



SURVEY OF CURRENT BUSINESS WEEKLY SUPPLEMENT



UNITED STATES DEPARTMENT OF COMMERCE
BUREAU OF FOREIGN AND DOMESTIC COMMERCE

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SUMMARY OF BUSINESS TRENDS

THE FIRST decline in industrial output in more than a year was caused by management-labor disputes in April. Demand remained extremely heavy and activity in a number of defense and nondurable industries expanded. However, reduced production in coal, steel, and automobiles more than offset other gains to bring some decrease in aggregate output.

The largest decline occurred in bituminous coal. Closing of most union mines throughout the month reduced output about 87 percent, a drop equivalent to a more than 4-point decrease in the Federal Reserve adjusted index. Moreover, by the end of the month the steel industry felt the effects of the coal stoppage and activity fell from 100 percent of capacity to 94 percent. Another sharp decline was created in the automobile industry by the shut-down of the Ford Motor Company. This lowered total weekly output of cars to 100,000 units and decreased production for the month as a whole by about 15 percent. Among other industries of importance for which weekly data are available, cotton consumption again increased more than seasonally, while production of crude petroleum remained virtually unchanged.

The drop in coal activity was the chief reason for an 8-percent decline in aggregate freight carloadings. Shipments of coke

and grain also fell, but miscellaneous freight moved in larger volume. Ore shipments rose sharply with the opening of Lake traffic. Decreased industrial activity also reduced electric power output, the weekly average of 2,816 kilowatt hours in March falling to 2,738 in April.

In the price area, two developments featured the events of April. The first was the establishment of maximum prices for iron and steel by the Office of Price Administration and Civilian Supply, and the second, the slackening in the pace of the recent advance in basic commodity prices. In the course of the month, the 28 commodities index (August 1939=100) rose from 134.4 to 137.2, a comparatively small rise for this sensitive index. Moreover, in contrast to the experience of recent months, little change occurred in import prices. Rather, the rise was chiefly confined to a few farm and food products now being purchased in the open market by the Government. Such purchasing is largely for export (as in the case of lard, where prices advanced from 7.9 cents a pound to 8.5 cents), or it represents an effort to support prices in order to expand output (as in the case of hogs, the price of which increased from \$7.92 per 100 pounds to \$8.77).

SELECTED BUSINESS INDICATORS



