BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

September 25, 1937.

Dear Governor:

Information has just come to hand which permits us to make an estimate of the holdings of Government obligations by all banks, exclusive of the Federal Reserve banks, by June 30th. I enclose the estimates. They indicate a smaller decline from December 31st for all banks than for member banks alone, the explanation being net purchases on the part of mutual savings banks.

The immediate outlook for industrial activity is not at all encouraging. You probably noticed that the President has stopped any further P. W. A. expenditures, so that our estimate on the decline in the net contribution of the Federal Government to total expenditures has been increased by $200 million on this score. In addition, Kennedy is finding it difficult to spend his appropriation. As for expenditures under the Wagner-Steagall Act, an administrator has not yet even been appointed.

I hope that you are enjoying your vacation and getting a good rest.

Sincerely,

Lauchlin Currie

BANK HOLDINGS OF GOVERNMENT OBLIGATIONS
(Exclusive of Federal Reserve Banks)

(In millions of dollars)

	Direct	Guaranteed	Total
June 30, 1933	7,980	0	7,980
June 30, 1936	14,840	2,520	17,360
Dec. 31, 1936	15,025*	2,535*	17,560*
June 30, 1937	14,615*	2,465*	17,080*

* Estimated

TABLE OF CONTENTS

	Page
Federal budget, fiscal years 1934-1937	1
U.S.Government interest-bearing debt	2
Computed annual interest charge	2
Computed average rate of interest	2
Increase in gross and net interest-bearing debt	3
Percentage of total publicly offered direct obligations of the U. S. Government held by member banks	4
Industrial production	5
Freight car loadings	5
Electric power production	5
Standard statistics index of corporate earnings of 161 industrials, railroads and utilities	5
Wholesale prices	6
Earnings and employment in manufacturing industries	7
Earnings of a sample group of corporations	8
Residential construction contracts	9
Index of rents	9
Merchandise imports and exports	10
U.S. Monetary gold stock	11
Net gold imports	11
Net inflow of capital	11
Cash farm income	12

FEDERAL BUDGET, FISCAL YEARS 1934-1937

(In millions of dollars)

Fiscal year ending June 30	Receipts	Expenditures (excluding debt retirements)	Deficit
1934	3,116	6,745	3,630
1935	3,800	6,802	3,002
1936 (incl. adj. comp. payments)	4,116	8,477 1/	4,361
1937 " " " "	5,294	8,001 1/	2,707
1936 (excl. adj. comp. payments)	4,116	6,803	2,687
1937 " " " "	5,294	7,444	2,150
Change 1936 to 1937:			
Incl. adj. comp. payments			
Dollar amount	+1,178	-476	-1,654
Percent	+28.6%	-5.6%	-37.9%
Excl. adj. comp. payments			
Dollar amount	+1,178	+641	-537
Percent	+28.6%	+9.4%	-20.0%

1/ Expenditures for adjusted compensation were $1,674,000,000 in 1936 and $557, 000,000 in 1937.

U.S. GOVERNMENT INTEREST-BEARING DEBT	
October 1932	$20,485,000,000
June 30, 1936	32,756,000,000
June 30, 1937	35,800,000,000
Percentage increase 1936 to 1937	8.5%
COMPUTED ANNUAL INTEREST CHARGE	
October 1932	$707,000,000
June 30, 1936	838,000,000
June 30, 1937	924,000,000
Percentage increase 1936 to 1937	10.3%
COMPUTED AVERAGE RATE OF INTEREST	
October 1932	3.451%
June 30, 1936	2.559%
June 30, 1937	2.582%

INCREASE IN GROSS AND NET INTEREST-BEARING DEBT

(In millions of dollars)

	June 30, 1936	June 30, 1937	Change 1937 over 1936
Assets:			
Proprietory Interest of the U.S. in Governmental Corporations and Credit Agencies	4,223	3,943	-280
General Fund Balance 1/	2,682	2,553	-129
Exchange Stabilization Fund	1,800	1,800	--
Total	8,705	8,296	-409
U.S. Interest-bearing debt	32,989	35,800	+2,811
Interest-bearing debt less assets above	24,284	27,504	+3,220

1/ Includes balance of increment resulting from reduction in weight of gold dollar.

PERCENTAGE OF TOTAL PUBLICLY OFFERED DIRECT OBLIGATIONS OF THE U.S. GOVERNMENT HELD BY MEMBER BANKS 1/

	(Percent of total outstanding)
June 30, 1935	36.7
December 31, 1935	36.5
June 30, 1936	37.5
December 31, 1936	35.8
June 30, 1937	32.2

1/ Includes all interest-bearing debt outstanding except postal savings bonds, adjusted service bonds, and various other special issues. Includes U.S. Savings bonds, which are held in only small amounts by banks.

	INDUSTRIAL PRODUCTION		FREIGHT CAR LOADINGS		ELECTRIC POWER PRODUCTION (BARRON'S)	
	Index (1923-25 av. = 100)	Percentage Change From 1936	Index (1923-25 av. = 100)	Percentage Change From 1936	Index (1923-25 av. = 100)	Percentage Change From 1936
Jan.	114	+17.5	80	+14.3	195	+13.4
Feb.	116	+23.4	82	+15.5	199	+14.4
Mar.	118	+26.9	83	+25.8	203	+15.3
Apr.	118	+16.8	84	+18.3	198	+ 8.8
May	118	+16.8	80	+11.1	210	+12.3
June	114	+ 9.6	78	+ 6.8	214	+12.6
July	114	+ 5.6	80	+ 5.3	218	+10.1
Aug.	116*	+ 7.4	79	+ 3.9	214*	+ 7.0

*Preliminary

STANDARD STATISTICS INDEX OF CORPORATE EARNINGS OF 161 INDUSTRIALS, RAILROADS & UTILITIES
(Not corrected for seasonal variation; 1926 = 100)

Quarter ending	1935	1936	1937
Mar. 31	41.6	61.4	91.0*
June 30	52.3	88.8	104.2*
Sept. 30	47.1	80.0	98.0*
Dec. 31	76.2	109.3	

*Estimated

WHOLESALE PRICES

	ALL COMMODITIES		FARM PRODUCTS		OTHER COMMODITIES	
19	Index (1926 = 100)	Percentage Change From 1936	Index (1926 = 100)	Percentage Change From 1936	Index (1926 = 100)	Percentage Change From 1936
Jan.	85.9	+ 6.6	91.3	+16.8	83.4	+ 5.8
Feb.	86.3	+ 7.1	91.4	+15.0	84.1	+ 6.5
Mar.	87.8	+10.3	94.1	+23.0	85.5	+ 8.4
Apr.	88.0	+10.4	92.2	+19.9	86.5	+ 9.6
May	87.4	+11.2	89.8	+19.4	86.3	+ 9.5
June	87.2	+10.1	88.5	+13.3	86.1	+ 9.3
July	87.9	+ 9.2	89.3	+ 9.8	86.3	+ 8.6
Aug.	87.5	+ 7.2	86.4	+ 3.1	86.1	+ 8.0

EARNINGS AND EMPLOYMENT IN MANUFACTURING INDUSTRIES

1937	Amount of Weekly Payroll (000)	Number of Workers Employed (000)	Average Hours Per Week	Average Hourly Earnings (cents)
Jan.	$ 184,474	8,082	39.6	59.6
Feb.	194,699	8,291	40.4	60.2
Mar.	205,602	8,468	41.0	61.3
Apr.	213,213	8,553	40.4	63.8
May	213,141	8,566	39.8	64.9
June	209,261	8,464	39.2	65.3
July	204,110	8,494	37.9	65.7
Aug.	210,794 *	8,562 *		

Percentage Change From Same Month in 1936

Jan.	+23.0	+11.2	+6.2	+4.0
Feb.	+29.9	+13.9	+8.0	+5.4
Mar.	+30.3	+15.1	+6.2	+7.2
Apr.	+32.2	+14.7	+4.4	+11.3
May	+29.7	+13.9	+1.5	+13.1
June	+26.8	+12.2	0.0	+13.6
July	+25.2	+11.2	-1.6	+14.9
Aug	+24.1	+ 9.4		

* Preliminary

EARNINGS OF A SAMPLE GROUP OF CORPORATIONS

(Millions of dollars)

	142 Railroads 1/	515 Industrials 2/
1st six months 1936	238.0	557.3
1st six months 1937	297.3	757.9
Percentage increase 1936 to 1937	24.9%	36.0%

1/ Net operating income. Source: Bureau of Statistics, Interstate Commerce Commission.
2/ Net profit. Source: National City Bank.

	RESIDENTIAL CONSTRUCTION CONTRACTS		INDEX OF RENTS (NICB)	
	Index (1923-25 av. = 100)	Percentage Change From 1936	Index (1923-25 av. = 100)	Percentage Change From 1936
Jan.	45	+80.0	82.2	+11.2
Feb.	47	+88.0	82.8	+11.7
Mar.	45	+73.1	84.2	+12.7
Apr.	44	+46.7	85.2	+12.3
May	44	+37.5	86.1	+11.7
June	42	+16.7	86.6	+11.6
July	44	0.0	87.1	+11.5
Aug.	41*	-10.9	87.8	+10.7

*Preliminary

MERCHANDISE IMPORTS AND EXPORTS (MILLIONS OF DOLLARS)

	EXPORTS		IMPORTS	
	1937	Percentage Change From 1936	1937	Percentage Change From 1936
Jan.	222	+11.6	240	+28.3
Feb.	233	+28.0	278	+44.0
Mar.	257	+31.8	307	+54.3
Apr.	269	+39.4	287	+41.4
May	290	+44.3	285	+48.4
June	265*	+42.5	286*	+49.7
Total 6 mo.	1,536	+32.9	1,683	+44.5

*Preliminary

	U. S. MONETARY GOLD STOCK (millions of dollars)			NET GOLD IMPORTS (millions of dollars)
	Total	Inactive Account	Other	
Dec. 31, 1934	8,238	0	8,238	1,134
Dec. 31, 1935	10,125	0	10,125	1,739
Dec. 31, 1936	11,258	27	11,231	1,117
Sept. 15, 1937	12,651	1,120	11,531	1,360

NET INFLOW OF CAPITAL

1934	386
1935	1,537
1936	1,150
1st six months 1936	537
1st six months 1937	944
Percentage increase	75.8

CASH FARM INCOME (IN MILLIONS OF DOLLARS)

	Total Income	Income From Farm Marketings	Rental and Benefit Payments
1934	6,348	5,792	556
1935	7,090	6,507	583
1936	7,865	7,578	287
1937	9,000*	8,575*	425*
1st six months 1936	3,294	3,125	169
1st six months 1937	3,832	3,503	329
Percentage increase	+ 16.3	+ 12.3	+ 94.7
2nd six months 1936	4,571	4,453	118
2nd six months 1937	5,168*	5,072*	96*
Percentage increase	+ 13.1*	+ 13.9*	- 18.6*

*Estimated

September 20, 1937.
L. B. Currie

SOME ASPECTS OF THE CURRENT SITUATION

The national income for the year as a whole should make a very gratifying comparison with the previous year. Our production index for the first eight months has averaged 116 as contrasted with the average of 105 for the entire year 1936. In addition, the national income, or the value of production, will be considerably higher because of the average higher level of prices that has prevailed this year. An increase in the national income on this score, of course, does not mean a real increase in terms of goods and services. However, the cost of living will probably average only about 4 percent higher than in 1936, and the percentage increase in the national income should be very much in excess of this figure.

The B. L. S. index of employment in the combined manufacturing, non-manufacturing, and railroad industries rose 5 percent from January to June. If we can assume that the same rate of increase took place in those industries and occupations for which no statistics are available this would represent a growth in employment, not including agricultural workers, of the magnitude of 1,667,000 persons.

Turning to profits, results for mining and manufacturing, and again for the year as a whole, should be relatively satisfactory. For the first six months of 1937 profits of these groups ran some 30 percent over the first six months of 1936. Assuming little increase for the final six months, the results for the year as a whole should be some 15 to 20 percent above 1936.1/ This, coming on top of a 50 percent advance

1/ Standard Statistics estimates that industrial earnings will average 20 to 25 percent over 1936, and utility company earnings at least 15 percent over 1936.

in 1936 over 1935, would mean a relatively satisfactory rate of return on the net worth of mining and manufacturing concerns. It is estimated that the ratio of profits to net worth of such companies will approximate 4.6 percent this year, as contrasted with an average of 5.1 percent for the five year period 1925-1929. Comparisons for railroads and utilities will, of course, be far less favorable. On the basis of a sample study by Standard Statistics of 176 industrial corporations for the first six months in 1937 it was found that the average ratio of net income to sales was 8.5 percent as compared with 8.4 percent for the corresponding 1936 period. Excluding the automobile companies, indicated margins for the two periods were 7.7 percent and 5.6 percent respectively. These, of course, are results for a very small sample.

In general, it would appear that the harmful effects of wage advances in excess of increases in efficiency have not been reflected so much in a decrease in profits as in price advances. Except for industries in which prices are regulated, or in which it is difficult for other reasons to advance prices, business men do not experience much difficulty in passing along cost advances in the upward phase of the cycle. The real trouble lies in the disrupting effect of generalized price advances which lead to serious intermediate fluctuations and, in the case of building, to a serious interruption of the general upward movement. The absence of any advance in industrial production since March, the leveling off in building, and the present hesitant state of business settlement are probably in large part traceable to the violence of the upward surge in costs and prices in late 1936 and in the early part of 1937.

The Administration is occasionally criticized for putting a damper on business. It is more open to criticism, however, in allowing the movement to have gone so far last winter before exercising any restraining measures. It still remains the most advisable policy to discourage any price advance and only encourage such increases in profits and wages as reflect increasing productivity.

The investment of mining and manufacturing in new plant and equipment for 1937 promises to be satisfactory. For the first six
is so estimated
months Mr. Terborgh estimates that expenditure for manufacturing equipment increased 35 to 40 percent over one-half of the total for 1936. For the year as a whole he estimates that the expenditures on new plant and equipment, exclusive of repairs, will amount to $3.4 billion, as contrasted with $2.4 billion in 1936 and $3.2 billion in 1928. This is constructive, not only as indicating that a substantial volume of expenditures that increase incomes without increasing the flow of finished goods correspondingly is taking place, but also as indicating that mining and manufacturing is getting in a position to handle a larger volume of production. It further indicates that the bulk of plant and equipment expenditures is being financed without recourse to the new issue market.

When we turn from comparisons of the year as a whole with last year, to comparisons of the last quarter with the last quarter of 1936, prospects appear far less promising. One bright spot appears to be farm income. For the year as a whole it is expected to approximate $9 billion, which would constitute an increase of over $1 billion or 14 percent over 1936. Much of the increase does not constitute a net increase in national buying power, but rather a transfer of buying power from non-farmers to farmers. Part of it, however, represents income derived from increased sales to foreigners and to people at home who will hold increased stocks, thus adding to the carry-over. Both these types of sales, which represent a net increase in national buying power, should be particularly important in the last quarter.

Another factor of new and undetermined importance is the effect of the working of the tax on undistributed earnings. This has the effect of swelling the volume of dividend disbursements in the last quarter of the year. Although most of such disbursements probably accrue to wealthy individuals and institutions and are in large part destined for the capital market or the Government, still an appreciable part must go to swell current sales of finished goods. Since net profits promise to be some 15 to 20 percent higher than in the previous year, dividend disbursements should be correspondingly increased.

Apart from the agricultural situation and the working of the tax on undistributed earnings it is difficult to ascertain anything that will afford an impetus to the recovery movement in the immediate future. What is needed for an increase in incomes is an increase in expenditures for plant and equipment, for inventories, or for housing, or increased expenditures of public bodies over and above tax receipts.

Since industrial production has failed to advance since March, and in view of the present hesitant state of business sentiment, there appears to be little prospect for an increase in plant and equipment expenditures above their present level. Indeed, the disturbed conditions in the security markets,and the adverse psychological reactions arising therefrom, may even result in some recession from current levels.

In view of the steadiness of wholesale prices and the general absence of any expectation of a near upturn there appears to be little reason to expect an increase in expenditures for inventory purposes. The important steel industry has been sustaining its rate of production in part by eating into its backlog of orders and apparently in part by replenishing some of its own depleted stocks. There is serious question whether the inflow of new orders will be sufficient to maintain production at its present rate in the next three or four months.

As indicated in the recent study by Gayer and Krost it is expected that the contribution of the Federal Government to total community expenditures will decline in the fiscal year 1938 by some figure in the range from $2.5 billion to $3.8 billion. This will be a drastic reduction. It does not mean, however, that private expenditures must increase by this amount in order to prevent a downturn of business. It means that private expenditures must increase by this amount if the same contribution to the increase in the national income is to occur. Actually, the Federal Government may still make some contribution to the growth in total community expenditures. The study just mentioned presented maximum and minimum estimates of the Federal contribution for the fiscal year 1938. They ranged from $+4 billion to $-700 million. A midway point would be $+1.7 billion. The broader conclusion seems warranted that a major factor in the recovery from June 1936 to June 1937 will be very substantially reduced in the present fiscal year. On this score we may expect the rate of recovery to be diminished.

Present trends in the residential building field offer little prospect of a sustained upturn in the next few months. The Dodge figures for contracts awarded by months in 1937, broken down into publicly-financed and privately-financed, are shown in the following table, together with the percentage increase over the same months in 1936. It will be observed that the percentage increase over the previous year in the series for privately-financed residential building, which is the series that most accurately measures the trend in this field, has been declining steadily. This is due to the leveling off in construction this year in comparison with the substantial increase that occurred in the first half of 1936.

TABLE 1

RESIDENTIAL CONTRACTS AWARDED
(In millions of dollars)

	1937			Percentage Increase over Previous Year	
	Total	Publicly Financed	Privately Financed	Total	Privately Financed
Jan.	79	20	59	114	74
Feb.	63	0	63	103	125
Mar.	90	4	86	64	65
Apr.	108	1	107	61	62
May	84	1	83	20	19
June	93	14	79	26	13
July	81	7	74	13	3
Aug.	74	1	73	-27	6

Source: F. W. Dodge figures for 37 Eastern States.

It is believed that this leveling off is probably a reflection of the sharp rise in costs that has been in progress since the middle of 1936. Incomes have continued to increase, rents have risen, and before the cost advances occurred increases in activity were generally anticipated.

1/Average hourly earnings in the construction industry have increased 16 percent since the middle of last year, and building materials prices have increased 13 percent, according to the Bureau of Labor Statistics. Profit margins of speculative builders and other contractors have probably increased as much or more. Land prices have also advanced but no data are available to indicate how much. Since last year these increases, which enter into the purchase price of houses, have been offset only to a limited extent by further declines in mortgage rates.

Since May there has been a slight decline in building materials prices and in some instances builders' margins have also decreased, but average hourly earnings in the building trade have continued to rise and in many localities are currently higher than before the depression.

Tables 2 and 3 show the course of average hourly earnings in the building industry and in other selected industries and show that the growth during the past year has been greater in the building industry than in the other groups, although not so large as in some of the individual manufacturing lines. Table 4 shows the rise of building material prices with separate figures for leading materials.

1/ The following six paragraphs were written by Mr. Garfield.

The average wage paid in the building construction industry in July was 94 cents an hour as compared with 66 cents in manufacturing, 88 cents in coal mining, 85 cents in the electric power industry, 71 cents in wholesale trade, and 56 cents in retail trade. Owing to the fact that employment in the building trades is frequently of short duration, however, the figures for hourly earnings do not give a true picture of the relationship between workers' incomes in this industry and in industries in which employment is more steady.

Wide differences exist among the rates paid building workers in the various trades and regions and between union and nonunion rates. This is shown for 1936 in Table 5.

The slowing down in the recovery for residential building has come at a level of activity substantially lower than that required to meet the needs and demands of the country for additional housing. The annual rate reached this year is only about 350,000 as compared with the 600,000 estimated by Mr. Terborgh as regular requirements arising from increasing population and replacements of demolished structures and an additional 200,000 or 300,000 per year which might be anticipated for several years to make up a special demand arising out of the existing shortage, delayed marriages, undoubling, and that part of migration from the farm to the cities attributable to recovery. The record of the actual amount of non-farm residential building in recent years is shown below:

1925	(high)	937,000	1933		54,000
			1934		55,000
1929		509,000	1935		144,000
			1936		282,000
1932		74,000	1937	(est.)	350,000

Thus the immediate prospects are not encouraging in one of the most important fields on which we have to rely for continued recovery. In time, doubtless, the pressure of the growing housing shortage reflected in rising rents will stimulate building. A stimulation of building brought about in this way, however, will raise serious problems in the maintenance of economic stability in the future. No one can contemplate the consequences of a long-delayed building boom on the basis of exorbitant rents and costs with any equanimity. It is vitally important, therefore, on two counts to secure an early stimulus to building. It is necessary for the continuance of recovery and the maintenance of longer-run stability.

I will not enter into a discussion of the defects of the Wagner-Steagall Housing Act, of the necessity of stimulating building of apartment dwellings and limited dividend housing units through amendments to the National Housing Act, and of the necessity of restraining building costs advances, as you are so conversant with these matters I could add nothing. I would like again, however, to suggest for your consideration the possibility of lowering the costs of ensured mortgages on a sliding scale principle.

While I do not feel that the financing costs under the F. H. A. are excessive for an 80 percent mortgage, some provision might be made for lower charges on lower mortgages. Perhaps something along the following lines might be worked out:

Mortgage	Maximum rate	Service charge	Insurance charge	
80%	5%	½%	½%	) On outstanding
70	4¾	"	2/5	) balances rather
60	4½	"	3/10	) than on original
50	4¼	"	1/5	) principle.

Perhaps also the period of the amortization might be extended for homes financed with mortgages of less than 80 percent.

I have been able to do little more than list two factors that should operate to increase incomes and spending in the next quarter and list several that offer little prospect of increasing incomes and may actually operate to decrease incomes. It is not possible to do anything in the way of evaluation of the quantitative magnitudes of the conflicting forces. Hence, any forecast cannot pretend to be more than a hunch or a guess. My hunch, for what it is worth, is that the final quarter will witness some recession. In view, however, of the magnitude of the orders and contracts already let and the momentum of the recovery movement, a recession from levels recently prevailing, if it does occur, should not prove serious.

TABLE 2

AVERAGE HOURLY EARNINGS

Cents Per Hour

	Building	Manufacturing	Bituminous coal	Retail trade
1935 average	81	57	75	52
1936 first quarter	80	57	78	52
second quarter	81	57	80	52
third quarter	83	57	80	53
fourth quarter	85	58	79	52
1937 first quarter	88	60	79	53
second quarter	90	65	89	55
July	94	66	88	56

Source: Based on Bureau of Labor Statistics' data.

TABLE 3

AVERAGE HOURLY EARNINGS

Cents Per Hour

	1936	1937		Increase second quarter 1936 to July 1937 (Percent)
	Second quarter	Second quarter	July	
Building	81	90	94	16
Manufacturing	57	65	66	15
Durable	62	71	72	16
Iron and steel	66	86	86	30
Automobiles	77	89	92	20
Lumber, sawmills	47	52	54	15
Cement	57	66	67	17
Nondurable	53	58	59	11
Cotton goods	37	42	42	14
Meat Packing	56	68	69	23
Shoes	50	51	52	4
Petroleum refining	81	95	97	20
Tires and tubes	87	95	97	11

Source: Based on Bureau of Labor Statistics' data.

TABLE 4

WHOLESALE PRICES OF BUILDING MATERIALS

(Indexes of the Bureau of Labor Statistics; 1926 = 100)

	Total	Brick and Tile	Cement	Lumber	Paint & Paint materials	Plumbing and heating	Structural steel	Other building materials
1935 average	85	89	95	81	80	69	92	90
1936								
first quarter	86	89	96	82	79	73	92	89
second quarter	86	89	96	83	79	74	92	90
third quarter	87	89	96	84	81	77	97	90
fourth quarter	88	89	96	87	81	77	99	91
1937								
first quarter	94	91	96	98	84	77	107	96
second quarter	97	95	96	103	84	79	115	101
July	97	95	96	101	84	79	115	101
August	96	96	96	100	84	79	115	101

TABLE 5

WAGES IN THE BUILDING TRADES, last quarter 1936.

Dollars Per Hour

	Carpenters		Bricklayers		Common laborers	
	Union	Non-union	Union	Non-union	Union	Non-union
New England	1.07	.80	1.25	1.03	.67	.49
Middle Atlantic	1.24	.85	1.45	.94	.57	.48
East North Central	1.22	.80	1.34	1.03	.70	.49
West North Central	1.10	.77	1.33	1.02	.74	.44
South Atlantic	1.15	.76	1.29	.95	.56	.37
East South Central	.90	.71	1.21	1.01	.35	.34
West South Central	.98	.75	1.21	.89	.36	.36
Mountain	1.19	.80	1.32	.92	.51	.44
Pacific Coast	1.09	.92	1.41	.93	.65	.57

Source: Bureau of Labor Statistics.