

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Statement for the Press

For release in morning papers,
Wednesday, January 8, 1941.

The following statement of industrial production in December and the year 1940 will appear in the January issue of the Federal Reserve Bulletin.

Estimates now available for December indicate a figure of about 136 for the Board's seasonally adjusted index of industrial production as compared with 133 in November and 129 in October. Actual volume of output, which usually declines in November and December, showed little change during this period and was about 7 per cent greater than in the peak period at the end of the previous year. In December the seasonally adjusted index of durable manufactures apparently showed a rise of about 5 points to 160 per cent of the 1935-1939 average and nondurable manufactures rose 2 points to 122, while minerals remained unchanged at 118.

For the year 1940 as a whole the Board's index averaged 122 as compared with 108 in 1939, 113 in 1937, and 110 in 1929. The rise over 1939 was most marked in output of durable manufactures but, as the table indicates, nondurable manufactures and minerals also increased materially. The increase over 1929 for the year 1940 was almost entirely in nondurable manufactures and in minerals, but by December 1940 production of durable manufactures was substantially above the high point reached in the summer of 1929. As has been indicated elsewhere, particularly in the Federal Reserve Bulletin for September 1940, the index of industrial production should not be taken as a single adequate measure of the economic well-being

of the nation. Especially over long periods considerable allowance needs to be made, not only for changes in the nature and quality of industrial products, but also for many other developments, including changes in other types of production, in foreign trade, in the size and composition of the population, and in the division of income.

Industrial Production
(1935-39 average = 100)

Year	Indus- trial produc- tion	Manu- factures	Dur- able manu- factures	Non- durable manu- factures	Min- erals
1929	110	110	133	93	107
1932	58	57	41	70	66
1933	69	68	54	79	76
1936	103	104	108	100	99
1937	113	113	122	106	112
1938	88	87	78	95	97
1939	108	108	108	108	106
1940*	122	123	135	113	117

*All 1940 figures are preliminary estimates.

Preliminary annual estimates for the various group indexes are shown in the table on the following page. The largest increases for the year, as compared with 1939, were in the metals, machinery, and transportation equipment groups of industries. Production was larger than for any previous year in most groups, the principal exceptions being lumber, leather, and alcoholic beverages.

Industrial Production
(1935-39 average = 100)

Year	Durable manufactures						Nondurable manufactures										Minerals	
	Iron and steel	Ma-chinery	Trans- portation equip- ment	Non-fer- rous metals and prod- ucts	Lum- ber and prod- ucts	Stone, clay, and glass prod- ucts	Tex- tiles and prod- ucts	Leath- er and prod- ucts	Man- ufac- tured food prod- ucts	Alco- holic bev- erages	To- bacco prod- ucts	Paper and prod- ucts	Print- ing and pub- lish- ing	Petro- leum and coal prod- ucts	Chem- icals	Rub- ber prod- ucts	Fuels	Metals
1929	135	130	134	136	146	110	94	95	101	-	96	85	104	96	89	100	103	134
1932	33	43	38	52	51	51	71	76	79	-	79	65	74	69	68	64	72	35
1933	55	50	48	60	63	54	88	88	83	-	80	76	75	74	76	77	80	50
1936	114	105	111	104	105	103	104	103	98	109	99	98	99	97	99	107	99	102
1937	123	126	125	124	113	114	106	102	103	108	103	107	109	108	112	104	109	127
1938	68	82	70	80	90	92	85	93	101	96	102	95	96	100	96	83	99	86
1939	114	104	100	114	106	114	112	104	108	98	106	114	106	110	104	113	105	113
1940*	144	135	134	145	116	120	115	95	113	101	109	122	110	116	115	118	114	133

*All 1940 figures are preliminary estimates.