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# PAST TRENDS AND PRESENT INTERRELATIONS

Presented by Mervin G. Smith

Interrelations of the segments of our economy refers to the dependence on each other, direct and indirect contacts and dealings with one another, group activities, influence of each on the lives of others and on the levels of living.

To describe the past trends and present interrelations means to describe a large part of the history and functioning of our entire economy.

Only a few points can be made here on the following main phases of this subject: (a) Population, (b) specialization, (c) productivity, (d) incomes, (e) levels of living, (f) organizations, and (g) government.

## A. Population (Charts 1, 2. Tables 1, 2.)

The population of the United States has grown from 3.9 million in 1790 to about 154 million now. It has doubled in the last 50 years. The rate of growth reached a low point in the 1930's but came back in the 1940's to about the same rate as from 1910 to 1930.

The rural population has gradually been reduced in the last 160 years from about 95 percent of the total population to about 36 percent in 1950.

The farm population had declined from about 95 percent in 1790 to about 15.6 percent in 1950. The actual numbers of farm people in the United States increased until about 1910 and has declined since then. Farm population is a larger portion of the total in the South than in the North or West, but it has been declining more rapidly in the South in recent years.

In 1940 about 88 percent of our population were foreign born and 9.8 percent were negroes. Only 3.1 percent of our farm people were foreign born and 14.9 percent were negroes in 1940. About 13.6 percent of farm people were negroes in 1950.

## B. Specialization (Charts 3, 4, 5, 6, 7, 8. Tables 3, 4.)

Specialization has taken place throughout the entire history of the United States. This has meant an increasing number of occupations.

Manufacturing, trade, and services have used a larger percentage and agriculture has used a smaller percentage of our total workers. The number of government workers has about doubled in the last 20 years.

Only about 11 or 12 percent of our workers are engaged in farming now. Even though the workers in agriculture have been reduced from about 18 percent of our working force to 12 percent in the last 20 years, they are contributing about the same proportion of our national income, 7 to 9 percent.

Manufacturing and construction contribute about one third of the national income. Trade, communications, finance, and non-government services contribute between 40 and 50 percent of our national income.

The young man starting to work 150 years ago had only 50 or so occupations to choose from and about 19 out of 20 chose farming. Today, the census lists about 25,000 occupations.

Agriculture has changed from being almost entirely self-sufficing to almost completely commercial today. Probably less than 10 percent of our farm products used by consumers is consumed on the farm where they are produced. The farmer lives in a marketing or exchange economy.

The foreign trade in agricultural products has remained the same or slightly increased, while the foreign trade in industrial products has greatly increased.

The vast marketing and distribution machinery we have developed was necessary and a part of our whole economy. This includes a vast transportation and communication system, the wholesale and retail markets, and the large number of services performed. One needs only to think of the number of people who had something to do with getting some item such as an automobile to us. We could trace our contacts with thousands of people who had something to do with the automobile.

Technical progress may destroy some old jobs but it creates many more new ones. From 1870 to 1930 the number of workers in the food industry increased 5 times. A million jobs for the horse and buggy business have been replaced by over 6 million jobs in the automobile business.

Each specialist has become dependent on others for raw materials, for capital, for labor, as well as for the purchase of his product and his services.

More and more capital has been substituted for labor throughout our history. The average farm worker has at least \$12,000 capital (roughly estimated) backing him up in his operations. Industry probably has a substantial amount of capital for each worker but somewhat less than farming.

Total assets of agriculture at present are about 3 times as much as in 1935-39. The greatest increase has been in farm machinery and equipment. We have approximately 3 times as much machinery on farms as in 1935-39 (excluding the change in price level.)

As we have specialized, certain risks have increased. The farmer must depend on the market price of a few commodities for his income. Prices of agricultural products have fluctuated more widely than average prices. The total production of agricultural products from one year to another does not vary much but for any one farmer, his production can vary considerably due to the weather.

The manufacturer is subject to the risks of business depressions when his plant may have to be closed. There are many ways that he can lose capital.

The labor man is subject to the risk of losing his job and becoming unemployed. He is dependent on remaining employed in his speciality.

Many changes have been made in our economy in order to combat these risks as will be mentioned later.

#### C. Productivity (Charts 9, 10, 11. Tables 5, 6.)

United States workers are producing more per hour worked on the average than any other country. Some of the other newer countries such as New Zealand and Canada produce nearly as much per hour as we do. According to some estimates our productivity per hour is about 6 or 7 times that of Russia and about 10 or 11 times that of Brazil.

We have about 6 percent of the land area of the world and 7 percent of the population but produce about 32 percent of the world's production.

The United States does not rank at the top for countries in agricultural production per male engaged in agriculture. According to some estimates New Zealand produces about 3 times as much per male in agriculture and Australia 2 times as much. Even Argentina and Uruguay average above the United States. The productivity in the western part of the United States is considerably higher than the average for the country. A number of the European countries rank above the southern part of the United States. The average agricultural productivity in United States is about 14 times that of China and probably 4 or 5 times that of Russia. The greatest achievement in productivity seems to have been in countries where people skilled in livestock production were replanted on new and spacious land resources. Increased use of capital and increased specialization were also important in changes in productivity.

Gross production per worker in agriculture has nearly doubled since 1910. Also, production per worker in manufacturing and mining has about doubled in that time. Productivity in agriculture increased rapidly from 1910 to 1920, did not change much from 1920 to 1935, and then increased rapidly from 1935 to 1950. In manufacturing and mining the increase in productivity was more steady except for the 1930's. On the average, productivity increased about one fifth every 10 years.

#### D. Incomes (Charts 12, 13, 14. Tables 7, 8, 9, 10, 11.)

We need to be very careful in the interpretation of average income figures. Most of the average incomes per person or worker in agriculture have been too low compared with average incomes of other groups. The products furnished and special advantages from the farm have been valued low, earnings by farm people off of the farm have not been included, and the number of people reported as employed in agriculture has been generally high.

If we had sufficient data by regions and areas in the United States we would find more variations between these areas than between agriculture and other segments of our economy.

Improved income figures can be obtained if we take income of farm people from both farm and nonfarm sources, as estimated by the Bur-

eau of Agricultural Economics and the employment figures from the Department of Commerce.

Average incomes of farm people have been getting closer to average incomes of other people. They came close together in 1946, 1947, and 1948, but since then have become farther apart. Undoubtedly incomes per worker in agriculture are higher in some areas of the country than the incomes per worker on the average. If we leave out the South, the average income per worker in agriculture in the rest of the country might be near the average for nonfarm workers.

The income of hired farm workers, who represent 20 to 25 percent of the farm labor force, is considerably lower than the average income of all farm workers. In recent years incomes of hired farm workers have been estimated at only 45 to 50 percent of the average incomes of all workers and this percentage has declined.

Average incomes of people in the service industries are lower than the average of all workers.

Workers in government and government enterprises have been receiving average incomes about equal to the average incomes of all workers.

About 39 percent of all families and unrelated individuals in the United States had less than a \$2,000 income in 1949. At least 50 percent of farm families had less than a \$2,000 income. About 23 percent of all families and unrelated individuals had less than a \$1,000 income. A larger proportion of the families in the South had low incomes than in other parts of the country.

The range in farm incomes is very wide. There seems to be a tendency to maintain the family size farms. Corporation farming has not increased rapidly although in 1945 about 1.7 percent of the farms had 25.8 percent of the farm acreage and produced 21.9 percent of total gross value of farm production.

Since 1913 there has been a tendency for real income or purchasing power of farmers to increase at the same rate as the increase in production per farm worker. Real incomes have fluctuated much more than productivity. In other words, even within one segment of our economy there is evidence that wealth is production.

Real income in proportion to productivity is a better guide as to parity of incomes than the average incomes of all workers or of any segment of our economy. If we ask for equality of real income of farm and nonfarm people, as many advocate, we are likely to destroy incentives for further technical advancements, to slow down improvements, and to reduce productivity and real incomes.

Real wages of all workers in the United States have increased about three and a half times since 1850.

E. Levels of Living (Charts 15, 16, 17. Tables 12, 13, 14, 15.)

Even though we have a high level of living on the average in the United States, there are great variations in the levels of living between areas and between various segments of our economy. To indicate the

level of living of farm families in an area we use the percentage of farms having electricity, telephones, and automobiles and the value of products sold or traded. When measured this way and using the United States at 100 in 1945 the index by states varied from 32 in Mississippi to 176 for New Jersey.

Since 1940 the level of living of farm families has increased in every state.

Farm families in the least rural areas of the United States have higher levels of living than those in the larger percentage rural areas.

Urban families in the past have obtained material possessions and services sooner than rural families. In recent years improvements in rural areas have been made more rapidly.

In 1950 about 78 percent of farm homes had electricity as compared with 94 percent for all United States homes. About 57 percent of farm homes had kitchen sinks in 1950 while 94 percent of urban homes had them. About 27 percent of farm families and 83 percent of urban families had bathtubs.

In 1946 areas where 90 percent or more of the population were farm people, there were 29 physicians per 100,000 population. In areas where less than 10 percent were farm people there were 120 physicians per 100,000 population. Thus there were 4 times as many doctors in urban areas as in strictly farm areas. There were 6 times as many dentists in urban areas. In 1947 there were 16 times as many hospital beds per 100,000 population in urban areas.

The number of doctors per 100,000 population declined in nearly all areas from 1940 to 1946.

As with incomes there is probably more variation in levels of living within each segment of our economy than between segments. We should be careful not to draw conclusions about averages from isolated extreme cases, which is often done.

According to available census figures urban people complete more school years than farm people. The difference is greatest in the South.

The school facilities are less in rural areas than in urban areas according to such measures as: Average length of school term, number of pupils per teacher, value of school property per pupil, and expenses per pupil.

According to the 1950 census 333 out of each 1,000 farm population were under 15 years of age while only 245 out of each 1,000 urban population were under this age. The burden of educating and providing for youth is at least 50 percent greater per adult on the farm than in the city.

## F. Organizations (Charts 18, 19.)

As we have specialized as population became more dense, and as communications were improved we have become much more highly organized. In the state of Ohio we had one person per square mile in 1803 when the state was formed and in 1950 we had 194 people per square mile. Nearly every occupation has its organization today. Each occupational group is a small percentage of the total population and yet most individuals are highly dependent on a single occupation. It is natural for the small number of people who have that same interest to organize. They can make themselves heard more easily and they are inclined to feel the need for looking after their own personal welfare in public programs through pressure groups. This has often decreased the attention that individuals give to some broad local problems such as local government, schools, etc.

The large number of organizations and the difficulties of participation in so many of them have led more and more to the formation of coordinating or advisory groups.

The number of workers belonging to labor unions in the country has increased from 3½ million in 1931 to about 15 or 16 million now. These organizations have stepped up their activities and their influence.

The membership in farm organizations has continued to increase even though total farm population has been declining. The number of farm marketing associations has decreased since about 1930 but the total membership has increased. Both the number and membership of farm purchasing associations have continued to increase.

## G. Government (Chart 20.)

As civilization progresses and becomes more complex, it is necessary for government to take on a wider scope of activities. The more dense the population the more expensive it is to maintain law and order. A complex economic organization results in greater injustices unless the complexity is regulated.

Our government in the United States has grown larger. In 1890 the government expense per person totaled about \$14. By 1942 this had grown to about \$315 per person. In 1951 it is expected to be between \$500 and \$600 per person. We have had more than 50 percent increase per 1,000 people in the non-military government employment since 1929. In 1929 about 6.5 percent of our labor force was in government employment and 10 percent in 1949.

Government has grown at all levels. Some think there is a tendency for government to move away from smaller units to larger units. However, much depends on the size of the national defense activities and the time we examine the expenditures and employment at the different levels of government.

In 1950, the federal government was spending 70 to 80 times what it did in 1900; but state governments were spending 55 times as much; and expenditures of local governments had increased about 7 times.

Federal employment was 208,000 in 1900, over 900,000 in World War I; 500,000 to 600,000 in the 1920's. It increased during the depression years and exceeded a million for the first time in 1940-41. The all time high was 3,375,000 in 1945. In October of 1950 it was 2,117,000, but more than a million of these were estimated to be civilian employees with the Army, Navy, Air Force, and the Veterans Administration. State and local employees in October 1950 (including 1,721,000 teachers and other school employees) numbered 4,306,000, which was more than double the number classified in federal civilian employment. There has been a tendency to decentralize the location of federal employees. Only about 10 percent of the federal civilian employees were located in Washington, D. C., late in 1950.

In the last 20 years our government has entered into many new fields of activity. One important phase of this is the social security program. By 1950 about 55 percent of all our living persons had wage credits in Old Age and Survivors Insurance. Over half of our workers are covered by unemployment insurance.

Direct aids and special services are being given to agriculture, business, labor, home owners and tenants, veterans, and foreign countries. More and more expenditures are being made on developing physical assets (such as highways), education, health, research, and natural resources. Loans are being made to agriculture, home owners, state and local governments, foreign governments, and international organizations.

Every part of modern life is influenced by government. There is a common belief that government is not productive. Government can contribute to productivity and well-being of people. New inventions and technical improvements can be more broadly used and be more effective with some regulations and limitations on them. For enterprise and business to have a chance for healthy development, an ordered society is necessary. Contracts must be enforced, communications and transportation must be highly developed and made secure, and workable monetary systems need to be established. A strong vigorous government is essential to the maintenance of domestic peace and prosperity and to national defense. We must have a larger and changing government to meet the growing complexity of our economy.

Many people think we are at a very important stage in our history. We may be reaching a point where future progress will be limited by our inability to develop the kind of government to fit our complex economy. Our people have a real job of democratically developing sound public policies which will bring about further improvements in productivity, levels of living, and political and economic security.

## H. Summary and Conclusions

1. The ratio of people to natural resources in the United States has been decreasing. The difference between our ratio and the ratio in other countries is much less than formerly.



The proportion of our population which is foreign born is decreasing. This may mean a decrease in the hybrid vigor of people in the United States.

2. Specialization and economic progress have made people in the United States much more dependent on each other. Risks have shifted and are a part of the complicated economy. The individual has become more specialized with the increasing economic complexity, causing greater conflicts and confusion in our economy.

3. The United States does not stand at the top in productivity per man engaged in agriculture. We need better measures of productivity, and we need to give greater attention to variations in productivity.

4. Real incomes of people in the United States have tended to be in proportion to productivity. We need to give greater attention to parity of real incomes with productivity, and possibly less attention to parity of incomes between groups.

5. Our level of living has surpassed all other countries in history, but we still have wide variations among our people in levels of living. Rural people have been slower generally in obtaining many of the items used in measuring improved levels of living. This has been due, to some extent, to low incomes of rural people, but also to the greater difficulties and costs in obtaining this level of living. More rapid strides have been made in recent years with some items of levels of living in rural communities through private or governmental group assistance.

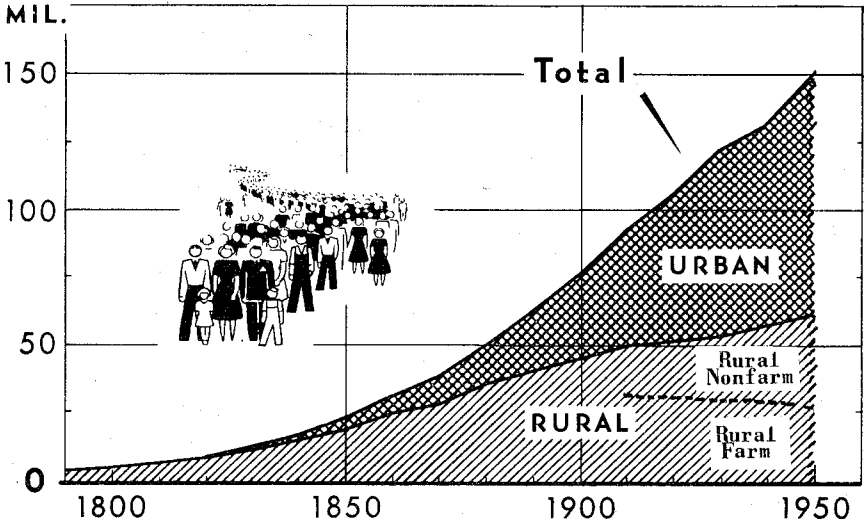
6. The number of organizations has greatly increased as we specialized, as population became more dense, and as communications were improved. The rapid growth in organizations is part of the search for professional and personal security.

We have a tremendous job, especially in rural communities, of coordinating the activities of all of the organizations. It is a big problem for the individual to choose organizations and decide upon his participation in organization activities.

7. Our government has grown larger. The more complex our economy the larger must be our government. We have a great problem of keeping our government democratic, so it is not perpetuated from the top down, but is wisely developed by an understanding populace. Our future progress may be limited by our inability to develop the kind of government to fit our complex economy. Our real job is to democratically develop sound public policies which will bring about further improvements in productivity, levels of living, and political and economic security.

# POPULATION OF U. S.

CHART #1



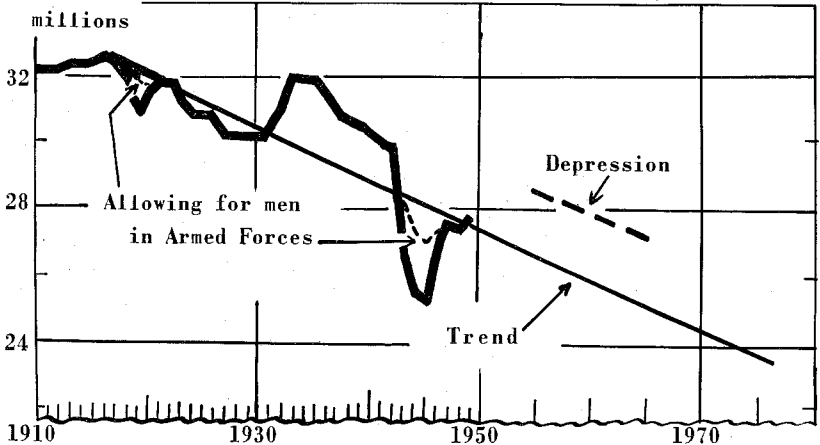
SOURCE: BUREAU OF THE CENSUS

U. S. DEPARTMENT OF AGRICULTURE

NEG. 46281-XX BUREAU OF AGRICULTURAL ECONOMICS

# DECLINE IN FARM POPULATION 1910-49 and Projected 1950-75

CHART #2



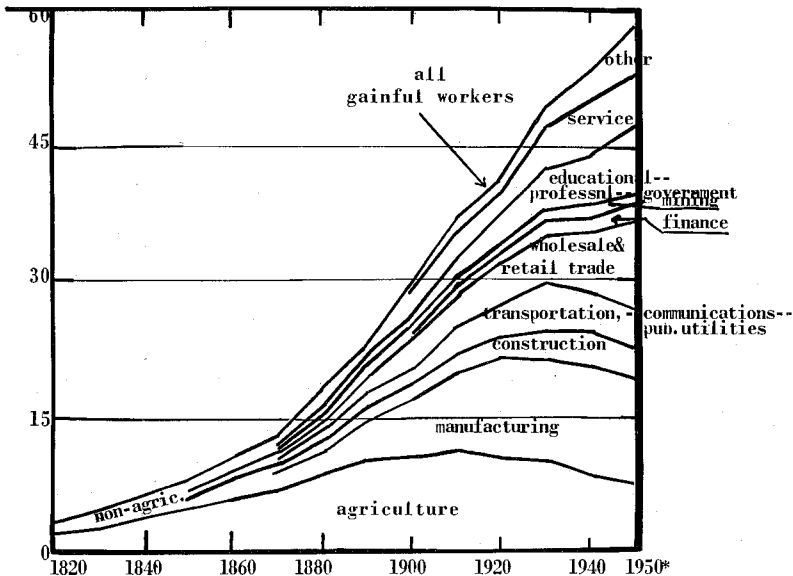
Data for 1950 not available pending results of 1950 census.  
Preliminary results from surveys indicate a decrease from 1949.

U. S. DEPARTMENT OF AGRICULTURE

NEG. 43457 A-XX BUREAU OF AGRICULTURAL ECONOMICS

**LABOR FORCE: DISTRIBUTION OF GAINFUL WORKERS BY INDUSTRY**

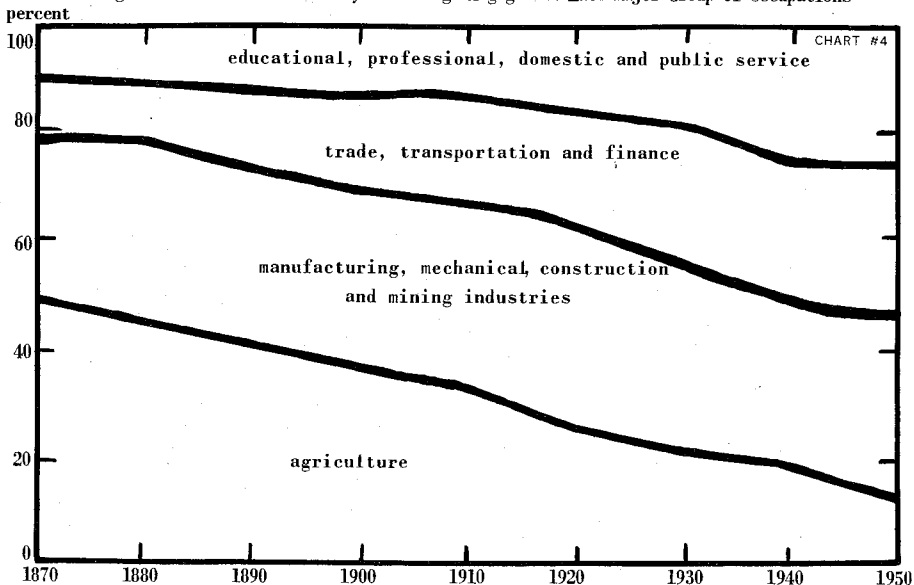
million workers **IN UNITED STATES 1820-1950** CHART #3



Source: Historical Statistics of U.S. 1789-1945. Series D 47-61 p.64 (Bureau of the Census)  
 \*1950 figures estimate by Mervin G. Smith based on 1950 census, which were not strictly comparable to figures for other census years.

**SHIFTS IN OCCUPATIONS 1870-1950**

Percentage of All Persons Over 16 years of age Engaged in Each Major Group of Occupations



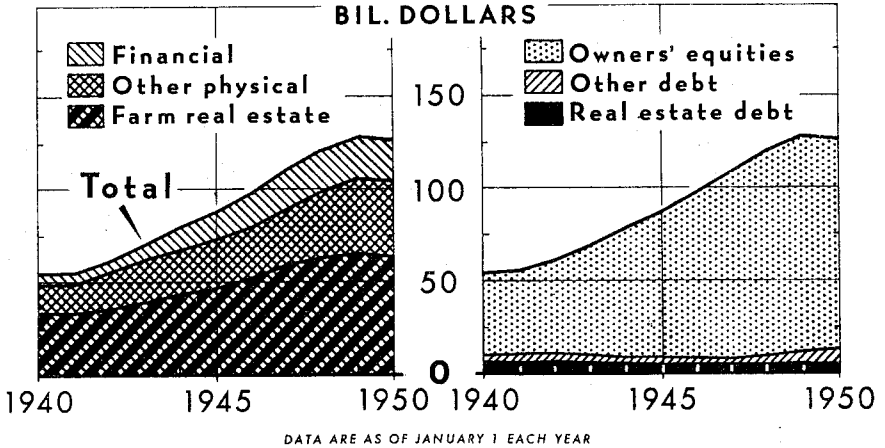
Source: From census. The 1940 and 1950 are estimates made by Mervin G. Smith on basis of census and Department of Commerce figures.

CHART #5

# THE FARM BALANCE SHEET

## OWNERS' EQUITIES AND DEBTS

### ASSETS



U. S. DEPARTMENT OF AGRICULTURE

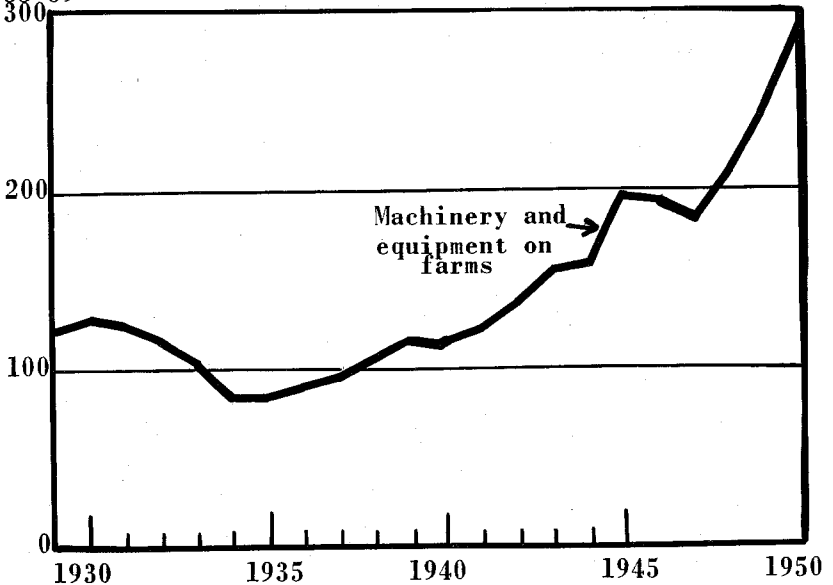
NEG. 47376A-XX BUREAU OF AGRICULTURAL ECONOMICS

CHART #6

## AMOUNT OF MACHINERY AND EQUIPMENT ON FARMS

Expressed in percentage of 1935-39  
in terms of 1935-39 dollars

Percent  
of 1935-39

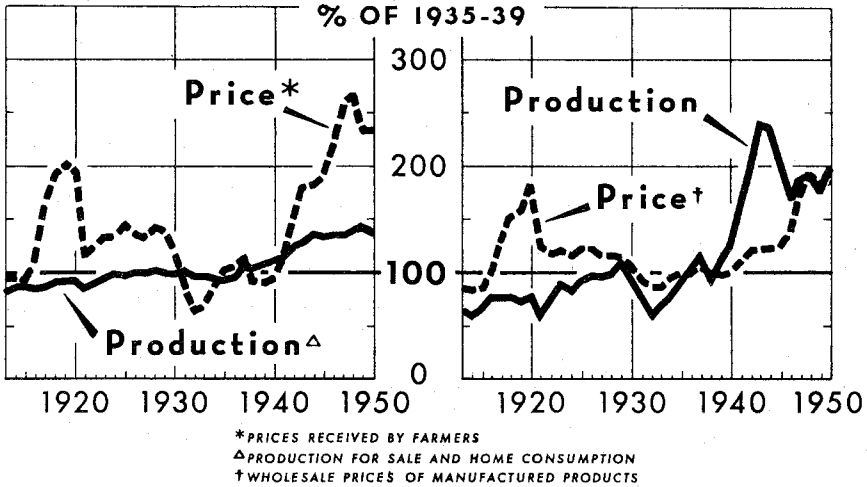


Source: Prepared by Mervin G. Smith. Data from BAE, USDA.

CHART #7

# U. S. PRODUCTION AND PRICES

## IN AGRICULTURE      IN INDUSTRY



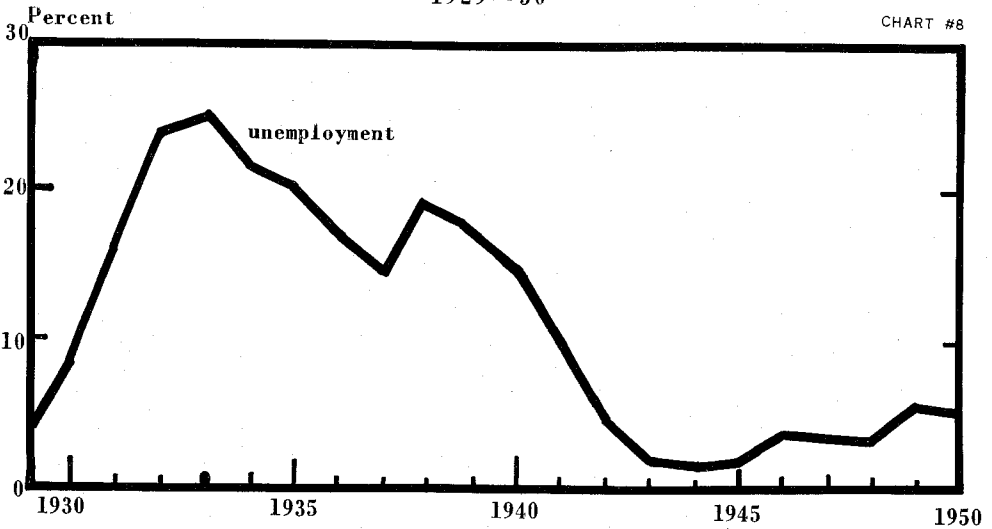
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## UNEMPLOYMENT IN UNITED STATES

1929--50

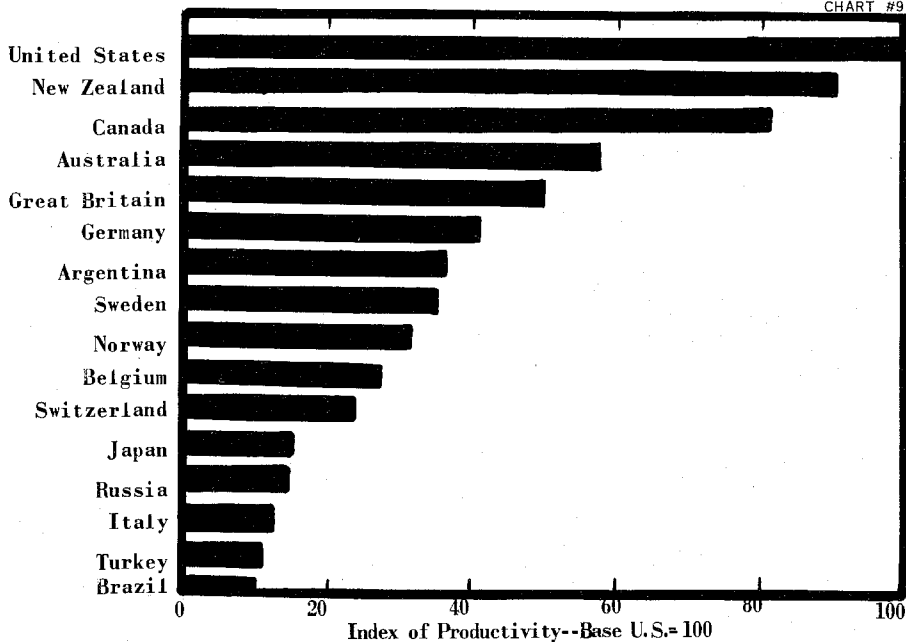
CHART #8



Sources--U. S. Dept. of Labor and Dept. of Commerce

## PRODUCTIVITY PER HOUR WORKED FOR VARIOUS COUNTRIES

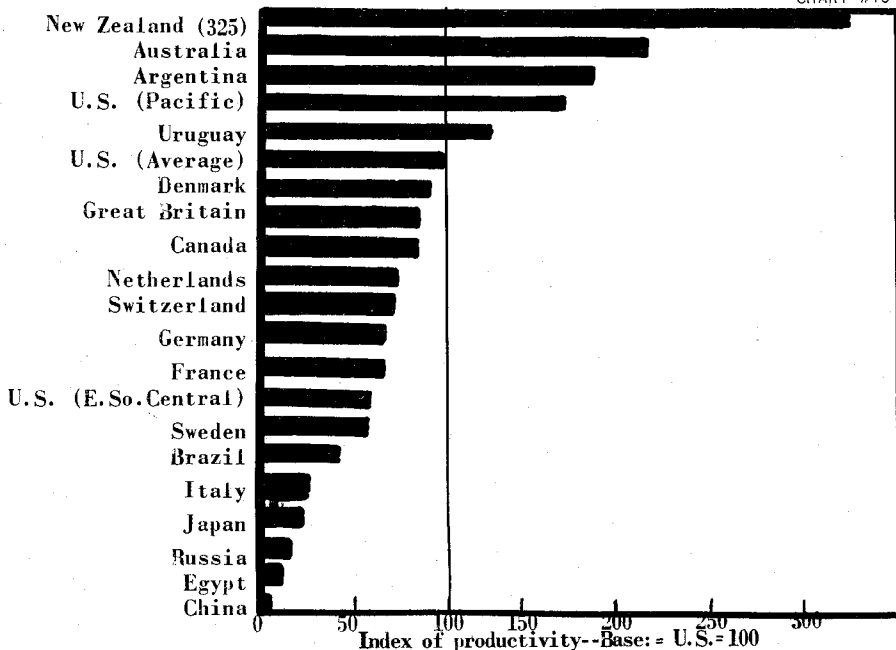
CHART #9



Source: Prepared by M. G. Smith from Colin Clark The Conditions of Economic Progress

## PRODUCTIVITY PER MALE ENGAGED IN AGRICULTURE

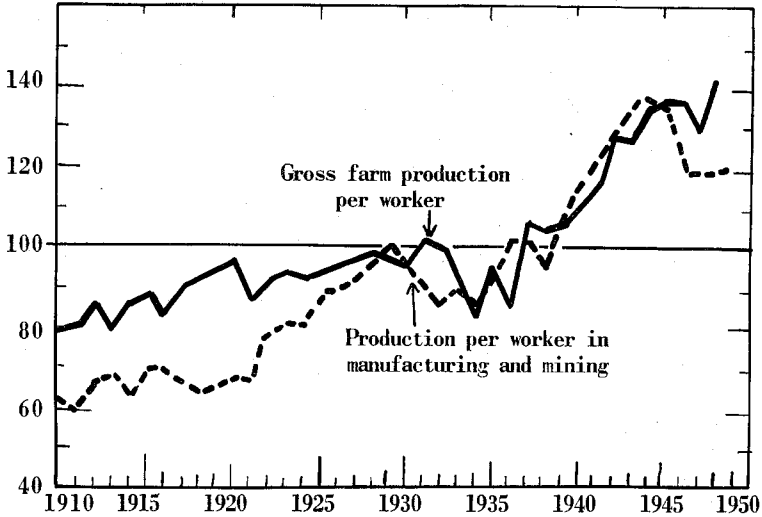
CHART #10



Source: Prepared by M. G. Smith from Colin Clark The Conditions of Economic Progress

### PRODUCTION PER WORKER IN AGRICULTURE AND INDUSTRY UNITED STATES, 1910-48 index numbers (1935-39=100)

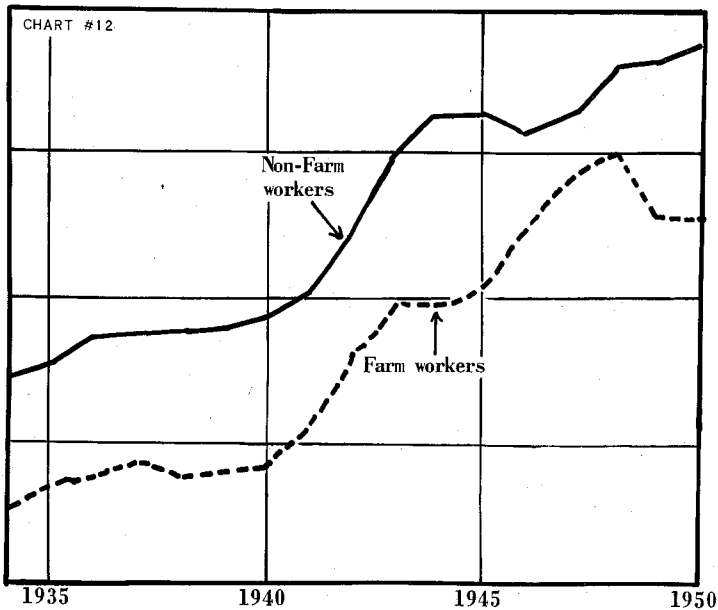
Percent



BAE 46417

### INCOME PER PERSON FROM ALL SOURCES OF FARM WORKERS NON-FARM WORKERS IN U. S. 1934-50.

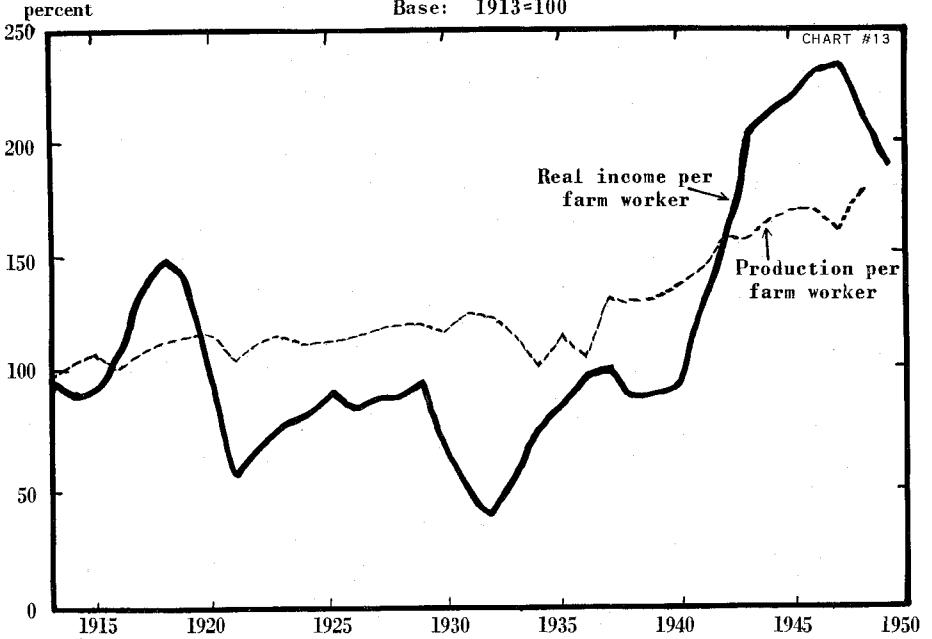
Income  
per year  
\$4000



Source: Prepared by Mervin G. Smith. Income figures from BAE, USDA and employment figures from Department of Commerce.

**PRODUCTIVITY IN AGRICULTURE COMPARED WITH REAL INCOMES  
OF AGRICULTURE**

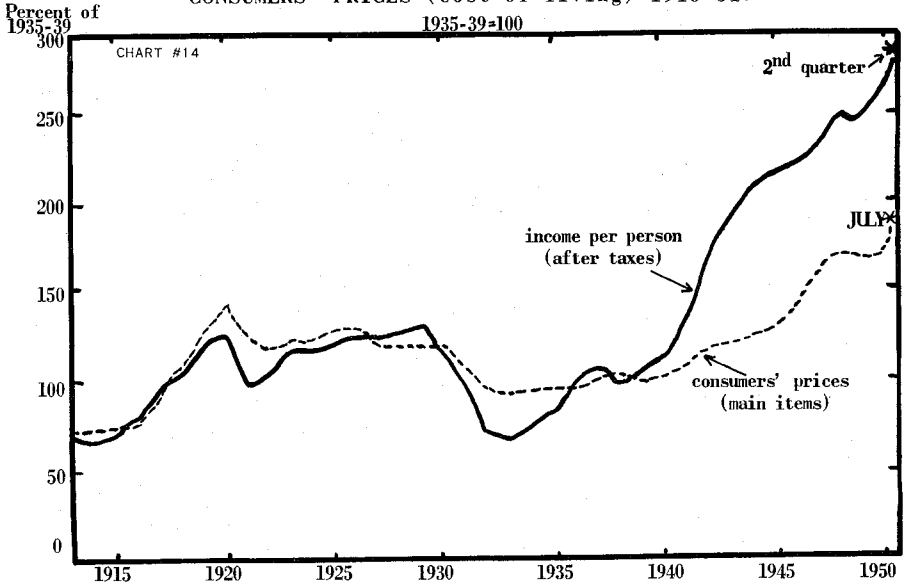
Base: 1913=100



Source: Prepared by Mervin G. Smith

**INCOMES PER PERSON (after taxes) AND  
CONSUMERS' PRICES (cost of living) 1913-51.**

1935-39=100

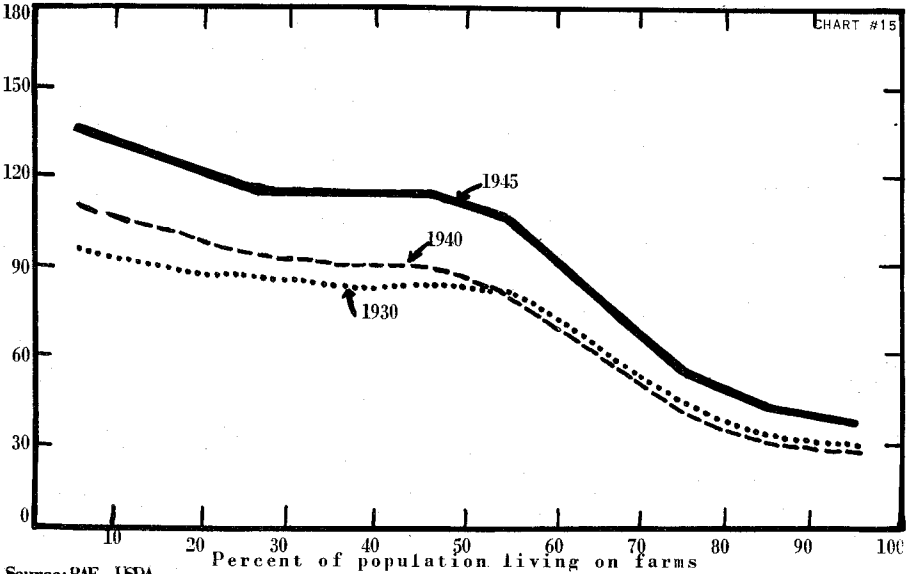


Source: Department of Commerce and Department of Labor. Chart prepared by M. G. Smith.



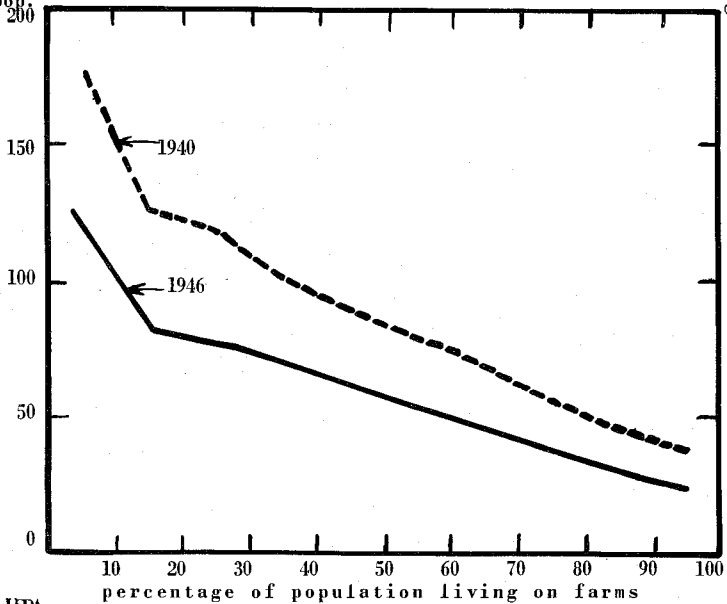
LEVEL OF LIVING OF FARM OPERATORS  
IN U. S. AREAS OF VARYING RURALITY  
(1945=100)

Level of Living (percent)



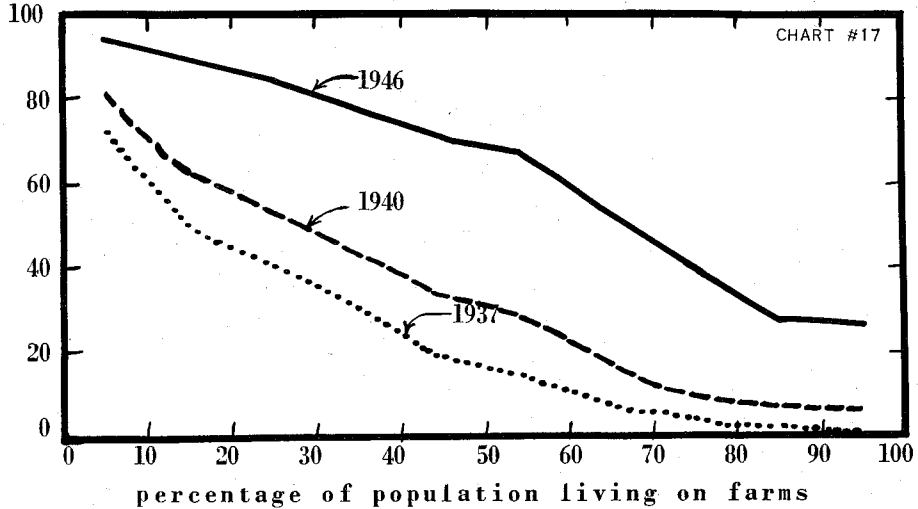
PHYSICIANS PER 100,000 POPULATION  
IN AREAS WITH VARYING PROPORTIONS OF FARM PEOPLE

Physicians per 100,000 pop.



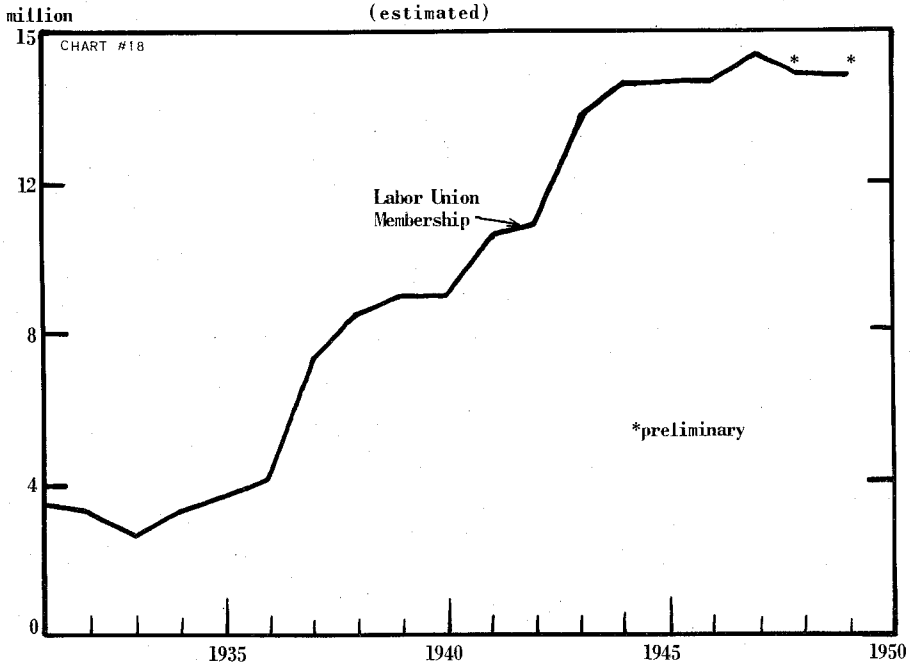
**BIRTHS IN HOSPITAL IN FARMING AREAS  
OF VARYING PERCENTAGE OF FARM PEOPLE**

Percent  
All Births



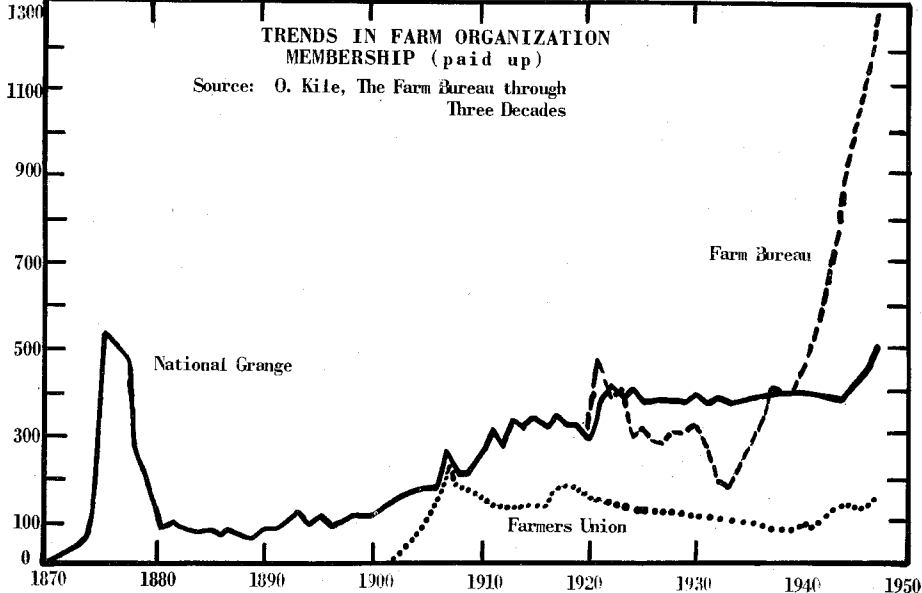
Source: BAE, USDA

**LABOR UNION MEMBERSHIP 1931 TO 1949  
(estimated)**

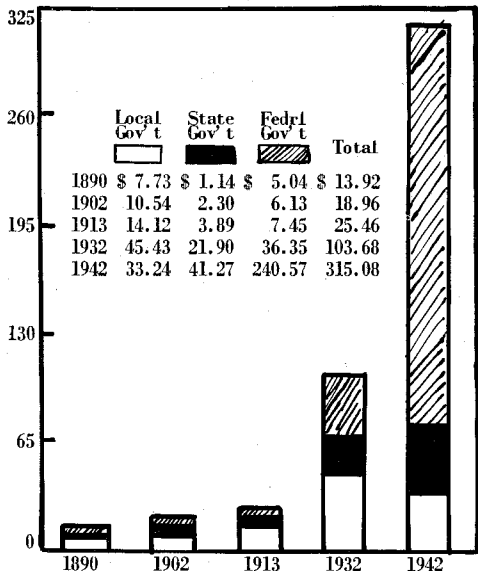


thousand members

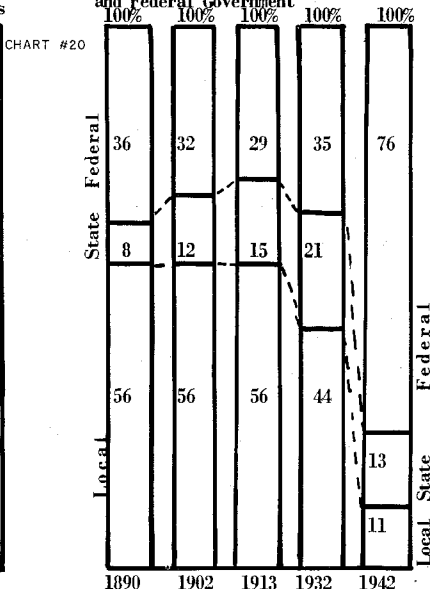
CHART #19



Government Expenditures per Person, Selected Years



Percentage of Total Government Expenditures by Local, State, and Federal Government



Source: Prepared by Mervin G. Smith, from Statistical Abstracts of United States.

TABLE 1. GROWTH OF URBAN AND RURAL POPULATION FOR THE UNITED STATES, 1790-1950

Census year	Percent increase over preceding census			Percent of total		
	United States	Urban places	Rural territory	Urban	Rural	Rural-farm
	1790	--	--	--	5.1	94.9
1800	35.1	59.9	33.8	6.1	93.9	
1810	36.4	63.0	34.7	7.3	92.7	
1820	33.1	31.9	33.2	7.2	92.8	
1830	33.5	62.6	31.2	8.8	91.2	
1840	32.7	63.7	29.7	10.8	89.2	
1850	35.9	92.1	29.1	15.3	84.7	
1860	35.6	75.4	28.4	19.8	80.2	
1870	22.6	59.3	13.6	25.7	74.3	
1880	30.1	42.7	25.7	28.2	71.8	
1890	25.5	56.5	13.4	25.1	64.9	
1900	20.7	36.4	12.2	39.7	60.3	
1910	21.0	39.3	9.0	45.7	54.3	34.7
1920	14.9	29.0	3.2	51.2	48.8	29.7
1930	16.1	27.3	4.4	56.2	43.8	24.1
1940	7.2	7.9	6.4	56.5	43.5	22.9
1950	14.5	18.7	7.4	63.7	36.3	15.6

Source: Census

TABLE 2. GROWTH BY REGIONS, 1930-1940

	Percent of total population, 1930			Percent of total population, 1940		
	Urban	Rural-nonfarm	Rural-farm	Urban	Rural-nonfarm	Rural-farm
	United States	55.2	18.9	24.1	56.5	20.5
Regions:						
The North	63.8	16.0	15.2	67.0	17.8	15.2
The South	33.6	22.6	42.3	36.7	24.1	39.2
The West	58.7	22.5	18.7	58.5	24.7	16.8

Source: Census

TABLE 3. DISTRIBUTION OF PERSONS IN TOTAL LABOR FORCE - TOTAL NUMBER AND PERCENTAGE OF TOTAL, SELECTED YEARS, 1929-1949

Industry	1929		1934		1939		1944		1949	
	Thou- sands	Percent	Thou- sands	Percent	Thou- sands	Percent	Thou- sands	Percent	Thou- sands	Percent
Agriculture (farms)	8,550	18.8	8,397	20.7	7,748	16.9	7,040	13.3	6,923	12.3
Mining	1,017	2.2	857	2.1	870	1.9	913	1.7	963	1.7
Contract construction	2,306	5.1	1,460	3.6	1,827	4.0	1,617	3.0	3,269	5.8
Manufacturing	10,561	23.3	8,444	20.8	10,091	22.0	17,207	32.4	14,351	25.6
Wholesale and retail trade	7,736	17.0	6,877	16.9	8,277	18.1	8,534	16.1	11,185	20.0
Finance, insurance, real estate	1,576	3.5	1,412	3.5	1,582	3.5	1,588	3.0	1,999	3.6
Transportation	3,035	6.7	2,077	5.1	2,169	4.7	2,959	5.6	2,850	5.1
Communications and public utilities	1,034	3.3	802	2.0	871	1.9	893	1.7	1,289	2.3
Services	6,374	14.0	5,566	13.7	6,307	13.8	6,304	11.9	7,344	13.1
Govt. and govt. enterprises (excluding armed forces)	2,934	6.5	4,483	11.0	5,772	12.6	5,828	11.0	5,596	10.0
Other	300	.6	286	.7	273	.6	242	.5	353	.6
Total (excl. armed forces)	45,423	100.0	40,661	100.0	45,787	100.0	53,125	100.0	56,122	100.0
Armed forces	260		260		370		11,260		1,466	
Total with armed forces	45,683		40,921		46,157		64,385		57,588	
Unemployment	1,550		11,340		9,480		670		3,395	
Total labor force	47,233		52,261		55,637		65,055		60,983	

Source: Survey of Current Business, Department of Commerce.

TABLE 4. INDUSTRIAL ORIGIN OF NATIONAL INCOME - TOTAL DOLLARS AND PERCENTAGE OF TOTAL, SELECTED YEARS, 1929-1949

Industry	1929		1934		1939		1944		1949	
	Millions of dollars	Percent	Millions of dollars	Percent	Millions of dollars	Percent	Millions of dollars	Percent	Millions of dollars	Percent
Agriculture (farms)	\$7,791	8.9	\$3,454	7.1	\$5,951	8.2	\$14,486	7.9	\$16,897	7.8
Mining	2,097	2.4	1,173	2.4	1,601	2.2	2,950	1.6	4,441	2.0
Contract construction	3,691	4.2	1,034	2.1	2,254	3.1	4,375	2.4	10,431	4.8
Manufacturing	22,012	25.2	10,922	22.5	17,936	24.7	60,456	32.9	62,870	29.0
Wholesale and retail trade	13,090	15.0	7,892	16.2	12,126	16.7	25,137	13.7	42,665	19.7
Finance, insurance, real estate	13,098	15.0	5,861	12.1	8,216	11.3	13,088	7.1	17,678	8.2
Transportation	6,562	7.5	3,326	6.8	4,543	6.3	11,197	6.1	11,994	5.5
Communications and public utilities	2,878	3.3	2,195	4.5	2,863	3.9	4,100	2.2	6,601	3.0
Services	10,168	11.6	6,106	12.6	8,080	11.1	13,268	7.2	20,461	9.4
Govt. and govt. enterprises	5,114	5.9	6,295	12.9	8,550	11.8	34,211	18.6	21,838	10.1
Other	854	1.0	355	.7	412	.5	670	.3	955	.4
Total - All industries	\$87,355	100.0	\$48,613	100.0	\$72,532	100.0	\$183,838	100.0	\$216,831	100.0

Source: Survey of Current Business, Department of Commerce.

TABLE 5  
PRODUCTIVITY OF DIFFERENT COUNTRIES  
AS MEASURED BY PRODUCTION PER HOUR WORKED

Country	Year	Index		Country	Year	Index	
		U.S. = 100				U.S. = 100	
U. S.	1947	100		Norway	1947	31	
N. Zealand	1947	90		Belgium	1947	27	
Canada	1947	81		Switzerland	1943	24	
Australia	1947	58		Japan	1944	15	
Gr. Britain	1947	50		Russia	1940	15	
Germany	1944	41		Italy	1947	12	
Argentina	1945	36		Turkey	1947	11	
Sweden	1947	34		Brazil	1946	9	

Source: Calculated by Mervin G. Smith from Colin Clark, "The Conditions of Economic Progress."

TABLE 6  
PRODUCTIVITY IN AGRICULTURE IN VARIOUS COUNTRIES--  
PRODUCTION PER MALE ENGAGED IN AGRICULTURE

(Based mostly on production in 1934-35)

Index of Productivity		Index of Productivity	
Country or Area	U.S. = 100	Country or Area	U.S. = 100
New Zealand	322	U. S. (South Atlantic)	67
Australia	213	Germany	67
Argentina	179	France	66
U.S. (Pacific)	163	U. S. (East South Central)	57
U.S. (Mountain)	138	Sweden	57
U.S. (West North Central)	131	Czechoslovakia	46
Uruguay	131	Hungary	39
U.S. (East North Central)	128	Brazil	38
U.S. (Mid-Atlantic)	111	Poland	30
U.S. (New England)	109	Syria	26
U.S. (Average)	100	Italy	25
Denmark	95	Japan	23
Great Britain	85	Russia (1938)	20
Canada	85	Turkey	19
U. S. (West South Central)	83	Iraq	17
Netherlands	78	Egypt	15
Belgium	75	Philippines	13
Switzerland	74	China	7

Source: Calculated by Mervin G. Smith, based on figures from Colin Clark, "The Conditions of Economic Progress." Productivity by U.S. areas calculated from T. W. Schultz, "Production and Welfare of Agriculture," page 54, and Colin Clark's average for U.S.

TABLE 7. INCOME PER CAPITA, TOTAL LABOR FORCE AND TOTAL EMPLOYMENT, ACTUAL DOLLAR INCOME AND REAL INCOME, 1929-50

Year	Total natl. income (Millions of dollars)	Total labor force (Thousands)	Total employment (Thousands)	Per capita income		Per capita real income (1935-39 base)	
				All labor force	Employed workers	All labor force	Employed workers
1929	\$87,355	49,180	47,630	\$1,776	1,834	\$1,450	1,497
1930	75,003	49,820	45,480	1,505	1,649	1,260	1,381
1931	58,873	50,420	42,400	1,167	1,389	1,074	1,278
1932	41,690	51,000	38,940	817	1,071	837	1,097
1933	39,584	51,590	38,760	767	1,021	830	1,105
1934	48,613	52,230	40,890	931	1,189	973	1,242
1935	56,789	52,870	42,260	1,074	1,344	1,095	1,370
1936	66,941	53,440	44,410	1,253	1,507	1,264	1,521
1937	73,627	54,000	46,300	1,363	1,590	1,327	1,548
1938	67,375	54,610	44,220	1,234	1,524	1,224	1,512
1939	72,532	55,230	45,750	1,473	1,585	1,482	1,595
1940	81,347	55,640	47,520	1,462	1,712	1,459	1,709
1941	103,834	55,910	50,350	1,857	2,062	1,765	1,960
1942	137,119	56,410	53,750	2,431	2,551	2,087	2,190
1943	169,686	55,540	54,470	3,055	3,115	2,472	2,520
1944	183,838	54,630	53,960	3,365	3,407	2,681	2,715
1945	182,691	53,860	52,820	3,392	3,459	2,642	2,694
1946	180,286	57,520	55,250	3,134	3,263	2,250	2,342
1947	198,688	60,168	58,027	3,302	3,424	2,074	2,151
1948	223,466	61,442	59,378	3,637	3,763	2,124	2,198
1949	216,831	62,105	58,710	3,491	3,693	2,064	2,184
1950*	239,000	63,099	59,956	3,788		2,204	

\*1950, President's Report, July 1951. Preliminary.

Source: 1929-1941, Supplement of Survey of Current Business, July 1947.  
1942-1949, Survey of Current Business, July 1950. Other reports of Survey of Current Business.



TABLE 8. INCOME PER CAPITA OF NONFARM WORKERS AND FARM WORKERS, ACTUAL DOLLAR INCOME AND REAL INCOME, 1934-49

Year	Income from all sources (Millions of dollars)		Employment (Thousands)		Per capita income		Per capita real income (1935-39 base)	
	Nonfarm people	farm people	Non-agr.	Agr.	Non-agr. workers	Agr. workers	Non-agr. workers	Agr. workers
1934	\$44,206	\$5,239	30,990	9,900	\$ 1,426	\$ 529	\$ 1,490	\$ 553
1935	49,434	6,961	32,150	10,110	1,538	683	1,568	696
1936	58,288	7,342	34,410	10,000	1,694	748	1,709	755
1937	63,025	8,283	36,480	9,820	1,728	843	1,682	821
1938	59,141	7,165	34,530	9,690	1,713	739	1,699	733
1939	63,889	7,559	36,140	9,610	1,768	786	1,779	791
1940	70,324	7,787	37,980	9,540	1,851	817	1,847	815
1941	84,796	10,435	41,250	9,100	2,056	1,147	1,954	1,090
1942	108,610	14,558	44,500	9,250	2,441	1,570	2,095	1,348
1943	134,551	17,964	45,390	9,080	2,964	1,980	2,398	1,602
1944	146,708	17,689	45,010	8,950	3,259	1,978	2,597	1,576
1945	146,114	17,953	44,240	8,580	3,303	2,092	2,572	1,629
1946	147,344	20,949	46,930	8,320	3,140	2,518	2,254	1,808
1947	162,719	23,124	49,761	8,266	3,270	2,797	2,054	1,757
1948	183,509	23,969	51,405	7,973	3,570	3,006	2,085	1,756
1949	183,454	20,634	50,684	8,026	3,620	2,571	2,141	1,520
1950(*)	195,586	19,358	52,450	7,507	3,729	2,579	2,169	1,500

\* Preliminary

Source: Income from BAE, USDA, Farm Income Situation, August 1950, January and February 1951. These figures are adjusted so that they are comparable and they are not the same series as usually reported by the Department of Commerce. Employment figures from Department of Commerce.

TABLE 9. AVERAGE REAL EARNINGS PER FULL TIME EMPLOYEE BY INDUSTRY, 1929-50  
(1935-39 Base)

Year	All agr. * hired workers	Mining	Contract construction	Manufacturing	Wholesale, Finance, and insurance, retail trade real estate	Transportation	Communications	Govt. and govt. entrprs.	Rest of world	Total for all inds.			
1929	530	351	1246	1367	1260	1304	1706	1340	1203	873	1267	1633	1160
1930	410	340	1193	1278	1246	1313	1676	1348	1254	886	1302	1591	1156
1931	296	303	1123	1134	1259	1377	1735	1425	1393	922	1425	1748	1189
1932	223	257	1041	929	1178	1350	1728	1406	1473	936	1515	1844	1164
1933	314	253	1071	940	1175	1285	1722	1444	1462	920	1439	1840	1152
1934	420	283	1158	984	1205	1287	1708	1456	1490	890	1344	1881	1159
1935	478	314	1176	1047	1240	1306	1700	1521	1515	885	1318	1835	1175
1936	543	343	1274	1189	1299	1311	1763	1596	1536	901	1293	1917	1210
1937	552	378	1330	1244	1340	1320	1771	1601	1559	907	1320	1850	1237
1938	490	377	1272	1184	1286	1346	1748	1663	1661	931	1327	1885	1228
1939	510	380	1375	1276	1371	1373	1772	1733	1702	949	1347	2012	1277
1940	523	389	1385	1327	1429	1388	1750	1750	1715	947	1346	1996	1303
1941	702	450	1501	1557	1571	1417	1716	1795	1679	966	1323	1901	1378
1942	885	548	1541	1881	1736	1391	1640	1871	1616	971	1419	1803	1476
1943	1115	670	1749	2025	1900	1453	1670	2014	1679	1082	1467	1699	1589
1944	1168	875	1991	2073	2006	1566	1763	2134	1791	1210	1560	1753	1689
1945	1195	851	2041	2025	1960	1663	1845	2129	1889	1300	1633	1869	1719
1946	1260	842	1952	1821	1807	1725	1865	2116	1842	1342	1697	2441	1700
1947	1276	793	1955	1776	1754	1671	1736	1977	1754	1258	1613	2136	1632
1948	1147	772	1978	1822	1775	1675	1728	2011	1754	1233	1627	1752	1641
1949	1026	761	1895	1915	1829	1739	1824	2102	1866	1286	1710	1675	1697

\* Calculated agricultural income from agricultural sources, Agricultural Outlook Charts, USDA, 1951.  
Source: Calculated from actual incomes reported in Survey of Current Business, Department of Commerce.

TABLE 10. INCOMES IN 1949 OF FAMILIES AND UNRELATED INDIVIDUALS, PERCENTAGE WITH VARYING INCOMES

Incomes	United States		Northeast		North Central		South		West	
	Total	Nonfarm	Total	Nonfarm	Total	Nonfarm	Total	Nonfarm	Total	Nonfarm
	<i>Percent</i>									
Under \$500	13.7	12.9	13.1	12.9	12.0	11.8	17.2	15.2	11.0	11.0
\$500 to \$999	9.2	8.1	6.1	6.0	8.2	7.8	13.2	10.5	8.6	8.6
\$1,000 to \$1,499	8.4	7.7	6.6	6.4	7.5	6.8	11.1	10.3	7.8	7.4
\$1,500 to \$1,999	7.8	7.5	6.9	6.8	7.0	6.4	9.7	9.6	7.3	7.0
\$2,000 to \$2,499	9.2	9.2	9.4	9.3	9.0	8.6	9.5	10.0	9.0	8.7
\$2,500 to \$2,999	8.5	8.7	9.4	9.4	9.1	9.2	7.5	8.1	7.7	7.7
\$3,000 to \$3,499	9.6	10.1	11.0	11.2	10.3	10.8	7.5	8.2	10.0	10.3
\$3,500 to \$3,999	7.4	7.9	7.8	7.8	8.4	9.0	5.3	6.1	8.8	9.1
\$4,000 to \$4,499	6.0	6.4	6.9	6.9	6.5	6.7	4.3	5.0	7.0	7.1
\$4,500 to \$4,999	4.1	4.4	4.3	4.3	4.5	4.8	3.2	3.8	4.6	4.7
\$5,000 to \$5,999	6.5	6.9	7.2	7.3	7.3	7.8	4.6	5.3	7.3	7.5
\$6,000 to \$6,999	3.5	3.7	3.9	4.0	3.7	3.8	2.5	2.9	4.0	4.1
\$7,000 to \$9,999	3.8	4.0	4.4	4.5	4.1	4.2	2.8	3.2	4.2	4.1
\$10,000 and over	2.4	2.5	3.2	3.2	2.3	2.3	1.7	1.9	2.7	2.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Bureau of the Census, 1950

TABLE 11. PERCENTAGE OF FARMS, POPULATION, ACREAGE, AND VALUE OF FARM PRODUCTS BY ECONOMIC CLASS, UNITED STATES, 1945

Economic class	Num-ber of farms	Farm popu-lation	Farm acre-age	Gross value of farm production
Farming units:		<i>Percent</i>		
Large-scale farms	1.7	3.7	25.8	21.9
Commercial-family farms:				
Large	7.0	8.5	18.3	23.5
Medium	20.0	21.3	24.1	30.0
Small	28.4	28.5	18.1	17.1
Small-scale farms	15.8	14.0	5.8	4.2
Other units:				
Part-time units	10.3	10.9	2.3	1.9
Nominal units	16.8	13.1	5.6	1.4
All farms	100.0	100.0	100.0	100.0

TABLE 12. STATES RANKED BY FARM FAMILY LEVEL OF LIVING INDEX, 1945, AND BY PERCENTAGE IMPROVEMENT IN INDEX, 1940-1945.

State and relative position, 1945	Index in 1940	Index in 1945	State and relative position, 1945	Index in 1940	Index in 1945
United States-----	80	100	Colorado-----	96	122
New Jersey-----	140	176	Maryland-----	91	121
Connecticut-----	138	170	Michigan-----	99	117
Iowa-----	133	162	Maine-----	98	116
California-----	132	161	Arizona-----		115
Rhode Island-----	138	158	North Dakota-----	84	111
Massachusetts-----	127	152	South Dakota-----	87	107
New York-----	120	145	Montana-----	83	107
Washington-----	113	145	Utah-----	89	104
Illinois-----	113	139	Texas-----	79	101
New Hampshire-----	115	137	Missouri-----	78	93
Oregon-----	112	136	Oklahoma-----	62	79
Delaware-----	100	136	Florida-----	54	75
Kansas-----	101	135	Virginia-----	58	72
Ohio-----	113	134	New Mexico-----	69	70
Indiana-----	111	134	West Virginia-----	54	65
Nebraska-----	105	132	Kentucky-----	49	61
Wisconsin-----	107	131	North Carolina-----	46	60
Minnesota-----	107	130	South Carolina-----	41	55
Nevada-----	105	129	Georgia-----	37	52
Idaho-----	99	128	Louisiana-----	34	51
Vermont-----	106	125	Tennessee-----	36	50
Wyoming-----	102	124	Alabama-----	25	38
Pennsylvania-----	102	122	Arkansas-----	25	37
			Mississippi-----	22	32

TABLE 13. SPECIFIED MATERIAL POSSESSIONS OF RURAL FARM, RURAL NONFARM, AND URBAN POPULATION

Item	Percent of homes possessing			
	U.S.	Rural farm	Rural nonfarm	Urban
Electric lighting (1950)	94	78	90	98 (1945)
Running water (1945)	79	28 (44-1950)	70	95
Radio (1945)	90 (94-1951)	77	90	94
Bathtub or shower (1950)	68	27	59	83
Private flush toilet (1945)	69	17	56	87
Mechanical refrigerator (1946)	60 (86-1950)	30	57	68
Kitchen sink (1950)	85	57	77 (est.)	94
Ice box (1944)	26	28	25	26
Central heating (1945)	48	15	36	61
Gas or electric kitchen stove (1941)	61	15	31	84
Electric toaster (1941)	52	22	39	65
Electric mixer (1941)	15 (26-1951)	7	14	19
Pressure cooker for canning (1941)	9	23	8	5
Vacuum cleaner (1941)	47 (56-1950)	24	36	58
Power washing machine (1941)	52	50	51	52
Electric washers (1951)	72	--	--	--
Electric irons (1941)	79	46	68	93
Radio-phonograph (1941)	6	2	3	8
Phonograph (1941)	13	18	12	11
Piano (1941)	23	28	21	22
Dishwasher (1951)	2			
Clothes dryer (1951)	1			
Freezers (1951)	7			
Ironers (1951)	9			
Range (1951)	21			
Television (1951)	26			

Sources:

1. "Characteristics of Occupied Dwelling Units, for the United States, November 1945," Bureau of the Census Series H-46 No. 1, Washington, D. C., May 16, 1946.
2. "Ownership of Household Equipment in Relation to Income and Size of Community," MONTHLY LABOR REVIEW, Bureau of Labor Statistics, Washington, D. C., December 1945.
3. 1948, 1950, and 1951 from National Electrical Manufacturers Association, Edison Electric Institute, and American Home Laundry Manufacturers Association.

TABLE 14. NUMBER OF PHYSICIANS, DENTISTS, AND HOSPITAL BEDS IN AREAS WITH VARYING PERCENTAGE OF FARM PEOPLE

Region and percent farm people	Physicians per 100,000 population	Dentists per 100,000 population	Hospital beds per 100,000 population
	1946	1946	1947
United States	92	48	326
Under 10%	120	64	396
10-19%	82	43	363
20-29%	79	40	347
30-39%	68	36	288
40-49%	61	32	212
50-59%	54	28	185
60-69%	47	22	127
70-79%	39	15	72
80-89%	32	10	34
90% and over	29	8	20

Source: Trends in Rural and Urban Levels of Living, BAE, USDA, December 1949.

TABLE 15. PERCENTAGE OF FARMS WITH TELEPHONES AND ELECTRICITY IN AREAS WITH VARYING PERCENTAGE OF FARM PEOPLE

Region and percent farm people	Percentage of farms with telephones	Percentage of farms with electricity
	1945	1945
United States	29.8	44.5
Under 10%	45.4	72.4
10-19%	40.1	65.4
20-29%	38.5	59.0
30-39%	34.7	53.6
40-49%	34.9	47.3
50-59%	32.9	40.4
60-69%	22.1	29.4
70-79%	9.6	23.3
80-89%	5.5	19.2
90% and over	5.7	16.6

Source: Trends in Rural and Urban Levels of Living, BAE, USDA, December 1949.