



SURVEY OF CURRENT BUSINESS WEEKLY SUPPLEMENT

UNITED STATES DEPARTMENT OF COMMERCE
BUREAU OF FOREIGN AND DOMESTIC COMMERCE



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BUSINESS CONDITIONS IN JANUARY

Notwithstanding disruption of normal activity in a number of lines, business again moved ahead in January. Industrial output as a whole was higher as heavier production in armament industries more than offset declines among the consumer durables, and the reduction among certain nondurables was less than the usual seasonal. Power output and rail carloadings recovered very sharply after the year-end letdown. The former approached the December peak, while loading of freight rose to a weekly total of 817,804 cars, 16 percent ahead of the like period a year earlier. The bulk of this transport gain continues to be in industrial freight, though shipments of grain and forest products are also higher than in early 1941. The movement of coal has increased but to a smaller extent than for other commodities.

Construction activity remains extremely heavy for this time of year as work is pushed forward on the immense amount of military building that is now required. Since December (when activity was already extremely large), construction schedules on all phases of the military program have been stepped up markedly, and the aggregate of this type of building is now at an annual rate approaching the total of all new construction in 1940.

Retail trade developments—discussed in some detail last week—featured the rush of consumers to stock up on many commodities. This wave of purchasing converted what is usually a dull month into one of extraordinary activity. The situation was typified by the rise in the Federal Reserve's adjusted index of department store sales which climbed from 111 in December to 138, the highest index on record.

Rise in Industrial Output

Industrial output has continued to expand in the aggregate in spite of a more severe curtailment of production for civilian use. Those industries moving ahead most rapidly in past months—aircraft, shipbuilding, machinery, and to a lesser extent, the railway equipment lines—still were in the vanguard of the advance. The important metal-producing industries showed relatively little change for the most part, with steel operations again averaging a little better than 97 percent of capacity. In answer to the heavy construction demand, lumber output was down less than seasonally.

Additional curtailment among consumer durables occurred chiefly in the electrical appliances. Automobile production was little changed from December, as manufacturers finished out sizable passenger car quotas. Althogether, approximately 296,000 units (including a small Canadian output) left assembly lines in January, as contrasted with 290,000 units a month earlier. It is within the current month that activity in this major industry is dropping severely, the result of the prohibition of passenger car normal output.

Among the nondurables, the few declines that occurred were smaller than those usually in evidence at this time. Cotton consumption apparently was up slightly for the month while wool consumption and rayon deliveries appear to have maintained the high levels of earlier months.

Change in the Pattern of Output Expected

The pattern of industrial output during January reflected only in part the changes that are expected over ensuing months. The principal expansion—one of staggering magnitude—is to be in those industries turning out military supplies, including merchant ships. At the same time, however, a very substantial amount of construction is required—new plants, military fortifications and airfields, barracks, and essential housing.

The expansion of plant capacity and the increased output of all types of mechanical armament will make necessary a continued growth of machinery production. In part, this is to be accomplished with new productive facilities, but a large advance is also possible through the more intensive utilization of existing plant.

Finished armament production and other capital formation embody large quantities of the metals. Capacity for the production of steel and all the nonferrous metals is now being stepped up in varying degree, and production of these will expand. The rapidity with which the aggregate output of durable goods can be increased rests to some extent on the rate at which this new metal producing capacity can be made ready.

Meanwhile, the chief reduction in the output of consumers' goods is to be among the metal-using consumer durables. Production of such commodities as passenger automobiles and the electrical appliances is to be virtually eliminated for civilian use. However, activity in some lines—radios are an example—will continue to be sizable because of military demand.

Curtailement of output for civilian use will also reach into the nondurables, though to a much smaller extent. Wool consumption as a whole faces a prospective decline from the record peak of 1941 because of a likely reduction in imports (more than half of 1941 wool supplies were imported, chiefly from South America and Australia). In addition, a much larger proportion of woolen output must be reserved for military use; hence civilian apparel and carpet wool consumption will be cut extensively.

A much smaller reduction in civilian shoe output is anticipated. About half of 1941 the hides and skins used for shoes were imported, as well as a considerable quantity of the tanning agents in use. These will all be in smaller volume this year, while military requirements again will be increased.

Of the other textiles, cotton consumption is the only one likely to be in a position to respond to a heavier demand during 1942. Raw material supplies are plentiful, and the more intensive use of existing plant and equipment will make possible a further expansion of activity. Similarly, an increase in farm production will add to the output of various processed foods.

Among the nondurable raw materials, by far the heaviest production advance is scheduled for the chemicals. This is to be brought about through the use of newly constructed facilities in support of explosive and munitions manufacture. Despite such new plant, however, further inroads are expected to be made in the chemical supplies available for civilian use. Likewise, pulp and paper production should remain heavy in the aggregate, but a growing proportion is to be earmarked for packaging of various war materials.

Earlier data are available in monthly issues of the Survey and the 1940 Supplement	1942	1941	1941		Earlier data are available in monthly issues of the Survey and the 1940 Supplement	1942	1941	1941	
	January	January	November	December		January	January	November	December
COMMODITY PRICES					Security markets—Continued.				
Prices received by farmers: U. S. Department of Agriculture:					Bonds—Continued.				
Combined index.....1909-14=100..					Yields—Continued.				
Chickens and eggs.....do.	147	100	157	153	Standard and Poor's Corporation:†				
Cotton and cottonseed.....do.	143	80	136	138	Domestic municipal (15 bonds):				
Dairy products.....do.	148	121	148	148	percent.....				
Fruits.....do.	102	78	98	98	U. S. Treasury bonds†.....do.	2.23	2.16	1.90	2.25
Grains.....do.	119	84	103	112	Stocks:	2.01	1.99	1.85	1.97
Meat animals.....do.	166	130	151	160	Cash dividend payments and rates				
Truck crops.....do.	204	124	158	162	(Moody's):				
Miscellaneous.....do.	167	104	128	154	Total annual payments at current rates				
CONSTRUCTION					Total annual payments at current rates				
Highway construction:					(600 companies).....mil. of dol.				
Concrete pavement contract awards:					Number of shares, adjusted.....millions				
Total.....thous. sq. yd.					Dividend rate per share (weighted average) (600 companies).....dollars				
Airports.....do.	2,490	832	535	2,964	Banks (21 companies).....do.	2.06	1.91	2.01	2.05
Roads.....do.	1,139	2,814	2,370	3,197	Industrials (492 companies).....do.	2.88	3.01	3.00	2.88
Streets and alleys.....do.	1,098	1,321	1,239	2,015	Industrials (492 companies).....do.	2.09	1.89	2.05	2.09
DOMESTIC TRADE					Insurance (21 companies).....do.				
Receipts, postal:					Public utilities (30 companies).....do.				
50 selected cities.....thous. of dol.					Rails (36 companies).....do.				
50 industrial cities.....do.					Prices:				
Mail-order and store sales:					Dow-Jones & Co., Inc. (65 stocks)				
Total sales, 2 companies.....thous. of dol.					dol. per share.....				
Montgomery Ward & Co.....do.	111,481	83,466	152,308	204,339	Industrials (30 stocks).....do.	37.86	43.82	39.53	36.92
Sears Roebuck & Co.....do.	69,627	49,971	88,963	119,069	Public utilities (15 stocks).....do.	111.11	130.17	116.91	110.67
FINANCE					Rails (20 stocks).....do.				
Federal Reserve banks, condition, end of mo.:					New York Times (50 stocks).....do.				
Assets, total.....mil. of dol.					Industrials (25 stocks).....do.				
Reserve bank credit outstanding, total					Railroads (25 stocks).....do.				
mil. of dol.					Standard and Poor's Corporation:†				
United States securities.....do.					Combined index (402 stocks)				
Reserves, total.....do.					1935-39=100.....				
Gold certificates.....do.					Industrials (354 stocks).....do.				
Liabilities, total.....do.					Capital goods (116 stocks).....do.				
Deposits, total.....do.					Consumer's goods (191 stocks)				
Member bank reserve balances.....do.					1935-39=100.....				
Excess reserves (estimated).....do.					Public utilities (28 stocks).....do.				
Federal Reserve notes in circulation.....do.					Rails (20 stocks).....do.				
Reserve ratio.....percent.					Other issues:				
Monetary statistics:					Banks, N. Y. C. (19 stocks).....do.				
Foreign exchange rates:					Fire and marine insurance (18 stocks)				
Argentina.....dol. per paper peso.					1926=100.....				
Brazil, official.....dol. per milreis.					Yields:				
British India.....dol. per rupee.					Common stocks (200), Moody's				
Canada.....dol. per Canadian dol.					percent.....				
Columbia.....dol. per peso.					Banks (15 stocks).....do.				
Mexico.....do.					Industrials (125 stocks).....do.				
United Kingdom.....dol. per £.					Insurance (10 stocks).....do.				
Gold, monetary stock, U. S.....mil. of dol.					Public utilities (25 stocks).....do.				
Currency in circulation, total.....do.					Rails (25 stocks).....do.				
Public finance (Federal):					Preferred stocks, high-grade (15 stocks),				
Debt, gross, end of month.....do.					Standard and Poor's Corp.†.....percent.				
Public issues:					TRANSPORTATION				
Interest bearing.....do.					Freight-car loadings (A. A. R.):†				
Noninterest bearing.....do.					Total cars.....thousands.....				
Special issues to Government agencies and trust funds.....mil. of dol.					Coal.....do.				
Obligations fully guaranteed by U. S. Govt.:					Coke.....do.				
Total amount outstanding.....mil. of dol.					Forest products.....do.				
Expenditures, total†.....thous. of dol.					Grains and grain products.....do.				
National defense.....do.					Livestock.....do.				
Agricultural adjustment program*.....do.					Merchandise, l. c. l.....do.				
Unemployment relief*.....do.					Ore.....do.				
Transfers to trust accounts†.....do.					Miscellaneous.....do.				
Interest on debt*.....do.					Freight-car surplus, total.....do.				
Debt retirements.....do.					Bus cars.....do.				
All others*.....do.					Coal cars.....do.				
Receipts, total.....do.					FOODSTUFFS				
Receipts, net*.....do.					Grains and grain products:				
Customs.....do.					Corn:				
Internal revenue, total.....do.					Receipts, principal markets.....thous. of bu.				
Income taxes†.....do.					Shipments, principal markets.....do.				
Social security taxes.....do.					Oats:				
Security markets:					Receipts, principal markets.....do.				
Bonds:					Wheat:				
Prices:					Shipments, principal markets.....do.				
Standard and Poor's Corporation:					Tropical products:				
High grade (15 bonds)†.....do.					Raw sugar, United States:				
Medium and lower grade:†.....do.					Meltings, 8 ports.....long tons				
Composite (50 bonds).....do.					Stocks at refineries, end of month.....do.				
Industrials (10 bonds).....do.					FUELS AND BYPRODUCTS				
Public utilities (20 bonds).....do.					Coal production:				
Rails (20 bonds).....do.					Anthracite.....thous. of short tons				
Defaulted (15 bonds)†.....do.					Bituminous.....do.				
Domestic municipals (15 bonds).....do.					Leather and products:				
U. S. Treasury bonds†.....do.					Hides and skins:				
Yields:					Livestock (federally inspected slaughter):				
Moody's:					Calves.....thous. of animals				
Domestic corporate.....percent.					Cattle.....do.				
By ratings:					Hogs.....do.				
Aaa.....do.					Sheep and lambs.....do.				
Aa.....do.					METALS AND MANUFACTURES				
A.....do.					Zinc:				
Baa.....do.					Production, slab, at primary smelters				
By groups:					short tons.....				
Industrials.....do.					Shipments, total.....do.				
Public utilities.....do.					Domestic.....do.				
Rails.....do.					Stocks, refinery, end of month.....do.				

* Revised.
† Preliminary.
*New series. See note on corresponding item in the January 1942 Survey.

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† Data for January and November 1941, and January 1942 are for 5 weeks; December 1941 is for 4 weeks.

Earlier data are available in monthly issues of the Survey and the 1940 Supplement	1941				Earlier data are available in monthly issues of the Survey and the 1940 Supplement	1941			
	December	December	October	November		December	December	October	November
DOMESTIC TRADE					LEATHER AND PRODUCTS				
Retail trade:					Leather:				
Automobiles, value of new passenger-car sales:					Production:				
Unadjusted.....1935-39=100..	103	150	100	114	Calf and kip.....thous. of skins	1,041	964	1,209	1,002
Adjusted.....do.....	162	169	93	128	Cattle hides.....thous. of hides	2,560	2,055	2,659	2,438
					Goat and kid.....thous. of skins	4,390	3,098	4,588	3,836
					Sheep and lamb.....do	4,303	3,320	4,796	4,408
EMPLOYMENT AND WAGES					Stocks of cattle hides and leather, end of month:				
National Industrial Conference Board:					Total.....thous. of equiv. hides	14,309	13,998	13,998	14,277
Average weekly hours per worker in factories.....hours	41.6	40.1	41.7	41.5	In process and finished.....do	8,981	9,544	8,490	8,780
Factory average weekly earnings.....dollars	36.08	30.28	35.65	35.74	Raw.....do	5,328	4,454	5,508	5,497
Factory average hourly earnings.....do	.863	.754	.853	.860	LUMBER AND MANUFACTURES				
FINANCE					National Lumber Mfrs. Assn.†				
Security markets:					Production, total.....mil. of bd. ft.	2,494	2,227	2,755	2,315
Bonds:					Hardwoods.....do	382	357	394	364
Sales (Securities and Exchange Com.):					Softwoods.....do	2,112	1,870	2,361	1,951
Total on all registered exchanges:					Shipments, total.....do	2,489	2,405	2,786	2,257
Market value.....thous. of dol.	134,712	125,383	125,151	88,348	Hardwoods.....do	371	383	432	373
Face value.....do	277,038	248,906	209,211	161,048	Softwoods.....do	2,118	2,022	2,354	1,884
On New York Stock Exchange:					Stocks, gross, end of month, total.....do	6,806	6,552	6,130	6,169
Market value.....do	116,561	103,243	109,880	76,382	Hardwoods.....do	1,855	1,487	1,243	1,234
Face value.....do	251,650	221,475	189,939	145,446	Softwoods.....do	4,951	5,065	4,887	4,935
Stocks:					Softwoods:				
Sales (Securities and Exchange Com.):					Southern Pine:				
Total on all registered exchanges:					Orders, new.....do	800	640	671	597
Market value.....thous. of dol.	1,085,599	706,231	493,570	509,040	Orders, unfiled, end of month.....do	621	498	633	603
Shares sold.....thousands	62,676	33,003	24,720	26,636	Production.....do	809	718	706	650
On New York Stock Exchange:					Shipments.....do	782	692	753	627
Market value.....thous. of dol.	929,046	596,806	413,151	422,423	Stocks, end of month.....do	1,425	1,503	1,375	1,398
Shares sold.....thousands	46,891	23,744	18,508	19,099	Western Pine:				
TRANSPORTATION					Orders, new†				
Financial operations (Class I steam railways):					Orders, unfiled, end of month.....do	421	390	401	345
Operating revenues, total.....thous. of dol.	479,560	381,937	517,605	457,012	Production.....do	357	344	641	436
Freight.....do	389,223	308,380	440,122	385,241	Shipments.....do	415	446	588	443
Passenger.....do	53,868	40,840	42,231	40,519	Stocks, end of month.....do	1,721	1,812	1,828	1,779
Operating expenses.....do	352,532	266,149	361,502	335,614	West Coast Woods:				
Net railway operating income.....do	80,549	78,851	93,657	88,765	Orders, new.....do	946	642	671	590
Communications:					Orders, unfiled, end of month.....do	827	693	607	587
Telephone carriers:					Production.....do	740	618	778	670
Operating revenues.....do	(*)	114,761	124,000	119,818	Shipments.....do	717	677	752	613
Operating expenses.....do	(*)	75,680	82,052	40,167	Stocks, end of month.....do	971	851	854	929
Net operating income.....do	(*)	21,988	20,165	19,645	METALS AND MANUFACTURES				
Phones in service, end of month.....thousands	(*)	19,670	20,954	21,067	Pig iron and iron manufactures:				
Telegraph and cable carriers:†					Castings, malleable:				
Operating revenues, total.....thous. of dol.	(*)	12,557	12,563	11,583	Orders, new.....short tons	56,587	66,665	70,528	60,745
Telegraph carriers, total.....do	(*)	11,654	11,493	10,436	Production.....do	71,311	60,155	84,296	66,738
Western Union Telegraph Co., revenues from cable operations.....thous. of dol.	(*)	540	553	533	Shipments.....do	70,744	60,127	82,004	68,983
Cable carriers.....do	(*)	903	1,073	1,147	Boilers and radiators, cast-iron:				
Operating expenses.....do	(*)	10,586	10,809	10,276	Boilers, round:				
Operating income.....do	(*)	1,291	784	390	Production.....thous. of lb.	1,115	1,934	2,091	1,133
Net income.....do	(*)	872	316	488	Shipments.....do	1,448	1,854	3,483	1,922
Radiotelegraph carriers, operating revenues.....thous. of dol.	(*)	1,348	1,316	1,197	Stocks, end of month.....do	11,182	11,021	11,912	11,168
CHEMICALS AND ALLIED PRODUCTS					Boilers, square:				
Paint, varnish, lacquer, and fillers:					Production.....do	19,642	18,964	29,461	21,104
Total.....thous. of dol.	40,050	27,326	49,103	39,789	Shipments.....do	17,380	18,547	37,360	24,502
Classified, total.....do	28,582	20,472	34,786	28,779	Stocks, end of month.....do	92,998	80,564	97,896	93,669
Industrial.....do	15,140	10,785	16,823	14,914	Radiators, ordinary type:				
Trade.....do	13,442	9,686	17,962	13,865	Production.....thousands of sq. ft. heating surface	6,300	6,245	7,647	5,484
Unclassified.....do	11,468	6,854	14,317	11,010	Shipments.....do	6,900	6,537	9,867	7,347
FUELS AND BYPRODUCTS					Stocks, end of month.....do				
Coal:					16,475	21,831	19,019	17,176	
Bituminous:					Steel, manufactured products:				
Industrial consumption, total.....thous. of short tons	37,216	32,637	34,978	34,555	Boilers, steel, new orders:				
Beehive coke ovens.....do	1,021	736	968	835	Area.....thous. of sq. ft.	1,929	1,563	1,341	3,755
Byproduct coke ovens.....do	7,352	6,999	7,050	6,848	Quantity.....number	997	835	957	1,310
Cement mills.....do	588	507	676	628	Electrical equipment:				
Coal-gas retorts.....do	149	171	143	143	Motors (1-200 hp.):				
Electric power utilities.....do	5,916	4,737	5,913	5,532	Polyphase induction, billings †				
Railways (class I).....do	9,226	8,072	8,742	8,747	thous. of dol.	6,957	4,358	6,298	5,388
Steel and rolling mills.....do	984	975	886	912	Polyphase induction, new orders.....do	8,176	6,397	6,903	5,410
Other industrial.....do	11,990	10,440	10,600	10,910	Direct current, billings.....do	2,552	1,412	2,314	2,074
Stocks, industrial and retail dealers, end of month, total.....thous. of short tons	62,737	50,998	61,401	61,763	Direct current, new orders.....do	4,602	2,065	2,903	2,860
Industrial.....do	53,397	42,978	51,501	52,013	PAPER AND PRINTING				
Byproduct coke ovens.....do	8,901	10,184	8,371	8,326	Wood pulp:				
Cement mills.....do	705	436	720	714	Production:				
Coal-gas retorts.....do	367	284	361	372	Total, all grades.....short tons	845,585	730,039	869,839	869,526
Electric power utilities.....do	12,821	11,336	11,919	12,427	Chemicals:				
Railways (class I).....do	10,235	5,921	9,548	9,726	Sulphate, total.....do	375,525	325,333	396,929	383,678
Steel and rolling mills.....do	968	827	909	903	Unbleached.....do	326,700	276,415	338,740	328,623
Other industrial.....do	19,400	13,990	19,670	19,540	Sulphite, total.....do	250,123	207,370	263,129	256,464
Coke:					Bleached.....do	144,123	121,677	155,239	142,832
Production:					Soda.....do	53,737	47,844	54,518	58,084
Beehive.....do	650	490	613	532	Groundwood.....do	166,200	149,487	155,263	171,300
Byproduct.....do	5,186	4,904	4,971	4,833	Stocks, end of month:				
Stocks, end of month:					Total, all grades.....do	94,800	178,700	92,600	98,500
Byproduct plants, total.....do	1,708	1,913	1,616	1,668	Chemical:				
At furnace plants.....do	832	742	871	817	Sulphate, total.....do	14,000	35,000	15,300	14,800
At merchant plants.....do	876	1,171	745	851	Unbleached.....do	9,600	31,100	9,900	9,900
					Sulphite, total.....do	27,800	78,200	38,700	38,000
					Bleached.....do	17,400	42,900	22,700	20,900
					Soda.....do	3,700	9,400	4,200	3,600
					Groundwood.....do	49,300	54,100	34,400	42,100
					TEXTILE PRODUCTS				
					Wool:				
					Stocks, scoured basis, end of quarter, total.....thous. of lb.	190,780	142,152		
					Woolen wools, total.....do	71,971	48,888		
					Domestic.....do	35,862	27,651		
					Foreign.....do	36,109	20,737		
					Worsted wools, total.....do	118,539	93,764		
					Domestic.....do	41,680	29,009		
					Foreign.....do	76,859	64,755		

* Deficit.

† Revised.

• Data for November are the latest available.

† Revised series. See note on corresponding item in the January 1942 Survey.