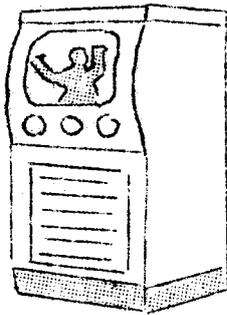


RADIO & TELEVISION SETS

Television set production, the postwar fledgling of the electronics industry, has replaced radios as the chief product of radio and television manufacturers. Since these two products are manufactured largely in the same plants, rising television output has taken up the postwar slack in declining radio production. In 1949, after four years of rapid growth, television sales were responsible for about two-thirds of the industry's total receipts of \$850 million. Video set production in the five months ending with January 1950 totaled approximately 2 million. In 1946, annual output was only 6,000.



Five factors have facilitated this meteoric rise: (1) technical research completed during the war which waited peace for application; (2) an existing and available industrial base in the radio industry; (3) a fund of ingenuity and know-how which overcame "bugs" and "bottlenecks" wherever they occurred; (4) improved sets and decreasing price resulting from mass production methods; and (5) the decision of consumers to enter the market last fall when it became evident that the allotment of upper high frequency channels would not occur for a year or more. Expiration of consumer credit controls gave an added fillip to consumer demand.

The competition of television as well as the satisfaction of postponed wartime demand explains the continuing fall in radio set output. In 1949, only one-half of 1947's 20 million radio sets were manufactured. The decline was concentrated primarily in home set production although demand for portables has also eased. At present, automobile and portable sets comprise approximately 48 percent of total production; in 1947, they were only 28 percent of the total.

Telecasting Also Booms

A comparable growth in television broadcasting facilities has paralleled that in manufacturing. In 1946 there were nine operating stations; today there are 101. The mushrooming of applications for stations has overrun the expected development of television within the allotted twelve channels. As a result, the Federal Communications Commission froze all applications in September 1948 pending study of the extension of video broadcasting to the upper high frequency (UHF) channels.

Many existing stations have been strung together by coaxial cables and relay stations. This has improved program diversity for the 4.4 million home receiver owners concentrated in 59 metropolitan areas.

Production Expands Sharply in January

Production of television sets maintained its phenomenal pace into the first month of 1950. Output of 420,000 sets was reported during January, an increase of 20 percent over December. Radio set production, on the other hand, declined six percent over the same period. Thus, the divergent trends of expanding video output and contracting radio set production which have prevailed for the past two years, are continuing to characterize the industry's production pattern.

Few New Manufacturing Jobs Provided

Production worker employment in the manufacture of radios, television sets, and equipment rose one percent in January 1950 over the previous month. The cumulative gain since July 1949, last year's seasonal low-point, totaled almost 33 percent.

Contrary to popular notion, the radio and television industry has provided relatively few additional jobs as a result of the television boom. Employment in January 1950 was only four percent higher than January a year ago -- an approximate increase of 5,000 in the production worker force. This number applies to workers in manufacturing plants only; it does not include other aspects of the radio and television industry such as broadcasting, telecasting, service and repair, etc.

The relative stability of manufacturing employment stems from the divergent production trends within the industry. Accelerated production of television sets was accomplished almost completely by intraplant transfers of workers previously employed on radio set production. A concrete illustration of this movement is afforded by a comparison of production and employment trends during January 1950. In that month, the increase of 1 percent in employment compared with a 20 percent production increase in television sets. Nevertheless, insistent demand for the industry's products enabled producers to show an employment gain over the year in contrast to manufacturing as a whole which suffered a 6 percent decline.

This industry is concentrated geographically in the following regions and States: Middle Atlantic -- New York, New Jersey, Pennsylvania; East North Central -- Illinois, Indiana; New England -- Massachusetts; and Pacific -- California. Characteristically, a few firms manufacture the majority of radio and video sets, a few hundred small firms supply parts and produce a variety of sets.

Employment trends in the seven States producing the major number of sets varied over the past year. In Illinois and Indiana recovery from the summer seasonal slump has been steady and firm; new hirings were particularly heavy in Indiana during January.

RADIO, TELEVISION, AND EQUIPMENT INDUSTRY

Employment Index, Hours and Earnings for Production Workers,
by Industry ^{1/} and Selected States, 1949-January 1950

A r e a	Employment Index (January 1949 = 100)				Average Hours and Earnings January 1950		
	1949		1950		Weekly	Weekly	Hourly
	Jan.	July	Dec.	Jan.	earnings	hours	earnings
TOTAL, U.S.	100.0	79.1	103.8	104.4	\$ 52.96	40.8	\$ 1.298
New York	100.0	81.8	114.9	108.1	49.13	38.2	1.286
New Jersey	100.0	77.1	84.2	85.5	58.73	42.9	1.369
Pennsylvania	100.0	84.6	105.1	106.0	51.86	40.8	1.271
Illinois	100.0	74.4	113.5	118.1	51.18	38.8	1.319
Indiana	100.0	83.4	108.6	115.1	59.81	43.4	1.378
Massachusetts	100.0	74.0	100.4	97.8	45.67	40.7	1.122
California	100.0	113.8	144.8	144.3	51.83	41.3	1.255

^{1/} Data based on sample group of establishments comprising approximately 80 percent of industry. Actual U. S. and State totals not available.

In the East, the patterns were different. In Massachusetts, the over-the-month lag in employment was centered in small parts suppliers. In New York, the January lag was attributed to small parts suppliers and small set manufacturers struggling to compete with brand producers. In New Jersey, there has been an atypical slowness in recovery from the spring and summer dip reflecting the greater dependence of this area on radio sales. Television production is also rapidly expanding on the West Coast where a minor segment of the industry is located.

Hours and Earnings

The pace of activity in the industry is reflected in its average workweek of 41 hours for January. In the same month, weekly hours for all manufacturing industries were 39.8.

Weekly and hourly earnings, however, were respectively 6 and 9 percent lower than the averages for total manufacturing. This is explained, in part, by the high proportion of women workers on relatively unskilled jobs in radio and television manufacturing. Women comprised almost 50 percent of all employees in January; in total manufacturing the proportion is only 27 percent.

The low hourly earnings in Massachusetts are partially attributed to the fact that women hold 60 percent of the jobs. In addition, unionization is less intensive among the predominantly small-sized parts supplying establishments in New England.

The Year Ahead

Television manufacturers will have another record production year in 1950. Some industry sources estimate a 2 million video set output for the first five months of 1950. These sources point to the low year-end inventories, the 20 percent slash in prices for 1950 models, and continued strong retail demand early in the year.

The latter part of the year may see a leveling off in demand if the usual summer seasonal downturn occurs. Moreover, consumer hesitancy is liable to develop in the fall pending the Federal Communications Commission ruling on allocation of UHF channels. Nevertheless, production for the year may approach 4 million.

Prospects for radio output are less promising. Department of Commerce sources estimate that unit production will fall about 10 percent to 9.5 million sets. The demand for automobile and portable sets, components of the total, is expected to dip somewhat more, perhaps 15 percent.

The employment rise during the first half of 1950 is expected to be very small. January's annual rate of television set production is already above 4 million and radio set output will, in fact, decline. In the second half of the year, following the usual seasonal employment dip, the size of the workforce will depend, in part, on the speed with which the FCC announces its decision on UHF.

Little change is foreseen in the telecasting network before this decision -- other than the linking of East and West coasts by coaxial cable. With the lifting of the freeze order, however, the geographical area of television reception will be greatly expanded.

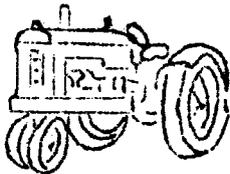
AGRICULTURAL MACHINERY

Production of agricultural machinery and tractors reached an all-time peak in 1948. Value of output, adjusted for price changes, was approximately $3\frac{1}{2}$ times the prewar level. While employment did not keep pace with production, it, too, reached an all-time high in 1948 of 152,000 production workers.

Three years of heavy postwar output, however, took the edge off urgent agricultural demands and filled pipelines to adequate levels. With net farm income falling by 18 percent between 1948 and 1949, production and employment entered into a declining phase which, apart from seasonal movements, has persisted up to the present time.

January Output Up Seasonally

Production of agricultural machinery and tractors was well into its seasonal period of expansion in January 1950. Beginning with November 1949, which was the low point for that year, production increased by about 10 percent through December and January.



Despite the seasonal rise in output, the January level was approximately 18 percent under the like month a year ago. This lower level of operations represented a continuation of a decline which set in during the second quarter of last year. Production for 1949, as a whole, based on man-hours worked, was approximately 10 percent under 1948.

The recent declines, however, cannot detract from the industry's better-than-average performance over the last 10 years. Not only did agricultural machinery and tractor production increase much more than the average for all durable goods combined but if output were to decline by 15 percent in 1950, as now seems likely, the industry's production would still be $2\frac{1}{2}$ to 3 times the 1939 volume.

Employment Lower Than Last Year

Production-worker employment in the agricultural machinery and tractor industry increased by 2,000 or 2.2 percent between December 1949 and January 1950. The increase was relatively uniform for the States where major employment concentrations exist. The new level of 133,500 was 8,600 over November 1949 which was the lowest employment point in approximately 3 years.

The bulk of January's expansion was attributed to seasonal influences although some plants reported their seasonal downtrend had already begun. The steel strike had little or no effect on employment; actually there were no reports of production delays by the major establishments because of material shortages.

In conformance with the general trend for all durable goods, agricultural machinery and tractor employment declined by 14 percent from January a year ago. The decline among the major producing States in this instance, however, was not uniform. Employment reductions of only 10 percent were reported for both Illinois and Iowa. Declines in the other States ranged between 17 and 22 percent.

AGRICULTURAL MACHINERY AND TRACTORS

Employment Index ^{1/}, Hours and Earnings for Production Workers, by Industry and Major States of Concentration, 1949 - January 1950

A r e a	Employment Index (January 1949 = 100)				Average Hours and Earnings January 1950		
	1949		1950		Weekly	Weekly	Hourly
	Jan.	Nov.	Dec.	Jan.	earnings	hours	earnings
TOTAL, U.S. ^{1/}	100.0	80.6	84.2	86.1	\$ 59.93	38.0	\$ 1.58
Illinois	100.0	84.3	87.7	90.0	60.13	38.2	1.57
Wisconsin	100.0	74.1	80.8	83.2	64.16	40.1	1.60
Iowa	100.0	85.0	88.1	90.2	64.66	39.4	1.64
New York	100.0	74.8	75.1	77.8	65.66	38.4	1.71
Indiana	100.0	73.7	73.6	83.0	59.56	38.5	1.55
All Other	-	-	-	-	52.90	35.1	1.51

^{1/} Actual production-worker employment for industry as follows: January 1949, 155,100; November 1949, 125,000; December 1949, 130,600; January 1950, 133,500. Similar data by State not available.

Hourly Earnings Reach New Peak

An all-time high in hourly earnings was established during January. Hourly earnings totaled \$1.58, approximately 9 cents an hour higher than the average for all durable goods industries. Earnings in tractor firms were about 6 cents an hour more than in plants manufacturing agricultural machinery. Weekly earnings for the industry as a whole totaled \$59.93.

The length of the workweek averaged 38.0 hours. In January a year ago, average weekly hours totaled 40.1, reflecting the higher level of operations and greater prevalence of overtime.

Women Hold 9 Percent of Jobs

Total employment in the industry in January, including both wage and salary workers, totaled 171,800. Approximately 9 percent of these workers were women, somewhat less than half of them in office jobs.

The separation rate during January averaged 1.6 percent, half of which was attributed to quits. Current quits were at their lowest relative level since prior to the war reflecting fewer job opportunities and stabilization of the post-war labor force.

The Year Ahead

The agricultural machinery industry will, in all likelihood experience a lower level of operations in 1950 than in 1949. The Bureau of Agricultural Economics estimates that net farm income, the residue of cash earnings from which farmers generally make their major purchases, will decline by 15 percent between 1949 and 1950. Moreover, dealers' inventories of tractors and some other types of farm equipment are the largest in history. With pipelines full, net income declining and urgent demands already satisfied, prospects for the domestic market are hardly expected to hold to former levels.

Exports are also expected to fall off sharply according to the Department of Commerce. Great Britain has indicated it will not purchase any more farm equipment from dollar countries in 1950. Canada, our largest foreign customer for farm machinery, anticipates a cut of from 15 to 20 percent.

Employment in 1950 has already begun to reflect the declining demand. Production workers employed in January were 14 percent below January a year ago. Unless a complete change occurs in the business climate, it would be surprising if employment in 1950 did not fall 10 to 15 percent below the 1949 level.

INDUSTRY STUDIES

MACHINE TOOLS

... A key industry turns the corner

The machine tool industry, frequently considered a barometer of business activity, appears to be heading for a higher level of production and employment in 1950. Early-year buying brought the new order index to its highest level in almost four years. Employment, reflecting the general improvement, turned slightly upward for the first January-February gain since 1946. The next few months will probably witness an acceleration in the rate of gain, but the employment increase for the remainder of the year, on a relative basis, is not expected to match the increase in output.



The prospective revival comes after a long period of decline which has been in evidence since 1942. Enormous accumulations of warbuilt machines depressed the market and these tools, many of them of a general-purpose nature, had to be worked off before demand could be translated into new production. The surplus, in fact was so large that the machine-tool industry experienced a virtual postwar eclipse almost comparable to such other wartime activities as aircraft and shipbuilding. In 1942, the number of production workers engaged in the manufacture of machine tools reached 125,000; in the early months of 1950, their number had fallen to only 36,000. The relative decline between 1947 and 1949 was almost three times greater than the average for all hard-goods industries combined. So persistent has been the reduction in employment since the war that the number of workers in 1950 approximated the 1939 level.

New Orders Rising

A pickup in machine tool business in January and February 1950 provided one of the most encouraging developments to the industry in the past several years. New orders received in these two months were about 13 percent higher than the like period of 1949. The revival in forward buying comes just at a time when actual shipments were down to their lowest level in about a decade.

A combination of three factors primarily account for the current improvement: (1) the automobile industry is actively placing orders in preparation for 1951 new-model production; (2) the ECA program of aid to Europe has speeded up to the point that Marshall Plan countries are making heavy purchases of machine tools, currently absorbing about 30 percent of domestic output; and (3) employers have begun to replace antiquated machines in greater volume, supporting predictions that American industry (although cutting back on plant expansion as compared with 1949) would replace and modernize on a substantial scale.

Contrary to the pattern in most hard-goods industries, inventories have not been a problem to machine tool manufacturers in recent months. The industry usually produces only against orders and cancellations are relatively small. Most inventory on hand consists primarily of parts suitable for assembly rather than complete machines.

Employment Downtrend Is Reversed

Employment on machine tools as of February had responded only slightly to the improved situation, largely because new orders had not yet been translated into increased production. Although the increase in production workers amounted to less than 300, the gain during that month was the first February increase in at least four years. Employment as a result totaled 36,300, about 7,600 lower than a year earlier and 23,000 less than in February 1947. (See table, page 5, for monthly employment trend from January 1947 to February 1950.)

The employment gain in the industry was by no means general. New orders have been for special-purpose tools or standard tools with special-purpose attachments. Consequently whole segments of the industry have been unable to participate in the increased order-taking. Greater-than-average February gains were reported in Illinois, Rhode Island, and New York, but firms in Wisconsin continued to report sizable losses. Ohio and Illinois, where some of the largest concentrations in the industry are located, registered the smallest employment declines from a year ago.

MACHINE TOOLS

Employment Index ^{1/}, Hours and Earnings for Production Workers,
by Major States of Concentration, 1949 - 1950

State	Employment Index (February 1949 = 100)				Average Hours and Earnings February 1950		
	1949		1950		Weekly	Weekly	Hourly
	Feb.	Dec.	Jan.	Feb.	earnings	hours	earnings
TOTAL, U.S. ^{1/}	100.0	82.0	82.2	83.1	\$61.66	40.3	\$1.53
Connecticut	100.0	84.1	85.7	86.1	64.83	42.4	1.53
New York	100.0	76.8	78.2	79.3	61.04	40.0	1.53
Ohio	100.0	90.2	88.9	89.4	61.57	39.7	1.55
Illinois	100.0	89.4	89.9	91.5	65.16	44.0	1.48
Michigan	100.0	84.6	85.9	85.0	70.46	40.4	1.74
Wisconsin	100.0	77.4	75.8	71.9	64.04	40.3	1.59

^{1/} Data are based on sample group of establishments comprising virtually the entire industry. For U. S. totals, see table on page 5. State totals are not available.

Workweek Lengthened

In general, the industry has decided to place its workers on overtime before hiring additional workers, according to reports received by the National Machine Tool Builders Association. Average weekly hours in February totaled 40.3 which, when allowance is made for absenteeism, illness, etc., indicates that workers are scheduled at considerable overtime. Such a development is usual, however, in most industries emerging from a protracted slump. Average weekly hours had been down to 38.1 in November, the lowest postwar figure.

Average hourly earnings of \$1.53 in February established an all-time high for the industry; 3 years ago, hourly earnings averaged \$1.32. Weekly earnings currently total \$61.66, the highest in over a year but still below the last half of 1948, when overtime was even more prevalent.

The pattern of hourly earnings tended to be concentrated between \$1.50 and \$1.60. Earnings in Michigan, where job shops predominate, far exceeded the average while those in Rhode Island were somewhat less than average.

The Year Ahead

Machine tool production in 1950 is expected to rise approximately 20 percent above 1949, according to estimates of the U. S. Department of Commerce. The National Machine Tool Builders Association also expects an increase, as high as 20 percent. These optimistic projections are stimulated by several factors. One of these is that foreign orders for the fiscal year 1950-51 are expected to equal and perhaps slightly exceed those in 1949. Purchases made from ECA funds may drop by 25 percent, but tools purchased in connection with the military assistance program will

probably take up the slack. Another stimulus to production is the obsolescence of many important classes of machine tool equipment. The industry's Association is particularly conscious of this development and will stress the obsolescence factor in its promotional drive during 1950. The final long-range factor operating in 1950 is the changeover from a seller's to a buyer's market; many employers are finding it necessary to introduce more efficient machinery to reduce costs and to maintain their competitive positions.

Employment in the machine tool industry will respond to the upturn in production, but only to a lesser extent. The industry has already extended the workweek and intends to schedule more overtime before making substantial hires; weekly earnings for workers already employed, therefore, will probably continue upward. In addition, the industry has been accustomed to subcontracting part of its work. This work, amounting to between 15 and 20 percent of total volume will not be reflected in the industry's employment, to the extent that the subcontracting is assigned to plants classified outside the machine tool industry.

There will also be a lag between the placing of new orders and their full translation into labor requirements. A substantial portion of the orders is for special-purpose machines which will take several months to pass from the drafting boards to the production stage. This interval will undoubtedly delay the hiring schedule, but should ultimately increase labor needs because special-purpose machines call for relatively high expenditure of man-hours per unit.

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MACHINE TOOLS

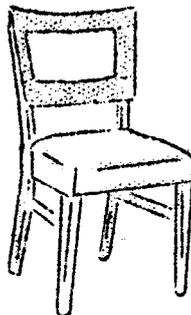
Production-worker employment, by months, 1947 - 1950

Month	Year			
	1947	1948	1949	1950
Average	54,917	48,881	39,558	
January	59,665	51,133	44,689	36,001
February	59,307	50,835	43,854	36,289
March	58,412	50,298	43,138	
April	57,398	49,104	42,123	
May	55,727	48,806	40,871	
June	54,713	48,508	39,319	
July	52,088	47,553	37,231	
August	53,400	48,687	36,992	
September	52,684	48,388	37,529	
October	52,386	47,971	36,873	
November	51,551	47,672	36,157	
December	51,670	47,613	35,918	

WOOD HOUSEHOLD FURNITURE*

. . . . homebuilding boom boosts employment.

Wood household furniture, accounting for about three-fifths of the total employment and sales of the household furniture industry, showed remarkable strength in early 1950. Employment rebounded sharply from last year's mid-season lull; production and new orders gave promise of continued seasonally high levels for the next few months. The momentum of this upward trend, one of the strongest for any industry in the economy, results primarily from a very active homebuilding boom which may establish an all-time high for residential building in 1950.



During the postwar period, a rapid expansion in wood household furniture seemingly has been limited only by the availability of raw materials. Production-worker employment between 1939 and 1947 expanded by 37,000 workers to a record level of 121,000. Dollar volume of shipments in 1947 were approximately treble those in the highest prewar year. The pace was maintained in 1948 as employment and shipments showed virtually no change. In 1949, however, consumer hesitancy and excessive inventories combined to depress manufacturers' output an estimated 17 percent and employment 14 percent below the previous year. A distribution of the various kinds of wood furniture reveals that living room and library pieces, including radio and furniture cabinets, showed the largest increase among the major groups over the past decade. Other significant changes include phenomenal increases in infants' and children's and unpainted furniture.

Production Approaches Peak Levels

Manufacturers responded quickly to a strong undercurrent of consumer demand in the fall of last year, which was sustained through early 1950. Output between January and February, for example, increased 3.5 percent in contrast with a decline already in evidence at the same time in 1949. The gains since last summer have been consistent enough to raise cumulative production in 1950 about 13 percent over the level in the corresponding months of 1949.

* Excludes upholstered furniture.

Numerous factors have contributed to the reversal of trend. Most important is the accelerated pace of homebuilding; the end-of-year spurt not only resulted in a new 1949 record for housing starts but exceeded other monthly housing records as it carried over into the first quarter of 1950. Another major factor of immediate consequence is the replenishment of retailers' inventories, following drastic paring in 1949. Popularity of television has also added to consumer demand. It has led people to give more attention to home furnishings. Moreover, the display of television sets by most furniture stores has had a favorable effect on store traffic and sales. Finally, the public appears to feel that wood household furniture prices, which declined by about 8 percent during 1949, have finally become stabilized at current levels.

Retail Sales and Inventories Rising

Retail sales of all household furniture in February reflected the general pickup; receipts climbed 11 percent over February 1949. Since approximately two-thirds of all household furniture is distributed directly by the manufacturer to the retailer, movements in each group are generally parallel. After setting new records in the first 9 months of 1948, dollar sales of retail furniture stores turned downward in October and remained below sales in the corresponding month of the previous year in each subsequent month until October 1949. In October, sales have exceeded the like month of the previous year.

Retailers' inventories in February 1950 increased substantially over January. While stocks are still lower than last year, the gap is steadily narrowing. In October 1949 it was 18 percent less than a year ago, in December, 14 percent, January 1950, 10 percent, and February, only 7 percent.

Employment Gains Consistently

Production-worker employment on wood household furniture in February totaled 116,300, an increase of 3,000 or 2.6 percent over January. The increase might well have been larger except for the reported effects on some firms of shortages of coal, hardware, and veneers, which prevented fuller schedules. The cumulative gain in employment since last July (the lowest point in at least 3 years) now totals 22,000. February employment was 8.9 percent over a year earlier and higher than at any time in the last 14 months. (See table page 8 for monthly employment trend, January 1947 - February 1950.)

Current monthly employment gains were largest in New York, Indiana, and California; increases in these States ranged between 10 and 14 percent. Of somewhat greater

significance, however, is the February year-to-year trend. By far the largest increases were reported in Pennsylvania and Illinois - 41 and 30 percent, respectively. Gains in New York and North Carolina, areas of major concentration, approximated 7 percent. Virginia reported practically no change while employment in Michigan actually declined.

WOOD HOUSEHOLD FURNITURE

Employment Index ^{1/}, Hours and Earnings for Production Workers
by Major States of Concentration, 1949 - 1950

State	Employment Index			Average Hours and Earnings			
	(February 1949 = 100)			February 1950			
	1949	1950		Weekly	Weekly	Hourly	
	Feb.	July	Jan.	Feb.	earnings	hours	earnings
TOTAL, U. S.	1/100.0	88.6	106.0	108.9	\$46.58	42.2	\$1.11
New York	100.0	88.7	97.1	106.5	60.52	43.6	1.39
Pennsylvania	100.0	82.6	140.7	141.4	48.41	43.3	1.12
Virginia	100.0	85.1	100.2	101.2	42.38	42.0	1.01
North Carolina	100.0	92.4	105.1	106.9	41.19	43.0	.96
Indiana	100.0	86.0	103.2	115.4	47.48	39.9	1.19
Illinois	100.0	89.8	125.9	130.4	54.10	42.5	1.27
Michigan	100.0	91.6	95.4	98.0	55.68	42.9	1.30
California	100.0	89.2	98.7	112.1	56.40	37.9	1.49

^{1/} Data are based on sample group of establishments comprising approximately 60 percent of the industry. State totals not available.

Overtime Prevalent

Considerable overtime was scheduled in the industry during February. Weekly hours averaged 42.2, a slight increase over January and close to the prevailing average during the last quarter of 1949. Most firms reported average overtime of between 3 and 4 hours, with the exception of California where the workweek approximated normal schedules.

The most significant development in the industry, from the earnings viewpoint, was the amendment to the Fair Labor Standards Act (establishing the 75 cent hourly minimum) which took effect January 25, 1950. The industry's average hourly wage increased by 1 cent over the month to \$1.11, with the bulk of the change attributed to gains in North Carolina and Virginia. Increases in these two States averaged 1.2 and 1.5 cents, respectively, as against over-the-month changes in other States which did not exceed two-tenths of a cent. Nevertheless, hourly earnings in North Carolina and Virginia were still considerably below the average.

Weekly earnings in February averaged \$46.58, second only to December 1949 as the highest on record.

The Year Ahead

The Commerce Department has indicated that 1950 furniture sales could equal and may exceed 1949. The rate of current production and retail sales appear to substantiate this projection. Certainly, the record completion of new homes will give strong support to high-level furniture operations for many months to come. Early in 1950 new orders for all household furniture, for example, were about a third higher than at the same time in 1949. Also, unfilled orders in February were half again as high as in February 1949. With consumers' disposable income expected to remain high throughout 1950, the wood household furniture industry will undoubtedly enjoy a satisfactory year.

The number of workers on wood household furniture in early 1950 was already 11 percent or 11,000 higher than in early 1949. Since the usual seasonal trend of this industry is downward during the spring and summer months, it is unlikely that employment will go much higher than its present level and may, in fact, decline.

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WOOD HOUSEHOLD FURNITURE

Employment of production-workers, by month, 1947 - 1950

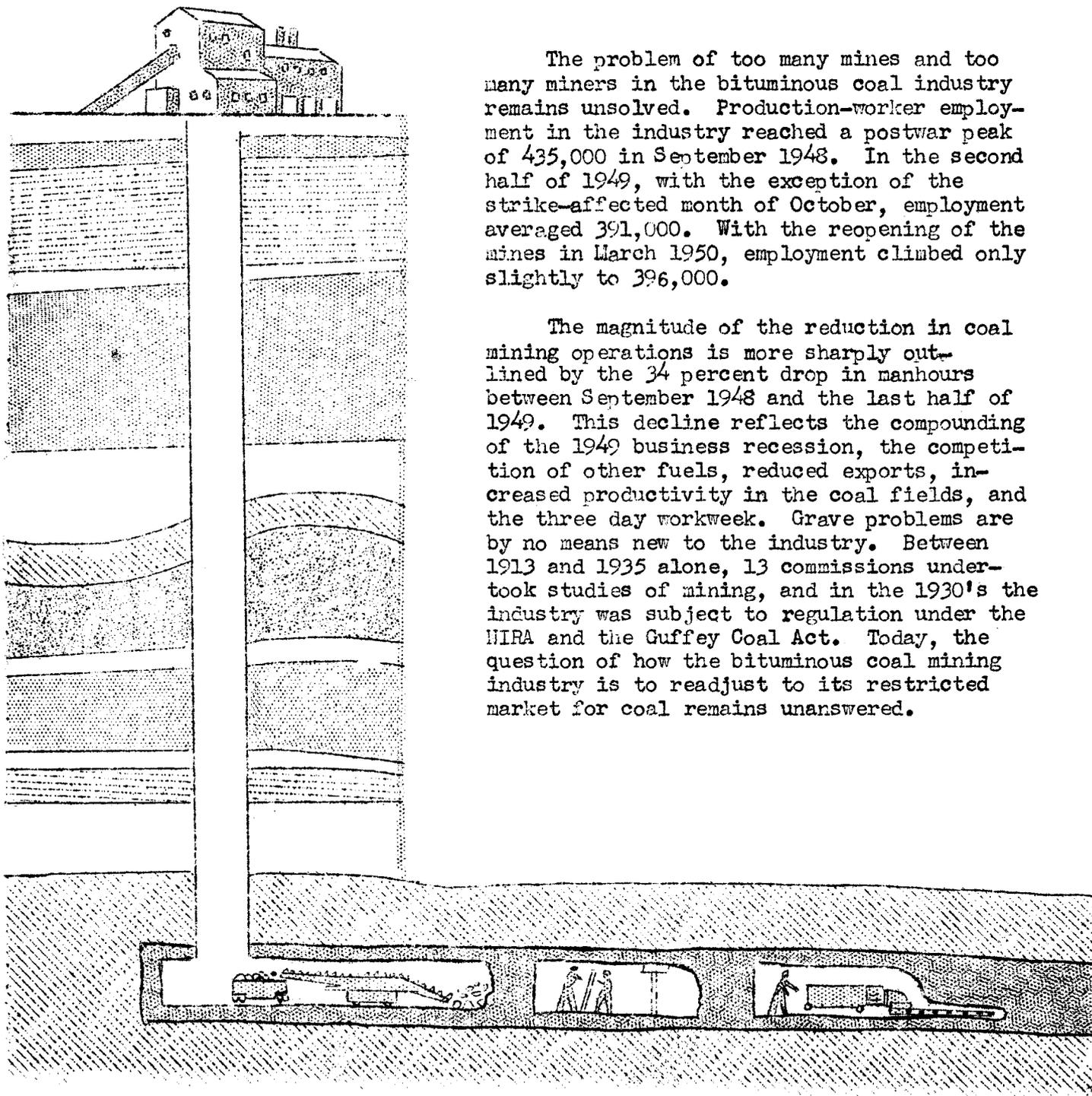
Month	Year			
	1947	1948	1949	1950
Average	120.7	120.2	103.2	
January	118.1	127.9	110.2	113.1
February	120.1	128.1	106.8	116.2
March	119.8	127.0	103.2	
April	117.8	122.3	100.8	
May	116.8	117.7	95.8	
June	118.8	116.6	95.3	
July	118.1	114.8	94.6	
August	120.7	116.2	97.1	
September	121.0	118.1	103.5	
October	123.6	118.6	107.0	
November	126.0	119.0	111.2	
December	127.0	116.0	112.7	

BITUMINOUS COAL MINING

. A Problem Industry

The problem of too many mines and too many miners in the bituminous coal industry remains unsolved. Production-worker employment in the industry reached a postwar peak of 435,000 in September 1948. In the second half of 1949, with the exception of the strike-affected month of October, employment averaged 391,000. With the reopening of the mines in March 1950, employment climbed only slightly to 396,000.

The magnitude of the reduction in coal mining operations is more sharply outlined by the 34 percent drop in manhours between September 1948 and the last half of 1949. This decline reflects the compounding of the 1949 business recession, the competition of other fuels, reduced exports, increased productivity in the coal fields, and the three day workweek. Grave problems are by no means new to the industry. Between 1913 and 1935 alone, 13 commissions undertook studies of mining, and in the 1930's the industry was subject to regulation under the NIRA and the Guffey Coal Act. Today, the question of how the bituminous coal mining industry is to readjust to its restricted market for coal remains unanswered.



Competition Cuts Coal Use

A total of 435 million tons of bituminous coal was mined in 1949 - 31 percent less than the record tonnage produced in 1947. This drastic reduction can not be attributed primarily either to the business recession or to work stoppages. In 1948, while the national economy operated at a postwar peak, the coal mining industry had already begun to curtail production. This downturn became more pronounced during the 1949 recession. It is also significant that despite the limitation of coal mining to but 59 days in the last half of the year, average monthly production was within 15 percent of meeting average monthly consumption. This was facilitated somewhat by the steel industry stoppage and coal conservation measures.

More significantly, the decline in coal production which began in 1948 heralded increased supplies of oil and gas and a return to a more normal level of coal exports. Between 1947 and 1949, coal exports were reduced by 41 million tons as European mines were rehabilitated. Over the same period, the share of oil and gas in the Nation's supply of energy from fuel and waterpower rose from 46 to 56 percent. Illustrative of the trend was the rapid introduction of diesel engines on the railroads which historically have been a major coal consumer; in 1949, only 1 out of every 32 new locomotives delivered to the railroads was steam (coal) driven.

This contraction of the market for coal is not simply a post-war phenomenon. Over the past twenty-five years, the competition of other fuels coupled with the lack of development of new large-scale uses for coal have gradually reduced the latter's relative contribution as a fuel. In 1926, bituminous coal supplied 62 percent of the Nation's fuel, compared with 36 percent currently. This trend, merely halted by wartime conditions, was accelerated in the postwar period. Actual average production for the current four postwar years was little more than 3 percent above the 1926-29 average. In contrast, the population has risen by 30 percent, and manufacturing output by 39 percent during this same period (1929-1949).

Employment Maintained But Weekly Hours Reduced

Average employment in 1949 was not significantly below the 1947 level despite the 31 percent drop in production over the same period. This apparent contradiction resulted from a reduced workweek. Initially, weekly hours were reduced one hour by the adoption of the 8-hour day in the collective bargaining agreement concluded in July 1947. Working time was cut somewhat more than this since the miners' lunch period was lengthened by a quarter of an hour. In mid-1949, the adoption of a 3-day workweek for members of the United Mine Workers of America substantially reduced weekly hours. As a result of reduced hours, workers remained attached to the industry but were underemployed.

Over the past quarter century, however, the number of workers has been greatly reduced. In 1923, the peak employment year, employment averaged 643,000. In the postwar period, it averaged 404,000, more than a 37 percent decline. This reflected not only lagging coal demand, but also increased productivity. Mechanization of mines has proceeded rapidly. For example, the percent of underground coal loaded mechanically rose from three-tenths of one percent in 1923 to 67 percent in 1949. At the same time, coal from easily accessible surface seams (taken by strip mining) which had comprised but 2 percent of total tonnage in 1923 rose to 23 percent in 1949. As a result, the output of coal per man-hour rose about one-third between 1935 and 1948.

Unemployment: A Chronic Problem

Chronic unemployment and underemployment in some mining areas have marked the bituminous coal industry for many years. Today, as the industry returns to a full workweek, the closing of high cost mines is under way. Though no satisfactory report on unemployment of coal miners is available, the Bureau of Employment Security has provided considerable evidence of its existence and acuteness. For example, seven areas in which bituminous mining is predominant or singularly important have been designated as critical areas of high unemployment. These are: Jasper, Ala.; Crab Orchard and Mount Vernon, Ill.; Clinton and Terre Haute, Ind.; and Greensburg and Johnstown, Pa.

Mining towns generally either dot rural hills and valleys or are close to cities in which the economy is largely dependent on the mining community. Consequently, little opportunity exists for alternative employment in case of mine shutdowns. This has provided an element of instability in such communities as well as very difficult relief problems at times of slack coal demand.

Gain in Earnings

There were substantial postwar gains in average hourly earnings in the industry. The level of \$1.94 in 1949 represented a greater relative increase since 1939 than that obtained for most durable goods industries. The 70 cents a day increase won by the miners in March of this year brought gross hourly earnings up to a record \$2.01 for that month. Gains in hourly earnings since the war have been accompanied by pay for travel and lunch time and by industry-financed welfare and retirement funds.

Weekly earnings reached the peak yearly average of \$72.12 during 1948 as the gain in hourly earnings more than compensated for a workweek somewhat shorter than in 1947. In the first half of 1949, the continued shortening of the workweek brought average weekly earnings down to \$70.94. With the adoption of the 3-day workweek in July 1949 earnings sagged still further, averaging \$55.02 a week over the last half of the year. Wage-rate gains, combined with a full workweek while depleted coal stocks were being renewed, resulted in March 1950 in record weekly earnings of \$79.15.

Bituminous Coal Industry - A Special Problem

The combination of circumstances pressing the coal industry make the establishment of an early stability highly difficult. Though increased business activity may raise coal consumption above the 1949 level the competition of other fuels, increasing productivity, declining exports, and over-expansion of capacity presage increasing dislocations in the industry. The present workforce, even if employed only 200 days during the year (40 weeks on a 5-day basis), can mine more than 550 million tons of coal. This is almost 25 percent more coal than was consumed in 1949. This means either extensive displacement of miners or part-time employment.

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EMPLOYMENT IN BITUMINOUS COAL MINING, 1923 - 1950

(production workers)

Year	Number	Year	Number
1923	643,000	1940	416,000
1924	565,000	1941	413,000
1925	537,000	1942	454,000
1926	542,000	1943	419,000
1927	542,000	1944	401,000
1928	476,000	1945	367,000
1929	459,000	1946	355,000
1930	441,000	1947	408,000
1931	408,000	1948	419,000
1932	350,000	1949:	
1933	366,000	January	430,000
1934	423,000	April	420,000
1935	436,000	June	404,000
1936	450,000	August	400,000
1937	461,000	1950:	
1938	406,000	March	396,000
1939	372,000		

U. S. Department of Labor
Bureau of Labor Statistics

May 1950

GRAY IRON FOUNDRIES

.....a slight upturn in 1950.

First quarter employment and production figures indicate a rising trend of activity for gray iron foundries during the first half of 1950. Employment of production workers showed the first January to March gain since 1947 - 5,000. This increase reflected rising demand from the automobile, steel-making, machine tool, household appliance, and homebuilding industries which consume the major share of gray iron castings.



Neither employment nor production in 1950 is expected to reach postwar peak levels. The pressing needs of several industries have been met, and cast iron has been replaced to a certain extent by cast and welded steel and aluminum.

Shipments for sale * reached a record tonnage figure of 7,180,000 in 1947. There was less than a 1 percent drop from this level in 1948. During both these years, overtime operations were maintained and the industry was able to meet current demand and at the same time reduce the backlog of unfilled orders. In 1949, when the latter was no longer a sustaining factor and current demand had also dropped, shipments declined by 23 percent to a total of 5,500,000 tons.

Peak employment of 157,000 production workers was also recorded in 1947. The following year, employment declined by 5,000, probably reflecting improved efficiency of operations resulting from an improved flow of raw materials and plant modernization. In 1949, employment, following production, fell 16 percent to an average of 127,000. Nevertheless, in March 1950, it was approximately 70 percent above the prewar level.

* Excludes castings produced for own use. Shipments for sale data used because most closely comparable with employment figures.

Shipments and Unfilled Orders Below Year Ago

Shipments of gray cast iron in March totaled 500,000 tons. This was a 20 percent increase over February and represented a continuation of the first quarter rise as production of durable goods and housing starts picked up. The March tonnage, however, was still 12 percent below that a year earlier.

Employment Changes Vary by State

Employment in gray iron foundries averaged 127,000 in March, a 2 percent gain over February and a 7 percent rise over the greater-than-seasonal low of July 1949 (see Table, p. 8). Nevertheless, employment was still 9 percent below March a year ago.

The recovery over the past few months has varied among the States which account for the major share of gray cast iron tonnage due to differences in current streams of product demand as well as types of foundry operations:

In three East Central States - Michigan, Ohio, and Indiana - foundries have steadily expanded their workforce from the July 1949 low. Characteristically, this area mass-produces castings, and is currently busy supplying automotive engine blocks, machine tool bases, and gas range burner parts to neighboring factories. In Illinois, lower production schedules in the agricultural machinery and tractor industry compared to a year ago partly explain the lag in foundry recovery.

Foundries in Pennsylvania cast the major supply of molds for the steel industry. Lower steel operations in the last half of 1949 and the current recovery are reflected in the employment figures for gray iron foundries in that State.

In contrast, foundries on the East coast predominantly undertake repair or replacement jobs rather than mass production of set patterns. In this area, therefore, the impetus from rising consumer and durable machinery production has not been felt markedly. In New Jersey, New York, and Massachusetts, recovery from the July 1949 low still lags. In the latter State, the shift of some textile machinery manufacturers to the South has further reduced local demand for castings.

In California, a minor segment of the industry is busy supplying a variety of products. The demand for pipe from the petroleum and homebuilding industries has been particularly pressing. In Alabama, where the major share of the Nation's soil and pressure pipe are produced, employment has risen as homebuilding increased.

Employment Index ^{1/}, Hours and Earnings for Production Workers
in Gray-Iron Foundries
by Major States of Concentration, 1949-1950

State	Employment Index (March 1949 = 100)				Average Hours and Earnings March 1950		
	1949		1950		Weekly	Weekly	Hourly
	Mar.	July	Feb.	Mar.	Earnings	Hours	Earnings
Total, U. S.	100.0	85.0	89.6	91.3	\$ 59.60	40.3	\$ 1.479
Massachusetts	100.0	79.2	75.3	77.9	58.96	40.0	1.474
New York	100.0	89.6	94.1	89.0	59.55	40.9	1.456
New Jersey	100.0	85.6	85.7	86.6	55.40	38.5	1.439
Pennsylvania	100.0	84.1	77.7	80.9	54.51	38.8	1.405
Ohio	100.0	84.7	94.2	97.3	64.65	41.1	1.573
Indiana	100.0	86.1	89.9	91.5	63.44	39.9	1.590
Illinois	100.0	88.6	87.1	90.5	65.41	41.4	1.582
Michigan	100.0	90.1	95.0	97.8	63.66	38.7	1.645
California	100.0	95.2	107.5	112.0	59.34	39.3	1.510

^{1/} Data are based on a sample group of establishments comprising more than 55 of the industry. For U. S. totals see page 9. State totals are not available.

Number of Foundries Declines

There were 2,917 gray iron foundries of all types in operation during 1949 - 150 less than in 1947. This reduction reversed an upward trend in new firm formations which had been evident from 1941 to 1947. The decline in the number of foundries was primarily among jobbers - those contracting for work - but, was spread geographically among all the major casting producing States except Alabama. The latter has registered a gain over the past 2 years.

Substitution for Gray Cast Iron

Aluminum and steel casting and weldments have replaced gray cast iron to an unknown degree. For example, steel has been used as a substitute to some extent in heavy machinery bases, railroad car wheels, and hand tools. Over the past 10 years, steel has also substantially replaced gray cast iron in a variety of uses on naval vessels. On the other hand, the gray iron foundry industry is optimistic about recapturing and broadening the market for its products through the increased use of nodular iron.

Record Earnings

Weekly earnings were at an all time high of \$59.60 for the industry in March 1950; the average for 1947 was \$55.24. Increased overtime brought weekly hours in March 1950 up to 40.3. This was the longest workweek in 15 months, but well below the average of 42.3 hours for 1947. Hourly earnings for March were at a record \$1.48 level compared with the \$1.31 average for 1947.

Prospects for 1950

A rise in shipments of about 5 percent in 1950 is estimated by the Gray Iron Founders' Society, Inc. The gain will vary by State depending upon the prevailing foundry type and product specialization.

Employment changes will, accordingly, vary by State as well. However, the relative increase of the total workforce is expected to be less than that for shipments owing to increased labor productivity. Such an increase has probably resulted from technological improvements and more efficient utilization of the workforce over the past 3 years.

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Employment of Production-Workers
in Gray Iron Foundries
by Month, 1947-50

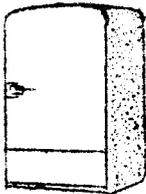
Month	Number in Year			
	1947	1948	1949	1950
Average	157,400	152,400	127,300	
January	157,519	157,992	147,280	121,841
February	158,779	157,677	142,555	124,387
March	159,252	157,204	138,932	126,651
April	158,149	152,951	129,481	
May	157,519	149,958	120,502	
June	158,149	150,431	120,975	
July	156,101	144,602	117,982	
August	156,731	146,965	121,605	
September	155,786	152,478	122,707	
October	156,574	154,054	121,920	
November	156,889	153,424	120,660	
December	157,677	151,061	123,022	

Labor - D. C.

REFRIGERATORS & AIR CONDITIONING

. . . . downward trend reversed

An unprecedented demand for household refrigerators has lifted production-worker employment in the refrigeration and air conditioning industry to over 100,000, the highest level in the past 12 months. The number of domestic refrigerators produced in March established an all-time high and was fully a fourth greater than in the previous peak month, April 1941. Current production of commercial refrigeration and air conditioning has dropped somewhat from last year, but the impetus provided by household refrigerators raised March 1950 production for the industry as a whole well above the comparable month of 1949.



The current revival reverses a consistently declining trend that began in mid-1948 and depressed production-worker employment from 119,000 to 70,000 before it ran its course. Despite the 1949 setback, however, postwar growth of the industry has been phenomenal. In the prewar year of 1939, employment averaged only 39,000. In 1948, when the industry achieved a production record unmatched in its history, employment also reached an average high of 114,000.

March Production Strong

It is likely that the current rate of refrigeration and air conditioning production will compensate for much of the cut in output between 1948 and 1949. March production increased 9 percent over February and was 6 percent greater than in March a year ago. The present rapid expansion in output vividly contrasts with conditions in the same month last year. Then production was well into a declining phase which did not end until output at its lowest point (November 1949) was only about half that at the highest point (June 1948).

Greatest strength is evident in the household refrigerator segment which accounts for about a third of the industry's volume of shipments. Unit sales reached a record in March, attributed largely to the unusual homebuilding boom and continuation

of high consumer incomes. Sales of commercial refrigeration and air-conditioning, although still very high, were unchanged between February and March and were actually about 15 percent below March 1949. Part of the explanation for the 1949 to 1950 decline is that nonresidential building, for which a very significant proportion of commercial refrigeration and air-conditioning is sold, has declined about 8 percent in this period.

Employment Passes 100,000

Factory-worker employment in March passed 100,000 for the first time in 12 months (see Table, page 13). The number of workers increased by 5,200, or 5.7 percent, over February; the cumulative gain for the last 4 months, comprising the entire upturn, totals almost 31,000.

Despite the very sharp employment increase in recent months and higher output this March as compared to last, March employment was still 2,000 less than in the same month a year ago. The apparent contradiction arises primarily because management has preferred to increase production by lengthening the workweek as well as adding additional workers. Thus, the weekly number of hours worked in March 1950 averaged 41.9 hours as compared with 38.7 in March 1949. The current workweek is the longest scheduled since at least 1947 when such information was first compiled. The importance of the increase in the workweek cannot be over-emphasized. It is estimated that at least 8,000 more workers would have been required to produce the March 1950 volume with the same workweek as in March a year ago.

Weekly Earnings Highest Ever

Average weekly earnings in March totaled \$65.95, approximately \$2 higher than the previous record earnings established in September 1949. Almost all of the difference was due to the lengthened workweek which at 41.9 hours, was probably the longest work schedule since the end of the war.

Average hourly earnings for the industry totaled \$1.57, equal to the postwar high. The hourly rate includes premium payment for an average of about 3 hours of overtime per worker per week.

Considerable variation in range exists among plants with respect to hourly earnings. Grouped by States, the highest hourly pay totaled \$1.72, the lowest \$1.44. Geographical location, i.e. depending upon whether the plant was in an area of high or low wage scales, was the dominant factor in the earnings spread.

The Year Ahead

Household refrigerator production in 1950, according to estimates of the U. S. Department of Commerce, will be closer to 1948 than to 1949. In 1948, it will be recalled, output reached an all-time high followed by a decline of 8 percent in 1949. Production of household refrigerators in 1950 may run 5 to 10 percent above the previous year. The pace of first quarter output, which was 25 percent greater than in the corresponding period of the previous year, is, therefore, not expected to be maintained.

Production of commercial refrigeration in 1950, however, is expected to fall about 5 percent, according to the Department of Commerce. Roughly, this would bring the year's total to about or a shade below that of 1947. Urgent demand has been satisfied and nonresidential building, on which sales of these products are heavily dependent, is declining, as already stated.

Employment forecasts indicate that the number of workers probably will not rise significantly above 100,000 - 110,000 for the industry as a whole. The tendency to lengthen the workweek substitutes overtime for additional workers. Moreover, the prospective slowdown in domestic refrigerator output as compared to the record first quarter mitigates against any major employment increases over 110,000 level. An employment drop, on the other hand, will be cushioned by the amount of overtime now being worked. Any curtailment in production probably can be absorbed by reducing the workweek to a more normal level.

It appears, therefore, that 1950 average employment will undoubtedly be higher than in 1949, but that the higher level had already been substantially achieved by March of this year. Within the next 4 to 6 months, employment may fluctuate around the 100,000 - 110,000 range.

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Employment of Production-workers
in the Refrigerator and Air Conditioning Industry,
by Month, 1947-50

Month	Year			
	1947	1948	1949	1950
Average	108,284	114,115	85,919	
January	98,559	113,934	106,739	86,230
February	97,475	113,540	103,487	95,077
March	103,093	114,230	102,304	100,268
April	105,260	111,864	94,321	
May	107,035	115,610	86,436	
June	112,554	118,862	82,395	
July	110,189	118,172	75,890	
August	111,470	115,314	74,511	
September	111,963	114,328	75,989	
October	112,949	112,456	79,044	
November	113,244	110,583	69,583	
December	115,511	110,485	80,326	