

Mr. R. W. Van Battum

February 23, 1981

Wayne

Bureau of the Census - MQ-C1

B. G. Witherspoon

Charlotte

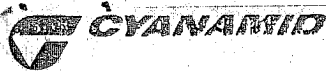
280

SURVEY OF PLANT CAPACITY, FOURTH QUARTER 1980

Attached is subject request for the Chicago Plant.

B. G. Witherspoon

BCW/me



To: *B. G. Witherspoon, Jr.*

Date January 30, 1981

Location: *Chicago, Ill.*

Copy to

From: R. W. Van Battum

Location Wayne

Subject: SURVEY OF PLANT CAPACITY, FOURTH QUARTER 1980

Reference: Bureau of the Census - Form MQ-C1

Please have the enclosed subject report Form MQ-C1 completed and returned to the undersigned on or before February 25, 1981.

R. W. Van Battum, Jr.
R. W. Van Battum

B/WII-9
Attachment



NOTICE

Additional Instructions for Completing Form MQ-C1, Survey of Plant Capacity

Please read the following instructions before completing Form MQ-C1. These additional instructions are intended to clarify questions frequently raised and to assist us in understanding your report.

1. Data reported in item 1 (Actual, Preferred, and Practical Levels of Operations for Fourth Quarter) normally should be consistent with the operating rates reported in item 2. Please explain in the Remarks section any significant differences between the implicit operating rates in item 1 (i.e., the ratio of the "actual" to the "preferred" and "practical" columns) and the operating rates reported in item 2. Review particularly the measure corresponding to the box reported in item 3 (if you mark boxes 2013 through 2017).
2. While it is our intention to request only data which are readily available, we recognize that some of the information requested may be difficult to report due to circumstances beyond your control. In such cases, please provide your best estimates. Several of the data items (production workers and worker hours) are the same as reported on the Annual Survey of Manufactures (Form MA-100), and should be consistent with that report.
3. In reporting item 1, it is usually best to complete column c (preferred level of operations) before completing column d (practical capacity). Implicit in the idea of a preferred level of operations is the theory that there is a level of operations at which profits are maximized. This is a level where marginal revenue equals marginal costs. The preferred level (column c) should not exceed practical capacity (column d).
4. If your plant has departments or assembly lines which operate an unequal number of shifts (item 1, line 1), report the maximum number of shifts operated. Do not attempt to calculate an average number of shifts based on hours worked or some other factor. Do not consider overtime hours as fractional shifts. Also, for "hours per day in operation" (item 1, line 3), report the total elapsed time the plant is open and operating, not the number of person hours worked.

N11892.02

CYWI 24-0005970

MQ-C1-L1 (1980)
(12-2-80)



UNITED STATES DEPARTMENT OF COMMERCE
Bureau of the Census
Washington, D.C. 20233

OFFICE OF THE DIRECTOR

JANUARY 19, 1981

**FROM THE ACTING DIRECTOR
BUREAU OF THE CENSUS**

Enclosed are your report forms and file copies for reporting in the "Survey of Plant Capacity" (MQ-C1) for the fourth quarter of 1980. The questionnaire is unchanged from the 1979 form. Estimates of capacity utilization are used by the Federal Reserve Board, the Council of Economic Advisers, the Treasury Department, and other agencies responsible for developing monetary and fiscal policy. Private firms also use the data to analyze industry trends, investigate market potential, and predict capital flows.

We recognize that not all firms maintain records of capacity utilization, as such, and that capacity may change with the product mix, the time in operation for the plant, the equipment in place, or for various other reasons. Therefore, some degree of estimation may be required to complete the form. Please read the instructions carefully before completing the report. Use the "Remarks" section to explain any unique conditions that may have entered into your estimates.

The sample of respondents for this survey has been selected as a subsample of the annual survey of manufactures (form MA-100). You are requested to complete the capacity questionnaire only for those establishments for which you received forms, even though you may file forms MA-100 for additional establishments.

Response to this inquiry is required by law (title 13, United States Code, sections 131, 182, 224, and 225). By section 9 of the same law, your report to the Census Bureau is confidential. It may be seen only by sworn Census employees and used only for statistical purposes. The law also provides that copies retained in your files are immune from legal process.

Your cooperation in completing this form within 30 days will help to make possible the timely release of the survey results. If you have any questions, or if additional time is required to complete the report, please contact the Special Projects Branch of our Industry Division at (301) 763-5915 for assistance. Requests for additional forms may be made by calling (812) 288-3331.

Sincerely,

Daniel B. Levine

DANIEL B. LEVINE

Enclosures

N11892.03

CYWI 24-0005971

GENERAL INSTRUCTIONS - Continued

Practical Capacity - This is the greatest level of output this plant can achieve within the framework of a realistic work pattern. In estimating practical capacity, please take into account the following considerations:

1. Assume a normal product mix. If the plant is subject to considerable short-run variation in product mix you may assume that the current pattern of production is normal.
2. In setting capacity in terms of the number of shifts and hours of plant operation assume an expansion of operations that can be reasonably attained in your industry and your locality.
3. Consider only the machinery and equipment in place and ready to operate. Do not consider facilities which have been inoperative for a long period of time and, therefore, require extensive reconditioning before they can be made operative.
4. Take into account the additional downtime for maintenance, repair, or cleanup which would be required as you move from current operations to full capacity.
5. Assume availability of labor, materials, utilities, etc., sufficient to utilize the machinery and equipment that was in place at the end of the quarter.
6. Do not consider overtime pay, added costs for materials, or other costs to be limiting factors in setting capacity.
7. Although it may be possible to expand plant output by using productive facilities outside of the plant, such as by contracting out sub-assembly work, do not assume the use of such outside facilities in more than the proportion that has been normal in your current level of operations.

Item 1 - ACTUAL, PREFERRED, AND PRACTICAL LEVELS OF OPERATIONS FOR FOURTH QUARTER 1980 (OCTOBER-DECEMBER) - In reporting shifts, days, and hours of operations you may use the most typical pattern during the period. Lines 1 through 8 - Please make every effort to report information requested in columns (b), (c), and (d).

Line No.	Item (a)	4th Quarter 1980		
		Actual, operational (b)	Preferred level of operations (c)	Practical capacity (d)
1	Shifts per day (Number)	3	3	3
2	Days per week in operation (Number)	5	7	7
3	Hours per day in operation (Number)	24	24	24
4	Weeks in operation during the 4th quarter (Number)	12	12	12
5	Number of production workers as of November 12	16	17	N/A
6	Total work-hours worked during the quarter by production workers (Thousands)	8	9	N/A
7	Percent of overtime hours included in line 6	9%	.5%	N/A
8	Value of production (\$1,000)	1091	1727	1759
If possible, please report for lines 9 and 10 below. Use reasonable estimates for the item(s) most suitable for your establishments.				
9	Quantity of production - Specify units	5583	8840	9000
10	Quantity of materials consumed - Specify units	5462	8148	8805

Item 2 - OPERATING RATES DURING THE FOURTH QUARTER 1980

Line No.	Percent
1	At what percentage of practical capacity did this plant actually operate during the fourth quarter 1980?
2	At what percentage of practical capacity would you have preferred this plant to operate during the fourth quarter 1980?
	61
	98

Item 3 - METHOD USED TO DETERMINE OPERATING RATES - The purpose of this inquiry is to learn how operating rates are computed.

Mark (X) one

2013 ☐ Production workers

2014 ☐ Work hours

2015 ☐ Value of production

2016 ☒ Quantity of production

2017 ☐ Quantity of materials consumed

2018 ☐ Subjective evaluation

2019 ☐ Other - Specify _____

Item 4 - REASONS FOR OPERATING AT LESS THAN 100% OF PRACTICAL CAPACITY AND LENGTH OF TIME REQUIRED TO REACH AND MAINTAIN PRACTICAL CAPACITY - If during the 4th quarter 1980 this establishment operated at less than 100% of your practical capacity, please complete items 4a, 4b, and 4c below.

a. Principal reason your operations fell short of practical capacity. Enter the number 1 through 6 for each applicable item to indicate the ranking of the reason in importance. Number only those reasons which pertain to your operations.

3011 ☐ Insufficient orders

3012 ☐ Inadequate labor force (total or specific skills)

3013 ☐ Lack of sufficient fuel or electric energy

3014 ☐ Lack of materials or supplies

3015 ☐ Strike or other work stoppages, etc.

3016 ☐ Other (fire, flood, etc.) - Specify _____

b. Length of time it would require to expand actual operations to practical capacity providing there was sufficient demand for the output -

Mark (X) one

3021 ☐ 1 week or less

3022 ☒ 2 weeks to a month

3023 ☐ 2-3 months

3024 ☐ 4-6 months

3025 ☐ More than 6 months - Specify _____

3026 ☐ Impractical to expand to practical capacity - Specify estimated percent of practical capacity that could be reached within 6 months _____

c. Length of time practical level of operation could be sustained (or level specified in 3026 above)

3031 ☒ Indefinitely

3032 ☐ Only _____ months

Item 5 - Person to contact regarding this report

Name	Title	Telephone
		Area code Number Extension

FORM NO. 1-10-80

N11892.04