

PHILADELPHIA CHAPTER OF THE
AMERICAN STATISTICAL ASSOCIATION

The Philadelphia Chapter of the American Statistical Association will hold a meeting in the Christian Association Building, 36th and Locust Streets, on Friday, May 19, 1944 at 6:30 p.m.

Our topic for the evening is:

"POST-WAR INDUSTRIAL ACTIVITY AND EMPLOYMENT"

Introductory speaker: (If calendar will permit)

Mr. C. A. Sienkiewicz, Vice-President
Federal Reserve Bank of Philadelphia

Principal Speaker:

Dr. Karl Bopp, Director of Research
Federal Reserve Bank of Philadelphia

This timely and increasingly important topic is a fitting one for our final meeting this year. Both speakers are eminently qualified to present this topic as they are currently engaged in research work covering the above subject for this area with Mr. Sienkiewicz as Chairman and Mr. Bopp as Vice-Chairman of the Research Committee, Committee for Economic Development.

Mr. Leonard A. Drake, Regional Business Consultant, U. S. Department of Commerce, will lead off in the discussion with some observations and questions directed to the principal speaker.

The final meeting will include the installation of new officers.

The price of the dinner is \$1.50. Non-members are cordially invited to attend.

Your prompt reply on the enclosed notification card will be sincerely appreciated.

Benedict Saurino, Manager
Statistical Research Division
Sun Oil Company

POST-WAR INDUSTRIAL ACTIVITY AND EMPLOYMENT

by
Karl R. Bopp

Address delivered before
Philadelphia Chapter
American Statistical Association

Christian Association Building
36th and Locust Streets
Philadelphia, Pennsylvania
Friday, May 19, 1944
6:30 p.m.

POST-WAR INDUSTRIAL ACTIVITY AND EMPLOYMENT

Introduction

1. Promised Leon Henderson *Leon now shines like a noon - doesn't come for nothing*
2. Promised CAS *Cas doubles in price and has a meeting in Easton*
3. ^{3^d rate} New man but the same topic - would not have chosen voluntarily
4. "In 1943 they rationed gas. They rationed shoes, too, and butter and jam and jelly. Hens' eggs were scarcer than hens' teeth. And lots of men with shaving mugs couldn't find brushes to shave them with."

No rationing on post-war planning.

Zero in arithmetic

100 in post-war planning

5. Endless variety of plans, programs, and predictions
 - a. C.E.D. goal - not over $1\frac{1}{2}$ mil. unemployed
 - b. War Manpower Commission - 8 mil.
 - c. Julius Hirsch - 10-12 mil.
 - d. Leon Henderson - 16 mil.
 - e. Senate Military Affairs Subcom. - 19 mil.
 - f. Some labor leaders - 30 mil.
6. National and local conditions
7. Long-run and transitional periods

I. Functioning of the national economy

A. General statement

1. Gross production and gross income
2. Income - consumption and saving
3. Saving, offset to saving, and hoarding

B. The magnitude involved

1. Wartime expansion
 - a. Labor force
 - b. National production - ^{year} false inflation
2. Post-war problem - long run

Maintaining high level of employment
($55\frac{1}{2}$ mil.) + 2 mil. unemployed + 1.9 mil.
armed forces and high level of gross
national product - say, \$175 bil. (1943 \$).

How to fill the gap resulting from reduc-
tion in military expenditures from \$81 bil.
to \$6 bil. with consumption already at a
high level.

And with constant technological advance.

How to expand consumption and/or investment.

- a. Consumption - usually considered
intractable

Income and retail sales

Durable goods up, say, \$20 billion

Is consumption intractable?

Automobile industry - travel and
vacations

Price reductions

Income increases

b. Investment - offsets to saving

Estimate of \$30 bil. savings with
national income of \$150 bil. - 20%

Greatest net new capital formation not
over 12 per cent of national income.

C. Policies to increase investment and consumption

1. Fiscal and monetary policies

To maintain demand at appropriate level

a. Budget

(1) Taxation

(a) Progressive income and
inheritance taxation

(b) Simple, so can adjust rates only

(c) Current collection

(2) Expenditures

(a) Ordinary outlays regular

(b) Surplus public works

"Let the surplus public works serve
as monuments to our lack of imagination
and the low level of our public morals!"

b. Monetary policies

Coordination of all agencies having
monetary policies ~~was~~

General instruments

Selective instruments

2. Flexibility in price-wage structure

a. Control of monopoly in all areas

3. Appropriate climate

a. Incentives to expand

D. Transitional aspects

1. A time pattern - aspects merge into each
other

a. To the end of the European war - 1944

b. From then to end of Pacific war - 1945

c. Retooling and reconversion - 1946

d. Restocking or catching up - 1947-48

e. The long pull - 1948 on

2. Characteristics of these periods

already going on

*9.502 war-contract terminations = \$6.5 bill
to September 1943*

Sen. Murray of Montana pay \$176.00

II. The local situation

A. The local C.E.D.

B. The labor force report

How does the system
on Iner increase

could cut more
in war

(1/3)

Indiv Respons
rights

output with

