rate. Exactly what that reflects I don't know. It may be that they are just searching for a job, and they want the right job. I am not sure, but in the long term, the veteran figure does go down.

Senator PROXMIRE. Now, Mr. Shiskin, it seems logical that as the recovery moves ahead, if it does move ahead, that those who are laid off

will be the first to be rehired and those who are seeking work will have the most difficulty finding employment. Thus, increasingly, the unemployed will be persons without entitlement to unemployment compensation. Now, is there any evidence to back this up or refute it?

Has the Bureau of Labor Statistics done any studies or made any estimates of the likely composition of unemployment next year?

Mr. SHISKIN. As you know, we try to stay out of the forecasting business.

Senator PROXMIRE. Well, I understand that, but it seems to me appalling that neither the Secretary of Labor nor anyone else has thought it important to know about the nature of the unemployment problem. It would seem to me this would be helpful to have.

Mr. SHISKIN. I agree. I think others in the Department have been doing it. Do you know about that, Bob?

Mr. STEIN. Senator, we have a survey planned for next April which will get into some of these questions, and be finding out a great deal about the composition of the unemployed at that time, in terms of their status.

Senator PROXMIRE. You are going to do that next April?

Mr. STEIN. Yes, sir.

Senator PROXMIRE. Will that be made available to the Congress?

Mr. STEIN. Oh, yes.

Senator PROXMIRE. Now, I think what we missed in this colloquy today is we have stressed the importance of considering employment statistics as well as unemployment statistics. In 1974, only 56.5 percent of the people who worked during the year were employed full-time for 50 weeks or more. Only a little more than half were full-time employed in the entire country.

Can you tell me how many of those employed for less than 50 weeks were voluntarily part-time and how much of this unemployment was forced because of labor market conditions?

Mr. STEIN. Senator, we do have some information of that kind from a work-experience survey we take once a year, and we have that kind of information in the Bureau. We can make it available to you.

[The following information was subsequently supplied for the record:]

TABLE B–1.—MAJOR REASONS FOR PART-YEAR WORK IN 1974, BY EXTENT OF EMPLOYMENT: PART-YEAR, BY SEX

[Numbers in thousands]

Work experience and sex	Total part-year workers	Persons who did not work a full year because of—						
		Unemployment	Illness or disability [1]	Taking care of home	Going to school	Retirement	In Armed Forces	Other reasons [2]
BOTH SEXES								
Total, 16 yr old and over	36,623	10,460	3,308	9,342	9,138	1,200	206	2,968
Worked at full-time jobs	23,080	8,481	2,520	4,769	4,188	609	191	2,321
1 to 13 weeks	4,993	756	351	1,341	2,073	208	80	182
14 to 26 weeks	5,359	1,698	433	1,378	1,259	202	56	332
27 to 39 weeks	5,578	2,169	696	1,254	686	126	43	605
40 to 49 weeks	7,150	3,859	1,040	796	169	72	12	1,202
Worked at part-time jobs	13,543	1,979	789	4,573	4,951	591	15	647
1 to 26 weeks	8,513	944	402	2,919	3,631	405	12	199
27 to 49 weeks	5,030	1,034	386	1,654	1,320	185	3	448
MEN								
Total, 16 yr old and over	16,972	6,592	1,905	[3]	5,076	1,006	206	2,187
Worked at full-time jobs	12,315	5,674	1,560	----------	2,577	492	191	1,822
1 to 13 weeks	2,308	400	196	----------	1,317	170	80	144
14 to 26 weeks	2,636	1,118	281	----------	763	159	56	259
27 to 39 weeks	2,921	1,496	430	----------	389	109	43	455
40 to 49 weeks	4,450	2,661	652	----------	108	53	12	964
Worked at part-time jobs	4,657	918	346	----------	2,500	514	15	365
1 to 26 weeks	2,937	437	198	----------	1,807	347	12	136
27 to 49 weeks	1,720	480	148	----------	693	167	3	229
WOMEN								
Total, 16 yr old and over	19,650	3,868	1,403	9,342	4,062	194	[4]	781
Worked at full-time jobs	10,765	2,807	960	4,769	1,611	117	----------	499
1 to 13 weeks	2,685	356	155	1,341	756	38	----------	38
14 to 26 weeks	2,723	580	152	1,278	496	43	----------	73
27 to 39 weeks	2,657	673	266	1,254	297	17	----------	150
40 to 49 weeks	2,700	1,198	388	796	61	19	----------	238
Worked at part-time jobs	8,885	1,061	443	4,573	2,451	77	----------	282
1 to 26 weeks	5,576	507	204	2,919	1,824	58	----------	63
27 to 49 weeks	3,310	554	238	1,654	627	18	----------	219

[1] Excludes paid sick leave from a job (which is counted as time worked) and periods of illness or disability during which the person would not have worked or would not have been in the labor force even if well.
[2] Includes, among others, unpaid vacations, strikes, and summer vacations for students.
[3] Reason restricted to women.
[4] Reason restricted to men.

Senator PROXMIRE. Now, I think this is particularly impressive, because we always see that unemployed statistic of 8, 7, or 9 percent and actually over the years it is, in this case, perhaps a 30- or 35-percent figure. We don't know, because we can't categorize it. We know the top would be 34 percent last year.

As I said, in 1974, 18 million people were unemployed sometime during the year. This was 3½ times the average unemployed in any one month. In 1974, each unemployed person will, on the average, be unemployed longer because of rising long-term unemployment.

Do you think the total number of persons unemployed at some time in 1975 will be three times the monthly average, as it was in the recession year of 1958, or do you think the ratio of 3½ is more likely?

Mr. SHISKIN. I have no judgment on this.

Senator PROXMIRE. Because even with the more conservative estimate, over 70 million people will be touched by unemployment, and their families, at some time during the year. And if you assume the 1974 ratio is applicable, over 82 million people will be affected by unemployment at some time during the year.

Would you quarrel with those figures?

Mr. STEIN. Senator, if I could make two points in that respect?

One is that probably the ratio would be closer to 3 to 1, or 3½ to 1. This is so, because in years when unemployment is high, the same people tend to be unemployed longer and there is somewhat less turnover during the course of the entire year.

Senator PROXMIRE. So it would be closer to 70 million out of work?

Mr. STEIN. I wonder if I could raise a question of that 70 million, as to whether that doesn't include the families?

Senator PROXMIRE. It includes the people in the family. Yes, it does.

Mr. STEIN. I think that figure would have to assume that the average unemployed person is a family head, and there are four members in that family.

Senator PROXMIRE. Oh, no. If my wife and I both work, and my wife is laid off, it affects me and it affects the children. But, if I happen to have a higher wage than she has and I am laid off, it might affect me more severely, but either layoff affects the whole family, it affects your income, it affects your standard of living.

Mr. STEIN. Correct. I overstated the case, but I think the figure does include families.

Senator PROXMIRE. Oh, yes, indeed. I am just saying about the impact. Obviously, there would be an impact.

Now, the proportion of workers having some unemployment is highest among workers under 25. In 1974, the younger workers' share of the increased unemployment was much greater than their proportion of the workforce. They were 26 percent of the workforce, but represented 43 percent of the rise of unemployment. In September of 1975, the figures for 16 to 24 year olds was 15.9 percent.

Mr. Shiskin, the rising unemployment among young people is a devastating problem, and we desperately need to find solutions to this problem. Have you done any studies on the problems of youth unemployment which would shed some light on this?

Mr. SHISKIN. Yes, we have made such studies. I mentioned earlier that we recently provided a report on the unemployment problems of teenage girls. We have another study in the mill which I haven't seen yet, but that deals with this question. So, the answer is yes.

Senator PROXMIRE. Well, thank you very much. You have been most responsive. We are grateful to you.

The committee will stand adjourned.

[Whereupon, at 1:15 p.m., the committee adjourned, subject to the call of the Chair.]

EMPLOYMENT-UNEMPLOYMENT

FRIDAY, DECEMBER 5, 1975

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

The committee met, pursuant to notice, at 11 a.m., in room 1202, Dirksen Senate Office Building, Hon. Hubert H. Humphrey (chairman of the committee) presiding.

Present: Senator Humphrey.

Also present: Loughlin F. McHugh and Courtenay M. Stater, professional staff members; George D. Krumbhaar, Jr., minority counsel; and M. Catherine Miller, minority economist.

OPENING STATEMENT OF CHAIRMAN HUMPHREY

Chairman HUMPHREY. Mr. Shiskin, as I was explaining to you personally, we have a quorum call, what we call a live quorum now, and very quickly there will be the vote on cloture relating to the legislation concerning New York City. So I shall make a brief statement now, and you shall reply, but possibly we will have to break at that point. Some of our colleagues will be coming back. They are all over there right now winding up and trying to answer the quorum.

My statement this morning is, of course, one again of thanking you and welcoming you to the committee, and you and your colleagues from the Bureau of Labor Statistics, to discuss with us the latest information on employment and, of course, the information you have for us on unemployment. I have had the chance, Mr. Shiskin, to look over your statement, and thank you for getting it to us ahead of time, and I find the press release on the employment figures not the happiest of reading. Frankly, they are rather grim reading.

The overall unemployment rate has fallen, of course, from 8.6 percent last month to 8.3 percent this month. But let me point out some of the underlying facts behind that number as I see them.

Unemployment has been now at a virtual plateau for 5 months. The unemployment rate was 8.4 in July. It was 8.3 percent in November. And it has been hanging around, hovering around that figure, from 8.3 to 8.6 percent, for the last 5 months.

I doubt that you can really call that at least employment recovery, and this is what bothers me about all of the information on the economy. While gross national product figures may be coming up, and while production figures in some areas are surely improved, and there is information out that things look somewhat better, I believe that there is information out that things look somewhat better, I believe that the Nation is not coming to grips with—the Government is

not coming to grips with a very sad fact: Namely, that we have a very substantial level of unemployment that seems to persist. It doesn't seem to be absorbed by whatever rate of growth our economy is producing.

Now employment did not rise at all in November. Neither the household survey or the data collected from the employers' payrolls shows any growth of employment, that is, at least of any significant growth. We have to ask what kind of recovery is that?

The average duration of employment reached a new high—I should say of unemployment—of 16.8 weeks. The number of persons who have been out of work 6 months or longer rose to 1.7 million, yes, 1,700,000. And again, you simply have to ask, in light of some of the rather rosy pictures that have been painted, what kind of recovery is this.

I understand that an economic recovery is underway in the technical sense, as I indicated earlier, that production is rising rather than falling. And I am, of course, pleased and encouraged by that fact, and welcome that recovery and wish that it were stronger. But at the moment, this recovery is of small comfort to the 1.7 million persons who have been looking for jobs for more than 6 months, to the 14 percent of the black workers who are jobless; to the 19 percent of the teenagers who are unable to find work, and, of course, a much larger segment of the teenagers in the minority group.

If the unemployment rate continues to creep down at the present rate of one-tenth of 1 perecnt every 5 months, it will still be 8 percent at the end of the next year. Now I do not suggest that that projection is scientifically accurate, but I merely point out that the rate of absorption of the unemployed is dismally low, and dangerously low. We will have 7.5 to 8 million persons out of work throughout next year if this present trend continues.

Therefore, we must have action to put these people back to work, and of course, I have been screaming about this, to put it bluntly, or at least saying something ought to be done. And I charge both the administration and the Congress with deriliction of responsibility. Prompt action on the scale necessary to meet the need is of the highest priority.

Now, I know that you are not involved, Mr. Shiskin, in the formulation of these policies, and you are not required to either defend or project. And I do not expect you to comment on what I say on this matter, but I wanted to say it for the record.

I have been saying that each recession brings with it a higher threshold of persistent unemployment, and this long recession that we are in now has been characterized by a stickiness of getting at the unemployment figures, getting those unemployment figures under control, of bringing them down.

I frankly do not think the administration is doing anything as it should about the unemployment problem. As long as we can dream up scenarios that production is going up and that we are using more of our plant capacity this month than last month, the figures of unemployment are just pushed aside, and a group of people in this country are going to start to live a different lifestyle, they will be separated from the mainstream of American life, and they will be a problem unto themselves and to the Nation. That is my judgment, and I consider

that the failure of government to meet this problem of unemployment is a shameful demonstration of the inacapacity of current policy, of current government, and of the inadequacy of present policies.

There is no program for putting people back to work. All we have got is a program of relief and unemployment compensation and food stamps. That is a temporary program. I believe you would agree with me that unemployment compensation was never intended as a long-term duration, long-term solution to unemployment. It was a temporary assistance to provide people some income until they could find a job in a reasonably short period of time.

We face massive exhaustion of unemployment benefits next year. Yet I have heard no proposals from down the end of this street here for dealing with this problem. I have not even heard any rumors that a program is being developed for inclusion in the President's January budget. And I want to lift my finger now and my word of warning.

We are going to get a budget proposal down here that ignores the fact of the exhaustion of the unemployment compensation benefits, and then we are going to have a big argument between Congress and the President over the budget from there on out because the budget, if it does not respond to what is the obvious projection of fact, namely that there will be a very serious exhaustion of benefits, unless that is taken into consideration, we are going to have a first-class, knockdown, drag-out fight on the budget figures, trying to prove one is wrong and the other is right.

Inquiries by myself—and I have sent several of them—and the staff have met nothing but silence. We cannot find anyone who is even thinking about this problem of including in the President's budget that is going to come to us next January the funds or the proposals, whatever it may be, for dealing with the exhaustion of unemployment benefits.

The one comprehensive program we have available, which might at least ward off starvation among the unemployed, is food stamps. Yet what do we hear about that? We hear how terrible it is that the program is growing, how it must be cut back. Seldom, if ever, do we hear anyone stand up and say how lucky we are that we have the food stamp program. We find a handful of cheaters, and it becomes a major headline.

Well, Mr. Shiskin, the situation which we presently look forward to next year, I have got to say, is not tolerable. And it will not do. Please understand I am not in favor of further—I do not want to be listed as not being in favor of further extension of unemployment benefits. I know that we are going to have to do it. I surely know we are going to have to have food stamps, and we are going to have to have welfare type programs for those who are unable to get work, but I am in favor primarily of putting these people back to work, and I mean creating jobs. And all this marlarkey about whether the Government ought to have jobs for people I think is an outrage.

If the private economy cannot provide the jobs, we have got two choices: Either let people rot on welfare or just get by on unemployment compensation and food stamps, or put them to work under Government jobs. Now when I say Government jobs, I mean Government-financed jobs. And I do not believe that these programs of unemployment compensation and welfare are the answer, and I am

going to raise unshirted Cain until something is done about it. And I use this forum this morning to express my point of view, and I am sorry that I have to harangue you about it, but somebody has got to speak up on it.

I would hope that the President of the United States and his Cabinet—and there are able people in that Cabinet—would have the guts to come to this Congress and say it is time to put America back to work instead of having it on the soup line. The only reason it is not on the soup line is that we hand them a check so they can buy soup. Before, they used to just give them the soup. Now we have got to work it through the banking system.

I know that legislation to create jobs is not going to be easy, and it will face tremendous opposition from the administration. We have a system of government under which presidential initiative plays a powerful role when it comes to the introduction of new programs. But easy or not, I intend to press forward with this legislation on the most urgent basis. I have been having meetings with the labor movement, with representatives of government, with economists, with manpower specialists, and we are going to present an up-dated, modern employment program and put this Government on the spot.

I am going to find out whether or not the Government—and I include Congress and the President—whether we are going to continue to hand out checks to people who have been unemployed for months or whether we are going to give them a chance to go to work at a decent wage. Never in my life have I ever seen anything that is as paradoxical as this situation, people in government who say they believe in the workethic, and we have got more people unemployed than at any time since the depression.

A government that says it believes in a balanced budget has got more deficits than any government we have ever had since World War II.

And we apparently have convinced people that you can satisfy these problems by just handing out apples in the form of checks rather than getting people back to work doing something constructive for the United States of America and for themselves. 8.3 percent unemployed; the date is December 5, 1975; we have been at this thing 1 year, and it has gotten worse.

What was the unemployment rate in December 1974?

Mr. STEIN. 7.2 percent.

Chairman HUMPHREY. We sure have been making progress, 7.2 percent. It got up to what, 9 percent——

Mr. STEIN. 9.2 percent.

Chairman HUMPHREY. 9.2 percent. And we brought it down to 8.3 percent. And it is 1 year's effort, billions of dollars of expenditures, tax cuts, God only knows what. I would think that somebody would come to the conclusion that the medicine we have been feeding the patient is not helping the patient but is slowly killing him. If I had had a doctor like that, I would have changed him a long time ago. I would have gotten me one of these voodoo specialists by then.

Go ahead, Mr. Shiskin. I am kind of peeved this morning, to be honest about it. I figured we were going to have better news this month.

I do not blame you; you are the statistician. But I am damned fed up with what I see happening, and I wish this Government would get this way. And I mean the whole kit and kaboodle of them, right across

the board. I do not mean just the President, even though he has the ultimate responsibility for presenting the program.

Go ahead. We have got some time.

STATEMENT OF HON. JULIUS SHISKIN, COMMISSIONER, BUREAU OF LABOR STATISTICS, DEPARTMENT OF LABOR

Mr. SHISKIN. Thank you very much, Mr. Chairman. I have a brief statement which I would like to read. It supplements the comprehensive report that we released this morning on the employment situation.

Chairman HUMPHREY. Yes.

Mr. SHISKIN. First, unemployment. The official unemployment rate of 8.3 percent in November was a little below that of October; 8.6 percent. However, the rate has been fluctuating within narrow limits—8.3 and 8.6—during the past 6 months and remains very high by historical standards. The November declines in unemployment took place in most demographic groups and brought the rate back down to the September level.

Other noteworthy elements in the unemployment picture were: First, sharp declines in the unemployment of job losers and full-time workers; and second, a sharp rise in the average duration of unemployment, as well as in joblessness of 6 months or more.

In previous discussions with this committee, I have explained some of the technical problems involved in the seasonal adjustment of the unemployment figures and have provided the committee with a table showing the results achieved with the use of alternative methods. In November, the seasonally adjusted unemployment rate computed by the additive method was 8 percent compared to 8.2–8.3 percent in recent months. This method of seasonal adjustment shows a more or less steady decline from a high of 8.9 percent in March 1975 to 8 percent in November.

EMPLOYMENT

Total employment, as measured by the household survey, declined slightly. Most of the decline was in agricultural employment, one of the least reliable components from a statistical point of view. Nonagricultural employment from this survey showed little change.

After 4 months of rapid growth, nonagricultural employment, as measured by the payroll survey, also showed little change in November. Manufacturing employment stabilized after recording substantial increases in previous months. Employment increased in 57 percent of the 1972 industries used for computing the BLS employment diffusion index, after reaching a peak of 82 percent in September. However, November was the second month in a row in which this diffusion index declined.

It is not uncommon for nonagricultural payroll employment occasionally to hold steady or decline during the first year of recovery. While this indicator rose without interruption during the first year of the recovery starting in 1958, it declined once in the first year of the 1961 recovery and twice in the first year of the 1970–1971 recovery. There were more frequent declines in the diffusion index during these same past periods, but there was only one 2-month decline.

LABOR FORCE

The behavior of the labor force in the current recovery appears to be somewhat different from that of past recoveries. In the past, the labor force has grown very little during the first 9 months or so of cyclical recoveries.

However, during the first 8 months of the current recovery—dating from March—labor force growth has been more substantial—1.2 million, compared to the median path of prior recessions, adjusted to current levels, of less than 250,000.

There are several plausible explanations for the larger than usual cyclical growth in the labor force during 1975. According to one theory, it reflects the changing role of women in society, and, in fact, adult women have accounted for about half the above-normal cyclical growth this year.

Another hypothesis is that the combination of inflation and unemployment has put severe financial pressure on many families and induced an unusually large number of family members to seek jobs.

Still a third possible reason advanced is that some people who otherwise might have left the labor force may be staying in because of the extension of unemployment insurance benefits. Eligibility for these payments requires the beneficiary to be seeking work.

In any case and for whatever reason, we have seen an unusual growth in the labor force during the cyclical recovery this year—the large decline in November notwithstanding.

Finally, a few brief words of summary. While the employment situation in November shows substantial improvement over the levels of last spring when recovery got underway, employment has been essentially flat for a month or two, and unemployment has fluctuated within a narrow range for the past 6 months.

I shall now try to answer your questions.

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

UNEMPLOYMENT RATE BY ALTERNATE SEASONAL ADJUSTMENT METHODS

Month	Unadjusted rate	Adjusted rate	Other aggregations					Additive (X-11)	Direct adjustments			Composite No. 1	Composite No. 2	Range (col. 2–13)
			Duration	Ft/pt	Reasons	Occupation	Industry		Rate	Level	Residual			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1974:														
January	5.6	5.2	5.1	5.1	5.1	5.2	5.1	5.1	5.1	5.1	5.1	5.1	5.1	0.1
February	5.7	5.2	5.1	5.1	5.1	5.1	5.2	5.2	5.1	5.2	5.1	5.1	5.1	.1
March	5.3	5.1	5.1	5.1	5.0	5.1	5.0	5.1	5.0	5.1	5.1	5.1	5.1	.1
April	4.8	5.0	5.1	5.1	5.1	5.0	5.0	5.0	5.0	5.1	5.1	5.1	5.1	.1
May	4.6	5.2	5.2	5.2	5.3	5.2	5.2	5.1	5.2	5.2	5.2	5.2	5.2	.2
June	5.8	5.2	5.3	5.3	5.2	5.3	5.2	5.3	5.2	5.2	5.3	5.3	5.3	.1
July	5.6	5.3	5.4	5.4	5.4	5.4	5.3	5.4	5.4	5.4	5.4	5.4	5.4	.1
August	5.3	5.4	5.4	5.4	5.3	5.4	5.4	5.4	5.4	5.3	5.5	5.4	5.4	.2
September	5.7	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	0
October	5.5	6.0	6.0	6.2	6.0	6.0	6.0	6.0	6.1	6.1	5.9	6.0	6.0	.3
November	6.2	6.6	6.6	6.6	6.6	6.6	6.5	6.4	6.6	6.6	6.4	6.6	6.6	.2
December	6.7	7.2	7.0	7.2	7.1	7.1	7.1	7.0	7.3	7.2	7.0	7.1	7.1	.3
1975:														
January	9.0	8.2	8.2	8.1	8.0	8.1	8.0	8.4	8.2	8.2	8.4	8.2	8.1	.4
February	9.1	8.2	8.0	8.1	8.0	7.9	8.1	8.5	8.2	8.2	8.6	8.2	8.1	.7
March	9.1	8.7	8.6	8.7	8.5	8.6	8.5	8.9	8.7	8.7	9.0	8.7	8.7	.5
April	8.6	8.9	8.7	8.9	8.8	8.8	8.8	8.8	9.0	9.0	8.8	8.8	8.8	.3
May	8.3	9.2	9.0	9.2	9.3	9.3	9.3	8.8	9.4	9.3	8.9	9.1	9.2	.6
June	9.1	8.6	8.7	8.5	8.8	8.6	8.6	8.7	8.2	8.2	8.7	8.7	8.6	.6
July	8.7	8.4	8.5	8.4	8.4	8.3	8.3	8.5	8.4	8.3	8.4	8.4	8.4	.2
August	8.2	8.4	8.5	8.3	8.4	8.5	8.4	8.3	8.3	8.3	8.3	8.4	8.4	.2
September	8.1	8.3	8.6	8.4	8.6	8.4	8.3	8.2	8.2	8.3	8.2	8.4	8.4	.4
October	7.8	8.6	8.6	8.8	8.6	8.5	8.5	8.3	8.7	8.7	8.1	8.5	8.5	.7
November	7.8	8.3	8.4	8.4	8.0	8.2	8.2	8.0	8.2	8.2	8.1	8.2	8.2	.4
December														

Note: An explanation of cols. 1 to 14 appears on the reverse side of this page.

Source: U.S. Department of Labor, Bureau of Labor Statistics, Dec. 5, 1975.

Col. (1) *Unemployment rate, not seasonally adjusted.*

Col. (2) *Seasonally adjusted unemployment rate.*—This is the rate as published. Each of four unemployed sex-age components—males and females, 16–19 and 20 years and over—are independently seasonally adjusted. The rate is calculated by aggregating the four and dividing them by 12 summer labor force components—these 4 plus 8 employed components, which are the 4 sex-age groups in agriculture and nonagricultural industries. This employment aggregate is also used in the calculation of the labor force base in (3)–(8).

The current "implicit" factors for the total unemployment rate are as follows:

Jan.	109.1	July	105.5
Feb.	111.1	Aug.	97.8
Mar.	104.2	Sept.	98.4
Apr.	95.7	Oct.	91.0
May	89.1	Nov.	94.6
June	110.7	Dec.	93.0

Col. (3) *Duration.*—Unemployment total is aggregated from 4 independently adjusted unemployment by duration groups (0–4, 5–14, 15–26, 27+).

Col. (4) *Full-time and Part-time.*—Unemployment total is aggregated from 6 independently seasonally adjusted unemployment groups, by whether the unemployed are seeking full-time or part-time work and men 20 plus, women 20 plus, and teenagers.

Col. (5) *Reasons.*—Unemployment total is aggregated from 4 independently seasonally adjusted unemployment levels by reason for unemployment—job losers, job leavers, new entrants, and re-entrants.

Col. (6) *Occupation.*—Unemployment total is aggregated from independently seasonally adjusted unemployment by the occupation of the last job held. There are 11 unemployment components—12 major occupations plus new entrants to the labor force (no previous work experience).

Col. (7) *Industry.*—Unemployment total is aggregated from 10 independently adjusted industry and class-of-worker categories, again including new entrants to the labor force.

Col. (8) *Additive Method.*—The basic 4 unemployed sex-age groups—males and females, 16–19 years and 20 years and over—are adjusted by the X–11 additive method rather than the conventional multiplicative method. Employment (8 sex-age groups) is the same, however, as in columns (2)–(7).

Col. (9) *Unemployment rate adjusted directly.*

Col. (10) *Unemployment and labor force levels adjusted directly.*

Col. (11) *Labor force and employment levels adjusted directly, unemployment as a residual and rate than calculated.*

Col. (12) *Average of (2), (3), (4), (5), and (11).*

Col. (13) *Average of (2), (3), (4), (5), (6), (7), and (11).*

NOTE.—The X–11 method, developed by Julius Shiskin at the Bureau of the Census over the period, 1955–65, was used in computing all the seasonally adjusted series described above.

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THE EMPLOYMENT SITUATION: NOVEMBER 1975

Unemployment declined in November, while employment showed little change, it was reported today by the Bureau of Labor Statistics of the U. S. Department of Labor.

The unemployment rate, which had risen to 8.6 percent in October, returned to the previous month's level of 8.3 percent. Unemployment has been on a virtual plateau for 6 months after dropping from the second quarter recession peak of 8.9 percent.

Total employment--as measured by the monthly survey of households--was little changed for the third straight month following a period of strong growth from March to August. The series on nonagricultural payroll employment--as measured by the monthly survey of establishments--also was about unchanged in November but has posted gains totaling 1.2 million since reaching a low in June.

Unemployment

The number of persons unemployed fell by 300,000 in November to 7.7 million (seasonally adjusted), following an increase of nearly the same magnitude in the previous month. As a result, the unemployment rate returned to its September level of 8.3 percent.

Over-the-month declines were registered among teenagers and adult men. The teenage jobless rate, which often fluctuates without regard to the general cyclical pattern, showed the largest drop--down 1.3 percentage points to 18.6 percent. The unemployment rate for adult men dropped from 7.1 to 6.9 percent; this improvement was mirrored by declines among married men and household heads. In addition, there was a large drop in the rate for full-time workers--from 8.6 to 8.1 percent. The rate for adult women, on the other hand, held steady at 7.8 percent, after having risen from 7.5 percent in September. (See Table A-2.)

There was a sharp decline in the number of unemployed who had lost their last job. (See Table A-5.) In November, about 52 percent of the jobless were in this category,

compared with a high of over 57 percent in the second quarter. It had averaged 43.5 percent in 1974.

Whereas the movement in the jobless rate for white workers paralleled that for the total over the September-November period, dropping from 7.9 percent in October to the September level of 7.6 percent, there was little change for black workers (Negro and other races). The black rate was 13.8 percent, about the same level as in the previous 3 months.

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

Selected categories	Quarterly averages					Monthly data		
	1974		1975			Sept. 1975	Oct. 1975	Nov. 1975
	III	IV	I	II	III			
	(Millions of persons)							
Civilian labor force	91.4	91.8	91.8	92.5	93.1	93.2	93.4	93.0
Total employment	86.4	85.7	84.1	84.3	85.3	85.4	85.4	85.3
Adult men	48.5	48.3	47.3	47.2	47.6	47.6	47.7	47.6
Adult women	30.5	30.1	29.8	30.1	30.6	30.6	30.7	30.5
Teenagers	7.4	7.4	7.0	7.0	7.1	7.2	7.1	7.1
Unemployment	5.0	6.1	7.0	8.2	7.8	7.8	8.0	7.7
	(Percent of labor force)							
Unemployment rates:								
All workers	5.5	6.6	8.3	8.9	8.4	8.3	8.6	8.3
Adult men	3.7	4.8	6.3	7.1	6.9	7.0	7.1	6.9
Adult women	5.4	6.5	8.2	8.5	7.7	7.5	7.8	7.8
Teenagers	16.1	17.5	20.5	20.5	19.8	19.3	19.9	18.6
White	5.0	5.9	7.6	8.2	7.7	7.6	7.9	7.6
Negro and other races	9.6	11.7	13.7	14.3	13.8	14.3	14.2	13.8
Household heads	3.2	4.1	5.5	6.1	5.7	5.7	5.9	5.6
Married men	2.7	3.3	4.8	5.7	5.2	5.3	5.2	4.9
Full-time workers	5.0	6.2	7.9	8.5	8.1	8.2	8.6	8.1
State insured	3.4	4.3	6.0	6.9	5.9	5.8	5.7	5.5
	(Weeks)							
Average duration of unemployment	9.9	9.9	11.3	13.9	15.8	16.2	15.4	16.8
	(Millions of persons)							
Nonfarm payroll employment	78.7	78.3	76.9	76.4	77.0	77.3	77.5p	77.5p
Goods-producing industries	24.8	24.1	22.8	22.3	22.4	22.6	22.7p	22.7p
Service-producing industries	54.0	54.2	54.1	54.1	54.6	54.7	54.8p	54.9p
	(Hours of work)							
Average weekly hours:								
Total private nonfarm	36.6	36.3	36.1	35.9	36.1	36.1	36.2p	36.3p
Manufacturing	40.1	39.6	39.0	39.1	39.6	39.8	39.9p	39.8p
Manufacturing overtime	3.3	2.9	2.4	2.4	2.7	2.8	2.8p	2.8p
	(1967=100)							
Hourly Earnings Index, private nonfarm:								
In current dollars	160.6	164.3	167.7	170.7	174.3	175.2	176.5p	178.1p
In constant dollars	107.2	106.5	106.7	107.1	107.1	107.2	107.4p	N.A.

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

While the average (mean) duration of unemployment had declined in October, in November it reached a new high--16.8 weeks--for the current cyclical period. Contributing to this increase was a rise in the number of persons unemployed for 27 weeks or more and a sharp decline in short-duration joblessness. (See Table A-4.)

There was no change in the number of persons working part time for economic reasons, a group often associated with the unemployed because they are unable to find work on a full-time basis. There were 3.3 million such persons in November, little changed since June but well below the high of 3.9 million reached in the spring. (See Table A-3.)

Total Employment and Labor Force

Total employment was 85.3 million (seasonally adjusted) in November, about the same level that has prevailed since August. However, agricultural employment has declined for 2 straight months after posting increases during the third quarter. (See Table A-1.)

With declining unemployment and employment about stable, the civilian labor force fell by 460,000 in November to 93.0 million. This decline moderated the relatively strong growth in the labor force that has been evident since March of this year. As a result, the labor force participation rate dropped from the 61.4 percent level that had held between July and October to 61.0 percent, still a comparatively high figure.

Industry Payroll Employment

Total nonagricultural payroll employment was virtually unchanged in November at 77.5 million (seasonally adjusted). This was in contrast to the substantial gains posted in each of the 4 preceding months. Since June, payroll employment has grown by 1.2 million. Nevertheless, the November job total remained 1.3 million below the alltime high of 78.8 million reached in September 1974. Employment increases occurred in 57 percent of the 172 industries in the BLS diffusion index, compared with 62 percent in October and 82 percent in September. (See Tables B-1 and B-6.)

Manufacturing employment stabilized in November after having recorded substantial increases in recent months. Neither the durable nor nondurable goods sectors experienced any significant changes in employment. However, there was a gain of nearly 20,000 in the transportation equipment industry.

Employment in contract construction was also unchanged in November, continuing the relative stability that has been evident since June. However, construction jobs remained about 700,000 below the pre-recession peak reached in early 1974.

Employment in services edged up by 30,000 in November, bringing to 300,000 the additions to this industry since June. This was the only industry division in the service-producing sector to show any significant growth from October. Nevertheless, since September 1974, employment in this sector has grown by over three-quarters of a million, while jobs in the goods-producing sector have declined by slightly more than 2 million.

Hours

The average workweek for all production or nonsupervisory workers on nonfarm payrolls edged up 0.1 hour for the second straight month, reaching 36.3 hours, seasonally adjusted, in November. In manufacturing, the workweek declined by 0.1 hour to 39.8 hours. The factory workweek was 1.2 hours below the pre-recession high reached in February 1973, despite the gain of a full hour since the recession low of early this year. Factory overtime in November was 2.8 hours for the fourth consecutive month. (See Table B-2.)

The index of aggregate hours of private nonfarm production or nonsupervisory employees increased for the fifth straight month, advancing 0.3 percent to 108.9 (1967=100). In manufacturing, the aggregate hours index held at 90.9, after having increased steadily from the March low of 86.4. (See Table B-5.)

Hourly and Weekly Earnings

Average hourly earnings of production or nonsupervisory workers on private nonagricultural payrolls rose 6 cents (seasonally adjusted), or an increase of 1.3 percent from October; hourly earnings were up 7.6 percent over the last 12 months. Average weekly earnings increased 1.0 percent in November and have risen 7.9 percent since last November.

Before adjustment for seasonality, average hourly earnings increased 3 cents to $4.68. Since November 1974, hourly earnings have increased 32 cents. Weekly earnings averaged $169.42 in November, $1.09 above the October level and $12.02 over November a year ago. (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 178.1 (1967=100) in November, 0.9 percent higher than in October. The index was 8.5 percent above November a year ago. During the 12-month period ended in October, the Hourly Earnings Index in dollars of constant purchasing power rose 0.5 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				
	Nov. 1974	Oct. 1975	Nov. 1975	Nov. 1974	July 1975	Aug. 1975	Sept. 1975	Oct. 1975	Nov. 1975
TOTAL									
Total noninstitutional population[1]	151,812	154,256	154,476	151,812	153,585	153,824	154,052	154,256	154,476
Total labor force	93,822	95,431	94,943	93,920	95,102	95,331	95,361	95,607	95,134
Participation rate	61.8	61.9	61.5	61.9	61.9	62.0	61.9	62.0	61.6
Civilian noninstitutional population[1]	149,600	152,092	152,320	149,600	151,399	151,639	151,882	152,092	152,320
Civilian labor force	91,609	93,267	92,787	91,708	92,916	93,146	93,191	93,443	92,979
Participation rate	61.2	61.3	60.9	61.3	61.4	61.4	61.4	61.4	61.0
Employed	85,924	86,023	85,556	85,689	85,078	85,352	85,418	85,441	85,278
Agriculture	3,224	3,524	3,156	3,375	3,450	3,468	3,546	3,422	3,292
Nonagricultural industries	82,700	82,499	82,400	82,314	81,628	81,884	81,872	82,019	81,986
Unemployed	5,685	7,244	7,231	6,019	7,838	7,794	7,773	8,002	7,701
Unemployment rate	6.2	7.8	7.8	6.6	8.4	8.4	8.3	8.6	8.3
Not in labor force	57,991	58,825	59,533	57,892	58,483	58,493	58,691	58,649	59,341
Males, 20 years and over									
Total noninstitutional population[1]	64,374	65,444	65,542	64,374	65,128	65,234	65,353	65,444	65,542
Total labor force	52,284	52,711	52,519	52,509	52,795	52,794	52,936	53,018	52,870
Participation rate	81.2	80.5	80.1	81.6	81.1	80.9	81.0	81.0	80.7
Civilian noninstitutional population[1]	62,601	63,725	63,830	62,601	63,403	63,498	63,629	63,725	63,830
Civilian labor force	50,511	50,992	50,807	50,737	51,070	51,058	51,213	51,299	51,158
Participation rate	80.7	80.0	79.6	81.0	80.5	80.4	80.5	80.5	80.1
Employed	48,411	47,983	47,678	48,379	47,499	47,682	47,638	47,666	47,646
Agriculture	2,415	2,514	2,362	2,429	2,435	2,463	2,483	2,422	2,376
Nonagricultural industries	45,996	45,470	45,315	45,950	45,064	45,219	45,155	45,244	45,270
Unemployed	2,100	3,008	3,129	2,358	3,571	3,376	3,575	3,633	3,512
Unemployment rate	4.2	5.9	6.2	4.6	7.0	6.6	7.0	7.1	6.9
Not in labor force	12,090	12,733	13,023	11,864	12,333	12,440	12,416	12,426	12,672
Females, 20 years and over									
Civilian noninstitutional population[1]	70,858	72,029	72,139	70,858	71,729	71,839	71,926	72,029	72,139
Civilian labor force	32,605	33,857	33,664	32,059	33,173	33,239	33,108	33,288	33,110
Participation rate	46.0	47.0	46.7	45.2	46.2	46.3	46.0	46.2	45.9
Employed	30,533	31,224	31,145	29,945	30,563	30,690	30,618	30,685	30,540
Agriculture	439	599	454	464	529	548	538	542	480
Nonagricultural industries	30,094	30,625	30,691	29,481	30,034	30,142	30,080	30,143	30,060
Unemployed	2,072	2,634	2,519	2,114	2,610	2,549	2,490	2,603	2,570
Unemployment rate	6.4	7.8	7.5	6.6	7.9	7.7	7.5	7.8	7.8
Not in labor force	38,253	38,172	38,475	38,799	38,556	38,600	38,818	38,741	39,029
Both sexes, 16-19 years									
Civilian noninstitutional population[1]	16,141	16,338	16,352	16,141	16,267	16,302	16,327	16,338	16,352
Civilian labor force	8,493	8,418	8,316	8,912	8,673	8,849	8,870	8,856	8,711
Participation rate	52.6	51.5	50.9	55.2	53.3	54.3	54.3	54.2	53.3
Employed	6,980	6,816	6,734	7,365	7,016	6,980	7,162	7,090	7,092
Agriculture	371	412	340	482	486	457	525	458	436
Nonagricultural industries	6,609	6,405	6,394	6,883	6,530	6,523	6,637	6,632	6,656
Unemployed	1,513	1,602	1,582	1,547	1,657	1,869	1,708	1,766	1,619
Unemployment rate	17.8	19.0	19.0	17.4	19.1	21.1	19.3	19.9	18.6
Not in labor force	7,648	7,920	8,035	7,229	7,594	7,453	7,457	7,482	7,641
WHITE									
Civilian noninstitutional population[1]	132,189	134,121	134,303	132,189	133,579	133,760	133,954	134,121	134,303
Civilian labor force	81,271	82,627	82,171	81,355	82,436c	82,476c	82,584	82,836	82,344
Participation rate	61.5	61.6	61.2	61.5	61.7	61.7	61.7	61.8	61.3
Employed	76,718	76,768	76,317	76,538	75,925	76,182	76,270	76,281	76,115
Unemployed	4,552	5,858	5,854	4,817	6,511	6,294	6,314	6,555	6,229
Unemployment rate	5.6	7.1	7.1	5.9	7.9	7.6	7.6	7.9	7.6
Not in labor force	50,918	51,494	52,132	50,834	51,143	51,284	51,370	51,285	51,959
NEGRO AND OTHER RACES									
Civilian noninstitutional population[1]	17,411	17,971	18,018	17,411	17,820	17,879	17,929	17,971	18,018
Civilian labor force	10,339	10,640	10,616	10,394	10,468	10,623	10,746	10,678	10,695
Participation rate	59.4	59.2	58.9	59.7	58.7	59.4	59.9	59.4	59.4
Employed	9,206	9,255	9,239	9,188	9,103	9,134	9,205	9,167	9,219
Unemployed	1,133	1,385	1,377	1,206	1,365	1,489	1,541	1,511	1,476
Unemployment rate	11.0	13.0	13.0	11.6	13.0	14.0	14.3	14.2	13.8
Not in labor force	7,072	7,331	7,401	7,017	7,352	7,256	7,183	7,293	7,323

[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.

Table A-2. Major unemployment indicators, seasonally adjusted

Selected categories	Number of unemployed persons (in thousands)		Unemployment rates					
	Nov. 1974	Nov. 1975	Nov. 1974	July 1975	Aug. 1975	Sept. 1975	Oct. 1975	Nov. 1975
Total, 16 years and over	6,019	7,701	6.6	8.4	8.4	8.3	8.6	8.3
Males, 20 years and over	2,358	3,512	4.6	7.0	6.6	7.0	7.1	6.9
Females, 20 years and over	2,114	2,570	6.6	7.9	7.7	7.5	7.8	7.8
Both sexes, 16-19 years	1,547	1,619	17.4	19.1	21.1	19.3	19.9	18.6
White, total	4,817	6,229	5.9	7.9	7.6	7.6	7.9	7.6
Males, 20 years and over	1,920	2,843	4.2	6.6	6.1	6.5	6.5	6.2
Females, 20 years and over	1,691	2,077	6.1	7.4	6.9	6.8	7.4	7.2
Both sexes, 16-19 years	1,206	1,309	15.1	17.6	19.1	17.4	17.8	16.8
Negro and other races, total	1,206	1,476	11.6	13.0	14.0	14.3	14.2	13.8
Males, 20 years and over	441	676	8.5	11.4	11.1	12.1	11.7	12.6
Females, 20 years and over	417	487	9.8	10.8	12.6	12.1	12.2	11.0
Both sexes, 16-19 years	348	313	36.9	33.5	37.4	37.2	37.0	33.8
Household heads	2,086	2,989	3.9	6.0	5.5	5.7	5.9	5.6
Married men, spouse present	1,322	1,940	3.3	5.4	5.0	5.3	5.2	4.9
Full-time workers	4,844	6,472	6.2	8.1	7.9	8.2	8.6	8.1
Part-time workers	1,221	1,309	9.2	10.0	10.7	9.6	10.1	9.8
Unemployed 15 weeks and over[1]	1,117	2,824	1.2	3.2	3.1	3.1	2.8	3.0
State insured[2]	2,840	3,631	4.3	6.2	5.8	5.8	5.7	5.5
Labor force time lost[3]	--	--	7.2	8.8	8.6	9.0	9.4	9.0
OCCUPATION[4]								
White-collar workers	1,633	2,083	3.8	4.8	4.6	4.7	4.8	4.7
Professional and technical	325	478	2.6	3.6	2.9	3.3	3.1	3.6
Managers and administrators, except farm	195	255	2.2	2.9	3.0	3.4	2.8	2.7
Sales workers	286	348	5.0	4.9	5.9	5.6	5.9	6.2
Clerical workers	827	1,002	5.1	6.8	6.4	6.3	7.0	6.2
Blue-collar workers	2,675	3,506	8.3	12.1	11.5	11.5	11.2	11.0
Craft and kindred workers	638	979	5.3	9.6	8.2	8.6	8.4	8.1
Operatives	1,489	1,807	9.8	12.9	12.7	12.7	12.0	12.1
Nonfarm laborers	548	720	11.0	15.9	16.2	15.2	16.2	14.8
Service workers	841	1,098	6.8	8.3	9.3	8.7	9.1	8.4
Farm workers	75	102	2.5	2.6	3.8	3.4	3.6	3.5
INDUSTRY[5]								
Nonagricultural private wage and salary workers[6]	4,541	5,925	6.8	9.2	9.1	9.1	9.1	8.9
Construction	608	771	13.5	20.8	19.9	19.2	17.9	17.3
Manufacturing	1,596	2,084	7.4	11.1	10.5	10.6	10.2	9.9
Durable goods	917	1,288	7.0	11.5	11.3	11.3	10.5	10.2
Nondurable goods	679	796	7.9	10.4	9.5	9.4	9.8	9.5
Transportation and public utilities	168	226	3.4	5.6	5.7	5.8	5.4	4.5
Wholesale and retail trade	1,160	1,539	7.0	8.3	8.9	8.7	8.8	9.1
Finance and service industries	986	1,289	5.4	6.3	6.1	6.3	7.1	6.9
Government workers	506	593	3.5	4.3	4.0	4.2	4.3	3.9
Agricultural wage and salary workers	107	135	7.2	8.4	10.5	9.9	10.6	9.7
VETERAN STATUS								
Males, Vietnam-era veterans[7]:								
20 to 34 years	365	590	6.1	9.6	9.0	9.2	9.3	9.6
20 to 24 years	151	218	13.0	17.6	17.5	20.0	22.0	22.5
25 to 29 years	170	276	5.1	8.6	8.2	7.3	7.9	8.4
30 to 34 years	44	96	3.0	6.6	5.9	6.5	5.3	5.0
Males, nonveterans:								
20 to 34 years	1,050	1,436	7.5	10.5	9.6	10.5	9.9	9.9
20 to 24 years	617	823	9.9	14.4	13.6	14.3	13.6	12.8
25 to 29 years	274	347	6.9	8.6	8.0	8.5	8.1	7.9
30 to 34 years	159	266	4.2	5.9	4.7	6.2	5.6	7.1

[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] Aggregate hours lost by the unemployed and persons on part time for economic reasons as a percent of potentially available labor force 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					
	Nov. 1974	Nov. 1975	Nov. 1974	July 1975	Aug. 1975	Sept. 1975	Oct. 1975	Nov. 1975
Total employed, 16 years and over	85,924	85,556	85,689	85,078	85,352	85,418	85,441	85,278
Males	52,142	51,229	52,410	51,287	51,448	51,490	51,496	51,485
Females	33,782	34,327	33,279	33,791	33,904	33,928	33,945	33,893
Household heads	50,907	50,572	50,737	50,241	50,524	50,373	50,362	50,421
Married men, spouse present	38,838	38,117	38,727	37,920	38,048	37,967	38,038	38,003
Married women, spouse present	20,109	20,361	19,599	19,692	19,693	19,849	19,882	19,845
OCCUPATION								
White-collar workers	42,265	42,807	41,733	42,499	42,593	42,504	42,381	42,254
Professional and technical	12,603	13,092	12,237	13,026	13,030	12,813	12,719	12,711
Managers and administrators, except farm	8,883	9,175	8,811	8,710	8,937	9,160	9,004	9,102
Sales workers	5,466	5,343	5,382	5,585	5,535	5,519	5,551	5,259
Clerical workers	15,313	15,197	15,303	15,178	15,091	15,012	15,107	15,182
Blue-collar workers	29,469	28,216	29,579	27,815	28,070	28,053	28,287	28,325
Craft and kindred workers	11,490	11,038	11,509	11,014	11,112	10,927	11,184	11,060
Operatives	13,728	13,184	13,654	12,662	12,867	12,960	13,014	13,118
Nonfarm laborers	4,251	3,994	4,416	4,139	4,091	4,166	4,089	4,147
Service workers	11,392	11,807	11,478	11,681	11,670	11,776	11,813	11,897
Farm workers	2,797	2,727	2,914	3,027	3,006	3,081	2,990	2,836
MAJOR INDUSTRY AND CLASS OF WORKER								
Agriculture:								
Wage and salary workers	1,293	1,177	1,386	1,357	1,368	1,393	1,319	1,262
Self-employed workers	1,616	1,671	1,625	1,714	1,688	1,761	1,700	1,679
Unpaid family workers	316	308	346	410	400	415	424	338
Nonagricultural industries:								
Wage and salary workers	76,611	75,962	76,213	75,350	75,826	75,822	76,137	75,556
Private households	1,294	1,302	1,267	1,353	1,379	1,325	1,364	1,275
Government	14,280	14,825	14,039	14,744	14,785	14,481	14,410	14,577
Other	61,037	59,835	60,907	59,253	59,662	60,016	60,383	59,704
Self-employed workers	5,639	5,929	5,704	5,689	5,670	5,634	5,547	5,995
Unpaid family workers	449	510	484	401	460	485	474	550
PERSONS AT WORK [1]								
Nonagricultural industries	79,453	79,264	77,417	75,305	76,505	76,943	77,109	77,249
Full-time schedules	64,901	64,485	63,694	61,138	62,442	63,044	63,101	63,283
Part time for economic reasons	2,928	3,033	3,180	3,179	3,106	3,233	3,339	3,317
Usually work full time	1,516	1,324	1,575	1,486	1,369	1,332	1,439	1,375
Usually work part time	1,412	1,709	1,605	1,693	1,737	1,901	1,900	1,942
Part time for noneconomic reasons	11,624	11,746	10,543	10,988	10,957	10,666	10,669	10,649

[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					
	Nov. 1974	Nov. 1975	Nov. 1974	July 1975	Aug. 1975	Sept. 1975	Oct. 1975	Nov. 1975
Less than 5 weeks	2,936	2,601	2,981	2,823	2,676	2,790	3,024	2,641
5 to 14 weeks	1,800	2,230	1,931	2,120	2,361	2,430	2,388	2,393
15 weeks and over	949	2,400	1,117	2,098	2,[illegible]	2,[illegible]	2,[illegible]	2,824
15 to 26 weeks	576	940	691	1,604	1,[illegible]	1,242	1,185	1,155
27 weeks and over	373	1,460	426	1,[illegible]	1,459	1,614	1,393	1,669
Average (mean) duration, in weeks	9.4	16.2	9.8	[illegible]	[illegible]	[illegible]	15.4	16.8
PERCENT DISTRIBUTION								
Total unemployed	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Less than 5 weeks	51.6	36.0	49.4	35.5	34.0	34.5	37.8	33.6
5 to 14 weeks	31.7	30.8	32.0	26.7	30.0	30.1	29.9	30.5
15 weeks and over	16.7	33.2	18.5	37.8	36.1	35.4	32.3	35.9
15 to 26 weeks	10.1	13.0	11.5	20.2	17.6	15.4	14.8	14.7
27 weeks and over	6.6	20.2	7.1	17.6	18.5	20.0	17.4	21.2

Table A-5. Reasons for unemployment

(Numbers in thousands)

Reason	Not seasonally adjusted		Seasonally adjusted					
	Nov. 1974	Nov. 1975	Nov. 1974	July 1975	Aug. 1975	Sept. 1975	Oct. 1975	Nov. 1975
NUMBER OF UNEMPLOYED								
Lost last job	2,576	3,810	2,840	4,567	4,263	4,576	4,460	~~3,865~~ 4,201
Left last job	777	886	784	826	777	814	832	~~803~~ 894
Reentered labor force	1,642	1,774	1,670	1,771	1,879	1,786	1,896	1,805
Seeking first job	691	761	784	648	876	819	865	864
PERCENT DISTRIBUTION								
Total unemployed	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Job losers	45.3	52.7	46.7	58.5	54.7	57.2	55.4	~~51.9~~ 54.1
Job leavers	13.7	12.3	12.9	10.6	10.0	10.2	10.3	~~12.2~~ 11.5
Reentrants	28.9	24.5	27.5	22.7	24.1	22.3	23.5	~~24.3~~ 23.2
New entrants	12.2	10.5	12.9	8.3	11.2	10.2	10.7	~~11.7~~ 11.1
UNEMPLOYED AS A PERCENT OF THE CIVILIAN LABOR FORCE								
Job losers	2.8	4.1	3.1	4.9	4.6	4.9	4.8	~~4.1~~ 4.5
Job leavers	.8	1.0	.9	.9	.8	.9	.9	~~1.0~~ 0.9
Reentrants	1.8	1.9	1.8	1.9	2.0	1.9	2.0	1.9
New entrants	.8	.8	.9	.7	.9	.9	.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						
	Nov. 1974	Nov. 1975	Nov. 1975	Nov. 1974	July 1975	Aug. 1975	Sept. 1975	Oct. 1975	Nov. 1975
Total, 16 years and over	5,685	7,231	78.9	6.6	8.4	8.4	8.3	8.6	8.3
16 to 19 years	1,513	1,582	49.4	17.4	19.1	21.1	19.3	19.9	18.6
16 to 17 years	727	710	24.2	19.5	19.9	23.1	21.9	22.2	19.8
18 to 19 years	786	873	69.9	15.8	18.4	19.5	18.0	18.3	17.7
20 to 24 years	1,266	1,674	86.5	10.5	13.6	13.1	13.6	14.0	13.8
25 years and over	2,906	3,974	89.0	4.4	6.2	5.8	6.0	6.2	6.0
25 to 54 years	2,476	3,318	89.3	4.7	6.6	6.2	6.3	6.5	6.3
55 years and over	431	655	78.0	3.2	4.8	4.3	4.6	4.9	4.8
Males, 16 years and over	2,917	3,986	83.4	5.7	8.1	7.9	8.0	8.2	7.9
16 to 19 years	817	857	53.1	17.1	19.9	21.7	19.4	20.0	18.5
16 to 17 years	400	372	26.9	19.7	21.0	23.5	22.4	21.6	19.4
18 to 19 years	416	485	73.2	15.1	19.0	19.8	18.2	18.5	17.9
20 to 24 years	704	955	87.7	10.4	14.8	14.2	15.3	14.7	14.1
25 years and over	1,396	2,174	93.5	3.7	5.7	5.3	5.6	5.8	5.7
25 to 54 years	1,156	1,777	96.0	3.9	6.0	5.6	5.9	6.0	5.9
55 years and over	240	398	81.9	2.8	4.6	4.3	4.6	4.6	4.7
Females, 16 years and over	2,768	3,245	73.3	7.8	9.0	9.1	8.8	9.1	8.9
16 to 19 years	696	726	45.0	17.6	18.2	20.5	19.1	19.9	18.6
16 to 17 years	327	338	21.3	19.3	18.6	22.5	21.3	22.8	20.2
18 to 19 years	370	388	65.7	16.6	17.8	19.3	17.8	18.0	17.6
20 to 24 years	562	719	84.8	10.7	12.1	11.7	11.7	13.1	13.5
25 years and over	1,510	1,800	80.2	5.7	7.0	6.6	6.6	6.9	6.6
25 to 54 years	1,320	1,543	81.6	6.1	7.5	7.1	7.0	7.2	6.9
55 years and over	190	258	71.3	3.9	5.1	4.9	4.5	5.3	5.1

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

[In thousands]

Industry	Not seasonally adjusted				Seasonally adjusted					
	Nov. 1974	Sept. 1975	Oct. 1975P	Nov. 1975P	Nov. 1974	July 1975	Aug. 1975	Sept. 1975	Oct. 1975P	Nov. 1975P
TOTAL	79,151	77,614	78,147	78,314	78,374	76,679	77,023	77,310	77,508	77,549
GOODS-PRODUCING	24,470	23,111	23,075	22,933	24,186	22,222	22,418	22,601	22,673	22,669
MINING	719	758	763	760	722	743	749	752	774	763
CONTRACT CONSTRUCTION	3,952	3,659	3,622	3,522	3,826	3,395	3,415	3,432	3,404	3,409
MANUFACTURING	19,799	18,694	18,690	18,651	19,638	18,084	18,254	18,417	18,495	18,497
Production workers	14,363	13,428	13,427	13,380	14,207	12,840	13,011	13,157	13,242	13,233
DURABLE GOODS	11,747	10,771	10,755	10,758	11,656	10,465	10,563	10,650	10,665	10,672
Production workers	8,489	7,645	7,639	7,636	8,398	7,348	7,450	7,527	7,556	7,553
Ordnance and accessories	177.9	166.9	165.6	166.2	177	172	167	165	164	165
Lumber and wood products	577.3	580.6	579.4	566.6	579	557	563	568	572	568
Furniture and fixtures	492.7	466.8	471.3	474.2	486	441	452	464	466	468
Stone, clay, and glass products	670.1	626.8	623.5	620.5	667	604	610	615	615	617
Primary metal industries	1,333.9	1,168.6	1,144.7	1,148.0	1,339	1,134	1,148	1,169	1,149	1,153
Fabricated metal products	1,486.2	1,354.5	1,358.9	1,353.2	1,467	1,298	1,331	1,340	1,343	1,336
Machinery, except electrical	2,241.3	2,028.5	2,031.5	2,030.4	2,244	2,017	2,013	2,035	2,042	2,032
Electrical equipment	1,970.3	1,770.9	1,782.5	1,788.9	1,951	1,712	1,747	1,755	1,768	1,771
Transportation equipment	1,834.4	1,694.4	1,678.7	1,697.1	1,802	1,645	1,645	1,643	1,649	1,667
Instruments and related products	518.2	487.7	491.2	491.6	515	482	481	486	489	489
Miscellaneous manufacturing	444.4	425.5	427.9	421.1	429	403	406	410	408	406
NONDURABLE GOODS	8,052	7,923	7,935	7,893	7,982	7,619	7,691	7,767	7,830	7,825
Production workers	5,874	5,783	5,788	5,744	5,809	5,492	5,561	5,630	5,686	5,680
Food and kindred products	1,715.3	1,812.7	1,764.7	1,711.8	1,693	1,668	1,688	1,693	1,697	1,690
Tobacco manufactures	83.1	88.5	88.0	87.1	77	79	78	80	79	81
Textile mill products	944.0	936.9	951.7	956.4	939	897	918	938	954	952
Apparel and other textile products	1,316.4	1,278.3	1,302.1	1,302.1	1,298	1,245	1,245	1,261	1,284	1,284
Paper and allied products	690.7	649.0	654.4	658.6	685	633	639	648	651	653
Printing and publishing	1,110.9	1,072.4	1,075.6	1,075.7	1,107	1,068	1,072	1,075	1,072	1,071
Chemicals and allied products	1,058.3	1,015.3	1,018.1	1,015.6	1,059	999	1,008	1,011	1,017	1,017
Petroleum and coal products	200.0	203.5	202.8	202.5	200	199	199	200	201	203
Rubber and plastics products, nec	661.6	604.4	611.2	612.1	554	575	588	599	608	605
Leather and leather products	271.7	262.3	266.4	270.8	270	256	256	262	267	269
SERVICE-PRODUCING	54,681	54,503	55,072	55,381	54,188	54,457	54,605	54,709	54,835	54,880
TRANSPORTATION AND PUBLIC UTILITIES	4,697	4,503	4,500	4,491	4,683	4,464	4,466	4,467	4,473	4,478
WHOLESALE AND RETAIL TRADE	17,361	17,084	17,130	17,328	17,058	16,984	17,016	17,045	17,037	17,025
WHOLESALE TRADE	4,271	4,194	4,211	4,214	4,237	4,161	4,159	4,181	4,182	4,181
RETAIL TRADE	13,090	12,890	12,919	13,114	12,821	12,823	12,857	12,864	12,855	12,844
FINANCE, INSURANCE, AND REAL ESTATE	4,213	4,243	4,240	4,241	4,226	4,203	4,218	4,239	4,248	4,254
SERVICES	13,808	14,113	14,179	14,169	13,822	13,990	14,050	14,113	14,151	14,183
GOVERNMENT	14,602	14,560	15,023	15,152	14,399	14,816	14,855	14,845	14,926	14,940
FEDERAL	2,724	2,746	2,742	2,750	2,742	2,745	2,756	2,765	2,767	2,769
STATE AND LOCAL	11,878	11,814	12,281	12,402	11,657	12,071	12,099	12,080	12,159	12,171

PPreliminary.

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

Industry	Not seasonally adjusted				Seasonally adjusted					
	Nov. 1974	Sept. 1975	Oct. 1975[p]	Nov. 1975[p]	Nov. 1974	July 1975	Aug. 1975	Sept. 1975	Oct. 1975[p]	Nov. 1975[p]
TOTAL PRIVATE	36.1	36.3	36.2	36.2	36.2	36.0	36.2	36.1	36.2	36.3
MINING	36.4	42.4	43.0	43.9	36.3	42.1	41.8	42.1	42.6	43.8
CONTRACT CONSTRUCTION	36.5	37.6	37.5	36.3	37.0	36.2	36.7	36.7	36.6	36.8
MANUFACTURING	39.7	40.2	40.0	40.0	39.5	39.4	39.7	39.8	39.9	39.8
Overtime hours	2.9	3.1	3.0	2.9	2.8	2.6	2.8	2.8	2.8	2.8
DURABLE GOODS	40.5	40.5	40.3	40.3	40.3	39.8	40.2	40.2	40.1	40.1
Overtime hours	3.1	3.0	2.8	2.7	3.0	2.5	2.7	2.7	2.6	2.6
Ordnance and accessories	41.9	41.7	41.4	42.1	41.9	40.1	41.2	41.7	41.5	42.1
Lumber and wood products	38.3	40.0	40.1	39.8	38.5	39.1	39.5	39.6	39.9	40.0
Furniture and fixtures	38.0	39.4	39.4	39.2	37.8	37.8	38.3	38.9	39.0	39.0
Stone, clay, and glass products	41.3	41.2	41.2	41.1	41.2	40.6	40.7	40.8	40.8	41.0
Primary metal industries	41.3	40.3	39.7	39.9	41.5	39.7	39.9	39.9	39.9	40.1
Fabricated metal products	40.6	40.5	40.4	40.6	40.4	39.5	40.0	40.2	40.3	40.4
Machinery, except electrical	42.4	40.9	40.7	40.9	42.2	40.5	40.8	40.7	40.7	40.7
Electrical equipment	39.9	39.9	39.8	40.2	39.5	39.5	39.6	39.6	39.6	39.8
Transportation equipment	39.8	41.3	40.9	40.5	39.6	40.7	41.2	40.9	40.5	40.3
Instruments and related products	40.3	40.0	39.9	40.4	39.9	39.7	39.5	39.7	39.8	40.0
Miscellaneous manufacturing	38.3	38.8	39.0	39.1	37.9	38.1	38.2	38.7	38.8	38.7
NONDURABLE GOODS	38.6	39.8	39.5	39.7	38.4	38.8	39.3	39.4	39.4	39.5
Overtime hours	2.6	3.4	3.1	3.0	2.6	2.8	2.9	3.0	2.9	2.9
Food and kindred products	40.1	41.6	40.5	40.5	40.1	40.1	40.7	40.9	40.5	40.5
Tobacco manufactures	38.1	38.8	38.9	41.1	37.3	35.4	37.6	38.0	37.5	40.3
Textile mill products	37.9	41.1	41.1	41.0	37.7	39.6	40.4	40.9	41.1	40.8
Apparel and other textile products	34.7	36.2	36.2	36.3	34.4	35.2	35.5	36.0	36.1	36.0
Paper and allied products	41.5	42.5	42.5	42.9	41.3	41.6	42.1	42.2	42.4	42.7
Printing and publishing	37.5	37.3	37.1	37.4	37.4	36.7	37.1	36.9	37.0	37.3
Chemicals and allied products	41.2	41.3	41.3	41.8	41.1	40.9	41.1	41.3	41.3	41.7
Petroleum and coal products	42.5	42.2	42.1	41.9	42.2	41.3	41.0	41.6	41.7	41.6
Rubber and plastics products, nec	40.0	40.5	40.1	40.1	39.7	40.0	40.1	40.1	40.0	39.8
Leather and leather products	36.7	38.2	38.6	38.7	36.6	37.8	38.0	38.4	38.9	38.5
TRANSPORTATION AND PUBLIC UTILITIES	39.8	39.9	39.7	39.6	39.8	39.4	39.5	39.7	39.5	39.6
WHOLESALE AND RETAIL TRADE	33.6	33.7	33.7	33.5	33.8	33.6	33.8	33.6	33.9	33.7
WHOLESALE TRADE	38.6	38.6	38.8	38.6	38.6	38.5	38.6	38.5	38.8	38.6
RETAIL TRADE	32.1	32.3	32.1	32.0	32.5	32.2	32.3	32.2	32.3	32.4
FINANCE, INSURANCE, AND REAL ESTATE	36.7	36.2	36.4	36.7	36.8	36.3	36.3	36.3	36.4	36.8
SERVICES	33.6	33.7	33.7	33.7	33.8	33.7	33.8	33.6	33.8	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.

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			
	Nov. 1974	Sept. 1975	Oct. 1975[p]	Nov. 1975[p]	Nov. 1974	Sept. 1975	Oct. 1975[p]	Nov. 1975[p]
TOTAL PRIVATE	$4.36	$4.64	$4.65	$4.68	$157.40	$168.43	$168.33	$169.42
Seasonally adjusted	4.35	4.60	4.62	4.68	157.47	166.06	167.24	169.88
MINING	5.23	6.02	6.00	6.11	190.37	255.25	258.00	268.23
CONTRACT CONSTRUCTION	7.00	7.42	7.44	7.54	255.50	278.99	279.00	273.70
MANUFACTURING	4.59	4.89	4.90	4.93	182.22	196.58	196.00	197.20
DURABLE GOODS	4.89	5.24	5.26	5.29	198.05	212.22	211.98	213.19
Ordnance and accessories	4.87	5.39	5.42	5.41	204.05	224.76	224.39	227.76
Lumber and wood products	4.02	4.43	4.41	4.37	153.97	177.20	176.84	173.93
Furniture and fixtures	3.59	3.79	3.81	3.82	136.42	149.33	150.11	149.74
Stone, clay, and glass products	4.65	5.01	5.02	5.03	192.05	206.41	206.82	206.73
Primary metal industries	5.89	6.39	6.35	6.43	243.26	257.52	252.10	256.56
Fabricated metal products	4.76	5.17	5.19	5.22	193.26	209.39	209.68	211.93
Machinery, except electrical	5.12	5.47	5.50	5.53	217.09	223.72	223.85	226.18
Electrical equipment	4.34	4.66	4.66	4.69	173.17	185.93	185.47	188.54
Transportation equipment	5.73	6.14	6.25	6.25	288.05	253.58	255.63	253.13
Instruments and related products	4.33	4.60	4.61	4.65	174.50	184.00	183.94	187.86
Miscellaneous manufacturing	3.59	3.82	3.83	3.86	137.50	148.22	149.37	150.93
NONDURABLE GOODS	4.14	4.41	4.42	4.45	159.80	175.52	174.59	176.67
Food and kindred products	4.30	4.62	4.64	4.69	172.43	192.19	187.92	189.95
Tobacco manufactures	4.20	4.29	4.27	4.42	160.02	166.45	166.10	181.66
Textile mill products	3.28	3.48	3.53	3.53	124.31	143.03	145.08	144.73
Apparel and other textile products	3.10	3.22	3.24	3.25	107.57	116.56	117.29	117.98
Paper and allied products	4.69	5.11	5.15	5.20	194.64	217.18	218.88	223.08
Printing and publishing	5.12	5.49	5.50	5.52	192.00	204.78	204.05	206.45
Chemicals and allied products	5.06	5.48	5.50	5.57	208.47	226.32	227.15	232.83
Petroleum and coal products	5.78	6.61	6.61	6.64	245.65	278.94	278.28	278.22
Rubber and plastics products, nec	4.16	4.41	4.42	4.43	166.40	178.61	177.24	177.64
Leather and leather products	3.11	3.26	3.26	3.27	114.14	124.53	125.84	126.55
TRANSPORTATION AND PUBLIC UTILITIES	5.62	6.11	6.10	6.12	223.68	243.79	242.17	242.35
WHOLESALE AND RETAIL TRADE	3.58	3.80	3.82	3.83	120.29	128.06	128.73	128.31
WHOLESALE TRADE	4.68	4.94	4.96	5.02	180.65	190.68	192.45	193.77
RETAIL TRADE	3.18	3.39	3.41	3.41	102.08	109.50	109.46	109.12
FINANCE, INSURANCE AND REAL ESTATE	3.92	4.16	4.17	4.24	143.86	150.59	151.79	155.61
SERVICES	3.89	4.13	4.16	4.22	130.70	139.18	140.19	142.21

[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	Nov. 1974	June 1975	July 1975	Aug. 1975	Sept. 1975	Oct.P 1975	Nov.P 1975	Percent change from: Nov. 1974-Nov. 1975	Percent change from: Oct. 1975-Nov. 1975
TOTAL PRIVATE NONFARM:									
Current dollars	164.2	172.2	173.1	174.6	175.2	176.5	178.1	8.5	0.9
Constant (1967) dollars	106.4	107.3	106.6	107.4	107.2	107.4	N.A.	(2)	(3)
MINING	167.9	182.8	184.0	186.2	187.2	188.4	188.9	12.5	.3
CONTRACT CONSTRUCTION	168.3	175.9	177.4	176.7	177.3	177.9	181.5	7.8	2.1
MANUFACTURING	162.5	171.0	172.2	173.3	174.5	176.0	176.9	8.9	.5
TRANSPORTATION AND PUBLIC UTILITIES	172.7	181.1	182.4	186.2	186.4	187.1	188.2	9.0	.6
WHOLESALE AND RETAIL TRADE	160.4	167.5	168.3	170.5	170.5	171.7	172.8	7.7	.7
FINANCE, INSURANCE, AND REAL ESTATE	153.9	163.1	161.5	163.0	162.6	163.5	166.7	8.4	2.0
SERVICES	168.3	175.5	175.8	177.1	177.8	179.6	182.2	8.3	1.4

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

[2] Percent change was 0.5 from October 1974 to October 1975, the latest month available.

[3] Percent change was 0.1 from September 1975 to October 1975, the latest month available.

N.A. = not available.

pPreliminary.

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 hours of production or nonsupervisory workers[1] on private nonagricultural payrolls, by industry, seasonally adjusted

[1967 = 100]

Industry division and group	1974		1975										
	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.P	Nov.P
TOTAL	111.3	109.9	108.9	107.0	105.9	106.0	106.3	106.0	106.4	107.6	108.1	108.6	108.9
GOODS-PRODUCING	99.2	96.7	94.5	90.7	88.4	89.2	89.4	88.9	89.3	91.2	92.4	92.8	93.0
MINING	99.7	106.0	117.4	116.7	115.9	113.7	119.4	118.4	118.8	118.6	119.9	124.7	126.9
CONTRACT CONSTRUCTION	112.9	112.1	111.0	104.1	94.5	99.0	99.3	94.9	96.2	98.3	98.6	97.4	98.0
MANUFACTURING	96.8	93.6	90.8	87.4	86.4	86.6	86.6	86.8	87.1	89.0	90.3	90.9	90.9
DURABLE GOODS	98.3	94.9	91.8	87.9	86.6	86.5	85.4	85.2	84.9	86.7	87.7	88.0	88.1
Ordnance and accessories	48.4	48.8	48.3	48.3	47.7	47.7	47.5	46.9	44.7	43.7	43.0	42.8	42.3
Lumber and wood products	89.6	87.1	83.8	82.3	81.6	82.5	84.4	85.8	86.7	88.8	90.1	91.6	90.5
Furniture and fixtures	98.9	94.9	88.0	85.1	83.9	85.8	87.7	87.2	88.7	92.6	97.4	97.9	98.4
Stone, clay, and glass products	105.2	102.3	98.5	94.1	91.2	92.6	92.6	92.4	93.1	94.5	95.7	95.5	96.4
Primary metal industries	101.9	98.0	94.8	90.6	87.3	84.1	82.1	80.8	80.0	81.7	83.5	81.9	82.5
Fabricated metal products	102.8	99.6	94.9	92.1	90.2	90.1	89.0	88.5	86.7	90.9	92.0	92.6	92.2
Machinery, except electrical	108.6	106.3	104.0	100.8	98.3	96.6	93.1	91.3	90.4	91.0	91.8	92.3	91.7
Electrical equipment and supplies	96.6	92.8	90.2	85.3	84.3	83.3	81.9	81.8	81.6	84.3	84.9	86.0	86.6
Transportation equipment	88.7	84.0	81.1	75.1	77.3	80.4	80.2	81.4	82.0	82.9	82.2	82.5	83.1
Instruments and related products	108.9	106.6	105.0	100.7	98.3	98.2	97.1	97.0	98.1	97.2	99.4	100.7	100.9
Miscellaneous manufacturing, ind.	94.6	91.1	89.4	87.3	85.6	86.0	86.5	87.0	87.7	89.0	91.4	91.0	90.5
NONDURABLE GOODS	94.5	91.7	89.3	86.7	86.0	86.7	88.2	89.1	90.2	92.4	94.1	95.1	95.0
Food and kindred products	94.8	93.9	92.8	92.5	92.6	92.4	92.9	93.1	93.4	96.1	96.9	96.4	95.5
Tobacco manufactures	83.8	86.1	88.2	86.9	86.7	83.4	80.3	86.7	80.8	85.8	88.1	85.6	96.2
Textile mill products	88.4	83.3	78.0	75.8	77.2	80.8	85.7	87.0	88.5	93.0	96.4	98.5	97.7
Apparel and other textile products	86.3	82.2	80.1	76.9	76.5	78.5	79.8	82.4	84.6	85.3	87.8	89.5	89.4
Paper and allied products	95.7	93.9	91.0	87.4	85.3	84.5	85.7	86.4	87.6	89.6	91.3	92.3	93.5
Printing and publishing	97.5	97.0	96.7	94.9	93.9	92.6	92.0	91.2	90.9	92.4	91.9	91.7	92.3
Chemicals and allied products	102.4	99.3	96.6	95.0	92.4	91.4	92.7	92.6	93.0	94.5	96.1	97.0	97.7
Petroleum and coal products	109.6	108.7	102.8	100.2	104.0	101.4	104.4	105.3	107.2	107.3	108.9	110.0	110.6
Rubber and plastics products, nec	123.0	117.4	113.8	104.2	100.4	102.1	105.1	105.1	106.9	110.6	113.0	114.7	113.4
Leather and leather products	73.0	70.3	67.8	64.4	63.0	65.8	66.8	69.6	71.4	72.1	74.9	77.2	77.4
SERVICE-PRODUCING	119.6	119.1	118.9	118.4	118.1	117.6	118.0	117.8	118.3	119.0	119.0	119.5	119.9
TRANSPORTATION AND PUBLIC UTILITIES	106.8	106.2	105.0	103.5	102.1	102.3	100.3	100.6	100.3	100.5	101.1	100.7	101.0
WHOLESALE AND RETAIL TRADE	115.7	114.7	114.3	113.7	113.9	113.4	113.9	113.7	114.6	115.2	115.2	115.6	115.5
WHOLESALE TRADE	113.8	113.3	113.0	112.1	111.6	111.5	111.4	110.3	110.8	111.0	111.3	112.1	111.5
RETAIL TRADE	116.4	115.2	114.7	114.2	114.8	114.0	114.8	115.0	116.0	116.8	116.7	116.9	117.0
FINANCE, INSURANCE, AND REAL ESTATE	125.1	125.1	125.2	124.5	123.6	122.1	122.9	123.2	122.3	122.9	123.5	123.8	125.6
SERVICES	129.3	129.3	129.9	129.9	129.6	129.3	130.3	129.9	130.4	131.4	131.1	132.3	132.9

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

pPreliminary.

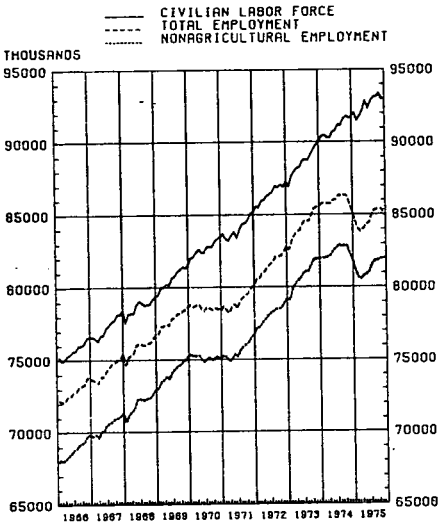
Table B-8. Indexes of diffusion: Percent of industries in which employment[1] increased

Year and month	Over 1-month span	Over 3-month span	Over 6-month span	Over 12-month span
1972				
January	69.5	76.2	81.7	77.3
February	73.5	82.8	83.1	81.1
March	75.0	80.2	85.2	78.8
April	71.8	82.0	78.5	82.3
May	76.2	77.6	79.9	84.6
June	70.6	70.3	79.9	84.3
July	48.0	70.6	83.1	84.0
August	67.7	70.6	81.7	84.0
September	73.0	80.8	80.2	85.2
October	79.9	83.4	83.7	82.8
November	73.3	79.1	82.0	80.8
December	75.9	82.0	84.0	83.1
1973				
January	76.7	84.0	81.7	81.1
February	75.0	83.7	79.4	80.8
March	73.8	76.2	79.4	82.6
April	62.5	71.5	74.7	81.4
May	59.9	70.3	72.1	79.7
June	68.0	63.1	66.6	78.5
July	55.8	66.9	72.1	75.6
August	63.1	64.8	72.7	73.5
September	61.6	74.7	73.0	69.2
October	72.7	75.9	75.6	66.0
November	75.0	76.5	70.3	66.6
December	66.6	70.1	66.0	64.2
1974				
January	59.3	62.8	60.8	63.4
February	52.6	53.8	55.2	59.6
March	46.5	48.0	49.7	55.2
April	47.1	48.3	48.5	50.3
May	55.2	51.7	49.7	40.1
June	53.2	52.6	45.6	28.2
July	52.3	45.1	37.2	27.0
August	45.9	39.2	31.1	22.4
September	36.0	40.4	23.3	20.9
October	37.8	28.8	17.7	18.6
November	20.1	21.5	17.2	16.6
December	18.6	13.4	13.1	14.0
1975				
January	18.6	12.5	13.4	16.6
February	16.6	13.7	13.1	17.4
March	25.0	19.2	16.3	17.4
April	40.4	35.8	27.9	19.2p
May	53.8	40.4	40.1	25.0p
June	40.4	48.5	60.8	
July	55.2	55.8	66.0p	
August	73.5	80.2	66.6p	
September	81.7	82.3p		
October	61.5p	70.6p		
November	57.0p			
December				

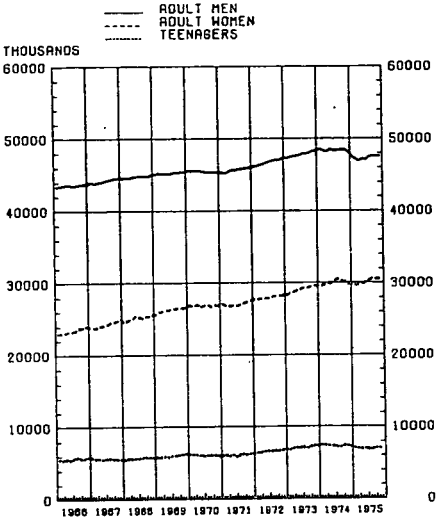
[1] Number of employees, seasonally adjusted, on payrolls of 172 private nonagricultural industries.
p = preliminary.

LABOR FORCE, EMPLOYMENT, UNEMPLOYMENT
HOUSEHOLD DATA - SEASONALLY ADJUSTED

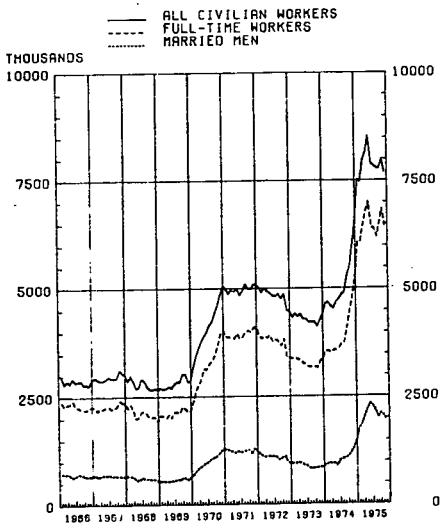
1. LABOR FORCE AND EMPLOYMENT



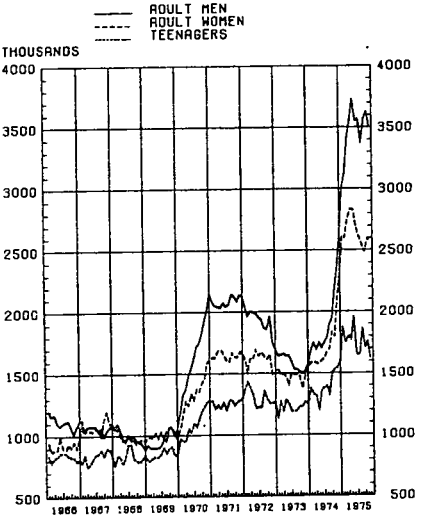
2. TOTAL EMPLOYMENT



3. UNEMPLOYMENT

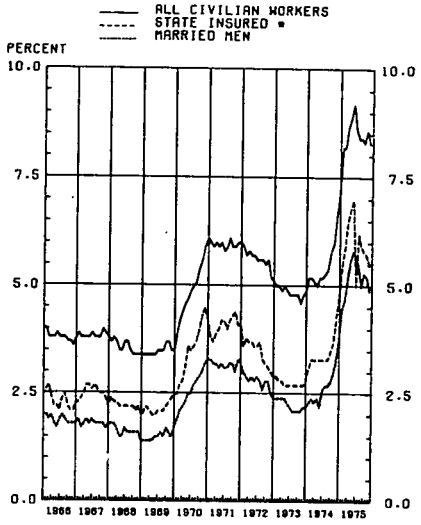


4. UNEMPLOYMENT

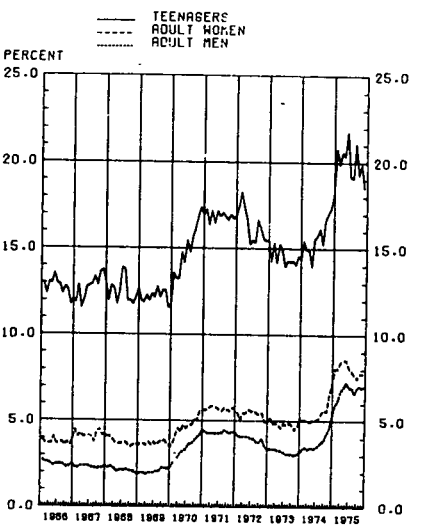


UNEMPLOYMENT RATES
HOUSEHOLD DATA - SEASONALLY ADJUSTED

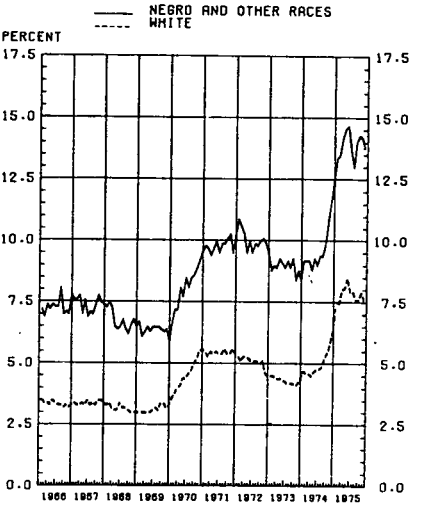
5. UNEMPLOYMENT RATES



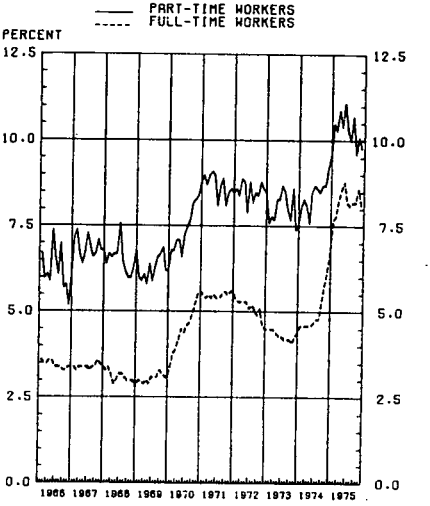
6. UNEMPLOYMENT RATES



7. UNEMPLOYMENT RATES



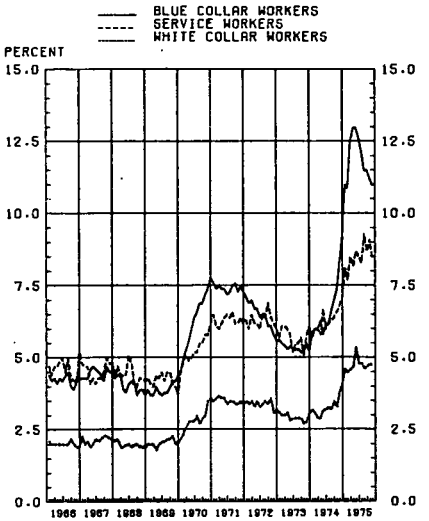
8. UNEMPLOYMENT RATES



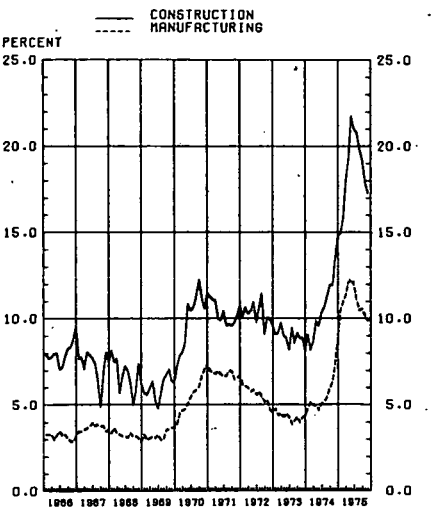
* State insured unemployment rate pertains to the week including the 12th of the month and represents the insured unemployed under State programs as a percent of average covered employment. The figures are derived from administrative records of unemployment insurance systems.

UNEMPLOYMENT
HOUSEHOLD DATA - SEASONALLY ADJUSTED

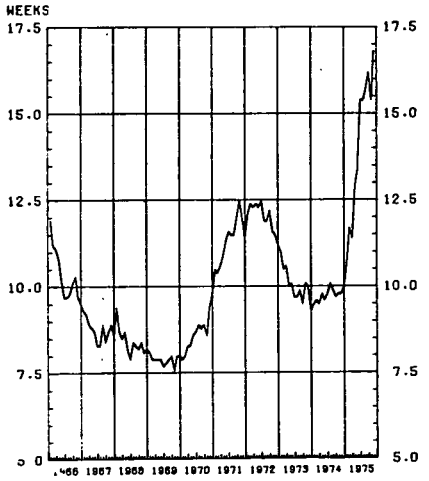
9. UNEMPLOYMENT RATES



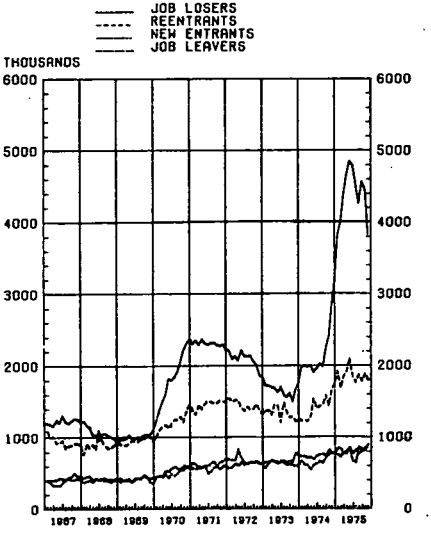
10. UNEMPLOYMENT RATES



11. AVERAGE DURATION OF UNEMPLOYMENT

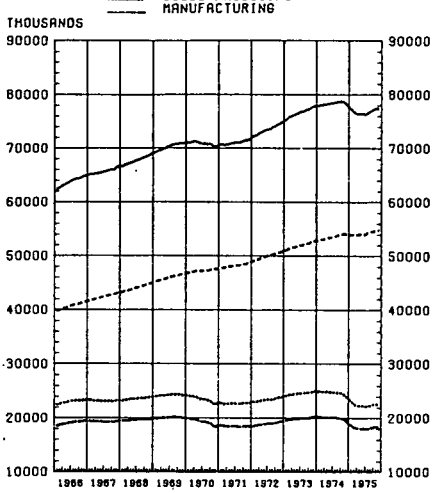


12. UNEMPLOYMENT BY REASON

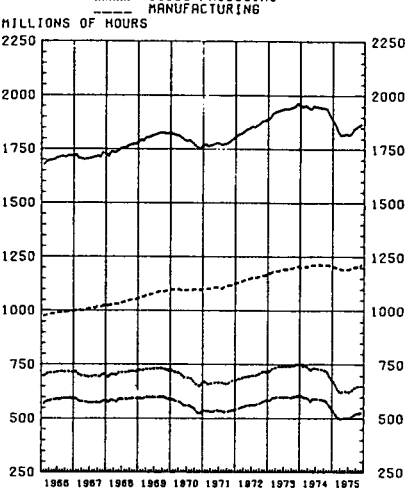


NONAGRICULTURAL EMPLOYMENT AND HOURS
ESTABLISHMENT DATA - SEASONALLY ADJUSTED

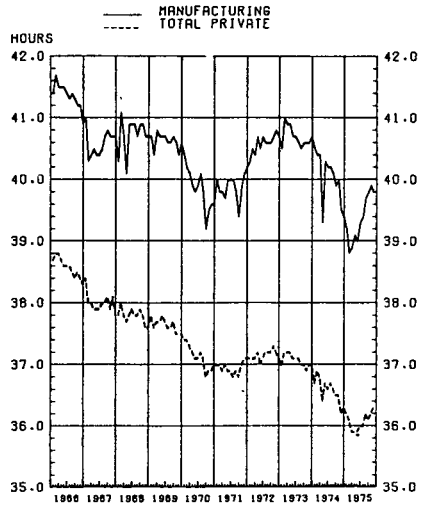
13. EMPLOYMENT



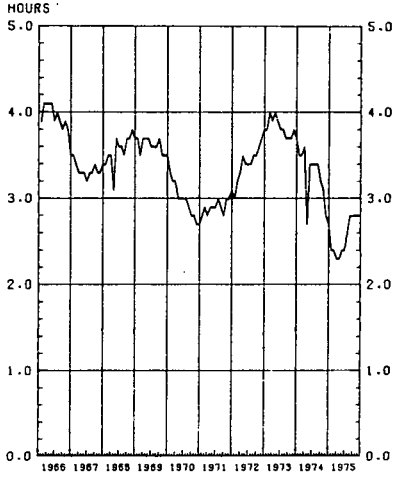
14. HOURS



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.

Chairman HUMPHREY. Your statement is very clear as to what is happening. I would say the hypothesis of those you have given as the reasons for what has developed in the labor force, I think, from my just traveling around, is that the members of families are having to scramble in order to just pay their bills. This is happening in my own sons and daughters, same thing. I mean you cannot pay the bills with one person on the payroll. That is impossible these days.

I notice, by the way—I thought I would bring this up. I noticed the price of bacon in the town of Washington. You know the hog prices have gone down 50 percent since August? Any of you folks out there know that? You know what has happened to the price of bacon? It still stays up there at the high peak of when hogs were selling $65 a hundredweight. They are down to less than $40. I think somebody ought to blow the whistle on them, and I am going to blow it right now, and I want this committee to look at whatever Government agency is supposed to be keeping track of the consumer prices and go after them.

There is no reason on God's green earth why hog prices should be down 50 percent since August and bacon prices up.

Mr. SHISKIN. At an earlier session, Mr. Chairman——

Chairman HUMPHREY. Yes.

Mr. SHISKIN. I would remind you of some analytical relationships. I passed out charts which show the amplitude of fluctuations in farm prices is much much greater than prices at the consumer level.

Chairman HUMPHREY. Of course. I have been living with that for 60 years of my life.

The poor farmer. You know the price of grain today is as low as in 1947? And the price of beans is below what is was in 1947. The price of corn is below what it was in 1947. And do you know the price of wheat has dropped a dollar and a half a bushel since all that baloney about the import, the embargos on the Soviet Union?

The price of food continues to go up. That is what this committee staff has got to be looking at. Why these sticky prices? We have got to be raising cain with these people.

I think something has gone cockeyed in this country, and I have made up my mind this morning that I am declaring war on this kind of situation if it is only one man, because the American consumer goes into the supermarket, and that is what he judges to be inflation. He or she judges inflation according to every public opinion survey we have, of what they pay in the supermarket. They judge it by the supermarket, housing, and interest. Supermarket prices, home purchase, rent, and interest. All three of them are up.

And at the same time food prices are down, the same time that there is a depression in the housing industry—all this baloney that we got here awhile ago about how the housing industry is going to improve. We had the Secretary of HUD out here telling us about all these new starts and all that sort of business. They will be lucky if they can get themselves a tent or a tepee. There is not any improvement in the housing starts.

The interest rates. I see this prime interest rate stuff is coming down. Did you every try to borrow any money out home where the people live? Not those big shots who are working on that prime rate.

You cannot borrow any money for a house at less than 9 or 10 percent, to really build a home by the time you get it all phased in.

This is what drives people nuts about this Government. I do not mean just this administration. I mean about government.

All right, Mr. Shiskin, you explode too.

Mr. SHISKIN. Mr. Chairman, I have a few comments before we break for awhile.

First, the Wholesale Price Index we released yesterday shows a drop in the price of bacon. Hopefully, that will be passed on to those of us——

Chairman HUMPHREY. It will not mean a thing, Mr. Shiskin. You are living in a nice dream world.

We got that Wholesale Price Index dropping on foodstuff. It does not mean—listen, have you looked at the price of eggs? Do you want to go out home and find out what they really are? There is no processing between the hen and the egg, you know. [Laughter.]

There are no middle men in that business.

Mr. SHISKIN. Hope springs eternal.

Chairman HUMPHREY. You are such an optimist, dear friend.

I have got to go down and vote. Do not leave. This party is just getting going. I will be back. [Applause.]

[A brief recess was taken.]

Chairman HUMPHREY. Mr. Shiskin, I think you will be happy to know the cloture vote ended 70 to 27 to cut off debate, limit debate on the subject of financial assistance to the city of New York. So we ought to complete that bill today, and on Monday, we will go through the same agony of having to have a cloture vote on whether or not to get the appropriations. This is the authorization bill.

I was speaking to you about food costs because the Wholesale Price Index, of course, is a part of our general concern. There is an article by Sylvia Porter in yesterday's Washington Star. Sylvia speaks for the—is the economist for the average citizen. She says it in a way that people can understand it.

She says the average retail cost of a market basket of U.S. produced food, enough to feed a typical American household for 1 year, climbed $126 in the first 9 months of 1975. It went up to $1,860. Only $33 of this increase of $126 went to the farmer. Now that means 74 percent, or $93 of the $126 rise went to the faceless, ever-increasing middleman, bottlers, meatpackers, transporters, processors, wholesalers, and grocers.

Overall, for every dollar you spend on food, only 40 cents goes to the farmer, and even this is 6¢ less than he got 2 years ago. Six cents less than he got 2 years ago.

I know. I was out in Minnesota to talk to 8,000 farmers from seven Midwestern States, and I stood there and talked to them for hours in visits, which generally does not happen, you know. With most people, somebody goes out and interviews one farmer, gets ahold of one person. You stand in line for about 2½ hours and listen to them as they come through.

When they find out that their fuel prices have gone up, their tractor prices have gone up, their building prices—the cost of a fencepost today is 400 percent more than it was 3 years ago. Four times, one fence post.

Wire, 250 to 300 percent, depending on what gauge of wire you get.

And this is what plagues these people. Now the reason I got on the bacon business this morning, I was having bacon for breakfast. I always like bacon for breakfast. And I said to Mrs. Humphrey, "how much did you pay for this bacon," because I just heard those farmers on Wednesday night out in Minnesota, these people from Wisconsin, Montana, Colorado, Iowa, Minnesota, the two Dakotas, North and South Dakota. And she told me, and I did not get into a family fight about it, but I just said, "either you do not know how to shop or somebody is robbing you."

Well, that did not go over very good. I withdrew that. And then I gave her my lecture on economics, and she told me to take it up to Congress, that she did not have time to listen to it. And not only that, that she was not going to do anything more about it than we were doing. So I thought I would just finally get rid of it up here this morning.

Now, having covered the family problems, I would like to ask you, Mr. Shiskin, how you explain this plateau in the unemployment rate. When the economy is recovering, why is the unemployment rate not going down?

When we add together the sticky unemployment rate, the recent failure of employment to grow, the recent weak performance on retail sales, yesterday's release on the rather weak business plans for new investment, are we looking at an economic recovery which is weaker and more uncertain than the pundits have been predicting?

Mr. SHISKIN. First of all, let me come to the earlier part of your question. The unemployment rate was in the neighborhood of 9 percent, 8.9 percent.

Chairman HUMPHREY. That is over 1 year.

Mr. SHISKIN. Now, we are down to 8.3 percent.

While that is not as much as we hoped for, I think we must recognize the unemployment rate has declined. As far as employment——

Chairman HUMPHREY. Now Doctor, that is not much of a decline. In light of what has been pumped into the economy in terms of tax rebates, tax reductions, inventory liquidation—plus the fact, may I say, from that second quarter up until this time is the time unemployment generally picks up. If it does not pick up from the second quarter to the fourth quarter, you are dead.

Mr. SHISKIN. OK, but there has been some.

Chairman HUMPHREY. Yeah, but I just thought we ought to put it in focus, you know.

Mr. SHISKIN. It is not as much as we have had during comparable period of earlier recoveries.

Let me also add that we have had a very substantial increase in employment. In fact, in terms of employment, during the first 4 to 6 months of recovery, we had one of the most vigorous recoveries in recent business cycle history. So the employment rise has been very good for the early stages of recovery. So that brings us again to the labor force.

Chairman HUMPHREY. Yes. Well that is what I am talking about—people. P-e-o-p-l-e. Those are the people who work, eat, clothe themselves, and pay taxes—now how about those folks?

Mr. SHISKIN. Apparently a lot more people are coming into the labor markets today than has been the case in the past, and we ask ourselves why, what is going on?

I offer three hypotheses as to what is going on. You will recall first, I think, we have going on really a social revolution, that more and more women are coming into the labor force. And, in fact, in this recovery period of 8 months, more than half the increase in the labor force has been women.

Chairman HUMPHREY. How many of those have been married women? It would be very interesting to know if they have had to come in and pitch in in order to be able to buy the kids some shoes to start school.

Mr. SHISKIN. I do not know the number.

Chairman HUMPHREY. Do you have any estimate?

Mr. STEIN. I would say it is probably over half.

Chairman HUMPHREY. Which gives us the second hypothesis.

Mr. SHISKIN. My initial impression is that many women have entered the labor force to maintain or enhance their standards of living.

I had lunch with a group of the new field people who are coming into the CPI revision. It turned out there were six people from the field in this group. I had lunch with them, and five of them were women.

I asked them, "Why are you going to work, what are the reasons." Well, it was very interesting. First of all, it is obvious women have a new attitude about work. They want a part of the action. They also reflect financial pressures, and several told me that they have teenaged kids, and college tuition has gone up so much.

Chairman HUMPHREY. Of course.

Mr. SHISKIN. They want their children to go to college as they did, and the only way they can see of accomplishing this is by entering the labor force and earning the money themselves. So that is another reason.

But I want to go to the third reason which is very interesting. We do not hear much about it, but I think we will. Some people think that many people draw unemployment insurance who would normally have left the labor force. We have a very long extension period, during which people could draw unemployment insurance. The total period for which people can now draw unemployment insurance is 65 weeks, and in order for them to draw unemployment insurance, they have to register as unemployed. Many of these persons would normally have dropped out of the labor force by this time.

Presumably, when our data collectors go to their house, they or their wives report they are looking for work, and that is what they report to the UI offices.

So this is another factor that we have not had in the past which may be holding up the size of the labor force. Insofar as this is true, now that the period of extended benefits has come to an end all over the United States as it did in November, the unemployment rate will drop.

Chairman HUMPHREY. If course, there are still people that do not have jobs that say they would like one.

Mr. SHISKIN. But they will not be unemployed. They will be people out of the labor force.

Chairman HUMPHREY. So in other words, you just sort of erase them.

Mr. SHISKIN. Well, we have a great many people who are not in the labor force, 59-odd million. And there are very good reasons for peo-

ple not being in the labor force. Hopefully, someday, I myself will not be in the labor force. That does not mean it is a bad thing.

Chairman HUMPHREY. I think it would be well to do the best we can to explore these hypotheses in more detail to see whether or not—particularly the last one.

Mr. SHISKIN. Yes. We will learn a little more about the last one in the next few months. Hopefully we can detect, with some analysis of the figures, that this has been a factor.

Also, we have a survey——

Mr. STEIN. We do have a survey planned for next April. It may be some time before we have the results and analyze them.

Chairman HUMPHREY. There is one thing I asked about the other day, Mr. Shiskin, that you might want to look into. This is just a complaint that I have heard, that a number of the people that are unemployed are people in an income bracket that was so low that when they draw unemployment compensation, that their income from unemployment compensation and the other aids such as food stamps, etc. was about the same as it would have been had they been employed. And therefore, the incentive for them to seek employment was not there.

Now, that is a charge that is made. I do not know whether it can be verified or not. And I do not know as to whether or not your organization could in any way find evidence that could either disprove this or to verify it.

What is your judgment?

Mr. SHISKIN. I believe another survey we have in the mill will get at this.

Chairman HUMPHREY. You get what I mean?

Mr. SHISKIN. Yes.

Chairman HUMPHREY. Yes.

Mr. SHISKIN. There is a whole literature being developed on the subject of "disincentives" for employment. These are the kinds of things you are mentioning. We will be asking various questions on sources of income. This will be another way to get at this question.

Chairman HUMPHREY. What I am getting at is if we could get information on what looks like an unemployed person—what is your income on your job when you had your last job? All right now, you are unemployed——

Mr. SHISKIN. What is your unemployment insurance?

Chairman HUMPHREY. Now that you are unemployed, what is your total income? Not only in terms of what you get in unemployment compensation, but what do you get in food stamps, what, if any, other assistance do you get?

You would be able to develop a pattern which would show that there was disincentive.

Mr. STEIN. Senator, we have all those questions in the survey we are planning for April. We need a certain amount of lead time to get the survey off the ground.

Chairman HUMPHREY. Certainly. The thing that is disturbing, and it may only be temporary, and I hope it is, is that while the employment situation did improve, as you say, Mr. Shiskin, for the second and third quarters, it did taper off, and it is rather static now.

Some people indicate to me that in the second and third quarters when there was so much talk about recovery, and there were indications of it—for example, automobile sales picking up, and there were some better housing starts—that people who had dropped out of the employment market, who were no longer registered for employment or unemployment, moved back into the labor market. And now that they have found out that the rose-tinted glasses of recovery is not quite as vivid as they expected, they have, in a sense, dropped out of the employment market.

Mr. SHISKIN. Until we got the figures today, Mr. Chairman, we were unable to say that because the labor force was growing at an unusual rate. It is possible in light of the figures we got today to describe what has, in effect, happened.

Up until the morning, we would have not thought——

Chairman HUMPHREY. I did not see the figures on all types of youth and employment. Let me see if I have got my facts right.

Do I understand that of the labor force, that about 25 percent of the labor force is between the ages of 16 and 25, and little over 40 percent of the unemployed are between the ages of 16 and 25? Is that about right? Is that the ballpark figure?

Mr. STEIN. Yes.

Chairman HUMPHREY. Have we been able to make any inroads in these more recent statistics in the last few months on youth unemployment?

Mr. SHISKIN. Let me answer the question this way, Mr. Chairman. That unemployment rate seems to be going down. Most fundamental is that many people who lost their jobs got their jobs back again. I said that several months ago, but for a month or two, it looked like things might be the opposite way. Again, this month, we have a sharp drop in the number of job losers. The job losers were essentially males in industry, and those are the ones who are getting back to work. It is a typical cyclical phenomenon, I think, in terms of how industry is reacting to the cyclical situation.

Chairman HUMPHREY. What do you think is the rate of true economic growth we need to really bite into the unemployment we have?

Mr. SHISKIN. That is a rough question to answer. I would say this. If the recovery would continue the way it is in the last 8 months, we would make very, very good bites into it by the end of this year.

Chairman HUMPHREY. Do you not believe much of that recovery, Mr. Shiskin, that was encouraging was essentially inventory-related?

Mr. SHISKIN. Yes. That is rather interesting. The latest figures show that the rate of inventory change has been up. First, we have one large drop after another in the rate of inventory change. Now we have had little increases in inventory change.

This is normally what happens in a recovery from an inventory adjustment.

Chairman HUMPHREY. Yes.

Mr. SHISKIN. Inventories build up during recoveries. Today many people in business seem to be very cautious about building inventories, and that may be why we are not seeing the vigorous inventory build-up we expected. It is too early to tell. It also should be borne in mind that the inventory data are among the weakest we have, and may not be recording the situation correctly.

Chairman HUMPHREY. I think the main reason you are having trouble with this inventory factor, namely that the inventory liquidation still continues and there has not been the rebuilding as rapidly as we would like, is the uncertainty of the overall policy. I mean they are note quite sure what tax policy is going to be yet. There has been an argument here as to whether it is the President's tax program, the congressional tax program. They are not quite sure just what is going to happen in terms of money supply.

Now all of these inventory items——

Mr. SHISKIN. The New York situation is also a factor.

Chairman HUMPHREY. And the New York situation has obviously had some effect, a negative effect.

In my talking with business people when I was in New York City here just about 10 days ago and sat around all one evening with about 25 top business executives of big business concerns—just went up to find out what they are thinking—and I asked them about this inventory question. They told me pretty much what you are saying, namely, that they did not feel that all inventory liquidation had taken place, of getting what they would call an optimum balance of inventory, and they were not purchasing as much as they would ordinarily do. And I asked them why. And they said, well, there is just so much uncertainty.

They live in New York, of course, and I think the atmosphere there had something to do with their view, even though these were top executives of national corporations, and some of them multinational corporations.

But they just simply said we just do not know what the policy is going to be. The inventories are—you get stuck in the heavy inventory business, and particularly when you are on bald money and bank credit, you are in trouble.

This is always what I have felt was needed more than anything else in this employment figure was some stability of policy. Once people begin to understand what the ground rules are, there is basic vitality in the economy. I have always believed this. It could give it the upward push it really needs.

Mr. SHISKIN. May I take the opportunity to comment on another statistical aspect of the inventory problem?

As you possibly know, I originated Business Cycle Developments, now Business Conditions Digest, in the early 1960's. I have watched the data in this publication very carefully. Recently I was asked to take the chairmanship of the advisory committee, and I have done that. Since then, I have watched these data more carefully than usual.

In the last few months, the early figures, the leading indicator index has dropped. I looked into that. When they come out with a preliminary figure, the preliminary index, the inventory figure is not available at that time.

As a result we have revised the leading index upward for several months in a row. The inventory change figure has been rising—the change. So each time these statistics are revised the downward bias in the preliminary leading indicator index will come to light. And we have discussed this among members of the BCD Advisory Committee, and we will go over it carefully to get a better idea of the impact of the inventory figure on the leading indicator index. Inventories play a

very crucial role in this stage of the business cycle after you end recession and go into recovery.

Chairman HUMPHREY. Now you will go into an inventory liquidation period in the first quarter after the holiday season, particularly in the retail trade. But in many other areas you go into a degree of—at the merchandizing, retailing level, you have very heavy inventory liquidation.

Mr. SHISKIN. Hopefully, the consumers will buy up all the goods in the retail stores in the next 30 days, and we will have to replenish them.

Chairman HUMPHREY. I have been in the retail business a little bit, and I often wondered about all the theory as to really what happens. If you are out there running one of these large department stores, you have plenty of inventory when you get through with the so-called Christmas season, and then you have to go through—you have new goods you have to purchase, but you have to clean out that old stock, and at least for 30 days, you have a big period. This is in soft goods. I am particularly talking soft goods.

Let me ask this question about the wholesale price index. As we have noted here, the main reason for the drop in the wholesale price index was the drop in farm prices. That is not good news for rural America. I would hate to be the fellow out there on the farm that found out that the prices he is getting this year are just about the same as they were 18 years ago. I would hate to think of anybody around here getting their salary cut to what it was 18 years ago. Eighteen years ago, my salary was $6,000 a year as mayor of Minneapolis. That is what they paid us, $6,000 a year, 1947. That is 28 years ago. What is it? Eighteen years ago.

Now, we had a 0.6 of 1 percent rise in industrial prices in November. I believe that is what your table shows.

Mr. SHISKIN. Right.

Chairman HUMPHREY. And over the last 3 months, these industrial prices have risen at an annual rate of over 10 percent. Now, what analyses have you done on the cause of this rise in industrial prices? Is it due to—well, let me put it this way.

It is obviously not due to raw material prices since the index of nonagricultural crude materials has risen very little in the last 3 months and is actually slightly below what it was a year ago. So if the raw material factor is at pretty much a baseline, static, or slightly lower than a year ago.

But industrial groups, such as metals and machinery and equipment and textiles, have showns persistent price increases in the past few months. Can these be related to capacity utilization rates, to wage increases, to anything which has some apparent logic to it?

I have been looking as to whether or not there have been any major contracts, wage contracts, negotiated in these areas. I do not think there have been.

Mr. SHISKIN. Well, Mr. Chairman, I can offer two comments on that particular matter.

First, it is historically true that in the beginning of the recovery, industrial prices begin to rise. The pattern——

Chairman HUMPHREY. Let me just interrupt there. My understanding of that and my reading of it is that the reason, the logic behind

that development was that in the period of recession, prices dropped. So that when there became some indication of recovery, there was a movement up in price because of increased demand.

But Mr. Shiskin, all during the recession, the higher the unemployment, the higher the prices went up.

Mr. SHISKIN. Well Senator, I do not think that is quite fair to say that. It is not quite accurate, because the one thing that is clear in the last year is that we have had a dramatic reduction in the rate of inflation. There is no doubt about it.

Chairman HUMPHREY. Well, you have had a reduction in the rate of inflation, but I still tell you that prices have been going up and up and up——

Mr. SHISKIN. At a much slower rate.

Chairman HUMPHREY. Well, what happened to the wholesale price index back in 1958 in the recession?

Mr. SHISKIN. I do not have the exact figures available for 1958, but in those days, prices used to drop.

Chairman HUMPHREY. Of course.

Mr. SHISKIN. Now, we have a new phenomenon, and only the rate has dropped. Let me cite a few figures here which are in our release.

I am just reading from our release in the section on industrial commodities. Twelve months ago when we compared the rate with the previous year, the annual rate was 24 percent, and then it dropped to 21, then 17, and 14, and 12. Now it is clearly dropping. There were very high rates, but last month the annual over-the-year rate was only 3.7 percent.

Chairman HUMPHREY. My point is, if I may say—I do not want to be argumentative about it, but it is all upside down, if you see what I mean.

At the time the recession was the deepest, the inflation was the highest. And inflation is just another way of talking about price increase.

Now at the time the unemployment has dropped some, you also have this decline in what you call the Wholesale Price Index.

My point is that these prices do not relate to demand. These prices do not relate to scarcity. These prices do not relate to basic raw materials.

Now what has happened that brings these prices up? I mean, why do these prices continue to go up?

Mr. SHISKIN. Well——

Chairman HUMPHREY. They are going up. They are not going up as fast as they used to, but they are still going up.

Mr. SHISKIN. Let me answer this way. The rate of increase which—and you have to get accustomed to looking at rates in the light of recent history—the rate kept dropping until the rate of increase in industrial commodities was one-tenth of 1 percent per month in March and April of this year. And that is about when the recession ended. The rate of increase in industrial prices was way down.

Chairman HUMPHREY. You said that was about—when what ended?

Mr. SHISKIN. The recession ended in about March or April.

Chairman HUMPHREY. It did?

Mr. SHISKIN. Yes, sir.

Chairman HUMPHREY. I thought it was kind of still on.

Mr. SHISKIN. Well, not according to the analysis which defines the business cycle as a period of expansion followed by a period of recession which is, in turn, followed by periods of recovery and expansion.

Chairman HUMPHREY. I guess we are arguing over words and interpretation. When I see a housing industry that is producing a billion three hundred units—I mean 3.1 million units—and I see the leading indicators are not as good as they ought to be, capital investment is not anywhere near what it ought to be, general unemployment is still over 8 percent, I do not call that recovery.

Mr. SHISKIN. Well Senator, you know——

Chairman HUMPHREY. What you mean is things are a little better.

Mr. SHISKIN. They are past the bottom, but they are not as high as the previous peak level.

Chairman HUMPHREY. We got over fallen arches, but we have still got cancer and heart trouble.

Mr. SHISKIN. I would not put it that way. I would rather put it this way, that the thermometer, the temperature went up to 105, 106, and it has been declining.

Chairman HUMPHREY. It is declining, yes.

Mr. SHISKIN. It is not where we want it to be, but historically it has taken from 12 to 18 months after a severe recession just to get back to the previous peak level. First you have to get back to where you were before you can begin to grow again. We are not back to where we were.

Chairman HUMPHREY. How long do you think that is going to take?

Mr. SHISKIN. Altogether about 18 months. Theh historical average is around 18 months.

Chairman HUMPHREY. Twelve to eighteen months.

Mr. SHISKIN. Yes. I think we have to be very patient.

Chairman HUMPHREY. I have to get reelected to put you back on the spot.

Mr. SHISKIN. There are members of my own staff who are very concerned with the fact we did not go from the bottom of the recession back to the previous peak level in 1 month. That is what they would like. So would I. We are plugging along. The last 2 months things have slowed down a little. Now let me get back to wholesale prices.

So we get back to 0.1 in March and April, and then it went to that high point last month—1.8 percent, monthly rate—and there was so much concern. Now we are back down to one-sixth of 1 percent. But this also shows rising wholesale prices.

Chairman HUMPHREY. My point is much of these rises, for example, much of the change in those price indexes is related to what we call the food and agricultural problems.

Mr. SHISKIN. Food prices have a life of their own. They bounce up, down——

Chairman HUMPHREY. You are reading just the industrial figures. We are one-sixth now for industrial. It was one-tenth, two-tenths, four-tenths, six-tenths. Except for the 1.2——

Mr. SHISKIN. It is a very nice curve.

Chairman HUMPHREY. Showing an annual rate of about 10 percent. Right?

Mr. SHISKIN. Right, for the last few months. My interpretation—many people will differ, and I am willing to admit the reasonableness of their views as well as my own—of what happened was that the business community began to probe. They test the market. They like to make more profit. That is what they are in business for. And one of the first step is to raise prices. And a lot of businessmen in the last few months have been testing the market. Whether the higher prices will hold up or not, time will tell. But I think that is what is going on.

Food is a different story.

Chairman HUMPHREY. I know we have to look at the food factor as an item unto itself.

Mr. Shiskin, I have some questions here I am not going to put to you only, but in light of this study you said is underway relating to certain aspects of the unemployment problem and the relationship of unemployment insurance to long-time unemployment, I am going to ask a member of the staff to prepare these questions in terms of inquiry in a letter, and we will fill in the record at that point.

You commented on the leading indicators, and I want to be sure I understood you correctly. You are the chairman of the committee which has oversight of these statistics. Is that correct?

Mr. SHISKIN. Yes.

Chairman HUMPHREY. How did you interpret the last 2 months' figures?

Mr. SHISKIN. To begin with, there is no doubt that there has been a slowdown in the rate of increase in the leading index. There is no doubt.

But a downward bias exists for two reasons. One reason is not all the figures are available when they put out the preliminary index. One of the key figures is the inventory change figure. The inventory change figure has been rising. You realize I am not talking about the inventory stock, but I am talking about the inventory change. The results have been that each month when the revised figure came out, after they got the inventory figure, it raised the preliminary index.

Now there is another problem in this picture which is that the leading indicators for various reasons——

Chairman HUMPHREY. What are they? What are the leading indicators? Some people occasionally do read the record here.

Mr. SHISKIN. A group of figures which historically, for economic reasons, have generally moved in advance of industrial production, real GNP and employment.

Chairman HUMPHREY. Right.

Mr. SHISKIN. Average hours of work, orders for goods, housing starts—those are just a few examples of leading indicators.

Chairman HUMPHREY. Those are basic items.

Mr. SHISKIN. People make commitments to do things before they are actually done. An order is placed usually before durable goods are manufactured. So that is a leading indicator. Some employers will reduce hours before they increase employment. It just seems like the thing to do, and there are fewer commitments involved. So average weekly hours of work is another example.

Many people have spent time quarreling about stock prices: It is also historically true that the stock prices have been a leading indicator. So 12 such series have been selected and put together in an index that is called the Leading Indicator Index.

I have been saying that this index, when it was first issued in recent months, had a downward bias.

There is a downward bias for two reasons. One reason is the inventory change has been rising, and was not available when the preliminary index first came out. But there has been a second reason. The second reason is that for various reasons, most of the leading indicators, don't have a long-term trend. Now, if you try to predict something with a long-term trend and try to understand its cyclical movements, you should have the same statistical trend for both series.

Some years ago, I took the trend of the coincident indicators and I added it to the leading indicators. This had not been done until very recently in a new version of these indexes. That introduces another downward bias.

For example, on the same day the Leading Indicator Index was published at 102, the coincident index was 158. So you have series with very different trends.

So they just finished putting a trend into the leading indicator index. Now if you look at that series, you will see while the rate of increase has slowed down in recent months, nevertheless, the series has been going up and not down, as has been reported in the press.

Chairman HUMPHREY. Yes.

Mr. SHISKIN. I have a memo which I sent to the members of the committee and asked them to give it some thought and see if we could find a way of adjusting for both of these downward biases. With your permission, I would like to provide it for the record.

Chairman HUMPHREY. I would appreciate having it in the record in light of your discussion. It would give us more information.

[The following information was subsequently supplied for the record:]

DECEMBER 3, 1975.

To: Members of the BCD Technical Advisory Committee.
From: Julius Shiskin, Chairman, BCD Technical Advisory Committee.
Subject: Leading Indicator Index.

There appear to be two serious problems in interpreting the current preliminary figures for the leading indicator index.

The first is that the preliminary release does not include the inventory change component. Since May, there has been a decline in the rate of inventory liquidation. Since the inventory change figures are not included in the initial releases, the preliminary index has a downward bias (revisions of other series also affect the index, though the effect is usually relatively small).

The second problem arises because the highly publicized leading indicator index is the one without a trend adjustment. During the last few months, this index has been at the level of 102–103 on a 1967 base. This compares with the new coincident indicator index of about 158 on a 1967 base. Until recently, it has not been possible to make a trend adjustment because the new coincident indicator index had not been completed. The new trend adjustment is now available and turns out to be .409 per month. The trend-adjusted leading indicator index was in the range 152–153 during the past two months.

Thus, the preliminary leading indicator index appears to be downward biased as a forecaster of the cyclical trend in the coincident indicator index for two reasons: (1) the change in inventory component which has been rising sharply in recent months is not included and (2) the original leading indicator index does not include a secular trend similar to that in the coincident indicator index.

The magnitude of the effects of these two factors is illustrated by the table below, which shows the leading indicator index as originally published, as revised, and then the trend-adjusted index as revised.

LEADING INDICATOR INDEXES, 1975

	Percent change from previous month						
	April	May	June	July	August	September	October
1. Preliminary index (original trend)	4.2	2.1	1.9	1.7	0	−0.9	−0.5
2. Revised index (Nov. BCD) (original trend)	3.0	2.1	3.2	2.3	0.6	−.1	.....
3. Revised index (Nov. BCD) (trend-adjusted)	3.5	2.5	3.6	2.7	1.0	.3	.....

The BCD staff is considering these questions and will be doing some empirical work on inventories to determine whether an early estimate of the net change in inventories is possible. In the meantime, I believe the members of our Committee should be giving this matter very serious attention. If you have any suggestions, please call me.

Chairman HUMPHREY. Also, I would like to note for the record the unemployment rate for young people, 16 to 19 years, in November was 18.6 percent; 20 to 24 years of age, 13.8 percent. So this goes back to something we discussed earlier, and this is under the sticky problems of unemployment, what we could call young people unemployment.

Now, you mentioned Mr. Shiskin, a factor which I think is very much in the employment-unemployment picture, and that is the movement in and out of jobs by women, the increase in the labor force due to the large number of women that are coming into the labor force. Women now constitute a larger portion of the workers in every major occupation group with the exception of farm laborers than they did in the early 1960's. I think that is pretty self-evident. There is a larger number and a larger percentage of women in the labor force for the fourth quarter for 1973 when the current downturn was beginning, and in the second quarter of 1975, the unemployment rate for teenaged women increased from 15 percent to 19.6 percent. And for women aged 20 to 24, from 8.1 to 12.8 percent.

Given the seriousness of this situation, the monthly Labor Review devoted an entire issue to the problems of unemployment of women.

Have you or your staff done any studies on what, if anything, or how we can begin to alleviate this particular problem?

Mr. SHISKIN. The unemployment of women?

Chairman HUMPHREY. Yes. Have you or your staff done any studies on how we could begin to alleviate these problems?

Mr. SHISKIN. I would like to comment on that. I would like to remind you one of the theories that people hold today is that the vigorous increase in the participation of women in the labor markets and also in the last few years, of teenagers, give us both an increase in employment and unemployment.

Chairman HUMPHREY. Yes.

Mr. SHISKIN. These are believed by some to be both part of the same phenomenon. As many people go looking for jobs and they become active in the labor force, some of them get jobs, and some of them do not. So you have an increase both in unemployment of

women and in employment. And their argument is that is not necessarily a bad thing.

Now, perhaps Mr. Stein can help us on that.

Chairman HUMPHREY. Yes.

Mr. STEIN. I would like to point out that we do have a study coming out in January 1976 in the Monthly Labor Review which is devoted pretty much exclusively to the problem of unemployment of our youth.

Chairman HUMPHREY. On youth?

Mr. STEIN. Yes.

Chairman HUMPHREY. This is excellent. I do want to compliment the Department of Labor and the Bureau of Labor Statistics on this. This is an excellent document. It is a fund of information on all aspects of the employment of women.

Mr. SHISKIN. Mr. Chairman, let me remind you that several months ago, in connection with women's year, we put out a chart book on working women. I am sure that we made copies available to the committee.

Chairman HUMPHREY. Yes.

Mr. SHISKIN. That has been a bestseller. I would like to bring it to the attention of anyone who may not have seen it.

Chairman HUMPHREY. You said the next January issue would be on employment of youth?

Mr. STEIN. Not entirely.

Chairman HUMPHREY. There were three major articles on women in this last one.

Mr. STEIN. There will be a major article on the subject of youth unemployment in this January issue.

Chairman HUMPHREY. You are familiar with the problem of the older women. There is an article here that I just noticed. Up until 1970, from the 1960's into the 1970's, the trend was more and more women of 55 years of age and older were in the labor force. Now that has begun to dip. One out of every four unemployed women over 55 look for work for 15 weeks or more compared with 1 out of 7 unemployed women under 55.

Job loss was the major reason for unemployment among older women. Of 171,000 unemployed older women in 1974, 6 out of 10 were job losers. They were riffed from the payroll; 3 out of 10 were entrants, and there were very few new entrants. And 1 out of 10 were job leavers. In other words, they voluntarily left their job.

The question I pose is how do these women who lose their jobs manage to survive? Do they get unemployment compensation? Do you have any statistical information, any statistical evidence? There was some story here that was brought to my attention in the District of Columbia about what happens particularly to this age group when they lose their job. Most of those jobs do not pay a great deal. They have little or no savings accumulated, and they are not yet eligible for social security because I think the women's option is at age 62. Is it not? Yes, for social security.

Do you have any information on the financial hardship aspects of this particular group?

Mr. STEIN. We do have a lot of pieces of information of that kind, Mr. Chairman. It will be a bit of a research job to pull it together.

Chairman HUMPHREY. I do not want you to do it especially for this committee, but somewhere, maybe along the line in one of your bulletins, there might be something you would want to follow up in light of your three articles on women in the labor force that was in this November issue.

Mr. SHISKIN. Mr. Chairman, may I make two observations. One is that these studies were very interesting and describe what amounts to a social revolution because of women in the job markets. But another part of that that needs some looking into in this discussion is, I think, the fact that we have a parallel downward trend of the participation rate of males, and it becomes noticeable at a fairly early age level, 45.

Men who reach the age of 45 are now dropping out of the labor market in far larger numbers than before.

Chairman HUMPHREY. Do you think some woman is taking care of them? That is a great thing. [Laughter.]

Mr. SHISKIN. I sat down with a group of ladies who work with me, and they described to me how the participation rates of men were were declining. If you look at the oldest ones, participation has been declining rapidly. But this trend is also evident if you look at age 55 and over, and then 45 and over. The trend is still there. Older men are dropping out of the labor force more quickly than before.

Chairman HUMPHREY. Is this because of early retirement?

Mr. SHISKIN. A large part of it, yes.

Chairman HUMPHREY. And the retirement benefits are basically so much better than they used to be.

Mr. SHISKIN. Yes.

Chairman HUMPHREY. They are also doing a lot of moonlighting which may not put them into the labor force as such.

Mr. SHISKIN. The second comment that I want to make is this. At earlier meetings of this committee and other groups, there has been a great deal of interest expressed in the employment population ratio, which is a measure which relates the total number of unemployed to the total population. Insofar as I know all of these discussions up to now have been in terms of just the totals.

I was invited to give a talk next week to the Metropolitan Economic Association in New York, and they asked me to talk about unemployment and employment.

So, with the aid of Bob Stein and his staff, I made a rather intensive study of the employment-population ratio. I believe it is clear that the total employment-population ratio over the past 20 years has been rising but the components of that aggregate move differently.

As I said, women have become more and more active in the labor force and men have been dropping out. That means the average has a very different significance than if everything were moving in the same direction.

Chairman HUMPHREY. Yes.

Mr. SHISKIN. It requires more interpretation. Furthermore, employment itself, in a way, is a simplistic measure. It does not take into account skills, earnings, and hours of work. Earlier work does not take into account what this ratio would look like if they were taken into account. It might be quite different.

There is a great interest in this subject, and I want to mention I have been working on it. We will have a statement on that available by Thursday of this week.

Chairman HUMPHREY. I would appreciate personally getting it, Mr. Shiskin.

We are going to conclude this. I just want to say this. In light of the basic nature of the unemployment and its persistence, it seems to me this kind of interpretation you are talking about and taking a look at, the new components of the labor force, is a very important thing to up-date. We must up-date this and find out what we mean when we use the general phrase, "x percentage of unemployed." It really does not tell the story. It tells the statistical story of the bodies, the persons without gainful employment, but it does not tell the story of the type of work or skilled or unskilled type of person or a professional. It does not break it down sufficiently even in interpretative language to the different categories as you are indicating.

Women are a larger segment of the labor force and, of course, I have been deeply concerned, as you know. You have heard me harangue you on it. And I just have to keep on you about youth unemployment. I think this is a social catastrophe because people who do not develop work habits and work discipline early in life become very unreliable workers later on in life.

Mr. SHISKIN. Also, they are going to be the leaders of our society. One of these days——

Chairman HUMPHREY. Yes. Also, may I say this. Some parents have written letters in saying how young people learn how to get on the employment rolls long enough to get the benefits of the unemployment compensation benefits longer. These are facts of life that you do not get out of the statistics, but you get it out of the letters that come in from people.

I get a tremendous amount of mail. I have people in my office who spend a lot of time interpreting the mail, and trying to bring to my attention what are the concerns of people. Many mothers and fathers of today write to me and tell me in some distress, they will say, well, you know, my son is unemployed now, but I will have to tell you he was employed for a little while, and then he has just dropped out now. He is getting unemployment compensation, and he says he is going to stay on that for x number of weeks, and then he will go back and get another job. Well, that bothers me. I am a liberal. I am a progressive. I am called a spender, and all those things. I believe in those programs, but I do not like to see them abused.

I think it is important, as I was saying here a little earlier, when you make these in-depth studies, that we try to find out as much information as we possibly can and not delude ourselves one way or another.

Also, the unemployment statistics of the United States as compared to other countries has been disturbing to me, not so much only the numbers but how do they—what do they mean by unemployed people in Germany and France and the Scandanavian countries? When we look at our labor force, do we count in our labor force, for example, people in the miiltary? Do the European countries? I am not sure we are on the same statistical line. You see what I mean?

Mr. SHISKIN. I see what you mean, Mr. Chairman. The figures do have different statistical lines, to use your words, but we have adjusted

the foreign figures to conform to our concept. I have distributed such information to this committee, and I would be very happy to make an up-to-date set available to you.

Chairman HUMPHREY. I am sure you have. One of the problems of the committee is the members like myself—we have to be general practitioners. I have to go from this meeting over to another one where we are going to try to save the world over at the foreign assistance committee. I realy do not get a chance to be a specialist. I am sure our staff people have looked at that.

Mr. Shiskin, it is always a joy to have you here because I learn something from you, and you are so kind as to listen to me spout off, but I do it for a purpose. I try to get this Bureau of Labor Statistics, for which I have the highest regard—you are professional people—to look more indepth at the human consequences and financial hardships in the interpretation of what is happening with the unemployed and the employed as well, and with more specificity in terms of the Wholesale Price Index and what we got into this morning—I think that was very helpful to see what the trends were as you interpreted them.

We know of your immense knowledge in terms of looking at the historical patterns of recovery and recession, the time factors involving the gaps that are there before you begin to see what has developed.

So you see, I go to school every time I see you, professor. Thank you very much.

Mr. SHISKIN. Mr. Chairman, first of all, thank you for your very generous remarks. I thank you on behalf of myself and BLS. It is wonderful to hear them.

I would like to also make the observation that this is an historical occasion. I have been here for 23 consecutive months, and Senator Proxmire has been present every single month, but he is not here today——

Chairman HUMPHREY. He would be here today, but he has the New York financial assistance legislation over in the Senate, and I went up to see Bill, and I said, I am over there, and I am going to do it all by myself, and he told me to go ahead and take all the time I wanted. [Laughter.]

Mr. SHISKIN. I hope the members of the staff who are here will tell him what I said. I miss him.

Chairman HUMPHERY. Yes, thank you very much.

[Whereupon, at 12:36 p.m., the committee adjourned, subject to the call of the Chair.]

EMPLOYMENT-UNEMPLOYMENT

FRIDAY, JANUARY 9, 1976

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

The committee met, pursuant to notice, at 11:06 a.m., in room 1202, Dirksen Senate Office Building, Hon. William Proxmire (member of the committtee) presiding.

Present: Senator Proxmire.

Also present: Courtenay M. Slater and Lucy A. Falcone, professional staff members; George D. Krumbhaar, Jr., minority counsel; and M. Catherine Miller, minority economist.

Senator PROXMIRE. The committee will come to order.

Mr. Shiskin, we are happy to have you here this morning. I must say that the news does seem to be mixed. We have no improvement in unemployment. It remains at the very high level of 8.3 percent.

There is a substantial improvement in employment which is good news and there is improvement in the Wholesale Price Index, which is encouraging also. We are looking forward to hearing from you and then I have some questions.

Go ahead, sir.

Mr. SHISKIN. Thank you, Senator Proxmire.

STATEMENT OF HON. JULIUS SHISKIN, COMMISSIONER, BUREAU OF LABOR STATISTICS, DEPARTMENT OF LABOR, ACCOMPANIED BY MARGARET S. STOTZ, CHIEF, DIVISION OF INDUSTRIAL PRICES AND PRICE INDEXES; AND ROBERT L. STEIN, ACTING ASSISTANT COMMISSIONER, CURRENT EMPLOYMENT ANALYSIS

Mr. SHISKIN. I have with me today Mr. Bob Stein, Acting Assistant Commissioner for Current Employment Analysis, and Mrs. Margaret Stotz, who is head of the Wholesale Price Index Statistics Division, they will fill in any gaps I am unable to on employment and wholesale prices, respectively.

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 cyclical recovery in employment, which began early in 1975, continued in December, with gains in employment and hours, particularly in manufacturing, the cyclically sensitive component of total em-

ployment. Though below the levels reached early in 1975, the unemployment rate remained high by historical standards.

At 8.3 percent the unemployment rate was unchanged from November and also the same as September. It has fluctuated within a narrow range—8.3 to 8.6 percent—since June 1975. The rate for adult males declined fairly substantially in December, but the rate for females rose. There was little change in the unemployment rate for household heads, married men and full-time workers. The rate for job losers declined sharply again and is now 4.1 percent, compared to the high of 5.2 percent last May and June. The average duration of unemployment declined slightly but remained close to the cyclical high level reached in the previous month.

Although the unemployment rate has declined since the spring, it has not yet achieved the same degree of improvement as employment, aggregate hours, and any other key cyclical indicators. The December data in the table I have presented indicate that about half the recession decline in nonfarm payroll employment has been made up during the current recovery.

Total employment and nonagricultural employment both rose in December, after a lull during the previous month or two. The increase in total civilian employment—as measured in the household survey—since last March, its recession trough, now totals nearly 1.7 million, all of it in the nonagricultural sector. These figures compare with a rise in nonagricultural employment shown in the payroll survey of more than 1.3 million over this same period and 1.5 million since June. The largest over the month gains in employment took place in manufacturing, trade and services.

The gains in employment were supplemented by strong gains in hours, with particularly large increases taking place in the cyclically sensitive manufacturing component. Average weekly hours for private nonagricultural employment rose two-tenths of an hour, while the factory workweek was up four-tenths of 1 hour. The workweek in transportation equipment industries rose by 1.2 hours. Factory overtime rose for the first time since August.

The combination of the increases in the number of employees on payrolls and average hours worked led to a large increase in aggregate hours. In December, this index rose for the 6th consecutive month with an unusually sharp rise in manufacturing.

Nearly two-thirds of the 172 industries in the diffusion index showed rising employment in December, up considerably from November. The proportion was back to the October level but still below the high of 82 percent achieved in September.

In summary, after an apparent brief lull of a month or so, there were good gains in employment and hours worked in December with particularly strong gains in aggregate hours, the most comprehensive measure of labor activity. The rise of aggregate hours was especially strong in manufacturing, the cyclically sensitive industry component. The unemployment rate, however, remained at a very high level by historical standards.

I shall now try to answer your questions.

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

MEASURES OF PROGRESS TOWARD PREVIOUS CYCLICAL PEAK LEVEL DURING CURRENT ECONOMIC RECOVERY

Series (with latest month available)	Percent decline during 1973–75 recession	Percent of recession decline recovered, trough to date	Percent of previous peak level	Percent change from trough
(1)	(2)	(3)	(4)	(5)
I. Leading indicators:				
Leading index, trend adjusted (November)	−21.4	57.3	90.8	+15.7
Average workweek (December)	−4.4	55.6	98.0	+2.6
New orders, 1967 dollars (November)	−27.3	43.8	84.7	+16.4
Contracts and orders, 1967 dollars (November)	−28.8	2.0	70.6	−.8
Housing starts (November)	−59.7	28.2	57.1	+41.7
Stock prices (December)	−39.6	40.0	76.2	+26.3
Corporate profits after taxes, 1958 dollars (3d quarter)	−38.3	47.5	79.9	+29.5
II. Coincident indicators:				
Coincident index (November)	−16.2	34.6	89.4	+6.7
Nonagricultural payroll employment (December)	−2.9	49.5	98.5	+1.5
Unemployment level (December)[1]	+94.8	9.5	185.8	−4.6
Man-hours, nonagricultural establishments (November)	−4.0	42.9	97.7	+1.8
GNP, 1958 dollars (3d quarter 1975)	−7.8	43.5	95.6	+3.7
Personal income less transfer payments, 1967 dollars (November)	−7.7	38.9	95.3	+3.3
Industrial production (November)	−13.4	38.2	91.7	+5.9
Retail sales, 1961 dollars (November)	−10.0	50.3	95.0	+5.6
III. Lagging indicators:				
Lagging index (November)[2]	−13.0	.4	87.1	+.1
Business expenditures, plant and equipment (4th quarter 1975)[3]	−3.5	65.0	98.8	+2.

[1] The unemployment series tends to move counter to movements in general business activity, that is, the unemployment level tends to rise during recessions and decline during expansions.

[2] The current month (November 1975) is the current low. The trough figure used in the computations is the average of the current month and the preceding month.

[3] The anticipated figure for the 4th quarter 1975 is used as the current quarter.

Note: 3-mo averages have been used for these calculations; for example, the averages of the specific trough months the previous and following months were compared with the average for the latest 3 mo available to obtain the entries in cols. (3)–(5). The latest month or quarter for which data are available are shown in parenthesis after the title of the series.

NEWS

U. S. DEPARTMENT OF LABOR
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USDL 76-17
FOR RELEASE: 10:00 A.M. (EST)
Friday, January 9, 1976

THE EMPLOYMENT SITUATION: DECEMBER 1975

The unemployment rate was unchanged in December and employment rose, it was reported today by the Bureau of Labor Statistics of the U. S. Department of Labor. The unemployment rate was 8.3 percent, little changed over the last half year, after declining from a recession peak of 8.9 percent in the second quarter of 1975.

Total employment--as measured by the monthly survey of households--increased in December after showing little change over the August-to-November period. Since reaching a low of 83.8 million in March, the number of persons with jobs has risen by nearly 1.7 million.

Nonagricultural payroll employment--as measured by the monthly survey of establishments--posted an increase of 240,000 in December to 77.8 million. Payroll employment has grown by 1.5 million from its June recession low.

Unemployment

The number of persons unemployed was essentially unchanged in December at 7.8 million (seasonally adjusted). The unemployment rate of 8.3 percent was also unchanged from the previous month, marking the sixth consecutive month in which the overall jobless rate has exhibited little movement. For the second straight month, there was a large drop in the number of unemployed who had lost their last job, while the number of unemployed new entrants and reentrants to the labor force increased substantially over the month. (See tables A-1 and A-5.)

The overall steadiness in joblessness masked counterbalancing movements in the distribution of unemployment among component age-sex groups. The unemployment rate for adult men declined by 0.4 percentage point to 6.5 percent. This was offset by an 0.6 percentage point increase among all women, which stemmed largely from a worsening in the

job market situation for female teenagers. (See tables A-2 and A-6.) These divergent movements in unemployment rates were broadly consistent with the developments among job losers and new and reentrants to the labor force mentioned above.

There was virtually no change in the racial composition of the unemployed. The jobless rates for white and black (Negro and other races) workers were about the same as November's figures, at 7.5 and 13.7 percent, respectively.

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

Selected categories	Quarterly averages					Monthly data		
	1974	1975				Oct.	Nov.	Dec.
	IV	I	II	III	IV	1975	1975	1975
	(Millions of persons)							
Civilian labor force	91.8	91.8	92.5	93.1	93.2	93.4	93.0	93.3
Total employment	85.7	84.1	84.3	85.3	85.4	85.4	85.3	85.5
Adult men	48.3	47.3	47.2	47.6	47.7	47.7	47.6	47.7
Adult women	30.1	29.8	30.1	30.6	30.7	30.7	30.5	30.7
Teenagers	7.4	7.0	7.0	7.1	7.1	7.1	7.1	7.1
Unemployment	6.1	7.0	8.2	7.8	7.8	8.0	7.7	7.8
	(Percent of labor force)							
Unemployment rates:								
All workers	6.6	8.3	8.9	8.4	8.4	8.6	8.3	8.3
Adult men	4.8	6.3	7.1	6.9	6.8	7.1	6.9	6.5
Adult women	6.5	8.2	8.5	7.7	7.9	7.8	7.8	8.0
Teenagers	17.5	20.5	20.5	19.8	19.5	19.9	18.6	19.9
White	5.9	7.6	8.2	7.7	7.7	7.9	7.6	7.5
Negro and other races	11.7	13.7	14.3	13.8	13.9	14.2	13.8	13.7
Household heads	4.1	5.5	6.1	5.7	5.7	5.9	5.6	5.7
Married men	3.3	4.8	5.7	5.2	4.9	5.2	4.9	4.7
Full-time workers	6.2	7.9	8.5	8.1	8.2	8.6	8.1	8.0
	(Weeks)							
Average duration of unemployment	9.9	11.3	13.9	15.8	16.2	15.4	16.8	16.4
	(Millions of persons)							
Nonfarm payroll employment	78.3	76.9	76.4	77.0	77.6p	77.6	77.6p	77.8p
Goods-producing industries	24.1	22.8	22.3	22.4	22.7p	22.7	22.6p	22.7p
Service-producing industries	54.2	54.1	54.1	54.6	55.0p	54.9	54.9p	55.1p
	(Hours of work)							
Average weekly hours:								
Total private nonfarm	36.3	36.1	35.9	36.1	36.3p	36.2	36.3p	36.5p
Manufacturing	39.6	39.0	39.1	39.6	40.0p	39.8	39.9p	40.3p
Manufacturing overtime	2.9	2.4	2.4	2.7	2.9p	2.8	2.8p	3.0p
	(1967=100)							
Hourly Earnings Index, private nonfarm:								
In current dollars	164.3	167.7	170.7	174.3	177.6p	176.7	178.0p	178.0p
In constant dollars	106.5	106.7	107.1	107.1	N.A.	107.5	107.5p	N.A.

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

Rates for most of the other major labor force categories, including household heads, full-time workers, and married men, likewise showed little change. Improvement was noted, however, among blue-collar workers, as their jobless rate dropped from 11.0 to 10.3 percent. (See table A-2.)

The average (mean) duration of unemployment edged down in December to 16.4 weeks, after registering a large increase in the previous month. Nevertheless, the number of persons unemployed 15 weeks or longer rose slightly--a continuation of the steady increases which have spanned 2 full years. (See table A-4.)

In addition to the stability in unemployment, there was also no change in the number of persons working part time for economic reasons--those who wish to work full time but are on reduced workweeks involuntarily. Since last June, there have been approximately 3.3 million nonfarm workers in this category. (See table A-3.)

Total Employment and Labor Force

Total employment rose by 230,000 in December to 85.5 million (seasonally adjusted), after having been about unchanged since August. All of the increase occurred in nonagricultural industries, with gains among blue-collar workers (in particular, craft and kindred) dominating movements among major occupational subgroups. Since the March recession low, total employment has increased by almost 1.7 million persons.

The civilian labor force resumed its relatively strong growth pattern of recent months, after posting a decline in November. Rising by 300,000 persons in December, the civilian labor force now stands at 93.3 million persons (seasonally adjusted). The increase was mainly among adult women.

Industry Payroll Employment

Total nonagricultural payroll employment increased by 240,000 in December to 77.8 million (seasonally adjusted), after having been virtually unchanged in the preceding month. Although employment has grown by nearly 1.5 million since its June recession low, the payroll job count was still about 1 million below the record level reached in September 1974. December gains were registered in nearly two-thirds of the 172 industries comprising the diffusion index of nonagricultural payroll employment. (See tables B-1 and B-6.)

Employment in manufacturing moved upward by 80,000 in December. About two-thirds of the increase occurred in the durable goods sector, partly as the result of 20,000 workers returning from strikes. In all, 15 of the 21 manufacturing industries posted advances, mostly of the modest variety, however. Contract construction employment was about unchanged at its recession low, some 700,000 jobs below the peak attained in early 1974.

Employment in services continued to climb, rising by 60,000 in December. Over-the-month gains were also posted in wholesale and retail trade (75,000) and State and local government (40,000). The only decline in the service-producing sector occurred in transportation and public utilities, the result of a strike among airline employees.

Hours

The average workweek for all production or nonsupervisory workers on private nonfarm payrolls continued its slow, uneven ascent, advancing by 0.2 hour in December to 36.5 hours (seasonally adjusted). The manufacturing workweek jumped by 0.4 hour over the month to 40.3 hours. The factory workweek has increased 1.5 hours from its recession low but remained 0.7 hour below the pre-recession high recorded in February 1973. Factory overtime climbed by 0.2 hour to 3.0 hours in December, after holding steady at 2.8 hours since August. (See table B-2.)

As a result of the expansion in both employment and the workweek, the index of aggregate hours of private nonfarm production or nonsupervisory employees moved up 0.6 percent to 109.6 (1967=100). This marked the sixth consecutive monthly increase. In manufacturing, the increase was much sharper, as the index of aggregate hours rose 1.7 percent to 92.3, following an unchanged situation in November. The factory index in December was 6.8 percent above the March low of 86.4. (See table B-5.)

Hourly and Weekly Earnings

Both before and after adjustment for seasonality, average hourly earnings of production or nonsupervisory workers on private nonagricultural payrolls were unchanged from the November level of $4.67 but were up 6.6 percent over the last 12 months. Average weekly earnings increased 0.6 percent in December and have risen 7.2 percent since last December (seasonally adjusted). Before adjustment for seasonality, average weekly earnings

were $170.92, an increase of $1.87 from the November level and $11.49 compared with December a year ago. (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 178.0 (1967=100) in December, unchanged from November. The index was 7.6 percent above December a year ago. During the 12-month period ended in November, the Hourly Earnings Index in dollars of constant purchasing power rose 1.0 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*.

HOUSEHOLD DATA

Table A-1. Employment status of the noninstitutional population

(Numbers in thousands)

Employment status	Not seasonally adjusted			Seasonally adjusted					
	Dec. 1974	Nov. 1975	Dec. 1975	Dec. 1974	Aug. 1975	Sept. 1975	Oct. 1975	Nov. 1975	Dec. 1975
TOTAL									
Total noninstitutional population[1]	152,020	154,476	154,700	152,020	153,824	154,052	154,256	154,476	154,700
Total labor force	93,538	94,943	94,888	94,015	95,331	95,361	95,607	95,134	95,436
Participation rate	61.5	61.5	61.3	61.8	62.0	61.9	62.0	61.6	61.7
Civilian noninstitutional population[1]	149,809	152,320	152,543	149,809	151,639	151,882	152,092	152,320	152,543
Civilian labor force	91,327	92,787	92,731	91,803	93,146	93,191	93,443	92,979	93,279
Participation rate	61.0	60.9	60.8	61.3	61.4	61.4	61.4	61.0	61.1
Employed	85,220	85,556	85,536	85,202	85,352	85,418	85,441	85,278	85,511
Agriculture	2,959	3,156	2,856	3,339	3,468	3,546	3,422	3,292	3,241
Nonagricultural industries	82,261	82,400	82,680	81,863	81,884	81,872	82,019	81,986	82,270
Unemployed	6,106	7,231	7,195	6,601	7,794	7,773	8,002	7,701	7,768
Unemployment rate	6.7	7.8	7.8	7.2	8.4	8.3	8.6	8.3	8.3
Not in labor force	58,482	59,533	59,812	58,005	58,493	58,691	58,649	59,341	59,264
Males, 20 years and over									
Total noninstitutional population[1]	64,462	65,542	65,643	64,462	65,234	65,353	65,444	65,542	65,643
Total labor force	52,177	52,519	52,452	52,414	52,794	52,936	53,018	52,870	52,706
Participation rate	80.9	80.1	79.9	81.3	80.9	81.0	81.0	80.7	80.3
Civilian noninstitutional population[1]	62,690	63,830	63,929	62,690	63,498	63,629	63,725	63,830	63,929
Civilian labor force	50,405	50,807	50,739	50,642	51,058	51,213	51,299	51,158	50,992
Participation rate	80.4	79.6	79.4	80.8	80.4	80.5	80.5	80.1	79.8
Employed	47,787	47,678	47,499	47,961	47,682	47,638	47,666	47,646	47,676
Agriculture	2,311	2,362	2,177	2,451	2,463	2,483	2,422	2,376	2,309
Nonagricultural industries	45,476	45,315	45,322	45,510	45,219	45,155	45,244	45,270	45,367
Unemployed	2,618	3,129	3,240	2,681	3,376	3,575	3,633	3,512	3,316
Unemployment rate	5.2	6.2	6.4	5.3	6.6	7.0	7.1	6.9	6.5
Not in labor force	12,286	13,023	13,190	12,048	12,440	12,416	12,426	12,672	12,937
Females, 20 years and over									
Civilian noninstitutional population[1]	70,961	72,139	72,251	70,961	71,839	71,926	72,029	72,139	72,251
Civilian labor force	32,555	33,664	33,627	32,305	33,239	33,108	33,288	33,110	33,415
Participation rate	45.9	46.7	46.5	45.5	46.3	46.0	46.2	45.9	46.2
Employed	30,526	31,145	31,271	29,992	30,690	30,618	30,685	30,540	30,730
Agriculture	366	454	385	454	548	538	542	480	478
Nonagricultural industries	30,160	30,691	30,887	29,538	30,142	30,080	30,143	30,060	30,252
Unemployed	2,029	2,519	2,355	2,313	2,549	2,490	2,603	2,570	2,685
Unemployment rate	6.2	7.5	7.0	7.2	7.7	7.5	7.8	7.8	8.0
Not in labor force	38,406	38,475	38,625	38,656	38,600	38,818	38,741	39,029	38,836
Both sexes, 16-19 years									
Civilian noninstitutional population[1]	16,157	16,352	16,363	16,157	16,302	16,327	16,338	16,352	16,363
Civilian labor force	8,367	8,316	8,366	8,856	8,849	8,870	8,856	8,711	8,872
Participation rate	51.8	50.9	51.1	54.8	54.3	54.3	54.2	53.3	54.2
Employed	6,907	6,734	6,765	7,249	6,980	7,162	7,090	7,092	7,105
Agriculture	282	340	294	434	457	525	458	436	454
Nonagricultural industries	6,625	6,394	6,471	6,815	6,523	6,637	6,632	6,656	6,651
Unemployed	1,459	1,582	1,600	1,607	1,869	1,708	1,766	1,619	1,767
Unemployment rate	17.4	19.0	19.1	18.1	21.1	19.3	19.9	18.6	19.9
Not in labor force	7,790	8,035	7,997	7,301	7,453	7,457	7,482	7,641	7,491
WHITE									
Civilian noninstitutional population[1]	132,356	134,303	134,480	132,356	133,760	133,954	134,121	134,303	134,480
Civilian labor force	81,065	82,171	82,190	81,338	82,476	82,584	82,836	82,344	82,511
Participation rate	61.2	61.2	61.1	61.5	61.7	61.7	61.8	61.3	61.4
Employed	76,149	76,317	76,345	76,106	76,182	76,270	76,281	76,115	76,295
Unemployed	4,916	5,854	5,845	5,232	6,294	6,314	6,555	6,229	6,216
Unemployment rate	6.1	7.1	7.1	6.4	7.6	7.6	7.9	7.6	7.5
Not in labor force	51,291	52,132	52,290	51,018	51,284	51,370	51,285	51,959	51,969
NEGRO AND OTHER RACES									
Civilian noninstitutional population[1]	17,452	18,018	18,063	17,452	17,879	17,929	17,971	18,018	18,063
Civilian labor force	10,262	10,616	10,541	10,389	10,523	10,746	10,678	10,695	10,678
Participation rate	58.8	58.9	58.4	59.5	59.4	59.9	59.4	59.4	59.1
Employed	9,072	9,239	9,190	9,090	9,134	9,205	9,167	9,219	9,212
Unemployed	1,190	1,377	1,351	1,299	1,489	1,541	1,511	1,476	1,466
Unemployment rate	11.6	13.0	12.8	12.5	14.0	14.3	14.2	13.8	13.7
Not in labor force	7,191	7,401	7,522	7,063	7,256	7,183	7,293	7,323	7,385

[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					
	Dec. 1974	Dec. 1975	Dec. 1974	Aug. 1975	Sept. 1975	Oct. 1975	Nov. 1975	Dec. 1975
Total, 16 years and over	6,601	7,768	7.2	8.4	8.3	8.6	8.3	8.3
Males, 20 years and over	2,681	3,316	5.3	6.6	7.0	7.1	6.9	6.5
Females, 20 years and over	2,313	2,685	7.2	7.7	7.5	7.8	7.8	8.0
Both sexes, 16-19 years	1,607	1,767	18.1	21.1	19.3	19.9	18.6	19.9
White, total	5,232	6,216	6.4	7.6	7.6	7.9	7.6	7.5
Males, 20 years and over	2,153	2,632	4.7	6.1	6.5	6.5	6.2	5.8
Females, 20 years and over	1,817	2,154	6.5	6.9	6.8	7.4	7.2	7.4
Both sexes, 16-19 years	1,262	1,430	15.9	19.1	17.4	17.8	16.8	18.1
Negro and other races, total	1,299	1,466	12.5	14.0	14.3	14.2	13.8	13.7
Males, 20 years and over	481	629	9.3	11.1	12.1	11.7	12.6	11.9
Females, 20 years and over	464	492	10.9	12.6	12.1	12.2	11.0	11.1
Both sexes, 16-19 years	354	345	37.7	37.4	37.2	37.0	33.8	35.9
Household heads	2,429	3,038	4.6	5.5	5.7	5.9	5.6	5.7
Married men, spouse present	1,503	1,859	3.8	5.0	5.3	5.2	4.9	4.7
Full-time workers	5,312	6,387	6.8	7.9	8.2	8.6	8.1	8.0
Part-time workers	1,276	1,385	9.6	10.7	9.6	10.1	9.8	10.4
Unemployed 15 weeks and over[1]	1,319	2,919	1.4	3.1	3.1	2.8	3.0	3.1
State insured[2]	3,164	3,254	4.8	5.8	5.8	5.7	5.5	4.9
Labor force time lost[3]	--	--	7.9	8.6	9.0	9.4	9.0	8.8
OCCUPATION[4]								
White-collar workers	1,765	2,122	4.1	4.6	4.7	4.8	4.7	4.8
Professional and technical	319	409	2.5	2.9	3.3	3.1	3.6	3.1
Managers and administrators, except farm	237	277	2.6	3.0	3.4	2.8	2.7	3.0
Sales workers	335	368	6.0	5.9	5.6	5.9	6.2	6.6
Clerical workers	874	1,068	5.4	6.4	6.3	7.0	6.2	6.5
Blue-collar workers	2,991	3,285	9.3	11.5	11.5	11.2	11.0	10.3
Craft and kindred workers	727	812	6.1	8.2	8.6	8.4	8.1	6.7
Operatives	1,611	1,763	10.7	12.7	12.7	12.0	12.1	11.9
Nonfarm laborers	693	710	13.0	16.2	15.2	16.2	14.8	14.6
Service workers	886	1,202	7.1	9.3	8.7	9.1	8.4	9.2
Farm workers	71	124	2.4	3.8	3.4	3.6	3.5	4.3
INDUSTRY[4]								
Nonagricultural private wage and salary workers[5]	5,121	5,907	7.7	9.1	9.1	9.1	8.9	8.8
Construction	659	708	14.9	19.9	19.2	17.9	17.3	16.2
Manufacturing	1,925	1,989	8.9	10.5	10.6	10.2	9.9	9.4
Durable goods	1,132	1,214	8.7	11.3	11.3	10.5	10.2	9.7
Nondurable goods	793	775	9.1	9.5	9.4	9.8	9.5	9.0
Transportation and public utilities	196	236	3.9	5.7	5.8	5.4	4.5	4.8
Wholesale and retail trade	1,328	1,642	8.1	8.9	8.7	8.8	9.1	9.7
Finance and service industries	996	1,315	5.4	6.1	6.3	7.1	6.9	6.9
Government workers	473	653	3.2	4.0	4.2	4.3	3.9	4.3
Agricultural wage and salary workers	109	173	7.9	10.5	9.9	10.6	9.7	12.3
VETERAN STATUS								
Males, Vietnam-era veterans[6]:								
20 to 34 years	456	628	7.6	9.0	9.2	9.3	9.6	10.1
20 to 24 years	177	196	15.6	17.5	20.0	22.0	22.5	20.8
25 to 29 years	224	335	6.7	8.2	7.3	7.9	8.4	10.1
30 to 34 years	55	97	3.7	5.9	6.5	5.3	5.0	4.9
Males, nonveterans:								
20 to 34 years	1,123	1,274	8.1	9.6	10.5	9.9	9.9	8.8
20 to 24 years	643	786	10.4	13.6	14.3	13.6	12.8	12.2
25 to 29 years	288	291	7.2	8.0	8.5	8.1	7.9	6.7
30 to 34 years	192	197	5.1	4.7	6.2	5.6	7.1	5.4

[1] Unemployment rate calculated as a percent of civilian labor force.
[2] Insured unemployment under State programs; unemployment rate calculated as a percent of average covered employment.
[3] Aggregate hours lost by the unemployed and persons on part time for economic reasons as a percent of potentially available labor force 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					
	Dec. 1974	Dec. 1975	Dec. 1974	Aug. 1975	Sept. 1975	Oct. 1975	Nov. 1975	Dec. 1975
Total employed, 16 years and over	85,220	85,536	85,202	85,352	85,418	85,441	85,278	85,511
Males	51,419	50,993	51,958	51,448	51,490	51,496	51,485	51,525
Females	33,801	34,543	33,249	33,904	33,928	33,945	33,793c	33,986
Household heads	50,427	50,364	50,427	50,524	50,373	50,362	50,421	50,364
Married men, spouse present	38,364	37,778	38,377	38,048	37,967	38,038	38,003	37,788
Married women, spouse present	19,986	20,371	19,463	19,693	19,849	19,882	19,845	19,835
OCCUPATION								
White-collar workers	42,394	42,954	41,690	42,593	42,504	42,381	42,254	42,233
Professional and technical	12,467	13,266	12,200	13,030	12,813	12,719	12,711	12,980
Managers and administrators, except farm	8,792	8,854	8,760	8,937	9,160	9,004	9,102	8,819
Sales workers	5,564	5,453	5,279	5,535	5,519	5,551	5,259	5,174
Clerical workers	15,571	15,382	15,451	15,091	15,012	15,107	15,182	15,260
Blue-collar workers	28,679	28,234	29,018	28,070	28,053	28,287	28,325	28,552
Craft and kindred workers	11,179	11,244	11,251	11,112	10,927	11,184	11,060	11,312
Operatives	13,405	13,089	13,395	12,867	12,960	13,014	13,118	13,076
Nonfarm laborers	4,095	3,902	4,372	4,091	4,166	4,089	4,147	4,164
Service workers	11,571	11,892	11,548	11,670	11,776	11,813	11,897	11,869
Farm workers	2,576	2,455	2,926	3,006	3,081	2,990	2,836	2,787
MAJOR INDUSTRY AND CLASS OF WORKER								
Agriculture:								
Wage and salary workers	1,072	1,043	1,272	1,368	1,393	1,319	1,262	1,237
Self-employed workers	1,617	1,590	1,673	1,688	1,761	1,700	1,679	1,646
Unpaid family workers	270	223	356	400	415	424	338	294
Nonagricultural industries:								
Wage and salary workers	76,171	76,562	75,671	75,826	75,822	76,157	75,556	76,042
Private households	1,276	1,331	1,259	1,379	1,325	1,364	1,275	1,314
Government	14,442	14,916	14,231	14,785	14,481	14,410	14,577	14,696
Other	60,453	60,315	60,181	59,662	60,016	60,383	59,704	60,032
Self-employed workers	5,614	5,645	5,641	5,670	5,634	5,547	5,995	5,673
Unpaid family workers	476	473	498	460	485	474	550	494
PERSONS AT WORK [1]								
Nonagricultural industries	78,802	79,588	76,526	76,505	76,943	77,109	77,249	77,317
Full-time schedules	64,174	65,067	62,733	62,442	63,044	63,101	63,283	63,604
Part time for economic reasons	3,097	3,028	3,375	3,106	3,233	3,339	3,317	3,331
Usually work full time	1,746	1,301	1,847	1,369	1,332	1,439	1,375	1,377
Usually work part time	1,351	1,727	1,528	1,737	1,901	1,900	1,942	1,954
Part time for noneconomic reasons	11,531	11,493	10,418	10,957	10,666	10,669	10,649	10,382

[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					
	Dec. 1974	Dec. 1975	Dec. 1974	Aug. 1975	Sept. 1975	Oct. 1975	Nov. 1975	Dec. 1975
Less than 5 weeks	2,801	2,451	3,077	2,676	2,790	3,024	2,641	2,693
5 to 14 weeks	2,155	2,197	2,062	2,361	2,430	2,388	2,393	2,102
15 weeks and over	1,151	2,548	1,319	2,842	2,856	2,578	2,824	2,919
15 to 26 weeks	679	*1,120	782	1,383	1,242	1,185	1,155	1,294
27 weeks and over	472	1,428	537	1,459	1,614	1,393	1,669	1,625
Average (mean) duration, in weeks	10.3	16.9	10.0	15.7	16.2	15.4	16.8	16.4
PERCENT DISTRIBUTION								
Total unemployed	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Less than 5 weeks	45.9	34.1	47.6	34.0	34.5	37.8	33.6	34.9
5 to 14 weeks	35.3	30.5	31.9	30.0	30.1	29.9	30.5	27.2
15 weeks and over	18.8	35.4	20.4	36.1	35.4	32.3	35.9	37.8
15 to 26 weeks	11.1	15.6	12.1	17.6	15.4	14.8	14.7	16.8
27 weeks and over	7.7	19.8	8.3	18.5	20.0	17.4	21.2	21.1

Table A-5. Reasons for unemployment

(Numbers in thousands)

Reason	Not seasonally adjusted		Seasonally adjusted					
	Dec. 1974	Dec. 1975	Dec. 1974	Aug. 1975	Sept. 1975	Oct. 1975	Nov. 1975	Dec. 1975
NUMBER OF UNEMPLOYED								
Lost last job	3,277	3,970	3,190	4,263	4,576	4,460	4,201c	3,866
Left last job	731	813	788	777	814	832	894c	876
Reentered labor force	1,487	1,684	1,762	1,879	1,786	1,896	1,805	1,995
Seeking first job	612	728	778	876	819	865	864	925
PERCENT DISTRIBUTION								
Total unemployed	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Job losers	53.7	55.2	48.9	54.7	57.2	55.4	54.1c	50.5
Job leavers	12.0	11.3	12.1	10.0	10.2	10.3	11.5c	11.4
Reentrants	24.3	23.4	27.0	24.1	22.3	23.5	23.2c	26.0
New entrants	10.0	10.1	11.9	11.2	10.2	10.7	11.1c	12.1
UNEMPLOYED AS A PERCENT OF THE CIVILIAN LABOR FORCE								
Job losers	3.6	4.3	3.5	4.6	4.9	4.8	4.5c	4.1
Job leavers	.8	.9	.9	.8	.9	.9	1.0	.9
Reentrants	1.6	1.8	1.9	2.0	1.9	2.0	1.9	2.1
New entrants	.7	.8	.8	.9	.9	.9	.9	1.0

c= corrected.

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						
	Dec. 1974	Dec. 1975	Dec. 1975	Dec. 1974	Aug. 1975	Sept. 1975	Oct. 1975	Nov. 1975	Dec. 1975
Total, 16 years and over	6,106	7,195	80.3	7.2	8.4	8.3	8.6	8.3	8.3
16 to 19 years	1,459	1,600	52.1	18.1	21.1	19.3	19.9	18.6	19.9
16 to 17 years	708	673	26.4	21.2	23.1	21.9	22.2	19.8	21.1
18 to 19 years	751	928	70.8	16.0	19.5	18.0	18.3	17.7	19.3
20 to 24 years	1,365	1,578	86.8	11.7	13.1	13.6	14.0	13.8	13.3
25 years and over	3,281	4,017	89.0	4.9	5.8	6.0	6.2	6.0	5.9
25 to 54 years	2,744	3,317	91.1	5.1	6.2	6.3	6.5	6.3	6.1
55 years and over	537	700	78.9	3.7	4.5	4.6	4.9	4.8	4.9
Males, 16 years and over	3,444	4,108	84.8	6.4	7.9	8.0	8.2	7.9	7.5
16 to 19 years	827	868	53.7	17.4	21.7	19.4	20.0	18.5	18.7
16 to 17 years	422	356	27.5	21.1	23.5	22.4	21.6	19.4	19.1
18 to 19 years	405	512	72.1	14.9	19.8	18.2	18.5	17.9	18.6
20 to 24 years	766	917	89.7	11.2	14.2	15.3	14.7	14.1	13.2
25 years and over	1,851	2,323	94.4	4.3	5.3	5.6	5.8	5.7	5.3
25 to 54 years	1,522	1,888	97.5	4.4	5.6	5.9	6.0	5.9	5.4
55 years and over	329	435	80.9	3.4	4.3	4.6	4.6	4.7	4.5
Females, 16 years and over	2,662	3,088	74.4	8.5	9.1	8.8	9.1	8.9	9.5
16 to 19 years	633	732	50.3	19.0	20.5	19.1	19.9	18.6	21.4
16 to 17 years	286	317	25.2	21.4	22.5	21.3	22.8	20.2	23.3
18 to 19 years	346	416	69.2	17.3	19.3	17.8	18.0	17.6	20.0
20 to 24 years	599	661	82.6	12.4	11.7	11.7	13.1	13.5	13.4
25 years and over	1,430	1,694	81.5	5.9	6.6	6.6	6.9	6.6	6.7
25 to 54 years	1,222	1,430	82.7	6.3	7.1	7.0	7.2	6.9	7.1
55 years and over	208	264	75.4	4.4	4.9	4.5	5.3	5.1	5.5

ESTABLISHMENT DATA

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

(In thousands)

Industry	Not seasonally adjusted				Seasonally adjusted					
	Dec. 1974	Oct. 1975	Nov. 1975p	Dec. 1975p	Dec. 1974	Aug. 1975	Sept. 1975	Oct. 1975	Nov. 1975p	Dec. 1975p
TOTAL	78,462	78,193	78,324	78,529	77,723	77,023	77,310	77,555	77,558	77,798
GOODS-PRODUCING	23,585	23,070	22,904	22,654	23,646	22,418	22,601	22,669	22,641	22,712
MINING	681	763	764	766	686	749	752	774	767	772
CONTRACT CONSTRUCTION	3,695	3,620	3,515	3,321	3,770	3,415	3,432	3,402	3,403	3,389
MANUFACTURING	19,209	18,687	18,625	18,567	19,190	18,254	18,417	18,493	18,471	18,551
Production workers	13,825	13,420	13,366	13,311	13,802	13,011	13,157	13,235	13,219	13,291
DURABLE GOODS	11,377	10,750	10,729	10,716	11,357	10,563	10,650	10,661	10,643	10,697
Production workers	8,158	7,631	7,617	7,606	8,133	7,450	7,527	7,548	7,532	7,583
Ordnance and accessories	177.5	165.4	161.5	160.5	176	167	165	164	160	160
Lumber and wood products	558.2	583.6	574.4	567.0	569	563	568	576	576	578
Furniture and fixtures	476.8	472.2	476.2	478.1	474	452	464	467	470	476
Stone, clay, and glass products	646.2	623.5	618.4	604.2	655	610	615	615	615	612
Primary metal industries	1,301.7	1,144.8	1,140.8	1,149.5	1,308	1,148	1,169	1,149	1,145	1,155
Fabricated metal products	1,431.9	1,359.7	1,352.7	1,346.0	1,425	1,331	1,340	1,344	1,335	1,339
Machinery, except electrical	2,223.4	2,029.1	2,028.2	2,034.5	2,214	2,013	2,035	2,039	2,030	2,026
Electrical equipment	1,901.4	1,780.9	1,781.9	1,788.0	1,888	1,747	1,755	1,767	1,764	1,776
Transportation equipment	1,736.4	1,670.5	1,676.3	1,680.8	1,722	1,645	1,643	1,641	1,647	1,666
Instruments and related products	512.0	492.0	494.7	496.2	511	481	486	490	492	495
Miscellaneous manufacturing	412.1	428.7	424.0	411.1	415	406	410	409	409	414
NONDURABLE GOODS	7,832	7,937	7,896	7,851	7,833	7,691	7,767	7,832	7,828	7,854
Production workers	5,667	5,789	5,749	5,705	5,669	5,561	5,630	5,687	5,687	5,708
Food and kindred products	1,670.3	1,762.6	1,714.4	1,672.4	1,684	1,688	1,693	1,695	1,692	1,686
Tobacco manufactures	82.2	88.1	87.0	85.9	78	78	80	79	81	82
Textile mill products	911.0	950.8	955.4	958.4	908	918	938	953	951	956
Apparel and other textile products	1,242.4	1,304.6	1,306.2	1,292.1	1,246	1,245	1,261	1,287	1,288	1,296
Paper and allied products	676.8	654.8	657.6	664.0	674	639	648	652	652	661
Printing and publishing	1,111.9	1,074.4	1,073.0	1,079.7	1,104	1,072	1,075	1,071	1,069	1,072
Chemicals and allied products	1,043.0	1,020.0	1,019.1	1,017.9	1,045	1,008	1,011	1,019	1,020	1,020
Petroleum and coal products	197.1	203.1	202.3	201.0	198	199	200	201	202	202
Rubber and plastics products, nec.	632.9	611.5	610.6	607.8	632	588	599	608	604	607
Leather and leather products	264.2	266.6	270.7	271.5	264	256	262	267	269	272
SERVICE-PRODUCING	54,877	55,123	55,420	55,875	54,077	54,605	54,709	54,886	54,917	55,086
TRANSPORTATION AND PUBLIC UTILITIES	4,659	4,503	4,515	4,481	4,659	4,466	4,467	4,476	4,501	4,481
WHOLESALE AND RETAIL TRADE	17,608	17,136	17,323	17,753	16,935	17,016	17,045	17,043	17,020	17,096
WHOLESALE TRADE	4,249	4,209	4,205	4,222	4,224	4,159	4,181	4,180	4,172	4,197
RETAIL TRADE	13,359	12,927	13,118	13,531	12,711	12,857	12,864	12,863	12,848	12,899
FINANCE, INSURANCE, AND REAL ESTATE	4,208	4,238	4,235	4,238	4,229	4,218	4,239	4,246	4,248	4,259
SERVICES	13,764	14,185	14,175	14,180	13,833	14,050	14,113	14,157	14,189	14,251
GOVERNMENT	14,638	15,061	15,172	15,223	14,421	14,855	14,845	14,964	14,959	14,999
FEDERAL	2,756	2,742	2,742	2,774	2,738	2,756	2,765	2,767	2,761	2,758
STATE AND LOCAL	11,882	12,319	12,430	12,449	11,683	12,099	12,080	12,197	12,198	12,241

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					
	Dec. 1974	Oct. 1975	Nov. 1975[p]	Dec. 1975[p]	Dec. 1974	Aug. 1975	Sept. 1975	Oct. 1975	Nov. 1975[p]	Dec. 1975[p]
TOTAL PRIVATE	36.4	36.2	36.2	36.6	36.3	36.2	36.1	36.2	36.3	36.5
MINING	41.4	43.1	43.1	43.2	41.3	41.8	42.1	42.7	43.0	43.1
CONTRACT CONSTRUCTION	36.8	37.5	36.3	36.9	37.4	36.7	36.7	36.6	36.8	37.5
MANUFACTURING	39.9	39.9	40.1	40.8	39.4	39.7	39.8	39.8	39.9	40.3
Overtime hours	2.8	3.0	2.9	3.1	2.7	2.8	2.8	2.8	2.8	3.0
DURABLE GOODS	40.9	40.2	40.3	41.4	40.2	40.2	40.2	40.0	40.1	40.7
Overtime hours	3.0	2.8	2.7	3.1	2.8	2.7	2.7	2.6	2.6	2.9
Ordnance and accessories	42.3	41.5	41.7	41.4	41.7	41.2	41.7	41.6	41.7	40.8
Lumber and wood products	38.2	40.0	39.2	40.2	38.2	39.5	39.6	39.8	39.4	40.2
Furniture and fixtures	38.0	39.3	39.3	40.2	37.4	38.3	38.9	38.9	39.1	39.6
Stone, clay, and glass products	41.0	41.2	41.0	41.2	41.0	40.7	40.8	40.8	40.9	41.2
Primary metal industries	41.4	39.7	40.0	40.6	41.1	39.9	39.9	39.9	40.2	40.3
Fabricated metal products	41.1	40.5	40.7	41.5	40.5	40.0	40.2	40.4	40.5	40.9
Machinery, except electrical	42.9	40.6	41.0	41.9	42.0	40.8	40.7	40.6	40.8	41.0
Electrical equipment	40.2	39.8	40.0	41.0	39.6	39.6	39.6	39.6	39.6	40.4
Transportation equipment	40.9	40.8	40.7	43.2	39.5	41.2	40.9	40.4	40.5	41.7
Instruments and related products	40.3	39.8	40.3	40.6	39.7	39.5	39.7	39.7	39.9	40.0
Miscellaneous manufacturing	38.4	39.0	39.0	39.7	38.2	38.2	38.7	38.8	38.6	39.5
NONDURABLE GOODS	38.5	39.6	39.7	40.1	38.2	39.3	39.4	39.5	39.5	39.8
Overtime hours	2.5	3.2	3.1	3.1	2.5	2.9	3.0	3.0	3.0	3.1
Food and kindred products	40.4	40.6	40.4	40.8	40.0	40.7	40.9	40.6	40.4	40.4
Tobacco manufactures	38.8	38.9	40.3	38.1	37.7	37.6	38.0	37.5	39.5	37.1
Textile mill products	37.0	41.0	41.2	41.6	36.7	40.4	40.9	41.0	41.0	41.3
Apparel and other textile products	34.2	36.3	36.4	36.6	34.3	35.5	36.0	36.2	36.1	36.7
Paper and allied products	41.7	42.4	42.7	43.3	41.3	42.1	42.2	42.3	42.5	42.9
Printing and publishing	37.8	37.7	37.4	38.2	37.3	37.1	36.9	37.0	37.3	37.7
Chemicals and allied products	41.3	41.4	41.6	42.2	41.0	41.1	41.3	41.4	41.5	41.9
Petroleum and coal products	42.2	42.2	42.3	41.5	42.2	41.0	41.6	41.8	42.0	41.5
Rubber and plastics products, nec	39.9	40.1	40.2	41.3	39.5	40.1	40.1	40.0	39.9	40.9
Leather and leather products	36.6	38.6	38.6	39.3	36.2	38.0	38.4	38.9	38.4	38.9
TRANSPORTATION AND PUBLIC UTILITIES	39.8	39.9	39.8	39.9	39.8	39.5	39.7	39.7	39.8	39.9
WHOLESALE AND RETAIL TRADE	34.2	33.7	33.6	34.1	33.9	33.8	33.6	33.9	33.8	33.8
WHOLESALE TRADE	39.0	38.8	38.7	39.2	38.6	38.6	38.5	38.8	38.7	38.8
RETAIL TRADE	32.8	32.1	32.1	32.7	32.5	32.3	32.2	32.3	32.5	32.4
FINANCE, INSURANCE, AND REAL ESTATE	36.8	36.4	36.6	36.4	36.8	36.3	36.3	36.4	36.7	36.4
SERVICES	33.8	33.6	33.7	33.8	33.8	33.8	33.6	33.7	33.9	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			
	Dec. 1974	Oct. 1975	Nov. 1975	Dec. 1975	Dec. 1974	Oct. 1975	Nov. 1975[p]	Dec. 1975[p]
TOTAL PRIVATE	$4.38	$4.66	$4.67	$4.67	$159.43	$168.69	$169.05	$170.92
Seasonally adjusted	4.38	4.63	4.67	4.67	158.99	167.61	169.52	170.46
MINING	5.43	6.02	6.11	6.17	224.80	259.46	263.34	266.54
CONTRACT CONSTRUCTION	7.05	7.42	7.42	7.43	259.44	278.25	269.35	274.17
MANUFACTURING	4.66	4.90	4.93	4.99	185.93	195.51	197.69	203.59
DURABLE GOODS	4.96	5.26	5.29	5.37	202.86	211.45	213.19	222.32
Ordnance and accessories	4.94	5.41	5.43	5.52	208.96	224.52	226.43	228.53
Lumber and wood products	4.02	4.42	4.40	4.39	153.56	176.80	172.48	176.48
Furniture and fixtures	3.63	3.81	3.82	3.86	137.94	149.73	150.13	155.17
Stone, clay, and glass products	4.68	5.02	5.05	5.06	191.88	206.82	207.05	208.47
Primary metal industries	5.93	6.35	6.43	6.51	245.50	252.10	257.20	264.31
Fabricated metal products	4.82	5.19	5.22	5.30	198.10	210.20	212.45	219.95
Machinery, except electrical	5.20	5.51	5.54	5.60	223.08	223.71	227.14	234.64
Electrical equipment	4.42	4.66	4.69	4.76	177.68	185.47	187.60	195.16
Transportation equipment	5.82	6.24	6.25	6.39	238.04	254.59	254.38	276.05
Instruments and related products	4.42	4.60	4.64	4.73	178.13	183.08	186.99	192.04
Miscellaneous manufacturing	3.67	3.83	3.86	3.92	140.93	149.37	150.54	155.62
NONDURABLE GOODS	4.20	4.42	4.45	4.48	161.70	175.03	176.67	179.65
Food and kindred products	4.37	4.65	4.69	4.74	176.55	188.79	189.48	193.39
Tobacco manufactures	4.27	4.27	4.40	4.46	165.68	166.10	177.32	169.93
Textile mill products	3.28	3.53	3.53	3.55	121.36	144.73	145.44	147.68
Apparel and other textile products	3.11	3.24	3.25	3.26	106.36	117.61	118.30	119.32
Paper and allied products	4.74	5.15	5.21	5.21	197.66	218.36	222.47	225.59
Printing and publishing	5.17	5.49	5.50	5.53	195.43	203.68	205.70	211.25
Chemicals and allied products	5.11	5.50	5.56	5.57	211.04	227.70	231.30	235.05
Petroleum and coal products	5.82	6.61	6.65	6.61	245.60	278.94	281.30	274.32
Rubber and plastics products, nec	4.21	4.42	4.43	4.53	167.98	177.24	178.09	187.09
Leather and leather products	3.12	3.25	3.27	3.29	114.19	125.45	126.22	129.30
TRANSPORTATION AND PUBLIC UTILITIES	5.65	6.14	6.16	6.14	224.87	244.99	245.17	244.99
WHOLESALE AND RETAIL TRADE	3.57	3.82	3.84	3.81	122.09	128.73	129.02	129.92
WHOLESALE TRADE	4.71	4.98	5.02	5.06	183.69	193.22	194.27	198.35
RETAIL TRADE	3.18	3.41	3.42	3.39	104.30	109.46	109.78	110.85
FINANCE, INSURANCE, AND REAL ESTATE	3.98	4.17	4.24	4.23	146.46	151.79	155.18	153.97
SERVICES	3.92	4.16	4.21	4.22	132.50	139.78	141.88	142.64

[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	Dec. 1974	July 1975	Aug. 1975	Sept. 1975	Oct. 1975	Nov.P 1975	Dec.P 1975	Percent change from: Dec. 1974-Dec. 1975	Percent change from: Nov. 1975-Dec. 1975
TOTAL PRIVATE NONFARM:									
Current dollars	165.4	173.1	174.6	175.2	176.7	178.0	178.0	7.6	(2)
Constant (1967) dollars	106.4	106.6	107.4	107.2	107.5	107.5	N.A.	(3)	(4)
MINING	172.6	184.0	186.2	187.2	188.9	189.6	192.1	11.3	1.3
CONTRACT CONSTRUCTION	169.6	177.4	176.7	177.3	177.7	178.6	178.5	5.3	-.1
MANUFACTURING	163.6	172.2	173.3	174.5	176.0	177.0	177.4	8.4	.2
TRANSPORTATION AND PUBLIC UTILITIES	173.6	182.4	186.2	186.3	188.8	189.2	189.3	9.0	(2)
WHOLESALE AND RETAIL TRADE	161.1	168.3	170.5	170.5	171.9	173.1	173.0	7.4	-.1
FINANCE, INSURANCE, AND REAL ESTATE	155.0	161.5	163.0	162.6	163.8	166.9	165.0	6.5	-1.1
SERVICES	169.4	175.8	177.1	177.8	179.4	182.0	181.8	7.3	-.1

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

[2] Less than 0.05 percent.

[3] Percent change was 1.0 from November 1974 to November 1975, the latest month available.

[4] Percent change was less than 0.05 from October 1975 to November 1975, the latest month available.

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

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 hours of production or nonsupervisory workers[1] on private nonagricultural payrolls, by industry, seasonally adjusted

[1967 = 100]

Industry division and group	1974	1975										
	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.P	Dec.P
TOTAL	109.9	108.9	107.0	105.9	106.0	106.3	106.0	106.4	107.6	108.1	108.5	109.0	109.6
GOODS-PRODUCING	96.7	94.5	90.7	88.4	89.2	89.4	88.9	89.3	91.2	92.4	92.7	92.8	94.3
MINING	106.0	117.4	116.7	115.9	113.7	119.4	118.4	118.8	118.6	119.9	125.0	125.2	127.7
CONTRACT CONSTRUCTION	112.1	111.0	104.1	94.5	99.0	99.3	94.9	96.2	98.3	98.6	97.3	97.7	99.1
MANUFACTURING	93.6	90.8	87.4	86.4	86.6	86.6	86.8	87.1	89.0	90.3	90.8	90.8	92.3
DURABLE GOODS	94.9	91.8	87.9	86.6	86.5	85.4	85.2	84.9	86.7	87.7	87.8	87.9	89.6
Ordnance and accessories	48.8	48.3	48.3	47.7	47.7	47.5	46.9	44.7	43.7	43.0	42.9	40.2	39.3
Lumber and wood products	87.1	83.8	82.3	81.6	82.5	84.4	85.8	86.7	88.8	90.1	92.1	90.8	92.8
Furniture and fixtures	94.9	88.0	85.1	83.9	85.8	87.7	87.2	88.7	92.6	97.4	97.9	99.2	101.8
Stone, clay, and glass products	102.3	98.5	94.1	91.2	92.6	92.6	92.4	93.1	94.5	95.7	95.7	96.2	96.3
Primary metal industries	98.0	94.8	90.6	87.3	84.1	82.1	80.8	80.0	81.7	83.5	81.9	82.3	83.6
Fabricated metal products	99.6	94.9	92.1	90.2	90.1	89.0	88.5	86.7	90.9	92.0	92.8	92.5	93.8
Machinery, except electrical	106.3	104.0	100.8	98.3	96.6	93.1	91.3	90.4	91.0	91.8	91.9	91.7	92.1
Electrical equipment and supplies	92.8	90.2	85.3	84.3	83.3	81.9	81.8	81.6	84.3	84.9	85.8	85.6	88.1
Transportation equipment	84.0	81.1	75.1	77.3	80.4	80.2	81.4	82.0	82.9	82.2	81.5	82.1	85.7
Instruments and related products	106.6	105.0	100.7	98.3	98.2	97.1	97.0	98.1	97.2	99.4	100.8	101.7	102.6
Miscellaneous manufacturing, ind.	91.1	89.4	87.3	85.6	86.0	86.5	87.0	87.7	89.0	91.4	91.3	90.8	94.5
NONDURABLE GOODS	91.7	89.3	86.7	86.0	86.7	88.2	89.1	90.2	92.4	94.1	95.1	95.1	96.3
Food and kindred products	93.9	92.8	92.5	92.6	92.4	92.9	93.1	93.4	96.1	96.9	96.5	95.5	94.9
Tobacco manufactures	86.1	88.2	86.9	86.7	83.4	80.3	86.7	80.8	85.8	88.1	85.6	94.3	88.6
Textile mill products	83.3	78.0	75.8	77.2	80.8	85.7	87.0	88.5	93.0	96.4	98.1	98.0	99.5
Apparel and other textile products	82.2	80.1	76.9	76.5	78.5	79.8	82.4	84.6	85.3	87.8	90.0	89.9	92.3
Paper and allied products	93.9	91.0	87.4	85.3	84.5	85.7	86.4	87.6	89.6	91.3	92.0	93.1	95.3
Printing and publishing	97.0	96.7	94.9	93.9	92.6	92.0	91.2	90.9	92.4	91.9	91.8	92.1	93.4
Chemicals and allied products	99.3	96.6	95.0	92.4	91.4	92.7	92.6	93.0	94.5	96.1	97.4	97.8	98.6
Petroleum and coal products	108.7	102.8	100.2	104.0	101.4	104.4	105.3	107.2	107.3	108.9	110.2	111.6	110.3
Rubber and plastics products, nec	117.4	113.8	104.2	100.4	102.1	105.1	105.1	106.9	110.6	113.0	114.7	113.4	117.0
Leather and leather products	70.3	67.8	64.4	63.0	65.8	66.8	69.6	71.4	72.1	74.9	77.2	77.2	78.5
SERVICE-PRODUCING	119.1	118.9	118.4	118.1	117.6	118.0	117.8	118.3	119.0	119.0	119.5	120.2	120.2
TRANSPORTATION AND PUBLIC UTILITIES	106.2	105.0	103.5	102.1	102.3	100.3	100.6	100.3	100.5	101.1	101.2	102.1	101.7
WHOLESALE AND RETAIL TRADE	114.7	114.3	113.7	113.9	113.4	113.9	113.7	114.6	115.2	115.2	115.6	115.8	116.1
WHOLESALE TRADE	113.3	113.0	112.1	111.6	111.5	111.4	110.3	110.8	111.0	111.3	112.0	111.5	112.6
RETAIL TRADE	115.2	114.7	114.2	114.8	114.0	114.8	115.0	116.0	116.8	116.7	116.9	117.4	117.4
FINANCE, INSURANCE, AND REAL ESTATE	125.1	125.2	124.5	123.6	122.1	122.9	123.2	122.3	112.9	123.5	123.7	125.0	124.2
SERVICES	129.3	129.9	129.9	129.6	129.3	130.3	129.9	130.4	131.4	131.1	132.0	133.1	133.2

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

p=preliminary.

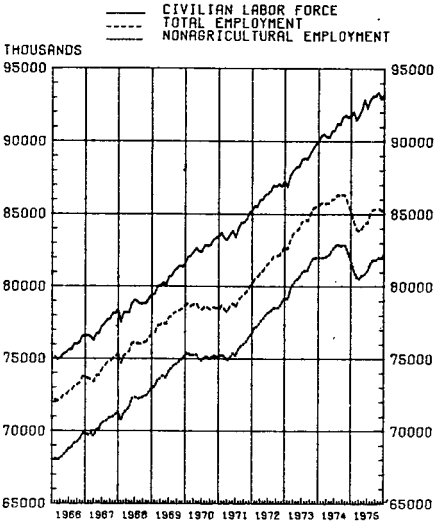
Table B-6. Indexes of diffusion: Percent of industries in which employment[1] increased

Year and month	Over 1-month span	Over 3-month span	Over 6-month span	Over 12-month span
1973				
January	76.7	84.0	81.7	81.1
February	75.0	83.7	79.4	80.8
March	73.8	76.2	79.4	82.6
April	62.5	71.5	74.7	81.4
May	59.9	70.3	72.1	79.7
June	68.0	63.1	66.6	78.5
July	55.8	66.9	72.1	75.6
August	63.1	64.8	72.7	73.5
September	61.6	74.7	73.0	69.2
October	72.7	75.9	75.6	66.0
November	75.0	76.5	70.3	66.6
December	66.6	70.1	66.0	64.2
1974				
January	59.3	62.8	60.8	63.4
February	52.6	53.8	55.2	59.6
March	46.5	48.0	49.7	55.2
April	47.1	48.3	48.5	50.3
May	55.2	51.7	49.7	40.1
June	53.2	52.6	45.6	28.2
July	52.3	45.1	37.2	27.0
August	45.9	39.2	31.1	22.4
September	36.0	40.4	23.3	20.9
October	37.8	28.8	17.7	18.6
November	20.1	21.5	17.2	16.6
December	18.6	13.4	13.1	14.0
1975				
January	18.6	12.5	13.4	16.6
February	16.6	13.7	13.1	17.4
March	25.0	19.2	16.3	17.4
April	40.4	35.8	27.9	20.9
May	53.8	40.4	40.1	25.9p
June	40.4	48.5	60.8	40.7p
July	55.2	55.8	67.4	
August	73.5	80.2	67.4p	
September	81.7	81.4	77.3p	
October	64.8	70.3p		
November	52.6p	69.5p		
December	65.7p			
1976				
January				
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				

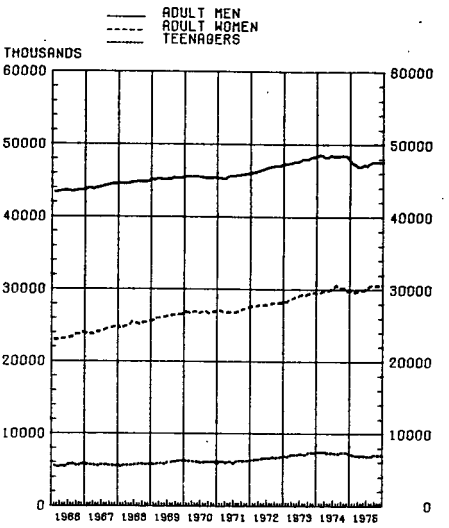
[1] Number of employees, seasonally adjusted, on payrolls of 172 private nonagricultural industries.
p = preliminary.

LABOR FORCE, EMPLOYMENT, UNEMPLOYMENT
HOUSEHOLD DATA - SEASONALLY ADJUSTED

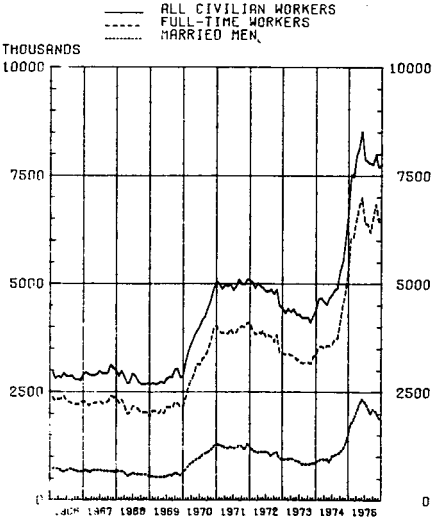
1. LABOR FORCE AND EMPLOYMENT



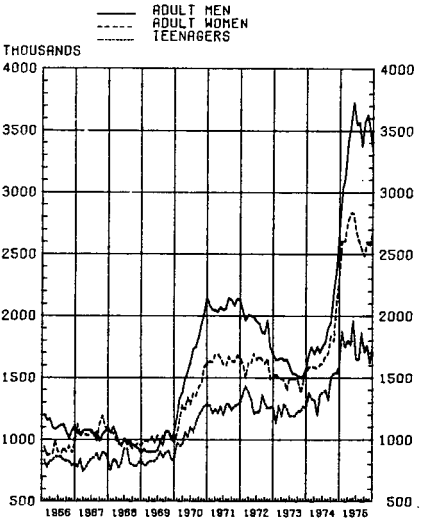
2. TOTAL EMPLOYMENT



3. UNEMPLOYMENT

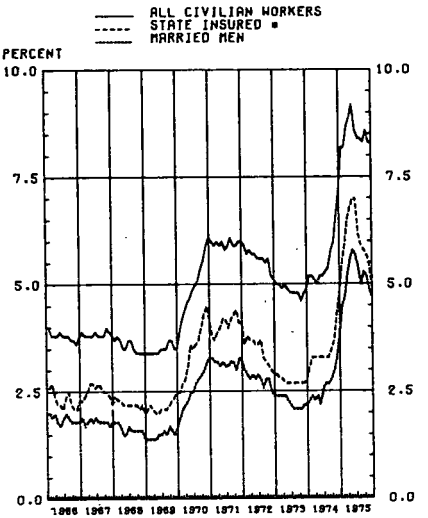


4. UNEMPLOYMENT

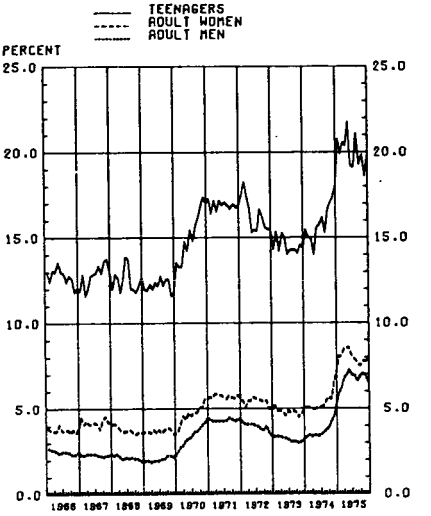


UNEMPLOYMENT RATES
HOUSEHOLD DATA - SEASONALLY ADJUSTED

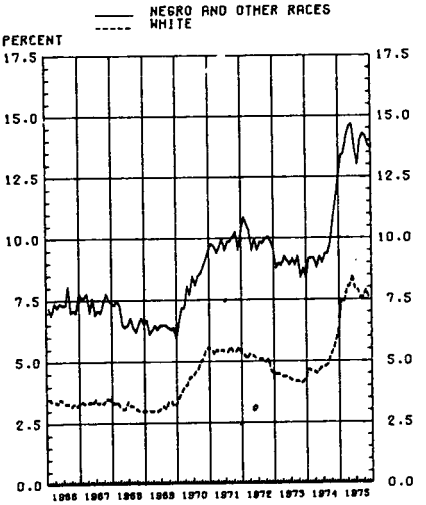
5. UNEMPLOYMENT RATES



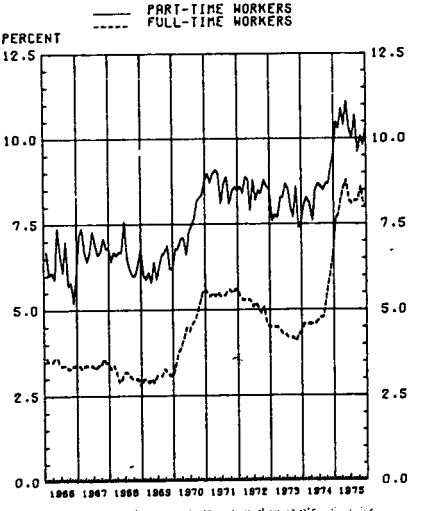
6. UNEMPLOYMENT RATES



7. UNEMPLOYMENT RATES



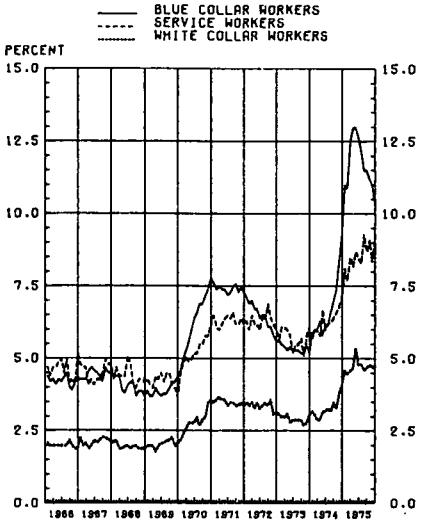
8. UNEMPLOYMENT RATES



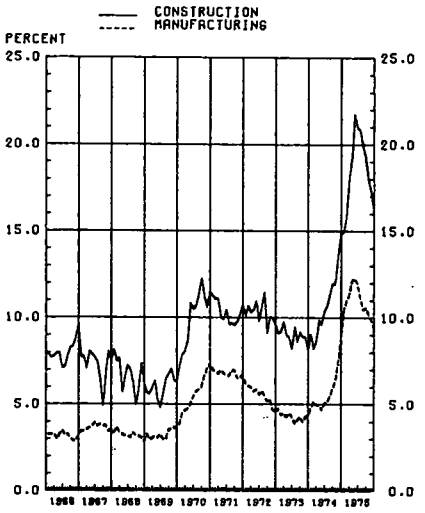
* State insured unemployment rate pertains to the week including the 12th of the month and represents the insured unemployment under State programs as a percent of average covered employment. The figures are derived from administrative records of unemployment insurance systems.

UNEMPLOYMENT
HOUSEHOLD DATA - SEASONALLY ADJUSTED

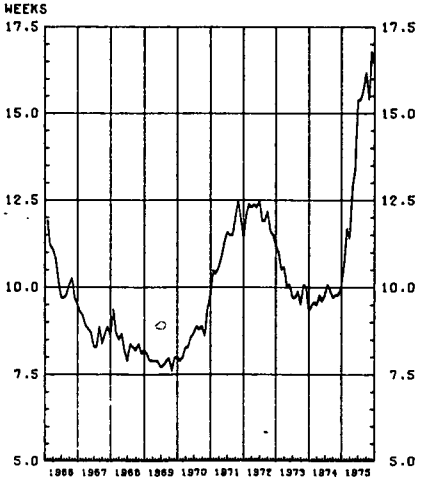
9. UNEMPLOYMENT RATES



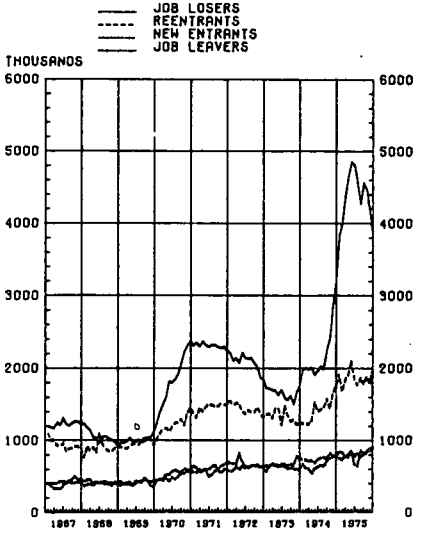
10. UNEMPLOYMENT RATES



11. AVERAGE DURATION OF UNEMPLOYMENT

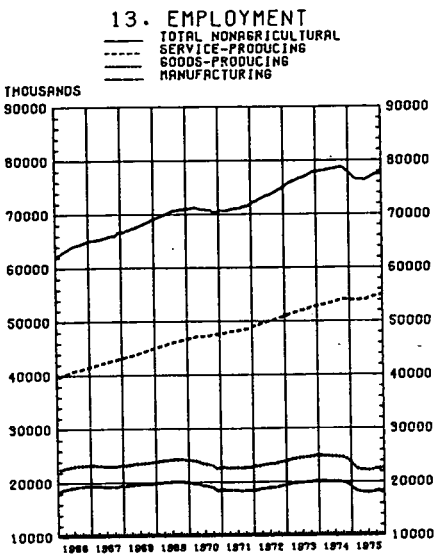


12. UNEMPLOYMENT BY REASON

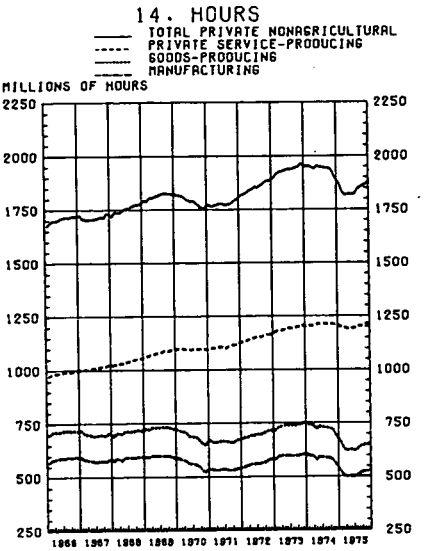


NONAGRICULTURAL EMPLOYMENT AND HOURS
ESTABLISHMENT DATA - SEASONALLY ADJUSTED

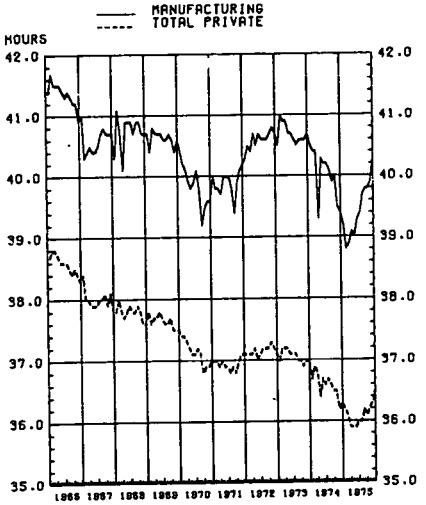
13. EMPLOYMENT



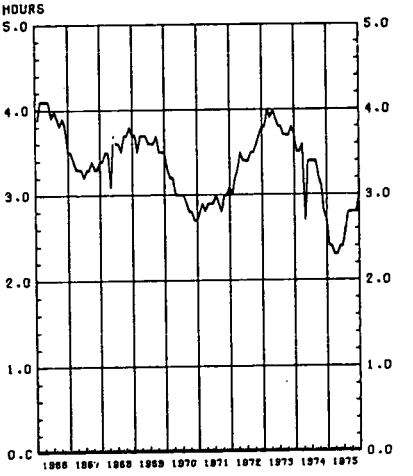
14. HOURS



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. In recent meetings of this group the question of the recovery from recession has come up and I think there has been some element of confusion in these discussions because comparisons were being made with different bases.

Some people compared the current situation with the previous peak in 1973 and others——

Senator PROXMIRE. I am sorry. Would you start that again?

Mr. SHISKIN. We have discussed in recent meetings the relative improvement in the economy in terms of historical business cycles. I think there has been some confusion in these discussions because some of us were comparing the current state with the level achieved in 1973, that is the business-cycle peak in 1973.

Others were comparing the current level with the trough early in 1975. It thought it would be useful for this committee if I were to take a dozen or so key indicators and show numerous different measures so you could judge the current expansion in a broader perspective.

The first column of the table shows the particular indicators that I have selected. Column 2 shows the percentages decline during the recent recession. For example, it shows that housing starts declined by about 60 percent during the recent recession. The next column shows the percentage of that decline that has been made up so far.

So to go back to housing starts, we had a 60-percent decline and we have made up 28 percent of the 60-percent decline.

The next column, column 4, shows that we are now at approximately 57 percent of the peak level reached by housing starts sometime in 1973. The final column shows that we have had a 42-percent increase in housing starts since the recent trough earlier this year.

Let me make a technical point about this table before I open it up to discussion and questions. I have used 3-month averages in this table, 3-month averages at peaks and troughs and for the current period. The reason is that many of these are quite erratic and a 3-month average provides a more reliable base.

However, for the current expansion, it tends to show a lower figure than you would get if you used the latest month alone. For example, in column 2, our own indicator, nonagricultural payroll employment, shows a decline of 2.9 percent and we have made up roughly half of that.

If I had used the figure published today alone, that would show that we have made up 56 percent of the recession decline.

This I think puts the current recovery in a very broad perspective.

Senator PROXMIRE. It is a little hard for me to follow what you are saying. I ought to have that table in front of me. Are you saying there was an increase between 42 and 57 percent on housing starts depending on what measure you use?

Mr. SHISKIN. You do have the table because it is the last page of my statement.

Senator PROXMIRE. I did not have your statement. I have it now.

Mr. SHISKIN. The differences between these various—would you like for me to go over these columns again?

Senator PROXMIRE. No, sir.

Mr. SHISKIN. In connection with the particular question you asked, column 4 of the table compares the current trend for each of these indicators with the previous peak level. Let me talk about nonagricul-

tural payroll employment which is one of our series which we will be discussing today—we are now at 98.5 percent of the previous peak level.

We have had a 1.5-percent rise since the trough this year.

Senator PROXMIRE. OK. Now may I ask you some questions? I don't know whether it was a slip of the tongue but at one point you said the current recession and then corrected yourself and said the recent recession.

You feel we are no longer in a recession?

Mr. SHISKIN. Correct. I would say we have made up about half of the decline during the recession.

Senator PROXMIRE. Doesn't that depend entirely on the particular indicator that you take and focus on? Most people—as a matter of fact the polls indicate that the majority of the American people are convinced they are in a recession. We do have heavy levels of unemployment.

Unemployment exceeding 8 percent would suggest that that is a recession level. Even if unemployment would be higher, we would still be in a recession as far as unemployment is concerned.

Mr. SHISKIN. Of course, you get different figures if you use different indicators. If you use numerous indicators as we have done here, you will find that in a large number of them, the percent recovered is roughly 40 to 45.

As I said earlier, we take 3-month averages. If we had used the figures that came out today, the figure would be nearer 55 to 60 percent. There is one conspicuous exception to this general pattern and that is the unemployment figures. For the other indicators taken as a group, we recovered about 45 percent of the decline during the recession.

If you look down to the group I call coincident indicators and look at the third series where we show the calculations for the unemployment level—I have not used the rate here but the number of unemployed—you will see that we had a large rise in the number of unemployed, and not much of that unemployment has been made up.

But this series is behaving atypically, compared with most of the others.

Senator PROXMIRE. Let's look at the most closely related element in the economic picture, to wit, employment. I want to put this in perspective. I don't want to argue with you because you are both looking for an accurate reflection of our printout look and what we can do about it.

Take your table A–1, Household Data. If you look across the line "employed" from August 1975, September, October, November, December, you find that it went from 85,352,000 employment to 85,511,000 employment.

I submit that in a period of 4 months, that does not represent a very big increase in employment—in jobs. Furthermore, if you go back then to December a year ago, 85,202,000, that represents also a very modest increase in employment, an increase of maybe 300,000.

Any way you look at that, the recovery as far as employment is concerned, as far as the donut, not the hole but the donut, does not seem to be very encouraging on the basis of those statistics.

Mr. SHISKIN. There certainly has been a slowdown in the growth of employment in recent months. Now I think the most constructive way to look at these data is to start with the cyclical trough. That was in March 1975. We have had over that period a 1.7 million increase in employment, most of which came during the very early part of this period.

In recent months, employment has not increased much. In fact, in the last few months we were all concerned because employment growth seemed to be very sluggish. But I think that the December figures are better, particularly when they are looked at in combination with the other figures. They show a respectable cyclical gain.

Senator PROXMIRE. Now, we come to the hours—you suggested that the hours in manufacturing were encouraging—and once again I am wondering if the fact that people are working a little longer hours may be encouraging to business, inasmuch as they are getting greater productivity, but not to people who don't have the jobs—which are not developing.

We have another 2 million people coming into the work force this year. If we only have a pickup of $300,000 in a 5 month period, we are going to be moving into a period of greater unemployment.

Mr. SHISKIN. Senator, there is nothing which I have said which should be interpreted to mean that I, like you, don't deplore and regret the high levels of unemployment. We have experienced exceptionally high and undesirable levels of unemployment.

However, as I read these figures, we are experiencing a cyclical recovery and it is of a respectable manner.

Senator PROXMIRE. Let's look at the hourly earnings. You point out that the hours are up. In table A of the press release, the monthly data shows that in current dollars, there was no change in hourly earnings. It went from 178 to 178. It stayed the same.

In constant dollars that would suggest that there was a reduction.

Mr. SHISKIN. That is right. That is a very puzzling figure. We checked that. This is the first figure we have had like that for some time. I would like to wait until next month to be sure that it is right.

Senator PROXMIRE. That is not only an unfortunate figure for the American wage earner but it indicates that available purchasing power is the moving force behind our economy, having that available to buy in the market is likely not to be strengthened.

Mr. SHISKIN. We noted that ourselves yesterday when we were reviewing these data. We checked its history. I want to wait a month to see if this is accurate. If the revised figures support the current figures, I think everything you said will have to be put in bold print.

Senator PROXMIRE. In the price figure, we have another indication of wholesale prices behaving rather well. What troubles me, however, is that the entire improvement in wholesale prices is in food.

We know that is a very volatile, unpredictable element of the cost of living.

Industrial prices are up and they are up an increasing rate if you put them into the perspective of the last several months, that is, they behaved extremely well in March and April when they were around one or two-tenths of 1 percent each month.

Now they are at an annual rate of 8 percent. I think that is a more appropriate and significant index inasmuch as you might have another

increase in food prices next month. We would expect that over the year you will normally get some increase in food prices and this drop in a month does not mean a great deal.

Mr. SHISKIN. I think what you said is correct. I would read the industrial commodities data as showing an increasing rate of price increase until about August and then a period of essential stability since August.

Senator PROXMIRE. At a rather high level, though, isn't it?

Mr. SHISKIN. Six-tenths, yes, I think that is a high level historically, but a low level compared with last year or the year before.

Senator PROXMIRE. But over the years, wholesale prices have been more stable than consumer prices, isn't that correct?

I don't mean recently but over the years.

Mr. SHISKIN. I think they have been more volatile.

Senator PROXMIRE. Services have been more inflationary than other elements in the cost of living.

Mr. SHISKIN. Short-term fluctuations of wholesale prices are more volatile. There is no doubt that during the past year we have seen a sharp deceleration in the rate of inflation in wholesale prices to the point where it was almost zero. The rate has increased since then to become stable at six-tenths of 1 percent for 5 months. We can convert that to an annual rate of between 7 and 8 percent.

Senator PROXMIRE. What I am getting at is that the news today on wholesale prices being down, if you go behind it, is not as encouraging as it would seem on the surface. A big drop in food prices is the reason the whole index dropped. The volatile element that goes up and down without much consistency is food.

Mr. SHISKIN. I think you are right on that but I would make a similar statement on the unemployment and employment figures. In terms of the strength of the recovery, I would say that you should not be misled by the unemployment figures.

You should also look at the employment figures which are showing substantial improvement. I think they are very parallel situations.

Senator PROXMIRE. Let me get into the employment figures again.

We have a change in the nature of unemployment-employment. We had a sharp improvement in employment of adult men as I understand it and particularly in people who are the principal income earners for their families.

On the other hand, we had a big increase in unemployment among teenagers. It is at 19.9 percent. Therefore you are getting kind of a change in the economy in which manufacturing seems to be improving. Manufacturing seems to tend to employ older workers or male workers; but the rest of the economy does not seem to be in the same kind of recovery.

Mr. SHISKIN. I would be cautious about the unemployment rate for teenagers. It keeps flip-flopping. But we have had a very major change in the pattern of the labor force over the last 20 years, as everyone knows.

The dominant factor has been the increasing participation of women. Many people say that the reason for high unemployment is that there are more women in the marketplace and more of them are unemployed.

In addition, in recent years you have also had an increasing percent of teenagers entering the market and we now have more teenagers

employed than before—though not more than last year—and we have also had more unemployed.

There are two ways to interpret that. Some say there is a high level of unemployment and others say that with the growing participation you are bound to get more unemployment as well as more employment.

Senator PROXMIRE. If you look at the breakdown you have in your table, you see that whereas there was a drop in unemployment for adult men, it is most encouraging from 6.9 percent to 6.5 percent—and I am sure that is significant because it is a big drop and a big category—and then the adult women went up from 7.8 percent to 8 percent. That is apparently the highest level since the recession and deep recession in the second quarter of last year.

The same thing is true of teenagers which went up from 18.6 to 19.9 percent. That is certainly a significant increase. The unemployment in other groups does not change very greatly.

Mr. SHISKIN. These numbers flip-flop an awful lot. I don't think you should put too much credence in this one month——

Senator PROXMIRE. Wouldn't you call the change in teenager unemployment significant, a 1.3 percent change?

Mr. SHISKIN. No. These numbers flip-flop—21.1, 18.6, 19.6 percent. If you take a look from September to December, you find very little change. I think all you can say is that we have had a high and unyielding rate of unemployment for teenagers.

Senator PROXMIRE. Now——

Mr. SHISKIN. More than half of the increase in the labor force this month was made up of women, which has been the pattern for a long period of time.

Senator PROXMIRE. More than what again?

Mr. SHISKIN. More than half of the increase in the labor force—we had an increase of 300,000 in the labor force this month after a sharp drop last month and more than half of this increase was in women participants. That is a pattern. We actually have a major revolution—and that is a strong word—in the pattern of the labor force in recent years, because of the increased participation of women.

These increases have been very large indeed and that has greatly affected the overall figures. We have to think in new terms because of this big change.

Senator PROXMIRE. I notice that of the unemployed, if you put women and teenagers together, they constitute substantially more than half. In fact it is about 4.3 million.

That is a very large proportion of the total unemployed. Now I would like to move into another area. You made a very, very interesting speech last month in which you suggested that we have a different approach—well, we have a broadened approach to unemployment, that we consider many other elements of unemployment than we have in the past.

You have an interesting analogy to the money indicators the Federal Reserve Board uses. You suggested U–1, U–2, U–3, U–4. I think there is a lot of confusion about unemployment, but if we get these measures, we will have a better understanding of this matter.

Several members of the press I talked to are concerned about what unemployment really measures in this country, whether it counts people who are employed only part time because of economic reasons and so forth.

Would you tell us why you think it would be useful for us to have a broader series of measures of unemployment and how we can use that in economic policy more effectively?

Mr. SHISKIN. Well, first of all, we do have a very broad series of measures in our press release. We show, as you know very well, sir, a great many measures of unemployment in the press release. For example, we show measures of unemployment for adult males, adult females, teenagers, adult whites, adult blacks and so on. These data are extremely useful for making value judgments on the severity of unemployment, to determine how serious it is.

Now this presentation I have made was an effort to highlight this point. It was a way of calling attention to the point that there are many different measures of unemployment.

I have selected seven of them, which I call U–1 through U–7. They range from a rate—if you take 1974—of 1 percent. That is U–1. U–1 is a series for those unemployed 15 weeks or longer.

Senator PROXMIRE. Let's stop on that a minute. You say 1 percent of the work force in 1974 suffered long-term unemployment—they were unemployed for 3 plus months.

Mr. SHISKIN. Right. Then I take a few other measures. For example, household heads. The rate there in 1974 was 3.3 percent. That is U–3.

Senator PROXMIRE. That would not be a helpful statistic unless you made that the measure of the relationship between unemployed household heads to household heads. Do you do that?

Mr. SHISKIN. Yes. Every denominator is——

Senator PROXMIRE. What percentage of household heads were unemployed?

Mr. SHISKIN. 3.3 percent in 1974.

Senator PROXMIRE. What is the most recent figure? Do you have that?

Mr. SHISKIN. Yes, I do. The most recent figure for U–3 is 5.7 percent. That is for the fourth quarter. I have the table showing quarterly figures. The measures like discouraged workers are only available quarterly.

Senator PROXMIRE. That is a very high figure, isn't it?

Mr. SHISKIN. Yes, it is. Let's clearly understand that we have very high unemployment rates. There is no question about that.

Senator PROXMIRE. Then move along.

Mr. SHISKIN. We go to U–5, the official unemployment rate, and in 1974, it was 5.6 percent. Today it is 8.3 percent. Let me go to U–7 in which we add half of the involuntary part-time workers and the discouraged workers.

Senator PROXMIRE. Half the discouraged workers?

Mr. SHISKIN. Half the part-time workers and all the discouraged workers. The part-time workers are working about 20 hours a week. That was 7.3 percent in 1974, and it is now 10.6 percent.

Senator PROXMIRE. All right.

Mr. SHISKIN. The argument I made in my paper is that, to a very large extent, the reaction to our definition of employment depends upon the attitude of the viewer to the severity of unemployment—to the question, what unemployment matters? There is an old saying that beauty is in the eye of the beholder. In a way, the seriousness of unemployment is in the eyes of the beholder.

Sitting where I do, I get a great deal of mail and telephone calls from people with many different points of view. For example, it was a little more than a year ago that Mr. Raymond S. Livingstone had an interview with U.S. News & World Report.

He was arguing essentially this: That unemployed married people with household heads who are employed—for example, married women whose husbands work—should not be counted as unemployed.

He said that teenagers whose parents work should not be counted as unemployed. He further said that persons who are unemployed just a few weeks should not be counted as unemployed. The reason is that these people are not experiencing economic hardships.

To him unemployment is a measure of economic hardship. We got a large volume of mail when that article came out. You may recall that afterward the U.S. News & World Report, who originally published Mr. Livingstone's interview and also got a lot of mail, asked me to come for an interview. They asked me essentially the same questions they asked Mr. Livingstone.

I tried to explain why we were using that particular measure. In recent months I have heard a different type of criticism. The criticism I have heard most recently is that we should include half the part-time workers.

Senator PROXMIRE. That was the proposal of this committee.

Mr. SHISKIN. What I am arguing, sir, is that most people who judge the unemployment rate have a hardship concept in mind and that attitudes toward hardship vary a great deal.

Senator PROXMIRE. I would certainly differ very emphatically with Mr. Livingstone that you measure the hardship concept by just taking people who are the heads of households.

When somebody is thrown out of work for a few weeks it could be very serious. Maybe a husband is making $7,000 or $8,000 a year working full time.

His wife is making $5,000 or $6,000 and she loses her job. It could be disastrous for the family.

Mr. SHISKIN. My job as head of the Bureau of Labor Statistics is to provide information that would be helpful to many groups in the United States with differing views. That was the point I tried to make in my article. There is a great diversity in points of view about what unemployment matters.

Our job is to provide information that will enable all these different groups to get the figures they want and to use them to try to persuade the others. I think we have a fairly substantial debate on this subject going on currently throughout the country.

Senator PROXMIRE. I think it is most healthy and wholesome. The indicators—I now have the table to which you are referring—U–7 is the category that includes the broadcast number.

Mr. SHISKIN. It includes full-time workers, half the part-time workers plus the discouraged workers. Except for U–1 and U–2, we have made the denominators comparable to the numerators.

Senator PROXMIRE. It is interesting in looking at this table that only some of these indicators show improvement. Some do and some don't between the third and fourth quarter.

You have full-time workers, unemployment is worse in the fourth quarter. The unemployed and half the part-time workers, U–6, that

is worse also. U–7 is a little worse. So when you put these together it appears that overall, unemployment as reflected by the official rate is little changed between the third and fourth quarter.

Mr. SHISKIN. I think that is right. My impression from studying these figures is that there has been little improvement in unemployment this year. After the recovery started unemployment stayed at a very high level for many months.

I think that is what we are seeing this time.

Senator PROXMIRE. I would like to ask you about the First National City Bank which recently argued this, that the Wholesale Price Index overstates the acceleration of inflation and has done so in recent months.

The bank argued that the rise of the Wholesale Price Index in October partly reflected hikes in the list prices of metals that are being discounted in the marketplace. I wondered if that is the case and how extensive is that discounting?

Mr. SHISKIN. We asked the respondents to provide us with their actual sale prices. Some do and, I suppose, some don't.

Senator PROXMIRE. Why do you have to ask them to provide it? Can't you secure that? Isn't that a public record?

Mr. SHISKIN. Yes, we can get that. You may remember that when we made a vigorous and successful effort to get actual prices for petroleum we were quite successful. However, the data lag. The way we get the actual prices for petroleum products is by getting the total volume of sales and the physical volume, and then we compute a unit price.

But we can't do that until after the month is over. That has advantages. It gives you a better figure. On the other hand, you do have a lag in the availability of the figures.

I have said as much as I know about this. I would suggest that we ask Mrs. Stotz if she can add to that.

Mrs. STOTZ. I was just going to say, too, that we asked them for the discounts but we must remember that we have a voluntary survey and though we ask and probe and visit the companies, we still have to rely on what they provide us.

Senator PROXMIRE. Why can't you get this on a spot basis?

Can you do that and calculate it and adjust it, just get enough so you can make a judgment? Can you do that or would that be sufficiently accurate?

Mrs. STOTZ. Do you mean a spot price here and there among their sales?

Senator PROXMIRE. Enough so you could get a feel for the market.

Mrs. STOTZ. This is not always possible. We have collected buyers' prices for a couple of items in aluminum but there are problems here, too.

Mr. SHISKIN. There are two ways of getting prices. One is from the seller and one is from the buyer. Many people have urged us to collect data from buyers rather than sellers. One of the problems is that it is easy for us to get a good sample of sellers but it is difficult for us to get a good sample of buyers.

We have tried different techniques and we have been less than perfectly successful. I might take this opportunity to say that in the last 2 years we have put a great deal of emphasis on improving the

Consumer Price Index and will be coming out with the new index in April 1977.

As soon as that is done, we intend to make a big thrust on improving the Wholesale Price Index. I would not say that the bank or others who make this charge are wrong.

Senator PROXMIRE. I should think that you would have the staff to be able to determine whether this price at this time would be in line or not.

Mr. SHISKIN. Well, it would be a nice thing to do but our resources are fully utilized. Our price staff today is heavily concentrated on completing the Consumer Price Index revision on time. It is really a heroic effort we are making, putting in a lot of overtime.

We are a little behind schedule but I have not changed the schedule. We are going to finish the CPI revision in April of 1977.

Senator PROXMIRE. Now recently Business Week reports "Shiskin feels that the definition of the unemployed needs to be sharpened in order to identify casual jobseekers who may not be serious in their efforts to find a job."

Is that a correct quote?

Mr. SHISKIN. Well, it is half correct. I think the Business Week man who wrote that called me and I did tell him that but I also told him something else which I wanted him to write about, but he said he did not have room to put it all in.

I think we need a sharpening of the definition of who is unemployed in the sense he was talking about. One of the things we have to learn more about is the efforts people make to find jobs when they say they are looking for a job.

We would like to know more, for example, about what jobs were turned down at what salaries. So we hope to have—though I must say this survey is meeting with a great deal of opposition—an intensity of job search study.

This is a separate survey. We don't expect to ask all the questions in the usual survey, but we expect to use this information to be able to make a more sophisticated and more exact statement about the intensity of job search.

On the other hand I think some good questions have been asked about the discouraged workers. I have responded by saying all we know about discouraged workers is that they say they would like to have a job but they don't meet the market test.

They are not looking for a job so we don't count them as unemployed. Many of these people who say they are looking for jobs might not be seriously looking for a job.

Senator PROXMIRE. What troubles me——

Mr. SHISKIN. Many of these people have in mind glamorous jobs like being Senators of the United States or television commentators. But that is not the real world.

The real world is they are going to be offered a dull, uninteresting job, must of them at $7,000 or $8,000 a year. On the other hand, there no doubt are some people who really would be looking for a job if there were a ghost of a chance that they could get one.

I am distinguishing these from those who have glamorous ideas in mind. On the other hand, those who live in a town where there are

only one or two plants, which are laying off, know that there is no hope of finding a job, so they are not looking.

I believe I made both these points to the Business Week writer, but he cited me on only one.

Senator PROXMIRE. I think most people would take whatever job they can get. Let me get into something else.

Mr. SHISKIN. We don't know. I would like to know for a given period how many of the workers who were seeking jobs were actually offered jobs and how many of them turned the jobs down and where they turned them down, why did they turn them down? What were the reasons? I think if we can get that kind of information, then we can make a better judgment on the accuracy of the unemployment figures.

Senator PROXMIRE. I recognize that this is 1976, and an election year. It would be desirable to have a situation in which the unemployment figures go down in 1976. What concerns me is if we begin to look at casual job seekers and define what we mean by "casual" whatever way we wish, we might by semantics reduce unemployment although the actual reduction in unemployment may be an illusion.

There may be a difference in the way the questions are asked in the household survey and the way they are evaluated.

Mr. SHISKIN. We will take the survey in April. The data will not be available this year from the survey. I think we need more knowledge about this just as we need more discrimination in our talking and thinking——

Senator PROXMIRE. You are telling me this year there will not be a change in the survey questions?

Mr. SHISKIN. Absolutely not.

Senator PROXMIRE. Or the way the answers are counted?

Mr. SHISKIN. No. I don't plan to make any changes in the unemployment survey questionnaire this year at all.

Senator PROXMIRE. When you do make a change, would you give the Congress notice in plenty of time? Would that be made with the determination by the Secretary of Labor?

Mr. SHISKIN. Yes; I would let you know. The Secretary of Labor—in my experience—has never taken a direct role in this. We are hopeful that the President will appoint a commission of distinguished citizens to make a study similar to the Gordon Commission study and we would weigh their recommendations.

On the other hand what we are trying to do is acquire more knowledge about the nature of unemployment. I think that is good because if the President does go ahead with that commission they will have more grist for their mill.

Senator PROXMIRE. According to the Wholesale Price release gas fuel prices rose 4.4 percent during the month of December. Does that price increase reflect higher intrastate natural gas costs or does it also include higher interstate prices?

Mrs. STOTZ. The natural gas prices are for interstate only. We do not price any intrastate sales.

Senator PROXMIRE. So it would be all interstate. It would not reflect higher intrastate gas prices?

Mrs. STOTZ. Correct.

Senator PROXMIRE. I am especially concerned about this price raise. This allows for a $500 million increase in the wellhead price of gas. What effect will this increase have on gas fuel prices in January and in future months?

Mrs. STOTZ. We have not calculated that. There is one thing to keep in mind, that our gas statistics have a 2-month lag. In other words, the change that we showed from November to December in the index really occurred 2 months earlier.

Senator PROXMIRE. So the change in January would be reflected in March?

Mrs. STOTZ. Right.

Senator PROXMIRE. The Federal Power Commission announced the ceiling for old gas will rise again to 29½ cents. What impact can we expect on gas fuel prices during 1976 as a result of the decontrol of old gas and the continued increase in uncontrolled intrastate prices?

You have told me that intrastate prices would not be reflected in your figures. How about the gradual decontrol of old gas?

Mrs. STOTZ. We have prepared no estimates for that.

Senator PROXMIRE. Mr. Shiskin——

Mr. SHISKIN. I thought I might amplify a statement I made a minute ago when I answered your questions about the changes in the questionnaire. We have absolutely no intention of doing that.

However, you should bear in mind that every January we revise our seasonal factors to take into account data for the latest year.

We will recalculate our seasonal factors using the 1975 data and we will issue seasonal factors 1 year ahead to be used for 1976. That is a completely routine operation. We do it every year for all our series.

However, because of all the troubles we had last year in making our seasonal adjustment, we are also looking at ways of improving the method of seasonal adjustment to deal with unemployment at such high levels.

We are considering one other possibility which is to continue the multiplicative adjustment for the adults but to change the method of seasonally adjusting teenagers so that we use an additive rather than multiplicative component for that element.

I know this is a very complex and esoteric field and I don't expect many people to understand what I am saying.

Senator PROXMIRE. All we want is to be sure that any changes are consistent so that you actually measure changes and it does not reflect some new technique.

If the new technique is used it might be fine but we should go back and be sure we know which way unemployment is moving.

Mr. SHISKIN. This is not an easy project to work out. We have been struggling with this for years. We are putting together numerous tables showing what would have happened in 1975 under the current plan and what would happen if we make a change of the kind I just described. We will be discussing this issue with our colleagues and technical experts during the next week or two and then we will come to a decision.

That is being contemplated. But so far as the original questionnaire is concerned, we are not going to change anything.

Senator PROXMIRE. Now I would like to ask about the payroll employment versus the household data.

Employment as measured by the payroll data reached a low in 1975 and it has reached 1.3 million today.

Mr. SHISKIN. We were having all kinds of problems in our discussions because of the vagaries of the two series. I would take, for the payroll series, the June figure. You get a rise from June to December of 1.5 million which, considering the magnitude of these figures and the nature of measurement error, is in the same ballpark as the change shown by the household series.

Senator PROXMIRE. There has been a difference of 400,000 workers that has persisted over an 8 or 9 month period.

Mr. SHISKIN. First of all, let me say again, I see a difference of 200,000 because the payroll——

Senator PROXMIRE. 1.7 million compared to 1.3 million?

Mr. SHISKIN. 1.5 million. The payroll survey lagged. So I take the trough, the June figure, for the payroll series.

Senator PROXMIRE. Let's take your figure then. That is the most attractive from that standpoint. If you even take that, are you satisfied with the 200,000 difference?

Mr. SHISKIN. Yes. There are conceptual differences between the series. For example, the payroll series includes multiple jobholders. people under 16 years of age, and so on. There are many differences in the two series. In addition we have measurement errors.

It is difficult to go from one complicated survey system to another. So I think if the differences run in the range of 200,000, I would feel that is about as well as we can do. I would like to have no difference at all but I don't think that is realistic.

Senator PROXMIRE. HEW announced 400,000 unemployed have switched from unemployment benefits to welfare. As I recall a court ruling declared that such a move by the unemployed was legal.

Has the Bureau of Labor Statistics made any effort to measure the impact of this shift on the unemployment rate or the insured unemployment rate obtained from the statistics?

Mr. SHISKIN. No, sir.

Senator PROXMIRE. This could be a problem especially if HEW has underrated the shift.

Mr. SHISKIN. I would call attention to another development, one which both you and Senator Humphrey have a great deal of interest in and that is that the extended supplementary payments have run out in most States.

Many people may shift to welfare because they can't draw unemployment insurance at all.

Senator PROXMIRE. What I am concerned about is the fact that they may well be eligible for unemployment but they shift to welfare because they get greater income.

Mr. SHISKIN. I have no statistics on that.

Senator PROXMIRE. Your answer is that you think that——

Mr. SHISKIN. We have not done any work on that.

Senator PROXMIRE. Will you look into that?

Mr. SHISKIN. What do you——

Senator PROXMIRE. We want to find out the extent to which this might have an effect on the statistics.

Mr. SHISKIN. The only thing I would see that we can do is to ask the Employment and Training Administration, formerly the Manpower Administration, if they have any information on it.

I doubt that they do.

Senator PROXMIRE. All right. Recently Secretary Dunlop indicated the Labor Department is considering a review of the labor market statistics similar to that taken by the Gordon Commission in 1971.

You discussed the possibility of such a commission with us a year ago. With the rumors currently circulating about Commissioner Dunlop's resignation, I am afraid this might go by the boards. How do you expect to include the input of the Joint Economic Committee and the Congress?

Mr. SHISKIN. First of all, when I had my confirmation hearing I promised the committee that I would try to set up such a commission. I have done so. But, you will recall, soon after I became Commissioner we ran into all the problems of Watergate and it did not seem a suitable time to start such a study.

I let it go for awhile. Then when I was ready to reopen the issue, Secretary Brennan was leaving and it seems to me I had to have a strong Secretary and one that was going to stay in place for awhile.

As soon as Secretary Dunlop arrived, I discussed the Commission with him and he was very supportive. He asked me to prepare some material for him in terms of a list of potential candidates and I did.

Secretary Dunlop then took these matters under advisement. In general, matters such as these move very slowly. He has now received the support of the Economic Policy Board and they recommended it to the President. That is where it stands.

I am hopeful the President will appoint such a commission. I hope that if Secretary Dunlop should leave us—I hope he does not because he has been so helpful to us—a man of such high-professional stature—but if he does, I hope the President will, nevertheless, go ahead with the commission.

I guess that is all I can say. It is now out of my hands.

Senator PROXMIRE. There is an interesting part of your answer. I agree with you on Secretary Dunlop. I would like to ask you as head of the Bureau of Labor Statistics the degree of knowledge and interest and assistance that the Secretary of Labor, Secretary Dunlop has been to you.

Mr. SHISKIN. He has only been here a short while but he has a great interest in the field of labor statistics. As a matter of fact, when he first became Secretary, he always used to walk around with a copy of the Monthly Labor Review, a monthly BLS publication.

He criticized one of those articles during the first meeting I had with him. He thought it had serious technical difficulties. He is a very well informed labor economist and analyst. He has also been very helpful to me in two ways. One is that he is completely objective and effective as I think it is clear to everybody; and two, he has been supportive of our public and budget efforts.

So he has been extremely helpful. Furthermore there are numerous technical problems that come up and it is very helpful to have a Secretary to talk to about technical problems.

We have various committees like the Subcommittee on Economic Statistics of the Economic Policy Board. There is the OMB, but it is

also very nice to have a Secretary to discuss these problems with. For example, we made a very comprehensive and technical proposal on how to collect local area unemployent statistics. Secretary Dunlop reviewed the whole thing and had a meeting with a small group of us and offered us some sound technical comments.

I think it would be very unfortunate for BLS if he were to leave.

Senator PROXMIRE. Thank you very much.

My last question relates to the States that are no longer eligible for supplemental unemployment benefits. The District and 20 of the States are no longer eligible for benefits for workers who exhausted the 39 weeks of regular benefits.

Those receiving benefits under the 26 week program would continue to receive them. The problem with such a statewide trigger is that while unemployment may be below 5 percent statewide, selected metropolitan areas within the State may have continuing unemployment—high unemployment rates. Of the 20 States, which of them have cities with unemployment rates above 5 percent?

Can you tell me that?

Mr. SHISKIN. I don't have that information. I was pressed to provide information of this kind in previous sessions. I have been checking with the Employment and Training Administration. In fact I did my latest check at about 9 a.m. this morning. They authorized me to tell you today that they are now preparing a report on the status of the exhaustees and the nature of the exhaustees.

They have some forecasts also I believe on future exhaustees. Many people started to collect insurance later in the program and will be exhausting their benefits somewhat later. The ETA will make a report to you. They will provide the information to this committee as soon as it is ready in any form which the comimttee wishes to have it.

If you will advise the Secretary about the kind of information you wish, they will, as soon as they finish this report, make the information available to you.

Senator PROXMIRE. Thank you very much. I thank you and your colleagues for your most helpful testimony. As usual you were extremely informative and very helpful. Thank you.

The committee will stand adjourned.

[Whereupon, at 12:11 p.m., the committee adjourned, subject to call of the Chair.]

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