By Lawrence Bridge ☆

Business Investment and Sales Expectations in 1951

AMERICAN business, exclusive of agriculture, now has scheduled expenditures for new plant and equipment during 1951 at a new high rate of $23.9 billion, or $5.4 billion above 1950. If these plans are realized, capital outlays this year will be some 29 and 24 percent, respectively, above 1950 and the previous peak year 1948. The survey results indicate that each major industry and every size group of companies expects to expand its 1950 rate of investment, and that businessmen are planning to maintain a high rate of expenditures throughout 1951.[1]

Plant and equipment costs have risen about 7 percent between their 1950 average and the first quarter of this year when these programs were reported. On this basis, the indicated increase in physical volume in the 1951 programs is about 22 percent. However, on the assumption that businessmen allowed for a slight increase above current costs, the increase from 1950 would be in the neighborhood of one-fifth.

Businessmen are more moderate in their 1951 sales expectations. In general, the survey indicates little change from the high rate of current operations. With sales and profit expectations high and with the added impetus of possible restrictions on capital goods supply, the incentive to invest has been great. Defense plant and equipment expenditures are only a partial explanation of the high investment totals, since the reports reveal a general expansion of all types of capital facilities.

Further expansion anticipated

Businessmen report that they anticipate spending $11.6 billion during the first half of this year. (See table 1.) Thus the implied rise from the first to second half of 1951 is $700 million, or 6 percent. On a seasonally adjusted basis this figure would be reduced to 3 percent.[2]

However, past experience with anticipatory data has indicated that there is some tendency for the latter part of the year to be understated relative to earlier months of the year due to the lesser completeness of future plans as compared to near-term programs. This tendency is, of course, reinforced by cyclical influences in a period of rising business activity. The survey results thus imply a somewhat larger increase than indicated above in the projected rate of capital goods outlays in the second half of 1951. Relative to the second quarter rate, however, no appreciable increase is indicated—with further expansion in manufacturing, mining, and nonrail transport almost offset by downward or lagging tendencies in the other sectors.

[1] This summary is based upon reports, covering a representative cross-section of large, intermediate and small concerns, submitted between mid-February and mid-March to the Office of Business Economics and the Securities and Exchange Commission.

[2] In deriving this figure, the normal seasonal influence found in actual outlays reported for the fourth quarter has been corrected since the anticipatory statistics do not reflect the concentration of certain charges to capital account in the end-of-year statements.

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1951 programs increased

The present survey indicates that 1951 plant and equipment programs have been revised upward by 9 percent from the programs reported in a survey conducted early last December. This apparent rise in demand for new productive facilities has pervaded the entire business sector with practically every major group reporting increases in projected expenditures. The two reports of business projections of 1951 capital outlays follow:

	December 1950 anticipation	*Current anticipation*	*Percent change*
All industries	**21,880**	**23,910**	**+9**
Manufacturing	10,570	11,920	+13
Mining	820	890	+9
Railroads	1,360	1,520	+12
Other transportation	620	620	0
Electric and gas utilities	3,440	3,540	+3
Commercial and miscellaneous	5,070	5,410	+7

Capital goods costs rose about 3 percent between the two survey periods, and it may be noted that the average costs of capital goods now expected for the year as a whole may well be higher than that anticipated in the earlier survey, accounting for part of the upward adjustment in programed outlays. Moreover, the impact of Government direct and indirect controls was probably not so severe, either on profits or on the material supply situation, as had been anticipated earlier. The rapidly growing volume of certificates of necessity also had some influence.

In reference to the supply situation, which may be a limiting factor in the realization of these investment programs, it may be noted that businessmen were apparently able to invest more than previously anticipated in the fourth quarter of 1950 and the first quarter of this year.

Relative to the 1951 anticipations reported last December, the current survey of 1951 business budgets shows that manufacturers made the largest upward revision in spending plans (about 13 percent). Railroads have increased their schedules by 12 percent, while more moderate upward adjustments were reported by the other major industries. Within manufacturing, the largest upward revisions were in iron and steel, nonferrous metals and paper. It is interesting to note that the value of certificates of necessity granted in these industries was quite high compared with 1950 outlays.

Each major industry plans 1951 expansion

Every major industry was scheduling a higher rate of expenditures for new plant and equipment during 1951 (see chart 1). The largest increases above 1950 spending are planned by manufacturers and other nonrail transportation firms—45 and 40 percent, respectively. Railroads and mining companies are expecting to spend close to one-third

Table 1.—Business Expenditures on New Plant and Equipment, 1945–51 [1]

(Millions of dollars)

Industry	1945	1946	1947	1948	1949	1950	1951 [2]	1949				1950				1951 [2]		
								Jan.–Mar.	Apr.–June	July–Sept.	Oct.–Dec.	Jan.–Mar.	Apr.–June	July–Sept.	Oct.–Dec.	Jan.–Mar.	Apr.–June	July–Dec.
All industries	6,430	13,040	16,180	19,230	18,830	18,560	23,910	4,400	4,660	4,870	4,930	3,700	4,380	4,700	5,530	5,500	6,080	12,330
Manufacturing	2,210	5,010	7,400	8,240	7,250	8,220	11,020	1,850	1,820	1,600	1,830	1,620	1,800	2,060	2,700	2,070	2,900	6,220
Mining	410	500	600	800	740	830	800	190	190	180	180	150	190	180	200	190	230	430
Railroads	320	530	910	1,830	1,360	1,140	1,520	300	380	310	300	230	300	290	320	380	430	730
Other transportation	320	600	800	700	530	440	620	130	140	140	120	80	90	120	140	150	140	330
Electric and gas utilities	630	1,040	1,900	2,080	2,140	3,170	3,640	560	750	790	800	660	700	820	990	830	900	1,810
Commercial and miscellaneous [3]	1,450	3,300	4,430	6,300	6,120	4,920	6,410	1,360	1,200	1,260	1,320	1,060	1,180	1,240	1,440	1,300	1,460	3,050

[1] Data exclude expenditures of agricultural business and outlays charged to current account.
[2] Anticipated expenditures for 1951 were reported by business between mid-February and mid-March.
[3] Data include trade, service, communications, construction and finance.

Source: U. S. Department of Commerce, Office of Business Economics, and Securities and Exchange Commission.

more. The less-volatile gas utility industry has moved up expenditures by 12 percent while the commercial and miscellaneous group, which is already subject to construction restrictions, is up 10 percent.

These plans represent a continuation of the upward trend in outlays experienced by each industry in the latter part of 1950. As can be seen in chart 2, however, every industry except manufacturing and the electric and gas utilities spent less for the full year 1950 than it did in 1949. This year, all industries other than the nonrail transport group, expect to show new peaks in their additions to fixed property.

Changing Nature of Investment in Postwar Years

In certain respects, the very high planned expansion of productive facilities reported in the present survey of capital budgets represents a new and third phase in the postwar trend of fixed investment. The first phase, in the early postwar years, was characterized by rapidly increasing outlays for new plant and equipment reflecting primarily the war-time accumulation of demand for such goods and the pressure of demand generally in the economy—and, in smaller measure, the rising trend in capital goods costs. With the elimination of most of the backlog demand, the rate of increase diminished considerably during 1948 and came to a halt by the end of that year. During 1949 and in the first half of 1950—the second phase—the trend in capital goods investment was quite similar to that of over-all economic activity declining somewhat throughout 1949 and recovering in the first half of last year.

Though there was still some backlog demand particularly in the early part of this period, the factors motivating business investment decisions in 1949 and early 1950 came much closer to approximating those characteristic of normal peacetime years. The expenditures on new facilities in early 1950 were more in line with their past relationship to the physical volume of national activity than were earlier postwar periods.

The advent of Korean hostilities in mid-1950 brought on the third and current phase in the capital goods demand situation. The assurance of continuing high activity in the face of the uncertainty of future delivery of new productive facilities had a marked effect upon businessmen's investment decisions. In addition, many producers required additional capacity to meet both civilian and military demands.

Under these conditions, and with the still fresh memory of overtaxed productive facilities during the last war, contracts were quickly placed for facilities heretofore considered marginal or postponable and hasty steps were taken to initiate new projects. As additional evidence of the demand pressure in the second half of 1950, and early this year, machinery manufacturers' new orders, which had averaged about $2.2 billion a month during the first half of last year, increased to an average of $3.3 billion in the second half and to $4.6 billion in February of this year. Although some of these orders represented increased Government requirements, a substantial part of the rise reflected the enlarged investment programs of business.

The realization of investment programs

The 1951 investment schedules reported by businessmen should also be appraised against the background material gathered from past surveys of investment intentions. This experience includes four previous annual surveys, two special surveys and the regular quarterly surveys, which can now be compared with actual outlays for new plant and equipment.

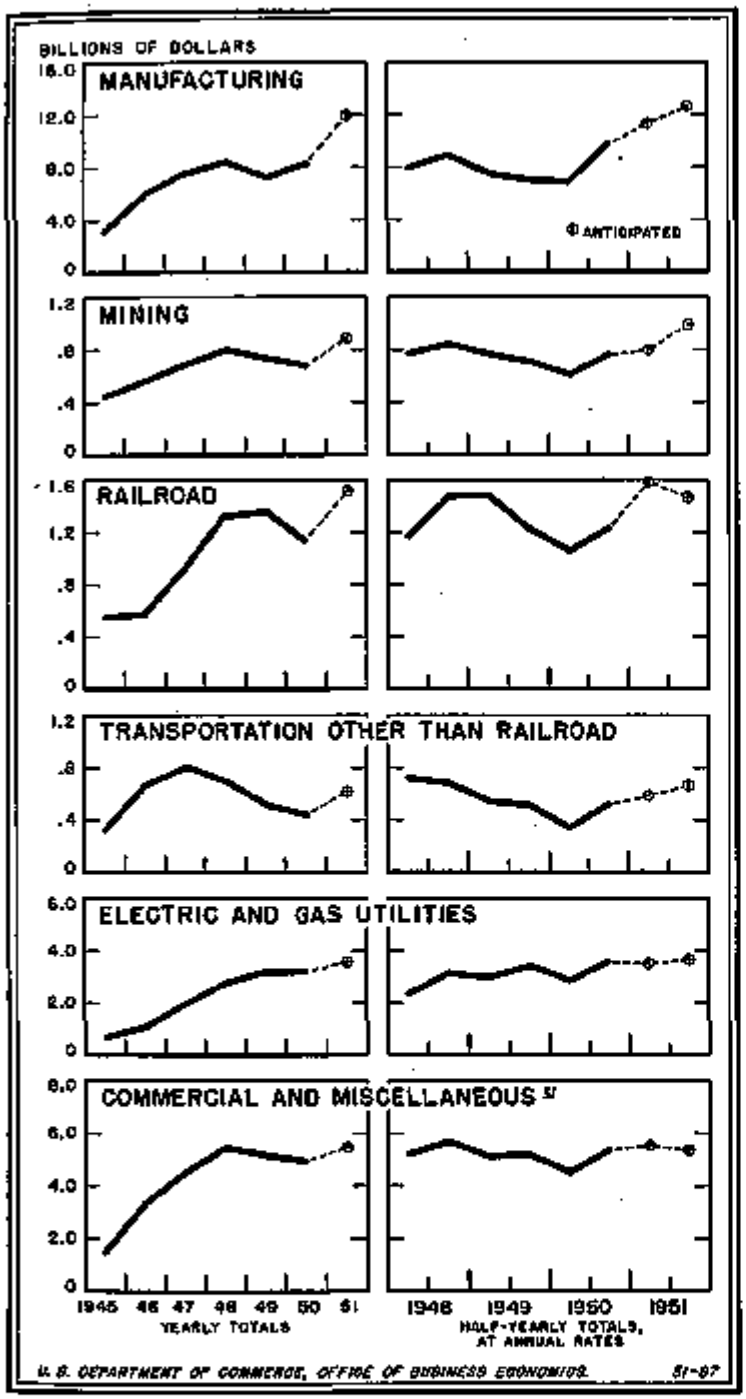
An intensive study has recently been made of both the nature of investment decisions and the factors resulting in deviations between actual and anticipated capital goods outlays.[3] This study examined the results of past surveys both in aggregate and by individual companies in the light of available external data such as type of company, size and form of investment and cyclical characteristics of the period. Direct information for the year 1949 was also obtained from the reporting companies themselves as to the reasons for changing investment decisions. Although the economic characteristics of the period covered in that study differ in many ways from those prevailing in 1951, many of the results are pertinent to the present survey.

A major finding of the study, which covered the 3 years 1947–49, was that the larger companies were much more accurate in their projections of investment than were the smaller firms. This finding was confirmed by a similar examination of the 1950 data. The present survey of 1951 capital budgets finds the larger firms anticipating the relatively greater expansion from 1950 outlays and therefore accounting for a larger proportion of the total investment program in 1951. For example, manufacturing firms with assets of over $100 million are planning a more than 60 percent increase in fixed investment outlays as compared to 45 percent for all manufacturing companies.

Another important factor resulting in deviations between projected and actual expenditures for new plant and equipment is the movement in capital goods costs. In all four of the past annual surveys, and fairly consistently in the quarterly surveys, businessmen have underestimated their outlays during the periods when prices rose and overestimated their outlays in other periods. Thus, the physical volume of investment has been considerably more accurately projected by these anticipatory data than has the dollar value. However, price regulations in force and in prospect

[3] See "Business Investment Programs and Their Realization," SURVEY OF CURRENT BUSINESS, December 1950.

Chart 1.—Business Expenditures for New Plant and Equipment, by Industry Groups [1]



[1] Data exclude outlays charged to current account. Anticipated expenditures were reported by business between mid-February and mid-March of 1951.
[2] Data include trade, service, communications, construction, and finance.

Sources of data: U. S. Department of Commerce, Office of Business Economics, and Securities and Exchange Commission.

may result in less disparity than usual between the actual cost of capital goods and that anticipated by businessmen in their budgets at the beginning of the year—although such regulations obviously contain some flexibility.

Two other findings are of interest in evaluating the current investment programs. First, firms planning large-scale investment relative to existing assets—a consideration which was unusually prevalent for 1951—were more accurate in their projections than firms anticipating minor expenditures. Second, there is some tendency for the forward spending plans as reported to understate actual outlays since businessmen are likely to omit their more tentative projects.

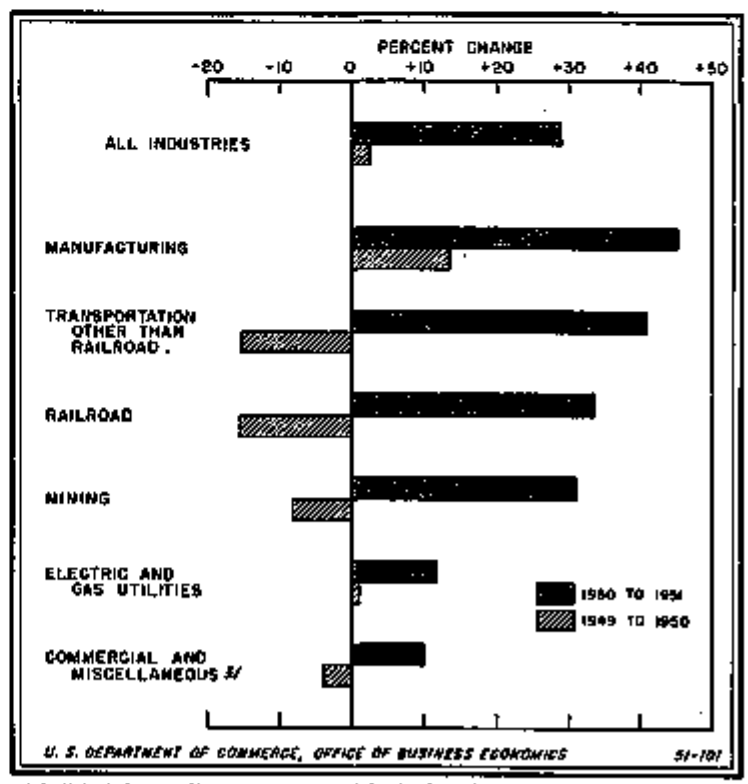
Investment programs are affected not only by the factors determining a firm's demand for capital goods but also by those determining the supply of such goods. As pointed out above, the material supply situation may prove to be a limiting factor in the current investment picture. The extent to which allowance for this factor was made by individual firms—or more importantly, firms in the aggregate—cannot be determined, though obviously the expansion was proceeding as of the end of the first quarter.

Assessing the net effect of the above factors, it would appear that a reasonably high degree of accuracy could be expected in projecting 1951 capital outlays on the basis of businessmen's anticipations, with some indication that given sufficient materials expenditures would be somewhat higher than reported. The availability of materials required for these investment programs is to a considerable extent dependent on near-term Government action in the field of material allocation and control. However, with the long lead-time involved in major construction projects it is likely that most concerns with substantial programs believe they have the materials in sight.

If necessary, further supporting action on materials will presumably be taken by the Government in defense related programs which account for the most significant part of the capital expansion programed for this year. Greater difficulty may be encountered in other areas.

As has been noted earlier the physical volume increase from 1950 to 1951 indicated in this year's plant and equipment programs is close to 20 percent, while preliminary estimates of "real" outlays in the first quarter of this year were at a rate almost 15 percent above 1950.

Chart 2.—Business Expenditures for New Plant and Equipment: Percentage Change Between 1950 and Anticipated 1951, and Between 1949 and 1950 [1]



[1] Anticipated expenditures were reported by business between mid-February and mid-March of 1951; expenditures for 1949 and 1950 are actual. Data exclude expenditures of agricultural business and outlays charged to current account.
[2] Data include trade, service, communications, construction, and finance.

Sources of data: U. S. Department of Commerce, Office of Business Economics, and Securities and Exchange Commission.

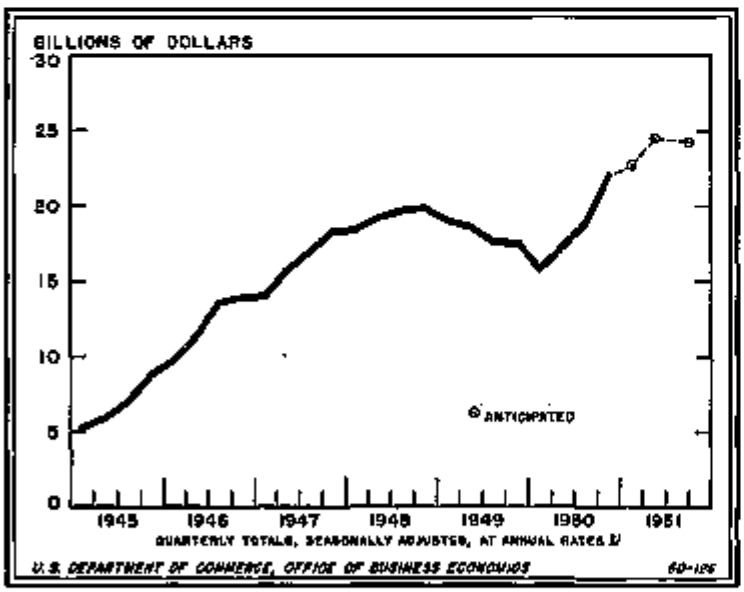
Quarterly trends

Actual outlays of $5.8 billion in the fourth quarter of 1950 and a preliminary estimate of $5.5 billion in the seasonally low first quarter were 8 and 14 percent, respectively, above previous expectations. The upward adjustment in the fourth quarter occurred in manufacturing and the commercial and miscellaneous group. In the former industry particularly, this reflected not only the rise in economic activity but also the systematic tendency to concentrate certain charges to capital accounts in the end-of-year statements. In the commercial and miscellaneous group, initiation of construction projects was probably stimulated by the imminence of the widely discussed Government control order on commercial facilities. This order was issued in mid-January.

While almost all industries and sizes of firms contributed to the upward shift in investment decisions in the first quarter of 1951, the relative increase was substantially greater in manufacturing than in any of the nonmanufacturing industries. The revision in manufacturing was over one-fifth—with nonferrous metals and electrical machinery the major contributors.

Anticipated outlays of $6.1 billion in the second quarter are, on a seasonally adjusted basis, 8 percent higher than in the first quarter. Relative to actual outlays in the second quarter of 1950—the immediate pre-Korea period—scheduled plant and equipment expenditures in the second quarter are two-fifths greater, with the industrial increases ranging from almost 60 percent in manufacturing to about 18 percent in the electric and gas utilities.

Chart 3.—Trend in Business Expenditures for New Plant Equipment [1]



[1] Data exclude expenditures of agricultural business and outlays charged to current account. Anticipated expenditures were reported by business between mid-February and mid-March of 1951.

[2] Latest plotting point is for the last half of 1951, seasonally adjusted, at annual rates.

Sources of data: U. S. Department of Commerce, Office of Business Economics, and Securities and Exchange Commission. Seasonal adjustment by Office of Business Economics.

Manufacturing area of largest expansion

Manufacturers expect to spend $11.9 billion in 1951 for new facilities as compared to $8.2 billion in 1950 and $7.2 billion in 1949. The $3.7 billion anticipated increase from 1950 accounts for over two-thirds of the projected rise by all industries. It is interesting to note that manufacturing outlays were also the most volatile sector in fixed outlays in the cyclical downturn and recovery in the 1949–50 period. Capital outlays in this industry (accounting for about 45 percent of total outlays) declined $1.1 billion in 1949, almost exactly equal to the all-industry decline. In the following year, manufacturing expenditures rose about $1.0 billion, while, despite their rising trends during the year, 1950 expenditures for all nonmanufacturing industries were some $600 million lower than in 1949.

Manufacturing companies anticipate capital outlays of $5.6 billion in the first two quarters of this year—implying planned outlays of $6.3 billion in the last half of 1951. On a seasonally adjusted basis, projected outlays in the second half are 8 percent above the first half of this year, and slightly higher than the peak second quarter rate. An additional allowance in the anticipated expenditures during the second half of 1951 for the systematic understatement during this period (discussed earlier) results in a projected increase of about 10 percent from the first half of this year.

Within manufacturing, the defense-related industries are planning substantially greater percentage increases in capital outlays during 1951 than are the other groups. Industries such as steel, nonferrous metals, and nonautomotive transportation are expecting to at least double 1950 spending. Both the electrical and nonelectrical machinery industries, chemicals, paper, and automobiles (now engaged in defense activities to a considerable extent) anticipate rates of expansion well above the overall average in manufacturing. Industries producing primarily consumers' goods such as food, apparel, furniture, and printing and publishing are projecting the lowest rates of capital outlays relative to last year. However, even these industries are expecting to spend more than in 1950.

As noted above, the larger manufacturing concerns are anticipating larger increases in plant and equipment expenditures in 1951 than are the smaller firms. To a considerable extent this is due to the emphasis being placed on expanding basic capacity such as steel and primary nonferrous metals—industries where the typical plant is large, reflecting technological considerations. Even within types of activity, however, the larger firms were planning proportionately greater expansion probably reflecting the greater degree of uncertainty among smaller firms as to the effect of a number of prospective developments, including their ability to obtain sufficient materials. Another factor is that, as is characteristic early in a mobilization period, the larger firms have received a greater share of defense orders relative to their currently unutilized capacity than have the smaller concerns, and subcontracting is not so extensive as in a later stage of production of military equipment.

Plant versus equipment programs in manufacturing

Manufacturers' investment programs in 1951 contain a larger than normal volume of completely new projects reflecting attempts to increase productive capacity rather than simply to replace and modernize existing facilities. In view of the fact that additions to capacity require considerably higher plant expenditures than do modernization programs and since the installation of equipment lags plant construction, manufacturers expect their total 1951 equipment programs to increase relatively less than anticipated plant outlays.

During the 1946–48 period, which was characterized by a large increase in both capacity and output, the percent of equipment to total capital outlays declined steadily. This downward trend was reversed during 1949 and early 1950 reflecting both the reduction in the relative importance of expenditures adding to capacity as compared to replacement and modernization outlays, and the greater requirements of cost-reducing machinery in a more highly competitive market.

The following table shows, however, that, throughout the postwar period, equipment expenditures were a higher proportion of total plant and equipment outlays than they were in the immediate prewar years.

Percent of equipment expenditures to total new plant and equipment outlays [1]	1939–40 (average)	1946	1947	1948	1949	1950	1951 (anticipated)
	64	72	71	69	73	72	69

[1] Mining is included in these figures since manufacturing and mining were not segregated in the prewar estimates. The 1939–40 estimates are not completely comparable to those in the postwar period.

The relatively greater increase in plant than in equipment expenditures in the 1951 investment programs of manufacturers is evident in each size group of companies. Within manufacturing, most major industries were allocating a higher proportion of their capital budgets to plant construction than they did in 1950.

Utilities continue their postwar expansion

The electric and gas utilities have programed capital expenditures of $3,540 million in 1951, or $370 million above 1950. This program marks a continuously higher rate of outlays throughout the postwar years, although the physical volume of additions was little changed in 1950 and only moderately up in 1951. The returns in this field, moreover, indicate a rather stable rate of expenditures throughout this year.

Both electric and gas utilities expect to expand their 1950 rate of investment. The largest relative increases are projected in transmission lines and pipelines.

Railroads reverse downward trend

The railroads expect to spend a record $1,520 million for new equipment and road construction in 1951—a rate of outlays which considerably more than offsets the decline of about $200 million from 1949 to 1950. The 1951 projected increase reflects substantially improved earnings as well as a freight traffic demand which is straining the roads' capacity.

The railroads reacted quite quickly to the demands of the changed international situation and their capital outlays in the fourth quarter of 1950 marked a reversal of the sharp downward movement since early 1949. The principal impact has been on freight car requirements so that the railroads' equipment programs in the first half of this year are showing a relatively larger increase than are outlays for roads.

The major items of increased outlays by the railroads in 1951 are freight cars and locomotives, particularly the former. Domestic shipments of freight cars in the first quarter of 1951 were at a monthly rate of about 6,100 cars as compared to an average of 3,665 in 1950. Despite this pick-up in activity, unfilled orders are currently four times their position a year ago. Freight-car producers have been given priorities on steel in an attempt to increase output to 10,000 cars per month. It should be noted that the railroads' outlays for new cars are being supplemented to some extent by those of insurance companies on a leaseback arrangement.

Unfilled orders for new locomotives are now about 50 percent above last year, while installations are moderately above the average rate in 1950. Although passenger-car shipments and unfilled orders are about at their lowest rates in the postwar period, unfilled orders in February rose for the first time since the late summer of 1948.

Sales Anticipations

The current survey of 1951 capital budgets also inquired into the 1951 sales expectations of businessmen. In general, businessmen seemed quite conservative in their sales anticipations. This conservatism probably reflects the general uncertainty on the part of businessmen in a year of defense preparation, as well as specific questions as to the extent of reconversion, the length of time required, and the effective rates of delivery on Government orders that can be achieved.

In comparing sales anticipations with investment programs, it should be stressed that the former represent expectations while the latter represent plans. Sales for a particular firm are subject to forces of demand largely outside the control of the individual business concern. Investment decisions, on the other hand, although influenced by the current demand for the firm's sales product, are determined by other independent considerations and in addition involve commitments some time in advance. The relatively smaller increase during 1951 in expected sales than in anticipated plant and equipment expenditures reflects not only the normally higher volatility of capital outlays but also the necessity at this time of adding to defense facilities and the desire by businessmen to fill some of their future capital requirements in the face of a mobilization program which may last several years.

Most firms were expecting sales in 1951 moderately above the rates prevailing in the fourth quarter of last year. Since total business sales increased appreciably from the fourth quarter of last year to the early months of 1951, anticipated total sales for the year 1951 would appear to be at essentially current rates.

Manufacturers appeared to be thinking in terms of a somewhat more than 11 percent increase in sales from 1950. This would imply a small increase above the seasonally adjusted rate in the fourth quarter of 1950.

Among manufacturing industries, the largest sales gains from 1950 are expected by producers of machinery, nonferrous metals and transportation equipment other than autos. It may be noted that these industries also rank very high in projected investment outlays, although the relative increases in investment intentions are very substantially higher than the corresponding sales expectations. Most manufacturing industries anticipated higher sales in 1951, and none anticipated any appreciable decline. Unlike projected capital outlays where there was a definite tendency for the larger firms to report the largest increases from 1950 to 1951, there was no significant difference in sales expectations among the various size groups.

Retailers expect their 1951 sales volume to increase about 10 percent from last year and only slightly less from the fourth quarter of 1950. The electric and gas utilities estimate their 1951 revenues to be about 8 percent above 1950 or about 5 percent higher than current sales. Sales expectations for this year were 8 percent higher than 1950 in mining and 13 percent larger in the nonrail transportation group. Anticipated revenue data were not collected from the railroads.

Economic Significance of Current Investment Programs

The unprecedented rate of business expenditures on plant and equipment in recent months, superimposed on record inventory accumulation, the rapidly growing military program and the peak demand by consumers, has already had a considerable impact on our strained productive resources and is adding significantly to inflationary pressures. On the other hand, such expenditures by business obviously add substantially to our productive resources and to our ability to meet a higher level of demand in the future.

Government expenditures for military and related goods are now programed to reach an annual rate of $50 billion as rapidly as possible, or double the expenditure rate of the first quarter. To some extent the attainment of this goal is dependent upon plant expansion, and related facilities must

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inventories at retail have increased only 7 percent since the end of October, over the same period stocks of durable goods wholesalers have advanced by over half a billion dollars, or 17 percent. This reflects the easing in demand pressures from retailers and the increased flow of goods from manufacturers.

There were a number of differences in the changes by line of trade. Stocks of metal and machinery wholesalers, who service smaller manufacturers, were no higher in dollar terms in February 1951 than last June, while in electrical goods the rise was not much different from the price increase. Pronounced rises took place among furniture, housefurnishings and lumber wholesalers; much of this has taken place between the end of November and February.

For durable goods as a whole the stock-sales ratio early this year was about the same as it had been in the first part of 1948, prior to the accumulation of stocks and drop in sales which carried through much of 1949.

The behavior of wholesalers' nondurable inventories since Korea has paralleled that of nondurable retailers. Inventories decreased in July but by August were already above the June level and have continued to mount since. The stock-sales ratio for all nondurable wholesalers in February this year was not much below the high ratios in late 1948 and 1949.

A substantial portion of the nondurable increase has taken place with apparel and dry goods wholesalers, where stocks have risen quite sharply, even allowing for the marked price rise in this field. In this connection it will be recalled that textile and apparel stocks are rather high at all levels.

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be provided in places where workers are drawn. However, not all of the peak investment currently being made or planned for this year is related to the military effort. In view of the further inflationary pressures implicit in the planned expansion of defense and related expenditures, and the materials scarcities which will arise, additional curbs upon investment not essential for the mobilization effort may have to be imposed well before the first half of next year when the present defense program is scheduled to reach its maximum rate.

It should be reiterated that, though important, fixed investment by business is only one of the areas of private demand which will result in an increasing excess of demand over available supplies. The upsurge in inventories and in consumer buying—notably of durable goods—has been reviewed in other sections of this issue. It is clear that further action—whether this takes the form of direct controls or monetary and fiscal measures, or both—will be required to insure the channeling of sufficient resources for defense purposes and to avoid inflationary excesses. In such a period Government policy must be directed toward curtailing that part of investment as well as consumption not essential to the mobilization effort.

New or Revised Statistical Series

Machine Tools, Index of New Orders: New Series for Page S-34[1]

[1945-47=100]

Month	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950
January	52.1	34.6	49.0	133.0	260.4	378.7	222.8	100.6	98.0	116.0	71.7	83.1	87.0	90.7
February	51.1	24.0	51.7	135.0	244.5	471.1	276.4	118.9	205.4	79.8	63.8	77.3	80.9	89.2
March	64.3	24.5	57.6	101.5	230.4	1,164.5	248.6	142.9	181.8	108.3	74.2	80.3	93.5	107.4
April	84.9	28.7	48.7	104.2	215.8	902.1	246.4	184.7	172.4	123.4	60.8	80.3	70.1	98.0
May	61.0	21.3	48.0	117.4	210.8	639.9	212.8	207.2	154.8	107.0	70.9	73.5	63.7	110.4
June	57.2	22.3	68.3	145.8	281.7	563.7	170.0	182.3	123.3	109.1	80.9	85.4	53.6	124.1
July	53.4	28.7	73.0	132.0	313.2	477.8	148.2	121.4	100.3	90.0	81.1	74.0	48.0	263.1
August	54.8	38.2	64.0	178.0	325.0	392.1	136.2	147.0	108.1	90.9	82.1	78.7	41.5	305.1
September	63.9	37.5	118.4	220.0	304.7	321.2	123.5	123.5	85.8	80.4	83.7	73.1	47.7	280.0
October	48.7	30.9	160.0	338.5	260.2	308.8	118.1	208.6	90.3	85.3	81.0	87.4	44.8	260.0
November	39.0	34.2	174.2	250.3	322.3	343.0	127.2	210.6	80.1	73.2	75.6	72.2	54.2	291.0
December	42.9	47.0	204.5	234.7	383.3	366.6	114.1	221.2	110.4	72.7	81.1	70.7	82.5	410.1
Monthly average	55.2	32.3	100.0	175.2	281.3	518.9	186.9	165.0	138.3	96.0	74.3	77.2	65.1	205.5

[1] Compiled by the *National Machine Tool Builders' Association*; based on the dollar volume of shipments reported by Association members which are estimated to account for 90-95 percent of the total industry orders and shipments.

Machine tools included in the index are machine tools of the metal-cutting type, defined as power-driven, complete metal-working machines, not portable by hand, used for progressively removing metal in the form of chips. The index does not include data for machine tools of the type that form metal, such as presses and forging machines.

For data beginning 1951, see p. S-34.