

FEBRUARY 1944

SURVEY OF

**CURRENT
BUSINESS**

**UNITED STATES DEPARTMENT OF COMMERCE
BUREAU OF FOREIGN AND DOMESTIC COMMERCE**

Survey of

CURRENT BUSINESS

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Statutory Functions "The Bureau of Foreign and Domestic Commerce . . . to foster, promote, and develop the foreign and domestic commerce of the United States" [Law creating the Bureau, Aug. 23, 1912 [37 Stat. 408].]

Department of Commerce Field Service

Atlanta 3, Ga., 603 Rhodes Bldg.
Boston 9, Mass., 1800 Customhouse.
Buffalo 3, N. Y., 242 Federal Bldg.
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Cincinnati 2, Ohio, Chamber of Commerce.
Cleveland 14, Ohio, 750 Union Commerce Bldg.
Dallas 2, Tex., Chamber of Commerce Bldg.
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Savannah, Ga., 403 U. S. Post Office and Courthouse Bldg.
Seattle 4, Wash., 809 Federal Office Bldg.

Contents

	Page
ECONOMIC HIGHLIGHTS	1
THE BUSINESS SITUATION	2
The Federal Budget	3
Inventories and Shipments	4
Manpower	5
Agriculture	7
CAN BUSINESS FINANCE THE TRANSITION?	9
RETAIL SALES OF CHAIN AND MAIL-ORDER FIRMS	12
STATISTICAL DATA:	
Table 1.—Department Store Sales, Dallas Federal Reserve District	20
Table 2.—Dividend Payments by Industry Groups	20
Monthly Business Statistics	S-1
General Index	Inside back cover



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Economic Highlights

War Bond Sales in 1943

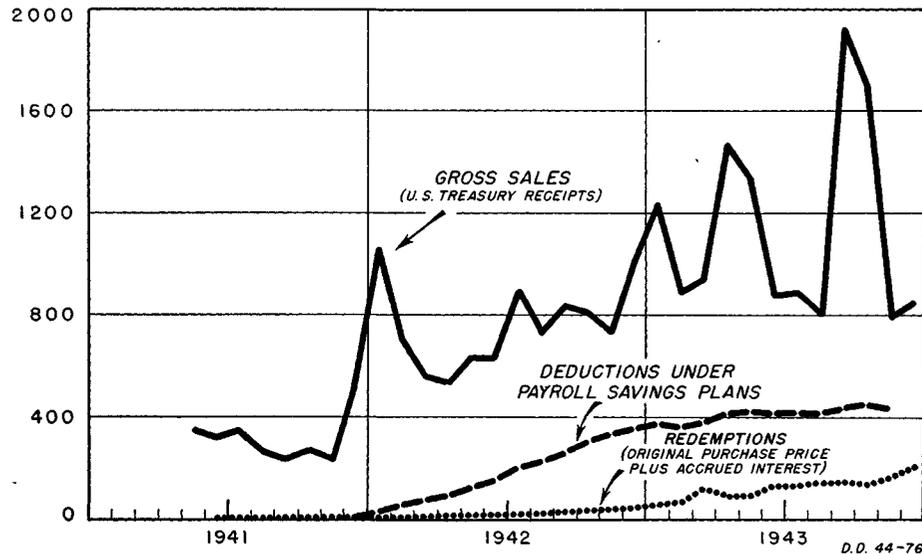
Funds received from the sale of war bonds (Series E, F, and G) in 1943 amounted to 13,729 million dollars. Of this total, 5,440 million dollars or 40 percent was collected during short intervals covered by the second and third war loan drives. All but approximately 500 million dollars of this sum came from individuals.

In contrast to the intermittent flow of funds from the two 1943 drives, the Treasury was able to rely upon a steady receipt of funds through employer deductions from wages and salaries under the Pay-Roll Savings Plan. Receipts from this source amounted to about 5.0 billion dollars in 1943, approximately 35 percent of all receipts from the sales of savings bonds. Sales made during war loan drives in 1943 together with payroll deductions, part of which were included in the drives, amounted to about 70 percent of total funds realized from sales of war bonds.

The expansion of the contribution of individual savers in the borrowing program of the Treasury was, however, retarded to a considerable extent by the rising trend during the year of war bond redemptions. Bonds cashed in passed the 200 million dollar a month mark for the first time in December 1943, making the total redemptions for the year about 1,504 million dollars. Hence the net cash yield to the Treasury from the sale of savings bonds amounted to 12,225 million dollars.

War bond purchases in 1943 reflected a tendency on the part of income recipients to invest a greater share of their disposable income and savings in Gov-

MILLIONS OF DOLLARS



U. S. Savings Bonds, Series E, F, and G: Sales, Redemptions, and Pay-Roll Deductions.

ernment securities. Net sales of series E bonds, held solely by individuals, were 7 percent of disposable income and 27 percent of net savings of individuals in 1943 in contrast to the situation in 1942 when these shares were 5 percent and 22 percent respectively. The increase during 1943 in savings bonds outstanding represented slightly more than one-fifth of the total increase in the direct public debt. Whether this record can be bettered in the year ahead depends not only on continued employee participation in the Pay-roll Savings Plan, but also on

even greater support of the 1944 war bond drives, the first of which is now drawing to a close.

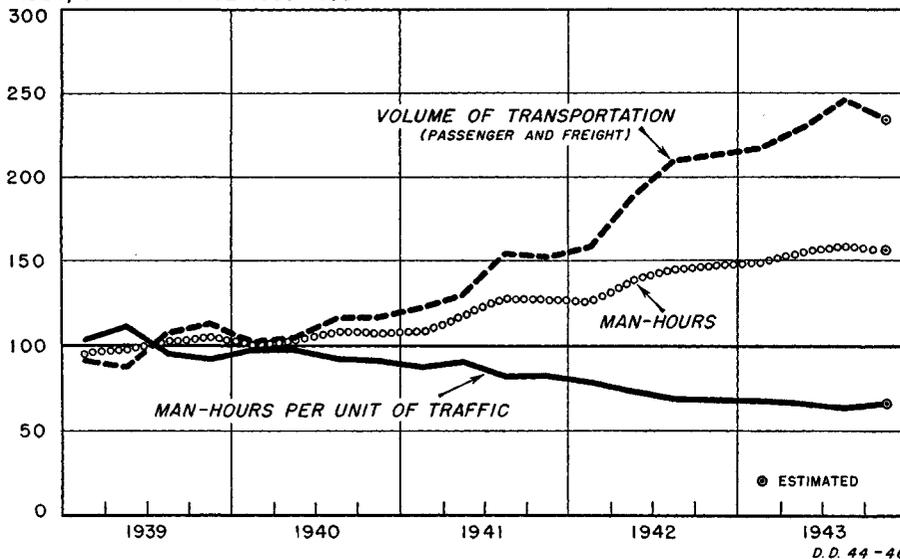
Railroad Productivity At Peak

The requirements of the Nation's war effort for an ever-increasing output of transport services has placed tremendous pressure upon the railroad system. With little increase in rolling stock the carriers have succeeded in meeting demands made upon them through more effective use of available equipment and manpower. A comparison of major indicators of equipment utilization for 1939 and 1943 shows increases of 26 percent in average load per freight car, of 144 percent in average number of passengers per car, and of 8 percent in number of freight cars per train. In addition, the average haul increased during this four-year period by 34 percent.

The cumulative effect of all these factors is best measured in terms of the productivity of railroad labor shown in the accompanying chart. Total output of railroads (measured by weighted index of net ton-miles and passenger-miles) increased 132 percent from 1939-43. This increase in performance was achieved by an increase of only 54 percent in railway man-hours. Thus, in 1943 man-hours per unit of traffic volume were one-third below the 1939 experience.

It is important to note that the rate of increase in productivity of railroad employees was retarded considerably during 1943 and that traffic volume per man-hour appears to have reached a peak. Since it is estimated that 1944 requirements for ton-miles will be 5 percent higher than in 1943 and passenger miles will be 15 percent higher, the railroads face continued difficulties.

INDEX, DAILY AVERAGE 1939 = 100



Man-Hours and Volume of Transportation, Class I Steam Railways, Excluding Switching and Terminal Companies.

Retail Sales of Chain and Mail-Order Firms

By Reba L. Osborne, Current Business Analysis Unit

The chain-store industry has long been an important factor in our retail economy and has contributed much to the development of merchandising methods. Chain stores are operated in every State in the Union and in the District of Columbia. Their aggregate sales, together with those of mail-order houses, reached a record level estimated at 14.5 billion dollars in 1943. This sum represents nearly one-fourth of the Nation's total retail business, and indicates spending of 113 dollars per capita by civilian population in chain stores last year.

In recent years, almost 40 percent of the grocery store trade, in itself over one-fifth of all retail store sales, has gone to chains; nearly 90 percent of the variety store business is done by chains; shoe, department and dry goods stores account for 50 percent each, and clothing and drug 25 percent; the mail-order business is almost entirely chain operated. Other important chain trades include automobile accessories, lumber and building, hardware, home furnishings, and restaurant.

No comprehensive measure of the volume of business for the chain-store trade as a whole has existed, nor were data available for many important kinds of chain-store activity. A measure for part of the chain business has been available in the indexes of the Bureau of Foreign and Domestic Commerce which covered variety, grocery, and drug chains, and in the Chain Store Age Index which is based on a limited sample of the trade.

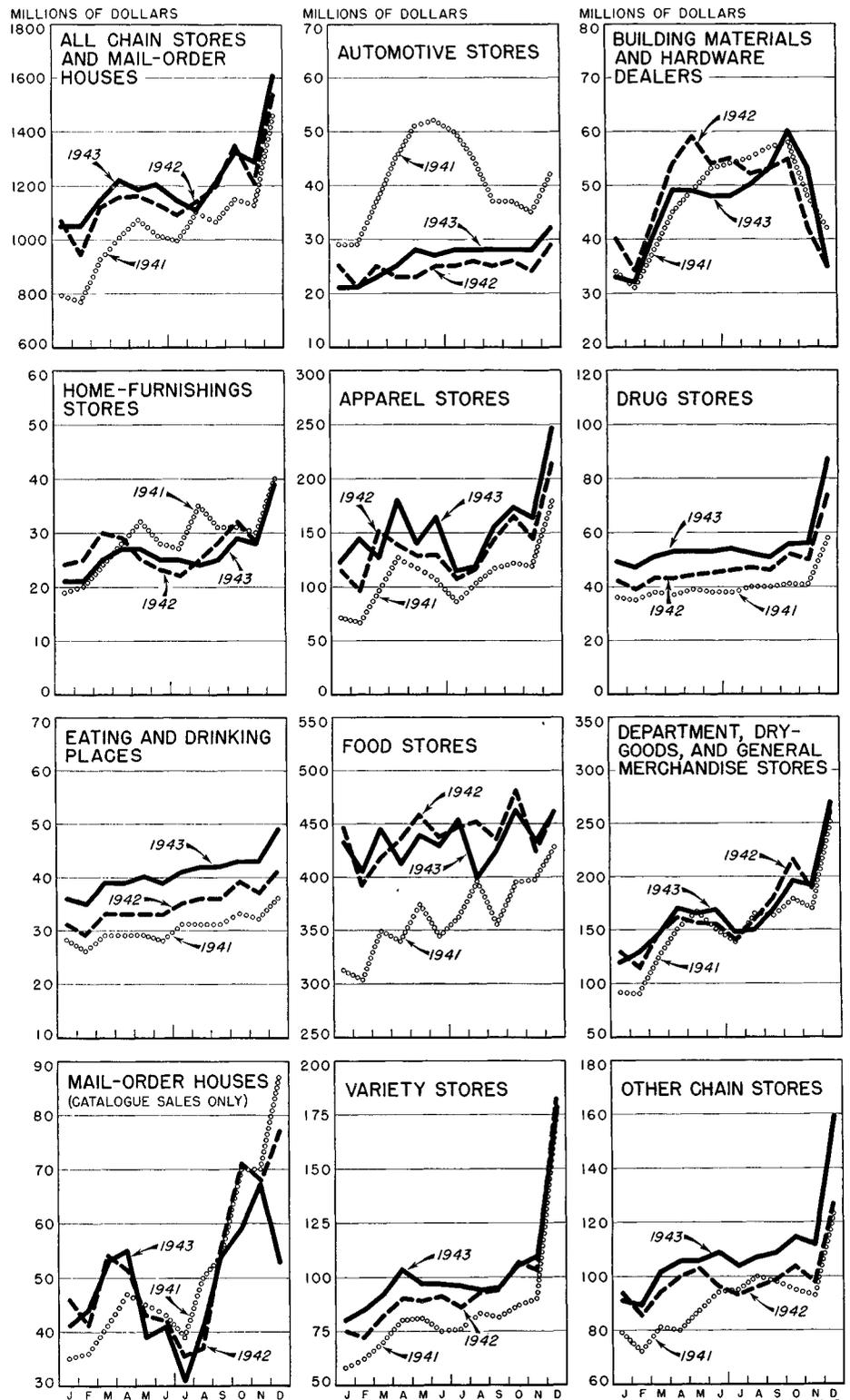
In view of the urgent need of more comprehensive information on chain-store activity and on retail trade in general, the Bureau of Foreign and Domestic Commerce has recently extended its coverage of the chain field. The present survey covered all important chain trades for which satisfactory information had heretofore been lacking. As a result, more than 500 chain organizations operating some 37,000 store units with sales aggregating nearly 8 billion dollars in 1942, representing more than 50 percent of the total chain store business, are now reporting current sales information to the Bureau regularly and have provided historical data back to 1935. These data, together with information from other sources, have been used to describe the movement of retail trade in general.¹

Estimates of total dollar volume of chain-store and mail-order sales on a Nation-wide basis by major kinds of business have been completed. They are herewith presented, together with corresponding indexes designed to measure changes in consumer buying in the trade.

The series of dollar volume and indexes supersede all other data on chain-store and mail-order activity previously pub-

lished by the Department of Commerce. The trend in sales of the principal chain-store trades is shown in chart 1.

Chart 1.—Retail Sales of Chain Stores by Kinds of Business.



¹The entire chain series was incorporated in the recently revised estimates of total retail trade, which appeared in the SURVEY OF CURRENT BUSINESS November 1943.

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