

Cut-Backs and Unemployment Compensation, September 1943–April 1944

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IN THE WINTER OF 1943–44, cut-backs or production adjustments caused lay-offs of thousands of workers in important war-production centers. The lay-offs in the 31 areas analyzed in this article were concentrated mostly in the Middle West and Rocky Mountain regions and occurred in areas with a critical or serious labor shortage, as well as in those where the labor supply was adequate or even plentiful.

They took place at a time when our total war economy continued to expand, although the rate of increase was slackening. Employment in durable-goods industries—producing mostly for war—was 4 percent higher in February 1944 than in January and 3 percent higher than in February 1943.¹ At the same time, employment in the metal-using, chemical, and rubber industries declined from 10.2 million in November 1943 to 9.7 million in February 1944.²

Because employment in general was still on the upswing, most of the workers laid off by cut-backs got other jobs and did not file claims for unemployment compensation. Moreover, only about 9 percent of the workers separated in lay-offs of 1,000 or more actually drew benefits. Employment, however, was not increasing in every area in which cut-backs occurred. In some communities a large majority of the laid-off workers filed claims; even in these communities workers were rarely unemployed long enough to draw benefits.

Although in most of the 31 areas relatively few of the laid-off workers filed claims and drew benefits, there were large percentage increases in claims and benefit loads in general. The reason was simply that these

loads were close to or at the lowest point since benefit payments began. Even so, it was not until March 1944 that claims filed in the lay-off areas reached the previous year's level; the number of workers drawing benefits did not reach the previous year's level until April 1944. During the period September 1943–April 1944 the number of workers who drew benefits in these areas was less than half the number who did so during the same period of the preceding year.

By April 1944, therefore, cut-back lay-offs in the 31 areas had not generally placed a great burden on the claims-taking machinery of State employment security agencies. The agencies were, however, confronted with new problems of a somewhat different character. In many lay-off areas, the only jobs open for many workers were at lower wage rates or required skills different from those on the claimant's last job. Many women laid off said that they could not take jobs on late shifts or at great distances from their homes. State agencies thus had the difficult task of determining whether such claimants were genuinely available for work, whether the work available was suitable for claimants, and whether claimants had good cause for refusing work considered suitable. In most of the areas the benefit rolls would have been larger except for the fact that varying proportions of workers were held not available or were disqualified for refusing suitable work without good cause.

As cut-backs continue and, more important, as reconversion to civilian production gets under way, these issues will become more important. A shorter workweek, decline in overtime pay, and shifts in occupations will raise new questions in unemployment compensation. These problems exist even in "full employment." During the reconversion of industry, when some unemployment is inevitable, State employment security agencies will be obliged to handle claims on a mass basis, and at the same time deal with many especially knotty problems

in making individual claim determinations.

Cut-Backs and War Production

Up to January 31, 1944, the War Department had canceled \$10.6 billion in contracts, and the Navy, up to February 5, 1944, had canceled more than \$2.3 billion. The War Production Board estimated that contract terminations in the first half of 1944 would amount to \$1.5 billion monthly, not counting sums resulting from the running out or nonrenewal of contracts. "From now on, we may expect cancellation or cut-backs of existing contracts to be made at an ever-increasing rate and within a few months to exceed in volume the new contracts."³

Arising chiefly from the changing needs of the armed forces, these cut-backs have also reflected experience gained in combat and the better "know-how" of labor and management. Until the spring of 1944, they did not represent cuts in total war production, but rather shifts from one branch of production to another. Thus, war expenditures of the Federal Government in the fourth quarter of 1943 were at an annual rate (seasonally adjusted) of \$94.0 billion, a new high, compared with annual rates of \$82.6 billion in the previous quarter and \$70.3 billion in the last quarter of 1942.⁴ These expenditures were, however, rapidly approaching a peak.

Production adjustments during September 1943–April 1944 were made principally in the small-arms ammunition industry. Lay-offs based on these adjustments were accomplished by a large volume of voluntary separations and continuous military inductions. For example, the Twin Cities Ordnance Plant at New Brighton, Minnesota, laid off 9,000 workers between August 1943 and March 1944, because of curtailment of delivery schedules for ammunition. While 2,500 of these workers were called back during the period, an additional 3,000 workers left for mili-

* Bureau of Employment Security, Program Division. Information on the location, volume, and timing of lay-offs in 31 areas, on which this article is based, was supplied by the War Manpower Commission, Reports and Analysis Service. Statistics on unemployment compensation are based on reports of State employment security agencies to the Bureau of Employment Security.

¹ Data from Bureau of Labor Statistics.

² Data from War Manpower Commission.

³ This statement, as well as the figures cited in this paragraph, from *Investigation of the National Defense Program*, March 4, 1944, p. 6 (S. Rept. 10, 78th Cong., 2d sess., Pt. 16).

⁴ Gilbert, Milton, and Jaszi, George, "National Income and National Product in 1943," *Survey of Current Business*, April 1942, p. 12.

areas, including 3 in which more than 5,000 workers were laid off, there was no change at all in classification between September and May. In 3 areas—Aurora, Marion, and Kingsport—the labor supply was more stringent in May than in September.

Claims Filed by Laid-off Workers

It is estimated that about 37 percent of the laid-off workers filed a claim for unemployment compensation in 23 areas in which lay-offs of 1,000 or more occurred (table 2).⁶ In only 2 of these areas—St. Louis and Eau Claire—did more than 75 percent of the laid-off workers file claims during the period affected by the lay-offs. On the other hand, in 6 such areas—Denver, New Haven, Jacksonville, Long Branch, Allentown, and Salt Lake City—less than 10 percent of the laid-off workers filed claims for unemployment compensation.

Not all these workers were unemployed long enough to draw benefits. On the average, it is estimated, about 9 percent of the workers separated in lay-offs of 1,000 or more workers drew one or more benefit checks. In only 7 areas did more than 10 percent of the laid-off workers actually receive unemployment compensation. Of these areas, only in New Haven, Grand Rapids, and Eau Claire was the number of beneficiaries due to cut-backs more than 20 percent of the number laid off.

Effect on claims loads.—In most of

⁶ More precisely, this was the increased claim load presumably due to the cut-back, as a percent of the number of laid-off workers. Since no special steps were generally taken to identify the claims records of individual laid-off workers, a rough method was devised to estimate the number of such workers who filed claims. An estimate was first made of the number of initial claims which would have been filed in the period affected by lay-offs, if the cut-back lay-off had not occurred. The difference between this number and the number actually filed during this period was taken as an estimate of the number of workers who drew benefits was similarly estimated, on the basis of the greatest increase in weekly compensable claims over the previous year. The "period affected by lay-offs" included the months during which the lay-offs took place, and the 2 following months, or the part of this period for which data were available. The latest month for which claims data were available was April 1944. Because of the roughness of the measure, estimates of claims filed were made only for lay-offs of 1,000 or more workers.

the 31 lay-off areas there was a noticeable increase in the number of initial claims filed during the period in which cut-backs occurred. When relatively few workers are filing claims and drawing benefits, however, even small increases in the numbers will look imposing. For example, the number of initial claims (initiating periods of unemployment) in Salt Lake City in January 1944 was 26 times the number in October 1943. Yet only 214 workers filed initial claims in this area in January, though 9,000 workers were laid off as a result of cut-backs in December and January.

In Evansville, 1,533 workers filed initial claims in January compared with 121 in September, the month in which cut-back lay-offs began in this area (table 3). In Lowell, initial claims jumped from 194 in October to 884 in January. In Eau Claire, the

number of workers who filed initial claims rose more or less steadily from 76 in May 1943 to 2,266 in December. In Jacksonville, on the other hand, no more than 66 workers filed claims during any month in which lay-offs occurred, although 1,600 were laid off by one establishment. In Terre Haute, while 1,165 workers filed initial claims in March 1943, 2 months before cut-backs began, no more than 817 workers filed such claims during any month of the lay-off period.

The effect of cut-back lay-offs on the number of workers who drew benefits was also varied but, in general, less noticeable. The number of compensable claims⁷ filed by un-

⁷ A compensable claim is one filed by a worker for each week in which he is eligible for benefits. The same worker may file as many as 5 compensable claims during the same calendar month.

Table 2.—Number of laid-off workers, estimated numbers of initial claims and beneficiaries resulting from lay-offs, 23 areas in which lay-offs of 1,000 or more workers occurred¹

State and area	Approximate number of laid-off workers	Estimated initial claims resulting from lay-offs		Estimated beneficiaries resulting from lay-offs	
		Number	Percent of all laid-off workers	Number	Percent of all laid-off workers
Total, 23 areas.....	101,400	35,770	37	9,760	9
Colorado:					
Denver.....	10,000	798	8	173	2
Connecticut:					
Bridgeport.....	4,300	1,432	33	119	3
New Haven.....	1,100	21	2	241	22
Florida:					
Jacksonville.....	1,600	(?)	(?)	69	4
Indiana:					
Evansville.....	7,400	4,182	57	1,164	16
Terre Haute.....	3,100	1,056	34	218	8
Iowa:					
Des Moines.....	4,000	682	25	77	2
Louisiana:					
New Orleans.....	3,800	492	13	111	3
Maryland:					
Chamberland.....	4,000	1,218	30	344	9
Massachusetts:					
Lowell.....	5,000	3,141	63	789	10
Springfield.....	1,600	434	27	81	5
Michigan:					
Grand Rapids.....	1,000	(?)	(?)	417	42
Minnesota:					
Minneapolis-St. Paul.....	5,000	655	13	610	12
Missouri:					
Kansas City.....	5,300	814	16	234	4
St. Louis.....	14,500	12,400	86	1,521	10
New Jersey:					
Long Branch.....	4,000	(?)	(?)	91	2
Ohio:					
Marion.....	2,000	566	28	269	13
Oklahoma:					
Tulsa.....	4,000	1,126	28	370	9
Pennsylvania:					
Allentown.....	1,000	42	4	93	9
Texas:					
Houston.....	1,700	246	14	86	6
Utah:					
Salt Lake City.....	9,000	304	3	91	1
Wisconsin:					
Eau Claire.....	5,000	4,491	90	2,057	41
Milwaukee.....	6,000	1,316	22	505	8

¹ An initial claim is one filed at the beginning of a worker's unemployment. For a description of the method used to estimate number of initial claims and beneficiaries, see text footnote 6.

² In this area, the actual number of claims filed during the periods affected by the lay-offs was less than the number expected to be filed on basis of previous trends.

Table 3.—Number of initial¹ and compensable² claims filed, by month, January 1943–April 1944, 31 areas³

State and area	1943												1944			
	January	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April
Initial claims																
Colorado, Denver.....	590	440	368	442	243	291	227	176	200	185	231	475	499	313	295	601
Connecticut:																
Bridgeport.....	164	169	176	232	138	177	134	163	50	98	125	317	382	317	370	800
Hartford.....	335	220	158	211	114	157	152	209	179	176	272	250	459	478	451	548
New Haven.....	692	598	672	787	597	909	700	520	443	339	624	679	669	861	1,053	1,216
Florida, Jacksonville.....	491	221	139	125	107	68	84	61	78	66	65	47	56	122	81	52
Illinois, Aurora-Elgin.....	639	363	413	419	290	231	207	234	148	109	148	222	277	253	358	448
Indiana:																
Evansville.....	337	109	107	56	64	121	98	140	121	370	208	220	1,533	1,412	463	328
Terre Haute.....	1,817	1,297	1,165	770	817	445	819	387	361	521	425	417	950	448	261	200
Iowa, Des Moines.....	857	614	258	264	190	257	223	157	111	134	244	414	625	375	204	138
Louisiana, New Orleans.....	1,726	1,167	969	857	603	581	761	343	273	269	160	247	493	266	210	204
Maryland:																
Baltimore.....	706	376	1,674	931	606	531	768	437	224	164	178	305	410	167	498	700
Cumberland.....	265	102	710	200	155	3,467	141	72	646	432	102	73	251	110	680	244
Massachusetts:																
Lowell.....	281	148	140	174	107	85	109	108	92	194	475	959	884	445	433	977
Springfield.....	147	117	82	116	48	79	56	61	34	50	80	74	146	140	155	202
Michigan:																
Detroit.....	3,577	2,123	2,027	1,572	1,416	1,363	1,323	1,325	1,274	940	1,117	1,851	3,484	5,035	4,785	3,230
Grand Rapids.....	2,700	1,554	1,240	811	518	720	467	296	186	1,077	700	968	1,058	857	632	343
Minnesota, Minneapolis-St. Paul.....	5,766	4,713	3,365	3,310	1,773	1,291	1,070	658	456	522	963	1,747	2,569	2,515	1,854	690
Missouri:																
Kansas City.....	1,291	799	771	972	935	741	904	724	588	513	786	769	802	634	562	648
St. Louis.....	4,965	3,121	2,126	1,899	1,817	1,536	1,408	1,248	990	1,068	1,271	2,390	2,468	2,652	3,893	5,687
New Jersey, Long Branch.....	867	450	377	336	352	563	430	426	634	478	332	456	530	221	230	878
New York:																
Massena.....	59	16	17	18	8	60	19	12	27	12	23	92	303	412	261	163
Utica-Rome.....	256	177	158	86	248	256	134	125	100	151	161	197	342	207	304	252
Ohio:																
Marion.....	167	20	22	12	12	8	18	10	3	2	7	11	271	238	70	92
Sandusky.....	110	62	81	42	31	23	34	61	13	10	38	105	88	61	60	36
Oklahoma, Tulsa.....	487	360	275	240	185	212	161	60	121	107	401	339	550	405	410	280
Pennsylvania, Allentown.....	463	460	447	214	414	255	276	220	100	129	159	213	207	234	101	73
Tennessee, Kingsport.....	253	145	158	235	154	89	219	182	167	105	103	93	102	110	95	92
Texas, Houston.....	291	105	169	151	103	154	130	126	93	109	117	96	118	112	110	93
Utah, Salt Lake City.....	124	131	90	31	28	42	77	38	15	8	78	73	214	178	174	117
Wisconsin:																
Rau Claire.....	561	270	198	213	76	99	54	257	316	89	867	2,266	563	290	327	114
Milwaukee.....	1,219	870	614	621	470	310	292	234	199	80	383	1,025	707	783	644	241
Compensable claims																
Colorado, Denver.....	818	1,037	1,055	515	468	608	514	491	416	501	288	467	725	983	927	607
Connecticut:																
Bridgeport.....	347	335	285	123	172	223	238	250	168	198	231	279	467	504	629	580
Hartford.....	650	650	547	233	251	265	195	150	148	176	186	255	417	870	1,126	693
New Haven.....	692	803	775	489	535	677	637	633	806	432	496	631	699	934	1,381	1,016
Florida, Jacksonville.....	2,148	1,591	1,228	702	475	393	243	296	292	270	268	202	219	269	370	321
Illinois, Aurora-Elgin.....	1,498	1,052	939	642	511	482	309	423	437	265	289	351	560	970	703	935
Indiana:																
Evansville.....	1,086	1,133	810	435	233	259	413	423	419	447	1,327	1,541	1,595	4,622	5,185	1,379
Terre Haute.....	5,701	9,621	7,720	5,717	6,183	5,469	3,818	3,047	2,628	2,107	2,391	3,121	3,473	4,042	3,659	2,180
Iowa, Des Moines.....	1,991	2,135	2,044	1,078	600	617	610	503	335	307	318	455	688	1,170	1,206	930
Louisiana, New Orleans.....	6,833	6,409	4,221	3,104	2,079	1,699	1,961	1,163	691	353	237	439	645	435	694	463
Maryland:																
Baltimore.....	8,450	4,717	3,891	3,182	3,917	1,656	2,046	1,530	1,231	1,250	1,384	2,270	5,134	2,085	1,290	976
Cumberland.....	1,249	1,063	1,049	1,047	852	1,150	817	340	660	1,378	1,378	1,002	889	670	324	1,331
Massachusetts:																
Lowell.....	774	844	594	325	303	308	230	309	205	342	617	1,429	3,482	3,373	2,343	1,700
Springfield.....	483	452	481	222	148	213	181	169	154	110	175	234	240	399	329	327
Michigan:																
Detroit.....	8,085	8,635	7,665	4,650	2,912	2,573	2,698	2,297	2,143	1,639	1,626	2,131	3,708	7,048	11,117	10,900
Grand Rapids.....	0,934	8,867	6,274	3,059	1,709	1,580	1,088	789	330	659	2,341	2,016	1,809	1,823	1,116	742
Minnesota, Minneapolis-St. Paul.....	10,578	14,254	16,644	8,674	6,683	5,220	3,056	2,411	1,535	968	844	1,887	5,685	3,683	4,446	3,081
Missouri:																
Kansas City.....	2,244	1,784	1,059	1,420	1,059	2,367	2,610	1,709	1,233	1,347	1,202	1,471	1,022	1,670	1,670	1,709
St. Louis.....	10,778	16,350	13,145	7,315	5,103	4,894	3,270	3,123	2,734	2,116	2,214	2,805	5,628	4,344	6,273	7,247
New Jersey, Long Branch.....	3,175	3,092	2,078	1,774	1,392	1,571	1,634	2,064	2,176	1,897	1,783	2,405	1,988	1,377	1,321	1,241
New York:																
Massena.....	204	104	183	89	110	52	59	70	87	51	42	110	175	580	1,210	1,140
Utica-Rome.....	929	590	522	382	364	188	216	200	270	235	269	295	419	662	1,108	944
Ohio:																
Marion.....	461	288	220	165	95	80	81	27	30	43	24	12	855	1,171	1,040	589
Sandusky.....	431	394	410	346	122	125	71	150	69	69	64	142	176	241	290	178
Oklahoma, Tulsa.....	1,216	1,173	1,010	771	662	588	547	365	289	294	625	1,085	1,537	1,725	1,018	1,012
Pennsylvania, Allentown.....	1,618	1,991	2,293	1,512	1,142	1,078	720	817	704	400	600	669	622	840	909	602
Tennessee, Kingsport.....	1,459	1,260	1,149	948	1,112	1,037	859	1,162	1,431	994	943	870	743	972	811	707
Texas, Houston.....	1,220	908	830	554	427	484	473	415	297	298	345	413	373	350	460	490
Utah, Salt Lake City.....	414	372	321	183	100	91	80	121	104	63	100	84	224	440	490	430
Wisconsin:																
Rau Claire.....	1,437	1,920	2,160	1,265	629	573</										

employed workers in Evansville rose from 413 in September to 5,125 in March; in St. Louis, from 2,214 in November to 7,247 in May (table 3). Large increases in the number of compensable claims—and therefore in the number of workers who drew benefits—occurred also in Lowell, Grand Rapids, Minneapolis-St. Paul, Marion, Tulsa, Eau Claire, and Milwaukee. In most of the other areas, changes in the number of workers who filed compensable claims were relatively insignificant.

In any extended period, the volume of claims is subject to seasonal variations and is also affected by certain provisions of the law. In many States, the law specifies a uniform date when claimants can begin new benefit years; claim loads usually jump on these dates. In other States, the number of workers who file claims rises noticeably each January because benefits were first payable in January. In nearly all the States in which lay-offs were reported, these seasonal and administrative factors affected claim and benefit loads during the lay-off period. Generally, however, the increases in these loads were greater than could be accounted for by such factors.

Beginning in August 1943, the number of initial claims filed each month in these areas was an increasingly larger percentage of the number of claims filed in the same month of the

preceding year (table 4). Increases were particularly large in February, when initial claims were 97 percent of the number filed in February 1943; January initial claims were still only 68 percent of January 1943 initial claims. It was not until March, however, that initial claims were at a higher level than in the same period of the preceding year.

The impact varied considerably from area to area, even though claims increases were clearly associated with the periods in which cut-backs took place. In Terre Haute, Lowell, Salt Lake City, and Eau Claire, for example, initial claims during these periods jumped to a higher level than in the previous year. In Baltimore, although the downward trend in claims was reversed, claims remained below the previous year's level during the lay-off period and the month following. In Denver, claims were below last year's level during the lay-off period but surpassed this level in April 1944.

The level of compensable claims in the 31 lay-off areas began to move back to the previous year's level in August 1943, though these claims were still only 12 percent of compensable claims filed in August 1942. It was not until April 1944 that compensable claims actually reached the level of claims filed in the same month of the preceding year. In Eau Claire almost six times as many compensable claims were filed by workers in January and

April as in the same months of the preceding year. In Baltimore, on the other hand, compensable claims during the lay-off period were at only about half the previous year's level.

Claims volume compared with previous year's.—Even though the downward trend in unemployment compensation claims was halted or reversed in most of the lay-off areas, in all areas combined the claims filed during the lay-off periods were considerably below the number filed during the same period of the preceding year. During September 1943–April 1944, when most of the cut-backs studied here took place, 124,623 initial claims were filed in the 31 lay-off areas, or 38 percent fewer than in September 1942–April 1943. In only 8 of the areas—Bridgeport, Hartford, Evansville, Cumberland, Lowell, Massena, Marion, and Eau Claire—were more initial claims filed during the later period.

The number of workers who drew benefits during September 1943–April 1944 was at an even lower level; compensable claims in the lay-off areas were 61 percent below the number filed during September 1942–April 1943. Only 5 areas received more compensable claims during the later period. In 17 of the 31 areas, less than half as many were filed during September 1943–April 1944 as in the earlier periods.

Table 4.—Ratio (percent) of initial and compensable claims filed,¹ January 1943–April 1944, to those filed in same month of previous year, selected lay-off areas and all areas combined²

Year and month	All lay-off areas		Denver, Colorado		Terre Haute, Indiana		Baltimore, Maryland		Lowell, Massachusetts		Salt Lake City, Utah		Eau Claire, Wisconsin	
	Initial claims	Compensable claims	Initial claims	Compensable claims	Initial claims	Compensable claims	Initial claims	Compensable claims	Initial claims	Compensable claims	Initial claims	Compensable claims	Initial claims	Compensable claims
1943														
January	0.21	0.20	0.26	0.09	1.09	1.22	0.13	0.30	0.21	0.19	0.06	0.05	0.42	0.31
February	.22	.18	.28	.12	.58	1.55	.09	.19	(3)	(3)	.10	.01	.27	.30
March	.25	.11	.41	.14	1.61	1.03	.17	.16	.23	.16	.10	.05	.24	.31
April	.20	.11	.16	.12	.79	.98	.20	.13	.09	.07	.05	.05	.21	.25
May	.22	.11	.35	.10	.63	1.17	.22	.10	.10	.07	.07	.05	.18	.16
June	.25	.12	.50	.11	.62	1.14	.14	.07	.09	.05	.09	.01	.50	.16
July	.18	.11	.30	.12	1.62	.65	.26	.10	.14	.06	.09	.04	.26	.20
August	.23	.12	.40	.17	1.53	1.37	.33	.08	.14	.07	.22	.08	1.69	.22
September	.25	.13	.46	.22	1.84	1.63	.29	.11	.16	.08	.00	.11	2.95	.35
October	.31	.15	.62	.27	2.21	1.58	.23	.16	.51	.16	.06	.15	.79	1.76
November	.45	.25	.68	.40	.71	1.16	.33	.19	1.68	.39	.69	.32	4.27	1.67
December	.61	.33	.63	.71	.31	.86	.51	.28	3.49	1.74	.82	.27	4.46	3.64
1944														
January	.68	.52	.65	.59	.52	.61	.58	.57	3.11	4.69	1.73	.64	1.00	5.89
February	.67	.61	.71	.95	.35	.42	.59	.43	3.01	4.00	1.36	1.18	1.05	4.80
March	1.63	.75	.60	.68	.22	.47	.39	.39	3.09	3.04	1.93	1.65	1.05	4.02
April	1.06	1.01	1.36	1.30	.33	.38	.70	.31	3.89	5.51	3.77	2.85	.64	5.04

¹ For definitions of initial and compensable claims, see table 3, footnotes 1 and 2.
² Italic figures indicate months in which cut-back lay-offs occurred.

³ Data not available.

Table 5.—Number of initial and compensable claims filed,¹ September 1942–April 1943 and September 1943–April 1944, and percentage change between these periods, United States and 31 areas in which cut-backs occurred

State and area	Initial claims			Compensable claims		
	September 1942–April 1943	September 1943–April 1944		September 1942–April 1943	September 1943–April 1944	
		Number	Percentage change from September 1942–April 1943		Number	Percentage change from September 1942–April 1943
Total, United States ²	1,000,047	1,024,613	-46.3	8,365,460	3,006,076	-61.1
Total, 31 lay-off areas.....	201,259	124,623	-38.1	817,922	327,523	-61.4
Colorado:						
Denver.....	3,482	2,709	-19.6	7,786	4,761	-38.8
Connecticut:						
Bridgeport.....	2,052	2,531	+23.5	6,772	2,880	-57.4
Hartford.....	2,008	2,913	+11.7	7,161	3,785	-47.1
New Haven.....	6,133	5,893	-4.1	10,512	5,995	-43.0
Florida:						
Jacksonville.....	3,204	557	-82.6	19,375	2,274	-88.3
Illinois:						
Aurora-Elgin.....	4,227	2,003	-52.6	11,001	4,009	-63.6
Indiana:						
Evansville.....	1,098	4,725	+136.5	12,185	16,319	+34.2
Terre Haute.....	7,435	3,633	-51.1	37,312	23,501	-37.1
Iowa:						
Des Moines.....	4,665	2,245	-51.9	14,169	5,174	-63.5
Louisiana:						
New Orleans.....	13,591	2,128	-84.3	71,666	3,860	-91.6
Maryland:						
Baltimore.....	6,332	2,673	-57.8	55,124	13,571	-75.4
Cumberland.....	1,910	2,414	+25.0	10,157	7,748	-23.7
Massachusetts:						
Lowell.....	2,263	4,159	+83.8	10,567	13,611	+30.3
Springfield.....	1,348	896	-33.5	6,470	1,974	-69.5
Michigan:						
Detroit.....	24,707	21,716	-12.4	100,998	39,402	-63.1
Grand Rapids.....	10,427	5,721	-45.2	71,530	10,831	-81.0
Minnesota:						
Minneapolis-St. Paul.....	27,796	11,292	-59.5	85,059	20,829	-75.5
Missouri:						
Kansas City.....	8,692	5,192	-39.6	28,041	11,932	-57.5
St. Louis.....	33,568	18,409	-45.2	136,322	30,971	-77.3
New Jersey:						
Long Branch.....	5,002	3,359	-32.8	25,651	15,177	-40.8
New York:						
Albany.....	372	1,293	+247.6	1,951	3,401	+74.3
Utica-Rome.....	2,878	1,804	-37.3	16,962	4,202	-75.2
Ohio:						
Marion.....	453	673	+46.9	2,724	3,799	+39.5
Sandusky.....	532	317	-31.5	3,375	1,253	-62.9
Oklahoma:						
Tulsa.....	2,810	2,622	-7.0	12,561	9,023	-28.2
Pennsylvania:						
Allentown.....	3,252	1,295	-60.2	10,838	5,626	-60.7
Tennessee:						
Kingsport.....	1,601	868	-46.5	13,940	7,471	-46.4
Texas:						
Houston.....	2,517	848	-66.3	12,496	2,947	-76.4
Utah:						
Salt Lake City.....	918	857	-6.6	3,323	1,960	-41.0
Wisconsin:						
Eau Claire.....	2,180	4,832	+121.7	10,157	40,917	+303.1
Milwaukee.....	6,289	3,063	-51.0	10,665	8,221	-23.1

¹ For definitions of initial and compensable claims, see table 3, footnotes 1 and 2.

² Includes the 48 States, Alaska, Hawaii, and the District of Columbia.

The drop in initial and compensable claims in the lay-off areas between these two periods was only slightly less than in the country as a whole. Initial claims dropped 38 percent in the 31 areas and 46 percent throughout the United States; compensable claims fell 61 and 64 percent, respectively. While initial claims in these lay-off areas constituted 10.5 percent of all initial claims in the country during September 1942–April 1943, they were 12.2 percent of all claims

during September 1943–April 1944. Compensable claims were 10.1 and 10.9 percent of all United States claims during these two periods.

Characteristics of Laid-Off Workers

In general, we know little about the men and women who were laid off as a result of cut-backs. Only spotty information is available on what proportion were women, what the occupations and wages of these workers were, and what happened to those

who did not file claims for unemployment compensation. Some detail is, however, available for three areas.

Minneapolis-St. Paul. — Between November 1, 1943, and March 1, 1944, 7,641 workers were laid off because of cut-backs in this area, and 5,249 of the lay-offs were made by the Twin Cities Ordnance Plant.³ This company had laid off an additional 3,000 because of cut-backs in September. About 30 percent of these 5,249 cut-back terminations applied to women, many of them over 45 years of age. Very few skilled workers were released voluntarily by the company. The work at the plant had been largely mechanical and very light. The bulk of the demand for labor outside the plant, on the other hand, was for foundry and forge, packing-house, and similar work classifications, requiring qualifications entirely different from those of the laid-off workers. In addition, working conditions and wages in most of the jobs open compared unfavorably with jobs in the Ordnance Plant. An estimated 1,500 women left the labor market. At the same time, 2,242 women were hired by other local employers during the November–March period.

Workers had been advised individually and through bulletin boards to clear releases with the U. S. Employment Service local offices. Arrangements were made with local and out-of-State firms for interviews, recruitment, and referral of released workers. Close working relationships were established between the Minnesota Division of Employment Security and the USES, to ensure maximum exposure of claimants to job opportunities. The employment security agency reported weekly to the USES on the characteristics of claimants in certain local offices. The report for the week ended April 22, for example, showed that 45 percent of the 1,156 claimants in the Twin Cities area were women; 80 percent of the men were over age 50; 56 percent of the women were over 45; 54 percent of the men were construction mechanics and 59 percent of the women were factory workers.

Salt Lake City.—Although about 9,000 workers were laid off by the

³ Data on this lay-off from War Manpower Commission.

(Continued on page 48)

totalled \$280 million and consisted entirely of 1½-percent special certificates of indebtedness. No securities were redeemed. Total investments held by the fund amounted to \$5,774 million by the end of the month. The average rate of interest on investments of the fund was 1.887 percent as of May 31, as compared with 2.199 percent at the end of May 1943.

Net investments of the social insurance trust funds during April and May absorbed 19.3 percent of the increase in the public debt during the same period. In the corresponding months of 1943 the funds absorbed only 1.4 percent of the rise in the public debt. The relatively large proportion in April and May 1944 resulted entirely from the reduction in general fund balances in anticipation of new Treasury financing in the Fifth War Loan Drive.

As a result of changes in the composition of the public debt, the computed average rate of interest on the interest-bearing public debt decreased slightly to 1.946 percent at the end of May as compared with 1.948 percent at the end of April and 1.992 percent at the end of May 1943. Special obligations issued to trust funds created under the Social Security Act continued to bear a rate of interest of 1½ percent in June.

Guaranteed Obligations of the U. S. Government

During May a further decline of \$729 million occurred in outstanding obligations guaranteed as to principal and interest by the United States, exclusive of those held by the Treasury. Outstanding demand obligations of the Commodity Credit Corporation declined by \$5 million; \$138 million of Federal Farm Mortgage Corporation 3-percent bonds of 1944-49, and \$176 million of Home Owners' Loan Corporation 3-percent bonds, Series A, 1944-52, were called for redemption during the month. In addition, the Treasury acquired \$410 million of Reconstruction Finance Corporation 1-percent notes, previously held by the Home Owners' Loan Corporation, the Federal Farm Mortgage Corporation, and the Federal Land Banks. These redemptions and acquisitions by the Treasury further decrease the amount of such obligations which are potentially available for investment by the social insurance trust funds. Although the funds have not as yet made any investments in this type of security, guaranteed obligations are legal investments under the terms of their statutes.

The volume of market issues of guaranteed obligations outstanding

has declined since the change in policy on the sale of such obligations in November 1941. At that time the Secretary of the Treasury announced that Government corporations and credit agencies would no longer sell their guaranteed obligations on the market, and that the Treasury would provide the funds they needed. As a result, outstanding obligations are now generally redeemed at their call dates and new loans for the Government corporation extended by the Treasury. On May 31, 1944, the value of outstanding market issues of guaranteed obligations totaled \$1,529 million, as compared with \$6,360 million on June 30, 1941. Treasury holdings of guaranteed obligations of Government corporations and credit agencies, on the other hand, increased from \$302 million to \$10,627 million during this period. By the end of June 1944, the amount of outstanding market issues of guaranteed obligations including outstanding matured obligations is expected to decline to \$1,201 million, and by the end of June 1945, to only \$48 million. Unless the Treasury should reverse its policy on the sale of guaranteed obligations of Government corporations and credit agencies, this type of security will not be available for investment by the social insurance trust funds.

(Continued from page 19)

Remington Arms Company in December 1943 and January 1944, not more than 172 former employees of this company had filed initial claims by January 28.⁹ Of these 172 claimants, 64 did not have enough earnings to qualify for benefits and 4 were held ineligible as not being available for work. An additional 32 were disqualified for refusing suitable work offered them, and 4 were disqualified for other reasons. It was anticipated that some workers would file claims after 60 days, having waited to avoid being offered jobs under War Manpower Commission stabilization plans. However, only 291 initial claims were filed in March and April in the Salt Lake City area, and of these an undetermined number were filed by other than Remington Arms workers.

Cumberland, Maryland.—The

⁹ Data from communication from Utah Department of Employment Security.

Kelly-Springfield plant in Cumberland had about 4,600 workers in munitions production on September 9, 1943, including 2,600 women.¹⁰ Lay-offs of 3,600 workers (including all the women) began September 10 and were completed by the end of October. By October 14, 707 claims were filed, 426 by men and 281 by women. Of the 707 claims, 487 were filed in Cumberland, 12 in other States, and the remainder in other local offices in Maryland. No claimants were disqualified. In all, 555 claimants were eligible for benefits; more than half of these were entitled to the maximum weekly amount of \$20. Although the maximum duration of benefits in the State is 23 weeks, half of the claimants were entitled to less than 16 weeks. Only 350 of the 555 eligible claimants filed a waiting-period or

¹⁰ Data based on special reports of the Maryland Unemployment Compensation Board.

compensable claim, however, and only 4 claimants had filed as many as 4 continued claims by December 15. About 50 initial claims were filed between October 14 and January 15, but no additional information is available for these claimants.

An undetermined number of Kelly-Springfield workers, although unemployed, did not file claims until March or April. Had they filed earlier, they would have been ineligible for benefits on the basis of their 1942 earnings; in April, however, 1943 earnings were considered in determining eligibility. In all, 924 initial claims were filed in the Cumberland office in March and April 1944, as compared with 869 in March and April 1943.

Thus, the more detailed data available for three areas confirm the general conclusion that cut-backs did not add considerably to the claim and benefit load of unemployment compensation agencies.