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EMPLOYMENT-UNEMPLOYMENT

HEARINGS

BEFORE THE

SUBCOMMITTEE ON PRIORITIES AND ECONOMY IN GOVERNMENT

OF THE

JOINT ECONOMIC COMMITTEE

CONGRESS OF THE UNITED STATES

NINETY-THIRD CONGRESS

SECOND SESSION

PART 2

JULY 5, AUGUST 2, SEPTEMBER 6, AND OCTOBER 4, 1974

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EMPLOYMENT-UNEMPLOYMENT

FRIDAY, JULY 5, 1974

CONGRESS OF THE UNITED STATES,
SUBCOMMITTEE ON PRIORITIES AND
ECONOMY IN GOVERNMENT OF THE
JOINT ECONOMIC COMMITTEE,
Washington, D.C.

The subcommittee met, pursuant to notice, at 11 a.m., in room 1202, Dirksen Senate Office Building, Hon. William Proxmire (chairman of the subcommittee) presiding.

Present: Senator Proxmire.

Also present: Loughlin F. McHugh, senior economist; L. Douglas Lee, professional staff member; and Michael J. Runde, administrative assistant.

OPENING STATEMENT OF CHAIRMAN PROXMIRE

Chairman PROXMIRE. The subcommittee will come to order.

Mr. Shiskin, we want to welcome you to our hearing on unemployment statistics and also on the changes in the employment statistics.

We are looking forward to your explanations. Your release is interesting and suggests that unemployment was stable last month, which comes as another pleasant surprise, inasmuch as many have said the expectation was that unemployment would increase, especially in the first quarter and particularly in the first half, and it hasn't done so. It is the same level as it was in January.

I think that within that figure, however, there are some very serious problems, particularly combined with what has happened to price levels.

So we have a number of questions and a number of issues and why don't you go ahead and give us your statement and then we will proceed with questioning.

STATEMENT OF HON. JULIUS SHISKIN, COMMISSIONER, BUREAU OF LABOR STATISTICS, DEPARTMENT OF LABOR, ACCOMPANIED BY W. JOHN LAYNG, ASSISTANT COMMISSIONER, OFFICE OF PRICES AND LIVING CONDITIONS; JAMES R. WETZEL, ASSISTANT COMMISSIONER, OFFICE OF CURRENT EMPLOYMENT ANALYSIS; AND NORMAN J. SAMUELS, ASSISTANT COMMISSIONER, OFFICE OF WAGES AND INDUSTRIAL RELATIONS

Mr. SHISKIN. Okay. I believe you know all the people with me today, who accompanied me earlier. To my left is Mr. Norman Samuels, who is our wage expert. I anticipated wage questions, so

I made sure he was sitting next to me. Jim Wetzel is to my right and is in charge of our current employment statistics. Finally you know Mr. Layng, who is in charge of our price statistics.

I do have a statement today and it is a little longer than usual, because I included some material on wages, which I had not done in the past.

Chairman PROXMIRE. Good and delighted to hear that. I was concerned about that.

Mr. SHISKIN. You have that statement in front of you, I trust?

Chairman PROXMIRE. Yes, go ahead; your press release will be printed in full in the record.

Mr. SHISKIN. Now, you have my statement in front of you?

Chairman PROXMIRE. I have both of them.

Mr. SHISKIN. Because I do have some tables. Okay, fine.

Mr. Chairman, our press release provides a detailed account of the changes in unemployment, employment, the labor force and hours between May and June 1974, and includes numerous comparisons with earlier periods. It describes an essentially stable situation between May and June. I thought it might be useful to supplement this statement with a few observations regarding trends over a longer period, especially during the first 6 months of this year. In view of the questions you raised last month, I have added some observations about discouraged workers and recent trends in wages and industrial relations.

First, the employment situation during the first half of 1974.

One, after reaching a peak of 6 percent in 1971, the unemployment rate declined to 4.6 percent in October 1973. Over the next few months it rose to 5.2 percent in January 1974.

At previous hearings, I have expressed the view that these rises were due mostly to energy shortages. Since January, the rate has fluctuated between 5 and 5.2 percent. This stability has also characterized the major demographic components—adult men, adult women, and teenagers.

Two, nonagricultural employment, as measured both in the household survey and the establishment survey, has been rising, though at a much slower rate than in 1972 and most of 1973. Since January, household nonagricultural employment has risen by about 860,000 and nonagricultural establishment employment by about 580,000. The relative strength of employment in view of the energy problems, continued inflation, and the high interest rates is noteworthy.

Three, hours of work have been declining, especially in manufacturing. Hours in total private nonagricultural industries declined from 37.1 in June 1973 to 36.8 in June 1974; hours in manufacturing declined from 40.6 in June 1973 to 40.1 in June 1974; and overtime hours in manufacturing declined from 3.8 in June 1973 to 3.3 in June 1974. Since hours of work have been a good leading indicator, these trends are also noteworthy.

Four, participation rates (the civilian labor force as a percent of civilian noninstitutional population), reached an alltime high during the first half of the year—61.3 in the first quarter and 61.1 in the second. As described in our special section in the release covering quarterly developments, this new high level reflected mainly a large increase in the participation of adult women and teenagers.

Five, while there was some increase in the total number of persons expressing some desire to have a job, the number of discouraged workers—those who want work but are not looking for a job specifically because they think they cannot find one—has been virtually the same for the last three quarters, averaging about 680,000. It should be noted, however, that while over the long run the number of such workers has moved in tandem with the underlying trend of the unemployment rate, the two series have often diverged over shorter spans.

Second, is recent developments in wages and industrial relations.

One, general observation: Since April, significant changes in wage trends have been observed not only in the collective bargaining sector, but in general wage movements as well. Three causes appear to have been involved: (1) the lifting of controls, (2) the new minimum wage law, effective May 1, and (3) the continued rapid rises in consumer prices. The result has been an increased tempo in collective bargaining with new and escalated demands that have engendered significant numbers of strikes.

Two, wages: The Hourly Earnings Index since April has risen at a 13-percent annual rate, approximately twice the rate at which it had been rising.

Three, major collective bargaining agreements: Major collective bargaining agreements have also shown significant increases in May and June over earlier bargaining decisions, as shown in the comparisons below:

The first year adjustments in the agreements, for all industries, equaled 8.6 percent during May and June 1974, compared to 6.2 percent in the first quarter.

Now over-life-of-contract, Senator, they equaled 6.7 percent compared to 5.3 percent in the first quarter. For the construction industry, the first year adjustments equaled 8.9 percent in May and June, compared to 5.2 percent in the first quarter. And over-life-of-contract equaled 9.2 percent, compared to 4.8 percent.

In addition to the sharp advance in wage settlements, nearly one-third of a million workers have been newly covered by escalator clauses since the beginning of the year, of which two-thirds were newly covered in May and June.

I also want to take this opportunity to call to your attention the impact of recent price changes upon our series on average first-year wage agreements. Many agreements include escalator clauses which key wage payments to CPI. The effects of these clauses on wages cannot be determined at the time of the agreements, because the amounts of the price increases in the months ahead are not known.

The effects upon wages can, however, be calculated retroactively, and this is done in the attached table. It shows, as anyone who follows price movements would expect, that the additions to wages as a result of the escalator clauses have been increasing substantially.

In the attached table, we are able to measure and show the full impact of the escalator clauses only through the third quarter of 1973, because these clauses cover a full year and a full year has not been completed for the contracts made in these quarters. However, it is clear from that table that the effects of the escalator clauses are growing—on wages, I mean, Senator—are growing rapidly.

[The attached table follows:]

COMPARISON OF 1ST-YEAR WAGE DECISIONS BEFORE AND AFTER ESCALATOR ADJUSTMENTS

[By percent]

Year and quarter	1st-year wage decision	1st-year wage adjustment and escalator clause	Difference
1973:			
I	5.5	5.9 (4)	0.4
II	6.2	7.1 (4)	0.9
III	5.8	7.3 (4)	1.5
IV	5.5	9.4 (3)	3.9
1974:			
I	6.2	8.2 (2)	2.0
II	[1] 8.1	9.7 (1)	1.6

[1] Preliminary.

Note.—The figures in parenthesis indicate the number of quarters for which escalation is currently available.

Mr. SHISKIN. Finally, I want to say a word about work stoppages. The number of work stoppages, coincidentally, increased sharply in May and has continued to increase during June. Workdays of idleness in May reached a 34-month high. Each preliminary report during June reflects levels of work stoppages higher than those a year ago. Construction strikes have increased significantly. For example, during the week of June 11–17, 20 construction strikes of at least 1,000 workers were in progress; in 1973, there were 5 such strikes.

Thank you, Mr. Chairman.

[The press release referred to for the record follows:]

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Friday, July 5, 1974

THE EMPLOYMENT SITUATION: JUNE 1974

Both employment and unemployment were essentially unchanged in June, it was announced today by the Bureau of Labor Statistics of the U. S. Department of Labor. The Nation's unemployment rate was 5.2 percent, a level that has held fairly consistently since the beginning of the year.

At 86.2 million, total employment (as measured by the monthly sample survey of households) edged up from May to June and over the last 2 months has risen by 400,000. This increase followed a 6-month period of virtually no change.

Nonagricultural payroll employment (as measured by the monthly survey of business establishments) was about unchanged in June. In recent months, however, total payroll jobs have rebounded from the depressed levels encountered during last winter's period of energy-related shortages.

Unemployment

Unemployment usually rises sharply between May and June due to the influx of a large number of young persons into the labor market following the close of the school year. The increase this June was about in line with those of recent years, and, after taking this into account through seasonal adjustment, the number of persons unemployed was virtually unchanged at 4.8 million. The overall jobless rate continued at the 5.2-percent plateau, a position it has occupied with little exception since January following a rise from last October's low of 4.6 percent.

The overall stability in the unemployment situation in June was reflected in the rates for nearly all of the major labor force groups. Jobless rates for household heads (3.1 percent), adult men (3.5 percent), adult women (5.1 percent), and teenagers (15.6 percent) were the same or nearly the same as in May. The rate for married men, however, which had declined from 2.5 percent in April to 2.2 percent in May, rose to 2.6 percent in June. Unemployment rates for white and Negro workers, at 4.8 and 8.8 percent respectively, were not statistically different from their May levels. Jobless rates for both full- and part-time workers also were

essentially unchanged from May. The rate for workers covered by State unemployment insurance programs, at 3.4 percent in June, has been virtually the same since February. (See table A-2.)

The unemployment rate for Vietnam-era veterans 20 to 34 years old, at 5.2 percent, was about the same in June as in the previous 5 months and a year ago. The more recently discharged veterans (those 20 to 24 years old) continued to experience greater job market difficulties than their nonveteran counterparts; their jobless rate,

Table A. Highlights of the employment situation (seasonally adjusted data)

Selected categories	Quarterly averages					Monthly data		
	1973			1974		April	May	June
	II	III	IV	I	II	1974	1974	1974
	(Millions of persons)							
Civilian labor force	88.5	89.0	89.9	90.5	90.6	90.3	90.7	90.9
Total employment	84.1	84.8	85.7	85.8	86.0	85.8	86.0	86.2
Adult men	47.7	48.1	48.5	48.5	48.4	48.3	48.5	48.5
Adult women	29.2	29.5	29.7	29.7	30.1	30.1	30.1	30.3
Teenagers	7.2	7.2	7.5	7.6	7.4	7.4	7.4	7.4
Unemployment	4.3	4.2	4.2	4.7	4.7	4.5	4.7	4.8
	(Percent of labor force)							
Unemployment rates:								
All workers	4.9	4.7	4.7	5.2	5.1	5.0	5.2	5.2
Adult men	3.3	3.1	3.0	3.5	3.5	3.6	3.4	3.5
Adult women	4.8	4.8	4.7	5.1	5.0	4.9	5.1	5.1
Teenagers	14.7	14.3	14.3	15.3	15.1	13.8	15.8	15.6
White	4.4	4.2	4.2	4.7	4.7	4.5	4.7	4.8
Negro and other races	9.0	9.0	8.6	9.4	9.0	8.7	9.5	8.8
Household heads	2.9	2.7	2.8	3.0	3.1	3.1	3.0	3.1
Married men	2.3	2.1	2.1	2.4	2.4	2.5	2.2	2.6
Full-time workers	4.3	4.2	4.3	4.6	4.6	4.6	4.6	4.7
State insured	2.7	2.6	2.6	3.3	3.2	3.4	3.3	3.4
	(Weeks)							
Average duration of unemployment	9.9	9.7	9.9	9.5	9.7	9.8	9.5	9.8
	(Millions of persons)							
Nonfarm payroll employment	75.3	75.7	76.6	76.7	77.1p	76.9	77.2p	77.1p
Goods-producing industries	24.0	24.2	24.4	24.3	24.2p	24.2	24.3p	24.2p
Service-producing industries	51.3	51.6	52.1	52.4	52.8p	52.7	52.9p	52.9p
	(Hours of work)							
Average weekly hours:								
Total private nonfarm	37.2	37.1	37.0	36.8	36.7p	36.6	36.8p	36.8p
Manufacturing	40.7	40.7	40.6	40.4	39.9p	39.3	40.3p	40.1p
Manufacturing overtime	3.9	3.8	3.7	3.5	3.2p	2.9	3.5p	3.3p
	(1967=100)							
Hourly Earnings Index, private nonfarm:								
In current dollars	145.0	147.8	150.4	152.6	156.1	154.5	156.1p	157.7p
In constant dollars	110.3	110.1	109.3	107.7	N.A.	107.3	107.2p	N.A.

p= preliminary.
N.A.= not available.

SOURCE: Tables A-1, A-3, A-4, B-1, B-2, and B-4.

at 10.1 percent, remained substantially higher than that of young nonveterans (7.5 percent). On the other hand, unemployment rates for older veterans--4.4 percent for those aged 25 to 29 and 2.6 percent for those 30 to 34--continued to approximate those for nonveterans of the same ages.

Unemployment data by industry and occupation showed few changes in June with the exception of increases in the unemployment rates for blue-collar and factory workers--both of which returned approximately to the same levels which have prevailed since February--while there was a decline in the rate for service workers.

Although the overall unemployment situation was virtually unchanged, there was an increase in the number of persons who lost or left their last jobs. These increases were largely offset by a decrease in the number of unemployed reentrants to the labor force. (See table A-5.)

Civilian Labor Force and Employment

The civilian labor force rose by 240,000 in June to 90.9 million (seasonally adjusted), following an even larger increase from April to May. These gains were in sharp contrast to the labor force stagnation over the January-April period. Since January, the number of adult women in the labor force has increased by 800,000, but this increase has been partially offset by declines of about 130,000 and 300,000, respectively, among adult men and teenagers. Since June 1973, the civilian labor force has risen by 2.1 million. (See table A-1.)

Total employment, at 86.2 million (seasonally adjusted), was up by 400,000 from April. In keeping with the pattern since the beginning of the year, the 2-month expansion was dominated by adult women, although there was a small increase for adult men as well. Teenage employment, by contrast, was about unchanged between April and June at a level that was about a quarter of a million lower than in January.

The essentially unchanged picture in total employment from May to June masked several underlying movements among the major occupational categories. White-collar and service worker employment rose, but these gains were largely offset by declines among blue-collar and farm workers. (See table A-3.) The blue-collar worker reduction represented a return to the April level following a large gain in May.

Industry Payroll Employment

Nonfarm payroll employment rose about in line with seasonal expectations in June and, after adjustment for seasonality, was essentially unchanged at 77.1 million. Since November 1973, when a 2-year period of strong growth in payroll employment

was brought to a temporary halt, payroll jobs have expanded by 430, 000.

Employment in both the goods-producing and service-producing sectors did not change appreciably in June. In the goods sector, seasonally adjusted employment in contract construction declined by 50, 000, partly because of increased strike activity, and manufacturing employment was little changed. Job gains in the service-producing sector were largely confined to the service industry and State and local governments. Federal government employment was off by 45, 000 (largely due to end of fiscal-year retirements), erasing the gains posted during the first half of 1974.

Hours of Work

The average workweek of production or nonsupervisory workers on private nonagricultural payrolls also rose in accordance with normal May-to-June movements and, after seasonal adjustment, remained unchanged at 36. 8 hours. However, total manufacturing hours and overtime hours each declined by 0. 2 hour, to 40. 1 and 3. 3 hours, respectively. Since last June, average weekly hours for production or nonsupervisory workers have decreased 0. 3 hour; in manufacturing, the over-the-year declines were even greater--a decrease of 0. 5 hour in both the average workweek and overtime hours.

Hourly and Weekly Earnings

Average hourly earnings of production or nonsupervisory workers on private nonagricultural payrolls rose 0. 7 percent in June, seasonally adjusted. Since June 1973, hourly earnings have risen by 7. 8 percent. Average weekly earnings also increased by 0. 7 percent in June and were up 6. 9 percent over the past year.

Both before and after adjustment for seasonality, average hourly earnings rose by 3 cents in June to $4.17. (See table B-3.) Since June 1973, hourly earnings have increased by 30 cents. Weekly earnings averaged $154. 71 in June, an increase of $3.19 from May and $9. 97 from June a year ago.

The Hourly Earnings Index

The Hourly Earnings Index--earnings adjusted for overtime in manufacturing, seasonality, and the effects of changes in the proportion of workers in high-wage and low-wage industries--was 157. 7 (1967=100) in June, 1. 1 percent higher than in May. The Index was 8. 1 percent above June a year ago. All industry divisions recorded gains over the past 12 months, ranging from 6. 1 percent in transportation and public utilities to 10. 5 percent in mining. During the 12-month period ended in May, the Hourly Earnings Index in dollars of constant purchasing power declined 2. 6 percent.

Quarterly Labor Force Developments

Slow employment growth in the first half of 1974 was accompanied by unusually small labor force increases, a circumstance which helped to stabilize the unemployment rate. Details of these developments plus analyses of data on persons not in the labor force and on minority groups follow.

Trends in Employment, Labor Force, and Unemployment

Total employment, which had grown very rapidly from mid-1971 until late 1973, showed only small increases in the first 2 quarters of 1974. At 86.0 million (seasonally adjusted), the employment level for the second quarter was equivalent to 58.0 percent of the civilian noninstitutional population, about the same percentage as in the previous quarter. This ratio of employment to the population had been rising steadily from the second quarter of 1971 through the end of 1973. (See table A-7.)

A sharp slowdown in labor force growth materialized soon after employment gains began to taper off. In fact, the normal growth of the population was not translated into any expansion of the labor force from the first to the second quarter. Consequently, the labor force participation rate, which had been rising steadily and had reached the highest point in 2 decades in the first quarter, declined slightly to 61.1 percent in the second quarter.

Among the major age-sex groups, participation rates decreased sharply for adult men and teenagers. In contrast, the rate for adult women continued to rise in line with its historical trend, reaching a new high of 45.2 percent. The decline in the labor force participation rate for adult men, although relatively sharp from the first to the second quarter, represented a resumption of the secular downtrend which had been interrupted during 1973. The decline for teenagers, on the other hand, was an apparent pause in a very strong upward movement evident since early 1971.

Given the standstill in both the employment and labor force levels, the number of jobless persons in the second quarter of 1974 remained at the 4.7-million level reached in the previous quarter. The overall jobless rate, at 5.1 percent, was also essentially unchanged from the first quarter, as were the rates for most of the major age-sex groups.

Persons Not in the Labor Force

With the labor force participation rate edging down, the number of nonparticipants in the labor force increased markedly from the first to the second quarter of 1974. However, the data on the status and job attitudes of these persons do not

provide any explanation for the diminished growth of the labor force during this period. As shown in table A-8, while there was some increase in the total number of persons expressing some desire to have a job, the number of discouraged workers--those who want work but are not looking for a job specifically because they think they cannot find one--has been virtually the same for the past 3 quarters, averaging about 680, 000. It should be noted, however, that while over the long run the number of such workers has moved in tandem with the underlying trend of the unemployment rate, the two series have often diverged over shorter spans.

Negro-White Differences

The Negro labor force declined by 130. 000 or 1. 3 percent in the second quarter, while the white labor force increased by 260, 000 or 0. 3 percent. Reflecting these contrasting developments, the civilian labor force participation rate of Negroes declined markedly, from 60. 9 to 59. 7 percent, whereas that for whites was little changed at 61. 3 percent.

There was also a small decline in the number of Negroes employed from the first to the second quarter, while employment of whites increased slightly. However, there was little change in the unemployment levels and rates for both groups. As a result, the ratio of their jobless rates held at close to 2 to 1.

The proportion of nonparticipants in the labor force expressing some desire to be working "now" (although not currently seeking jobs) has also averaged at least twice as large for Negroes as for whites; these ratios were 15 and 7 percent, respectively, in the second quarter of 1974. Within this category, about 140, 000 Negroes and 500, 000 whites were not looking for jobs specifically because of discouragement over job prospects.

Persons of Spanish Origin

The Spanish-origin civilian labor force averaged 4. 0 million (not seasonally adjusted) in the second quarter of 1974, accounting for a little over 4 percent of the Nation' s labor force. The labor force participation rate for this group was 61. 7 percent, considerably greater than the rate for blacks and exceeding slightly that of whites. (See table B.) An average of 3. 6 million persons of Spanish origin were employed during the quarter, 57. 0 percent of their civilian noninstitutional population 16 years of age and over.

Table B. Employment status of the civilian population of Spanish origin and color, by sex and age, second quarter 1974 averages not seasonally adjusted

(Numbers in thousands)

Employment status	Total	White	Negro[1]	Spanish origin[2]
TOTAL				
Civilian noninstitutional population...	148,272	131,109	15,121	6,404
Civilian labor force.....	90,656	80,385	9,012	3,954
Percent of population.....	61.1	61.3	59.6	61.7
Employment.....	86,048	76,713	8,136	3,649
Agriculture.....	3,645	3,344	270	269
Nonagricultural industries.....	82,403	73,369	7,866	3,380
Unemployment.....	4,608	3,672	875	305
Unemployment rate.....	5.1	4.6	9.7	7.7
Not in labor force.....	57,616	50,724	6,109	2,450

[1]Data relate to Negro workers only, who account for 89 percent of the Negro and other races population.

[2]Data on persons of Spanish origin are tabulated separately, without regard to race/color, which means that they are also included in the data for white and Negro workers. According to the 1970 Census, approximately 98 percent of their population is white.

Approximately 300,000 workers of Spanish origin were unemployed during the quarter. The unemployment rate of 7.7 percent for this group was substantially above the 4.6-percent rate for white workers but below the 9.7 percent rate for blacks. The ratio of the Spanish-origin jobless rate to the white rate was 1.7 to 1, which means that, relative to the size of their respective labor forces, there were 17 jobless workers of Spanigh origin for every 10 unemployed whites.

This release presents and analyzes statistics from two major surveys. Data on labor force, total employment, and unemployment are derived from the sample survey of households conducted and tabulated by the Bureau of the Census for the Bureau of Labor Statistics. Statistics on payroll employment, hours, and earnings are collected by State agencies from payroll records of employers and are tabulated by the Bureau of Labor Statistics. Unless otherwise indicated, data for both series relate to the week of the specified month containing the 12th day. A description of the two surveys appears in the BLS publication *Employment and Earnings*.

HOUSEHOLD DATA

Table A-1. Employment status of the noninstitutional population

[Numbers in thousands]

Employment status	Not seasonally adjusted			Seasonally adjusted					
	June 1973	May 1974	June 1974	June 1973	Feb. 1974	March 1974	April 1974	May 1974	June 1974
TOTAL									
Total noninstitutional population[1]	148,147	150,507	150,710	148,147	149,857	150,066	150,283	150,507	150,710
Total labor force	927,729	92,158	94,758	91,133	92,814	92,747	92,556	92,909	93,130
Civilian noninstitutional population[1]	145,831	148,277	148,499	145,831	147,599	147,816	148,040	148,277	148,499
Civilian labor force	90,414	89,929	92,546	88,818	90,556	90,496	90,313	90,679	90,919
Employed	85,567	85,785	87,167	84,518	85,803	85,863	85,775	85,971	86,165
Agriculture	4,053	3,604	3,895	3,430	3,852	3,699	3,511	3,457	3,293
Nonagricultural industries	81,514	82,181	83,272	81,088	81,951	82,164	82,264	82,514	82,872
Unemployed	4,847	4,144	5,380	4,300	4,753	4,633	4,538	4,708	4,754
Unemployment rate	5.4	4.6	5.8	4.8	5.2	5.1	5.0	5.2	5.2
Not in labor force	55,417	58,349	55,953	57,013	57,043	57,320	57,727	57,598	57,580
Males, 20 years and over									
Total noninstitutional population[1]	62,787	63,804	63,886	62,787	63,536	63,622	63,712	63,804	63,886
Total labor force	51,833	51,931	52,491	51,350	52,139	51,912	51,880	52,031	52,034
Civilian noninstitutional population[1]	60,897	62,000	62,097	60,897	61,709	61,801	61,897	62,000	62,097
Civilian labor force	49,943	50,127	50,702	49,466	50,312	50,091	50,065	50,227	50,245
Employed	48,392	48,539	48,994	47,859	48,529	48,379	48,272	48,508	48,683
Agriculture	2,694	2,571	2,609	2,498	2,708	2,646	2,493	2,494	2,420
Nonagricultural industries	45,698	45,968	46,385	45,361	45,821	45,733	45,779	46,014	46,063
Unemployed	1,551	1,588	1,707	1,601	1,783	1,712	1,793	1,719	1,762
Unemployment rate	3.1	3.2	3.4	3.2	3.5	3.4	3.6	3.4	3.5
Not in labor force	10,954	11,873	11,395	11,437	11,397	11,710	11,832	11,773	11,852
Females, 20 years and over									
Civilian noninstitutional population[1]	69,190	70,247	70,346	69,190	69,937	70,035	70,139	70,247	70,346
Civilian labor force	30,374	31,622	31,429	30,850	31,329	31,498	31,612	31,651	31,944
Employed	28,871	30,149	29,809	29,338	29,722	29,916	30,057	30,051	30,314
Agriculture	721	575	621	545	641	613	539	507	469
Nonagricultural industries	28,150	29,574	29,188	28,793	29,081	29,303	29,518	29,544	29,845
Unemployed	1,503	1,474	1,620	1,512	1,607	1,582	1,555	1,600	1,630
Unemployment rate	4.9	4.7	5.2	4.9	5.1	5.0	4.9	5.1	5.1
Not in labor force	38,816	38,625	38,917	38,340	38,608	38,537	38,527	38,596	38,402
Both sexes, 16-19 years									
Civilian noninstitutional population[1]	15,744	16,030	16,056	15,744	15,952	15,981	16,004	16,030	16,056
Civilian labor force	10,097	8,180	10,416	8,508	8,915	8,907	8,636	8,801	8,730
Employed	8,303	7,098	8,364	7,321	7,552	7,568	7,446	7,412	7,368
Agriculture	638	459	665	387	503	440	479	456	404
Nonagricultural industries	7,665	6,639	7,698	6,934	7,049	7,128	6,967	6,956	6,964
Unemployed	1,793	1,082	2,053	1,187	1,363	1,339	1,190	1,389	1,362
Unemployment rate	17.8	13.2	19.7	14.0	15.3	15.0	13.8	15.8	15.6
Not in labor force	5,648	7,850	5,640	7,236	7,037	7,074	7,368	7,229	7,326
WHITE									
Civilian noninstitutional population[1]	129,177	131,114	131,293	129,177	130,555	130,739	130,922	131,114	131,293
Civilian labor force	80,163	79,797	81,943	78,846	80,122	80,163	80,100	80,488	80,565
Employed	76,408	76,488	77,700	75,440	76,354	76,498	76,464	76,694	76,738
Unemployed	3,755	3,309	4,243	3,406	3,768	3,665	3,636	3,794	3,827
Unemployment rate	4.7	4.1	5.2	4.3	4.7	4.6	4.5	4.7	4.8
Not in labor force	49,014	51,316	49,350	50,331	50,433	50,576	50,822	50,626c	50,728
NEGRO AND OTHER RACES									
Civilian noninstitutional population[1]	16,654	17,164	17,206	16,654	17,044	17,077	17,118	17,164	17,206
Civilian labor force	10,251	10,132	10,604	9,942	10,340	10,289	10,168	10,292	10,286
Employed	9,159	9,297	9,467	9,070	9,390	9,323	9,285	9,315	9,376
Unemployed	1,092	834	1,137	872	950	966	883	977	910
Unemployment rate	10.7	8.2	10.7	8.8	9.2	9.4	8.7	9.5	8.8
Not in labor force	6,403	7,032	6,602	6,712	6,704	6,788	6,950	6,872	6,920

[1] Seasonal variations are not present in the population figures; therefore, identical numbers appear in the unadjusted and seasonally adjusted columns.

NOTE: Data relate to the noninstitutional population 16 years of age and over. Total noninstitutional population and total labor force include persons in the Armed Forces.

c = corrected

Table A-2. Major unemployment indicators, seasonally adjusted

Selected categories	Number of unemployed persons (in thousands)		Unemployment rates					
	June 1973	June 1974	June 1973	Feb. 1974	March 1974	April 1974	May 1974	June 1974
Total, 16 years and over	4,300	4,754	4.8	5.2	5.1	5.0	5.2	5.2
Males 20 years and over	1,601	1,762	3.2	3.5	3.4	3.6	3.4	3.5
Females, 20 years and over	1,512	1,630	4.9	5.1	5.0	4.9	5.1	5.1
Both sexes, 16-19 years	1,187	1,362	14.0	15.3	15.0	13.8	15.8	15.6
White, total	3,406	3,827	4.3	4.7	4.6	4.5	4.7	4.8
Males, 20 years and over	1,308	1,422	2.9	3.2	3.0	3.2	3.1	3.2
Females, 20 years and over	1,182	1,328	4.4	4.7	4.7	4.6	4.7	4.8
Both sexes, 16-19 years	916	1,077	12.1	13.3	12.8	11.9	14.0	13.9
Negro and other races, total	872	910	8.8	9.2	9.4	8.7	9.5	8.8
Males, 20 years and over	289	335	5.7	6.6	6.8	6.5	6.3	6.5
Females, 20 years and over	312	288	7.9	7.9	7.0	6.8	8.0	6.9
Both sexes, 16-19 years	271	287	29.0	29.2	33.8	30.3	33.5	30.3
Household heads	1,486	1,632	2.9	3.0	3.0	3.1	3.0	3.1
Married men, spouse present	897	1,044	2.3	2.4	2.4	2.5	2.2	2.6
Full-time workers	3,249	3,606	4.3	4.7	4.6	4.6	4.6	4.7
Part-time workers	1,120	1,194	8.9	8.4	8.1	7.3	8.8	8.9
Unemployed 15 weeks and over[1]	789	939	.9	.9	.9	.9	1.0	1.0
State insured[2]	1,627r	2,157	2.8r	3.3	3.4	3.4	3.3	3.4
Labor force time lost[3]	--	--	5.2	5.7	5.6	5.7	5.7	5.6
OCCUPATION[4]								
White-collar workers	1,203	1,367	2.9	3.2	2.8	2.8	3.2	3.1
Professional and technical	253	246	2.1	2.0	1.9	2.2	2.1	1.9
Managers and administrators, except farm	125	167	1.4	1.8	1.5	1.6	1.9	1.8
Sales workers	199	258	3.5	4.2	3.8	3.3	4.2	4.6
Clerical workers	626	696	4.2	4.5	4.0	3.9	4.6	4.4
Blue-collar workers	1,676	1,969	5.3	6.1	6.1	6.4	5.7c	6.2
Craft and kindred workers	429	499	3.6	3.9	3.6	3.9	3.7	4.2
Operatives	844	1,013	5.7	6.8	7.2	7.1	6.3	6.8
Nonfarm laborers	403	457	8.6	9.3	9.0	10.4	8.8	9.6
Service workers	608	702	5.1	6.1	6.1	5.8	6.7	5.8
Farm workers	86	84	2.8	2.1	2.8	2.7	2.6	2.8
INDUSTRY[4]								
Nonagricultural private wage and salary workers[5]	3,037	3,536	4.7	5.4	5.1	5.3	5.2	5.4
Construction	384	463	8.2	7.9	8.4	10.3	9.6	10.2
Manufacturing	937	1,131	4.4	5.3	5.2	5.0	4.7	5.2
Durable goods	470	623	3.7	5.1	5.0	5.0	4.5	4.8
Nondurable goods	467	508	5.3	5.7	5.5	5.1	5.0	5.7
Transportation and public utilities	160	132	3.5	3.1	2.8	3.0	3.0	3.2
Wholesale and retail trade	821	998	5.2	6.0	5.8	5.9	6.3	6.1
Finance and service industries	722	778	4.1	4.9	4.4	4.3	4.3	4.3
Government workers	379	415	2.7	2.8	2.8	2.9	3.4	2.8
Agricultural wage and salary workers	93	100	7.0	6.7	7.8	8.2	7.1	7.5
VETERAN STATUS								
Males, Vietnam-era veterans[6]:								
20 to 34 years	291	304	5.4	5.0	5.1	5.1	4.8	5.2
20 to 24 years	158	125	10.3	10.0	9.0	9.2	10.3	10.1
25 to 29 years	109	145	3.8	3.8	4.3	4.5	3.6	4.4
30 to 34 years	24	34	2.5	2.7	2.8	2.8	2.5	2.6
Males, nonveterans								
20 to 34 years	613	726	4.8	5.4	5.5	5.8	5.6	5.4
20 to 24 years	370	446	6.7	7.9	7.8	7.6	7.9	7.5
25 to 29 years	167	177	4.3	4.1	4.3	4.9	4.8	4.6
30 to 34 years	76	103	2.2	2.8	3.2	3.7	2.6	2.8

[1] Unemployment rate calculated as a percent of civilian labor force.
[2] Insured unemployment under State programs; unemployment rate calculated as a percent of average covered employment.
[3] Man-hours lost by the unemployed and persons on part time for economic reasons as a percent of potentially available labor force man-hours.
[4] Unemployment by occupation includes all experienced unemployed persons, whereas that by industry covers only unemployed wage and salary workers.
[5] Includes mining, not shown separately.
[6] Vietnam-era veterans are those who served after August 4, 1964.
c = corrected
r = revised

Table A-3. Selected employment indicators

[In thousands]

Selected categories	Not seasonally adjusted		Seasonally adjusted					
	June 1973	June 1974	June 1973	Feb. 1974	March 1974	April 1974	May 1974	June 1974
Total employed, 16 years and over	85,367	87,167	84,518	85,803	85,863	85,775	85,971	86,165
Males	53,150	53,789	51,848	52,716	52,536	52,370	52,628	52,699
Females	32,417	33,378	32,670	33,087	33,307	33,405	33,343	33,666
Household heads	49,934	51,097	49,820	50,825	50,706	50,738	50,817	50,995
Married men, spouse present	39,082	39,128	38,872	39,268	39,025	38,975	39,064	38,933
Married women, spouse present	18,730	19,249	19,144	19,224	19,349	19,497	19,505	19,682
OCCUPATION								
White-collar workers	39,692	41,571	40,205	41,375	41,743	41,601	41,615	42,111
Professional and technical	11,242	11,983	11,716	12,350	12,260	12,274	12,248	12,482
Managers and administrators, except farm	8,448	9,080	8,536	9,031	8,938	9,009	9,145	9,172
Sales workers	5,538	5,396	5,515	5,408	5,462	5,443	5,440	5,375
Clerical workers	14,465	15,112	14,438	14,586	13,083	14,875	14,782	15,082
Blue-collar workers	30,963	30,738	29,876	29,760	29,773	29,722	30,192	29,664
Craft and kindred workers	11,819	11,699	11,492	11,337	11,603	11,534	11,623	11,380
Operatives	14,293	14,178	14,091	13,990	13,711	13,973	14,137	13,982
Nonfarm laborers	4,850	4,861	4,293	4,433	4,459	4,215	4,432	4,302
Service workers	11,344	11,425	11,388	11,177	11,136	11,212	11,129	11,466
Farm workers	3,368	3,433	3,018	3,380	3,204	3,128	3,028	2,899
MAJOR INDUSTRY AND CLASS OF WORKER								
Agriculture:								
Wage and salary workers	1,520	1,528	1,229	1,469	1,440	1,299	1,320	1,235
Self-employed workers	1,910	1,832	1,774	1,919	1,828	1,767	1,740	1,701
Unpaid family workers	623	535	450	429	408	456	398	387
Nonagricultural industries:								
Wage and salary workers	73,339	76,953	74,969	76,031	76,231	76,034	76,132	76,618
Private households	1,537	1,418	1,527	1,505	1,403	1,434	1,424	1,408
Government	13,175	13,721	13,605	13,844	14,028	14,036	14,065	14,175
Other	60,627	61,814	59,837	60,682	60,800	60,584	60,643	61,035
Self-employed workers	5,517	5,811	5,516	5,458	5,362	5,636	5,703	5,811
Unpaid family workers	658	507	637	461	520	498	495	491
PERSONS AT WORK [1]								
Nonagricultural industries	75,486	76,997	76,248	77,164	76,993	75,696	77,679	77,833
Full-time schedules	63,920	64,928	63,692	63,911	63,984	63,378	64,537	64,669
Part time for economic reasons	2,967	2,959	2,473	2,754	2,540	2,390	2,746	2,684
Usually work full time	1,195	1,314	1,099	1,381	1,249	1,078	1,260	1,209
Usually work part time	1,772	1,645	1,374	1,373	1,291	1,312	1,486	1,275
Part time for noneconomic reasons	8,599	9,110	10,083	10,499	10,469	9,928	10,396	10,680

[1] Excludes persons "with a job but not at work" during the survey period for such reasons as vacation, illness, or industrial disputes.

Table A-4. Duration of unemployment

[Numbers in thousands]

Weeks of unemployment	Not seasonally adjusted		Seasonally adjusted					
	June 1973	June 1974	June 1973	Feb. 1974	March 1974	April 1974	May 1974	June 1974
Less than 5 weeks	3,053	3,226	2,244	2,427	2,464	2,269	2,520	2,370
5 to 14 weeks	1,019	1,231	1,210	1,426	1,388	1,467	1,358	1,462
15 weeks and over	775	922	789	830	815	857	877	939
15 to 26 weeks	439	543	463	505	503	528	525	571
27 weeks and over	336	379	326	325	312	329	352	368
Average (mean) duration, in weeks	8.6	8.7	9.7	9.6	9.4	9.8	9.5	9.8
PERCENT DISTRIBUTION								
Total unemployed	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Less than 5 weeks	63.0	60.0	52.9	51.8	52.8	49.4	53.0	49.7
5 to 14 weeks	21.0	22.9	28.5	30.5	29.7	31.9	28.6	30.6
15 weeks and over	16.0	17.1	18.6	17.7	17.5	18.7	18.4	19.7
15 to 26 weeks	9.1	10.1	10.9	10.8	10.8	11.5	11.0	12.0
27 weeks and over	6.9	7.1	7.7	6.9	6.7	7.2	7.4	7.7

Table A-5. Reasons for unemployment

(Numbers in thousands)

Reason	Not seasonally adjusted		Seasonally adjusted					
	June 1973	June 1974	June 1973	Feb. 1974	March 1974	April 1974	May 1974	June 1974
NUMBER OF UNEMPLOYED								
Lost last job	1,514	1,762	1,716	2,052	2,022	2,007	1,888	1,998
Left last job	650	717	670	750	739	720	676	738
Reentered labor force	1,540	1,777	1,218	1,240	1,186	1,263	1,599	1,406
Seeking first job	1,143	1,124	636	630	632	549	643	625
PERCENT DISTRIBUTION								
Total unemployed	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Job losers	31.2	32.8	40.8	43.9	44.2	44.2	39.3	41.9
Job leavers	13.4	13.3	15.7	16.1	16.1	15.9	14.1	15.5
Reentrants	31.8	33.0	28.7	26.5	25.9	27.8	33.3	29.5
New entrants	23.6	20.9	14.8	13.5	13.8	12.1	13.4	13.1
UNEMPLOYED AS A PERCENT OF THE CIVILIAN LABOR FORCE								
Job losers	1.7	1.9	1.9	2.3	2.2	2.2	2.1	2.2
Job leavers	.7	.8	.7	.8	.8	.8	.7	.8
Reentrants	1.7	1.9	1.4	1.4	1.3	1.4	1.8	1.5
New entrants	1.3	1.2	.7	.7	.7	.6	.7	.7

Table A-6. Unemployment by sex and age

Sex and age	Not seasonally adjusted			Seasonally adjusted unemployment rates					
	Thousands of persons		Percent looking for full-time work						
	June 1973	June 1974	June 1974	June 1973	Feb. 1974	March 1974	April 1974	May 1974	June 1974
Total, 16 years and over	4,847	5,380	81.6	4.8	5.2	5.1	5.0	5.2	5.2
16 to 19 years	1,793	2,053	73.4	14.0	15.3	15.0	13.8	15.8	15.6
16 to 17 years	1,045	1,126	62.5	17.5	17.9	18.4	15.7	18.1	18.4
18 to 19 years	749	926	86.6	10.7	12.9	12.7	12.5	14.3	12.9
20 to 24 years	1,134	1,250	89.0	7.8	8.6	8.1	8.1	8.6	8.3
25 years and over	1,920	2,077	85.4	3.2	3.3	3.3	3.3	3.2	3.3
25 to 54 years	1,576	1,714	87.9	3.3	3.5	3.4	3.6	3.3	3.5
55 years and over	344	363	73.8	2.6	2.9	2.7	2.6	2.7	2.7
Males, 16 years and over	2,443	2,756	83.1	4.1	4.5	4.4	4.3	4.4	4.6
16 to 19 years	892	1,049	75.7	13.6	14.6	14.4	14.0	14.6	15.6
16 to 17 years	538	607	66.7	17.2	18.0	17.6	16.3	18.0	18.9
18 to 19 years	354	441	88.0	10.0	11.6	12.1	12.4	12.2	12.1
20 to 24 years	592	653	89.3	7.5	8.3	7.9	7.8	8.3	8.1
25 years and over	959	1,054	91.9	2.5	2.8	2.7	2.9	2.6	2.7
25 to 54 years	743	855	95.4	2.5	2.7	2.7	3.0	2.7	2.8
55 years and over	215	199	76.9	2.7	2.9	2.4	2.3	2.3	2.5
Females, 16 years and over	2,406	2,623	78.0	6.0	6.4	6.2	5.9	6.4	6.3
16 to 19 years	901	1,004	70.9	14.3	16.2	15.8	13.5	17.2	15.6
16 to 17 years	507	519	57.6	17.9	17.8	19.3	14.9	18.3	17.7
18 to 19 years	394	485	85.4	11.4	14.4	13.4	12.6	16.7	13.8
20 to 24 years	542	597	88.6	8.1	9.0	8.4	8.4	9.0	8.7
25 years and over	961	1,023	78.7	4.2	4.3	4.2	4.1	4.2	4.4
25 to 54 years	832	859	80.3	4.7	4.8	4.5	4.4	4.4	4.6
55 years and over	129	164	70.1	2.4	2.9	3.4	3.0	3.2	3.1

Table A-7. Employment status of the civilian noninstitutional population, seasonally adjusted quarterly averages

[Number in thousands]

Characteristic	1972			1973				1974	
	II	III	IV	I	II	III	IV	I	II
TOTAL									
Civilian noninstitutional population[1]	143,006	143,674	144,281	144,943	145,606	146,266	146,931	147,604	148,272
Civilian labor force	86,295	86,858	87,149	87,625	88,451	88,968	89,896	90,532	90,637
As percent of population	60.3	60.5	60.4	60.5	60.7	60.8	61.2	61.3	61.1
Employment	81,393	82,040	82,555	83,210	84,107	84,755	85,656	85,826	85,970
As percent of population	56.9	57.1	57.2	57.4	57.8	57.9	58.3	58.1	58.0
Unemployment	4,902	4,818	4,594	4,415	4,344	4,213	4,240	4,706	4,667
Unemployment rate	5.7	5.5	5.3	5.0	4.9	4.7	4.7	5.2	5.1
Not in labor force	56,711	56,816	57,132	57,318	57,155	57,298	57,035	57,072	57,635
Males, 20 years and over									
Civilian noninstitutional population[1]	59,662	59,953	60,213	60,518	60,797	61,078	61,380	61,713	61,998
Civilian labor force	48,700	48,959	49,091	49,210	49,371	49,594	49,977	50,258	50,179
As percent of population	81.6	81.7	81.5	81.3	81.2	81.2	81.4	81.4	80.9
Employment	46,704	47,076	47,313	47,535	47,727	48,072	48,472	48,523	48,421
As percent of population	78.3	78.5	78.6	78.5	78.5	78.7	79.0	78.6	78.1
Unemployment	1,996	1,883	1,776	1,675	1,644	1,522	1,505	1,735	1,758
Unemployment rate	4.1	3.8	3.6	3.4	3.3	3.1	3.0	3.5	3.5
Not in labor force	10,962	10,994	11,122	11,308	11,426	11,484	11,403	11,455	11,819
Females, 20 years and over									
Civilian noninstitutional population[1]	67,932	68,232	68,529	68,815	69,095	69,392	69,738	69,937	70,244
Civilian labor force	29,637	29,882	29,882	30,133	30,629	30,984	31,132	31,320	31,736
As percent of population	43.6	43.8	43.6	43.8	44.3	44.7	44.6	44.8	45.2
Employment	27,987	28,237	28,329	28,614	29,173	29,494	29,654	29,719	30,141
As percent of population	41.2	41.4	41.3	41.6	42.2	42.5	42.5	42.5	42.9
Unemployment	1,650	1,645	1,553	1,519	1,456	1,490	1,478	1,601	1,595
Unemployment rate	5.6	5.5	5.2	5.0	4.8	4.8	4.7	5.1	5.0
Not in labor force	38,295	38,350	38,647	38,682	38,466	38,408	38,606	38,617	38,508
Both sexes, 16-19 years									
Civilian noninstitutional population[1]	15,412	15,489	15,539	15,609	15,715	15,796	15,857	15,954	16,030
Civilian labor force	7,958	8,017	8,176	8,282	8,451	8,390	8,787	8,954	8,722
As percent of population	51.6	51.8	52.6	53.1	53.8	53.1	55.4	56.1	54.4
Employment	6,702	6,727	6,911	7,061	7,207	7,189	7,530	7,584	7,409
As percent of population	43.5	43.4	44.5	45.2	45.9	45.5	47.5	47.5	46.2
Unemployment	1,256	1,290	1,265	1,221	1,244	1,201	1,257	1,370	1,314
Unemployment rate	15.8	16.1	15.5	14.7	14.7	14.3	14.3	15.3	15.1
Not in labor force	7,454	7,472	7,363	7,327	7,264	7,406	7,070	7,000	7,308
WHITE									
Civilian noninstitutional population[1]	127,091	127,650	128,159	128,621	128,986	129,538	130,064	130,562	131,109
Civilian labor force	76,759	77,276	77,459	77,792	78,510	78,856	79,648	80,125	80,384
As percent of population	60.4	60.5	60.4	60.5	60.9	60.9	61.2	61.4	61.3
Employment	72,772	73,399	73,810	74,270	75,062	75,559	76,287	76,393	76,632
As percent of population	57.3	57.5	57.6	57.7	58.2	58.3	58.7	58.5	58.4
Unemployment	3,987	3,877	3,649	3,522	3,448	3,297	3,361	3,731	3,752
Unemployment rate	5.2	5.0	4.7	4.5	4.4	4.2	4.2	4.7	4.7
Not in labor force	50,332	50,374	50,700	50,829	50,476	50,682	50,416	50,437	50,725
NEGRO AND OTHER RACES									
Civilian noninstitutional population[1]	15,915	16,025	16,122	16,321	16,620	16,728	16,866	17,042	17,163
Civilian labor force	9,545	9,587	9,690	9,820	9,946	10,105	10,232	10,376	10,248
As percent of population	60.0	59.8	60.1	60.2	59.8	60.4	60.7	60.9	59.7
Employment	8,624	8,646	8,733	8,940	9,047	9,191	9,348	9,409	9,325
As percent of population	54.2	54.0	54.2	54.8	54.4	54.9	55.4	55.2	54.3
Unemployment	921	941	957	880	899	914	884	967	923
Unemployment rate	9.6	9.8	9.9	9.0	9.0	9.0	8.6	9.3	9.0
Not in labor force	6,370	6,438	6,432	6,501	6,674	6,623	6,634	6,666	6,915

[1] Because seasonality, by definition, does not exist in population figures, these figures are not seasonally adjusted.

Table A-8. Persons not in labor force, by whether they want jobs, current activity, and reasons for not seeking work, seasonally adjusted quarterly averages

[Numbers in thousands]

Characteristic	1972			1973				1974	
	II	III	IV	I	II	III	IV	I	II
TOTAL									
Total not in labor force	56,711	56,817	57,132	57,317	57,155	57,298	57,034	57,073	57,635
Do not want job now	52,132	52,473	52,761	53,183	52,183	52,733	53,170	53,253	53,254
Current activity: Going to school	6,166	6,454	6,269	6,333	5,760	6,221	6,047	5,911	5,673
Ill, disabled	4,225	4,307	4,483	4,258	4,520	4,807	4,698	4,722	4,722
Keeping house	32,388	32,416	32,406	32,601	31,862	31,837	32,322	32,381	31,965
Retired	6,679	6,733	6,792	7,050	7,282	7,221	7,100	7,164	7,417
Other	2,674	2,563	2,811	2,941	2,759	2,647	3,003	3,075	3,475
Want a job now	4,361	4,301	4,664	4,355	4,752	4,314	4,335	4,334	4,488
Reason not looking: School attendance	1,102	1,118	1,254	1,284	1,266	1,111	1,131	1,175	1,178
Ill health, disability	604	637	723	540	640	609	692	652	575
Home responsibilities	1,054	1,114	1,111	976	1,109	1,117	956	1,024	1,100
Think cannot get job	806	716	729	630	787	633	687	682	676
Job-market factors	540	500	504	444	587	447	493	457	474
Personal factors	266	216	225	186	200	186	194	225	203
Other reasons	795	716	847	925	950	844	869	801	959
MALES									
Total not in labor force	14,216c	14,211c	14,286c	14,455c	14,389c	14,670c	14,421c	14,434c	14,987
Do not want job now	12,794	12,878	12,954	13,151	12,990	13,285	13,211	13,445	13,521
Want a job now	1,328	1,286	1,395	1,381	1,499	1,330	1,388	1,227	1,350
Reason not looking: School attendance	577	595	630	698	649	609	608	599	591
Ill health, disability	274	266	286	234	333	279	261	248	258
Think cannot get job	253	198	242	216	261	200	234	166	263
Other reasons[1]	224	227	237	233	256	242	285	214	238
FEMALES									
Total not in labor force	42,495c	42,605c	42,846c	42,862c	42,566c	42,629c	42,613c	42,640c	42,668
Do not want job now	39,338	39,595	39,807	40,032	39,193	39,448	39,959	39,808	39,731
Want a job now	2,987	3,034	3,279	2,977	3,204	3,013	2,970	3,111	3,100
Reason not looking: School attendance	525	523	624	586	617	502	523	576	587
Ill health, disability	330	371	437	306	307	330	431	406	317
Home responsibilities	1,016	1,092	1,090	959	1,073	1,100	934	999	1,062
Think cannot get job	553	518	487	414	526	433	453	516	413
Other reasons	563	530	641	712	681	648	629	616	721
WHITE									
Total not in labor force	50,332c	50,374c	50,700c	50,829c	50,476c	50,682c	50,416c	50,437c	50,725
Do not want job now	46,903	47,001	47,250	47,367	46,696	47,512	47,196	47,077	47,219
Want a job now	3,379	3,382	3,592	3,484	3,675	3,209	3,328	3,631	3,662
Reason not looking: School attendance	885	910	961	976	981	825	879	925	900
Ill health, disability	406	455	543	414	501	421	454	487	412
Home responsibilities	815	817	841	797	896	836	739	818	873
Think cannot get job	586	562	542	488	496	469	551	529	505
Other reasons	687	638	705	809	801	658	705	672	772
NEGRO AND OTHER RACES									
Total not in labor force	6,370c	6,438c	6,432c	6,501c	6,674c	6,623c	6,634c	6,666c	6,915
Do not want job now	5,337	5,475	5,356	5,656	5,568	5,515	5,642	5,843	5,854
Want a job now	969	956	1,134	852	1,056	1,096	1,033	875	1,025
Reason not looking: School attendance	228	211	294	272	317	267	257	217	297
Ill health, disability	189	183	193	122	129	190	246	162	156
Home responsibilities	257	289	281	175	237	272	228	196	252
Think cannot get job	170	167	199	152	234	174	144	162	142
Other reasons	125	106	167	131	139	193	158	138	178

[1] Includes small number of men not looking for work because of home responsibilities.

NOTE: Detail may not add to totals due to independent seasonal adjustment.

ESTABLISHMENT DATA

Table B-1. Employees on nonagricultural payrolls, by industry

(In thousands)

Industry	Not seasonally adjusted				Seasonally adjusted					
	June 1973	Apr. 1974	May 1974[P]	June 1974[P]	June 1973	Feb. 1974	Mar. 1974	Apr. 1974	May 1974[P]	June 1974[P]
TOTAL	76,308	76,706	77,248	77,904	75,526	76,813	76,804	76,941	77,155	77,107
GOODS-PRODUCING	24,481	23,957	24,148	24,535	24,139	24,317	24,231	24,239	24,265	24,194
MINING	642	653	664	679	629	656	655	659	664	665
CONTRACT CONSTRUCTION	3,837	3,527	3,657	3,792	3,654	3,757	3,725	3,659	3,661	3,611
MANUFACTURING	20,002	19,777	19,827	20,064	19,856	19,904	19,851	19,921	19,940	19,918
Production workers	14,739	14,454	14,490	14,687	14,614	14,563	14,516	14,582	14,592	14,562
DURABLE GOODS	11,755	11,696	11,718	11,851	11,654	11,683	11,644	11,733	11,744	11,749
Production workers	8,665	8,547	8,557	8,667	8,573	8,524	8,489	8,578	8,576	8,574
Ordnance and accessories	191.7	190.3	188.1	189.3	192	191	193	193	189	189
Lumber and wood products	648.5	640.3	643.7	657.9	628	647	648	654	648	638
Furniture and fixtures	527.6	518.1	517.2	525.0	527	523	522	523	523	524
Stone, clay, and glass products	708.3	691.8	701.5	708.9	693	702	703	697	702	694
Primary metal industries	1,331.8	1,330.4	1,333.1	1,351.1	1,308	1,331	1,316	1,320	1,321	1,327
Fabricated metal products	1,468.5	1,446.8	1,448.9	1,459.6	1,457	1,454	1,449	1,456	1,456	1,448
Machinery, except electrical	2,054.1	2,146.9	2,141.7	2,164.2	2,040	2,123	2,134	2,136	2,140	2,149
Electrical equipment	2,007.5	2,018.7	2,018.4	2,044.3	2,008	2,043	2,033	2,031	2,033	2,044
Transportation equipment	1,882.3	1,756.1	1,764.8	1,779.2	1,871	1,706	1,681	1,756	1,765	1,769
Instruments and related products	494.8	521.8	521.4	527.9	494	521	521	523	523	527
Miscellaneous manufacturing	439.4	435.2	439.4	444.6	436	442	444	444	444	440
NONDURABLE GOODS	8,247	8,081	8,109	8,213	8,202	8,221	8,207	8,188	8,196	8,169
Production workers	6,074	5,907	5,933	6,020	6,041	6,039	6,027	6,004	6,016	5,988
Food and kindred products	1,725.4	1,669.3	1,683.9	1,733.4	1,729	1,755	1,764	1,750	1,747	1,737
Tobacco manufactures	68.5	69.4	68.0	67.5	76	76	77	77	76	75
Textile mill products	1,035.8	1,014.3	1,011.2	1,022.9	1,024	1,025	1,019	1,016	1,013	1,011
Apparel and other textile products	1,364.7	1,293.0	1,296.7	1,292.4	1,351	1,309	1,294	1,296	1,297	1,280
Paper and allied products	727.2	724.6	723.1	733.7	719	729	730	728	731	725
Printing and publishing	1,100.2	1,103.6	1,105.0	1,110.8	1,100	1,109	1,105	1,105	1,108	1,111
Chemicals and allied products	1,038.1	1,045.9	1,050.9	1,064.2	1,030	1,045	1,048	1,046	1,053	1,056
Petroleum and coal products	189.8	188.6	191.6	195.1	186	192	190	191	191	191
Rubber and plastics products, nec.	691.6	680.3	684.1	694.0	687	690	686	684	686	690
Leather and leather products	305.5	292.3	294.1	298.9	300	291	294	295	294	293
SERVICE-PRODUCING	51,827	52,749	53,100	53,369	51,387	52,496	52,573	52,702	52,890	52,913
TRANSPORTATION AND PUBLIC UTILITIES	4,661	4,635	4,661	4,714	4,597	4,691	4,676	4,668	4,661	4,649
WHOLESALE AND RETAIL TRADE	16,335	16,429	16,546	16,672	16,262	16,472	16,487	16,549	16,605	16,597
WHOLESALE TRADE	4,096	4,156	4,180	4,238	4,072	4,192	4,190	4,202	4,214	4,213
RETAIL TRADE	12,239	12,273	12,366	12,434	12,190	12,280	12,297	12,347	12,391	12,384
FINANCE, INSURANCE, AND REAL ESTATE	4,089	4,118	4,139	4,170	4,049	4,124	4,127	4,130	4,143	4,129
SERVICES	12,999	13,274	13,424	13,573	12,820	13,215	13,240	13,248	13,331	13,386
GOVERNMENT	13,743	14,293	14,330	14,240	13,659	13,994	14,043	14,107	14,150	14,152
FEDERAL	2,631	2,684	2,695	2,672	2,613	2,670	2,675	2,681	2,698	2,653
STATE AND LOCAL	11,112	11,609	11,635	11,568	11,046	11,324	11,368	11,426	11,452	11,499

[P]preliminary.

Table B-2. Average weekly hours of production or nonsupervisory workers[1] on private nonagricultural payrolls, by industry

Industry	Not seasonally adjusted				Seasonally adjusted					
	June 1973	April 1974	May 1974[p]	June 1974[p]	June 1973	Feb. 1974	March 1974	April 1974	May 1974[p]	June 1974[p]
TOTAL PRIVATE	37.4	36.3	36.6	37.1	37.1	37.0	36.8	36.6	36.8	36.8
MINING	42.9	42.5	43.1	43.0	42.5	43.4	42.9	42.5	43.2	42.6
CONTRACT CONSTRUCTION	38.1	36.0	37.0	38.1	37.4	37.7	37.1	36.2	37.0	37.4
MANUFACTURING	40.9	39.1	40.3	40.4	40.6	40.5	40.4	39.3	40.3	40.1
Overtime hours	3.9	2.7	3.4	3.4	3.8	3.5	3.6	2.9	3.5	3.3
DURABLE GOODS	41.7	39.6	40.9	41.1	41.4	41.1	40.9	39.8	40.9	40.8
Overtime hours	4.2	2.7	3.5	3.5	4.0	3.6	3.7	2.9	3.6	3.3
Ordnance and accessories	42.1	41.6	43.0	43.2	41.9	42.1	42.7	41.6	43.0	43.0
Lumber and wood products	41.5	40.1	40.4	40.5	40.9	40.6	40.3	40.1	40.1	39.9
Furniture and fixtures	40.4	38.3	39.0	39.7	40.1	39.7	39.5	38.8	39.3	39.4
Stone, clay, and glass products	42.6	41.1	41.6	41.8	42.2	41.9	41.7	41.2	41.5	41.4
Primary metal industries	42.3	41.5	41.9	42.1	41.9	41.4	41.5	41.2	41.7	41.7
Fabricated metal products	42.0	39.3	41.1	41.3	41.5	41.2	41.3	39.6	41.0	40.9
Machinery, except electrical	42.6	40.6	42.3	42.4	42.5	42.5	42.4	40.7	42.3	42.3
Electrical equipment	40.3	38.7	40.0	40.2	40.1	40.2	39.9	39.0	40.1	40.0
Transportation equipment	42.5	38.0	40.6	40.6	41.9	40.6	40.3	38.9	40.4	40.0
Instruments and related products	40.6	39.3	40.2	40.6	40.5	40.8	40.5	39.4	40.3	40.5
Miscellaneous manufacturing	39.0	37.6	38.8	39.1	38.9	39.0	38.9	37.6	38.9	39.0
NONDURABLE GOODS	39.8	38.4	39.3	39.5	39.6	39.6	39.5	38.7	39.4	39.3
Overtime hours	3.4	2.6	3.1	3.2	3.3	3.3	3.3	2.8	3.2	3.1
Food and kindred products	40.3	39.2	40.4	40.7	40.1	40.8	40.4	39.8	40.6	40.5
Tobacco manufactures	38.4	37.6	38.2	39.5	37.8	38.8	37.7	38.8	38.5	38.9
Textile mill products	41.2	38.9	40.1	40.5	40.8	40.7	40.4	39.2	40.3	40.1
Apparel and other textile products	36.1	34.4	35.5	35.0	36.0	35.6	35.5	34.5	35.6	34.9
Paper and allied products	42.8	41.5	42.1	42.3	42.7	42.5	42.6	41.7	42.3	42.2
Printing and publishing	37.9	36.9	37.6	37.7	37.8	37.7	37.6	37.1	37.7	37.6
Chemicals and allied products	42.1	42.0	41.8	42.1	42.0	42.0	41.8	41.8	41.8	42.0
Petroleum and coal products	42.0	42.6	42.5	42.2	41.7	42.6	42.8	42.5	42.3	41.9
Rubber and plastics products, nec	40.9	39.1	40.4	40.7	40.7	40.9	40.8	39.3	40.4	40.5
Leather and leather products	38.7	36.6	37.8	37.8	38.1	37.8	38.1	37.3	37.6	37.2
TRANSPORTATION AND PUBLIC UTILITIES	40.9	40.4	40.3	40.7	40.7	40.4	40.3	40.9	40.6	40.5
WHOLESALE AND RETAIL TRADE	35.2	34.1	34.0	34.7	34.9	34.4	34.3	34.5	34.3	34.4
WHOLESALE TRADE	39.6	38.7	38.9	39.3	39.5	38.9	38.9	38.9	39.1	39.2
RETAIL TRADE	33.8	32.7	32.5	33.3	33.5	33.0	32.9	33.1	32.9	33.0
FINANCE, INSURANCE, AND REAL ESTATE	37.1	36.9	36.9	37.1	37.1	37.0	36.9	36.9	37.0	37.1
SERVICES	34.4	33.9	33.8	34.3	34.4	34.1	34.0	34.0	34.1	34.3

[1] Data relate to production workers in mining and manufacturing; to construction workers in contract construction; and to nonsupervisory workers in transportation and public utilities; wholesale and retail trade; finance, insurance, and real estate; and services. These groups account for approximately four-fifths of the total employment on private nonagricultural payrolls.
p=preliminary.

ESTABLISHMENT DATA

Table B-3. Average hourly and weekly earnings of production or nonsupervisory workers[1] on private nonagricultural payrolls, by industry

Industry	Average hourly earnings				Average weekly earnings			
	June 1973	Apr. 1974	May 1974[p]	June 1974[p]	June 1973	Apr. 1974	May 1974[p]	June 1974[p]
TOTAL PRIVATE	$3.87	$4.07	$4.14	$4.17	$144.74	$147.74	$151.52	$154.71
Seasonally adjusted	3.87	4.08	4.14	4.17	143.58	149.33	152.35	153.46
MINING	4.67	5.09	5.12	5.16	200.34	216.33	220.67	221.88
CONTRACT CONSTRUCTION	6.35	6.78	6.81	6.84	241.94	244.08	251.97	260.60
MANUFACTURING	4.04	4.25	4.33	4.37	165.24	166.18	174.50	176.55
DURABLE GOODS	4.30	4.50	4.60	4.64	179.31	178.20	188.14	190.70
Ordnance and accessories	4.22	4.53	4.59	4.64	177.66	188.45	197.37	200.45
Lumber and wood products	3.61	3.76	3.81	3.87	149.82	150.78	153.92	156.74
Furniture and fixtures	3.25	3.42	3.48	3.50	131.30	130.99	135.72	138.95
Stone, clay, and glass products	4.17	4.39	4.44	4.49	177.64	180.43	184.70	187.68
Primary metal industries	4.96	5.38	5.54	5.60	209.81	223.27	232.13	235.76
Fabricated metal products	4.24	4.40	4.52	4.54	173.08	172.92	185.77	187.50
Machinery, except electrical	4.50	4.73	4.84	4.87	191.70	192.04	204.73	206.49
Electrical equipment	3.83	3.99	4.06	4.10	154.35	154.41	162.40	164.82
Transportation equipment	5.05	5.25	5.36	5.40	214.63	199.50	217.62	219.24
Instruments and related products	3.84	4.06	4.10	4.16	155.90	159.56	164.82	168.90
Miscellaneous manufacturing	3.27	3.43	3.48	3.50	127.53	128.97	135.02	136.85
NONDURABLE GOODS	3.66	3.87	3.92	3.96	145.67	143.61	154.06	156.42
Food and kindred products	3.82	4.08	4.13	4.14	153.95	159.94	166.85	168.50
Tobacco manufactures	3.91	4.14	4.28	4.31	150.14	155.66	163.50	170.25
Textile mill products	2.90	3.05	3.11	3.24	119.48	118.65	124.71	131.22
Apparel and other textile products	2.75	2.89	2.95	2.96	99.28	99.42	104.73	103.60
Paper and allied products	4.16	4.37	4.41	4.47	178.05	181.36	185.66	189.08
Printing and publishing	4.68	4.85	4.92	4.92	177.37	178.97	184.99	185.48
Chemicals and allied products	4.46	4.70	4.72	4.80	187.77	197.40	197.30	202.08
Petroleum and coal products	5.24	5.55	5.49	5.48	220.08	236.43	233.33	231.26
Rubber and plastics products, nec	3.75	3.87	3.93	3.94	153.38	151.32	158.77	160.36
Leather and leather products	2.80	2.95	3.00	3.01	108.36	107.97	113.40	113.78
TRANSPORTATION AND PUBLIC UTILITIES	4.99	5.26	5.27	5.29	204.09	212.50	212.38	215.30
WHOLESALE AND RETAIL TRADE	3.19	3.38	3.44	3.47	112.29	115.26	116.96	120.41
WHOLESALE TRADE	4.10	4.37	4.41	4.45	162.36	169.12	171.55	174.89
RETAIL TRADE	2.86	3.01	3.07	3.10	96.67	98.43	99.78	103.23
FINANCE, INSURANCE, AND REAL ESTATE	3.58	3.76	3.77	3.81	132.82	138.74	139.11	141.35
SERVICES	3.34	3.56	3.61	3.61	114.90	120.68	122.02	123.82

[1] See footnote 1, table B-2.
p=preliminary.

Table B-4. Hourly Earnings Index for production or nonsupervisory workers in private nonfarm industries, seasonally adjusted

(1967=100)

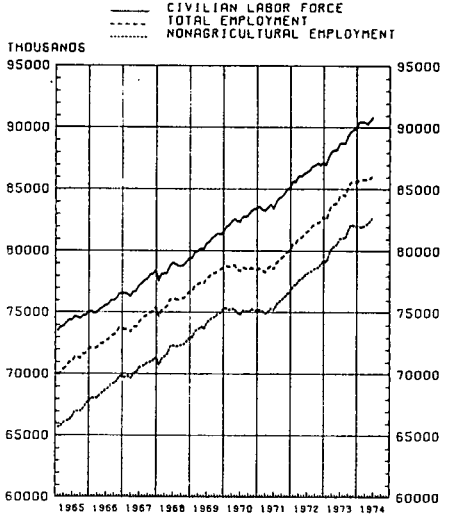
Industry	June 1973	Jan. 1974	Feb. 1974	March 1974	April 1974	May p 1974	June p 1974	Percent change from June, 1973-June, 1974	Percent change from May, 1974-June, 1974
TOTAL PRIVATE NONFARM:									
Current dollars	146.0	151.7	152.5	153.5	154.5	156.1	157.7	8.1	1.1
Constant (1967) dollars	110.4	108.4	107.6	107.2	107.3	107.2	NA	1/	2/
MINING	146.2	154.2	154.8	156.1	158.0	159.9	161.5	10.5	1.0
CONTRACT CONSTRUCTION	155.4	160.5	162.5	163.6	164.6	164.7	167.3	7.6	1.6
MANUFACTURING	142.7	148.5	149.3	150.1	151.4	153.4	155.2	8.7	1.2
TRANSPORTATION AND PUBLIC UTILITIES	155.0	161.1	162.2	163.0	163.7	163.4	164.4	6.1	.6
WHOLESALE AND RETAIL TRADE	142.9	148.8	149.1	150.4	151.0	153.2	154.9	8.3	1.1
FINANCE, INSURANCE, AND REAL ESTATE	139.5	145.2	145.2	145.5	146.9	147.3	150.0	7.5	1.8
SERVICES	146.3	152.1	152.9	153.8	155.2	157.0	157.7	7.8	.4

1/ Percent change was -2.6 from May 1973 to May 1974, the latest month available.
2/ Percent change was less than 0.05 from April 1974 to May 1974, the latest month available.
N.A. = not available.
p=preliminary.

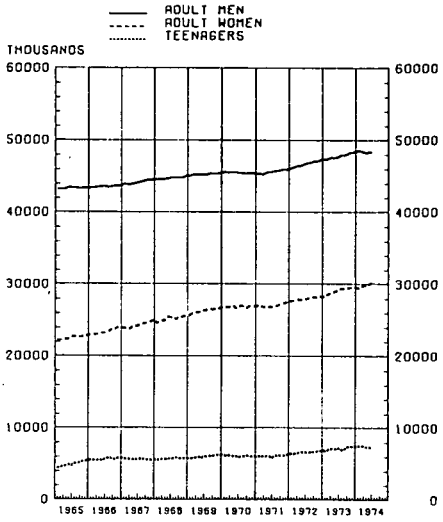
NOTE All series are in current dollars except where indicated. The index excludes effects of two types of changes that are unrelated to underlying wage-rate developments: Fluctuations in overtime premiums in manufacturing (the only sector for which overtime data are available) and the effects of changes in the proportion of workers in high-wage and low-wage industries. The seasonal adjustment eliminates the effect of changes that normally occur at the same time and in about the same magnitude each year.

LABOR FORCE, EMPLOYMENT, UNEMPLOYMENT
HOUSEHOLD DATA - SEASONALLY ADJUSTED

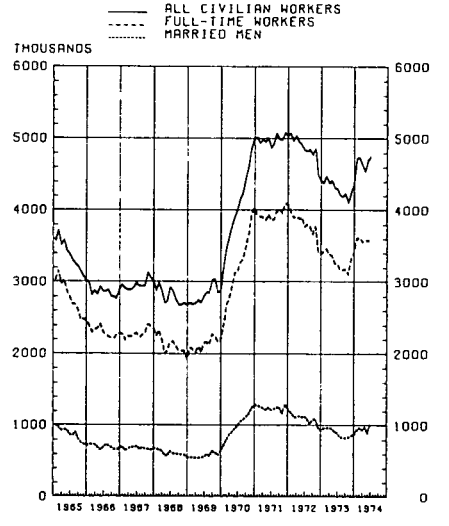
1. LABOR FORCE AND EMPLOYMENT



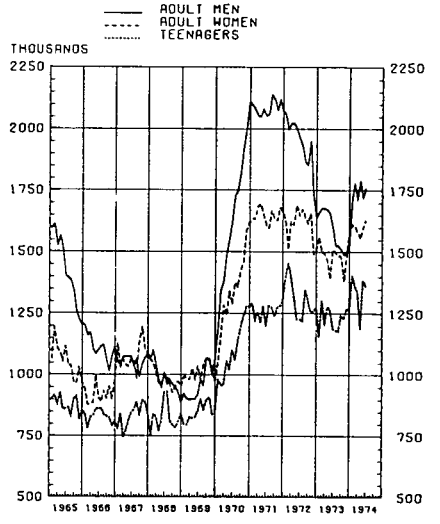
2. TOTAL EMPLOYMENT



3. UNEMPLOYMENT

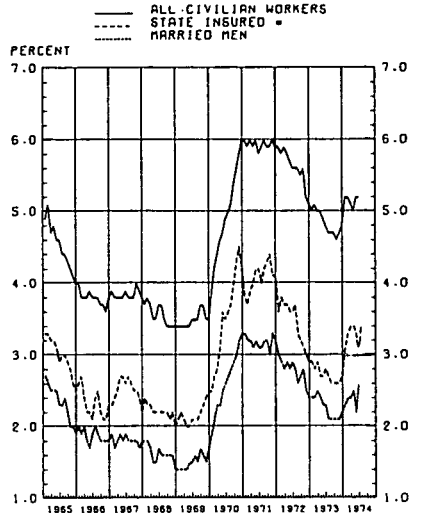


4. UNEMPLOYMENT

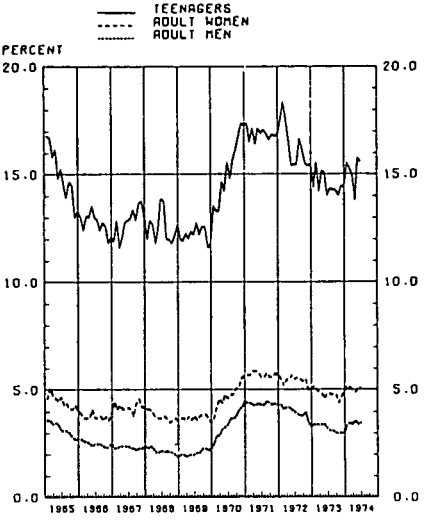


UNEMPLOYMENT RATES
HOUSEHOLD DATA - SEASONALLY ADJUSTED

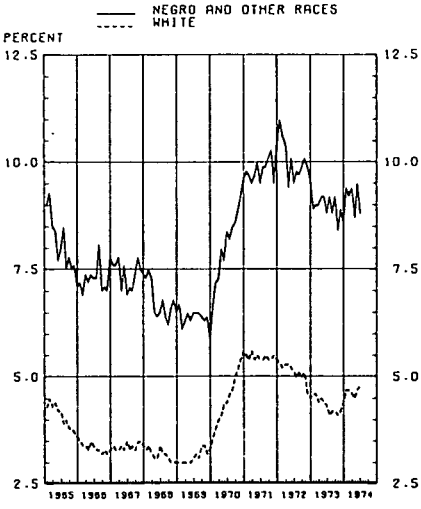
5. UNEMPLOYMENT RATES



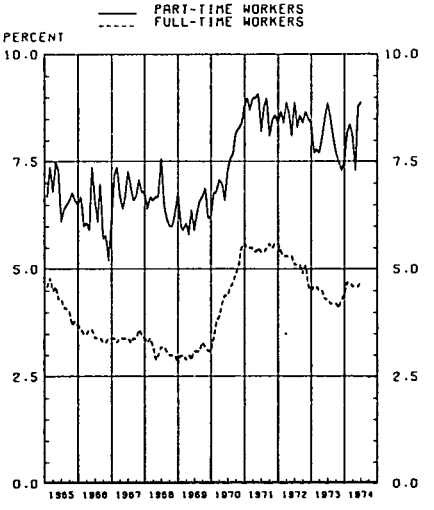
6. UNEMPLOYMENT RATES



7. UNEMPLOYMENT RATES



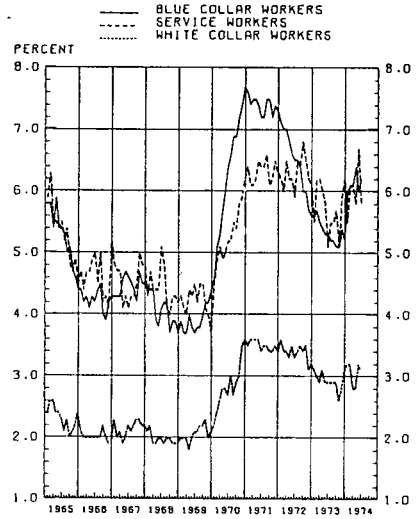
8. UNEMPLOYMENT RATES



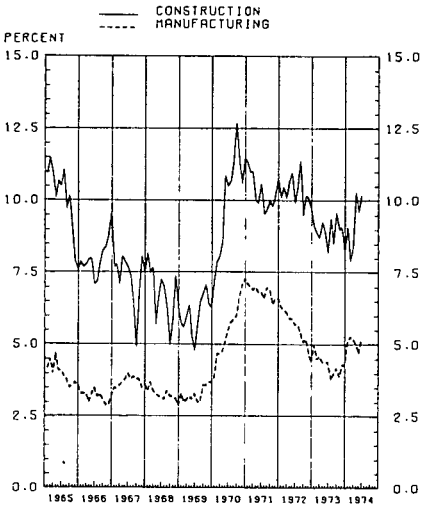
* State insured unemployment rate pertains to the week including the 12th of the month and represents the insured unemployed under State programs as a percent of average covered employment. The figures are derived from administrative records of unemployment insurance systems.

UNEMPLOYMENT
HOUSEHOLD DATA - SEASONALLY ADJUSTED

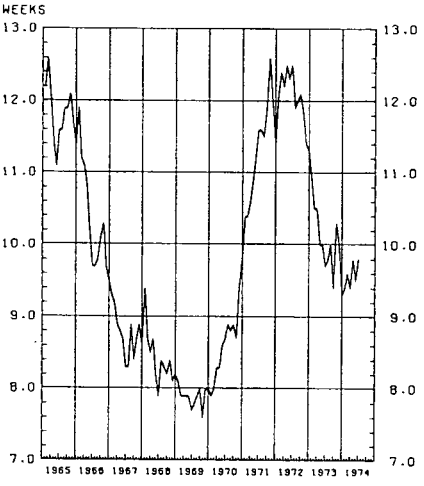
9. UNEMPLOYMENT RATES



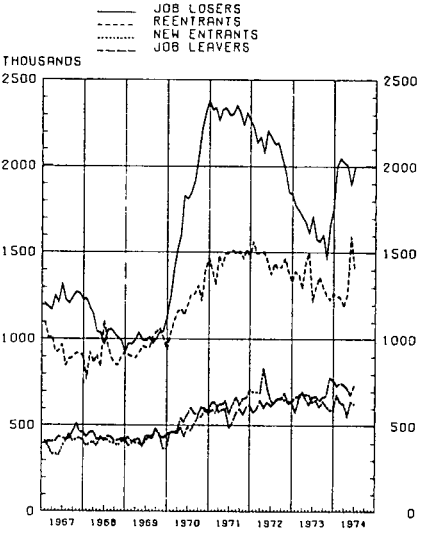
10. UNEMPLOYMENT RATES



11. AVERAGE DURATION OF UNEMPLOYMENT

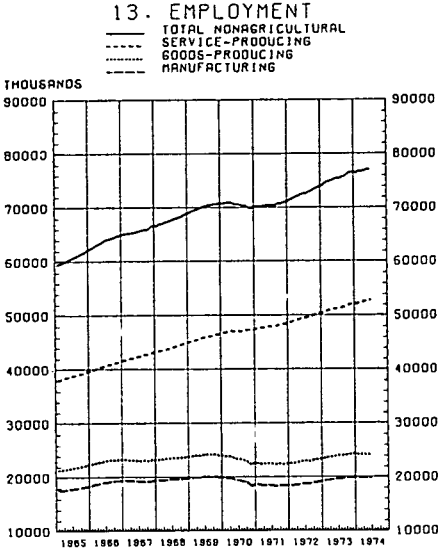


12. UNEMPLOYMENT BY REASON

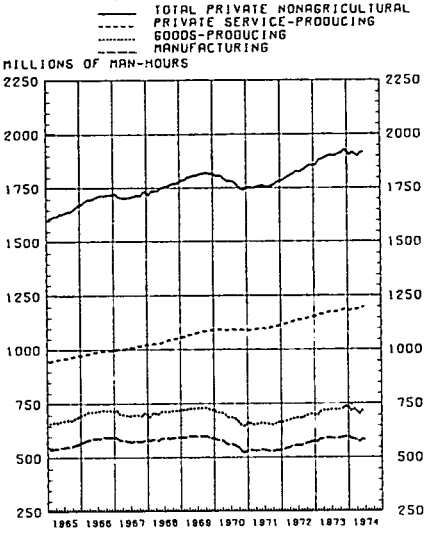


NONAGRICULTURAL EMPLOYMENT AND HOURS
ESTABLISHMENT DATA - SEASONALLY ADJUSTED

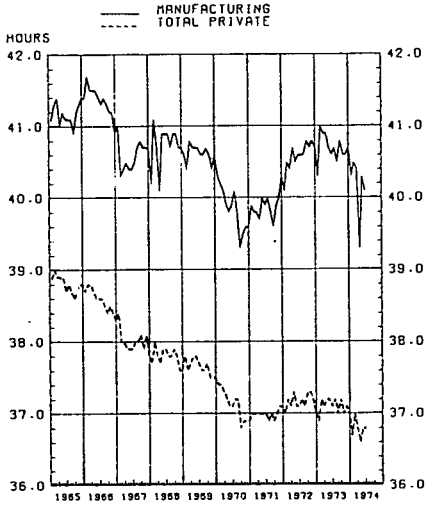
13. EMPLOYMENT



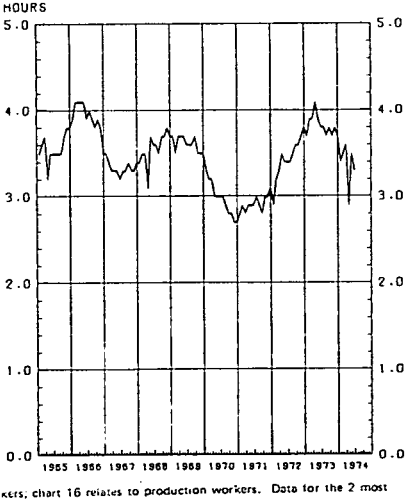
14. MAN-HOURS



15. AVERAGE WEEKLY HOURS



16. AVERAGE WEEKLY OVERTIME HOURS IN MANUFACTURING



NOTE: Charts 14 and 15 relate to production or nonsupervisory workers; chart 16 relates to production workers. Data for the 2 most recent months are preliminary in charts 13-16.

Chairman PROXMIRE. Thank you very much, Mr. Shiskin. One of the things that troubles me most about the statistics—and as I said, overall it is only fair to say that the unemployment forecasts have been pessimistic and we have to accept this 5.2 percent unemployment, which is higher than anyone wants, nevertheless, we have to accept it as being better than the expectations were before—but one of the things that troubles me and I think it is extremely important to recognize what is happening that would give us this 5.2 percent unemployment in the present circumstances.

And one of the first points that strikes me is the labor force participation rate. You talk about discouraged workers. I am not so sure how valid our present method of determining discouraged workers is, Mr. Shiskin. I think it can be questioned, as can all the statistics, to some extent. Nevertheless, you do point out the labor force participation rate which, as you said has been rising steadily and reached the highest point in two decades in the first quarter and declined in the second quarter. You say declined slightly, Mr. Shiskin, but nevertheless it did decline to 61.1 percent.

But what is significant to me is the changes within the labor force participation rate. Because that decline is made up of a continued increase in women's participation. As a matter of fact, that goes to the highest point in history in the second quarter. And there is a sharp drop—and you characterize it as "sharp"—in the participation rate of men and the decline for teenagers is particularly sharp. You point out that the decline in participation for men is one that resumed a long-term trend that was interrupted in 1973, but for teenagers it is a pause in what has been a strong upward movement of participation. So apparently there may be significant discouragement there. But, the big story, it seems to me, is what is happening to blacks in the labor force. The black labor force declined by 130,000 or 1.3 percent. Actually the white labor force participation improved in the second quarter. And this decline, it seems to me, is rather dramatic and impressive and a significant social fact that we ought to recognize, especially when you put it against the fact this is what made the participation rate go down.

And there was also an actual decline—and it was small—in the number of blacks employed from the first to the second quarter, that is, the number actually went down as the population increased. Nevertheless, the participation was so discouraging that the number went down.

Now, I would like to ask if you can give us any analysis of this? What is the reason for it? After all, there is nothing that I can find in your statistics or in your presentation that would indicate why there would be this change. We all have assumed that while we have a big mountain to climb, that we have taken short steps in that direction, but nevertheless they have been constructive in the direction of overcoming, to some extent, racial prejudice. It is very hard to understand why we should have this particular development.

Mr. SHISKIN. Well, I don't know that I can be particularly enlightening here. I have two observations that occur to me. One is to repeat the statement we have been making—both you and I and many others—that the situation in the labor market for the blacks is deplorable, and that is particularly true of black teenagers, where

the rates run between 35 and 40 percent. It is a very serious problem and as I said last month, the BLS is in a very small way trying to help by preparing an audit——

Chairman PROXMIRE. Excuse me, but don't just the statistics alone make a very powerful argument in favor of—and it is too late, I suppose now—but in favor of having a really substantial program of summer employment?

Mr. SHISKIN. Well, as you know, Senator, while I have not been at all reluctant to give you answers on questions of statistical policy, I have steered away from questions on economic policy, which I feel like——

Chairman PROXMIRE. Well, as a matter of fact, can you compare the kind of program we had, say, last year or the year before, with this year with respect to providing summer jobs for young people?

Mr. SHISKIN. Again as I say——

Chairman PROXMIRE. Just statistically, Mr. Shiskin, what does it show. Has that been keeping pace? Can that be an explanation that it hasn't been keeping pace?

Mr. SHISKIN. On the summer jobs?

Chairman PROXMIRE. Yes.

Mr. SHISKIN. I don't know. Jim, do you know? We've got——

Mr. WETZEL. We don't have the statistics on the planned programs: The situation with respect to summer employment is also rather difficult to characterize now. An important part of these categorical programs has been shifted in responsibility from the Federal Government to State and local governments under the Comprehensive Employment and Training Act. I attempted to gather some statistics on the Federal summer employment program, but I do not have a package at this point that I think is viable to provide any kind of analyses, but——

Chairman PROXMIRE. You say you don't have?

Mr. WETZEL. I do not.

Chairman PROXMIRE. Do you expect you will have in the near future?

Mr. WETZEL. Well, we should have a report of those aspects of the Federal program, those aspects which can be quantified.

Chairman PROXMIRE. Why can't you simply give me the totals? Why can't you tell me what was the summer employment funded by the Federal Government in 1973 and the funding that is prospective in 1974?

Mr. WETZEL. As I say, I don't have the numbers.

Chairman PROXMIRE. Can't you get that from the Department of Labor or elsewhere?

Mr. WETZEL. I have a request in to the Manpower Administration personnel responsible for this and some figures have been released, I might add, on smaller programs, but not the totals at this point.

Chairman PROXMIRE. I can't understand why you can't simply ask. Is it larger? Is there more employment this year, or less?

I would think on the basis of what we heard and have seen in the Congress and so forth, that it is less, but I haven't had that documented and I think it would be a very useful documentation to have.

Mr. WETZEL. That is my personal impression as well, and that is the question I asked, and I don't have an answer to that question, but I will provide you one as soon as I have one.

Mr. SHISKIN. Jim, is there a breakdown by race in these figures?

Mr. WETZEL. No.

Chairman PROXMIRE. I am not asking that it be broken down by race. I do think summer employment should try to provide employment in the cities where the black population is high and it has and it should. It is a very desirable program in that respect. But we can make that kind of conclusion ourselves. I am not asking you to do that. However, if you have the figures, fine. If you don't have them, I am not asking for them.

Mr. SHISKIN. If it isn't too late, I will personally ask the Manpower Administration to get us those figures and either enter it into the record, if I have time, or, if not, I will report them at our next hearing.

[The following information was subsequently supplied for the record:]

U.S. Department of Labor obligations in dollars for summer youth job opportunities

Fiscal years:	*Total obligation (in thousands of dollars)*
1971	
1972	$253, 206
1973	320, 385
1974	325, 994
	397, 000

Chairman PROXMIRE. I seem to detect in your release a hesitancy to really give us some of the bad news on weekly earnings. I don't mean that you are biased. I do think you are doing a fine, professional job and have great admiration and respect for you, Mr. Shiskin.

But, what we get from this is that hourly earnings you stress have increased and weekly earnings, as you point out, have also increased. You stressed hourly earnings have increased rather sharply and you stress that wages have gone up.

In your press release you say that in constant dollars income is down. Now, I would like to know—well, you say that real hourly income is down. And in view of the fact that the hours of work per week are also down, it seems to me that constant dollar weekly earnings would be especially handicapped and would be down once again on the basis of what we have. And what you have is only through May but can you give me that?

Mr. SHISKIN. As I recall it, Senator, hourly earnings adjusted for price changes went up in May. That was the first month in a long time that wages increased more than prices. So they went up in May. And we don't have the June prices, so we can't make an adjustment for June. But there is no doubt that hourly earnings have risen very sharply in the last 2 months.

Chairman PROXMIRE. Risen very sharply? But prices have risen very sharply too.

Mr. SHISKIN. But in May not as sharply, and I don't know what the June results are.

Chairman PROXMIRE. Well, can you give me what the figures show for that?

Mr. SHISKIN. For May? Well, we have that release, Jim——

Chairman PROXMIRE. What does the CPI show in May?

Mr. SHISKIN. Well, hourly earnings went up 1.5 percent. And the CPI—well, what was the CPI, John? Was it 1.1 or 1.2?

Mr. LAYNG. 1.1.

Mr. SHISKIN. So, hourly earnings in May for the first time——

Chairman PROXMIRE. What happened to hours worked in May?

Mr. SHISKIN. Hours worked in May?

Mr. WETZEL. They increased in May. Compared to a year earlier, Senator, hours of work were down. April to May, however, there was an increase such that weekly earnings showed a particularly large rise in that particular month. And expressed in 1967 dollars there was an April to May——

Chairman PROXMIRE. Well, you can show this in terms of the seasonal factor or is there a seasonal factor involved?

Mr. WETZEL. Well, the year to year comparison would eliminate the seasonal factor.

Chairman PROXMIRE. On a year to year basis, hourly earnings are down and weekly earnings are down on that basis. But, you are shifting, as I understand it, to a monthly basis and you say in May you had such a sharp rise in money wages that it more than compensated for the increase in prices?

Mr. SHISKIN. That is right.

Chairman PROXMIRE. But again, is this a seasonal factor?

Mr. SHISKIN. No, I have seasonally adjusted figures in front of me now, and the seasonally adjusted series on real average hourly earnings went from $103.69 in April to $104.68 in May. So they went up.

Now regarding real average weekly earnings. Senator, last month you asked me about the series on spendable average weekly earnings. I have been following that series for many years and I would like to make a few observations.

Chairman PROXMIRE. Fine. Go ahead.

Mr. SHISKIN. And also about some of the related series.

I take a dim view of the use of the real spendable average weekly earning series as a measure of the welfare of workers. Now the reasons are manifold. One reason is that it eliminates taxes; it eliminates income taxes and social security taxes. Now, presumably people get something for their taxes. Congress and the administration tax the people——

Chairman PROXMIRE. That is a pretty big presumption these days.

Mr. SHISKIN. But certainly the assumption must be that the reason that Congress and the administration have a tax program is they think they can do more with the money than the citizens can. Otherwise they wouldn't be taxing them.

Chairman PROXMIRE. Well, it is not as if all taxes, though, are payroll taxes that go back to social security and unemployment compensation taxes. Taxes go into military spending, foreign aid, all kinds of other things. And it seems to me, though, one solid understandable factor, as far as the worker is concerned, is what he has got left, is what he takes home after taxes and corrected for inflation.

Mr. SHISKIN. But, Senator, let me give you one analogy. You mention the military and there is a great debate on that, but there is education and there is health and there is better air, better water, parks, a great many other things the workers are getting. And a lot of the income is going from the workers and other income groups to the poor.

Now, let me give you one simple example of how that series can be deficient on this score, and I will then point out other deficiencies. Let's take the health situation. Now, our series on spendable earnings allows for deductions in taxes—income taxes and social security taxes—but not for deductions which employers make for health benefits. So, if the Congress passes a bill which provides complete medical services, and in a sense free, that will not affect spendable earnings but will affect taxes. And if taxes are raised, spendable earnings will go down. In other words, workers and other groups in the population will be getting as much or more health services, but their spendable earnings will go down.

Chairman PROXMIRE. What you are saying is very helpful, is a very helpful interpretation and a reminder that of course our taxes buy something and can be useful.

Mr. SHISKIN. Sure.

Chairman PROXMIRE. But what the worker is concerned about, and properly concerned about and we should be concerned about, is what he has himself that he can handle, is what he takes home to buy his food, pay his rent, buy his clothing, buy the necessities and have a little left over. We just want to know what that is.

Mr. SHISKIN. It is a very useful figure, yes.

Chairman PROXMIRE. And if it goes down, it can have a profound effect on consumer attitudes, spending, and the future course of the economy.

Mr. SHISKIN. The point I am making is that they can be down at the same time that people are better off if they are getting other things for their money through the tax system.

We made efforts in the past to try to measure the value of goods the low-income groups get through welfare programs. For example, in compiling the poverty statistics, we learned, and I did this——

Chairman PROXMIRE. Let me interrupt to ask. You are not planning to drop this series, are you?

Mr. SHISKIN. No, but I am planning to improve it.

Chairman PROXMIRE. How would you improve it?

Mr. SHISKIN. Well, let me come to that. I hope I can improve it, Senator. I am not sure I can.

Chairman PROXMIRE. You are not going to improve it by not giving the figure on what is left after taxes?

Mr. SHISKIN. No, but please, let me explain my point at a little greater length and then I will come back to your latest question.

What I started to say, Senator, we made numerous efforts to find out how you can value the goods that people get through the tax system and particularly in connection with the poverty measures. Now, the last time I looked at the poverty measure statistics—and that was about a year ago and I haven't had a chance to look at them again—but, the estimates then were that the noncash income going to the low-income groups was greater than the cash income.

And we decided to see if we couldn't put a value on that and thus far we have not been successful. But there is some value obviously.

You know, these groups get—and I am not talking about wage-earners, but these poverty groups get stamps, housing subsidies, free lunchs, and a great many other things.

A simple assumption to make in this context is that the value of what the workers get is what their taxes are. That is about the simplest way you can do it. Now we do have one series——

Chairman PROXMIRE. Simple, but it is also wrong.

Mr. SHISKIN. But, I think it is also wrong——

Chairman PROXMIRE. Well, I think it would be much too simple minded to say the only thing you pay attention to is what they have after taxes. We have to recognize that we do have a lot of improvements with taxes.

But take this figure and then in addition you make whatever allowance you want to make for the fact you also have a social security system, medicare, medicaid and many other benefits. It seems to me you sully and enfeeble your statistics if you try to allow in any way for these things and not just say what it is; not just say this is what you have after taxes, corrected for inflation. This is what the worker has under his own control. He can spend it. It is his.

Mr. SHISKIN. Well we do say that, Senator, but I am pointing out here that if you are making a judgment on what the impact of changes in our real spendable earnings series is on the welfare of the working groups, you have to take other things into account. We do have a series that does that, though, and that is our series on compensation per man-hour.

Chairman PROXMIRE. Now, in your press release, under the heading "The Hourly Index," you break this down into various categories. The index for all industry divisions was 8.1 percent above a year ago, but it ranged up to 10.5 percent increase in mining, but only 6.1 percent increase in transportation and public utilities. So there are many workers manufacturing and elsewhere, where the situation is that they are suffering a drop in real income and they probably suffered a drop in real income in the most recent period.

Mr. SHISKIN. May I get back to the other point, Senator, and it is relevant to what you are saying? You see, we have four different series on wages. Now one of them is compensation per man-hour.

Compensation per man-hour is a quarterly series and that is a limitation, but it is the most comprehensive series we have. It not only includes taxes and assumes implicitly that people get pretty much what they pay for from their taxes, but it also includes fringe benefits. Now, we all know that fringe benefits have been rising more rapidly than wages. That is not shown in the real spendable average weekly earnings series, because that series does not include fringe benefits.

Now, another great limitation to that series is that it includes part-time workers. So the real spendable weekly earnings series has a changing mix. At different times of the business cycle you have different compositions of part-time and full-time workers. And when part-time workers make up a large proportion of the total, the series is quite different from when they make up a small part of the total.

Let me give you one personal analogy. I studied this series in the past, and as it happened I was working on it at the time when I had some events in my personal life that made this point. A few years ago, I had a daughter in college and I was paying something like $5,000 a year to keep her in college. Then she graduated and got a job, and she lived with us for a while. Well, I was worse off financially when she was in college because I was paying $5,000 a year for her. And when she came home and got a job, I was much better off financially. But my average family income declined sharply. Two years later she got married. That was a good thing, too. She went off and lived with her husband and then my average income went up, because her income, which was lower, was no longer considered a part of my household income.

So this series has many limitations and I think to just baldly say "Look, workers are worse off", well, I would be very cautious in saying that. It needs a lot of interpretation.

On the other hand, no doubt the series is useful and——

Chairman PROXMIRE. Of course you can't apply this to every individual because every individual doesn't have a daughter in college.

Mr. SHISKIN. No, but this was an analogy.

Chairman PROXMIRE. What I am saying, however, is that it appears that the overall figures show that the inflation has so seriously eroded income that although money wages have gone up, over the past year, certainly there has been a decline. And there is evidence that even in the last month, Mr. Shiskin, the latest month we have figures for, that many, many workers in many industries have shown a decline in their take-home pay.

Mr. SHISKIN. If you look at our series on compensation per man-hour and make a comparison between 1972 and 1973, it will show an increase of 1.5 percent in real compensation per-man-hour. Now, you know the census figures came out on Wednesday and——

Chairman PROXMIRE. In real compensation? Is that weekly?

Mr. SHISKIN. No, that is compensation per man-hour increased——

Chairman PROXMIRE. Oh, per man-hour?

Mr. SHISKIN [continuing]. Increased in 1972 over 1973 by 1.5 percent.

Chairman PROXMIRE. But if they are working fewer hours, it means that it would go down?

Mr. SHISKIN. It could mean that.

The census figures came out on Wednesday and also showed an increase of median income between 1972 and 1973. But, Senator, in the last few months there is no doubt that, no matter which of these measures you look at, that they are declining. And I am not trying to get away from that basic bit of information.

What I am saying is that I personally have always refrained from using this particular series on real spendable average weekly earnings in making a judgment on the welfare of the workers during a period of declining wages. I think our other series are more useful for that purpose. Now they are also showing a decline——

Chairman PROXMIRE. Let's get back to the press release which shows that the unemployment for teenagers continues to be a serious

problem and their participation rate is going down and that their unemployment is extremely high. I asked you about this last time, and I asked you also whether there was any way of determining whether or not the minimum wage has been a factor in this or what the factors are. We know that unemployment for teenagers in Britain for example is extraordinarily low as compared to ours and other countries' are low. This country has a very bad track record.

Mr. SHISKIN. No, I think it is too early to find that out. The Congress passed and the President signed a Fair Labor Standards Act recently which increased the minimum wage benefits. But that act also requires certain studies to be made to determine the impact.

The Secretary of Labor is required to give a report to the Congress on that, but it is not due until January 1, 1976, and I don't know that we will know much about that before then. It would only be a guess.

Chairman PROXMIRE. As I understand it, you were in charge of coordinating the governmental statistical programs before you became Commissioner of the Bureau of Labor Statistics. You know a lot about overall rules and regulations.

A short time ago, Kenneth Rush, who is the new Chief Economic Advisor to the President released or revealed estimates of the change of prices and real output for the second quarter. I would like to ask you some questions about that. That seems to me to be an outrageous violation of the rules. And I think that this subcommittee, which has responsibility with respect to statistics, should find out why Mr. Rush would do this. He wouldn't come before us and testify, which I think is most unfortunate. I am going to see him today, I have an appointment with him this afternoon and we are going to continue to urge this in every way we know how, but so far can't get an answer.

Since the second quarter was not even over at the time Mr. Rush released these statistics, was it possible for him to know how much output or prices had actually increased?

Mr. SHISKIN. Well, the Bureau of Economic Analysis prepares an unofficial estimates of GNP in the third month of each quarter. Now, those figures are based on very little information. They are based on what amounts to practically the full array of information for the first month of the quarter. For the second month of the quarter, they have the employment-unemployment, the battery of statistics which we put out on that subject, retail sales, and a few other things. So they have less, I would say then, half of the quarter's figures. But there is a lot of pressure on them, so they do prepare an unofficial release and they do make that available to a very small number of people. The reason they do it that way, of course, is that it is based on so little information. But people want to get an idea. So they have been doing that.

Now, to show you how closely guarded that figure is, when I was in OMB I used to get it, and I would give it to Mr. Shultz and some of the others, but I don't get it now.

Chairman PROXMIRE. So, you don't get it now? You are left in the dark?

Mr. SHISKIN. No, I must correct that a little bit. You know we also put out the productivity figures for each quarter. And the GNP figures have a role, an important role, as the numerator. So, Jerry Mark of my staff does get it. And sometimes I see it through him and sometimes I don't.

But it is very, very closely held. But that is an unofficial figure and there is no statement that says that is the official government figure.

Chairman PROXMIRE. How can you have any discipline over these figures? This wasn't a release. This was a public announcement by the top economic advisor to the President. How can you have any effective discipline over the figures and how can you have integrity in the figures if a man in Mr. Rush's position is going to apparently violate every rule in connection with their confidentiality?

Mr. SHISKIN. Well, I don't feel that I can talk about Mr. Rush at all. But, I can go back to some of the history of the release of statistics during the period when I was at OMB. We established rules on publishing in advance the release dates of statistics and for speeding up the release of data. I was very proud of this—I think it was one of the major advances in bringing credibility to the release of statistics. All release dates had to be published in advance. And we had a good reason for that. Once in a while——

Chairman PROXMIRE. Well, that was shot to pieces by the action of Mr. Rush and will be, if you are going to proceed with this kind of attitude in the future.

Mr. SHISKIN. Well, during the period when I was in charge at OMB, there were numerous violations of the 1-hour rule, and you called some of them to our attention, Senator Proxmire. And we promptly dispatched a letter in each case to the person who had violated the rule and many others as well, reminding them of the rule.

Chairman PROXMIRE. Has Mr. Rush been admonished?

Mr. SHISKIN. I have no idea.

Chairman PROXMIRE. Well, who is responsible for doing so?

Mr. SHISKIN. Well, the Director of OMB, Mr. Ash. And under him, my successor, Mr. Duncan.

Chairman PROXMIRE. Isn't Mr. Rush Mr. Ash's superior? It appears to me the President of the United States said it is going to be up to Mr. Rush to coordinate the work of Mr. Ash and Mr. Simon and Mr. Stein. So, it is a matter of Mr. Ash telling his boss off.

Mr. SHISKIN. Well, I am not going to comment on that, Senator, but when I was at OMB, we had no problem with this. Every once in a while, a Cabinet officer would release a figure. And I found that in every case, in nearly every case, that he didn't know about the 1-hour rule. We wrote him a letter and Mr. Shultz signed it or Mr. Weinberg signed it and it didn't happen again.

Chairman PROXMIRE. But, you don't know whether or not a letter has gone from Mr. Ash to Mr. Rush to inform him of this or not?

Mr. SHISKIN. No, sir. I have enough to do trying to keep on top of the BLS without worrying about the work of my successor at OMB.

Chairman PROXMIRE. I would think you would worry about it, since you were so important in establishing this.

Mr. SHISKIN. Well, I was and I worried about what was going on then. I worry about BLS and the Labor Department now, and I can assure you, we have a perfect record on the application of these rules.

And I was very pleased to learn that when Mr. Brennan came in the then Acting Commissioner of BLS promptly told him about the 1-hour rule and you will note we have no violations of the 1-hour rule by the Labor Department.

Chairman PROXMIRE. Well, in this case, Mr. Rush broke the 1-hour rule by a couple of thousand hours.

Mr. SHISKIN. Well, I don't think the 1-hour is really applicable to a figure that is not released. It is a different situation.

Chairman PROXMIRE. Aren't the numbers really rough confidential estimates made by the Department of Commerce for their own use and not even the first official preliminary statistics? They are not due until July 20.

Mr. SHISKIN. Just to give people an idea, Senator.

As I recall, they give it to the CEA and Treasury and one or two other groups for their——

Chairman PROXMIRE. But, there is a real reason for keeping these confidential, isn't there? As I understand the reason, it is because of their preliminary nature and the fact that they could be very misleading in the hands of anyone but the most highly trained expert. Isn't that right?

Mr. SHISKIN. I think so.

Chairman PROXMIRE. Except in the hands of an expert who could allow for the possible changes in directions?

Mr. SHISKIN. I think so.

Chairman PROXMIRE. Isn't it true they contained only one of the 3-month figure for construction, for inventories, for balance of trade?

Mr. SHISKIN. Yes.

Chairman PROXMIRE. Isn't it true that for numerous or most other items, they are based only two of the 3-month figures?

Mr. SHISKIN. Well, I indicated a few moments ago what was in it. They had the first month figures. They had our data for the second month.

And our data, you recall, referred to only 1 week of the previous month. Then they had retail sales figures and a few others. But, there is very little there and that is why they are so cautious in using them.

Chairman PROXMIRE. And then there is another factor. As I understand it, the idea has been well established that these figures were to be released not by political appointees or political figures, but by the civil servants?

Mr. SHISKIN. Well, a statistical agency.

Chairman PROXMIRE. Statistical agency? But by the nonpartisan experts who release them as objective fact and not as something that they would try to doctor up the appearance of an administration with. So, in that case, it seems to be a violation.

The fact of the matter is, you are here at 11 a.m. instead of 10 a.m., following the rules?

Mr. SHISKIN. Yes, we are very careful about that.

Chairman PROXMIRE. Now, Mr. Shiskin, I understand you are in the process of establishing a new Gordon Commission?

Mr. SHISKIN. Yes.

Chairman PROXMIRE. Let me ask you about that. First, why do we need it at all? The old Gordon Commission—Dr. Gordon has testified here many times and we have great respect for him and I know you do too—and the old Commission was a first-rate one and made very substantial and qualitative recommendations and did its job well.

Now, have all of its recommendations been put into effect?

Mr. SHISKIN. Not all of them, but a great many of them. There will be an article on this in an early issue of the Monthly Labor Review by Jack Bregger, who sometimes accompanies me here, indicating major recommendations which have been followed.

We think that while we haven't been able to put all of them into effect, we have done very well. The Government has. It is not only we but the Census Bureau, and other agencies as well.

So we have done well and, if you permit, I can turn to the original question, which is why we need one.

Chairman PROXMIRE. Yes, why?

Mr. SHISKIN. Well, the kinds of questions that have emerged more recently—and it should be emphasized "more recently," deal with such matters as discouraged workers, sub-employment, underemployment, local area statistics, and so on. There has been an especially great drive in the last few years on employment statistics for local areas.

Now, one of the reasons for this is obvious. The manpower revenue sharing law provides that allocations be made not only to States but for areas of 100,000 or more, largely on the basis of the unemployment figures. So there is a great deal of interest in these figures and this type of information.

And these are the kinds of problems that were not given great attention by the Gordon Commission. Furthermore, when I had my confirmation hearings, Mr. Chairman, some of these questions came up and Senator Williams asked me about them and asked me what I planned to do about these. And I said that the Gordon Commission had recommended that a new review of unemployment statistics, be made in about 10 years. It is now about 10 years.

And I said I would arrange for the appointment of such a committee. Now where that stands is that we approached a man, whom we would have liked to have had as chairman and in effect offered him the job, though we would have to have had some clearances later on. And this negotiation went on for more than 3 months and then he told me he wouldn't take it. And I have to start all over again and try to find another chairman.

Chairman PROXMIRE. How about Mr. Gordon as chairman?

Mr. SHISKIN. Well, that is a possibility. But we have been looking at a few other names; at people who have been on the committee and I don't know how we will come out on that, but at the present time we don't have any definite person in mind.

One of the ideas I have had on getting a chairman is based on the experience I had when I set up the GNP committee in OMB. You know, there is a committee reviewing the GNP figures. It is an OMB committee. I had the privilege of taking the initiative in

getting that committee up. And there what we did was to find a chairman who could spend at least half of his time working at it. And I think that is essential. I feel that some of the Presidential commissions or committees, some of the others that I have been associated with, did very poorly because the chairman didn't give it enough time. So I have been seeking a chairman who would have time available.

And what I found is really an outstanding man who is retiring from a university, but he turned it down in favor of something else. And I am now casting about for another person with those qualifications.

Chairman PROXMIRE. How much will it cost?

Mr. SHISKIN. Well, you know that is kind of a difficult question to answer at this time. We are thinking of a budget of about $100,000. That is what the GNP Committee had.

Chairman PROXMIRE. How much?

Mr. SHISKIN. $100,000.

Chairman PROXMIRE. $100,000?

Mr. SHISKIN. You know, of course, there will also be a lot of work done by the BLS staff.

Chairman PROXMIRE. Have you asked for the funds or should they be put in a line item?

Mr. SHISKIN. Well, we have not asked for the funds and you know, under Government regulations, Senator, the President can appoint a committee without congressional approval if the committee is to complete its work within a year. If it takes longer than a year, then he must go to Congress.

Now, the Gordon Committee took a year. And the way that was financed—no; I mean the way the GNP Committee was financed is this, Senator. The OMB has a management information fund, which is used for such studies. They put up half the money and the Department of Commerce puts up the other half. Now that really isn't very much money for that kind of job; for that kind of project, I mean. And that is the pattern I am thinking of in this context.

Chairman PROXMIRE. Can you give us any assurance that we could have some kind of notion that the chairman is capable so that we know that he was qualified and universally respected?

Mr. SHISKIN. Senator Proxmire, you can have no doubt whatever that the chairman that I have a role in selecting will have those qualifications. Certainly the man I had in mind and discussed this with was an outstanding economist and above reproach. I have two or three others in mind. And because they don't know about it yet and may turn us down I don't want to mention their names, but everybody I am thinking of will certainly meet those qualifications. And if you look at the appointments I made at BLS or at OMB, you will find that there was not a single person who absolutely wasn't above reproach as a professional economist or statistician.

Chairman PROXMIRE. And we could have confidence with respect to his knowledge of the manpower situation?

Mr. SHISKIN. Well, you know the question is what kind of a man do you want as chairman of the committee. Now, you need a very good economist and a man who knows how to run a committee, so he gets the job done.

I have been associated with Presidential commissions who had outstanding people on them, but who couldn't get the job done. There was chaos. Now, you need somebody who knows how to run a committee and can devote a lot of time to it.

It is not certain to me, not clear to me, that the chairman has to be an unemployment expert, for example. In fact, I recall an experience where I chaired a committee that put out the new presentation of balance-of-payments statistics. There was a major change made in those statistics about 2 years ago and I was chairman of that committee. Now, I would like to take a minute and tell you the circumstances under which I was made chairman.

I told the balance-of-payments people in the Government that I would certainly not qualify as chairman because I didn't know much about the balance of payments. That, in fact, is the field I know the least about. And they said that is exactly why we want you, because we don't want as chairman someone in the balance-of-payments field who has all kinds of fixed ideas on what needs to be done and will ride his own hobbyhorse. We need a chairman who is going to come in neutral and effectively run this chairmanship——

Chairman PROXMIRE. That should make it easy to pick a chairman. Pick a chairman who knows nothing about the subject.

Mr. SHISKIN. And I know one or two people——

Chairman PROXMIRE. Now you are aware of the controversy over continuing the existing Consumer Price Index for your wage earners as well as going ahead with the new CPI? And I've heard rumors, and they are rumors, that what you intend to do is satisfy the UAW and the other groups that have been requesting the continuation of the old CPI and satisfy the congressional mandate by merely pulling figures from the new CPI in order to meet the requirement that you keep the old service going.

Now, that won't satisfy me and I don't think it would satisfy the other people involved. I think you should not only keep the old series going, but it should be updated with the 1970 census data and updated with respect to outlets and market basket prices, amongst other things.

Mr. SHISKIN. Senator, nothing could be further from the truth than the statement you just made about what we intend to do with the CPI. It is completely wrong. I wrote you a letter and I had it hand delivered the day before we issued our release on the two indexes in which I said that both indexes would be very high quality indexes; we would make all the improvements and updating in both.

Chairman PROXMIRE. What I am saying is simply that you keep the old series intact, update it in the manner it has been done in the past and——

Mr. SHISKIN. We agreed to do that. It is in the letter to you.

I would also mention again that, hopefully next week, but if not next week, the week after, there will be a very comprehensive article describing our plans for both indexes in the Monthly Labor Review. There is no doubt about what we are going to do, Senator. And it is to have two very good indexes.

May I take this opportunity to read two paragraphs from an editorial that appeared on June 22 in the New York Times regarding this.

Chairman PROXMIRE. Yes, indeed. As a matter of fact, didn't I put that editorial in the Congressional Record? Well, at any rate I would like to do so. I thought it was a good article.

Mr. SHISKIN. Well, in the interest of saving time, I will limit it to what I consider to be the most important.

Chairman PROXMIRE. Yes; it was about the integrity of the BLS and so forth. Go ahead.

Mr. SHISKIN. I will read just two paragraphs. This is from the New York Times, June 22, 1974, and it is an editorial:

> Of all the torrent of statistics pouring out of Washington, none exceeds in importance the monthly Consumer Price Index issued by the Bureau of Labor Statistics. In this period of rampaging inflation, it represents the best yardstick this country has for keeping track of the speed with which living costs are moving up. It also serves as trigger for automatic income adjustments in many industries and occupations affecting nearly half of all American families.

And then it goes on to explain the different uses. And the last paragraph:

> The spread of such uses has created clear need for a new index that would reflect the family needs and spending habits of all citizens, rich and poor, not just those of wage earners as at present. The Bureau of Labor Statistics has decided to issue two indexes starting in 1977. One would be an undated extension of the existing series and the other would be a parallel series geared to all urban households, roughly 80 percent of the population. This double-barreled system of computation promises continuation of the high standards of politics-free professionalism that have earned universal respect for the present index.

Chairman PROXMIRE. That editorial will be printed in full in the record.

[The complete text of the editorial follows:]

[From the New York Times, June 22, 1974]

INFLATION GAUGE

Announcement yesterday that the cost of living took another sharp jump in May punctured the fatuous hope of the Administration that the ending of Federal wage-price controls would not lead to a new burst of price increases. Supermarket prices for food have started back uphill despite lower prices at wholesale. The cost of medical care, clothing and used cars is also climbing.

This new evidence that the worst inflation in the country's peacetime history remains unchecked is unlikely to shatter the shameful apathy with which both White House and Congress view the need for governmental action on the stabilization front. However, publication of the figures does serve as a prod for consumer pressure on the legislators, it is also a reminder that, of all the torrent of statistics pouring out of Washington, none exceeds in importance the monthly Consumer Price Index issued by the Bureau of Labor Statistics. In this period of rampaging inflation, it represents the best yardstick this country has for keeping track of the speed with which living costs are moving up. It also serves as trigger for automatic income adjustments in many industries and occupations, affecting nearly half of all American families.

The present index is based on the mythical "market basket" cost of urban blue-collar and white-collar workers. Escalator clauses covering more than five million union workers are now tied to that index, and the number of such clauses is growing fast.

Even more rapid expansion, however, has occurred in use of the consumer price index for adjustments outside the wage field. Retirement payments for 29 million Social Security beneficiaries; school lunch allowances for 24 million children and a host of Federal cost-sharing programs for manpower and social services are keyed to the index. So are an increasing number of alimony and child-support arrangements and commercial contracts.

The spread of such uses has created clear need for a new index that would reflect the family needs and spending habits of all citizens, rich and poor, not just those of wage-earners as at present. The Bureau of Labor Statistics has decided to issue two indexes, starting in 1977. One would be an updated extension of the existing series and the other would be a parallel series geared to all urban households, roughly 80 per cent of the population. This double-barreled system of computation promises continuation of the high standards of politics-free professionalism that have earned universal respect for the present index.

Mr. SHISKIN. I am very pleased with that, Mr. Chairman, because as you know, when I became Commissioner of Labor Statistics, the BLS was under somewhat of a cloud because of the credibility issues that had been raised during the previous 4 years. Now I, in a statement made before the confirmation committee, made it my main objective to provide neutral and objective statistics and have them released in such a way as to restore the high opinion of the public in the BLS. And I would interpret that editorial as very satisfactory with respect to that issue.

Another document is one written by Sidney Margolius, who is probably the senior labor columnist. His column appears in about 200 labor newspapers and in about 50 commercial newspapers. He wrote a special article on the two indexes, which appeared in the 50 commercial newspapers and the gist of it was about what it says here in this New York Times editorial.

Chairman PROXMIRE. The article by Mr. Margolius will be printed in full in the record.

[The article follows:]

[From the Women's News Service, June 4, 1974]

FOR THE CONSUMER—YOUR FINANCIAL FATE AND THE COST OF LIVING INDEX

(By Sidney Margolius)

NEW YORK—How much of a pay raise you receive to keep pace with inflation most likely is determined nowadays by a set of figures officially called the Consumer Price Index, or the CPI, but more popularly known as the cost-of-living index.

Even the sizes of retirees' pensions from Social Security or Civil Service will depend, beginning this year, on the accuracy and methods used in figuring out this index.

As a matter of fact, if you're divorced, your alimony may be tied by agreement to this index. Even low-income families using food stamps will find that after mid-1974 how much they get in stamps will depend on the food price part of the index. School lunch programs, many state and local employees and retirees, beneficiaries of certain insurance and annuity policies also are automatically affected by what the index shows, now.

In all, says Commissioner of Labor Statistics Julius Shiskin, the man in charge of figuring out this index, some 70 million persons now have at least part of their income tied to it compared to only five to 10 million a few years ago.

Doubtless what that index shows is the most important figure in the lives of more and more Americans; perhaps as vital to you as the figures in your bank book.

No wonder, then, that a controversy recently developed when the Bureau of Labor Statistics—BLS—announced it was going to change its method of calculating the index.

At present, the index is based on the typical purchases—called a "market basket"—of urban wage-earner and clerical workers. These are the low- and middle-income groups in the population.

Shiskin said he intended to put into effect a long-discussed plan to broaden the index to include the buying patterns of professional, self-employed, retired and unemployed people.

Labor unions objected. The present index is used in contracts covering more than 5 million wage-earners, AFL–CIO Research Director Nat Goldfinger has testified. The broader index could obscure, or render more controversial, the picture of how wage-earners, specifically, are affected by inflation.

As a leading union paper, The Machinist, pointed out, the concern for escalation of earnings of higher-paid executives and professional people is somewhat less urgent.

Moreover, union and senior citizen spokesmen say a broader index may tend to minimize the often greater impact of inflation on moderate-income and retired families—food and housing have risen most and comprise the bulk of expenses for them: Chuck steak rose more than sirloin did in price.

Shiskin still wants the broader index, but in a recent interview told me the unions had a good case. His solution was statesmanlike and relatively inexpensive. With the concurrence of Administration and congressional economic specialists, the BLS will continue the wage-earner index and will start to develop the broader index for subsequent publication.

Shiskin, a renowned statistician, now has two goals: to reduce the possible percentage of measurement error in the indexes and possibly to develop additional indexes for special groups such as retired persons. He also said he will explore ways to speed up index publication.

The public gains from more information of this kind. Additional facts can help secure greater equity among different population groups when a harsh inflation such as the current one strikes and also provide more insight into how and where inflations can be fought.

After working for many years with these figures, I believe the index is generally accurate but tends to understate food costs in the South, which affects the national index, but not other regional indexes. It also fails fully to reflect the effect of medical costs; the hidden increase in rents due to deterioration of repair services and the full hikes on car costs.

Chairman PROXMIRE. Now, you testified and you have your experts with you too, on wage increases. And I read some disturbing analyses by various economic commentators, charging that we are moving into a disadvantageous stage of wage push inflation, where wages are increasing very rapidly and much more rapidly than productivity and are, of course, exceeding in some respects, inflation.

What further can you tell us about that?

Mr. SHISKIN. Well, as I said in my statement, the May and June figures show significant changes in the pattern of wage increases and they show it in three different ways: One is that hourly earnings went up very sharply in May and June; the second is that the major collective bargaining agreements that have been completed in May and June are substantially higher than those completed in the first quarter.

Chairman PROXMIRE. What your figures show—and I am sure your figures are absolutely correct—what you show us is an average overall. There are some considerably higher, I take it, then the ones you show, isn't that correct?

There are some categories that are higher than the categories you describe.

Mr. SHISKIN. I have one here that is for construction, which was such a problem several years and——

Chairman PROXMIRE. They are even higher in construction in some areas?

Mr. SHISKIN. No doubt that is true, because there is always a lot of variation for individual contracts.

But on construction wages we had a serious problem several years ago and the fact that the first year adjustments completed in May and June were 8.9 percent compared to 5.2 percent in the

first quarter and that the over-life-of-contract figures were 9.2 percent compared to 4.8 percent is discouraging.

Chairman PROXMIRE. How can you evaluate an escalator clause? An escalator clause is put into a wage contract. As I understand it, the UAW escalator clause, for example, will provide that the wages will increase, as the cost of living increases, up to a certain amount and I think it is up to $2.30. So the low wage people are completely covered—and a little more than covered, I think—and the higher wages are partially covered.

If an escalator clause is written in, is there any way you can show that?

Mr. SHISKIN. Yes, there are numerous ways. The way we approached this is that we want back and said this: We now know what happened to prices in the past, and what was the impact of the price increases through the escalator clauses. And we can show it for most of last year and can show some of it for part of this year.

Chairman PROXMIRE. Well, that doesn't indicate what the escalator clause is going to do from here on. The escalator clause depends on what happens to prices from here on.

If prices go up very sharply, then the escalator clause would be more inflationary. If they go up less, then——

Mr. SHISKIN. We don't know about this quarter so we can't do anything with that, but what we can do is show what is happening in recent previous quarters.

Now, as the year unfolds, Senator, the table [1] will become more and more instructive.

There is another thing that could be done and I understand that there are some groups that are doing this. We have done it for some groups I think, but I don't know for sure. You can ask the question: What would happen under these escalator clauses if the inflation rate is, let us say, 6 percent, if it is 9 percent, if it is 12 percent? And then you can calculate. And then you will have a little table which you can use as the year unfolds and you know more about price changes, as to what is happening as a result of the escalator clauses.

Chairman PROXMIRE. But when you give the increase for the current coming year—and the increase in wages for the second and third year out—the farther you get out, the less useful it is because it has to be based on assumptions on inflation that we have no way of determining. They are guesses. You can see what happened last year. These economists were making estimates of what the escalator clause would do last year and they were assuming inflation would taper off at the end of the year. But instead it greatly increased.

Mr. SHISKIN. I agree with what you say and it is for that very reason that I have introduced this table into my testimony this morning. And that, to the best of my knowledge, it is the first time such a table has ever been issued by BLS. And the reason I am doing it is the point you make, Senator, that the figures we now publish on first quarter adjustments and adjustments over the life of the contract are quite misleading, or can be misleading, during a period of rapid price increase.

[1] See table entitled "Comparisons of First-Year Wage Decisions Before and After Escalator Adjustments," p. 286.

Chairman PROXMIRE. Well, now what can you tell us about the tendency of escalator clauses to spread in collective bargaining for contracts so far this year? Has there been a sharp increase?

Mr. SHISKIN. Yes.

Chairman PROXMIRE. How sharp?

Mr. SHISKIN. Nearly one-third of 1 million workers have been newly covered by escalator clauses since the beginning of this year.

Chairman PROXMIRE. One-third of 1 million?

Mr. SHISKIN. One-third of 1 million.

Chairman PROXMIRE. Out of how many contracts?

Mr. SHISKIN. I don't know the number.

Chairman PROXMIRE. I mean how many people were involved in the contracts?

Mr. SAMUELS. The base is about 10½ million workers.

Chairman PROXMIRE. And you already have a number of those covered so that this would be an increase of say from covering 10 or 15 percent to covering 20 percent, or something of that kind?

Mr. SAMUELS. There is about 45 to 50 percent now covered by escalator clauses in our major bargaining series.

Chairman PROXMIRE. For wages?

Mr. SAMUELS. That is right.

Chairman PROXMIRE. Is that right? About 45 or 50 percent?

Mr. SAMUELS. In the major bargaining series. There are 10½ million——

Chairman PROXMIRE. I thought there were 5 million covered by escalator clauses and of course we have at work now in the work force 85 million.

Mr. SAMUELS. Now, the 5 million——

Chairman PROXMIRE. I mean we have employed 85 million.

Mr. SAMUELS. The 5 million figure relates to those under contract that cover 1,000 or more workers. We really don't know the extent of escalator clauses in the other approximately 8 or 9 million workers under collective bargaining.

Chairman PROXMIRE. So what you are saying is, as far as you know, it is 45 to 50 percent, but what you know about it is a limited number? And I would make the assumption that there is probably less coverage for the people who work in units of 1,000 or less than the ones who work with 1,000 or more. That may or may not be valid.

Mr. SAMUELS. That is right. I don't know.

Chairman PROXMIRE. Now the Census Bureau reported 2 days ago the median income for black families fell relatively to white families for the third year in a row. Could you comment on the economic situation of the Nation's black workers?

Mr. SHISKIN. Well, I am really not prepared to do that. It would take some study and, as you can see from the material distributed, I have had my hands full the last few days. And I haven't seen that release so I am not prepared to answer that question.

Chairman PROXMIRE. Well, can you give us any notion, any evaluation at all of the attempts to determine the impact of inflation on various income categories? For example, we have been told that people with low incomes last year suffered very severely because so much of the inflation was concentrated in the food area and they spend a great deal more of their income on food. They

spend maybe 40 percent of their income on food, compared to 10 percent of people with very high incomes. Has there been any analysis to indicate this kind of impact and what this would do to the poverty statistics, for example?

Mr. SHISKIN. Not that I know of.

Chairman PROXMIRE. Well, in determining a poverty family or the level of income which would qualify a person as being in the poverty category, was this factor taken into account?

Mr. SHISKIN. Well, the poverty threshold is adjusted each year by the CPI. So insofar as the CPI tends to be dominated, as it was the last few years, by components that the poor use—that is on what the poor consumer uses a greater proportion of his income on—then it does show up. But it is not a very thorough job.

And what I started to say is, I don't think we have the kind of statistics we need for this kind of job. If the Senate Appropriations Committee supports the House recommendations, we will be on the way to getting such data. Now, what I have in mind——

Chairman PROXMIRE. Then, you would agree that what we have at the present time is not adequate. We can't really determine the poverty level fairly in view of the fact that we don't allow for the requirement that the low income people have to spend a lot of the incomes for food?

Mr. SHISKIN. Yes, sir. That is a very poor calculation; besides which there is another matter which works the other way, which the poverty level doesn't take into account—and this I mentioned earlier—the number of noncash benefits low income people derive. May I go back to the other point for a minute?

We proposed, and the House Appropriations Committee has approved, the beginning of a new survey which would enable us to collect data on consumers' expenditures every quarter on an ongoing basis instead of only when the CPI revision is done once in 10 years.

Now that program will provide some data—I mean, that program will provide a facility, a vehicle for getting answers to these kinds of questions. So I think we have in the making a statistical facility which will enable us to do much better, on the questions you ask.

Chairman PROXMIRE. Well, I hope you keep us posted on that.

One other category of questions, now, that concerns me. Mr. Heller said this year that last year was the year of infamy for economists. Their predictions were too far off, especially with respect to inflation, that it was a year in which they were quite discouraged.

Business Week has an article in a recent issue in which they analyze the very serious problem the whole economic profession faces and their demoralization because they don't seem to have any answers.

One target of criticism is the validity of the present statistics we have, that is their relevance—not that they are not honest, not that they are not accurate, not that they are not gathered in a very competent way—but their relevance with the effect of super-inflation on them and especially the changing of the significance of these statistics as prices increase rapidly. For example, leading indicators tied to price performance may be giving us false signals.

Now, can you give us, or do you know of any way we can get suggestions as to what we can do to make our statistic-gathering relevant to our present policy dilemma.

Are you or is anyone you know trying to put together the most useful data that can inform the Congress and the President and policymakers in the private sector on changes in the economy?

Can you tell us what is likely to happen to inflation and employment production and overall economic growth, so that we can have a better basis than the bad basis we in the past have had for making economic policy?

Mr. SHISKIN. You are talking about macroeconomic indicators.

Chairman PROXMIRE. Yes, sir.

Mr. SHISKIN. You know, Professor Dunlop has taken the position that for wage and price controls, you need very different kinds of data than what we are getting. He needs very detailed microdata——

Chairman PROXMIRE. Well, wage and price controls will probably not be going in full force for a while, if at all.

Mr. SHISKIN. Well, I would confirm the statement you made in this sense, Senator. As you know, I spent a good part of my life, my professional life, in selecting leading, coincident——

Chairman PROXMIRE. And about wage and price controls—well, proceed.

Mr. SHISKIN [continuing]. And I think they have been very useful. But the periods we used to determine the timing relationships for the different series were very different from the present period and I certainly wonder about the ability of those relations to this period when inflation has been so rapid. And I don't know.

Now BCD (Business Conditions Digest), which I had a hand in initiating, of which I have a copy and on which we have a committee, I was instrumental in getting them to put in a special appendix which shows leading indicators, that are expressed in dollars, and leading indicators, that are expressed in physical volume. And what that chart shows for this month in this issues of BCD, that just came out——

Chairman PROXMIRE. Would you identify that? You say this issue of what?

Mr. SHISKIN. Of Business Conditions Digest. This is the June issue.

Chairman PROXMIRE. Business Conditions Digest?

Mr. SHISKIN. On page 116. There is a chart on that page which they call "An Experimental Data Analyses." What it does is to take the index of the 12 leading indicators and break it down into series that are expressed in current dollars and series that are expressed in nonmonetary units for example, hours of work is a nonmonetary unit.

Chairman PROXMIRE. Physical production would be one.

Mr. SHISKIN. Yes, though that is not a leading indicator, but physical; yes. And initial claims is another one.

Now, on the other hand, the dollar unit series include a series on new orders—and housing starts is a third one on physical volume, Senator—and on dollar units you have new orders; stock prices, which isn't going up; installment credit change; inventory change; and so on.

Now what this chart shows, and I wish I had another copy because I don't know if you can see it here—Senator Proxmire.

Chairman PROXMIRE. I can see it.

Mr. SHISKIN. It shows the dollar series are going up like mad—the index based on dollars series, where the other series on physical units has leveled off. And I think that is a very significant chart, as a supplement to the other material.

So we are making some efforts, but I don't have any words of wisdom on this. We are in a very unusual period where we have studied history, and we learned about historical economic relations. Now we suddenly discover that things are changing a great deal. And we have a period of very rapid inflation. We have also had a much greater impact than ever before of the activities of foreign countries. For example, we have one small group of foreign countries, the Arabs, getting a very large increase in their own incomes.

So whether these old relationships are applicable or not, that is very hard to say. I have no words of wisdom on it.

Chairman PROXMIRE. And can you tell us how you are coming along on your statistics with respect to the oil industry, the petroleum industry?

Mr. SHISKIN. We are coming along very well. We published the statistics in June and we are going to continue to publish them from here on out. This is only the beginning of our problems with the Wholesale Price Index, however. We have a great many other problems.

But as far as oil statistics are concerned, I think we have that behind us.

Chairman PROXMIRE. What are your other principal problems with respect to wholesale prices?

Mr. SHISKIN. Well, one problem is that a very large percentage of the data used in the wholesale price index are based on secondary sources and that was the origin of the troubles with the wholesale prices of petroleum products; 29 percent, as I recall the figure, of the weight we now use in the WPI are based on secondary sources. Some of these may be good and very satisfactory, but others may not. We have to take a hard look at that and set up an appropriate criteria for determining which are and which aren't.

A second problem we have is that the time periods to which the figures relate vary a great deal. Some figures relate to one day and some to a week and others to a whole month, and so on.

Now this factor creates problems in interpreting the current figure because sometimes we don't even have figures for the month we are covered by the latest index, and that happens to be true of the wholesale price index for petroleum products.

There are troubles with the weighting schemes. There was an article in Challenge recently, which called attention to the impact of the use of value of shipments weights when a component like petroleum's prices rise rapidly, and has a multiple impact on the total index through the weighting scheme.

Now, I pointed out at another hearing that we do have other series that get around the weighting problem—the wholesale prices of finished producers' and finished consumers' goods, and that would have been a better thing for the use made in the Challenge article, Senator.

Another problem is that we are not on a probability basis. There is a tremendous advantage in having a survey on a probability basis, because then you have control on what you've got, you know, whether you've got enough to make a good estimate, or——

Chairman PROXMIRE. When you've got enough to do what?

Mr. SHISKIN. If you have a probability sample, then when the returns come in, when you've got enough returns in to make a reliable estimate, you know what the margin of error is. Now when you have what we have for most of our components; namely, a judgmental-type sample, you don't know. You are making a guess. So we've got to go over to a probability basis.

Last year we asked Congress for money to improve—oh, and let me add one point. In 1974, we are still using weights based on the 1963 census of manufacturers in the WPI and there are other deficiencies I haven't thought of.

Last year we asked Congress for $450,000 for funds to improve the WPI and the request was granted and we now have that money. And we made a similar request this year and the House has approved that request. So if we now get the second year request, we will have about doubled our appropriation for the WPI in the last 2 years. Therefore, over the next few years I am very confident we will be able to make some essential improvements.

But, sir, let me assure you that these cannot be done very quickly. There is a very big job to be done.

Chairman PROXMIRE. Let me finally ask you this and this will be the last question, with respect to a problem that bothers me a great deal on the Wholesale Price Index and that is the elimination of double accounting and triple accounting and pyramiding. That is where you have a big increase in the price of oil or coal and that goes in to make a very large increase in the price of other material that is being fabricated and produced and also into the price of transportation and so forth. This is reflected in a way which seems to me to be not fully accurate if it is grossly interpreted.

In other words, it seems to me to be giving a signal that is erroneous when the wholesale prices work their way through the process to the consumer——

Mr. SHISKIN. My predecessor, Geoffrey Moore, the former Commissioner and Joel Popkin, John Layng's predecessor, developed WPI statistics by stage of processing——

Chairman PROXMIRE. By what?

Mr. SHISKIN. Stage of processing. We now have data we publish every month for wholesale prices of finished producers' goods and consumers' goods and intermediate products and crude materials, excluding food, and I would commend to your attention these figures. We have been talking about giving them more prominence in our releases. So that is one shortrun way of dealing with that kind of problem.

And, as a matter of fact, John Layng has in his hands a series of charts I asked him to make up—and I haven't really studied them, Senator—of these very series, so we can make some judgments on them, and so I think that is something we can do in the shortrun. And we hope that people will be using these special categories in the future—oh, and I would add that in my judgment most of the uses of the WPI are for the component series. You know, the

WPI, like the CPI, is very heavily used in escalation. But it is used at a different level. For example, suppose a shipyard makes a contract with a paint company for the paint company to supply paint over a 3-year period. They will have an escalation clause based on the WPI for paints. So that has a very widespread use, you see.

I have read that $50 billion worth of contracts are escalated on the basis of the WPI, so that is a major use.

Now in terms of the macro uses, Senator, I haven't quite made up my mind because I haven't had a chance to study the series thoroughly, but I do think that the use of the stage of processing data would be a better way of making judgments on the overall movements in commodities.

Chairman PROXMIRE. Well, thank you very much, Mr. Shiskin. We appreciate so much your testimony.

The subcommittee will stand adjourned.

[Whereupon, at 12:30 p.m., the subcommittee adjourned, subject to the call of the Chair.]

EMPLOYMENT-UNEMPLOYMENT

FRIDAY, AUGUST 2, 1974

CONGRESS OF THE UNITED STATES,
SUBCOMMITTEE ON PRIORITIES AND
ECONOMY IN GOVERNMENT OF THE
JOINT ECONOMIC COMMITTEE,
Washington, D.C.

The subcommittee met, pursuant to notice, at 12:40 p.m., in room 1202, Dirksen Senate Office Building, Hon. William Proxmire (chairman of the subcommittee) presiding.

Present: Senator Proxmire.

Also present: John R. Karlik and Courtenay M. Slater, senior economists; William A. Cox, Lucy A. Falcone, Sarah Jackson, Jerry J. Jasinowski, L. Douglas Lee, Larry Yuspeh, and Robert Hamrin, professional staff members; Michael J. Runde, administrative assistant; Leslie J. Bander, minority economist; and Walter B. Laessig, minority counsel.

OPENING STATEMENT OF CHAIRMAN PROXMIRE

Chairman PROXMIRE. Our witness is Mr. Julius Shiskin, who is the head of the Bureau of Labor Statistics.

And we are very happy to have you. And I apologize that we are over an hour late in having you appear.

This morning the statistics on unemployment show 5.3 percent, which means that it is 0.1 percent higher, and it is the highest level that it has been at since October of 1972, 120 months, almost 2 years. And we have some questions for you on that.

I might say that those members of the press who are leaving that the subcommittee will reconvene on Tuesday, August 6, at 10 a.m. in room 318 of the Russell Senate Office Building to hear Chairman Arthur Burns, and on Thursday at 2:30 to hear Roy Ash, Commissioner, Office of Management and Budget.

Mr. Shiskin, we are happy to have you. It is unfortunate that the news isn't as good as it has been in the past, it is a very marginal increase.

I am particularly concerned about the fact that although the proportion of teenagers in the labor force dropped, unemployment among teenagers has sharply increased, and among black teenagers increased to 35 percent, an appalling figure. With those as conspicuous exceptions, there is considerable stability.

Will you go ahead and present your statement in any way you wish. And we will have questions.

STATEMENT OF HON. JULIUS SHISKIN, COMMISSIONER, BUREAU OF LABOR STATISTICS, DEPARTMENT OF LABOR, ACCOMPANIED BY JAMES R. WETZEL, ASSISTANT COMMISSIONER, OFFICE OF CURRENT EMPLOYMENT ANALYSIS; NORMAN J. SAMUELS, ASSISTANT COMMISSIONER, OFFICE OF WAGES AND INDUSTRIAL RELATIONS; AND J. R. NORSWORTHY, CHIEF, DIVISION OF PRODUCTIVITY RESEARCH

Mr. SHISKIN. I have a very brief statement, Mr. Chairman. I must say that while people usually don't like to wait, I found it extremely instructive and interesting. And perhaps it was more useful than my talks. I don't feel bad about it at all.

Chairman PROXMIRE. You are a very patient and kind man. Thank you. As a professional economist I thought you might be interested in the testimony.

Your press release will be included in the hearing record at the end of your statement.

Mr. SHISKIN. Mr. Chairman and members of the subcommittee, I have nothing to add to the analysis on the employment situation in July provided in our press release. I would, however, like to update and amplify the remarks on wage trends and work stoppages I made last month before this subcommittee.

Last month I included preliminary information on wages and work stoppages in my statement because the trends in both appeared to have turned upwards abruptly. We have since released first 6 months' data and they confirm our observations of last month. As the attached table shows, virtually every measure of wages for the second quarter of 1974 shows a sharp rise over the first quarter.

[The attached table follows:]

COMPARISON OF 1ST YEAR WAGE DECISIONS BEFORE AND AFTER ESCALATOR ADJUSTMENTS BY QUARTER, 1973 TO DATE

	Annual rate of change	
	1974—I	1974—I
Wage rates under collective bargaining:		
1st year adjustments	6.2	9.2
Over-life-of-contract	5.3	7.4
Effective adjustments	4.9	10.0
Current decisions	1.2	4.9
Prior settlement	2.4	3.3
Escalator provision	1.2	1.6
Hourly earnings index	6.0	9.6
Compensation per man-hour (private nonfarm):		
Current dollars	8.4	10.2
1967 dollars	−2.7	−2.0

Mr. SHISKIN. I won't go through the table, since my sentences summarize it.

This table includes our new measure of effective wage rate adjustments, available for the first time on a quarterly basis. The measure combines all of the changes effective in a quarter, whether resulting from current decisions, deferred increases from earlier settlements, or escalator clauses.

The effects of recent increases in the CPI, operating through the escalator clauses, were illustrated in the table I introduced last month which compared the first year decision with the first year increase after "retrospective correction" for escalator increases. The table has been improved since last month by separating the information between those settlements with and without escalator clauses. This table shows that of the settlements made during the rapid inflation in 1973 and 1974, those with COLA clauses resulted in higher actual wage rate increases during the first year of the contract.

And again the information I just described is in the attached table.

[The attached table follows:]

Year and quarter	Settlements with escalators		Settlements without escalators (1st year)	All settlements	
	1st year decision	Decision plus COLA		1st year decision	Decision plus COLA
1973:					
I	5.9	7.6 (4)	5.5	5.5	5.6
II	6.3	6.8 (4)	6.1	6.2	6.4
III	5.5	9.6 (4)	6.0	5.8	7.1
IV	5.2	10.7 (3)	6.1	5.5	9.3
1974:	6.4	8.9 (2)	6.0	6.2	7.6
II	9.2	10.6 (1)	9.3	9.2	10.0

Note.—The figures in parenthesis indicate the number of quarters for which escalation is currently available.

Mr. SHISKIN. Work stoppages—strike related idleness during the first 6 months of 1974 (0.22 percent of estimated working time) exceeded the levels for the same period of the last 3 years despite the lowest first quarter in 8 years. The 0.22 percent of estimated working time lost compares to 0.11 percent in the first 6 months of 1973, but is less than the level for the first 6 months of each year from 1967 through 1970.

However, the 7.3 million days of idleness in June 1974 were the highest recorded for that month since 1952. Information for stoppages during the first half of July involving at least 1,000 workers indicate there has been no decline in such activity. Idleness during this period was more than three times as high as the corresponding period in 1973.

It is also to be noted that negotiations covering large numbers of workers have been concluded peacefully—except in the men's apparel industry. Among those peacefully concluded were settlements in the can, aluminum, and basic steel industries. This year, the east coast stevedoring industry settled months before the expiration date of their agreement—after requiring the use of Taft-Hartley emergency procedures in each negotiation in the post-war period.

That concludes my statement, and I will be glad to answer your questions.

[The press release referred to for the record follows:]

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USDL - 74-416
FOR RELEASE: Transmission Embargo
10:00 A. M. (EDT)
Friday, August 2, 1974

THE EMPLOYMENT SITUATION: JULY 1974

Employment and unemployment showed little movement from June to July, it was announced today by the Bureau of Labor Statistics of the U. S. Department of Labor. The Nation' s unemployment rate was 5. 3 percent; it was 5. 2 percent in the previous 2 months and had held in the 5. 0-5. 2 percent range since the beginning of the year.

Total employment (as measured by the monthly sample survey of households) was 86. 3 million in July, essentially unchanged from June but up by 500, 000 since April. This increase followed a 6-month period of virtually no change.

Nonagricultural payroll employment (as measured by the monthly survey of business establishments) was little changed in July at 77. 0 million. Since May, however, payroll jobs have declined slightly, in part owing to increased strike activity. (Persons on strike are not counted as employed in the establishment survey but are considered employed--"with a job but not at work"--in the household survey.)

Unemployment

After adjustment for seasonality, the number of unemployed persons (4. 9 million) and the unemployment rate (5. 3 percent) showed little change from June to July. (See table A-1.) Although not statistically different from the 5. 2-percent rate of May and June, the unemployment rate was considerably higher than the 4. 6-percent level reached last October; nearly all of this increase, however, took place during the December-January period of energy shortages.

The stability in the unemployment situation in July was reflected in the jobless rates for most of the major labor force groups. Rates for married men (2. 6 percent), household heads (3. 0 percent), white workers (4. 8 percent), adult men (3. 5 percent), adult women (5. 2 percent), and teenagers (16. 2 percent), all were the same or nearly the same as in June. The unemployment rate for Negro workers, at 9. 4 percent in July, was not materially different from its June level, although there was an increase in the rate for Negro teenagers--from 30. 3 to 35. 3 percent.

Also showing little or no over-the-month change were jobless rates for full- and part-time workers and for most of the major industry and occupational groups. The rate for workers covered by State unemployment insurance programs remained at 3.4 percent, a level that has been maintained with little deviation since February. (See table A-2.)

Table A. Highlights of the employment situation (seasonally adjusted data)

Selected categories	Quarterly averages					Monthly data		
	II	III	IV	I	II	May 1974	June 1974	July 1974
	(Millions of persons)							
Civilian labor force	88.5	89.0	89.9	90.5	90.6	90.7	90.9	91.2
Total employment	84.1	84.8	85.7	85.8	86.0	86.0	86.2	86.3
Adult men	47.7	48.1	48.5	48.5	48.4	48.5	48.5	48.4
Adult women	29.2	29.5	29.7	29.7	30.1	30.1	30.3	30.7
Teenagers	7.2	7.2	7.5	7.6	7.4	7.4	7.4	7.2
Unemployment	4.3	4.2	4.2	4.7	4.7	4.7	4.8	4.9
	(Percent of labor force)							
Unemployment rates:								
All workers	4.9	4.7	4.7	5.2	5.1	5.2	5.2	5.3
Adult men	3.3	3.1	3.0	3.5	3.5	3.4	3.5	3.5
Adult women	4.8	4.8	4.7	5.1	5.0	5.1	5.1	5.2
Teenagers	14.7	14.3	14.3	15.3	15.1	15.8	15.6	16.2
White	4.4	4.2	4.2	4.7	4.7	4.7	4.8	4.8
Negro and other races	9.0	9.0	8.6	9.4	9.0	9.5	8.8	9.4
Household heads	2.9	2.7	2.8	3.0	3.1	3.0	3.1	3.0
Married men	2.3	2.1	2.1	2.4	2.4	2.2	2.6	2.6
Full-time workers	4.3	4.2	4.3	4.6	4.6	4.6	4.7	4.8
State insured	2.7	2.6	2.6	3.3	3.4c	3.3	3.4	3.4
	(Weeks)							
Average duration of unemployment	9.9	9.7	9.9	9.5	9.7	9.5	9.8	10.1
	(Millions of persons)							
Nonfarm payroll employment	75.3	75.7	76.6	76.7	77.1p	77.1	77.1p	77.0p
Goods-producing industries	24.0	24.2	24.4	24.3	24.2p	24.3	24.2p	24.0p
Service-producing industries	51.3	51.6	52.1	52.4	52.9p	52.9	52.9p	52.9p
	(Hours of work)							
Average weekly hours:								
Total private nonfarm	37.2	37.1	37.0	36.8	36.8p	36.8	36.7p	36.9p
Manufacturing	40.7	40.7	40.6	40.4	40.2p	40.3	40.1p	40.3p
Manufacturing overtime	3.9	3.8	3.7	3.5	3.4p	3.4	3.4p	3.3p
	(1967=100)							
Hourly Earnings Index, private nonfarm:								
In current dollars	145.0	147.8	150.4	152.6	156.2p	156.1	157.9p	158.6p
In constant dollars	110.3	110.1	109.3	107.7	107.3p	107.3	107.5p	N.A.

p= preliminary. c=corrected. N.A.= not available.

SOURCE: Tables A-1, A-3, A-4, B-1, B-2, and B-4.

The unemployment rate for Vietnam-era veterans 20 to 34 years old, at 4.9 percent in July, was unchanged over the month and not materially different from the rates for the first half of 1974. The jobless rate for 20 to 24 year-old veterans--those with the least civilian job market experience--remained higher than for young nonveterans (9.6 versus 7.8 percent). Among older Vietnam veterans, jobless rates have been equal to or below those for their nonveteran counterparts.

The average (mean) duration of unemployment rose slightly in July--from 9.8 to 10.1 weeks--attaining its highest level in 9 months. (See table A-4.)

Civilian Labor Force and Total Employment

The civilian labor force rose by 250,000 in July to 91.2 million (seasonally adjusted), the third consecutive monthly gain following a lull in the previous 3 months. The recent increases have been accounted for largely by women. Since April, the number of adult women in the labor force has increased by 800,000, while the adult male labor force has risen by only 140,000 and that of teenagers has declined. (See table A-1.)

Total employment, at 86.3 million seasonally adjusted, was essentially unchanged from June. However, in keeping with the pattern since the first of the year, there was a strong increase among adult women; teenagers posted a decline in July, and adult males remained about unchanged. Since January, the number of employed adult women has grown by 1.2 million, while there were declines of 460,000 among teenagers and 230,000 for adult men.

Industry Payroll Employment

Nonagricultural payroll employment was little changed from June, at 77.0 million seasonally adjusted. Since May, however, total payroll jobs have decreased by 185,000; the decline was concentrated in contract construction, with smaller reductions taking place in manufacturing, transportation and public utilities, Federal government, and finance, insurance, and real estate. (See table B-1.) This tailing off in employment growth in the May-July period followed a limited expansion in the first part of the year.

Payroll employment in the service-producing sector rose slightly in July, but this was offset by widespread declines in the goods-producing industries. The goods-producing decrease stemmed largely from a 100,000 employment reduction in contract construction jobs, about half of which was a result of increased strike activity. Employment declines also occurred in most of the manufacturing industries, about equally divided between the durable and nondurable goods components. Modest job

gains in the service-producing sector were confined to retail trade, services, and State and local government.

Hours of Work

The average workweek for production or nonsupervisory workers on private nonagricultural payrolls moved up 0.2 hour in July to 36.9 hours, seasonally adjusted. (See table B-2.) However, on balance there has been little movement in weekly hours since the beginning of the year. Total manufacturing hours also rose 0.2 hour over the month to 40.3 hours; factory overtime hours, in contrast, fell slightly to 3.3 hours. Total manufacturing hours and overtime hours were down 0.7 and 0.8 hour, respectively, since peaking in early 1973.

Hourly and Weekly Earnings

Average hourly earnings of production or nonsupervisory personnel on private nonagricultural payrolls rose at a rate of 0.5 percent, seasonally adjusted, in July. Since July 1973, hourly earnings have advanced by 7.4 percent. Average weekly earnings increased by 1.0 percent over the month and were up 6.6 percent over the past year.

Before adjustment for seasonality, average hourly earnings rose by 1 cent in July to $4.19. (See table B-3.) Since July a year ago, hourly earnings have increased by 29 cents. Weekly earnings averaged $156.29 in July, an increase of $1.63 from June and $9.65 from July 1973.

The Hourly Earnings Index

The Hourly Earnings Index--earnings adjusted for overtime in manufacturing, seasonality, and the effects of changes in the proportion of workers in high-wage and low-wage industries--was 158.6 (1967=100) in July, 0.5 percent higher than in June. The Index was 8.0 percent above July a year ago. During the 12-month period ended in June, the Hourly Earnings Index in dollars of constant purchasing power declined 2.6 percent. (See table B-4.)

This release presents and analyzes statistics from two major surveys. Data on labor force, total employment, and unemployment are derived from the sample survey of households conducted and tabulated by the Bureau of the Census for the Bureau of Labor Statistics. Statistics on payroll employment, hours, and earnings are collected by State agencies from payroll records of employers and are tabulated by the Bureau of Labor Statistics. Unless otherwise indicated, data for both series relate to the week of the specified month containing the 12th day. A description of the two surveys appears in the BLS publication *Employment and Earnings*.

Table A-1. Employment status of the noninstitutional population

[Numbers in thousands]

Employment status	Not seasonally adjusted			Seasonally adjusted					
	July 1973	June 1974	July 1974	July 1973	March 1974	April 1974	May 1974	June 1974	July 1974
TOTAL									
Total noninstitutional population[1]	148,361	150,710	150,922	148,361	150,066	150,283	150,507	150,710	150,922
Total labor force	93,227	94,758	95,496	91,139	92,747	92,556	92,909	93,130	93,387
Civilian noninstitutional population[1]	146,050	148,499	148,701	146,050	147,816	148,040	148,277	148,499	148,701
Civilian labor force	90,917	92,546	93,276	88,828	90,496	90,313	90,679	90,919	91,167
Employed	86,367	87,167	88,015	84,621	85,863	85,775	85,971	86,165	86,312
Agriculture	4,165	3,895	4,024	3,512	3,699	3,511	3,457	3,293	3,405
Nonagricultural industries	82,201	83,272	83,991	81,109	82,164	82,264	82,514	82,872	82,907
Unemployed	4,550	5,380	5,260	4,207	4,633	4,538	4,708	4,754	4,855
Unemployment rate	5.0	5.8	5.6	4.7	5.1	5.0	5.2	5.2	5.3
Not in labor force	55,133	55,953	55,426	57,222	57,320	57,727	57,598	57,580	57,534
Males, 20 years and over									
Total noninstitutional population[1]	62,872	63,886	63,973	62,872	63,622	63,712	63,804	63,886	63,973
Total labor force	52,034	52,491	52,518	51,499	51,912	51,880	52,031	52,034	52,001
Civilian noninstitutional population[1]	60,986	60,097	62,176	60,986	61,801	61,897	62,000	62,097	62,176
Civilian labor force	50,147	50,702	50,722	49,612	50,091	50,065	50,227	50,245	50,205
Employed	48,692	48,994	49,027	48,087	48,379	48,272	48,508	48,483	48,428
Agriculture	2,664	2,609	2,655	2,479	2,646	2,493	2,494	2,420	2,470
Nonagricultural industries	46,029	46,385	46,372	45,608	45,733	45,779	46,014	46,063	45,958
Unemployed	1,453	1,707	1,695	1,525	1,712	1,793	1,719	1,762	1,777
Unemployment rate	2.9	3.4	3.3	3.1	3.4	3.6	3.4	3.5	3.5
Not in labor force	10,839	11,395	11,454	11,374	11,710	11,832	11,773	11,852	11,971
Females, 20 years and over									
Civilian noninstitutional population[1]	69,291	70,346	70,448	69,291	70,035	70,139	70,247	70,346	70,448
Civilian labor force	30,144	31,429	31,514	30,981	31,498	31,612	31,651	31,944	32,404
Employed	28,620	29,809	29,799	29,481	29,916	30,057	30,051	30,314	30,716
Agriculture	781	621	676	620	613	539	507	469	537
Nonagricultural industries	27,839	29,188	29,123	28,861	29,303	29,518	29,544	29,845	30,179
Unemployed	1,524	1,620	1,715	1,500	1,582	1,555	1,600	1,630	1,688
Unemployment rate	5.1	5.2	5.4	4.8	5.0	4.9	5.1	5.1	5.2
Not in labor force	39,147	38,917	38,934	38,310	38,537	38,527	38,596	38,402	38,044
Both sexes, 16-19 years									
Civilian noninstitutional population[1]	15,774	16,056	16,077	15,774	15,981	16,004	16,030	16,056	16,077
Civilian labor force	10,626	10,416	11,039	8,235	8,907	8,636	8,801	8,730	8,558
Employed	9,054	8,364	9,189	7,053	7,568	7,446	7,412	7,368	7,168
Agriculture	720	665	693	413	440	479	456	404	398
Nonagricultural industries	8,334	7,698	8,497	6,640	7,128	6,967	6,956	6,964	6,770
Unemployed	1,572	2,053	1,850	1,182	1,339	1,190	1,389	1,362	1,390
Unemployment rate	14.8	19.7	16.8	14.4	15.0	13.8	15.8	15.6	16.2
Not in labor force	5,148	5,640	5,038	7,539	7,074	7,368	7,229	7,326	7,519
WHITE									
Civilian noninstitutional population[1]	129,358	131,293	131,457	129,358	130,739	130,922	131,114	131,293	131,457
Civilian labor force	80,340	81,943	82,514	78,703	80,163	80,100	80,488	80,565	80,873
Employed	76,908	77,700	78,434	75,437	76,498	76,464	76,694	76,738	76,986
Unemployed	3,432	4,243	4,081	3,266	3,665	3,636	3,794	3,827	3,887
Unemployment rate	4.3	5.2	4.9	4.1	4.6	4.5	4.7	4.8	4.8
Not in labor force	49,018	49,350	48,942	50,655	50,576	50,822	50,626	50,728	50,584
NEGRO AND OTHER RACES									
Civilian noninstitutional population[1]	16,692	17,206	17,245	16,692	17,077	17,118	17,164	17,206	17,245
Civilian labor force	10,577	10,604	10,761	10,096	10,289	10,168	10,292	10,286	10,269
Employed	9,459	9,467	9,582	9,168	9,323	9,285	9,315	9,376	9,301
Unemployed	1,118	1,137	1,179	928	966	883	977	910	968
Unemployment rate	10.6	10.7	11.0	9.2	9.4	8.7	9.5	8.8	9.4
Not in labor force	6,115	6,602	6,484	6,596	6,788	6,950	6,872	6,920	6,976

[1] Seasonal variations are not present in the population figures; therefore, identical numbers appear in the unadjusted and seasonally adjusted columns.

NOTE: Data relate to the noninstitutional population 16 years of age and over. Total noninstitutional population and total labor force include persons in the Armed Forces.

Table A-2. Major unemployment indicators, seasonally adjusted

Selected categories	Number of unemployed persons (in thousands)		Unemployment rates					
	July 1973	July 1974	July 1973	March 1974	April 1974	May 1974	June 1974	July 1974
Total, 16 years and over	4,207	4,855	4.7	5.1	5.0	5.2	5.2	5.3
Males, 20 years and over	1,525	1,777	3.1	3.4	3.6	3.4	3.5	3.5
Females, 20 years and over	1,500	1,688	4.8	5.0	4.9	5.1	5.1	5.2
Both sexes, 16-19 years	1,182	1,390	14.4	15.0	13.8	15.8	15.6	16.2
White, total	3,266	3,887	4.1	4.6	4.5	4.7	4.8	4.8
Males, 20 years and over	1,215	1,484	2.7	3.0	3.2	3.1	3.2	3.3
Females, 20 years and over	1,156	1,345	4.3	4.7	4.6	4.7	4.8	4.8
Both sexes, 16-19 years	895	1,058	12.2	12.8	11.9	14.0	13.9	13.9
Negro and other races, total	928	968	9.2	9.4	8.7	9.5	8.8	9.4
Males, 20 years and over	310	301	6.1	6.8	6.5	6.3	6.5	5.9
Females, 20 years and over	335	338	8.2	7.0	6.8	8.0	6.9	8.0
Both sexes, 16-19 years	283	329	31.2	33.8	30.3	33.5	30.3	35.3
Household heads	1,415	1,579	2.7	3.0	3.1	3.0	3.1	3.0
Married men, spouse present	839	1,056	2.1	2.4	2.5	2.2	2.6	2.6
Full-time workers	3,166	3,724	4.2	4.6	4.6	4.6	4.7	4.8
Part-time workers	1,078	1,162	8.5	8.1	7.3	8.8	8.9	8.6
Unemployed 15 weeks and over[1]	755	928	.8	.9	.9	1.0	1.0	1.0
State insured[2]	1,657	2,204	2.7	3.4	3.4	3.3	3.4	3.4
Labor force time lost[3]	--	--	5.1	5.6	5.7	5.7	5.6	5.7
OCCUPATION[4]								
White-collar workers	1,185	1,414	2.9	2.8	2.8	3.2	3.1	3.3
Professional and technical	232	271	1.9	1.9	2.2	2.1	1.9	2.1
Managers and administrators, except farm	130	130	1.5	1.5	1.6	1.9	1.8	1.4
Sales workers	204	224	3.6	3.8	3.3	4.2	4.6	4.0
Clerical workers	619	789	4.1	4.0	3.9	4.6	4.4	5.0
Blue-collar workers	1,668	1,966	5.2	6.1	6.4	5.7	6.2	6.1
Craft and kindred workers	468	509	3.9	3.6	3.9	3.7	4.2	4.2
Operatives	807	961	5.3	7.2	7.1	6.3	6.8	6.3
Nonfarm laborers	393	496	8.3	9.0	10.4	8.8	9.6	10.7
Service workers	651	758	5.5	6.1	5.8	6.7	5.8	6.3
Farm workers	62	89	2.0	2.8	2.7	2.6	2.8	2.9
INDUSTRY[4]								
Nonagricultural private wage and salary workers[5]	3,011	3,568	4.7	5.1	5.3	5.2	5.4	5.4
Construction	436	460	9.4	8.4	10.3	9.6	10.2	10.6
Manufacturing	813	1,101	3.8	5.2	5.0	4.7	5.2	5.1
Durable goods	416	578	3.3	5.0	5.0	4.5	4.8	4.4
Nondurable goods	397	523	4.6	5.5	5.1	5.0	5.7	6.0
Transportation and public utilities	128	166	2.8	2.8	3.0	3.0	3.2	3.4
Wholesale and retail trade	917	1,042	5.9	5.8	5.9	6.3	6.1	6.4
Finance and service industries	706	779	4.0	4.4	4.3	4.3	4.3	4.3
Government workers	403	457	2.9	2.8	2.9	3.4	2.8	3.1
Agricultural wage and salary workers	72	108	5.4	7.8	8.2	7.1	7.5	7.8
VETERAN STATUS								
Males, Vietnam-era veterans[6]:								
20 to 34 years	264	285	4.9	5.1	5.1	4.8	5.2	4.9
20 to 24 years	130	118	8.8	9.0	9.2	10.3	10.1	9.6
25 to 29 years	116	140	4.0	4.3	4.5	3.6	4.4	4.3
30 to 34 years	18	27	1.8	2.8	2.8	2.5	2.6	2.0
Males, nonveterans:								
20 to 34 years	615	742	4.7	5.5	5.8	5.6	5.4	5.5
20 to 24 years	363	459	6.6	7.8	1.6	7.9	7.5	7.8
25 to 29 years	176	154	4.5	4.3	4.9	4.8	4.6	4.0
30 to 34 years	76	129	2.2	3.2	3.7	2.6	2.8	3.5

[1] Unemployment rate calculated as a percent of civilian labor force.
[2] Insured unemployment under State programs; unemployment rate calculated as a percent of average covered employment.
[3] Man-hours lost by the unemployed and persons on part time for economic reasons as a percent of potentially available labor force man-hours.
[4] Unemployment by occupation includes all experienced unemployed persons, whereas that by industry covers only unemployed wage and salary workers.
[5] Includes mining, not shown separately.
[6] Vietnam-era veterans are those who served after August 4, 1964.

Table A-3. Selected employment indicators

[In thousands]

Selected categories	Not seasonally adjusted		Seasonally adjusted					
	July 1973	July 1974	July 1973	March 1974	April 1974	May 1974	June 1974	July 1974
Total employed, 16 years and over	86,367	88,015	84,621	85,863	85,775	85,971	86,165	86,312
Males	53,892	54,241	52,037	52,556	52,370	52,628	52,499	52,389
Females	32,475	33,775	32,584	33,307	33,405	33,343	33,666	33,923
Household heads	50,225	51,054	50,203	50,706	50,738	50,817	50,995	51,054
Married men, spouse present	39,248	38,996	39,064	39,025	38,975	39,064	38,933	38,802
Married women, spouse present	18,365	19,034	19,218	19,349	19,497	19,505	19,682	19,910
OCCUPATION								
White-collar workers	39,882	41,630	40,177	41,743	41,601	41,615	42,111	41,953
Professional and technical	11,112	11,946	11,721	12,250	12,274	12,248	12,482	12,601
Managers and administrators, except farm	8,717	9,102	8,559	8,938	9,009	9,145	9,172	8,932
Sales workers	5,466	5,376	5,437	5,462	5,443	5,440	5,375	5,349
Clerical workers	14,587	15,207	14,460	15,083	14,875	14,782	15,082	15,071
Blue-collar workers	31,505	31,305	30,226	29,773	29,722	30,192	29,664	30,056
Craft and kindred workers	11,813	11,970	11,470	11,603	11,534	11,623	11,380	11,621
Operatives	14,598	14,440	14,435	13,711	13,973	14,137	13,982	14,283
Nonfarm laborers	5,094	4,895	4,321	4,459	4,215	4,432	4,302	4,152
Service workers	11,301	11,563	11,120	11,136	11,212	11,129	11,466	11,370
Farm workers	3,680	3,517	3,095	3,204	3,128	3,028	2,899	2,968
MAJOR INDUSTRY AND CLASS OF WORKER								
Agriculture:								
Wage and salary workers	1,638	1,640	1,267	1,440	1,299	1,320	1,235	1,268
Self-employed workers	1,895	1,860	1,772	1,828	1,767	1,740	1,701	1,740
Unpaid family workers	632	524	468	408	456	398	387	388
Nonagricultural industries:								
Wage and salary workers	76,043	77,626	74,994	76,231	76,054	76,132	76,618	76,602
Private households	1,585	1,386	1,563	1,403	1,434	1,424	1,408	1,367
Government	13,030	13,644	13,530	14,028	14,036	14,065	14,175	14,168
Other	61,428	62,596	59,901	60,800	60,584	60,643	61,035	61,067
Self-employed workers	5,554	5,875	5,489	5,362	5,636	5,703	5,811	5,805
Unpaid family workers	606	491	571	520	498	495	491	463
PERSONS AT WORK [1]								
Nonagricultural industries	71,746	72,855	76,711	76,993	75,696	77,679	77,833	78,050
Full-time schedules	61,273	61,577	64,414	63,984	63,378	64,537	64,669	64,750
Part time for economic reasons	3,015	3,116	2,369	2,540	2,390	2,746	2,484	2,432
Usually work full time	1,129	1,124	1,161	1,249	1,078	1,260	1,209	1,156
Usually work part time	1,886	1,992	1,208	1,291	1,312	1,486	1,275	1,276
Part time for noneconomic reasons	7,458	8,162	9,928	10,469	9,928	10,396	10,680	10,868

[1] Excludes persons "with a job but not at work" during the survey period for such reasons as vacation, illness, or industrial disputes.

Table A-4. Duration of unemployment

[Numbers in thousands]

Weeks of unemployment	Not seasonally adjusted		Seasonally adjusted					
	July 1973	July 1974	July 1973	March 1974	April 1974	May 1974	June 1974	July 1974
Less than 5 weeks	2,350	2,609	2,225	2,464	2,269	2,520	2,370	2,471
5 to 14 weeks	1,521	1,819	1,267	1,388	1,467	1,358	1,462	1,516
15 weeks and over	678	832	755	815	857	877	939	928
15 to 26 weeks	383	430	478	503	528	525	571	550
27 weeks and over	295	402	277	312	329	352	368	378
Average (mean) duration, in weeks	9.0	9.3	9.8	9.4	9.8	9.5	9.8	10.1
PERCENT DISTRIBUTION								
Total unemployed	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Less than 5 weeks	51.7	49.6	52.8	52.8	49.4	53.0	49.7	50.3
5 to 14 weeks	33.4	34.6	29.8	29.7	31.9	28.6	30.6	30.8
15 weeks and over	14.9	15.8	17.8	17.5	18.7	18.4	19.7	18.9
15 to 26 weeks	8.4	8.2	11.3	10.8	11.5	11.0	12.0	11.2
27 weeks and over	6.5	7.6	6.5	6.7	7.2	7.4	7.7	7.7

Table A-5. Reasons for unemployment

[Numbers in thousands]

Reason	Not seasonally adjusted		Seasonally adjusted					
	July 1973	July 1974	July 1973	March 1974	April 1974	May 1974	June 1974	July 1974
NUMBER OF UNEMPLOYED								
Lost last job	1,500	1,919	1,581	2,022	2,007	1,888	1,998	2,022
Left last job	692	785	674	739	720	676	738	764
Reentered labor force	1,389	1,548	1,304	1,186	1,263	1,599	1,406	1,454
Seeking first job	969	1,009	649	632	549	643	625	675
PERCENT DISTRIBUTION								
Total unemployed	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Job losers	33.0	36.5	37.6	44.2	44.2	39.3	41.9	41.1
Job leavers	15.2	14.9	16.0	16.1	15.9	14.1	15.5	15.5
Reentrants	30.5	29.4	31.0	25.9	27.8	33.3	29.5	29.6
New entrants	21.3	19.2	15.4	13.8	12.1	13.4	13.1	13.7
UNEMPLOYED AS A PERCENT OF THE CIVILIAN LABOR FORCE								
Job losers	1.6	2.1	1.8	2.2	2.2	2.1	2.2	2.2
Job leavers	.8	.8	.7	.8	.8	.7	.8	.8
Reentrants	1.5	1.7	1.5	1.3	1.4	1.8	1.5	1.6
New entrants	1.1	1.1	.7	.7	.6	.7	.7	.7

Table A-6. Unemployment by sex and age

Sex and age	Not seasonally adjusted			Seasonally adjusted unemployment rates					
	Thousands of persons		Percent looking for full-time work						
	July 1973	July 1974	July 1974	July 1973	March 1974	April 1974	May 1974	June 1974	July 1974
Total, 16 years and over	4,550	5,260	81.6	4.7	5.1	5.0	5.2	5.2	5.3
16 to 19 years	1,572	1,850	71.8	14.4	15.0	13.8	15.8	15.6	16.2
16 to 17 years	842	972	61.9	16.4	18.4	15.7	18.1	18.4	18.0
18 to 19 years	730	878	82.7	12.6	12.7	12.5	14.3	12.9	14.7
20 to 24 years	1,075	1,212	87.8	8.0	8.1	8.1	8.6	8.3	8.8
25 years and over	1,904	2,199	86.3	3.0	3.3	3.3	3.2	3.3	3.3
25 to 54 years	1,545	1,837	88.4	3.0	3.4	3.6	3.3	3.5	3.5
55 years and over	358	361	75.9	2.8	2.7	2.6	2.7	2.7	2.8
Males, 16 years and over	2,288	2,637	86.9	4.0	4.4	4.5	4.4	4.6	4.6
16 to 19 years	833	941	77.2	13.9	14.4	14.0	14.6	15.6	15.4
16 to 17 years	480	540	69.6	16.6	17.6	16.3	18.0	18.9	18.4
18 to 19 years	353	401	87.3	11.6	12.1	12.4	12.2	12.1	12.8
20 to 24 years	507	595	90.4	7.0	7.9	7.8	8.3	8.1	8.1
25 years and over	948	1,100	93.5	2.4	2.7	2.9	2.6	2.7	2.8
25 to 54 years	729	893	96.9	2.3	2.7	3.0	2.7	2.8	2.8
55 years and over	218	207	78.7	2.8	2.4	2.3	2.3	2.5	2.7
Females, 16 years and over	2,262	2,624	76.1	5.9	6.2	5.9	6.4	6.3	6.5
16 to 19 years	738	908	66.3	14.9	15.8	13.5	17.2	15.6	17.2
16 to 17 years	362	432	52.1	16.1	19.3	14.9	18.3	17.7	17.5
18 to 19 years	377	477	78.8	13.8	13.4	12.6	16.7	13.8	16.9
20 to 24 years	568	616	85.4	9.3	8.4	8.4	9.0	8.7	9.6
25 years and over	956	1,099	79.2	3.9	4.2	4.1	4.2	4.4	4.2
25 to 54 years	816	945	80.2	4.2	4.5	4.4	4.4	4.6	4.6
55 years and over	140	154	72.1	2.6	3.4	3.0	3.2	3.1	2.9

ESTABLISHMENT DATA

Table B-1. Employees on nonagricultural payrolls, by industry

[In thousands]

Industry	Not seasonally adjusted				Seasonally adjusted					
	July 1973	May 1974	June 1974 p	July 1974 p	July 1973	Mar. 1974	Apr. 1974	May 1974	June 1974 p	July 1974 p
TOTAL	75,368	77,225	77,871	76,830	75,478	76,804	76,941	77,136	77,073	76,951
GOODS-PRODUCING	24,307	24,147	24,561	24,237	24,115	24,231	24,239	24,268	24,219	24,041
MINING	644	664	680	688	631	655	659	664	666	674
CONTRACT CONSTRUCTION	3,934	3,658	3,782	3,741	3,680	3,725	3,659	3,662	3,602	3,500
MANUFACTURING	19,729	19,825	20,099	19,808	19,804	19,851	19,921	19,942	19,951	19,867
Production workers	14,458	14,486	14,717	14,415	14,566	14,516	14,582	14,590	14,589	14,507
DURABLE GOODS	11,608	11,718	11,881	11,706	11,646	11,644	11,733	11,746	11,778	11,730
Production workers	8,507	8,557	8,692	8,508	8,562	8,489	8,578	8,577	8,597	8,548
Ordnance and accessories	192.4	187.6	189.5	188.2	193	193	193	189	189	188
Lumber and wood products	644.0	645.0	658.8	647.0	628	648	654	650	638	631
Furniture and fixtures	512.3	518.1	522.2	500.3	522	522	523	524	521	510
Stone, clay, and glass products	709.3	700.6	708.5	703.4	697	703	697	701	693	692
Primary metal industries	1,322.4	1,333.4	1,350.6	1,343.8	1,308	1,316	1,320	1,322	1,327	1,329
Fabricated metal products	1,441.2	1,450.4	1,471.6	1,430.5	1,459	1,449	1,456	1,458	1,460	1,448
Machinery, except electrical	2,036.2	2,141.2	2,173.8	2,150.2	2,040	2,134	2,136	2,139	2,159	2,155
Electrical equipment	1,992.9	2,016.1	2,038.1	2,015.2	2,009	2,033	2,031	2,030	2,038	2,031
Transportation equipment	1,834.3	1,763.9	1,787.8	1,761.6	1,858	1,681	1,756	1,764	1,777	1,770
Instruments and related products	494.0	522.1	533.0	527.2	494	521	523	524	532	528
Miscellaneous manufacturing	428.5	440.0	447.1	438.3	438	444	444	445	444	448
NONDURABLE GOODS	8,121	8,107	8,218	8,102	8,158	8,207	8,188	8,196	8,173	8,137
Production workers	5,951	5,929	6,025	5,907	6,004	6,027	6,004	6,013	5,992	5,959
Food and kindred products	1,759.4	1,684.1	1,716.3	1,748.7	1,720	1,764	1,750	1,747	1,720	1,709
Tobacco manufactures	67.8	67.4	68.1	69.5	76	77	77	76	76	78
Textile mill products	1,006.8	1,011.2	1,023.8	987.1	1,021	1,019	1,016	1,013	1,012	1,001
Apparel and other textile products	1,270.4	1,300.0	1,305.2	1,233.7	1,319	1,294	1,296	1,300	1,292	1,281
Paper and allied products	716.3	722.8	734.1	725.6	716	730	728	731	725	725
Printing and publishing	1,097.2	1,103.8	1,111.7	1,107.1	1,101	1,105	1,105	1,107	1,112	1,110
Chemicals and allied products	1,041.0	1,048.3	1,062.6	1,064.3	1,034	1,048	1,046	1,050	1,054	1,057
Petroleum and coal products	191.5	192.7	196.8	196.6	186	190	191	193	193	191
Rubber and plastics products, nec	682.0	682.5	699.3	688.3	690	686	684	685	695	697
Leather and leather products	288.4	294.1	299.7	281.1	295	294	295	294	294	288
SERVICE-PRODUCING	51,061	53,078	53,310	52,593	51,363	52,573	52,702	52,868	52,854	52,910
TRANSPORTATION AND PUBLIC UTILITIES	4,653	4,664	4,713	4,693	4,598	4,676	4,668	4,664	4,648	4,637
WHOLESALE AND RETAIL TRADE	16,262	16,535	16,650	16,579	16,294	16,487	16,549	16,594	16,575	16,612
WHOLESALE TRADE	4,112	4,177	4,222	4,229	4,071	4,190	4,202	4,211	4,197	4,187
RETAIL TRADE	12,150	12,358	12,428	12,350	12,223	12,297	12,347	12,383	12,378	12,425
FINANCE, INSURANCE, AND REAL ESTATE	4,113	4,141	4,183	4,199	4,048	4,127	4,130	4,145	4,142	4,133
SERVICES	12,982	13,422	13,550	13,558	12,828	13,240	13,248	13,329	13,363	13,397
GOVERNMENT	13,051	14,316	14,214	13,564	13,595	14,043	14,107	14,136	14,126	14,131
FEDERAL	2,616	2,695	2,703	2,693	2,588	2,675	2,681	2,698	2,684	2,664
STATE AND LOCAL	10,435	11,621	11,511	10,871	11,007	11,368	11,426	11,438	11,442	11,467

p=preliminary.

Table B-2. Average weekly hours of production or nonsupervisory workers[1] on private nonagricultural payrolls, by industry

Industry	Not seasonally adjusted				Seasonally adjusted					
	July 1973	May 1974	June 1974[p]	July 1974[p]	July 1973	Mar. 1974	April 1974	May 1974	June 1974[p]	July 1974[p]
TOTAL PRIVATE	37.6	36.6	37.0	37.3	37.2	36.8	36.6	36.8	36.7	36.9
MINING	42.6	43.1	43.6	43.4	42.4	42.9	42.5	43.2	43.2	43.2
CONTRACT CONSTRUCTION	38.4	36.9	37.8	38.0	37.5	37.1	36.2	36.9	37.1	37.1
MANUFACTURING	40.5	40.3	40.4	40.1	40.7	40.4	39.3	40.3	40.1	40.3
Overtime hours	3.7	3.3	3.5	3.2	3.8	3.6	2.9	3.4	3.4	3.3
DURABLE GOODS	41.1	40.9	41.1	40.5	41.4	40.9	39.8	40.9	40.8	40.8
Overtime hours	3.9	3.5	3.6	3.3	4.1	3.7	2.9	3.6	3.4	3.4
Ordnance and accessories	[2]	[3]	[4]42.0	[4]40.9	[2]	[2]	[2]	[3]	[4]41.8	[4]41.3
Lumber and wood products	40.4	40.4	40.5	40.1	40.5	40.3	40.1	40.1	39.9	40.2
Furniture and fixtures	39.4	39.1	39.8	39.0	39.8	39.5	38.8	39.4	39.5	39.4
Stone, clay, and glass products	42.3	41.7	41.9	41.6	42.1	41.7	41.2	41.6	41.5	41.4
Primary metal industries	42.1	41.8	42.0	41.2	42.2	41.5	41.2	41.6	41.6	41.3
Fabricated metal products	41.4	41.2	41.3	40.6	41.6	41.3	39.6	41.1	40.9	40.8
Machinery, except electrical	41.7	42.3	42.6	41.7	42.2	42.4	40.7	42.3	42.5	42.2
Electrical equipment	39.7	39.9	40.2	39.5	40.2	39.9	39.0	40.0	40.0	40.0
Transportation equipment	42.0	40.7	40.5	40.6	42.3	40.3	38.9	40.5	39.9	40.8
Instruments and related products	40.2	40.2	40.5	39.7	40.6	40.5	39.4	40.3	40.4	40.1
Miscellaneous manufacturing	38.4	38.8	39.1	38.5	38.9	38.9	37.6	38.9	39.0	39.0
NONDURABLE GOODS	39.7	39.3	39.5	39.5	39.6	39.5	38.7	39.4	39.3	39.4
Overtime hours	3.4	3.1	3.2	3.2	3.4	3.3	2.8	3.2	3.1	3.2
Food and kindred products	40.6	40.4	40.7	40.9	40.2	40.4	39.8	40.6	40.5	40.5
Tobacco manufactures	35.9	38.5	37.6	38.5	36.0	37.7	38.8	38.8	37.0	38.7
Textile mill products	40.5	40.0	40.5	40.0	40.8	40.4	39.2	40.2	40.1	40.3
Apparel and other textile products	36.0	35.5	34.8	35.5	35.9	35.5	34.5	35.6	34.7	35.4
Paper and allied products	42.7	42.1	42.4	42.3	42.7	42.6	41.7	42.3	42.3	42.3
Printing and publishing	37.8	37.7	37.8	37.7	37.7	37.6	37.1	37.8	37.7	37.6
Chemicals and allied products	41.9	41.8	42.0	41.7	42.1	41.8	41.8	41.8	41.9	41.9
Petroleum and coal products	43.0	42.4	42.8	42.9	42.4	42.8	42.5	42.2	42.5	42.3
Rubber and plastics products, nec	40.5	40.3	40.7	40.4	40.8	40.8	39.3	40.3	40.5	40.7
Leather and leather products	38.3	37.8	38.2	38.0	37.8	38.1	37.3	37.6	37.6	37.5
TRANSPORTATION AND PUBLIC UTILITIES	41.1	40.5	41.1	41.3	40.7	40.3	40.9	40.8	40.9	40.9
WHOLESALE AND RETAIL TRADE	35.6	34.0	34.6	35.2	34.7	34.3	34.5	34.3	34.3	34.3
WHOLESALE TRADE	39.7	38.9	39.1	39.3	39.5	38.9	38.9	39.1	39.0	39.1
RETAIL TRADE	34.3	32.5	33.2	33.9	33.2	32.9	33.1	32.9	32.9	32.8
FINANCE, INSURANCE, AND REAL ESTATE	37.3	36.8	36.8	36.9	37.2	36.9	36.9	36.9	36.8	36.8
SERVICES	34.8	33.8	34.2	34.8	34.2	34.0	34.0	34.1	34.2	34.2

[1] Data relate to production workers in mining and manufacturing; to construction workers in contract construction; and to nonsupervisory workers in transportation and public utilities; wholesale and retail trade; finance, insurance, and real estate; and service. These groups account for approximately four-fifths of the total employment on private nonagricultural payrolls.

[2] Previously published data for this series for March 1971 through May 1974 are being revised to correct processing errors. The corrected figure for June 1974 is published in this table, along with the July 1974 figure. Revised historical data are not yet available; they are scheduled to be published in December when the routine benchmarking and seasonal adjustment revisions will be made.

p=preliminary.

ESTABLISHMENT DATA

Table B-3. Average hourly and weekly earnings of production or nonsupervisory workers[1] on private nonagricultural payrolls, by industry

Industry	Average hourly earnings				Average weekly earnings			
	July 1973	May 1974	June 1974[p]	July 1974[p]	July 1973	May 1974	June 1974[p]	July 1974[p]
TOTAL PRIVATE	$3.90	$4.14	$4.18	$4.19	$146.64	$151.52	$154.66	$156.29
Seasonally adjusted	3.91	4.14	4.18	4.20	145.45	152.35	153.41	154.98
MINING	4.70	5.12	5.19	5.24	200.22	220.67	226.28	227.42
CONTRACT CONSTRUCTION	(2)	(2)	[2]6.68	[2]6.77	(2)	(2)	[2]252.50	[2]257.26
MANUFACTURING	4.06	4.33	4.38	4.40	164.43	174.50	176.95	176.44
DURABLE GOODS	4.31	4.60	4.65	4.66	177.14	188.14	191.12	188.73
Ordnance and accessories	(2)	(2)	[2]4.78	[2]4.74	(2)	(2)	[2]200.76	[2]193.39
Lumber and wood products	3.59	3.81	3.88	3.88	145.04	153.92	157.14	155.59
Furniture and fixtures	3.25	3.47	3.49	3.47	128.05	135.68	138.90	135.33
Stone, clay, and glass products	4.20	4.45	4.52	4.52	177.66	185.57	189.39	188.03
Primary metal industries	5.00	5.53	5.59	5.58	210.50	231.15	234.78	229.90
Fabricated metal products	4.24	4.52	4.55	4.54	175.54	186.22	187.92	184.32
Machinery, except electrical	4.51	4.84	4.88	4.87	188.07	204.73	207.89	203.08
Electrical equipment	3.86	4.06	4.11	4.14	153.24	161.99	165.22	163.53
Transportation equipment	5.06	5.36	5.41	5.47	212.52	218.15	219.11	222.08
Instruments and related products	3.87	4.10	4.13	4.18	155.57	164.82	167.27	165.95
Miscellaneous manufacturing	3.26	3.48	3.49	3.48	125.18	135.02	136.46	133.98
NONDURABLE GOODS	3.70	3.91	3.97	4.02	146.89	153.66	156.82	158.79
Food and kindred products	3.82	4.12	4.16	4.20	155.09	166.45	169.31	171.78
Tobacco manufactures	3.97	4.30	4.34	4.42	142.52	165.55	163.18	170.17
Textile mill products	2.89	3.11	3.25	3.24	117.05	124.40	131.63	120.60
Apparel and other textile products	2.74	2.95	2.98	2.99	98.64	104.73	103.70	106.15
Paper and allied products	4.23	4.40	4.46	4.50	180.62	185.24	189.10	190.35
Printing and publishing	4.70	4.91	4.93	4.94	177.66	185.11	186.35	186.24
Chemicals and allied products	4.49	4.72	4.78	4.85	188.13	197.30	200.76	202.25
Petroleum and coal products	5.26	5.47	5.56	5.63	226.18	231.93	237.97	241.53
Rubber and plastics products, nec	3.82	3.93	3.98	4.07	154.71	158.38	161.99	164.43
Leather and leather products	2.79	3.01	3.00	3.00	106.86	113.78	114.60	114.00
TRANSPORTATION AND PUBLIC UTILITIES	(2)	(2)	[2]5.28	[2]5.35	(2)	(2)	[2]217.01	[2]220.96
WHOLESALE AND RETAIL TRADE	3.20	3.44	3.46	3.47	113.92	116.96	119.72	122.14
WHOLESALE TRADE	4.12	4.41	4.45	4.48	163.56	171.55	174.00	176.06
RETAIL TRADE	2.86	3.08	3.10	3.10	98.10	100.10	102.92	105.09
FINANCE, INSURANCE, AND REAL ESTATE	(2)	(2)	[2]3.80	[2]3.80	(2)	(2)	[2]139.84	[2]140.22
SERVICES	(2)	(2)	[2]3.68	[2]3.66	(2)	(2)	[2]125.86	[2]127.37

[1] See footnote 1, table B-2.

[2] Previously published data for this series for March 1971 through May 1974 are being revised to correct processing errors. The corrected figure for June 1974 is published in this table, along with the July 1974 figure. Revised historical data are not yet available; they are scheduled to be published in December when the routine benchmarking revisions will be made.

p=preliminary.

Table B-4. Hourly Earnings Index for production or nonsupervisory workers in private nonfarm industries, seasonally adjusted

(1967=100)

Industry	July 1973	Feb. 1974	March 1974	April 1974	May 1974	June 1974 p	July 1974 p	Percent change from: July 1973-July 1974	Percent change from: June 1974-July 1974
TOTAL PRIVATE NONFARM:									
Current dollars	146.9	152.5	153.5	154.5	156.1	157.9	158.6	8.0	0.5
Constant (1967) dollars	110.9	107.6	107.2	107.3	107.3	107.5	N.A.	(1)	(2)
MINING	147.9	154.8	156.1	158.0	159.8	162.7	164.2	11.1	.9
CONTRACT CONSTRUCTION	(3)	(3)	(3)	(3)	(3)	[3] 163.7	[3] 165.4	N.A.	1.0
MANUFACTURING	143.7	149.3	150.1	151.4	153.3	155.3	156.1	8.7	.5
TRANSPORTATION AND PUBLIC UTILITIES	(3)	(3)	(3)	(3)	(3)	[3] 163.9	[3] 165.3	N.A.	.9
WHOLESALE AND RETAIL TRADE	143.6	149.1	150.4	151.0	153.5	154.8	155.8	8.5	.7
FINANCE, INSURANCE, AND REAL ESTATE	(3)	(3)	(3)	(3)	(3)	[3] 149.0	[3] 148.7	N.A.	-.2
SERVICES	(3)	(3)	(3)	(3)	(3)	[3] 161.1	[3] 160.4	N.A.	-.4

1 Percent change was -2.6 from June 1973 to June 1974, the latest month available.
2 Percent change was 0.2 from May 1974 to June 1974, the latest month available.

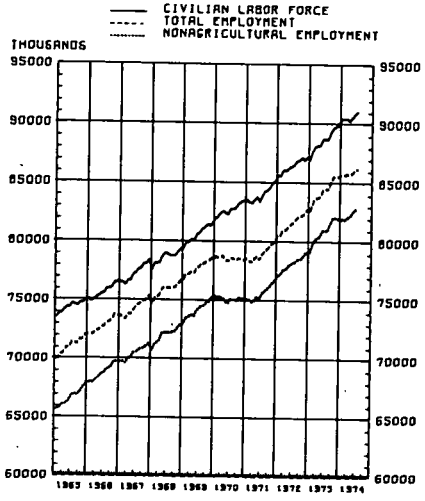
3 Previously published data for this series for March 1971 through May 1974 are being revised to correct processing errors. The corrected figure for June 1974 is published in this table, along with the July 1974 figure. Revised historical data are not yet available; they are scheduled to be published in December when the routine benchmarking and seasonal adjustment revisions will be made.

N.A. = not available.
p=preliminary.

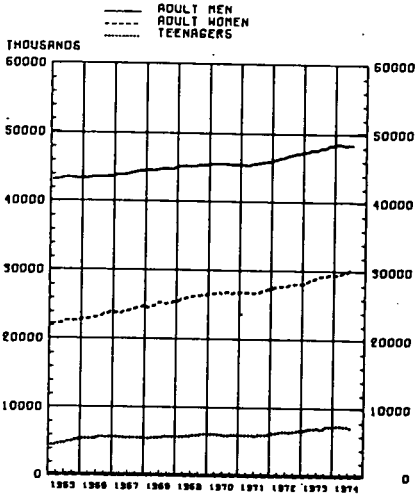
NOTE: All series are in current dollars except where indicated. The index excludes effects of two types of changes that are unrelated to underlying wage-rate developments: Fluctuations in overtime premiums in manufacturing (the only sector for which overtime data are available) and the effects of changes in the proportion of workers in high-wage and low-wage industries. The seasonal adjustment eliminates the effect of changes that normally occur at the same time and in about the same magnitude each year.

LABOR FORCE. EMPLOYMENT. UNEMPLOYMENT
HOUSEHOLD DATA - SEASONALLY ADJUSTED

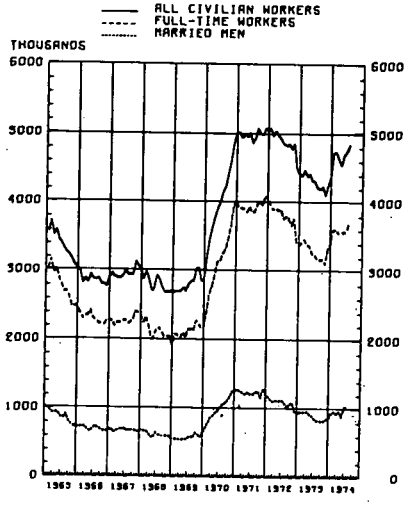
1. LABOR FORCE AND EMPLOYMENT



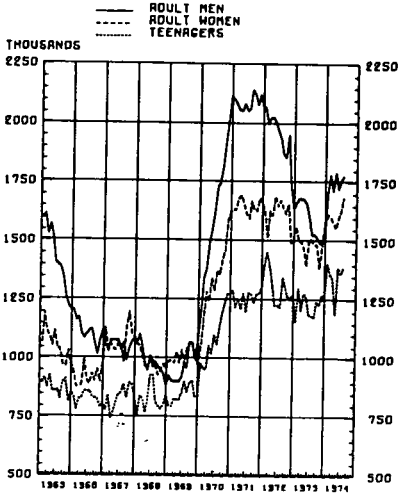
2. TOTAL EMPLOYMENT



3. UNEMPLOYMENT

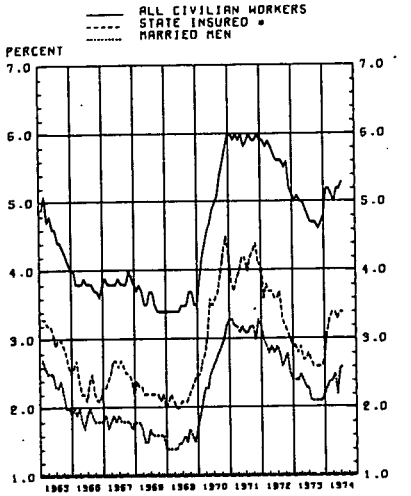


4. UNEMPLOYMENT

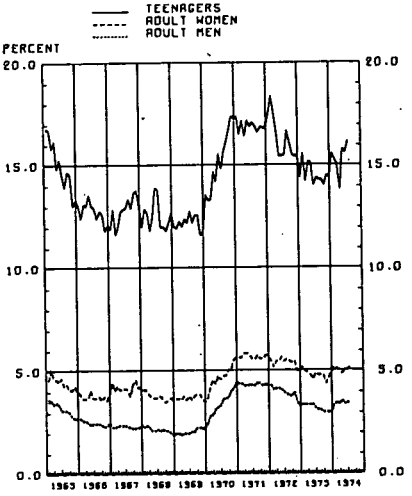


UNEMPLOYMENT RATES
HOUSEHOLD DATA - SEASONALLY ADJUSTED

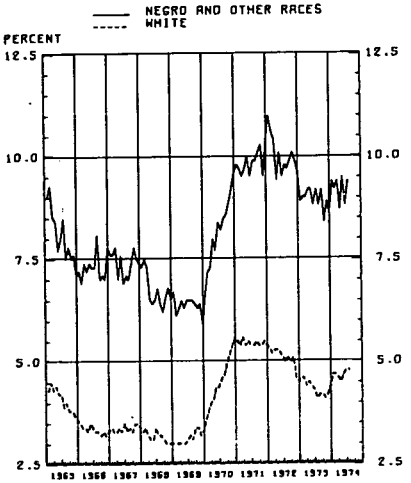
5. UNEMPLOYMENT RATES



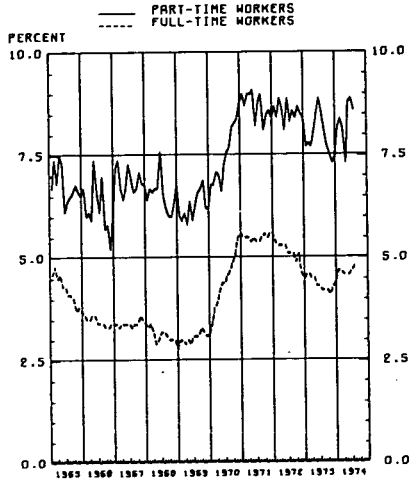
6. UNEMPLOYMENT RATES



7. UNEMPLOYMENT RATES



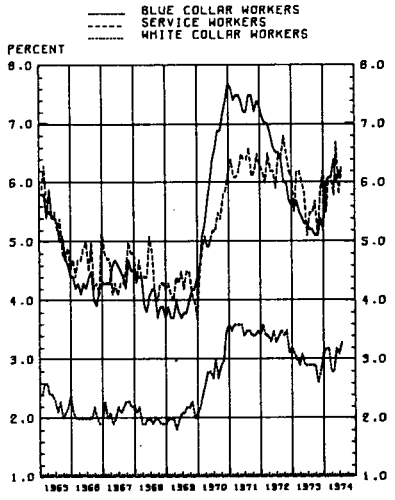
8. UNEMPLOYMENT RATES



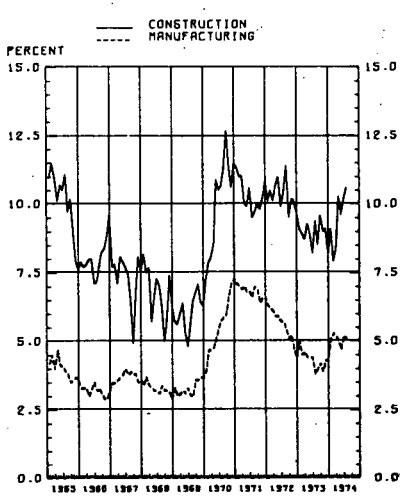
* State insured unemployment rate pertains to the week including the 12th of the month and represents the insured unemployed under State programs as a percent of average covered employment. The figures are derived from administrative records of unemployment insurance systems.

UNEMPLOYMENT
HOUSEHOLD DATA - SEASONALLY ADJUSTED

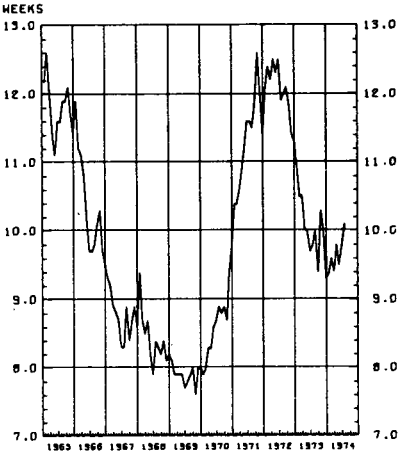
9. UNEMPLOYMENT RATES



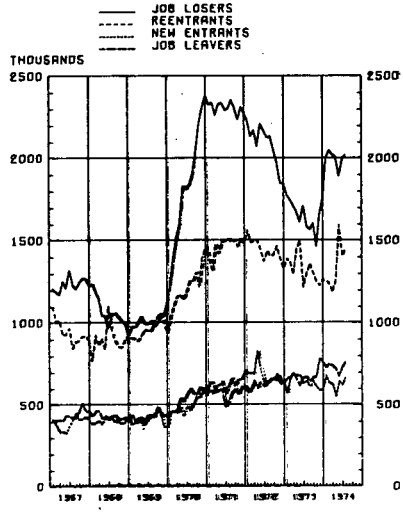
10. UNEMPLOYMENT RATES



11. AVERAGE DURATION OF UNEMPLOYMENT

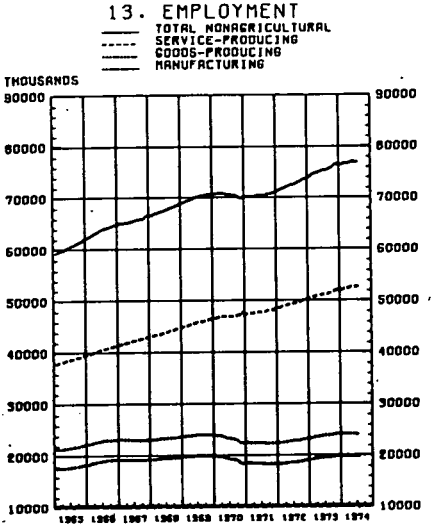


12. UNEMPLOYMENT BY REASON

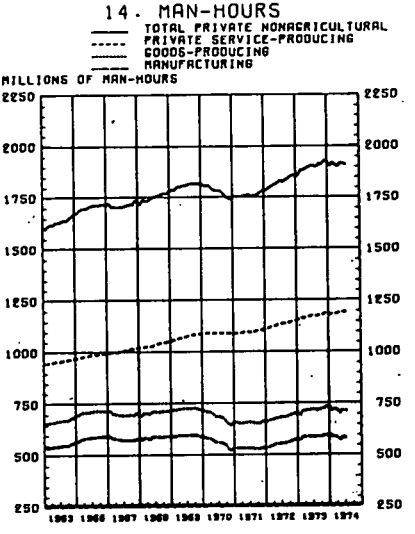


NONAGRICULTURAL EMPLOYMENT AND HOURS
ESTABLISHMENT DATA - SEASONALLY ADJUSTED

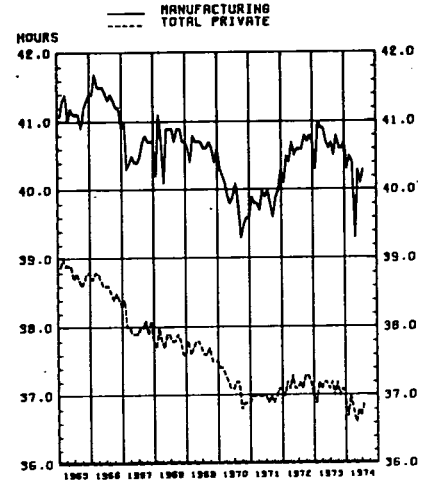
13. EMPLOYMENT



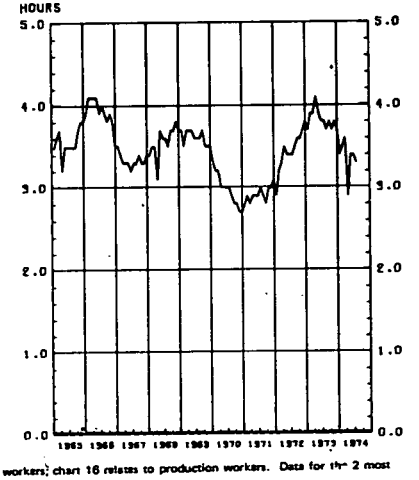
14. MAN-HOURS



15. AVERAGE WEEKLY HOURS



16. AVERAGE WEEKLY OVERTIME HOURS IN MANUFACTURING



NOTE: Charts 14 and 15 relate to production or nonsupervisory workers; chart 16 relates to production workers. Data for the 2 most recent months are preliminary in charts 13-16.

Chairman PROXMIRE. Even though the unemployment rate has remained essentially flat in the last 6 months—5.1 percent in January and 5.3 percent in July—there have been some unusual movements in the labor force: First, the labor force has increased only 624,000 in the last 6 months, well below the historical trend. To what do you attribute this sharp slowdown; and is it not true that the relatively small increases in people looking for jobs accounts for the small increases in unemployment, rather than any increase in the number of employed?

If you look at the components instead of the whole it is not very encouraging either.

Mr. SHISKIN. I pointed out at earlier hearings that the labor force as a whole does not move up very smoothly. There appear to be fairly short periods of 6 months, 3 to 4 months, where it is very level, and thence it moves ahead.

Chairman PROXMIRE. What that would suggest, Mr. Shiskin, is that if that is true, then if we get an increase in the labor force in the coming 6 months and we don't get much growth, we are really in trouble.

Mr. SHISKIN. Well, we had a fairly stabe period during the first few months of this year, and then we had rather rapid rises. And if this continues the unemployment problem will become very serious.

Chairman PROXMIRE. The male labor force, 20 years and over, has actually declined slightly in the past 6 months, by 166,000 men. In the same time period, male civilian employment declined by 232,000. To what do you attribute this drop? Even during the 1970 recession, the male labor force continued to rise. Is it possible that there is a growing awareness among potential entrants into the labor force of the dearth of jobs?

Mr. SHISKIN. Well, that certainly is possible. We are in a field of speculation now. I really have nothing to add to that, Senator. But Mr. Wetzel, to my right, may be able to add something.

Mr. WETZEL. On occasion, there are problems of seasonally adjusting these data and short-term movements, regardless of the base point we select, are sometimes a little bit distorted. Were we to look back to a year ago, we would find that the labor force figures for adult males have increased, and that the overall civilian labor force also is increasing.

Chairman PROXMIRE. Could you give us the trends in the 6-month period?

Mr. WETZEL. In general, I would look at the moving average before asserting that there was a continuing decline for adult males. However, the numbers cited are accurate. We have been concerned about the decline and have been pointing it out on a monthly basis.

I might add that in the last 3 months we have seen an acceleration of overall labor force growth and it really depends on what month one selects as a base in trying to assess these trends.

Chairman PROXMIRE. The female labor force, on the other hand, grew rapidly during the same 6-month period, by 1.27 million. Employment among women rose by almost the same amount. In what industries did most of these women find jobs? Are they industries which traditionally would not employ men? What evidence is there that the traditional pattern which usually occurs during recessions,

namely that the husband is either laid off or cannot find a job, and that the wife then enters the labor force in order to maintain family income, is being repeated in 1974?

Mr. WETZEL. Well, the added worker theory, as contrasted with the discouraged worker effect that various analysts have cited, has never been demonstrated in a fashion—at least by statistics that give us any conclusive evidence one way or the other.

When talking about participation, I think I should note that the longer run trend, indeed the last 15 to 20 years, has been for male participation rates to drift lower, and for female participation rates to rise quite strongly. So what we are seeing here may in part be a continuation of the secular trend rather than——

Chairman PROXMIRE. How do you explain the decline of almost 500,000 in the teenage labor force and the corresponding decline in teenage employment from January to July? Could this be another case of the discouraged worker effect of the minimum wage, or what do you think is the principal cause?

Mr. WETZEL. I don't think we have an answer to that particular change. Youth participation has been quite a strong upswing in the last few years, and it has dropped off since the first of the year, and we have no explanation of that.

Chairman PROXMIRE. I hope you watch them carefully and let us know if there is a change.

The staff reminds me that we should get a more specific answer as to where the jobs for women came from.

Mr. WETZEL. In general, those appear to be in the service and trade industries, we call them service producing industries generally.

Chairman PROXMIRE. Female unemployment has been higher than male unemployment consistently, there hasn't been any period when it hasn't been higher. Is this in part because of less discrimination, women are being hired for jobs where they haven't been hired before?

Mr. WETZEL. I don't think I can answer that question with certainty, Senator, but, there seems to be a wider distribution of women among the occupations and industries.

Chairman PROXMIRE. We are all aware of the fact that the Bell Telephone workers may go on strike. And there are 750,000 involved. They voted by an overwhelming margin to go on strike. What kind of impact would that have on the economy? Would the number of workers involved be as large as in the auto strike in 1970, or larger? That strike had a major impact.

Mr. WETZEL. If I may, I would like to refer the question to Mr. Samuels.

Mr. SAMUELS. I am Norman Samuels, Assistant Commissioner for Wages and Industrial Relations.

Chairman PROXMIRE. Go ahead, Mr. Samuels.

Mr. SAMUELS. Senator, I am not really sure how to respond, other than to say that the General Motors or the automobile strike in 1970 was very widespread throughout a variety of industries that the automobile industry is associated with. I don't see that kind of an impact from a telephone strike. The industry is itself, as I understand it, largely automated, and from the newspaper reports telephone service a ssuch will be only disrupted with respetc to delays.

Chairman PROXMIRE. When 750,000 people go out on strike, that by itself has a serious effect, number one.

Mr. SAMUELS. Yes, sir.

Chairman PROXMIRE. And number two, it is hard for me to believe that these 750,00 people were hired just because Ma Bell was generous, they must be doing something that was essential, and if they stay out for any length of time it would seem to me that we would have great difficulty in getting telephone services, and it would perhaps have even a more profound effect because of the vital nature of communications on the economy.

Mr. SAMUELS. I am certainly not going to quarrel with the fact that the 750,000 people employed by Ma Bell are important elements in the economy. And 750,000 people out of work will spread throughout the economy. They are employed in every city in the country. So that will have an impact that is spread out. A 750,000 decline in employment from the employment side represents nearly 1 percent.

Chairman PROXMIRE. So that by itself would increase unemployment above 6 percent, is that right?

Mr. WETZEL. Senator, for the measure of unemployment, persons who are on strike are considered as having a job and absent from work while on strike.

Chairman PROXMIRE. That is the technical definition. You could say that those unemployed and those on strike would be in excess of 6 percent.

Mr. SHISKIN. They would affect our series on payroll employment. As you know, we have two series on employment. One is the series based on household surveys, and that is what Mr. Wetzel has just been talking about. In this survey, persons are counted as either employed or unemployed, and strikers are counted as employed. But in our other survey, based on reports from the establishments, a person who is on strike is not on the payroll. So that would result in a decline in the level of that data series.

Chairman PROXMIRE. Let me get into the price area, which is so serious and so discouraging. Last month we had a very sad report. The industrial commodity part of the WPI rose 2.2 percent in that single month, a rate of around 25 percent or so on an annual basis. And that followed a similar rise for most of 1974.

The reason that the overall WPI rose only 0.5 percent last month was that farm prices declined significantly, offsetting the rise in industrials. The Agriculture Department reported this week that prices received by farmers in July had gone up by 6 percent. I can't recall any month in which anything like that kind of inflation occurred in any sector. 6 percent is an annual rate of about 72 percent.

Now, since farm prices rose in July we can't expect any downward pressure on overall prices from them. You can expect a food inflation, which is the cruelest and toughest kind of inflation and the most visible, and it makes wage earners and others more sensitive than any other.

Based on the weekly spot price reports and press accounts of price changes that you receive, is there any indication that industrial prices rose more slowly in July than in June?

Mr. SHISKIN. Well, Senator, we won't have our report on wholesale prices until——

Chairman PROXMIRE. I am not asking for a figure, I am saying, is there any indication that wholesale prices have cooled off any?

Mr. SHISKIN. In terms of our weekly report on spot market prices?

Chairman PROXMIRE. Yes, sir.

Mr. SHISKIN. I do have that here. The raw industrials component is most significant and most of the time in the past it has been the industrials. We have charted that index, and I hope before long we will have that chart as well as a chart of food published each week, so that people can see it in addition to the basic table. But I am not looking at the food——

Chairman PROXMIRE. Look at the nonfood, the industrial part of it.

Mr. SHISKIN. You asked me about the nonindustrials?

Chairman PROXMIRE. I asked you about the industrials, the nonfoods.

Mr. SHISKIN. The raw industrials component.

The weekly spot market price survey covers raw industrials, the basic industrial materials like copper scrap, lead scrap. These are the most sensitive materials. They dropped rather sharply between April and the end of May. But they have been rising since.

Chairman PROXMIRE. They what?

Mr. SHISKIN. They dropped sharply from——

Chairman PROXMIRE. What dropped sharply?

Mr. SHISKIN. The spot market index of raw industrial materials, which are usually the most sensitive indicators of price change.

Chairman PROXMIRE. You say they dropped until May, but they have gone up since?

Mr. SHISKIN. They have risen since, though not to the April level.

Chairman PROXMIRE. But at any rate, if we have anything like the kind of industrial price performance we had in May and June, we are going to have a very serious rise in wholesale price index. The Wall Street Journal estimated that that will be 3.5 percent.

Do you fault that?

Mr. SHISKIN. I have been hearing estimates like that from various sources. But I prefer to wait until we get out figures, which is only 5 days away, and then we will know.

Chairman PROXMIRE. Now, after four consecutive quarters of decline or no change, productivity in the total private economy rose 0.8 percent in the second quarter, according to a BLS release this week. Yet, in the nonfarm sector productivity declined by 2.9 percent while productivity in the manufacturing sector rose by 4.6 percent.

How does BLS explain the seeming inconsistencies in these data?

Mr. SHISKIN. I don't see that as a serious——

Chairman PROXMIRE. Let me go on to explain why.

Number one, if nonfarm productivity declined 2.9 percent, and yet total productivity rose 0.8 percent, doesn't this mean that farm productivity rose by a fantastic amount? Considering the facts that farm output represents only 5 percent of total output, about how much would this small sector have to increase in productivity to more than offset the decline in productivity of 95 percent of the economy. That is what puzzles me.

Mr. SHISKIN. You are putting your finger on the point, which is that the farm sector has been extremely volatile, and further has been the subject of substantial revision. In all the years I have studied economic trends I prefer to focus on the data on the nonfarm economy. The farm figures are extremely variable and volatile.

Chairman PROXMIRE. There would have to be an increase of 70 percent in the productivity on the farm. And that is impossible.

Mr. SHISKIN. My staff has been concerned about it, we all have. And believe me, the remarks being made about the figures within the statistical fraternity are not very pleasant. I don't know what to say about this. But Mr. Norsworthy, who is in charge of the productivity release, has just come up to the table.

Chairman PROXMIRE. Will you identify yourself?

Mr. NORSWORTHY. I am J. R. Norsworthy, Chief of the Productivity Research Division in BLS.

Chairman PROXMIRE. How do you explain that 70 percent increase?

Mr. SHISKIN. Mr. Chairman, may I just say, you know Jerry Mark, who comes here with me. He is on vacation, and Mr. Norsworthy is one of his deputies.

Chairman PROXMIRE. Very well.

Mr. NORSWORTHY. The farm productivity figures that we have on the basis of man-hours and output measures is something over 100 percent rate of increase.

The reason for it so far as I have been able to discover is approximately as follows.

During the last part of the fourth quarter and the first part of the first quarter of 1974, considerable new lands were brought into cultivation. This resulted in a substantial increase in man-hours inputs in the farm sector. As you know, it takes a while for wheat to grow. And so the expanded output is beginning to appear now.

Chairman PROXMIRE. But there must be something wrong with the statistics when you get that kind of increase in one-quarter, from one-quarter to the next, one 3-month period to the next.

Mr. NORSWORTHY. This is measured at a compound annual rate, first of all. If we look back at the percent change in output per man-hour in the farm sector compared with the same quarter a year ago, the increase is only 3.6 percent.

Chairman PROXMIRE. The point that I want to make is that when you pack in this farm productivity, it is so enormous that it distorts the actual figure. You are much better off if you take the productivity figure for 95 percent of the economy and look at that. That will tell you what the productivity performance really is. Instead of having an increase, therefore, we actually had a decline of 0.8 of a percent in productivity.

I beg your pardon, a decline of 2.9 percent in productivity for the economy in the second quarter.

Mr. SHISKIN. We show both.

Chairman PROXMIRE. You show both, but most people will look at the overall figure. That is the natural thing to do. And if they are sophisticated statisticians such as you are, of course, they wouldn't do that. But most of us aren't.

Mr. SHISKIN. In my favorite publication, Mr. Chairman, which is put out by the Department of Commerce, Business Conditions Digest, which I had something to do with, we use the nonfarm economy all the time.

Chairman PROXMIRE. I notice the weekly earnings in the total private sector went up slightly last month, the weekly earnings and manufacturing went down slightly, and the durable goods industry went down over 1 percent, which is a very sharp drop. And this was before inflation. That is a terrific drop in real income.

What do you think accounts for this?

Mr. SHISKIN. This is not my day, Mr. Chairman, I have no answer to that question either.

Mr. Wetzel.

Mr. WETZEL. The first thing I would like to do is just quickly check and see if that is a seasonally adjusted figure, or if in fact we have seen a change which reflects the normal summer decline in actual working hours.

The workweek in manufacturing declined 0.3 hours unadjusted and weekly earnings fell just a few cents.

So the entire decline would be accounted for by the shorter workweek—a normal summer pattern. When the seasonal adjusted series is prepared for publication in the real spendable release, which comes out in about 2 weeks with the CPI, or 3 weeks, that figure will show an increase.

Chairman PROXMIRE. It will show an increase, but in real income it will undoubtedly show a drop.

Mr. SHISKIN. Probably.

Chairman PROXMIRE. In all likelihood.

Now, let me go to the painful question of what this is doing to the future price level of inflation. And all of us hope—and we have had pessimistic testimony, if you want to call it that, from the administration that inflation will be only 7 percent, Walter Heller says 8 or 9 percent, and these developments suggest it will be much higher than the 8 or 9 percent than the critics are suggesting. And if productivity is down 2.8 percent, and if wage rates are up—and they are up sharply, you testified last month that they were up sharply, and they apparently have continued to go up—that means a mammoth increase in wage costs. And those wage costs are going to be translated into higher prices. That has been the pattern.

Now, can you tell us what this adds up to, wage rate first, and you can add that to the productivity figure, if you have any figure for that.

Mr. SHISKIN. As you know, Senator, we avoid making any forecasts of what——

Chairman PROXMIRE. I am not asking for forecasts, I am asking what the latest statistics show on wage changes? Didn't you give us some testimony on that?

Mr. SHISKIN. Yes, in the statement I distributed there is a table [1] which does show the increase in wage rates in the second quarter of 10 percent, and the effect of adjustment on wage—the wages in the first quarter was 10 percent, and there is a breakdown which

[1] See table entitled, "Comparison of First Year Wage Decisions Before and After Escalator Adjustments by Quarter, 1973 to Date," p. 332.

shows that 4.9 percent of it was due to current decisions, and 3.3 to prior settlement, and 1.6 to escalator provision.

Chairman PROXMIRE. And that means if you add a flat wage increase of 10 percent to the productivity of approximately 3 percent decline, that means that wage costs are going up 13 percent, which means an inflation effect from wages of 13 percent prospectively. That is what we have to face.

Mr. SHISKIN. Let's put it another way. Unit labor costs are going up very sharply.

Chairman PROXMIRE. That is what I am talking about.

Mr. SHISKIN. And they are now rising, as I remember, about at the same rate as the national income deflator, by 13 or 14 percent.

Chairman PROXMIRE. About 13 or 15 percent.

Now, as an economist, can you tell us what effect this would have on prices if past experience is the guide?

Mr. SHISKIN. What has happened in the past, when this phenomenon took place, is that prices did not rise as fast as unit labor costs.

Chairman PROXMIRE. Not as fast, but there was pressure on them to rise?

Mr. SHISKIN. Yes.

Chairman PROXMIRE. If they don't rise as fast, that keeps a very sharp downward pressure on profits, right?

Mr. SHISKIN. Right. On the margins, and subsequently on profits. And this has discouraged investment. And in turn a decline in investment has meant a decline in aggregate economic activity. That has been the typical pattern of the past.

Chairman PROXMIRE. If it discourages investment, that also encourages inflation, because if there is less investment, there is less increase in production, or productive capacities, and therefore, you tend to have a situation which is worsening.

Mr. SHISKIN. That is right. And as I learned this morning listening to Mr. Simon, measures are being taken to deal with that.

Chairman PROXMIRE. He said the measures that are being taken I think are pretty feeble and inadequate.

Mr. Shiskin, I want to thank you very much for a very good and helpful presentation.

Mr. SHISKIN. Thank you.

Chairman PROXMIRE. The subcommittee will stand adjourned.

[Whereupon, at 1 p.m., the subcommittee adjourned, subject to call of the Chair.]

EMPLOYMENT-UNEMPLOYMENT

FRIDAY, SEPTEMBER 6, 1974

CONGRESS OF THE UNITED STATES,
SUBCOMMITTEE ON PRIORITIES AND
ECONOMY IN GOVERNMENT OF THE
JOINT ECONOMIC COMMITTEE,
Washington, D.C.

The subcommittee met, pursuant to notice, at 11 a.m., in room 1202, Dirksen Senate Office Building, Hon. William Proxmire (chairman of the subcommittee) presiding.

Present: Senator Proxmire.

Also present: Courtenay M. Slater, senior economist; Lucy A. Falcone, professional staff member; and Michael J. Runde, administrative assistant.

OPENING STATEMENT OF CHAIRMAN PROXMIRE

Chairman PROXMIRE. The subcommittee will come to order.

This morning we resume our regular monthly hearings on unemployment statistics and other statistics.

We are delighted tc have Mr. Shiskin again here before us.

Mr. Shiskin, the statistics once again are, as you point out in your release, unchanged statistically from last month. But as you also point out, they are up from a year ago. And as you also point out, there are some areas where the increased unemployment is particularly disturbing.

There are a number of questions I would like to ask you about this. But why don't you go ahead with your oral statement?

STATEMENT OF HON. JULIUS SHISKIN, COMMISSIONER, BUREAU OF LABOR STATISTICS, DEPARTMENT OF LABOR, ACCOMPANIED BY JAMES R. WETZEL, ASSISTANT COMMISSIONER, OFFICE OF CURRENT EMPLOYMENT ANALYSIS; AND W. JOHN LAYNG, ASSISTANT COMMISSIONER, OFFICE OF PRICES AND LIVING CONDITIONS

Mr. SHISKIN. I want to introduce once again Jim Wetzel, our expert on employment statistics and unemployment statistics, and John Layng, our expert on prices.

I would like to make a few observations on the unemployment and employment statistics in opening this meeting.

We all know now, of course, that unemployment reached a trough in October 1973 at 4.6 percent, and then rose to 5.2 in January. Now,

the period from January to June appears to have been a plateau, where the unemployment rate remained at about 5.2 percent.

It appears from the figures for the last 2 months that there was a slight rise. And it is hard to say whether the rise took place in July or August, but it is clear to me at least that July and August are a little higher than the figures for earlier in the year.

Now, we also see that the civilian labor force has leveled off, in fact it is almost exactly constant for the last 3 months.

In the light of that, obviously employment also has to be flat.

So the figures show essentially a plateau with some indication of a rise in unemployment in July and August.

With respect to the employment data from the nonagricultural establishment survey, the nonagricultural employment figures from the establishment survey also are flat. If you look at the exact numbers, in fact, the nonagricultural employment reached an alltime high in August. Now, we do not attribute any significance either economic or statistical, to the latest figures because the differences in the last few months are so small.

It is worth noting, however, that the people who are on strike are not counted as employed in the establishment survey. And there have been a larger number of people on strike in the last few months than in the early part of the year. So if the strikers were counted as employed, as they are in the household survey, then those figures would be a little higher.

I want to call to your attention another measure which we introduced earlier in these hearings, our diffusion index, which shows the percent of industries having rising employment. For this index, we use a breakdown of 172 industries, you may recall, and we made up that index for the special purpose of studying the energy crisis.

That index had been high for quite a while, and then it dropped somewhat, but not very much, during the energy crisis. And I said in the earlier hearings that since the energy crisis was over, that index could be expected to rise. And it did. However, that index has also fallen in the last 2 months, in July and August. So in a sense, since the diffusion index tends to lead the aggregate series to which it refers, that is supporting evidence of slightly more weakness in the economy in July and August than earlier this year.

Next, I want to make an observation on hours of work. And like the other series, employment, labor force, unemployment, hours of work have been essentially flat in the last 3 months. There has been no decline in hours worked in the last few months, afterhours worked had declined for more than a year.

One comment about wages and prices. One of the best measures we have of wages, though not entirely satisfactory, is our series on hourly earnings. That series is adjusted for interindustry shifts and overtime in manufacturing.

I am talking about the dollar series. Now, up until recently that series was rising less than the CPI, the Consumer Price Index. When I was here last month I pointed out that the hourly earning surveys and other indicators we have of earnings showed a sharp acceleration. On the basis of the figures we have today, it appears that hourly earnings are rising now at about the same rate as consumer prices, and that is the first time we have been able to make this statement.

Chairman PROXMIRE. How do you know? You do not know what consumer prices did in August yet, do you?

Mr. SHISKIN. No. The exact comparison I have is as follows. The hourly earnings index from April to August—and we now have the August data, because that is what is in this release—rose 12.7 percent at an annual rate.

Chairman PROXMIRE. You have what figures for August with respect to prices? You do not have the consumer prices?

Mr. SHISKIN. No. These are the hourly earnings figures. I am coming to that in a minute.

So what we have is an annual rate of change from April to August in hourly earnings of 12.7 percent.

The closest we can get to this measure is the CPI from April to July. And that is 11.7 percent. Now, the periods are not quite comparable. And that is why I made the statement that it appears that hourly earnings and consumer prices are rising at about the same rate.

Mr. Chairman, I know you are very much interested in our statistical program as well as the substantive findings from these data. And I thought as part of these introductory remarks I would advise you that we are planning to have, starting next month, a new quarterly release on the employment situation. This will come out about a week after the monthly release with the unemployment figures which we were discussing today.

First, let me tell you why we are planning to do this, and then let me tell you what will be in the release. The reason we are planning to do it is twofold. Primarily, we have added so much quarterly data in the last year that we are no longer able efficiently to process and analyze all these data in the 24 to 36 hours we have after we get them. Most recently, a week ago or so, we added data on unemployment in poverty areas. You will recall that that was a release that was discontinued about 3 years ago.

Chairman PROXMIRE. I want to make sure that I understand what you are telling me. You are saying that beginning next month you are to have a part of this data released a week later?

Mr. SHISKIN. Yes. I will explain which part. All the data we are discussing this morning on unemployment and employment in these two surveys the monthly data, will be released just as they are now. And one month from today approximately, we will be prepared to discuss with you, if you wish, what has happened to the unemployment figures, the earnings figures, the hours figures, and so forth.

However we have added once a quarter in this release—it is the first month of each quarter covering the preceding quarter—we have added a great deal of additional quarterly data.

A week or two ago we resumed the series on unemployment in poverty areas. You will recall, Mr. Chairman, that about 3 years ago the BLS discontinued this series amidst a great deal of criticism. And what the BLS said at that time was that as soon as the appropriate data for the population census had been introduced into the system, the poverty areas release would be continued. And it has been continued.

We will be releasing these poverty area data once a quarter regularly from now on—unemployment in poverty areas.

In addition, we have recently added data on Americans of Spanish origin and on veterans. These are quarterly data.

Other quarterly data that you have a great deal of interest in are the participation rates and discouraged workers.

So what we propose to do, unless it turns out that we have overlooked some good reasons for not doing it, is to issue all these data in a separate quarterly release, about a week after the monthly release. We have been checking this proposal out and so far all the opinions have been at least not unfavorable. On summary we will issue, about a week after the monthly release, a new quarterly release on the employment situation which will start off with a quarterly analysis of the employment situation, and then follow with discussions of participation rates, discouraged workers, Americans of Spanish origin, veterans, and poverty areas.

Thank you, Mr. Chairman.

[The press release submitted for the record by Mr. Shiskin follows:]

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FOR RELEASE: Transmission Embargo
10:00 A. M. (EDT)
Friday, September 6, 1974

THE EMPLOYMENT SITUATION: AUGUST 1974

Employment and unemployment in August were basically unchanged from July, it was announced today by the Bureau of Labor Statistics of the U. S. Department of Labor. The Nation's unemployment rate was 5.4 percent, little different from the July figure but up from the 5.2-percent plateau that had prevailed during the first half of the year.

Total employment (as measured by the monthly sample survey of households) was 86.2 million in August, practically unchanged for the past 2 months and up only 375,000 since January.

Nonfarm payroll employment (as measured by the monthly survey of business establishments) was also about unchanged in August, at 77.2 million. The payroll job count has been essentially unchanged since May after recovering from last winter's energy-related slowdown.

Unemployment

After adjustment for seasonality, both the level of unemployment (4.9 million) and the rate (5.4 percent) were about unchanged from their July levels. Although neither the July nor August change in unemployment was statistically significant, the change over the 2 months appears to represent a slight increase from earlier in the year. The unemployment rate has now risen by eight-tenths of a percentage point from last October's low of 4.6 percent.

Among the major labor force groups, there was an increase in the jobless rate for adult men, from 3.5 to 3.8 percent. This upturn was confined to young men 20-24 years of age, whose unemployment rate rose from 8.1 to 9.3 percent, and to those 55 and over. (See table A-6.) These older men have experienced rising joblessness for 3 straight months, with their unemployment rate moving up from 2.3 percent in May to 3.2 percent in August. Offsetting the unemployment rise among adult men was a slight decline among teenagers, whose unemployment rate edged

down to 15.3 percent. Unemployment rates for adult women, whites, blacks (Negro and other races), household heads, married men, and workers covered by State unemployment insurance programs all exhibited little or no change in August. (See table A-2.)

The unemployment rate for Vietnam-era veterans 20-34 years old was also unchanged over the month at a figure (5.0 percent) that was somewhat below that of their nonveteran counterparts (6.3 percent). The most recently discharged veterans

Table A. Highlights of the employment situation (seasonally adjusted data)

Selected categories	Quarterly averages					Monthly data		
	1973			1974		June 1974	July 1974	Aug. 1974
	II	III	IV	I	II			
	(Millions of persons)							
Civilian labor force	88.5	89.0	89.9	90.5	90.6	90.9	91.2	91.1
Total employment	84.1	84.8	85.7	85.8	86.0	86.2	86.3	86.2
Adult men	47.7	48.1	48.5	48.5	48.4	48.5	48.4	48.5
Adult women	29.2	29.5	29.7	29.7	30.1	30.3	30.7	30.5
Teenagers	7.2	7.2	7.6	7.6	7.4	7.4	7.2	7.2
Unemployment	4.3	4.2	4.2	4.7	4.7	4.8	4.9	4.9
	(Percent of labor force)							
Unemployment rates:								
All workers	4.9	4.7	4.7	5.2	5.1	5.2	5.3	5.4
Adult men	3.3	3.1	3.0	3.5	3.5	3.5	3.5	3.8
Adult women	4.8	4.8	4.7	5.1	5.0	5.1	5.2	5.2
Teenagers	14.7	14.3	14.3	15.3	15.1	15.6	16.2	15.3
White	4.4	4.2	4.2	4.7	4.7	4.8	4.8	4.8
Negro and other races	9.0	9.0	8.6	9.4	9.0	8.8	9.4	9.2
Household heads	2.9	2.7	2.8	3.0	3.1	3.1	3.0	3.1
Married men	2.3	2.1	2.1	2.4	2.4	2.6	2.6	2.6
Full-time workers	4.3	4.2	4.3	4.6	4.6	4.7	4.8	4.8
State insured	2.7	2.6	2.6	3.3	3.4	3.4	3.4	3.3
	(Weeks)							
Average duration of unemployment	9.9	9.7	9.9	9.5	9.7	9.8	10.1	10.0
	(Millions of persons)							
Nonfarm payroll employment	75.3	75.7	76.6	76.7	77.1	77.1	77.1p	77.2p
Goods-producing industries	24.0	24.2	24.4	24.3	24.2	24.2	24.1p	24.0p
Service-producing industries	51.3	51.6	52.1	52.4	52.8	52.9	53.0p	53.1p
	(Hours of work)							
Average weekly hours:								
Total private nonfarm	37.2	37.1	37.0	36.8	36.7	36.7	36.8p	36.7p
Manufacturing	40.7	40.7	40.6	40.4	39.9	40.1	40.2p	40.3p
Manufacturing overtime	3.9	3.8	3.7	3.5	3.2	3.4	3.3p	3.3p
	(1967=100)							
Hourly Earnings Index, private nonfarm:								
In current dollars	145.0	147.8	150.4	152.6	156.4	158.5	159.3p	160.8p
In constant dollars	110.3	110.1	109.3	107.7	107.5	107.9	107.6p	N.A.

p= preliminary.
N.A.= not available.

SOURCE: Tables A-1, A-3, A-4, B-1, B-2, and B-4.

(those 20 to 24 years old), however, continued to be more adversely affected by unemployment than young nonveterans. Their jobless rate in August was 11.4 percent, compared with a rate of 9.2 percent for nonveterans of the same ages. In contrast, the jobless rates for veterans 25 to 29 years old and 30 to 34 years old remained below those of their nonveteran counterparts. (See table A-2.)

Civilian Labor Force and Total Employment

The civilian labor force, at 91.1 million, was unchanged in August and has, in fact, shown relatively little growth since the beginning of the year. Although it was up by 2.3 million since last August, most of this increase took place in the fall and winter. Adult women accounted for 1.2 million of the over-the-year gain.

Total employment was essentially unchanged in August for the second month in a row, at 86.2 million, seasonally adjusted. Since August 1973, total employment has advanced by 1.7 million. However, two-thirds of this gain took place during the August-October period.

Industry Payroll Employment

Nonagricultural payroll employment, at 77.2 million in August, remained virtually unchanged since May. In August, as has been the case since May, continued growth in payroll employment in the service-producing sector was offset by declines in the goods-producing sector. (See table B-1.) Employment changes throughout the summer have been strongly affected by strike activity, first in the construction industry and more recently in manufacturing.

Within the goods-producing industries in August, manufacturing employment fell by 115,000 to 19.8 million, with nearly all of the reductions taking place in the durable goods industries. This employment decline stemmed in large part from labor disputes in electrical equipment and transportation equipment. In contract construction, even though over 100,000 striking workers returned to their jobs between July and August, employment rose by only 20,000. Since December, construction jobs have shown a net decline of nearly 190,000, a reflection of the marked weakness in home-building.

The service-producing industries posted gains of 170,000 in August, with almost all of the increase limited to the service industry and State and local government. State and local government employment rose by 90,000, following several months of slower than usual growth.

Hours of Work

The average workweek for all production or nonsupervisory workers on private nonagricultural payrolls, at 36. 7 hours (seasonally adjusted) in August, has shown little movement since the first of the year. Total manufacturing and factory overtime, at 40. 3 and 3. 3 hours, respectively, were about unchanged in August. (See table B-2.) Compared with August 1973, average hours for all production or nonsupervisory workers were down 0. 3 hour; total factory hours and overtime declined by 0. 2 and 0. 4 hour, respectively. (See table B-2.)

Hourly and Weekly Earnings

Average hourly earnings of production or nonsupervisory personnel on private nonagricultural payrolls rose 0. 7 percent (seasonally adjusted) in August. (See table B-3.) Since August 1973, hourly earnings have advanced by 8. 4 percent. Average weekly earnings increased by 0. 4 percent over the month and were up 7. 5 percent over the past year.

Before adjustment for seasonality, average hourly earnings rose by 3 cents in August to $4. 24. (See table B-3.) Since August a year ago, hourly earnings have advanced by 33 cents. Weekly earnings averaged $157. 73 in August, an increase of $1. 12 from July and $11. 10 from August 1973.

The Hourly Earnings Index

The Hourly Earnings Index--earnings adjusted for overtime in manufacturing, seasonality, and the effects of changes in the proportion of workers in high-wage and low-wage industries--was 160. 8 (1967=100) in August, 0. 9 percent higher than in July. The Index was 8. 9 percent above August a year ago. During the 12-month period ended in July, the Hourly Earnings Index in dollars of constant purchasing power declined 3. 0 percent. (See table B-4.)

This release presents and analyzes statistics from two major surveys. Data on labor force, total employment, and unemployment are derived from the sample survey of households conducted and tabulated by the Bureau of the Census for the Bureau of Labor Statistics. Statistics on payroll employment, hours, and earnings are collected by State agencies from payroll records of employers and are tabulated by the Bureau of Labor Statistics. Unless otherwise indicated, data for both series relate to the week of the specified month containing the 12th day. A description of the two surveys appears in the BLS publication *Employment and Earnings*.

Table A-1. Employment status of the noninstitutional population

[Numbers in thousands]

Employment status	Not seasonally adjusted			Seasonally adjusted					
	Aug. 1973	July 1974	Aug. 1974	Aug. 1973	April 1974	May 1974	June 1974	July 1974	Aug. 1974
TOTAL									
Total noninstitutional population[1]	148,565	150,922	151,135	148,565	150,283	150,507	150,710	150,922	151,135
Total labor force	92,436	95,496	94,679	91,011	92,556	92,909	93,130	93,387	93,281
Civilian noninstitutional population[1]	146,258	148,701	148,916	146,258	148,040	148,277	148,499	148,701	148,916
Civilian labor force	90,129	93,276	92,459	88,704	90,313	90,679	90,919	91,167	91,061
Employed	85,921	88,015	87,573	84,513	85,775	85,971	86,165	86,312	86,187
Agriculture	3,826	4,024	3,851	3,425	3,511	3,457	3,293	3,405	3,443
Nonagricultural industries	82,095	83,991	83,724	81,088	82,264	82,514	82,872	82,907	82,744
Unemployed	4,208	5,260	4,885	4,191	4,538	4,708	4,754	4,855	4,874
Unemployment rate	4.7	5.6	5.3	4.7	5.0	5.2	5.2	5.3	5.4
Not in labor force	56,129	55,426	56,456	57,554	57,727	57,598	57,580	57,534	57,855
Males, 20 years and over									
Total noninstitutional population[1]	62,957	63,973	64,064	62,957	63,712	63,804	63,886	63,973	64,064
Total labor force	51,894	52,518	52,642	51,403	51,880	52,031	52,034	52,001	52,189
Civilian noninstitutional population[1]	61,074	62,176	62,273	61,074	61,897	62,000	62,097	62,176	62,273
Civilian labor force	50,011	50,722	50,850	49,520	50,065	50,227	50,245	50,205	50,397
Employed	48,584	49,027	49,084	47,992	48,272	48,508	48,483	48,428	48,506
Agriculture	2,596	2,655	2,634	2,480	2,493	2,494	2,420	2,470	2,516
Nonagricultural industries	45,988	46,372	46,450	45,512	45,779	46,014	46,063	45,958	45,990
Unemployed	1,427	1,695	1,766	1,528	1,793	1,719	1,762	1,777	1,891
Unemployment rate	2.9	3.3	3.5	3.1	3.6	3.4	3.5	3.5	3.8
Not in labor force	11,063	11,454	11,423	11,554	11,832	11,773	11,852	11,971	11,876
Females, 20 years and over									
Civilian noninstitutional population[1]	69,391	70,448	70,549	69,391	70,139	70,247	70,346	70,448	70,549
Civilian labor force	30,268	31,514	31,497	30,970	31,612	31,651	31,944	32,404	32,216
Employed	28,661	29,799	29,672	29,483	30,057	30,051	30,314	30,716	30,528
Agriculture	627	676	570	545	539	507	469	537	495
Nonagricultural industries	28,033	29,123	29,102	28,938	29,518	29,544	29,845	30,179	30,033
Unemployed	1,608	1,715	1,825	1,487	1,555	1,600	1,630	1,688	1,688
Unemployment rate	5.3	5.4	5.8	4.8	4.9	5.1	5.1	5.2	5.2
Not in labor force	39,123	38,934	39,052	38,421	38,527	38,596	38,402	38,044	38,333
Both sexes, 16-19 years									
Civilian noninstitutional population[1]	15,794	16,077	16,094	15,794	16,004	16,030	16,056	16,077	16,094
Civilian labor force	9,850	11,039	10,112	8,214	8,636	8,801	8,730	8,558	8,448
Employed	8,676	9,189	8,819	7,038	7,446	7,412	7,368	7,168	7,133
Agriculture	602	693	646	400	479	456	404	398	432
Nonagricultural industries	8,074	8,497	8,172	6,638	6,967	6,956	6,964	6,770	6,721
Unemployed	1,174	1,850	1,294	1,176	1,190	1,389	1,362	1,390	1,295
Unemployment rate	11.9	16.8	12.8	14.3	13.8	15.8	15.6	16.2	15.3
Not in labor force	5,944	5,038	5,982	7,580	7,368	7,229	7,326	7,519	7,646
WHITE									
Civilian noninstitutional population[1]	129,530	131,457	131,636	129,530	130,922	131,114	131,293	131,457	131,636
Civilian labor force	79,754	82,514	81,858	78,654	80,100	80,488	80,565	80,873	89,765
Employed	76,453	78,434	77,949	75,359	76,464	76,694	76,738	76,986	76,856
Unemployed	3,301	4,081	3,909	3,295	3,636	3,794	3,827	3,887	3,909
Unemployment rate	4.1	4.9	4.8	4.2	4.5	4.7	4.8	4.8	4.8
Not in labor force	49,776	48,942	49,778	50,876	50,822	50,626	50,728	50,584	50,871
NEGRO AND OTHER RACES									
Civilian noninstitutional population[1]	16,728	17,245	17,280	16,728	17,118	17,164	17,206	17,245	17,280
Civilian labor force	10,375	10,761	10,601	10,065	10,168	10,292	19,286	10,269	10,294
Employed	9,468	9,582	9,626	9,184	9,285	9,315	9,376	9,301	9,343
Unemployed	908	1,179	975	881	883	977	910	968	951
Unemployment rate	8.8	11.0	9.2	8.8	8.7	9.5	8.8	9.4	9.2
Not in labor force	6,353	6,484	6,679	6,663	6,950	6,872	6,920	6,976	6,986

[1] Seasonal variations are not present in the population figures; therefore, identical numbers appear in the unadjusted and seasonally adjusted columns.

NOTE: Data relate to the noninstitutional population 16 years of age and over. Total noninstitutional population and total labor force include persons in the Armed Forces.

Table A-2. Major unemployment indicators, seasonally adjusted

Selected categories	Number of unemployed persons[1] (in thousands)		Unemployment rates					
	Aug. 1973	Aug. 1974	Aug. 1973	April 1974	May 1974	June 1974	July 1974	Aug. 1974
Total, 16 years and over	4,191	4,874	4.7	5.0	5.2	5.2	5.3	5.4
Males, 20 years and over	1,528	1,891	3.1	3.6	3.4	3.5	3.5	3.8
Females, 20 years and over	1,487	1,688	4.8	4.9	5.1	5.1	5.2	5.2
Both sexes, 16-19 years	1,176	1,295	14.3	13.8	15.8	15.6	16.2	15.3
White, total	3,295	3,909	4.2	4.5	4.7	4.8	4.8	4.8
Males, 20 years and over	1,239	1,566	2.8	3.2	3.1	3.2	3.3	3.5
Females, 20 years and over	1,154	1,340	4.3	4.6	4.7	4.8	4.8	4.8
Both sexes, 16-19 years	902	1,003	12.4	11.9	14.0	13.9	13.9	13.3
Negro and other races, total	881	951	8.8	8.7	9.5	8.8	9.4	9.2
Males, 20 years and over	287	326	5.7	6.5	6.3	6.5	5.9	6.3
Females, 20 years and over	329	339	8.0	6.8	8.0	6.9	8.0	8.0
Both sexes, 16-19 years	265	286	29.7	30.3	33.5	30.3	35.3	31.4
Household heads	1,420	1,645	2.8	3.1	3.0	3.1	3.0	3.1
Married men, spouse present	829	1,051	2.1	2.5	2.2	2.6	2.6	2.6
Full-time workers	3,170	3,737	4.2	4.6	4.6	4.7	4.8	4.8
Part-time workers	1,040	1,148	8.1	7.3	8.8	8.9	8.6	8.7
Unemployed 15 weeks and over[1]	777	949	.9	.9	1.0	1.0	1.0	1.0
State insured[2]	1,615	2,104	2.6	3.4	3.3	3.4	3.4	3.3
Labor force time lost[3]	--	--	5.1	5.7	5.7	5.6	5.7	5.8
OCCUPATION[4]								
White-collar workers	1,218	1,355	2.9	2.8	3.2	3.1	3.3	3.1
Professional and technical	268	281	2.2	2.2	2.1	1.9	2.1	2.2
Managers and administrators, except farm	111	171	1.3	1.6	1.9	1.8	1.4	1.9
Sales workers	207	210	3.8	3.3	4.2	4.6	4.0	3.7
Clerical workers	632	693	4.1	3.9	4.6	4.4	5.0	4.4
Blue-collar workers	1,650	2,074	5.2	6.4	5.7	6.2	6.1	6.5
Craft and kindred workers	439	513	3.7	3.9	3.7	4.2	4.2	4.2
Operatives	818	1,048	5.4	7.1	6.3	6.8	6.3	7.0
Nonfarm laborers	393	513	8.4	10.4	8.8	9.6	10.7	10.7
Service workers	654	773	5.5	5.8	6.7	5.8	6.3	6.2
Farm workers	80	84	2.6	2.7	2.6	2.8	2.9	2.8
INDUSTRY[4]								
Nonagricultural private wage and salary workers[5]	3,069	3,670	4.7	5.3	5.2	5.4	5.4	5.5
Construction	390	495	8.5	10.3	9.6	10.2	10.6	11.1
Manufacturing	864	1,180	4.0	5.0	4.7	5.2	5.1	5.4
Durable goods	458	625	3.6	5.0	4.5	4.8	4.4	4.8
Nondurable goods	406	555	4.7	5.1	5.0	5.7	6.0	6.4
Transportation and public utilities	141	179	3.0	3.0	3.0	3.2	3.4	3.6
Wholesale and retail trade	929	984	5.9	5.9	6.3	6.1	6.4	6.1
Finance and service industries	733	815	4.1	4.3	4.3	4.3	4.3	4.4
Government workers	374	415	2.7	2.9	3.4	2.8	3.1	2.9
Agricultural wage and salary workers	94	99	7.1	8.2	7.1	7.5	7.8	6.9
VETERAN STATUS								
Males, Vietnam-era veterans[6]:								
20 to 34 years	272	290	5.0	5.1	4.8	5.2	4.9	5.0
20 to 24 years	136	138	9.3	9.2	10.3	10.1	9.6	11.4
25 to 29 years	115	118	3.9	4.5	3.6	4.4	4.3	3.6
30 to 34 years	21	34	2.1	2.8	2.5	2.6	2.0	2.5
Males, nonveterans:								
20 to 34 years	642	854	4.9	5.8	5.6	5.4	5.5	6.3
20 to 24 years	381	546	6.9	7.6	7.9	7.5	7.8	9.2
25 to 29 years	178	167	4.5	4.9	4.8	4.6	4.0	4.3
30 to 34 years	83	141	2.4	3.7	2.6	2.8	3.5	3.8

[1] Unemployment rate calculated as a percent of civilian labor force.
[2] Insured unemployment under State programs; unemployment rate calculated as a percent of average covered employment.
[3] Man-hours lost by the unemployed and persons on part time for economic reasons as a percent of potentially available labor force man-hours.
[4] Unemployment by occupation includes all experienced unemployed persons, whereas that by industry covers only unemployed wage and salary workers.
[5] Includes mining, not shown separately.
[6] Vietnam-era veterans are those who served after August 4, 1964.

Table A-3. Selected employment indicators

(In thousands)

Selected categories	Not seasonally adjusted		Seasonally adjusted					
	Aug. 1973	Aug. 1974	Aug. 1973	April 1974	May 1974	June 1974	July 1974	Aug. 1974
Total employed, 16 years and over	85,921	87,575	84,513	85,775	85,971	86,165	86,312	86,187
Males	53,486	54,043	51,892	52,370	52,628	52,499	52,389	52,445
Females	32,435	33,532	32,621	33,405	33,343	33,666	33,923	33,742
Household heads	50,125	51,059	50,146	50,738	50,817	50,995	51,054	51,059
Married men, spouse present	39,094	39,121	38,861	38,975	39,064	38,933	38,802	38,888
Married women, spouse present	18,358	19,191	19,017	19,497	19,505	19,682	19,910	19,887
OCCUPATION								
White-collar workers	40,095	41,394	40,423	41,601	41,615	42,111	41,953	41,766
Professional and technical	11,244	11,931	11,843	12,274	12,268	12,482	12,601	12,572
Managers and administrators, except farm	8,812	8,872	8,619	9,009	9,145	9,172	8,932	8,681
Sales workers	5,333	5,486	5,303	5,443	5,440	5,375	5,349	5,453
Clerical workers	14,706	15,105	14,658	14,875	14,782	15,082	15,071	15,060
Blue-collar workers	31,210	31,159	29,928	29,722	30,192	29,664	30,056	29,885
Craft and kindred workers	11,665	11,905	11,334	11,534	11,623	11,380	11,621	11,569
Operatives	14,678	14,364	14,315	13,973	14,137	13,982	14,283	14,014
Nonfarm laborers	4,867	4,891	4,279	4,215	4,432	4,302	4,152	4,302
Service workers	11,259	11,706	11,206	11,212	11,129	11,466	11,370	11,644
Farm workers	3,337	3,316	2,976	3,128	3,028	2,899	2,968	2,941
MAJOR INDUSTRY AND CLASS OF WORKER								
Agriculture:								
Wage and salary workers	1,439	1,363	1,233	1,299	1,320	1,235	1,268	1,341
Self-employed workers	1,828	1,806	1,745	1,767	1,740	1,701	1,740	1,723
Unpaid family workers	559	480	442	456	398	387	388	380
Nonagricultural industries:								
Wage and salary workers	76,035	77,520	75,224	76,054	76,132	76,618	76,602	76,739
Private households	1,505	1,413	1,524	1,434	1,424	1,408	1,367	1,432
Government	12,969	13,642	13,520	14,036	14,065	14,175	14,168	14,017
Other	61,561	62,665	60,180	60,584	60,643	61,035	61,067	61,290
Self-employed workers	5,460	5,768	5,436	5,636	5,703	5,811	5,805	5,745
Unpaid family workers	600	435	578	498	495	491	463	419
PERSONS AT WORK [1]								
Nonagricultural industries	71,954	73,135	76,657	75,696	77,679	77,833	78,050	77,846
Full-time schedules	61,800	62,424	64,070	63,378	64,537	64,669	64,750	64,688
Part time for economic reasons	2,882	3,194	2,287	2,390	2,746	2,484	2,432	2,511
Usually work full time	1,315	1,323	1,167	1,078	1,260	1,209	1,156	1,174
Usually work part time	1,567	1,871	1,120	1,312	1,486	1,275	1,276	1,337
Part time for noneconomic reasons	7,272	7,517	10,300	9,928	10,396	10,680	10,868	10,647

[1] Excludes persons "with a job but not at work" during the survey period for such reasons as vacation, illness, or industrial disputes.

Table A-4. Duration of unemployment

(Numbers in thousands)

Weeks of unemployment	Not seasonally adjusted		Seasonally adjusted					
	Aug. 1973	Aug. 1974	Aug. 1973	April 1974	May 1974	June 1974	July 1974	Aug. 1974
Less than 5 weeks	2,213	2,500	2,206	2,269	2,520	2,370	2,471	2,493
5 to 14 weeks	1,325	1,564	1,220	1,467	1,358	1,462	1,516	1,440
15 weeks and over	671	820	777	857	877	939	928	949
15 to 26 weeks	339	435	446	528	525	571	550	564
27 weeks and over	332	386	331	329	352	368	378	385
Average (mean) duration, in weeks	9.6	9.6	10.0	9.8	9.5	9.8	10.1	10.0
PERCENT DISTRIBUTION								
Total unemployed	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Less than 5 weeks	52.6	51.2	52.5	49.4	53.0	49.7	50.3	51.1
5 to 14 weeks	31.5	32.0	29.0	31.9	28.6	30.6	30.8	29.5
15 weeks and over	15.9	16.8	18.5	18.7	18.4	19.7	18.9	19.4
15 to 26 weeks	8.1	8.9	10.6	11.5	11.0	12.0	11.2	11.6
27 weeks and over	7.9	7.9	7.9	7.2	7.4	7.7	7.7	7.9

Table A-5. Reasons for unemployment

[Numbers in thousands]

Reason	Not seasonally adjusted		Seasonally adjusted					
	Aug. 1973	Aug. 1974	Aug. 1973	April 1974	May 1974	June 1974	July 1974	Aug. 1974
NUMBER OF UNEMPLOYED								
Lost last job	1,477	1,877	1,565	2,007	1,888	1,998	2,022	1,988
Left last job	705	843	646	720	676	738	764	773
Reentered labor force	1,353	1,462	1,362	1,263	1,599	1,406	1,454	1,472
Seeking first job	674	703	608	549	643	625	675	634
PERCENT DISTRIBUTION								
Total unemployed	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Job losers	35.1	38.4	37.4	44.2	39.3	41.9	41.1	40.8
Job leavers	16.7	17.3	15.5	15.9	14.1	15.5	15.5	15.9
Reentrants	32.2	29.9	32.6	27.8	33.3	29.5	29.6	30.2
New entrants	16.0	14.4	14.5	12.1	13.4	13.1	13.7	13.0
UNEMPLOYED AS A PERCENT OF THE CIVILIAN LABOR FORCE								
Job losers	1.7	2.0	1.8	2.2	2.1	2.2	2.2	2.2
Job leavers	.8	.9	.7	.8	.7	.8	.8	.8
Reentrants	1.5	1.6	1.5	1.4	1.8	1.5	1.6	1.6
New entrants	.7	.8	.7	.6	.7	.7	.7	.7

Table A-6. Unemployment by sex and age

Sex and age	Not seasonally adjusted			Seasonally adjusted unemployment rates					
	Thousands of persons		Percent looking for full-time work						
	Aug. 1973	Aug. 1974	Aug. 1974	Aug. 1973	April 1974	May 1974	June 1974	July 1974	Aug. 1974
Total, 16 years and over	4,208	4,885	79.2	4.7	5.0	5.2	5.2	5.3	5.4
16 to 19 years	1,174	1,294	66.3	14.3	13.8	15.8	15.6	16.2	15.3
16 to 17 years	574	607	48.6	16.6	15.7	18.1	18.4	18.0	17.3
18 to 19 years	600	687	81.8	12.8	12.5	14.3	12.9	14.7	14.1
20 to 24 years	1,014	1,282	85.4	7.8	8.1	8.6	8.3	8.8	9.5
25 years and over	2,021	2,310	83.1	3.0	3.3	3.2	3.3	3.3	3.3
25 to 54 years	1,662	1,892	85.1	3.1	3.6	3.3	3.5	3.5	3.4
55 years and over	358	417	73.9	2.7	2.6	2.7	2.7	2.8	3.2
Males, 16 years and over	2,035	2,441	84.4	4.0	4.5	4.4	4.6	4.6	4.7
16 to 19 years	608	675	67.0	14.1	14.0	14.6	15.6	15.4	15.2
16 to 17 years	307	353	51.0	16.5	16.3	18.0	18.9	18.4	18.8
18 to 19 years	301	322	84.5	12.3	12.4	12.2	12.1	12.8	12.7
20 to 24 years	476	627	92.0	7.2	7.8	8.3	8.1	8.1	9.3
25 years and over	951	1,139	90.6	2.4	2.9	2.6	2.7	2.8	2.8
25 to 54 years	748	888	95.6	2.4	3.0	2.7	2.8	2.8	2.8
55 years and over	203	251	72.9	2.6	2.3	2.3	2.5	2.7	3.2
Females, 16 years and over	2,174	2,443	74.1	5.8	5.9	6.4	6.3	6.5	6.3
16 to 19 years	566	618	65.7	14.6	13.5	17.2	15.6	17.2	15.4
16 to 17 years	267	253	45.8	16.6	14.9	18.3	17.7	17.5	15.3
18 to 19 years	298	365	79.5	13.3	12.6	16.7	13.8	16.9	15.8
20 to 24 years	538	655	79.1	8.5	8.4	9.0	8.7	9.6	9.8
25 years and over	1,070	1,170	75.8	3.9	4.1	4.2	4.4	4.2	4.2
25 to 54 years	915	1,004	75.9	4.3	4.4	4.4	4.6	4.6	4.5
55 years and over	156	166	75.9	2.9	3.0	3.2	3.1	2.9	3.2

ESTABLISHMENT DATA

Table B-1. Employees on nonagricultural payrolls, by industry

[In thousands]

Industry	Not seasonally adjusted				Seasonally adjusted					
	Aug. 1973	June 1974	July 1974[p]	Aug. 1974[p]	Aug. 1973	Apr. 1974	May 1974	June 1974	July 1974[p]	Aug. 1974[p]
TOTAL	75,686	77,897	76,958	77,128	75,747	76,941	77,136	77,101	77,100	77,177
GOODS-PRODUCING	24,647	24,565	24,280	24,526	24,171	24,239	24,268	24,225	24,105	24,010
MINING	648	679	682	680	634	659	664	665	668	665
CONTRACT CONSTRUCTION	3,981	3,779	3,765	3,838	3,676	3,659	3,662	3,599	3,522	3,544
MANUFACTURING	20,018	20,107	19,833	20,008	19,861	19,921	19,942	19,961	19,915	19,801
Production workers	14,727	14,724	14,441	14,600	14,611	14,582	14,590	14,598	14,552	14,420
DURABLE GOODS	11,676	11,884	11,714	11,667	11,692	11,733	11,746	11,783	11,760	11,635
Production workers	8,560	8,692	8,514	8,461	8,597	8,578	8,577	8,599	8,574	8,437
Ordnance and accessories	192.3	190.8	193.9	193.3	192	193	189	191	194	193
Lumber and wood products	650.6	660.3	653.9	652.6	631	654	650	640	637	633
Furniture and fixtures	530.3	522.6	501.4	512.9	527	523	524	522	511	509
Stone, clay, and glass products	711.5	706.0	705.6	706.3	694	697	701	691	694	689
Primary metal industries	1,326.1	1,351.4	1,337.9	1,330.2	1,323	1,320	1,322	1,328	1,323	1,328
Fabricated metal products	1,457.2	1,474.0	1,450.0	1,446.6	1,459	1,456	1,458	1,462	1,468	1,448
Machinery, except electrical	2,048.5	2,176.4	2,154.4	2,136.0	2,065	2,136	2,139	2,161	2,159	2,153
Electrical equipment	2,005.8	2,035.9	2,011.8	1,962.2	2,006	2,031	2,030	2,036	2,028	1,962
Transportation equipment	1,803.8	1,788.2	1,741.8	1,743.3	1,859	1,756	1,764	1,778	1,773	1,751
Instruments and related products	502.3	532.3	528.5	534.7	500	523	524	531	529	532
Miscellaneous manufacturing	447.1	446.4	434.4	448.5	436	444	445	443	444	437
NONDURABLE GOODS	8,342	8,223	8,119	8,341	8,169	8,188	8,196	8,178	8,155	8,166
Production workers	6,167	6,032	5,927	6,139	6,014	6,004	6,013	5,999	5,978	5,983
Food and kindred products	1,834.2	1,721.8	1,760.4	1,872.9	1,706	1,750	1,747	1,725	1,721	1,742
Tobacco manufactures	79.6	67.9	67.7	79.7	72	77	76	76	76	72
Textile mill products	1,029.5	1,022.9	987.7	1,006.8	1,026	1,016	1,013	1,011	1,002	1,004
Apparel and other textile products	1,346.4	1,303.3	1,236.7	1,283.0	1,337	1,296	1,300	1,290	1,284	1,274
Paper and allied products	727.1	736.1	727.5	731.3	721	728	731	727	727	725
Printing and publishing	1,097.8	1,109.3	1,102.9	1,104.5	1,100	1,105	1,107	1,109	1,106	1,107
Chemicals and allied products	1,040.6	1,065.1	1,065.5	1,068.0	1,031	1,046	1,050	1,057	1,058	1,058
Petroleum and coal products	193.3	196.8	197.3	198.5	189	191	193	193	192	194
Rubber and plastics products, nec.	691.6	700.5	685.3	697.5	691	684	685	696	694	697
Leather and leather products	302.3	299.6	287.9	298.8	296	295	294	294	295	293
SERVICE-PRODUCING	51,039	53,332	52,678	52,602	51,576	52,702	52,868	52,876	52,995	53,167
TRANSPORTATION AND PUBLIC UTILITIES	4,659	4,718	4,699	4,684	4,617	4,668	4,664	4,653	4,643	4,642
WHOLESALE AND RETAIL TRADE	16,279	16,677	16,631	16,587	16,352	16,549	16,594	16,602	16,664	16,661
WHOLESALE TRADE	4,136	4,240	4,249	4,248	4,099	4,202	4,211	4,215	4,207	4,210
RETAIL TRADE	12,143	12,437	12,382	12,339	12,253	12,347	12,383	12,387	12,457	12,451
FINANCE, INSURANCE, AND REAL ESTATE	4,121	4,181	4,199	4,201	4,064	4,130	4,145	4,140	4,133	4,143
SERVICES	13,009	13,552	13,539	13,557	12,906	13,248	13,329	13,365	13,378	13,449
GOVERNMENT	12,971	14,204	13,610	13,573	13,637	14,107	14,136	14,116	14,177	14,272
FEDERAL	2,617	2,703	2,721	2,713	2,599	2,681	2,698	2,684	2,691	2,694
STATE AND LOCAL	10,354	11,501	10,889	10,860	11,038	11,426	11,438	11,432	11,486	11,578

[p]preliminary.

Table B-2. Average weekly hours of production or nonsupervisory workers[1] on private nonagricultural payrolls, by industry

Industry	Not seasonally adjusted				Seasonally adjusted					
	Aug. 1973	June 1974	July 1974[p]	Aug. 1974[p]	Aug. 1973	Apr. 1974	May 1974	June 1974	July 1974[p]	Aug. 1974[p]
TOTAL PRIVATE	37.5	37.0	37.2	37.2	37.0	36.6	36.8	36.7	36.8	36.7
MINING	42.8	43.6	43.3	43.0	42.6	42.5	43.2	43.2	43.1	42.8
CONTRACT CONSTRUCTION	38.3	37.8	38.1	37.8	37.1	36.2	36.9	37.1	37.2	36.6
MANUFACTURING	40.5	40.4	40.0	40.3	40.5	39.3	40.3	40.1	40.2	40.3
Overtime hours	3.8	3.5	3.2	3.4	3.7	2.9	3.4	3.4	3.3	3.3
DURABLE GOODS	40.9	41.1	40.4	40.8	41.1	39.8	40.9	40.8	40.7	41.0
Overtime hours	3.9	3.6	3.3	3.6	3.9	2.9	3.6	3.4	3.4	3.6
Ordnance and accessories	([2])	42.1	41.2	41.0	[2])	([2])	([2])	41.9	41.7	41.0
Lumber and wood products	40.9	40.7	39.8	40.1	40.7	40.1	40.1	40.1	39.9	39.9
Furniture and fixtures	40.2	39.7	39.0	39.1	39.7	38.8	39.4	39.4	39.4	38.6
Stone, clay, and glass products	42.5	41.8	41.6	41.9	42.0	41.2	41.6	41.4	41.4	41.4
Primary metal industries	41.7	42.0	41.5	41.8	41.8	41.2	41.6	41.6	41.6	41.9
Fabricated metal products	41.4	41.3	40.6	40.9	41.3	39.6	41.1	40.9	40.8	40.8
Machinery, except electrical	42.0	42.5	41.4	42.2	42.4	40.7	42.3	42.4	41.9	42.6
Electrical equipment	40.1	40.3	39.5	39.9	40.1	39.0	40.0	40.1	40.0	39.9
Transportation equipment	40.0	40.3	40.3	40.3	41.0	38.9	40.5	39.7	40.5	41.3
Instruments and related products	40.2	40.4	39.8	40.5	40.4	39.4	40.3	40.3	40.2	40.7
Miscellaneous manufacturing	38.9	39.0	38.4	38.6	38.7	37.6	38.9	38.9	38.9	38.4
NONDURABLE GOODS	39.8	39.5	39.4	39.6	39.5	38.7	39.4	39.3	39.3	39.3
Overtime hours	3.5	3.3	3.2	3.2	3.3	2.8	3.2	3.2	3.2	3.0
Food and kindred products	41.0	40.7	40.9	41.1	40.4	39.8	40.6	40.5	40.5	40.5
Tobacco manufactures	39.1	37.4	36.7	35.4	38.5	38.8	38.8	36.8	36.8	34.9
Textile mill products	40.9	40.6	39.9	39.8	40.8	39.2	40.2	40.2	40.2	39.7
Apparel and other textile products	36.0	34.8	35.6	35.9	35.7	34.5	35.6	34.7	35.5	35.6
Paper and allied products	42.6	42.5	42.3	42.4	42.4	41.7	42.3	42.4	42.3	42.2
Printing and publishing	37.9	37.7	37.5	38.0	37.7	37.1	37.8	37.6	37.4	37.8
Chemicals and allied products	41.8	41.9	41.7	41.6	42.1	41.8	41.8	41.8	41.9	41.9
Petroleum and coal products	42.3	42.8	42.6	41.8	42.1	42.5	42.2	42.5	42.0	41.6
Rubber and plastics products, nec	40.6	40.8	40.3	40.8	40.5	39.3	40.3	40.6	40.6	40.7
Leather and leather products	38.1	38.2	37.5	37.4	38.1	37.3	37.6	37.6	37.0	37.4
TRANSPORTATION AND PUBLIC UTILITIES	41.1	40.7	41.0	41.1	40.9	40.9	40.8	40.5	40.6	40.9
WHOLESALE AND RETAIL TRADE	35.4	34.5	35.1	35.0	34.5	34.5	34.3	34.2	34.2	34.1
WHOLESALE TRADE	39.6	39.1	39.2	39.0	39.4	38.9	39.1	39.0	39.0	38.8
RETAIL TRADE	34.1	33.1	33.8	33.7	33.0	33.1	32.9	32.8	32.8	32.6
FINANCE, INSURANCE, AND REAL ESTATE	37.1	36.8	36.9	37.1	37.0	36.9	36.9	36.8	36.8	37.0
SERVICES	34.7	34.2	34.7	34.7	34.2	34.0	34.1	34.2	34.1	34.2

[1] Data relate to production workers in mining and manufacturing; to construction workers in contract construction; and to nonsupervisory workers in transportation and public utilities; wholesale and retail trade; finance, insurance, and real estate; and service. These groups account for approximately four-fifths of the total employment on private nonagricultural payrolls.

[2] Previously published data for this series for March 1971 through May 1974 are being revised to correct processing errors; figures for subsequent months have been corrected for these errors. Revised historical data are not yet available; they are scheduled to be published in December when the routine benchmarking and seasonal adjustment revisions will be made.

p= preliminary.

ESTABLISHMENT DATA

Table B-3. Average hourly and weekly earnings of production or nonsupervisory workers[1] on private nonagricultural payrolls, by industry

Industry	Average hourly earnings				Average weekly earnings			
	Aug. 1973	June 1974	July 1974 p	Aug. 1974 p	Aug. 1973	June 1974	July 1974 p	Aug. 1974 p
TOTAL PRIVATE	$3.91	$4.20	$4.21	$4.24	$146.63	$155.40	$156.61	$157.73
Seasonally adjusted	3.92	4.20	4.22	4.25	145.04	154.14	155.30	155.98
MINING	4.69	5.19	5.23	5.25	200.73	226.28	226.46	225.75
CONTRACT CONSTRUCTION	([2])	6.67	6.69	6.87	([2])	252.13	254.89	259.69
MANUFACTURING	4.06	4.38	4.41	4.43	164.43	176.95	176.40	178.53
DURABLE GOODS	4.31	4.65	4.67	4.71	176.28	191.12	188.67	192.17
Ordnance and accessories	([2])	4.76	4.76	4.87	([2])	200.40	196.11	199.67
Lumber and wood products	3.62	3.90	3.92	3.98	148.06	158.73	156.02	159.60
Furniture and fixtures	3.28	3.50	3.49	3.53	131.86	138.95	136.11	138.02
Stone, clay, and glass products	4.21	4.53	4.53	4.57	178.93	189.35	188.45	191.48
Primary metal industries	5.10	5.60	5.65	5.76	212.67	235.20	234.48	240.77
Fabricated metal products	4.24	4.56	4.57	4.62	175.54	188.33	185.54	188.96
Machinery, except electrical	4.53	4.88	4.87	4.90	190.26	207.40	201.62	206.78
Electrical equipment	3.88	4.13	4.15	4.14	155.59	166.44	163.93	165.19
Transportation equipment	5.02	5.41	5.43	5.52	200.80	218.02	218.83	222.46
Instruments and related products	3.87	4.12	4.17	4.19	155.57	166.45	165.97	169.70
Miscellaneous manufacturing	3.26	3.50	3.48	3.50	126.81	136.50	133.63	135.10
NONDURABLE GOODS	3.70	3.97	4.02	4.03	147.26	156.82	158.39	159.59
Food and kindred products	3.83	4.16	4.19	4.15	157.03	169.31	171.37	170.57
Tobacco manufactures	3.73	4.31	4.43	4.09	145.84	161.19	162.58	144.79
Textile mill products	2.92	3.24	3.24	3.26	119.43	131.54	129.28	129.75
Apparel and other textile products	2.79	2.98	2.99	3.04	100.44	103.70	106.44	109.14
Paper and allied products	4.24	4.47	4.52	4.57	180.62	189.98	191.20	193.77
Printing and publishing	4.70	4.94	4.94	4.97	178.13	186.24	185.25	188.86
Chemicals and allied products	4.50	4.78	4.85	4.87	188.10	200.28	202.25	202.59
Petroleum and coal products	5.24	5.56	5.64	5.72	221.65	237.97	240.26	239.10
Rubber and plastics products, nec	3.81	3.99	4.07	4.11	154.69	162.79	164.02	167.69
Leather and leather products	2.80	3.00	2.99	3.01	106.68	114.60	112.13	112.57
TRANSPORTATION AND PUBLIC UTILITIES	([2])	5.35	5.44	5.45	([2])	217.75	223.04	224.00
WHOLESALE AND RETAIL TRADE	3.21	3.48	3.49	3.50	113.63	120.06	122.50	122.50
WHOLESALE TRADE	4.13	4.46	4.48	4.51	163.55	174.39	175.62	175.89
RETAIL TRADE	2.87	3.11	3.12	3.12	97.87	102.94	105.46	105.14
FINANCE, INSURANCE, AND REAL ESTATE	([2])	3.80	3.80	3.82	([2])	139.84	140.22	141.72
SERVICES	([2])	3.72	3.70	3.73	([2])	127.22	128.35	129.43

[1] See footnote 1, table B-2.

[2] Previously published data for this series for March 1971 through May 1974 are being revised to correct processing errors; figures for subsequent months have been corrected for these errors. Revised historical data are not yet available; they are scheduled to be published in December when the routine benchmarking revisions will be made.
p=preliminary.

Table B-4. Hourly Earnings Index for production or nonsupervisory workers in private nonfarm industries, seasonally adjusted

[1967=100]

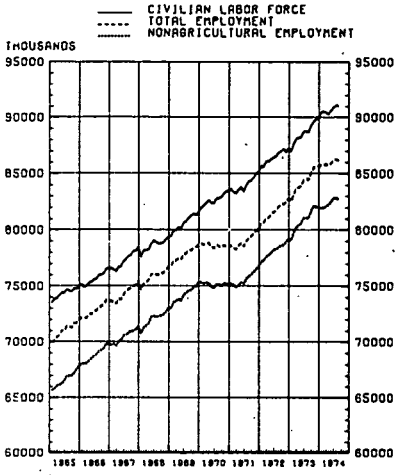
Industry	Aug. 1973	March 1974	April 1974	May 1974	June 1974	July 1974 p	Aug. 1974 p	Percent change from: Aug., 1973 Aug., 1974	Percent change from: July, 1974 Aug., 1974
TOTAL PRIVATE NONFARM:									
Current dollars	147.6	153.5	154.5	156.1	158.5	159.3	160.8	8.9	.9
Constant (1967) dollars	109.4	107.2	107.3	107.3	107.9	107.6	N.A.	(1)	(2)
MINING	147.5	156.1	158.0	159.8	162.6	164.2	165.6	12.3	.9
CONTRACT CONSTRUCTION	(3)	(3)	(3)	(3)	[3] 163.3	[3] 163.5	[3] 167.8	N.A.	2.6
MANUFACTURING	144.5	150.1	151.4	153.3	155.4	156.7	158.0	9.4	.9
TRANSPORTATION AND PUBLIC UTILITIES	(3)	(3)	(3)	(3)	[3] 165.9	[3] 167.8	[3] 168.4	N.A.	.3
WHOLESALE AND RETAIL TRADE	144.4	150.4	151.0	153.5	155.4	156.5	157.4	9.1	.6
FINANCE, INSURANCE, AND REAL ESTATE	(3)	(3)	(3)	(3)	[3] 148.7	[3] 148.7	[3] 149.9	N.A.	.8
SERVICES	(3)	(3)	(3)	(3)	[3] 162.9	[3] 162.0	[3] 163.4	N.A.	.9

1 Percent change was -3.0 from July 1973 to July 1974, the latest month available.
2 Percent change was -0.3 from June 1974 to July 1974, the latest month available.
3 Previously published data for this series for March 1971 through May 1974 are being revised to correct processing errors; figures for subsequent months have been corrected for these errors. Revised historical data are not yet available; they are scheduled to be published in December when the routine benchmarking and seasonal adjustment revisions will be made.
N.A.= not available.
p=preliminary.

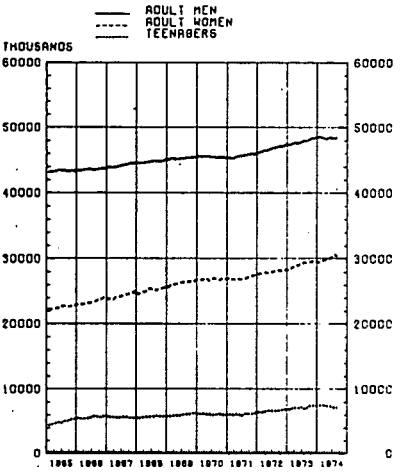
NOTE: All series are in current dollars except where indicated. The index excludes effects of two types of changes that are unrelated to underlying wage-rate developments: Fluctuations in overtime premiums in manufacturing (the only sector for which overtime data are available) and the effects of changes in the proportion of workers in high-wage and low-wage industries. The seasonal adjustment eliminates the effect of changes that normally occur at the same time and in about the same magnitude each year.

LABOR FORCE, EMPLOYMENT, UNEMPLOYMENT
HOUSEHOLD DATA - SEASONALLY ADJUSTED

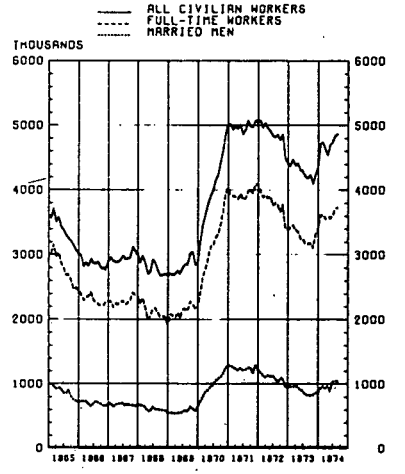
1. LABOR FORCE AND EMPLOYMENT



2. TOTAL EMPLOYMENT



3. UNEMPLOYMENT



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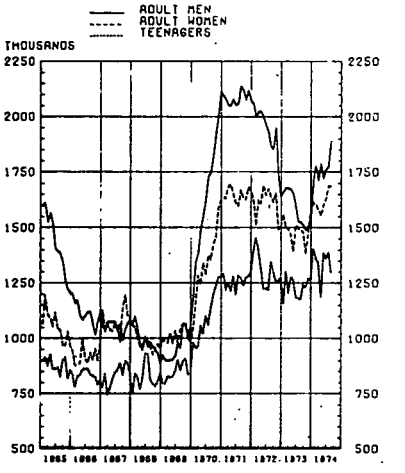
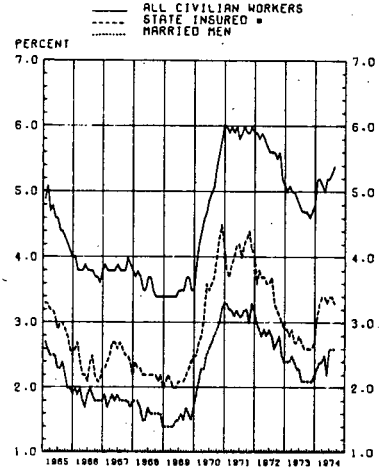


UNEMPLOYMENT RATES
HOUSEHOLD DATA - SEASONALLY ADJUSTED

5. UNEMPLOYMENT RATES



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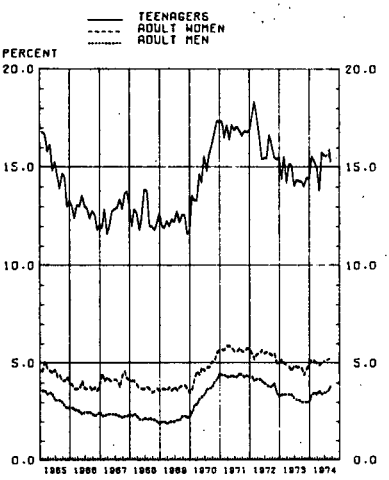

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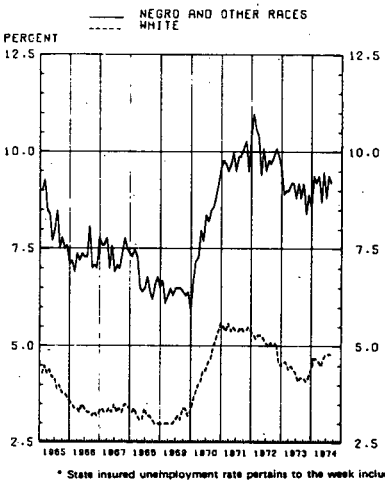

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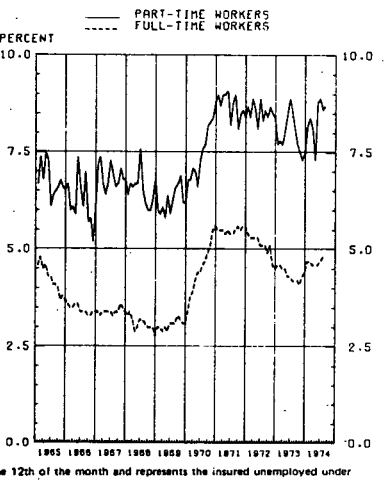
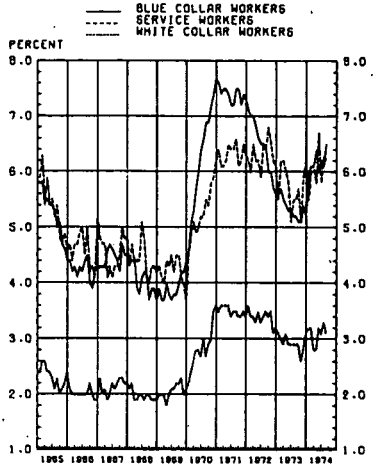


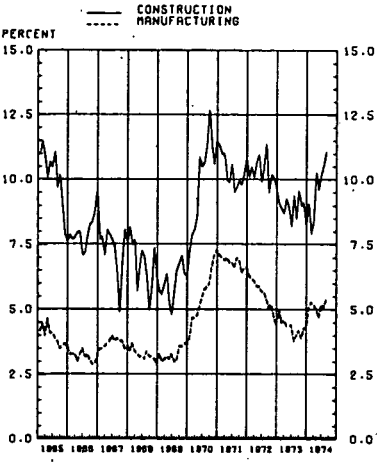
* State insured unemployment rate pertains to the week including the 12th of the month and represents the insured unemployed under State programs as a percent of average covered employment. The figures are der ved from administrative records of unemployment insurance systems.

UNEMPLOYMENT
HOUSEHOLD DATA - SEASONALLY ADJUSTED

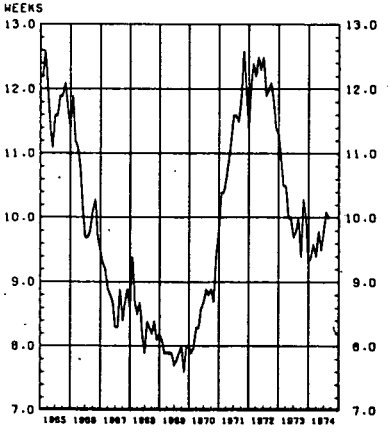
9. UNEMPLOYMENT RATES



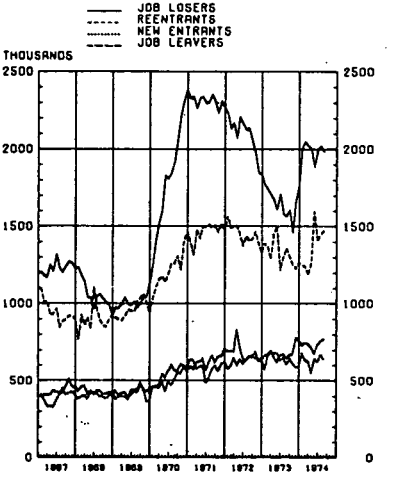
10. UNEMPLOYMENT RATES



11. AVERAGE DURATION OF UNEMPLOYMENT

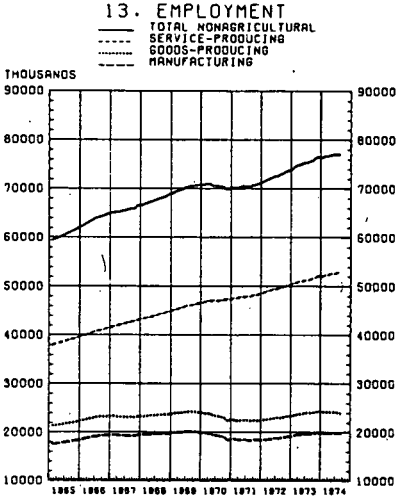


12. UNEMPLOYMENT BY REASON

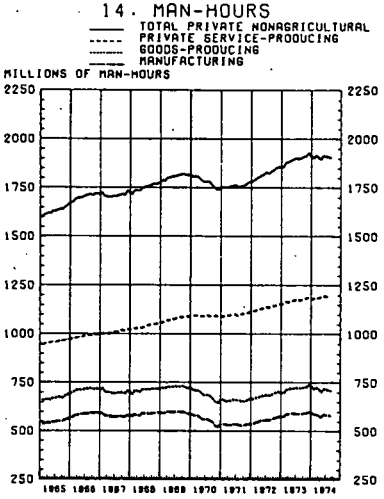


NONAGRICULTURAL EMPLOYMENT AND HOURS
ESTABLISHMENT DATA - SEASONALLY ADJUSTED

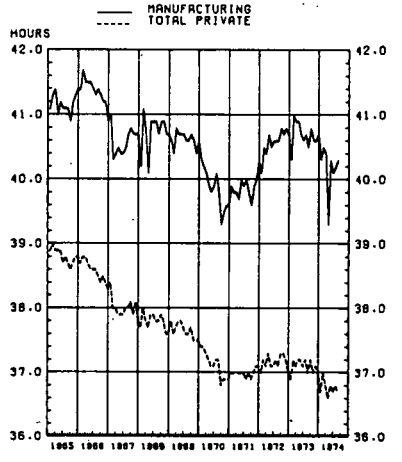
13. EMPLOYMENT



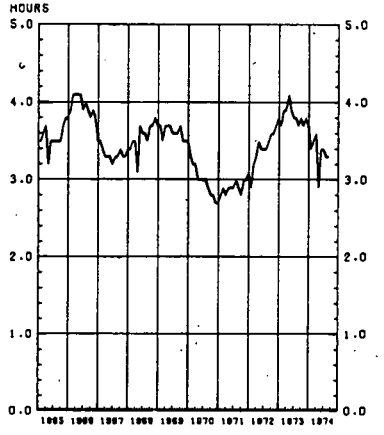
14. MAN-HOURS



15. AVERAGE WEEKLY HOURS



16. AVERAGE WEEKLY OVERTIME HOURS IN MANUFACTURING



NOTE: Charts 14 and 15 relate to production or nonsupervisory workers; chart 16 relates to production workers. Data for the 2 most recent months are preliminary in charts 13-16.

Chairman PROXMIRE. Thank you very much, Mr. Shiskin.

As you know, we had the beginning conference of a series on inflation at the White House yesterday. And this will continue over the next few weeks. And as you also know, we have an inflation study being conducted by this subcommittee at the direction of the Congress which will make an interim report at the end of this month and a complete report at the end of the year.

Now, one of the very serious problems we have in connection with inflation, of course, is to try to get inflation under control and arrest the increase in prices without aggravating unemployment. And I think that unfortunately, too few people have all the data and all the figures and pay enough attention to that. And, therefore, I think your briefing here is enormously valuable to me. And I think that the extent the other members can be informed about it should be useful to them and to the Congress and to the country.

You indicated that the hours of work are once again below 37 a week, is that right, 37 hours a week?

Mr. SHISKIN. Yes.

Chairman PROXMIRE. And that means that with the exception of last month, July, we have had people working less than 37 hours a week every single month this year. We have never had a year in the history of our country where people have worked less than 37 hours a week. Now, if there is ever a statistic that would tell us we are hardly in the middle of a tremendous demand inflation it is the fact that the work force is working at the lowest level that they have worked in history, that along with the fact that real retail sales are down, the real consumption is down, and so forth, it seems to me, indicates that we hardly have a demand induced inflation, at least if we have one it is very peculiar.

Do you have any reaction to that?

Mr. SHISKIN. Yes.

First, let me make a statistical observation, I have avoided using the series on hours in the private economy, and have used instead a series of somewhat narrow scope, hours of manufacturing.

The reason is that hours in the whole private economy include wholesale trade, retail trade, and services where there has been a strong secular trend in the increase of part-time workers. And that is, as I tried to point out some weeks ago, a serious problem for us, not only interpreting the hours data, but in interpreting the real spendable earnings data, because the increasing trend of part-time workers in these industries gives a downward bias to the series. So we look at manufacturing—at least I do. And there has been a slight increase in hours in the last 3 months, but the level, which is about 40.1, is well below the level of a year ago. So there is no doubt that hours have declined.

I think the situation that you described arises from the fact that we have probably more diversity in the behavior of different industries at the present period than is typical of a recession period. One of the characteristics of the classical recession, as set out by Wesley Mitchell and Arthur Burns and the others at the National Bureau, has been that once it begins to accumulate, either up or down, it carries most industries with it. And one reason that the diffusion index is such an important measure is that it is a measure of just

this tendency. And while the diffusion index has been going down in the last 2 months, it is still at the level of 45 percent—that is, roughly half of the industries are stil rising.

Chairman PROXMIRE. I accept all that. But I think that I would tend to modify it in this way. First, the hours of work in manufacturing, while somewhat stable, still are low compared to what they were in the years of substantial activity. For instance, they are well below what they were in 1965 and 1966. And they were below what they were in 1967 and 1968. They are not at a hyper level.

Mr. SHISKIN. That is correct.

Chairman PROXMIRE. Second, contract construction, which is an area which is fairly stable over the years, shows a reduction this year. It is true, that is a little erratic. But still over the years it appears to be substantially lower than in the past, probably because of layoffs in the housing industry. Anyway, altogether, I think this is one element that contributes to it.

And another is the fact that—and this is a very disturbing statistical development, it seems to me—that we do have this flat employment situation. As Mr. Otto Eckstein said at the inflation conference at the White House yesterday, we have to expand employment at the rate of about 2 million or 2.5 million a year just to take the people who are entering the labor force off. Well, there has not been any increase in the labor force, as you point out, in the last several months, and very little increase this year. And the only implication I can get from that is that people are being discouraged, that they would like to enter the work force perhaps, we would expect they would, but they are not doing it. So this is kind of a hidden discouraged worker-type of unemployment.

Mr. SHISKIN. Well, I think that is what I said to begin with, I pointed out that these series have been flat. On the one hand, people who were predicting a very high unemployment rate by this time, with sharp drops in employment, were wrong. We have not had that. On the other hand, we have not had any growth either. And we do need growth in employment just to stand even with respect to the unemployment rate.

Chairman PROXMIRE. I think this failure of employment to grow is perhaps the phenomenon. Because as was pointed out, what economic forecasters do, as I understand it, is to try to forecast the trends of the labor force. And then they try to estimate how much business activity will change. And then they try to see how much the growth of the economy or lack of growth of the economy is going to affect the new people entering the labor force. Well, the reason why unemployment has not gone up as they predicted is because the work force has not gone up, there just are not that many people going to work. So it really is not as disheartening as it seems on the surface.

Mr. SHISKIN. It depends on the perspective.

Chairman PROXMIRE. You highlight in your release a very interesting phenomenon, and one that I would have put in, and I did not really realize that you had statistics for it. You point out that men 55 and over have experienced rising joblessness for 3 straight months, with the unemployment rates moving up from 2.3 percent in May to 3.2 percent in August. That is a 40 percent increase, really,

from 2.3 to 3.2. And it hits a group of workers whom I just cannot understand would have a characteristic that would result in any necessarily consistent response. I suppose that perhaps a few more of them would be in manufacturing than in retail work, but I am not so sure about that.

What is your explanation of that phenomenon?

Mr. SHISKIN. I do not have any definite explanation. But I can say this. What appears to be happening is that in this apparent slight rise in unemployment—I keep saying apparent, because there is a very small change, and next month we can get a figure that goes either way—is that it comes from both ends, the younger workers and older workers—the 24 and older workers. The middle group has held up very well from studies we have made.

Chairman PROXMIRE. I would think for different reasons. As to the new workers, of course, at a time of sluggish growth, employers are less likely to hire new people coming on, because they cannot use the workers they have got. But the older workers would have the seniority, they would be, it seems to me, the last ones that would be affected by this.

Mr. SHISKIN. They do not have seniority everywhere.

Jim, do you have any comments to add?

Mr. WETZEL. The unemployment rate for that particular group averaged 2.5 percent in 1973, when the economy was fairly strong. Up through July, the increases were such that the rate was fairly close to 2.5 percent. We point out the August rise as a matter of information: We do not have great confidence that that is an indicator of a trend developing for that particular age group. Some layoffs may have occurred in that particular age group, and some job loss due to resigning may have occurred, however, that rate could easily come back down.

Chairman PROXMIRE. Is there any particular characteristic of that age group? Is that age group associated with homebuilding, for example, or contract work? Is there more in that area where we have had a sharp layoff?

Mr. WETZEL. The average age for wage and salary construction workers tends to be below the all-worker average. With respect to older men, I took a special look at these figures myself because a change of that magnitude in that age group is important. I was unable to find an industry attachment or an occupational attachment that gave us any special information on that particular rise of unemployment.

We will make it a point to reanalyze the August data when we get the September reading, and see if we can add anything.

Mr. SHISKIN. Mr. Chairman, to get back to another point, to be sure this is brought out on the table, we will have the new figures for discouraged workers next month. And we will take a look at them and see whether they are confirming some of the trends that we are discussing today.

Chairman PROXMIRE. On the basis of your data, can you explain in any kind of breakdown why we have the failure of the work force to grow, and why it has been so stable, or why it seems to be declining, if anything? What age groups—is it women not coming in as they did before, or what is the force here?

Mr. SHISKIN. The women have come in in large numbers, as you know. I looked at these figures very carefully last night and it is amazing how stable the civilian labor force has been for all these different components for the last 3 months, including women. We pointed out earlier that the labor force, unlike a figure like employment, tends to move quite erratically. That is, it will be up sharply for a few months and then level off for a while. So we may see a sharp rise in the months immediately ahead.

Chairman PROXMIRE. Now, I have a table here which the staff prepares showing the growth of the labor force and employment by half years by age and sex groups. Overall, of course, the table shows a marked slowing of the growth of employment in the labor force in the first half of this year. That slowing has continued in the past 2 months. The striking thing about these trends is that the employment of adult women has continued to grow rapidly, while the employment of adult men and teenagers has actually declined. This trend too has continued in the past 2 months.

How do you account for this divergence between the employment rate for women and teenagers?

Mr. SHISKIN. First, let me question those figures. Here are the figures for the last 3 months on the civilian labor force for females 20 and over: 31.9, 32.4, and 32.2. I think that is flat. So to me, the way I look at the figures for the last few months, all of them, including blacks, the civilian labor force, et cetera, is that they have been flat.

Chairman PROXMIRE. What I am doing is, I am comparing, for example, the fourth quarter of 1973 and the second quarter of 1974. This comparison shows that employment of adult males declined by 0.2 of a percent, and of adult females grew at 3.3 percent.

Mr. SHISKIN. That is my understanding also, the women are making up an increasing share of the labor force.

Chairman PROXMIRE. Is that because there is more employment in State and local and retail trades?

Mr. SHISKIN. I asked Mr. Wetzel to look into the pattern of empoyment for females, he is prepared to make a brief report.

Mr. WETZEL. We have some employment information that was discussed momentarily last month. It is correct to say that the growth of the service-type industries, including trade, State and local government, and just services generally, has been the main source of employment for women in the past several years, as it has been traditionally. And there is every indication that continued growth this year, while goods-producing employment has declined, has been a major factor in the continued growth of jobs for women. By contrast, this stability for men tends to be more reflective of the trends in the goods-producing industries.

Chairman PROXMIRE. Mr. Shiskin, you and I were both at the White House yesterday. I notice that you were one of the observers there. And you noticed that the forecasters continued to predict a sharp increase in unemployment, with Mr. Eckstein saying around 6.5 percent, and others saying close to it, and others saying you have to throw a hat over the whole forecast. They were wrong on inflation last year, and perhaps they are wrong on unemployment this year. But this is a consensus that nobody challenged, as you know.

Mr. SHISKIN. As Professor Samuelson said, these are the only piano players we have.

Chairman PROXMIRE. They seem to be playing one of the player pianos, you know, you put the roll in and it plays the same for everybody.

Mr. SHISKIN. Senator, all the studies made at the National Bureau show that the professional economic forecasters do better than other people.

But that leads right back to Professor Samuelson's remark, they are the only piano players we have.

Chairman PROXMIRE. What did we foresee? I am not asking for a prediction, because, of course, you are not in that business, and you do not do that kind of thing. But I would like to know if you can give me some assistance on what we can look forward to on the basis of the statistics that we now have. In the first half of this year output dropped sharply, but manhours worked did not change very much. And the reason for that was in part because productivity went right through the floor, this dropped very sharply. And unit labor costs, of course, went up very high, 14 percent, I guess. If the forecasters are right there will be little real growth of output over the next year. Then one or two things has to happen. No. 1, there will be layoffs of workers so as to cut costs and get productivity rising again. And that would mean a jump upward in unemployment. And two, there will not be layoffs, which will hold unemployment down, which will mean a further drop in output per manhour —and that is no gain—and an upward leap in unit labor costs. And that would mean that we would have pressure on prices that would continue inflation at a rapid rate. Is that correct?

Mr. SHISKIN. That sounds reasonable to me.

Chairman PROXMIRE. Which of these two possible courses are likely to dominate, based on the evidence of the past business cycles?

Mr. SHISKIN. Well, I would like to make an observation on that, Senator Proxmire, since you asked me. As you know, I have devoted a good part of my professional life to studying business cycles. And it seems to me that we have had a basic change in the nature of the business cycle in the last 10 or 15 years. And we have to take a new look at not only our terminology, such as recessions, but our policy. And we are taking a look. That was the purpose of the meeting yesterday. And many other economists are taking a new look.

But now, let me give you an indication of the nature of the change in business cycles in the last 20 years, I would say, 15 or 20 years. The recession of 1957–58, and perhaps 1953–54, were classical business cycle recessions. And I worked up some figures on them. For example, in 1957–58, real GNP dropped 3.9 percent. Nonagricultural employment dropped 4.3 percent. So in 1957–58 we had sharp drops in two of our broadest measures of economic activity, real GNP and nonagricultural employment. Now, in 1960–61 there were drops, but they were only about half as much, or less than half as much. For example, compared to a 3.9 percent drop in real GNP, we had a 1.6 percent drop in the 1960–61 recession. In the 1969–70 recession designated by the National Bureau, the drop was 1.1 percent. In nonagricultural employment, again, the drop in 1957–58 was 4.3 percent; and 1960–61, was 2.2 percent. And in 1969–70 it was 1.6 percent.

So what we have had in recent years is, on the one hand, a steadily declining rate of decline during recession periods, in the broadest measures of real aggregate activity.

Chairman PROXMIRE. We had a very sharp decline, though, the first quarter of this year, a very sharp decline in GNP, an annual rate of—what, 7 percent?

Mr. SHISKIN. No, the annual rate was much less—the annual rate was 7 percent for the first quarter. But that, I think, as I said earlier, was a special situation.

Chairman PROXMIRE. That is right. But it did not recover in the second quarter, and it seemed flat in this quarter.

Mr. SHISKIN. Let me come back to that. What we have had, I think, on the one hand, is quite a dramatic change in the nature of economic recessions, in the sense that they have become much milder in terms of the decline in real aggregate economic activity. On the other hand, look what has happened to consumer prices. In the early recessions of the post-World War II period there were either declines or extremely small rises.

Let me give you the figures. In the recession which began in November 1948 we had a decline in the CPI of 4.2. In the 1953–54 recession the decline was 1.0. Then in 1957–58 we had a decline of 0.5. And in 1960–61, 0.0. But in the 1969 recession we had a rise in the CPI of 5.6. And if you and suppose that we had a recession which started in November 1973, the rise in the CPI has been 9.2 percent. I am including for the record a table showing these and other closely related figures.

[The following table was subsequently supplied for the record:]

CYCLICAL COMPARISONS—DURATION, DEPTH, AND DIFFUSION OF RECENT SLOWDOWNS AND RECESSIONS—RECENT PERIOD, 1966–67 SLOWDOWN AND 5 POSTWAR RECESSIONS

[Based upon specific cyclical peaks and troughs for each series; where these could not be identified, NBER business cycle peaks and troughs were taken]

	Unit of measure	Current period; November 1973 to date [1]	Slowdown of 1966–67; January 1967 to May 1967	Postwar business cycle recessions (NBER)				
				November 1969 to November 1970	May 1960 to February 1961	July 1957 to April 1958	July 1953 to August 1954	November 1948 to October 1949
1. DURATION:								
(a) Decline in current dollar GNP	Months	0	0	0	6	6	12	12
(b) Decline in constant dollar GNP	do	6	3	6	12	6	12	6
(c) Decline in nonagricultural employment (estab.) [2]	do	0	0	8	10	14	14	13
(d) Rise in unemployment rate	do	11	11	30	15	16	15	21
2. DEPTH:								
(a) Change in current dollar GNP	Percent	+3.0	[3] +1.3	[3] +4.5	−0.3	−2.6	−1.9	−3.4
(b) Change in constant dollar GNP [2]	do	−2.2	−0.2	−1.1	−1.6	−3.9	−3.4	−1.9
(c) Change in nonagricultural employment (estab.)	do	+0.6	+.6	−1.6	−2.2	−4.3	−3.4	−5.2
(d) Change in unemployment rate [2]	do	+1.2	+.5	+2.6	+2.3	+3.8	+3.6	+4.5
(e) Peak in unemployment rate [2]	do	5.8	4.1	6.0	7.1	7.5	6.1	7.9
(f) Change in CPI	do	+9.2	[3] +.8	[3] +5.6	0	−1.0	−1.0	−4.2
(g) Change in WPI, industrial commodities	do	+24.2	[3] +.2	[3] +3.6	−1.3	−0.5	−0.5	−5.5
3. DIFFUSION:								
Minimum value of diffusion index, nonfarm employment, 172-industry breakdown: [4]								
(a) 6-month span [3]	Expanding	46.8	48.8	19.2	19.9	11.7	13.3	10.0
(b) Number of consecutive months below 25 percent [3]	Months	0	0	4	6	12	10	8

[1] Data for employment and unemployment series cover September; for other series, August.
[2] Suggested quantitative criterion for defining recessions.
[3] Business cycle peak or trough.
[4] 30-industry breakdown prior to 1960.

Mr. SHISKIN. So what we have had is a new phenomenon developing, which is a declining rate of decline in real output and employment, with successively larger rises in prices. And that is a new situation. I think it calls for new types of analysis, with new terms—and I believe it was Professor Samuelson who used the term "stagflation" to characterize it. And I think it calls for new policies, because it is one thing to combat declines in real output and employment which are preoccupied by declines in consumer prices and quite another to combat declines in real output and employment which are accompanied by rapid rises in consumer prices.

Chairman PROXMIRE. But there is also a change in relationship between real output and employment. In this last experience we have had this especially sharp and dramatic in contrast, with output going down sharply and unemployment stable during the first quarter, the second quarter of this year, and as I pointed out, one of the most remarkable factors was that unemployment did not increase, and yet we had this tremendous drop——

Mr. SHISKIN. Now, when I was here in earlier months I said that I think that this big decline in the first quarter was primarily an energy shortage phenomenon. I still think that is true. What I expected to happen once the energy crisis was over was that the economy would revive. And on the basis of the figures I cited earlier for the diffusion index that appears to have happened. But it has been short-lived. And I think we are in a new situation.

Chairman PROXMIRE. What you are saying is that you think that there is a possibility—and this is not a prediction again—but there is a real possibility and some evidence on the basis of the recent developments that we might not have as much unemployment as people expect, and we might have an inflation that might be somewhat worse than people expect, is that right?

Mr. SHISKIN. We now have a new situation to cope with, which is, that during previous periods of slowdowns and recessions, consumer prices would decline, or at least there would be a sharp abatement in the rate of increase. That has not happened lately. So you have got a new kind of situation that you have to cope with. And I am not the only one that knows this, of course. Most of the people who were at the White House yesterday are aware of this, and that is why they are struggling for new types of policies.

Chairman PROXMIRE. How do you explain it? There must be some reason for this. We talk about these macro effects. What are people doing in their plans that they were not doing before? Apparently, when their output is going down they are not laying off people, or they are continuing to hire people. It does not seem to be logical on the basis of the past data.

Mr. SHISKIN. Let me try to answer that in two stages. First, let me depart from these numbers. And since we are talking about the recession and inflation situation, let me say that I think we are pretty good now at coping with recessions, the policymakers know pretty much what to do. And Professor Galbraith said yesterday, these are all pleasant things to do.

Chairman PROXMIRE. We do not even know what they are doing. You say we know what to do, but we cannot explain these phenomena—or at least, I have not heard an explanation. Maybe you can give it to me now.

Mr. SHISKIN. Let me first answer this with a broad brush. What I am saying is that policymakers have learned how to cope with recessions. And if you look at these figures which in the past have been used to define and identify recessions, it is clear the recessions are just getting weaker and weaker. Now, we have learned how to do that through expansionary policies.

Now, on the other hand, what the policymakers apparently did not anticipate adequately is that the price that we pay for this would be increasingly greater inflation.

Chairman PROXMIRE. What expansionary policy do we have now?

Mr. SHISKIN. Right now—well, right now the Government is not trying to cope with a recessionary situation. Obviously the President and others have said the greatest enemy is inflation and they are trying to cope with inflation. What I am trying to give you an answer to is why this new phenomenon has emerged. And the answer seems to me to be that over the years the economists, Government policymakers, have learned quite well how to cope with a recession. And that was through different kinds of expansionary measures. And they did not fully anticipate the impact of this on price changes. And so these expansionary measures were quite successful in controlling the severity of recessions. On the other hand, they have brought up a new problem, namely, inflation. And I am not sure this is a good analogy, but let me try it. Sometimes the doctor will prescribe a pill for something that cures pneumonia but which results in side effects which are about as bad as the pneumonia.

Chairman PROXMIRE. Let me look at the policies that might affect the economy. I do not think anybody would argue that the monetary policy has been expansionary. On the contrary it has been somewhat restrictive. Take a look at fiscal policy. The last page of the "Economic Indicators" indicates the Federal Government expenditures and deficit, surpus or deficit. So I guess a consolidated budget account would show that beginning in the third quarter of 1973 that while we are discussing third-quarter and the first quarter of 1974, you had minus 1.7 deficit annual rate, and minus 2.3, and then minus 1.5. And then in the second quarter of 1974, the one which should be the most effective, with budget in balance, zero deficit. In other words, the preceding deficits are extremely small compared to what we had in the past. For instance, in 1971 we had a $21 billion deficit, and in 1972 a $17 billion deficit. And we go down to $1 billion each quarter on an annual rate, then go down to no deficit at all. So it looks as though we have been moving in the direction, if not of restraint, of far less expansion on the fiscal side than what most people concede, including Mr. Burns when he testified before us most recently, that with a restrictive monetary policy the monetary increase is substantially less than the increase in prices, and, therefore, you have a real money decrease. So we are following policies here of restriction overall. And yet, somehow you are developing a situation where, as you say, unemployment is less than anticipated. I doubt if Government policy has very much to do about it. I think it is really something we have not really looked at and taken apart and understood.

Mr. SHISKIN. Let me try to answer this question in two parts. One is to take a broad brush look at the pattern of economic recessions and the accompanying inflation which has recently taken place.

But more specifically, particularly in the present situation, there is some evidence that employers tend to hold onto their employees until they see the whites of the eyes of a recession. The adjustments are usually made first in hours of work. And hours of work is a leading indicator.

Chairman PROXMIRE. You may have a layoff in retail, because retail sales are down. In money terms it is up, but it is up about 7 or 8 percent in rate over the last year, and, of course, the consumer price index is up more than 11 percent. So you adjust there, and you find that they are actually selling less physical volume, and you should not need more people to do that.

Mr. SHISKIN. They are holding onto them.

Chairman PROXMIRE. So we are being blessed with inefficiency. I would like to ask you, Mr. Shiskin, about another part of our statistics that I think can be extremely useful in understanding this situation. Not only are you the Commissioner of the Bureau of Labor Statistics, but before that you were in charge of overseeing fiscal programs throughout the Government, as I understand it. So you have a vast knowledge of them and who puts them out and how up to date they are, and so forth. What I want to know is, do you have available statistics on the capacity and the automatization of capacity are in several key industries? We have had an enormous increase in the price of steel, 40 percent in the last year, and in the price of chemicals, industrial chemicals, 50 percent, in one year. It is just phenomenal. Oil of course, passes beyond all understanding, with an 82 percent price increase this past year, and nonferrous metals, 46 percent, and so on.

They say part of the answer to that is that costs are up. Well, this is just not true. In the steel industry the unit labor costs are stable. Their productivity just about equals their wage increases. And in these other areas, in oil, for instance, the labor costs are not significant. As far as demand is concerned, they are producing less now than they were a year ago, in spite of the fact that their capacity must have increased. We do not have those capacity figures. It seems to me we used to have these. And I think we discussed this at a previous meeting here. Why can't we get statistics on what capacity is, so that we could be in a much better position to challenge the pricing policy of these administered pricing areas, where the management is skyrocketing prices as they are, if they are operating below capacity? With the great profits they are making per unit of output, it seems to me that if it is not prima facie evidence of conspiracy, it is an indication of sheer economic power of some kind. And I think those statistics would be extremely useful to us from a policymaking standpoint.

Mr. SHISKIN. Mr. Chairman, I was in the OMB more than a year ago. And my present job really is a full-time job. In fact, my day rarely ends before 9 or 10 p.m. And I have not been able to follow all the statistics. I do recall, however, that there was a great deal of concern on the part of the Federal Reserve Board, because, during the situation where the economy seemed to be operating at full capacity. However, their index was showing that the economy was operating well under capacity, and they engaged the Census Bureau

to make a new study of capacity. And I had a role in helping design the appropriate questionnaire. But I regret to say that I have lost track of that. I do not know how that came out.

Chairman PROXMIRE. Was that not revealed for many years? It seems to me that when I was working for a brokerage firm back in the late thirties that at that time we had the capacity, percentage capacity operation in the steel industry, on a regular basis available to us.

Mr. SHISKIN. I have lost track of that, Mr. Chairman. I am sorry I cannot enlighten you. But I do know that there was an intensive study made jointly between the Federal Reserve and the Census Bureau.

Chairman PROXMIRE. What can I do to get them? Supposing the Congress decides they want to get those figures? Do we have to pass a law?

Mr. SHISKIN. I think the Federal Reserve has them. It is still their area.

Chairman PROXMIRE. They have them?

Mr. SHISKIN. Yes, sir.

Chairman PROXMIRE. Why aren't these figures made available, so that we will know every month the level of capacity that all these industries are operating at?

Mr. SHISKIN. The Federal Reserve urged that that new study of capacity be made. And we worked with them when I was at OMB. I helped organize the committee on it. And the Census Bureau did make a comprehensive study of the capacity measures. And since then I have not followed it.

Chairman PROXMIRE. One of the greatest arguments for the increase in prices is that these businesses, especially steel and oil and others, need big cash flow, they cannot borrow the money very well, and if they get profits they can reinvest the profits and expand their capacity. We would like to see if they are doing that. And the oil industry, after all, is still under Federal regulation with respect to prices and wages. And they were not until next March. And so we have to make a determination in that area, the Federal Government does. And I do not see how we can do it if we do not know what is happening to the huge increase in prices that have been permitted which are so immensely inflationary.

Mr. SHISKIN. I can see the problem. Your point seems reasonable to me. I can add one other point from my past knowledge, which is that typically during early periods of recovery following recessions, there are vigorous rises in new orders and contracts for new plant and equipment. Now, this suggests that when we are leaving a period when capacity operation has been low, since the economy was at the bottom of a recession, there are still great demands for new capacity. And what this suggests is that the kind of new capacity that was being built—that was needed—was not the kind that was available. And I think it a very important point that, historically, the periods with the most vigorous expansions in new orders for plant and equipment have been in the beginning of recoveries. That shows that the capacity, such as it was, that had existed before was not the kind that was needed in the period ahead.

Chairman PROXMIRE. But at the same time, when you get a colossal increase in prices—after all, 40 percent is not small—you should have everything going 100 percent, you would just be making money hand over fist if they were working on a market basis. And, of course, if they do that the price would come down, which is why they are not doing it.

Mr. SHISKIN. I have already said more than I know, Senator, on the subject.

Chairman PROXMIRE. I want to ask about the timing of statistics. I was looking at the business sales indicator in the latest statistical indicators. The July figures are not available for business sales now, even though this is September, or for inventories, both in total and at the wholesale level. Why is that?

Mr. SHISKIN. The July figures for business sales, shipments—I do not recognize the series. The figures on manufacturers shipments are available at the same time that the new orders figures are, early. And they come out at the end of the month. They should be available then.

Chairman PROXMIRE. The July figures for business sales inventories, total sales is not available, inventory is not available, wholesale sales is not available, wholesale inventory is not available, total retail sales is not available, inventory is not available, right along the line. It is on page 21 of the indicators.

Mr. SHISKIN. I have a competitive publication here. Let me take a look at what that shows, BCD.

Of course, that just goes to show you, Mr. Chairman, how efficient BCD is. We have not slipped behind in this publication.

Chairman PROXMIRE. The same is true for actual FHA housing starts, for paperboard products, lumber and lumber products, and for a great deal of data on unemployment insurance. There are no 1973 figures yet for covered employment, for example, in the indicators. Second quarter corporate profit figures are not listed in the August indicators. And also for the U.S. balance of trade figures. Can't we speed up this information so that it can be made more available?

Mr. SHISKIN. The BLS figures are right on the mark. They came out earlier than usual; here we are on the 6th of the month, and we have a report on last month, even though only for a week. The wholesale prices will be out next week for the preceding month. The following week the CPI will be out.

Chairman PROXMIRE. I do not mean to be critical of the overall operation. I think you are right. I think the unemployment figures are timely. But I am just making the point here that there are statistics that it would be very helpful for us to have to make our policy determinations. And while there may be weaknesses in our economic policies, certainly timely statistics should not be one of them.

Mr. SHISKIN. I agree completely with that. I do not know what has happened to those series. They seem to be falling behind in their schedules. I know we are having great difficulty in compiling statistics every month. I am very concerned about the nonagricultural payroll survey. This month we got the reports on time—at least, I did not go through any traumatic experiences. We are having more

problems with our wholesale price statistics, which is also a mail operation. So there are problems arising in the collection of statistics. But the lags that you refer to, I was not aware of. And I do not know the reason.

Chairman PROXMIRE. Let me just ask a concluding generalized question that either you or your two distinguished colleagues might answer.

You attended the White House conference yesterday, and I am sure your colleagues were familiar with what went on there. It was a very important development, I think, in economic policy, and nothing like that has ever been done before, at least not to my knowledge. And I thought it was a fine beginning for what the President is trying to do to get information for the country and the Congress.

Can you give us any opinion, as probably the outstanding statistical expert, not only in our Government, but anywhere else, on what additional information we should have that we do not have, any feeling at all about statistical interpretation which you think might be improved, or which might have been a little superficial, or might be a little more profound and made more useful?

Mr. SHISKIN. Sir, let me say this. About a year ago, just after I left OMB, a new committee was set up. It was a Subcommittee on Economic Statistics of a committee which George Shultz was in charge of, the Council on Economic Policy. The chairman of that committee is Gary Seevers of the Council of Economic Advisers. And we have frequent meetings. He calls together the various statistical producing agencies, such as the BLS, and various statistical using agencies, such as the Federal Reserve Board, and the Council of Economic Advisers and the Treasury Department, and so on. Now, we have been holding meetings with them more than a year. And I think I can say this, that they have identified six areas where statistical problems are greatest. And these are inventories, farm income, and four BLS areas. So that four out of the six areas where they believe that improvement is most urgent, four out of the six areas are BLS areas. I mentioned the others first. The four areas include our wholesale price program, our international price statistics program, our employment statistic program, and wages.

Chairman PROXMIRE. When you get to salary you forget about wages.

Mr. SHISKIN. My salary is shrinking at about the rate of 10 percent a year, Mr. Chairman. So I am worried about salaries, too. In fact, you might be interested to know, the committee staff might be interested to know, that I am giving a speech a week from next Thursday on recent trends in wages and in the measurement of wages. I believe you will be interested in that. It will be available in a few days. So I am very alert to that.

Now, I think the next time you have an opportunity to discuss this problem I would suggest that you ask the new Chairman of the Council of Economic Advisers, who incidentally, happens to be a very fine statistician, Alan Greenspan. He knows a great deal about statistics. In fact, I would like to take this opportunity to cite a little story about Alan Greenspan. We put out BCD. the Business Conditions Digest, you know, in the early 1960's, 1961. I was in

charge of it in those days, and I got a telephone call from somebody who wanted to come down and see me and discuss this new publication. I was at the Census Bureau, and that is out at Suitland, Md. Anyone who is willing to come from New York to Suitland, Md., to find out about statistics really wants to know. He came, he arrived, and we spent 3 or 4 hours going over BCD, page for page, in detail. That was Alan Greenspan.

Now, he knows a great deal about these figures. He is a fine statistician. And I would hope you will ask him the same questions you ask me in the not too distant future. And I would like to be present to know what he answers.

Chairman PROXMIRE. What about the petroleum statistics? A few months ago you were talking about securing information on reserves, and so forth. Were you successful?

Mr. SHISKIN. No; we were talking about prices.

Chairman PROXMIRE. Well, prices, too.

Mr. SHISKIN. Prices, not reserves. Statistics for reserves are not under our jurisdiction.

We have been quite successful. We have a survey, a probability sample, one of the few probability samples in the Wholesale Price Index at the present time. We are getting the figures, they seem quite satisfactory, they are certainly better——

Chairman PROXMIRE. Mr. Simon, when he was head of the Energy Administration, before he became Treasury Secretary, said we were auditing the refiners and getting information from them. What happened to that?

Mr. SHISKIN. I do not know. But since you raised that question, every time you improve something it seems that there is a price you have to pay. For many, many years people criticized the WPI on the ground that we were not getting transaction prices. Well, the oil prices are transactions prices. Now, in order to get them we have to cover the whole market. That is what we are doing. But it takes the companies quite a while to compile those figures, longer than we hoped. So we are getting them, but there is a timelag. So that is what I have to say about those petroleum prices. And, in fact, there was another interesting development in that connection. We had been very pleased with ourselves when we issued——

Chairman PROXMIRE. You are now getting wholesale prices yourself?

Mr. SHISKIN. Oh, yes.

Chairman PROXMIRE. And you are not relying on Platt's Oil-Gram the way we were?

Mr. SHISKIN. No; we are publishing new data, and there were very substantial revisions as a result of that change. As I said, we were very pleased with ourselves and were patting ourselves on the back.

And then there was a critical article in Business Week saying that the revisions were very disturbing to the business community. And I can understand that, because a great many billions of dollars worth of contracts are escalated on the basis of WPI. It turned out that the revisions created a big problem for many of the people who had

handed over money on the basis of the previous index. And some of them were demanding money back, and others were refusing to pay it because they did not have the money. We do have a new petroleum price index. It comes out later than we like, but it is available.

Chairman PROXMIRE. Thank you very much, gentlemen. I appreciate your testimony. And I will look forward to hearing from you next month. And we hope that the unemployment figures will remain fairly stable or even improve. But we aso hope that employment will come up.

[Whereupon, at 12 noon, the subcommittee adjourned, subject to the call of the Chair.]

EMPLOYMENT-UNEMPLOYMENT

FRIDAY, OCTOBER 4, 1974

CONGRESS OF THE UNITED STATES,
SUBCOMMITTEE ON PRIORITIES AND
ECONOMY IN GOVERNMENT OF THE
JOINT ECONOMIC COMMITTEE,
Washington, D.C.

The subcommittee met, pursuant to notice, at 11:35 a.m., in room 1202, Dirksen Senate Office Building, Hon. William Proxmire (chairman of the subcommittee) presiding.

Present: Senators Proxmire and Humphrey.

Also present: John R. Stark, executive director; Loughlin F. McHugh and Courtenay M. Slater, senior economists; Richard F. Kaufman, general counsel; William A. Cox, Sarah Jackson, Carl V. Sears, professional staff members; Michael J. Runde, administrative assistant; and George D. Krumbhaar, Jr., minority counsel.

OPENING STATEMENT OF CHAIRMAN PROXMIRE

Chairman PROXMIRE. The subcommittee will come to order.

I apologize, Mr. Shiskin and gentlemen, for being late. Unfortunately we were delayed at the Appropriations Committee hearing. I had to present the position of the Subcommittee on Housing and Urban Development, Veterans, Space and so forth, and it took much longer than we thought it might take.

Well, the unemployment figures of today are bad news, and there is no way of construing them any other way. Not only has the overall rate risen to 5.8 percent of the abor force, but in category after category the news is equally bad or worse.

We now have 1.2 million more people out of work than we had last October. The figure for adult women is 5.7 percent, up from 5.2 percent last month. The teenage rate is 16.7 percent, at depression level. Unemployment for whites, usually the lowest figure, is up from 4.8 to 5.3 percent. Black unemployment is 9.8 percent, and the rate for black teenagers is an intolerable 32.4 percent.

In construction the figure is now 12.4 percent. For 20- to 24-year-old veterans it is the same.

What this indicates, in spades, is that there is no demand inflation in this country where too much money is chasing too few goods and where employers bid up the price of wages due to a shortage of manpower.

Unemployment is high and rising.

Hours of work are at an all time low of 36.8 hours, a level below any yearly level in the history of the country.

What we are facing is a virulent inflation and high and rising levels of unemployment at the same time. That means that you cannot fight the inflation effectively, obviously, by increasing unemployment further, it would seem to me, or dampening demand further. It just is not working.

This situation has vast and far-reaching economic and social consequences. Economically, the time lost in unemployment can never be made up. It is gone forever. The productive ability of millions of men and women, black and white, teenagers and adults, is lost.

Equally lost to our economy and society are the goods and services these men and women and the idle machines could have provided, houses, cars, consumer goods, college educations, and the things that make life meaningful and worth living.

Further, economically it does not help fight inflation. Putting idle men to work on idle machines to produce necessary goods is not inflationary. In the case of housing and other areas where there are shortages, putting men to work to build them would bring down prices by producing more housing and hence lower costs and rents.

Socially, it is devastating, and comes at an intolerable cost. The rise in the crime rate announced yesterday is directly related to recession and unemployment. The old phrase, idle hands are the devil's workshop, is still true.

Then there are the consequences on the lives of the unemployed and partially employed. Unemployment is degrading and stagnating to the person out of work. It ruins countless lives through the self-doubts, the loss of confidence, and the destruction of the feeling of self-worth. It degrades the basic dignity of human beings.

These are the consequences of these otherwise dry and dull and dusty figures.

That is where we should focus our attention and action. Senator Humphrey.

Senator HUMPHREY. Mr. Chairman, I have a brief statement that merely underscores what you had to say.

I say with regret, because I have generally been an optimistic man, but the economy as I see it is in sharp retreat. The rise in unemployment which has been cited here to 5.8, or whatever its true figure may be, means that nearly 5½ million Americans are out of work, and it tells us nothing, of course, about the part time and the underemployment, which is still a serious matter. As I see it, we have jumped out of the economic frying pan into the economic fireplace.

Added to all of this is what we read this morning about the Dow-Jones average on the stock market. This 5.8 seems to have a peculiar relationship. The stock market is at about 580. It is down from below 600. It is the lowest it has been in 12 years. The cost of living index continues to soar, and I have met no one that does not say that we must expect higher prices in the foreseeable future.

Our foreign trade deficit, which is seldom talked about, is at an alltime high, and it is completely out of control. These are the sad economic facts, and we have got to come to grips with them. We are in a serious recession, and I think we are dangerously close, and I have never said this before, but dangerously close to a depression.

The banks, not only of America but more so of Western Europe, are in an unstable, uncertain condition. There have been no agreements yet arrived at in the energy field.

President Ford is going to speak to us Tuesday and we hope and pray that he will advocate a program of bold action with specific proposals. Now, some of those proposals have been talked about by a number of us who first of all, we have got to meet the problem of joblessness. The cost of unemployment is astronomical, both socially and economically, and we simply have to have a massive program of public service jobs immediately. Quit horsing around. Get it done. And we need some tax relief for low- and middle-income people, and we can make that up, if need be, by some tax adjustments in other parts of the tax code. And the talk about energy has got to be converted into an all out conservation program in this country. We are going to be short of fuel just as surely as we are in this room unless we do it, and I think the time is at hand to mount a massive research program coordinating our efforts internationally.

It does no good to scold the Arabs or the oil exporting countries. You have got to be able to have something at hand, in hand, and a massive research program to get breakthroughs in alternate fuels, particularly in solar energy. It is only a matter of technology. It has nothing to do with the scientific discovery, simply applying known technology to make it economically feasible. And again I underscore the need for the allocation of credit for priority uses.

The housing industry in this country is a disaster area, and until we get that housing industry moving again, there is no way out of the recession, absolutely no way.

And I call for the immediate implementation of the Wage-Price Stability Council and whatever teeth it needs, it had better get it. They have got to quit gumming people and start to bite a little bit.

These are minimums. I think we are entering a winter, the cold winter of our economic discontent, and I have said to you, Mr. Shiskin privately, and I say to you publicly, that it is going to be a cold and difficult winter economically, and I am afraid that at Christmas time, at Christmas time we may have to present to about 7 million Americans joblessness, unemployment. That would be a cruel, cruel blow. We can do better.

Government has got to act. There has got to be some self-discipline.

Now, I know that we want to talk to you about these unemployment figures, but I wanted to emphasize that it is not just unemployment. If it was only the unemployment statistics alone, we might say well, this we can manage quickly, but we have a market that is depressed, and I think one of the reasons is there is no Government policy at all, absolutely no Government policy. We have been in and out, up and down, sideways, backwards, forwards, yo-yo, and no one in the investment market knows what to do. No industrialist knows what to do. The inventories are heavy and are not being properly liquidated. and until we get a policy, until we have an assurity of policy, I do not think we are going to get any recovery.

Chairman PROXMIRE. Mr. Shiskin, go right ahead.

You have a brief statement, I understand.

STATEMENT OF HON. JULIUS SHISKIN, COMMISSIONER, BUREAU OF LABOR STATISTICS, DEPARTMENT OF LABOR, ACCOMPANIED BY W. JOHN LAYNG, ASSISTANT COMMISSIONER, OFFICE OF PRICES AND LIVING CONDITIONS; JAMES R. WETZEL, ASSISTANT COMMISSIONER, OFFICE OF CURRENT EMPLOYMENT ANALYSIS; AND JEROME A. MARK, ASSISTANT COMMISSIONER, OFFICE OF PRODUCTIVITY AND TECHNOLOGY

Mr. SHISKIN. Mr. Chairman, we have our monthly press release with the usual tables, and we wish to put that in the record, of course.

Chairman PROXMIRE. Yes, that will be done.

[The press release follows:]

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FOR RELEASE: Transmission Embargo
10:00 A. M. (EDT)
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THE EMPLOYMENT SITUATION: SEPTEMBER 1974

Widespread increases in unemployment raised the Nation's unemployment rate to 5. 8 percent in September compared with 5. 4 percent in August, it was reported today by the Bureau of Labor Statistics of the U. S. Department of Labor. Since last October, when the unemployment rate had receded to a 3-1/2-year low, the number of unemployed persons has risen by 1. 2 million.

Total employment (as measured by the monthly sample survey of households) increased in September, with the rise over the past year--1. 4 million--only half as large as that recorded over the preceding year.

Nonfarm payroll employment (as measured by the monthly survey of business establishments) was virtually unchanged in September at 77. 1 million. The number of payroll jobs has risen by 1. 2 million over the past year and has shown little change since May.

Unemployment

The number of persons unemployed rose by 440, 000 in September to a total of 5. 3 million (seasonally adjusted). Unemployment rose somewhat for men aged 25-54, but the largest increases took place among women 25 and over and teenagers, particularly among 18-19 year-old males. (See table A-6.) Declining college attendance among young men, coupled with the slower growth in jobs, contributed to rising youth unemployment.

The overall unemployment rate was 5. 8 percent in September, up 1. 2 percentage points from October 1973. Over this time span, each of the three major age-sex groups were substantially affected; the jobless rate for adult males rose from 3. 0 to 3. 9 percent, that of adult females from 4. 4 to 5. 7 percent, and the teenage rate from 14. 0 to 16. 7 percent.

More than half of the September rise in unemployment occurred among workers who had lost their last job. The number of job losers rose by 250, 000 over the month

to 2. 2 million. The number of jobless workers who had reentered the labor force or who were seeking their first job also increased over the month. (See table A-5.)

Among the other major labor force groups, the jobless rate for full-time workers rose from 4. 8 percent in August to 5. 3 percent in September, and the rate for household heads moved up from 3 1 to 3. 4 percent. The unemployment rate for married men was 2. 8 percent in September, compared with 2. 6 percent in August.

Table A. Highlights of the employment situation (seasonally adjusted data)

Selected categories	Quarterly averages					Monthly data		
	1973		1974			July 1974	Aug. 1974	Sept. 1974
	III	IV	I	II	III			
	(Millions of persons)							
Civilian labor force	89.0	89.9	90.5	90.6	91.4	91.2	91.1	91.9
Total employment	84.8	85.7	85.8	86.0	86.3	86.3	86.2	86.5
Adult men	48.1	48.5	48.5	48.4	48.5	48.4	48.5	48.6
Adult women	29.5	29.7	29.7	30.1	30.5	30.7	30.5	30.3
Teenagers	7.2	7.6	7.6	7.4	7.3	7.2	7.2	7.6
Unemployment	4.2	4.2	4.7	4.7	5.0	4.9	4.9	5.3
	(Percent of labor force)							
Unemployment rates:								
All workers	4.7	4.7	5.2	5.1	5.5	5.3	5.4	5.8
Adult men	3.1	3.0	3.5	3.5	3.7	3.5	3.8	3.9
Adult women	4.8	4.7	5.1	5.0	5.4	5.2	5.2	5.7
Teenagers	14.3	14.3	15.3	15.1	16.1	16.2	15.3	16.7
White	4.2	4.2	4.7	4.7	5.0	4.8	4.8	5.3
Negro and other races	9.0	8.6	9.4	9.0	9.5	9.4	9.2	9.8
Household heads	2.7	2.8	3.0	3.1	3.2	3.0	3.1	3.4
Married men	2.1	2.1	2.4	2.4	2.7	2.6	2.6	2.8
Full-time workers	4.2	4.3	4.6	4.6	5.0	4.8	4.8	5.3
State insured	2.6	2.6	3.3	3.4	3.4	3.4	3.3	3.4
	(Weeks)							
Average duration of unemployment	9.7	9.9	9.5	9.7	9.9	10.1	10.0	9.6
	(Millions of persons)							
Nonfarm payroll employment	75.7	76.6	76.7	77.1	77.1p	77.0	77.1p	77.1p
Goods-producing industries	24.2	24.4	24.3	24.2	24.1p	24.1	24.1p	24.0p
Service-producing industries	51.6	52.1	52.4	52.8	53.0p	52.9	53.1p	53.1p
	(Hours of work)							
Average weekly hours:								
Total private nonfarm	37.1	37.0	36.8	36.7	36.7p	36.7	36.6p	36.8p
Manufacturing	40.7	40.6	40.4	39.9	40.1p	40.2	40.1p	40.1p
Manufacturing overtime	3.8	3.7	3.5	3.2	3.3p	3.4	3.3p	3.1p
	(1967=100)							
Hourly Earnings Index, private nonfarm:								
In current dollars	147.8	150.4	152.6	156.4	160.6p	159.3	160.6p	162.1p
In constant dollars	110.1	109.3	107.7	107.5	N.A.	107.6	107.0p	N.A.

p= preliminary.
N.A.= not available.

SOURCE: Tables A-1, A-3, A-4, B-1, B-2, and B-4.

The jobless rate for workers covered by State unemployment insurance programs, at 3.4 percent in September, remained at about the same level that has prevailed since early in the year but was up from 2.6 percent last October. (See table A-2.)

For white workers, the jobless rate rose from 4.8 to 5.3 percent as a result of increases among adult women and teenagers. The unemployment rate for black workers (Negro and other races) was 9.8 percent, compared with 9.2 percent in August.

Increases in joblessness were registered among both white-collar and blue-collar workers, whose rates rose to 3.5 and 6.8 percent, respectively. Among the major industry groups, there were sizeable jobless hikes among workers in construction, manufacturing, and wholesale and retail trade. At 12.4 percent, the unemployment rate of construction workers was at its highest point in 4 years.

The unemployment rate for Vietnam-era veterans 20-34 years old, at 5.2 percent in September, was about unchanged over the month and was not significantly different from the jobless rate of their nonveteran counterparts (5.7 percent). The most recently discharged veterans (those 20 to 24 years old), however, continued to experience higher unemployment than young nonveterans. Their jobless rate was 12.4 percent, compared with 8.0 percent for 20-24 year-old nonveterans. On the other hand, the unemployment rates for older veteran groups were either about the same or below those of nonveterans of the same ages. (See table A-2.)

As often happens at the time of a sharp increase in unemployment, the average duration of unemployment edged down in September. It moved from 10.0 to 9.6 weeks, as the bulk of the increase in joblessness was accounted for by workers unemployed for less than 15 weeks. (See table A-4.)

Civilian Labor Force and Total Employment

The civilian labor force usually declines substantially in September. This year, the actual decline was much less than expected on the basis of past experience, and the labor force increased sharply on a seasonally adjusted basis, rising by almost 800,000 to a level of 91.9 million. Teenagers accounted for 700,000 of the advance, a development which may stem in part from reduced college attendance and the consequent greater labor market participation of youth who otherwise would have been full-time students.

Since September 1973, the civilian labor force has expanded by 2.4 million. This growth was paced by adult women, who accounted for 1.2 million of the year-to-year gain, with adult males and teenagers making up 860,000 and 400,000, respectively.

Total employment rose by 350, 000 from August to September, as an unusually large increase in the number of employed teenagers more than offset a decline among adult women. Since September a year ago, the employment total was up by only 1. 4 million, exactly half the year-to-year gain registered over the previous year.

The number of nonagricultural workers employed part time for economic reasons--that is, those persons who want full-time jobs but are forced to work shorter hours due to such factors as slack work, material shortages, or the inability to find full-time work--rose by 310, 000 in September to 2. 8 million. This was the highest level in this measure of "partial unemployment" since the first half of 1961. This increase, when coupled with the rise in unemployment, led to a large upswing in the percent of labor force time lost--from 5. 8 to 6. 4 percent. (Labor force time lost is a measure of the man-hours lost by the unemployed and those working part time for economic reasons as a percent of potentially available labor force man-hours.)

NOTE ON NEW QUARTERLY PRESS RELEASE

A new press release--Labor Force Developments--will be issued quarterly beginning October 15. It will replace the section on "Quarterly Labor Force Developments" that was formerly included four times a year in this release (at the end of each calendar quarter). The new press release will continue to contain an analysis of overall labor force, employment, and unemployment trends, persons not in the labor force, persons of Spanish origin, and black-white developments. In addition, it will regularly include Vietnam-era veterans data, in lieu of the Bureau' s quarterly press release for this group, and data on poverty-area residents.

Industry Payroll Employment

Nonagricultural payroll employment, at 77.1 million in September, has remained substantially unchanged since May (seasonally adjusted). Neither the goods-producing nor the service-producing sectors showed a marked change from August to September. (See table B-1.) Employment levels in September remained high as a result of a large net reduction in strike activity (persons on strike are not counted as employed in the establishment survey).

Within the goods-producing sector, the durable goods manufacturing industries posted a small gain in September, due to the reduction in strike activity, while nondurable manufacturing employment declined slightly. Contract construction employment fell by 50,000, a reflection of considerably reduced building activity; construction jobs have declined by 255,000 since February 1974.

Employment in the service-producing industries, which has shown uncharacteristically slow growth in the past few months, was relatively unchanged in September. The only job gains took place in State and local government and finance, insurance, and real estate.

Hours of Work

The average workweek for production or nonsupervisory workers on private nonagricultural payrolls rose 0.2 hour in September to a seasonally adjusted level of 36.8 hours. (See table B-2.) Despite this movement, however, weekly hours have been essentially stable since March. Total manufacturing hours remained at 40.1 hours, and factory overtime fell by 0.2 hour. Since September 1973, both the factory workweek and overtime hours have been reduced by 0.7 hour.

Hourly and Weekly Earnings

Average hourly earnings of production or nonsupervisory workers on private nonagricultural payrolls rose 0.9 percent (seasonally adjusted) in September. (See table B-3.) Since September 1973, hourly earnings have advanced 8.3 percent. Because of the rise in average hours as well as the increased hourly earnings, average weekly earnings increased by 1.5 percent over the month. Weekly earnings were up 7.2 percent since September a year ago, with four-fifths of the rise taking place in the last 5 months.

Before adjustment for seasonality, average hourly earnings rose by 8 cents in September to $4.32. (See table B-3.) Large increases in hourly earnings are typical at this time of year, because many young people leave lower-paying summer jobs. Since September 1973, hourly earnings have advanced by 33 cents. Weekly

earnings averaged $159.41 in September, an increase of $2.11 from August and $10.58 from September of last year.

The Hourly Earnings Index

The Hourly Earnings Index--earnings adjusted for overtime in manufacturing, seasonality, and the effects of changes in the proportion of workers in high-wage and low-wage industries--was 162.1 (1967=100) in September, 0.9 percent higher than in August. The Index was 8.8 percent above September a year ago. During the 12-month period ended in August, the Hourly Earnings Index in dollars of constant purchasing power declined 2.1 percent. (See table B-4.)

This release presents and analyzes statistics from two major surveys. Data on labor force, total employment, and unemployment are derived from the sample survey of households conducted and tabulated by the Bureau of the Census for the Bureau of Labor Statistics. Statistics on payroll employment, hours, and earnings are collected by State agencies from payroll records of employers and are tabulated by the Bureau of Labor Statistics. Unless otherwise indicated, data for both series relate to the week of the specified month containing the 12th day. A description of the two surveys appears in the BLS publication *Employment and Earnings*.

HOUSEHOLD DATA

Table A-1. Employment status of the noninstitutional population

[Numbers in thousands]

Employment status	Not seasonally adjusted			Seasonally adjusted					
	Sept. 1973	Aug. 1974	Sept. 1974	Sept. 1973	May 1974	June 1974	July 1974	Aug. 1974	Sept. 1974
TOTAL									
Total noninstitutional population[1]	148,782	151,135	151,367	148,782	150,507	150,710	150,922	151,135	151,367
Total labor force	91,298	94,679	93,661	91,664	92,909	93,130	93,387	93,281	94,067
Civilian noninstitutional population[1]	146,491	148,916	149,150	146,491	148,277	148,499	148,701	148,916	149,150
Civilian labor force	89,006	92,459	91,444	89,373	90,679	90,919	91,167	91,061	91,850
Employed	84,841	87,573	86,742	85,133	85,971	86,165	86,312	86,187	86,538
Agriculture	3,436	3,851	3,563	3,376	3,457	3,293	3,405	3,443	3,511
Nonagricultural industries	81,406	83,724	82,679	81,757	82,514	82,872	82,907	82,744	83,027
Unemployed	4,165	4,885	5,702	4,240	4,708	4,754	4,855	4,874	5,312
Unemployment rate	4.7	5.3	5.7	4.7	5.2	5.2	5.3	5.4	5.8
Not in labor force	57,484	56,456	57,706	57,118	57,598	57,580	57,534	57,855	57,300
Males, 20 years and over									
Total noninstitutional population[1]	63,047	64,064	64,181	63,047	63,804	63,886	63,973	64,064	64,181
Total labor force	51,610	52,642	52,371	51,523	52,031	52,034	52,001	52,189	52,343
Civilian noninstitutional population[1]	61,175	62,273	62,405	61,175	62,000	62,097	62,176	62,273	62,405
Civilian labor force	49,738	50,850	50,595	49,651	50,227	50,245	50,205	50,397	50,567
Employed	48,426	49,084	48,907	48,138	48,508	48,483	48,428	48,506	48,620
Agriculture	2,528	2,634	2,574	2,472	2,494	2,420	2,470	2,516	2,516
Nonagricultural industries	45,898	46,450	46,334	45,666	46,014	46,063	45,958	45,990	46,104
Unemployed	1,312	1,766	1,688	1,513	1,719	1,762	1,777	1,891	1,947
Unemployment rate	2.6	3.5	3.3	3.0	3.4	3.5	3.5	3.8	3.9
Not in labor force	11,437	11,423	11,810	11,524	11,773	11,852	11,971	11,876	11,838
Females, 20 years and over									
Civilian noninstitutional population[1]	69,494	70,549	70,638	69,494	70,247	70,346	70,448	70,549	70,638
Civilian labor force	31,100	31,497	32,284	30,999	31,651	31,944	32,404	32,216	32,135
Employed	29,456	29,672	30,248	29,517	30,051	30,314	30,716	30,528	30,401
Agriculture	539	570	521	500	507	469	537	495	483
Nonagricultural industries	28,917	29,102	29,728	29,017	29,544	29,845	30,179	30,033	29,818
Unemployed	1,644	1,825	2,036	1,482	1,600	1,630	1,688	1,688	1,834
Unemployment rate	5.3	5.8	6.3	4.8	5.1	5.1	5.2	5.2	5.7
Not in labor force	38,395	39,052	38,353	38,495	38,596	38,402	38,044	38,333	38,503
Both sexes, 16-19 years									
Civilian noninstitutional population[1]	15,822	16,094	16,107	15,822	16,030	16,056	16,077	16,094	16,107
Civilian labor force	8,169	10,112	8,565	8,723	8,801	8,730	8,558	8,448	9,148
Employed	6,960	8,819	7,086	7,478	7,412	7,368	7,168	7,153	7,617
Agriculture	169	646	468	406	456	406	398	432	512
Nonagricultural industries	6,591	8,172	6,618	7,074	6,956	6,964	6,770	6,721	7,105
Unemployed	1,209	1,294	1,478	1,245	1,389	1,362	1,390	1,295	1,531
Unemployment rate	14.8	12.8	17.3	14.3	15.8	15.6	16.2	15.3	16.7
Not in labor force	7,652	5,982	7,543	7,099	7,229	7,326	7,519	7,646	6,959
WHITE									
Civilian noninstitutional population[1]	129,727	131,636	131,828	129,727	131,114	131,293	131,457	131,636	131,828
Civilian labor force	78,933	81,858	81,100	79,211	80,488	80,565	80,873	80,765c	81,421
Employed	75,689	77,949	76,900	75,881	76,694	76,738	76,986	76,856	77,108
Unemployed	3,244	3,909	4,200	3,330	3,794	3,827	3,887	3,909	4,313
Unemployment rate	4.1	4.8	5.2	4.2	4.7	4.8	4.8	4.8	5.3
Not in labor force	50,794	49,778	50,728	50,516	50,626	50,728	50,584	50,871	50,407
NEGRO AND OTHER RACES									
Civilian noninstitutional population[1]	16,764	17,280	17,322	16,764	17,164	17,206	17,245	17,280	17,322
Civilian labor force	10,073	10,601	10,344	10,156	10,292	10,286c	10,269	10,296	10,440
Employed	9,152	9,626	9,342	9,222	9,315	9,376	9,301	9,343	9,416
Unemployed	921	975	1,002	934	977	910	968	951	1,024
Unemployment rate	9.1	9.2	9.7	9.2	9.5	8.8	9.4	9.2	9.8
Not in labor force	6,690	6,679	6,978	6,608	6,872	6,920	6,976	6,986	6,882

[1] Seasonal variations are not present in the population figures; therefore, identical numbers appear in the unadjusted and seasonally adjusted columns.

NOTE: Data relate to the noninstitutional population 16 years of age and over. Total noninstitutional population and total labor force include persons in the Armed Forces.

c=corrected.

HOUSEHOLD DATA

Table A-2. Major unemployment indicators, seasonally adjusted

Selected categories	Number of unemployed persons (in thousands)		Unemployment rates					
	Sept. 1973	Sept. 1974	Sept. 1973	May 1974	June 1974	July 1974	Aug. 1974	Sept. 1974
Total, 16 years and over	4,240	5,312	4.7	5.2	5.2	5.3	5.4	5.8
Males, 20 years and over	1,513	1,947	3.0	3.4	3.5	3.5	3.8	3.9
Females, 20 years and over	1,482	1,834	4.8	5.1	5.1	5.2	5.2	5.7
Both sexes, 16-19 years	1,245	1,531	14.3	15.8	15.6	16.2	15.3	16.7
White, total	3,330	4,313	4.2	4.7	4.8	4.8	4.8	5.3
Males, 20 years and over	1,237	1,603	2.8	3.1	3.2	3.3	3.5	3.5
Females, 20 years and over	1,146	1,473	4.3	4.7	4.8	4.8	4.8	5.3
Both sexes, 16-19 years	947	1,237	12.2	14.0	13.9	13.9	13.3	15.2
Negro and other races, total	934	1,024	9.2	9.5	8.8	9.4	9.2	9.8
Males, 20 years and over	274	342	5.4	6.3	6.5	5.9	6.3	6.7
Females, 20 years and over	332	357	8.1	8.0	6.9	8.0	8.0	8.3
Both sexes, 16-19 years	328	325	33.7	33.5	30.3	35.3	31.4	32.4
Household heads	1,381	1,806	2.7	3.0	3.1	3.0	3.1	3.4
Married men, spouse present	829	1,106	2.1	2.2	2.6	2.6	2.6	2.8
Full-time workers	3,185	4,133	4.2	4.6	4.7	4.8	4.8	5.3
Part-time workers	1,029	1,176	7.7	8.8	8.9	8.6	8.7	8.8
Unemployed 15 weeks and over[1]	768	614	.9	1.0	1.0	1.0	1.0	1.1
State insured[2]	1,608	2,207	2.6	3.3	3.4	3.4	3.3	3.4
Labor force time lost[3]	--	--	5.1	5.7	5.6	5.7	5.8	6.4
OCCUPATION[4]								
White-collar workers	1,225	1,536	2.9	3.2	3.1	3.3	3.1	3.5
Professional and technical	277	335	2.3	2.1	1.9	2.1	2.2	2.6
Managers and administrators, except farm	113	181	1.3	1.9	1.8	1.4	1.9	2.0
Sales workers	198	237	3.5	4.2	4.6	4.0	3.7	4.1
Clerical workers	637	783	4.2	4.6	4.4	5.0	4.4	4.9
Blue-collar workers	1,630	2,192	5.1	5.7	6.2	6.1	6.5	6.8
Craft and kindred workers	435	585	3.7	3.7	4.2	4.2	4.2	4.8
Operatives	805	1,109	5.3	6.3	6.8	6.3	7.0	7.4
Nonfarm laborers	390	498	8.1	8.8	9.6	10.7	10.7	10.1
Service workers	679	790	5.7	6.7	5.8	6.3	6.2	6.4
Farm workers	72	79	2.4	2.6	2.8	2.9	2.8	2.5
INDUSTRY[4]								
Nonagricultural private wage and salary workers[5]	3,078	3,988	4.7	5.2	5.4	5.4	5.5	6.0
Construction	442	568	9.6	9.6	10.2	10.6	11.1	12.4
Manufacturing	908	1,264	4.2	4.7	5.2	5.1	5.4	5.8
Durable goods	519	673	4.0	4.5	4.8	4.4	4.8	5.1
Nondurable goods	389	591	4.4	5.0	5.7	6.0	6.4	6.8
Transportation and public utilities	134	166	2.8	3.0	3.2	3.4	3.6	3.4
Wholesale and retail trade	873	1,085	5.6	6.3	6.1	6.4	6.1	6.6
Finance and service industries	704	883	4.0	4.3	4.3	4.3	4.4	4.8
Government workers	414	447	3.0	3.4	2.8	3.1	2.9	3.1
Agricultural wage and salary workers	75	95	5.8	7.1	7.5	7.8	6.9	6.4
VETERAN STATUS								
Males, Vietnam-era veterans[6]:								
20 to 34 years	265	302	4.9	4.8	5.2	4.9	5.0	5.2
20 to 24 years	115	145	8.0	10.3	10.1	9.6	11.4	12.4
25 to 29 years	117	126	4.0	3.6	4.4	4.3	3.6	3.8
30 to 34 years	33	31	3.1	2.5	2.6	2.0	2.5	2.2
Males, nonveterans:								
20 to 34 years	613	786	4.7	5.6	5.4	5.5	6.3	5.7
20 to 24 years	370	490	6.6	7.9	7.5	7.8	9.2	8.0
25 to 29 years	166	164	4.2	4.8	4.6	4.0	4.3	4.2
30 to 34 years	77	132	2.2	2.6	2.8	3.5	3.8	3.5

[1] Unemployment rate calculated as a percent of civilian labor force.
[2] Insured unemployment under State programs; unemployment rate calculated as a percent of average covered employment.
[3] Man-hours lost by the unemployed and persons on part time for economic reasons as a percent of potentially available labor force man-hours.
[4] Unemployment by occupation includes all experienced unemployed persons, whereas that by industry covers only unemployed wage and salary workers.
[5] Includes mining, not shown separately.
[6] Vietnam-era veterans are those who served after August 4, 1964.

Table A-3. Selected employment indicators

[In thousands]

Selected categories	Not seasonally adjusted		Seasonally adjusted					
	Sept. 1973	Sept. 1974	Sept. 1973	May 1974	June 1974	July 1974	Aug. 1974	Sept. 1974
Total employed, 16 years and over	84,841	86,242	85,133	85,971	86,165	86,312	86,187	86,538
Males	52,292	52,771	52,290	52,628	52,499	52,389	52,445	52,771
Females	32,549	33,470	32,843	33,343	33,666	33,923	33,742	33,767
Household heads	50,632	51,334	50,232	50,817	50,995	51,054	51,059	50,927
Married men, spouse present	39,276	39,224	38,936	39,064	38,933	38,802	38,888	38,874
Married women, spouse present	19,240	19,676	19,216	19,505	19,682	19,910	19,887	19,856
OCCUPATION								
White-collar workers	40,463	41,774	40,691	41,615	42,111	41,953	41,766	42,017
Professional and technical	11,900	12,519	11,895	12,248	12,482	12,601	12,572	12,519
Managers and administrators, except farm	8,748	8,763	8,653	9,145	9,172	8,932	8,681	8,668
Sales workers	5,295	5,443	5,431	5,440	5,375	5,349	5,453	5,583
Clerical workers	14,520	15,049	14,712	14,782	15,082	15,071	15,060	15,247
Blue-collar workers	30,386	30,100	30,150	30,192	29,664	30,056	29,885	29,867
Craft and kindred workers	11,450	11,566	11,396	11,623	11,380	11,621	11,569	11,508
Operatives	14,488	14,082	14,329	14,137	13,982	14,283	14,014	13,929
Nonfarm laborers	4,447	4,452	4,425	4,412	4,302	4,152	4,302	4,430
Service workers	11,009	11,291	11,290	11,129	11,466	11,370	11,644	11,567
Farm workers	2,983	3,077	2,939	3,028	2,899	2,968	2,941	3,032
MAJOR INDUSTRY AND CLASS OF WORKER								
Agriculture:								
Wage and salary workers	1,254	1,428	1,226	1,320	1,233	1,268	1,341	1,396
Self-employed workers	1,772	1,750	1,751	1,740	1,701	1,740	1,723	1,729
Unpaid family workers	410	385	407	398	387	388	380	382
Nonagricultural industries:								
Wage and salary workers	75,370	76,488	75,641	76,132	76,618	76,602	76,739	76,777
Private households	1,562	1,364	1,612	1,424	1,408	1,367	1,432	1,408
Government	13,533	13,875	13,615	14,065	14,175	14,168	14,017	13,959
Other	60,276	61,249	60,414	60,643	61,035	61,067	61,290	61,410
Self-employed workers	5,681	5,661	5,497	5,703	5,811	5,805	5,745	5,678
Unpaid family workers	554	530	573	495	491	463	419	548
PERSONS AT WORK [1]								
Nonagricultural industries	77,255	78,297	76,936	77,679	77,833	78,050	77,846	78,034
Full-time schedules	64,681	65,358	63,954	64,537	64,669	64,750	64,688	64,647
Part time for economic reasons	2,218	2,650	2,353	2,746	2,484	2,432	2,511	2,823
Usually work full time	1,126	1,280	1,106	1,260	1,209	1,156	1,174	1,257
Usually work part time	1,092	1,370	1,247	1,486	1,275	1,276	1,337	1,566
Part time for noneconomic reasons	10,356	10,289	10,629	10,396	10,680	10,868	10,647	10,564

[1] Excludes persons "with a job but not at work" during the survey period for such reasons as vacation, illness, or industrial disputes.

Table A-4. Duration of unemployment

[Numbers in thousands]

Weeks of unemployment	Not seasonally adjusted		Seasonally adjusted					
	Sept. 1973	Sept. 1974	Sept. 1973	May 1974	June 1974	July 1974	Aug. 1974	Sept. 1974
Less than 5 weeks	2,447	3,006	2,158	2,520	2,370	2,471	2,493	2,651
5 to 14 weeks	1,075	1,358	1,339	1,358	1,462	1,516	1,440	1,691
15 weeks and over	643	838	768	877	939	928	949	1,000
15 to 26 weeks	379	488	476	525	571	550	564	614
27 weeks and over	264	349	292	352	368	378	385	386
Average (mean) duration, in weeks	8.7	8.9	9.4	9.5	9.8	10.1	10.0	9.6
PERCENT DISTRIBUTION								
Total unemployed	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Less than 5 weeks	58.8	57.8	50.6	53.0	49.7	50.3	51.1	49.6
5 to 14 weeks	25.8	26.1	31.4	28.6	30.6	30.8	29.5	31.7
15 weeks and over	15.4	16.1	18.0	18.4	19.7	18.9	19.4	18.7
15 to 26 weeks	9.1	9.4	11.2	11.0	12.0	11.2	11.6	11.5
27 weeks and over	6.3	6.7	6.8	7.4	7.7	7.7	7.9	7.2

Table A-5. Reasons for unemployment

[Numbers in thousands]

Reason	Not seasonally adjusted		Seasonally adjusted					
	Sept. 1973	Sept. 1974	Sept. 1973	May 1974	June 1974	July 1974	Aug. 1974	Sept. 1974
NUMBER OF UNEMPLOYED								
Lost last job	1,355	1,881	1,611	1,888	1,998	2,022	1,988	2,236
Left last job	791	870	670	676	738	764	773	736
Reentered labor force	1,414	1,761	1,303	1,599	1,406	1,454	1,472	1,623
Seeking first job	605	690	641	643	625	675	634	731
PERCENT DISTRIBUTION								
Total unemployed	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Job losers	32.5	36.2	38.1	39.3	41.9	41.1	40.8	42.0
Job leavers	19.0	16.7	15.9	14.1	15.5	15.5	15.9	13.8
Reentrants	33.9	33.9	30.8	33.3	29.5	29.6	30.2	30.5
New entrants	14.5	13.3	15.2	13.4	13.1	13.7	13.0	13.7
UNEMPLOYED AS A PERCENT OF THE CIVILIAN LABOR FORCE								
Job losers	1.5	2.1	1.9	2.1	2.2	2.2	2.2	2.4
Job leavers	.9	1.0	.7	.7	.8	.8	.8	.8
Reentrants	1.6	1.9	1.5	1.8	1.5	1.6	1.6	1.8
New entrants	.7	.8	.7	.7	.7	.7	.7	.8

Table A-6. Unemployment by sex and age

Sex and age	Not seasonally adjusted			Seasonally adjusted unemployment rates					
	Thousands of persons		Percent looking for full-time work						
	Sept. 1973	Sept. 1974	Sept. 1974	Sept. 1973	May 1974	June 1974	July 1974	Aug. 1974	Sept. 1974
Total, 16 years and over	4,165	5,202	72.3	4.7	5.2	5.2	5.3	5.4	5.8
16 to 19 years	1,210	1,478	51.6	14.3	15.8	15.6	16.2	15.3	16.7
16 to 17 years	610	659	26.3	17.[illegible]	18.1	1[illegible]	18.0	1[illegible]	18.2
18 to 19 years	600	820	71.7	12.6	14.3	12.9	14.7	14.1	16.1
20 to 24 years	1,020	1,248	81.3	7.8	8.6	8.3	8.8	9.5	9.2
25 years and over	1,935	2,476	80.2	2.9	3.2	3.3	3.3	3.3	3.7
25 to 54 years	1,600	2,085	82.0	3.0	3.3	3.5	3.5	3.4	3.8
55 years and over	335	390	70.8	2.6	2.7	2.7	2.8	3.2	3.1
Males, 16 years and over	1,900	2,451	76.3	[illegible]	4.4	4.6	4.6	4.7	5.0
16 to 19 years	588	764	50.1	13.7	14.6	15.6	15.4	15.2	17.1
16 to 17 years	294	351	27.9	15.6	18.0	18.9	18.4	18.8	17.9
18 to 19 years	294	412	69.2	12.6	12.2	12.1	12.8	12.7	16.8
20 to 24 years	460	603	82.3	7.0	8.3	8.1	8.1	9.3	8.9
25 years and over	851	1,085	91.4	2.4	2.6	2.7	2.8	2.8	3.0
25 to 54 years	651	875	95.3	2.3	2.7	2.8	2.8	2.8	3.0
55 years and over	200	210	74.8	2.7	2.3	2.5	2.7	3.2	2.8
Females, 16 years and over	2,265	2,751	68.7	5.9	6.4	6.3	6.5	6.3	6.9
16 to 19 years	621	715	53.0	15.0	17.2	15.6	17.2	15.4	16.3
16 to 17 years	316	307	24.4	19.3	18.3	17.7	17.5	15.3	18.7
18 to 19 years	306	408	74.5	12.6	16.7	13.8	16.9	15.8	15.3
20 to 24 years	559	645	80.3	8.7	9.0	8.7	9.6	9.8	9.7
25 years and over	1,084	1,391	71.5	3.9	4.2	4.4	4.2	4.2	4.8
25 to 54 years	949	1,211	72.3	4.1	4.4	4.6	4.6	4.5	5.0
55 years and over	135	180	66.1	2.5	3.2	3.1	2.9	3.2	3.5

Table B-1. Employees on nonagricultural payrolls, by industry

(In thousands)

Industry	Not seasonally adjusted				Seasonally adjusted					
	Sept. 1973	July 1974	Aug.p 1974	Sept.p 1974	Sept. 1973	May 1974	June 1974	July 1974	Aug.p 1974	Sept.p 1974
TOTAL	76,238	76,913	77,063	77,426	75,961	77,136	77,101	77,047	77,113	77,146
GOODS-PRODUCING	24,717	24,296	24,572	24,555	24,215	24,268	24,225	24,116	24,063	24,041
MINING	641	683	685	683	633	664	665	669	670	675
CONTRACT CONSTRUCTION	3,944	3,778	3,847	3,733	3,700	3,662	3,599	3,534	3,552	3,502
MANUFACTURING	20,132	19,835	20,040	20,139	19,882	19,942	19,961	19,913	19,841	19,864
Production workers	14,841	14,436	14,644	14,729	14,609	14,590	14,598	14,546	14,475	14,464
DURABLE GOODS	11,801	11,719	11,712	11,838	11,708	11,746	11,783	11,761	11,687	11,717
Production workers	8,681	8,511	8,511	8,615	8,599	8,577	8,599	8,569	8,498	8,502
Ordnance and accessories	191.8	193.3	194.6	195.0	190	189	191	193	194	193
Lumber and wood products	642.6	653.0	647.6	632.5	631	650	640	636	628	621
Furniture and fixtures	528.4	504.3	518.1	513.2	525	524	522	514	514	510
Stone, clay, and glass products	708.8	706.1	708.8	694.8	696	701	691	694	692	682
Primary metal industries	1,331.0	1,338.3	1,332.7	1,341.9	1,339	1,322	1,328	1,324	1,330	1,350
Fabricated metal products	1,467.4	1,452.2	1,457.7	1,465.5	1,456	1,458	1,462	1,470	1,459	1,454
Machinery, except electrical	2,066.3	2,144.7	2,152.8	2,170.8	2,073	2,139	2,161	2,149	2,170	2,177
Electrical equipment	2,028.1	2,021.2	1,984.5	2,027.2	2,010	2,030	2,036	2,038	1,985	2,009
Transportation equipment	1,881.6	1,745.5	1,737.1	1,822.2	1,850	1,764	1,778	1,773	1,750	1,764
Instruments and related products	503.9	528.6	530.3	527.4	503	524	531	529	528	526
Miscellaneous manufacturing	451.2	431.8	448.2	447.8	435	445	443	441	437	431
NONDURABLE GOODS	8,331	8,116	8,328	8,301	8,174	8,196	8,178	8,152	8,154	8,147
Production workers	6,160	5,925	6,133	6,114	6,010	6,013	5,999	5,977	5,977	5,962
Food and kindred products	1,840.7	1,752.0	1,851.8	1,853.4	1,719	1,747	1,725	1,713	1,723	1,731
Tobacco manufactures	81.7	68.1	79.4	79.3	70	76	76	77	72	68
Textile mill products	1,026.5	987.4	1,008.5	1,004.4	1,025	1,013	1,011	1,001	1,005	1,003
Apparel and other textile products	1,349.3	1,240.3	1,287.0	1,276.3	1,337	1,300	1,290	1,288	1,278	1,265
Paper and allied products	722.3	727.2	729.1	723.6	719	731	727	726	723	721
Printing and publishing	1,095.2	1,104.5	1,106.0	1,107.7	1,097	1,107	1,109	1,108	1,108	1,110
Chemicals and allied products	1,038.9	1,064.9	1,070.7	1,070.6	1,038	1,050	1,057	1,057	1,061	1,070
Petroleum and coal products	191.9	198.1	198.0	193.6	190	193	193	193	193	192
Rubber and plastics products, nec	688.8	687.5	701.6	702.1	683	685	696	696	701	697
Leather and leather products	295.7	285.6	296.3	289.5	296	294	294	293	290	290
SERVICE-PRODUCING	51,521	52,617	52,491	52,871	51,746	52,868	52,876	52,931	53,050	53,105
TRANSPORTATION AND PUBLIC UTILITIES	4,671	4,704	4,695	4,688	4,629	4,664	4,653	4,648	4,653	4,646
WHOLESALE AND RETAIL TRADE	16,367	16,632	16,589	16,631	16,388	16,594	16,602	16,665	16,663	16,651
WHOLESALE TRADE	4,127	4,247	4,255	4,226	4,111	4,211	4,215	4,205	4,217	4,209
RETAIL TRADE	12,240	12,385	12,334	12,405	12,277	12,383	12,387	12,460	12,446	12,442
FINANCE, INSURANCE, AND REAL ESTATE	4,082	4,199	4,201	4,158	4,078	4,145	4,140	4,133	4,143	4,154
SERVICES	12,982	13,537	13,538	13,429	12,995	13,329	13,365	13,376	13,431	13,442
GOVERNMENT	13,419	13,545	13,468	13,965	13,656	14,136	14,116	14,109	14,160	14,212
FEDERAL	2,608	2,721	2,712	2,695	2,613	2,698	2,684	2,691	2,693	2,700
STATE AND LOCAL	10,811	10,824	10,756	11,270	11,043	11,438	11,432	11,418	11,467	11,512

p=preliminary.

Table B-2. Average weekly hours of production or nonsupervisory workers[1] on private nonagricultural payrolls, by industry

Industry	Not seasonally adjusted				Seasonally adjusted					
	Sept. 1973	July 1974	Aug. 1974[p]	Sept. 1974[p]	Sept. 1973	May 1974	June 1974	July 1974	Aug. 1974[p]	Sept 1974[p]
TOTAL PRIVATE	37.3	37.1	37.1	36.9	37.2	36.8	36.7	36.7	36.6	36.8
MINING	43.0	43.1	43.1	43.0	42.9	43.2	43.2	42.9	42.9	42.9
CONTRACT CONSTRUCTION	37.9	38.0	37.8	37.9	36.7	36.9	37.1	37.1	36.6	36.7
MANUFACTURING	41.0	40.0	40.1	40.3	40.8	40.3	40.1	40.2	40.1	40.1
Overtime hours	4.1	3.3	3.4	3.4	3.8	3.4	3.4	3.4	3.3	3.1
DURABLE GOODS	41.7	40.4	40.6	40.9	41.4	40.9	40.8	40.7	40.8	40.6
Overtime hours	4.4	3.4	3.5	3.5	4.0	3.6	3.4	3.5	3.5	3.2
Ordnance and accessories	([2])	[2]41.2	[2]41.3	[2]41.6	([2])	([2])	[2]41.9	[2]41.7	[2]41.3	[2]41.6
Lumber and wood products	40.9	39.6	39.9	39.5	40.7	40.1	40.1	39.7	39.7	39.3
Furniture and fixtures	40.2	39.0	39.3	39.3	39.7	39.4	39.4	39.4	38.8	38.8
Stone, clay, and glass products	42.6	41.6	41.8	41.5	42.2	41.6	41.4	41.4	41.3	41.1
Primary metal industries	42.8	41.5	41.6	41.7	42.7	41.6	41.6	41.6	41.7	41.6
Fabricated metal products	41.8	40.6	41.0	41.4	41.5	41.1	40.9	40.8	40.9	41.1
Machinery, except electrical	43.0	41.7	42.2	42.6	43.0	42.3	42.4	42.2	42.6	42.6
Electrical equipment	40.6	39.3	39.6	39.8	40.4	40.0	40.1	39.8	39.6	39.6
Transportation equipment	41.6	40.2	39.4	40.6	41.1	40.5	39.7	40.4	40.4	40.1
Instruments and related products	41.1	39.7	40.1	39.9	40.9	40.3	40.3	40.1	40.3	39.7
Miscellaneous manufacturing	39.1	38.5	38.7	38.9	39.1	38.9	38.9	39.0	38.5	38.9
NONDURABLE GOODS	40.0	39.4	39.4	39.4	39.8	39.4	39.3	39.3	39.1	39.2
Overtime hours	3.8	3.2	3.3	3.2	3.4	3.2	3.2	3.2	3.1	2.9
Food and kindred products	41.3	40.8	40.9	41.2	40.6	40.6	40.5	40.4	40.3	40.5
Tobacco manufactures	39.0	36.8	38.1	39.8	37.9	38.8	36.8	36.9	37.5	38.7
Textile mill products	41.0	39.9	39.7	39.2	40.9	40.2	40.2	40.2	39.6	39.1
Apparel and other textile products	35.9	35.4	35.6	35.5	35.9	35.6	34.7	35.3	35.3	35.5
Paper and allied products	43.1	42.2	42.2	42.1	42.8	42.3	42.4	42.2	42.0	41.8
Printing and publishing	38.3	37.5	37.9	37.6	38.0	37.8	37.6	37.4	37.7	37.3
Chemicals and allied products	42.0	41.6	41.5	41.7	42.0	41.8	41.8	41.8	41.8	41.7
Petroleum and coal products	43.0	42.8	42.0	43.2	42.5	42.2	42.5	42.2	41.8	42.7
Rubber and plastics products, nec	41.3	40.1	40.7	40.7	41.0	40.3	40.6	40.4	40.6	40.4
Leather and leather products	37.8	37.4	37.1	36.7	38.4	37.6	37.6	36.9	37.1	37.3
TRANSPORTATION AND PUBLIC UTILITIES	40.8	41.1	41.0	40.9	40.6	40.8	40.5	40.7	40.8	40.7
WHOLESALE AND RETAIL TRADE	34.7	35.0	34.9	34.2	34.6	34.3	34.2	34.1	34.0	34.1
WHOLESALE TRADE	39.5	39.2	38.9	39.1	39.5	39.1	39.0	39.0	38.7	39.1
RETAIL TRADE	33.2	33.7	33.6	32.7	33.2	32.9	32.8	32.7	32.5	32.7
FINANCE, INSURANCE, AND REAL ESTATE	37.1	36.8	36.9	36.8	37.2	36.9	36.8	36.7	36.8	36.9
SERVICES	34.1	34.6	34.4	34.1	34.1	34.1	34.2	34.0	33.9	34.1

[1] Data relate to production workers in mining and manufacturing; to construction workers in contract construction; and to nonsupervisory workers in transportation and public utilities; wholesale and retail trade; finance, insurance, and real estate; and services. These groups account for approximately four fifths of the total employment on private nonagricultural payrolls.

[2] Previously published data for this series for March 1971 through May 1974 are being revised to correct processing errors. Figures for subsequent months have been corrected for these errors. Revised historical data are not yet available; they are scheduled to be published in December when the routine benchmark and seasonal adjustment will be made.

[p] preliminary.

Table B-3. Average hourly and weekly earnings of production or nonsupervisory workers[1] on private nonagricultural payrolls, by industry

Industry	Average hourly earnings				Average weekly earnings			
	Sept. 1973	July 1974	Aug. 1974 p	Sept. 1974 p	Sept. 1973	July 1974	Aug. 1974 p	Sept. 1974 p
TOTAL PRIVATE	$3.99	$4.21	$4.24	$4.32	$148.83	$156.19	$157.30	$159.41
Seasonally adjusted	3.96	4.22	4.25	4.29	147.31	154.87	155.55	157.87
MINING	4.78	5.22	5.27	5.32	205.54	224.98	227.14	228.76
CONTRACT CONSTRUCTION	[2]	[2] 6.71	[2] 6.88	[2] 7.04	[2]	[2] 254.98	[2] 260.06	[2] 266.82
MANUFACTURING	4.13	4.41	4.43	4.51	169.33	176.40	177.64	181.75
DURABLE GOODS	4.39	4.67	4.71	4.81	183.06	188.67	191.23	196.73
Ordnance and accessories	[2]	[2] 4.78	[2] 4.82	[2] 4.86	[2]	[2] 196.94	[2] 199.07	[2] 202.18
Lumber and wood products	3.68	3.91	3.96	3.99	150.51	154.84	158.00	157.61
Furniture and fixtures	3.33	3.49	3.53	3.56	133.87	136.11	138.73	139.91
Stone, clay, and glass products	4.26	4.55	4.58	4.61	181.48	189.28	191.44	191.32
Primary metal industries	5.16	5.64	5.73	5.83	220.85	234.06	238.37	243.11
Fabricated metal products	4.30	4.58	4.63	4.75	179.74	185.95	189.83	196.65
Machinery, except electrical	4.61	4.88	4.94	5.01	198.23	203.50	208.47	213.43
Electrical equipment	3.91	4.15	4.14	4.22	158.75	163.10	163.94	167.96
Transportation equipment	5.10	5.43	5.47	5.63	212.16	218.29	215.52	228.58
Instruments and related products	3.93	4.18	4.21	4.24	161.52	165.95	168.82	169.18
Miscellaneous manufacturing	3.31	3.50	3.51	3.56	129.42	134.75	135.84	138.48
NONDURABLE GOODS	3.75	4.03	4.04	4.08	150.00	158.78	159.18	160.75
Food and kindred products	3.85	4.19	4.20	4.22	159.01	170.95	171.78	173.86
Tobacco manufactures	3.68	4.40	4.11	4.13	143.52	161.92	156.59	164.37
Textile mill products	3.02	3.25	3.26	3.27	123.82	129.68	129.42	128.18
Apparel and other textile products	2.84	3.00	3.05	3.07	101.96	106.20	108.58	108.99
Paper and allied products	4.26	4.52	4.57	4.60	183.61	190.74	192.85	193.66
Printing and publishing	4.76	4.96	4.99	5.03	182.31	186.00	189.12	189.13
Chemicals and allied products	4.53	4.87	4.89	4.94	190.26	202.59	202.94	206.00
Petroleum and coal products	5.29	5.66	5.72	5.81	227.47	242.25	240.24	250.99
Rubber and plastics products, nec	3.86	4.07	4.10	4.14	159.42	163.21	166.87	168.50
Leather and leather products	2.84	2.99	3.03	3.08	107.35	111.83	112.41	113.04
TRANSPORTATION AND PUBLIC UTILITIES	[2]	[2] 5.42	[2] 5.43	[2] 5.50	[2]	[2] 222.76	[2] 222.63	[2] 224.95
WHOLESALE AND RETAIL TRADE	3.26	3.49	3.50	3.55	113.12	122.15	122.15	121.41
WHOLESALE TRADE	4.19	4.48	4.51	4.58	165.51	175.62	175.44	179.08
RETAIL TRADE	2.92	3.12	3.12	3.17	96.94	105.14	104.83	103.66
FINANCE, INSURANCE, AND REAL ESTATE	[2]	[2] 3.79	[2] 3.80	[2] 3.86	[2]	[2] 139.47	[2] 140.22	[2] 142.05
SERVICES	[2]	3.71	3.71	3.80	[2]	[2] 128.37	[2] 127.62	[2] 129.58

[1] See footnote 1, table B-2.

[2] Previously published data for this series for March 1971 through May 1974 are being revised to correct processing errors; figures for subsequent months have been corrected for these errors. Revised historical data are not yet available; they are scheduled to be published in December when the routine benchmarking revisions will be made.

p=preliminary.

Table B-4. Hourly Earnings Index for production or nonsupervisory workers in private nonfarm industries, seasonally adjusted

(1967=100)

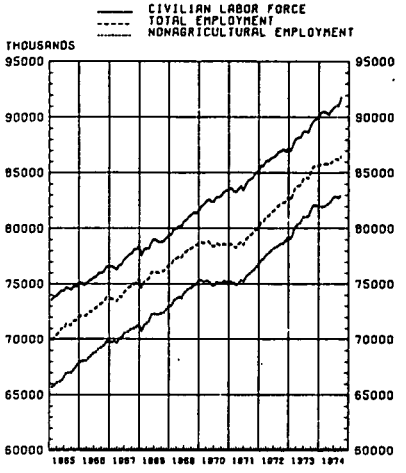
Industry	Sept. 1973	April 1974	May 1974	June 1974	July 1974	Aug.[P] 1974	Sept.[P] 1974	Percent change from: Sept. 1973-Sept. 1974	Percent change from: Aug. 1974-Sept. 1974
TOTAL PRIVATE NONFARM:									
Current dollars	149.0	154.5	156.1	158.5	159.3	160.6	162.1	8.8	0.9
Constant (1967) dollars	109.9	107.3	107.3	107.9	107.6	107.0	N.A.	(1)	(2)
MINING	149.5	158.0	159.8	162.6	164.0	165.3	165.5	10.7	.1
CONTRACT CONSTRUCTION	(3)	(3)	(3)	[3]163.3	[3]163.9	[3]167.6	[3]169.2	N.A.	1.0
MANUFACTURING	145.4	151.4	153.3	155.4	156.7	158.2	159.9	10.0	1.1
TRANSPORTATION AND PUBLIC UTILITIES	(3)	(3)	(3)	[3]165.9	[3]167.0	[3]167.5	[3]168.8	N.A.	.7
WHOLESALE AND RETAIL TRADE	145.7	151.0	153.5	155.4	156.4	157.5	158.8	9.0	.9
FINANCE, INSURANCE, AND REAL ESTATE	(3)	(3)	(3)	[3]148.7	[3]148.1	[3]149.4	[3]151.9	N.A.	1.7
SERVICES	(3)	(3)	(3)	[3]162.9	[3]162.3	[3]162.8	[3]164.1	N.A.	.8

(1) Percent change was -2.1 from August 1973 to August 1974, the latest month available.
(2) Percent change was -0.5 from July 1974 to August 1974, the latest month available.
(3) Previously published data for this series for March 1971 through May 1974 are being revised to correct processing errors; figures for subsequent months have been corrected for these errors. Revised historical data are not yet available; they are scheduled to be published in December when the routine benchmarking and seasonal adjustment revisions will be made.
N.A.= not available
P=Preliminary.

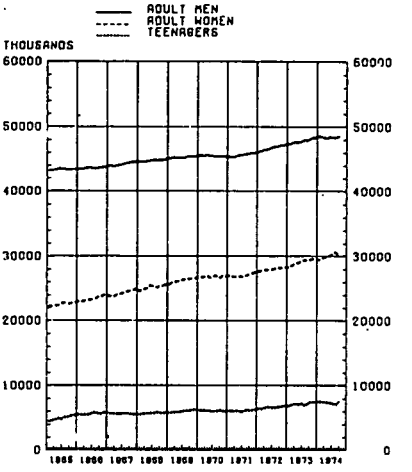
NOTE: All series are in current dollars except where indicated. The index excludes effects of two types of changes that are unrelated to underlying wage-rate developments: Fluctuations in overtime premiums in manufacturing (the only sector for which overtime data are available) and the effects of changes in the proportion of workers in high-wage and low-wage industries. The seasonal adjustment eliminates the effect of changes that normally occur at the same time and in about the same magnitude each year.

LABOR FORCE, EMPLOYMENT, UNEMPLOYMENT
HOUSEHOLD DATA - SEASONALLY ADJUSTED

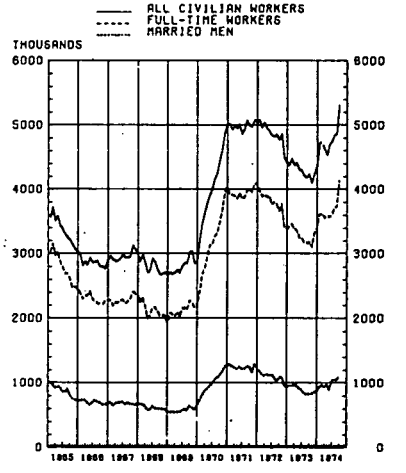
1. LABOR FORCE AND EMPLOYMENT



2. TOTAL EMPLOYMENT



3. UNEMPLOYMENT



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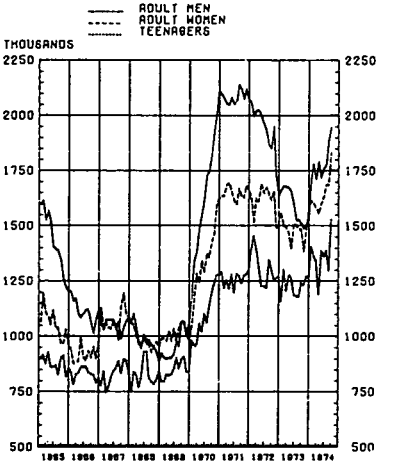
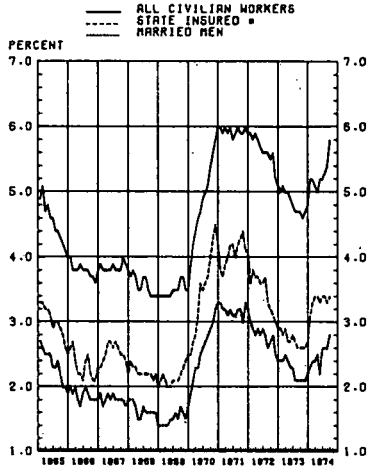


UNEMPLOYMENT RATES
HOUSEHOLD DATA - SEASONALLY ADJUSTED

5. UNEMPLOYMENT RATES



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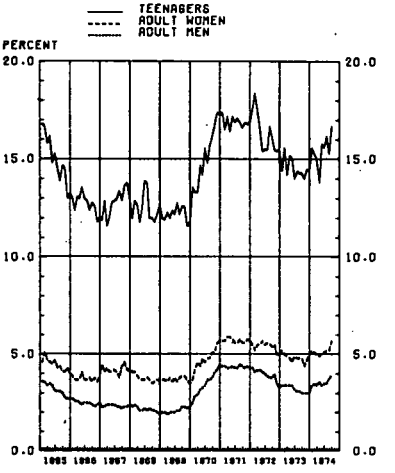

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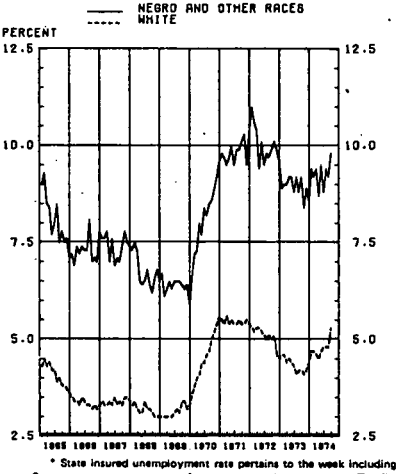

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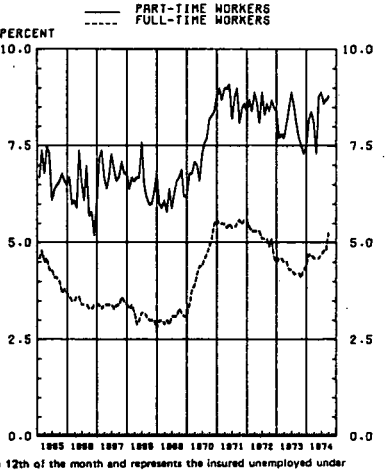
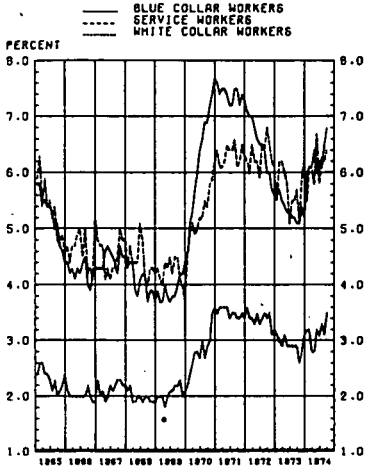


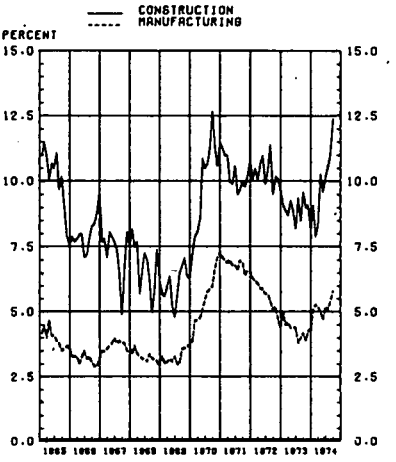
* State insured unemployment rate pertains to the week including the 12th of the month and represents the insured unemployed under State programs as a percent of average covered employment. The figures are derived from administrative records of unemployment insurance systems.

UNEMPLOYMENT
HOUSEHOLD DATA -- SEASONALLY ADJUSTED

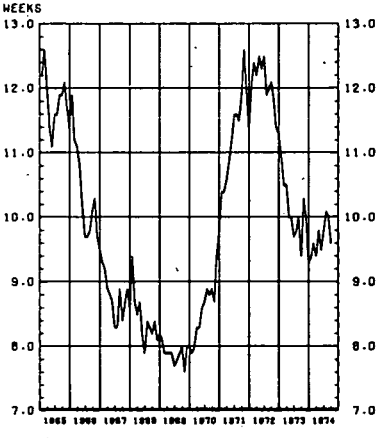
9. UNEMPLOYMENT RATES



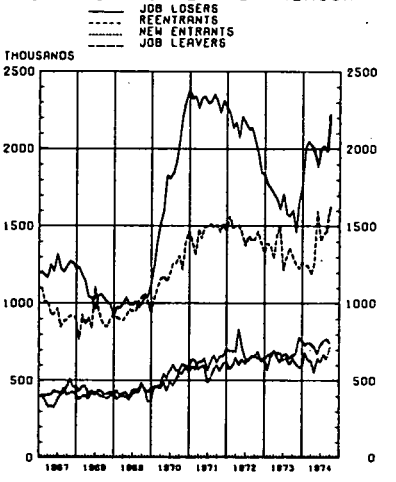
10. UNEMPLOYMENT RATES



11. AVERAGE DURATION OF UNEMPLOYMENT

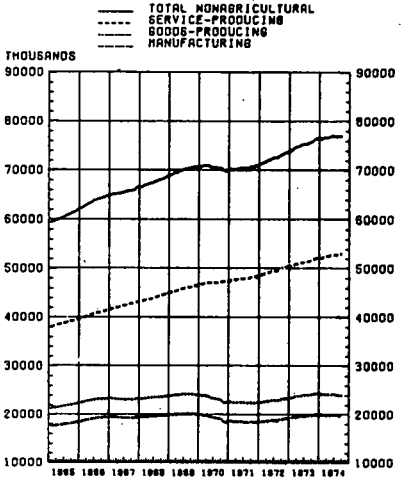


12. UNEMPLOYMENT BY REASON

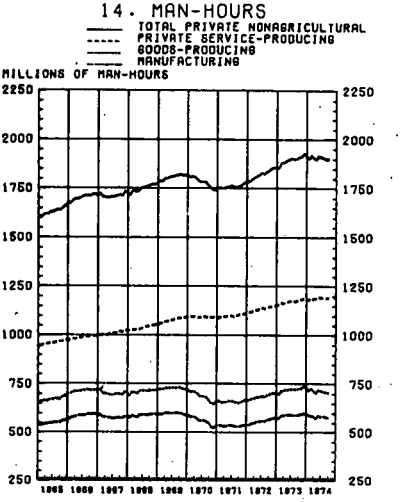


NONAGRICULTURAL EMPLOYMENT AND HOURS
ESTABLISHMENT DATA - SEASONALLY ADJUSTED

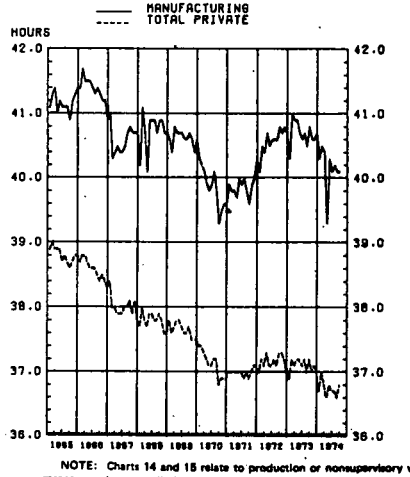
13. EMPLOYMENT



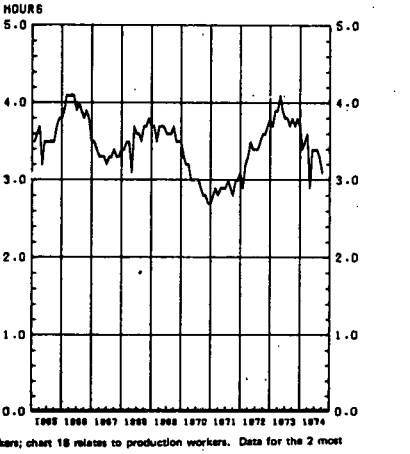
14. MAN-HOURS



15. AVERAGE WEEKLY HOURS



16. AVERAGE WEEKLY OVERTIME HOURS IN MANUFACTURING



NOTE: Charts 14 and 15 relate to production or nonsupervisory workers; chart 16 relates to production workers. Data for the 2 most recent months are preliminary in charts 13-16.

Mr. SHISKIN. I do not have any written statement, but I would like to make a few remarks to put the latest month's figure in what I consider to be an appropriate perspective.

As everyone knows by this time, everyone in this room, at least, the unemployment rate rose from 5.4 percent in August to 5.8 percent in September.

I would like to look at the changes in the rate since last October when it reached 4.6, a 3½-year low. We had a rise, from October until January 1974, of 5.2 percent, which could be, I think primarily attributed to the energy problems. From January to June, the unemployment rate was very stable, holding at about 5.2 percent. Then, starting in July, it began to rise. The official figures show a small rise in July, another small rise in August, and a big rise in September.

When we look back at these figures, after the usual revisions of seasonal factors, they will almost certainly be a little different. I doubt that they will show such a sharp rise in September. But it is clear we had a substantial rise in unemployment in the third quarter of the year. Just how that is distributed over the third quarter we do not quite know yet, but it is clear there was a large rise then.

The labor force also rose sharply in the third quarter. You will recall, Senator Proxmire, that you yourself were asking questions in the last few months about the behavior of the labor force, because it had been quite stable. This month we got a very big rise in the labor force, but again I make the same kind of observations I made about the unemployment rate itself. Exactly how much of it occurred in September is not certain. It may have been spread out over several months. That remains to be seen. In any case, we are now back to about the average rise in the labor force that we have seen in recent years.

The third element of that picture is the employment figures. The employment figures have been rising, and they are continuing to rise, though the rise is small relative to the rise in the last year. In fact, our nonagricultural payroll survey shows that employment has been flat since last May.

As an aside, I might just say that a normal characteristic of recessions is declining employment, and that we have not seen yet.

The situation seems to be one of slow or some negative growth, level or sluggish employment increases, greater increases in unemployment, and very rapid rises in prices.

When we look back at this point some time in the future we may be able to say that we were at this time starting a recession, or in the early stages of a recession. However, I do not think we can say that now. I think the term that other economists have been applying to this period is more appropriate, namely, the term "stagflation," which to me means sluggish growth and rapid price rises.

Thank you.

Chairman PROXMIRE. All right, sir.

I noticed that the total employment increased somewhat, 0.3 of 1 percent in August and September, but with the rise in the labor force that brought about this very large increase in unemployment, is that correct?

Mr. SHISKIN. Well, I will put it this way. The labor force rose sharply, and as a result, both unemployment and employment rose. The growth in the economy was not adequate to absorb all of the new people in the labor force.

Chairman PROXMIRE. But then what you have concluded is that over the past several months, the work force grew far less than was expected, and now it is back into about what we might expect, and therefore this 5.8 percent is a pretty realistic assessment of what the unemployment level is. There is nothing artificial about it, and when we look at it in the perspective of 3 or 4 months, it is a pretty true indication. You do not have a disproportionate increase in the work force all of a sudden.

Mr. SHISKIN. Well, you know, 5.8 will eventually be revised, and it may turn out to be 5.7 or 5.9. But it is clear we have had a significant rise in the unemployment rate in the third quarter of the year.

Chairman PROXMIRE. Now, in the light of all of these statistics we now have—and you are an expert as a business cycle economist—are we now in a recession?

Mr. SHISKIN. Well, Senator, you know, there are numerous definitions of a recession.

Chairman PROXMIRE. Well, let me just say this. You have said in the past there is a very special situation, energy problems, food problems, other international complications.

Mr. SHISKIN. Right.

Chairman PROXMIRE. Just think of this. No. 1, we have auto sales off 40 percent from a year ago. Growing reports suggest business considers inventories too high, which is a depressing impact. Troubles in Europe, the fall of—the possibility of governments falling, the Dow-Jones index down very sharply, down to 580, a catastrophic drop, and now this very large increase over the last few months in unemployment, in the last year, I should say.

Mr. SHISKIN. As you know, this has come up numerous times. I have spent a great part of my career studying business cycles. I started to say there are numerous definitions of a recession, but the most well known and most universally accepted is that by the National Bureau of Economic Research. They say that a recession is an extended, substantial, and widespread decline in economic activity.

I have tried to put some quantities on this qualitative statement. Where I came out is that before you can designate a period of recession it must last, say, 8, 9, or 10 months; there must be a decline in real output, real GNP; a substantial rise in unemployment, and a decline in employment.

We do not have a decline in employment yet. Now, as I said earlier, when we look back——

Chairman PROXMIRE. Well, it is certainly a recession for people whose incomes have receded over the last year in real terms. Their incomes are down. There is no question about that. Unemployment is up in every category over the last year, over the last month, so that I say we could argue about the ——

Mr. SHISKIN. It is a semantic question I think. There is no doubt that unemployment——

Chairman PROXMIRE. I assume it depends to some extent on where you sit. If you have a job and you have a good income, you are not

too worried whether there is a recession or not, but for the millions of people who have no jobs, it is at least a recession.

Mr. SHISKIN. But in technical terms, you know, if you followed the National Bureau definition, I think you would still have to say that the current period is not a recession.

Chairman PROXMIRE. Well, let me just argue this a little further.

Mr. SHISKIN. You know, 3 months from now, or 6 months from now, Mr. Chairman, when you are interrogating me, I may say, well, looking back with the new information we have for recent months, then it is. But I do not think it is now.

Chairman PROXMIRE. All right. Let's just take a look at what we are meeting on this morning, the unemployment situation.

Now, the increases appear to be widespread among all major groups. Here are the year-over-year changes. The third quarter of 1974 compared to the third quarter of 1973, the unemployment rate for all workers up 17 percent, for men, up 19 percent; for women, up 13 percent; for teenagers, up 13 percent; for whites, up 19 percent; for blacks, up 6 percent; for household heads, up 19 percent; for married men, up 29 percent; for full-time workers, up 19 percent; for State insured, up 31 percent.

To me that looks like a classic recessionary pattern. Unemployment is up for everybody. So it seemed to me, looking at this, that it is more than just an energy shortage blip or a squiggle. It is now what seems to be a full blown recession in the employment area.

Mr. SHISKIN. Unemployment.

Chairman PROXMIRE. Unemployment area.

Mr. SHISKIN. Well, since I talked so much about the energy problems earlier, let me add that I think we had an energy crunch in the fall and the spring, but the most recent trends, I think, are more typical of the early stages of the weakening of the economy than of an energy problem. I think the situation has changed between, let us say, the first 4 or 5 months of this year, and starting in about July.

Chairman PROXMIRE. Well, now, you keep talking about the fact that we have an increase in employment, but let us take a further look at that. For many months, now, the economy has been in a situation in which real output was falling, and job opportunities have been very limited. In spite of that, the labor force keeps growing. People want to work.

In September of 1973, to September of 1974, the labor force has grown, as far as adult men, up 1.7 percent; adult women, up 3.8 percent; and teenagers, up 4.8 percent. And perhaps the September 1974 figures are distorted by some problems of seasonal adjustment or some special factor, but the quarterly figures show the same patterns.

From the third quarter of 1973 to the third quarter of 1974, the labor force grew 2.7 percent while employment grew only 1.8 percent.

Now, how do you account for this rapid growth in the labor force? Is it a cultural shift of the lifestyles of women and young people? Are women and young people being forced into the labor market because Dad is unable to bring home enough to cover the necessities of life and to give them any kind of opportunity to live as they have before?

Do families need two or three incomes in order to make it? Do you think that is what is resulting in this?

Mr. SHISKIN. Well, I cannot say. The outstanding characteristic of the labor force change in recent years has been a very great increase in the participation of women.

Chairman PROXMIRE. Is what?

Mr. SHISKIN. Is the very great increase in the participation of women.

Mr. Chairman, may I say in connection with these comments that it is, I think, not very profitable to get hung up on the semantic argument over whether we are in a recession or not. You know when unemployment is 5.8 percent and there is no growth, and when the CPI and WPI are going up rapidly, that is obviously not a good situation.

And I want to make it clear, I do not think it is a good situation. But in technical terms, as to whether it is a recession or not, I anticipated these questions; let me just give you a few figures on employment.

In the 1948 to 1949 recession, during the first 11 months—and I am taking——

Senator HUMPHREY. What year was that?

Chairman PROXMIRE. 1948, 1949?

Mr. SHISKIN. Right. For the first 11 months, employment—our survey of non-ag employment—went down 5.2 percent.

Chairman PROXMIRE. Employment went down 5.2 percent.

Mr. SHISKIN. Right. From July 1953 to August 1954, employment went down 3.4 percent. 1957 to 1958, it went down 4.3 percent. 1960 to 1961, 2.2 percent, 1969 to 1970, 1.6 percent. And if you start off in November of 1973, when the economy began to weaken, employment has gone up 0.6 percent.

So the situations are different, but again this is a technical argument over a word and not about the basic situation.

Chairman PROXMIRE. Well, you make one point that is pretty legitimate. There are many, many considerations. Unemployment is one. Employment is another. Then output is another.

Supposing real output goes down in the third quarter, as it may have. Will you call this clearly a recession under those circumstances?

Mr. SHISKIN. Well, let me say again that I think this is a semantic argument. I would be very unhappy about a decline in real output, and I would deplore it.

But now you are asking me whether this alone would bring us into a recession. I use the National Bureau definition, and I think that is what most economists use. You would have to also have a decline in employment. But this is a semantic argument.

And I think we would do better if we stay away from that kind of an argument in this situation, and talk about the particular things. If you want to assign a word to describe the present situation, I personally think the word people like Paul Samuelson and Walter Heller have been using to characterize the current situation is preferable, namely, stagflation. This is slow economic growth, sluggish employment change, and rapid price increases.

Chairman PROXMIRE. Now, one of the most interesting recent proposals by the current administration is a sharp increase in gasoline tax, as much as 30 cents.

Can you give us the impact of a sharp increase in tax on the consumer index? Suppose you have a 30-cent-a-gallon increase. What would that do to the CPI?

Mr. SHISKIN. It depends on what kind of a tax it is. If it is a direct tax on gasoline alone, like a sales or excise tax or an automobile license tax, then here are some figures. You may want to put this table into the record.

Chairman PROXMIRE. The table will be included in the hearing record.

[The table follows:]

Direct effect of selected increases in the Federal gasoline tax on the CPI [1]

Gasoline tax increase:	*Percent change in the CPI*
$0.10	0.606
$0.15	.909
$0.20	1.212
$0.25	1.514
$0.30	1.817
$0.35	2.120
$0.40	2.423
$0.45	2.726
$0.50	3.029

[1] The effect on the CPI is based on an estimated price of $0.565 a gallon in August 1974. It should be noted that the current Federal gasoline tax is $0.04. Other things being held constant, an increase in the Federal gasoline tax of $0.10 a gallon would cause an increase of 0.606 percent in the all items CPI.

Mr. SHISKIN. A 10 cent gasoline tax increase would result in a 0.6 percent rise in the CPI.

Chairman PROXMIRE. Say that again. A 10 cent——

Mr. SHISKIN. A 10 cent tax——

Chairman PROXMIRE. Would result in how big an increase in the CPI?

Mr. SHISKIN. 0.6 percent.

Chairman PROXMIRE. 0.6 percent?

Mr. SHISKIN. Yes.

Chairman PROXMIRE. So 30 cents would be 1.8 percent?

Mr. SHISKIN. 20 cents is 1.2 percent and 30 cents is 1.8 percent.

Chairman PROXMIRE. 1.8 percent. All right.

Mr. SHISKIN. Now, however, some of the proposals I have seen—and all I know about this is what I have read in the paper, are quite different from the direct excise tax. They are talking about——

Chairman PROXMIRE. They hit it at a level of production, which is beyond the consumer, so he would not see it directly.

Mr. SHISKIN. No. As I understand it, the consumer would pay but there would be a refund or a tax credit.

If part of the tax is specifically refunded we would not count the full amount of the tax as a price increase. For example, in 1971 automobile purchasers were given a refund on the excise tax paid, and BLS reflected this in the CPI as a price decrease.

If the proposal is to change the income tax structure to allow for a tax credit, then it would not affect the CPI in the same way, because we do not include changes in income taxes in the CPI. So it depends very importantly on just how the tax and the subsequent refund is put into effect.

Chairman PROXMIRE. My time is up.

Senator Humphrey.

Senator HUMPHREY. Well, I agree that we maybe ought not to be arguing semantically about whether or not we have a recession, but I will tell you, there is a simple way to describe it. Prices are too high, unemployment is too high, interest is too high, foreign trade balance is absolutely at a runaway stage, that is the deficit, and I think the situation in 1974 is appreciably different than in some of the years that you quoted.

The mix, the mix is different. Right now, for example, farm parity is down about as low as it has been for 15 years, despite the so-called farm prices. Sixty percent of all agricultural income is in livestock and poultry, and it is being liquidated in this country at massive levels, massive levels of liquidation, cattle, hogs, poultry; the dairy industry is in a critical condition.

We held a day of hearings in the Senate, a day of hearings in the House, and the liquidation in that industry of livestock, of milk cows, for example, is a serious national problem. We are going to be short of products, and you are going to see price rises in that field that no one dreamed possible. Even the imports are low, and even if you continue those, we will not satisfy it. So this is a factor that we have to take into consideration.

As I said to you privately, Mr. Shiskin, the unemployment rate, tragic as it is, is but part of a total picture, and I think that we have got to face up to the fact that consumer credit is way up and the rate of repayment is down. There is so much—the credit card mentality in this country is getting us in trouble. A large number of young people as compared to, let us say, 30 or 40 years ago when the great depression hit us, my parents, for example, typical parents, they quit buying, you know. I mean, they were frightened. Today you get that credit card and you buy and buy and buy and buy, and now what are we finding? We are finding that they cannot pay for their furniture so they have to go out and pick it up. They cannot pay for the television. Somebody has got to go out and pick it up. They cannot pay for their car. They have to go out and reclaim it and pick it up. This is a serious economic problem in the retail area today.

So, whether we call it stagflation which is a new name, or recession, all I can say is I think that the market itself, the stock market itself reflects some of the basic concern that permeates the financial community and the consumer community because the consumer is in that market, you know, trying to buy—it used to be to buy stocks, and the New York Stock Exchange is advertising on television to get people to step in to invest, and they are not investing.

The point about the employment figures—and I think Senator Proxmire had stated it in magnificent detail here. It has given it the whole picture. But one thing that bothers me is that the adult jobless rate, particularly male adults, has gone up very drastically in terms of percentage. They are the primary income earners, and they have been, up until now. There is a larger number, as you have indicated, of women entering the labor force, but that adult increase went up, jobless rate for adult males, the core of our workforce, has risen percentagewise since October of 1973, 30 percent. And that is a very serious figure. And I believe that the point has been made here that you had an entry into the labor force of people who had really, for a

period of time, sort of given up getting a job, but now it has become somewhat desperate. So that you are seeing mother, father, sons, and daughters all competing for a job. And your college enrollment is way down. And your military, where you used to pick up a large number in military, that is down.

So these people are now out in the labor force competing for a certain number of jobs.

You, Mr. Shiskin, were on record in previous hearings as stating that much of the rise in unemployment has resulted from the exhorbitant increase in the price of oil.

Now, would a 30-cent increase in the gasoline tax have a similar impact by further increasing unemployment?

Mr. SHISKIN. Well, these are the kinds of questions I would like to think about before responding right on the spot, but I think that in increasing the price of gasoline to the extent that it would reduce the use of automobiles would inevitably be a depressing factor on the economy.

Senator HUMPHREY. I did not get that.

Mr. SHISKIN. Would inevitably be a depressing factor on the economy.

Senator HUMPHREY. It would inevitably have a depressing effect on the economy? Now, you see, it is my judgment that before the Federal Government ever does any of these things like modification of tax structure, excise tax—puts on any of these regulations, that we ought to have an economic impact study. If you want to go on out here and build an airport, you have got to have an environmental impact study. If you want to put through a highway, you have got to have an environmental impact study. If you want to put up a nuclear energy plant, or a public utility, or a private utility, you have to have an environmental impact study. And yet, the Government of the United States will go into massive programs of weapons purchases or a cutback on weapons—we in the Congress, we will do this—or we will go into some kind of new regulatory mechanism, or some kind of new tax, without any real economic impact study, before we act. It does not do any good to get it afterwards. The environmentalists would not possibly settle for an environmental impact study after you built the nuclear energy plant. They want it before, and I think that we have got to have some better information as to what is going to happen before we do some of these things.

That includes Congress. Before it starts running off, legislating willy-nilly, what is going to be its effect? Now, for example, the gasoline tax. Let us just assume it is only 10 cents. First of all, I am opposed to it. I want you to know what my view is. In this country, the work force of this country, the factory worker, by the nature of our economy—due to the automobile primarily—has to have that car to get to work; and to say that a 10-cent gas tax would increase the CPI only six-tenths of 1 percent—that means, across the board, that includes stockbrokers, bankers, Senators, skilled workers, semiskilled, unskilled, unemployed looking for a job, driving around trying to find a job. Actually, a 10-cent gas tax on a worker in an automobile plant or in a textile plant, or in some small plastics plant, would have a much greater impact on his or her cost of living. And you put a 20-cent gas tax on people that have to drive 30, 40 miles—take a

look at what happens in most of our industrial areas. The people that work in town live in the country, and the people that live in the city work in the rural areas. That is what is beginning to happen—the big factories are put out around now, out around the countryside; so the work force that goes to those factories, as you see, every day—take a look right here. They are running on out 40 miles in their car, 30 miles, to get to their job.

The bankers, the clerks and the commercial operators, the insurance brokers and so forth, they are living out in the country, and then they come on down to the brand-new office building downtown. This is exactly what happens where I live. I live 40 miles west of Minneapolis, and when I have to come to the airport to get an 8 o'clock flight, I have to leave at 6 a.m. in the morning or 6:30; and that road is jam-packed. People coming into town, and then people coming out of town to all of the little factories outside. So we have got a cockeyed, upside-down economy, primarily due to our means of transportation.

So this gas tax, I do not know whether anybody asks you for your opinion in the Government, but if they do, I want to tell you, if you want to see all the hell break loose around this town, you just add a 30-cent gas tax. And I do not care how much kind of gimmickery they put on about refunds and what have you; the average worker does not get his refund very quickly, and the average worker knows that the Government takes him for a ride. They withheld on withholding tax some $6 billion or $7 billion a while ago, and did not pay anybody any interest. Anybody else would do that, they would put you in jail. But the Government of the United States goes willy-nilly withholding more than they ought to from workers, denying them that income when they need it, and they say, why, that was a little clerical error over in the Internal Revenue. But you make a few clerical errors for the Internal Revenue and see what happens. They have got 16 lawyers on you, and four investigators, but the Government just goes right ahead. And I pity the poor worker that expects he is going to get a refund. He will get it—that is, his grandchildren will get it. It will be part of the estate.

So, no sale right now—absolutely no sale right now. And I would contend that the Senate has some wonderful rules. We can debate a long time. We will have a new source of energy before that happens, I am afraid.

Now, let us see here; I had another little matter I wanted to get into. Have you any figures at all on consumer credit?

Mr. SHISKIN. No, sir. The BLS does not put them together. They are put together by——

Senator HUMPHREY. Let me ask you something. We have got the President's Council of Economic Advisors. Do we have any mechanism here besides that Cabinet operation that the President announced the other day to pull together all of this economic information? Or do we just have you, Mr. Shiskin, a distinguished man, and I expect you to come up here with your unemployment statistics, your work force statistics, as a sort of member of the United Nations, with sovereignty. And then we get someone over here, we get Alan Greenspan, who comes in, and then we get Mr. Dent from Commerce, and then we get Mr. Brennan from over here. Does any-

body ever get together to kind of just talk it out, and see what kind of a fix we are in, and what we might want to do?

Mr. SHISKIN. I am sure they do. Well, let me——

Senator HUMPHREY. Have you been involved?

Mr. SHISKIN. I have been involved many times.

Senator HUMPHREY. Are you brought into those meetings?

Mr. SHISKIN. Some of them.

Senator HUMPHREY. You ought to be in all of them. You know more than most of them.

Mr. SHISKIN. For example, there will be a meeting on Tuesday of a group of Treasury consultants.

Senator HUMPHREY. I am very suspicious about when the Treasury starts managing the economy.

Mr. SHISKIN. I was giving you one example. There are many groups. I am involved in a few, but not in all of them. But let me get to the specific question on statistics. First of all, there is an office in OMB, a Statistical Policy Office, which has the responsibility of coordinating all Federal statistics. I was head of that office for 4 years, immediately before I took this job; and we rode herd on the statistics programs.

Second, there were numerous Government publications: Economic Indicators, which this committee puts out, and Business Conditions Digest, which the Commerce Department puts out, which do bring all these figures together.

Senator HUMPHREY. Well, I know that. But what I am getting at—is there an action policy group, you know? Let me give you an example. You go to the hospital, and you are a pretty sick person. If you have got a good doctor, your primary doctor calls in the consultants, and they talk it out, and he does not just rely on himself. He wants to have the whole picture, and I know about these documents. The warehouses are full of these documents. The whole country has been inundated by the paper, the paper that Government—what I am really getting at is, I would like to see us put out fewer of these papers, and get some people together, and start knocking heads together and see what we are going to do.

For example, how do you think a public service jobs program would react? If we appropriated $5 billion, which is much less than unemployment costs us, and we were able to get 840,000 jobs, do you support a public service program? Have you advised and counseled on that?

Mr. SHISKIN. Well, I have discussed that with Secretary Brennan, but I think it is more appropriate for him to comment on that than for me to comment on it.

Senator HUMPHREY. What do you think? Do you think it would be helpful? I mean, I am just—let us put you down as a good, taxpaying American.

Mr. SHISKIN. It certainly would be helpful for the people who would otherwise be unemployed.

Senator HUMPHREY. Pardon, sir.

Mr. SHISKIN. It would certainly be helpful to the people who would otherwise be unemployed.

Senator HUMPHREY. Do you think it would be otherwise helpful?

Mr. SHISKIN. Well, again, it is like the gasoline tax.

Senator HUMPHREY. Is it a good public policy, I am asking you—do you think it is a sound public policy?

Mr. SHISKIN. Senator Humphrey, I feel it is inappropriate for the Commissioner of Labor Statistics, as Commissioner of Labor Statistics, to comment on that question. The reason is this. There is a division of responsibility in the Government. We have the responbility for putting these figures together and explaining them, and that is what we are doing. But I do not think it is appropriate for me to try to do what our bureau is not authorized to do, or requested to do, in public. However, privately, I will be glad to give you my opinion.

Senator HUMPHREY. All right.

Just a final note here on low-income families that do not even file income tax returns, because they have got no reason to file them. How will they, who would undoubtedly be injured more severely than anyone else, and are hurt more by inflation—how would they receive any rebate on the gas tax hike? How could they get a tax credit?

Mr. SHISKIN. As far as I know, there is no plan at the present time—it is certainly not the responsibility of my department, and I really cannot comment on it.

Senator HUMPHREY. But, you see, this is what—I understand you could not comment. I realize your position. But this is what bothers me. We have got people around here making these decisions that seem to forget that there is a large segment of our population—some 20 percent or over, it is more than that—that are in the poverty area. And yet, they have got to have some means of communication, transportation. Many of them use public transportation, where it is. Many of them have got old jaloppies. But they have got to buy this gasoline, and it is already up to 50 cents a gallon. Their engines are poor. The car does not work well, and they tinker around and put it together. We see it all the time.

Now, you get 10 cents gas tax—let us take the lowest one. I think they are kind of finagling the figures. I think they would like to scare us with 30, and get us to settle for 10. It is kind of a political collective bargaining—and then, they are going to tell you that we are going to give them a tax credit. Well, how can you give somebody a tax credit that does not pay any income taxes? They are paying lots of other taxes—excise taxes, all kinds of sales taxes. They are taxed, do not worry; they are taxed more than most people. But a Federal income tax they do not pay, and I just think that some folks need to get on out and travel around the country, and get away from the city; or around up to U Street, 14th, northeast, southeast Washington; get away from where we are.

I have to say this respectfully, and yet firmly; I hear so many proposals around here that do not relate to the real problems of the country that it is frightening. You do not need to talk to some banker about that. You need to talk to somebody that cannot find a bus—that cannot find a bus, and all they have got is a beat-up old car. So, using you as a foil, I may say a bit here, to get my views out on this gas tax—I know it is supposed to conserve energy, but it will not conserve 1 pint of energy for people that want to drive their car, and have to. You cannot walk 40 miles and be on time, or 20 miles and be on time. I think we need a study as to find out where

the jobs are and the people; how far does a person have to drive to get to his job, how far does the automobile worker have to drive to get to his job in the automobile factory? And I think when you find that out, you will find out that the gasoline tax, if it is put on, will not conserve energy. What it will do, it will just sock it to them, as far as the average working person is concerned, and boy, that is not going to happen.

So, go back and tell them that we shot that duck down before they got it to fly.

Chairman PROXMIRE. Mr. Shiskin, let us review quickly, on table A of your press release, to determine which of these increases in unemployment are statistically significant, and which are not; because I know it varies, and the amount does not tell you. We have to know the size of the sampling, and you are the expert who can tell us about it.

First, adult women, from 5.2 to 5.7 percent. Is that increase statistically significant?

Mr. SHISKIN. Adult women?

Chairman PROXMIRE. I am talking about the increase from August to September, 1974.

Mr. SHISKIN. Yes. The answer is yes.

Chairman PROXMIRE. The answer is yes? All right.

Teenagers up from 15.3 to 16.7 percent.

Mr. SHISKIN. Yes.

Chairman PROXMIRE. That is, too? All right.

Then, the next is white, up 4.8 to 5.3 percent.

Mr. SHISKIN. Which white are you referring to? The total?

Chairman PROXMIRE. I am talking about the total.

Mr. SHISKIN. Yes.

Chairman PROXMIRE. All right.

The next figure that I am concerned about is, Negro and other races, 9.2 to 9.8 percent.

Mr. SHISKIN. No.

Chairman PROXMIRE. That is not? Why—your sample is too small?

Mr. SHISKIN. Yes, it is too small. It is a small sample.

Chairman PROXMIRE. How big an increase do you need before it is significant?

Mr. SHISKIN. I cannot answer that. I do not know.

Chairman PROXMIRE. You do not know?

Mr. SHISKIN. But you know, Senator, if I may go back the point I made again and again today. There is no doubt we have had a substantial rise in unemployment. What convinces me above all is how widespread it is; and it has been part of a trend. And while I am perfectly——

Chairman PROXMIRE. That is why I want to go over each one, so that we can be sure that we know what we are talking about when we say the statistics make it very clear that there has been an increase in unemployment in this category, and you have answered affirmatively for every category except for blacks.

Household heads—that is an increase from 3.1 to 3.4 percent.

Mr. SHISKIN. I do not have them quite in your order. Yes.

Chairman PROXMIRE. And full time workers? That is the last category I will ask you about. That is from 4.8 to 5.3 percent.

Mr. SHISKIN. Yes.

Chairman PROXMIRE. All right.

Now, I would like to ask you about another statistic that seems to be somewhat contradictory. Average duration of unemployment—now, that is a significant figure, it would seem to me, in terms of the impact, the misery and pain of unemployment. That has dropped from 10.0 to 9.6 percent. How do you explain that, with everything else getting worse?

Mr. SHISKIN. Well, you know, that series does not move in conformity with a series like total employment or unemployment or GNP; and the reason is as follows. Let us say, you have a period of relatively stable employment, as we had for the first 6 months of this year. Now, you get a surge of new unemployed, so they are unemployed only 1 week. They bring the average down.

Chairman PROXMIRE. I see. I am glad to get that clarification. That is helpful.

Now, you also have a category here, nonfarm payroll employment —not unemployment, employment—and you place a lot of reliance on the fact that employment went up, total employment went up. That did not change at all?

Mr. SHISKIN. No. That series has been flat since last May. It is total employment——

Chairman PROXMIRE. It seems to me that is more reliable than the overall figure, inasmuch as these are the people that you have direct payroll data that you can verify. So you do not have an improvement in employment on payroll.

Mr. SHISKIN. But as I pointed out earlier in our discussion, what has typically happened during recession periods is that that series has declined, and it has not declined.

Chairman PROXMIRE. It has not increased any, and in a growing country, it certainly ought to.

Mr. SHISKIN. Again, I would say——

Chairman PROXMIRE. More people entering the labor force and all.

Mr. SHISKIN. Sure. I am not saying that flat employment is good. I am just saying that people argue about the word recession. Technically, it requires a decline in employment, and we have not had it.

Chairman PROXMIRE. All right.

Now, what time of day are your statistics to be released on unemployment?

Mr. SHISKIN. We release them at 10 a.m. We put them on the press table at 9:30 a.m. They are available for the press at 9:30 a.m.

Chairman PROXMIRE. What exceptions do you have to that?

Mr. SHISKIN. We have been tightening up our advance release of data procedures in recent months, and we turned the screw another notch yesterday. Yesterday afternoon, I called four of the principal officials in the Government—my immediate boss, Mr. Brennan——

Chairman PROXMIRE. Secretary of Labor?

Mr. SHISKIN. Yes. This is a little after 4 p.m.

Chairman PROXMIRE. All right.

Mr. SHISKIN. Alan Greenspan, Roy Ash, and Arthur Burns. I tried to reach Secretary Simon, but I was not able to, and I gave the others these figures at that time, roughly between 4 and 5 p.m.

Chairman PROXMIRE. So, you called four or five of the top officials in Government, the people that you listed?

Mr. SHISKIN. I did yesterday, yes. Previously, we gave out the tables at 3 p.m. the day before. But we are moving to tighten up the procedures.

Chairman PROXMIRE. Well, now, as you know, the Columbia Broadcasting System was able to release this information in advance. In fact, they broadcast it at 9 a.m. this morning, and they undoubtedly had it before that, and this is most troublesome. We do not have it, the members of Congress do not have it, other members of the Council of Economic Advisors do not have it.

Mr. SHISKIN. Sir, if it is true—now, as I understand it, what CBS said, what somebody told me they said at 9 a.m. was, there will be a sharp rise in unemployment.

Chairman PROXMIRE. My understanding is, they said 5.8 percent, and that members of the staff heard that on the radio by CBS. They hit it right on the nose.

Mr. SHISKIN. Let me just continue my description of the procedure. Our official hours start at 8:15 a.m. We make these figures available to the technicians, the staffs of the different agencies. We did so this month at 8:15 this morning.

Chairman PROXMIRE. You gave it to the staffs of the different agencies at 8:15?

Mr. SHISKIN. We made them available. I do not know how many of them took us up. Most of them do not report to work at that time.

Chairman PROXMIRE. What do you think can be done, because this is disturbing. It seems to me it is proper that everybody get it at the same time. It is unfair to the other news media, it is unfair to Members of Congress. We are asked for a comment; we should have it when others have it, and not later.

Mr. SHISKIN. Well, we used to give out the figures earlier in the day before, like in the morning.

Chairman PROXMIRE. For release at a certain time?

Mr. SHISKIN. Yes. Then, several months ago, we tightened up. I found during the first 5 months I was Commissioner of Labor Statistics, we had three leaks of important figures, so we tightened up. Now, there are other agencies involved, and the Department of Commerce, as you know, has problems with their GNP and their trade figures; and the Agriculture Department has sensitive figures. So there is an interagency group concerned with this, and it has been moving to tighten up the procedures. Yesterday was one step in that direction.

Now, you can obviously go further. You can just say that only the statistical producing agencies should have the figures until the time of public release. Now, you have got to take a look at the trade-offs.

Chairman PROXMIRE. Why do you not do that? What value is it to give it to these other gentlemen? They are very fine, very able people—Mr. Burns, Mr. Greenspan, and Roy Ash, and so forth—but they probably do not even ask for them, do they?

Mr. SHISKIN. Oh, yes.

Chairman PROXMIRE. They do ask for it in advance? They want it in advance?

Mr. SHISKIN. Yes, sir.

Chairman PROXMIRE. Well, we ask for it, too. I would sure like to get it in advance.

Mr. SHISKIN. I think you have got a good point, and I do not know quite how to resolve it. But you have got to ask yourself another kind of question. Is this such a big deal? I do not like to see figures released early, because I do not like to see leaks, because it affects our credibility. It affects the credibility of the BLS when the figures are leaked out. But you have just got to ask the general question; how far do you want to go, and what is the cost of, say, an occasional leak?

Chairman PROXMIRE. I cannot imagine why in the world it would make any difference whether these men got this at 10 a.m. or got it at 8 a.m., or got it the day before.

Mr. SHISKIN. Senator Proxmire, I am reminded of——

Chairman PROXMIRE. No policy is going to be changed on that basis.

Mr. SHISKIN. I am reminded of a meeting I went to just before one of the national elections, and this was the night of the election, before the results were available. And one of the speakers on the program said, you know, I can really wait until tomorrow morning to find this out. And I think there is a lot to it; I said that many times myself.

Chairman PROXMIRE. Well, I will write you a letter, and I will write to Secretary Brennan, and recommend that you do not release the information to anybody until you release it at 10 a.m., and you release it to everybody at the same time.

Mr. SHISKIN. Does that include Secretary Brennan?

Chairman PROXMIRE. Maybe Secretary Brennan would want it. But I think he would see the wisdom in not having an exception, keeping it strictly with the professionals in the department.

Now, speaking about the unemployment statistics, the data makes clear the excessive impact on special groups—that is youth, women, blacks—I gather this situation still exists. Just last night, I heard that unemployment among Indians on reservations was close to 80 percent. Do you have any figures on that?

Mr. SHISKIN. It is too small a group for us at our present sampling level.

Chairman PROXMIRE. Do you try to get those figures at all on any basis, annually or quarterly? I have heard this again and again. Indians in my state, I know, are very heavily unemployed, but I have not seen the figures verified by you.

Mr. WETZEL. To quickly summarize the statistical material that is available, there is very detailed material available at the time of the census of population; and there are intermittent measures taken by the Bureau of Indian Affairs and the Department of the Interior, which has certain other responsibilities in this area. Our sample is insufficient to get any kind of data on Indians, and it would take a very considerable staff expansion targeted in on that population to get such statistics.

Chairman PROXMIRE. It is such a tragic problem for them. It is a very, very serious social problem. We would be in a much better position to develop policies that would be appropriate if we could have those figures. But you say that would take a special study, and it would be expensive?

Mr. WETZEL. Yes.

Mr. SHISKIN. Well, you know, this national sample, even if it gets expanded, as we hope it will, cannot get down to that small a group.

Chairman PROXMIRE. It cannot?

Mr. SHISKIN. Cannot, but you know, there are other ways of doing it. You can make special surveys of particular areas where they live, so what could be done—and as I have said——

Chairman PROXMIRE. What has to be done to provide for a special survey? Legislation?

Mr. SHISKIN. There has to be a sufficient amount of concern in Congress and the administration to provide funds and personnel enough for BLS to do it. We are a service agency, and as you know, if Congress and the administration agree, in their wisdom, that we should collect more data for Spanish Americans, or black veterans, or Indians, we will do it. There will sometimes have to be timelags, because it takes time to work out a program and get the staff set up to do it.

Chairman PROXMIRE. You should certainly look into it, and find out exactly what the cost is, and whether or not we can persuade our colleagues to fund it.

Our staff attended the recent meeting of the Federal Statistical User's Conference, primarily private economic advisers. This conference was on basic GNP and national income data, with reference to estimation of current trends. As you know, there have been very clamorous complaints about recent revisions, particularly in such areas as profits and inventory adjustments. The persons responsible for such estimates indicated a desire for better price data—namely, those of the BLS—but also implying needed new programs.

Do you want to comment on these suggestions?

Mr. SHISKIN. Yes; many of our discussions before this committee in the last year, and other committees, have concerned the CPI. Now, we have a new program—a greatly improved program—underway as you know. Unfortunately, the results will not be available until the spring of 1977. Now, when this program is finished, I think we will have two first-rate CPI indices: An all-urban consumer index and——

Chairman PROXMIRE. Let me ask you about that, because of course there has been such a tremendous reaction in the country to the inflation that has been revealed by Government statistics; and some people are feeling that they overstate the case, and some people argue the other way, of course. But is there any way—and you say the program needs to be improved in it—but is there any kind of a possibility that the statistics overstate the inflation, that we may not have the 11 or 12 percent inflation in the last year that the statistics indicate?

Mr. SHISKIN. There are very many mixed views on that. Many people think that——

Chairman PROXMIRE. By people, you mean experts?

Mr. SHISKIN. I would say so; intelligent economists, observers of the scene, think that the CPI is overstated for several reasons. One is that the food component, which is rising so rapidly, is still represented by 1960–61 weights.

Chairman PROXMIRE. Represented by 1960–61——

Mr. SHISKIN. Weights—the consumer expenditure survey we just finished covers 1972–73, and that is the first new survey since 1960–61. So we are still using the old weights.

Now, there has been a changing pattern in the distribution of consumer expenditures for some components. Food has successively gotten to be a smaller portion of the total in each major survey.

Chairman PROXMIRE. So, in 1960–61, people were spending 22 percent of their income on food, and today they are spending 17 percent. You go back to the 1961 figure and therefore distort the amount they spent on food, and exaggerate, if the price is up, exaggerate the impact.

Mr. SHISKIN. Yes.

The other reason that is given is that there is a great deal of substitution going on so that people who usually bought, say, steaks and high-priced services, are shifting to lower cost items. The real question is whether the relative movements are changing, but these statements are being made.

Now, on the other hand, John Layng, here to my left, is in charge of the Price Division, and he tells me that—you know, we get a tremendous amount of mail on the CPI—and he tells me that the mail overwhelmingly indicates when it discusses this problem, that we are underestimating the prices changes.

Now, we had a study made some years ago——

Chairman PROXMIRE. In other words, the mail is overwhelmingly saying that prices are rising more rapidly than you are reporting.

Mr. SHISKIN. Yes; these are mostly the housewives, the shoppers. They think our figures are wrong.

A few years ago, Jack Triplett, a member of our staff, made a study of bias in the CPI, considered all of these factors, and his conclusion was you cannot demonstrate any bias.

Now let me get back to your question. Last year the question arose in similar discussions and the question is, Could we conduct a kind of survey that would give us the CPI-revision results faster? Well, my answer when I looked into it, was "No," and the reason is that almost everything that still had to be done to get the new CPI was still ahead of us. For example, we had not conducted as yet the point of purchase survey to find out where people buy things. We had been conducting, or rather the Census had for us, a survey of what people buy, but we also had to conduct a survey of where people buy things. We still have many steps ahead of us. We have to process all of the consumer expenditure data and the point of purchase data, and we have to negotiate with the retail stores to get them to agree to report. You know, the CPI is a voluntary survey. So we have a lot ahead of us.

But Senator Proxmire, there is one very important thing that can be done to avoid this situation in the future, and that is to abandon the decennial method of updating the CPI in favor of a current quarterly program. Then you would have a survey going on on a smaller scale every single quarter. We would get the results faster, by processing them faster, and they would also be more up to date. I think that is a major reform of the CPI system that needs to be gotten underway. I have requested planning funds for such a survey this year, and both the House and the Senate committees have approved. So I hope that my successor as BLS Commissioner in

future years will not have to answer questions like this, because BLS would then have an up-to-date CPI.

Now to get back to your question, much of the energies of the whole technical staff of the BLS in the field of prices has gone into improving the CPI, and I would say again, we are going to have first-rate data. When the report comes out, I think we will all be proud of it.

Now we will turn to the WPI, and I hope that within the next few years we can come up with a program as good as the present CPI program.

The year before last, the previous fiscal year, we got something like $400,000 to carry on this work on the WPI, to improve the WPI. This fiscal year, the 1975 budget, we got $450,000 in the budget. It may be the other way around $450,000 and $400,000. We are going to be expanding into new areas with that money, we are going to be updating the weights. So we are moving on the WPI. And, I think, given a few years, we will come up with a WPI revision program about which I would be able to make the same kind of statements as I made about the CPI. But right now there are a lot of problems with the WPI.

Chairman PROXMIRE. On Monday we are having hearings before this committee and we are going to have the chairmen of the boards of United States Steel, Bethlehem Steel, and Inland Steel. The chief executive officers of those three companies will appear before us. We are considering the steel industry, including inflation in the steel industry, particularly the report on the wholesale price index that there has been an increase of about 44 percent in the price of steel at wholesale in the last year. How valid are those figures? Do you feel they are completely reliable? Is there any question about it? Could they be bigger or smaller?

Mr. SHISKIN. Senator Proxmire, I have a question about every figure the BLS puts out. You can never be sure it is exactly right.

Chairman PROXMIRE. Well, I want to know the degree to which you have confidence.

Mr. SHISKIN. However, now as head of the BLS I would have to say they are very good. But here you have an expert to my left, and if you allow him to try to answer your question——

Mr. LAYNG. Well, as far as we know——

Chairman PROXMIRE. Would you identify yourself for the record?

Mr. LAYNG. John Layng.

Chairman PROXMIRE. All right.

Mr. LAYNG. Our feeling is that the steel price data we have are good in the present situation where there has been a great increase in demand. Perhaps the "list transaction price problem" has not caused as much difficulty as it did in the past, but there is a question as to how prices like this should be collected. And one of the long-term objectives we have is to look at the buyers' prices for things like steel move differently than "sellers' prices." It is in our long-term plans to look at the steel industry.

Chairman PROXMIRE. When you have this kind of a sharp increase, I would think that there would be a tendency to understate it inasmuch as the listed prices would be honored much more now than they would be in a period where you do not have, as you say, as sharp a demand.

Mr. LAYNG. That is right.

Chairman PROXMIRE. In other words, people would be selling below list and you might not be able to get that.

Mr. LAYNG. That is correct.

Chairman PROXMIRE. So if anything, the 44 percent might understate the price increase. Is that right?

Mr. LAYNG. It is possible in terms of the change. I think the change you are talking about is a year-to-year change, 44 percent.

Chairman PROXMIRE. That is right.

All right. The GAO and other agencies are making studies of Federal Government productivity. Why is not the military measured? Personally, I find it inconceivable that the BLS may be sanctioning a base period change which, in effect, conceals military inefficiency.

I understand the Pentagon boys have shifted to a 1972 base, one of the Government's most inefficient and a drop in comparison with 1970, or World War II.

Mr. SHISKIN. I am not on top of that, Senator Proxmire, but I believe Jerome Mark is in the room, and if you will allow him, he perhaps can come up here and answer that question.

Chairman PROXMIRE. I meant 1967, not 1970. You use the 1967 base period.

Mr. MARK. That is right, fiscal year 1967.

This is still a developmental program, Senator, and we have been expanding the coverage to the extent that we can. In the Defense Department we do have some agencies. These are some activities within the Defense Department in which we have had problems in defining output, and the question is really serious in terms of defining military output. We have not been able to resolve these yet.

In the Defense Department we do have measures for some components. We have the defense supply agency, the hospital components of the Air Force, the Army and the Navy, and some other elements of the Defense Department, but we have not been able to define output in a way that we could to provide a measure for military activities.

Chairman PROXMIRE. I hope you do because there has been a lot of talk about increasing efficiency in the Government, getting more for your dollar out of the Government. It is all talk and rhetoric, it seems to me, until we get the figure. Once we get the figures so that we can measure productivity increases or decreases, we will be in a position to provide a real incentive for increasing efficiency and productivity. And there is no area where this would be more useful, it seems to me, than in the military, because by and large this is under our direct control, it is not a matter of grants or anything like that, to some other body of Government. It is a matter of the Government employing people, buying materials and equipment, and here, it would seem to me, that if we get the proper measure of productivity and measure it, we would be in a much stronger position than we are.

Now I understand at the present time 60 percent of the jobs in Government other than military are measured.

Mr. MARK. Yes, sir.

Chairman PROXMIRE. But we do not have any substantial measurement in the military, is that not right?

Mr. MARK. That is right. We have, as I mentioned earlier, some components of the Defense Department, but not as much as we would like. And we are trying to expand it.

Chairman PROXMIRE. Well, that is an understatement. We have very little. What proportion of jobs in the military are measured?

Mr. MARK. I do not remember the figure offhand, but I would be happy to supply it to you.

Chairman PROXMIRE. It is very small, is it not?

Mr. MARK. Yes, it is.

Chairman PROXMIRE. In fact, none of the people that are actually in the uniformed services are measured, are they?

Mr. MARK. No. In the Air Force we have the overhaul, maintenance, and repair operation. We have the defense supply agency, which is not a small organization. And, as I mentioned, we have the Air Force, Army, and the Navy hospitals. There are some other agencies which I cannot recall offhand. But while the Defense Department is a very large establishment, and this may not seem a large component of it, it still represents a significant number of employees in the Government service, the group that we do have.

[The following information was subsequently supplied for the record:]

Thirty-one percent of civilian jobs in the Defense Department are measured.

Chairman PROXMIRE. All right. Mr. Shiskin, in conclusion, once again, I would hope that you would reconsider and I really seriously mean this, the possibility of having press conferences every month to announce these figures and be available at one time and one place so that newsmen could be there to ask you directly about the significance of the changes. These hearings, I think, are most helpful. They are helpful to me and I think helpful to the others on the committee who would read the record. But I think if you have those press conferences, they would be far more helpful to people throughout the country.

Thank you very much.

The subcommittee will stand adjourned.

[Whereupon, at 12:40 p.m., the subcommittee adjourned, subject to the call of the Chair.]

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