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AUGUST 1948



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EDITORIAL COMMITTEE

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CONTENTS

	PAGE
Consumer Credit Trends.	897- 903
Statement Before the House Banking and Currency Committee.	904- 911
Regulation of Consumer Instalment Credit.	912- 913
1948 Survey of Consumer Finances—Part IV. Consumer Saving and the Allocation of Disposable Income.	914- 932
Revised Consumer Credit Series.	933- 937
The Philippine Central Bank Act, by David L. Grove and John Exter	938- 949
Second Annual Report of the National Credit Council of France.	950- 960
Current Events and Announcements.	960
National Summary of Business Conditions.	961- 962
Financial, Industrial, Commercial Statistics, U. S. (See p. 963, for list of tables)	963-1022
International Financial Statistics (See p. 1023, for list of tables)	1023-1041
Board of Governors and Staff; Open Market Committee and Staff; Federal Advisory Council.	1042
Senior Officers of Federal Reserve Banks; Managing Officers of Branches	1043
Federal Reserve Publications.	1044-1045
Map of Federal Reserve Districts.	1046

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FEDERAL RESERVE BULLETIN

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CONSUMER CREDIT TRENDS

During the three years that have elapsed since V-J Day, the American public has gone into debt more rapidly than in any other period in our history. At the same time consumers in general have been fully employed, have received a record amount of income, and have continued to increase their exceptionally large holdings of liquid assets. The large volume of consumer spending from current incomes, rapid turnover of accumulated savings, and increased borrowing, accompanied by limits on output of goods and services, have contributed to the upward spiral of prices.

The unprecedented volume of home buying during this three-year period has added approximately 10 billion dollars to the outstanding mortgage debt on one- to four-family nonfarm homes, bringing the aggregate of such long-term obligations to more than 32 billion. In the same period short-term credit extended to consumers has risen more than 8 billion dollars to a new high of just over 14 billion at the end of June. The movement of these two types of credit thus far in 1948 indicates that their combined total will have passed the 50 billion dollar mark by the end of this year.

Expansion in debt may be explained largely in terms of the return of housing and major consumers' durable goods to the mar-

ket after the wartime curtailment of production. In the July issue of the BULLETIN, current developments in the construction and real estate markets were discussed. The present article reviews the recent changes in short-term consumer credit and certain factors affecting the future outlook for this important sector of personal debt.

During the war there was a rapid liquidation of consumer credit from a level of approximately 10 billion dollars in 1941, the highest point ever reached up to that time, to just under 5 billion at the low point reached in 1944. The absorption of current income in reduction of debt and the restraint exercised in the incurring of new obligations contributed materially to the efforts during this period to hold inflation in check. At

CONSUMER CREDIT

[End of month estimates. Amounts in millions of dollars]

Type of credit	Amount outstanding June 1948 ^p	Change from			Percentage change from		
		June 1947	Aug. 1945	Sept. 1941	June 1947	Aug. 1945	Sept. 1941
Total consumer credit.....	14,149	2,905	8,573	4,059	26	154	40
Instalment credit..	7,192	2,259	5,229	961	46	266	15
Sale credit.....	3,399	1,363	2,693	-608	67	381	-15
Loan credit.....	3,793	896	2,536	1,569	31	202	71
Noninstalment credit.....	6,957	646	3,344	3,098	10	93	80
Charge accounts..	3,364	477	1,923	1,652	17	133	96
Single-payment loans.....	2,662	154	1,244	1,113	6	88	72
Service credit....	931	15	177	333	2	23	56

^p Preliminary.

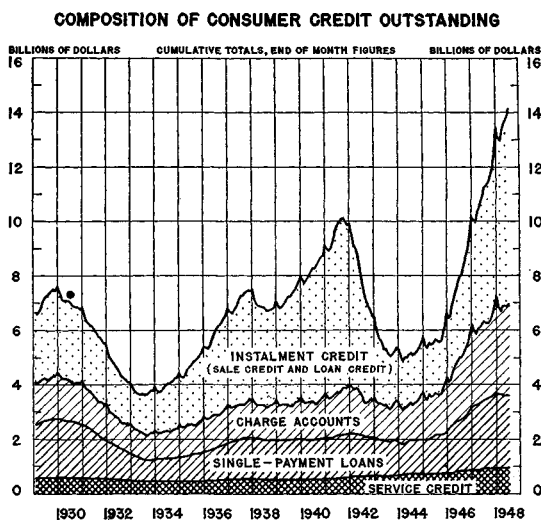
the same time a record volume of savings, distributed widely among American families, was accumulated. The reduction in debt together with the much higher level of personal incomes put consumers in a strong financial position.

When consumers' durable goods began to return in quantity, demand was supported not only by the high level of income and the large accumulations of savings of consumers but also by their ability to obtain credit on the basis of their strong financial position. As the savings of some buyers were reduced and as terms for credit were relaxed, more recourse was made to credit, particularly instalment credit, which has shown a continued expansion.

From September 1941 until last year consumer instalment credit, and for a while other forms of consumer credit, were subject to regulation by the Board of Governors of the Federal Reserve System under Executive Order. This regulation was terminated as of November 1, 1947, by Congressional resolution. A bill to authorize regulation of instalment credit for a temporary period was introduced in the Senate during the special session of the Congress that met in November 1947. This measure was passed by the Senate, but it was not voted upon in the House of Representatives prior to adjournment in June of this year. In the special session convening on July 26, identical bills (S. 2910 and H. R. 7062 entitled the "Anti-Inflation Act of 1948") contained among other things substantially the same provisions as were embodied in the bill passed by the Senate. The original Senate bill, with the termination date changed from March 15, 1949, to June 30, 1949, was eventually adopted by both Houses and was approved by the President on August 16.

POSTWAR DEVELOPMENTS IN CONSUMER CREDIT

Wide fluctuations in the total volume of short-term consumer credit over the years have reflected principally changes in instalment credit. For special reasons growing out of the war, the period since 1941 has witnessed, first, a rapid decline in outstanding volume from the 10 billion dollar level of September 1941, and later, an even more rapid rise to a new high of 14 billion dollars. As shown in the chart, consumer credit was cut in half over the two years 1942 and 1943 and then nearly tripled. In the short space of three years since V-J Day the aggregate amount outstanding has increased more than 8 billion dollars, or about 2 billion more than in the eight years between the depression low of the thirties and the pre-war peak.



Estimates. Latest figures shown are for June.

The importance of changes in instalment credit is indicated by the chart. The 1942-43 decline in this type of credit accounted for more than 85 per cent of the decline in total consumer credit, while the postwar rise in

CONSUMER CREDIT TRENDS

instalment credit accounted for 60 per cent of the total rise. Other forms of consumer credit fell very little in the early war period and began to increase earlier than instalment credit. Their greatest growth occurred in 1946, and in recent months a tendency to level out has appeared. Instalment credit, on the other hand, has continued upward.

All major segments of consumer credit are above their prewar highs. Reflecting the moderate decrease during the war and the earlier start of the expansion, noninstalment forms show the greatest gains as compared with the 1941 totals. Charge accounts have nearly doubled; single-payment loans are up about 70 per cent; and service credit is estimated to be about 55 per cent higher. In contrast, instalment credit has increased only 15 per cent over prewar levels.

CONSUMER CREDIT IN RECENT MONTHS

In the 12 months ending June 1948, total consumer credit rose 2.9 billion dollars as compared with 3.4 billion in the previous 12-month period. The recent increase, however, has been quite different in character and significance from the earlier one. As mentioned previously, noninstalment credit has been leveling off while instalment credit has continued to rise.

The changing importance of the various types of credit is evident from the table which shows for each type its proportionate share of the net increase in consumer credit during various periods since the end of the war. Instalment credit, for example, accounted for only 40 per cent of the increase in total credit from the end of the war to June 1946, but increased its share to 61 per cent of the net gain from June 1946 to June 1947, and further to 78 per cent in the 12 months ending June 30, 1948. By way of contrast, the contribution of the increase in

charge-account balances dropped from 38 per cent of the net gain the first year following V-J Day, to only 16 per cent in the past 12 months. The shares of single-payment loans and of service credit have also declined. These developments point to instalment credit as the principal source of future increases in total consumer credit.

COMPOSITION OF CONSUMER CREDIT INCREASES
[Dollar amounts in millions]

Type of credit	June 1947 to June 1948	June 1946 to June 1947	August 1945 to June 1946
Total increase	\$2,905	\$3,360	\$2,308
Percentage distribution of of increase:			
Instalment credit	78	61	40
<i>Sale credit</i>	47	30	14
<i>Loan credit</i>	31	31	26
Noninstalment credit	22	39	60
<i>Charge accounts</i>	16	19	38
<i>Single-payment loans</i>	5	17	19
<i>Service credit</i>	1	3	3
Total	100	100	100

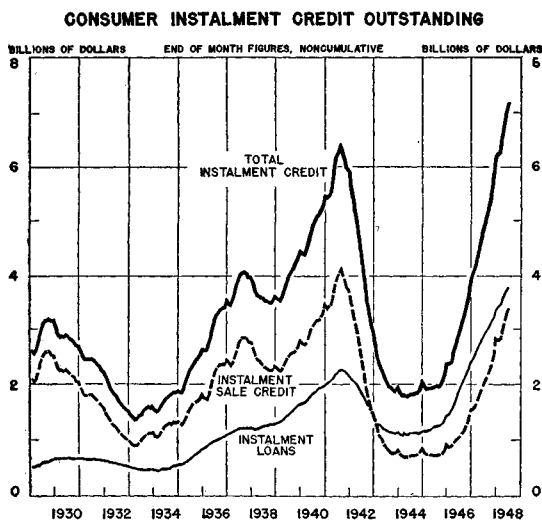
Instalment credit. Instalment credit outstanding rose about 2.3 billion dollars from June 1947 to June 1948, about 10 per cent more than the 2.1 billion dollar increase of the previous 12 months. The rate of advance appeared to be falling off in the first quarter of 1948, but in the second quarter there was a pick-up in activity and the net gain in outstanding credit was again about 10 per cent above that of the corresponding period of the previous year.

In statistical compilations instalment credit is divided into instalment sale credit and instalment loan credit, primarily because of the sources from which the data are obtained. Instalment sale credit is originated by retailers in connection with the sale of goods, although much of the paper is later sold to sales finance companies or banks. Instalment loan credit is originated by financial institutions through the making of direct loans to consumers. The purposes of credit

CONSUMER CREDIT TRENDS

of the first type are ascertainable by reason of the character of the transaction involved, and a very large part of it goes for the purchase of consumers' durable goods. The purposes underlying the second type of credit are not so easily determined, but some of the breakdowns available permit identification of a substantial portion. Directly and indirectly, loan credit is widely used in the purchase of consumers' durable goods, although in some lesser degree than sale credit.

As indicated by the chart, instalment sale credit before the war frequently was nearly double instalment loan credit and had a somewhat wider range of fluctuation. In the earlier part of the war period sale credit fell more rapidly, and at the beginning of 1943 it dropped below loan credit. Loan credit leveled out sooner and began to rise again before sale credit. About the middle of 1946, however, the movements became parallel and more recently the spread between the two types has narrowed.



Some of the delay in the upturn of sale credit can be attributed to the slow recovery in automobile production, and the recent in-

crease to more rapid output of automobiles. On the other hand, it is to be noted that changes in methods of financing motor vehicles have taken place since before the war. At the end of 1940, for example, loan credit extended by commercial banks for the purchase of automobiles was only one-eighth as large as automobile sale credit. Today it is about two-fifths, although at one time during the early postwar period it was three-fifths as large.

Noninstalment credit. Noninstalment credit increased by about 650 million dollars in the 12-month period ended June 1948 as contrasted with 1,300 million for the previous 12 months, or 50 per cent less. The rate of advance, which at first was very rapid after the war, has been gradually declining, and in recent months a distinct leveling off of outstandings has been evident.

To a considerable extent noninstalment credit is convenience credit and is payable in fairly short periods of from 30 to 90 days. It is divided into charge accounts, loans payable in a lump sum, and service credit. Charge-account credit is particularly subject to seasonal influences, reaching a high point at the end of each year, falling off sharply in January, and recovering somewhat in the first half of the year. This year the January decline was larger than that in 1947, and the net result for the first half of 1948 was a decline half again as large as occurred in the corresponding period a year ago. Single-payment loans have little seasonal variation, and the total outstanding now is slightly smaller than in early 1948. Service credit represents credit such as is extended to consumers by professional people and by utility companies for services rendered. Service credit is estimated to have remained nearly constant throughout the 12-month period.

CREDIT BUYING

Notwithstanding the rapid expansion during the past two years in both instalment and charge-account transactions, neither has regained the relative position it held in consumer purchasing before the war. Instalment transactions, which totaled 8.5 billion dollars in 1947, were larger than in any previous period, but they accounted for only 7 per cent of all retail sales as compared with 13 per cent in 1940 and 1941.

Charge-account sales have increased less rapidly than those made on an instalment basis, but amounted to 19 per cent of the record volume of retail sales in 1947 as compared with 23 per cent of the retail volume in 1941. The course of retail trade in the first half of 1948 points to a further gain in the proportion of instalment sales this year and also to a moderate increase in charge-account business.

An indication of the increasing frequency of the use of instalment credit is given in the Consumer Finances Survey made for the Board of Governors. Data from the survey show that one out of every four spending units, or approximately 12 million spending units, bought on the instalment plan (instalment sale credit) in 1947 as compared with a ratio of one out of every seven or eight spending units in 1946. Instalment loans at banks, loan companies, credit unions, and other such agencies were obtained by 15 per cent of all spending units in 1947 (7 million spending units) as compared with 13 per cent in the preceding year. There was some evidence to indicate that the new users of such credit were concentrated in the middle and upper income classes, principally those with incomes of above \$3,000 a year.

INSTALMENT BUYING TERMS

Reports on instalment buying terms throughout the country indicate that when Regulation W was terminated many credit grantors adopted credit policies that were considerably less restrictive than those required by the regulation but somewhat more restrictive than those prevailing before the war. In recent months there has been a further relaxation in the down payment and maturity requirements in instalment credits for practically all categories of durable goods. Competition has been the primary factor influencing the granting of more liberal contracts; when one important retail outlet in a community relaxed terms, other stores soon felt that it was necessary to follow.

An important element in limiting the relaxation of terms has been the policy of many financial institutions to set terms less liberal than those prevailing elsewhere. Terms offered by certain groups of credit grantors, principally the smaller furniture and household appliance firms as well as automobile dealers, have not varied materially from the requirements of these financial institutions. Such stores are largely dependent on the discounting of instalment obligations for the financing of additional business, since only a limited proportion of capital can be tied up in instalment credit. More liberal contracts are frequently offered by those outlets that are able to retain the bulk of their own receivables. Stores that have been forced to ease terms in order to meet this latter competition have accordingly been exerting pressure on financial institutions to grant more lenient terms.

It is difficult to generalize about current instalment terms, first, because there is a

wide range of terms available for each commodity and, second, because there are no tabulations of actual sales contracts available that would lend themselves to statistical measurement. Reports received recently, however, give some indication of the terms now available to prospective purchasers of consumers' durable goods and provide a rough basis for estimating the extent to which terms offered have shifted since the termination of Regulation W.

For purposes of comparison it should be noted that the minimum down payment required on the major consumers' durable goods at the time the regulation was terminated was one-third (furniture, 20 per cent); and the maximum length of contract permitted was 15 months.

Automobiles. Instalment contracts for automobiles appear to show more uniformity than those for any other type of durable goods. Initial cash payments of one-third are generally required, although a higher proportion may be necessary in the case of older-model, used cars. A softening of down payment requirements is apparent in the fact that payments of one-fourth or less in cash are occasionally allowed. The length of automobile contracts is closely related to the age of the car, with the longest periods (usually up to two years) being available for new and "new used" cars. On prewar model cars the period is ordinarily held to one year.

Major household appliances. Credit terms available for the purchase of refrigerators, washing machines, stoves, and other major household appliances fall into two almost distinct classifications: 10 per cent down and 18 months to pay; and 20 per cent down and 12 to 18 months to pay. The exceptions to these patterns are in the direction of no down payment requirement and, especially

on the more expensive items, 24 to 36 months to pay.

Radios, radio-phonographs, and television sets. In general the instalment contracts being written for these products recognize the elements of rapid depreciation and obsolescence, and therefore somewhat larger down payments and shorter maturities are required than for household appliances. While many stores are holding to down payment requirements of 25 per cent and a one-year term, another substantial group is offering terms of 10 per cent down and 18 months to pay. There is also a fringe of exceptions—stores that will make the sale without any down payment and allow 24 to 36 months to pay out the contract.

Furniture. Current down payment requirements on furniture appear to cluster around either 10 or 20 per cent. Some outlets offering 10 per cent down allow the contract to extend for a period of 24 months, while those requiring larger down payments tend to restrict the repayment period to 12 to 18 months.

SIGNIFICANCE OF PRESENT TRENDS

The prospect without regulation would be increased use of consumer instalment credit in buying, some further reduction in down payments, and some lengthening of maturities. Together with the seasonal rise in the use of instalment credit during the late months of the year, these factors would result in a growth exceeding that which occurred in the first six months.

The increase in instalment credit this year is of special significance because it is taking place notwithstanding the fact that the output of consumers' durable goods is no longer growing. With a rise of 85 per cent in durable goods production in 1946, there was an

increase of 65 per cent in instalment credit. In 1947 the percentage increase in credit of 55 per cent accompanied a growth of only one-third in durable goods. Gradually the increases in credit have outstripped the expansions in output of goods. By the middle of 1947, durable goods production had stabilized at a level that has been maintained up to the present time. Yet instalment credit continued to rise—one billion dollars for the first six months of 1948 and more in prospect.

In view of the current tight situation in supplies of labor and materials, further expansion of instalment credit can neither increase output nor put more people to work. It can only add more purchasing power to the already swollen spending stream and reinforce inflationary pressures. International developments, moreover, inevitably cause added pressures in the markets for consumers' durable goods. At the same time that men are withdrawn from civilian production by the draft and that such materials as steel are made more scarce by the armament program, domestic demand for durable goods, already strong, is augmented by the desire of consumers to anticipate more acute shortages.

Because more purchasing power is being added to a supply of funds already excessive in relation to available goods, expansion of instalment credit under present conditions is of an inflationary character irrespective of its relative level as compared, for example, with national income. While credit outstanding now amounts to no more than 3.9 per cent of annual disposable income in the United States, as compared with a range of 5.5 per cent to 7.1 per cent in the years just preceding the war—the highest levels on record—conditions today are much different. In the year 1940, for example, when the per-

centage was at its peak, average unemployment was 14.5 per cent of the total labor force, according to the Bureau of Census estimates, as compared with 3.5 per cent in 1947. Furthermore, the financial position of consumers was much less strong in 1940 than at the present time. At the beginning of 1948, spending units with incomes of \$5,000 and less held about 65 billion dollars of liquid assets widely distributed.

On the basis of the current financial position and incomes of consumers, many credit grantors no doubt feel safe in permitting debt to grow to much larger totals. There is a natural tendency, also, on the part of consumers to go into debt most heavily at times of high employment, large incomes, and substantial accumulated savings. These are just the factors, however, that create the danger of the present situation. They provide a stimulus to further expansion of credit which at this time can only add further impetus to the rise in prices.

Since the end of Regulation W a number of trade associations of credit grantors have urged their members to exercise caution in liberalizing terms and expanding portfolios. Such efforts have undoubtedly had some effect in moderating the increase in instalment debt. These voluntary efforts, however, have not prevented a gradual reduction in the down payments and lengthening of the maturities advertised by credit grantors until they are now rapidly approaching those which were being offered before the war. Regulation of instalment credit, which the Board has recommended on a number of occasions and which the President requested in his recent message to Congress, can make a worthwhile contribution to economic stability at maximum employment.

STATEMENT BEFORE THE HOUSE BANKING AND CURRENCY COMMITTEE

AUGUST 2, 1948 *

Chairman Wolcott and Members of the Committee:

I deeply appreciate the consideration your Chairman has extended to me in making the time of my appearance here as convenient as possible. Although Congressman Wolcott had asked me to come before you earlier, he kindly consented in deference to my request to wait until this morning. I therefore acceded to the urgent request of Senator Tobey to appear before the Senate Banking and Currency Committee last Thursday morning. Since your Committee has been fully occupied with the testimony of Mr. Porter, I trust that the postponement until this morning has not caused you inconvenience.

On the evening before going to the Senate Committee, I canvassed the members of the Board by telephone to ascertain their views on the two titles of the proposed anti-inflation bill which relate to consumer credit and bank reserves. The members of the Board agreed unanimously to the following statement:

ANTI-INFLATION ACT OF 1948

The proposed "Anti-Inflation Act of 1948" includes two titles relating to credit controls. Both are, in substance, part of the comprehensive anti-inflationary program which the Board of Governors has previously recommended to Congress. Title One relates to regulation of consumer credit and Title Two relates to bank reserves. As you gentlemen know, the proposed regulation of consumer credit is identical, except for the date, with the bill passed by the Senate, and acceptable to the Board of Governors as one part of an overall program.

The proposal with respect to bank reserves is similar to that advanced by the Board in April, except that the increased requirements would be applicable only to member banks, whereas the Board had recommended that they be made applicable to all commercial banks. This is a significant difference. We feel deeply that it is not fair to member banks in their competitive relations to nonmember banks to require that they be singled out to carry the additional re-

serves that may be necessary to combat this inflationary situation. As an emergency measure, however, the bill would be adequate to meet the immediate need for additional authority to deal with reserves.

In thus stating the views of the Board on these two titles of direct concern to the System, I do not want to create the impression that action in the credit field alone will solve our inflationary problems. Other areas, particularly a budgetary surplus, are more important.

Since I presented that statement to the Senate Committee, the Board has this morning had an opportunity to meet and to discuss the proposed legislation at length. The Board is agreed that the inclusion of the nonmember banks is essential to make the proposed legislation fully effective. I have also been in touch with several of the Presidents of the Federal Reserve Banks, and others. There is strong concurrence with the statement that it would be very unfair to single out member banks to carry the additional reserves to combat this inflationary situation. This is particularly true of the Presidents from those districts where there are large numbers of nonmember banks, which would be given a competitive advantage as against member banks. It might result in a serious loss of membership in the System and weaken the effectiveness of its policies. As you know, the effective reserve requirements in most states are substantially below those carried by member banks, and thus nonmember banks have greater latitude and earning power.

The question of the inclusion of nonmember banks is very important and we would appreciate it greatly if the Committee would give this problem serious consideration. Unquestionably from the point of view of effectiveness as well as equity the proposed legislation should apply to all commercial banks.

Now, I would like to give you some of my personal observations concerning the impact of the inflationary forces on our credit control mechanism. These remarks are substantially the same as those I made last week before the Senate Banking and

* Presented by Thomas B. McCabe, Chairman, Board of Governors of the Federal Reserve System.

Currency Committee, except for elaborations on a few points on which questions were asked by the Senators.

Consideration of the pressures now at work in our economy must be based on an understanding of the fact that the financial forces generated in a great war are among the most disrupting factors that can affect the economic system. We are now dealing, and for years shall be forced to deal, with the monetary backwash of the greatest and most costly war of all time. We are faced with the problems of liquidating the effects of that war upon our own economy, and indeed upon the economy of the world. If history is a guide, we must realize that these problems will not be solved in a day. They will extend over a number of years—how many depends upon how wisely and how courageously we devote ourselves to the task.

The financial cost of the last war, if all conceivable items of cost were included, perhaps could never be accurately summed up. Suffice it to say that our national debt rose to approximately 280 billion dollars and is still above 250 billion. The solution of our present problems does not require us to determine whether the debt should have risen so high, whether we should have spent so much, whether we should have taxed ourselves more and borrowed less, or whether the pattern of our borrowing was well conceived. What has been done is in the realm of fact and the consequences must be dealt with accordingly. One of the important facts is that the creation of our national debt resulted in a tremendous expansion of the money supply. While the Government borrowed vast sums from nonbank lenders, other vast sums were supplied by the commercial banking system. And let me say right here that this nation owes a debt of gratitude to commercial bankers generally for their service in the task of financing the war. The rapid expansion of the money supply which resulted from their contributions must not be permitted to rise and plague them as if they had cunningly contrived it for their own selfish ends.

Nevertheless, as a net result of war financing, there were increases in the public's holdings of demand deposits and currency from less than 40 billion in 1940 to 110 billion at present; of time deposits from less than 30 billion to nearly 60 billion; of United States Government securities, which are readily convertible into money, from a few billion to over 90 billion. The total supply of

these forms of money and potential money is now more than three times the prewar total.

The productive capacity of the nation was largely devoted to war purposes for almost five years. At the peak more than 50 per cent of our record production was for war use. While millions of people were coming into possession of more money than any people had ever had to spend and save, there was a scarcity of things to spend it for. Consequently two great backlogs rapidly accumulated—a backlog of unfilled wants and a backlog of money savings. With removal of controls this pent-up spending power, plus an unprecedented volume of current income were turned loose in a market characterized by scarcities and shortages. Prices, wages, and profits rose rapidly, and the spiral of inflation was on its way.

At present, with a supply of money or potential money readily available to buy the current output of goods and services about three times the prewar level, the overall physical volume of production of goods and services, so far as it can be measured, is probably little over a half larger than the prewar maximum. Production, it is important to emphasize, is practically at capacity; there has been little increase in its physical volume during the past year and a half, notwithstanding the great pressure of unsatisfied demands, expanding credit, and rising prices.

Prices on the average have risen by nearly three-fourths since before the war and two-thirds of this increase has occurred in the past two years. The dollar value of the total national product, at nearly 250 billion dollars a year, is over two and half times the prewar maximum. On the basis of the present volume of money, the turnover of which is low relative to past periods of high activity and could be greatly increased, prices could rise even further. Further expansion of bank credit, the capacity for which is tremendous, would add to the already excessive money supply and could do little to increase output.

PUBLIC DEBT HOLDINGS PROVIDE BASIS FOR POSTWAR CREDIT EXPANSION

Capacity for still further credit expansion also grew out of war finance. In helping to finance the Government's large war expenditures and to provide the money supply demanded by the expanding and abnormal war economy, the commercial banks of the country and also the Federal Reserve Banks

greatly expanded their holdings of Government securities. Commercial bank holdings of Government securities of all types increased from about 16 billion in 1940 to a peak of 90 billion at the end of 1945 and then were reduced during 1946 to 70 billion, largely by Treasury use of its excess bank deposits to retire debt. Subsequently, to meet the demands of rapidly expanding private economy in the postwar period, banks have further reduced their holdings of Government securities, but they still hold 65 billion dollars of them. Other investors have also sold or redeemed some of the holdings of Government securities in order to obtain funds for other uses.

Sales of U. S. Government securities in the market by banks and others have not been absorbed by purchases on the part of other investors. In order to keep the prices of Government securities from declining, the Federal Reserve System has continued to carry out its wartime responsibility of supporting the market by buying at relatively stable prices securities offered for sale and not purchased by others. The result of these purchases by the Federal Reserve Banks is to supply additional reserve funds to banks. Because of the fractional system of reserve requirements, these new reserves in turn provide the basis for an increase in bank credit that may be many times the amount of new reserves obtained.

In the postwar period these reserves supplied the basis for an increase in bank credit in response to an active demand for loans to finance the operations and expansion of the business system in an era of high demand, accelerated activity, rising costs, and rising prices. There is ample evidence that bank credit is also being used for purposes ordinarily served by the capital market. As a result, despite a reduction of 25 billion dollars in the volume of Government securities held by commercial banks, deposits and currency held by the public have increased by an additional 15 billion since the end of 1945. This has been largely the result of an increase of 15 billion in bank loans.

The Board of Governors has kept the Congress and the public informed concerning these results of supporting the market for Government securities. It has repeatedly pointed out that the effect has been to increase significantly, and it may be dangerously, the money supply. The need for market support of Government securities has greatly increased the problem faced by the System in adopting policies to

regulate the supply of money and credit to the justifiable needs of a stable, full-employment economy. As long as various holders of Government securities endeavor to sell more of their holdings than other investors are willing to buy, the Federal Reserve Banks must purchase the balance and these purchases create bank reserves.

It is my view that the System is obligated to maintain a market for Government securities and to assure orderly conditions in that market, not primarily because of an implied commitment to wartime investors that their savings would be protected, nor to aid the Treasury in refunding maturing debt, but because of the widespread repercussions that would ensue throughout the economy if the vast holdings of the public debt were felt to be of unstable value.

POLICIES ADOPTED TO RESTRAIN INFLATIONARY CREDIT EXPANSION

The Federal Reserve System and the Treasury have, nevertheless, been able to adopt some policies designed to offset the expansive effect on bank reserves of market purchases of Government securities by the Federal Reserve System. The first and quantitatively more effective of these measures has been the use of the Treasury surplus to retire maturing securities, particularly those held by the Federal Reserve Banks. The debt retirement program was made possible first by a large cash balance built up by the Treasury in the Victory Loan drive in 1945 and later by a substantial surplus of cash receipts over expenditures. In paying out a large part of the excess cash collected from the public to the Federal Reserve for retirement of debt, that amount of money was eliminated from the money supply and also from bank reserves.

As a second measure of restraint, about a year ago the Federal Reserve and the Treasury embarked upon a program of permitting yield rates on short-term Government securities to rise from the very low levels at which they had been pegged during the war. The purpose of this action was to encourage banks and others to invest available funds in short-term securities. This enabled the Federal Reserve to reduce its holdings of short-term securities and thus offset the effect on reserves of its purchases of longer term bonds. The rate on 90-day Treasury bills rose from $\frac{3}{8}$ of one per cent to about 1 per cent, and that on one-year Treasury certificates from $\frac{7}{8}$ to $1\frac{1}{8}$ per cent. The Federal

Reserve Banks early in 1948 raised their discount rates from 1 per cent to 1¼ per cent.

Late in 1947, market yields on Government bonds also rose, that is, prices of bonds, which had been selling at large premiums, declined in the market. This adjustment was in large part inaugurated by sales by financial institutions to obtain funds to invest in corporate securities and mortgages, but it was accelerated by sales made in fear of further declines in prices of bonds from their high levels. In order to check this decline, the Federal Reserve System adopted a policy of freely purchasing bonds at an established series of prices, which maintained yields in accordance with a pattern ranging from 1⅛ per cent for one-year issues to 2½ per cent for the longest-term bonds. This pattern kept the prices of all except a few very short issues of securities at par or higher.

It may be of interest to review credit developments and the effects of these policies during the past twelve months. In the year ending June 30, 1948, commercial banks showed a small increase in their deposits and their total loans and investments, although there were some wide fluctuations during the period. In the twelve months, commercial banks increased their total loans and their holdings of corporate and State and local Government securities by a total of 7 billion dollars. Most of this growth occurred in the latter half of 1947 and was accompanied by an expansion in bank deposits and reserves. In the early months of 1948, however, deposits were withdrawn to make seasonal heavy tax payments, which were not offset by Treasury expenditures. Banks met these needs largely by reducing their holdings of Treasury bonds. Some maturing bonds were exchanged for certificates and a part of these issues were sold. At the same time banks in general purchased added amounts of Treasury bills, an indication of the effect of the higher short-term rates in attracting available funds.

Banks also continued to increase their loans in the first half of 1948 by about 1.7 billion dollars—a somewhat slower rate of growth than in 1947. Most of the dollar increase in bank loans during 1947, particularly in the last half, was in commercial and industrial loans, but the increases in consumer loans and real estate loans showed larger percentage increases in 1947 and have continued to expand in 1948.

Savings institutions, particularly insurance companies, also considerably expanded their holdings of

mortgages and investments other than U. S. Government securities during the past year. In the aggregate, these assets of selected groups of financial institutions increased by 8.6 billion dollars in the period, of which 6.4 billion was met by receipts of new savings from the public and 2.2 billion by a reduction in their holdings of Government securities. Nonbank investors, as a group, sold and redeemed bonds, but purchased certificates and bills, reflecting increased popularity of these issues with the rise in rates. Life insurance companies substantially increased their holdings of Government securities during the war and then in the postwar period reduced these holdings while increasing their mortgages and other investments.

Sales of Treasury bonds by nonbank investors and by banks in the past year have been largely purchased by the Federal Reserve System. The System purchased 5.7 billion dollars of Treasury bonds in the market and also purchased in the market a net amount of about 2.6 billion dollars of notes and certificates, but sold on balance nearly 4 billion dollars of bills to banks and other investors. In the same period the Treasury redeemed for cash about 5 billion dollars of maturing issues of various kinds held by the Federal Reserve Banks. With all of these wide shifts in holdings of different types of securities, there was only a small net decline in the System's aggregate holdings of Government securities, although the total fluctuated considerably from time to time.

The purpose of this detailed survey of figures is to illustrate how shifts in holdings of the public debt are being used to finance inflationary spending, and how Federal Reserve and Treasury policies endeavor to offset these tendencies. Treasury use of surplus funds to retire securities held by the Federal Reserve drains reserves from banks and makes it necessary for them to sell securities if they wish to maintain their loans, and even more so if they want to expand credit. The higher rate on Treasury bills encourages banks and other holders of liquid funds to buy bills rather than invest in other assets. Since most of the bills have been held by the Federal Reserve, a reduction in System holdings is made possible and bank reserves are thereby absorbed. Nevertheless, sales of bonds to the Federal Reserve, primarily by nonbank investors, have been so large that the restrictive effect of the other policies has been fully offset.

A third method of restraint used by the Federal

Reserve authorities during the past year was to increase reserve requirements at central reserve city banks in New York and Chicago by 2 per cent of demand deposits in February and again in June. This added about a billion dollars to member bank required reserves and immobilized that amount of bank assets. The effects of these changes, however, were concentrated on New York City and Chicago banks, where loan expansion has been less than at other banks. Under existing law there is no further power to increase requirements except in central reserve cities.

It should be mentioned that bank reserves have been supplied in the past year by an inflow of gold amounting to 2.2 billion dollars and also by a decline of about half a billion in currency in circulation. A temporary increase of 1.3 billion in Treasury deposits at the Federal Reserve offset in part these factors. The total growth in reserves was 1.4 billion, sufficient to cover the increases in reserve requirements at central reserve city banks and also increased requirements resulting from deposit growth. The Federal Reserve System was not able through its policies to prevent some continued expansion of bank credit.

PROSPECTIVE DEMANDS FOR CREDIT

Economic prospects indicate a continuation of strong inflationary pressures during the next several months and perhaps for a much longer period. Individual incomes have continued at a high level, with a tendency to increase as prices and wages have risen and employment has grown with the labor force. Consumer spending, based on current incomes, the use of past savings, and borrowing, also has continued to expand. Construction volumes seem likely to remain for a while at capacity levels, with possible further rises in prices. Business expenditures are also expected to continue in large volume. Government expenditures are increasing, while the recent income tax reduction will lower receipts, thereby sharply reducing the Treasury surplus.

Continuation of these tendencies will call forth further credit expansion. Borrowing by consumers and home-owners will no doubt continue to expand and thereby add to consumer spending and to demands for housing, which are already excessive. Prospective large outlays by business for expansion of inventories and plants will probably exceed internal funds available and also amounts obtained

by flotation of new securities. Overall demands for funds may continue in excess of the current volume of savings readily available for lending for such purposes. To help meet the demands for credit and capital, corporations, individuals, and financial institutions will sell some of their holdings of Government securities and also increase their borrowings from banks.

If these tendencies continue, sales of Government securities by nonbank investors may exceed 1.5 billion in the last half of 1948 and perhaps be much greater early in 1949. These sales will keep the Government bond market under pressure and require support purchases by the Federal Reserve, if the policy of maintaining the 2½ per cent yield level on long-term Treasury bonds is continued. Thus additional reserve funds would be made available to banks which, unless otherwise offset, could sustain a further very large inflationary expansion of bank credit. Additional reserves supplied through the gold inflow may be approximately offset by the drain resulting from seasonal currency demands.

To avoid an abundance of reserves, an easy short-term money market, and continued inflationary credit expansion, positive measures to absorb reserves will be needed. In view of the pressure of current demands, the continued shortages of many goods, the limited capacity for increased output, and the available accumulations of liquid assets, further credit expansion will add to the pressure for rising prices. Continued credit expansion will store up trouble for the future and make the inevitable adjustment more dangerous for the stability of the economy.

This course of economic and monetary developments has been the source of increasing concern to the Federal Reserve authorities. We are convinced that, so long as the present situation lasts, it is important to restrict further credit expansion and to promote a psychology of restraint on the part of both borrowers and lenders. To keep the reserve position of banks under pressure and discourage further inflationary credit expansion will require carefully coordinated operating measures on the part of both the Treasury and the Federal Reserve System.

Of the three sets of measures used to restrain the growth of bank reserves during the past year—namely (1) use of the Treasury cash surplus to retire Federal Reserve-held securities, (2) reduction

in Federal Reserve holdings of Treasury bills through a rise in short-term rates, and (3) increases in reserve requirements at central reserve city banks—the first and most important has been greatly reduced in its potency and the third has been almost wholly exhausted.

Whereas the Treasury showed an excess of cash income over cash outgo of 9 billion dollars in the fiscal year 1947-48, the prospects for the current year, on the basis of very tentative and unofficial estimates, are for a cash surplus of only about 3 billion, most of which will be concentrated in the first quarter of 1949. This difference in the surplus reduces considerably the most important anti-inflationary influence in the situation during the past year. The Treasury cash surplus was a particularly effective device because it exercised a drain on bank reserves. As a result the banks losing reserves had to sell securities in order to maintain their reserve positions. While under these pressures they are less likely to be seeking new loans and in some cases less willing to meet loan applications.

POSSIBLE MEASURES OF RESTRAINT

This brings us to the various ways in which restraint may be exercised over credit expansion.

The first means is voluntary self restraint on the part of borrowers and lenders. I am convinced that the voluntary program originated and actively developed by the American Bankers Association has had a significant effect in developing a more cautious and critical attitude on the part of bankers toward so-called unproductive or speculative loans. If inflationary pressures were mild, voluntary restraint might be adequate to hold them in check. Continued and intensified voluntary restraint will make our joint task easier.

There are a number of reasons, however, why voluntary restraint cannot be relied upon to do the whole job alone when inflationary pressures are as strong as they are at the present time. Perhaps the most important reason is that a loan which may appear productive when viewed by itself may not add to the total output of the economy as a whole. For example, a customer may increase his production by borrowing funds to purchase needed parts that are in short supply. Such a loan would appear to be productive from the individual point of view of both the borrower and the lender. But will the loan increase the supply of the parts or total output? If all resources are being used to capacity, the loan

may merely enable the borrower to secure parts that otherwise would have been bought by another firm. From the point of view of the economy as a whole, the loan has increased the demand for goods but it may not have increased total supply at all, with a bidding up of prices as the only result. Basically, that is why I believe that self restraint, though important, is inadequate to check a strong inflationary development.

Another reason is the force of competition not only among banks but among all lenders. We have in the United States 14,000 commercial banks and many thousands of other lending agencies. If, because of concern for the general interest, a bank should refuse to lend even to a good customer, this does not mean that the customer will not secure the funds. It may merely result in a permanent loss of the customer to some other lender. And unfortunately the new lender may secure the funds from sale of Government securities, with the result that the loan may be just as inflationary as if the bank had made it in the first instance.

I want to emphasize that I support strongly the self-restraint program developed by the American Bankers Association and would like to see it pursued aggressively, not only by banks but by all lenders. It is an important step in the right direction. Primarily for the reasons I have mentioned, however, I do not think it can do the job alone.

Another approach to the problem is through control over member bank reserves. Bank credit cannot expand unless banks acquire or have reserves on which to expand. One way in which the System has supplied reserves has been through purchases of long-term Government securities. A means of restraint would be for the System to limit its purchases of such securities either by refusal to buy or by reducing its prices sufficiently to attract other purchasers. As you know, the System has made a public commitment to support the 2½ per cent yield level on long-term Government bonds for the foreseeable future. I gave my reasons for subscribing to that commitment when my confirmation was under consideration by the Senate Committee on Banking and Currency. Although that commitment substantially limits our freedom of action, I believe there is a better way to operate against credit expansion than now to abandon that commitment.

Our basic problem is to absorb reserves. Increases in reserves may be anticipated from three principal sources: (1) imports of gold, (2) return

of currency from circulation, and (3) purchases of Government bonds by the Federal Reserve Banks to support the long-term yield level. The principal problem before the System is to absorb or offset reserves arising from these sources. The only way it could do this effectively under present authority is to liquidate part of its holdings of Government securities. It would be necessary, of course, to sell them at prices the market would pay.

The System has a large portfolio of bills, certificates, and other short maturities that it could use. If the inflationary demand for bank credit is strong, sale of these holdings to absorb reserves would result in a further stiffening of short-term interest rates. The Open Market Committee of the Federal Reserve System feel that a policy of endeavoring to sell short-term securities in order to absorb any additions to reserves is a necessary and desirable step. If an increase in the short rate should result, it would tend to attract funds from other uses to investment in short-term Government securities. As I have pointed out, the policy of allowing short-term rates to rise was begun about a year ago and has had some success.

At this point the necessity for teamwork between the Treasury and the Federal Reserve becomes apparent. I am keenly sensitive to the necessities of the Treasury in its task of managing the public debt. I thoroughly understand the Treasury's responsibility to keep the interest cost of the debt as low as possible consistent with all relevant factors. I know that the Treasury Department is equally sensitive to the responsibilities of the Federal Reserve in the field of monetary and credit policy. The problems of mutual concern to the Treasury and the Reserve System in their respective fields are being approached in a continued spirit of cooperation.

The rediscount rate is another instrument of policy in the short-term market. It should not be written off. Although its effectiveness is diminished in times like these when the volume of member bank borrowings is small, and when banks can readily obtain needed funds by selling some of their large holdings of Government securities, higher discount rates would have some restrictive effect. If, for example, the yield on short-term Government rises, it would become appropriate under these circumstances to increase the discount rate. This action would discourage the market from reacquiring through the discount window any funds

that had been withdrawn through the disposal by the Reserve System of short-term Governments.

An increase in the discount rate has great psychological effect. Each increase repeats the warning that credit is in need of continued restraint. Changes in the Federal Reserve discount rate and open market operations supplement each other as necessary parts of an overall credit policy.

These two related instruments influence the total *volume* of reserves of member banks. The third general instrument—reserve requirements—is designed to influence the amount of bank credit that can be based on a given volume of reserves. An increase in requirements immobilizes reserves and makes them unavailable for further lending and investing. As you know, the Board of Governors has on previous occasions presented various ways of dealing with the problem of reserves or immobilizing certain bank assets.

The method proposed in the bill before you is simple and direct, and involves no departures from existing principles. The bill would authorize the Board of Governors to increase by 10 and 4 percentage points the reserves that member banks may be required to maintain against their demand and time deposits, respectively. The authorization would be granted for a period of two years. As I have already explained, we feel deeply that it is not fair to member banks in their competitive relations with nonmember banks to require that they be singled out to carry the additional reserves that may be necessary to combat this inflationary situation. I earnestly hope that Congress will, during this interval, reconsider the whole structure of reserve requirements, possibly along the lines developed recently before the Joint Committee on the Economic Report.

I should like to indicate briefly what can and cannot be accomplished through increases in reserve requirements. Changes in requirements cannot, of course, be considered in isolation. They must be related to other instruments of policy. In practice they are closely related to open market operations. One method that banks use to adjust their positions to the pressure exerted by an increase in requirements is to sell Government securities. To the extent that these are purchased by the Federal Reserve, new reserves are created which meet the higher requirements. This is not the whole story, nor does it happen invariably, but it does illustrate the complexity of our problem. An increase in require-

ments immobilizes a larger portion of the assets of member banks and makes them unavailable for sale in order to obtain funds to increase loans. It, therefore, reduces the liquidity of banks and lowers the ratio of multiple credit expansion that can occur on the basis of any increase in available reserves.

The purpose of increasing authority over reserve requirements is not to obviate the possible need for open market operations and a rise in short-term rates. That problem would still be with us.

CONCLUSION

In conclusion, I should like to state emphatically the Board's view that the use of its powers over the supply of reserves under present conditions should be directed toward restraining further credit expansion and not toward forcing liquidation of the outstanding volume of credit. The Federal Reserve System was established to provide for flexibility in our monetary system. It was not designed to make available any amount of money that borrowers might demand without regard to the productive capacity of the economy and the speculative nature of the commitments. The System would be derelict in its duty if it did not exercise a proper measure of restraint.

Expansion of the public debt because of war and the necessity of maintaining a degree of stability in the value of the vast holdings of that debt by financial institutions and individuals has confronted the System with formidable difficulties in the exercise

of restraint over credit expansion. The proper handling of this problem requires the most careful management. It can be facilitated by the extension of the System's powers, as proposed in the bill before you, which extension is thoroughly consistent with existing powers and traditional methods.

As I have pointed out, there are possibilities and prospects for a continuation of inflationary pressures which will call forth additional demands for credit. I feel confident that the Federal Reserve authorities will use their existing powers to the fullest extent possible to restrain these tendencies without depriving the economy of the credit needed to maintain production and employment at the highest sustainable levels. We would endeavor to use the additional powers proposed in the same way.

Finally, it should be emphasized as strongly as possible that action in the monetary field alone cannot readjust the unbalanced relationships within the economic structure which have already been created by inflationary forces, and cannot check further inflationary pressures arising from non-monetary causes.

The additional powers sought would enable the Reserve System to exert a very necessary degree of restraint upon the now unrestrained expansion of credit. For that reason they are urgently needed, even though they are not and should not be regarded by the Congress or by the public generally as a cure-all.

REGULATION OF CONSUMER INSTALMENT CREDIT*

The Board of Governors of the Federal Reserve System on several occasions in the past has recommended to the Congress legislation which would authorize the regulation of consumer instalment credit. This is the sector of consumer credit which has been subject to wide fluctuations in the past, thereby contributing to instability and unemployment. The Board believes that measures permitting the moderation of these fluctuations, which are tending to increase in size and influence, are an essential part of a program to achieve stable production and employment at maximum levels, a declared national goal of this country.

The Congress has before it at this time a resolution which would restore, in so far as instalment credit is concerned, the authority that was exercised from 1941 to 1947 through Regulation W. This would be a temporary measure designed to help meet the special inflationary pressures which exist today. The Board's opinion is that, while permanent legislation would be preferable, conditions are such as most urgently to require action and a temporary measure is better than none. To have any real usefulness, however, the authority should be provided for a sufficiently long period so that persons subject to regulation will realize their responsibility and adhere to its provisions. For this reason, we believe that any legislation on this subject should extend at least until June 30, 1950. During this period, of course, the Board would be able to modify the regulation to meet changing conditions.

Regulation under the proposed legislation would be in much the same form as it was under the Board's Regulation W when that was last in force. It would cover instalment credit, not only instalment credit for financing the purchase of consumers' durable goods but also instalment credit for other consumer purposes, both of which are inflationary under present conditions. It would prescribe maximum maturities and minimum down payments as did Regulation W, but not necessarily at the same levels. The proposed legislation includes provision for more appropriate enforcement machinery than was available under Executive Order No. 8843 which authorized Regulation W. Courts of equity would be empowered to aid enforcement by enjoining violations, as

* Statement by R. M. Evans, member of the Board of Governors of the Federal Reserve System, before the House Banking and Currency Committee, Aug. 2, 1948.

provided in legislation dealing with similar matters.

The case for this legislation seems to the Board to be particularly strong in the light of the general conditions which now exist. During the three years that have elapsed since V-J Day, the American public has gone into debt more rapidly than in any other period in our history. At the same time consumers in general have been fully employed, have received a record amount of income, and have continued to increase their exceptionally large holdings of liquid assets. The large volume of consumer spending from current incomes, rapid turnover of accumulated savings, and increased borrowing, accompanied by limits on output of goods and services, have contributed to the upward spiral of prices.

Consumer credit consists of both instalment credit and single-payment credit. Wide fluctuations in the total volume of consumer credit over the years have reflected principally changes in instalment credit. The 1942-43 decline in this type of credit accounted for more than 85 per cent of the decline in total consumer credit, while the postwar rise in instalment credit accounted for 60 per cent of the total rise. Other forms of consumer credit fell very little in the early war period and began to increase earlier than instalment credit. Their greatest growth occurred in 1946, and in recent months a tendency to level out has appeared. Instalment credit, on the other hand, has continued upward.

Instalment credit outstanding rose 2.3 billion dollars from June 1947 to June 1948, about 15 per cent more than the 2 billion increase of the previous 12 months. The rate of advance appeared to be falling off in the first quarter of 1948, but in the second quarter there was a pick-up in activity and the net gain in outstanding credit was again 15 per cent above that of the corresponding period of the previous year.

An indication of the increasing frequency of the use of instalment credit is given in the Consumer Finances Survey made for the Board of Governors. The information was obtained by interview of a selected sample of consumer spending units in the country, each unit being a group of persons in the same family and dwelling who pool incomes to meet major expenses. Data from the survey show that one out of every four consumer spending units, or approximately 12 million spending units, bought

REGULATION OF CONSUMER INSTALMENT CREDIT

on the instalment plan (instalment sale credit) in 1947 as compared with a ratio of one out of every seven or eight in 1946. Instalment loans at banks, loan companies, credit unions, and other such agencies were obtained by 15 per cent of all consumer spending units in 1947 (7 million spending units) as compared with 13 per cent in the preceding year. There was some evidence to indicate that the new users of such credit were concentrated in the middle and upper income classes, principally those with incomes of above \$3,000 a year.

Reports on instalment buying terms throughout the country indicate that when Regulation W was terminated many credit grantors adopted credit policies that were considerably less restrictive than those required by the regulation but somewhat more restrictive than those prevailing before the war. In recent months there has been a further relaxation in the down payment and maturity requirements in instalment credits for practically all categories of durable goods. Competition has been the primary factor leading to lower down payments and longer maturities; when one important retail outlet in a community relaxed terms, other stores soon felt that it was necessary to follow.

The prospect for the balance of this year is for increased use of consumer instalment credit, further reduction in down payments, and lengthening of maturities. Together with the seasonal rise in the use of instalment credit during the late months of the year, these factors suggest a growth exceeding that which occurred in the first six months.

The increase in instalment credit this year is of special significance because it is taking place notwithstanding the fact that the output of consumers' durable goods is no longer growing. With a rise of 85 per cent in durable goods in 1946, there was an increase of 65 per cent in instalment credit. In 1947 the percentage increase in instalment credit of 55 per cent accompanied a growth of but one-third in durable goods. Gradually, the increases in credit have outstripped the expansions in output of goods. By the middle of 1947, durable goods production had stabilized at a level that has been maintained up to the present time. Yet instalment credit continued to rise—one billion dollars for the first six months of 1948 and more in prospect.

In view of the current tight situation in supplies of labor and materials, further expansion of instalment credit can neither increase output nor put more people to work. It can only add more purchasing power to the already swollen spending stream and reinforce inflationary pressures. International developments, moreover, inevitably add

pressures in the markets for consumers' durable goods.

Because more purchasing power is being added to a supply of funds already excessive in relation to available goods, expansion of instalment credit under present conditions is of an inflationary character irrespective of its relative level as compared, for example, with national income. While credit outstanding now amounts to no more than 3.9 per cent of annual disposable income in the United States, as compared with a range of 5.5 per cent to 7.1 per cent in the years just preceding the war—the highest levels on record—conditions today are much different. In the year 1940, for example, when the percentage was at its peak, average unemployment was 14.5 per cent of the total labor force, according to the Bureau of Census estimates, as compared with 3.5 per cent in 1947. In other words, there is no slack today. More credit cannot call forth more goods—it can only add to the upward pressure on prices.

It should be noted that the Board's position on regulation of instalment credit is not to be taken as in any way indicating a feeling that all instalment credit is undesirable. The problem is to prevent the abuse—not the use—of credit. A damping of disruptive fluctuation is what we are interested in, and more stability at levels related to the conditions of the time.

Since the end of Regulation W a number of trade associations of credit grantors have urged their members to exercise caution in liberalizing terms and expanding portfolios. Such efforts have undoubtedly had some effect in moderating the increase in instalment debt. These voluntary efforts, however, have not succeeded in preventing gradual reduction in the down payments and lengthening of the maturities advertised by credit grantors. Easy terms are rapidly approaching those which were offered before the war.

Now is the time when it is in the best interest of all consumers to save more and spend less. This is the time to reduce—not to increase—debt. This is a time for restraint—voluntary, yes, but reinforced, much as we all dislike compulsions, so far as necessary to protect the real interests of all of us.

Finally the Board has asked me to reiterate as strongly as possible that regulation of instalment credit is a tool—but only a supplementary tool—for dealing with the problem of inflationary credit. By itself it cannot do the job. To be adequately effective, it must be buttressed by the basic bank credit controls which the Board has advocated repeatedly, beginning with its 1945 annual report to Congress.

1948 SURVEY OF CONSUMER FINANCES¹

PART IV. Consumer Saving and the Allocation of Disposable Income

During 1947 the rate and volume of consumer saving out of income continued to decline. A majority of the nation's consumer units saved in 1947, some saving substantial amounts and others saving small amounts. At the same time, expenditures of many other consumer units exceeded incomes and resulted in a large volume of dissaving. The declining saving rate was indicative of a widespread consumer willingness to spend current income or accumulated savings or to borrow in order to purchase a record quantity of consumers goods and services at inflated prices.

The 1948 Survey of Consumer Finances, conducted for the Board by the Survey Research Center of the University of Michigan, obtained information about the principal types of saving of a cross-section of the nation's consumer units. The survey data provide insights about the 1947 saving patterns of consumers in all walks of life and indicate some of the important factors affecting individual saving such as durable goods expenditures, income changes, retirement status, and unusual expenses. In addition to a discussion of saving, this article includes information about consumer income after Federal taxes, and spending unit expenditures for selected durable goods and other consumers goods and services. Where relevant and valid, comparisons with the results of two previously conducted surveys are included in the analysis.²

¹This article was prepared by Duncan McC. Holthausen and Irving Schweiger of the Board's Division of Research and Statistics. It is the fourth in a series to be issued presenting the results of the Board's 1948 Survey of Consumer Finances. The first three articles appeared in the June and July BULLETINS and one other article will appear in a succeeding issue.

From the Survey Research Center, University of Michigan, Rensis Likert, Director, and Angus Campbell, Assistant Director, were in general charge of the survey. Responsibility for detailed planning and supervision of the survey, including interviewing, editing, tabulation of survey results, and preparation of survey studies was carried by George Katona in collaboration with Miss Janet Austrian. Charles F. Cannell served as head of the field staff and Roe Goodman as head of the sampling section of the Center.

From the Board of Governors, general supervision of the survey has been under the direction of Woodlief Thomas, Director, and Ralph A. Young, Associate Director, of the Division of Research and Statistics. Mr. Holthausen has been in charge of the analysis of the data and the preparation of reports.

²The second survey was made for the Board of Governors early in 1947 by the Survey Research Center and the results of that survey were reported in 1947 in the June, July, and August issues of the BULLETIN. The first survey was made for the Board of Governors early in 1946 by the Division of Program Surveys, Bureau of Agricultural Economics, U. S. Department of Agriculture. The Survey Research Center staff currently in charge of the survey work was associated with the Division of Program Surveys at the time of the first survey. Results of that survey were reported in 1946 in the June, July, and August issues of the BULLETIN under the general title National Survey of Liquid Assets.

The information here presented from the 1948 Survey of Consumer Finances is based upon the results of about 3,500 interviews taken in 66 sampling points throughout the nation. The sample is representative of the entire population of the United States residing in private households.³ The interview unit of the surveys is the spending unit, defined as all persons living in the same dwelling and belonging to the same family who pooled their incomes to meet major expenses.

SUMMARY OF FINDINGS ON CONSUMER SAVING AND DISPOSABLE INCOME

1. It is estimated that 31 million spending units saved roughly 25 billion dollars in 1947, 13.5 million spending units dissaved or spent about 11 billion dollars in excess of their incomes, and the remaining 4 million spending units neither saved nor dissaved.

2. The percentage of aggregate consumer income saved, as well as the total volume of individual net saving, declined further during 1947, primarily reflecting an increased volume of dissaving, i.e., expenditures in excess of income, on the part of some consumer units.

3. As compared to 1946, there was a substantial increase in 1947 in the proportion of dissavers with incomes of \$3,000 and above. More than 25 out of every 100 consumer units with incomes of \$3,000 and above dissaved in the past year as compared to less than 20 out of every 100 consumer units with similar incomes in 1946. This change may have been partly due to the upward shift in incomes that brought many consumer units above the \$3,000 level in 1947 from levels of below \$3,000 in 1946, where dissaving was more frequent. There was virtually no change in the proportion of dissavers at lower income levels.

4. Most dissavers, consumer units that spent more than their incomes, were not in adverse circumstances during 1947 and did not have unbalanced budgets solely because of higher living expenses. Almost three-fifths of the dissavers purchased automobiles, furniture, radios, or household appliances during 1947. The ability to dissave presumes a certain degree of financial well-being, for to spend

³For additional information on survey techniques and design, see the June 1948 BULLETIN, pp. 643-46.

more than one's income, a person must either have sufficient income or collateral to be an acceptable risk for credit or have past savings to draw upon.

5. The spending units that neither saved nor dissaved were most likely to be in adverse financial circumstances in 1947. These spending units, largely with less than \$1,000 in income, had incomes too low to qualify as good credit risks and most had no savings to draw upon.

6. As in 1946 the most frequently reported forms of saving were life insurance premiums, followed by additions to liquid assets (Government bonds and checking and savings accounts), payments of home mortgages, home improvements, and retirement funds.

7. Top income units accounted for increased proportions of positive and net saving in 1947, notwithstanding a substantial increase in the proportion of negative saving accounted for by them. Middle and lower income units, on the other hand, were represented by smaller proportions of these various types of saving, and the lower income units, those with incomes of less than \$2,000, were net dissavers as a group.

8. It is estimated that more than two-thirds of all spending units incurred Federal income tax liabilities for the year 1947. Median income after Federal tax for all spending units was roughly \$2,380 compared with a median income before tax of \$2,530.

9. The proportion of income saved by spending units in the upper income groups was considerably larger than the proportions saved in either lower or middle income groups. Almost the same average proportion of income after Federal taxes was spent by consumer units in lower income groups for automobiles and other selected durable goods during 1947 as was spent by middle and upper income groups.

10. In the case of "other consumer expenditures" which were primarily nondurable goods and services, consumer units with incomes of less than \$2,000 had expenditures amounting to about 100 per cent of their incomes after Federal tax as compared with approximately 70 per cent for spending units with incomes of \$5,000 and above.

SAVING IN 1947

In the Survey of Consumer Finances net saving is defined as the difference between consumer income and consumer expenditures (including taxes).

Amounts saved or dissaved by individual spending units were obtained in this survey by requesting detailed information on changes in the various asset and liability items that make up the consumer balance sheet. Frequent forms of "additions to" saving were payment of life insurance premiums, increases in liquid asset holdings, decreases in debt, payments for home improvements, and payments to retirement funds. The primary forms of "withdrawals from" saving were decreases in liquid assets and increases in debt. For each individual spending unit, the total of "additions" minus the total of "withdrawals" represented its net saving. If the figure was plus, the spending unit was a saver (positive saver) in 1947; if minus, the spending unit was a dissaver (negative saver).⁴

By the definition of saving, consumer nondurable and durable goods are not considered assets, and thus monies spent for such goods are termed expenditures and do not add to the saving of a spending unit. If durable goods expenditures were considered a form of positive saving, the saving shown for 1947 would have been much higher in amount. In addition, there would have been many more positive savers and fewer dissavers.

The rate of consumer saving out of income declined further in 1947, reflecting the continued heavy use of liquid assets and credit to buy an increasing supply of durable goods and to purchase other consumers goods and services. According to survey data, spending units as a whole reported net saving amounting to approximately 9 per cent of their money incomes as compared to almost 12 per cent in 1946. In both 1947 and 1946 more than six in every ten spending units reported saving out of current income, almost three in every ten reported dissaving (i.e., expenditures in excess of income), and almost one in every ten reported neither saving nor dissaving.

A substantially higher volume of dissaving in 1947 made for a decline in the net amount of saving as well as in the percentage of income saved. Spending units that were dissavers spent an estimated 11 billion dollars in excess of their incomes, while amounts saved by other spending units were approximately 25 billion dollars.

While fewer spending units added to their liquid assets in 1947 as compared to 1946, there was little difference in the frequency with which other types

⁴ See the appendix to this article, p. 928, for a more complete discussion of the method of estimating saving.

1948 SURVEY OF CONSUMER FINANCES

of "additions to" saving were reported by consumer units. The most common form was again through payment of life insurance premiums. As shown by Table 1, roughly three-fourths of all spending units indicated that they put away some money in this form. Increases in liquid asset holdings were reported by more than one-fourth of all spending units. Payments on home mortgages, home improvements, and payments to retirement funds were other frequently reported types of "additions to" saving.

The most common forms of "withdrawals from" the balance sheet of saving were through use of liquid assets and credit, reported by one-third and one-fifth of all spending units, respectively. As compared to 1946 it would appear that a larger proportion of spending units incurred debts and a smaller proportion used their liquid assets.

TABLE 1

PERCENTAGE OF SPENDING UNITS REPORTING VARIOUS TYPES OF ADDITIONS TO AND WITHDRAWALS FROM SAVING, 1947

	Percentage of spending units reporting the indicated type of saving	
	Additions to saving	Withdrawals from saving
<i>Consumer indebtedness:</i>		
Increases.....		19
Decreases.....	7	
<i>Life insurance:</i>		
Payment of premiums.....	75	
Full cash payment received from policy.....		
<i>Liquid asset holdings:</i>		
Increases.....	27	
Decreases.....		33
<i>Real estate:</i>		
Purchases of houses, farms, and lots.....	8	
Mortgages taken out in connection with purchases.....		5
Sales of houses, farms, and lots.....		4
Payments on home mortgages (including full payments).....	16	
Home improvements.....	12	
<i>Retirement funds:</i>		
Payments to such funds.....	13	
<i>Securities transactions (excluding Federal):</i>		
Increases in holdings.....	2	
Decreases in holdings.....		(¹)
<i>Unincorporated business (excluding farmers):</i>		
Profits left in business.....	3	
Personal investment in business.....	3	
Withdrawals of business investment.....		
<i>Farm equipment:</i>		
Purchases of.....	3	

¹ Less than one-half of 1 per cent.

For comparable 1946 data, see Federal Reserve BULLETIN, August 1947, Table 2, p. 953.

Savers and dissavers. As shown by Table 2, almost two-thirds of all spending units were positive savers in 1947, that is, their money incomes were in excess of their expenditures. Similar to the findings of a year ago, higher proportions of upper income people than lower income people were positive savers. About four out of every ten spending units with incomes of less than \$1,000 were positive savers as compared to eight out of every ten with incomes of \$7,500 and above. A larger proportion of the managerial and self-employed group were positive savers than spending units in other occupational groups.

About 28 per cent of all spending units, or 12.5 million units, were dissavers in 1947. The total amount of their dissaving was considerably larger than in any other postwar year. Within occupational groups the largest proportion of dissavers

TABLE 2

COMPARISON OF POSITIVE AND NEGATIVE SAVERS, WITHIN INCOME AND OCCUPATIONAL GROUPS, AND BY VETERAN STATUS, 1947

[Percentage distribution of spending units within group]

Groups of spending units	All spending units	Positive savers ¹	Zero savers	Negative savers ²
All spending units.....	100	64	8	28
<i>By income:</i>				
Under \$1,000.....	100	44	30	26
\$1,000-\$1,999.....	100	59	10	31
\$2,000-\$2,999.....	100	66	4	30
\$3,000-\$3,999.....	100	69	1	30
\$4,000-\$4,999.....	100	68	2	30
\$5,000-\$7,499.....	100	79	(³)	21
\$7,500 and over.....	100	83	1	16
<i>By occupational group of head of unit:</i>				
Professional.....	100	68	2	30
Managerial and self-employed.....	100	76	3	21
Clerical and sales.....	100	69	5	26
Skilled and semiskilled.....	100	63	4	33
Unskilled.....	100	59	13	28
Farm operator.....	100	67	11	22
Retired.....	100	51	21	28
<i>By veteran status:</i>				
Veteran of World War II in unit.....	100	64	5	31
No veteran of World War II in unit.....	100	64	9	27

¹ Spending units with money incomes in excess of expenditures.

² Spending units with expenditures in excess of money incomes.

³ Less than one-half of 1 per cent.

For similar 1946 data, see Federal Reserve BULLETIN, August 1947, Table 4, p. 955. The 1947 and 1946 data are not strictly comparable. The saving figures for 1947 exclude changes in charge accounts and back bills and thus may understate by several percentage points the proportion of dissavers with incomes of less than \$3,000. Any characteristic of a spending unit that is heavily weighted by low income groups, would show a similar understatement of the number of dissavers. See the appendix to this article for a more complete discussion of the comparability of the saving data.

1948 SURVEY OF CONSUMER FINANCES

TABLE 3

POSITIVE SAVERS: PERCENTAGE OF INCOME SAVED AND AMOUNTS SAVED BY INCOME AND OCCUPATIONAL GROUPS, AND BY VETERAN STATUS, 1947 ¹

[Percentage of all spending units in each group]

Groups of spending units	Positive savers as a percentage of all spending units in group	Percentage of income saved					Amount saved			
		1-9	10-19	20-29	30-49	50 and over	\$1-\$199	\$200-\$499	\$500-\$999	\$1,000 and over
All positive savers	64	30	14	8	7	5	27	14	10	13
<i>By income:</i>										
Under \$1,000	44	23	10	3	5	3	36	5	2	1
\$1,000-\$1,999	59	35	10	5	5	4	40	12	5	2
\$2,000-\$2,999	66	34	14	7	8	3	30	18	11	7
\$3,000-\$3,999	69	34	15	9	8	3	23	19	16	11
\$4,000-\$4,999	68	28	16	11	8	5	15	17	16	20
\$5,000-\$7,499	79	28	16	15	9	11	13	13	16	37
\$7,500 and over	83	16	20	17	17	13	5	9	5	64
<i>By occupational group of head of unit:</i>										
Professional	68	25	16	13	10	4	14	16	14	24
Managerial and self-employed	76	21	18	12	12	13	16	12	13	35
Clerical and sales	69	34	17	9	7	2	29	17	12	11
Skilled and semiskilled	63	34	14	8	5	2	26	18	11	8
Unskilled	59	37	12	4	4	2	41	11	4	3
Farm operator	67	19	11	9	13	15	23	12	11	21
Retired	51	31	12	4	2	2	35	7	4	5
<i>By veteran status:</i>										
Veteran of World War II in unit	64	27	16	7	9	5	22	16	12	14
No veteran of World War II in unit	64	31	13	8	7	5	28	14	10	12

¹ This table includes only those spending units that were positive savers, i. e., units with money incomes in excess of expenditures.

For similar 1946 data, see Federal Reserve BULLETIN, August 1947, Table 5, p. 956. See general footnote to Table 2 in this article and also the appendix for a discussion of the comparability of these data.

was found among spending units headed by skilled and semiskilled persons as in 1946.

There were fewer positive savers and more dissavers in 1947 than in 1946 in the spending units headed by professional, managerial, and self-employed persons and skilled and semiskilled workers. At the same time many more veterans of World War II were positive savers in 1947, and fewer, dissavers. Although veterans are still heavy purchasers of durable goods, they begin to show expenditure and saving patterns more similar to those of nonveteran spending units in their own age groups.

Additional information relating to both positive and negative savers in 1947, including percentages of income and amounts saved or dissaved by income and occupation groups, and by veteran status is given in Tables 3 and 4. As compared to 1946, positive savers tended to save smaller percentages of their incomes, while the dissavers showed little change in amounts of dissaving as percentages of their incomes.

The majority of positive savers in every income group except \$7,500 and above saved less than 20

per cent of their incomes. This was also found to be the case in each occupational group except managerial and self-employed and farm operator groups. Spending units in these groups often reported substantial amounts saved in the form of business investment, such as increases in inventories or additions to plant and equipment by unincorporated businessmen, or the purchase of land or equipment by farmers. The particularly high rates of saving indicated for farm operators to some extent result from comparing their annual saving with an income figure (money income) that does not make allowance for substantial non-money sources of income.

A measure of the extent to which dissavings supplemented the incomes of spending units is provided by Table 4. About one-sixth of all spending units with incomes under \$1,000 dissaved amounts equal to 25 per cent or more of their incomes. In higher income groups the amounts dissaved were often substantial, but, when expressed as percentages of income, they were relatively small. Approximately one-fifth of all spending units in the retired group reported dis-

1948 SURVEY OF CONSUMER FINANCES

savings amounting to 25 per cent or more of their incomes. This was also the case for one-tenth of professional persons and farm operators.

Further information about the saving of various groups is found in Table 15 in the appendix to this article. In this table saving is related to the age, size, type, and education of the spending unit, and place of residence. The largest proportions of positive savers were found among spending units with the following characteristics which are probably related in part to the receipt of high incomes: three to four persons in size, head of the unit from 45 to 54 years of age, head of the unit college educated, and metropolitan area of residence.

The largest proportion of dissavers was found in urban areas, where few spending units were zero savers. By other characteristics, spending units of two persons, in the age group of 18 to 34, and where the head was of high school education, showed the largest proportions of dissavers. The largest proportions of zero savers were found in rural areas, among spending units of one person, in the age group of 65 and over, and in the group with no education.

Dissaving. Available information about dis-

saving in prewar periods would indicate that the dissaving pattern in 1947 was not unusual for a year of high durable goods production. Data for the year 1941, show that roughly one-third of all consumer units were dissavers in that year.⁵ Apparently, sizable numbers of dissavers are to be expected in a year when durable goods production is at high levels.

Accumulated liquid savings, the spending of which for consumption purposes represents the principal means of dissaving today, were small in total volume at the beginning of 1941. These savings amounted to less than one-third of present-day liquid asset holdings. In 1941, dissaving was largely possible through the availability and use of consumer credit. While credit was an important means of dissaving in 1947, it was not the primary form.

The most pronounced change in the pattern of consumer saving as between 1946 and 1947 was the large increase in the number of dissavers at middle and high income levels. Table 4 shows that about 30 per cent of spending units with incomes of \$3,000 to \$4,999 were dissavers, 21 per cent of

⁵ *Family Spending and Saving in Wartime*, Bureau of Labor Statistics, Bulletin No. 822, 1945.

TABLE 4

DISSAVERS: DISSAVING AS A PERCENTAGE OF INCOME, WITH AMOUNTS DISSAVED, BY INCOME AND OCCUPATIONAL GROUPS, AND BY VETERAN STATUS, 1947¹

[Percentage of all spending units in each group]

Groups of spending units	Dissavers as a percentage of all spending units in group	Dissaving as a percentage of income			Amount dissaved	
		1-9	10-24	25 and over	\$1-\$499	\$500 and over
All dissavers	28	11	8	9	17	11
<i>By income:</i>						
Under \$1,000	26	5	4	17	17	9
\$1,000-\$1,999	31	12	8	11	23	8
\$2,000-\$2,999	30	13	9	8	20	10
\$3,000-\$3,999	30	13	9	8	18	12
\$4,000-\$4,999	30	12	10	8	14	16
\$5,000-\$7,499	21	8	7	6	9	12
\$7,500 and over	16	4	7	5	3	13
<i>By occupational group of head of unit:</i>						
Professional	30	8	11	11	12	18
Managerial and self-employed	21	5	9	7	8	13
Clerical and sales	26	13	7	6	17	9
Skilled and semiskilled	33	15	10	8	21	12
Unskilled	28	13	9	6	23	5
Farm operator	22	5	6	11	14	8
Retired	28	4	3	21	16	12
<i>By veteran status:</i>						
Veteran of World War II in unit	31	12	9	10	17	14
No veteran of World War II in unit	27	10	8	9	17	10

¹ This table includes only those spending units that were dissavers, i. e., units with expenditures in excess of money incomes.

For similar 1946 data, see Federal Reserve BULLETIN, August 1947, Table 6, p. 957. See general footnote to Table 2 in this article and also the appendix for discussion of the comparability of these data.

1948 SURVEY OF CONSUMER FINANCES

those with incomes of \$5,000 to \$7,499, and 16 per cent of those with incomes of \$7,500 and above. As compared to 1946, the percentage of dissavers in these income groups was as follows:

	1947	1946
\$3,000-\$3,999	30	21
\$4,000-\$4,999	31	19
\$5,000-\$7,499	21	15
\$7,500 and above	16	11

Part of this increase in the proportion of dissavers at middle and high income levels may have stemmed from the upward shift in incomes that

one must have accumulated savings to draw upon or have an income or collateral or both sufficient to qualify as an acceptable credit risk. Of the spending units dissaving in 1947, almost three-fifths bought automobiles or other selected durable goods during the year. In any year, prewar or postwar, the purchase of durable goods has meant that many families spend more than their incomes. It does not follow that these families are undergoing hardship or that their budgets are unbalanced because of higher living expenses. Many families purchasing automobiles, for example, whether in 1941 or in 1947, could not possibly

TABLE 5

SIZE OF EXPENDITURES FOR AUTOMOBILES AND OTHER SELECTED DURABLE GOODS WITHIN SAVING GROUPS, 1947¹

Amounts of expenditures for automobiles and other selected durable goods	Percentage distribution of spending units within saving groups								
	Positive				Zero	Negative			
	All	\$500 and over	\$100-\$499	\$1-\$99		All	\$1-\$99	\$100-\$499	\$500 and over
No expenditures	61	51	62	70	85	43	53	45	35
Expenditures	38	48	37	29	15	56	46	54	64
\$1-\$99	8	7	9	9	5	7	11	6	5
\$100-\$499	19	22	18	16	9	22	25	24	18
\$500 and over	11	19	10	4	1	27	10	24	41
Not ascertained	1	1	1	1	(?)	1	1	1	1
All units	100	100	100	100	100	100	100	100	100

¹ Expenditures for automobiles are net of trade-in allowances.

² Less than one-half of 1 per cent.

took place during 1947. This upward shift had the effect of bringing lower parts (percentiles) of the income distribution, which generally had higher proportions of dissavers in 1946, into each higher level of 1947 income. However, these changes in income level accounted for only part of the increase.

The higher frequency of dissaving at upper income levels may be primarily attributed to the buying of consumer durable goods. As already shown in Part I of the 1948 Survey of Consumer Finances,⁶ many more spending units at upper income levels bought automobiles and other selected durable goods such as furniture, household appliances, and radios in 1947 than in 1946. Not only was there a considerably larger number of spending units at higher income levels in 1947, but also a much larger proportion of that group bought durables.

The dissavers were not necessarily people in adverse financial circumstances, because to dissave

pay for these cars from their saving out of that year's income and therefore in part at least used accumulated savings or credit to meet the purchase price. Survey data show that about half the consumer units spending \$500 or more on durable goods during 1947, were dissavers for that year.

Information showing the relation between amounts saved and amounts of expenditures for durable goods is given in Table 5. In general, relatively more dissavers than positive savers bought durable goods, and the amounts expended by the dissavers for such goods were somewhat larger than amounts spent by other spending units. Some of the positive savers, especially those in upper income groups, saved large amounts notwithstanding the fact that they spent sizable amounts for durable goods. This was generally not true for those with smaller incomes. It is interesting to note that over four-fifths of the zero savers, largely

⁶ See BULLETIN, June 1948, Table 4, p. 640.

1948 SURVEY OF CONSUMER FINANCES

people of very low incomes, had no expenditures for durable goods.

There were other spending units among the group spending more than their incomes in 1947 that were not necessarily hardship cases. They spent money for such items as vacation expenses, repairs to homes or automobiles, moving expenses, emergencies, or medical care, including maternity cases. Roughly one-third of the dissavers reported expenditures for emergencies and illnesses. Emergencies and illnesses are common, of course, at all income levels, but there is less capacity to absorb their cost out of current income at lower income levels than at higher income levels. However, irrespective of the size of income, when these contingencies arise, their effect upon expenditure and dissaving is similar to that of the purchase of a large durable good. These costly contingencies are, along with purchases of durable goods, among the major causes of dissaving at all income levels.

Also among the group of dissavers were spending units, other than those reporting emergencies and illnesses, that were retired or experienced declines in income because of unemployment, business losses, or other reasons. Survey data show that about one-third of all dissavers were in this general category. Many of these spending units

TABLE 6

SIZE OF CHANGES IN LIQUID ASSETS OF SPENDING UNITS WITHIN SAVING GROUPS, 1947¹

Change in liquid assets	Percentage distribution of spending units within saving groups					
	Positive			Zero	Negative	
	\$500 and over	\$100-\$499	\$1-\$99		\$1-\$499	\$500 and over
Increase	66	53	31	1	8	13
\$1,000 and over...	20	2	1	0	1	5
\$500-\$999.....	16	2	(?)	0	1	1
\$200-\$499.....	14	15	(?)	0	2	2
\$1-\$199.....	16	34	30	1	4	5
No change	11	23	51	96	20	6
Decrease	19	21	16	3	70	77
\$1-\$199.....	5	9	10	1	27	5
\$200-\$499.....	4	4	3	1	31	7
\$500-\$999.....	3	3	1	1	8	29
\$1,000 and over...	7	5	2	0	4	36
Not ascertained	4	3	2	(?)	2	4
All units.....	100	100	100	100	100	100

¹ Liquid assets include all types of U. S. Government bonds, savings accounts, and checking accounts.

² Less than one-half of 1 per cent.

were probably using past savings to meet expenses of their customary living standards. However, a substantial number also reported the purchase of durable goods.

Real hardship resulting from a high and still rising cost of living is most likely to be experienced by those who have no means of spending more than their income. Typically, they have no accu-

TABLE 7

SIZE OF CHANGE IN CONSUMER INSTALMENT INDEBTEDNESS OF SPENDING UNITS WITHIN SAVING GROUPS, 1947¹

Change in instalment indebtedness	Percentage distribution of spending units within saving groups					
	Positive			Zero	Negative	
	\$500 and over	\$100-\$499	\$1-\$99		\$1-\$499	\$500 and over
Decrease	11	9	5	(?)	5	5
\$1,000 and over...	2	(?)	0	0	0	1
\$500-\$999.....	1	(?)	0	(?)	1	1
\$200-\$499.....	4	3	(?)	(?)	2	1
\$1-\$199.....	4	6	5	0	2	2
No change	76	75	81	98	57	60
Increase	13	16	13	1	38	35
\$1-\$199.....	5	12	11	(?)	23	10
\$200-\$499.....	4	2	1	1	10	7
\$500-\$999.....	2	1	(?)	(?)	4	8
\$1,000 and over...	2	1	1	0	1	10
Not ascertained	0	(?)	1	1	0	(?)
All units.....	100	100	100	100	100	100

¹ Includes debt arising from instalment sales of consumer goods and from instalment loans granted by banks, small loan companies, and other lending agencies.

² Less than one-half of 1 per cent.

TABLE 8

DISTRIBUTION OF SPENDING UNITS, AMOUNTS OF MONEY INCOME RECEIVED, POSITIVE SAVING, NEGATIVE SAVING, AND NET SAVING, BY INCOME GROUPS, 1947¹

[Per cent]

1947 annual money income before taxes	Spending units	Money income	Positive saving	Negative saving	Net saving
Under \$1,000.....	14	2	1	17	-11
\$1,000-\$1,999.....	22	10	5	14	-2
\$2,000-\$2,999.....	23	17	11	16	7
\$3,000-\$3,999.....	17	18	13	18	9
\$4,000-\$4,999.....	10	13	12	11	13
\$5,000-\$7,499.....	9	16	19	10	26
\$7,500 and over.....	5	24	39	14	58
All units.....	100	100	100	100	100

¹ Positive saving comprises the saving of all spending units with money incomes in excess of expenditures, negative saving comprises the dissaving of all spending units with expenditures in excess of money incomes, and net saving (plus or minus) is positive saving less negative saving for all spending units combined.

For similar 1946 data, see Federal Reserve BULLETIN, August 1947, Table 3, p. 954.

mulated savings to draw upon and most frequently their incomes are too small in relation to living expenses to permit the use of credit. These consumers are the "zero" savers. Zero savers spent all their money income during the year and had saved nothing by the end of the year. Roughly 8 per cent of all spending units were zero savers in 1947. Over half of these units had incomes of less than \$1,000, and four-fifths had incomes of less than \$2,000. In contrast, only one-third of the positive savers and two-fifths of the dissavers had incomes of less than \$2,000. Of the entire group of zero savers, about one-third were in the oldest age group (65 and over); more than four-fifths were nonveterans of World War II.

In the course of the three Surveys of Consumer Finances undertaken by the Board, new insights have been acquired about the saving habits of people. One-fifth to one-fourth of consumer units indicate that they have a regular saving plan—that is, a plan for setting aside a certain amount of money each payday. Most consumers indicate that they take care of their expenditures first and may possibly save any part of income that is left over. A few spending units say that they do not believe in saving money and spend all their income. There are others that indicate they just do not earn enough to save.

While most people have no saving plan, it does not follow that they believe in spending more than their incomes for ordinary living expenses. Survey data do not indicate that many consumer units operated their budgets at a deficit solely as a result of higher living expenses. When they dissaved, it was generally because of a large expenditure such as the purchase of a durable good, or payments in connection with an illness, or medical bills, such as in childbirth cases. As already indicated, sometimes spending units dissaved because of a decline in income as a result of the temporary loss of a job or business losses, etc.; a few other dissavers were units where the head was retired and they were living from accumulated savings. But it would appear that few consumer units with unchanged or increased incomes dissaved merely because of higher costs of living. As prices rose, families whose incomes did not rise correspondingly either did not change their buying habits and had less money to put aside out of income or they did change their buying habits and made adjustments in their budgets. Those that spent more of their income

for food, possibly were forced to cut expenditures for clothing or for recreation or for luxuries. In any case, regular day-to-day expenditures were generally limited to current income.

With most families, dissaving, as commonly defined, is probably a one-year occurrence, not to be followed by further dissaving in the next year. This is especially true where families have dissaved in one year by using credit to buy consumers goods since the repayment of debt, much of which takes place in the following year, constitutes an "addition to" saving.

There were interesting differences in the saving patterns of consumer units experiencing increases or decreases in income during 1947. For consumer units with incomes of \$1,000 to \$4,999, the highest proportions of dissavers were found among units whose incomes had either declined or risen sharply. There are fewer dissavers and more positive savers among spending units whose incomes had remained the same or increased by less than 25 per cent. Information for the year 1946 also indicated that spending units receiving large increases in income were more likely to be heavy spenders and small savers than spending units experiencing no change in their incomes. Thus, experience from the current period would indicate that, in certain periods at least, increases in incomes are associated with a higher rate of spending and not of saving.

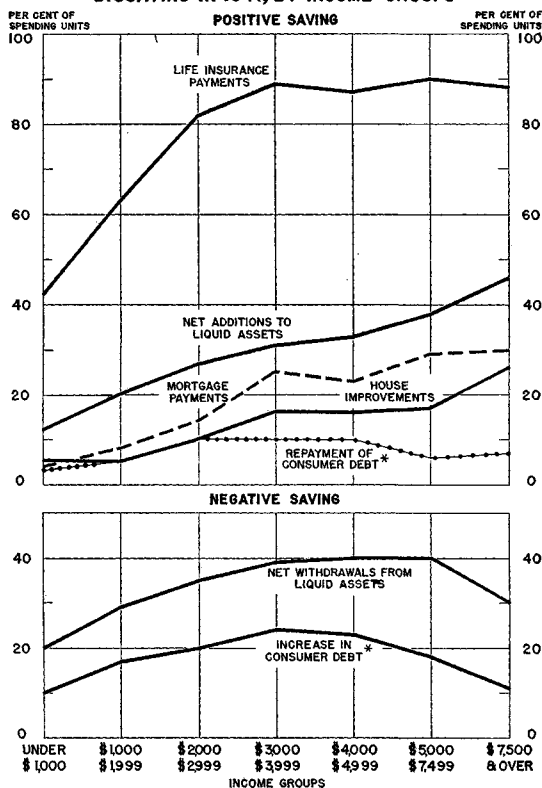
FORMS OF SAVING

As already pointed out, life insurance is the most common form of "additions to" saving for spending units as a whole. The accompanying chart indicates that within each income group also the most common form was through premium payments on life insurance. About four out of every ten spending units with incomes under \$1,000 and nine out of ten spending units with incomes of \$5,000 or more had "additions to" saving in this form. The percentage of spending units reporting other common forms of "additions to" saving including increases in liquid assets, payments on home mortgages, and home improvements increased gradually from the lowest to highest income groups. On the other hand, a smaller proportion of spending units with incomes of \$5,000 or more than of middle income groups reported debt reduction.

Net withdrawals of liquid assets and increases

1948 SURVEY OF CONSUMER FINANCES

PRINCIPAL FORMS OF CONSUMER SAVING AND DISSAVING IN 1947, BY INCOME GROUPS



in short-term debt—the principal forms of “withdrawals from” saving—were reported most frequently by spending units with incomes of \$3,000 to \$4,999. Nevertheless, substantial numbers of spending units with incomes below \$3,000 as well as with incomes of \$5,000 and over reported similar financial changes. In 1946, the largest proportions of spending units reporting net withdrawals in liquid assets and increases in debt were in the income group of \$2,000 to \$2,999. Comparison with 1946 data indicates that the larger number of dissavers at higher income levels in 1947 resulted from more frequent use of accumulated savings and credit.

Of spending units that were dissavers in 1947 almost three-fourths reported net withdrawals in liquid assets. In contrast, no more than one-fifth of the positive savers reported such withdrawals. For the dissavers, there was a very close correlation between total amounts dissaved and total amounts of decline in liquid asset holdings. This is shown by Table 6.

More than one-third of the dissavers had increases in consumer debt as compared to one-seventh of the positive savers. Table 7 shows the changes in consumer debts of spending units among various saving groups.

In the great majority of cases where spending units dissaved, it was a case of “withdrawals from” saving exceeding “additions to” saving. Table 16 in the appendix to this article indicates that 75 per cent of the negative savers had some “additions to” saving in previously committed forms (contractual) such as premium payments on life insurance, payments on home mortgages, and payments to retirement funds. Few negative savers, however, added to their liquid assets or reduced short-term debts.

THE DISTRIBUTION OF SAVING BY INCOME GROUPS

The rather close correlation between the total positive saving of the various income groups and their total money income, observed in last year's survey, is again confirmed by data from the 1948 survey. As Table 8 indicates, the proportion of total positive saving accounted for by the various income groups was roughly comparable to the proportion of money income received by these groups. Amounts of negative saving were more closely related to the number of spending units in the various income groups than to the proportion of income received.

Total net saving, the difference between positive and negative saving, was in large part accounted for by spending units with incomes of \$5,000 and above. They accounted for over four-fifths of the net saving. Notwithstanding the fact that seven out of every ten spending units with incomes of under \$2,000 were positive savers, amounts dissaved by the remaining three out of every ten spending units with incomes of this size were larger than the total positive saving of the others and these income groups showed net dissaving. Their net dissaving was equal to 13 per cent of total net saving for all spending units. While amounts dissaved by spending units in middle and upper income groups were as large as amounts dissaved by lower income groups, positive savers in the middle and upper range of the income scale saved amounts which were more than sufficient to offset any dissavings.

1948 SURVEY OF CONSUMER FINANCES

TABLE 9

PROPORTION OF TOTAL MONEY INCOME, POSITIVE SAVING, NEGATIVE SAVING, AND NET SAVING ACCOUNTED FOR BY EACH TENTH OF THE NATION'S SPENDING UNITS WHEN RANKED BY SIZE OF INCOME, 1947, 1946, 1945, AND 1941¹

Spending units ranked according to their incomes	Percentage of total accounted for by each tenth:															
	Money income ²				Positive saving ³				Negative saving ⁴				Net saving ⁵			
	1947	1946	1945	1941	1947	1946	1945	1941	1947	1946	1945	1941	1947	1946	1945	1941
Highest tenth....	33	32	29	34	52	44	40	55	19	6	6	10	77	63	46	73
Second.....	15	15	16	16	14	15	16	14	11	12	8	11	16	16	18	15
Third.....	12	12	13	12	8	12	12	9	10	7	6	14	6	14	13	6
Fourth.....	10	10	11	10	7	8	8	6	10	11	8	11	6	7	8	5
Fifth.....	9	9	9	9	6	6	7	6	11	11	18	7	3	4	5	5
Sixth.....	7	7	7	7	5	5	5	4	6	13	10	7	4	1	4	3
Seventh.....	6	6	6	5	4	4	5	3	5	8	12	9	2	2	3	1
Eighth.....	4	5	5	4	2	3	4	2	7	7	7	8	-1	1	3	-1
Ninth.....	3	3	3	2	1	2	2	1	6	12	5	11	-2	-3	2	-3
Lowest tenth....	1	1	1	1	1	1	1	(6)	15	13	20	12	-11	-5	-2	-4
All units....	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

¹ Income and saving data for 1947 are based on interviews in January-March 1948 (third Survey of Consumer Finances); for 1946 on interviews in January-March 1947 (second survey); for 1945 on interviews in January-March 1946 (first survey); and for 1941 estimated from information obtained in Family Spending and Saving During Wartime, Bureau of Labor Statistics Bulletin No. 822, April 1945.

The figures in this table cannot be used to measure precise changes in income and saving. However, it is believed that the data show with reasonable accuracy the nature of certain broad changes which occurred in the pattern of income and saving during these years.

The 1941 data were obtained by totaling the amount of money income, positive saving, negative saving, and net saving accounted for by the income classes shown in the Bureau of Labor Statistics report, and then calculating the cumulative values of each decile by interpolation (Lagrange technique).

The survey covering 1941 and the surveys covering 1945 through 1947 differed somewhat in their definitions of money income, saving, and the spending unit, in the universe covered, as well as in sampling methods. The surveys for 1945 through 1947 also differed somewhat in their definition of saving as discussed in the appendix to this article.

² Annual money income before taxes.

³ Positive saving comprises the saving of all spending units with money incomes in excess of expenditures.

⁴ Negative saving comprises the dissaving of all spending units with expenditures in excess of money incomes.

⁵ Net saving (plus or minus) is positive saving less negative saving for all spending units combined.

⁶ Less than one-half of 1 per cent.

As compared to 1946, upper income groups accounted for a larger share of net, positive, and negative saving in 1947. Spending units with incomes under \$1,000 were again net dissavers as a group in 1947, and spending units with incomes of \$1,000 to \$1,999 became net dissavers as a group for the first time since the end of the war.

There have been substantial changes in the saving and dissaving patterns of the various income groups since the war. As the total volume of dissaving increased, the positive saving of lower and middle income groupings was offset to a greater extent by this dissaving, and larger proportions of total net saving were thus accounted for by top income levels. Actually, the proportions of the various types of saving accounted for by spending units when grouped in tenths according to income size were generally similar in 1947 to the pattern shown in 1941, but significant changes occurred from 1945 and 1946 patterns.

The highest tenth of the nation's spending units when ranked by income accounted for roughly three-fourths of total net saving in both 1947 and 1941. As shown by Table 9, this same top tenth

received one-third of total money income in these two years and accounted for one-half of total positive saving. The respective annual data from which these time-span comparisons are drawn differ in a number of important respects, so that only broad shifts in saving patterns may properly be inferred from them.

Selected saving data for family units are presented in Tables 17 and 18 in the appendix.

DISPOSABLE INCOME

The size distribution of money income before taxes during 1947 was presented in Part II of the 1948 survey results. For some purposes, it is more useful to know the distribution of income after taxes. A beginning step in this direction was made this year. For the first time in the Consumer Finances Surveys, estimates of Federal personal income tax liability, apart from tax on capital gains or losses, were prepared for each spending unit. Income after tax, called disposable income in this article, was estimated for each spending unit by deducting the computed Federal income tax lia-

1948 SURVEY OF CONSUMER FINANCES

bility from money income before taxes.⁷ The tax estimates, unlike other survey data, were not based on special information concerning tax liabilities.

estimating procedure is given in the appendix to this article.

It should be stressed that the tax estimates are only approximations; that they refer not to payments but to Federal personal income tax liabilities, apart from taxes on capital gains and losses; and that State and local income taxes are not included.

Of course, the distribution of spending units by income after Federal taxes shows a general downward shift from the distribution by income before taxes. The downward shift was most marked at the upper end of the income distribution as can be seen in Table 10. The number of spending units with incomes of \$7,500 and over (before taxes) was reduced by two-fifths through taxation, from 5 per cent of the approximately 48.4 million spending units down to 3 per cent. Before Federal income taxes, a little less than one-fourth of all consumer spending units, more than 11.5 million units, had incomes of \$4,000 and over. Less than one-fifth of all spending units had disposable incomes (incomes after taxes) of this size.

Survey estimates show that more than two-thirds of all consumer units had tax liabilities. As Table 11 indicates, these units include those at bottom as well as top income levels. The proportion of units incurring tax liability increased very sharply from lower to higher income groups. It is estimated that about one-sixth of the units with incomes under \$1,000 had tax liabilities, while more than nine-tenths of all units with incomes of \$3,000 and above incurred tax liabilities.

TABLE 10

DISTRIBUTION OF SPENDING UNITS BY MONEY INCOME BEFORE AND AFTER FEDERAL INCOME TAX, 1947

[Per cent]

Income group	Money income before Federal income tax	Money income after Federal income tax ¹ (disposable income)
Under \$1,000	14	15
\$1,000-\$1,999	22	25
\$2,000-\$2,999	23	25
\$3,000-\$3,999	17	17
\$4,000-\$4,999	10	8
\$5,000-\$7,499	9	7
\$7,500 and over	5	3
All groups	100	100
Median income ²	\$2,530	\$2,380

¹ Money income after deduction of estimated Federal personal income tax liability. See appendix, pp. 930 to 932, for method of estimating disposable income. Money income figures exclude capital gains or losses and tax estimates do not make any allowance for such gains or losses.

² The median amount is that of the middle spending unit when all units are ranked by size of income.

ties obtained during the interview, but were calculated on the basis of the income, size, and composition of each unit. A detailed presentation of the

⁷ The U. S. Department of Commerce, in estimating disposable income for its national income series, deducts from income actual Federal personal income tax payments (not liabilities), including taxes on capital gains and losses, as well as other tax and nontax receipts, chief of which are Federal estate and gift taxes and State and local personal tax and nontax receipts.

TABLE 11

ESTIMATED FEDERAL PERSONAL INCOME TAX LIABILITIES OF SPENDING UNITS WITHIN VARIOUS INCOME GROUPS, 1947

Estimated Federal personal income tax liability ¹	Percentage distribution of spending units within income groups							
	All income groups	1947 annual money income before taxes						
		Under \$1,000	\$1,000-\$1,999	\$2,000-\$2,999	\$3,000-\$3,999	\$4,000-\$4,999	\$5,000-\$7,499	\$7,500 and over
Zero	29	83	48	23	7	2	1	0
\$1-\$49	5	11	9	6	4	1	(²)	0
\$50-\$99	7	5	15	10	7	(²)	(²)	(²)
\$100-\$199	14	0	21	25	17	3	(²)	1
\$200-\$499	27	0	7	36	61	54	18	2
\$500-\$999	12	0	0	(²)	4	40	73	9
\$1,000-\$1,999	3	0	0	0	0	0	8	46
\$2,000-\$4,999	1	0	0	0	0	0	0	28
\$5,000 and over	1	0	0	0	0	0	0	14
Not ascertained	1	1	0	0	0	0	0	0
All units	100	100	100	100	100	100	100	100

¹ 1947 tax liability apart from capital gains or losses. Money income figures exclude capital gains or losses and tax estimates do not make allowance for such gains or losses.

² Less than one-half of 1 per cent.

1948 SURVEY OF CONSUMER FINANCES

TABLE 12

OTHER CONSUMER EXPENDITURES AS A PERCENTAGE OF DISPOSABLE INCOME, BY DISPOSABLE INCOME GROUPS, 1947¹

Other consumer expenditures as a percentage of disposable income	Percentage distribution of spending units within income groups							
	All spending units	Disposable income ²						
		Under \$1,000	\$1,000-\$1,999	\$2,000-\$2,999	\$3,000-\$3,999	\$4,000-\$4,999	\$5,000-\$7,499	\$7,500 and over
Under 50.....	9	7	6	7	8	14	20	30
50-59.....	4	1	2	4	5	3	8	10
60-69.....	6	3	5	5	7	11	11	8
70-79.....	9	5	8	11	12	13	13	11
80-89.....	15	10	13	18	20	16	17	9
90-99.....	26	23	33	30	26	23	17	8
100 and over.....	24	47	29	19	18	15	7	8
Not ascertained.....	7	4	4	6	4	5	7	16
Total.....	100	100	100	100	100	100	100	100

¹ Other consumer expenditures include all expenditures for goods and services other than for selected durable goods. Other consumer expenditures were estimated for each spending unit in the survey by deducting from money income reported by each unit the total of its selected durable goods expenditure, net saving, and Federal income tax liability. This residual estimate of other consumer expenditures thus includes expenditures for food, housing, clothing, medical care, other living costs, State and local taxes, recreation, transportation, and education as well as expenditures for durable goods such as floor coverings, jewelry, fur coats, and other miscellaneous durable items. Durable goods excluded from the "other consumer expenditures" estimate are automobiles, furniture, radios, and household appliances such as refrigerators, ranges, washing machines, vacuum cleaners, home freezers, and miscellaneous other appliances.

² Disposable income is defined as money income less estimated Federal personal income tax liability.

Estimates from the survey data indicate that about two-thirds of the approximately 34 million consumer units with tax liabilities had liabilities of \$200 and above. For almost one-fourth of the units with tax liabilities, the amounts were \$500 and above.

Comparison of the proportions of income received by spending unit groups before and after taxes, show that the highest tenth of income-receivers before taxes obtained about 33 per cent of total personal income, while the tenth of units with the largest disposable incomes obtained 31 per cent (see Table 19 in the appendix to this article). The lowest half of spending units when ranked by size of disposable income showed a somewhat larger proportion of income than the similar grouping of spending units when ranked by income before taxes.

OTHER CONSUMER EXPENDITURES

It is possible to make a rough estimate of the total expenditure of each spending unit for non-durable goods and services, durable goods not included in the list of selected durables, and State and local taxes. This is done by subtracting from the money income of each spending unit the unit's expenditures for automobiles and selected durable goods, saving, and estimated Federal personal income tax liability.⁸

"Other consumer expenditures," as estimated above, include expenditures for food, housing, clothing, taxes other than the Federal personal income tax, medical care, other living expense, recreation, education, and durable and semidurable goods such as floor coverings, jewelry, and fur coats, which are not included in the list of selected durables.⁹

It is estimated that close to one-third of all spending units had "other consumer expenditures" amounting to less than 80 per cent of their disposable incomes, roughly two-fifths had expenditures amounting to from 80 to 99 per cent of their disposable incomes, and about one-fourth had expenditures amounting to 100 per cent or more of their disposable incomes.

As shown by Table 12, consumer units in lower income groups spent larger proportions of their disposable income for "other consumer expenditures," as measured in the survey, than did those in higher income groups. More than two-thirds of the units

⁸The estimates of "other consumer expenditures" are residual estimates, and thus any inaccuracies, to the extent that they are not offsetting, in the reported figures for income, saving, durable goods expenditures or estimated figures for Federal income taxes, would affect the "other consumer expenditures" estimate. In connection with the Federal tax liability estimates, tax payments during 1947 may have differed somewhat from tax liability for the year, but this discrepancy would have only a minor effect on the volume of "other consumer expenditures" estimated for individual spending units or groups of spending units.

⁹Selected durable goods include automobiles, furniture, radios, television sets, refrigerators, ranges, washing machines, and other appliances.

with less than \$3,000 of disposable income spent at least 80 per cent of their income for such purposes, while this was true of two-fifths or less of the units with incomes of \$5,000 and over. Almost half of the units with disposable incomes of less than \$1,000 had "other consumer expenditures" amounting to 100 per cent or more of their disposable incomes. Expenditures of this size were clearly not confined to the lowest income levels, however, as one-fifth to one-tenth of spending units with *disposable* incomes of \$2,000 and above had similar expenditures.

The one-fourth of all consumer units that spent all of their income or more for "other consumer expenditures" contained those spending units that may have been most affected by the rise in the cost of living and by the occurrence of costly medical bills and emergencies. Within this one-fourth of all units there were a number of zero savers (8 per cent) or people spending 100 per cent of their incomes. As already observed, the zero savers may include many hardship cases. The remaining 18 per cent of all spending units spent over 100 per cent of their incomes for "other consumer expenditures" and were therefore dissavers. While many of these spending units were dissaving as a result of emergencies, illnesses, and income declines as well as higher living costs, it is probable that a number of them had large outlays for recreation, education, large-scale entertainment (such as wedding expenses), and for goods such as jewelry and fur coats which are included with "other consumer expenditures." One-third of the 18 per cent bought automobiles or other selected durable goods.

A distribution of the dollar amounts spent by consumer units for "other consumer expenditures" is given in Table 20 in the appendix to this article. Roughly half of all spending units had expenditures of \$1,500 to \$3,999. Approximately 5 per cent spent \$5,000 and above, while about the same percentage spent less than \$500.

ALLOCATION OF DISPOSABLE INCOME

Spending units within each of the various disposable income groups allocated their income in quite different ways among saving, selected durable goods, and "other consumer expenditures." As shown by Table 13, for spending units as a whole, approximately four-fifths of disposable income was used for "other consumer expenditures," about one-

tenth was spent for selected durable goods, and a similar proportion went to saving.

Consumer units at upper income levels spent a smaller proportion of their disposable income for "other consumer expenditures" than consumer units at lower income levels. Previous budget studies have consistently shown similar patterns.

The pattern of expenditure for durable goods in 1947 reflected an apparent willingness on the part of consumer units to spend a fairly constant proportion of their income for such goods irrespective of the size of their income. While spending units at low income levels bought few new automobiles and expensive appliances, they were active buyers of used cars and low-priced appliances, thus spending almost as large a proportion of their income for durable goods as consumer units at higher income levels. A somewhat similar relationship of durable goods purchases to income existed in 1941, although consumer units as a whole spent a lower proportion of their income for such goods in that year.¹⁰

The percentage of disposable income saved in-

¹⁰ *Survey of Family Spending and Saving in Wartime*, conducted by the Bureau of Labor Statistics in cooperation with the Bureau of Human Nutrition and Home Economics, published in two parts as Bureau of Labor Statistics Bulletin No. 822, 1945, and U. S. Department of Agriculture Miscellaneous Publication No. 520, 1943.

TABLE 13

PROPORTION OF DISPOSABLE INCOME ALLOCATED TO SAVING, SELECTED DURABLE GOODS, AND OTHER CONSUMER EXPENDITURES, BY SPENDING UNITS WITHIN VARIOUS INCOME GROUPS, 1947

Type of expenditure or saving	Per cent of total income within each income group				
	All income groups	Disposable income ¹			
		Under \$2,000	\$2,000-\$2,999	\$3,000-\$4,999	\$5,000 and over
Net saving.....	10	-8	3	7	26
Automobiles and other selected durable goods ²	9	7	9	9	9
Other consumer expenditures ³	81	101	88	84	65
Total.....	100	100	100	100	100

¹ Disposable income is defined as money income less estimated Federal personal income tax liability.

² Includes automobiles, furniture, radios, and household appliances such as refrigerators, ranges, washing machines, vacuum cleaners, home freezers, and miscellaneous other appliances. Expenditures for automobiles are net of trade-in allowances.

³ Covers expenditures for all goods and services not included in selected durable goods (see footnote 2). Includes food, housing, clothing, medical care, other living costs, State and local taxes, recreation, transportation, and education, as well as expenditures for durable goods such as floor coverings, jewelry, fur coats, and other miscellaneous durable items.

creased sharply from lowest to highest income groups, reflecting the converse movement of "other consumer expenditures" in relation to income. As a group, spending units with disposable incomes of under \$2,000 had net dissaving amounting to roughly one-tenth of their incomes. On the other hand, units with disposable incomes of \$5,000 and above saved more than one-fifth of their incomes. This does not imply that all units with incomes of \$5,000 and above were positive savers and that all units at bottom income levels were dissavers. As has been mentioned earlier, no more than one-third of the units at bottom income levels were dissavers and about half were savers. Even at top income levels, as many as one-fifth of the units were dissavers.

An indication of the extent to which the various disposable income groups accounted for total expenditures on selected durable and other consumption goods is given in Table 14 in the appendix. There were very significant differences in the relative importance of the various groups in consump-

tion markets. The tenth of spending units with disposable incomes of \$5,000 and over accounted for about one-third of expenditures for selected durable goods and somewhat more than one-fourth of "other consumer expenditures." The two-fifths of spending units with disposable incomes of under \$2,000, on the other hand, accounted for about one-eighth of expenditures for selected durable goods and one-fifth of "other consumer expenditures." The half of spending units with incomes after Federal taxes of \$2,000 to \$4,999 accounted for somewhat more than half of expenditures for each of these categories of goods.

The shares of selected durable goods expenditures accounted for by the various disposable income groups were very similar to the proportions of income received. In the case of "other consumer expenditures," lower income groups accounted for a somewhat larger share of these expenditures than of income while upper income groups accounted for a smaller share.

APPENDIX

METHOD OF OBTAINING SAVING DATA

In the Survey of Consumer Finances net saving is considered to be the difference between consumer income and total consumer expenditures and taxes. The saving data were derived directly, however, by requesting detailed information from each spending unit about changes in the various asset and liability items that make up the unit balance sheet. For the 1947 saving data changes were obtained for the following items classified as an "addition to" or "withdrawal from" saving:

"Additions to" saving

- a. Increases in U. S. savings bonds, Series A-F.
- b. Increases in other U. S. Government bonds.
- c. Increases in savings accounts in banks, savings and loan associations, credit unions, and postal savings.
- d. Increases in checking accounts.
- e. Life insurance premiums paid.
- f. Amounts paid into retirement funds.
- g. Purchase price of real estate (house, farm, or other real estate).
- h. Amounts repaid on mortgages.
- i. Amounts spent on structural additions to or major improvements on houses, farm buildings.
- j. Amounts paid on debts to banks, credit unions, loan companies, private individuals, and insurance companies.
- k. Payments made on instalment debts.
- l. Amounts lent by individuals.

m. Excess of amounts spent for purchase of securities (other than U. S. Government bonds) over amounts received from sale of securities.

n. Profits left in unincorporated businesses by owners.

o. New investments in business.

p. Purchase price of farm machinery.

"Withdrawals from" saving

- a. Decreases in U. S. savings bonds, Series A-F.
- b. Decreases in other U. S. Government bonds.
- c. Decreases in savings accounts in banks, savings and loan associations, credit unions, and postal savings.

d. Decreases in checking accounts.

e. Lump-sum receipts from life insurance policies.

f. Net amounts received from sale of real estate.

g. New mortgage debts incurred.

h. Amounts borrowed from banks, credit unions, loan companies, private individuals, and insurance companies.

i. Amounts of instalment sales contracts.

j. Amounts received as repayments from debtors.

k. Excess of amounts received from sale of securities (other than U. S. Government bonds) over amounts spent for purchase of securities.

l. Amounts, other than profits, taken out of unincorporated business by owners.

m. Inheritances and large gifts of money and bonds received.

The total of "additions" minus the total of "withdrawals" represented the net saving of each spending unit.¹ The net figure could be either plus, minus, or zero.

This method of estimating the saving of a particular spending unit entails the inclusion or ex-

TABLE 14
DISTRIBUTION OF SPENDING UNITS, DISPOSABLE INCOME, NET SAVING, SELECTED DURABLE GOODS EXPENDITURES, AND OTHER CONSUMER EXPENDITURES, BY DISPOSABLE INCOME GROUPS, 1947

[Per cent]					
Disposable income group	All spending units	Total disposable income	Total net saving	Total selected durable goods expenditures	Total other consumer expenditures
Under \$2,000.....	40	16	-12	12	19
\$2,000-\$2,999.....	25	20	8	23	21
\$3,000-\$4,999.....	25	32	25	35	33
\$5,000 and over.....	10	32	79	30	27
All income groups..	100	100	100	100	100

NOTE.—For definition of disposable income and for coverage of selected durable goods and other consumer expenditures, see footnotes to Table 13, p. 926.

¹The definition of saving used in the Survey of Consumer Finances differs from the definition of personal saving in the national income series of the U. S. Department of Commerce. Among the chief differences are the inclusion of the following items as saving in survey data: payments in connection with government life insurance and retirement funds, excluding social-security payments, and the excess of premium payments over the increase in reserves of private life insurance and retirement systems. The saving concept in the national income series excludes the above items and, in addition, includes the following items not considered saving in the Consumer Finances Survey: depreciation on farm and nonfarm homes, changes in assets of trust funds, changes in farm inventories, and changes in personal currency holdings. In addition to the differences in definition listed above, the universe of the survey excludes certain groups which are included in the Commerce saving aggregate. These excluded groups are: nonprofit institutions, persons living outside the continental United States and members of the armed forces living at military reservations, residents in hospitals and other institutions, and the floating population (residents in hotels, tourist camps, large boarding houses).

1948 SURVEY OF CONSUMER FINANCES

TABLE 15

POSITIVE AND NEGATIVE SAVERS: PERCENTAGE OF INCOME SAVED OR DISSAVED BY TYPE OF COMMUNITY, NUMBER OF PERSONS, AGE AND EDUCATION OF HEAD, AND BY TYPE OF SPENDING UNIT, 1947

[Percentage distribution of spending units within group]

Groups of spending units	All spending units	Percentage of income saved or dissaved								
		By positive savers ¹					Zero savers	By negative savers ¹		
		50 and over	30-49	20-29	10-19	1-9		1-9	10-24	25 and over
All groups	100	5	7	8	14	30	8	11	8	9
<i>By type of community:</i>										
Metropolitan ²	100	3	7	8	15	34	3	13	9	8
Other urban	100	4	6	8	15	31	7	11	8	10
Rural	100	8	9	7	12	26	13	8	7	10
<i>By number of persons:</i>										
One	100	3	7	7	12	28	16	10	6	11
Two	100	5	6	10	14	28	6	11	8	12
Three	100	6	8	7	14	34	4	10	10	7
Four	100	7	8	9	15	30	3	13	8	7
Five or more	100	5	8	6	12	33	10	12	7	7
<i>By age of head of unit:</i>										
18-24	100	2	3	6	12	34	8	16	9	10
25-34	100	4	8	8	15	27	4	15	10	9
35-44	100	6	8	9	13	30	6	13	8	7
45-54	100	5	7	10	14	33	6	10	7	8
55-64	100	5	8	8	18	30	7	6	7	11
65 and over	100	5	5	6	11	30	21	4	4	14
<i>By education of head of unit:</i>										
None	100	3	2	4	17	33	25	3	5	8
Grammar school	100	4	7	7	12	33	12	10	6	9
High school	100	5	6	8	14	30	5	13	9	10
College	100	5	11	13	16	23	3	9	9	11
<i>By type of spending unit:</i>										
Primary ⁴	100	5	8	8	14	30	7	10	8	10
Related secondary ⁴	100	4	7	8	13	33	8	13	5	9
Unrelated secondary ⁴	100	2	4	3	16	24	17	16	10	8

¹ Positive savers are units with money incomes in excess of expenditures and negative savers, or dissavers, are units with expenditures in excess of money incomes.

² The 12 largest cities and their suburbs.

³ Less than one-half of 1 per cent.

⁴ Where only one spending unit is present in a dwelling unit, this unit is a primary unit. Where two or more spending units live in a dwelling unit, one is designated the primary unit and any others as secondary units. The primary unit contains the head of the dwelling unit, while additional units are termed related secondaries if they are related by blood, marriage, or adoption to the head of the primary unit and unrelated secondaries if not related such as roomers and domestic help.

clusion of certain data not entirely consistent with the survey concept of saving. For example, interest and tax payments on a house should be considered consumer expenditures but sometimes they are included with the amount of principal repayment when spending units indicate their mortgage payments. A special effort was made to exclude interest and tax payments in the 1947 data. In the case of life insurance, the reported saving data generally include the total amount of the premium, not just the increase in cash reserves. In addition to these several factors tending to overstate saving, there are factors that may tend to understate saving, such as inadequate recollection by some spending units of the increases in their checking and saving accounts and holdings of Government bonds. The 1947 saving data did not make any allowance for

changes in amounts of charge accounts or back bills.

In the interest of improving the savings data reported in the survey, the form used for obtaining the 1947 data differs from the 1946 form, and in turn both these forms differ from that used for 1945 saving data.

The 1947 form differed from the 1946 form in the following four ways:

1. Changes in charge account and other bills outstanding were omitted in the 1947 survey.
2. A special effort was made to exclude interest and tax payments from mortgage payments in the 1947 schedule.
3. A special effort was made to exclude maintenance and repair costs from the cost of additions and structural improvements to homes in the 1947 schedule.

1948 SURVEY OF CONSUMER FINANCES

4. Accrued interest on savings bonds was included in the 1947 data.

The first of these changes slightly affected the comparability of the 1947 and 1946 saving estimates. Data obtained in the survey but not included with the 1947 saving tabulation show that the 1947

savers" and fewer positive and negative savers than would have been obtained had the 1947 or 1946 schedules been used.

METHOD OF ESTIMATING DISPOSABLE INCOME

For the first time in the Consumer Finances Surveys, an estimate was made of each spending unit's disposable income, defined for purposes of this survey as the total money income of a spending unit less its Federal income tax liability. While no questions were asked in the interviews about Federal income tax payments, it was possible to roughly estimate a tax liability figure for each spending unit by taking into account the number of earners and number of dependents in each unit and by making certain assumptions about the filing of joint returns and deduction allowances for contributions, etc.² The estimates thus made represented the Federal tax liabilities on 1947 incomes, not the tax payments of spending units during 1947. No estimates were made for State and local taxes.

The disposable income figures shown in this report therefore represent total money income less estimated Federal tax liabilities. The disposable income figures differ from traditional disposable income figures which are based on tax payments (not liabilities) and exclude State and local as well as Federal taxes.

In connection with the approximate estimates of tax liability, certain items of information were not obtained which are necessary in order to precisely calculate personal income tax liability. The two most important items were: (1) the existence of dependents not living in the same dwelling unit and thus not included for tax purposes (except in some cases for children away at school), making for an underestimate of total exemptions claimed; and (2) the possible understatement of deductions claimed. Some units undoubtedly claimed deductions that were larger than the amounts estimated for them, the survey allowance being the Treasury standard deduction on incomes up to \$5,000 and 10 per cent of incomes above \$5,000. Some units with incomes of \$5,000 and above may have also claimed less than the estimated deduction. Table 15 shows the amounts of tax liability estimated for spending units within various income groups.

The tax liability for each spending unit was esti-

² Acknowledgment is made of the assistance of members of the Division of Tax Research, Treasury Department, in formulating the method of estimate.

TABLE 16

SIZE OF CONTRACTUAL SAVING OF SPENDING UNITS WITHIN SAVING GROUPS, 1947 ¹

Size of contractual saving	Percentage distribution of spending units within saving groups					
	Positive			Zero	Negative	
	\$500 and over	\$100-\$499	\$1-\$99		\$1-\$499	\$500 and over
No contractual saving.....	10	13	15	97	23	23
Contractual saving.....	90	87	85	3	77	76
\$1-\$199.....	33	57	81	2	62	50
\$200-\$499.....	25	25	3	1	13	17
\$500-\$999.....	20	4	1	0	2	5
\$1,000-\$1,999.....	8	1	0	0	(?)	3
\$2,000 and over.....	4	0	0	0	(?)	1
Not ascertained.....	0	(?)	0	(?)	(?)	1
All units.....	100	100	100	100	100	100

¹ Contractual saving includes premium payments on life insurance policies, payments on home mortgages, and payments to retirement funds.

² Less than one-half of 1 per cent.

figures understate by several percentage points the percentage of spending units with incomes under \$3,000 that were dissavers. This slight understatement of the percentage of dissavers would apply to any grouping of spending units by a characteristic that includes a large proportion of lower income units.

The 1947 and 1946 data were in turn not strictly comparable with the 1945 data, but again the comparability was not greatly affected. For the 1945 data, no attempt was made to include consumer borrowing or amounts spent on home improvements, since it was thought that the amounts involved in such transactions were not significant during that particular period. Furthermore, the method used to obtain information on unincorporated saving in both 1947 and 1946 was a considerable improvement over the 1945 form, and the more recent schedules covered in detail many forms of saving that were not separately covered in 1945. The data for 1945 probably showed more "zero

1948 SURVEY OF CONSUMER FINANCES

TABLE 17

DISTRIBUTION OF POSITIVE AND NEGATIVE SAVERS ACCORDING TO RELATION OF SAVING TO INCOME, BY INCOME GROUPS OF FAMILY UNITS, 1947

Positive and negative savers	Percentage distribution of family units within income groups ¹							
	All groups	Under \$1,000	\$1,000-\$1,999	\$2,000-\$2,999	\$3,000-\$3,999	\$4,000-\$4,999	\$5,000-\$7,499	\$7,500 and over
Positive savers—total	64	39	58	64	68	67	75	85
Percentage of income saved:								
50 and over.....	5	1	3	3	4	4	8	11
30-49.....	7	4	5	7	7	7	7	18
20-29.....	8	4	4	8	8	8	12	15
10-19.....	15	9	10	14	16	19	19	23
1-9.....	29	21	36	32	33	29	29	18
Zero savers—total	8	34	11	4	1	1	0	1
Negative savers—total ²	28	27	31	32	31	32	25	14
Dissaving as a percentage of income:								
1-9.....	11	6	10	14	14	12	12	5
10-24.....	8	3	8	11	10	11	8	7
25 and over.....	9	18	13	7	7	9	5	2
All family units.....	100	100	100	100	100	100	100	100

¹ Based on 1947 money income before taxes.

² Family units with expenditures in excess of money income.

mated by using a standardized procedure of computation. The steps in the calculation were as follows:

1. A table was prepared giving the amount of tax by size of income and by number of dependents. The table provided for the Treasury standard deduction for contributions, medical bills, etc., on incomes up to \$5,000, and a deduction of 10 per cent of taxable income (excluding items in (2) below), for incomes larger than \$5,000.

TABLE 18

DISTRIBUTION OF FAMILY UNITS, AMOUNTS OF MONEY INCOME RECEIVED, POSITIVE SAVING, NEGATIVE SAVING AND NET SAVING, BY INCOME GROUPS, 1947

1947 annual money income before taxes	[Per cent]				
	Family units	Money income	Positive saving ¹	Negative saving ¹	Net saving ¹
Under \$1,000.....	13	2	1	22	-15
\$1,000-\$1,999.....	18	7	4	10	-2
\$2,000-\$2,999.....	20	13	8	13	5
\$3,000-\$3,999.....	17	15	11	15	8
\$4,000-\$4,999.....	11	13	11	13	9
\$5,000-\$7,499.....	13	20	20	11	27
\$7,500 and over.....	8	30	45	16	68
All income groups.....	100	100	100	100	100

¹ Positive saving comprises the saving of all family units with money incomes in excess of expenditures, negative saving comprises the dissaving of all family units with expenditures in excess of money incomes, and net saving (plus or minus) is positive saving less negative saving for all family units combined.

2. Taxable income was calculated by deducting from total income amounts received by individual income recipients from social security benefits, sickness and injury benefits, armed forces pay and allowances up to the limit of their special exemption, contributions for support, etc. Tax-free interest was not deducted but would be received by only about 1 per cent of the income recipients.

TABLE 19

PROPORTION OF INCOME RECEIVED BY EACH TENTH OF THE NATION'S SPENDING UNITS WHEN RANKED BY SIZE OF INCOME BEFORE AND AFTER FEDERAL INCOME TAX, 1947

Spending units ranked according to size of income	Percentage of total income received by each tenth	
	Money income before Federal income tax	Money income after Federal income tax ¹ (disposable income)
Highest tenth.....	33	31
Second.....	15	15
Third.....	12	12
Fourth.....	10	10
Fifth.....	9	9
Sixth.....	7	8
Seventh.....	6	6
Eighth.....	4	5
Ninth.....	3	3
Lowest tenth.....	1	1

¹ Money income after deduction of estimated Federal personal income tax liability. See appendix, pp. 930 to 932, for method of estimating disposable income. Money income figures exclude capital gains or losses and tax estimates do not make any allowance for such gains or losses.

1948 SURVEY OF CONSUMER FINANCES

3. In the case of spending units containing one person only, the tax for these units was taken directly from the prepared table.

4. In the case of spending units containing a husband and wife, one or both of whom were income receivers, taxes were taken directly from the table after deciding whether a joint or separate tax return would have been made. Where the income of the unit was at or beyond the level at which it became worthwhile to file separate returns, separate liabilities were estimated from the table for husband and wife, leaving all other dependents with the main income receiver.

5. If additional persons in the unit, other than

the husband or wife, earned more than \$550, separate returns were calculated from the table for each of these additional earners, leaving all other dependents with the main income receiver.

6. Where more than one tax return was estimated for a given spending unit, the separate tax liabilities were totaled and the total was considered to be the tax liability of the spending unit.

This method of estimating taxes made no provision for the following:

1. Dependents, other than children away at school, not living in the dwelling unit;
2. Larger deductions than the Treasury standard deduction on incomes up to \$5,000 or larger or smaller deductions than 10 per cent of income on incomes greater than \$5,000;
3. Tax-free interest;
4. Taxes on alimony received;
5. Taxes on capital gains and losses;
6. Carryover of business and capital losses from previous years;
7. Allocation of income among the taxpayers in one unit that may differ somewhat from the survey allocation; and
8. State and local income taxes which amount to about one-tenth of Federal personal income tax.

For individual spending units, taxes may have been over- or underestimated. The limitations of these tax estimates should be recognized in making use of either the tax or disposable income data.

TABLE 20

DISTRIBUTION OF SPENDING UNITS BY SIZE OF OTHER CONSUMER EXPENDITURES, 1947¹

[Per cent]

Amount of other consumer expenditures	1947
Under \$500.....	6
\$500-\$999.....	12
\$1,000-\$1,499.....	15
\$1,500-\$1,999.....	15
\$2,000-\$2,999.....	24
\$3,000-\$3,999.....	12
\$4,000-\$4,999.....	5
\$5,000-\$7,499.....	3
\$7,500 and over.....	2
Not ascertained.....	6
All units.....	100

¹ Covers expenditures for goods and services other than for selected durable goods. Includes expenditures for food, housing, clothing, medical care, other living costs, State and local taxes, recreation, transportation, and education as well as expenditures for durable goods such as floor coverings, jewelry, fur coats, and other miscellaneous durable items.

REVISED CONSUMER CREDIT SERIES

Revised estimates for the following segments of the consumer credit series are presented in the accompanying tables, along with brief notes on the type of revision made: (1) Consumer instalment credits of commercial banks, (2) Consumer instalment loans of credit unions, and (3) Single-payment loans. Total instalment loans, total instalment credit, and total consumer credit have also been revised to incorporate these changes in the parts.

ESTIMATES OF CONSUMER INSTALMENT CREDITS OF COMMERCIAL BANKS

The monthly series on consumer instalment credits at commercial banks has been revised from January 1947 to date on the basis of the June and December 1947 statements of condition submitted by all insured commercial banks.¹ Commercial bank holdings of consumer instalment paper as of June 30, 1948 were raised 101 million dollars by the revision. The amount outstanding of each type of credit except automobile paper was increased, while the latter was reduced slightly. Revised

¹ For a description of method used in adjusting to call data, see Federal Reserve BULLETIN, July 1947, p. 831.

monthly estimates for both amounts outstanding and volume of credit extended are presented in the table on this page.

ESTIMATES OF CONSUMER INSTALMENT LOANS OF CREDIT UNIONS

The monthly series on instalment loans of credit unions has been revised from January 1929 to date to exclude real estate mortgage loans. Since the consumer credit series conceptually includes only short-term credit, it was desirable to remove mortgage loans of State credit unions which have heretofore been included. Federal credit unions are for all practical purposes prohibited from making real estate loans by the 24-month maturity clause in the statute governing them. Some information on mortgage loans was available from published State reports. In other States special inquiry of the State supervisory authorities for end-of-year information was made by the Federal Reserve Board.

New year-end figures were derived and monthly amounts outstanding computed by distributing the difference between the new and old series on a straight-line basis. Annual volume figures were

CONSUMER INSTALMENT CREDITS OF COMMERCIAL BANKS, BY TYPE OF CREDIT

[Revised estimates. In millions of dollars]

AMOUNT OUTSTANDING

VOLUME EXTENDED DURING MONTH

End of month	Total	Automobile retail		Other retail, purchased and direct	Repair and modernization loans ¹	Personal instalment cash loans	Year and month	Total	Automobile retail		Other retail, purchased and direct	Repair and modernization loans ¹	Personal instalment cash loans
		Purchased	Direct loans						Purchased	Direct loans			
1947—January.....	1,685	181	325	299	280	600	1947—January.....	311	44	69	66	24	108
February.....	1,758	195	348	312	285	618	February.....	293	41	70	56	26	100
March.....	1,860	216	374	327	297	646	March.....	350	54	81	61	31	123
April.....	1,969	235	397	351	316	670	April.....	371	60	84	71	36	120
May.....	2,084	252	423	380	337	692	May.....	384	58	83	80	41	122
June.....	2,192	274	439	407	361	711	June.....	406	59	82	96	44	125
July.....	2,273	286	456	424	383	724	July.....	396	62	84	79	42	129
August.....	2,348	298	470	433	408	739	August.....	375	58	79	73	45	120
September.....	2,416	313	477	444	438	744	September.....	401	66	81	78	55	121
October.....	2,499	322	492	462	465	758	October.....	423	68	86	89	54	126
November.....	2,588	337	513	486	483	769	November.....	421	69	94	91	43	124
December.....	2,701	346	536	523	500	796	December.....	484	70	103	115	47	149
							Total.....	4,615	709	996	955	488	1,467
1948—January.....	2,788	358	557	567	504	802	1948—January.....	457	71	98	118	36	134
February.....	2,826	372	570	570	507	807	February.....	398	67	89	90	35	117
March.....	2,932	402	601	592	518	819	March.....	504	89	116	102	44	153
April.....	3,057	430	628	629	539	831	April.....	521	92	111	123	52	143
May ^p	3,137	448	648	647	555	839	May ^p	487	80	109	112	49	137
June ^p	3,231	471	668	665	571	856	June ^p	525	86	109	129	51	150

^p Preliminary

¹ These series include both FHA-insured loans and an unknown amount of noninsured loans.

REVISED CONSUMER CREDIT SERIES

estimated by applying to the revised December 31 levels, ratios between annual volume and end-of-year balances based on data for those States where both volume and amount outstanding were known. A monthly series on loans made for the period January 1939 to date was then derived by distributing annual totals in the same manner as the unrevised series. A monthly volume series prior to January 1939 has never been estimated.

Further revision was made in both the State and Federal credit union series from January 1946 forward on the basis of official year-end information compiled by the Federal Deposit Insurance Corporation for Federal credit unions and the Bureau of Labor Statistics for State-chartered credit unions.² Revised estimates for January 1929 to date are presented in the table which begins on this page.

² For a description of method used in adjusting to year-end data, see Federal Reserve BULLETIN, July 1947, p. 833.

ESTIMATES OF SINGLE-PAYMENT LOANS OUTSTANDING

Estimates of single-payment loans outstanding have been revised from July 1947 to date in accordance with December 1947 statements of condition of insured commercial banks.³ Revised figures are shown in the table appearing on pages 936 and 937.

REVISED CONSUMER CREDIT AGGREGATES

Revisions in the segments described above affect the series on instalment loans, total instalment credit, and total consumer credit. The June 30, 1948 estimates for instalment loans, total instalment credit and total consumer credit were increased 31 million. Revised figures for these series also will be found in the table on pages 936 and 937.

³ For a description of the procedure used in obtaining estimates of single-payment loans, see Federal Reserve BULLETIN, January 1945, p. 27.

CONSUMER INSTALMENT LOANS OF COMMERCIAL BANKS AND CREDIT UNIONS

[Revised estimates. In millions of dollars]

Year and month	Credit Unions ¹		Year and month	Credit Unions ¹		Year and month	Credit Unions ¹		Year and month	Credit Unions ¹	
	Amount outstanding, end of month	Loans made during period		Amount outstanding, end of month	Loans made during period		Amount outstanding, end of month	Loans made during period		Amount outstanding, end of month	Loans made during period
1929—January ..	21	.....	1931—January ..	22	.....	1933—January ..	19	.....	1935—January ..	26	.....
February ..	21	.....	February ..	22	.....	February ..	18	.....	February ..	26	.....
March ..	21	.....	March ..	21	.....	March ..	18	.....	March ..	27	.....
April ..	21	.....	April ..	21	.....	April ..	18	.....	April ..	28	.....
May ..	21	.....	May ..	21	.....	May ..	18	.....	May ..	30	.....
June ..	22	.....	June ..	21	.....	June ..	18	.....	June ..	31	.....
July ..	22	.....	July ..	21	.....	July ..	19	.....	July ..	32	.....
August ..	21	.....	August ..	21	.....	August ..	19	.....	August ..	33	.....
September ..	22	.....	September ..	20	.....	September ..	19	.....	September ..	34	.....
October ..	22	.....	October ..	21	.....	October ..	19	.....	October ..	34	.....
November ..	22	.....	November ..	21	.....	November ..	19	.....	November ..	35	.....
December ..	23	.....	December ..	21	.....	December ..	20	.....	December ..	37	.....
Total		38	Total		34	Total		32	Total		67
1930—January ..	22	.....	1932—January ..	21	.....	1934—January ..	20	.....	1936—January ..	38	.....
February ..	22	.....	February ..	20	.....	February ..	19	.....	February ..	38	.....
March ..	22	.....	March ..	20	.....	March ..	20	.....	March ..	40	.....
April ..	22	.....	April ..	20	.....	April ..	20	.....	April ..	42	.....
May ..	22	.....	May ..	20	.....	May ..	21	.....	May ..	44	.....
June ..	22	.....	June ..	20	.....	June ..	22	.....	June ..	46	.....
July ..	22	.....	July ..	20	.....	July ..	22	.....	July ..	48	.....
August ..	22	.....	August ..	20	.....	August ..	23	.....	August ..	49	.....
September ..	22	.....	September ..	20	.....	September ..	23	.....	September ..	51	.....
October ..	22	.....	October ..	19	.....	October ..	24	.....	October ..	54	.....
November ..	22	.....	November ..	19	.....	November ..	24	.....	November ..	55	.....
December ..	23	.....	December ..	19	.....	December ..	25	.....	December ..	58	.....
Total		36	Total		31	Total		42	Total		106

¹ A monthly series on loans made is not available prior to 1939.

REVISED CONSUMER CREDIT SERIES

CONSUMER INSTALMENT LOANS OF COMMERCIAL BANKS AND CREDIT UNIONS—Continued

[Revised estimates. In millions of dollars]

Year and month	Credit Unions ¹		Year and month	Credit Unions ¹		Year and month	Credit Unions ¹		Commercial banks ²	
	Amount outstanding, end of month	Loans made during period		Amount outstanding, end of month	Loans made during period		Amount outstanding, end of month	Loans made during period	Amount outstanding, end of month	Loans made during period
1937—January	60		1941—January	174	25	1945—January	98	13		
February	60		February	177	27	February	96	14		
March	65		March	182	32	March	97	19		
April	65		April	191	34	April	97	16		
May	68		May	198	35	May	97	17		
June	72		June	204	33	June	98	18		
July	74		July	209	31	July	99	16		
August	75		August	210	30	August	98	16		
September	78		September	210	24	September	97	14		
October	80		October	207	25	October	97	17		
November	81		November	204	23	November	99	19		
December	83		December	200	25	December	103	20		
Total		150	Total		344	Total		199		
1938—January	83		1942—January	189	20	1946—January	102	16		
February	85		February	183	20	February	104	16		
March	86		March	181	28	March	107	20		
April	89		April	175	21	April	111	21		
May	92		May	170	20	May	116	23		
June	96		June	165	22	June	122	24		
July	97		July	160	20	July	126	24		
August	97		August	153	18	August	130	26		
September	97		September	148	17	September	135	26		
October	98		October	140	16	October	141	29		
November	100		November	134	15	November	146	28		
December	103		December	130	19	December	153	33		
Total		176	Total		236	Total		286		
1939—January	103	15	1943—January	122	12	1947—January	154	28	1,006	189
February	104	16	February	117	14	February	158	28	1,052	184
March	108	21	March	118	23	March	164	33	1,110	220
April	111	20	April	113	15	April	170	33	1,160	218
May	116	21	May	110	15	May	177	36	1,211	219
June	121	23	June	110	20	June	186	37	1,248	222
July	123	19	July	107	16	July	194	38	1,278	227
August	126	20	August	106	15	August	200	36	1,307	213
September	129	19	September	106	18	September	204	35	1,320	216
October	130	20	October	104	16	October	208	39	1,350	228
November	132	20	November	103	16	November	215	39	1,383	233
December	135	23	December	104	21	December	225	46	1,435	267
Total		237	Total		201	Total		428		2,636
1940—January	135	19	1944—January	101	13	1948—January	227	38	1,462	247
February	136	21	February	99	15	February	230	38	1,483	221
March	143	26	March	103	22	March	241	48	1,530	286
April	147	26	April	100	13	April	252	50	1,570	269
May	153	28	May	100	17	May ^p	260	47	1,597	258
June	159	27	June	101	19	June ^p	274	55	1,634	274
July	163	26	July	100	16					
August	167	26	August	100	17					
September	169	23	September	100	16					
October	170	25	October	98	15					
November	171	23	November	98	16					
December	174	27	December	100	19					
Total		297	Total		198					

^p Preliminary.

¹ A monthly series on loans made is not available prior to 1939.

² These figures include only personal instalment cash loans, retail automobile direct loans, and other retail direct loans; they do not include purchased paper or repair and modernization loans.

REVISED CONSUMER CREDIT SERIES

TOTAL CONSUMER CREDIT

[Estimated amounts outstanding. In millions of dollars]

End of month	Total consumer credit	Total installment credit	Total installment loans ¹	Single payment loans	End of month	Total consumer credit	Total installment credit	Total installment loans ¹	Single payment loans
1929—January	6,642	2,601	514		1935—January	4,272	1,840	549	
February	6,578	2,557	520		February	4,248	1,842	557	
March	6,710	2,613	530		March	4,366	1,908	571	
April	6,890	2,737	540		April	4,535	2,018	591	
May	7,077	2,880	553		May	4,633	2,123	614	
June	7,225	3,008	569		June	4,762	2,221	642	
July	7,263	3,099	580		July	4,813	2,309	673	
August	7,337	3,161	585		August	4,890	2,387	704	
September	7,428	3,165	591		September	4,991	2,429	732	
October	7,505	3,186	603		October	5,094	2,468	759	
November	7,466	3,150	618		November	5,206	2,519	783	
December	7,628	3,158	643		December	5,432	2,620	815	
1930—January	7,311	3,018	643		1936—January	5,340	2,607	840	
February	7,103	2,903	640		February	5,333	2,606	865	
March	7,075	2,864	642		March	5,480	2,710	902	
April	7,090	2,890	648		April	5,680	2,862	931	
May	7,062	2,879	652		May	5,910	3,021	954	
June	7,035	2,891	650		June	6,040	3,153	959	
July	6,914	2,873	656		July	6,116	3,253	973	
August	6,849	2,840	653		August	6,207	3,318	995	
September	6,844	2,797	650		September	6,347	3,360	1,016	
October	6,821	2,763	651		October	6,479	3,385	1,036	
November	6,742	2,694	651		November	6,552	3,400	1,054	
December	6,821	2,688	656		December	6,788	3,518	1,082	
1931—January	6,513	2,576	650		1937—January	6,632	3,471	1,094	
February	6,301	2,482	644		February	6,591	3,442	1,108	
March	6,215	2,428	634		March	6,747	3,538	1,132	
April	6,173	2,433	633		April	6,903	3,668	1,153	
May	6,123	2,444	635		May	7,085	3,809	1,170	
June	6,043	2,444	634		June	7,229	3,937	1,184	
July	5,879	2,422	637		July	7,263	3,998	1,193	
August	5,756	2,382	630		August	7,348	4,046	1,196	
September	5,702	2,336	624		September	7,435	4,053	1,199	
October	5,630	2,294	625		October	7,475	4,033	1,200	
November	5,488	2,224	614		November	7,443	3,976	1,197	
December	5,518	2,204	609		December	7,481	3,961	1,209	
1932—January	5,204	2,097	602		1938—January	7,157	3,814	1,195	
February	4,978	1,998	591		February	6,934	3,683	1,180	
March	4,854	1,921	586		March	6,880	3,630	1,186	
April	4,740	1,870	581		April	6,857	3,609	1,197	
May	4,637	1,830	578		May	6,813	3,589	1,205	
June	4,532	1,794	568		June	6,789	3,571	1,222	
July	4,346	1,722	560		July	6,672	3,522	1,228	
August	4,239	1,673	551		August	6,670	3,515	1,237	
September	4,196	1,629	544		September	6,721	3,493	1,250	
October	4,139	1,587	532		October	6,742	3,480	1,258	
November	4,053	1,543	528		November	6,820	3,498	1,267	
December	4,085	1,518	519		December	7,055	3,603	1,290	
1933—January	3,882	1,464	509		1939—January	6,855	3,563	1,302	
February	3,746	1,415	499		February	6,783	3,538	1,313	
March	3,686	1,377	485		March	6,863	3,606	1,338	
April	3,659	1,383	482		April	6,962	3,700	1,369	
May	3,663	1,419	478		May	7,114	3,839	1,408	
June	3,671	1,461	473		June	7,225	3,960	1,451	
July	3,626	1,485	470		July	7,224	4,024	1,487	
August	3,659	1,534	469		August	7,309	4,093	1,522	
September	3,733	1,563	467		September	7,477	4,142	1,557	
October	3,790	1,584	465		October	7,610	4,229	1,596	
November	3,791	1,577	463		November	7,689	4,294	1,624	
December	3,912	1,588	466		December	7,982	4,437	1,645	
1934—January	3,784	1,546	464		1940—January	7,799	4,404	1,664	
February	3,736	1,527	461		February	7,706	4,393	1,682	
March	3,793	1,550	464		March	7,808	4,473	1,715	
April	3,878	1,608	468		April	7,934	4,599	1,739	
May	3,966	1,678	475		May	8,112	4,761	1,783	
June	4,031	1,734	482		June	8,270	4,895	1,829	
July	4,027	1,769	489		July	8,264	4,982	1,854	
August	4,069	1,800	499		August	8,347	5,053	1,889	
September	4,140	1,805	507		September	8,475	5,077	1,913	
October	4,218	1,832	521		October	8,629	5,158	1,932	
November	4,233	1,831	529		November	8,761	5,235	1,950	
December	4,389	1,860	543		December	9,131	5,433	1,983	

¹ These figures include revised estimates for commercial banks and credit unions shown in the table on page 934.

REVISED CONSUMER CREDIT SERIES

TOTAL CONSUMER CREDIT—Continued

[Estimated amounts outstanding. In millions of dollars]

End of month	Total consumer credit	Total instalment credit	Total instalment loans ¹	Single payment loans	End of month	Total consumer credit	Total instalment credit	Total instalment loans ¹	Single payment loans
1941—January.....	8,930	5,395	2,002		1945—January.....	5,458	1,945	1,168	
February.....	8,896	5,429	2,019		February.....	5,315	1,901	1,160	
March.....	8,998	5,501	2,048		March.....	5,574	1,925	1,194	
April.....	9,305	5,741	2,099		April.....	5,454	1,922	1,199	
May.....	9,632	5,991	2,147		May.....	5,510	1,934	1,216	
June.....	9,871	6,157	2,184		June.....	5,661	1,960	1,241	
July.....	9,923	6,247	2,212		July.....	5,603	1,967	1,255	
August.....	10,074	6,348	2,232		August.....	5,576	1,963	1,257	
September.....	10,090	6,231	2,224		September.....	5,607	1,987	1,270	
October.....	9,978	6,109	2,201		October.....	5,889	2,061	1,307	
November.....	9,827	5,971	2,175		November.....	6,212	2,165	1,360	
December.....	9,878	5,903	2,159		December.....	6,613	2,340	1,437	
1942—January.....	9,516	5,599	2,093		1946—January.....	6,404	2,339	1,462	
February.....	9,145	5,336	2,041		February.....	6,509	2,380	1,501	
March.....	8,971	5,110	2,009		March.....	6,963	2,478	1,573	
April.....	8,724	4,881	1,965		April.....	7,347	2,623	1,666	
May.....	8,302	4,603	1,901		May.....	7,586	2,756	1,752	
June.....	7,856	4,316	1,844		June.....	7,884	2,875	1,840	
July.....	7,342	4,030	1,787		July.....	8,010	2,993	1,923	
August.....	7,042	3,740	1,711		August.....	8,354	3,137	2,013	
September.....	6,879	3,504	1,644		September.....	8,623	3,259	2,082	
October.....	6,727	3,264	1,563		October.....	8,992	3,428	2,167	
November.....	6,486	3,063	1,494		November.....	9,512	3,616	2,258	
December.....	6,461	2,931	1,440		December.....	10,134	3,944	2,386	
1943—January.....	6,002	2,673	1,361		1947—January.....	10,007	4,031	2,465	
February.....	5,780	2,481	1,293		February.....	10,009	4,146	2,538	
March.....	5,637	2,340	1,272		March.....	10,377	4,327	2,632	
April.....	5,528	2,245	1,228		April.....	10,634	4,539	2,727	
May.....	5,361	2,140	1,187		May.....	10,942	4,747	2,819	
June.....	5,343	2,076	1,181		June.....	11,244	4,933	2,897	
July.....	5,106	1,991	1,154		July.....	11,321	5,063	2,971	2,549
August.....	5,020	1,941	1,136		August.....	11,454	5,198	3,031	2,581
September.....	5,107	1,914	1,130		September.....	11,708	5,314	3,057	2,609
October.....	5,205	1,890	1,114		October.....	12,084	5,490	3,120	2,647
November.....	5,293	1,879	1,104		November.....	12,671	5,765	3,214	2,680
December.....	5,315	1,938	1,124		December.....	13,423	6,189	3,350	2,702
1944—January.....	4,967	1,836	1,094		1948—January.....	13,096	6,219	3,401	2,713
February.....	4,813	1,784	1,079		February.....	12,978	6,284	3,449	2,705
March.....	4,995	1,802	1,107		March.....	13,423	6,533	3,547	2,689
April.....	4,984	1,785	1,096		April.....	13,627	6,769	3,632	2,665
May.....	5,094	1,797	1,098		May ^p	13,818	6,963	3,705	2,660
June.....	5,164	1,818	1,112		June ^p	14,149	7,192	3,793	2,662
July.....	5,094	1,823	1,118						
August.....	5,142	1,828	1,120						
September.....	5,215	1,844	1,125						
October.....	5,362	1,867	1,124						
November.....	5,549	1,903	1,131						
December.....	5,754	2,012	1,177						

¹ These figures include revised estimates for commercial banks and credit unions shown in the table on page 934.

THE PHILIPPINE CENTRAL BANK ACT¹

by

DAVID L. GROVE AND JOHN EXTER

On June 15, 1948, a Bill creating a Central Bank of the Philippines and reorganizing the monetary system of the country was signed by President Quirino and became law. The legislation brings to an end the rigid 100 per cent reserve currency system which has been in effect in the Philippines, with only relatively minor changes, since 1903, and replaces it by a modern flexible currency system in which monetary authority and responsibility will rest in a central bank. The new legislation represents a consummation of Philippine aspirations for an independent currency system under which the peso will remain stable in relation to, and freely convertible into, the dollar, but under which the money supply will be more responsive to the domestic needs of the economy. The establishment of such a system was recommended by the Joint Philippine-American Finance Commission in June 1947.²

The Central Bank, which will be a Government institution, will have a monopoly of currency issue and will have broad regulatory authority over the credit and exchange operations of the banking system. It will have responsibility for developing and maintaining a market for Government securities and will, in addition, act as general fiscal agent of, and financial adviser to, the Government. The Central Bank will be a "bankers' bank" and will not deal directly with the public, except in the course of its open-market operations. The Bank will commence business as soon as its governing board has been appointed and its capital paid in.

The new legislation should be viewed against the background of the 100 per cent reserve currency system which it supersedes and of the financial environment in which the Central Bank will operate.

THE 100 PER CENT CURRENCY RESERVE SYSTEM

The Philippines has never before had a central bank. Except for limited issue of notes by two commercial banks, the power of issue has for

¹ At the request of the Philippine Government, the Board of Governors of the Federal Reserve System made the services of Mr. Grove and Mr. Exter available to assist the Philippine authorities in the formulation of this Act. Mr. Grove and Mr. Exter are economists in the Board's Division of Research and Statistics.

² *Report and Recommendations of the Joint Philippine-American Finance Commission, June 7, 1947* (H. Doc. No. 390, 80th Cong., 1st sess.).

years been vested in the Philippine Treasury, which has had authority to issue Treasury certificates backed 100 per cent by silver coins and United States dollars. In practice these certificates have for some time been issued almost exclusively against dollars. The Treasury has been obliged to buy and sell dollars on demand at exchange rates based on the par value of the peso, which was fixed by law at 50 United States cents. Thus, in effect, the Philippines has been on a dollar exchange standard with a 100 per cent dollar reserve requirement against its note issue. The supply of currency has responded almost automatically to the dollar surpluses and deficits in the international balance of payments of the Philippines, irrespective of whether the response had a beneficial or harmful effect on the domestic economy. Moreover, the 100 per cent reserve system has tended to immobilize needlessly a part of the official international reserves of the country. Dollar reserves have had to be maintained even against the hard core of notes that was always needed to finance domestic transactions and that would never be presented for conversion into dollars to finance remittances or payments abroad.

Whatever flexibility has existed in the Philippine monetary system has been provided by the credit operations of the commercial banks. Although the banks have been required by law to maintain a cash reserve "in lawful money of the Philippines or of the United States" equal to only 18 per cent of their demand deposits and 5 per cent of their savings deposits,³ the volume of their credit operations has been narrowly restricted by the following two factors.

First, unlike the practice in the United States, the bulk of monetary payments in the Philippines is made in cash rather than by check. As a result, whenever the banking system expands credit, the loss of cash reserves to the public is much heavier than in countries where checks are more commonly used.

Second, the Philippines has such a high propensity to import that a large percentage of any

³ The reserve against savings deposits could be held in Philippine or United States Government Bonds, as well as in cash.

expansion of the money supply is likely to be used for additional importation from abroad, principally from the United States. To the extent that importers draw down their deposit balances in order to buy dollars from the banks, the banks lose reserves and the capacity of the banking system to extend credit is reduced.

The restrictive effects of these factors on bank credit expansion have been intensified by the absence of a central bank. The Philippine branches of foreign banks have needed central bank credit facilities less than the other banks, because they could ordinarily seek accommodation from their head offices when in need of funds. For the domestic banks, however, the absence of a central bank has meant that each bank has had, in effect, to rely exclusively on its own resources. In these circumstances, reasonable standards of precaution have required Philippine banks to maintain larger excess reserves and more liquid portfolios than would have been necessary had central bank credit been available. For these reasons, Philippine banks, in the aggregate, ordinarily have held reserves which were two to three times the legally required minimum.

No agency has had responsibility for seeing to it that the supply of money responded to the needs of the economy. The Philippine National Bank, which is a Government-owned commercial bank, has had inadequate resources and powers to undertake the responsibility, even if it had been so charged. The Government itself might have endeavored to regulate the money supply by the exercise of its fiscal powers, but has not done so; in any event, fiscal measures would have been difficult to employ in a country without a well developed tax system and a well organized government securities market. Thus, movements in the money supply of the Philippines have been the uncoordinated product of the country's international balance of payments and of the diverse credit activities of the banking system.

Another disadvantage of the system, given the limited ability of the Government to borrow domestically, was that it tended to obscure the distinction between domestic currency requirements and foreign currency requirements. This became particularly apparent when the Government was faced with a budgetary deficit last year; it was unable to sell its securities because of the absence of a securities market, and was unable to get

adequate accommodation from the banks because of their limited credit potential. As a result, the Government had to borrow dollars in order to obtain pesos with which to finance local expenditures.

When a system requiring a 100 per cent reserve against the note issue is applied to a growing economy, it may logically be expected to impart to it a consistent deflationary bias. In order to create the larger money supply required for an increasing population and an ever-expanding domestic trade, it would be necessary for the country to have a persistently active balance of payments, which in itself would be a costly luxury for an underdeveloped economy. It would be difficult to demonstrate conclusively, however, that the operation of the system in the Philippines was a major deterrent to the full development of the country's economic potentialities in the prewar period. Except for the exchange crisis of 1920 and 1921, which can be blamed on a violation of the system rather than on the system itself, there was never any real threat of a breakdown of the Philippine monetary system. On the other hand, some of the more serious depressing effects of the system were undoubtedly obscured by such favorable factors as the free access of Philippine products to the protected American market, the continuous expenditures of United States Government agencies in the Islands, and the remission to the Philippines by the United States Government of taxes paid by American manufacturers on the processing of sugar and coconut oil of Philippine origin.

Now that the Philippines is independent many of the economic benefits resulting from the association with the United States will gradually disappear. United States Government payments in the Islands are scheduled to decline after 1950. After 1974 Philippine products will be subject to the full American tariff. These factors alone may subject the economy to pressures which will severely test its inherent strength. Moreover, the greater part of the task of reconstructing and developing the Philippine economy lies ahead. In these circumstances it could hardly be expected that the Philippine Government would retain a monetary system whose excessive rigidity might delay its program of reconstruction and development or might deprive it of any effective defense against the domestic consequences of world economic fluctuations.

There are many who point out that the 100 per cent reserve system guarantees the international

THE PHILIPPINE CENTRAL BANK ACT

stability and convertibility of the peso and serves to attract foreign capital. The new monetary system recognizes the value of these objectives but is designed to achieve them without needlessly sacrificing domestic monetary stability and orderly economic development.

THE NEW MONETARY SYSTEM

The Central Bank Act is an integrated body of provisions defining the monetary system of the Philippines and establishing the Central Bank to administer it. It declares the principal objectives of the Bank to be to maintain monetary stability within the Philippines, to preserve the international stability and convertibility of the peso, and to promote orderly growth in production, employment, and real income.

Since monetary authority in most countries is divided between the Treasury and the central bank, it has been customary to have currency legislation distinct from central bank legislation. This is unnecessary in the Philippines because all monetary authority and responsibility are to be vested in the Central Bank; consequently, all necessary legal provisions concerning the currency have been incorporated in the Central Bank Act.

The Act provides that the Philippine peso shall continue to be equal by law to 50 United States cents, but it goes further than former legislation by also defining the peso in terms of gold. It provides that the Central Bank shall have a monopoly of the issue of currency and may issue notes and coins in exchange for any assets which it is legally authorized to acquire.⁴

The Central Bank will not be required, as the Treasury has been, to hold the official international reserve exclusively in dollars; gold and foreign currencies other than dollars may also be included. Nevertheless, the Act will not in practice take the Philippines off the dollar exchange standard. Practically all Philippine trade and other international transactions have long been conducted on a dollar basis and are expected to continue to be so conducted in the future.

The legislation explicitly recognizes the validity of all international agreements entered into by the Philippines which affect its currency. Under the

⁴ All Philippine notes and coins now in circulation will become a liability of the Central Bank. In return for assuming this liability the Central Bank will acquire the bulk of the assets of the Treasury Certificate Fund and the Exchange Standard Fund, which are the two Funds in which the Philippine Treasury has kept the monetary reserves. These Funds will be liquidated.

terms of the Executive Agreement between the United States and the Philippines, pursuant to the Philippine Trade Act of 1946, the Philippine Government has agreed that, until July 3, 1974, "the value of Philippine currency in relation to the United States dollar shall not be changed, the convertibility of Philippine pesos into United States dollars shall not be suspended, and no restrictions shall be imposed on the transfer of funds from the Philippines to the United States except by agreement with the President of the United States." In effect, this means that, for the life of this Agreement, the Philippines cannot change the dollar value of its currency nor adopt exchange controls without the approval of the President of the United States. The legislation is also in complete harmony with the Articles of Agreement of the International Monetary Fund, of which the Philippines is a charter member.

ORGANIZATION OF THE CENTRAL BANK

The Central Bank will be a Government-owned institution with a capital of 10 million pesos.⁵ The Bank will be headed by a "Monetary Board" consisting of seven members, one of whom will be the chief executive of the Bank and will bear the title of "Governor." The Secretary of Finance, the President of the Philippine National Bank, and the Chairman of the Board of Governors of the Rehabilitation Finance Corporation will be ex-officio members of the Monetary Board. The other four members, including the Governor, will be appointed for six-year terms by the President of the Republic. The Governor of the Bank must be of recognized competence in the field of banking, and the other three appointive members must be of recognized competence in the economics of banking, finance, commerce, agriculture, or industry. It should be noted that none of the appointive members will be chosen on a regional or functional basis, as is provided in many central bank laws. The members are to represent the public interest in the broadest sense of the term and are not to be spokesmen for special groups.

The Secretary of Finance will preside at the meetings of the Board, but will have no special powers in the determination of policy or in the administration of the Bank. The principal reason for placing the Secretary of Finance on the Mone-

⁵ To be obtained from the Exchange Standard Fund when it is liquidated.

tary Board is to promote an effective coordination of monetary and fiscal policies. As a member of the Monetary Board, the Secretary of Finance will share responsibility for central bank policy. Conflict with the Government is one of the obstacles over which central banks have stumbled and come to grief in many countries. The origin of much of the trouble frequently has been in central bank legislation which endeavored to make central bank policy completely independent of the national economic policies of the Government. The Philippines hopes to avoid such conflict by making all of the members of the Monetary Board subject to governmental appointment and by having the Secretary of Finance participate in, but not dominate, the formulation and execution of monetary policy.

The Governor is the only member of the Board who is required to devote all of his time to the Bank. The Law provides that he shall formulate the policies of the Bank for the approval of the Monetary Board, shall direct the operations and internal administration of the Bank, and shall represent the Board and the Central Bank in dealings with third parties. In emergencies, the Governor, with the concurrence of the Secretary of Finance or in the absence of the Secretary with the concurrence of any two other members of the Monetary Board, may decide any matter or take any action within the authority of the Board itself. The Governor will be assisted in the performance of his duties by a Deputy-Governor, appointed by him with the approval of the Board.

In recognition of the discretionary judgment which must be exercised by the Monetary Board, the Act provides for the establishment of a Department of Economic Research which will play an important role in the formulation of monetary and banking policy. The chief of the research department will attend meetings of the Board, with the right to be heard but without the right to vote.

All functions of bank examination and supervision will be placed under a department of the Bank to be called the "Department of Supervision and Examination," which will be headed by a "Superintendent of Banks." These functions were formerly exercised by the Bureau of Banking in the Department of Finance. Assigning the functions of bank examination and supervision to the Central Bank represents a departure from the practice of many countries, in which bank examination is

placed in the Treasury or in some other Government agency. The principle behind such separation has generally been that central banks should be subject to the same sort of scrutiny and examination as commercial banks and that, accordingly, a separate agency should be given responsibility for examining all banks, including the central bank. In practice, the application of this principle has frequently led to conflict between the central bank and the superintendent of banks over their respective roles in regulating the activities of commercial and savings banks and over the central bank's right of access to data obtained by the superintendent. As a result of such conflicts and, perhaps even more important, as a result of the general trend toward greater central bank control over the credit and exchange operations of the banking system, there has been a growing recognition that the character and scope of commercial and savings bank examination should be distinct from those of central bank examination. The Philippine legislation is in keeping with this trend. Inspection of the Central Bank itself is to be made by a special auditor appointed by the Auditor General of the Philippine Government.

GUIDING PRINCIPLES OF CENTRAL BANK ACTION

In order to make possible the effective execution of appropriate monetary policies, the instruments of action given to the Central Bank under its charter are both large in number and flexible in design. The Law recognizes, however, that in a country without a well-established body of tradition in the field of central banking, there is a danger that the use of such instruments will be ill-timed and contrary to the intent which prompted their inclusion in the law.

As a partial safeguard against this danger, the third chapter of the Act prescribes the basic guiding principles of monetary management which the Central Bank is expected to follow. Similarly, the sections in Chapter IV, which define the individual instruments of Central Bank action, in most cases include an introductory comment on the general circumstances under which the particular instrument or authority is, or is not, to be used. These guiding principles are not intended to provide a ready answer to the problems which will confront the Bank. Their purpose is the modest one of providing some sort of orientation to clarify the intent of the Law with respect to the use of the powers

THE PHILIPPINE CENTRAL BANK ACT

contained therein. The statements of principle should be especially useful in strengthening the position of Board members in carrying out anti-inflationary policies over the protests of groups pressing for easy money policies.

The guiding principles are divided into two parts. The first is concerned with the Central Bank's responsibility for maintaining domestic monetary stability, the second with its responsibility for maintaining the international stability of the peso. While the Law treats the problems of domestic and international monetary stabilization separately, it recognizes their close interrelation.

Domestic monetary stabilization. It has already been observed that the fundamental weakness of the former monetary system was that it did not respond effectively to the domestic needs of the Philippine economy. The Central Bank Act, on the other hand, is particularly concerned with this problem, but at the same time recognizes that a flexible domestic monetary policy must take into consideration possible repercussions on the international economic position of the country. The Central Bank's responsibilities with respect to this problem are as follows (Section 64):

"The Monetary Board shall endeavor to control any expansion or contraction in the money supply, or any rise or fall in prices, which in the opinion of the Board is prejudicial to the attainment or maintenance of a high level of production, employment, and real income. In adopting policies and measures in accordance with this principle the Monetary Board shall have due regard for their effects on the availability and cost of money to particular sectors of the economy as well as to the economy as a whole, and their effects on the relationship of domestic prices and costs to world prices and costs."

The broad directive just quoted is followed, in Section 66, by an outline of the procedures which the Monetary Board shall take "whenever abnormal movements in the money supply or in prices endanger the stability of the Philippine economy or important sectors thereof." In such circumstances, the Board shall:

"(a) Take such remedial measures as are appropriate and within the powers granted to the Monetary Board and the Central Bank under the provisions of this Act; and

"(b) Submit to the President of the Philippines, and make public, a detailed report which shall include, as a minimum, a description and analysis of:

"(1) The causes of the rise or fall of the money supply or of prices;

"(2) The extent to which the changes in the money supply or in prices have been reflected in changes in the level of domestic output, employment, wages and economic activity in general, and the nature and significance of any such changes; and

"(3) The measures which the Monetary Board has taken and the other monetary, fiscal or administrative measures which it recommends be adopted."

The Board is required to prepare such a report, moreover, whenever the money supply increases or decreases by more than 15 per cent, or whenever the cost of living index increases by more than 10 per cent, in relation to the level existing at the end of the corresponding month of the preceding year, and in the report the Board must state whether, in its opinion, the changes in the money supply or in the cost of living represent a threat to the stability of the Philippine economy or of important sectors thereof.

International monetary stabilization. The Central Bank Act recognizes the importance to the Philippines of continuing to maintain an internationally stable and convertible peso, and states explicitly in Section 67 that:

"The Central Bank of the Philippines shall exercise its powers under this Act to maintain the par value of the peso and the convertibility of the peso into other freely convertible currencies."

Toward this end, the Act provides, in Section 68, that:

"the Central Bank shall maintain an international reserve adequate to meet any foreseeable net demands on the Bank for foreign currencies. In judging the adequacy of the international reserve, the Monetary Board shall be guided by the prospective receipts and payments of foreign exchange by the Philippines. The Board shall give special attention to the volume and maturity of the Central Bank's own liabilities in foreign currencies, to the volume and maturity of the foreign exchange assets and liabilities of other banks operating in the Philippines and, insofar as they are known or can

THE PHILIPPINE CENTRAL BANK ACT

be estimated, the volume and maturity of the foreign exchange assets and liabilities of all other persons and entities in the Philippines.”

The international reserve may consist of gold, foreign exchange, and foreign government securities having maturities of not more than five years. The Board is instructed to “endeavor to hold the foreign exchange resources of the Central Bank in freely convertible currencies” and to “give particular consideration to the prospects of continued strength and convertibility of the currencies in which the reserve is maintained, as well as to the anticipated demand for such currencies.” The special conditions under which inconvertible currencies may be acquired by the Central Bank are discussed later in this article.

The Act does not establish any required ratio between the Bank’s international reserve and its note and deposit liabilities. The usual purpose behind such reserve requirements in the legislation of other countries has been to place a limit on central bank credit expansion. The strict observance of these requirements in periods of crisis, however, would frequently defeat the purpose of central bank reserves, which is to provide resources for financing temporary deficits in the country’s international balance of payments, and might obstruct the bank in the discharge of its responsibility as “lender of last resort.” In practice, therefore, the requirements have usually either been lowered or suspended whenever they blocked, or threatened to block, central bank action.⁶ Experience has also demonstrated that movements in the traditional reserve ratio cannot serve as a sound guide to central bank policy. Attempts have been made in recent Latin American legislation to provide mechanical reserve ratios of a different sort, relating the international reserve to sales of exchange during some preceding period or to movements in the money supply, or to some combination of the two, but, unfortunately, even such refined ratios are unlikely to serve as an adequate guide to appropriate central bank policy. In recognition of the foregoing, the Philippine Central Bank Act leaves the question of the adequacy of the international reserve of the Bank to the judgment of the Monetary Board and merely lays down broad guiding principles to be followed in the exercise of that judgment.

⁶ See “Gold and Foreign Exchange Reserve Requirements of Foreign Central Banks,” Federal Reserve BULLETIN, January 1948, pp. 33-38.

The procedures to be followed whenever the international stability of the peso is threatened are provided in Section 70 of the Act:

“Whenever the international reserve of the Central Bank falls to an amount which the Monetary Board considers inadequate to meet the prospective net demands on the Central Bank for foreign currencies, or whenever the international reserve appears to be in imminent danger of falling to such a level, or whenever the international reserve is falling as a result of payments or remittances abroad which, in the opinion of the Monetary Board, are contrary to the national welfare, the Monetary Board shall:

“(a) Take such remedial measures as are appropriate and within the powers granted to the Monetary Board and the Central Bank under the provisions of this Act; and

“(b) Submit to the President of the Philippines a detailed report which shall include, as a minimum, a description and analysis of:

- “(1) The nature and causes of the existing or imminent decline;
- “(2) The remedial measures already taken or to be taken by the Monetary Board;
- “(3) The further monetary, fiscal or administrative measures proposed; and
- “(4) The character and extent of the co-operation required from other Government agencies for the successful execution of the policies of the Monetary Board.

“If the resultant actions fail to check the deterioration of the reserve position of the Central Bank, or if the deterioration cannot be checked except by chronic restrictions on exchange and trade transactions or by sacrifice of the domestic objectives of a high level of production, employment and real income, the Monetary Board shall propose to the President such additional action as it deems necessary to restore equilibrium in the international balance of payments of the Philippines.

“The Monetary Board shall submit periodic reports to the President until the threat to the international monetary stability of the Philippines has disappeared.”

The measures taken in accordance with the provisions of subsection (a) above to check the deterioration in the reserve position of the Central

THE PHILIPPINE CENTRAL BANK ACT

Bank may consist of direct restrictions on exchange operations or of indirect measures designed to contract the money supply, in order thereby to reduce the demand for foreign currencies. The choice between exchange restrictions and a deflationary monetary policy, and among various combinations of the two, will depend on the circumstances prevailing at the time. The Law does not give domestic monetary stability priority over international stability, nor vice versa. In some circumstances the Monetary Board might consider the hardships of a temporary deflation to be more than counterbalanced by the undeniable long-run advantages of free convertibility; at other times, deflation might be too bitter a medicine.

The situation envisaged in the next to the last paragraph of Section 70 is that of a fundamental conflict between the objectives of domestic and international monetary stability which would require consideration of revaluation. The conditions under which a change in the par value of the peso is authorized under the Act are stated in detail in Section 49, as follows:

“The par value of the peso shall not be altered except when such action is made necessary by the following circumstances:

“(a) When the existing par value would make impossible the achievement and maintenance of a high level of production, employment and real income without:

“(1) The depletion of the international reserve of the Central Bank; or

“(2) The chronic use of restrictions on the convertibility of the peso into foreign currencies or on the transferability abroad of funds from the Philippines; or

“(3) Undue Government intervention in, or restriction of, the international flow of goods and services; or

“(b) When uniform proportionate changes in par values are made by the countries which are members of the International Monetary Fund; or

“(c) When the operation of any executive or international agreement to which the Republic of the Philippines is a party requires an alteration in the gold value of the peso.”

It should be noted that the existence of any of the conditions enumerated does not make a modification of the par value obligatory, under the terms of this Act, but merely permissible.

The administrative procedure for changing the par value of the peso is as follows: The Monetary Board, with the concurrence of at least five of its seven members, must first propose such action to the President, who may, if he deems it advisable, take such action after having obtained the approval of Congress (except in grave and urgent circumstances, in which case the President may act without such approval but must then report on his action to Congress at the earliest opportunity).

Any action to change the par value of the peso (or to apply exchange controls) would also be subject, of course, to the conditions imposed by the Executive Agreement pursuant to the Philippine Trade Act and by membership in the International Monetary Fund.

INSTRUMENTS OF CENTRAL BANK ACTION

The specific instruments of action available to the Central Bank include operations in gold and foreign exchange, lending to banks and the Government, open-market operations, control of bank reserve requirements, and selective regulation of bank credit operations. These powers, as will be apparent from the following discussion, are flexible in design. This seems particularly desirable in an economy in which Government fiscal operations are unlikely to exert appropriate countercyclical influences, at least for some time to come, and which, because of its extreme dependence on the exportation of a few basic products, is sensitive to changing business conditions abroad, especially in the United States.

During the first few years of the Central Bank's existence, large export proceeds and large United States Government payments to the Philippines will probably prevent the money supply from falling, and may even increase it. In such a period the Bank may wish not only to restrict its own credit operations quite narrowly but also to limit the expansion of credit by the commercial banks through the use of its powers over their credit operations. At a later time, these powers could be used in a different direction to counteract depressive forces.

Operations in gold and foreign exchange. The Central Bank may buy and sell gold, regulate all dealings in gold, and require at any time that gold holdings of all persons or entities be delivered to the Bank. The Bank may engage in foreign exchange transactions with Philippine banks, Philip-

THE PHILIPPINE CENTRAL BANK ACT

pine Government agencies, foreign and international financial institutions, and foreign governments, but not with the general public. In order to maintain the convertibility of the peso, the Central Bank is *required*, however, to buy any quantity of foreign exchange offered to it, and sell any quantity demanded from it, by any bank operating in the Philippines, provided that the currency offered or demanded is freely convertible into gold or United States dollars.

Notwithstanding the obligation just described, in order to protect the international reserve of the Central Bank during an exchange crisis and to give the Monetary Board and the Government time in which to take constructive measures to combat such a crisis, the Board, with the concurrence of at least five of its seven members and with the approval of the President of the Republic, may temporarily suspend or restrict sales of exchange by the Central Bank and may subject all transactions in gold and foreign exchange to license by the Bank. It is unlikely that this authority will be exercised within the foreseeable future because of the presently favorable balance of payments and the extraordinarily high level of the international reserve. The Philippine financial position is sound and the Philippine economy should be able to adapt itself to the tapering off of the currently large United States Government payments without the imposition of exchange controls.

The question of inconvertible currencies poses no immediate problem for the Philippines because Philippine trade is at present conducted almost exclusively in dollars. As long as the maintenance of a high level of exports is not dependent upon the acceptance of currencies which are not freely convertible into gold or United States dollars, it is to the interest of the Philippines that the Bank not accumulate such currencies. Nevertheless, the day may come when the Central Bank must choose between accumulating inconvertible currencies and suffering a curtailment of exports which would seriously reduce income and employment. The Bank might well decide that the former would be the lesser evil, particularly in view of the difficulties and hardships that would be involved in shifting factors of production from the export industries into other productive activities. This decision would be especially defensible in cases where the period of inconvertibility of a foreign currency was expected to be rather short. In view of the

foregoing considerations, the Central Bank Act states (Section 75) that:

“The Central Bank shall avoid the acquisition and holding of currencies which are not freely convertible, and may acquire such currencies in an amount exceeding the minimum balance necessary to cover current demands for said currencies only when, and to the extent that, such acquisition is considered by the Monetary Board to be in the national interest. The Monetary Board shall determine the procedures which shall apply to the acquisition and disposition by the Central Bank of foreign exchange which is not freely utilizable in the international market.”

The Monetary Board will fix the rates at which the Central Bank will buy and sell foreign exchange, but the rates for spot exchange may not differ from the legal parities by more than one-half per cent, unless in any given case a greater divergence from the legal parity exists in foreign markets. The rates applicable to nonspot exchange transactions of the Central Bank may not differ from the spot rates by more than the additional costs or expenses involved in each type of transaction.

The Monetary Board will also determine the minimum and maximum rates within which the other banks may buy and sell spot exchange, but the limits fixed by the Board may not differ from the respective legal parity by more than one per cent, unless in any given case a greater divergence from parity exists in foreign markets. The rates fixed by the banks for their nonspot exchange transactions may not differ from their spot exchange rates by margins larger than those considered reasonable by the Monetary Board. The Board may at any time, however, specifically fix such margins.

Any revaluation profits or losses made by the Central Bank on its net international assets or liabilities, as a result of changes in the gold value of the peso or in the parities or exchange rates of foreign currencies with respect to the Philippine peso, are to be offset by any amounts which, as a consequence of such revaluations, are owed by the Philippines to the International Monetary Fund and the International Bank for Reconstruction and Development, or are owed by these institutions to the Philippines. The Central Bank will sterilize any remaining profit or loss by entering it in a special blocked account. The purpose

of such sterilization of revaluation profits and losses is to remove their potential influence on decisions to modify the value of the peso.

Similarly, any revaluation profits and losses made by the other banks on their net assets or liabilities in gold and freely convertible foreign currencies are to be for the account of the Central Bank and are to be distributed by the Bank in the same manner as those arising from its own holdings. The Monetary Board may, furthermore, at any time declare that revaluation profits or losses on banks' net holdings of any *inconvertible* foreign currency shall also be for the account of the Central Bank. The purpose of these provisions is principally to remove the speculative element of revaluation profits and losses from the normal exchange operations of the banking system.

In order that the Central Bank may at all times have foreign exchange resources sufficient to enable it to maintain the international stability and convertibility of the peso and in order to promote the domestic investment of bank resources, the Monetary Board is authorized, in Section 80, to require the banks to sell to the Central Bank all or part of their surplus holdings of foreign exchange. It should be noted that the exercise of this power is permissive, not obligatory. Such transfers may be required for surplus holdings of all foreign currencies or for only certain of such currencies, and are to be made at the regular buying rates of the Central Bank. Surplus holdings of any foreign currency are defined as the amount by which a bank's assets in the currency exceed the sum of: (a) the working balance which it needs to accommodate normal short-run fluctuations between the bank's sales and purchases of the currency and (b) the total liabilities of the bank in the currency. In calculating surplus holdings in any given currency, however, a bank may, with the permission of the Monetary Board, subtract from its net assets in that currency an amount equal to its net liabilities in other currencies into which the currency concerned is freely convertible.

Loans to banking institutions. The Central Bank is given wide latitude with respect to the volume, character, security, and maturity of its loans to banks, but its credit policy is subject to the following general principles, which are stated in Section 86 of the Law:

"The rediscounts, discounts, loans and advances which the Central Bank is authorized to extend to

banking institutions under the provisions of the present article of this Act shall be used to regulate the volume, cost, availability and character of bank credit and to provide the banking system with liquid funds in times of need.

"In periods of inflation, or as long as inflationary dangers exist, the Central Bank shall refrain from extending credit to banks and at such times shall grant credit only in exceptional cases where special circumstances justify a deviation from the principle stated herein.

"Conversely, whenever the national monetary policy requires an expansion of the money supply, the Central Bank shall make full use of the credit operations authorized under the present article of this Act."

Here again, it should be emphasized that the "guiding principle" is not intended to serve as a substitute for sound judgment but is designed rather to provide orientation and to place some impediment in the way of excessive or untimely credit expansion by the Central Bank.

The maximum permissible maturities for Central Bank loans and advances to banks are greater than those customarily permitted in the legislation of more highly industrialized countries. The Bank may grant loans with maturities up to 180 days against paper related to commercial loans and up to 270 days against paper related to production or processing loans. The Bank may in addition make advances up to 180 days against gold, against evidences of debt of domestic credit institutions, against utilized portions of bank advances on current account—provided they are covered by regular over-draft agreements between banks and their customers and were used to finance the production, processing, storage, or marketing of goods—and finally against obligations of the Government or of other official entities, provided that the obligation matures within 10 years from the date of the advance by the Central Bank.

The speed with which a central bank can contract the money supply is obviously conditioned by the maturity pattern of its portfolio. This is the real basis for the traditional principle that central bank loans should be "self-liquidating" and of short maturity. While the maximum maturities mentioned in the preceding paragraph may seem so long as to impair somewhat the speed with which the Central Bank could, in case of need, force a

drastic contraction of credit, their justification is to be found in certain characteristics of the Philippine economy. In the Philippines, as in other underdeveloped areas, productive and commercial processes are impeded by shortages of working capital as well as by lack of mechanization and limited transportation facilities. In order to meet the legitimate credit needs of business and agriculture in such communities, banks must adapt the character of their lending operations to the environment in which they operate. This requires that commercial banks at times grant loans of longer maturities than is the practice in the United States. The granting of such loans by the commercial banks will be facilitated if the Central Bank itself can make advances to the banks with similarly extended maturities, even though this may involve some sacrifice of the speed with which the Central Bank can contract the money supply.

Whenever inflation looms on the horizon, the Central Bank should, of course, give careful attention to the liquidity of its portfolio. In times of deflation or depression, on the other hand, undue preoccupation with liquidity would defeat what should be a primary objective of central bank policy under such circumstances—namely, to prevent a serious fall in the money supply. In recognition of these considerations, the Philippine Central Bank Act permits the maximum maturities of new credit operations to be raised from the normal periods of 180 and 270 days to a year whenever, in the opinion of the Monetary Board, a deflationary situation exists which requires special expansionary measures. In similar circumstances, the Bank is also empowered (Section 89) to grant advances up to one year to mortgage institutions against their mortgage loans.

Just as the Act recognizes that normal maturity requirements should be liberalized in periods of emergency, it also recognizes that adherence to normal eligibility rules at such times might block the discharge of the Central Bank's responsibility as "lender of last resort" and, accordingly, provides, in Section 90, that:

"In periods of emergency or of imminent financial panic which directly threaten monetary and banking stability, the Central Bank may grant banking institutions extraordinary advances secured by any assets which are defined as acceptable security by a concurrent vote of at least five mem-

bers of the Monetary Board. While such advances are outstanding, the debtor institution may not expand the total volume of its loans or investments without the prior authorization of the Monetary Board."

The Philippine Central Bank Act does not prescribe the interest or rediscount rates to be charged on the Central Bank's loans. The Act merely provides that the rates are to be fixed by the Monetary Board in accordance with the character and terms of the credit operations, with due consideration being given to the credit needs of the market, the composition of the Central Bank's portfolio, and the general requirements of the national monetary policy.

Advances to the Government. Direct loans to the Government and to its political subdivisions are limited to short-term advances for the purpose of covering seasonal gaps between revenues and expenditures.⁷ These advances have to be repaid before the end of the first quarter following the termination of the fiscal year and their total may not exceed 15 per cent of the estimated income of the borrower for the current year.

Open-market operations. For some time to come, open-market operations will not serve as a very effective instrument of Central Bank action in the Philippines. The Central Bank must first develop a market for Government securities. To this end, the Bank is given charge of the marketing of all Government obligations and will administer a special "Securities Stabilization Fund" for the account of the Government. The objective of this Fund is to promote private investment in Government obligations by increasing their liquidity and stabilizing their value. The Fund will have an initial capital of 2 million pesos, but provision is made to increase its resources by the allocation of part of the annual profits of the Bank. The Monetary Board is instructed to use the resources of the Fund to prevent or moderate sharp fluctuations in the quotations of Government obligations, but not for the purpose of altering movements resulting from

⁷ As a special exception until June 30, 1951, however, the transitory provisions of the Act authorize direct advances to the Government up to an amount of 200 million pesos. Such advances may be made only when the Monetary Board considers the international reserve to be adequate to meet all foreseeable demands on it and when the advances are consistent with domestic monetary stability. Furthermore, these advances may be made only for productive and income-producing projects or for the repayment or servicing of external obligations of the Government. The advances are to be made against Government securities having denominations and interest rates which will make them attractive to the banks and the public. Their maturities may not exceed fifteen years.

basic changes in the pattern or level of interest rates.

In order to regulate bank reserves and the money supply, the Central Bank may engage in open-market operations for its own account. Whenever the Bank's total holdings of Government securities are so small as to prevent the Bank from engaging in selling operations on the scale desired, or, as is more likely in practice, whenever its holdings of such securities do not have maturities or other characteristics which would evoke favorable market response, the Bank may issue obligations of its own; these obligations may have such characteristics as the Monetary Board considers appropriate. This provision has the effect of providing the Bank with an unlimited and highly flexible portfolio for open-market sales.

The Act provides the same general type of policy directive for the open-market operations of the Central Bank as it does for the Bank's lending operations: in periods of inflation, or as long as inflationary dangers exist, the Bank is to refrain from security purchases and at such times must endeavor to sell securities. Whenever there is danger of deflation, on the other hand, the Bank may freely engage in open-market purchases.

Bank reserve requirements. The Central Bank has broad authority over the reserve requirements which the banks must observe. The Monetary Board may prescribe reserve ratios from 10 to 50 per cent against demand deposits and from 5 to 25 per cent against time and savings deposits. The ratios established are to apply to all banks uniformly, regardless of the size of the city in which they are located. Notwithstanding the upper limits just mentioned, the Board may, in periods of inflation, prescribe ratios up to 100 per cent against any future increase in the deposits of each bank. Whenever the use of such special authority results in required reserves in excess of 50 per cent of the total demand deposits of a bank or in excess of 25 per cent of its total time and savings deposits, the Central Bank may pay interest on the excess at a rate not higher than the Bank's lowest rediscount rate.

The required reserves of each bank will ordinarily have to be held in the form of a noninterest-bearing deposit with the Central Bank; nevertheless, the Board may, whenever circumstances warrant, permit the maintenance of part of the required reserves in the form of assets other than peso deposits with the Central Bank. Thus, in periods of

inflation, the Monetary Board might raise requirements substantially,⁸ but might permit all or part of the increase to be held in the form of Government securities, or of foreign exchange. The use of this authority could be of considerable value in accustoming banks to invest in Government obligations. It would have the further advantage of curbing bank credit expansion without necessarily forcing the banks to hold assets yielding no return and it should therefore be more acceptable to the banking community.

Interbank clearing. The Central Bank is to provide facilities for interbank clearing, and is to use the reserve deposits of the banks for this purpose.

Selective regulation of bank credit operations. In addition to the quantitative control which it may exercise over the volume of bank credit through the adjustment of reserve requirements and, at some later date, through open-market operations, the Central Bank is given several instruments of quantitative control which should enable it to curb credit expansion in certain directions, while at the same time permitting it in other directions. The selective controls include authority:

- 1) to regulate interest rates;
- 2) to establish maximum maturities for bank loans and investments, and to prescribe the kind and amount of security to be required against the various credit operations of the banks;
- 3) to place ceilings on the amount of bank loans and investments, or certain categories thereof, or to place a limit on the rate of increase of such assets over time. In no case may the Board establish limits which are below the value of the loans or investments of the banks on the date on which they are notified of such restrictions;
- 4) to prescribe minimum ratios which the capital and surplus of banks must bear to the volume of their assets or to specific categories thereof,⁹ and
- 5) to prescribe minimum cash margins for the opening of letters of credit, and to relate the size of the required margin to the nature of the transactions to be financed. This last power is designed to give the Central Bank authority to restrict the abuse of bank credit for speculative or nonessential importation.

⁸ But, insofar as reserve requirements against existing liabilities are concerned, at a rate not exceeding 4 per cent per month and only after giving the banks notice reasonably in advance of the date on which the increase is to become effective (Section 104).

⁹ For a discussion of the use of capital-asset ratios, see David L. Grove, "New Guatemalan Bank Law," *Federal Reserve Bulletin*, April 1947, pp. 398-401.

THE PHILIPPINE CENTRAL BANK ACT

The selective controls listed above can, if exercised in accordance with the spirit of the Law, be of great value at times when the use of other instruments of central bank action would be ineffectual or awkward.

FUNCTIONS AS FISCAL AGENT, BANKER, AND FINANCIAL ADVISER OF THE GOVERNMENT

The Central Bank is to act as fiscal agent, banker, and financial adviser of the Government, its political subdivisions and instrumentalities. It will represent the Government in all dealings with the International Monetary Fund and may also represent it in its dealings with the International Bank for Reconstruction and Development. Before the Government may undertake any credit operation at home or abroad it must first consult with the Central Bank in order that the latter may render an opinion on the probable effects of the proposed operation on the money supply, the price level, and the balance of payments. Moreover, to assure the Central Bank of a voice in the formulation of national economic policies, the Act provides for the representation of the Governor of the Bank on the National Economic Council, which is the entity responsible for the coordination of such policies. Thus, the Law places great stress on an effective integration of monetary policy with the fiscal and general economic policies of the Government.

The Central Bank will be the depository of all official funds. An important element of flexibility is introduced, however, by the provision that the Monetary Board may from time to time authorize certain other banks to accept Government deposits. Thus, bank reserves can be increased and credit expansion encouraged at any time by the simple expedient of placing Government funds with the banks; similarly, bank credit can be tightened, with equal or greater effectiveness, by the withdrawal of these funds at times when credit stringency is in order.

CONCLUDING COMMENTS

The Central Bank Act establishes an institution which, if prudently managed, should make a valuable contribution to the economic progress of the

Philippines. With the establishment of a Central Bank to which they can turn in times of need, the banks will be in a much better position to accommodate the credit needs of a vigorously growing economy. The banks should in particular be able to give more sympathetic consideration to the medium and long-term credit needs of agriculture and industry—needs which tended to suffer under the former system. With the development of a market for Government securities, the scope of fiscal policy will be broadened and a channel for safe investment of savings will be opened; both a greater volume and more effective utilization of savings should result.

It would be folly to believe that the Central Bank can fully insulate the Philippine economy from fluctuations in world demand for the raw material exports on which so large a part of the Philippine level of consumption depends. Nevertheless, the impact of world economic fluctuations, particularly those of brief duration, can be cushioned by appropriate central bank policy. The fulfillment of this compensating function will undoubtedly occupy a prominent place in the Bank's activities; but a major concern of the Bank should be to create and maintain a financial environment in which a fuller and more diversified utilization of the rich resources of the Philippine economy is encouraged and local and foreign capital are permitted to make the greatest contribution of which they are capable.

The Philippine Government has recognized the need for further reforms in other fields, two of the most important of which are taxation and agriculture. It is expected that the Central Bank's policies will be integrated with such reforms and will form a part of a unified program of reconstruction and development. If the new Bank, in the formulation of monetary policy, adopts a perspective which encompasses the entire economic environment in which it operates, it should be able to make an outstanding contribution to the effective conduct of Philippine economic affairs.

NOTE.—A pamphlet containing the text of the Philippine Central Bank Act and a reprint of this article, will be available in a few weeks upon request from the Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington 25, D. C.

SECOND ANNUAL REPORT OF THE NATIONAL CREDIT COUNCIL OF FRANCE

The reorganization of the French banking system which was carried out by the law of December 2, 1945, included, along with the nationalization of the Bank of France and of the four largest deposit banks, the establishment of a new agency, the National Credit Council, as an advisory and regulatory body with a wide range of functions in the fields of banking and credit policy.¹

The Council consists of 40 members including representatives of various government departments, of public and private financial institutions, as well as of business, agriculture, labor, and consumer groups. The President of the Council is a cabinet minister designated by the Government. The

President may delegate his powers to the Governor of the Bank of France, who is vice-president ex-officio.

Aside from important technical attributions relating to banking organization, the Council formulates, in its monthly meetings, general directives and specific recommendations on credit policy for the guidance of the Government, the Bank of France, and the banking system.

The following excerpts from the Annual Report of the Council for 1947 deal with the course of the inflation in France during that year and with the resulting problems of credit policy which the Council had to face.²

ECONOMIC DEVELOPMENT IN 1947

At the threshold of the year 1947, the economic and monetary situation continued to show an inflationary trend. The dominating influence during the year was a fundamental disequilibrium between income distributed in the form of profits or wages and available goods, which resulted in constantly rising prices. In the social sphere, this rise caused a gap between the level of wages and the cost of living.

During the summer of 1946 an attempt was made to bridge this gap by an increase in wages, but the effects of this measure were rapidly counteracted by a continuance in the rise of prices. Thus by the end of the year 1946, the public was convinced that any impetus given to the race between prices and wages offered no effective solution of the problems caused by the inflation.

The movement of prices in 1947. It is for this reason that, beginning early in 1947, the fight against the deterioration of the currency took first of all the form of measures designed to reduce the cost of living. Without attempting to influence directly the volume of production, the public authorities tried to direct prices downward, in order to restore the purchasing power of the workers' incomes and at the same time to increase the volume of goods offered on the market. Just as the

anticipation of an early rise in prices had induced merchants and producers to hoard, so the fear of a fall could not fail to cause them to sell, thus making possible the natural continuance of the cut in prices prescribed in the first instance by the authorities.

The measures taken early in 1947 against the price rise were the following:

A first decree making compulsory an immediate cut of 5 per cent;

Announcement of the staggering of the decrease in two stages. The second price-cut decree was in fact issued two months after the first.

Various provisions, directed toward a general strengthening of the discipline which producers and merchants were invited to adopt, supplemented these two decrees.

As is shown in the following table, the results

Period	Wholesale prices			Retail prices, Paris
	Industrial products	Food-stuffs	General index	
1946—December . . .	739	954	846	865
1947—January . . .	756	992	874	856
February . . .	756	1,021	889	858
March . . .	755	965	860	838
April . . .	757	938	847	837
May . . .	759	1,132	946	886
June . . .	762	1,047	904	935
July . . .	790	985	888	965
August . . .	796	1,211	1,004	1,068
September . . .	825	1,367	1,096	1,157
October . . .	866	1,392	1,129	1,268
November . . .	1,001	1,422	1,211	1,336
December . . .	1,001	1,434	1,217	1,354

obtained, however useful they may have been, did not last beyond the month of May.

¹ A translation of this law was published in the BULLETIN for May 1946, pp. 483-88.

² The excerpts are translations from *Deuxième Rapport Annuel du Conseil National du Crédit, 1947* (Paris, 1948). The parts given here correspond to the following parts of the original document: Economic Development in 1947, Part One, Ch. II, Sec. 2, pp. 35-38; Bank Credit Policy, Part Two, Ch. III, pp. 49-63; Conclusion, pp. 123-26.

The policy of lowering prices had an immediate and direct effect so far as retail prices and the prices of industrial products were concerned. By restoring confidence in the maintenance of the purchasing power of the currency, it put an end to the speculative flight from the franc which was in progress at the end of 1946. This flight took the form of buying securities on the stock exchange, the purchase of luxury goods, black market transactions in gold and foreign exchange, and the hoarding of stocks by merchants. Prices of foreign securities as well as of gold fell significantly. However, the effect of the January decree was offset by increases which had to be granted in the prices of imported raw materials, coupled with the general rise which took place in foreign markets after the relaxation of price control in the United States in July 1946. Finally, the decrees had practically no effect on the price of food. Prices on the agricultural markets followed the laws of supply and demand rather than responding to price control measures difficult of enforcement.

The inadequacy of the price cuts shown in the field of consumer goods encouraged indirect increases in official wage rates; it was therefore not possible to impose the pegging of industrial prices at the levels fixed in the beginning of the year.

The contrast between the reality of economic developments and the hopes based on the decrees of January and February 1947 became apparent, especially in the middle of the summer. As early as July, a substantial increase in cereal prices had to be granted, both in order to prevent a short harvest from having too serious financial consequences for the farmers and to encourage the growing of crops which are indispensable to the national food supply; this increase immediately resulted in a rise in the price of bread. At the end of August, the fear of a shortage gave rise to bidding up of prices on the part of consumers, anxious to protect themselves from the expected restrictions.

The nonrenewal of the subsidies filling the gap between the cost and the official selling price of coal and iron and steel products contributed equally to the necessity for a new examination of the price problem. Continuation of the former selling prices of these products became impracticable when the prices of other products rose; such a policy ceased to be of any benefit to the consumers, and forced the Treasury to pay subsidies which could not be met from current revenue. It therefore contributed to the monetary inflation since it widened the gap between incomes distributed in the form of profits or wages and the commercial value of goods offered on the market.

At the end of the summer of 1947, it seemed evident that all hope had to be abandoned for

stabilizing prices at a level lower than that prevailing at the end of 1946. The effort to achieve economic equilibrium thereafter was no longer limited to an attempt to bridge the gap between wages and the cost of living, but was directed toward bridging the gap between aggregate incomes and available goods. The discontinuance of subsidies and the freeing of prices of the bulk of industrial and agricultural products were the main features of the measures adopted by the public authorities at the end of the year to facilitate the adjustment of the amount of incomes distributed to the volume of goods which might be offered in exchange. These price measures found their counterpart in financial measures designed to freeze savings accumulated earlier and to adjust the parity of the franc to prices. Despite its apparent inflationary character, this adjustment falls within the scope of the same policy. It is designed to facilitate the adjustment of the French balance of payments.

Production in 1947. The wage increases which began in the month of June offered the first indications of the difficulties in the way of the policy of lowering prices. The primary cause of its failure, however, must be sought, not in these wage increases, but in the insufficiency of goods for domestic consumption in comparison with the enlarged money incomes.

In the agricultural field the deficiency in the grain harvest entailed a heavy reduction in the total of foodstuffs available for distribution under rationing or control and resulted in an enlarged demand for nonrationed food products. In the prewar economy, the free play of international exchange generally assured to each country its food supply at a reasonably constant level. In 1947, France did not have at her disposal foreign means of payment which would have permitted adequate imports; and if she had had them, she would still have been unable—because of world-wide shortages—to make up for the deficit in her own production. Because of this lack of sufficient foodstuffs, the adaptation of the supply to a demand kept down with difficulty could not be made without raising the general price level.

With regard to industrial production, the advance achieved in 1947 undoubtedly resulted in equalling or exceeding the prewar figures in various branches—notably coal, electricity, glass, and chemical products. But this advance, limited moreover by reason of the insufficient supply of metallurgical coke, was not reflected in an immediate improvement in the volume of goods available for the consumers. The most noticeable progress was made in activities such as the production of coal, electric power, and raw materials, which were not working directly to sat-

isfy essential consumption needs. By contrast, the industries producing consumer goods have not as yet recovered their prewar rate of output.

Moreover, the improvements noted in industrial production did little to increase the volume of consumption goods. The rebuilding of stocks of machine tools necessary to insure the regular operation of industrial equipment, the building up of stocks by commercial enterprises whose number had increased abnormally since Liberation, the large ship-

ments of manufactured goods—textiles in particular—to overseas territories where the scarcity after the war was even greater than in metropolitan France, the exports of all kinds—automobiles and quality fabrics—to earn for us part of the foreign exchange required for the purchase of raw materials and food products, have prevented the progress shown in the field of production from manifesting itself in an equivalent increase in goods offered for domestic consumption.

BANK CREDIT POLICY

PRINCIPLES

The National Credit Council continued throughout the year 1947 to orient its activity toward the double objective which was assigned to it by the economic and monetary situation: bank credit had to play its normal role in speeding up production; its distribution had to be directed in such a way as to avoid aggravating further the existing causes of inflation.

The mere statement of these purposes is sufficient to show that, while not considering them contradictory, the National Credit Council has constantly found itself confronted with two divergent tendencies, one of which places the emphasis on the necessities of production, the other on the dangers of inflation.

According to one opinion, the role of credit should be to furnish funds to enterprises on the basis of their standing, their activity, and their good management, regardless of whether the banker is in a position to assure himself that these funds are actually indispensable to the accomplishment of his customer's program, or that this program represents a positive economic interest: provided that the repayment of the funds is not doubtful, credit must be supplied freely to match a free demand.

According to the opposite opinion, not only are these assurances indispensable, but in the face of rising prices and of expanding incomes, the filling of all credit demands presents the gravest dangers: by permitting everyone to build up his resources by borrowing, it prevents the rise of prices from playing its normal role as a curb on spending, it permits following this rise without hesitation and it even encourages it since it enables the same enterprise to speed up its purchases and to slow down its sales. Thus, even though he is confident that his function is indispensable to the success of a business and that the latter contributes to useful production, the banker who would satisfy his customer's credit requirements in full still adds fuel to the inflation: credit must be restrained in an arithmetical, comprehensive, and predetermined manner in order

that, for some time at least, business enterprises, short of ready cash, are forced to discuss prices, to speed up sales, to convert surplus assets into cash, to repatriate capital from abroad: inflation can be stopped only at this price provided that it is attacked also through the cutting of public expenditures.

Both positions have a logical basis. The first, which on the whole is that of business concerns, takes into consideration mainly the need for funds. The interested parties point out that the real value of their circulating capital is constantly shrinking chiefly for the reason that the rise in costs precedes the rise in selling prices. In these conditions, the financing of even a constant volume of production requires ever larger funds. *A fortiori*, if productive capacity increases because of the progressive elimination of bottlenecks (coal, raw materials, labor, transportation, foreign exchange) the need for funds, especially at first, grows still more rapidly, and credit requirements should be satisfied at this growing rate.

It can scarcely be denied that, from their point of view, business executives reason correctly: each one of them is naturally disturbed if he finds his capacity to renovate his plant, to produce, or to distribute hampered by credit restrictions. Only with difficulty does he grasp the fact that credit contributes to the inflation of purchasing power as a whole. If liberally distributed in a period of full employment and inflation, credit contributes to the increase in money incomes and can serve as an important supplementary inflationary factor. The general rise in prices favors the profitable operation of businesses whose costs are the least well adjusted.

The opposite position, less influenced by the individual difficulties—often very real—affecting the financial status of a certain number of concerns, emphasizes the gravity of the monetary danger and tends toward a radical reduction in credit to be carried out through the application of ratios. It holds that measures to restrain the expansion of the money supply can help to prevent undue price increases and the ensuing inevitable bankruptcies are most likely to affect the very businesses which

are the least protected in the struggle for the desired reduction of costs.

This position, finally, is supported by considerations based on the necessary equilibrium between public and private finances: if the extension of credit granted by the banks to industry, commerce, and agriculture must have as its unavoidable consequence a reduction of the aid furnished by the banks to the State, i. e. the nonrenewal of a portion of their Treasury bills, it forces the Treasury to resort to the bank of issue in order to obtain, in the form of direct advances, the amount necessary to redeem the bills not renewed. Direct borrowing from the bank of issue is generally considered, in France and abroad, to be one of the most serious symptoms of inflation, and measures must be taken to combat it.

This complex problem, which dominates the entire credit policy, is not peculiar to France. In terms perhaps less sharply outlined because the degree and the characteristics of the inflation are not the same as in France, it nevertheless faces public opinion and the competent authorities in many foreign countries, particularly in those whose banking organization is old and developed. In the United States, England, Belgium, Switzerland, and Italy, the controversy is more or less open, more or less sharp. It takes place between the supporters of a mechanical credit restriction considered as a necessary cure, in spite of its indiscriminate character, and the partisans of expanding credit, or at least of maintaining credits outstanding, as the indispensable condition to the success of the production drive, in spite of the possibilities of misuse.

The National Credit Council, facing this basic question, believed that it should avoid any purely doctrinaire attitude.

It concluded that neither of the two patterns outlined above responded to the exigencies of the French economic and financial situation. It has deemed it preferable to define a policy adapted to the practical conditions of the moment, in the light of certain simple principles and of concrete data.

It considered first of all that certain types of bank credit, although current and important abroad, such as credit for speculation in securities and real estate, or consumer credit, were practically without importance in France, and that the risk of a serious credit inflation was correspondingly reduced.

Likewise it appeared to the Council that the adoption of an over-all ceiling for the total volume of bank credit, or even the adoption of compulsory "ratios," which result in a uniform limitation of the advances available for business, was difficult to carry out in a period of rapid rise of prices.

This rise being neither chiefly caused, nor pri-

marily supported, by the expansion of bank credit, to attempt to combat it by blocking credit would have been, indeed, a futile and dangerous undertaking: it could have resulted in a rigid and indiscriminate limitation of private credit. This would have entailed the progressive closing down of enterprises whose circulating capital had been reduced by the price rise and would have left as the only masters of the situation those enterprises which found themselves independent of the banks.

The Council considered, on the contrary, that, in all cases where the conditions requisite to production deemed useful to the economy were present, credit should be supplied.

It also was not unaware of the extreme gravity of the danger of a monetary inflation, in whatever form it might manifest itself. If the volume of money incomes—whether it enlarges the note circulation or the total of bank deposits—grows more rapidly than the volume of goods offered to consumers at a given price level, in a word, if an "inflationary gap" appears, this price level is in danger of rising. It rises, indeed to the extent that hoarding or, otherwise expressed, liquidity-preference, or the demand for cash do not increase concurrently, an eventuality which as yet seems not to have occurred. It does not take long for the price rise to make necessary a rise in wages, and the volume of money incomes, whether in the form of profits or of wages, is once more lifted to a higher level. The fatal results of this cycle are well known, and because the National Credit Council realizes fully the tragic character of the cycle, it combats it vigorously in the domain which has been entrusted to its care.

The first element of danger presented by the extension of credits has often been pointed out and, in chronological order, it was the first to come under the Council's scrutiny. As its first report has noted, a liberal distribution of credit threatens to encourage holding goods off the market, the building up of "speculative stocks." There is ample evidence, indeed, that when a whole country anticipates a price rise, each of its citizens, whether moved by fear or hope, attempts to obtain the goods he lacks and to hold on to those he possesses. In either case, his credit needs are enhanced.

Thus, aside from the attitude that may be taken toward this matter from the civic point of view, the Council endeavored to set up an effective obstacle to these practices, since they have a natural tendency to aggravate the price situation for the community while they are attempting to mitigate its consequences for the individual.

Beside this first danger, there is a second and more subtle one: if credit were to be extended to satisfy an entirely unrestricted demand, and solely

according to the ability of the customers to repay, it is certain that borrowers would be enabled to keep up indefinitely with the rise of prices, and would therefore never come to oppose it. This process would favor those concerns whose credit standing and ability for self-financing were the best. In a certain number of cases, moreover, the profits earned during the war and since the Liberation have been invested in various types of assets such as real estate, recreation facilities, land, cattle, agricultural implements, securities, gold, or exchange. A larger or smaller part of these investments may be in excess of actual needs, being merely a hedge against monetary depreciation. Granting all credit requested by such borrowers, without requiring them to start liquidating at least a part of these surplus assets, would give artificial support to excessive prices, and put a premium on speculation.

Special vigilance must be exercised on this score in the case of medium-term credits designed to finance capital equipment: such credit makes it possible for businesses to distribute immediately disposable incomes while the output of consumer goods offered on the market is not correspondingly increased.

Even the discount of true commercial paper involves some danger. The paper originates in a bona fide sale of goods and the discount, accordingly, encourages the "unloading" of goods. But the seller of the goods has made provision for the price rise in his bill. When he discounts it he exerts an inflationary pressure on the volume of credit, which is the more automatic because the transaction does not lend itself in principle to discussion.

Thus, whatever technical department of credit is concerned, the danger of inflation is present in different degrees, and the National Credit Council considers it essential that this danger be fully realized: it is important indeed, that the distributors of credit should combat this general danger while making clear their motives to businesses which are individually interested in an expansion of credit.

The National Credit Council recognizes that the risk of an excessive development of credit is grave and that its symptoms must be scrutinized closely in order that it may be checked in time—the present report will explain later the measures put in effect for this purpose as well as the results obtained—but the Council also recognizes the danger which would result from an excessive limitation of credit. Placing these two opposite risks on the same level of importance, it has always declared that in its estimation, so long as the present shortages of goods continue, production should not be hampered by insufficiency in the total supply of credit. In other words, any available resources

which it is physically possible to put into operation—raw materials, power, labor, transportation, foreign exchange—should not remain unused for lack of bank credit.

Even on this point there has been no lack of controversy, and certain people have pointed out that if credit were always available at the proper moment to permit the immediate absorption of every offer of goods or services at prices tending to rise, it would become useless to hope for a leveling off, to say nothing of a definite reversal.

Without losing sight of this aspect of the question, the National Credit Council has maintained its position and, even in the cases where it has been persuaded to recommend a relative stabilization of certain factors of the credit aggregate, it has stipulated that this stabilization should not constitute an obstacle to the future progress of production, but should be achieved by a compensation between the supplying of credit necessary to this progress and the reductions possible in other sectors of economic activity having less immediate importance.

Accordingly the Council has continued to pay special attention to concrete data showing this activity, such as the indices and forecasts of production and sales in each principal branch and in all the sectors of the economy, the level of employment of labor, the number of new business firms, the number and types of bankruptcies, etc. Without ignoring the imperfections of these data, without denying the empirical character of its activities—a necessary character since in such an undertaking it is safer to be guided by experience than by a preconceived "truth"—the Council believes it may assert that its opinions or decisions rest on increasingly stable bases.

Finally, in adopting a flexible policy in accordance with developments in business or in the trend of economic policy, the Council has held firmly to the purpose of strengthening the economy, on the basis of the new considerations which it thought necessary to introduce in the field of credit allocation. The banks are directed to base their operations not only, as in the past, on safety, which is at the same time a function of the prestige or profitability of the business and of the degree of certainty of the results, but also on the double assurance that the funds are indispensable and that the use to which they will be put is desirable for the country as a whole. Finally, in cases where this double assurance is furnished, while the risk involved in the operation is out of proportion to the resources of the enterprise, the Council considers that such a combination of factors entitles the applicant to receive, in the absence of other support, aid from the public authorities in the form of a guarantee.

As the law authorizes, the Council has continued to entrust the Bank of France with the practical application of these instructions, which are presented and analyzed in the following pages. The Bank has cooperated effectively in the execution of this policy, both through its studies and individual controls and by supplying funds through rediscounts or directly through the money market. These operations compensated for the insufficiency of new deposits while remaining moderate enough to exercise the restraint which was occasionally needed.

METHODS OF APPLICATION

The application of credit policy in 1947, based on the principles and data set forth above, was provided for by adopting a set of regulations covering the whole field of credit operations to replace the special rulings adopted by the National Credit Council in the earliest months of its existence. For the most part the regulations pertain to the extension of credits and control measures, but they provide for sanctions if necessary. Establishment and application of the rules and regulations were made possible only by the improvement of the means of information and investigation at the disposal of the National Credit Council.

Rules relative to the extension of credit. In 1946 the National Credit Council had already formulated, for the guidance of bankers, a certain number of recommendations relating principally to the necessity of refusing applications for credit manifestly intended for speculative purposes and designed especially to facilitate the building up of abnormally large stocks or to permit postponement of repatriation of exchange earned by exporters.

However, it was the general decision taken by the National Credit Council at its meeting on January 9, 1947, and completed later by the instructions of October 10, which promulgates in full detail the rules relative to the extension of credit.

By the terms of this decision, every application for credit (other than bank guarantee, bank acceptance, and discount of public bills or of bills of a purely commercial character) involving an amount subject to declaration at the Central Service of Risks must be accompanied by supporting data.

These data must include a statement of the financial situation of the enterprise and show the intended use of the borrowed funds, the term of repayment and the resources available for the purpose, the proportion between the applicant's own funds, the anticipated volume of business, and the credit requested, and finally the inability of the concern making the application to obtain all or part of the funds required, either by liquidation of some of its surplus assets or by recourse to discounting commercial bills. It is only after study of

these statements—which the Bank of France can always require to be supplied—that the banker may make his decision on granting the credit.

Any credit request exceeding a certain amount (first fixed at 30 million francs and raised to 50 million at the beginning of 1948), or bringing the total of credits already granted by one or several banks to a single enterprise beyond this amount, cannot be granted by the banker concerned except with the approval of the bank of issue. The statement of this rule shows, along with the traditional requirements of safety and profitability of banking transactions, the new standards based on the degree of economic utility and the indispensability of a resort to credit. On the conjunction of these three criteria must depend, in the current period, a distribution of credit which is discriminatory but not systematically restrictive.

The criterion of security and profitability. In the absence of any regulation, a banker, when approached with a request for credit, undertakes to evaluate exactly the advantages and the risks which the proposed transaction entails for him, from the triple point of view of his remuneration, his security, and the liquidity of his portfolio. His decision will depend both on the material or personal guarantees existing at the time of the loan, and on the anticipated outcome of the transaction resulting from an improvement of productivity, from saving in costs, and from development of markets. Thus the banker plays to some extent the role of accelerator of production, and while assuring prudent management of the funds entrusted to him, contributes to economic progress. In any case, the banker's decision rests with him alone. The law of December 2, 1945, in no wise restricted this principle which was formally reaffirmed by the National Credit Council on January 9, 1947. The banker thus remains entirely free to choose his clientèle and to refuse applications for credit addressed to him on the grounds that the security offered seems inadequate, or that the amount or the terms of the credit requested seem to him incompatible with the maintenance of the necessary liquidity of his assets.

This does not imply that the safe placement of banking funds remains a secondary consideration for the authorities responsible for the direction of credit. To the contrary, a number of safety measures have been adopted, as much in the interest of the banks as in that of their depositors. Thus for two years past the lending banker has been able, thanks to the centralization of banking risks, to learn more exactly the total debtor position of the borrower. The centralization of unpaid bills, tried out by the Bank of France in certain of its branches, may introduce a new and interesting element of

credit judgment. Moreover, in connection with certain credits, the bankers have the benefit of supplementary guarantees and facilities for mobilizing their funds.

Finally, the Banking Control Commission, in the desire to safeguard the banks against the danger of illiquid positions, has just decided to require commercial banks to maintain a minimum ratio—at present 60 per cent—between the total of their short-term liabilities and the amount of their liquid and realizable assets. Aside from public bills or purely commercial bills originating in a genuine transaction in goods or services, the realizable assets include only credits covered by an agreement granting rediscount facilities at the Bank of France. The consequent need for the banker to submit to the examination of the bank of issue a considerable part of his portfolio has the indirect result of reinforcing his own safety, as well as that of his depositors.

The criterion of economic utility. In an economy where a certain degree of scarcity still exists, all activities are not entitled to the same treatment. Priorities must be reserved for certain branches of the economy, particularly with respect to the allocation of raw materials and of credit, because of the indispensable character of their production and of the necessities of foreign trade.

The National Credit Council has endeavored to give due consideration to the requirements of basic economic activities defined by the National Planning Commission (*Commissariat général au Plan*) and the instructions addressed on October 10, 1947, to banking organizations have made clear the preferential character of credits intended for productive activities which are indispensable to the life of the country. These include the production and importation of staple foods as well as the key industries and are largely the equivalent of the group of "basic economic activities" defined by the Planning Commission.

As regards the relative degree of urgency of the applications for capital equipment credit, which are almost unavoidably accompanied by requests for allocation of machinery or raw materials, the Ministry of Economic Affairs has this year supplied a summary classification of the various branches of economic activity to the agencies charged with the distribution of credit. This classification takes account of the economic importance of each branch, and of its general financial situation. Interpreted with the necessary flexibility, and always subject to revision, it is utilized for the preliminary authorization of medium-term credits and of issues of stocks and bonds submitted to the Ministry of Finance for consideration.

Within the framework of an economy which has been progressively freed from controls, it is unusually difficult to submit the judgment of applications for short-term bank credit to a standard as definite as that of economic utility. This or that type of production, conversion, or transaction is not the less lawful because its necessity has not been made convincingly clear, and as soon as it becomes lawful for an enterprise to obtain raw materials or to sell its products, it may be considered as participating in the economic life of the country. Consequently, and provided that it does not misuse credit for speculative price operations and for hoarding materials, it may utilize credit as it uses other factors of production which the public authorities do not deny to it (electricity, coal, transportation, labor, etc.).

Nevertheless, even in the domain of short-term credit, large credit applications receive especially careful examination, and those whose economic utility can be judged only by reference to governmental policy (for example, accumulation of food-stuffs) are studied by the Bank of France in collaboration with the ministerial departments concerned.

The criterion of need of funds. Whatever may be the economic utility of the activities financed, the applicant for credit must prove that it is necessary for him to resort to bank credit.

Consequently, a credit cannot be granted unless the need of credit appears irreducible and urgent and unless the applicant proves that it is impossible for him to obtain by other means the funds which he is trying to borrow from the banks.

The instructions addressed to the banks under date of October 10, 1947, specify a certain number of cases in which credit applications that do not fulfill these conditions must be refused. The cases specified are those in which the credit would increase the amount of private investments (purchases of real estate, of existing firms, participations in capital, and purchases of shares), or enable entrepreneurs of businesses which are inadequately capitalized to avoid risking their private funds.

The National Credit Council has also specified, in connection with the uneasiness aroused at the end of last year by the "capital levy," that banks approached for credit should compare the total requirements presented by their customers, without excluding any on *a priori* grounds, with their total cash or readily available assets. Thus, a pressing payment coming due, however urgent it might be, would not be favorably considered if examination of the balance sheet revealed the possibility of raising the necessary funds by the liquidation of stocks or of other superfluous assets, by repatriation of foreign exchange or by more economical operation.

The banker's control must cover not only the immediate need of credit but also the period for which accommodation is desired. The National Credit Council has repeatedly advised bankers to limit their credits to the period strictly necessary and even to curtail their assistance upon any slackening of activity, even if such slackening is beyond the customer's control.

Putting the emphasis on the criterion of necessity, the National Credit Council has not limited itself to making regulations for new credits. The decision of January 9 included transitory measures which necessitated the reviewing of credit authorizations previously granted.

Practical application of control. The control of credit operations which has been outlined may appear fairly rigid. Actually, however, the present organization shows a high degree of flexibility. Every order issued by the National Credit Council insists on the necessity of placing no obstacles in the way of expansion of production. Moreover, and this must be emphasized, there is no over-all limit on credit, the volume of which rose in 1947 from 308 to 484 billion francs. The policy of discrimination is designed solely to reserve for the most useful activities the facilities which might have been supplied, with no benefit to the national interest, to sectors of secondary importance.

Those enterprises whose products represent an undeniable economic utility certainly have nothing to fear from the effects of the credit policy defined above. Even if their financial situation is not such as to furnish all possible assurance to the banker, they can take advantage of wide benefits in the form of guarantees and facilities for mobilizing their assets as provided by the State or by the public credit agencies.

Finally, it should be noted that the procedure of authorization for the extension of credits does not apply to the discount of public bills or to the discount of commercial paper. In conformance with traditional business practice, businesses can therefore draw on a large reservoir of funds.

The reasons which prompted the privileged treatment reserved for public bills and for commercial paper are of a different nature.

The necessity confronting the State of finding purchasers for its short-term bills implies that their issue must be accompanied by ample facilities for mobilization. As to the acceptances of the *Crédit National*, they are assimilated to Treasury bills as concerns the decisions of the National Credit Council. The discount or pledging of these instruments is thus exempt from the prescribed formalities for the extension of credits.

As regards commercial paper, it seemed advantageous for the economy in general to encourage a

credit procedure that would help to place goods in circulation since one of the principal aims of the Government's economic policy has been to combat the hoarding of goods. Like the National Credit Council, the Bank of France has endeavored to provide privileged treatment for discounts of bills originating in deliveries of goods. Such discounts enjoy the lowest rate of discount.

It must be remembered, however, that in a period of rising prices, even the discounting of commercial bills may promote inflation. It is to be feared, moreover, that some concerns may be tempted to seek, through the discount of bills whose commercial character is debatable, credit facilities which would be refused them otherwise. This risk is being carefully watched by the authorities responsible for the distribution of credit.

Measures of control. Until the month of January 1947, the activities of each bank in the distribution of credit were known only from the communications addressed to the Commission of Control and to the Central Service of Risks. Such indications were of an informational character and were submitted too late to constitute an effective operational control. While the submission of such documents has improved during the year, they can still serve only for verifications carried out *a posteriori*. To remedy this defect the National Credit Council has drawn up new measures to permit fuller supervision over credit operations. These measures have been discussed above; it seems desirable nevertheless to mention them again in order to show the entire range of controls at the command of the authorities charged with the direction of credit.

As indicated above, the decision of January 9, 1947, makes the granting of credits which must be reported to the Central Service of Risks, contingent upon examination by the banker of a dossier making possible an estimate of their practical justification in terms of the various criteria. Furnishing of this dossier may be required for examination by the Bank of France. All credits which would have the effect of raising to more than 50 million francs the total aid granted to a particular enterprise, by one or more banks, must, moreover, receive preliminary authorization from the bank of issue.

These measures constitute the natural complement of the supervision exercised by the Bank of France on the occasion either of the examination of bills offered for rediscount or of the study of applications for medium-term credits submitted for its approval.

The supervision of credit operations was tightened temporarily when the risk of a dangerous inflationary spurt appeared in October 1947. In order to follow closely the observance of its instructions dated October 10, the National Credit

Council asked the principal banks to furnish to the Central Service of Risks a monthly statement showing total aid granted to priority enterprises, on the one hand, and nonpriority enterprises on the other hand, compared with the total credits outstanding. The National Credit Council was thus in a position to control, with sufficient frequency and speed, the course followed by each of the banks interrogated. The application of this temporary measure came to an end in January. While it is out of the question to extend it and to impose on the banks permanently a supplementary task of this scope, the National Credit Council can nevertheless profit by the experience gained. It knows now that it has a practical means of carrying out genuinely effective investigations.

Sanctions. The authorities responsible for credit now have at hand important means of control which, to be fully effective, must have the support of

sanctions. This necessity has not been overlooked by the National Credit Council, as is indicated in its circular letter of October 10:

"All banks must understand that those among them which do not observe scrupulously the disciplines imposed by the National Credit Council will make themselves liable to be deprived of the usual facilities for obtaining accommodation at the Bank of France."

The enforcement of this sanction would be particularly embarrassing to the banker, since the above-mentioned slowing-down in the formation of deposits forces him to resort to the Bank of France for the funds he needs.

This measure completes the means of action available to the Banking Control Commission, under present legislation, in dealing with offending bankers.

CONCLUSION

Throughout the year 1947, as well as during the two preceding years, the authorities charged with the distribution of credit were guided by their desire to do everything in their power to assist the French recovery effort, the twofold object of which is to increase production and to restore the productive capacity of the nation. It is no doubt unnecessary to recall the disastrous economic situation in which France found herself after the Liberation. The progress made in the course of three years is sufficient to prove the reality of the French effort. The National Credit Council has always considered it essential that no systematic restriction of credit should be set up in hindrance to this effort. Such a restriction, which was sometimes advocated, would in effect have served no better purpose than to provoke an artificial and dangerous crisis—artificial, and after all futile, because at a time when scarcity and want were the first ills to be attacked, it would have led, through the withholding of funds, to the nonemployment of the means for increasing production; dangerous, and no doubt fatal for the currency, because it would have resulted in an immediate decrease in production, in unemployment, and disaster to the public finances. Thus it would have risked bringing on a general paralysis of our economy and hopelessly jeopardizing the chances for recovery.

The credit policy therefore had to weigh most carefully the demands of the economy with respect to current production as well as with respect to the restoration, expansion, or modernization of plant and equipment. The last chapter of the present report shows that the credit support customarily furnished to productive activities was not withheld in

1947. It cannot be charged that, because of a lack of credit, useful products were not manufactured or necessary investment was not carried out.

Doubtless the distribution of credit has not been free from controls. But it should be clearly understood that it could not be otherwise.

The inflationary trend, discussed at length in this report, has manifested itself in two important results:

(1) At all times the French banks have supported the activity of business. Until 1940, however, they contributed chiefly to the acceleration of this activity by financing in particular operations of a commercial nature, principally short-term. The discounting of bills was the most customary form of their support. Overdrafts scarcely did more than cover the temporary cash needs. They did not involve the banks in a permanent financing of production. The banks were most careful not to become tied up in the very life of business enterprises.

Since the Liberation, the credit establishments found themselves facing the very serious problems of adapting working capital to the ever changing situation of production and prices. Business enterprises cannot make such an adjustment except at a rather slow rate, by utilizing their profits or by increasing their capital. In the meantime, however, they sought and received from the banks support in larger amount and of a less temporary nature than before the war. Today credit establishments are involved to a greater extent and at their own risk in business enterprises.

The banks have understood and accepted the necessity for adjustments to new requirements re-

sulting from economic conditions. This is proof of the intelligent vitality of a banking system founded on experience. But this new character of banking policy could not be without influence on the relations between the credit institutions and their borrowers. For the latter, credit is only one of the factors of production, and it is understandable that the heads of business insist that this fact be not disputed. But for the banks, credit represents the use of their deposits, i.e., the use of funds for which they are responsible to third parties. Therefore it is natural that at a time when the banks accept the prospect of greater participation in the risks of business which they finance, they should study carefully, within the framework defined by the National Credit Council, the situation of these enterprises and keep their support within reasonable limits.

(2) It is known, moreover, that in 1947 bank deposits have not increased in the same proportion as credits granted by the banks. The latter, to a very significant extent, had to have recourse to the bank of issue for rediscounts. Bank credits therefore gave rise to an increase in note circulation and not simply to the creation of deposits. It was therefore natural that, because of the influence it exerts at present on the fiduciary circulation, the distribution of credit should be placed under the control of the Bank of France in close collaboration with the banking institutions.

Although distributed without any predetermined limit on its total volume, credit could not, in the past year, be granted in complete freedom; its distribution had to conform to the rules of a necessary discipline, the justifications for which are too clear and too sound not to be accepted by all concerned. Such is the spirit of the discriminatory policy in the distribution of credit, defined by the Council and put into effect by the banks and the bank of issue, the maintenance of which will be necessary, on principle, so long as France is not finally freed from the dangers of inflation.

At the end of a year that no doubt will rank as one of the most difficult in monetary history, France nevertheless sees more clearly revealed each day the still slender, but very evident, possibilities for a restoration of her prosperity. The patiently pursued effort for monetary and financial reform is beginning to bear fruit and to justify a return of confidence. The promise of a more abundant harvest forecasts a marked increase in food supplies and a stabilization in food prices, which is the basis for a general price and monetary stabilization. Supplies of coal, electric power, and steel are increasing month after month; imports are becoming more regular because of a general world-wide re-

turn to peace-time conditions of production and trade and because of American aid. The need for consumer goods, unsatisfied during the six war years, is gradually being filled through greater production with better quality and greater variety. No doubt much wreckage is still to be rebuilt, many privations are to be compensated, but it is not forbidden to think that the year 1948 in this respect will mark the turning point in French recovery.

If domestic and foreign political conditions do not upset the favorable prospects taking shape in the spring of 1948, if the anxiously hoped-for monetary stabilization is maintained, French production undoubtedly will be able to take care of the considerable needs for reconstruction, reequipment, and current consumption. Only then will it be possible, in the field of credit, to take the full measure of the problems posed by the effects of war and the debasement of the currency.

One hundred and ten years of monetary stability through the nineteenth century and the earliest years of the twentieth century had made of France one of the richest nations of the world. A strong monetary system had permitted the accumulation of considerable savings which gave to the French banks and the French financial market an exceptional place in the world.

Thirty years of instability and depreciation of the currency, added to the destruction of two successive wars, have seriously reduced France's wealth, destroyed thrift, and weakened the capital position of all enterprises. The machinery of credit distribution has seen its power considerably decline. Doubtless the French banks, by the ease with which they have overcome the unprecedented difficulties of two wars, a serious economic crisis, and a persistent monetary instability, have given proof of the value of their administrative methods and have amply justified the soundness of their credit; but the fact remains that the monetary insecurity which has persisted for ten years has weakened their own resources and hindered the building up of deposits, thus reducing the assistance which they are able to render to the economy.

If the year 1948 is to mark the first year of a return to more stable economic conditions, this long-desired return must not cause any illusions as to the ruins which any monetary inflation leaves in its wake, nor as to the problems involved in the aftermath.

These problems, the solution of which will encounter arduous and multiple difficulties, may be expressed in very simple terms:

To revive "credit," i.e., essentially the confidence of the saving public and of the investor in the permanence of their holdings;

To restore the traditional and tried methods of

financing, in order to facilitate the investment of individual savings in such a way as to promote the modernization of the nation's productive system and the expansion of production and of the general welfare;

To encourage the progressive application of banking resources—capital and deposits—to the new demands of economic development.

There can be no doubt that after the various and at the same time discouraging experiences of the last fifteen years, the vast majority of the

French population will attempt to regain, by work and thrift, the well-being of a former period. This widespread ambition is the necessary but not the sufficient condition for an eventual return of French prosperity. If it is to have its full effect, the uncertainties of the future and the anxieties caused by the political situation must be lessened. Then only will exist the conditions most favorable to the success of a credit policy adequate to cope with the problems which France must solve in order to complete her recovery.

CURRENT EVENTS AND ANNOUNCEMENTS

Changes in Board's Staff

Effective August 13, Mr. Frederic Solomon and Mr. John C. Baumann were appointed by the Board as Assistant General Counsel. Mr. Solomon and Mr. Baumann have been Assistant Counsel in the Legal Division of the Board of Governors for a number of years past.

Appointment of Branch Director

On August 17, 1948, the Board of Governors announced the appointment of Mr. J. Hillis Miller, President, University of Florida, Gainesville, Florida as a director of the Jacksonville Branch of the Federal Reserve Bank of Atlanta for the unexpired portion of the term ending December

31, 1948. Mr. Miller succeeds Mr. Charles S. Lee, a planter and cattle raiser of Oviedo, Florida, who resigned.

Appointment of Class C Director

The Board of Governors on July 26, 1948, announced the appointment of Mr. Ames Stevens of Lowell, Massachusetts, as a Class C Director of the Federal Reserve Bank of Boston for the unexpired portion of the term ending December 31, 1948. Mr. Stevens is Treasurer and a director of the Ames Worsted Company. He succeeds Mr. Donald K. David, Dean, Graduate School of Business Administration, Harvard University, Boston, Massachusetts, who resigned.

NATIONAL SUMMARY OF BUSINESS CONDITIONS

[Compiled July 22 and released for publication July 24]

Total output at factories and mines showed little change in June and the early part of July after allowance for seasonal influences. Department store sales were at record levels for this season. Prices of meats and steel increased sharply in July, while cotton and grains declined.

INDUSTRIAL PRODUCTION

Industrial production in June continued close to the May level, and the Board's seasonally adjusted index was 192 per cent of the 1935-39 average as compared with 191 in May and 188 in April, when output was reduced by a strike at bituminous coal mines.

Output of durable goods increased further in June, reflecting mainly larger production of automobiles following settlement of an industrial dispute at the plants of a leading producer. Activity in the automobile industry reached earlier postwar peak rates in the first half of July.

Steel production in June continued at the May rate. Output of open hearth steel was slightly smaller, while electric steel production increased further by 5 per cent to a new record level, exceeding the wartime peak. Output of nonferrous metals was reduced somewhat owing largely to a curtailment of aluminum production during the Columbia River floods.

Production of nondurable goods in June continued at a seasonally adjusted level of 178 per cent of the 1935-39 average. This level has prevailed, with slight variations, since the beginning of the

year. Cotton consumption and paperboard production declined somewhat in June. Meat production, however, increased substantially following the end of a labor dispute which had curtailed packing operations since the middle of March. Activity in most other nondurable goods industries was maintained at the May rate or advanced slightly.

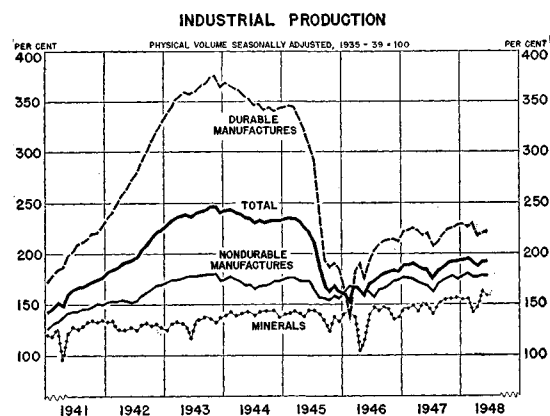
Minerals output declined 2 per cent from the exceptionally high May rate, as bituminous coal output was reduced owing to the beginning of the miners' 10-day holiday on June 26. Crude petroleum production continued to advance.

CONSTRUCTION

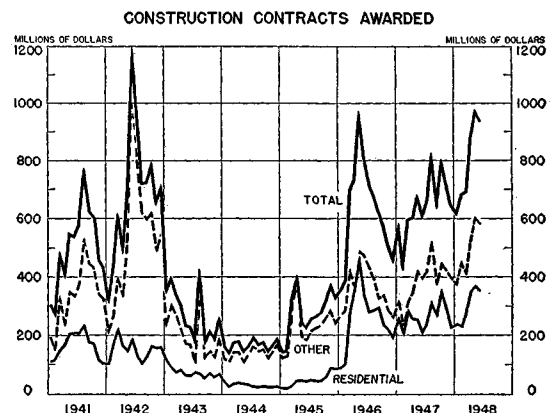
About 93,500 dwelling units were started in June, according to preliminary estimates of the Bureau of Labor Statistics. This number was somewhat smaller than the postwar high of 97,000 in May, but still considerably larger than the 77,000 units started in June 1947. Dollar volume of all new construction put in place, according to joint estimates of the Departments of Commerce and Labor, continued to increase in June and reached a record amount of 1,600 million dollars.

DISTRIBUTION

Value of department store sales showed about the usual seasonal decline in June and the first half of July. The Board's adjusted index remained around a record level of 310 per cent of the 1935-39 average, which was about 7 per cent higher than in



Federal Reserve Index. Monthly figures, latest shown are for June.



F. W. Dodge Corporation data for 37 Eastern States. Other includes nonresidential buildings and public works and utilities. Monthly figures, latest shown are for June.

NATIONAL SUMMARY OF BUSINESS CONDITIONS

the corresponding period a year ago.

Rail shipments of grain and forest products were in substantially larger volume in June, while loadings of most other classes of freight declined somewhat from the May rate after allowance for seasonal changes. Total loadings in the first half of July were above the same period a year ago, reflecting mainly a larger volume of coal shipments.

AGRICULTURE

Production of crops this year, as indicated by July 1 conditions, will be substantially larger than in 1947 and in record volume. The most important increase is forecast for corn, output of which is expected to be about 40 per cent larger than last year's drought-damaged crop. Estimated wheat production, although smaller than last year's crop of 1.4 billion bushels, would still be the second largest crop on record. Cotton acreage is officially estimated to be up 10 per cent from last year. Marketings of livestock have expanded following the end of the packing strike but the volume has remained 5 to 10 per cent below year-ago levels.

COMMODITY PRICES

The general wholesale price level rose further in July, reflecting sharp increases in prices of meats and steel products. Meat and livestock prices in mid-July were about 25 per cent higher than a year ago. Prices of most other farm products and foods continued to show little change or declined in July. Cotton and grain prices were somewhat below year-ago levels.

Prices of most iron and steel products were raised by 10 per cent or more in July. Coal prices were

also advanced, while prices of petroleum products eased and prices of cotton goods declined somewhat further.

BANK CREDIT

Quarterly income tax payments by businesses and individuals during the last half of June substantially increased Treasury deposits at Reserve Banks and reduced commercial bank reserves and deposits. Banks met the drain on reserve funds largely through sales of Government securities to the Reserve Banks and through reductions in their excess reserves. During the first three weeks of July, reserves at banks increased somewhat. The Treasury drew down its balances to retire bills. Federal Reserve Bank holdings of bills were thereby reduced, but the System made net market purchases of Government securities in approximately equal volume and thereby supplied banks with additional reserves.

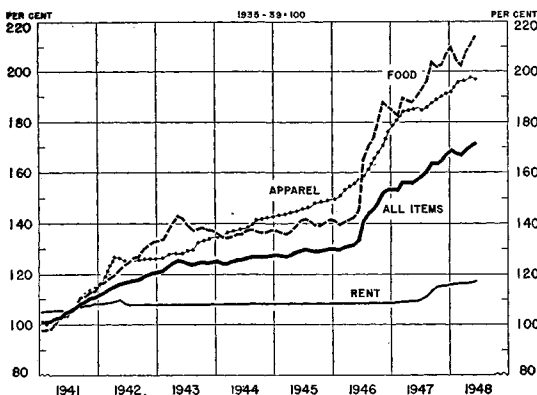
Commercial and industrial loans increased moderately in banks in leading cities during June and the first half of July. Consumer and real estate loans continued to expand. Banks reduced further their holdings of Government securities.

SECURITY MARKETS

Common stock prices declined sharply in the third week of July, following four weeks of relatively little change. A substantial portion of the mid-March or mid-June gain in prices was lost.

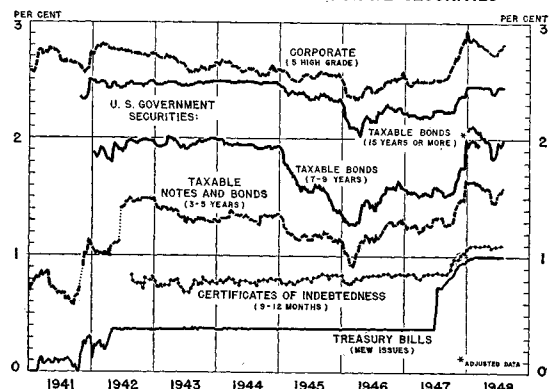
Prices of Government bonds changed little in the first three weeks of July, following some decline in June, but prices of corporate bonds declined further.

CONSUMERS' PRICES



Bureau of Labor Statistics' indexes. "All items" includes housefurnishings, fuel, and miscellaneous groups not shown separately. Midmonth figures, latest shown are for June.

YIELDS ON TREASURY AND CORPORATE SECURITIES



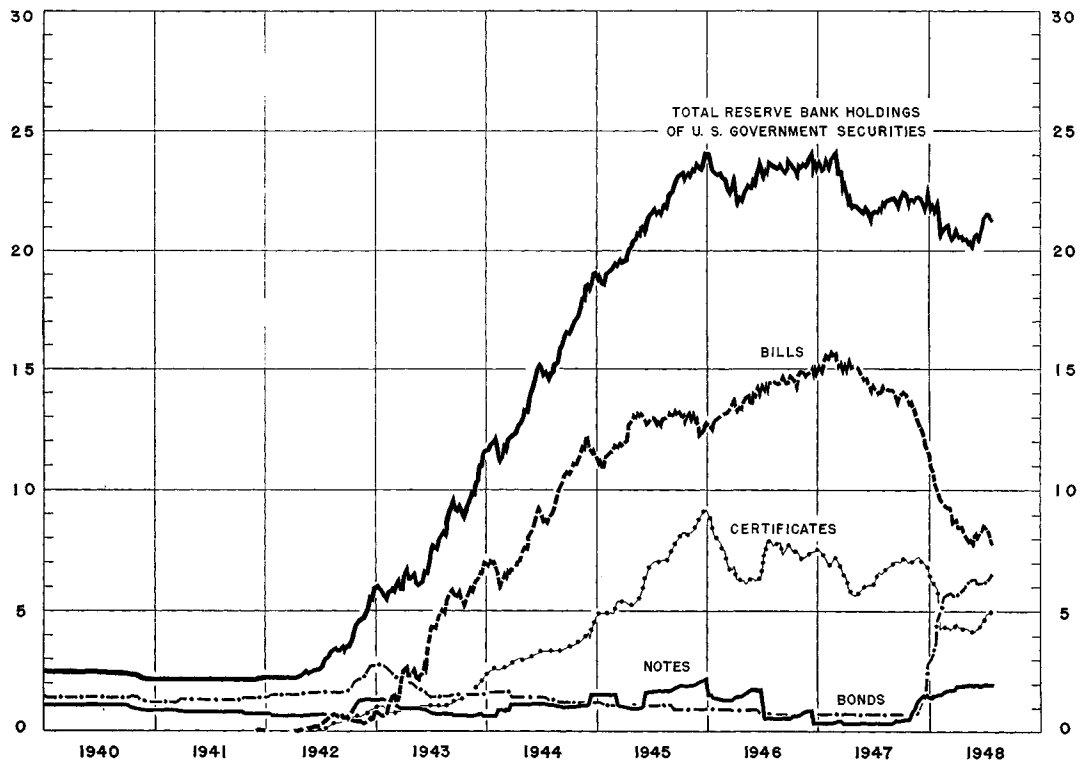
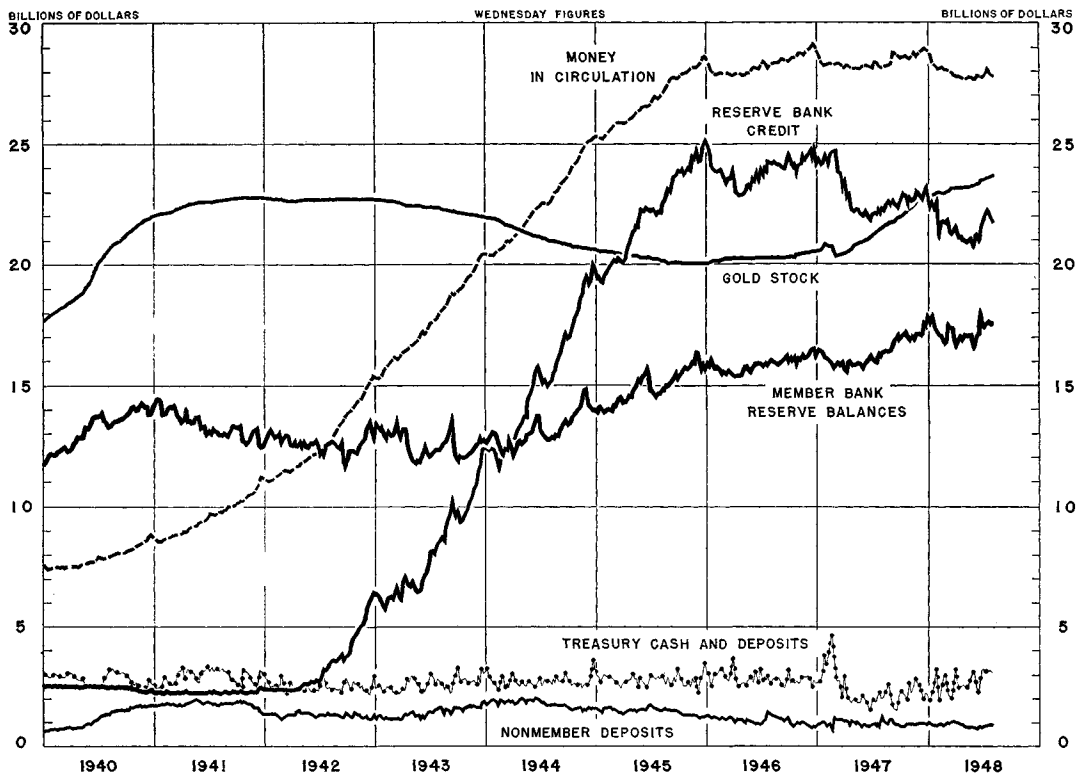
Weekly average of daily figures compiled by Federal Reserve from data reported by U. S. Treasury Department, latest shown are for week ending July 28.

FINANCIAL, INDUSTRIAL, AND COMMERCIAL STATISTICS UNITED STATES

	PAGE
Member bank reserves, Reserve Bank credit, and related items.	965
Federal Reserve Bank discount rates; rates on industrial loans, guarantee fees and rates under Regulation V; rates on time deposits; reserve requirements; margin requirements.	966
Federal Reserve Bank statistics.	967- 970
Guaranteed war production loans.	971
Deposits and reserves of member banks.	971- 972
Money in circulation	973- 974
Gold stock; bank debits and deposit turnover.	974
Deposits and currency; Postal Savings System; bank suspensions.	975
All banks in the United States, by classes . .	976- 977
All insured commercial banks in the United States, by classes.	978- 979
Weekly reporting member banks.	980- 983
Commercial paper, bankers' acceptances, and brokers' balances.	984
Money rates and bond yields.	985
Security prices and new issues.	986- 987
Corporate earnings and dividends.	988
Treasury finance	989- 991
Government corporations and credit agencies.	992
Business indexes	993-1002
Department store statistics.	1003-1006
Cost of living.	1006
Wholesale prices	1007
Gross national product, national income, and income payments.	1008-1009
Consumer credit statistics.	1010-1012
Current statistics for Federal Reserve chart books.	1013-1017
July crop report, by Federal Reserve districts.	1017
Number of banking offices on Federal Reserve par list and not on par list	1018
Member bank operating ratios, 1947	1019-1021
Earnings and expenses of Federal Reserve Banks for six-month period ended June 30, 1948.	1022

Tables on the following pages include the principal available statistics of current significance relating to financial and business developments in the United States. The data relating to the Federal Reserve Banks and the member banks of the Federal Reserve System are derived from regular reports made to the Board; index numbers of production are compiled by the Board on the basis of material collected by other agencies; figures for gold stock, money in circulation, Treasury finance, and operations of Government credit agencies are obtained principally from statements of the Treasury, or of the agencies concerned; data on money and security markets and commodity prices and other series on business activity are obtained largely from other sources. Back figures for banking and monetary tables, together with descriptive text, may be obtained from the Board's publication, *Banking and Monetary Statistics*; back figures for most other tables may be obtained from earlier BULLETINS.

MEMBER BANK RESERVES, RESERVE BANK CREDIT, AND RELATED ITEMS



Wednesday figures, latest shown are for July 28. See p. 965.

FEDERAL RESERVE BANK DISCOUNT RATES

[In effect July 31. Per cent per annum]

Federal Reserve Bank	Discounts for and advances to member banks				Advances to individuals, partnerships, or corporations other than member banks secured by direct obligations of the U. S. (last par. Sec. 13)	
	Advances secured by Government obligations and discounts of and advances secured by eligible paper (Secs. 13 and 13a) ¹		Other secured advances [Sec. 10(b)]		Rate	Effective
	Rate	Effective	Rate	Effective		
Boston	1½	Jan. 14, 1948	1½	Jan. 14, 1948	2½	Jan. 14, 1948
New York	1½	Jan. 12, 1948	1½	Jan. 12, 1948	2½	Apr. 6, 1946
Philadelphia	1½	Jan. 12, 1948	1½	Jan. 12, 1948	2	Mar. 23, 1946
Cleveland	1½	Jan. 12, 1948	1½	Jan. 12, 1948	2	Mar. 9, 1946
Richmond	1½	Jan. 12, 1948	1½	Jan. 12, 1948	2½	Mar. 16, 1946
Atlanta	1½	Jan. 12, 1948	1½	Jan. 12, 1948	2½	Jan. 24, 1948
Chicago	1½	Jan. 12, 1948	1½	Jan. 12, 1948	2½	Jan. 12, 1948
St. Louis	1½	Jan. 12, 1948	1½	Jan. 12, 1948	2½	Jan. 12, 1948
Minneapolis	1½	Jan. 12, 1948	1½	Jan. 12, 1948	2½	Jan. 15, 1948
Kansas City	1½	Jan. 19, 1948	1½	Jan. 19, 1948	2½	Jan. 19, 1948
Dallas	1½	Jan. 12, 1948	1½	Jan. 12, 1948	2½	Feb. 14, 1948
San Francisco	1½	Jan. 15, 1948	1½	Jan. 15, 1948	2½	Apr. 25, 1946

¹Rates shown also apply to advances secured by obligations of Federal intermediate credit banks maturing within 6 months. NOTE.—Maximum maturities for discounts and advances to member banks are: 15 days for advances secured by obligations of the Federal Farm Mortgage Corporation or the Home Owners' Loan Corporation guaranteed as to principal and interest by the United States, or by obligations of Federal intermediate credit banks maturing within 6 months; 90 days for other advances and discounts made under Sections 13 and 13a of the Federal Reserve Act (except that discounts of certain bankers' acceptances and of agricultural paper may have maturities not exceeding 6 months and 9 months, respectively); and 4 months for advances under Section 10(b). The maximum maturity for advances to individuals, partnerships, or corporations made under the last paragraph of Section 13 is 90 days. *Back figures.*—See *Banking and Monetary Statistics*, Tables 115-116, pp. 439-443.

FEDERAL RESERVE BANK EFFECTIVE MINIMUM BUYING RATES ON BANKERS' ACCEPTANCES
[Per cent per annum]

Maturity	Rate on July 31	In effect beginning—	Previous rate
1-90 days	1½	Jan. 12, 1948	1½
91-120 days	1½	Jan. 12, 1948	1½
121-180 days	1½	Jan. 12, 1948	1½

¹Date on which rate became effective at the Federal Reserve Bank of New York. The same rates generally apply to any purchases made by the other Federal Reserve Banks. *Back figures.*—See *Banking and Monetary Statistics*, Table 117, pp. 443-445.

MEMBER BANK RESERVE REQUIREMENTS
[Per cent of deposits]

Period in effect	Net demand deposits ¹			Time deposits (all member banks)
	Central reserve city banks	Reserve city banks	Country banks	
June 21, 1917-Aug. 15, 1936 ..	13	10	7	3
Aug. 16, 1936-Feb. 28, 1937 ..	19½	15	10½	4½
Mar. 1, 1937-Apr. 30, 1937 ..	22¾	17½	12¼	5¼
May 1, 1937-Apr. 15, 1938 ..	26	20	14	6
Apr. 16, 1938-Oct. 31, 1941 ..	22¾	17½	12	5
Nov. 1, 1941-Aug. 19, 1942 ..	26	20	14	6
Aug. 20, 1942-Sept. 13, 1942 ..	24	20	14	6
Sept. 14, 1942-Oct. 2, 1942 ..	22	20	14	6
Oct. 3, 1942-Feb. 26, 1948 ..	20	20	14	6
Feb. 27, 1948-June 10, 1948 ..	22	20	14	6
June 11, 1948 and after	24	20	14	6

¹Demand deposits subject to reserve requirements, i. e., total demand deposits minus cash items in process of collection and demand balances due from domestic banks (also minus war loan and series E bond accounts during the period Apr. 13, 1943-June 30, 1947, and all U. S. Government demand accounts Apr. 24, 1917-Aug. 23, 1935).

MAXIMUM RATES ON TIME DEPOSITS

Maximum rates that may be paid by member banks as established by the Board of Governors under provisions of Regulation Q.
[Per cent per annum]

	Nov. 1, 1933- Jan. 31, 1935	Feb. 1, 1935- Dec. 31, 1935	Effective Jan. 1, 1936
Savings deposits	3	2½	2½
Postal savings deposits	3	2½	2½
Other deposits payable:			
In 6 months or more	3	2½	2½
In 90 days to 6 months	3	2½	2
In less than 90 days	3	2½	1

NOTE.—Maximum rates that may be paid by insured nonmember banks as established by the F. D. I. C., effective Feb. 1, 1936, are the same as those in effect for member banks. Under Regulation Q the rate payable by a member bank may not in any event exceed the maximum rate payable by State banks or trust companies on like deposits under the laws of the State in which the member bank is located.

FEDERAL RESERVE BANK RATES ON INDUSTRIAL LOANS AND COMMITMENTS UNDER SECTION 13b OF THE FEDERAL RESERVE ACT

Maturities not exceeding five years
[In effect July 31. Per cent per annum]

Federal Reserve Bank	To industrial or commercial businesses		To financing institutions		
	On loans ¹	On commitments	On discounts or purchases		On commitments
			Portion for which institution is obligated	Re-remaining portion	
Boston	2½-5	½-1½	(2)	(2)	½-1½
New York	2½-5	½-1½	(2)	(2)	½-1½
Philadelphia	2½-5	½-1½	(4)	(2)	½-1½
Cleveland	2½-5	½-1½	(2)	(2)	½-1½
Richmond	2½-5	½-1½	(2)	(2)	½-1½
Atlanta	2½-5	½-1½	1-5	1-5	½-1½
Chicago	2½-5	½-1½	2½-5	2½-5	½-1½
St. Louis	2½-5	½-1½	1½-1¾	(2)	½-1½
Minneapolis	2½-5	½-1½	(2)	(2)	½-1½
Kansas City	2½-5	½-1½	(2)	(2)	½-1½
Dallas	2½-5	½-1½	(2)	(2)	½-1½
San Francisco	2½-5	½-1½	(2)	(2)	½-1½

¹Including loans made in participation with financing institutions. ²Rate charged borrower less commitment rate. ³Rate charged borrower. ⁴Rate charged borrower but not to exceed 1 per cent above the discount rate. ⁵Charge of ¼ per cent is made on undisbursed portion of loan. *Back figures.*—See *Banking and Monetary Statistics*, Table 118, pp. 446-447.

MARGIN REQUIREMENTS¹

[Per cent of market value]

Prescribed in accordance with Securities Exchange Act of 1934	July 5, 1945- Jan. 20, 1946	Jan. 21, 1946- Jan. 31, 1947	Effective Feb. 1, 1947
Regulation T: For extensions of credit by brokers and dealers on listed securities	75	100	75
For short sales	75	100	75
Regulation U: For loans by banks on stocks	75	100	75

¹Regulations T and U limit the amount of credit that may be extended on a security by prescribing a maximum loan value, which is a specified percentage of its market value at the time of the extension; the "margin requirements" shown in this table are the difference between the market value (100%) and the maximum loan value. *Back figures.*—See *Banking and Monetary Statistics*, Table 145, p. 504, and BULLETIN for March 1945, p. 235.

PRINCIPAL ASSETS AND LIABILITIES OF ALL FEDERAL RESERVE BANKS

[In thousands of dollars]

Item	Wednesday figures							End of month		
	1948							1948		1947
	July 28	July 21	July 14	July 7	June 30	June 23	June 16	July	June	July
Assets										
Gold certificates.....	21,784,670	21,764,671	21,699,673	21,692,172	21,642,170	21,642,170	21,623,170	21,793,669	21,642,170	19,621,179
Redemption fund for F. R. notes.....	612,133	615,080	615,080	615,643	615,643	618,904	618,222	613,132	615,643	674,936
Total gold certificate reserves.....	22,396,803	22,379,751	22,314,753	22,307,815	22,257,813	22,261,074	22,241,392	22,406,801	22,257,813	20,296,115
Other cash.....	279,535	270,559	254,509	224,300	255,770	271,252	262,839	288,523	255,770	277,080
Discounts and advances:										
For member banks....	94,031	54,269	84,775	166,670	34,632	117,946	59,032	85,251	34,632	107,782
For nonmember banks etc.....	232,700	231,000	231,000	231,000	231,000	235,000	235,000	232,700	231,000	29,500
Total discounts and advances.....	326,731	285,269	315,775	397,670	265,632	352,946	294,032	317,951	265,632	137,282
Industrial loans.....	789	844	840	844	851	2,239	1,868	802	851	.....
U. S. Govt. securities:										
Bills:										
Under repurchase option.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	3,564,615
Other.....	7,734,681	7,963,781	8,311,331	8,488,581	8,576,881	8,395,481	8,240,631	7,555,931	8,576,881	10,330,616
Certificates:										
Special.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Other.....	4,957,407	4,955,407	4,931,407	4,878,907	4,616,007	4,505,007	4,397,007	5,059,407	4,616,007	6,558,966
Notes.....	1,953,300	1,957,800	1,957,800	1,957,800	1,967,800	1,934,800	1,934,800	1,953,300	1,967,800	369,300
Bonds.....	6,563,921	6,448,763	6,320,519	6,209,881	6,205,681	6,174,786	6,176,786	6,756,765	6,205,681	725,690
Total U. S. Govt. securities.....	21,209,309	21,325,751	21,521,057	21,535,169	21,366,369	21,010,074	20,749,224	21,325,403	21,366,369	21,549,187
Other Reserve Bank credit outstanding....	186,012	276,105	300,931	309,407	267,109	355,999	473,733	390,701	267,109	187,155
Total Reserve Bank credit outstanding.....	21,722,841	21,887,969	22,138,603	22,243,090	21,899,961	21,721,258	21,518,857	22,034,857	21,899,961	21,875,356
Liabilities										
Federal Reserve notes.....	23,725,348	23,756,237	23,826,775	23,960,043	23,751,812	23,669,494	23,688,832	23,771,287	23,751,812	24,090,051
Deposits:										
Member bank — reserve account.....	17,533,595	17,502,513	17,630,864	17,584,327	17,389,027	17,407,925	17,998,821	17,695,901	17,389,027	16,007,408
U. S. Treasurer—general account.....	1,821,784	1,878,842	1,861,300	1,841,139	1,927,559	1,863,370	983,801	1,755,067	1,927,559	795,403
Foreign.....	377,171	430,365	441,920	440,646	405,250	363,924	356,998	374,812	405,250	616,149
Other.....	497,680	489,856	456,260	436,609	454,141	463,222	521,963	692,157	454,141	449,738
Total deposits.....	20,230,230	20,301,576	20,390,344	20,302,721	20,175,977	20,098,441	19,861,583	20,517,937	20,175,977	17,868,698
Ratio of gold certificate reserves to deposit and F. R. note liabilities combined (per cent)...	51.0	50.8	50.5	50.4	50.7	50.9	51.1	50.6	50.7	48.4

MATURITY DISTRIBUTION OF LOANS AND U. S. GOVERNMENT SECURITIES HELD BY FEDERAL RESERVE BANKS

[In thousands of dollars]

	Total	Within 15 days	16 to 30 days	31 to 60 days	61 to 90 days	91 days to 6 months	6 months to 1 year	1 year to 2 years	2 years to 5 years	Over 5 years
Discounts and advances:										
June 30.....	265,632	71,619	43,350	31,310	119,353	.....	.....	.....	.....	.....
July 7.....	397,670	188,977	55,125	91,438	52,980	9,150	.....	.....	.....	.....
July 14.....	315,775	118,800	23,331	112,269	41,865	19,510	.....	.....	.....	.....
July 21.....	285,269	87,862	23,270	103,766	61,181	9,190	.....	.....	.....	.....
July 28.....	326,731	108,360	12,577	119,772	86,022	.....	.....	.....	.....	.....
Industrial loans:										
June 30.....	851	535	35	189	56	2	4	14	16	.....
July 7.....	844	522	141	62	83	2	4	14	16	.....
July 14.....	840	552	141	67	44	2	4	14	16	.....
July 21.....	844	670	.....	104	17	19	4	14	16	.....
July 28.....	789	607	.....	104	42	2	4	14	16	.....
U. S. Government securities:										
June 30.....	21,366,369	4,573,135	1,095,090	2,573,754	3,392,031	1,456,017	2,070,661	1,145,651	5,060,030	.....
July 7.....	21,535,169	2,005,455	1,116,331	2,756,122	4,808,540	372,350	4,266,490	1,148,351	5,061,530	.....
July 14.....	21,521,057	1,726,205	1,143,752	2,875,306	4,763,935	367,350	4,323,990	1,148,351	5,172,168	.....
July 21.....	21,325,751	1,560,180	1,220,556	3,546,138	3,834,774	356,350	4,358,990	1,148,351	5,300,412	.....
July 28.....	21,209,309	1,551,643	1,379,752	3,397,731	3,600,422	351,350	4,364,490	1,148,351	5,415,570	.....

WAR PRODUCTION LOANS GUARANTEED BY WAR DEPARTMENT, NAVY DEPARTMENT, AND MARITIME COMMISSION THROUGH FEDERAL RESERVE BANKS UNDER REGULATION V

[Amounts in thousands of dollars]					
End of month	Guaranteed loans authorized to date		Guaranteed loans outstanding		Additional amount available to borrowers under guarantee agreements outstanding
	Number	Amount	Total amount	Portion guaranteed	
1942—June...	565	310,680	81,108	69,674	137,888
Dec....	2,665	2,688,397	803,720	632,474	1,430,121
1943—June...	4,217	4,718,818	1,428,253	1,153,756	2,216,053
Dec....	5,347	6,563,048	1,914,040	1,601,518	3,146,286
1944—June...	6,433	8,046,672	2,064,318	1,735,777	3,810,797
Dec....	7,434	9,310,582	1,735,970	1,482,038	4,453,586
1945—June...	8,422	10,149,351	1,386,851	1,190,944	3,694,618
Dec....	8,757	10,339,400	510,270	435,345	966,595
1946—June...	8,771	10,344,018	70,267	60,214	142,617
Dec....	8,771	10,344,018	18,996	17,454	28,791
1947—June...	8,771	10,344,018	3,589	3,218	6,726
Dec....	8,771	10,344,018	2,412	2,183	.....
1948—Jan....	8,771	10,344,018	2,357	2,133	.....
Feb....	8,771	10,344,018	1,959	1,777	.....
Mar....	8,771	10,344,018	1,835	1,666	.....
Apr....	8,771	10,344,018	1,787	1,623	.....
May....	8,771	10,344,018	1,761	1,599	.....
June....	8,771	10,344,018	1,609	1,463	.....

NOTE.—The difference between guaranteed loans authorized and sum of loans outstanding and additional amounts available to borrowers under guarantee agreements outstanding represents amounts repaid and authorizations expired or withdrawn.

INDUSTRIAL LOANS BY FEDERAL RESERVE BANKS

[Amounts in thousands of dollars]

Date (last Wednesday or last day of period)	Applications approved to date		Approved but not completed ¹ (amount)	Loans outstanding ² (amount)	Commitments outstanding (amount)	Participations outstanding (amount)
	Number	Amount				
1934.....	984	49,634	20,966	13,589	8,225	1,296
1935.....	1,993	124,493	11,548	32,493	27,649	8,778
1936.....	2,280	139,829	8,226	25,526	20,959	7,208
1937.....	2,406	150,987	3,369	20,216	12,780	7,238
1938.....	2,653	175,013	1,946	17,345	14,161	12,722
1939.....	2,781	188,222	2,659	13,683	9,220	10,981
1940.....	2,908	212,510	13,954	9,152	5,226	6,386
1941.....	3,202	279,860	8,294	10,337	14,597	19,600
1942.....	3,423	408,737	4,248	14,126	10,661	17,305
1943.....	3,471	491,342	926	10,532	9,270	17,930
1944.....	3,489	525,532	1,295	3,894	4,165	2,706
1945 June 30...	3,502	537,331	70	3,252	5,224	2,501
Dec. 31...	3,511	544,961	320	1,995	1,644	1,086
1946 June 29...	3,524	552,711	615	1,210	5,366	1,110
Dec. 31...	3,542	565,913	4,577	554	8,309	2,670
1947 Mar. 31...	3,548	569,825	4,595	1,081	8,160	2,727
June 30...	3,555	572,836	195	1,778	7,018	4,043
Sept. 30...	3,566	577,614	1,229	1,892	7,395	5,019
Dec. 31...	3,574	586,726	945	1,387	7,434	4,869
1948 Jan. 31...	3,576	589,986	1,025	1,972	7,077	5,213
Feb. 28...	3,582	596,048	145	4,906	7,918	6,770
Mar. 31...	3,587	600,322	45	3,785	7,700	5,109
Apr. 30...	3,593	604,623	70	1,394	6,646	4,234
May 31...	3,595	606,305	120	916	6,612	3,272
June 30...	3,599	610,956	1,045	851	6,482	3,238

¹ Includes applications approved conditionally by the Federal Reserve Banks and under consideration by applicant.

² Includes industrial loans past due 3 months or more, which are not included in industrial loans outstanding in weekly statement of condition of Federal Reserve Banks.

NOTE.—The difference between amount of applications approved and the sum of the following four columns represents repayments of advances, and applications for loans and commitments withdrawn or expired.

MEMBER BANK RESERVES AND BORROWINGS

[Averages of daily figures. In millions of dollars]

Month, or week ending Thursday	All member banks ¹	Central reserve city banks		Reserve city banks	Country banks ¹
		New York	Chicago		
Total reserves held:					
1947—May.....	15,978	4,141	911	6,317	4,608
June.....	16,153	4,196	940	6,377	4,640
1948—May.....	16,933	4,511	1,057	6,496	4,869
June.....	17,396	4,808	1,132	6,534	4,922
June 3.....	17,016	4,576	1,074	6,500	4,867
June 10.....	17,126	4,549	1,080	6,550	4,947
June 17.....	17,713	4,958	1,172	6,605	4,978
June 24.....	17,465	4,915	1,148	6,484	4,918
July 1.....	17,446	4,898	1,152	6,516	4,880
July 8.....	17,409	4,828	1,150	6,527	4,904
July 15.....	17,578	4,848	1,162	6,597	4,971
July 22.....	17,596	4,876	1,167	6,592	4,961
Excess reserves:					
1947—May.....	784	12	-2	224	550
June.....	785	14	10	224	538
1948—May.....	743	18	8	202	514
June.....	852	44	12	241	556
June 3.....	845	83	21	238	503
June 10.....	909	58	22	258	571
June 17.....	902	22	7	263	610
June 24.....	765	16	2	2190	557
July 1.....	793	30	9	225	529
July 8.....	825	15	6	255	549
July 15.....	916	30	9	266	611
July 22.....	9839	17	5	219	598
Borrowings at Federal Reserve Banks:					
1947—May.....	107	8	.....	49	50
June.....	135	11	1	73	50
1948—May.....	144	50	5	47	42
June.....	100	23	3	37	37
June 3.....	125	2	1	64	58
June 10.....	78	2	1	31	44
June 17.....	103	28	3	33	39
June 24.....	97	16	7	45	29
July 1.....	122	53	3	34	32
July 8.....	165	97	.....	43	25
July 15.....	82	19	.....	30	33
July 22.....	49	2	.....	27	20

¹ Revised.
² Preliminary.
³ Weekly figures of excess reserves of all member banks and of country banks are estimates. Weekly figures of borrowings of all member banks and of country banks may include small amounts of Federal Reserve Bank discounts and advances for nonmember banks, etc.

DEPOSITS OF COUNTRY MEMBER BANKS IN LARGE AND SMALL CENTERS¹

[Averages of daily figures. In millions of dollars]

	In places of 15,000 and over population		In places of under 15,000 population	
	Demand deposits except inter-bank	Time deposits	Demand deposits except inter-bank	Time deposits
June 1947.....	15,043	8,443	11,523	5,976
May 1948.....	16,178	8,796	11,797	6,046
June 1948.....	16,337	8,819	11,806	6,045
Boston.....	1,883	867	330	230
New York.....	2,998	2,215	1,011	1,155
Philadelphia.....	1,232	813	901	899
Cleveland.....	1,324	914	1,039	823
Richmond.....	1,082	398	851	470
Atlanta.....	1,541	488	666	218
Chicago.....	2,197	1,589	1,673	959
St. Louis.....	649	338	956	275
Minneapolis.....	582	295	757	448
Kansas City.....	558	104	1,575	204
Dallas.....	1,009	146	1,515	66
San Francisco.....	1,282	650	534	300

¹ Revised.
² Includes any banks in outlying sections of reserve cities that have been given permission to carry the same reserves as country banks.

DEPOSITS, RESERVES, AND BORROWINGS OF MEMBER BANKS

[Averages of daily figures.¹ In millions of dollars]

Class of bank and Federal Reserve district	Gross demand deposits			Net demand deposits ²	Time deposits ³	Demand balances due from domestic banks	Reserves with Federal Reserve Banks			Borrowings at Federal Reserve Banks
	Total	Inter-bank	Other				Total	Required	Excess	
First half of June 1948										
All member banks.....	88,342	10,549	77,793	77,581	28,691	5,271	17,270	16,388	882	93
Central reserve city banks:										
New York.....	21,656	3,897	17,759	20,005	1,622	44	4,678	4,632	46	14
Chicago.....	5,086	1,079	4,006	4,580	925	146	1,106	1,094	13	2
Reserve city banks.....	32,566	4,757	27,810	28,125	11,280	1,770	6,558	6,289	270	35
Boston.....	1,842	276	1,566	1,676	193	32	360	347	13	3
New York.....	560	25	535	491	301	24	119	116	3	.....
Philadelphia.....	2,116	333	1,783	1,869	239	71	391	388	3	2
Cleveland.....	3,916	437	3,479	3,455	1,412	164	801	776	25	9
Richmond.....	2,076	305	1,771	1,805	431	101	407	387	20	3
Atlanta.....	2,001	396	1,605	1,694	408	124	389	363	26	3
Chicago.....	3,885	426	3,459	3,336	1,995	280	825	774	51	4
St. Louis.....	1,928	530	1,398	1,631	335	96	360	346	13	3
Minneapolis.....	999	263	735	820	179	68	179	175	5	.....
Kansas City.....	2,704	746	1,958	2,200	361	262	487	462	25	4
Dallas.....	2,395	497	1,898	1,957	363	261	457	413	43	.....
San Francisco.....	8,144	522	7,622	7,190	5,062	287	1,784	1,742	42	2
Country banks.....	29,034	816	28,218	24,871	14,863	3,311	4,928	4,374	554	42
Boston.....	2,284	80	2,204	1,995	1,098	166	376	345	31	8
New York.....	4,106	85	4,021	3,613	3,369	298	787	708	79	13
Philadelphia.....	2,140	15	2,125	1,874	1,711	201	408	365	43	5
Cleveland.....	2,385	23	2,362	2,071	1,736	253	457	394	63	2
Richmond.....	2,052	110	1,942	1,714	869	261	331	292	39	4
Atlanta.....	2,377	150	2,227	2,010	706	303	364	324	41	2
Chicago.....	3,951	62	3,889	3,381	2,548	486	712	626	86	1
St. Louis.....	1,659	44	1,615	1,428	613	201	264	237	28	2
Minneapolis.....	1,399	56	1,343	1,194	743	171	240	212	28	.....
Kansas City.....	2,193	60	2,133	1,836	308	337	318	276	42	1
Dallas.....	2,630	104	2,526	2,150	211	439	365	314	51	1
San Francisco.....	1,857	27	1,830	1,607	951	197	305	282	23	2
Second half of June 1948										
All member banks.....	88,271	10,696	77,576	77,399	28,746	5,269	17,521	16,700	821	107
Central reserve city banks:										
New York.....	21,670	3,991	17,679	19,990	1,658	43	4,938	4,897	41	31
Chicago.....	5,053	1,059	3,994	4,543	934	132	1,157	1,146	11	5
Reserve city banks.....	32,651	4,818	27,834	28,107	11,289	1,797	6,510	6,299	212	39
Boston.....	1,878	294	1,583	1,698	192	34	363	351	12	1
New York.....	553	25	528	484	301	24	117	115	2	1
Philadelphia.....	2,174	354	1,820	1,899	238	75	403	394	9	1
Cleveland.....	3,932	449	3,483	3,429	1,414	170	798	771	28	8
Richmond.....	2,066	300	1,766	1,800	430	98	402	386	16	5
Atlanta.....	1,971	376	1,595	1,673	407	120	373	359	14	5
Chicago.....	3,897	426	3,471	3,328	1,994	285	816	785	30	3
St. Louis.....	1,888	518	1,370	1,603	335	84	351	341	10	7
Minneapolis.....	1,000	267	733	826	179	66	180	176	4	1
Kansas City.....	2,738	762	1,976	2,220	359	270	484	466	18	4
Dallas.....	2,436	511	1,924	1,978	366	280	453	418	35	.....
San Francisco.....	8,118	534	7,584	7,170	5,075	290	1,770	1,738	32	2
Country banks.....	28,897	828	28,069	24,759	14,865	3,297	4,916	4,358	557	32
Boston.....	2,305	83	2,222	2,006	1,096	177	382	347	35	4
New York.....	4,086	88	3,997	3,593	3,372	294	782	705	76	11
Philadelphia.....	2,157	17	2,140	1,871	1,712	213	409	365	45	4
Cleveland.....	2,386	24	2,363	2,069	1,738	257	457	394	63	1
Richmond.....	2,030	106	1,924	1,695	868	256	325	289	36	5
Atlanta.....	2,336	149	2,187	1,989	705	288	352	321	31	1
Chicago.....	3,913	64	3,850	3,357	2,547	475	711	623	89	1
St. Louis.....	1,639	45	1,595	1,418	613	193	265	235	29	2
Minneapolis.....	1,391	57	1,334	1,196	745	166	242	212	30	.....
Kansas City.....	2,194	61	2,133	1,836	308	340	321	275	45	1
Dallas.....	2,629	108	2,521	2,144	212	444	366	313	54	1
San Francisco.....	1,830	27	1,803	1,586	949	195	304	279	25	1

¹ Averages of daily closing figures for reserves and borrowings and of daily opening figures for other columns, inasmuch as reserves required are based on deposits at opening of business.

² Demand deposits subject to reserve requirements, i. e., gross demand deposits minus cash items reported as in process of collection and demand balances due from domestic banks.

³ Includes some interbank and U. S. Government time deposits; the amounts on call report dates are shown in the *Member Bank Call Report*.

NOTE.—Demand deposits adjusted (demand deposits other than interbank and U. S. Government, less cash items reported as in process of collection) of all member banks estimated at 70,450 million dollars in the first half and 70,350 million in the second half of June.

UNITED STATES MONEY IN CIRCULATION, BY DENOMINATIONS

[Outside Treasury and Federal Reserve Banks. In millions of dollars]

End of year or month	Total in circulation ¹	Coin and small denomination currency ²						Large denomination currency ²						Unassorted		
		Total	Coin	\$1	\$2	\$5	\$10	\$20	Total	\$50	\$100	\$500	\$1,000		\$5,000	\$10,000
1933	5,519	4,167	442	402	33	719	1,229	1,342	1,360	364	618	125	237	8	10	8
1934	5,536	4,292	452	423	32	771	1,288	1,326	1,254	337	577	112	216	5	7	10
1935	5,882	4,518	478	460	33	815	1,373	1,359	1,369	358	627	122	239	7	16	5
1936	6,543	5,021	517	499	35	906	1,563	1,501	1,530	399	707	135	265	7	18	8
1937	6,550	5,015	537	505	33	905	1,560	1,475	1,542	387	710	139	288	6	12	7
1938	6,856	5,147	550	524	34	946	1,611	1,481	1,714	409	770	160	327	17	32	5
1939	7,598	5,553	590	559	36	1,019	1,772	1,576	2,048	460	919	191	425	20	32	2
1940	8,732	6,247	648	610	39	1,129	2,021	1,800	2,489	538	1,112	227	523	30	60	4
1941	11,160	8,120	751	695	44	1,355	2,731	2,545	3,044	724	1,433	261	556	24	46	4
1942	15,410	11,576	880	801	55	1,693	4,051	4,096	3,837	1,019	1,910	287	586	9	25	3
1943	20,449	14,871	1,019	909	70	1,973	5,194	5,705	5,580	1,481	2,912	407	749	9	22	2
1944	25,307	17,580	1,156	987	81	2,150	5,983	7,224	7,730	1,996	4,153	555	990	10	24	3
1945	28,515	20,683	1,274	1,039	73	2,313	6,782	9,201	7,834	2,327	4,220	454	801	7	24	2
1946	28,952	20,437	1,361	1,029	67	2,173	6,497	9,310	8,518	2,492	4,771	438	783	8	26	3
1947—March	28,230	19,807	1,344	969	63	2,085	6,309	9,036	8,424	2,447	4,754	432	771	6	14	1
April	28,114	19,684	1,351	972	63	2,065	6,253	8,979	8,432	2,442	4,769	431	773	5	12	1
May	28,261	19,773	1,351	985	63	2,089	6,303	8,982	8,489	2,449	4,789	430	804	5	11	2
June	28,297	19,769	1,355	986	64	2,078	6,289	8,996	8,530	2,466	4,808	430	810	5	12	2
July	28,149	19,622	1,356	980	63	2,058	6,230	8,935	8,529	2,453	4,824	428	806	5	12	2
August	28,434	19,837	1,362	990	64	2,092	6,308	9,020	8,600	2,477	4,841	428	804	5	12	2
September	28,567	19,881	1,375	1,010	64	2,085	6,270	9,077	8,689	2,503	4,941	428	800	5	12	2
October	28,552	19,833	1,385	1,011	63	2,078	6,233	9,064	8,721	2,499	4,986	427	793	5	11	3
November	28,766	20,008	1,396	1,020	64	2,102	6,303	9,123	8,760	2,513	5,023	426	782	5	11	3
December	28,868	20,020	1,404	1,048	65	2,110	6,275	9,119	8,850	2,548	5,070	428	782	5	17	3
1948—January	28,111	19,369	1,382	984	63	2,017	6,064	8,858	8,745	2,511	5,022	424	771	5	12	3
February	28,019	19,335	1,385	972	63	2,005	6,084	8,826	8,687	2,492	4,996	421	762	5	12	3
March	27,781	19,169	1,394	975	62	1,986	6,013	8,738	8,614	2,470	4,962	416	749	5	11	1
April	27,716	19,144	1,399	976	61	1,991	6,017	8,700	8,574	2,456	4,951	412	739	5	10	1
May	27,812	19,259	1,409	994	62	2,015	6,054	8,724	8,555	2,453	4,943	410	735	5	10	2
June	27,903	19,323	1,421	1,000	63	2,017	6,085	8,737	8,581	2,465	4,945	407	749	5	10	2

¹ Total of amounts of coin and paper currency shown by denominations less unassorted currency in Treasury and Federal Reserve Banks.
² Includes unassorted currency held in Treasury and Federal Reserve Banks and currency of unknown denominations reported by the Treasury as destroyed.
³ Paper currency only; \$1 silver coins reported under coin.

Back figures.—See Banking and Monetary Statistics, Table 112, pp. 415-416.

UNITED STATES MONEY, OUTSTANDING AND IN CIRCULATION, BY KINDS

[On basis of circulation statement of United States money. In millions of dollars]

	Total outstanding, June 30, 1948	Money held in the Treasury			Money held by Federal Reserve Banks and agents	Money in circulation ¹		
		As security against gold and silver certificates	Treasury cash	For Federal Reserve Banks and agents		June 30, 1948	May 31, 1948	June 30, 1947
Gold	23,532	22,303	² 1,229					
Gold certificates	22,303			19,442	2,815	45	45	48
Federal Reserve notes	24,503		45		23,600	23,525	23,999	23,999
Treasury currency—total	4,565	² 2,260	52		256	4,257	4,242	4,250
Standard silver dollars	493	305	29		2	156	155	148
Silver bullion	1,955	1,955						
Silver certificates and Treasury notes of 1890	² 2,260				198	2,062	2,061	2,062
Subsidiary silver coin	92		10		24	919	910	876
Minor coin	360		7		6	346	344	331
United States notes	347		4		22	321	315	320
Federal Reserve Bank notes	358		1		3	353	357	406
National Bank notes	100		1		1	99	100	106
Total—June 30, 1948	(¹)	24,563	1,327	19,442	3,929	27,903		
May 31, 1948	(¹)	24,342	1,322	19,220	3,958		27,812	
June 30, 1947	(¹)	22,319	1,314	17,224	3,764			28,297

¹ Outside Treasury and Federal Reserve Banks. Includes any paper currency held outside the continental limits of the United States; totals for other end-of-month dates shown in table above, totals by weeks in table on p. 965, and seasonally adjusted figures in table on p. 974.

² Includes \$156,039,431 held as reserve against United States notes and Treasury notes of 1890.

³ To avoid duplication, amount of silver dollars and bullion held as security against silver certificates and Treasury notes of 1890 outstanding is not included in total Treasury currency outstanding.

⁴ Because some of the types of money shown are held as collateral or reserves against other types, a grand total of all types has no special significance and is not shown. See note of explanation of these duplications.

NOTE.—There are maintained in the Treasury—(i) as a reserve for United States notes and Treasury notes of 1890—\$156,039,431 in gold bullion; (ii) as security for Treasury notes of 1890—an equal dollar amount in standard silver dollars (these notes are being canceled and retired on receipt); (iii) as security for outstanding silver certificates—silver in bullion and standard silver dollars of a monetary value equal to the face amount of such silver certificates; and (iv) as security for gold certificates—gold bullion of a value at the legal standard equal to the face amount of such gold certificates. Federal Reserve notes are obligations of the United States and a first lien on all the assets of the issuing Federal Reserve Bank. Federal Reserve notes are secured by the deposit with Federal Reserve agents of a like amount of gold certificates or of gold certificates and such discounted or purchased paper as is eligible under the terms of the Federal Reserve Act, or of direct obligations of the United States. Federal Reserve Banks must maintain a reserve in gold certificates of at least 25 per cent, including the redemption fund, which must be deposited with the Treasurer of the United States, against Federal Reserve notes in actual circulation; gold certificates pledged as collateral may be counted as reserves. "Gold certificates" as herein used includes credits with the Treasurer of the United States payable in gold certificates. Federal Reserve Bank notes and national bank notes are in process of retirement.

MONEY IN CIRCULATION WITH ADJUSTMENT FOR SEASONAL VARIATION

[Outside Treasury and Federal Reserve Banks. In millions of dollars]

Date	Amount— unadjusted for seasonal variation	Amount— adjusted for seasonal variation	Change in seasonally adjusted series ¹
End of year figures:			
1939.....	7,598		+742
1940.....	8,732		+1,134
1941.....	11,160		+2,428
1942.....	15,410		+4,250
1943.....	20,449		+5,039
1944.....	25,307		+4,858
1945.....	28,515		+3,208
1946.....	28,952		+437
1947.....	28,868		-84
Monthly averages of daily figures:			
1947—June.....	28,236	28,378	+22
July.....	28,259	28,316	-62
August.....	28,252	28,394	+78
September.....	28,654	28,711	+317
October.....	28,598	28,598	-113
November.....	28,648	28,562	-36
December.....	28,937	28,650	+88
1948—January.....	28,394	28,309	-341
February.....	28,096	28,096	-213
March.....	27,941	28,025	-71
April.....	27,766	27,990	-35
May.....	27,749	27,945	-45
June.....	27,846	27,986	+41
July.....	27,955	28,011	+25

¹ For end of year figures, represents change computed on absolute amounts in first column.

NOTE.—For discussion of seasonal adjustment factors and for back figures on comparable basis see September 1943 BULLETIN, pp. 822-826. Because of an apparent recent change in the seasonal pattern around the year end, adjustment factors have been revised somewhat for dates affected, beginning with December 1942; seasonally adjusted figures for money in circulation, as shown in *Banking and Monetary Statistics*, Table 111, p. 414, and described on p. 405, are based on an older series of adjustment factors.

ANALYSIS OF CHANGES IN GOLD STOCK OF UNITED STATES

[In millions of dollars]

Period	Gold stock at end of period	Increase in gold stock	Net gold import or export (-)	Ear- marked gold: de- crease or in- crease (-)	Do- mestic gold pro- duction ¹
1937.....	\$12,760	1,502.5	1,585.5	-200.4	143.9
1938.....	14,512	1,751.5	1,973.6	-333.5	148.6
1939.....	17,644	3,132.0	3,574.2	-534.4	161.7
1940.....	21,995	4,351.2	4,744.5	-644.7	170.2
1941.....	22,737	741.8	982.4	-407.7	169.1
1942.....	22,726	-10.3	315.7	-458.4	125.4
1943.....	21,938	-788.5	68.9	-803.6	48.3
1944.....	20,619	-1,319.0	-845.4	-459.8	35.8
1945.....	20,065	-553.9	-106.3	-356.7	32.0
1946.....	20,529	464.0	311.5	-465.4	51.2
1947.....	22,754	\$ 2,224.9	1,866.3	210.0	75.8
1947—July.....	21,537	270.6	219.2	26.7	76.9
August.....	21,766	228.8	111.7	42.3	76.6
September.....	21,955	189.4	109.6	153.1	76.5
October.....	22,294	339.0	450.8	-4.0	77.7
November.....	22,614	320.1	265.7	-82.8	75.8
December.....	22,754	139.5	178.2	-44.6	76.8
1948—January.....	22,935	180.7	235.0	-14.9	6.0
February.....	23,036	101.5	159.4	-72.2	5.5
March.....	23,137	100.4	99.9	-63.4	6.4
April.....	23,169	32.2	234.2	-111.5	5.7
May.....	23,304	135.2	151.3	-2.8	6.1
June.....	23,532	228.5	\$177.7	81.7	5.7
July.....	\$23,678	\$145.7	(4)	\$ -188.4	(4)

^p Preliminary. ^r Revised.

¹ Annual figures are estimates of the United States Mint. For explanation of monthly figures see table on p. 1025.

² Includes gold in the Inactive Account amounting to 1,228 million on Dec. 31, 1937.

³ Change includes transfer of 687.5 million dollars gold subscription to International Monetary Fund.

⁴ Not yet available.

⁵ Gold held under earmark at the Federal Reserve Banks for foreign account, including gold held for the account of international institutions, amounted to 3,990.0 million dollars on July 31, 1948. Gold under earmark is not included in the gold stock of the United States.

NOTE.—For back figures, see *Banking and Monetary Statistics*, Table 156, pp. 536-538, and for description of statistics see pp. 522-523 in the same publication.

BANK DEBITS AND DEPOSIT TURNOVER

[Debits in millions of dollars]

Year and month	Debits to total deposit accounts, except interbank accounts				Annual rate of turnover of total deposits, except interbank		Debits to demand deposit accounts, except interbank and Government		Annual rate of turnover of demand deposits, except interbank and Government	
	Total, all reporting centers	New York City ¹	140 other centers ¹	Other reporting centers ²	New York City	Other reporting centers	New York City ³	Other leading cities ³	New York City ³	Other leading cities ³
1942 ⁴	641,778	226,865	347,837	67,074	16.1	13.1	200,337	308,913	18.0	18.4
1943.....	792,937	296,368	419,413	77,155	16.5	11.7	258,398	369,396	20.5	17.4
1944.....	891,910	345,585	462,354	83,970	17.1	10.8	298,902	403,400	22.4	17.3
1945.....	974,102	404,543	479,760	89,799	18.3	9.7	351,602	412,800	24.2	16.1
1946—old series ⁵	1,050,021	417,475	527,336	105,210	19.0	10.0	374,365	449,414	25.5	16.9
1946—new series ⁵		405,929	599,639	119,506	21.0	12.0	407,946	522,944	25.2	16.5
1947.....	1,125,074	405,929	599,639	119,506	21.0	12.0	400,468	598,445	24.1	18.0
1947—June.....	94,447	35,632	49,267	9,548	22.7	12.1	35,092	48,595	25.6	17.9
July.....	93,740	34,779	49,178	9,783	21.2	11.6	33,026	48,525	22.9	17.2
August.....	84,427	28,331	46,720	9,377	17.5	11.0	29,025	47,026	20.6	16.6
September.....	91,903	31,837	49,962	10,104	20.2	12.1	31,605	49,978	23.1	18.0
October.....	105,290	37,504	56,554	11,232	21.8	12.4	35,162	55,025	23.9	18.2
November.....	92,910	31,738	51,002	10,169	21.6	13.1	33,531	51,621	26.5	19.8
December.....	118,382	46,225	60,295	11,862	27.2	13.5	44,131	59,878	29.9	20.0
1948—January.....	105,193	37,615	56,355	11,223	22.3	12.7	38,286	55,902	26.2	18.7
February.....	90,270	32,271	48,505	9,495	22.1	12.6	32,298	47,890	25.6	18.6
March.....	107,636	39,587	56,900	11,148	23.4	12.7	38,648	56,372	26.4	19.1
April.....	102,349	37,955	53,685	10,708	23.7	12.5	36,880	52,740	26.5	18.6
May.....	97,603	35,429	51,807	10,367	23.0	12.4	37,060	51,557	27.9	18.7
June.....	108,629	40,633	56,667	11,329	25.4	13.0	38,942	55,442	28.0	19.1

^r Revised

¹ National series for which bank debit figures are available beginning with 1919.

² Number of centers reduced from 193 to 192 beginning December 1947, when one reporting bank was absorbed by a reporting bank in another city.

³ Weekly reporting member bank series.

⁴ Deposits and debits for first four months are partly estimated.

⁵ Statistics for banks in leading cities revised beginning July 3, 1946; for description of revision and for back figures see BULLETINS for June 1947 (pp. 692-693) and July 1947 (pp. 878-883) respectively; deposits and debits of the new series for first six months of 1946 are estimated.

NOTE.—Debits to total deposit accounts, except interbank accounts, have been reported for 334 centers from 1942 through November 1947 and for 333 beginning December 1947; the deposits from which rates of turnover have been computed have likewise been reported by most banks and have been estimated for others. Debits to demand deposit accounts, except interbank and U. S. Government, and the deposits from which rates of turnover have been computed have been reported by member banks in leading cities since 1935; yearly turnover rates in this series differ slightly from those shown in *Banking and Monetary Statistics*, Table 55, p. 254, due to differences in method of computation.

DEPOSITS AND CURRENCY—ADJUSTED DEPOSITS OF ALL BANKS AND CURRENCY OUTSIDE BANKS

[Figures partly estimated. In millions of dollars]

End of month	Total deposits adjusted and currency outside banks	Total demand deposits adjusted and currency outside banks	Total deposits adjusted	Demand deposits adjusted ¹	United States Government deposits ²	Time deposits				Currency outside banks
						Total	Commercial banks ^{3,4}	Mutual savings banks ^{1,5}	Postal Savings System ⁶	
1929—June	55,171	26,179	51,532	22,540	381	28,611	19,557	8,905	149	3,639
December	54,713	26,366	51,156	22,809	158	28,189	19,192	8,838	159	3,557
1933—June	41,680	19,172	36,919	14,411	852	21,656	10,849	9,621	1,186	4,761
December	42,548	19,817	37,766	15,035	1,016	21,715	11,019	9,488	1,208	4,782
1940—June	66,952	38,661	60,253	31,962	828	27,463	15,540	10,631	1,292	6,699
December	70,761	42,270	63,436	34,943	753	27,738	15,777	10,658	1,303	7,325
1941—June	74,153	45,521	65,949	37,317	753	27,879	15,928	10,648	1,303	8,204
December	78,231	48,607	68,616	38,992	1,895	27,729	15,884	10,532	1,313	9,615
1942—June	81,963	52,806	71,027	41,870	1,837	27,320	15,610	10,395	1,315	10,936
December	99,701	62,868	85,755	48,922	8,402	28,431	16,352	10,664	1,415	13,946
1943—June	110,161	71,853	94,347	56,039	8,048	30,260	17,543	11,141	1,576	15,814
December	122,812	79,640	103,975	60,803	10,424	32,748	19,224	11,738	1,786	18,837
1944—June	136,172	80,946	115,291	60,065	19,506	35,720	21,217	12,471	2,032	20,881
December	150,988	90,435	127,483	66,930	20,763	39,790	24,074	13,376	2,340	23,505
1945—June	162,784	94,150	137,687	69,053	24,381	44,253	27,170	14,426	2,657	25,097
December	175,401	102,341	148,911	75,851	24,608	48,452	30,135	15,385	2,932	26,490
1946—June	171,237	105,992	144,721	79,476	13,416	51,829	32,429	16,281	3,119	26,516
December	167,107	110,044	140,377	83,314	3,103	53,960	33,808	16,869	3,283	26,730
1947—June (June 30)	165,455	108,433	139,156	82,134	1,367	55,655	34,835	17,428	3,392	26,299
July (July 30)	166,200	109,000	140,200	83,000	1,400	55,800	34,900	17,500	3,400	26,000
August (Aug. 27)	166,900	109,400	140,800	83,300	1,700	55,800	34,900	17,500	3,400	26,100
September (Sept. 24)	168,400	110,400	142,100	84,100	1,900	56,100	35,100	17,600	3,400	26,300
October (Oct. 29)	169,700	111,600	143,500	85,400	1,800	56,300	35,200	17,700	3,400	26,200
November (Nov. 26)	170,300	112,400	143,800	85,900	1,900	56,000	35,000	17,600	3,400	26,500
December (Dec. 31)	171,446	113,599	144,970	87,123	1,452	56,395	35,233	17,746	3,416	26,476
1948—January (Jan. 28) ^p	170,200	112,400	144,400	86,600	1,300	56,500	35,200	17,900	3,400	25,800
February (Feb. 25) ^p	168,900	110,300	143,200	84,600	1,800	56,800	35,500	17,900	3,400	25,700
March (Mar. 31) ^p	166,500	107,200	140,900	81,600	2,400	56,900	35,500	18,000	3,400	25,600
April (Apr. 28) ^p	167,800	108,400	142,400	83,000	2,500	56,900	35,500	18,000	3,400	25,400
May (May 26) ^p	168,000	108,600	142,600	83,200	2,400	57,000	35,500	18,100	3,400	25,400
June (June 30) ^p	168,100	108,600	142,500	83,000	2,200	57,300	35,700	18,200	3,400	25,600

^p Preliminary.

¹ Includes demand deposits, other than interbank and U. S. Government, less cash items in process of collection.

² Beginning with December 1938, includes United States Treasurer's *time* deposits, open account.

³ Time deposits adjusted exclude interbank time deposits; United States Treasurer's *time* deposits, open account; and postal savings redeposited in banks.

⁴ Beginning June 1941, the commercial bank figures exclude and mutual savings bank figures include three member mutual savings banks.

⁵ Prior to June 30, 1947, includes a relatively small amount of demand deposits.

⁶ Includes both amounts redeposited in banks and amounts not so redeposited; excludes amounts at banks in possessions.

NOTE.—Except on call dates, figures are rounded to nearest 100 million dollars. See *Banking and Monetary Statistics*, p. 11, for description Table 9, pp. 34-35, for back figures.

POSTAL SAVINGS SYSTEM

[In millions of dollars]

End of month	Depositors' balances ¹	Assets					
		Total	Cash in depository banks	U. S. Government securities			Cash reserve funds, etc. ²
				Total	Direct	Guaranteed	
1939—Dec.	1,279	1,319	53	1,192	1,046	146	74
1940—Dec.	1,304	1,348	36	1,224	1,078	146	88
1941—Dec.	1,314	1,396	26	1,274	1,128	146	95
1942—Dec.	1,417	1,464	16	1,345	1,220	126	102
1943—Dec.	1,788	1,843	10	1,716	1,716	.....	118
1944—Dec.	2,342	2,411	8	2,252	2,252	.....	152
1945—Dec.	2,933	3,022	6	2,837	2,837	.....	179
1946—Dec.	3,284	3,387	6	3,182	3,182	.....	200
1947—Aug.	3,396	3,553	6	3,360	3,360	.....	188
Sept.	3,407	3,542	6	3,325	3,325	.....	212
Oct.	3,412	3,524	6	3,314	3,314	.....	205
Nov.	3,413	3,527	6	3,314	3,314	.....	207
Dec.	3,417	3,525	6	3,308	3,308	.....	212
1948—Jan.	3,432	3,541	6	3,332	3,332	.....	204
Feb.	3,441	3,551	6	3,336	3,336	.....	209
Mar.	3,435	3,546	6	3,346	3,346	.....	194
Apr.	3,415	3,528	6	3,316	3,316	.....	205
May	3,395	3,509	6	3,291	3,291	.....	211
June	^p 3,372	.....	.....	.....	.....	.....	.....

^p Preliminary.

¹ Outstanding principal, represented by certificates of deposit.

² Includes working cash with postmasters, 5 per cent reserve fund and miscellaneous working funds with Treasurer of United States, accrued interest on bond investments, and accounts due from late postmasters.

Back figures.—See *Banking and Monetary Statistics*, p. 519; for description, see p. 508 in the same publication.

BANK SUSPENSIONS¹

	Total, all banks	Member banks		Nonmember banks	
		National	State	Insured	Non-insured
Number of banks suspended:					
1934-40.....	313	16	6	207	84
1941.....	8	4	.....	3	1
1942.....	9	.....	.....	6	3
1943.....	4	2	.....	2	.....
1944.....	1	.....	.....	1	.....
1945.....	0	.....	.....	.....	.....
1946.....	0	.....	.....	.....	.....
1947.....	1	.....	.....	.....	1
1948—Jan. July	.....	.....	.....	.....	.....
Deposits of suspended banks (in thousands of dollars) ²					
1934-40.....	131,934	14,872	26,548	49,689	40,825
1941.....	3,726	3,144	.....	503	79
1942.....	1,702	.....	.....	1,375	327
1943.....	6,223	4,982	.....	1,241	.....
1944.....	405	.....	.....	405	.....
1945.....	0	.....	.....	.....	.....
1946.....	0	.....	.....	.....	.....
1947.....	167	.....	.....	.....	167
1948—Jan. July	.....	.....	.....	.....	.....

¹ Represents banks which, during the periods shown, closed temporarily or permanently on account of financial difficulties; does not include banks whose deposit liabilities were assumed by other banks at the time of closing (in some instances with the aid of Federal Deposit Insurance Corporation loans).

² Deposits of member banks and insured nonmember banks suspended are as of dates of suspension, and deposits of noninsured nonmember banks are based on the latest data available at the time the suspensions were reported.

Back figures.—See *Banking and Monetary Statistics*, pp. 283-292; for description, see pp. 281-282 in the same publication.

COMMERCIAL PAPER AND BANKERS' ACCEPTANCES OUTSTANDING

[In millions of dollars]

End of month	Commercial paper outstanding ¹	Dollar acceptances outstanding										
		Total outstanding	Held by					Based on				
			Accepting banks			Federal Reserve Banks (For own account)	Others	Imports into United States	Exports from United States	Dollar exchange	Goods stored in or shipped between points in	
			Total	Own bills	Bills bought						United States	Foreign countries
1947—May.....	250	189	130	67	63	.....	59	118	45	.....	21	5
June.....	234	183	132	69	63	.....	50	111	46	(²)	20	6
July.....	244	187	148	75	74	.....	39	115	45	(²)	21	7
August.....	244	206	158	71	87	.....	48	133	47	1	20	6
September.....	242	219	168	83	85	4	47	140	42	2	24	11
October.....	283	237	180	83	97	2	55	144	54	4	23	10
November.....	287	245	188	76	112	(²)	56	147	61	3	25	9
December.....	287	261	197	88	109	.....	64	159	63	3	25	11
1948—January.....	290	262	188	85	103	.....	74	168	53	1	27	13
February.....	301	253	174	79	94	.....	79	168	43	2	24	17
March.....	311	241	162	70	92	.....	79	151	48	2	23	17
April.....	275	242	151	71	80	.....	91	143	54	4	19	22
May.....	*254	256	161	71	90	.....	95	155	57	3	19	21
June.....	270	253	142	61	81	.....	111	155	56	2	19	20

^r Revised.

¹ As reported by dealers; includes some finance company paper sold in open market.

² Less than \$500,000.

Back figures.—See *Banking and Monetary Statistics*, Table 127, pp. 465-467; for description, see p. 427.

CUSTOMERS' DEBIT BALANCES, MONEY BORROWED, AND PRINCIPAL RELATED ITEMS OF STOCK EXCHANGE FIRMS CARRYING MARGIN ACCOUNTS

[Member firms of New York Stock Exchange. Ledger balances in millions of dollars]

End of month	Debit balances				Money borrowed ²	Credit balances				
	Customers' debit balances (net) ¹	Debit balances in partners' investment and trading accounts	Debit balances in firm investment and trading accounts	Cash on hand and in banks		Customers' credit balances ¹		Other credit balances		
						Free	Other (net)	In partners' investment and trading accounts	In firm investment and trading accounts	In capital accounts (net)
1939—June.....	834	25	73	178	570	230	70	21	6	280
December.....	906	16	78	207	637	266	69	23	7	277
1940—June.....	653	12	58	223	376	267	62	22	5	269
December.....	677	12	99	204	427	281	54	22	5	247
1941—June.....	616	11	89	186	395	255	65	17	7	222
December.....	600	8	86	211	368	289	63	17	5	213
1942—June.....	496	9	86	180	309	240	56	16	4	189
December.....	543	7	154	160	378	270	54	15	4	182
1943—June.....	761	9	190	167	529	334	66	15	7	212
December.....	788	11	188	181	557	354	65	14	5	198
1944—June.....	887	5	253	196	619	424	95	15	11	216
December.....	1,041	7	260	209	726	472	96	18	8	227
1945—June.....	1,223	11	333	220	853	549	121	14	13	264
December.....	1,138	12	413	313	795	654	112	29	13	299
1946—June.....	809	7	399	370	498	651	120	24	17	314
December.....	537	5	311	453	217	693	118	30	10	289
1947—June.....	552	6	333	395	222	650	162	24	9	271
1947—July.....	*564	.....	.....	.....	*251	*677	.....	.....	.....	.....
August.....	*550	.....	.....	.....	*241	*656	.....	.....	.....	.....
September.....	*570	.....	.....	.....	*280	*630	.....	.....	.....	.....
October.....	*606	.....	.....	.....	*257	*616	.....	.....	.....	.....
November.....	*593	.....	.....	.....	*247	*617	.....	.....	.....	.....
December.....	578	7	315	393	240	612	176	23	15	273
1948—January.....	*568	.....	.....	.....	*217	*622	.....	.....	.....	.....
February.....	*537	.....	.....	.....	*208	*596	.....	.....	.....	.....
March.....	*350	.....	.....	.....	*229	*592	.....	.....	.....	.....
April.....	*572	.....	.....	.....	*241	*614	.....	.....	.....	.....
May.....	*615	.....	.....	.....	*258	*619	.....	.....	.....	.....
June.....	619	7	326	332	283	576	145	20	11	291

¹ Excluding balances with reporting firms (1) of member firms of New York Stock Exchange and other national securities exchanges and (2) of firms' own partners.

² Includes money borrowed from banks and also from other lenders (not including member firms of national securities exchanges).

³ As reported to the New York Stock Exchange. According to these reports, the part of total customers' debit balances represented by balances secured by U. S. Government securities was (in millions of dollars): April, 66; May, 69.

NOTE.—For explanation of these figures see "Statistics on Margin Accounts" in BULLETIN for September 1936. The article describes the method by which the figures are derived and reported, distinguishes the table from a "statement of financial condition," and explains that the last column is not to be taken as representing the actual net capital of the reporting firms.

Back figures.—See *Banking and Monetary Statistics*, Table 143, pp. 501-502, for monthly figures prior to 1942, and Table 144, p. 503, for data in detail at semiannual dates prior to 1942.

OPEN-MARKET MONEY RATES IN NEW YORK CITY

[Per cent per annum]

Year, month, or week	Prime commercial paper, 4- to 6-months ¹	Prime bankers' acceptances, 90 days ¹	Stock exchange call loan renewals ²	U. S. Government security yields		
				3-month bills ³	9- to 12-month certificates of indebtedness	3- to 5-year taxable issues
1945 average.....	.75	.44	1.00	.375	.81	1.18
1946 average.....	.81	.61	1.16	.375	.82	1.16
1947 average.....	1.03	.87	1.38	.604	.88	1.32
1947—July.....	1.00	.81	1.38	.703	.85	1.33
August.....	1.00	.88	1.38	.748	.85	1.31
September.....	1.06	.94	1.38	.804	.87	1.28
October.....	1.06	.94	1.38	.857	.97	1.35
November.....	1.06	.94	1.38	.932	.99	1.47
December.....	1.19	1.03	1.38	.950	1.04	1.54
1948—January.....	1.31	1.06	1.50	.977	1.09	1.63
February.....	1.38	1.06	1.50	.996	1.10	1.63
March.....	1.38	1.06	1.50	.996	1.09	1.60
April.....	1.38	1.06	1.50	.997	1.10	1.58
May.....	1.38	1.06	1.50	.997	1.09	1.51
June.....	1.38	1.06	1.50	.998	1.09	1.49
July.....	1.38	1.06	1.50	.997	1.10	1.56
Week ending:						
July 3.....	1 3/8	1 1/16	1 3/8	.997	1.09	1.54
July 10.....	1 3/8	1 1/16	1 3/8	.997	1.10	1.55
July 17.....	1 3/8	1 1/16	1 3/8	.997	1.10	1.55
July 24.....	1 3/8	1 1/16	1 3/8	.997	1.10	1.57
July 31.....	1 3/8	1 1/16	1 3/8	.997	1.10	1.59

¹ Monthly figures are averages of weekly prevailing rates.

² The average rate on 90-day stock exchange time loans was 1.50 per cent beginning Aug. 2, 1946. Prior to that date it was 1.25 per cent.

³ Rate on new issues offered within period.

Back figures.—See *Banking and Monetary Statistics*, Tables 120-121, pp. 448-459, and BULLETINS for May 1945, pp. 483-490, and October 1947, pp. 1251-1253.

COMMERCIAL LOAN RATES

AVERAGE OF RATES CHARGED CUSTOMERS BY BANKS IN PRINCIPAL CITIES

[Per cent per annum]

	Total 19 cities	New York City	7 other Northern and Eastern cities	11 Southern and Western cities
1938 average.....	2.53	1.69	2.75	3.26
1939 average.....	2.78	2.07	2.87	3.51
1940 average.....	2.63	2.04	2.56	3.38
1941 average.....	2.54	1.97	2.55	3.19
1942 average.....	2.61	2.07	2.58	3.26
1943 average.....	2.72	2.30	2.80	3.13
1944 average.....	2.59	2.11	2.68	3.02
1945 average.....	2.39	1.99	2.51	2.73
1946 average.....	2.34	1.82	2.43	2.85
1947 average.....	2.28	1.81	2.33	2.76
1944—June.....	2.63	2.23	2.55	3.18
September.....	2.69	2.18	2.82	3.14
December.....	2.39	1.93	2.61	2.65
1945—March.....	2.53	1.99	2.73	2.91
June.....	2.50	2.20	2.55	2.80
September.....	2.45	2.05	2.53	2.81
December.....	2.09	1.71	2.23	2.38
1946—March.....	2.31	1.75	2.34	2.93
June.....	2.41	1.84	2.51	2.97
September.....	2.32	1.83	2.43	2.75
December.....	2.33	1.85	2.43	2.76
1947—March.....	2.31	1.82	2.37	2.80
June.....	2.38	1.83	2.44	2.95
September.....	2.21	1.77	2.25	2.69
December.....	2.22	1.82	2.27	2.61
1948—March.....	2.46	2.09	2.52	2.83
June.....	2.56	2.10	2.71	3.03

¹ Prior to March 1939 figures were reported monthly on a basis not strictly comparable with the current quarterly series.

Back figures.—See *Banking and Monetary Statistics*, Tables 124-125 pp. 463-464; for description, see pp. 426-427.

BOND YIELDS¹

[Per cent per annum]

Year, month, or week	U. S. Government (taxable)		Municipal (high-grade) ²	Corporate (high-grade) ³	Total	Corporate (Moody's) ⁴						
	7 to 9 years	15 years and over				By ratings				By groups		
						Aaa	Aa	A	Baa	Industrial	Railroad	Public utility
Number of issues.....	1-5	1-8	15	10	120	30	30	30	30	40	40	40
1945 average.....	1.60	2.37	1.67	2.54	2.87	2.62	2.71	2.87	3.29	2.68	3.06	2.89
1946 average.....	1.45	2.19	1.64	2.44	2.74	2.53	2.62	2.75	3.05	2.60	2.91	2.71
1947 average.....	1.59	2.25	2.01	2.57	2.86	2.61	2.70	2.87	3.24	2.67	3.11	2.78
1947—July.....	1.57	2.25	1.91	2.51	2.80	2.55	2.64	2.82	3.18	2.62	3.06	2.72
August.....	1.54	2.24	1.93	2.51	2.80	2.56	2.64	2.81	3.17	2.63	3.03	2.72
September.....	1.53	2.24	1.92	2.57	2.85	2.61	2.69	2.86	3.23	2.67	3.09	2.78
October.....	1.58	2.27	2.02	2.68	2.95	2.70	2.79	2.95	3.35	2.76	3.22	2.87
November.....	1.72	2.36	2.18	2.75	3.02	2.77	2.85	3.01	3.44	2.84	3.30	2.93
December.....	1.86	2.39	2.35	2.86	3.12	2.86	2.94	3.16	3.52	2.92	3.42	3.02
1948—January.....	2.09	2.45	2.45	2.85	3.12	2.86	2.94	3.17	3.52	2.91	3.44	3.03
February.....	2.08	2.45	2.55	2.84	3.12	2.85	2.93	3.17	3.53	2.90	3.43	3.03
March.....	2.03	2.45	2.52	2.81	3.10	2.83	2.90	3.13	3.53	2.89	3.40	3.01
April.....	1.99	2.44	2.38	2.77	3.05	2.78	2.87	3.08	3.47	2.85	3.34	2.97
May.....	1.89	2.42	2.31	2.74	3.02	2.76	2.86	3.06	3.38	2.82	3.27	2.95
June.....	1.89	2.41	2.26	2.73	3.00	2.76	2.85	3.03	3.34	2.80	3.23	2.96
July.....	1.96	2.44	2.33	2.80	3.04	2.81	2.89	3.07	3.37	2.84	3.26	3.02
Week ending:												
July 3.....	1.97	2.44	2.31	2.77	3.02	2.79	2.88	3.05	3.35	2.83	3.24	2.98
July 10.....	1.96	2.44	2.32	2.78	3.03	2.80	2.89	3.06	3.35	2.83	3.25	3.00
July 17.....	1.94	2.44	2.33	2.78	3.03	2.80	2.88	3.06	3.36	2.82	3.26	3.00
July 24.....	1.95	2.44	2.33	2.81	3.05	2.82	2.90	3.08	3.38	2.84	3.27	3.03
July 31.....	1.99	2.44	2.35	2.82	3.05	2.82	2.90	3.08	3.39	2.85	3.27	3.03

^r Revised.

¹ Monthly and weekly data are averages of daily figures, except for municipal bonds, which are based on Wednesday figures.

² Standard and Poor's Corporation. ³ U. S. Treasury Department.

⁴ Moody's Investors Service, week ending Friday. Because of limited number of suitable issues, the industrial Aaa and Aa groups have been reduced from 10 to 5 and 6 issues, respectively, and the railroad Aaa, Aa, and A groups from 10 to 5, 6, and 8 issues, respectively.

Back figures.—See *Banking and Monetary Statistics*, Tables 128-129, pp. 468-474, and BULLETINS for May 1945, pp. 483-490, and October 1947, pp. 1251-1253.

SECURITY MARKETS ¹

Year, month, or week	Bond prices							Stock prices ⁵					Volume of trading ⁷ (in thousands of shares)
	U. S. Government ²	Municipal (high-grade) ³	Corporate ⁴				Preferred ⁶	Common (index, 1935-39=100)					
			High-grade	Medium-grade				Total	Industrial	Rail-road	Public utility		
				Total	Industrial	Rail-road						Public utility	
Number of issues.....	1-8	15	12	14	5	5	4	15	416	365	20	31	.....
1945 average.....	102.04	139.6	.....	.....	.....	.....	.....	189.1	122	123	137	106	1,443
1946 average.....	104.77	140.1	.....	.....	.....	.....	.....	198.5	140	143	143	120	1,390
1947 average.....	103.76	132.8	103.2	97.5	102.6	88.2	102.8	184.7	123	128	105	103	953
1947—July.....	103.75	134.7	104.7	98.5	103.2	89.5	103.6	188.4	126	132	108	102	1,158
August.....	103.89	134.3	104.5	98.5	103.3	89.5	103.5	188.7	125	130	105	101	674
September.....	103.95	134.4	103.6	97.3	102.8	87.5	102.7	188.3	123	128	104	102	763
October.....	103.44	132.5	101.1	95.7	101.2	85.9	101.2	181.2	125	131	104	101	1,136
November.....	102.11	129.4	99.6	94.5	100.7	84.7	99.3	174.5	124	130	100	97	862
December.....	101.59	126.2	97.9	92.7	99.7	82.1	97.6	172.1	122	129	104	94	1,170
1948—January.....	100.70	124.5	98.1	91.2	96.5	82.1	96.0	169.5	120	126	107	95	895
February.....	100.70	122.6	98.1	90.5	94.3	82.2	96.0	167.5	114	119	102	93	857
March.....	100.78	123.1	98.5	90.7	94.5	82.2	96.3	170.1	116	122	105	93	974
April.....	100.84	125.7	99.4	91.4	94.9	83.5	96.7	169.9	125	131	115	96	1,467
May.....	101.20	127.1	99.9	92.8	96.8	87.2	95.0	171.1	130	137	123	99	1,980
June.....	101.23	127.8	100.2	94.4	98.2	89.8	95.6	173.4	135	143	126	101	1,406
July.....	100.82	126.6	99.2	94.6	99.3	89.1	95.6	170.8	132	139	125	99	1,171
Week ending:													
July 3.....	100.83	126.9	99.7	94.5	98.8	89.4	95.7	172.0	134	141	126	100	953
July 10.....	100.83	126.8	99.5	94.8	99.4	89.2	96.2	172.0	134	141	127	100	1,058
July 17.....	100.85	126.6	99.3	94.8	99.5	89.2	95.9	171.6	135	142	130	100	1,442
July 24.....	100.81	126.6	99.0	94.5	99.3	89.1	95.5	169.9	129	136	120	98	1,381
July 31.....	100.76	126.2	98.9	94.2	99.2	88.9	95.1	169.5	130	137	122	98	898

¹ Monthly and weekly data are averages of daily figures, except for municipal bonds and for stocks, which are based on Wednesday figures.
² Average of taxable bonds due or callable in 15 years and over.
³ Prices derived from average yields, as computed by Standard and Poor's Corporation, on basis of a 4 per cent 20-year bond.
⁴ Prices derived from average yields, as computed by Standard and Poor's Corporation. ⁵ Standard and Poor's Corporation.
⁶ Prices derived from averages of median yields on noncallable high-grade stocks on basis of a \$7 annual dividend.
⁷ Average daily volume of trading in stocks on the New York Stock Exchange.

Back figures.—See *Banking and Monetary Statistics*, Tables 130, 133, 134, and 136, pp. 475, 479, 482, and 486, respectively, and *BULLETINS* for May 1945, pp. 483-490, and October 1947, pp. 1251-1253.

NEW SECURITY ISSUES

[In millions of dollars]

Year or month	For new capital								For refunding								
	Total (new and re-fund-ing)	Total (do-mestic and for-aign)	Domestic					For-aign ²	Total (do-mestic and for-aign)	Domestic					For-aign ²		
			Total	State and mun-icipal	Fedral agen-cies ¹	Corporate				Total	State and mun-icipal	Fedral agen-cies ¹	Corporate				
						Total	Bonds and notes						Stocks	Total		Bonds and notes	Stocks
1939.....	5,790	2,277	2,239	931	924	383	287	97	38	3,513	3,465	195	1,537	1,733	1,596	137	48
1940.....	4,803	1,951	1,948	751	461	736	601	135	2	2,852	2,852	482	344	2,026	1,834	193	.....
1941.....	5,546	2,854	2,852	518	1,272	1,062	889	173	1	2,693	2,689	435	698	1,557	1,430	126	4
1942.....	2,114	1,075	1,075	342	108	624	506	118	.....	1,039	1,039	181	440	418	407	11	.....
1943.....	2,169	642	640	176	90	374	282	92	2	1,527	1,442	259	497	685	603	82	86
1944.....	4,216	913	896	235	15	646	422	224	17	3,303	3,288	404	418	2,466	2,178	288	15
1945.....	8,006	1,772	1,761	471	26	1,264	607	657	12	6,234	6,173	324	912	4,937	4,281	656	61
1946.....	8,645	4,645	4,635	952	127	3,556	2,084	1,472	10	4,000	3,895	208	734	2,953	2,352	601	105
1947.....	*9,611	*7,451	*7,139	*2,228	203	4,708	3,493	1,215	68	2,160	1,983	44	422	1,517	1,236	281	177
1947—June.....	*1,041	*748	*743	*214	15	514	430	83	5	293	255	2	38	214	165	48	38
July.....	*1,033	*863	*619	124	12	483	311	172	.....	170	170	11	40	118	107	11	.....
August.....	517	326	326	185	8	132	121	11	.....	191	191	3	40	147	140	7	.....
September.....	785	621	621	277	85	258	175	84	.....	165	165	.....	42	122	113	9	.....
October.....	813	713	713	114	.....	599	410	189	.....	101	101	5	20	76	51	25	.....
November.....	705	571	571	101	.....	470	336	134	.....	134	134	2	48	84	78	6	.....
December.....	1,160	1,029	1,024	99	.....	925	780	144	5	130	130	2	45	83	80	3	.....
1948—January.....	541	495	495	114	16	365	323	41	.....	46	46	2	42	3	3	.....	.....
February.....	*837	*782	*781	217	39	*526	*348	178	1	56	56	3	39	14	13	1	.....
March.....	1,374	1,222	1,221	630	31	560	531	29	2	152	152	1	54	97	87	10	.....
April.....	*936	*769	*768	*156	50	562	432	131	2	166	166	1	114	50	50	.....	.....
May.....	652	591	591	182	35	374	293	81	.....	61	61	8	49	4	3	1	.....
June.....	954	888	888	283	21	584	436	149	.....	66	66	3	34	29	29	.....	.....

¹ Revised.
² Includes publicly offered issues of Federal credit agencies, but excludes direct obligations of U. S. Treasury.
³ Includes issues of noncontiguous U. S. Territories and Possessions.
⁴ Includes 244 million dollars of issues of the International Bank for Reconstruction and Development, which are not shown separately.
Source.—For domestic issues, *Commercial and Financial Chronicle*; for foreign issues, U. S. Department of Commerce. Monthly figures subject to revision.
Back figures.—See *Banking and Monetary Statistics*, Table 137, p. 487.

NEW CORPORATE SECURITY ISSUES¹
PROPOSED USES OF PROCEEDS, ALL ISSUERS

[In millions of dollars]

Year or month	Estimated gross proceeds ²	Estimated net proceeds ³	Proposed uses of net proceeds							
			New money			Retirement of securities			Repayment of other debt	Other purposes
			Total	Plant and equipment	Working capital	Total	Bonds and notes	Preferred stock		
1934.....	397	384	57	32	26	231	231	84	11	
1935.....	2,332	2,266	208	111	96	1,865	1,794	170	23	
1936.....	4,572	4,431	858	380	478	3,368	3,143	154	49	
1937.....	2,310	2,239	991	574	417	1,100	911	111	36	
1938.....	2,155	2,110	681	504	177	1,206	1,119	87	215	
1939.....	2,164	2,115	325	170	155	1,695	1,637	59	69	
1940.....	2,677	2,615	569	424	145	1,854	1,726	128	174	
1941.....	2,667	2,623	868	661	207	1,583	1,483	100	144	
1942.....	1,062	1,043	474	287	187	396	366	30	138	
1943.....	1,170	1,147	308	141	167	739	667	72	73	
1944.....	3,202	3,142	657	252	405	2,389	2,038	351	49	
1945.....	6,011	5,902	1,080	638	442	4,555	4,117	438	134	
1946.....	6,900	6,757	3,279	2,115	1,164	2,868	2,392	476	379	
1947.....	6,221	6,111	4,270	3,224	1,046	1,378	1,191	187	310	
1947—June.....	738	727	498	426	72	207	164	43	15	
July.....	601	588	435	370	64	112	103	9	17	
August.....	248	245	118	99	19	104	102	3	16	
September.....	441	434	244	179	65	154	154	1	9	
October.....	622	612	510	388	122	33	15	18	45	
November.....	561	547	425	354	71	81	74	7	22	
December.....	1,078	1,063	932	800	132	93	91	2	12	
1948—January.....	346	340	294	193	101	6	6	26	14	
February.....	613	594	546	309	237	26	14	12	22	
March.....	688	679	560	343	217	84	83	1	30	
April.....	636	626	434	334	100	62	62	104	25	
May.....	405	395	356	297	60	1	1	20	18	
June.....	638	625	552	449	103	26	26	43	5	

PROPOSED USES OF PROCEEDS, BY MAJOR GROUPS OF ISSUERS

[In millions of dollars]

Year or month	Railroad				Public utility				Industrial				Real estate and financial			
	Total net proceeds	New money	Retirement of securities	All other purposes ⁴	Total net proceeds	New money	Retirement of securities	All other purposes ⁴	Total net proceeds	New money	Retirement of securities	All other purposes ⁴	Total net proceeds	New money	Retirement of securities	All other purposes ⁴
1934...	172	21	120	31	130	11	77	42	62	25	34	2	20	46	72	19
1935.....	120	57	54	10	1,250	30	1,190	30	774	74	550	150	122	218	152	20
1936.....	774	139	558	77	1,987	63	1,897	27	1,280	439	761	80	390	57	7	7
1937.....	338	228	110	1	751	89	611	50	1,079	616	373	90	71	7	7	7
1938.....	54	24	30	.....	1,208	180	943	86	831	469	226	136	16	8	7	1
1939.....	182	85	97	.....	1,246	43	1,157	47	584	188	353	43	102	9	88	5
1940.....	319	115	186	18	1,180	245	922	13	961	167	738	56	155	42	9	104
1941.....	361	253	108	.....	1,340	317	993	30	828	244	463	121	94	55	18	21
1942.....	47	32	15	.....	464	145	292	27	527	293	89	146	4	4	.....	.....
1943.....	160	46	114	.....	469	22	423	25	497	228	199	71	21	13	4	4
1944.....	602	102	500	.....	1,400	40	1,343	17	1,033	454	504	76	107	61	42	3
1945.....	1,436	115	1,320	.....	2,291	69	2,159	63	1,969	811	1,010	148	206	85	65	56
1946.....	704	129	571	3	2,129	785	1,252	93	3,601	2,201	981	419	323	164	64	95
1947.....	283	240	35	8	3,121	2,122	923	76	2,429	1,740	364	325	279	169	56	54
1947—June.....	28	28	.....	.....	536	353	181	2	141	96	26	19	21	21	.....	.....
July.....	28	22	.....	6	307	234	68	4	239	175	43	21	14	3	1	10
August.....	23	23	.....	.....	140	28	95	16	79	65	9	6	2	2	1	.....
September.....	5	4	2	.....	306	157	136	13	71	45	13	13	51	38	4	9
October.....	35	31	4	.....	303	280	8	16	259	193	20	45	16	7	.....	8
November.....	37	37	.....	.....	277	245	31	1	213	129	49	35	21	15	1	5
December.....	20	20	.....	.....	493	480	11	1	496	422	56	18	54	9	26	19
1948—January.....	23	23	.....	.....	164	149	6	9	95	70	.....	25	57	52	.....	5
February.....	34	34	.....	.....	119	106	12	1	425	390	14	21	16	15	.....	1
March.....	80	42	37	.....	320	281	34	5	123	83	13	27	157	153	.....	3
April.....	51	32	19	.....	265	233	14	17	269	154	24	91	41	15	5	21
May.....	24	24	.....	.....	216	209	.....	7	152	120	1	31	4	3	.....	.....
June.....	83	69	.....	14	399	363	26	11	91	69	.....	22	52	50	.....	2

¹ Revised.

² Estimates of new issues sold for cash in the United States.

³ Gross proceeds are derived by multiplying principal amounts or number of units by offering price.

⁴ Estimated net proceeds are equal to estimated gross proceeds less cost of flotation, i.e., compensation to underwriters, agents, etc., and expenses.

⁵ Includes repayment of other debt and other purposes.

Source.—Securities and Exchange Commission; for compilation of back figures, see *Banking and Monetary Statistics* (Table 138, p. 491), a publication of the Board of Governors.

QUARTERLY EARNINGS AND DIVIDENDS OF LARGE CORPORATIONS

INDUSTRIAL CORPORATIONS

[In millions of dollars]

Year or quarter	Net profits, ¹ by industrial groups											Profits and dividends			
	Total	Manufacturing and mining										Miscellaneous services ¹	Net profits ¹	Dividends	
		Iron and steel	Machinery	Automobiles	Other transportation equipment	Non-ferrous metals and products	Other durable goods	Food, beverages, and tobacco	Oil producing and refining	Industrial chemicals	Other non-durable goods			Preferred	Common
Number of companies.	629	47	69	15	68	77	75	49	45	30	80	74	152	152	152
Annual															
1939	1,465	146	115	223	102	119	70	151	98	186	134	122	847	90	564
1940	1,818	278	158	242	173	133	88	148	112	194	160	132	1,028	90	669
1941	2,163	325	193	274	227	153	113	159	174	207	187	152	1,137	92	705
1942	1,769	226	159	209	182	138	90	151	152	164	136	161	888	88	552
1943	1,800	204	165	201	180	128	83	162	186	170	149	171	902	86	556
1944	1,896	194	174	222	190	115	88	175	220	187	147	184	970	86	611
1945	1,925	188	163	243	169	108	88	199	223	187	154	203	989	85	612
1946	2,545	283	171	130	127	136	165	356	281	273	312	321	1,139	82	657
1947	3,670	437	334	417	205	198	238	354	480	345	370	293	1,786	89	837
Quarterly															
1946—1	323	22	-19	-34	-5	20	12	65	56	63	62	82	116	20	146
2	604	67	49	21	51	26	37	74	62	66	71	80	250	21	153
3	698	96	32	42	38	41	41	93	77	67	77	93	310	20	149
4	853	97	61	102	44	50	57	124	85	77	91	66	415	21	209
1947—1	871	126	70	94	49	47	51	98	89	88	96	63	421	20	177
2	867	100	83	105	53	46	58	64	110	87	92	71	432	23	192
3	900	100	77	103	57	45	59	85	121	81	93	80	432	22	190
4	1,033	112	105	115	46	59	71	108	160	88	90	80	501	23	278
1948—1	1,030	121	87	130	61	49	62	83	196	90	93	57	527	22	207

PUBLIC UTILITY CORPORATIONS

[In millions of dollars]

Year or quarter	Railroad ¹				Electric power ²				Telephone ³			
	Operating revenue	Income before income tax ⁴	Net income ¹	Dividends	Operating revenue	Income before income tax ⁴	Net income ¹	Dividends	Operating revenue	Income before income tax ⁴	Net income ¹	Dividends
Annual												
1939	3,995	126	93	126	2,647	629	535	444	1,067	227	191	175
1940	4,297	249	189	159	2,797	692	548	447	1,129	248	194	178
1941	5,347	674	500	186	3,029	774	527	437	1,235	271	178	172
1942	7,466	1,658	902	202	3,216	847	490	408	1,362	302	163	163
1943	9,055	2,211	873	217	3,464	913	502	410	1,537	374	180	168
1944	9,437	1,972	667	246	3,615	902	507	398	1,641	399	174	168
1945	8,902	756	450	246	3,681	905	534	407	1,803	396	177	173
1946	7,627	273	289	235	3,814	970	647	456	1,992	277	200	171
1947	8,685	778	480	236	4,244	961	652	470	2,149	192	131	133
Quarterly												
1946—1	1,869	39	14	56	967	303	196	107	475	84	54	43
2	1,703	-57	-45	52	919	225	151	109	497	75	53	43
3	2,047	161	128	41	931	212	143	109	502	56	44	43
4	2,008	130	191	85	998	229	157	130	519	62	49	42
1947—1	2,039	166	89	44	1,075	289	191	115	527	67	44	40
2	2,111	189	121	52	1,028	247	166	115	478	29	21	32
3	2,177	184	112	38	1,024	196	135	111	555	38	27	32
4	2,357	239	157	103	1,118	228	160	129	589	58	39	30
1948—1	2,243	144	72	57	1,202	284	186	131	607	64	43	39

¹"Net profits" and "net income" refer to income after all charges and taxes and before dividends.

²Includes 29 companies engaged in wholesale and retail trade (largely department stores), 13 in the amusement industry, 21 in shipping and transportation other than railroads (largely airlines), and 11 companies furnishing scattered types of service.

³Net profits figures for the year 1946 include, and those for the fourth quarter exclude, certain large extraordinary year-end profits in the following amounts (in millions of dollars): 629 company series—total, 67; machinery, 49; other durable goods, 18; 152 company series—total, 49.

⁴Partly estimated.

⁵Class I line-haul railroads, covering about 95 per cent of all railroad operations.

⁶Class A and B electric utilities, covering about 95 per cent of all electric power operations. Figures include affiliated nonelectric operations.

⁷Thirty large companies, covering about 85 per cent of all telephone operations. Series excludes American Telephone and Telegraph Company, the greater part of whose income consists of dividends received on stock holdings in the 30 companies.

⁸After all charges and taxes except Federal income and excess profits taxes.

Sources.—Interstate Commerce Commission for railroads; Federal Power Commission for electric utilities (quarterly figures on operating revenue and on income before income tax are partly estimated); Federal Communications Commission for telephone companies (except dividends); published reports for industrial companies and for telephone dividends. Figures for the current and preceding year subject to revision. For description of data and back figures, see pp. 214-217 of the BULLETIN for March 1942 and also p. 1126 of the BULLETIN for November 1942 (telephone companies) and p. 908 of the BULLETIN for September 1944 (electric utilities).

SUMMARY OF TREASURY RECEIPTS, EXPENDITURES, AND RELATED ITEMS

[On basis of daily statements of United States Treasury. In millions of dollars]

Fiscal year or month	Income taxes ¹		Miscellaneous internal revenue ¹	Social Security taxes	Other receipts	Total receipts	Net receipts ²	Interest on debt	War and defense activities	Transfers to trust accounts etc.	Other expenditures	Total budget expenditures	Budget surplus (+) or deficit (-)	Trust accounts etc. ³	Clearing account ³	Increase (+) or decrease (-) during period	
	Withheld by employees ⁴	Other														General fund balance	Gross debt
Fiscal year:																	
June 1946	9,392	21,493	7,725	1,714	3,953	44,276	43,038	4,722	48,870	1,918	8,204	63,714	-20,676	-524	.....	-10,460	+10,740
June 1947	10,013	19,292	8,049	2,039	5,325	44,718	43,259	4,958	17,279	1,355	18,914	42,505	+754	-1,103	+555	-10,930	-11,136
June 1948	11,436	19,735	8,301	2,396	4,494	46,362	44,746	5,211	11,524	54,177	18,414	39,326	+5,419	+2,706	-507	+1,624	-5,994
1947—July	625	757	663	80	344	2,470	2,397	245	4,981	549	41,894	3,669	-1,272	+17	-146	-239	+1,161
Aug.	1,255	413	643	352	203	2,866	2,536	103	910	273	1,773	3,060	-524	+379	-173	+332	+649
Sept.	797	2,639	699	136	616	4,885	4,872	668	1,008	10	1,246	2,932	+1,940	-314	-121	+552	-953
Oct.	1,644	702	782	71	258	2,456	2,390	157	1,154	60	1,074	2,445	-55	+69	+214	+155	-74
Nov.	1,315	350	695	329	363	3,054	2,743	127	936	20	1,112	2,194	+549	+265	-127	-172	-859
Dec.	880	1,889	767	145	578	4,260	4,246	972	996	23	1,233	3,224	+1,022	-468	-80	-838	-1,312
1948—Jan.	624	2,613	656	51	366	4,310	4,275	401	1,069	66	1,343	2,879	+1,396	+259	+222	+1,551	-326
Feb.	1,563	41,597	629	423	403	4,614	4,336	142	850	11	1,399	2,402	+1,934	-194	-101	-330	-1,969
Mar.	998	4,168	739	180	281	6,365	6,334	608	850	18	2,070	3,546	+2,788	-86	-53	+1,035	-1,615
Apr.	684	1,174	662	83	278	2,881	2,806	154	909	71	1,975	3,109	-302	+86	+226	-741	-750
May	1,358	428	673	401	223	3,083	2,707	124	933	1	1,546	2,604	+103	+378	-144	+334	-3
June	695	3,006	694	145	579	5,119	5,102	1,508	930	3,077	1,746	7,261	-2,159	+2,315	-226	-14	+56
July	535	719	677	67	567	2,565	2,501	286	41,162	611	41,903	43,963	-1,462	-178	+700	+141	+1,082

Fiscal year or month	Details of trust accounts, etc.							General fund of the Treasury (end of period)							
	Social Security accounts			Redemption or sale (-) of securities of Govt. corporations, etc. in the market (net)	Other			Assets				Total liabilities	Balance in general fund		
	Net receipts	Investments	Expenditures		Receipts	Investments	Expenditures	Total	Deposits in Federal Reserve Banks	Deposits in special depositaries	Other assets				
Fiscal year:															
June 1946	2,978	1,261	1,656	95	4,735	2,407	2,817	14,708	1,006	12,993	708	470	14,238		
June 1947	3,235	1,785	1,509	359	3,009	1,577	2,117	3,730	1,202	962	1,565	422	3,308		
June 1948	3,918	2,210	1,640	-107	5,598	850	2,217	5,370	1,928	1,773	1,670	438	4,932		
1947—July	633	398	155	12	153	46	159	3,460	884	958	1,617	391	3,069		
Aug.	574	150	135	3	400	281	26	3,705	4749	1,362	41,593	304	3,400		
Sept.	66	272	125	-74	180	24	212	4,331	1,091	1,618	1,622	378	3,952		
Oct.	164	24	124	-2	168	14	103	4,498	1,393	1,437	1,668	391	4,107		
Nov.	524	274	108	1	160	17	19	4,292	1,290	1,417	1,585	357	3,935		
Dec.	80	119	116	-23	153	25	464	3,454	866	968	1,621	357	3,097		
1948—Jan.	254	68	126	-61	313	21	154	5,042	2,256	959	1,828	394	4,648		
Feb.	433	230	134	10	149	28	374	4,664	1,571	1,434	1,658	346	4,318		
Mar.	92	51	152	1	185	28	131	5,692	1,972	1,972	1,749	339	5,353		
Apr.	173	-34	150	59	162	7	66	5,037	2,236	2,156	1,645	425	4,612		
May	577	106	142	4	101	10	39	5,327	1,714	2,007	1,606	381	4,946		
June	348	553	174	-38	475	349	470	5,370	1,928	1,773	1,670	438	4,932		
July	455	276	142	-56	362	250	383	5,506	1,755	2,081	1,671	433	5,074		

¹ Preliminary. ² Details on collection basis given in table below. ³ Total receipts less social security employment taxes, which are appropriated directly to the Federal old-age and survivors insurance trust fund. ⁴ Excess of receipts (+) or expenditures (-). ⁵ Change in classification. ⁶ Including 3 billion dollar transfer to Foreign Economic Cooperation Trust Fund. *Back figures.*—See *Banking and Monetary Statistics*, Tables 150-151, pp. 513-516.

INTERNAL REVENUE COLLECTIONS

[On basis of reports of collections. In millions of dollars]

Fiscal year or month	Individual income taxes		Corporation income and profit taxes			Estate and gift taxes	Excise and other miscellaneous taxes
	Withheld	Other	Normal and surtax	Excess profits	Other profits taxes		
Fiscal year:							
June—1942		3,263	3,069	1,618	57	433	3,405
1943	686	5,944	4,521	5,064	84	447	4,124
1944	7,823	10,438	5,284	9,345	137	511	4,842
1945	10,264	8,770	4,880	11,004	144	643	6,317
1946	9,858	8,847	4,640	7,822	91	677	7,036
1947	9,842	9,501	6,055	3,566	55	779	7,285
1948	11,534	9,464	9,852	305	18	899	7,412
1947—June	33	1,068	1,386	61	2	55	560
July	1,133	297	370	49	2	66	618
Aug.	1,495	62	276	43	1	79	572
Sept.	26	1,128	1,514	35	1	64	625
Oct.	1,188	246	384	28	1	65	736
Nov.	1,491	67	249	22	2	54	627
Dec.	36	408	1,463	24	1	65	691
1948—Jan.	645	2,338	473	17	1	72	562
Feb.	2,250	1,004	326	22	4	56	586
Mar.	279	2,034	2,276	20	1	125	603
Apr.	1,165	602	376	13	1	118	578
May	1,670	167	268	17	1	75	584
June	154	1,111	1,877	16	2	61	629

CASH OPERATING INCOME AND OUTGO OF THE UNITED STATES TREASURY¹

[In millions of dollars]

Fiscal year or month	Cash income	Cash outgo	Excess income (+) or outgo (-)
Fiscal year:			
June—1943	25,245	78,979	-53,735
1944	47,984	94,079	-46,095
1945	51,041	95,986	-44,945
1946	47,784	65,683	-17,899
1947	46,637	39,978	+6,659
1948	47,600	38,647	+8,952
1947—June	5,295	5,193	+102
July	2,564	3,390	-827
Aug.	3,193	3,152	+41
Sept.	4,711	3,959	+753
Oct.	2,630	2,612	+18
Nov.	3,348	2,533	+816
Dec.	4,030	3,520	+510
1948—Jan.	4,542	2,556	+1,986
Feb.	4,718	2,895	+1,824
Mar.	6,472	3,871	+2,601
Apr.	2,960	2,956	+4
May	3,330	2,868	+462
June	5,100	4,335	+765

¹ Difference between these figures and changes in the general fund balance represents net cash borrowing (+) or net repayment of borrowing (-). For description, see *Treasury Bulletin* for September 1947.

GOVERNMENT CORPORATIONS AND CREDIT AGENCIES*

[Based on compilation by United States Treasury Department. In millions of dollars]

PRINCIPAL ASSETS AND LIABILITIES

Corporation or agency	Assets, other than interagency items ¹								Liabilities, other than interagency items			U. S. Government interest	Privately owned interest	
	Total	Cash	Loans receivable	Commodities, supplies, and materials	Investments		Land structures, and equipment	Deferred and undistributed charges ³	Other assets	Bonds, notes, and debentures payable				Other liabilities
					U. S. Govt. securities	Other securities ²				Fully guaranteed by U.S.	Other			
All agencies:														
Mar. 31, 1947	32,337	1,588	7,294	1,003	1,985	3,426	15,486	380	1,176	169	1,250	3,142	27,268	509
June 30, 1947	29,666	1,792	7,662	851	1,777	3,565	12,691	165	1,163	83	506	2,045	26,763	269
Sept. 30, 1947	31,037	1,556	9,212	1,093	1,725	3,553	12,662	283	953	84	667	2,144	28,005	138
Dec. 31, 1947	30,966	1,481	9,714	822	1,685	3,539	12,600	247	879	82	689	2,037	28,015	143
Mar. 31, 1948	31,107	1,369	10,134	570	1,845	3,526	12,535	245	882	76	781	1,868	28,233	150
<i>Classification by agency, Mar. 31, 1948</i>														
Department of Agriculture:														
Farm Credit Administration:														
Banks for cooperatives	306	19	242		43		(⁵)	(⁵)	2		42	1	248	15
Federal intermediate credit banks	488	10	432		44		(⁵)	(⁵)	3		418	3	67	
Production credit corporations	100	1			67	32			1			(⁵)	100	
Regional Agricultural Credit Corp.	2	1	(⁵)					(⁵)	(⁵)			(⁵)	2	
Agricultural Marketing Act Revolving Fund	2	(⁵)	1						1				2	
Federal Farm Mortgage Corp.	125	16	86					(⁵)	23		2	2	121	
Rural Electrification Administration	817	22	785				(⁵)	(⁵)	9			(⁵)	817	
Commodity Credit Corp.	1,048	379	260	259			1	(⁵)	148	43		498	507	
Farmers' Home Administration	354	22	270	(⁵)	1		5		53			4	350	
Federal Crop Insurance Corp.	35	24		2					9			4	32	
Housing and Home Finance Agency:														
Home Loan Bank Board:														
Federal home loan banks	666	21	374		270		(⁵)	(⁵)	1		321	91	120	134
Federal Savings and Loan Insurance Corp.	192	1			187			(⁵)	4			5	188	
Home Owners' Loan Corp.	484	9	451		12	7	2	(⁵)	1	3	(⁵)	14	467	
Public Housing Administration and affiliate:														
Public Housing Administration	530	16	295	(⁵)	8	(⁵)	203	3	6	(⁵)		10	520	
Defense Homes Corp.	54	6		(⁵)			1	(⁵)	46			(⁵)	54	
Federal Housing Administration	210	32	24	(⁵)	142	(⁵)	1	(⁵)	11	28		4	178	
Federal National Mortgage Association	10		10					(⁵)	(⁵)			1	10	
Reconstruction Finance Corp. ⁵	1,387	7	911	173	(⁵)	100	30	85	82			236	1,152	
Export-Import Bank	2,113	(⁵)	2,097				(⁵)		15			177	1,936	
Federal Deposit Insurance Corp.	1,065	4	(⁵)	(⁵)	1,052		(⁵)	(⁵)	9			35	1,031	
Federal Works Agency	233	3	88				140	(⁵)	2			(⁵)	233	
Tennessee Valley Authority	800	18	(⁵)	12			764	(⁵)	6			13	788	
U. S. Maritime Commission:														
Maritime Commission functions ⁷	4,192	560	1	81		3	3,305	29	212			393	3,799	
War Shipping Adm. functions ⁸	7,003	163		27			6,507	115	191			333	6,670	
All other ⁹	8,889	33	3,805	16	19	3,385	1,574	10	47		(⁵)	45	8,844	

CLASSIFICATION OF LOANS BY PURPOSE AND AGENCY

Purpose of loan	Mar. 31, 1948												Dec. 31, 1947, all agencies	
	Fed. Farm Mort. Corp.	Fed. intermediate credit banks	Banks for co-operatives	Commodity Credit Corp.	Rural Electrification Adm.	Farmers' Home Adm.	Home Owners' Loan Corp.	Public Housing Adm.	Fed. home loan banks	R.F.C. and affiliates	Export-Import Bank	All other		All agencies
To aid agriculture	101	432	243	281	786	549				(⁵)		8	2,399	2,299
To aid home owners							454			133		35	623	556
To aid industry:														
Railroads										145		3	147	147
Other										228		31	259	272
To aid financial institutions:														
Banks										1		4	5	5
Other										374		5	379	442
Foreign loans										238	2,105	3,750	6,093	5,673
Other								295		209		109	613	714
Less: Reserve for losses	15	(⁵)	1	20	1	279	3			49	7	9	384	395
Total loans receivable (net)	86	432	242	260	785	270	451	295	374	911	2,097	3,930	10,134	9,714

* Includes certain business type activities of the U. S. Government.

¹ Assets are shown on a net basis, i.e., after reserve for losses.

² Includes investment of the United States in international institutions as follows (in millions of dollars): Stock of the International Bank for Reconstruction and Development—476, 635, 635, 635, and 635 on Mar. 31, June 30, Sept. 30, Dec. 31, 1947, and Mar. 31, 1948, respectively; International Monetary Fund Quota—2,750 on Mar. 31, June 30, Sept. 30, Dec. 31, 1947, and Mar. 31, 1948.

³ Deferred charges included under "Other assets" prior to Mar. 31, 1947.

⁴ Federal land banks are excluded beginning June 30, 1947; U. S. Government interest in these banks was liquidated June 26, 1947.

⁵ Less than \$500,000. ⁶ Includes U. S. Commercial Co. and War Damage Corp. ⁷ Figures are for Mar. 31, 1947. ⁸ Figures are for Feb. 28, 1947, except for lend-lease and UNRRA activities, which are for Mar. 31, 1947. ⁹ Figures for two small agencies included herein are for dates other than Mar. 31.

NOTE.—This table is based on the revised form of the Treasury Statement beginning Sept. 30, 1944, which is on a quarterly basis. Quarterly figures are not comparable with monthly figures previously published. For monthly figures prior to Sept. 30, 1944, see earlier issues of the BULLETIN (see p. 1110 of the November 1944 BULLETIN) and *Banking and Monetary Statistics*, Table 152, p. 517.

BUSINESS INDEXES

[The terms "adjusted" and "unadjusted" refer to adjustment of *monthly* figures for seasonal variation]

Year and month	Industrial production (physical volume) ^{#1} 1935-39 = 100					Construction contracts awarded (value) ² 1923-25 = 100			Employment ³ 1939 = 100			Factory pay rolls ⁴ 1939 = 100	Freight carload- ings ⁵ 1935-39 = 100	Depart- ment store sales (value) ⁶ 1935-39 = 100	Con- sumers' prices ⁷ 1935-39 = 100	Whole- sale com- modity prices ⁸ 1926 = 100
	Total		Manu- factures		Min- erals	Total	Resi- den- tial	All other	Non- agri- cultural	Factory						
	Ad- justed	Unad- justed	Dur- able	Non- dur- able						Ad- justed	Ad- justed					
					Ad- justed	Unad- justed	Ad- justed	Unad- justed								
1919	72	84	62	71	63	44	79	..	103.7	103.9	120	83	123.8	138.6		
1920	75	93	60	83	63	30	90	..	104.2	124.2	129	99	143.3	154.4		
1921	58	53	57	66	56	44	65	..	79.7	80.2	110	92	127.7	97.6		
1922	73	81	67	71	79	68	88	..	88.2	86.0	121	94	119.7	96.7		
1923	88	103	72	98	84	81	86	..	101.0	109.1	142	105	121.9	100.6		
1924	82	95	69	89	94	95	94	..	93.8	101.7	139	105	122.2	98.1		
1925	90	107	76	92	122	124	120	..	97.0	107.2	146	110	125.4	103.5		
1926	96	114	79	100	129	121	135	..	98.9	110.5	152	113	126.4	100.0		
1927	95	107	83	100	129	117	139	..	96.8	108.5	147	114	124.0	95.4		
1928	99	117	85	99	135	126	142	..	96.9	109.7	148	115	122.6	96.7		
1929	110	132	93	107	117	87	142	102.5	103.1	117.1	152	117	122.5	95.3		
1930	91	98	84	93	92	50	125	96.2	89.8	94.7	131	108	119.4	86.4		
1931	75	67	79	80	63	37	84	87.1	75.8	71.8	105	97	108.7	73.0		
1932	58	41	70	67	28	13	40	77.2	64.4	49.5	78	75	97.6	64.8		
1933	69	54	79	76	25	11	37	77.5	71.3	53.1	82	73	92.4	65.9		
1934	75	65	81	80	32	12	48	84.9	83.1	68.3	89	82	95.7	74.9		
1935	87	83	90	86	37	21	50	88.5	88.7	78.6	92	88	98.1	80.0		
1936	103	108	100	99	55	37	70	95.1	96.4	91.2	107	100	99.1	80.8		
1937	113	122	106	112	59	41	74	101.4	105.8	108.8	111	107	102.7	86.3		
1938	89	78	95	97	64	45	80	95.4	90.0	84.7	89	99	100.8	78.6		
1939	109	109	109	106	72	60	81	100.0	100.0	100.0	101	106	99.4	77.1		
1940	125	139	115	117	81	72	89	105.8	107.5	114.5	109	114	100.2	78.6		
1941	162	201	142	125	122	89	149	119.4	132.1	167.5	130	133	105.2	87.3		
1942	199	279	158	129	166	82	235	131.1	154.0	245.2	138	150	116.5	98.8		
1943	239	360	176	132	68	40	92	138.8	177.7	334.4	137	168	123.6	103.1		
1944	235	353	171	140	41	16	61	137.0	172.4	345.7	140	187	125.5	104.0		
1945	203	274	166	137	68	26	102	132.3	151.8	293.4	135	207	128.4	105.8		
1946	170	192	165	134	153	143	161	137.0	143.4	269.6	132	264	139.3	121.1		
1947	187	220	172	149	157	142	169	145.2	157.3	332.1	143	285	159.2	151.8		
1946																
July	172	174	202	157	146	165	161	168	138.0	145.7	145.1	270.4	139	272	141.2	124.7
August	178	180	208	164	144	158	157	158	139.3	148.0	149.4	288.5	141	292	144.1	129.1
September	180	184	212	165	146	151	147	155	140.7	150.6	151.4	294.9	138	271	145.9	124.0
October	182	184	214	168	145	145	140	148	141.5	151.4	151.8	297.9	139	259	148.6	134.1
November	183	183	214	173	136	139	122	152	143.0	154.1	154.5	303.9	137	271	152.2	139.7
December	182	180	211	174	137	154	143	163	143.5	155.1	155.5	312.6	140	276	153.3	140.9
1947																
January	189	184	221	176	146	146	144	148	143.5	156.2	155.6	314.2	150	265	153.3	141.5
February	189	185	222	176	146	151	152	149	144.1	156.9	156.6	317.6	142	267	153.2	144.5
March	190	187	225	175	148	132	129	134	144.2	156.7	157.0	320.9	146	272	156.3	149.5
April	187	185	222	172	143	133	123	142	143.4	156.8	155.9	317.6	137	277	156.2	147.7
May	185	185	218	170	151	127	110	140	143.5	155.0	153.8	319.3	142	289	156.0	147.1
June	184	185	219	168	148	136	116	152	144.8	155.2	154.7	327.2	137	289	157.1	147.6
July	176	178	207	163	140	155	136	170	144.8	154.5	153.3	321.8	134	286	158.4	150.6
August	182	185	210	169	150	166	150	179	145.2	156.3	157.8	331.5	143	283	160.3	153.6
September	187	191	217	172	153	183	168	195	146.2	158.9	160.2	345.3	142	292	163.8	157.4
October	190	194	223	176	155	184	170	196	147.1	160.0	160.4	350.1	145	278	163.8	158.5
November	192	193	224	179	155	193	163	217	147.3	160.4	160.8	353.4	147	302	164.9	159.7
December	192	189	229	173	156	197	161	227	147.9	161.1	161.9	365.7	149	302	167.0	163.2
1948																
January	193	189	229	178	154	191	152	223	148.6	161.2	160.5	358.7	145	284	168.8	165.7
February	194	190	226	180	155	187	152	215	147.8	159.8	159.5	354.1	139	285	167.5	160.8
March	191	188	229	177	142	181	148	208	147.9	160.1	160.3	358.4	130	284	166.9	161.4
April	188	186	217	177	147	181	154	202	147.2	157.0	156.1	346.7	130	304	166.3	162.8
May	191	191	220	178	162	188	165	206	147.7	156.5	155.3	345.9	141	310	170.5	163.9
June	p192	p193	p222	p178	p158	p197	p165	p217	p148.4	p157.7	p157.1	139	313	171.7	166.2

* Average per working day.

† Preliminary.

‡ Revised.

1 For indexes by groups or industries, see pp. 994-997. For points in total index, by major groups, see p. 1016.

2 Based on F. W. Dodge Corporation data; for description, see p. 358 of BULLETIN for July 1931; by groups, see p. 1001 of this BULLETIN.

3 The unadjusted indexes of employment and pay rolls, wholesale commodity prices, and consumers' prices are compiled by or based on data of the Bureau of Labor Statistics. Nonagricultural employment covers employees only and excludes personnel in the armed forces.

4 For indexes by Federal Reserve districts and other department store data, see pp. 1003-1006.

Back figures in BULLETIN.—For industrial production, August 1940, pp. 825-882; September 1941, pp. 933-937, and October 1943, pp. 958-984; for factory employment, January and December 1943, pp. 14 and 1187, respectively, and October 1945, p. 1055; for department store sales, June 1944, pp. 549-561.

INDUSTRIAL PRODUCTION, BY INDUSTRIES

(Adjusted for Seasonal Variation)

[Index numbers of the Board of Governors. 1935-39 average=100]

Industry	1947							1948					
	June	July	Aug.	Sept.	Oct.	Nov	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
Industrial Production—Total	184	176	182	187	190	192	192	193	194	191	188	191	192
Manufactures—Total	191	183	188	192	197	199	198	200	201	200	195	197	198
Durable Manufactures	219	207	210	217	223	224	229	229	226	229	217	220	222
Iron and Steel	193	181	188	195	204	202	205	203	203	207	177	206	207
Pig iron.....	189	174	187	188	198	197	196	197	196	190	151	193	196
Steel.....	211	198	205	214	224	222	226	224	226	234	208	233	234
Open hearth.....	176	166	170	177	184	182	185	182	180	184	154	183	181
Electric.....	458	429	454	477	509	503	516	526	551	587	591	589	617
Machinery	275	266	267	276	280	281	288	285	284	283	276	272	274
Manufacturing Arsenals and Depots ¹													
Transportation Equipment	233	217	213	227	232	234	244	244	232	240	237	215	227
Automobiles (including parts).....	191	185	180	197	198	200	206	206	192	202	197	175	192
(Aircraft; Railroad cars; Locomotives; Shipbuilding— Private and Government) ¹													
Nonferrous Metals and Products	179	171	170	174	179	185	189	195	199	201	200	196	193
Smelting and refining.....	188	181	180	182	176	177	183	188	190	192	203	203	194
(Copper smelting; Lead refining; Zinc smelting; Aluminum; Magnesium; Tin) ¹													
Fabricating.....	176	167	167	171	180	188	192	198	202	204	199	193	193
(Copper products; Lead shipments; Zinc shipments; Aluminum products; Magnesium products; Tin consumption) ¹													
Lumber and Products	142	133	142	140	143	150	153	155	150	151	145	142	140
Lumber.....	133	121	133	128	128	137	139	143	135	137	132	131	129
Furniture.....	160	155	160	164	172	176	181	179	178	178	169	164	161
Stone, Clay, and Glass Products	207	195	199	202	201	201	205	202	207	211	211	205	206
Glass products.....	230	207	211	219	210	207	199	187	197	205	212	201	199
Plate glass.....	154	124	151	151	156	143	141	149	166	160	165	152	170
Glass containers.....	257	235	231	243	229	229	218	200	208	219	227	218	209
Cement.....	171	164	171	171	174	178	196	199	208	196	193	187	190
Clay products.....	164	160	162	160	161	162	166	179	168	176	173	172	176
Gypsum and plaster products.....	216	224	225	221	230	236	236	246	246	248	247	238	240
Abrasive and asbestos products.....	239	220	216	226	224	226	244	215	242	248	244	244	241
Other stone and clay products ¹													
Nondurable Manufactures	168	163	169	172	176	179	173	178	180	177	177	178	178
Textiles and Products	155	142	154	160	164	172	163	179	179	175	174	176	173
Textile fabrics.....	143	129	142	147	152	159	149	165	166	161	161	163	158
Cotton consumption.....	133	118	130	130	139	149	131	153	153	147	147	147	140
Rayon deliveries.....	263	263	267	278	280	290	287	300	295	302	297	308	309
Nylon and silk consumption ¹													
Wool textiles.....	155	130	156	168	167	172	166	181	185	177	179	179	179
Carpet wool consumption.....	175	141	184	192	194	196	183	212	212	216	227	227	227
Apparel wool consumption.....	175	149	176	184	185	182	171	192	202	190	196	191	191
Wool and worsted yarn.....	144	121	147	162	160	164	161	172	176	166	164	163	163
Woolen yarn.....	124	108	134	144	140	142	141	152	154	144	146	145	145
Worsted yarn.....	174	139	165	188	188	194	189	200	206	196	190	189	189
Woolen and worsted cloth.....	152	132	148	159	159	167	164	175	181	171	171	172	172
Leather and Products	107	101	116	122	126	124	114	120	123	115	110	108	110
Leather tanning.....	114	106	115	120	121	122	113	116	116	102	105	110	110
Cattle hide leathers.....	130	121	130	131	136	141	129	132	133	115	119	125	125
Calf and kip leathers.....	94	78	93	103	94	88	83	85	80	69	78	81	81
Goat and kid leathers.....	92	90	87	94	100	93	89	96	95	92	91	92	92
Sheep and lamb leathers.....	84	84	101	118	112	108	101	101	100	92	91	93	93
Shoes.....	103	97	117	123	128	126	114	122	127	123	113	107	111
Manufactured Food Products	154	155	157	158	156	158	158	158	160	158	157	159	162
Wheat flour.....	152	143	148	136	136	143	133	140	134	122	134	139	135
Cane sugar meltings ¹													
Manufactured dairy products.....	155	157	147	148	147	140	138	139	139	145	149	151	152
Butter.....	82	85	74	76	75	66	66	67	65	69	71	72	71
Cheese.....	196	197	174	167	163	151	148	156	150	159	171	171	170
Canned and dried milk.....	184	188	158	160	157	137	130	127	134	158	175	185	192
Ice cream.....													

^p Preliminary.

^r Revised.

¹ Series included in total and group indexes but not available for publication separately.

INDUSTRIAL PRODUCTION, BY INDUSTRIES—Continued
(Adjusted for Seasonal Variation)

[Index numbers of the Board of Governors. 1935-39 average = 100]

Industry	1947							1948					
	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
<i>Manufactured Food Products—Continued</i>													
Meat packing.....	152	156	145	146	142	170	160	150	147	131	125	127	152
Pork and lard.....	157	171	155	144	141	185	173	156	161	140	136	145	176
Beef.....	154	149	140	153	146	159	154	154	141	131	122	116	135
Veal.....	141	154	158	174	171	190	149	128	115	98	102	104	134
Lamb and mutton.....	104	93	91	99	109	114	107	98	102	91	83	74	94
Other manufactured foods.....	154	156	160	163	161	160	164	165	168	167	166	168	p167
Processed fruits and vegetables.....	132	133	138	149	134	129	138	141	144	155	147	148	p145
Confectionery.....	135	119	118	125	134	144	150	144	149	143	138	138	.....
Other food products.....	163	168	173	174	172	171	173	174	177	174	176	178	p178
<i>Alcoholic Beverages.....</i>	<i>159</i>	<i>164</i>	<i>176</i>	<i>198</i>	<i>229</i>	<i>219</i>	<i>167</i>	<i>167</i>	<i>198</i>	<i>191</i>	<i>182</i>	<i>167</i>	<i>170</i>
Malt liquor.....	150	157	168	196	204	203	165	169	171	157	153	141	145
Whiskey.....	79	55	56	78	71	1	5	37	115	152	160	157	114
Other distilled spirits.....	319	329	385	277	323	119	94	220	431	526	383	294	393
Rectified liquors.....	215	231	238	297	468	562	376	264	310	239	253	245	243
<i>Industrial Alcohol from Beverage Plants</i> ¹.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
<i>Tobacco Products.....</i>	<i>159</i>	<i>156</i>	<i>160</i>	<i>163</i>	<i>175</i>	<i>169</i>	<i>149</i>	<i>153</i>	<i>155</i>	<i>164</i>	<i>183</i>	<i>163</i>	<i>166</i>
Cigars.....	101	98	107	113	126	124	100	104	113	102	101	105	108
Cigarettes.....	216	210	211	213	229	224	201	204	203	225	257	222	226
Other tobacco products.....	66	72	80	83	80	68	61	69	70	67	75	68	68
<i>Paper and Paper Products.....</i>	<i>160</i>	<i>146</i>	<i>158</i>	<i>159</i>	<i>163</i>	<i>165</i>	<i>158</i>	<i>163</i>	<i>163</i>	<i>166</i>	<i>168</i>	<i>169</i>	<i>165</i>
Paper and pulp.....	155	140	153	153	157	160	153	157	158	160	163	164	159
Pulp.....	178	160	178	171	177	182	168	174	177	178	180	187	182
Groundwood pulp.....	116	98	105	104	107	112	107	109	110	103	108	112	111
Soda pulp.....	116	98	105	104	107	112	107	109	110	103	108	112	111
Sulphate pulp.....	277	253	278	259	275	281	255	276	269	285	293	309	301
Sulphite pulp.....	151	131	151	149	154	159	148	151	161	153	151	151	146
Paper.....	151	137	149	150	154	156	150	155	155	157	160	160	156
Paperboard.....	179	166	178	182	184	186	177	187	179	192	192	191	187
Fine paper.....	88	75	86	87	89	89	86	86	88	85	87	86	85
Printing paper.....	162	147	157	157	167	168	162	162	170	161	166	169	168
Tissue and absorbent paper.....	147	136	148	151	152	158	158	163	161	161	171	169	157
Wrapping paper.....	144	124	138	135	141	146	139	145	150	148	151	150	145
Newsprint.....	91	91	94	97	91	90	88	82	83	82	89	95	94
Paperboard containers (same as Paperboard).....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
<i>Printing and Publishing.....</i>	<i>146</i>	<i>139</i>	<i>145</i>	<i>144</i>	<i>152</i>	<i>152</i>	<i>146</i>	<i>148</i>	<i>157</i>	<i>150</i>	<i>154</i>	<i>156</i>	<i>157</i>
Newsprint consumption.....	131	131	133	131	138	137	131	134	144	139	143	143	146
Printing paper (same as shown under Paper).....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
<i>Petroleum and Coal Products.....</i>	<i>p191</i>	<i>p195</i>	<i>p201</i>	<i>p203</i>	<i>p204</i>	<i>p205</i>	<i>p208</i>	<i>p214</i>	<i>p215</i>	<i>p211</i>	<i>p213</i>	<i>p220</i>	<i>p222</i>
Petroleum refining ¹	154	157	163	162	162	159	160	159	155	154	164	170	p174
Gasoline.....	173	178	180	183	187	186	193	201	206	200	194	196	p196
Fuel oil.....	168	157	164	154	160	162	170	163	164	164	158	159	.....
Kerosene.....	182	186	177	169	177	178	187	199	213	210	197	187	.....
Other petroleum products ¹	165	161	171	170	177	177	179	178	179	166	137	174	175
Coke.....	160	156	164	162	169	170	171	171	171	164	135	166	168
By-product coke.....	340	307	415	439	449	414	440	442	421	237	186	421	408
Beehive coke.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
<i>Chemical Products.....</i>	<i>250</i>	<i>251</i>	<i>249</i>	<i>248</i>	<i>248</i>	<i>251</i>	<i>254</i>	<i>255</i>	<i>252</i>	<i>250</i>	<i>249</i>	<i>250</i>	<i>p254</i>
Paints.....	151	152	152	153	152	155	155	158	158	154	150	151	p152
Soap.....	142	135	135	137	138	148	150	151	147	140	123	124	p124
Rayon.....	251	291	294	295	294	297	299	298	301	303	305	304	p309
Industrial chemicals.....	439	438	431	425	427	431	438	437	434	433	439	437	p443
Explosives and ammunition ¹.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Other chemical products ¹.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
<i>Rubber Products.....</i>	<i>216</i>	<i>207</i>	<i>210</i>	<i>217</i>	<i>223</i>	<i>225</i>	<i>230</i>	<i>223</i>	<i>215</i>	<i>205</i>	<i>200</i>	<i>200</i>	<i>p200</i>
<i>Minerals—Total.....</i>	<i>148</i>	<i>140</i>	<i>150</i>	<i>153</i>	<i>155</i>	<i>155</i>	<i>156</i>	<i>154</i>	<i>155</i>	<i>142</i>	<i>147</i>	<i>162</i>	<i>p158</i>
<i>Fuels.....</i>	<i>153</i>	<i>144</i>	<i>155</i>	<i>160</i>	<i>162</i>	<i>163</i>	<i>162</i>	<i>160</i>	<i>161</i>	<i>146</i>	<i>149</i>	<i>168</i>	<i>p164</i>
Coal.....	140	113	143	153	156	159	153	152	148	99	103	160	p147
Bituminous coal.....	147	117	151	161	163	169	164	161	155	97	102	171	p157
Anthracite.....	110	93	114	122	126	119	111	112	118	108	105	116	p105
Crude petroleum.....	159	160	161	164	166	165	166	165	167	169	171	172	p173
<i>Metals.....</i>	<i>122</i>	<i>117</i>	<i>117</i>	<i>111</i>	<i>107</i>	<i>109</i>	<i>117</i>	<i>117</i>	<i>120</i>	<i>118</i>	<i>*137</i>	<i>128</i>	<i>p123</i>
Metals other than gold and silver.....	166	160	163	153	145	146	159	159	163	161	193	178	p170
Iron ore.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
(Copper; Lead; Zinc) ¹.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Gold.....	63	60	56	55	53	55	55	59	59	58	57	57	.....
Silver.....	61	51	47	55	63	73	78	67	64	59	68	.....	.....

^p Preliminary. ^r Revised. ¹ Series included in total and group indexes but not available for publication separately.

² This series is in process of revision.

NOTE.—For description and back figures see BULLETIN for October 1943, pp. 940-984, September 1941, pp. 878-881 and 933-937, and August 1940, pp. 753-771 and 825-882.

INDUSTRIAL PRODUCTION, BY INDUSTRIES
(Without Seasonal Adjustment)

[Index numbers of the Board of Governors. 1935-39 average = 100]

Industry	1947							1948					
	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
Industrial Production—Total	185	178	185	191	194	193	189	189	190	188	186	191	^p 193
Manufactures—Total	191	184	191	197	200	200	196	197	197	197	193	196	^p 198
Durable Manufactures	220	208	212	219	224	224	227	226	223	^r 228	217	221	^p 223
Iron and Steel	193	181	188	195	204	202	205	203	203	207	177	^r 206	207
Pig iron.....	189	174	187	188	198	197	196	197	196	190	151	193	196
Steel.....	211	198	205	214	224	222	226	224	224	234	208	233	234
Open hearth.....	176	166	170	177	184	182	185	182	180	184	154	183	181
Electric.....	458	429	454	477	509	503	516	526	551	587	591	^r 589	617
Machinery	275	266	267	276	280	281	288	285	284	283	276	272	^p 274
Manufacturing Arsenals and Depots ¹													
Transportation Equipment	233	217	213	227	232	234	244	244	232	^r 240	237	215	^p 227
Automobiles (including parts) (Aircraft; Railroad cars; Locomotives; Shipbuilding— Private and Government) ¹	191	185	180	197	198	200	206	206	192	202	^r 197	175	^p 192
Nonferrous Metals and Products	179	171	170	174	179	185	189	^r 195	^r 199	^r 201	^r 200	196	^p 193
Smelting and refining..... (Copper smelting; Lead refining; Zinc smelting; Aluminum; Magnesium; Tin) ¹	187	180	180	182	176	178	183	^r 188	^r 190	^r 193	^r 203	203	^p 193
Fabricating..... (Copper products; Lead shipments; Zinc shipments; Aluminum products; Magnesium products; Tin consumption) ¹	176	167	167	171	180	188	192	^r 198	202	^r 204	^r 199	193	^p 193
Lumber and Products	149	141	151	150	150	148	140	138	137	143	^r 144	145	^p 147
Lumber.....	143	133	147	143	138	133	119	117	116	125	131	134	^p 140
Furniture.....	160	155	160	164	172	176	181	179	178	^r 178	^r 169	164	^p 161
Stone, Clay, and Glass Products	209	196	207	210	210	206	200	190	193	201	208	211	^p 209
Glass products.....	229	200	218	223	215	209	187	184	193	205	212	212	198
Plate glass.....	154	124	151	151	156	143	141	149	166	160	165	152	170
Glass containers.....	254	225	241	248	236	231	203	196	201	219	227	233	207
Cement.....	183	181	193	198	202	192	178	161	158	160	183	196	203
Clay products.....	163	160	166	166	169	169	172	166	160	169	168	171	^p 175
Gypsum and plaster products.....	221	224	226	225	236	240	242	236	235	238	243	241	^p 245
Abrasives and asbestos products.....	239	220	216	226	224	226	244	215	242	248	^r 244	244	^p 241
Other stone and clay products ¹													
Nondurable Manufactures	168	164	173	178	181	180	171	173	176	173	174	177	^p 178
Textiles and Products	155	142	154	160	164	172	163	179	179	175	174	176	^p 173
Textile fabrics.....	143	129	142	147	152	159	149	165	166	161	161	163	^p 158
Cotton consumption.....	133	118	130	130	139	149	131	153	153	147	147	147	140
Rayon deliveries.....	263	263	267	278	280	290	287	300	^r 295	302	297	^r 308	309
Nylon and silk consumption ¹													
Wool textiles.....	155	130	156	168	167	172	166	181	185	177	179	179	
Carpet wool consumption.....	175	141	184	192	194	196	183	212	212	216	^r 227	227	
Apparel wool consumption.....	175	149	176	184	185	182	171	192	202	190	196	191	
Woolen and worsted yarn.....	144	121	147	162	160	164	161	172	176	166	164	163	
Woolen yarn.....	124	108	134	144	140	142	141	152	154	144	^r 146	145	
Worsted yarn.....	174	139	165	188	188	194	189	200	206	196	190	189	
Woolen and worsted cloth.....	152	132	148	159	159	167	164	175	181	171	171	172	
Leather and Products	106	99	116	121	126	126	113	120	126	114	110	108	^p 109
Leather tanning.....	112	100	114	118	123	126	112	117	124	101	105	109	
Cattle hide leathers.....	125	114	126	129	137	146	129	135	144	115	^r 119	125	
Calf and kip leathers.....	96	77	97	101	96	91	82	83	84	68	74	78	
Goat and kid leathers.....	92	89	84	95	100	90	90	96	99	91	94	90	
Sheep and lamb leathers.....	83	78	105	115	112	114	96	94	110	89	89	100	
Shoes.....	103	97	117	123	128	126	114	122	127	123	113	107	^p 111
Manufactured Food Products	154	166	178	182	167	161	154	146	144	141	143	153	^p 162
Wheat flour.....	146	141	147	148	144	144	132	140	136	120	128	134	^p 130
Cane sugar meltings ¹													
Manufactured dairy products.....	^p 229	^p 229	^p 192	^p 156	^p 121	^p 91	^p 88	^p 87	^p 99	^p 119	^p 155	^p 201	^p 224
Butter.....	113	104	81	73	64	50	52	55	58	63	72	93	98
Cheese.....	279	242	195	170	147	113	106	116	123	143	176	^r 229	242
Canned and dried milk.....	254	218	163	147	127	99	100	103	120	155	197	257	265
Ice cream.....													

^p Preliminary.

^r Revised.

¹ Series included in total and group indexes but not available for publication separately.

INDUSTRIAL PRODUCTION, BY INDUSTRIES—Continued
(Without Seasonal Adjustment)

[Index numbers of the Board of Governors. 1935-39 average=100]

Industry	1947							1948					
	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
<i>Manufactured Food Products—Continued</i>													
Meat packing.....	150	146	127	136	144	189	187	175	141	121	116	127	151
Pork and lard.....	157	150	119	114	133	216	229	204	158	130	124	145	176
Beef.....	151	151	141	165	159	165	154	157	130	119	115	116	132
Veal.....	141	154	155	191	195	203	140	119	101	92	100	108	134
Lamb and mutton.....	96	90	89	106	113	114	104	103	103	89	80	76	87
Other manufactured foods.....	146	163	186	196	179	167	161	152	152	149	148	152	^p 158
Processed fruits and vegetables.....	101	173	263	290	173	118	108	92	91	85	90	96	^p 111
Confectionery.....	100	97	128	162	176	170	152	148	151	133	114	106	.....
Other food products.....	165	171	176	177	181	180	176	167	168	167	169	175	^p 180
<i>Alcoholic Beverages.....</i>													
Malt liquor.....	178	182	181	206	252	196	146	142	176	172	178	173	186
Whiskey.....	189	196	192	197	190	157	132	139	154	146	160	161	183
Other distilled spirits.....	79	55	56	78	71	1	5	37	115	152	160	157	114
Rectified liquors.....	198	191	208	379	837	251	103	143	259	342	230	^p 177	243
.....	215	231	238	297	468	562	376	264	310	239	255	245	243
<i>Industrial Alcohol from Beverage Plants¹.....</i>													
Tobacco Products.....	165	162	165	172	181	172	139	153	147	155	173	163	173
Cigars.....	101	98	107	113	126	124	100	104	113	102	101	105	108
Cigarettes.....	227	221	222	228	238	228	185	204	190	209	239	222	237
Other tobacco products.....	67	72	78	89	85	70	54	67	68	67	75	68	70
Paper and Paper Products.....	160	145	158	159	163	165	157	163	163	167	169	170	165
Paper and pulp.....	155	140	152	153	157	160	152	157	159	160	163	164	160
Pulp.....	178	159	176	170	177	182	168	174	178	179	182	188	182
Groundwood pulp.....	106	96	100	98	97	103	97	91	98	96	107	112	107
Soda pulp.....	116	98	105	104	107	112	107	109	110	103	108	112	111
Sulphate pulp.....	277	253	278	259	275	281	255	276	269	285	293	309	301
Sulphite pulp.....	151	131	151	149	154	159	148	151	161	153	151	151	146
Paper.....	152	137	149	150	154	156	150	155	156	157	160	160	156
Paper board.....	179	166	178	182	184	186	177	187	179	192	192	191	187
Fine paper.....	88	75	86	87	89	89	86	86	88	85	87	^p 86	85
Printing paper.....	162	147	157	157	167	168	162	162	170	161	166	169	168
Tissue and absorbent paper.....	150	131	148	151	154	158	153	161	167	161	173	^p 169	160
Wrapping paper.....	144	124	138	135	141	146	139	145	150	148	151	150	145
Newsprint.....	92	89	93	97	91	91	87	82	83	82	91	95	95
Paperboard containers (same as Paperboard).....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Printing and Publishing.....	146	130	139	145	156	158	150	144	155	153	159	159	156
Newsprint consumption.....	129	113	120	132	145	149	138	125	141	145	151	149	144
Printing paper (same as shown under Paper).....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Petroleum and Coal Products.....	^p 191	^p 195	^p 201	^p 203	^p 204	^p 205	^p 208	^p 214	^p 215	^p 211	^p 213	^p 220	^p 222
Petroleum refining ¹	154	157	163	162	162	159	160	159	155	154	164	170	^p 174
Gasoline.....	173	178	180	183	187	186	193	201	206	200	194	196	^p 196
Fuel oil.....	168	156	162	154	160	162	168	158	163	162	164	166	.....
Kerosene.....	171	173	170	168	177	183	192	203	224	214	201	189	.....
Other petroleum products ¹.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Coke.....	165	161	171	170	177	177	179	178	179	166	137	174	175
By-product coke.....	160	156	164	162	169	170	171	171	171	164	135	166	168
Beehive coke.....	340	307	415	439	449	414	440	442	421	237	186	^p 421	408
Chemical Products.....	247	247	245	248	251	252	255	253	^p 253	252	251	249	^p 251
Paints.....	156	150	151	151	152	153	155	155	157	154	151	156	^p 157
Soap.....	140	134	136	143	145	149	150	148	146	140	120	120	^p 122
Rayon.....	251	291	294	295	294	297	299	298	301	303	305	304	^p 309
Industrial chemicals.....	439	438	431	425	427	431	438	437	434	433	439	437	^p 443
Explosives and ammunition ¹.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Other chemical products ¹.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Rubber Products.....	216	207	210	217	223	225	230	223	215	205	200	200	^p 200
Minerals—Total.....	152	145	155	158	158	155	151	149	149	136	145	164	^p 163
Fuels.....	153	144	155	160	162	163	162	160	161	146	149	168	^p 164
Coal.....	140	113	143	153	156	159	153	152	148	99	103	160	^p 147
Bituminous coal.....	147	117	151	161	163	169	164	161	155	97	102	171	^p 157
Anthracite.....	110	93	114	122	126	119	111	112	118	108	105	116	^p 105
Crude petroleum.....	159	160	161	164	166	165	166	165	167	169	171	172	^p 173
Metals.....	148	151	151	145	132	106	85	81	83	82	^p 126	144	^p 149
Metals other than gold and silver.....	213	220	219	206	183	136	101	97	103	103	178	210	^p 217
Iron ore.....	306	334	326	298	257	159	76	70	73	77	228	301	^p 313
(Copper; Lead; Zinc) ¹.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Gold.....	59	58	61	63	62	62	57	56	53	51	51	50	.....
Silver.....	59	50	46	55	63	73	78	68	65	61	68	.....	.....

^p Preliminary. ^r Revised. ¹ Series included in total and group indexes but not available for publication separately.

² This series is in process of revision.

NOTE.—For description and back figures, see BULLETIN for October 1943, pp. 940-984, September 1941, pp. 878-881 and 933-937, and August 1940, pp. 753-771 and 825-882.

ESTIMATED EMPLOYMENT IN NONAGRICULTURAL ESTABLISHMENTS, BY INDUSTRY DIVISION

[Unadjusted, estimates of Bureau of Labor Statistics. Adjusted, Board of Governors]

[Thousands of persons]

Year or month	Total	Manufacturing	Mining	Contract construction	Transportation and public utilities	Trade	Finance	Service	Federal, State, and local government ¹
1939.....	30,287	10,078	845	1,150	2,912	6,705	1,382	3,228	3,987
1940.....	32,031	10,780	916	1,294	3,013	7,055	1,419	3,362	4,192
1941.....	36,164	12,974	947	1,790	3,248	7,567	1,462	3,554	4,622
1942.....	39,697	15,051	983	2,170	3,433	7,481	1,440	3,708	5,431
1943.....	42,042	17,381	917	1,567	3,619	7,322	1,401	3,786	6,049
1944.....	41,480	17,111	883	1,094	3,798	7,399	1,374	3,795	6,026
1945.....	40,069	15,302	826	1,132	3,872	7,685	1,394	3,891	5,967
1946.....	41,494	14,515	852	1,661	4,023	8,820	1,586	4,430	5,607
1947.....	43,970	15,901	911	1,921	4,060	9,450	1,656	4,622	5,449
SEASONALLY ADJUSTED									
1947—May.....	43,457	15,693	912	1,847	3,967	9,347	1,627	4,590	5,474
June.....	43,860	15,725	916	1,900	4,080	9,430	1,626	4,711	5,472
July.....	43,854	15,705	883	1,927	4,097	9,458	1,658	4,686	5,440
August.....	43,967	15,804	916	1,959	4,102	9,497	1,680	4,619	5,390
September.....	44,291	16,039	918	1,969	4,128	9,542	1,676	4,634	5,385
October.....	44,557	16,161	919	1,999	4,101	9,613	1,688	4,662	5,414
November.....	44,625	16,216	922	2,006	4,080	9,636	1,690	4,670	5,405
December.....	44,800	16,266	926	2,018	4,089	9,679	1,693	4,688	5,441
1948—January.....	45,019	16,332	927	2,056	4,075	9,694	1,688	4,723	5,524
February.....	44,755	16,208	920	1,945	4,071	9,664	1,698	4,730	5,519
March.....	44,791	16,246	930	1,941	4,069	9,634	1,697	4,729	5,545
April.....	44,583	16,040	823	1,972	3,998	9,719	1,696	4,768	5,567
May.....	44,719	16,019	934	2,029	4,027	9,687	1,699	4,738	5,586
June.....	44,955	16,114	933	2,118	4,043	9,757	1,701	4,663	5,626
UNADJUSTED									
1947—May.....	43,345	15,569	910	1,865	3,981	9,277	1,643	4,590	5,510
June.....	43,816	15,672	919	1,957	4,129	9,324	1,650	4,711	5,454
July.....	43,686	15,580	890	2,043	4,155	9,316	1,675	4,686	5,341
August.....	44,125	15,962	923	2,096	4,163	9,356	1,688	4,619	5,318
September.....	44,513	16,175	921	2,107	4,134	9,471	1,668	4,634	5,403
October.....	44,758	16,209	922	2,099	4,097	9,684	1,671	4,662	5,414
November.....	44,918	16,256	923	2,046	4,077	9,886	1,673	4,670	5,387
December.....	45,618	16,354	925	1,978	4,071	10,288	1,676	4,688	5,638
1948—January.....	44,603	16,267	922	1,871	4,020	9,622	1,680	4,723	5,498
February.....	44,279	16,183	914	1,731	4,019	9,520	1,690	4,730	5,492
March.....	44,600	16,269	924	1,805	4,032	9,598	1,697	4,729	5,546
April.....	44,298	15,945	820	1,933	3,977	9,574	1,704	4,768	5,577
May.....	44,609	15,893	933	2,049	4,041	9,615	1,716	4,738	5,624
June.....	44,913	16,058	936	2,182	4,092	9,648	1,727	4,663	5,607

¹Includes Federal Force Account Construction.

NOTE.—Estimates include all full- and part-time wage and salary workers in nonagricultural establishments employed during the pay period ending nearest the 15th of the month. Proprietors, self-employed persons, domestic servants, and personnel of the armed forces are excluded. June 1948 figures are preliminary. Back unadjusted data are available from the Bureau of Labor Statistics; seasonally adjusted figures beginning January 1939 may be obtained from the Division of Research and Statistics.

LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

[Bureau of the Census estimates without seasonal adjustment. Thousands of persons 14 years of age and over]

Year or month	Total non-institutional population	Total labor force	Civilian labor force					Not in the labor force
			Total	Employed ¹			Unemployed	
				Total	In nonagricultural industries	In agriculture		
1940 ²	100,230	56,030	55,640	47,520	37,980	9,540	8,120	44,200
1941.....	101,370	57,380	55,910	50,350	41,250	9,100	5,560	43,990
1942.....	102,460	60,230	56,410	53,750	44,500	9,250	2,660	42,230
1943.....	103,510	64,410	55,540	54,470	45,390	9,080	1,070	39,100
1944.....	104,480	65,890	54,630	53,960	45,010	8,950	670	38,590
1945.....	105,370	65,140	53,860	52,820	44,240	8,580	1,040	40,230
1946.....	106,370	60,820	57,520	55,250	46,930	8,320	2,270	45,550
1947.....	107,458	61,608	60,168	58,027	49,761	8,266	2,142	45,850
1947—June ³	107,407	64,007	62,609	60,055	49,678	10,377	2,555	43,399
July.....	107,504	64,035	62,664	60,079	50,013	10,066	2,584	43,469
August.....	107,590	63,017	61,665	59,569	50,594	8,975	2,096	44,573
September.....	107,675	62,130	60,784	58,872	50,145	8,727	1,912	45,544
October.....	107,755	62,219	60,892	59,204	50,583	8,622	1,687	45,535
November.....	107,839	61,510	60,216	58,595	50,609	7,985	1,621	46,330
December.....	107,918	60,870	59,590	57,947	50,985	6,962	1,643	47,047
1948—January.....	107,979	60,455	59,214	57,149	50,089	7,060	2,065	47,524
February.....	108,050	61,004	59,778	57,139	50,368	6,771	2,639	47,046
March.....	108,124	61,005	59,769	57,329	50,482	6,847	2,440	47,119
April.....	108,173	61,760	60,524	58,330	50,883	7,448	2,193	46,414
May.....	108,262	61,660	60,422	58,660	50,800	7,861	1,761	46,602
June.....	108,346	64,740	63,479	61,296	51,899	9,396	2,184	43,605

¹ Includes self-employed, unpaid family, and domestic service workers.

² Annual averages for 1940 include an allowance for January and February inasmuch as the monthly series began in March 1940.

³ Beginning in June 1947, details do not necessarily add to group totals.

NOTE.—Information on the labor force status of the population is obtained through interviews of households on a sample basis. Data relate to the calendar week that contains the eighth day of the month. Back data are available from the Bureau of the Census.

CONSTRUCTION CONTRACTS AWARDED, BY TYPE OF CONSTRUCTION

[Figures for 37 States east of the Rocky Mountains, as reported by the F. W. Dodge Corporation. Value of contracts in millions of dollars]

Month	Total		Residential building		Nonresidential building								Public works and public utilities	
					Factories		Commercial		Educational		Other			
	1947	1948	1947	1948	1947	1948	1947	1948	1947	1948	1947	1948	1947	1948
January	571.6	615.2	257.4	238.1	86.5	54.1	38.3	74.5	19.7	58.7	55.9	53.3	113.9	136.6
February	442.2	682.0	208.4	232.3	73.9	71.9	46.4	75.5	13.5	37.8	9.4	87.2	90.5	177.3
March	596.8	689.8	282.9	276.5	82.1	55.3	52.6	78.5	21.4	50.3	35.8	65.0	122.0	164.3
April	602.3	873.9	256.7	351.6	65.6	82.2	66.3	88.8	22.7	55.4	29.6	111.2	161.4	184.7
May	674.7	970.8	254.1	369.8	71.3	91.9	59.2	103.3	47.7	83.8	57.7	117.0	184.7	205.0
June	605.1	935.2	209.5	355.3	66.8	103.8	58.4	83.1	40.1	63.5	44.7	113.8	185.7	215.7
July	660.3	.....	240.9	.....	82.3	.....	81.6	.....	38.5	.....	51.2	.....	165.9	.....
August	823.2	.....	308.9	.....	88.0	.....	77.2	.....	45.6	.....	80.0	.....	223.5	.....
September	650.0	.....	268.5	.....	73.8	.....	75.9	.....	42.8	.....	47.4	.....	141.5	.....
October	793.3	.....	349.5	.....	95.5	.....	80.0	.....	41.1	.....	61.3	.....	165.9	.....
November	715.1	.....	290.2	.....	72.1	.....	84.3	.....	27.2	.....	59.8	.....	181.5	.....
December	625.4	.....	226.8	.....	83.5	.....	65.3	.....	31.5	.....	64.1	.....	154.1	.....
Year	7,759.9	.....	3,153.8	.....	941.4	.....	785.5	.....	391.9	.....	596.9	.....	1,890.4	.....

CONSTRUCTION CONTRACTS AWARDED, BY OWNERSHIP

[Figures for 37 States east of the Rocky Mountains, as reported by the F. W. Dodge Corporation. Value of contracts in millions of dollars]

Month	Total			Public ownership			Private ownership		
	1946	1947	1948	1946	1947	1948	1946	1947	1948
January	358	572	615	47	167	197	311	405	419
February	387	442	682	56	96	248	331	346	434
March	698	597	690	146	143	181	551	453	509
April	735	602	874	127	177	236	608	425	638
May	952	675	971	197	234	298	756	441	673
June	808	605	.....	215	226	.....	593	379	.....
July	718	660	.....	202	203	.....	516	458	.....
August	680	823	.....	205	218	.....	475	605	.....
September	620	650	.....	187	193	.....	433	457	.....
October	573	793	.....	134	209	.....	439	584	.....
November	504	715	.....	130	224	.....	373	492	.....
December	457	625	.....	109	207	.....	348	418	.....
Year	7,490	7,760	.....	1,754	2,296	.....	5,735	5,464	.....

LOANS INSURED BY FEDERAL HOUSING ADMINISTRATION
[In millions of dollars]

Year or month	Total	Title I Loans		Mortgages on		
		Property improvement ¹	Small home construction	1- to 4-family houses (Title II)	Rental and group housing (Title II)	War and Veterans' housing (Title VI) ²
1937	489	54	.....	424	11	.....
1938	684	151	13	473	48	.....
1939	950	204	25	669	51	.....
1940	1,017	242	26	736	13	.....
1941	1,172	249	21	877	13	13
1942	1,137	141	15	691	6	284
1943	935	87	1	245	(*)	603
1944	875	114	.....	216	7	537
1945	666	171	.....	219	4	272
1946	755	321	(*)	347	3	85
1947	1,787	534	(*)	446	.....	808
1947—June	146	44	.....	39	.....	63
July	163	50	(*)	39	.....	74
August	175	43	(*)	37	.....	95
September	183	46	(*)	41	.....	96
October	244	46	(*)	48	.....	150
November	192	47	(*)	39	.....	106
December	228	68	(*)	48	.....	112
1948—January	224	56	(*)	48	.....	120
February	228	45	(*)	45	.....	137
March	272	49	(*)	53	.....	170
April	292	63	(*)	51	.....	177
May	265	54	1	53	.....	158
June	329	59	(*)	72	.....	197

¹ Net proceeds to borrowers. ² Mortgages insured under War Housing Title VI through April 1946; figures thereafter represent mainly mortgages insured under the Veterans' Housing Title VI (approved May 22, 1946) but include a few refinanced mortgages originally written under the War Housing Title VI. Beginning with December 1947 figures include mortgages insured in connection with sale of Government owned war housing, and beginning with February 1948 include insured loans to finance the manufacture of housing.
³ Less than \$500,000.

NOTE.—Figures represent gross insurance written during the period and do not take account of principal repayments on previously insured loans. Figures include some reinsured mortgages, which are shown in the month in which they were reported by FHA. Reinsured mortgages on rental and group housing (Title II) are not necessarily shown in the month in which reinsurance took place.

CONSTRUCTION CONTRACTS AWARDED, BY DISTRICT

[Figures for 37 States east of the Rocky Mountains, as reported by the F. W. Dodge Corporation. Value of contracts in thousands of dollars]

Federal Reserve district	1948		1947
	June	May	June
	Boston	50,548	55,690	32,208
New York	159,845	170,306	70,685
Philadelphia	64,884	77,809	37,458
Cleveland	91,977	77,863	59,049
Richmond	97,734	97,943	77,843
Atlanta	105,090	102,519	67,459
Chicago	160,249	179,866	102,554
St. Louis	49,008	44,859	65,640
Minneapolis	30,130	34,160	22,979
Kansas City	65,145	39,108	25,228
Dallas	90,668	90,668	43,967
Total (11 districts)	935,198	970,789	605,070

INSURED FHA HOME MORTGAGES (TITLE II) HELD IN PORTFOLIO, BY CLASS OF INSTITUTION

[In millions of dollars]

End of month	Total	Commercial banks	Mutual savings banks	Savings and loan associations	Insurance companies	Federal agencies ¹	Other ²
1937—Dec	771	430	27	110	118	32	53
1938—Dec	1,199	634	38	149	212	77	90
1939—Dec	1,793	902	71	192	342	153	133
1940—Dec	2,409	1,162	130	224	542	201	150
1941—June	2,755	1,318	157	237	668	220	154
Dec	3,107	1,465	186	254	789	234	179
1942—June	3,491	1,623	219	272	940	243	195
Dec	3,620	1,669	236	276	1,032	245	163
1943—June	3,700	1,700	252	284	1,071	235	158
Dec	3,626	1,705	256	292	1,134	79	159
1944—June	3,554	1,669	258	284	1,119	73	150
Dec	3,399	1,590	260	269	1,072	68	140
1945—June	3,324	1,570	265	264	1,047	43	134
Dec	3,156	1,506	263	253	1,000	13	122
1946—June	3,102	1,488	260	247	974	11	122
Dec	2,946	1,429	252	233	917	9	106
1947—June	2,860	1,386	245	229	889	8	102
Dec	2,871	1,379	244	232	899	7	110

¹ The RFC Mortgage Company, the Federal National Mortgage Association, the Federal Deposit Insurance Corporation, and the United States Housing Corporation.

² Including mortgage companies, finance companies, industrial banks, endowed institutions, private and State benefit funds, etc.

NOTE.—Figures represent gross amount of mortgages held, excluding terminated mortgages and cases in transit to or being audited at the Federal Housing Administration.

DEPARTMENT STORE STATISTICS—Continued
SALES AND STOCKS BY MAJOR DEPARTMENTS—Continued

Department	Number of stores reporting	Per cent change from a year ago (value)			Ratio of stocks to sales ¹		Index numbers without seasonal adjustment 1941 average monthly sales=100 ²						
		Sales during period		Stocks (end of mo.)	May		Sales during period			Stocks at end of month			
		May 1948	Five mos. 1948		May 1948	1948	1947	1948		1947		1948		1947
				May				Apr.	May	May	Apr.	May	
BASEMENT STORE—total	197	+5	+10	+11	2.1	2.0	214	204	205	450	464	404	
Domestics and blankets ⁴	135	+3	+1	+12	2.7	2.5							
Women's and misses' ready-to-wear	195	+8	+13	+10	1.6	1.5	225	213	208	355	372	321	
Intimate apparel ⁴	171	+14	+17	+15	1.9	1.9							
Coats and suits ⁴	179	+2	+10	+20	1.1	1.0							
Dresses ⁴	174	+12	+15	+7	1.0	1.0							
Blouses, skirts, and sportswear ⁴	154	+2	+18	-6	2.0	2.1							
Girls' wear ⁴	120	+7	+8	+13	2.2	2.1							
Infants' wear ⁴	116	+2	+8	+13	2.8	2.5							
Men's and boys' wear	154	+4	+10	+15	2.9	2.6	206	189	199	598	587	523	
Men's wear ⁴	137	+4	+12	+20	2.8	2.4							
Men's clothing ⁴	95	+3	+15	+30	2.9	2.3							
Men's furnishings ⁴	114	+5	+8	+15	2.8	2.5							
Boys' wear ⁴	118	+1	+8	-2	3.0	3.1							
Housefurnishings	104	-1	+6	+8	2.4	2.2	205	211	207	499	521	465	
Shoes	132	-5	+9	+11	3.1	2.7	179	160	189	559	571	512	
NONMERCHANDISE—total ⁴	183	+3	+6	(⁵)	(⁵)	(⁵)							
Barber and beauty shop ⁴	129	-1	+3	(⁵)	(⁵)	(⁵)							

¹ The ratio of stocks to sales is obtained by dividing stocks at the end of the month by sales during the month and hence indicates the number of months' supply on hand at the end of the month in terms of sales for that month.

² The 1941 average of monthly sales for each department is used as a base in computing the sales index for that department. The stocks index is derived by applying to the sales index for each month the corresponding stocks-sales ratio. For description and monthly indexes of sales and stocks by department groups for back years, see pp. 856-858 of BULLETIN for August 1946. The titles of the tables on pp. 857 and 858 were reversed.

³ For movements of total department store sales and stocks see the indexes for the United States on p. 1003.

⁴ Index numbers of sales and stocks for this department are not available for publication separately; the department, however, is included in group and total indexes. ⁵ Data not available.

NOTE.—Based on reports from a group of large department stores located in various cities throughout the country. In 1947, sales and stocks at these stores accounted for about 50 per cent of estimated total department store sales and stocks. Not all stores report data for all of the departments shown; consequently, the sample for the individual departments is not so comprehensive as that for the total.

**SALES, STOCKS, AND OUTSTANDING ORDERS
AT 296 DEPARTMENT STORES¹**

Year or month	Amount (In millions of dollars)		
	Sales (total for month)	Stocks (end of month)	Out-standing orders (end of month)
1939 average.....	128	344	.....
1940 average.....	136	353	108
1941 average.....	156	419	194
1942 average.....	179	599	263
1943 average.....	204	508	530
1944 average.....	227	534	560
1945 average.....	255	563	729
1946 average.....	318	714	909
1947 average.....	336	823	553
1947—June.....	304	*765	*469
July.....	253	732	603
August.....	274	789	622
September.....	341	823	676
October.....	367	912	663
November.....	416	941	605
December.....	584	770	544
1948—January.....	271	789	633
February.....	263	878	575
March.....	355	941	420
April.....	331	938	356
May.....	339	919	339
June.....	*337	*859	*464

* Preliminary. * Revised.

¹ These figures are not estimates for all department stores in the United States.

Back figures.—Division of Research and Statistics.

WEEKLY INDEX OF SALES

[Weeks ending on dates shown. 1935-39 average = 100]

Without seasonal adjustment			
1946	1947	1947	1948
Sept. 7.....264	Sept. 6.....265	Mar. 8.....254	Mar. 6.....266
14.....293	13.....291	15.....267	13.....279
21.....280	20.....301	22.....286	20.....313
28.....257	27.....316	29.....283	27.....331
Oct. 5.....277	Oct. 4.....326	Apr. 5.....319	Apr. 3.....280
12.....281	11.....304	12.....265	10.....298
19.....295	18.....299	19.....271	17.....294
26.....287	25.....306	26.....267	24.....296
Nov. 2.....277	Nov. 1.....313	May 3.....279	May 1.....300
9.....314	8.....347	10.....311	8.....330
16.....342	15.....380	17.....273	15.....293
23.....363	22.....395	24.....277	22.....295
30.....334	29.....367	31.....250	29.....297
Dec. 7.....475	Dec. 6.....508	June 7.....293	June 5.....282
14.....519	13.....570	14.....300	12.....304
21.....532	20.....576	21.....256	19.....310
28.....281	27.....358	28.....245	26.....263
		July 5.....208	July 3.....265
		12.....228	10.....217
		19.....217	17.....236
Jan. 4.....188	Jan. 3.....204	26.....213	24.....231
11.....232	10.....251	Aug. 2.....220	31.....
18.....223	17.....232	9.....223	Aug. 7.....
25.....220	24.....226	16.....225	14.....
Feb. 1.....217	31.....233	23.....243	21.....
8.....219	Feb. 7.....240	30.....277	28.....
15.....246	14.....238		
22.....216	21.....249		
Mar. 1.....238	28.....248		

* Revised.

NOTE.—Revised series. For description and back figures see pp. 874-875 of BULLETIN for September 1944.

GROSS NATIONAL PRODUCT, NATIONAL INCOME, AND PERSONAL INCOME

[Estimates of the Department of Commerce. In billions of dollars]

RELATION OF GROSS NATIONAL PRODUCT, NATIONAL INCOME, PERSONAL INCOME, AND SAVING

	Annual totals							Seasonally adjusted annual rates by quarters					
	1929	1933	1939	1941	1944 ^r	1946 ^r	1947 ^r	1946 ^r	1947 ^r				1948 ^r
								4	1	2	3	4	1
Gross national product	103.8	55.8	90.4	125.3	212.2	209.3	231.6	222.4	226.4	228.3	227.9	243.8	246.0
Less: Capital consumption allowances.....	8.8	7.2	8.1	9.3	11.9	11.8	13.3	12.5	12.8	13.3	13.4	13.8	14.0
Indirect business tax and related liabilities.....	7.0	7.1	9.4	11.3	14.0	17.5	18.5	18.3	18.0	18.1	18.4	19.4	18.9
Business transfer payments.....	.6	.7	.5	.5	.5	.6	.6	.6	.6	.6	.6	.6	.6
Statistical discrepancy.....	-.1	1.2	.5	.5	4.1	-1.0	-3.4	-.9	-2.4	-2.7	-5.4	-3.3	-3.3
Plus: Subsidies less current surplus of government enterprises.....	-.1	(1)	.5	.1	.7	.9	-.1	.0	-.1	.3	-.3	-.4	-.3
Equals: National income	87.4	39.6	72.5	103.8	182.4	179.3	202.5	192.0	197.3	199.3	200.6	212.8	215.5
Less: Corporate profits and inventory valuation adjustment.....	10.3	-2.0	5.8	14.6	24.0	16.8	24.7	19.6	21.8	25.2	24.3	27.5	26.3
Contributions for social insurance.....	.2	.3	2.1	2.8	5.2	5.9	5.6	5.7	6.2	6.1	5.2	5.1	5.3
Excess of wage accruals over disbursements.....	.0	.0	.0	.0	-.2	0.0	.0	.0	.0	.0	.0	.0	.0
Plus: Government transfer payments.....	.9	1.5	2.5	2.6	3.1	10.8	11.1	9.7	10.1	9.9	13.6	10.6	10.9
Net interest paid by government.....	1.0	1.2	1.2	1.3	2.8	4.5	4.4	4.5	4.4	4.4	4.5	4.5	4.6
Dividends.....	5.8	2.1	3.8	4.5	4.7	5.6	6.9	5.9	6.4	6.7	6.9	7.1	7.3
Business transfer payments.....	.6	.7	.5	.5	.5	.6	.6	.6	.6	.6	.6	.6	.6
Equals: Personal income	85.1	46.6	72.6	95.3	164.5	178.1	195.2	187.3	190.9	189.6	196.7	203.1	207.3
Less: Personal tax and related payments.....	2.6	1.5	2.4	3.3	18.9	18.9	21.6	19.7	21.2	21.4	21.7	22.2	23.2
Federal.....	1.3	.5	1.2	2.0	17.5	17.2	19.7	17.9	19.3	19.4	19.8	20.2	21.1
State and local.....	1.4	1.0	1.2	1.3	1.4	1.7	2.0	1.8	1.9	1.9	2.0	2.0	2.1
Equals: Disposal personal income	82.5	45.2	70.2	92.0	145.6	159.2	173.6	167.6	169.7	168.2	175.0	180.9	184.1
Less: Personal consumption expenditures.....	78.8	46.3	67.5	82.3	110.4	147.4	164.8	157.0	158.1	164.2	165.6	171.1	172.3
Equals: Personal saving	3.7	-1.2	2.7	9.8	34.2	11.8	8.8	10.6	11.6	4.1	9.4	9.7	11.8

NATIONAL INCOME, BY DISTRIBUTIVE SHARES

	Annual totals							Seasonally adjusted annual rates by quarters					
	1929	1933	1939	1941	1944 ^r	1946 ^r	1947 ^r	1946 ^r	1947 ^r				1948 ^r
								4	1	2	3	4	1
National income	87.4	39.6	72.5	103.8	182.4	179.3	202.5	192.0	197.3	199.3	200.6	212.8	215.5
Compensation of employees	50.8	29.3	47.8	64.3	121.1	117.3	127.5	123.0	125.0	125.3	127.6	132.2	134.0
Wages and salaries ¹	50.2	28.8	45.7	61.7	116.9	111.7	122.2	117.5	119.3	119.6	122.5	127.1	128.8
Private.....	45.2	23.7	37.5	51.5	83.3	91.0	104.7	98.7	101.7	102.3	105.3	109.5	111.1
Military.....	.3	.3	.4	1.9	20.7	7.8	3.9	5.3	4.3	3.9	3.7	3.6	3.5
Government civilian.....	4.6	4.9	7.8	8.3	12.8	12.9	13.6	13.5	13.3	13.4	13.5	14.0	14.2
Supplements to wages and salaries.....	.6	.5	2.1	2.6	4.2	5.6	5.3	5.5	5.7	5.7	5.1	5.0	5.2
Proprietors' and rental income ²	19.7	7.2	14.7	20.8	34.1	41.8	46.0	45.6	46.4	44.6	44.4	48.6	50.6
Business and professional.....	8.3	2.9	6.8	9.6	15.4	20.4	23.2	22.4	22.5	22.7	23.0	24.7	25.0
Farm.....	5.7	2.3	4.5	6.9	11.9	14.6	15.6	16.4	16.9	14.9	14.3	16.5	18.0
Rental income of persons.....	5.8	2.0	3.5	4.3	6.7	6.7	7.1	6.8	7.0	7.0	7.1	7.4	7.5
Corporate profits and inventory valuation adjustment	10.3	-2.0	5.8	14.6	24.0	16.8	24.7	19.6	21.8	25.2	24.3	27.5	26.3
Corporate profits before tax.....	9.8	.2	6.5	17.2	24.3	21.8	29.8	28.0	28.9	28.8	29.1	32.4	31.4
Corporate profits tax liability.....	1.4	.5	1.5	7.8	13.5	9.0	11.7	11.6	11.4	11.3	11.4	12.7	12.2
Corporate profits after tax.....	8.4	-.4	5.0	9.4	10.8	12.8	18.1	16.5	17.5	17.5	17.7	19.7	19.2
Inventory valuation adjustment.....	.5	-2.1	-.7	-2.6	-.3	-5.0	-5.1	-8.5	-7.1	-3.6	-4.8	-4.9	-5.1
Net interest	6.5	5.0	4.2	4.1	3.1	3.4	4.3	3.8	4.1	4.2	4.4	4.5	4.6

^r Revised.

¹ Less than 50 million dollars.

² Includes employee contributions to social insurance funds.

³ Includes noncorporate inventory valuation adjustment.

NOTE.—Details may not add to totals because of rounding.

Source.—Figures in this table are the revised series. For an explanation of the revisions and a detailed breakdown of the series for the period 1929-43, see *National Income Supplement to the Survey of Current Business*, July 1947, Department of Commerce. For the detailed breakdown for the period 1944-47, see *Survey of Current Business*, July 1948. For a discussion of the revisions, for annual data for the period 1929-43, and for quarterly data for 1939, 1940, and 1941, see also pp. 1105-1114 of the BULLETIN for September 1947; quarterly data for 1945 shown in that issue of the BULLETIN have since been revised.

GROSS NATIONAL PRODUCT, NATIONAL INCOME, AND PERSONAL INCOME—Continued

[Estimates of the Department of Commerce. In billions of dollars]

GROSS NATIONAL PRODUCT OR EXPENDITURE

	Annual totals							Seasonally adjusted annual rates by quarters					
	1929	1933	1939	1941	1944 ^r	1946 ^r	1947 ^r	1946 ^r	1947 ^r				1948 ^r
								4	1	2	3	4	1
Gross national product	103.8	55.8	90.4	125.3	212.2	209.3	231.6	222.4	226.4	228.3	227.9	243.8	246.0
Personal consumption expenditures	78.8	46.3	67.5	82.3	111.4	147.4	164.8	157.0	158.1	164.2	165.6	171.1	172.3
Durable goods.....	9.4	3.5	6.7	9.8	6.9	16.2	21.0	19.5	19.6	21.1	21.1	22.1	21.4
Nondurable goods.....	37.7	22.3	35.3	44.0	67.5	87.5	96.5	92.0	92.5	96.3	96.8	100.2	101.3
Services.....	31.7	20.6	25.5	28.5	37.0	43.6	47.3	45.5	46.0	46.7	47.7	48.8	49.6
Gross private domestic investment	15.8	1.3	9.0	17.2	6.4	26.5	30.0	31.3	32.6	26.4	25.6	35.4	40.4
New construction ¹	7.8	1.1	4.0	5.7	2.3	8.9	11.7	10.1	10.8	10.3	11.6	14.0	14.3
Producers' durable equipment.....	6.4	1.8	4.6	7.7	5.4	12.8	17.8	16.2	16.6	17.9	17.6	18.9	19.6
Change in business inventories.....	1.6	-1.6	.4	3.9	-1.4	4.8	.6	5.0	5.2	-1.8	-3.5	2.5	6.5
Net foreign investment.....	.8	.2	.9	1.1	-2.1	4.7	8.9	5.1	8.8	10.2	8.4	8.2	3.9
Government purchases of goods and services	8.5	8.0	13.1	24.7	96.5	30.8	28.0	29.0	26.9	27.6	28.3	29.0	29.4
Federal.....	1.3	2.0	5.2	16.9	89.0	20.8	15.6	17.9	15.6	15.7	15.7	19.5	16.0
War.....				13.8	88.6	21.2		16.0					
Nonwar.....	1.3	2.0	3.9	3.2	1.6	2.5		3.6	17.7	17.0	16.6	16.3	17.3
Less: Government sales ²	(9)	(9)	(9)	(9)	1.2	2.9	1.3	1.7	2.1	1.4	.9	.8	1.3
State and local.....	7.2	5.9	7.9	7.8	7.5	10.0	12.3	11.1	11.3	11.9	12.6	13.5	13.4

PERSONAL INCOME

[Seasonally adjusted monthly totals at annual rates]

Year or month	Personal income	Wages and salaries							Other labor income ⁵	Proprietors' and rental income ⁶	Dividends and personal interest income	Transfer payments ⁷	Non-agricultural income ⁸
		Total receipts ⁴	Wage and salary disbursements				Less employee contributions for social insurance						
			Total disbursements	Commodity producing industries	Distributive industries	Service industries		Government					
1929.....	85.1	50.0	50.2	21.5	15.5	8.2	5.0	.1	.5	19.7	13.3	1.5	76.8
1930.....	76.2	45.7	45.9	18.5	14.4	7.7	5.2	.1	.5	15.7	12.6	1.5	70.0
1931.....	64.8	38.7	38.9	14.3	12.5	6.8	5.3	.2	.5	11.8	11.1	2.7	60.1
1932.....	49.3	30.1	30.3	9.9	9.8	5.7	5.0	.2	.4	7.4	9.1	2.2	46.2
1933.....	46.6	28.7	28.8	9.8	8.8	5.1	5.2	.2	.4	7.2	8.2	2.1	43.0
1934.....	53.2	33.4	33.5	12.0	9.9	5.5	6.1	.2	.4	8.7	8.6	2.2	49.5
1935.....	59.9	36.3	36.5	13.5	10.7	5.8	6.5	.2	.4	12.1	8.6	2.4	53.4
1936.....	68.4	41.6	41.8	15.8	11.8	6.3	7.9	.2	.5	12.6	10.1	3.5	62.8
1937.....	74.0	45.4	45.9	18.4	13.1	6.9	7.5	.6	.5	15.4	10.3	2.4	66.5
1938.....	68.3	42.3	42.8	15.3	12.6	6.7	8.2	.6	.5	14.0	8.7	2.8	62.1
1939.....	72.6	45.1	45.7	17.4	13.3	6.9	8.2	.6	.5	14.7	9.2	3.0	66.3
1940.....	78.3	48.9	49.6	19.7	14.2	7.3	8.5	.7	.6	16.3	9.4	3.1	71.5
1941.....	95.3	60.9	61.7	27.5	16.3	7.8	10.2	.8	.6	20.8	9.9	3.1	86.1
1942.....	122.2	80.5	81.7	39.1	18.0	8.6	16.1	1.2	.7	28.1	9.7	3.2	108.7
1943.....	149.4	103.5	105.3	48.9	20.1	9.5	26.9	1.8	.9	32.1	10.0	3.0	134.3
1944 ^r	164.5	114.8	117.1	50.3	22.7	10.5	33.5	2.2	1.3	34.1	10.6	3.6	149.0
1945 ^r	170.3	115.2	117.5	45.8	24.8	11.5	35.5	2.3	1.6	36.0	11.4	6.2	154.3
1946 ^r	178.1	109.8	111.7	46.1	31.2	13.8	20.7	2.0	1.6	41.8	13.5	11.4	159.4
1947 ^r	195.2	120.1	122.2	54.6	35.0	15.1	17.4	2.1	1.8	46.0	15.6	11.7	174.9
1947—May ^r	188.6	117.0	119.1	52.9	33.9	15.1	17.2	2.1	1.8	44.2	15.3	10.3	169.6
June ^r	192.4	119.6	121.7	54.0	35.0	15.3	17.4	2.1	1.8	45.1	15.4	10.5	172.4
July ^r	193.2	119.4	121.4	53.6	35.2	15.5	17.1	2.0	1.8	45.3	15.6	11.1	172.9
August ^r	190.8	120.1	122.2	54.3	35.4	15.3	17.2	2.1	1.8	42.8	15.6	10.5	173.1
September ^r	206.2	121.9	123.9	55.4	36.0	15.2	17.3	2.0	1.9	45.0	16.2	21.2	187.4
October ^r	200.0	122.7	124.7	55.9	36.0	15.2	17.6	2.0	1.9	47.5	15.9	12.0	179.7
November ^r	201.4	125.5	127.3	57.4	37.1	15.2	17.6	1.8	1.9	47.1	16.1	10.8	181.4
December ^r	207.7	127.4	129.4	59.2	37.4	15.2	17.6	2.0	1.9	51.3	16.2	10.9	184.2
1948—January ^r	209.4	127.5	129.7	59.3	37.5	15.3	17.6	2.2	1.9	52.4	16.5	11.1	184.7
February ^r	206.8	126.9	128.9	58.0	37.8	15.4	17.7	2.0	2.0	50.0	16.6	11.3	184.5
March ^r	205.6	125.7	127.8	57.0	37.5	15.4	17.9	2.1	1.9	49.3	16.6	12.1	184.1
April ^r	207.4	125.0	127.0	56.3	37.2	15.6	17.9	2.0	2.0	51.9	16.7	11.8	183.7
May ^r	208.1	126.7	128.7	57.3	37.9	15.5	18.0	2.0	2.0	51.8	16.7	10.9	184.4

^r Preliminary. ^r Revised. ¹ Includes construction expenditures for crude petroleum and natural gas drilling.

² Consists of sales abroad and domestic sales of surplus consumption goods and materials. ³ Less than 50 million dollars.

⁴ Total wage and salary receipts, as included in "Personal income," is equal to total disbursements less employee contributions to social insurance. Such contributions are not available by industries.

⁵ Includes compensation for injuries, employer contributions to private pension and welfare funds, and other payments.

⁶ Includes business and professional income, farm income, and rental income of unincorporated enterprise; also a noncorporate inventory valuation adjustment.

⁷ Includes government social insurance benefits, direct relief, mustering out pay, veterans' readjustment allowances and other payments, as well as consumer bad debts and other business transfers.

⁸ Includes personal income exclusive of net income of unincorporated farm enterprise, farm wages, agricultural net rents, agricultural net interest, and net dividends paid by agricultural corporations.

NOTE.—Details may not add to totals because of rounding.

SOURCE.—Figures in this table are for the revised series. For an explanation of the revisions and a detailed breakdown of the series for the period 1929-43, see *National Income Supplement to the Survey of Current Business*, July 1947, Department of Commerce. For the detailed breakdown for the period 1944-47, see *Survey of Current Business*, July 1948. For a discussion of the revisions, for annual data for the period 1929-43, and for quarterly data for 1939, 1940 and 1941, see also pp. 1105-1114 of the BULLETIN for September 1947; quarterly data for 1945 shown in that issue of the BULLETIN have since been revised.

CONSUMER CREDIT STATISTICS
TOTAL CONSUMER CREDIT, BY MAJOR PARTS
 [Estimated amounts outstanding. In millions of dollars]

End of year or month	Total consumer credit ¹	Instalment credit					Single-payment loans ²	Charge accounts	Service credit
		Total instalment credit ¹	Sale credit			Loans ³			
			Total	Automobile	Other				
1929.....	7,628	3,158	2,515	1,318	1,197	643	2,125	1,749	596
1933.....	3,912	1,588	1,122	459	663	466	776	1,081	467
1937.....	7,481	3,961	2,752	1,384	1,368	1,209	1,504	1,459	557
1938.....	7,055	3,603	2,313	970	1,343	1,290	1,442	1,487	523
1939.....	7,982	4,437	2,792	1,267	1,525	1,645	1,468	1,544	533
1940.....	9,131	5,433	3,450	1,729	1,721	1,983	1,488	1,650	560
1941.....	9,878	5,903	3,744	1,942	1,802	2,159	1,601	1,764	610
1942.....	6,461	2,931	1,491	482	1,009	1,440	1,369	1,513	648
1943.....	5,315	1,938	814	175	639	1,124	1,192	1,498	687
1944.....	5,754	2,012	835	200	635	1,177	1,255	1,758	729
1945.....	6,613	2,340	903	227	676	1,437	1,520	1,981	772
1946.....	10,134	3,944	1,558	544	1,014	2,386	2,262	3,054	874
1947.....	13,423	6,189	2,839	1,151	1,688	3,350	2,702	3,612	920
1947—May.....	10,942	4,747	1,928	816	1,112	2,819	2,460	2,835	900
June.....	11,244	4,933	2,036	880	1,156	2,897	2,508	2,887	916
July.....	11,321	5,063	2,092	922	1,170	2,971	2,549	2,786	923
August.....	11,454	5,198	2,167	965	1,202	3,031	2,581	2,755	920
September.....	11,708	5,314	2,257	1,004	1,253	3,057	2,609	2,864	921
October.....	12,084	5,490	2,370	1,047	1,323	3,120	2,647	3,029	918
November.....	12,671	5,765	2,551	1,099	1,452	3,214	2,680	3,309	917
December.....	13,423	6,189	2,839	1,151	1,688	3,350	2,702	3,612	920
1948—January.....	13,096	6,219	2,818	1,202	1,616	3,401	2,713	3,240	924
February.....	12,978	6,284	2,835	1,254	1,581	3,449	2,705	3,061	928
March.....	13,423	6,533	2,986	1,367	1,619	3,547	2,689	3,275	926
April.....	13,627	6,769	3,137	1,468	1,669	3,632	2,665	3,259	934
May ^p	13,818	6,963	3,258	1,536	1,722	3,705	2,660	3,263	932
June ^p	14,149	7,192	3,399	1,631	1,768	3,793	2,662	3,364	931

^p Preliminary.

¹ Revised. See footnotes 2 and 3.

² Includes repair and modernization loans insured by Federal Housing Administration. Totals revised to include new estimates of instalment loans of commercial banks and credit unions. For description and back figures see pp. 933-937 of this BULLETIN.

³ Revised beginning July 1947 to adjust estimates of single-payment loans at commercial banks to recent call report data.

NOTE.—Back figures by months beginning January 1929 may be obtained from Division of Research and Statistics.

CONSUMER INSTALMENT LOANS
 [Estimates. In millions of dollars]

Year or month	Amounts outstanding (end of period)							Loans made by principal lending institutions (during period)				
	Total ¹	Com-mercial banks ²	Small loan com-panies	Indus-trial banks ³	Indus-trial loan com-panies ⁴	Credit unions ¹	Miscel-laneous lenders	Insured repair and modern-ization loans ⁴	Com-mercial banks ²	Small loan com-panies	Indus-trial banks ³	Indus-trial loan com-panies ⁴	Credit unions^{1}
1929.....	643	43	263	219		23	95	.....	463	413		38
1933.....	466	29	246	121		20	50	.....	322	202		32
1937.....	1,209	258	374	221		83	125	148	368	662	409	150
1938.....	1,290	312	380	129	95	103	117	154	460	664	238	176
1939.....	1,645	523	448	131	99	135	96	213	680	827	261	194
1940.....	1,983	692	498	132	104	174	99	284	1,017	912	255	198
1941.....	2,159	784	531	134	107	200	102	301	1,198	975	255	203
1942.....	1,440	426	417	89	72	130	91	215	792	784	182	146
1943.....	1,124	316	364	67	59	104	86	128	639	800	151	128
1944.....	1,177	357	384	68	60	100	88	120	749	869	155	139
1945.....	1,437	477	439	76	70	103	93	179	942	956	166	151
1946.....	2,386	956	608	117	98	153	110	344	1,793	1,251	231	210
1947.....	3,350	1,435	712	166	134	225	120	558	2,636	1,454	310	282
1947—May.....	2,819	1,211	633	138	116	177	113	431	219	115	24	24
June.....	2,897	1,248	638	143	119	186	113	450	222	117	26	24
July.....	2,971	1,278	649	148	121	194	114	467	227	123	29	23
August.....	3,031	1,307	652	152	124	200	114	482	213	113	25	22
September.....	3,057	1,320	643	154	125	204	114	497	216	107	27	24
October.....	3,120	1,350	647	157	127	208	114	517	228	121	28	23
November.....	3,214	1,383	670	162	130	215	116	538	233	142	27	25
December.....	3,350	1,435	712	166	134	225	120	558	267	191	33	30
1948—January.....	3,401	1,462	717	165	137	227	121	572	247	110	27	26
February.....	3,449	1,483	721	167	140	230	121	587	221	107	25	25
March.....	3,547	1,530	733	173	143	241	123	604	286	140	32	29
April.....	3,632	1,570	739	180	146	252	123	622	269	121	31	27
May ^p	3,705	1,597	748	189	147	260	124	640	258	123	31	25
June ^p	3,793	1,634	758	194	150	274	125	658	274	127	37	28

^p Preliminary. ¹ Revised. For description and back figures see pp. 933-937 of this BULLETIN.

² Figures include only personal instalment cash loans and retail automobile direct loans shown on the following page, and a small amount of other retail direct loans not shown separately. Other retail direct loans outstanding at the end of June amounted to 110 million dollars, and loans made during June were 15 million.

³ Figures include only personal instalment cash loans, retail automobile direct loans, and other retail direct loans. Direct retail instalment loans are obtained by deducting an estimate of paper purchased from total retail instalment paper.

⁴ Includes only loans insured by Federal Housing Administration.

CONSUMER CREDIT STATISTICS—Continued

CONSUMER INSTALMENT SALE CREDIT, EXCLUDING AUTOMOBILE CREDIT

[Estimated amounts outstanding. In millions of dollars]

End of year or month	Total, excluding automobile	Department stores and mail-order houses	Furniture stores	Household appliance stores	Jewelry stores	All other retail stores
1929.....	1,197	160	583	265	56	133
1933.....	663	119	299	119	29	97
1937.....	1,368	314	469	307	68	210
1938.....	1,343	302	485	266	70	220
1939.....	1,525	377	536	273	93	246
1940.....	1,721	439	599	302	110	271
1941.....	1,802	466	619	313	120	284
1942.....	1,009	252	391	130	77	159
1943.....	639	172	271	29	66	101
1944.....	635	183	269	13	70	100
1945.....	676	198	283	14	74	107
1946.....	1,014	337	366	28	123	160
1947.....	1,688	650	528	52	192	266
1947						
May.....	1,112	409	382	32	114	175
June.....	1,156	423	395	37	119	182
July.....	1,170	429	398	39	120	184
August.....	1,202	440	408	41	124	189
September.....	1,253	462	423	43	128	197
October.....	1,323	495	443	46	131	208
November.....	1,452	555	474	49	145	229
December.....	1,688	650	528	52	192	266
1948						
January.....	1,616	632	502	52	176	254
February.....	1,581	624	492	52	164	249
March.....	1,619	653	497	54	160	255
April.....	1,669	680	511	60	155	263
May ^p	1,722	703	528	65	155	271
June ^p	1,768	721	542	68	158	279

CONSUMER INSTALMENT CREDITS OF COMMERCIAL BANKS, BY TYPE OF CREDIT¹

[Estimates. In millions of dollars]

Year or month	Total	Automobile retail		Other retail, purchased and direct	Repair and modernization loans ^{2,3}	Personal instalment cash loans
		Purchased	Direct loans			
Outstanding at end of period:						
1945.....	742	64	139	100	124	315
1946.....	1,591	165	306	275	273	572
1947.....	2,701	346	536	523	500	796
1947—May.....	2,084	252	423	380	337	692
June.....	2,192	274	439	407	361	711
July.....	2,273	286	456	424	383	724
August.....	2,348	298	470	433	408	739
September.....	2,416	313	477	444	438	744
October.....	2,499	322	492	462	465	758
November.....	2,588	337	513	486	483	769
December.....	2,701	346	536	523	500	796
1948—January.....	2,788	358	557	567	504	802
February.....	2,826	372	570	570	507	807
March.....	2,932	402	601	592	518	819
April.....	3,057	430	628	629	539	831
May ^p	3,137	448	648	647	555	839
June ^p	3,231	471	668	665	571	856
Volume extended during month:						
1947—May.....	384	58	83	80	41	122
June.....	406	59	82	96	44	125
July.....	396	62	84	79	42	129
August.....	375	58	79	73	45	120
September.....	401	66	81	78	55	121
October.....	423	68	86	89	54	126
November.....	421	69	94	91	43	124
December.....	484	70	103	115	47	149
1948—January.....	457	71	98	118	36	134
February.....	398	67	89	90	35	117
March.....	504	89	116	102	44	153
April.....	521	92	111	123	52	143
May ^p	487	80	109	112	49	137
June ^p	525	86	109	129	51	150

CONSUMER INSTALMENT CREDITS OF INDUSTRIAL BANKS, BY TYPE OF CREDIT

[Estimates. In millions of dollars]

Year and month	Total	Retail instalment paper ¹		Repair and modernization loans ^{2,3}	Personal instalment cash loans
		Automobile	Other		
Outstanding at end of period:					
1945.....	104.1	13.8	9.8	17.2	63.3
1946.....	162.7	27.5	17.8	28.3	89.1
1947.....	233.5	50.0	30.2	43.3	110.0
1947—May.....	191.4	38.6	21.8	33.1	97.9
June.....	199.2	40.6	23.1	35.0	100.5
July.....	206.7	42.8	24.3	36.9	102.7
August.....	212.6	44.9	25.3	38.4	104.0
September.....	215.5	46.3	26.0	39.4	103.8
October.....	221.0	48.1	27.0	41.2	104.7
November.....	227.9	49.6	28.5	42.5	107.3
December.....	233.5	50.0	30.2	43.3	110.0
1948—January.....	231.8	49.0	31.0	43.5	108.3
February.....	234.6	50.3	31.4	44.0	108.9
March.....	242.3	53.4	32.8	44.8	111.3
April.....	253.3	56.8	35.7	46.7	114.1
May ^p	265.1	59.0	38.0	48.3	119.8
June ^p	271.6	61.4	40.1	48.8	121.3
Volume extended during month:					
1947—May.....	32.8	7.5	4.3	3.7	17.3
June.....	33.8	7.5	4.3	3.9	18.1
July.....	36.5	8.2	4.4	4.0	19.9
August.....	33.2	8.1	4.2	3.6	17.3
September.....	34.8	8.8	4.1	3.7	18.2
October.....	36.2	8.8	4.7	4.3	18.4
November.....	34.5	8.3	4.9	3.4	17.9
December.....	39.8	8.6	5.8	3.5	21.9
1948—January.....	33.7	8.6	4.6	2.7	17.8
February.....	31.5	8.0	4.4	2.8	16.3
March.....	41.9	11.2	6.0	3.7	21.0
April.....	42.0	11.3	6.4	4.4	19.9
May ^p	40.8	10.1	6.8	4.2	19.7
June ^p	44.2	10.5	7.4	3.4	22.9

CONSUMER INSTALMENT CREDITS OF INDUSTRIAL LOAN COMPANIES, BY TYPE OF CREDIT

[Estimates. In millions of dollars]

Year or month	Total	Retail instalment paper ¹		Repair and modernization loans ^{2,3}	Personal instalment cash loans
		Automobile	Other		
Outstanding at end of period:					
1945.....	76.7	11.0	4.0	1.5	60.2
1946.....	108.4	15.0	7.4	2.4	83.6
1947.....	148.2	27.1	17.1	4.2	99.8
1947—May.....	128.5	20.6	10.8	3.0	94.1
June.....	131.3	21.7	11.8	3.2	94.6
July.....	134.0	22.4	12.8	3.4	95.4
August.....	137.8	23.6	13.4	3.6	97.2
September.....	138.4	24.3	14.1	3.8	96.2
October.....	141.1	25.3	14.7	4.0	97.1
November.....	144.8	26.3	15.9	4.2	98.4
December.....	148.2	27.1	17.1	4.2	99.8
1948—January.....	151.7	28.0	17.7	4.2	101.8
February.....	154.6	28.7	18.0	4.2	103.7
March.....	158.2	29.9	19.0	4.3	105.0
April.....	161.8	31.1	20.1	4.4	106.2
May ^p	163.1	31.9	20.5	4.5	106.2
June ^p	165.9	33.2	21.1	4.5	107.1
Volume extended during month:					
1947—May.....	26.9	4.7	2.4	0.5	19.3
June.....	27.3	4.8	2.7	0.5	19.3
July.....	26.4	5.1	2.9	0.5	17.9
August.....	25.6	5.1	2.7	0.5	17.3
September.....	27.1	5.2	3.0	0.5	18.4
October.....	27.1	5.5	3.3	0.5	17.8
November.....	28.1	5.2	3.3	0.5	19.1
December.....	31.4	5.2	3.7	0.3	22.2
1948—January.....	28.3	5.7	2.8	0.3	19.5
February.....	26.6	5.3	2.8	0.3	18.2
March.....	32.1	6.9	3.4	0.4	21.4
April.....	30.5	6.9	3.8	0.4	19.4
May ^p	27.7	5.7	3.7	0.4	17.9
June ^p	30.7	7.1	3.5	0.4	19.7

¹ Preliminary. ² Revised January 1947 to date. For description and back figures see pp. 933-937 of this BULLETIN.

³ Includes not only loans insured by Federal Housing Administration but also noninsured loans.

⁴ Includes both direct loans and paper purchased.

CONSUMER CREDIT STATISTICS—Continued

FURNITURE STORE STATISTICS

Item	Percentage change from preceding month			Percentage change from corresponding month of preceding year		
	June 1948 ^p	May 1948	Apr. 1948	June 1948 ^p	May 1948	Apr. 1948
	Net sales:					
Total.....	-2	+4	+7	+13	+5	+13
Cash sales.....	-3	+4	+5	-8	-13	+9
Credit sales:						
Instalment.....	0	+2	+7	+24	+16	+26
Charge account.....	-2	+2	+9	+5	+1	+6
Accounts receivable, end of month:						
Total.....	+2	+4	+3	+46	+43	+46
Instalment.....	+2	+2	+1	+48	+47	+47
Collections during month:						
Total.....	+1	+2	+3	+18	+11	+16
Instalment.....	+2	+1	+8	+28	+14	+21
Inventories, end of month, at retail value.	-3	-3	0	+16	+16	+16

^p Preliminary ^r Revised.

RATIO OF COLLECTIONS TO ACCOUNTS RECEIVABLE ¹

Year and month	Instalment accounts				Charge accounts
	Department stores	Furniture stores	Household appliance stores	Jewelry stores	Department stores
1947					
May.....	30	24	44	26	56
June.....	28	23	45	24	54
July.....	28	22	41	23	53
August.....	28	22	39	23	51
September.....	31	24	39	25	53
October.....	31	23	40	23	57
November.....	30	23	39	24	55
December.....	29	20	39	31	54
1948					
January.....	24	18	36	19	53
February.....	23	17	32	18	49
March.....	27	19	35	20	53
April.....	25	19	33	20	52
May.....	24	19	34	20	52
June ^p	24	20	32	20	52

^p Preliminary. ^r Revised.
¹ Collections during month as percentage of accounts outstanding at beginning of month.

DEPARTMENT STORE SALES, ACCOUNTS RECEIVABLE, AND COLLECTIONS

Year and month	Index numbers, without seasonal adjustment, 1941 average=100								Percentage of total sales		
	Sales during month				Accounts receivable at end of month		Collections during month		Cash sales	Instalment sales	Charge-account sales
	Total	Cash	Instalment	Charge account	Instalment	Charge account	Instalment	Charge account			
1941 average.....	100	100	100	100	100	100	100	100	48	9	43
1942 average.....	114	131	82	102	78	91	103	110	56	6	38
1943 average.....	130	165	71	103	46	79	80	107	61	5	34
1944 average.....	145	188	*65	*112	38	84	70	112	64	4	32
1945 average.....	162	211	*67	*125	37	94	69	127	64	4	32
1946 average.....	202	242	101	176	50	138	91	168	59	4	37
1947 average.....	214	237	154	*200	88	174	133	198	55	6	39
1947—May.....	*216	241	139	*202	81	167	127	*197	55	6	39
June.....	195	218	*124	*182	82	165	122	193	55	6	39
July.....	*161	184	*115	*143	83	146	*125	190	57	6	37
August.....	174	196	*132	157	84	145	123	162	56	6	38
September.....	217	236	157	*208	87	*166	138	167	54	6	40
October.....	*235	251	180	*226	95	181	147	203	53	7	40
November.....	266	285	224	253	111	204	152	*214	53	7	40
December.....	*373	*408	*282	*351	136	*263	*170	235	54	7	39
1948—January.....	*174	*189	*142	*164	127	*205	174	299	54	7	39
February.....	168	177	*142	*162	124	181	160	217	53	7	40
March.....	*226	235	196	*222	129	190	177	207	52	7	41
April.....	*213	*220	*191	*208	131	192	171	211	51	8	41
May.....	218	228	186	213	134	193	172	*213	52	7	41
June ^p	217	229	178	212	136	193	176	217	52	7	41

^p Preliminary. ^r Revised.

NOTE.—Data based on reports from a smaller group of stores than is included in the monthly index of sales shown on p. 1003.

CURRENT STATISTICS FOR FEDERAL RESERVE CHART BOOKS—Continued

BANK CREDIT, MONEY RATES, AND BUSINESS *—Continued

	Chart book page	1948				Chart book page	1948			
		Apr.	May	June ¹			Apr.	May	June ¹	
MONTHLY FIGURES—Cont.		<i>In billions of dollars</i>			MONTHLY FIGURES—Cont.		<i>In billions of dollars</i>			
MEMBER BANKS				TREASURY FINANCE—Cont.						
All member banks:				Ownership of U. S. Govt. securities—Cont.						
Loans and investments, total	14	95.85	96.05	95.44	Marketable public issues—Cont.					
Loans	14	33.02	33.61	33.88	By earliest callable or due date:					
U. S. Govt. securities	14	55.38	55.06	54.15	Within 1 year—Total outstanding	31	49.39	49.40	49.87	
Other securities	14	7.45	7.38	7.41	Commercial bank and F. R.					
Demand deposits adjusted*	14	70.04	70.25	70.00	Bank	31	31.87	31.51	*32.09	
Time deposits	14	28.62	28.62	28.85	F. R. Bank	31	14.29	14.46	15.26	
Balances due to banks	14	10.46	10.32	10.62	1-5 years—Total outstanding	31	46.41	46.41	46.12	
Balances due from banks	14	5.14	5.10	5.27	Commercial bank and F. R.					
Central reserve city banks:				Bank						
Loans and investments, total	14	24.16	24.20	23.76	31	33.26	33.33	*33.27		
Loans	14	8.73	9.14	9.26	F. R. Bank	31	2.55	2.72	2.64	
U. S. Govt. securities	14	13.82	13.58	13.03	5-10 years—Total outstanding	31	10.27	10.27	10.46	
Other securities	14	1.61	1.48	1.47	Commercial bank and F. R.					
Demand deposits adjusted*	14	19.41	19.42	19.10	Bank	31	6.60	6.67	*6.75	
Time deposits	14	2.46	2.49	2.64	F. R. Bank	31	.50	.50	.55	
Balances due to banks	14	4.96	4.89	5.01	Over 10 years—Total outstanding	31	54.81	54.81	53.89	
Reserve city banks:				Nonbank (unrestricted issues only), commercial bank, and F. R. Bank						
Loans and investments, total	15	35.04	35.07	35.09	31	8.93	8.91	*8.02		
Loans	15	13.34	13.39	13.38	Commercial bank and F. R.					
U. S. Govt. securities	15	19.29	19.25	19.24	Bank	31	7.59	7.59	*6.84	
Other securities	15	2.41	2.43	2.46	F. R. Bank	31	2.99	2.98	2.92	
Demand deposits adjusted*	15	24.41	24.48	24.35	MONEY RATES, ETC.					
Time deposits	15	11.30	11.27	11.33	U. S. Govt. securities:					
Balances due to banks	15	4.66	4.63	4.79	Bills (new issues)	33, 35	.997	.997	.998	
Balances due from banks	15	1.73	1.71	1.78	Certificates	35	1.10	1.09	1.09	
Country banks:				Bonds, 15 years or more						
Loans and investments, total	15	36.65	36.79	36.59	F. R. Bank discount rate	33, 35	2.44	2.42	2.41	
Loans	15	10.95	11.09	11.23	Commercial paper	35	1.25	1.25	1.25	
U. S. Govt. securities	15	22.28	22.22	21.88	Bankers' acceptances	35	1.38	1.38	1.38	
Other securities	15	3.43	3.48	3.48	Corporate bonds:					
Demand deposits adjusted*	15	26.22	26.35	26.55	Aaa	33, 36	2.78	2.76	2.76	
Time deposits	15	14.86	14.86	14.88	Baa	36	3.47	3.38	3.34	
Balances due from banks	15	3.23	3.21	3.30	High-grade (Treas. series)	36	2.77	2.74	2.73	
CONSUMER CREDIT*				Per cent per annum						
Consumer credit, total ²	22	13.63	p13.82	p14.15	In unit indicated					
Single-payment loans ³	22	2.67	p2.66	p2.66	Stock prices (1935-39 = 100):					
Charge accounts	22	3.26	p3.26	p3.36	Total	39	125	130	135	
Service credit	22	.93	p.93	p.93	Industrial	39	131	137	143	
Instalment credit, total ⁵	22, 23	6.77	p6.96	p7.19	Railroad	39	115	123	126	
Instalment loans ⁶	23	3.63	p3.71	p3.79	Public utility	39	96	99	101	
Instalment sale credit, total	23	3.14	p3.26	p3.40	Volume of trading (mill. shares)	39	1.47	1.98	1.41	
Automobile	23	1.47	p1.54	p1.63	Brokers' balances (mill. dollars):					
Other	23	1.67	p1.72	p1.77	Credit extended to customers	41	572	615	619	
TREASURY FINANCE				Money borrowed						
Cash income and outgo:					41	241	258	283		
Cash income	27	2.96	3.33	5.10	Customers' free credit balances	41	614	619	576	
Cash outgo	27	2.96	2.87	4.34	BUSINESS CONDITIONS					
Excess of cash income and outgo	27	0	+ .46	+ .77	Personal income (annual rate, bill. dollars):*6					
U. S. Govt. securities outstanding:				Total						
Direct and guaranteed	28	249.99	250.03	250.13	52	207.4	207.2	211.9		
Bonds (marketable issues)	28	115.52	115.52	112.46	Total salaries and wages	52	125.0	126.8	129.1	
Notes, certificates, and bills	28	45.19	45.20	47.72	Proprietors' income, dividends, and interest	52	68.6	67.5	69.8	
Savings bonds, savings notes, etc.	28	59.84	59.75	59.51	All other	52	13.8	12.9	13.0	
Special issues	28	29.20	29.32	30.21	Labor force (mill. persons):*6					
Ownership of U. S. Govt. securities:				Total						
Total					53	61.8	61.7	64.7		
Commercial banks*	29	66.40	65.80	64.90	Civilian	53	60.5	60.4	63.5	
Fed. agencies and trust funds	29	34.81	34.88	35.75	Unemployment	53	2.2	1.8	2.2	
F. R. Banks	29	20.34	20.66	21.37	Employment	53	58.3	58.7	61.3	
Individuals*	29	65.70	65.80	66.70	Nonagricultural	53	50.9	50.8	51.9	
Corporations*	29	*21.20	*21.60	21.20	Employment in nonagricultural establishments (mill. persons):*4					
Insurance companies*	29	23.50	23.40	23.20	Total	54	44.6	44.7	p45.0	
Mutual savings banks*	29	12.00	12.00	12.00	Manufacturing and mining	54	16.9	17.0	p17.0	
State and local govts.*	29	7.30	7.40	7.30	Trade	54	9.7	9.7	p9.8	
Marketable public issues:				Government						
By class of security:				Transportation and utilities						
Bills—Total outstanding	30	13.75	13.76	13.76	54	5.6	5.6	p5.6		
Commercial bank and F. R. Bank	30	10.99	10.77	*10.92	Construction	54	4.0	4.0	p4.0	
F. R. Bank	30	7.97	8.25	8.58	54	2.0	2.0	p2.1		
Certificates—Total outstanding	30	20.06	20.06	22.59	Hours and earnings at factories:					
Commercial bank and F. R. Bank	30	11.45	11.42	*13.17	Weekly earnings (dollars)	55	51.71	51.76	p52.81	
F. R. Bank	30	4.24	4.14	4.62	Hourly earnings (cents)	55	129.2	130.1	p131.9	
Notes—Total outstanding	30	11.37	11.37	11.37	Hours worked (per week)	55	40.0	39.8	p40.0	
Commercial bank and F. R. Bank	30	6.59	6.48	*6.50						
F. R. Bank	30	1.96	1.96	1.97						
Bonds—Total outstanding	30	115.69	115.69	112.63						
Nonbank (unrestricted issues only), commercial bank, and F. R. Bank	30	69.82	69.80	66.76						
Commercial bank and F. R. Bank	30	50.29	50.44	48.38						
F. R. Bank	30	6.17	6.32	6.21						

For footnotes see p. 1016

CURRENT STATISTICS FOR FEDERAL RESERVE CHART BOOKS—Continued
CONSUMER CREDIT *

	Chart book page ¹	1948				Chart book page ¹	1948		
		Apr.	May ²	June ²			Apr.	May ²	June ²
		<i>In millions of dollars</i>							
Consumer credit outstanding, total...	3				Consumer instalment sale credit outstanding, cumulative totals: ² —Cont.				
Instalment credit, total.....	3, 5	13,627	13,818	14,149	Furniture and household appliance stores.....	6	1,669	1,722	1,768
Instalment loans.....	5	6,769	6,963	7,192	Department stores and mail-order houses.....	6	1,098	1,129	1,158
Instalment sale credit.....	5	3,632	3,705	3,793	All other.....	6	418	426	437
Charge accounts.....	3	3,137	3,258	3,399	Consumer instalment sale credit granted, cumulative totals: ²				
Single-payment loans.....	3	2,665	2,660	2,662	Consumer instalment loan credit outstanding, cumulative totals: ²				
Service credit.....	3	934	932	931	Commercial and industrial banks.....	8	3,632	3,705	3,793
Consumer credit outstanding, cumulative totals: ²					Small loan companies.....	8	1,882	1,919	1,965
Instalment credit.....	4	13,627	13,818	14,149	Credit unions.....	8	1,143	1,171	1,207
Charge accounts.....	4	6,858	6,855	6,957	Miscellaneous lenders.....	8	891	911	933
Single-payment loans.....	4	3,599	3,592	3,593	Insured repair and modernization loans.....	8	622	640	658
Service credit.....	4	934	932	931					
Consumer instalment sale credit outstanding, cumulative totals: ²									
Automobile dealers.....	6	3,137	3,258	3,399					

¹ Preliminary. ² Annual figures for charts on pp. 9-19, inclusive, are published as they become available.
³ The figures shown here are cumulative totals, not aggregates for the individual components. Aggregates for each component may be derived by subtracting from the figure shown, the total immediately following it. Totals revised to include new estimates of instalment loans of commercial banks and credit unions and of single-payment loans. For description and back figures see pp. 933-937 of this BULLETIN.
⁴ Figures for this series are in process of revision and will not be available for several months.
* Copies of the Chart Book may be obtained at a price of 50 cents.

JULY CROP REPORT, BY FEDERAL RESERVE DISTRICTS

BASED ON ESTIMATES OF THE DEPARTMENT OF AGRICULTURE, BY STATES, AS OF JULY 1, 1948

[In thousands of units]

Federal Reserve district	Corn		Total wheat		Winter wheat		Spring wheat	
	Production 1947	Estimate July 1, 1948	Production 1947	Estimate July 1, 1948	Production 1947	Estimate July 1, 1948	Production 1947	Estimate July 1, 1948
	<i>Bushels</i>	<i>Bushels</i>	<i>Bushels</i>	<i>Bushels</i>	<i>Bushels</i>	<i>Bushels</i>	<i>Bushels</i>	<i>Bushels</i>
Boston.....	6,906	6,515						
New York.....	24,385	30,306	10,528	13,321	10,448	13,226	80	95
Philadelphia.....	51,515	55,496	20,086	19,597	20,086	19,597		
Cleveland.....	181,524	246,064	54,840	66,987	54,840	66,987		
Richmond.....	164,313	171,827	30,684	29,691	30,684	29,691		
Atlanta.....	167,485	172,824	8,203	8,023	8,203	8,023		
Chicago.....	885,728	1,371,844	72,001	86,726	70,492	85,104	1,509	1,622
St. Louis.....	301,354	423,287	51,624	68,027	51,610	68,012	14	15
Minneapolis.....	311,826	411,407	286,092	287,153	32,194	40,661	253,898	246,492
Kansas City.....	242,282	380,106	557,778	428,728	552,571	424,351	5,207	4,377
Dallas.....	57,398	52,709	127,561	58,345	127,459	58,223	102	122
San Francisco.....	6,236	6,477	145,522	175,153	109,383	138,083	36,139	37,070
Total.....	2,400,952	3,328,862	1,364,919	1,241,751	1,067,970	951,958	296,949	289,793

Federal Reserve district	Oats		Tame hay		Tobacco		White potatoes	
	Production 1947	Estimate July 1, 1948	Production 1947	Estimate July 1, 1948	Production 1947 ¹	Estimate July 1, 1948	Production 1947	Estimate July 1, 1948
	<i>Bushels</i>	<i>Bushels</i>	<i>Tons</i>	<i>Tons</i>	<i>Pounds</i>	<i>Pounds</i>	<i>Bushels</i>	<i>Bushels</i>
Boston.....	4,101	4,554	4,108	3,952	35,499	34,461	72,227	68,872
New York.....	14,256	22,739	6,648	6,339	1,323	1,050	39,785	37,832
Philadelphia.....	12,576	16,101	2,646	2,464	58,518	57,770	21,280	21,308
Cleveland.....	27,834	61,434	5,863	5,379	128,945	124,230	11,820	11,939
Richmond.....	37,453	26,737	4,522	4,904	1,259,188	994,271	26,230	26,569
Atlanta.....	32,720	28,420	3,902	3,458	264,387	208,436	12,580	12,239
Chicago.....	448,519	605,792	18,080	15,166	36,431	32,438	23,209	22,358
St. Louis.....	54,714	69,721	9,018	8,001	317,270	298,462	8,204	7,961
Minneapolis.....	362,585	394,278	9,893	9,256	2,876	2,494	41,946	40,587
Kansas City.....	153,260	146,794	9,578	9,342	3,326	3,761	32,590	31,044
Dallas.....	36,140	18,684	1,825	1,747			5,114	4,911
San Francisco.....	31,812	30,531	13,111	12,647			89,422	106,213
Total.....	1,215,970	1,425,785	89,194	82,655	2,107,763	1,757,373	384,407	391,833

¹ As revised in July 1948.

**NUMBER OF BANKING OFFICES ON FEDERAL RESERVE PAR LIST AND NOT ON PAR LIST,
BY FEDERAL RESERVE DISTRICTS AND STATES**

Federal Reserve district or State	Total banks, branches and offices on which checks are drawn		On par list						Not on par list (Nonmember)	
			Total		Member		Nonmember			
			Banks ¹	Branches and offices ²	Banks	Branches and offices	Banks	Branches and offices	Banks	Branches and offices
United States total:										
Dec. 31, 1945.....	14,002	3,947	11,869	3,616	6,877	2,909	4,992	707	2,133	331
Dec. 31, 1946.....	14,043	3,981	11,957	3,654	6,894	2,913	5,063	741	2,086	327
Dec. 31, 1947.....	14,078	4,148	12,037	3,823	6,917	3,051	5,120	772	2,041	325
June 30, 1948 ²	14,086	4,234	12,072	3,916	6,919	3,116	5,153	800	2,014	318
By districts and by States June 30, 1948²										
<i>District</i>										
Boston.....	496	297	496	297	336	218	160	79		
New York.....	915	846	915	846	788	783	127	63		
Philadelphia.....	843	136	843	136	646	100	197	36		
Cleveland.....	1,142	258	1,142	258	710	222	432	36		
Richmond.....	1,013	443	800	323	478	209	322	114	213	120
Atlanta.....	1,173	166	551	130	345	113	206	17	622	36
Chicago.....	2,487	572	2,432	547	1,000	223	1,432	324	55	25
St. Louis.....	1,470	132	1,126	72	494	39	632	33	344	60
Minneapolis.....	1,279	111	622	43	476	26	146	17	657	68
Kansas City.....	1,749	9	1,740	9	758	6	982	3	9	
Dallas.....	1,013	40	903	31	616	20	287	11	110	9
San Francisco.....	506	1,224	502	1,224	272	1,157	230	67	4	
<i>State</i>										
Alabama.....	222	22	114	22	88	22	26		108	
Arizona.....	10	41	10	41	5	31	5	10		
Arkansas.....	229	19	104	5	66	1	38	4	125	14
California.....	192	906	192	906	114	863	78	43		
Colorado.....	142	1	142	1	92	1	50			
Connecticut.....	115	25	115	25	65	12	50	13		
Delaware.....	39	14	39	14	17	4	22	10		
District of Columbia.....	19	39	19	39	16	36	3	3		
Florida.....	178	2	116	2	73	2	43		62	
Georgia.....	387	31	99	27	65	26	34	1	288	4
Idaho.....	48	45	48	45	26	43	22	2		
Illinois.....	881	3	879	3	502	3	377		2	
Indiana.....	487	94	487	94	237	38	250	56		
Iowa.....	664	162	664	162	163		501	162		
Kansas.....	608		606		214		392		2	
Kentucky.....	383	39	383	39	112	25	271	14		
Louisiana.....	161	64	58	41	46	36	12	5	103	23
Maine.....	63	69	63	69	38	37	25	32		
Maryland.....	166	103	166	103	78	68	88	35		
Massachusetts.....	184	159	184	159	147	144	37	15		
Michigan.....	442	211	442	211	230	162	212	49		
Minnesota.....	679	6	264	6	206	6	58		415	
Mississippi.....	206	56	40	8	32	1	8	7	166	48
Missouri.....	596		529		180		349		67	
Montana.....	112		112		84		28			
Nebraska.....	409	2	409	2	144	2	265			
Nevada.....	8	18	8	18	6	17	2	1		
New Hampshire.....	74	2	74	2	52	1	22	1		
New Jersey.....	339	136	339	136	291	122	48	14		
New Mexico.....	48	11	48	11	33	2	15	9		
New York.....	648	722	648	722	567	671	81	51		
North Carolina.....	208	177	92	60	54	34	38	26	116	117
North Dakota.....	150	24	61	6	42		19	6	89	18
Ohio.....	666	197	666	197	424	171	242	26		
Oklahoma.....	384	1	376	1	224	1	152		8	
Oregon.....	70	86	70	86	33	80	37	6		
Pennsylvania.....	989	154	989	154	757	129	232	25		
Rhode Island.....	19	41	19	41	11	29	8	12		
South Carolina.....	149	34	60	32	32	27	28	5	89	2
South Dakota.....	170	47	70	22	63	20	7	2	100	25
Tennessee.....	294	75	199	59	81	47	118	12	95	16
Texas.....	894	4	835	4	566	4	269		59	
Utah.....	59	18	59	18	35	16	24	2		
Vermont.....	69	11	69	11	40	2	29	9		
Virginia.....	315	90	309	89	202	44	107	45	6	1
Washington.....	121	122	*117	122	54	115	63	7	4	
West Virginia.....	182		180		109		71		2	
Wisconsin.....	553	151	445	101	163	21	282	80	108	50
Wyoming.....	55		55		40		15			

² Preliminary.

¹ Excludes mutual savings banks, on a few of which some checks are drawn.

² Includes branches and other additional offices at which deposits are received, checks paid, or money lent, including "banking facilities" at military reservations (see footnote 4, p. 241, of the BULLETIN for February 1948).

Back figures.—See *Banking and Monetary Statistics*, Table 15, and *Annual Reports*.

MEMBER BANK OPERATING RATIOS, 1947

AVERAGES OF INDIVIDUAL BANK RATIOS, BY FEDERAL RESERVE DISTRICTS

[Expressed in percentages]

Item	All districts	Federal Reserve district											
		Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
Summary ratios													
<i>Percentage of total capital accounts:</i>													
Net current earnings before income taxes...	14.5	10.0	10.9	10.8	12.4	14.9	16.9	14.6	15.5	16.3	17.5	17.9	19.0
Profits before income taxes.....	13.9	10.0	11.3	11.1	12.1	14.5	15.9	13.8	14.4	15.3	16.7	16.5	18.0
Net profits.....	10.5	7.0	8.1	8.2	9.2	10.9	11.8	10.5	11.2	11.7	12.9	12.8	13.4
Cash dividends declared.....	2.9	2.6	2.2	2.3	2.4	2.9	3.3	2.7	3.0	3.1	3.7	4.0	3.2
<i>Percentage of total assets:</i>													
Total earnings.....	2.3	2.5	2.5	2.5	2.4	2.4	2.4	2.1	2.2	2.3	2.2	2.4	2.5
Net current earnings before income taxes..	.9	.8	.8	.9	.8	.9	1.0	.7	.9	.8	.9	1.0	.9
Net profits.....	.6	.6	.6	.7	.6	.7	.7	.5	.6	.6	.7	.7	.6
Sources and disposition of earnings													
<i>Percentage of total earnings:</i>													
Interest on U. S. Government securities...	36.9	35.6	40.5	40.9	39.3	35.3	30.2	42.7	38.5	38.2	33.6	24.8	33.0
Interest and dividends on other securities..	6.2	6.3	6.6	9.3	8.4	5.7	6.6	5.5	6.3	4.7	4.3	5.8	3.7
Earnings on loans.....	42.6	40.0	40.3	39.7	40.6	47.1	47.2	36.8	42.5	35.4	45.8	54.9	48.6
Service charges on deposit accounts.....	6.2	8.8	6.1	3.7	5.0	4.9	6.6	7.2	5.0	6.4	8.1	6.7	6.1
Other current earnings.....	8.1	9.3	6.5	6.4	6.7	7.0	9.4	7.8	7.7	15.3	8.2	7.8	8.6
Total earnings.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Salaries and wages.....	28.8	30.7	29.2	24.3	24.9	26.4	29.0	29.4	28.7	28.4	32.3	32.7	30.9
Interest on time deposits.....	11.3	11.8	15.8	16.7	15.4	12.8	8.1	12.6	8.0	14.3	4.0	1.8	11.8
Other current expenses.....	23.4	25.3	23.6	22.7	24.5	22.0	23.8	22.5	24.1	22.9	22.9	26.1	20.5
Total expenses.....	63.5	67.8	68.6	63.7	64.8	61.2	60.9	64.5	60.8	65.6	59.2	60.6	63.2
Net current earnings before income taxes	36.5	32.2	31.4	36.3	35.2	38.8	39.1	35.5	39.2	34.4	40.8	39.4	36.8
Net recoveries and profits (or losses -)...	-.7	.5	1.8	1.3	-.4	-.4	-2.1	-1.5	-2.1	-1.7	-1.1	-2.6	-1.2
Taxes on net income.....	8.7	9.6	9.4	9.7	8.1	9.5	9.6	8.0	7.9	7.6	8.9	8.1	9.1
Net profits.....	27.1	23.1	23.8	27.9	26.7	28.9	27.4	26.0	29.2	25.1	30.8	28.7	26.5
Rates of return on securities and loans													
<i>Return on securities:</i>													
Interest on U. S. Government securities...	1.6	1.8	1.8	1.9	1.8	1.7	1.5	1.6	1.6	1.5	1.4	1.4	1.5
Interest and dividends on other securities..	2.7	2.7	2.7	3.0	2.6	3.1	2.9	2.4	2.6	2.3	2.5	3.0	2.8
Net recoveries and profits (or losses -) on total securities.....	.0	.1	.1	.1	.0	.0	.0	-.0	-.0	-.0	-.0	-.0	.1
<i>Return on loans:</i>													
Earnings on loans.....	5.5	4.8	5.0	5.1	5.1	5.3	5.7	4.9	5.3	5.4	6.5	7.0	5.6
Net recoveries (or losses -) on loans.....	-.0	-.0	.0	.1	-.0	-.0	-.1	-.1	-.1	-.1	-.0	-.1	-.3
Distribution of assets													
<i>Percentage of total assets:</i>													
U. S. Government securities.....	49.6	47.7	53.2	51.6	50.1	46.9	44.4	53.9	49.6	55.2	47.9	38.5	48.3
Other securities.....	6.4	6.6	6.7	8.8	8.8	5.4	6.5	6.2	6.3	5.4	4.9	5.4	4.0
Loans.....	19.3	22.2	21.1	20.1	19.7	22.7	21.3	16.8	18.3	15.8	16.2	20.2	23.0
Cash assets.....	24.0	22.4	17.9	18.4	20.6	24.0	27.0	22.6	25.2	23.0	30.7	35.3	24.0
Real estate assets.....	.6	.9	.9	1.0	.7	.8	.6	.4	.5	.5	.3	.5	.6
Other ratios													
Total capital accounts to:													
Total assets.....	6.5	9.0	7.6	9.0	7.1	6.7	5.9	5.3	5.9	5.2	5.4	5.9	5.0
Total assets less Government securities and cash assets.....	29.4	34.4	31.5	34.4	29.7	26.5	24.2	29.3	28.4	28.3	30.4	26.2	23.7
Total deposits.....	7.0	10.1	8.4	10.0	7.8	7.2	6.3	5.6	6.3	5.5	5.7	6.3	5.3
Time to total deposits.....	31.2	32.6	47.7	49.1	42.4	33.1	22.2	34.9	20.8	35.9	10.0	4.8	31.7
Interest on time deposits ¹.....	.9	.9	.8	.9	.9	1.0	.9	.8	.8	1.0	.9	.9	.9
Trust department earnings to total earnings ¹	3.6	4.9	3.5	4.2	4.4	3.6	2.6	3.0	2.9	2.9	2.5	2.7	4.4
Number of banks².....	6,855	334	792	646	701	474	332	996	494	471	754	594	267

¹ Banks with no time deposits, or no trust department earnings, as the case may be, were excluded in computing this average.

² The ratios for 68 member banks in operation at the end of 1947 were excluded from the compilations because of unavailability of data covering the complete year's operations, certain accounting adjustments, lack of comparability, etc.

NOTE.—These ratios, being arithmetic averages of the operating ratios of individual member banks, differ in many cases from corresponding ratios computed from aggregate dollar amounts shown in the May 1948 issue of the BULLETIN. Such differences result from the fact that each bank's figures have an equal weight in calculation of the averages whereas the figures of the many small- and medium-sized banks have but little influence on the aggregate dollar amounts. No figures are shown for groups of less than three banks. Ratios of less than .05 are shown as .0.

Figures of earnings, expenses, etc., used in the calculations were taken from the annual earnings and dividends reports for 1947. Balance sheet figures used in the compilations were obtained by averaging the amounts shown in each bank's official condition reports submitted for Dec. 31, 1946, and June 30 and Oct. 6, 1947, except for a limited number of banks for which all three reports were not available; such reports as were available were used in those instances. Savings deposits are included in the time deposit figures used in these tables. Banks with no time deposits (409 in number) are included with the banks having ratios of time to total deposits of less than 25 per cent.

MEMBER BANK OPERATING RATIOS, 1947—Continued

AVERAGES OF INDIVIDUAL BANK RATIOS, BY SIZE OF BANK AND BY RATIO OF TIME TO TOTAL DEPOSITS

[Expressed in percentages]

Item	All groups	Size group—total deposits (in thousands of dollars)								Ratio of time deposits to total deposits (per cent)			
		1,000 and under	1,000-2,000	2,000-5,000	5,000-10,000	10,000-25,000	25,000-50,000	50,000-100,000	Over 100,000	Under 25	25-50	50-75	75 and over
Summary ratios													
<i>Percentage of total capital accounts:</i>													
Net current earnings before income taxes.....	14.5	11.7	14.3	15.3	15.0	14.2	13.5	12.5	11.2	16.2	13.9	12.1	10.1
Profits before income taxes.....	13.9	11.4	13.9	14.7	14.4	13.7	13.0	11.5	10.5	15.1	13.6	12.2	10.7
Net profits.....	10.5	9.4	11.3	11.4	10.0	9.2	9.0	7.6	7.5	11.6	10.1	9.2	8.1
Cash dividends declared.....	2.9	2.7	3.0	3.0	2.8	2.8	2.9	2.8	3.3	3.4	2.7	2.3	2.4
<i>Percentage of total assets:</i>													
Total earnings.....	2.3	2.6	2.4	2.3	2.3	2.3	2.2	2.0	1.9	2.2	2.4	2.5	2.5
Net current earnings before income taxes.....	.9	.9	.9	.9	.8	.8	.7	.7	.7	.9	.9	.8	.8
Net profits.....	.6	.8	.7	.7	.6	.5	.5	.4	.4	.6	.6	.6	.7
Sources and disposition of earnings													
<i>Percentage of total earnings:</i>													
Interest on U. S. Government securities.....	36.9	31.9	35.7	37.6	37.8	38.0	37.7	37.6	37.5	33.8	37.9	40.9	43.9
Interest and dividends on other securities.....	6.2	5.4	5.7	6.5	6.8	6.3	5.6	5.1	5.1	5.2	6.3	7.6	11.4
Earnings on loans.....	42.6	49.8	45.2	42.4	41.0	39.2	38.7	38.1	38.3	44.6	41.7	40.5	37.0
Service charges on deposit accounts.....	6.2	5.8	6.0	6.3	6.6	6.6	6.5	5.2	3.8	7.4	5.9	4.7	2.4
Other current earnings.....	8.1	7.1	7.4	7.2	7.8	9.9	11.5	14.0	15.3	9.0	8.2	6.3	5.3
Total earnings.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Salaries and wages.....	28.8	31.2	29.0	27.8	28.2	29.3	31.0	31.6	32.2	31.7	28.0	25.1	21.6
Interest on time deposits.....	11.3	8.1	10.5	11.8	12.6	12.4	10.5	8.5	7.3	3.8	13.5	21.0	28.7
Other current expenses.....	23.4	25.1	23.3	22.7	23.0	23.9	25.3	26.8	26.2	24.5	23.3	21.8	19.9
Total expenses.....	63.5	64.4	62.8	62.3	63.8	65.6	66.8	66.9	65.7	60.0	64.8	67.9	70.2
Net current earnings before income taxes.....	36.5	35.6	37.2	37.7	36.2	34.4	33.2	33.1	34.3	40.0	35.2	32.1	29.8
Net recoveries and profits (or losses -).....	-7	-6	-6	-6	-9	-5	-6	-2.5	-1.5	-2.0	-2	.8	3.3
Taxes on net income.....	8.7	6.0	6.8	8.3	10.7	11.0	10.0	10.2	9.2	8.9	8.9	8.2	7.6
Net profits.....	27.1	29.0	29.8	28.8	24.6	22.9	22.6	20.4	23.6	29.1	26.1	24.7	25.5
Rates of return on securities and loans													
<i>Return on securities:</i>													
Interest on U. S. Government securities.....	1.6	1.7	1.7	1.6	1.6	1.6	1.6	1.5	1.5	1.5	1.7	1.8	1.9
Interest and dividends on other securities.....	2.7	3.3	3.0	2.7	2.4	2.4	2.4	2.4	2.6	2.7	2.7	2.6	3.0
Net recoveries and profits (or losses -) on total securities.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	-0	.0	.1	.1
<i>Return on loans:</i>													
Earnings on loans.....	5.5	6.7	6.1	5.6	5.2	4.8	4.3	3.8	3.2	5.9	5.2	5.1	5.2
Net recoveries (or losses -) on loans.....	-0	-1	-1	-0	-1	-0	-0	-1	-1	-1	-0	-0	.1
Distribution of assets													
<i>Percentage of total assets:</i>													
U. S. Government securities.....	49.6	43.9	48.6	50.5	50.6	50.9	49.7	48.5	46.0	46.8	50.6	52.8	53.2
Other securities.....	6.4	5.2	5.6	6.5	7.6	6.9	6.0	5.1	4.5	5.2	6.7	8.0	11.2
Loans.....	19.3	20.3	19.2	18.7	19.1	19.5	20.2	20.8	23.4	17.7	20.3	20.7	20.0
Cash assets.....	24.0	30.0	25.9	23.6	21.9	21.8	23.0	24.4	25.0	29.6	21.6	17.7	14.8
Real estate assets.....	.6	.6	.5	.6	.7	.8	.8	.9	.7	.5	.7	.7	.7
Other ratios													
Total capital accounts to:													
Total assets.....	6.5	8.5	6.9	6.3	6.1	6.1	5.8	5.8	6.3	6.0	6.6	7.1	8.3
Total assets less Government securities and cash assets.....	29.4	38.5	33.0	29.1	26.7	26.2	25.0	23.8	24.0	30.5	28.0	29.1	34.4
Total deposits.....	7.0	9.5	7.5	6.8	6.6	6.5	6.3	6.2	6.8	6.5	7.2	7.8	9.2
Time to total deposits.....	31.2	22.9	28.2	32.1	35.8	35.9	30.6	23.8	18.9	9.9	38.0	58.4	79.7
Interest on time deposits ¹.....	.9	1.0	1.0	.9	.8	.8	.8	.8	.7	.8	.9	.9	1.0
Trust department earnings to total earnings ¹	3.6	2.2	1.9	2.2	2.6	3.7	5.0	6.3	7.4	4.8	3.5	2.3	1.2
Number of banks².....	6,855	474	1,360	2,486	1,233	756	257	131	158	2,876	2,361	1,558	60

For footnotes, see p. 1019.

MEMBER BANK OPERATING RATIOS, 1947—Continued

AVERAGES OF INDIVIDUAL BANK RATIOS, BY RATIO OF TIME TO TOTAL DEPOSITS, BY SIZE OF BANK

[Expressed in percentages]

	All groups	Banks with ratios of time to total deposits of under 25 per cent				Banks with ratios of time to total deposits of 25-50 per cent				Banks with ratios of time to total deposits of 50 per cent and over			
		Size group—total deposits (in thousands of dollars)											
		1,000 and under	1,000-5,000	5,000-25,000	Over 25,000	1,000 and under	1,000-5,000	5,000-25,000	Over 25,000	1,000 and under	1,000-5,000	5,000-25,000	Over 25,000
Summary ratios													
<i>Percentage of total capital accounts:</i>													
Net current earnings before income taxes	14.5	12.6	16.9	18.0	12.4	10.9	14.2	14.2	13.1	10.0	12.4	11.8	11.8
Profits before income taxes	13.9	11.9	15.8	16.3	11.7	11.2	14.0	13.8	12.2	10.0	12.4	12.0	12.3
Net profits	10.5	9.8	12.6	11.3	8.0	9.3	11.0	9.5	8.4	8.3	9.7	8.2	9.2
Cash dividends declared	2.9	3.2	3.6	3.3	3.0	2.1	2.6	2.7	3.0	2.0	2.3	2.4	2.9
<i>Percentage of total assets:</i>													
Total earnings	2.3	2.5	2.2	2.2	1.9	2.6	2.4	2.3	2.2	2.6	2.5	2.4	2.3
Net current earnings before income taxes	.9	1.0	.9	.9	.7	.9	.9	.8	.7	.8	.8	.7	.6
Net profits	.6	.8	.7	.6	.4	.8	.7	.6	.5	.7	.7	.5	.5
Sources and disposition of earnings													
<i>Percentage of total earnings:</i>													
Interest on U. S. Government securities	36.9	27.9	34.1	34.1	36.6	34.6	38.1	38.1	38.1	42.0	40.4	42.0	43.0
Interest and dividends on other securities	6.2	4.1	5.3	5.7	5.1	6.7	6.2	6.5	5.5	7.6	7.8	7.8	6.2
Earnings on loans	42.6	53.4	44.8	42.8	39.0	47.9	42.9	39.8	38.3	40.1	41.8	38.2	34.8
Service charges on deposit accounts	6.2	6.8	7.7	8.0	4.7	4.7	5.5	6.6	6.2	3.9	4.3	5.1	6.1
Other current earnings	8.1	7.8	8.1	9.4	14.6	6.1	7.3	9.0	11.9	6.4	5.7	6.9	9.9
Total earnings	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Salaries and wages	28.8	34.2	31.4	30.9	32.4	28.2	27.0	28.7	30.8	25.4	24.2	25.9	28.6
Interest on time deposits	11.3	2.4	3.6	4.4	5.0	12.9	14.1	13.0	12.7	20.6	21.5	21.1	20.9
Other current expenses	23.4	26.0	24.0	24.0	27.1	25.1	22.6	23.6	24.7	22.2	21.4	22.1	23.3
Total expenses	63.5	62.6	59.0	59.3	64.5	66.2	63.7	65.3	68.2	68.2	67.1	69.1	72.8
Net current earnings before income taxes	36.5	37.4	41.0	40.7	35.5	33.8	36.3	34.7	31.8	31.8	32.9	30.9	27.2
Net recoveries and profits (or losses -)	- .7	-1.6	-1.7	-3.1	-1.8	.9	.0	- .3	-1.4	.2	.6	1.2	2.7
Taxes on net income	8.7	6.1	8.0	11.7	10.5	6.0	7.8	10.7	9.4	5.3	7.4	10.0	7.2
Net profits	27.1	29.7	31.3	25.9	23.2	28.7	28.5	23.7	21.0	26.7	26.1	22.1	22.7
Rates of return on securities and loans													
<i>Return on securities:</i>													
Interest on U. S. Government securities	1.6	1.6	1.5	1.5	1.5	1.9	1.7	1.7	1.6	2.0	1.9	1.8	1.7
Interest and dividends on other securities	2.7	3.4	2.9	2.3	2.5	3.3	2.8	2.4	2.3	3.0	2.7	2.5	2.5
Net recoveries and profits (or losses -) on total securities	.0	-.0	-.0	-.0	.0	.1	.0	.0	.0	.0	.1	.1	1
<i>Return on loans:</i>													
Earnings on loans	5.5	7.5	6.3	5.4	3.6	5.6	5.4	5.0	4.2	5.5	5.2	4.9	4.3
Net recoveries (or losses -) on loans	-.0	-.1	-.1	-.1	-.1	.0	-.0	-.0	-.0	-.1	-.0	-.0	.0
Distribution of assets													
<i>Percentage of total assets:</i>													
U. S. Government securities	49.6	40.3	48.0	47.2	45.4	45.9	50.6	51.2	51.2	53.4	52.0	54.0	54.9
Other securities	6.4	4.0	5.1	6.4	4.8	6.5	6.3	7.3	5.9	7.2	8.0	8.4	6.7
Loans	19.3	19.0	16.6	18.1	21.8	23.2	20.2	19.7	20.8	20.2	21.3	19.9	19.5
Cash assets	24.0	36.2	29.8	27.6	27.0	23.5	22.1	20.9	20.8	18.4	17.9	16.7	17.7
Real estate assets	.6	.4	.4	.6	.7	.8	.7	.8	.9	.7	.7	.8	.9
Other ratios													
<i>Total capital accounts to:</i>													
Total assets	6.5	8.3	5.9	5.3	6.1	8.7	6.8	6.2	5.9	8.8	7.3	6.8	5.7
Total assets less Government securities and cash assets	29.4	42.2	31.8	25.1	24.0	32.1	29.7	26.1	24.4	35.9	29.2	28.8	26.9
Total deposits	7.0	9.3	6.3	5.7	6.6	9.6	7.3	6.7	6.3	9.8	8.0	7.4	6.2
Time to total deposits	31.2	5.9	8.8	13.2	13.1	37.6	38.4	37.7	37.1	60.2	59.3	59.1	57.3
Interest on time deposits	.9	1.1	.9	.7	.7	1.0	1.0	.8	.8	1.0	1.0	.9	.8
Trust department earnings to total earnings ¹	3.6	4.1	2.4	3.2	7.5	1.2	2.2	3.5	4.7	.....	1.8	2.4	2.5
Number of banks²	6,855	273	1,692	612	299	126	1,179	853	203	75	975	524	44

For footnotes, see p. 1019.

EARNINGS AND EXPENSES OF FEDERAL RESERVE BANKS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 1948

	Total	Boston	New York	Philadel- phia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minne- apolis	Kansas City	Dallas	San Francisco
Current Earnings													
Discounts and advances.....	\$1,929,533	\$116,509	\$567,420	\$127,758	\$161,991	\$121,462	\$82,172	\$382,949	\$82,190	\$41,021	\$88,444	\$51,940	\$105,677
U. S. Govt. securities, System account.....	129,768,193	8,712,727	31,135,998	9,267,993	12,439,298	8,427,384	6,507,614	18,451,602	7,121,891	3,971,632	6,048,969	5,858,569	11,824,516
Industrial loans.....	26,048	7,742	75	17,042	1,695	1,101	6,210	928	1,144	3,133	885	5,311	734
Commitments to make industrial loans.....	412,321	8,239	61,629	5,358	104,530	12,067	13,623	67,924	12,668	3,133	88,500	5,311	29,348
All other.....													
Total current earnings.....	132,143,837	8,837,550	31,765,047	9,418,151	12,710,653	8,562,528	6,609,933	18,903,403	7,217,893	4,015,786	6,226,798	5,915,820	11,960,275
Current Expenses													
Operating expenses:													
Salaries:													
Officers.....	1,676,850	107,224	326,840	86,216	142,270	114,471	117,841	200,961	108,315	88,520	118,379	105,773	160,040
Employees.....	24,342,538	1,513,056	5,999,858	1,468,575	2,088,979	1,554,520	1,112,697	3,848,290	1,406,337	721,214	1,279,728	1,064,396	2,284,888
Retirement System contributions.....	2,486,031	155,016	589,474	148,876	211,270	162,947	123,104	375,509	148,276	73,229	138,627	114,422	245,281
Legal fees.....	14,320	358	7	8,785	3,375	25	75	1	1	1	1,666	28	23
Directors' fees and expenses.....	133,505	8,335	8,130	8,747	10,162	8,949	18,655	7,655	11,622	10,320	13,644	11,756	15,530
Federal Advisory Council fees and expenses.....	12,985	921	765	744	1,055	530	1,262	1,041	1,196	1,104	1,130	1,544	1,693
Traveling expenses (other than of directors and members of Federal Advisory Council).....	340,136	15,527	45,337	15,343	26,762	26,758	22,310	46,500	30,702	19,645	27,667	26,526	37,059
Postage and expressage.....	3,914,669	382,567	629,239	262,916	341,760	338,335	299,675	518,643	208,441	128,226	216,049	190,664	398,154
Telephone and telegraph.....	253,435	12,037	46,603	14,983	23,511	13,839	21,227	19,758	22,522	11,260	20,418	16,058	31,219
Printing, stationery, and supplies.....	1,904,250	156,137	404,847	112,168	143,716	104,180	112,747	357,712	109,134	45,493	114,154	79,148	164,814
Insurance.....	314,599	22,289	70,524	14,567	26,674	17,735	14,873	42,992	19,619	14,399	19,287	16,291	35,349
Taxes on real estate.....	925,848	95,543	237,694	45,718	106,543	43,106	38,179	130,776	40,182	42,472	54,549	24,271	66,815
Depreciation (building).....	555,805	27,916	112,863	75,276	76,238	44,372	21,274	46,024	33,627	15,703	38,469	26,605	37,438
Light, heat, power, and water.....	367,154	22,524	93,004	23,614	49,435	25,420	19,286	42,694	22,738	13,672	15,835	17,820	21,112
Repairs and alterations.....	256,562	7,851	37,936	11,087	48,488	13,496	29,829	39,550	24,817	7,471	15,877	13,121	7,039
Rent.....	202,806	5,434	.....	3,673	602	4,010	19,197	86,399	5,699	583	9,447	5,856	61,906
Furniture and equipment.....	551,100	32,568	151,683	29,472	30,407	35,984	56,475	66,733	63,339	4,436	13,551	40,294	26,158
All other.....	1,523,568	103,549	44,637	139,437	212,129	112,683	113,375	272,977	98,092	78,844	95,850	88,518	163,477
Total operating expenses.....	39,776,161	2,668,852	8,799,441	2,470,197	3,543,376	2,621,360	2,142,081	6,104,214	2,354,658	1,276,592	2,192,661	1,844,729	3,758,000
Less reimbursement for certain fiscal agency and other expenses.....	8,626,489	489,717	1,715,274	427,931	661,755	520,963	516,669	1,609,038	485,300	272,611	520,463	410,154	996,614
Net operating expenses.....	31,149,672	2,179,135	7,084,167	2,042,266	2,881,621	2,100,397	1,625,412	4,495,176	1,869,358	1,003,981	1,672,198	1,434,575	2,761,386
Assessment for expenses of Board of Governors.....	1,402,908	88,553	448,938	113,297	129,624	68,510	57,237	191,179	49,946	34,692	49,756	47,488	123,688
Federal Reserve currency:													
Original cost.....	1,576,280	143,319	297,378	171,558	138,618	129,286	107,075	320,133	86,167	15,205	33,545	33,050	100,946
Cost of redemption.....	338,433	19,153	62,089	15,525	28,846	23,708	38,549	47,255	17,353	7,887	16,052	15,242	46,774
Total current expenses.....	34,467,293	2,430,160	7,892,572	2,342,646	3,178,709	2,321,901	1,828,273	5,053,743	2,022,824	1,061,765	1,771,551	1,530,355	3,032,794
Current net earnings.....	97,676,544	6,407,390	23,872,475	7,075,505	9,531,944	6,240,627	4,781,660	13,849,660	5,195,069	2,954,021	4,455,247	4,385,465	8,927,481

INTERNATIONAL FINANCIAL STATISTICS

	PAGE
Reported gold reserves of central banks and governments.	1024
Gold production	1025
Gold movements	1025
International capital transactions of the United States . .	1026-1031
International Monetary Fund and Bank . .	1032
Central banks	1032-1036
Money rates in foreign countries . .	1037
Commercial banks	1038
Foreign exchange rates . .	1039
Price movements:	
Wholesale prices	1040
Retail food prices and cost of living . .	1041
Security prices .	1041

Tables on the following pages include the principal available statistics of current significance relating to gold, international capital transactions of the United States, and financial developments abroad. The data are compiled for the most part from regularly published sources such as central and commercial bank statements and official statistical bulletins, some data are reported to the Board directly. Figures on international capital transactions of the United States are collected by the Federal Reserve Banks from banks, bankers, brokers, and dealers in the United States in accordance with the Treasury Regulation of November 12, 1934. Back figures for all except price tables, together with descriptive text, may be obtained from the Board's publication, *Banking and Monetary Statistics*.

INTERNATIONAL CAPITAL TRANSACTIONS OF THE UNITED STATES—Continued
NET CAPITAL MOVEMENT TO UNITED STATES SINCE JANUARY 2, 1935—Continued

[Net movement from United States, (-). In millions of dollars]

TABLE 5.—FOREIGN SECURITIES: RETURN OF U. S. FUNDS, BY COUNTRIES
 (Net Purchases by Foreigners of Foreign Securities Owned in U. S.)

From Jan. 2, 1935, through—	Total	United Kingdom	France	Netherlands	Switzerland	Italy	Other Europe	Total Europe	Canada	Latin America	Asia ¹	All other ²
1939—Dec. (Jan. 3, 1940)	725.7	125.5	42.1	29.4	45.0	27.6	225.6	495.2	-7.6	184.0	42.8	11.3
1940—Dec. (Jan. 1, 1941)	803.8	128.6	43.4	31.0	46.0	28.1	232.9	510.0	25.0	202.3	53.0	13.5
1941—Dec. 31	855.5	127.6	51.6	31.5	44.3	28.1	238.4	521.3	35.4	221.1	61.2	16.6
1942—Dec. 31	848.2	125.4	52.4	31.6	44.9	28.0	244.1	526.3	-3.0	245.4	61.5	18.0
1943—Dec. 31	925.9	127.6	50.6	33.0	44.7	27.9	246.6	530.3	41.2	272.3	62.2	19.9
1944—Dec. 31	1,019.4	126.5	51.0	33.6	44.5	27.6	246.9	530.1	104.9	302.0	61.3	21.0
1945—Dec. 31	972.8	117.7	51.2	33.0	45.2	27.5	249.2	523.8	49.1	317.1	60.8	22.0
1946—Dec. 31	1,237.9	96.8	50.2	26.0	31.2	26.7	260.2	491.2	236.6	448.4	61.1	.7
1947—Apr. 30	1,341.6	102.9	50.0	22.5	31.9	26.9	257.7	491.8	309.5	468.2	61.0	11.1
May 31	1,380.7	103.6	49.6	2.2	31.4	26.9	258.3	472.0	358.8	474.2	61.0	14.7
June 30	1,398.0	105.7	49.5	1.7	31.2	26.8	265.4	480.4	374.7	478.8	61.1	3.0
July 31	1,177.3	104.2	48.3	.7	31.2	26.7	266.4	477.5	389.1	481.8	61.2	2,322.2
Aug. 31	1,193.6	104.3	47.9	.2	30.1	26.7	267.3	476.5	397.0	488.0	61.4	-229.3
Sept. 30	1,243.3	101.5	47.9	-1.1	26.5	26.7	267.9	469.4	417.3	507.9	61.3	-225.6
Oct. 31	1,253.6	99.1	47.5	-2.6	26.5	26.6	267.8	461.1	421.9	523.3	61.3	-224.0
Nov. 30	1,254.5	96.9	47.2	-3.3	18.8	26.5	267.9	453.9	427.2	534.0	61.6	-222.3
Dec. 31	1,274.9	94.9	47.1	-3.9	16.3	26.5	273.8	454.7	441.8	537.6	61.6	-220.9
1948—Jan. 31	1,285.7	93.2	46.8	-4.4	13.7	26.4	274.7	450.5	451.3	542.1	61.7	-219.8
Feb. 29	1,290.4	93.3	46.6	-4.0	10.7	26.4	275.1	447.3	454.6	546.2	61.7	-219.4
Mar. 31	1,294.4	92.0	46.1	-5.9	7.4	26.5	275.8	441.9	458.6	549.3	62.0	-217.5

TABLE 6.—DOMESTIC SECURITIES: INFLOW OF FOREIGN FUNDS, BY COUNTRIES
 (Net Purchases by Foreigners of U. S. Securities)

From Jan. 2, 1935, through—	Total	United Kingdom	France	Netherlands	Switzerland	Italy	Other Europe	Total Europe	Canada	Latin America	Asia ¹	All other ²
1939—Dec. (Jan. 3, 1940)	1,133.7	328.1	76.6	227.7	344.7	-4.9	32.2	1,004.4	-2.6	30.1	87.6	14.3
1940—Dec. (Jan. 1, 1941)	888.7	157.1	74.4	233.2	348.1	2.7	35.8	851.3	-18.4	25.6	17.6	12.6
1941—Dec. 31	626.7	-70.1	74.9	236.7	336.4	-1	37.1	615.0	-44.7	28.1	17.5	10.9
1942—Dec. 31	673.3	-77.6	80.5	236.9	360.5	-1	44.4	644.7	-45.1	35.2	27.7	10.9
1943—Dec. 31	701.1	-100.3	82.7	239.9	367.3	.6	55.4	645.7	-58.2	40.5	62.5	10.6
1944—Dec. 31	911.8	-125.4	77.3	239.0	368.5	1.9	72.4	633.7	-28.1	54.9	240.5	10.7
1945—Dec. 31	798.7	-157.9	81.7	233.5	355.4	2.2	68.0	582.9	-126.6	81.3	251.3	9.9
1946—Dec. 31	464.5	-194.9	74.9	207.0	337.9	2.1	57.3	484.3	-143.0	87.6	26.8	8.8
1947—Apr. 30	416.7	-198.3	73.8	179.3	344.2	-15.6	46.0	429.5	-141.9	90.6	30.3	8.1
May 31	398.5	-200.5	72.3	168.6	345.4	-15.4	45.2	415.5	-141.0	86.5	28.8	8.7
June 30	393.4	-202.7	71.8	158.4	343.1	-15.3	42.6	398.0	-126.3	85.3	28.4	8.0
July 31	385.9	-203.5	71.1	149.7	351.2	-15.1	40.8	394.2	-128.1	84.2	27.5	8.1
Aug. 31	362.6	-203.3	73.6	129.9	350.7	-15.1	40.6	376.3	-131.7	82.7	27.3	8.0
Sept. 30	338.8	-204.1	69.0	124.4	350.4	-15.1	42.2	366.9	-141.7	78.5	27.1	8.1
Oct. 31	310.0	-205.1	42.9	118.0	352.0	-15.2	41.8	334.5	-142.6	84.6	27.7	5.9
Nov. 30	290.0	-205.7	31.5	113.9	353.9	-15.2	42.1	320.5	-147.0	82.9	27.8	5.7
Dec. 31	367.0	*207.0	24.8	108.7	350.9	-15.0	43.1	308.7	-139.8	84.2	28.3	*85.6
1948—Jan. 31	359.6	-203.7	17.3	106.2	347.2	-15.3	44.1	295.7	-137.8	87.8	28.5	85.4
Feb. 29	340.3	-203.6	6.6	102.9	343.2	-15.2	43.8	277.6	-142.3	91.0	28.6	85.3
Mar. 31	312.3	-204.4	-4.7	96.7	336.7	-16.2	44.0	252.1	-144.3	90.3	28.9	85.4

TABLE 7.—INFLOW IN BROKERAGE BALANCES, BY COUNTRIES
 (The Net Effect of Increases in Foreign Brokerage Balances in U. S. and of Decreases in Balances Held by Brokers and Dealers in U. S. with Brokers and Dealers Abroad)

From Jan. 2, 1935, through—	Total	United Kingdom	France	Netherlands	Switzerland	Italy	Other Europe	Total Europe	Canada	Latin America	Asia ¹	All other ²
1939—Dec. (Jan. 3, 1940)	80.6	19.4	20.1	9.3	17.8	.1	4.9	71.6	8.7	1.6	-3.4	2.1
1940—Dec. (Jan. 1, 1941)	100.9	17.0	19.9	13.4	16.2	.2	7.7	74.3	10.7	9.2	6.0	.7
1941—Dec. 31	100.9	16.8	19.9	17.6	13.5	.2	7.7	75.7	14.1	3.9	6.3	.8
1942—Dec. 31	104.4	17.4	20.7	17.5	13.7	.2	8.5	78.1	15.2	4.2	6.0	.9
1943—Dec. 31	117.8	18.8	21.5	19.9	19.3	.3	9.2	89.1	17.6	3.8	6.0	1.3
1944—Dec. 31	126.3	18.5	23.1	22.3	23.0	.3	10.4	97.7	16.2	5.1	5.6	1.8
1945—Dec. 31	144.1	19.8	23.4	26.0	30.3	.4	13.6	113.6	19.5	5.9	3.8	1.3
1946—Dec. 31	153.7	19.2	20.5	17.5	39.6	.4	14.7	112.0	21.5	13.4	4.8	2.0
1947—Apr. 30	161.6	18.6	20.5	17.3	42.1	.5	13.7	112.7	21.2	19.5	7.0	1.2
May 31	156.4	18.4	19.9	16.9	40.4	.4	13.5	109.5	19.6	18.5	8.0	.9
June 30	160.8	18.9	19.7	18.2	43.2	.5	14.0	114.5	19.7	19.0	6.7	1.0
July 31	159.8	20.2	19.5	17.0	42.6	.5	14.3	114.0	19.1	19.0	6.9	.8
Aug. 31	164.1	18.3	19.4	17.0	43.4	.4	14.2	112.8	20.0	23.5	7.1	.8
Sept. 30	159.9	18.7	19.5	16.6	43.0	.4	14.3	112.5	20.7	18.7	7.3	.8
Oct. 31	162.2	19.3	19.2	16.9	42.0	.4	14.4	112.2	19.5	20.9	6.8	2.8
Nov. 30	153.1	19.7	19.1	16.6	39.6	.4	14.1	109.5	19.0	17.3	6.5	.7
Dec. 31	142.4	18.2	19.1	12.7	38.2	.3	14.2	102.7	19.6	12.9	6.6	.7
1948—Jan. 31	140.6	17.5	19.1	12.4	37.8	.5	13.7	101.1	19.6	11.8	7.4	.7
Feb. 29	135.2	17.4	18.9	12.2	37.2	.4	13.1	99.3	19.1	9.7	6.6	.6
Mar. 31	*143.3	17.8	18.9	13.6	41.1	.5	13.1	105.1	19.2	10.7	7.7	.7

¹ Prior to Jan. 3, 1940, the figures under Asia represent Far East only, the remaining Asiatic countries being included under "All other."

² Includes outflow of \$249,300,000 resulting from the sale of debentures in the United States by the International Bank for Reconstruction and Development. (Of the total issue of \$250,000,000, \$700,000 was sold directly to Canadian purchasers.)

³ Includes inflow of 74.5 million dollars resulting from purchase of domestic securities by international institutions.

⁴ Amounts outstanding Mar. 31 (in millions of dollars): foreign brokerage balances in United States, 93.7; United States brokerage balances abroad, 27.3.

INTERNATIONAL CAPITAL TRANSACTIONS OF THE UNITED STATES—Continued
SHORT-TERM FOREIGN LIABILITIES AND ASSETS REPORTED BY BANKS IN THE UNITED STATES,
BY COUNTRIES—Continued

[In millions of dollars]

LIABILITIES—SUPPLEMENTARY DATA—Continued

Asia and All Other

Date	Asia	China and Man-chu-ria	French Indo-China	Hong Kong	India	British Ma-laya	Japan	Neth-er-lands East Indies	Phil-ippine Is-lands	Tur-key	Other Asia ¹	All other	Aus-tralia	New Zealand	Egypt and Anglo-Egypt-ian Sudan	French Mo-roc-co	Union of South Africa	Other
1942—Dec. 31..	930.0	360.9	27.4	41.6	13.1	1.0	4.8	160.4	254.7	29.9	36.2	149.6	23.1	4.8	6.8	12.1	11.0	91.8
1943—Dec. 31..	1,108.8	574.2	27.4	23.9	18.2	.9	4.1	110.1	259.1	35.4	55.5	175.3	25.3	5.1	6.1	10.3	4.5	124.1
1944—Dec. 31..	1,069.2	427.3	27.4	22.9	22.1	1.3	4.0	110.5	365.8	23.7	64.2	174.0	52.9	3.5	7.3	4.3	8.3	97.6
1945—Dec. 31..	1,549.6	582.3	28.0	27.4	33.4	1.2	4.1	113.7	629.1	52.5	78.0	181.8	28.9	4.3	18.9	10.0	6.4	113.4
1946—Dec. 31..	1,316.4	431.9	39.9	44.9	43.5	17.3	16.6	127.1	446.6	54.7	93.8	232.8	45.5	8.0	20.8	14.9	47.2	96.4
1947—Apr. 30..	1,193.3	369.1	38.4	39.0	36.1	8.3	18.9	103.7	438.9	65.4	75.6	216.0	38.7	8.7	19.0	16.1	47.3	86.2
May 31..	1,153.7	354.3	40.5	41.5	33.4	9.6	18.0	95.4	432.2	57.0	71.8	206.7	36.2	8.7	20.5	14.9	50.0	76.5
June 30..	1,147.4	339.1	37.2	41.1	41.2	8.8	16.7	94.9	448.8	51.0	68.5	207.0	47.8	8.6	22.6	13.9	39.5	74.5
July 31..	1,113.2	309.6	36.2	47.2	43.3	11.8	17.6	85.8	452.6	40.4	68.7	214.1	42.4	9.4	19.4	13.7	49.5	79.7
Aug. 31..	1,091.5	286.1	35.3	44.7	53.6	14.6	17.6	82.8	440.3	41.7	74.9	218.5	46.2	9.5	21.1	13.3	55.5	72.9
Sept. 30..	1,065.1	269.7	8.2	45.5	54.4	13.8	17.8	70.8	464.3	41.7	79.1	205.9	47.5	8.3	24.4	11.8	37.6	76.2
Oct. 31..	1,057.7	263.3	8.7	43.6	55.0	12.4	25.5	59.7	470.9	39.7	78.9	204.4	43.8	6.5	25.8	11.4	43.3	73.6
Nov. 30..	1,064.2	250.2	9.3	41.8	56.7	16.5	28.9	65.9	476.0	39.2	79.7	197.3	34.8	6.5	26.9	10.2	46.3	72.7
Dec. 31..	1,057.9	229.9	6.5	39.8	62.4	11.0	31.3	69.3	488.6	37.6	81.5	193.7	30.6	5.9	25.0	10.1	46.4	75.8
1948—Jan. 31..	1,026.9	213.5	6.2	41.1	67.7	11.8	37.1	65.7	466.9	34.2	82.7	206.8	26.2	5.4	37.6	9.4	55.1	73.1
Feb. 29..	1,021.0	188.7	6.3	41.6	57.8	13.1	53.8	57.0	484.7	34.6	83.4	203.4	28.5	6.2	42.7	9.2	41.5	75.2
Mar. 31..	1,023.0	173.8	4.9	38.8	53.1	13.9	85.4	60.5	476.4	30.0	86.3	196.3	24.8	6.1	36.4	8.6	44.8	75.6

[†] Revised.

¹ Beginning with January 1948, includes Pakistan, Burma, and Ceylon, previously included with India.

Footnotes to table on preceding page.

[†] Revised.

¹ Country breakdown is for "Official and private."

² Prior to Jan. 3, 1940, the figures under Asia represent Far East only, the remaining Asiatic countries being included under "All other."

³ Report dates for these years are as follows: 1938—Jan. 4, 1939; 1939—Jan. 3, 1940; and 1940—Jan. 1, 1941.

⁴ Official Canadian holdings of U. S. dollars on Dec. 31, 1946, amounted to 686.2 million dollars, according to the annual report of the Foreign Exchange Control Board of Canada for 1946.

NOTE.—Certain of the figures are not strictly comparable with the corresponding figures for preceding months owing to changes in reporting practice of various banks. The cumulative figures in Tables 1, 2, and 3 of "Net Capital Movement to United States" have been adjusted to exclude the unreal movements introduced by these changes. For further explanation see *Banking and Monetary Statistics*, pp. 578-584, and BULLETIN for March 1947, p. 339, and September 1945, pp. 967-970.

ASSETS

Date	Total	United Kingdom	France	Neth-er-lands	Switz-er-land	Italy	Other Europe	Total Europe	Canada	Latin America	Asia ¹	All other ¹
1938—Dec. (Jan. 4, 1939).....	594.0	86.0	10.3	24.2	5.5	13.5	135.4	274.9	60.4	99.1	144.1	15.5
1939—Dec. (Jan. 3, 1940).....	508.7	39.9	4.9	5.7	5.2	11.8	104.7	172.2	39.7	113.3	174.1	9.3
1940—Dec. (Jan. 1, 1941).....	384.0	23.0	4.2	.9	1.5	2.0	69.5	101.0	36.0	122.7	117.8	6.4
1941—Dec. 31.....	367.8	20.9	1.8	1.1	2.6	1.5	60.5	88.4	33.6	148.3	87.9	9.7
1942—Dec. 31.....	246.7	12.6	1.3	.5	1.5	.4	56.3	72.6	34.3	99.7	35.3	4.8
1943—Dec. 31.....	257.9	19.9	1.1	.4	3.0	.4	52.9	77.6	37.8	112.2	26.3	3.9
1944—Dec. 31.....	329.7	25.9	1.4	.3	1.3	.3	78.3	107.5	28.1	131.0	51.4	11.7
1945—Dec. 31.....	392.8	25.4	1.1	36.3	2.9	.3	74.6	140.7	53.3	158.9	29.9	9.9
1946—Dec. 31.....	708.3	47.7	5.7	151.0	9.8	16.0	82.8	312.9	52.2	226.8	99.2	17.2
1947—Apr. 30.....	801.8	42.4	21.1	51.0	8.3	22.0	106.4	251.3	36.4	381.7	98.1	34.3
May 31.....	880.2	39.6	18.8	39.3	9.5	23.8	113.1	244.1	36.8	438.0	127.3	34.0
June 30.....	933.0	39.3	20.1	49.0	7.8	24.1	127.6	268.0	36.4	424.9	173.3	30.5
July 31.....	979.2	36.9	21.4	47.2	10.2	24.3	138.8	278.9	34.0	444.9	185.0	36.3
Aug. 31.....	967.3	34.1	20.9	45.9	9.8	23.6	139.7	274.0	32.2	451.8	177.7	31.7
Sept. 30.....	957.2	29.2	22.1	46.8	9.3	23.2	137.9	268.6	29.1	447.7	177.5	34.3
Oct. 31.....	963.4	33.1	17.6	48.6	6.4	24.9	135.4	266.0	29.8	466.7	164.6	36.3
Nov. 30.....	923.9	31.8	14.9	47.2	5.7	23.6	135.6	258.9	26.5	477.5	127.7	33.3
Dec. 31.....	960.9	29.2	23.4	49.1	7.0	21.1	130.9	260.6	27.5	514.3	127.0	31.5
1948—Jan. 31.....	1,029.0	22.5	97.8	51.1	6.3	21.2	129.2	328.2	25.2	519.3	126.6	29.7
Feb. 29.....	1,046.8	18.9	113.7	52.3	6.0	20.9	134.5	346.3	25.4	517.5	134.4	23.1
Mar. 31.....	1,083.8	18.5	118.5	51.3	6.4	17.4	152.9	364.9	28.4	537.3	131.1	22.1

¹ Prior to Jan. 3, 1940, the figures under Asia represent Far East only, the remaining Asiatic countries being included under "All other."

NOTE.—The figures in this table are not fully comparable throughout since certain changes or corrections took place in the reporting practice of reporting banks on Aug. 12, 1936, and Oct. 18, 1939. (See *Banking and Monetary Statistics*, Table 161, pp. 589 and 591.) On June 30, 1942, reporting practice was changed from a weekly to a monthly basis. For further information see BULLETIN for September 1945, pp. 971-974.

INTERNATIONAL CAPITAL TRANSACTIONS OF THE UNITED STATES—Continued
 SHORT-TERM FOREIGN LIABILITIES AND ASSETS REPORTED BY BANKS IN THE UNITED STATES,
 BY COUNTRIES—Continued

[In millions of dollars]

ASSETS—SUPPLEMENTARY DATA

Other Europe

Date	Other Europe	Belgium	Denmark	Finland	Germany	Greece	Luxembourg	Norway	Portugal	Rumania	Spain	Sweden	USSR	Yugoslavia	All other
1942—Dec. 31.....	56.3	.8	(1)	5.6	34.0	1.1	.1	.2	2.4	(1)	3.2	.4	(1)	(1)	8.4
1943—Dec. 31.....	52.9	.7	(1)	7.6	33.9	.6	.1	.2	1.4	(1)	3.2	.2	(1)	(1)	5.0
1944—Dec. 31.....	78.3	.7	(1)	(1)	33.9	.6	.1	35.1	.8	(1)	1.8	.2	(1)	(1)	5.1
1945—Dec. 31.....	74.6	.6	(1)	(1)	33.9	.7	.1	31.6	.5	(1)	1.6	.9	(1)	(1)	4.7
1946—Dec. 31.....	82.8	7.5	.5	6.2	30.4	12.4	.1	3.3	1.0	(1)	7.2	4.9	(1)	(1)	9.4
1947—Apr. 30.....	106.4	8.9	.3	7.1	30.4	12.8	.1	5.2	1.0	6.9	3.7	7.1	(1)	(1)	22.9
May 31.....	113.1	8.9	.4	9.1	30.3	13.0	.1	5.9	1.2	7.0	3.5	7.4	(1)	(1)	26.3
June 30.....	127.6	10.1	.6	11.4	30.3	12.9	.3	6.3	1.5	6.9	4.3	7.5	(1)	(1)	35.4
July 31.....	138.8	9.0	.6	17.8	30.3	13.0	(1)	7.0	1.3	11.9	1.6	8.7	(1)	(1)	37.5
Aug. 31.....	139.7	10.3	.4	17.9	30.3	12.6	.1	8.0	1.3	12.0	1.3	9.3	(1)	(1)	36.2
Sept. 30.....	137.9	11.2	.6	17.5	30.3	12.4	(1)	9.4	1.2	12.0	1.2	9.3	(1)	(1)	32.6
Oct. 31.....	135.4	13.2	1.0	13.1	30.5	12.8	(1)	10.3	1.3	12.0	1.3	9.3	(1)	(1)	30.6
Nov. 30.....	135.6	12.9	1.1	11.9	30.5	12.8	(1)	8.1	1.1	12.0	1.4	7.6	(1)	(1)	36.1
Dec. 31.....	130.9	15.0	2.2	8.0	30.5	10.6	.1	9.2	1.1	12.0	.9	5.4	(1)	(1)	35.8
1948—Jan. 31.....	129.2	12.7	1.5	8.3	30.6	10.1	(1)	11.3	1.2	12.0	1.5	4.0	(1)	(1)	35.8
Feb. 29.....	134.5	11.3	3.2	7.6	30.5	10.2	(1)	10.7	1.2	12.0	3.5	3.7	(1)	(1)	40.5
Mar. 31.....	152.9	24.2	6.6	7.0	30.4	9.6	(1)	8.9	1.5	12.0	3.7	3.5	(1)	(1)	45.4

Latin America

Date	Latin America	Argentina	Bolivia	Brazil	Chile	Colombia	Costa Rica	Cuba	French West Indies and Guiana	Mexico	Netherlands West Indies and Surinam	Panama	Peru	Venezuela	Other Latin America
1942—Dec. 31.....	99.7	6.9	3.0	16.7	15.3	20.7	.6	8.3	.2	4.8	.3	2.1	2.8	3.9	14.2
1943—Dec. 31.....	112.2	15.3	1.8	18.9	16.6	12.2	.7	20.1	(1)	11.2	.5	1.1	1.4	3.8	8.7
1944—Dec. 31.....	131.0	3.1	1.8	25.3	9.0	15.5	1.2	47.4	(1)	8.6	.3	.8	1.2	5.1	11.7
1945—Dec. 31.....	158.9	21.0	1.3	24.7	6.6	16.8	1.2	33.3	.1	11.0	.5	1.1	1.9	6.1	33.4
1946—Dec. 31.....	226.8	41.8	2.3	49.8	14.6	26.4	2.9	25.7	.2	25.5	.8	1.3	3.7	8.7	23.1
1947—Apr. 30.....	381.7	57.8	4.8	115.4	18.6	30.4	3.4	53.8	(1)	33.7	1.1	2.2	7.8	15.4	37.3
May 31.....	438.0	60.7	5.3	150.2	20.3	36.4	3.6	60.1	.1	34.8	1.0	2.1	7.6	19.2	36.7
June 30.....	424.9	57.6	3.6	160.9	17.4	40.3	3.9	46.0	.3	32.9	1.0	2.6	5.6	16.7	36.3
July 31.....	444.9	65.8	3.3	164.1	20.5	35.7	3.9	53.3	.6	27.6	1.0	2.7	5.9	18.2	42.3
Aug. 31.....	451.8	71.8	3.2	163.6	22.7	35.2	3.8	54.5	.1	31.0	1.1	3.8	6.3	18.5	36.2
Sept. 30.....	447.7	65.5	3.4	161.4	21.7	35.9	3.6	59.7	(1)	30.2	1.1	4.9	6.5	15.3	38.3
Oct. 31.....	466.7	67.4	4.2	162.3	22.8	32.0	4.0	73.8	(1)	39.5	1.2	4.9	6.7	14.6	35.4
Nov. 30.....	477.5	66.4	2.9	162.0	22.3	31.2	3.6	91.5	(1)	38.3	1.2	5.0	6.1	15.1	31.9
Dec. 31.....	514.3	65.2	2.0	165.8	27.8	32.6	3.5	108.6	(1)	52.2	1.1	4.7	4.3	15.3	31.0
1948—Jan. 31.....	519.3	60.0	2.4	169.8	29.3	35.7	3.3	113.4	.1	51.8	.8	4.8	4.1	14.2	29.6
Feb. 29.....	517.5	60.3	2.3	175.2	27.1	36.9	3.5	106.4	.1	52.7	1.1	4.2	3.9	16.9	26.8
Mar. 31.....	537.3	57.2	2.3	185.9	24.9	39.3	3.2	109.1	.1	59.9	1.3	4.1	4.1	17.6	28.5

Asia and All Other

Date	Asia	China and Manchuria	French Indo-China	Hong Kong	India	British Malaya	Japan	Netherlands East Indies	Philippine Islands	Turkey	Other Asia ²	All other	Australia	New Zealand	Egypt and Anglo Egyptian Sudan	French Morocco	Union of South Africa	Other
1942—Dec. 31.....	35.3	11.1	(1)	.9	2.2	.7	.5	1.6	14.4	1.8	2.0	4.8	1.0	.7	.1	(1)	1.7	1.2
1943—Dec. 31.....	26.3	1.7	(1)	1.0	2.0	.5	.5	1.7	13.9	3.2	1.8	3.9	.5	.2	.1	(1)	2.4	.7
1944—Dec. 31.....	51.4	1.5	(1)	.9	22.3	.1	.5	1.5	13.8	1.8	8.8	11.7	.6	.2	.2	(1)	9.7	1.0
1945—Dec. 31.....	29.9	1.0	(1)	.8	7.5	.1	.5	1.4	13.8	2.0	2.7	9.9	1.7	.7	.3	(1)	4.7	2.5
1946—Dec. 31.....	99.2	53.9	(1)	5.9	12.0	.2	.2	1.0	20.2	1.4	4.4	17.2	3.4	1.1	.4	(1)	10.1	2.2
1947—Apr. 30.....	98.1	47.0	(1)	4.0	14.2	1.3	.2	1.9	22.4	2.5	4.5	34.3	7.5	1.3	.4	.1	18.3	6.8
May 31.....	127.3	76.1	(1)	3.5	13.2	1.1	.2	1.5	23.2	2.7	5.8	34.0	6.6	1.6	.4	.4	18.9	6.0
June 30.....	173.3	104.8	.1	3.5	32.8	2.2	.2	.5	20.2	3.3	5.8	30.5	9.0	1.0	.3	.1	15.2	5.0
July 31.....	185.0	110.7	.1	3.1	33.7	1.6	.3	.5	25.1	3.2	6.7	36.3	11.3	1.7	.2	.1	18.8	4.2
Aug. 31.....	177.7	108.2	.3	3.1	27.5	1.6	.3	.5	24.5	3.5	8.4	31.7	9.0	1.5	.2	.3	15.8	4.9
Sept. 30.....	177.5	103.7	3.2	2.1	27.5	.8	.3	.7	24.5	5.6	9.0	34.3	10.2	1.4	.7	.3	15.0	6.7
Oct. 31.....	164.6	78.6	3.3	2.2	28.9	1.0	.3	.4	27.7	13.1	9.1	36.3	12.0	2.0	.2	.6	14.5	7.0
Nov. 30.....	127.7	41.3	3.3	1.9	28.2	.8	.3	.4	29.0	12.9	9.6	33.3	10.2	2.3	.2	.4	14.2	6.0
Dec. 31.....	127.0	40.8	.3	2.6	29.6	.9	.9	.5	27.4	17.7	6.3	31.5	9.0	1.5	.1	.5	14.4	6.0
1948—Jan. 31.....	126.6	37.1	.2	2.9	27.0	.7	4.0	4.4	29.3	17.6	7.4	29.7	8.5	1.4	.1	.3	14.3	5.0
Feb. 29.....	134.4	37.9	.3	3.9	25.5	.7	5.7	3.1	31.0	18.6	7.7	23.1	6.4	1.1	.1	.5	10.0	5.0
Mar. 31.....	131.1	38.1	.3	3.7	26.0	.6	5.9	.6	31.1	15.5	9.4	22.1	4.7	.9	.1	.4	10.1	6.0

¹ Less than \$50,000.

² Beginning with January 1948, includes Pakistan, Burma, and Ceylon, previously included with India.

**INTERNATIONAL MONETARY FUND AND INTERNATIONAL BANK
FOR RECONSTRUCTION AND DEVELOPMENT**

[Millions of dollars]

International Fund	1948		1947		International Bank	1948		1947	
	May	Feb.	Nov.	May		June	Mar.	Dec.	June
Gold.....	1,363	1,357	1,356	1,333	Gold.....	(¹)	4	4	...
Member currencies (balances with depositories and securities payable on demand):					Member currencies (balances with depositories and securities payable on demand):				
United States.....	1,450	1,559	1,626	2,030	United States.....	102	165	267	478
Other members.....	3,992	3,869	3,630	3,155	Other members.....	918	914	909	872
Unpaid balance of member subscriptions.....	1,171	1,176	1,309	1,202	Investment securities (U. S. Govt. obligations).....	422	410	412	156
Other assets.....	(¹)	(¹)	(¹)	(¹)	Calls on subscriptions to capital stock ²	5	5	5	4
Member subscriptions.....	7,976	7,961	7,922	7,722	Loans (incl. undisbursed portions).....	497	497	497	250
Accumulated net income.....				-1	Other assets.....	5	7	3	...
					Bonds outstanding.....	254	250	250	...
					Loans—undisbursed.....	27	94	197	158
					Other liabilities.....	4	2	4	...
					Special reserve.....	3	2	1	(¹)
					Capital ³	1,657	1,653	1,645	1,605
					Accumulated net income.....	3	1	-1	-1

Currency bought ² (Cumulative figures)	1948			1947
	June	May	Apr.	May
Belgian francs.....	33.0	33.0	33.0	.....
Chilean pesos.....	8.8	8.8	8.8	.....
Danish kroner.....	10.2	10.2	10.2	.....
French francs.....	125.0	125.0	125.0	25.0
Indian rupees.....	44.1	36.1	28.0	.....
Mexican pesos.....	22.5	22.5	22.5	.....
Netherlands guilders.....	75.4	75.4	68.5	12.0
Norwegian kroner.....	7.3	5.0	5.0	.....
Turkish liras.....	5.0	5.0	5.0	.....
Pounds sterling.....	300.0	300.0	300.0	.....
Total.....	631.3	621.0	606.0	37.0

¹ Less than \$500,000.

² As of June 30, 1948, the Fund has sold 616.1 million U. S. dollars; in addition, the Netherlands received 1.5 million pounds sterling in May 1947 and 300 million Belgian francs in May 1948, and Norway received 100 million Belgian francs in June 1948.

³ Excludes uncalled portions of capital subscriptions, amounting to 6,629 million dollars as of June 30, 1948, of which 2,540 million represents the subscription of the United States.

CENTRAL BANKS

Bank of England (Figures in millions of pounds sterling)	Assets of issue department		Assets of banking department				Note circulation ²	Liabilities of banking department			
	Gold ¹	Other assets ²	Cash reserves		Discounts and advances	Securities		Deposits			Other liabilities and capital
			Coin	Notes				Bankers'	Public	Other	
1935—Dec. 25.....	200.1	260.0	6	35.5	8.5	94.7	424.5	72.1	12.1	37.1	18.0
1936—Dec. 30.....	313.7	200.0	6	46.3	17.5	155.6	467.4	150.6	12.1	39.2	18.0
1937—Dec. 29.....	326.4	220.0	8	41.1	9.2	135.5	505.3	120.6	11.4	36.6	18.0
1938—Dec. 28.....	326.4	230.0	8	51.7	28.5	90.7	504.7	101.0	15.9	36.8	18.0
1939—Dec. 27.....	4.2	580.0	1.0	25.6	4.3	176.1	554.6	117.3	29.7	42.0	17.9
1940—Dec. 25.....	.2	630.0	.9	13.3	4.0	199.1	616.9	135.7	12.5	51.2	17.9
1941—Dec. 31.....	.2	780.0	.3	28.5	6.4	267.8	751.7	219.9	11.2	54.1	17.9
1942—Dec. 30.....	.2	950.0	.9	26.8	3.5	267.9	923.4	223.4	9.0	48.8	17.9
1943—Dec. 29.....	.2	1,100.0	.9	11.6	2.5	307.9	1,088.7	234.3	10.3	60.4	17.9
1944—Dec. 27.....	.2	1,250.0	1.9	11.6	5.1	317.4	1,238.6	260.7	5.2	52.3	17.8
1945—Dec. 26.....	.2	1,400.0	.4	20.3	8.4	327.0	1,379.9	274.5	5.3	58.5	17.8
1946—Dec. 25.....	.2	1,450.0	1.3	22.1	13.6	327.6	1,428.2	278.9	10.3	57.3	18.1
1947—July 30.....	.2	1,450.0	2.4	30.9	28.6	364.6	1,419.3	301.8	11.3	95.1	18.3
Aug. 27.....	.2	1,450.0	2.5	56.8	16.6	332.0	1,393.4	282.0	14.0	93.4	18.4
Sept. 24.....	.2	1,450.0	2.3	73.7	14.6	325.9	1,376.5	289.6	16.2	92.1	18.5
Oct. 29.....	.2	1,450.0	2.0	89.4	5.9	318.9	1,360.8	288.8	13.8	95.9	17.8
Nov. 26.....	.2	1,450.0	1.5	109.8	4.5	302.1	1,340.5	292.5	14.0	93.3	18.0
Dec. 31.....	.2	1,450.0	.3	100.5	15.2	331.3	1,349.7	315.1	18.6	95.5	18.1
1948—Jan. 28.....	.2	*1,400.0	.3	131.3	12.7	274.3	1,269.0	290.8	16.3	93.0	18.3
Feb. 25.....	.2	*1,350.0	.2	118.6	11.3	284.3	1,231.6	290.6	12.1	93.3	18.4
Mar. 31.....	.2	*1,300.0	.5	54.4	14.4	367.0	1,245.9	314.3	9.0	94.3	18.6
Apr. 28.....	.2	1,300.0	.7	62.4	14.5	350.6	1,237.8	307.4	12.6	90.3	17.8
May 26.....	.2	1,300.0	.6	56.0	9.8	366.9	1,244.2	311.8	10.7	93.0	18.0
June 30.....	.2	1,300.0	.7	48.0	17.8	383.8	1,252.2	325.4	14.5	92.1	18.2

¹ Through February 1939, valued at legal parity of 85 shillings a fine ounce; thereafter at market price, which fluctuated until Sept. 6, 1939, when it was officially set at 168 shillings per fine ounce; the latter rate remained in effect until June 9, 1945, when it was raised to 172 shillings and three pence.

² Securities and silver coin held as cover for fiduciary issue, the amount of which is also shown by this figure.

³ Notes issued less amounts held in banking department.

⁴ On Jan. 6, 1939, 200 million pounds sterling of gold (at legal parity) transferred from Bank to Exchange Equalization Account; on Mar. 1, 1939, about 5.5 million pounds (at current price) transferred from Exchange Account to Bank; on July 12, 1939, 20 million pounds transferred from Exchange Account to Bank; on Sept. 6, 1939, 279 million pounds transferred from Bank to Exchange Account.

⁵ Fiduciary issue decreased by 50 million pounds each on Jan. 7, Feb. 4, and Mar. 3, 1948. For details on previous changes in the fiduciary issue see BULLETIN for February 1948, p. 254.

NOTE.—For back figures on Bank of England, see *Banking and Monetary Statistics*, Table 164, pp. 638-640; for description of statistics, see pp. 560-561 in same publication.

CENTRAL BANKS—Continued

Bank of Canada (Figures in millions of Canadian dollars)	Assets					Liabilities				
	Gold	Sterling and United States dollars	Dominion and provincial government securities		Other assets	Note circulation ²	Deposits			Other liabilities and capital ³
			Short-term ¹	Other			Chartered banks	Dominion government	Other	
1938—Dec. 31	185.9	28.4	144.6	40.9	5.2	175.3	200.6	16.7	3.1	9.3
1939—Dec. 30	225.7	64.3	181.9	49.9	5.5	232.8	217.0	46.3	17.9	13.3
1940—Dec. 31	(4)	38.4	448.4	127.3	12.4	359.9	217.7	10.9	9.5	28.5
1941—Dec. 31		200.9	391.8	216.7	33.5	496.0	232.0	73.8	6.0	35.1
1942—Dec. 31		.5	807.2	209.2	31.3	693.6	259.9	51.6	19.1	24.0
1943—Dec. 31		.6	787.6	472.8	47.3	874.4	340.2	20.5	17.8	55.4
1944—Dec. 30		172.3	906.9	573.9	34.3	1,036.0	401.7	12.9	27.7	209.1
1945—Dec. 31		156.8	1,157.3	688.3	29.5	1,129.1	521.2	153.3	29.8	198.5
1946—Dec. 31		1.0	1,197.4	708.2	42.1	1,186.2	565.5	60.5	93.8	42.7
1947—July 31		.7	1,081.9	722.6	42.0	1,153.7	468.3	124.1	63.7	37.3
Aug. 30		2.4	1,141.5	720.3	39.0	1,158.9	515.0	133.6	58.7	37.1
Sept. 30		1.9	1,088.0	744.7	49.5	1,172.2	481.1	128.2	62.0	40.5
Oct. 31		.7	1,136.4	799.4	53.1	1,179.4	548.7	143.4	71.2	46.9
Nov. 29		1.4	1,039.9	820.6	46.2	1,182.3	536.7	84.2	62.0	42.8
Dec. 31		2.0	1,022.0	858.5	43.7	1,211.4	536.2	68.8	67.5	42.4
1948—Jan. 31		(5)	931.3	863.2	48.2	1,157.5	538.3	44.6	60.6	41.7
Feb. 28		.6	974.4	825.7	47.2	1,156.3	531.8	60.8	75.0	24.0
Mar. 31		.1	985.2	806.7	62.7	1,180.8	519.2	42.2	86.7	25.9
Apr. 30		.2	1,124.1	767.8	60.5	1,183.0	558.9	57.9	126.0	26.9
May 31		.5	1,179.7	775.0	51.6	1,195.7	547.3	135.9	95.8	32.0
June 30		.2	1,152.9	790.9	56.8	1,206.5	517.0	138.4	107.2	31.7

Bank of France (Figures in millions of francs)	Assets							Liabilities						
	Gold ⁶	Foreign exchange	Domestic bills			Advances to Government		Other assets ⁹	Note circulation	Deposits			Other liabilities and capital	
			Open market ⁷	Special ⁷	Other	For occupation costs ⁸	Other ⁷			Government	C.A.R. ¹⁰	Other		
1938—Dec. 29	87,265	821	7,422	1,797	7,880	.....	20,627	18,498	110,935	5,061	.....	25,595	2,718	
1939—Dec. 28	97,267	112	11,273	2,345	5,149	.....	34,673	20,094	151,322	1,914	.....	14,751	2,925	
1940—Dec. 26	84,616	42	43,194	661	3,646	.....	72,317	63,900	23,179	218,383	984	41,400	27,202	3,586
1941—Dec. 31	84,598	38	42,115	12	4,517	.....	142,507	69,500	22,121	270,144	1,517	64,580	25,272	3,894
1942—Dec. 31	84,598	37	43,661	169	5,368	.....	120,965	68,250	21,749	382,774	770	16,857	29,935	4,461
1943—Dec. 30	84,598	37	44,699	29	7,543	.....	326,973	64,400	21,420	500,386	578	10,724	33,137	4,872
1944—Dec. 28	75,151	42	47,288	48	18,592	.....	426,000	15,850	35,221	572,510	748	.....	37,855	7,078
1945—Dec. 27	129,817	68	23,038	303	25,548	.....	426,000	.....	39,122	570,006	12,048	.....	57,755	4,087
1946—Dec. 26	94,817	7	77,621	3,135	76,254	.....	426,000	67,900	47,577	721,865	765	.....	63,468	7,213
1947—June 26	82,817	6	82,983	84	87,134	.....	426,000	95,000	119,662	807,064	834	.....	76,747	9,040
July 31	64,817	6	99,114	8	85,195	.....	426,000	113,600	120,046	831,587	792	.....	71,329	5,075
Aug. 28	64,817	3	97,490	20	98,224	.....	426,000	124,900	105,639	838,442	750	.....	70,651	7,250
Sept. 25	52,817	7	107,877	130	101,935	.....	426,000	139,300	103,067	852,195	779	.....	71,299	6,861
Oct. 30	52,817	10	108,050	250	132,913	.....	426,000	127,800	108,155	867,700	762	.....	81,030	6,502
Nov. 27	65,225	13	111,368	285	150,065	.....	426,000	116,000	110,303	879,492	846	.....	87,513	11,408
Dec. 31	65,225	12	137,397	64	117,826	.....	426,000	147,400	121,061	920,831	733	.....	82,479	10,942
1948—Jan. 22 ¹¹	65,225	9	145,814	64	125,687	.....	426,000	120,700	104,474	891,546	771	.....	82,849	12,808
Mar. 25	65,225	15	157,997	12	147,841	.....	426,000	155,000	108,979	773,199	791	.....	271,034	16,045
Apr. 29	65,225	17	156,424	55	149,341	.....	426,000	129,500	113,500	759,054	790	.....	265,123	15,186
May 27	65,225	22	149,849	27	165,265	.....	426,000	121,800	113,938	768,567	812	.....	256,948	15,800
June 24	65,225	21	141,276	55	165,984	.....	426,000	122,800	102,405	790,639	738	.....	216,026	16,362

¹ Securities maturing in two years or less.
² Includes notes held by the chartered banks, which constitute an important part of their reserves.
³ Beginning November 1944, includes a certain amount of sterling and United States dollars.
⁴ On May 1, 1940, gold transferred to Foreign Exchange Control Board in return for short-term Government securities (see BULLETIN for July 1940, pp. 677-678).
⁵ Less than \$50,000.
⁶ Gold revalued on Dec. 26, 1945, on basis of 134,027.90 francs per fine kilogram. For details on previous devaluations and other changes in the gold holdings of the Bank of France, see BULLETIN for May 1948, p. 601; May 1940, pp. 406-407; January 1939, p. 29; September 1937, p. 853; and November 1936, pp. 878-880.
⁷ For explanation of this item, see BULLETIN for July 1940, p. 732.
⁸ By a series of Conventions between the Bank of France and the Treasury, dated from Aug. 25, 1940, through July 20, 1944, advances of 441,000 million francs were authorized to meet the costs of the German army of occupation.
⁹ From Dec. 28, 1944, through Nov. 20, 1947, includes 9,447 million francs charged to the State to reimburse the Bank for the gold turned over by it to the National Bank of Belgium on Dec. 22, 1944. During the week ending Nov. 27, 1947, this amount was reduced to 5,039 million francs by a payment from the State to the Bank.
¹⁰ Central Administration of the Reichskreditkassen.
¹¹ Includes a noninterest loan to the Government, which was raised from 10,000 million to 50,000 million francs by law of Mar. 29, 1947.
¹² Publication of Bank's statement suspended from Jan. 22 until Mar. 4, 1948.
NOTE.—For back figures on Bank of Canada and Bank of France, see *Banking and Monetary Statistics*, Tables 166 and 165, pp. 644-645 and pp. 641-643, respectively; for description of statistics, see pp. 562-564 in same publication. For last available report from the Reichsbank (February 1945), see BULLETIN for December 1946, p. 1424.

CENTRAL BANKS—Continued

Central Bank (Figures as of last report date of month)	1948			1947	Central Bank (Figures as of last report date of month)	1948			1947
	June	May	Apr.	June		June	May	Apr.	June
Central Bank of the Argentine Republic (millions of pesos):					Bank of the Republic of Colombia —Cont.				
Gold reported separately.....		667	717	2,045	Deposits.....	165,502	160,205	158,027	173,751
Other gold and foreign exchange.....		2,173	2,203	2,163	Other liabilities and capital....	43,845	42,200	41,714	34,198
Government securities.....		881	881	958	National Bank of Costa Rica —				
Temporary advances to Govt.....					Issue dept. (thousands of colones):				
Rediscunts and loans to banks ¹	16,814	16,168	11,048		Gold.....		11,663	11,529	11,329
Other assets.....	2,747	2,673	2,418		Foreign exchange.....		36,591	32,573	15,746
Currency circulation ²	5,787	5,686	4,404		Contributions to Int'l Fund and to Int'l. Bank.....		30,321	30,321	30,321
Deposits—Member bank.....	739	515	329		Loans and discounts.....		66,770	74,393	62,050
Government.....	1,716	1,578	1,091		Securities.....		8,039	16,462	4,020
Nationalized ³	13,955	13,816	12,006		Other assets.....		1,032	1,010	1,076
Other.....	217	206	79		Note circulation.....		102,204	115,934	74,497
Other liabilities and capital.....	868	842	723		Demand deposits.....		45,064	43,733	43,751
					Other liabilities and capital....		7,149	6,621	6,294
Commonwealth Bank of Australia (thousands of pounds):					National Bank of Czechoslovakia (millions of koruny):				
Gold and foreign exchange.....	247,574	244,695	186,158		Gold and foreign exchange ⁴	3,736	3,705	3,385	4,732
Checks and bills of other banks.....	3,054	4,466	4,073		Loans and discounts.....	16,998	16,753	16,591	4,097
Securities (incl. Government and Treasury bills).....	405,569	400,258	429,494		Other assets.....	51,749	51,610	50,795	124,207
Other assets.....	28,020	24,499	10,779		Note circulation—Old.....	(0)	(0)	(0)	931
Note circulation.....	194,893	196,893	202,680		New.....	60,238	59,479	58,566	44,393
Deposits of Trading Banks:					Deposits—Old.....	(0)	(0)	(0)	68,931
Special.....	288,930	287,510	270,984		New.....	1,374	1,597	2,368	9,674
Other.....	24,899	30,973	21,414		Other liabilities and capital....	10,872	10,991	9,837	9,108
Other liabilities and capital.....	175,495	158,543	135,425						
National Bank of Belgium (millions of francs):					National Bank of Denmark (millions of kroner):				
Gold.....	27,240	26,939	26,577	28,163	Gold.....	70	70	70	71
Foreign exchange.....	12,099	12,186	12,281	12,644	Foreign exchange.....	98	105	136	80
Net claim on Int'l. Fund ⁵	544	544	544	1,814	Contributions to Int'l Fund and to Int'l. Bank.....	65	65	65	.....
Loans to Government.....	49,461	51,026	51,021	48,624	Clearing accounts (net).....	26	22	22	58
Other loans and discounts.....	9,088	6,732	7,191	2,652	Loans and discounts.....	19	16	15	16
Claim against Bank of Issue.....	64,597	64,597	64,597	64,597	Securities.....	99	104	95	103
Other assets.....	1,967	1,944	1,893	2,244	Govt. compensation account... Other assets.....	5,229	5,405	5,480	6,085
Note circulation.....	78,365	77,856	77,805	75,380	Other.....	172	174	183	289
Demand deposits.....	5,723	5,380	5,637	4,809	Note circulation.....	1,477	1,486	1,512	1,482
Blocked accounts ⁶	78,699	78,553	78,557	78,891	Deposits—Government.....	1,741	1,754	1,882	2,335
Other liabilities and capital.....	2,209	2,179	2,104	1,658	Other.....	2,410	2,572	2,522	2,737
					Other liabilities and capital....	151	149	149	147
Central Bank of Bolivia —Mone- tary dept. (millions of bolivianos):					Central Bank of Ecuador (thousands of sucres):				
Gold at home and abroad.....			953	922	Gold.....	277,274	276,774	276,292	273,868
Foreign exchange.....			144	434	Foreign exchange (net).....	2,151	11,828	19,393	16,623
Loans and discounts.....			355	301	Net claim on Int'l Fund ⁸	16,880	16,880	16,881	16,877
Government securities.....			773	430	Loans and discounts.....	234,000	215,389	204,555	229,131
Other assets.....			14	8	Other assets.....	104,510	95,932	101,598	132,132
Note circulation.....			1,837	1,678	Note circulation.....	321,201	315,179	305,894	339,366
Deposits.....			163	193	Demand deposits.....	244,313	227,531	238,622	274,331
Other liabilities and capital.....			239	224	Other liabilities and capital....	69,300	74,094	74,205	54,934
National Bank of Bulgaria ¹					National Bank of Egypt (thou- sands of pounds):				
Central Bank of Chile (millions of pesos):					Gold.....			6,376	6,376
Gold ²		1,139	1,138	200	Foreign exchange.....			17,332	14,699
Foreign exchange (net).....		159	77	43	Loans and discounts.....			2,707	2,933
Net claim on Int'l. Fund ³		3	3	725	British, Egyptian, and other Government securities.....			307,015	303,861
Discounts for member banks.....		1,132	1,125	43	Other assets.....			21,869	26,298
Loans to Government.....		787	787	1,234	Note circulation.....			135,256	126,651
Other loans and discounts.....		1,536	1,499	1,151	Deposits—Government.....			79,290	89,183
Other assets.....		1,251	1,249	1,658	Other.....			132,312	119,801
Note circulation.....		4,363	4,327	3,761	Other liabilities and capital....			8,440	18,532
Deposits—Bank.....		846	858	517					
Other.....		332	289	265	Central Reserve Bank of El Salva- dor (thousands of colones):				
Other liabilities and capital.....		465	405	467	Gold.....		36,608	36,659	37,120
Bank of the Republic of Colombia (thousands of pesos):					Foreign exchange (net).....		45,633	48,963	45,118
Gold and foreign exchange ⁷	166,704	162,555	164,821	209,169	Net claim on Int'l Fund ⁸		1,563	1,564	1,603
Net claim on Int'l. Fund ⁸	21,867	21,871	21,867	21,867	Loans and discounts.....		223	259	1,562
Paid-in capital—Int'l. Bank.....	1,229	1,225	1,225	1,225	Government debt and securities.....		5,243	5,295	5,471
Loans and discounts.....	146,867	141,416	144,063	93,479	Other assets.....		1,548	1,550	1,770
Government loans and securities.....	127,605	118,679	110,701	87,828	Note circulation.....		53,282	54,118	51,333
Other assets.....	46,674	48,303	46,200	39,207	Deposits.....		31,938	34,611	32,908
Note circulation.....	301,600	291,645	289,136	244,824	Other liabilities and capital....		5,598	5,560	8,403

^c Corrected.

¹ Government decree of Apr. 24, 1946, provided for the guarantee of all deposits registered in the name of the Central Bank.

² By decree of May 24, 1946, the Central Bank became responsible for all subsidiary money.

³ This figure represents the amount of the bank's subscription to the Fund less the bank's local currency liability to the Fund. Until such time as the Fund engages in operations in this currency, the "net claim" will equal the country's gold contribution.

⁴ Includes increment resulting from gold revaluation, notes forfeited to the State, and frozen old notes and current accounts.

⁵ For last available report (January 1943), see BULLETIN for July 1943, p. 697.

⁶ Beginning January 1948, gold valued at 31 pesos per U. S. dollar, while previously it was valued at 4.855 pesos per dollar.

⁷ Gold not reported separately beginning May 31, 1948.

⁸ Gold not reported separately beginning Dec. 31, 1946.

⁹ Change due to transfers in accordance with the law of July 2, 1947, relating to the Monetary Liquidation Fund.

CENTRAL BANKS—Continued

Central Bank (Figures as of last report date of month)	1948			1947	Central Bank (Figures as of last report date of month)	1948			1947
	June	May	Apr.	June		June	May	Apr.	June
State Bank of Ethiopia —Issue dept. (thousands of dollars):			(Dec. 1947) ¹		Bank of Italy (millions of lire):				
Gold.....			1,458		Gold.....	525	525	523	
Silver.....			5,685	9,055	Foreign exchange.....	11,992	12,494	4,352	
Foreign exchange.....			27,464	35,064	Advances—Treasury.....	686,560	671,046	489,252	
Treasury bills.....			2,832	2,832	Other Govt. agencies.....	15	15	14,040	
Other assets.....			28,331	20,154	Loans and discounts.....	108,050	124,648	91,395	
Circulation—Notes.....			37,433	46,810	Government securities.....	142,683	134,674	115,629	
Coin.....			27,769	20,004	Other assets.....	96,926	89,367	37,447	
Other liabilities and capital.....			567	290	Bank of Italy notes.....	755,882	761,625	501,174	
					Allied military notes.....	58,579	59,766	76,417	
					Deposits—Government.....	9,540		11,728	
					Demand.....	50,072	61,822	57,599	
					Other.....	145,290	123,397	83,921	
					Other liabilities and capital.....	27,387	26,159	21,800	
Bank of Finland (millions of markkaa):					Bank of Japan (millions of yen):				
Gold.....	268	268	224	2	Cash and bullion.....		590	584	1,424
Foreign assets (net).....	-182	-352	-407	1,296	Advances to Government.....	67,565	61,681	21,229	
Clearings (net).....	-3,656	-3,065	-3,307	-4,984	Loans and discounts.....	52,768	56,436	47,008	
Loans and discounts.....	37,627	37,119	37,617	32,163	Government securities.....	81,746	84,617	72,549	
Securities.....	365	366	370	408	Reconversion Fin. Bk. bonds.....	49,562	43,392	9,927	
Other assets.....	876	1,164	1,372	1,023	Other assets.....	10,940	11,130	5,003	
Note circulation.....	27,204	27,112	27,850	22,415	Note circulation.....	223,499	220,440	136,320	
Deposits.....	1,269	1,233	1,653	1,473	Deposits—Government.....	10,902	8,972	4,857	
Other liabilities and capital.....	6,826	7,155	6,367	6,020	Other.....	16,603	17,584	11,496	
					Other liabilities.....	12,166	10,843	4,466	
Bank of Greece (billions of drachmae):			(Dec. 1947) ¹		Bank of Java ²				
Gold and foreign exchange (net).....			636	725	Bank of Mexico (millions of pesos):				
Loans and discounts.....			18	17	Monetary reserve ³	598	594	600	671
Advances—Government.....			935	679	“Authorized” holdings of securities, etc.....	1,455	1,447	1,469	1,580
Other.....			1,168	843	Bills and discounts.....	724	693	674	600
Other assets.....			83	91	Other assets.....	107	129	98	96
Note circulation.....			974	690	Note circulation.....	1,685	1,676	1,667	1,687
Deposits—Government.....			56	82	Demand liabilities.....	709	701	731	998
Other.....			343	149	Other liabilities and capital.....	491	487	442	263
Other liabilities and capital.....			1,468	1,434	Netherlands Bank (millions of guilders):				
Bank of Guatemala (thousands of quetzales):					Gold.....	482	482	481	502
Gold.....	27,228	27,228	27,227	27,227	Silver (including subsidiary coin).....	(⁴)	2	3	2
Foreign exchange.....	22,244	22,818	22,811	22,811	Foreign bills.....	467	470	477	357
Gold contribution to Int’l. Fund.....	1,250	1,250	1,250	1,250	Loans and discounts.....	150	164	151	174
Rediscounts and advances.....	2,142	2,562	1,508	1,508	Govt. debt and securities.....	3,300	3,300	3,500	3,600
Other assets.....	11,626	10,904	7,983	7,983	Other assets.....	329	322	290	130
Circulation—Notes.....	30,805	31,053	29,417	29,417	Note circulation—Old.....	120	122	123	126
Coin.....	2,912	2,931	2,816	2,816	New.....	2,961	2,947	2,881	2,760
Deposits—Government.....	6,583	6,988	6,804	6,804	Deposits—Government.....	741	779	1,040	866
Banks.....	14,237	13,919	13,373	13,373	Blocked.....	81	71	60	85
Other liabilities and capital.....	9,953	9,870	8,370	8,370	Other.....	506	503	483	719
					Other liabilities and capital.....	320	317	315	209
National Bank of Hungary (millions of forint):					Reserve Bank of New Zealand (thousands of pounds):				
Gold.....	403	403	403	346	Gold.....	2,802	2,802	2,802	
Foreign exchange.....	49	57	60	166	Sterling exchange reserve.....	78,162	76,036	93,933	
Discounts.....	1,999	1,928	1,681	749	Advances to State or State undertakings.....	30,735	32,304	24,180	
Loans—Treasury.....	340	340	340	340	Investments.....	7,868	7,868	3,868	
Other.....	227	208			Other assets.....	3,486	3,387	807	
Other assets.....	377	342	339	333	Note circulation.....	48,383	48,312	46,984	
Note circulation.....	2,070	2,015	1,995	1,468	Demand deposits.....	69,623	68,594	72,595	
Demand deposits—Government.....	254	244	177	17	Other liabilities and capital.....	5,048	5,491	6,010	
Other.....	570	568	214	69					
Other liabilities and capital.....	501	452	436	380	Bank of Norway (millions of kroner):				
Reserve Bank of India (millions of rupees):					Gold.....	302	303	339	
Issue department:					Foreign assets (net).....	492	435	394	
Gold at home and abroad.....		444	444	444	Loans and discounts.....	109	106	120	
Sterling securities.....		11,353	11,353	11,353	Securities.....	65	65	74	
Indian Govt. Securities.....		1,278	1,138	578	Occupation account (net).....	7,924	8,094	8,108	
Rupee coin.....		429	427	276	Other assets.....	67	63	68	
Note circulation.....		13,289	13,231	12,215	Note circulation.....	1,984	1,987	1,912	
Banking department:					Deposits—Government.....	3,952	3,851	3,994	
Notes of issue department.....		216	132	437	Banks.....	1,258	1,304	1,016	
Balances abroad.....		4,155	4,156	4,359	Blocked.....	826	832	900	
Treasury bills discounted.....		19	93	17	Other.....	268	417	352	
Loans to Government.....		2	1	47	Other liabilities and capital.....	671	675	930	
Other assets.....		590	709	767					
Deposits.....		4,689	4,794	5,338					
Other liabilities and capital.....		293	297	289					
Central Bank of Ireland (thousands of pounds):									
Gold.....	2,646	2,646	2,646	2,646					
Sterling funds.....	39,832	40,393	40,587	37,625					
Note circulation.....	42,478	43,039	43,233	40,271					

¹ Latest month available.

² For last available report (January 1942), see BULLETIN for March 1943, p. 278.

³ Includes gold, silver, and foreign exchange forming required reserve (25 per cent) against notes and other demand liabilities.

⁴ Less than 500,000 guilders.

CENTRAL BANKS—Continued

Central Bank (Figures as of last report date of month)	1948			1947	Central Bank (Figures as of last report date of month)	1948			1947
	June	May	Apr.	June		June	May	Apr.	June
Bank of Paraguay—Monetary dept. (thousands of guaranies):					Swiss National Bank (millions of francs):				
Gold.....	745	745	715	1,870	Gold.....	5,659	5,672	5,662	5,055
Foreign exchange (net).....	22,360	22,107	23,877	27,432	Foreign exchange.....	117	107	86	120
Net claim on Int'l. Fund ¹	2,709	2,709	2,709	1,549	Loans and discounts.....	252	247	329	87
Paid-in capital—Int'l. Bank.....	-16	-16	-16	3	Other assets.....	102	92	95	87
Loans and discounts.....	28,647	27,240	20,000	13,740	Note circulation.....	4,221	4,158	4,179	3,954
Government loans and securities.....	6,694	7,059	7,958	9,760	Other sight liabilities.....	1,246	1,298	1,329	1,073
Other assets.....	2,666	1,703	1,575	400	Other liabilities and capital.....	663	663	663	322
Note and coin issue.....	53,228	51,078	46,218	42,170	Central Bank of the Republic of Turkey (thousands of pounds):				
Demand deposits.....	7,425	7,411	6,972	9,852	Gold ⁶	458,542	470,296	470,296	534,971
Other liabilities and capital.....	3,153	3,058	3,628	2,732	Foreign exchange and foreign clearings.....	146,630	170,296	184,501	295,683
Central Reserve Bank of Peru (thousands of soles):					Loans and discounts.....	649,338	630,241	594,412	589,053
Gold and foreign exchange.....			71,188	110,811	Securities.....	178,332	178,539	184,326	183,085
Net claim on Int'l. Fund ¹			20,496	20,491	Other assets.....	35,292	30,694	19,340	28,469
Contribution to Int'l. Bank.....			2,356	2,480	Note circulation.....	865,517	881,567	879,530	941,231
Loans and discounts to banks.....			158,363	192,605	Deposits—Gold.....	153,029	153,021	153,021	148,352
Loans to Government.....			688,162	652,848	Other.....	216,995	224,732	205,307	315,938
Other assets.....			73,884	83,900	Other liabilities and capital.....	232,592	220,746	215,017	225,739
Note circulation.....			707,006	655,980	Bank of the Republic of Uruguay (thousands of pesos):				
Deposits.....			210,266	190,776	Gold.....			308,258	286,419
Other liabilities and capital.....			97,176	116,380	Silver.....			12,403	13,008
Bank of Portugal (millions of escudos):					Paid-in capital—Int'l. Bank.....			314	318
Gold.....		4,345	4,394	5,419	Advances to State and government bodies.....			63,151	25,817
Foreign exchange (net).....		10,139	10,198	11,596	Other loans and discounts.....			186,496	143,729
Loans and discounts.....		405	398	439	Other assets.....			277,376	362,173
Advances to Government.....		1,283	1,283	1,298	Note circulation.....			250,583	217,285
Other assets.....		496	503	514	Deposits—Government.....			68,899	45,578
Note circulation.....		8,310	8,327	8,220	Other.....			268,973	251,537
Demand deposits—Government.....		1,240	1,256	2,426	Other liabilities and capital.....			259,545	317,064
Other.....		6,209	6,284	7,721	Central Bank of Venezuela (thousands of bolivares):				
Other liabilities and capital.....		910	908	898	Gold ⁶		705,510	643,347	617,912
National Bank of Rumania ²					Foreign exchange (net).....		39,389	136,620	38,633
South African Reserve Bank (thousands of pounds):					Other assets.....		84,607	75,192	66,537
Gold ³		95,323	109,541	185,971	Note circulation—Central Bank.....		637,783	632,557	493,461
Foreign bills.....		81,235	75,063	8,997	National banks.....		3,406	3,574	5,390
Other bills and loans.....		86,154	86,287	4,850	Deposits.....		171,446	165,664	151,519
Other assets.....		11,934	7,474	10,527	Other liabilities and capital.....		16,870	53,363	72,711
Note circulation.....		64,906	63,844	63,553	National Bank of the Kingdom of Yugoslavia ²				
Deposits.....		203,269	207,632	140,534	Bank for International Settlements ⁷ (thousands of Swiss gold francs):				
Other liabilities and capital.....		6,469	6,889	6,258	Gold in bars.....	92,728	99,241	120,673	82,712
Bank of Spain (millions of pesetas):					Cash on hand and on current account with banks.....	32,426	35,286	40,781	13,774
Gold.....			1,216	1,214	Sight funds at interest.....	374	374	497	497
Silver.....			500	522	Rediscountable bills and acceptances (at cost).....	20,345	31,323	30,006	33,661
Government loans and securities.....			15,867	15,790	Time funds at interest.....	33,412	9,478	7,695	14,058
Other loans and discounts.....			10,002	8,243	Sundry bills and investments.....	100,259	83,857	70,431	69,190
Other assets.....			2,960	3,100	Funds invested in Germany.....	297,201	297,197	291,160	291,160
Note circulation.....			25,063	22,620	Other assets.....	2,575	2,893	1,164	2,504
Deposits—Government.....			1,132	2,585	Demand deposits (gold).....	19,380	17,585	17,592	18,100
Other.....			3,777	3,149	Short-term deposits (various currencies):				
Other liabilities and capital.....			574	515	Central banks for own account.....	82,268	49,076	57,783	10,280
Bank of Sweden (millions of kronor):					Other.....	1,371	4,270	5,918	3,372
Gold.....	188	205	213	371	Long-term deposits: Special accounts.....	228,909	228,909	228,909	228,909
Foreign assets (net).....	170	181	205	238	Other liabilities and capital.....	247,390	259,808	252,205	246,894
Swedish Govt. securities and advances to National Debt Office ⁴	3,247	3,129	2,977	2,533					
Other domestic bills and advances.....	60	99	111	126					
Other assets.....	367	347	361	424					
Note circulation.....	2,824	2,734	2,791	2,618					
Demand deposits—Government.....	732	602	634	619					
Other.....	133	334	172	118					
Other liabilities and capital.....	342	292	269	338					

^r Revised.

¹ This figure represents the amount of the bank's subscription to the Fund less the bank's local currency liability to the Fund. Until such time as the Fund engages in operations in this currency, the "net claim" will equal the country's gold contribution.

² For last available report from the central bank of Rumania (June 1944), see BULLETIN for March 1945, p. 286; and of Yugoslavia (February 1941), see BULLETIN for March 1942, p. 282.

³ Gold revalued in June 1946 from approximately 85 to 172 shillings per fine ounce.

⁴ Includes small amount of non-Government bonds.

⁵ Gold revalued on Sept. 9, 1946, from 1,406.58 to 3,150.77 Turkish pounds per fine kilogram.

⁶ Beginning October 1944, a certain amount of gold formerly reported in the bank's account shown separately for account of the Government.

⁷ See BULLETIN for December 1936, p. 1025.

MONEY RATES IN FOREIGN COUNTRIES

DISCOUNT RATES OF CENTRAL BANKS

[Per cent per annum]

Date effective	Central bank of—							Central bank of—	Rate July 31	Date effective	Central bank of—	Rate July 31	Date effective
	United Kingdom	France	Germany	Belgium	Netherlands	Sweden	Switzerland						
In effect Dec. 31, 1937.....	2	3	4	2	2	2½	1½	Albania.....	5½	Mar. 21, 1940	Ireland.....	2½	Nov. 23, 1943
May 10, 1938.....				4				Argentina.....	3½	Mar. 1 1936	Italy.....	5½	Sept. 6, 1947
May 13.....		2½						Austria.....	3½	Aug. 3, 1945	Japan.....	5.11	July 5, 1948
May 30.....				3				Belgium.....	3½	Aug. 27, 1947	Java.....	3	Jan. 14, 1937
Sept. 28.....		3						Bolivia.....	6	Nov. 8, 1940	Latvia.....	5	Feb. 17, 1940
Oct. 27.....				2½									
Nov. 25.....		2½											
Jan. 4, 1939.....		2						Bulgaria.....	4½	Aug. 14 1946	Lithuania.....	6	July 15, 1939
Apr. 17.....				4				Canada.....	1½	Feb. 8, 1944	Mexico.....	4½	June 4, 1942
May 11.....				3				Chile.....	4½	Dec. 16, 1936	Netherlands.....	2½	June 27, 1941
July 6.....				2½				Colombia.....	4	July 18, 1933	New Zealand.....	1½	July 26, 1941
Aug. 24.....	4							Costa Rica.....	3	Apr. 1, 1939	Norway.....	2½	Jan. 9, 1946
Aug. 29.....					3			Czechoslovakia.....	2½	Oct. 28, 1945	Peru.....	6	Nov. 13, 1947
Sept. 28.....	3												
Oct. 26.....	2												
Dec. 15.....						3							
Jan. 25, 1940.....				2				Denmark.....	3½	Jan. 15, 1946	Portugal.....	2½	Jan. 12, 1944
Apr. 9.....			3½					Ecuador.....	7	June 8, 1943	Rumania.....	5	Mar. 25, 1948
May 17.....						3½		El Salvador.....	4	Oct. 15, 1946	South Africa.....	3	June 2, 1941
Mar. 17, 1941.....		1½						Estonia.....	4½	Oct. 1, 1935	Spain.....	4½	Oct. 27, 1947
May 29.....						3		Finland.....	7½	Feb. 6, 1948	Sweden.....	2½	Feb. 9, 1945
June 27.....				1½	2½								
Jan. 16, 1945.....													
Jan. 20.....		1½											
Feb. 9.....						2½		France.....	2½	Oct. 9, 1947	Switzerland.....	1½	Nov. 26, 1936
Nov. 7, 1946.....				2½					3		Turkey.....	4	July 1, 1938
Dec. 19.....				3				Germany.....	3½	Apr. 9, 1940	United Kingdom.....	2	Oct. 26, 1939
Jan. 10, 1947.....		1½						Greece.....	10	Aug. 16, 1946	U. S. S. R.....	4	July 1, 1936
		2½		3½				Hungary.....	5	Nov. 1, 1947	Yugoslavia.....	1-4	Jan. 1, 1947
Aug. 27.....		2½						India.....	3	Nov. 28, 1935			
Oct. 9.....		2½											
In effect July 31, 1948.....	2	2½	3½	3½	2½	2½	1½						

NOTE.—Changes since June 30: Japan—July 5, up from 4.38 to 5.11 per cent.

OPEN-MARKET RATES

[Per cent per annum]

Year and Month	Canada	United Kingdom				France	Netherlands		Sweden	Switzerland
	Treasury bills 3 months	Bankers' acceptances 3 months	Treasury bills 3 months	Day-to-day money	Bankers' allowance on deposits	Day-to-day money	Treasury bills 3 months	Day-to-day money	Loans up to 3 months	Private discount rate
1932—May.....		1.44	1.10	1.29	½-1				4½-6½	1.50
1933—May.....		.50	.37	.58	½				3½-5½	1.50
1934—May.....		.91	.85	.85	½				2½-5	1.50
1935—May.....		.59	.51	.75	½				2½-4½	2.39
1936—May.....	.90	.55	.54	.75	½				2½-5	2.25
1937—May.....	.72	.55	.51	.75	½	3.07			2½-5	1.00
1938—May.....	.47	.53	.51	.75	½	1.31			2½-5	1.00
1939—May.....	.63	.73	.70	.75	½	1.25			2½-5	1.00
1940—May.....	.74	1.03	1.02	1.00	½	1.71			3½-5½	1.41
1941—May.....	.58	1.03	1.00	1.00	½	1.66			3-5½	1.25
1942—May.....	.54	1.03	1.00	1.03	½	1.62			3-5½	1.25
1943—May.....	.50	1.03	1.00	1.07	½	1.66			3-5½	1.25
1944—May.....	.39	1.03	1.00	1.13	½	1.61			3-5½	1.25
1945—May.....	.37	1.03	1.00	1.03	½	1.38			2½-5	1.25
1946—May.....	.39	.53	.51	.63	½	1.34	1.27	.93	2½-4½	1.25
1947—May.....	.41	.53	.51	.63	½	1.46	1.45	1.08	2½-4½	1.25
1947—June.....	.41	.53	.51	.63	½	1.45	1.46	.86	2½-4½	1.25
July.....	.41	.53	.51	.63	½	1.51	1.52	1.09	2½-4½	1.25
Aug.....	.41	.53	.51	.63	½	1.46	1.30	1.00	2½-4½	1.25
Sept.....	.41	.53	.51	.63	½	1.44	1.08	.75	2½-4½	1.25
Oct.....	.41	.53	.51	.63	½	1.44	.95	.95	2½-4½	1.38
Nov.....	.41	.53	.51	.63	½	2.12	.93	.74	2½-4½	1.38
Dec.....	.41	.53	.51	.63	½	2.04	1.13	.53	2½-4½	1.38
1948—Jan.....	.41	.54	.51	.63	½	2.02	1.28	.57	2½-4½	1.50
Feb.....	.41	.56	.50	.63	½	2.00	1.38	.78	2½-4½	1.50
Mar.....	.41	.56	.51	.63	½	2.09	1.45	.99	2½-4½	1.50
Apr.....	.41	.56	.51	.63	½	2.00	1.38	.93	2½-4½	1.50
May.....	.41	.56	.51	.63	½		1.33	.94	2½-4½	1.50

NOTE.—For monthly figures on money rates in these and other foreign countries through 1941, see *Banking and Monetary Statistics*, Table 172, pp. 656-661, and for description of statistics see pp. 571-572 in same publication.

COMMERCIAL BANKS

United Kingdom ¹ (11 London clearing banks. Figures in millions of pounds sterling)	Assets							Liabilities			
	Cash reserves	Money at call and short notice	Bills discounted	Treasury deposit receipts ²	Securities	Loans to customers	Other assets	Deposits			Other liabilities and capital
								Total	Demand	Time	
1941—December	366	141	171	758	999	823	324	3,329	2,168	1,161	253
1942—December	390	142	198	896	1,120	794	325	3,629	2,429	1,200	236
1943—December	422	151	133	1,307	1,154	761	349	4,032	2,712	1,319	245
1944—December	500	199	147	1,667	1,165	772	347	4,545	3,045	1,500	250
1945—December	536	252	369	1,523	1,234	827	374	4,850	3,262	1,588	265
1946—December	499	432	610	1,560	1,427	994	505	5,685	3,823	1,862	342
1947—June	464	451	672	1,330	1,479	1,131	518	5,658	3,667	1,992	386
July	475	442	699	1,283	1,488	1,139	504	5,644	3,668	1,975	386
August	479	455	724	1,248	1,492	1,154	473	5,628	3,663	1,965	396
September	465	472	758	1,193	1,493	1,155	476	5,615	3,653	1,962	397
October	468	466	825	1,147	1,500	1,185	487	5,690	3,713	1,977	387
November	488	476	799	1,196	1,500	1,205	492	5,767	3,781	1,986	389
December	502	480	793	1,288	1,483	1,219	567	5,935	3,962	1,972	396
1948—January	476	460	800	1,217	1,480	1,231	513	5,776	3,821	1,955	401
February	465	442	713	1,157	1,485	1,280	500	5,642	3,700	1,942	400
March	472	468	804	1,153	1,486	1,308	507	5,794	3,686	2,108	404
April	478	463	778	1,240	1,482	1,315	509	5,861	3,744	2,117	404
May	488	454	723	1,248	1,477	1,334	547	5,869	3,832	2,037	401

Canada (10 chartered banks. End of month figures in millions of Canadian dollars)	Assets						Liabilities				
	Entirely in Canada			Security loans abroad and net due from foreign banks	Securities	Other assets	Note circulation	Deposits payable in Canada excluding interbank deposits			Other liabilities and capital
	Cash reserves	Security loans	Other loans and discounts					Total	Demand	Time	
1941—December	356	32	1,169	168	1,759	653	71	3,105	1,436	1,669	962
1942—December	387	31	1,168	231	2,293	657	60	3,657	1,984	1,673	1,049
1943—December	471	48	1,156	250	2,940	744	42	4,395	2,447	1,948	1,172
1944—December	550	92	1,211	214	3,611	782	34	5,137	2,714	2,423	1,289
1945—December	694	251	1,274	227	4,038	869	26	5,941	3,076	2,865	1,386
1946—December	753	136	1,507	132	4,232	1,039	21	6,252	2,783	3,469	1,525
1947—June	637	106	1,709	126	4,131	1,041	20	6,152	2,508	3,644	1,578
July	645	99	1,761	119	4,110	1,036	20	6,170	2,481	3,690	1,580
August	670	82	1,805	116	4,109	1,014	19	6,186	2,412	3,774	1,591
September	663	83	2,027	113	3,963	933	19	6,193	2,387	3,806	1,570
October	702	93	1,931	102	3,882	1,156	19	6,283	2,531	3,753	1,563
November	695	92	2,065	107	3,850	1,051	18	6,279	2,569	3,710	1,562
December	731	105	1,999	106	3,874	1,159	18	6,412	2,671	3,740	1,544
1948—January	698	77	1,953	97	3,972	1,029	18	6,281	2,457	3,824	1,526
February	679	70	1,933	108	3,968	1,017	18	6,227	2,346	3,881	1,531
March	698	65	1,922	106	4,036	1,123	18	6,399	2,472	3,927	1,532
April	710	76	1,930	108	4,072	1,114	18	6,464	2,513	3,951	1,528
May	728	80	1,925	127	4,066	1,107	17	6,456	2,501	3,955	1,561

France (4 large banks. End of month figures in millions of francs)	Assets					Liabilities				
	Cash reserves	Due from banks	Bills discounted	Loans	Other assets	Deposits			Own acceptances	Other liabilities and capital
						Total	Demand	Time		
1941—December	6,589	3,476	61,897	8,265	2,040	76,656	75,744	912	413	5,199
1942—December	7,810	3,458	73,917	10,625	2,622	91,549	91,225	324	462	6,422
1943—December	8,548	4,095	90,897	14,191	2,935	112,732	111,191	1,541	428	7,506
1944—December	10,365	4,948	99,782	18,653	2,190	128,758	126,578	2,180	557	6,623
1945—December	14,602	13,804	155,025	36,166	7,360	213,908	211,871	2,037	2,898	10,151
1946—December	17,943	18,919	195,177	64,933	23,392	291,894	290,004	1,890	15,694	12,777
1947—May	17,516	20,684	209,977	68,656	22,377	311,244	308,256	2,988	17,606	10,360
June	27,316	20,419	196,762	73,569	22,866	312,289	309,137	3,152	17,679	10,964
July	21,428	20,388	208,792	79,789	24,928	324,665	321,678	2,987	18,589	12,072
August	21,585	19,464	210,551	80,220	29,200	326,393	323,415	2,978	21,932	12,695
September	20,950	20,451	209,323	85,712	31,391	331,219	328,438	2,781	23,149	13,459
October	19,696	19,018	211,760	86,269	32,338	330,949	327,997	2,952	23,304	14,830
November	21,597	20,691	205,314	92,010	33,482	333,858	331,059	2,799	23,632	15,603
December	22,551	19,410	219,374	86,344	37,291	342,166	338,710	3,457	25,175	17,628
1948—January	31,004	28,345	230,986	100,960	28,604	384,403	379,194	5,210	25,218	10,278
February	29,111	30,800	250,402	98,196	29,248	401,930	396,683	5,247	25,123	10,704
March	36,687	27,214	260,660	101,565	32,114	419,991	414,629	5,362	26,173	12,076
April	29,808	27,283	269,554	105,112	33,661	423,905	418,077	5,828	26,878	14,634

¹ From September 1939 through November 1946, this table represents aggregates of figures reported by individual banks for days, varying from bank to bank, toward the end of the month. After November 1946, figures for all banks are compiled on the third Wednesday of each month, except in June and December, when the statements will give end-of-month data.

² Represent six-month loans to the Treasury at 1½ per cent through Oct. 20, 1945, and at ½ per cent thereafter.

NOTE.—For back figures and figures on German commercial banks, see *Banking and Monetary Statistics*, Tables 168-171, pp. 648-655, and for description of statistics see pp. 566-571 in same publication.

FOREIGN EXCHANGE RATES

[Averages of certified noon buying rates in New York for cable transfers. In cents per unit of foreign currency]

Year or month	Argentina (peso)			Australia (pound)		Belgium (franc)	Brazil (cruzeiro ³)		Canada (dollar)		Chile (peso)	
	"Regular products" ¹	"Non-regular products" ²	Certain industrial products	Official	Free		Official	Free	Official	Free	Official	Export
1941	29.773	23.704		322.80	321.27		6.0575	5.0705	90.909	87.345	5.1664	4.0000
1942	29.773	23.704		322.80	321.50		6.0584	5.1427	90.909	88.379		
1943	29.773	24.732		322.80	321.50		6.0586	5.1280	90.909	89.978		
1944	29.773	25.125		322.80			6.0594	5.1469	90.909	89.853		
1945	29.773	25.125		322.80	321.17	2.2860	6.0602	5.1802	90.909	90.485		
1946	29.773	25.125		321.34		2.2829	6.0602	(⁶)	95.198	93.288		
1947	29.773	25.125		321.00		2.2817	5.4403		100.000	91.999		
1947—August	29.773	25.125		320.92		2.2821	5.4406		100.000	91.998		
September	29.773	25.125		321.12		2.2833	5.4406		100.000	90.362		
October	29.773	25.125		321.19		2.2830	5.4406		100.000	89.989		
November	29.773	25.125		321.15		2.2812	5.4406		100.000	89.589		
December	29.773	25.125		321.21		2.2789	5.4406		100.000	88.359		
1948—January	29.773	25.125		321.16		2.2784	5.4406		100.000	90.455		
February	29.773	25.125		321.20		2.2789	5.4406		100.000	89.062		
March	29.773	25.125		321.21		2.2793	5.4406		100.000	89.280		
April	29.773	25.125		321.23		2.2796	5.4406		100.000	90.633		
May	29.773	25.125		321.21		2.2798	5.4406		100.000	92.273		
June	29.773	25.125		321.21		2.2805	5.4406		100.000	93.229		
July	29.773	25.125	⁸ 20.000	321.23		2.2807	5.4406		100.000	92.829		

Year or month	China (yuan Shanghai)	Colombia (peso)	Czechoslovakia (koruna)	Denmark (krone)	Finland (markka)	France (franc)		Hong Kong (dollar)	India (rupee)	Italy (lira)	Mexico (peso)	Netherlands (guilder)
						Official	Free					
1941	5.313	57.004			2.0101			24.592	30.137	5.0703	20.538	
1942		57.052							30.122		20.569	
1943		57.265							30.122		20.577	
1944		57.272							30.122		20.581	
1945		57.014				1.9711			30.122		20.581	37.933
1946		57.020	2.0060	20.876		.8409			30.155	4.4434	20.581	37.813
1947		57.001	2.0060	20.864		.8407			30.164		20.577	37.760
1947—August		56.980	2.0060	20.862		.8405			30.171		20.582	37.753
September		56.980	2.0060	20.861		.8407			30.167		20.578	37.751
October		56.980	2.0060	20.861		.8407			30.169		20.576	37.762
November		56.980	2.0060	20.863		.8404			30.176		20.576	37.768
December		56.980	2.0060	20.860		.8403			30.177		20.575	37.699
1948—January		56.991	2.0060	20.860		.8400			30.172		20.576	37.654
February		57.010	2.0060	20.860		10.4671	10.3270		30.168		20.575	37.714
March		57.010	2.0060	20.860		.4671	.3270		30.168		20.575	37.750
April		57.010	2.0060	20.860		.4671	.3277		130.169		20.578	37.765
May		57.010	2.0060	20.860		.4671	.3272		130.169		20.574	37.755
June		57.010	2.0060	20.859		.4671	.3268		130.169		20.573	37.718
July		(¹³)	2.0060	20.858		.4671	.3265		130.169		20.573	37.645

Year or month	New Zealand (pound)	Norway (krone)	Portugal (escudo)	South Africa (pound)	Spain (peseta)	Straits Settlements (dollar)	Sweden (krona)	Switzerland (franc)	United Kingdom (pound)		Uruguay (peso)	
									Official	Free	Controlled	Non-controlled
1941	322.54		4.0023	398.00	9.130	47.133	23.829	23.210	403.50	403.18	65.830	43.380
1942	322.78			398.00		46.919			403.50	403.50	65.830	52.723
1943	324.20			398.00					403.50	403.50	65.830	52.855
1944	324.42			398.00					403.50		65.830	53.506
1945	323.46			399.05					403.50	403.02	65.830	55.159
1946	322.63	20.176	4.0501	400.50	9.132	25.859	23.363	23.363	403.28		65.830	56.280
1947	322.29	20.160	4.0273	400.74	9.132	27.824	23.363	23.363	402.86		65.830	56.239
1947—August	322.20	20.159	4.0257	400.75	9.132	27.826	23.363	23.363	402.73		65.830	56.203
September	322.41	20.158	4.0203	400.75	9.132	27.822	23.363	23.363	403.00		65.830	56.204
October	322.48	20.159	4.0240	400.75	9.132	27.823	23.363	23.363	403.10		65.830	56.204
November	322.44	20.159	3.9985	400.75	9.132	27.825	23.363	23.363	403.05		65.830	56.204
December	322.50	20.159	4.0088	400.75	9.132	27.826	23.363	23.363	403.13		65.830	56.204
1948—January	322.45	20.159	4.0043	400.75	9.132	27.825	23.363	23.363	403.07		65.830	56.198
February	322.49	20.160	3.9700	400.75	9.132	27.826	23.363	23.363	403.11		65.830	56.180
March	322.50	20.160	3.9856	400.75	9.132	27.826	23.363	23.363	403.13		65.830	56.180
April	322.51	20.160	3.9966	400.75	9.132	27.826	23.363	23.363	403.15		65.830	56.180
May	322.49	20.160	4.0334	400.75	9.132	27.825	23.363	23.363	403.12		65.830	56.180
June	322.50	20.158	4.0345	400.75	9.132	27.824	23.363	23.363	403.13		65.830	56.180
July	322.51	20.158	4.0329	400.75	9.132	27.824	23.363	23.363	403.14		65.830	56.180

¹ Through June 22, 1948, shown as official rate.
² Through June 22, 1948, shown as special export rate.
³ Prior to Nov. 1, 1942, the official designation of the Brazilian currency unit was the "milreis."
⁴ Average of daily rates for that part of the year during which quotations were certified.
⁵ At the end of June 1945 official rates for the Australian and British pounds were abolished, and after this date quotations are buying rates in the New York market. The rates shown represent averages for the second half of 1945 and are comparable to those quoted before 1940.
⁶ The rate quoted after July 22, 1946, is not strictly comparable to the "free" rate shown before that date. The average for the "free" rate for July 1-19 is 5.1902, and for Jan. 1-July 19, 5.1860, while the average for the new rate for July 25-31 is 5.3350, and for July 25-Dec. 31, 5.3955.
⁷ Based on quotations through June 22.
⁸ Based on quotations beginning July 15.
⁹ Based on quotations through Jan. 23.
¹⁰ Based on quotations beginning Feb. 10.
¹¹ Excludes Pakistan.
¹² Based on quotations through June 10.
¹³ Temporarily omitted.
¹⁴ Based on quotation through July 21.

PRICE MOVEMENTS IN PRINCIPAL COUNTRIES
WHOLESALE PRICES—ALL COMMODITIES

[Index numbers]

Year or month	United States	Canada	Mexico	United Kingdom	France	Italy	Japan	Netherlands	Sweden	Switzerland
	(1926 = 100)	(1926 = 100)	(1929 = 100)	(1930 = 100)	(1938 = 100)	(1938 = 100)	(1933 = 100)	(July 1938-June 1939 = 100)	(1935 = 100)	(July 1914 = 100)
1926.....	100	100	.....	124	106	.....	132	150	126	144
1934.....	75	72	95	88	58	65	99	90	196	90
1935.....	80	72	95	89	52	72	103	87	100	90
1936.....	81	85	101	94	63	80	110	91	102	96
1937.....	86	85	119	109	89	94	133	108	114	111
1938.....	79	79	126	101	100	100	140	102	111	107
1939.....	77	75	127	103	105	104	155	105	115	111
1940.....	79	83	128	137	139	121	173	131	146	143
1941.....	87	90	136	153	171	136	183	150	172	184
1942.....	99	96	148	159	201	153	197	157	189	210
1943.....	103	100	182	163	234	.....	209	160	196	218
1944.....	104	103	227	166	265	.....	233	164	196	223
1945.....	106	104	247	169	375	.....	308	181	194	221
1946.....	121	109	286	175	648	.....	1,599	251	186	215
1947.....	152	129	302	192	989	5,159	5,103	271	199	224
1947—July.....	151	129	293	193	888	5,779	4,871	272	199	223
August.....	154	131	292	194	1,004	5,889	6,503	271	199	223
September.....	157	134	298	195	1,096	6,202	6,960	272	202	224
October.....	159	139	304	199	1,129	6,010	7,833	274	203	230
November.....	160	143	306	203	1,211	5,647	8,599	277	204	232
December.....	163	144	303	204	1,217	5,544	8,863	280	205	232
1948—January.....	166	147	302	212	1,463	5,373	9,144	279	207	234
February.....	161	147	304	217	1,537	5,343	9,288	279	209	234
March.....	161	147	303	217	1,536	5,318	9,480	279	210	235
April.....	163	149	303	219	1,555	5,421	9,537	279	213	234
May.....	164	150	313	220	1,653	.....	9,634	.....	.....	233
June.....	166	152	321	222	1,691	.....	.....	.....	.....	233

» Preliminary. † Revised.

¹ Approximate figure, derived from old index (1913 = 100).

Sources.—See BULLETIN for June 1948, p. 746; July 1947, p. 934; January 1941, p. 84; April 1937, p. 372; March 1937, p. 276; and October 1935, p. 678.

WHOLESALE PRICES—GROUPS OF COMMODITIES

[Indexes for groups included in total index above]

Year or month	United States (1926 = 100)			Canada (1926 = 100)			United Kingdom (1930 = 100)		Netherlands (July 1938-June 1939 = 100)		
	Farm products	Foods	Other commodities	Farm products	Raw and partly manufactured goods	Fully and chiefly manufactured goods	Foods	Industrial products	Foods	Industrial raw products	Industrial finished products
1926.....	100	100	100	100	100	100	.....	.....	.....	.....	.....
1934.....	65	71	78	59	64	73	85	90	.....	.....	.....
1935.....	79	84	78	64	66	73	87	90	.....	.....	.....
1936.....	81	82	80	69	71	74	92	96	.....	.....	.....
1937.....	86	86	85	87	84	81	102	112	.....	.....	.....
1938.....	69	74	82	74	73	78	97	104	.....	.....	.....
1939.....	65	70	81	64	67	75	97	106	103	112	104
1940.....	68	71	83	68	75	82	133	138	121	163	126
1941.....	82	83	89	73	82	89	146	156	140	177	148
1942.....	106	100	96	85	90	92	158	160	157	175	154
1943.....	123	107	97	98	99	93	160	164	157	174	159
1944.....	123	105	99	107	104	94	158	170	159	179	163
1945.....	128	106	100	112	106	94	158	175	172	193	184
1946.....	149	131	110	118	110	99	158	184	200	282	261
1947.....	181	169	135	126	131	117	165	207	214	328	276
1947—July.....	181	167	133	126	131	116	168	207	207	337	276
August.....	182	172	136	126	133	117	167	209	204	338	276
September.....	186	179	138	127	134	123	165	213	205	339	277
October.....	190	178	140	129	139	128	167	218	213	339	277
November.....	188	178	142	133	143	131	171	221	227	341	279
December.....	197	178	146	137	145	132	172	222	236	342	279
1948—January.....	199	180	148	141	148	137	174	235	235	340	279
February.....	185	172	148	139	147	137	181	237	233	340	280
March.....	186	174	148	138	147	137	181	239	232	339	280
April.....	187	177	149	141	150	137	182	241	231	340	280
May.....	189	177	149	144	153	137	182	243	.....	.....	.....
June.....	196	181	150	148	156	138	184	244	.....	.....	.....

Sources.—See BULLETIN for July 1947, p. 934; May 1942, p. 451; March 1935, p. 180; and March 1931, p. 159.

PRICE MOVEMENTS IN PRINCIPAL COUNTRIES—Continued

RETAIL FOOD PRICES [Index numbers]						COST OF LIVING [Index numbers]							
Year or month	United States (1935-39 = 100)	Canada (1935-39 = 100)	United Kingdom (June 17 1947 = 100) ¹	France (1938 = 100)	Netherlands (1911-13 = 100)	Switzerland (June 1914 = 100)	Year or month	United States (1935-39 = 100)	Canada (1935-39 = 100)	United Kingdom (June 17 1947 = 100) ¹	France (1938 = 100)	Netherlands (1911-13 = 100)	Switzerland (June 1914 = 100)
1936.....	101	98	130	.....	120	120	1936.....	99	98	147	.....	² 132	130
1937.....	105	103	139	.....	127	130	1937.....	103	101	154	.....	137	137
1938.....	98	104	141	100	130	130	1938.....	101	102	156	100	139	137
1939.....	95	101	141	108	130	132	1939.....	99	102	158	108	140	138
1940.....	97	106	164	129	150	146	1940.....	100	106	184	129	154	151
1941.....	106	116	168	149	177	175	1941.....	105	112	199	150	175	174
1942.....	124	127	161	174	191	200	1942.....	117	117	200	175	187	193
1943.....	138	131	166	224	198	211	1943.....	124	118	199	224	195	203
1944.....	136	131	168	275	.....	215	1944.....	126	119	201	285	.....	208
1945.....	139	133	170	377	.....	215	1945.....	128	119	203	393	.....	209
1946.....	160	140	169	645	.....	210	1946.....	139	124	204	645	.....	208
1947.....	194	160	³ 101	1,043	.....	222	1947.....	159	136	⁴ 101	1,030	.....	217
1947—July.....	193	160	¹ 101	974	.....	221	1947—July.....	158	136	¹ 101	965	.....	217
August.....	197	161	99	1,089	.....	222	August.....	160	137	100	1,068	.....	218
September.....	204	165	100	1,187	.....	222	September.....	164	139	101	1,157	.....	218
October.....	202	171	101	1,309	.....	229	October.....	164	142	101	1,268	.....	223
November.....	203	174	103	1,378	.....	230	November.....	165	144	103	1,336	.....	223
December.....	207	179	103	1,393	.....	230	December.....	167	146	104	1,354	.....	223
1948—January.....	210	182	104	1,437	.....	230	1948—January.....	169	148	104	1,414	.....	224
February.....	205	186	108	1,541	.....	230	February.....	168	150	106	1,519	.....	224
March.....	202	186	109	1,518	.....	229	March.....	167	151	106	1,499	.....	223
April.....	208	187	109	1,524	.....	229	April.....	169	152	108	1,499	.....	223
May.....	² 211	191	108	1,541	.....	229	May.....	171	153	108	1,511	.....	223
June.....	214	194	.....	¹ 1,560	.....	² 230	June.....	172	154	.....	¹ 1,529	.....	² 224

^p Preliminary.

^c Corrected.

¹ The old index (July 1914=100) was terminated on June 17, and this date was used in computing the June figure. June 17, 1947=100 is also the base period used for the new weighted so-called "interim" index. For a description of this index see *Ministry of Labour Gazette*, August 1947, p. 255.

² Revised index from March 1936 (see BULLETIN for April 1937, p. 373).

³ This average is based on figures for the new index, beginning June. The averages for the old index, based on figures for January-June 17, are 203 for retail food prices and 166 for cost of living.

Sources.—See BULLETIN for July 1947, p. 935; May 1942, p. 451; October 1939, p. 943; and April 1937, p. 373.

SECURITY PRICES

[Index numbers except as otherwise specified]

Year or month	Bonds					Common stocks				
	United States ¹ (high grade)	Canada ² (1935-39 = 100)	United Kingdom (December 1921=100)	France (1938=100)	Netherlands ³	United States (1935-39 = 100)	Canada ⁴ (1935-39 = 100)	United Kingdom (1926=100)	France ⁵ (December 1938=100)	Netherlands ⁶ (1938=100)
Number of issues....	12	(⁷)	87	50	13	416	100	278	⁸ 295	37
1939.....	113.8	98.2	112.3	114.2	.....	94.2	.....	75.9	112	.....
1940.....	115.9	95.1	118.3	⁷ 114.2	.....	88.1	77.4	70.8	⁷ 140	.....
1941.....	117.8	99.4	123.8	⁸ 143.4	.....	80.0	67.5	72.5	⁸ 308	.....
1942.....	118.3	100.7	127.3	146.4	.....	69.4	64.2	75.3	479	.....
1943.....	120.3	102.6	127.8	146.6	.....	91.9	83.5	84.5	540	.....
1944.....	120.9	103.0	127.5	150.5	.....	99.8	83.8	88.6	551	.....
1945.....	122.1	105.2	128.3	152.1	.....	121.5	99.6	92.4	694	.....
1946.....	123.4	117.2	132.1	144.6	109.0	139.9	115.7	96.2	875	155.9
1947.....	¹ 103.2	118.5	130.8	132.0	105.6	123.0	106.0	94.6	1,149	202.7
1947—July.....	104.7	119.3	131.1	131.1	105.3	126.0	107.4	98.2	1,135	203.4
August.....	104.5	119.2	126.4	128.6	106.3	124.5	105.5	92.2	1,265	206.5
September.....	103.6	119.0	126.4	125.2	106.6	123.1	104.1	88.7	1,298	218.7
October.....	101.1	118.8	128.0	122.0	105.9	125.1	105.5	89.3	1,245	225.1
November.....	99.6	118.5	128.2	121.4	104.0	123.6	107.3	90.2	1,294	212.9
December.....	97.9	117.9	130.1	122.2	103.7	122.4	106.2	92.6	1,211	215.3
1948—January.....	98.1	108.6	130.5	118.9	108.3	120.1	107.5	93.9	1,301	225.4
February.....	98.1	108.6	130.6	119.1	107.3	114.2	102.2	91.1	1,229	239.8
March.....	98.5	103.4	130.0	119.0	107.6	116.4	101.5	90.2	1,239	⁹ 242.2
April.....	99.4	103.6	129.1	119.1	107.6	124.6	109.1	93.2	1,190	.....
May.....	99.9	104.9	129.1	118.2	.....	130.2	116.5	94.8	1,127	.....
June.....	100.2	104.8	129.5	¹ 118.6	.....	135.1	120.3	93.9	¹ 1,086	.....

^p Preliminary.

¹ New series beginning 1947, derived from average yields of 12 bonds on basis of a 2¾ per cent 30-year bond. Annual average published previously for 1947 (121.5) and figures for years prior to 1947 are derived from average of 5 median yields in a list of 15 issues on basis of a 4 per cent 20-year bond. Source.—Standard and Poor's Corporation; for compilations of back figures on prices of both bonds and common stocks in the United States see *Banking and Monetary Statistics*, Table 130, p. 475, and Table 133, p. 479.

² This index is based on one 15-year 3 per cent theoretical bond. Yearly averages for 1939 and 1940 are based on monthly averages and thereafter on the capitalized yield as calculated on the 15th of every month.

³ This index represents the reciprocals of average yields for 13 issues, including government, provincial, municipal, mortgage, and industrial bonds. The average yield in the base period (January-March 1937) was 3.39 per cent.

⁴ This index is based on 95 common stocks through 1944, and on 100 stocks thereafter.

⁵ In September 1946 this index was revised to include 185 metropolitan issues, 90 issues of colonial France, and 20 issues of French companies abroad. See "Bulletin de la Statistique Générale," September-November 1946, p. 424.

⁶ This is a new index for 37 Netherlands issues (27 industrial, 5 banking, and 5 shipping shares) and represents an unweighted monthly average of daily quotations. The figures are not comparable with data for previous years shown in earlier BULLETINS.

⁷ Average based on figures for 5 months; no data available June-December.

⁸ Average based on figures for 10 months; no data available January-February.

Sources.—See BULLETIN for June 1948, p. 747; March 1947, p. 349; November 1937, p. 1172; July 1937, p. 698; April 1937, p. 373; June 1935, p. 394; and February 1932, p. 121.

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* A more complete list, including periodical releases and reprints, appeared on pp. 750-53 of the June 1948 BULLETIN.

FEDERAL RESERVE PUBLICATIONS

REPRINTS

(From Federal Reserve Bulletin except as otherwise indicated)

- COMMERCIAL BANK ACTIVITY IN CONSUMER INSTALLMENT FINANCING, by Frieda Baird. March 1947. 6 pages.
- VALUES AND LIMITATIONS OF CONSUMER FINANCIAL SURVEYS FOR ECONOMIC RESEARCH, by Ralph A. Young and Duncan McC. Holthausen. March 1947. 9 pages.
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- NEW GUATEMALAN BANK LAW, by David L. Grove. April 1947 BULLETIN with translation of new Bank Law. 39 pages.
- REVISION OF WEEKLY STATISTICS FOR MEMBER BANKS IN LEADING CITIES. June-July 1947. 9 pages.
- SURVEY OF CONSUMER FINANCES. From the June, July, and August 1947 issues of BULLETIN. 44 pages.
- RETAIL CREDIT SURVEY—1947, by Katharyne P. Reil, from July 1948 BULLETIN with supplementary information for nine separate trades. 40 pages. (Also, RETAIL CREDIT SURVEY—1943, 1944, 1945, and 1946, from the June 1944, May 1945, June 1946, and July 1947 BULLETIN, with supplementary information for separate trades.)
- BUSINESS LOANS OF MEMBER BANKS. From March, May, June, July, and August 1947 issues of BULLETIN. 80 pages.
- THE BRITISH CRISIS. September 1947. 12 pages.
- FINANCIAL POSITION OF MANUFACTURING AND TRADE IN RELATION TO SIZE AND PROFITABILITY, 1946, by Albert R. Koch and Charles H. Schmidt. September 1947. 12 pages.
- REVISION OF NATIONAL INCOME AND PRODUCT STATISTICS. September 1947. 12 pages.
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- NEW COMMERCIAL BANKING OFFICES, 1936-1947, by Caroline H. Cagle and Raymond C. Kolb. May 1948. 12 pages.
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