

It may also be noted that the Board has recently published revised indexes, using 1957 weights for the period beginning with January 1953, and based upon the new 1957 Standard Industrial Classifications.

The index for motor vehicles is based upon the published Federal Reserve Board index, with 1947 weights.

V. PRODUCTIVITY

A. *Output per production worker man-hour.*—This series was computed by dividing the Federal Reserve Board output index (1954 weights) by an index of production worker man-hours. Production worker man-hours was computed by multiplying production worker employment by average weekly hours, as published by the BLS.

B. *Output per total worker man-hour.*—This series was computed by dividing the Federal Reserve Board output index (1954 weights) by an index of total worker man-hours. Total worker man-hours represents the sum of production worker man-hours (see A, above) plus the product of nonproduction worker employment times 40 hours per week.

VI. PROFITS: RATES OF RETURN AND MARGINS

A. *Rate of return on stockholders' equity.*—The basic data on profits before and after taxes, and on stockholders' equity were obtained from the Quarterly Financial Report for Manufacturing Corporations, published by the Federal Trade Commission and Securities Exchange Commission. The entire profits and other data for each corporation are included within any given SIC group on the basis of the corporation's major source of gross sales receipts.

The series is based as nearly as possible on the sample used by the FTC-SEC during the period 1956-57. Three breaks in the sample coverage occurred in the first quarter of 1951, the first quarter of 1956, and the first quarter of 1958. In each case, the data were revised to the 1956-57 sample by linking the series on the basis of as many overlap quarters as were available. Annual profits are the sum of the four quarter figures; stockholders' equity is as of the end of the fourth quarter.

B. *Profit margins, and depreciation and depletion charges per dollar of sales.*—Basic data on sales, and depreciation and depletion charges were obtained from FTC-SEC Quarterly Financial Reports, utilizing the same techniques described in A, above.

VII. DIRECT LABOR COSTS PER UNIT OF OUTPUT

The indexes of direct labor costs per unit of output per production worker man-hour, and of direct labor costs per unit of output per total worker man-hour were derived by dividing the index of gross average hourly earnings by the index of productivity per production worker man-hour and per total worker man-hour, respectively.

VIII. CONCENTRATION RATIOS

These ratios have been computed on the basis of data contained in the report on "Concentration in American Industry," prepared for the Subcommittee on Antitrust and Monopoly of the Senate Committee on the Judiciary, 85th Congress, 1st session. The figures used were taken from table 37, "Share of product shipments accounted for by largest companies, 1954."

In arriving at the ratios used, the total values of product shipments in each 4-digit industry (within the given 2-digit classification) showing a 50 percent or more concentration ratio for the eight largest companies constituted the numerator. The denominator represented the total value of product shipments for the entire 2-digit industry. The resulting concentration ratios, therefore, reflect the proportion of the total value of product shipments in each 2-digit group represented by "concentrated" 4-digit industries (those in which the eight largest firms accounted for 50 percent or more of the total value of product shipments in 1954) in that group. The concentration ratios for 1954 were: