

FEDERAL RESERVE
BULLETIN

JULY 1951



BOARD OF GOVERNORS
OF THE FEDERAL RESERVE SYSTEM
WASHINGTON

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RECENT MONETARY AND CREDIT DEVELOPMENTS

Monetary expansion, which had been at a very rapid rate in the last half of 1950, was interrupted in the first half of 1951 and the volume of privately held deposits and currency declined somewhat. This development was the result primarily of a large surplus of Treasury cash receipts over expenditures and a gold outflow, both of which occurred in the first few months of the year, and some slackening in bank credit expansion during most of the second quarter.

Demand for credit continued very large in the first half of this year, and availability of credit at banks and at other lending institutions was brought under increased restraint by a series of measures adopted by the Federal Reserve System and the Treasury. Stronger limitations were put on the availability of bank reserves for credit expansion by increases in member bank reserve requirements and particularly through the adoption of a more restrictive Federal Reserve open market policy. The latter action was taken to hold to a minimum the monetization of the Government debt and to encourage lenders to retain their Government securities rather than sell them in order to lend to private borrowers.

These measures for curtailing general availability of credit were supplemented by a voluntary credit restraint program through which banks and other lending institutions cooperate to restrict nonessential credit. Regulations limiting the terms for consumer instalment credit, stock market credit,

and certain kinds of mortgage credit, most of which were in effect at the beginning of the year, also restricted the use of credit in these areas.

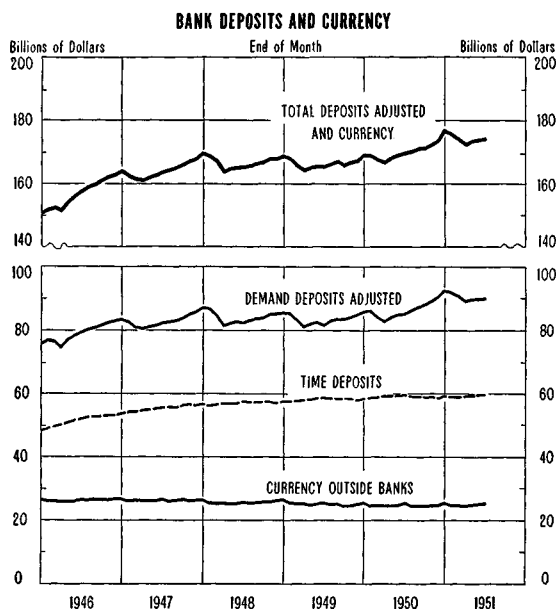
Expansion of the private money supply is likely to occur in the second half of 1951 for seasonal business reasons and as the Treasury draws on the large cash balance which it held at midyear to pay for the growing volume of defense production. The amount of any additional monetary growth will depend largely on the extent to which bank credit is used for financing either private expenditure programs or Government defense spending.

CHANGES IN THE MONEY SUPPLY

Total private holdings of deposits and currency declined about 2.5 billion dollars in the first half of 1951. This development, which was due partly to seasonal factors, followed an exceptionally large increase in the second half of 1950 and a period of stability in the first half of 1950 prior to the Korean outbreak, as is shown on the chart on the following page.

Most of the contraction was in privately held demand deposits. These declined over 2 billion dollars in the first half of 1951 as compared with a drop of less than a billion dollars in the same period a year ago and an increase of over 7 billion in the last half of 1950. Time deposits rose slightly, reversing the decline that accompanied the consumer buying wave last summer. Currency out-

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Data partly estimated by Federal Reserve on dates other than June and December. Demand and time deposits partly estimated on June and December dates through December 1946. Demand deposits adjusted exclude interbank and U. S. Government deposits and cash items in process of collection. Time deposits include those in Postal Savings System and in mutual savings banks as well as in commercial banks, but exclude interbank deposits. Data are for end of month, 1946, and last Wednesday of month thereafter except for June and December call dates. Data subsequent to December 1950 are preliminary. Latest figures are for June 27, 1951.

side banks declined by about the usual seasonal amount for the first half of the year.

Although the amount of money held by individuals and businesses decreased somewhat during the first half of 1951, the rate of its use continued to increase. Turnover of demand deposits at banks in leading cities outside New York has been at the rate, after adjustment for seasonal variation, of 22 times a year, which is higher than at any time since 1937. Turnover began to increase with the expansion of economic activity early in 1950 and accelerated sharply after the Korean outbreak, as is shown in the chart. The rate of turnover of deposits is still much lower than it was in the 1920's.

The decline in the privately held money supply in the first half of the year reflected primarily the favorable developments in the fiscal position of the United States Government, a gold outflow, and a combination of

restrictive credit and debt management measures. During the six-month period Government cash receipts from the public, including receipts of Government agencies and trust funds, exceeded expenditures by about 6.8 billion dollars. The surplus was built up in the first quarter of the year when receipts from corporate and individual income taxes were greatly in excess of expenditures. While this is a customary seasonal development, the excess was much larger this year than in other recent years. Over 4.6 billion dollars of the cash surplus was used in a way which tended to reduce the private money supply over the first half of 1951. A substantial amount was retained in the Treasury's cash balance, which increased over 3 billion dollars during the period. The rest of the Government surplus—3.7 billion—was used for debt retirement. About 1.6 billion of this was reflected in a reduction in bank portfolios and had a contractive effect on the volume of money, as is

MAJOR FACTORS AFFECTING THE MONEY SUPPLY
[In billions of dollars; partly estimated]

Factor	1951 - First half	1950		
		First half	Second half	Year
(Sign indicates effect on money supply)				
Bank loans and investments other than U. S. Govt. securities ¹	+3.9	+3.5	+9.5	+13.0
Bank holdings of U. S. Govt. securities ²	-1.6	-1.7	-2.0	-3.6
Treasury deposits.....	-3.0	-0.7	+1.1	+0.4
Gold stock.....	-1.0	-0.2	-1.5	-1.7
Other factors.....	-0.8	-0.7	-0.1	-1.0
Privately held money supply, total ³	-2.5	+0.2	+7.0	+7.1
Demand deposits adjusted.....	-2.4	-0.7	+7.2	+6.5
Time deposits adjusted ⁴	+0.3	+1.1	-0.5	+0.6
Currency outside banks.....	-0.4	-0.2	+0.2	(⁵)

¹ Commercial and mutual savings banks.

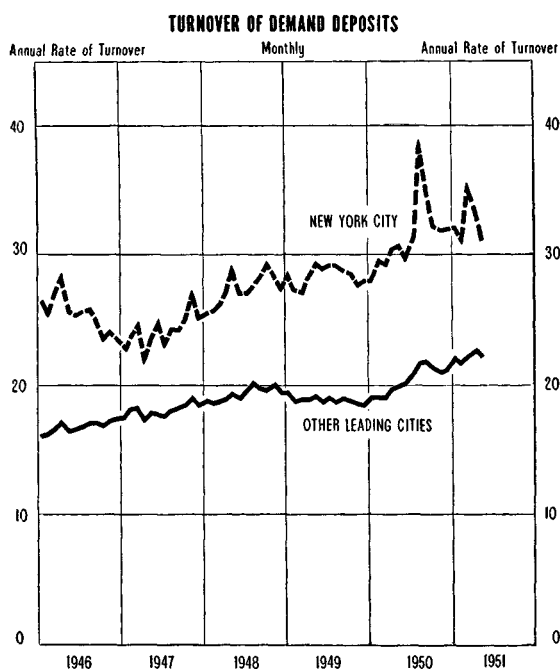
² Commercial and mutual savings banks and Federal Reserve Banks.

³ Excludes deposits and currency held by banks and the U. S. Government.

⁴ At commercial and mutual savings banks and the Postal Savings System.

⁵ Less than \$50,000,000.

NOTE.—Changes are based on data for Dec. 31, 1949, June 30, 1950, Dec. 30, 1950, and June 27, 1951. Estimates for June 27, 1951 are preliminary. Figures may not add to totals because of rounding.



Turnover rates are seasonally adjusted and are compiled by the Federal Reserve Bank of New York. Deposits used are monthly averages of demand deposits, except U. S. Government and interbank deposits, as reported weekly by member banks in leading cities. Latest data are for May 1951.

shown in the table. Private nonbank investors also reduced their holdings of Government securities about 2 billion dollars. Government cash surplus used ultimately for retiring this debt was thereby returned to private balances.

A decline in the gold stock of the United States exerted a further contractive influence on the money supply. The gold outflow, which had been under way since late 1949, accelerated in the second half of 1950 and reached a peak in the early months of 1951. Since April, however, it has nearly ceased. The outflow of gold since 1949, arising from the net flow of dollar payments to foreigners throughout the period, had been due basically to a marked increase in United States imports and to an expansion in the outflow of private capital from the United States, while the downward adjustment of United States financial aid to foreign countries proceeded more slowly. In addition,

there was in the first quarter of 1951 some movement by foreign monetary authorities to convert accumulated dollar balances into gold. The change since April has reflected both the reappearance of a large export surplus from this country and a tendency for foreign countries to keep dollar accruals in the form of dollar balances or securities rather than in gold.

Contractive effects on the private money supply of the large Treasury cash surplus and the gold outflow in the first quarter of 1951 were offset in part by a continued expansion of bank credit to borrowers other than the United States Government. Following an exceptionally rapid increase in the last half of 1950, bank loans and bank investments in State and local government securities increased considerably further during the first quarter of 1951, a period of the year when such credit usually shows little change or declines somewhat. The expansion slackened in the second quarter although there were substantial increases late in this period.

RECENT MEASURES OF CREDIT RESTRAINT

Measures for combating inflation by restraining credit expansion were undertaken shortly after the outbreak in Korea in mid-1950 and were broadened in the first half of 1951. Action has been taken along several lines to restrict the total volume of credit available, to limit the demand for certain kinds of credit, and to channel into essential areas such credit as is available.

To restrict the availability of bank reserves for loan expansion, changes were made in the Federal Reserve discount rates and open-market operations in the second half of last year. These measures were greatly strengthened by several actions taken in the first half of 1951. In January reserve requirements of member banks were raised

to their upper legal limits except at central reserve cities. This increased by about 2 billion dollars the amount of reserves member banks were required to keep. It absorbed the nearly 1 billion dollars of new reserves that banks acquired through a post-Christmas return of currency from circulation and also put banks under pressure to sell Government securities in order to adjust their reserve positions. These sales further reduced the volume of Government securities, particularly short-term issues, which banks could sell or cash at maturity in order to expand their loans.

Early in March the Treasury and the Federal Reserve announced that an agreement had been reached with respect to debt management and monetary policies to be pursued in furthering their common purpose to minimize monetization of the public debt and at the same time to assure the successful financing of the Government's requirements. In accordance with this agreement, the Treasury offered in exchange for the two longest-term 2½ per cent restricted bonds an issue of nonmarketable bonds with a longer term and a higher interest coupon and with the privilege of conversion into shorter-term marketable 1½ per cent notes. The purpose of this offering was to encourage long-term investors to retain these Government securities and thus minimize monetization of the public debt through their liquidation. Of the total of 19.7 billion dollars of the restricted Treasury bonds of 1967-72 outstanding, 13.6 billion were converted.

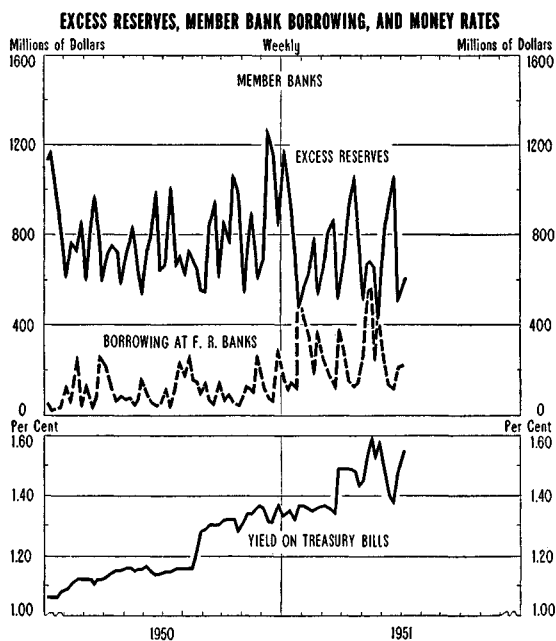
While the Treasury acted to immobilize part of the publicly held debt, the Federal Reserve took steps to check the sale of marketable Government securities to the Reserve Banks. The System closely limited its purchases of short-term securities to what was essential in connection with short-run

money market adjustments. Following this change in System open market operations, rates on short-term Government securities rose irregularly in March and April and reached levels in mid-May about ¼ to ⅜ of 1 per cent above those prevailing early in the year.

During most of April and in May Federal Reserve open market operations tended to reduce the volume of bank reserves and to keep banks under pressure to maintain their reserve positions. Some selling of short-term Government securities by banks as well as substantial sales of Treasury bills by the Federal Reserve were absorbed by nonbank investors. By the end of May member bank excess reserves were at very low levels and banks were borrowing heavily from the Federal Reserve Banks to maintain their reserve positions, as is shown in the chart.

Several debt-management moves made by the Treasury in May had important anti-inflationary effects in the credit market. In mid-May the Treasury announced that it was not exercising its privilege of calling for payment on September 15, 1951, the 8 billion dollars of 2 per cent bonds first callable on that date and maturing two years later. This step, which reflected the fact that under the prevailing interest rate structure the Treasury could gain little or no advantage by refunding the bonds at this time, greatly reduced the volume of Government securities to be refunded in the second half of 1951. At the same time the Treasury announced the offering of a new savings note with yields ranging from 1.44 per cent for six months up to 1.88 per cent for the full three-year investment. These yields were about ½ of 1 per cent higher than those on the old savings note. Late in May the Treasury offered a 1⅞ per cent 9½ month certificate maturing April 1, 1952, in exchange for the 10 billion dollars of mar-

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Data are averages of daily figures for week ending Wednesday. For excess reserves data are partly estimated and are preliminary subsequent to June 13, 1951. Weekly figures of borrowings may include small amounts of Federal Reserve Bank discounts and advances for nonmember banks and others. For Treasury bills rate is average of daily mean yield on the longest outstanding issue. Latest data are for week ended July 4, 1951.

ketable securities maturing on June 15 and July 1. This offering, which was priced so that the maturing issues commanded a moderate premium in the market, was well received by investors and in total about 95 per cent of the maturing securities were exchanged for the new issue.

Bank reserve positions eased temporarily in early June. Excess reserves increased, banks were able to repay borrowings at the Federal Reserve, and yields on short-term Government securities declined. This change resulted from a combination of factors, including a large temporary reduction in the Treasury balance at the Federal Reserve and Federal Reserve System purchases of maturing Government securities largely from corporate holders who needed cash for tax and dividend payments. The sharp decline in the Treasury balance was caused primarily by a transfer of funds between the Treasury account at the Reserve Banks and

its tax and loan accounts at commercial banks in connection with the redemption for cash of outstanding Series D savings notes and the subsequent use of these funds to purchase the new savings note.

After mid-June member bank excess reserves declined reflecting both a drain on bank reserves as the Treasury balance at the Reserve Banks was rebuilt and an increase in total required reserves. The latter was due largely to an increase in deposits which occurred as corporations sold short-term Government securities to banks to rebuild balances drawn down by quarterly tax and dividend payments. Early in July bank excess reserves were around the minimum levels the banking system seems to want for operating purposes, bank borrowings at the Federal Reserve were up somewhat from the low volume of mid-June, and yields on Treasury bills were at about the levels reached in mid-May.

CHANGES IN LONG-TERM CREDIT MARKETS

Availability of long-term credit in the mortgage and the corporate and municipal bond markets was considerably curtailed by developments following the announcement of the Treasury-Federal Reserve agreement in early March. For a number of months the total demand for long-term credit, which has been exceptionally large in recent years, had considerably outstripped the supply of funds for such investment becoming available from new savings and repayment of outstanding loans. Some holders of marketable Government bonds, such as insurance companies and savings banks, had been selling heavily from their portfolios in order to raise funds to meet this surplus demand for long-term credit, and the volume of such sales had been greatly in excess of buying by other private investors. To prevent declines in prices of Government securities, the Fed-

eral Reserve System had been purchasing the excess of Government bonds offered for sale, thereby increasing both the money supply and the volume of reserves that banks had available as a basis for expansion of their credits. As a result of the Treasury conversion offer for the two longest-term restricted bonds, a substantial portion of the Government bond portfolios of nonbank lenders was immobilized. After the close of the conversion offer, Federal Reserve purchases of bonds were sharply reduced, and bond prices declined in response to selling pressures in the securities market.

At the lower prices and higher yields on Government securities and in view of the greater difficulty of finding buyers, with the changed Federal Reserve policy, lenders have become more reluctant to sell their Government bonds to extend credit to private borrowers. With the curtailment of this inflationary source of funds, savings institutions have begun to limit their new commitments to extend credit, particularly mortgage credit, and these lenders are now matching more closely their new long-term extensions with the funds they have available from new savings and from repayments on old loans. With the change in capital market conditions a number of corporate and municipal financing programs have been postponed, cut back, or canceled. The total volume of such financing, however, is still large.

SELECTIVE CREDIT CONTROLS

Demand for credit of certain types has been restricted by regulation of the terms under which such credit could be granted. Last autumn, under authority of the Defense Production Act of 1950, the Board issued Regulation W establishing minimum down payments and maximum maturities on instalment credits for the purchase of

certain durable consumer goods. Under the terms now in effect, the inflationary expansion of consumer purchasing power through increases in consumer instalment credit has been stopped. In the eight-month period October 1950-May 1951, instalment credit outstanding has declined over 400 million dollars. This compares with an increase of about 1.8 billion in the corresponding period a year earlier.

Restraints on certain housing credits were put into effect last summer and early autumn. In July the terms were tightened somewhat on mortgages insured or guaranteed by the Federal Housing Administration and the Veterans Administration. In October under authority of the Defense Production Act, the Board of Governors, with the concurrence of the Housing and Home Finance Administrator, issued Regulation X which limited the credit that could be extended through noninsured mortgages on certain new residential construction. Related measures were announced at that time by the Federal Housing Administration and the Veterans Administration, tightening further the terms of insured and guaranteed mortgages. By steps taken in early 1951 Regulation X was revised to apply restrictions to credit on nonresidential construction and new multi-unit residences not previously covered.

In the first months after their issuance the real estate credit regulations had little effect on the amount of real estate credit extended because they did not apply to credit on a large number of houses already under construction, to credit already committed, or to noninsured credit for purchase of existing houses. More recently the proportion of housing construction subject to the regulations has been rising, and the regulations have become increasingly effective. Partly as

a result of the regulations and to a large extent because of the tightening in the supply of funds in the mortgage market, private housing starts this spring—although large compared with most earlier years—have shown little of the usual seasonal rise and in April, May, and June were more than one-third below the record levels of the corresponding months a year ago.

Regulation of stock market credit has been a continuing restraint on expansion of this type of credit. In January the Board of Governors exerted a further tightening influence by increasing margin requirements from 50 per cent to 75 per cent of the market value of the securities.

PROGRAM FOR VOLUNTARY CREDIT RESTRAINT

Measures for restricting the total volume of credit available have been reinforced by the Voluntary Credit Restraint Program, which is directed primarily toward curbing the extension of nonessential credits not covered by selective credit regulations. Under authority delegated by the President under the Defense Production Act of 1950 and after approval of the Attorney General given early in March, the Board of Governors cooperated with representatives of financing institutions in establishing a national Voluntary Credit Restraint Committee. This Committee, which includes representatives of commercial and savings banks, investment bankers, insurance companies, and savings and loan associations, has as a primary responsibility the establishment of criteria for distinguishing between essential and nonessential credit. For this purpose it has issued a series of bulletins covering various kinds of credits. The national committee has also set up regional committees to deal with problems in the various sections of the country.

Through voluntary cooperation of thousands of individual financing institutions under the program, progress has been made in the restriction or postponement of credit not essential to the economy at this time. The national and regional committees have been very active familiarizing lenders with the details of the program. Many requests for advisory opinions regarding specific loans have been sent in by lenders to the appropriate committees. While it is impossible to determine precisely the volume of credit that has been denied, a very large number of loan requests, including several sizable ones, have been delayed or refused by lenders acting voluntarily in accordance with the principles of the program.

CHANGES IN BANK CREDIT

Expansion of bank credit to private borrowers and State and local governments slackened during most of the second quarter of 1951 after a rapid growth in the first three months of the year and throughout 1950. Total loans at all commercial banks increased by about 2 billion dollars during the first quarter of 1951 and bank portfolios of State and local government securities rose by about 200 million dollars. The expansion in loans in the first three months represented a record peacetime growth for this time of year. During the second quarter of the year, after the Treasury-Federal Reserve accord and the institution of the Voluntary Credit Restraint Program, commercial bank loans expanded by about 1 billion dollars, and bank holdings of State and local government securities showed little change.

Loans to business enterprises have accounted for nearly all of the increase in total loans at commercial banks since the beginning of the year, as is shown on the chart on the following page. These loans expanded by nearly 2 billion dollars, or about

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8 per cent in the first quarter. They declined somewhat during most of the second quarter, but not as rapidly as is usual at this season of the year. Late in the quarter there was an increase.

More complete information as to the nature of bank loans being advanced to businesses has been available since early April. At the request of the Voluntary Credit Restraint Committee, the Federal Reserve System has been collecting reports from a group of the largest member banks on the types of businesses that are borrowing or repaying loans and on the purposes of the loans. These banks account for about two-thirds of total business loans at all banks.

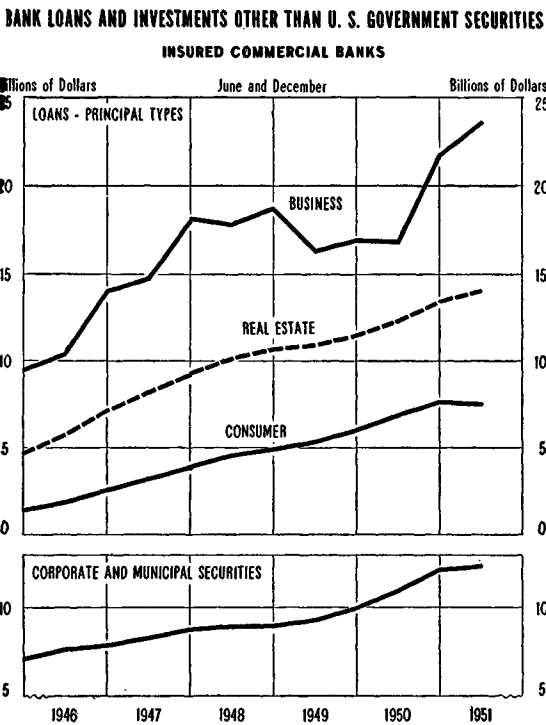
The figures indicate that in recent weeks new borrowings have been undertaken mainly to finance direct defense contracts

and what may be termed "defense-supporting" activities. Engaged in these activities, in part at least, are manufacturers of metals and metal products and public utilities, including transportation concerns, which have been important borrowers recently, as is shown on the following chart. Defense borrowing was insignificant during the large loan expansion last fall.

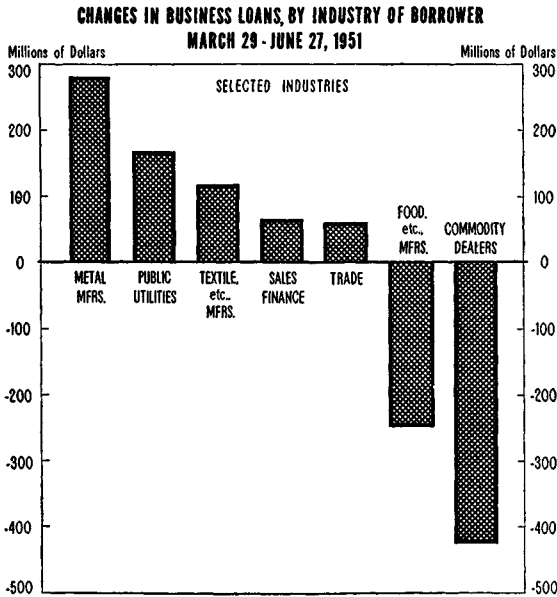
Some recent new borrowing, however, has been done by business concerns in industries that are not engaged generally in defense or defense-supporting activities. Loans to manufacturers of textile, apparel, and leather products and to wholesale and retail trade firms have risen in recent weeks. Sales finance companies also have increased their bank borrowing somewhat since early April, mainly to finance increased lending by these companies to automobile dealers and other retailers.

Significant reductions have occurred, however, in the outstanding bank indebtedness of some types of business not engaged in defense activities. Reductions have included seasonal repayments of loans by commodity dealers and processors of agricultural products. Loans to these types of businesses typically increase when the major crops are harvested in the fall and decrease through the rest of the crop year as farm products are consumed. Recent repayments by these types of borrowers, however, have not been so large as their new borrowings last fall. This development, together with the appearance of new defense loans, has prevented a substantial decline in business loans such as usually occurs at this time of year.

Real estate loans at commercial banks, increased about 600 million dollars in the first six months of this year. This compares with increases of around 1 billion dollars in the same period of recent years other than



All insured commercial banks in the United States. Business loans include commercial and industrial loans, open market commercial paper, and acceptances. Consumer loans exclude single payment loans to individuals of \$3,000 and over. Agricultural loans and loans for purchasing or carrying securities are not shown. Municipal securities include State and local government obligations. Latest figures are for June 1951 and are estimated.



Data reported by over 200 of the largest weekly reporting member banks. Textile, etc., manufacturers includes apparel and leather. Food, etc., manufacturers includes liquor and tobacco.

1949. The smaller growth reflects the effects of general credit controls and the regulations on real estate loans, as well as the fact that many banks are approaching the limits for such loans established either by law or as a result of managerial decision. For the past two years growth in real estate loans has been less rapid at commercial banks than at savings and loan associations, life insurance companies, or mutual savings banks, and the proportion of the total outstanding mortgage debt held by commercial banks has declined.

Bank lending to consumers fell slightly during the first half of this year. This is in contrast to an increase of nearly 900 million in the same period of last year and substantial increases in the corresponding period of other postwar years. All of the decline in the consumer debt at banks thus far this year has been in instalment loans. Single-payment loans to individuals, which are not subject to regulation, have increased.

The interruption of monetary expansion in the first half of 1951 has reflected several factors that are temporary or seasonal in nature. Expansion of the privately held money supply has been resumed in recent weeks and may continue during the second half of the year, partly for seasonal reasons. The large Treasury balance accumulated by mid-1951 will be reduced somewhat over the rest of the year, and as this occurs these funds will also go into the hands of individuals and businesses. The extent of any additional growth in the privately held money supply in the second half of the year will be determined largely, however, by future developments in bank credit, to both private borrowers and the Government.

The Government will need to increase its borrowings during the next six months. To the extent that new funds can be obtained from nonbank lenders, the supply of money will not be affected, but if funds must be borrowed from the banking system, including the Federal Reserve, the effect will be an expansion in the money supply. Business demands for credit may be large in view of prospective plant and equipment expansion, the general over-all pressure currently being exerted on business financial positions, tending to increase the volume of outside financing, and the greater difficulty of obtaining outside funds through capital market channels. On the other hand, inventory expansion should be a less significant factor in bank borrowing than it was last year. Consumer borrowing may be at a rate which will not add significantly to total outstandings. With some further reduction in housing construction, demand for mortgage credit may be very little, if any, greater than can be supplied from current savings available for such investment.

CONSUMER CREDIT RESTRAINT AS AN ANTI-INFLATIONARY MEASURE

On July 9, 1951, Wm. McC. Martin, Jr., Chairman of the Board of Governors of the Federal Reserve System, addressed the letter given below to the Honorable Burnet R. Maybank, Chairman of the Senate Banking and Currency Committee, and the Honorable Brent Spence, Chairman of the House Banking and Currency Committee.

Dear Mr. Chairmen:

In accordance with Senator Maybank's telephone call to me on June 29, 1951, and in view of the respective reports of the Banking and Currency Committees of both Senate and House on S. 1717 and H. R. 3871 (bills to amend and extend the Defense Production Act of 1950), the Board of Governors has carefully reviewed and reconsidered Regulation W, dealing with consumer credit, in its relationship to the declaration of national policy as set forth in the Act.

This declaration of policy reflects the imperative need to maintain our economic strength on which the entire defense effort depends. Our economic strength is founded on preserving the integrity of the dollar, symbolizing as it does the good faith and credit of our country.

If the Federal Reserve System is to fulfill the purpose for which it was established it must, to the best of its ability, use the means given it by Congress to help protect the value of the dollar. The means at our disposal bear only on the monetary and credit factors in the economy. Important as these factors are they are nevertheless secondary to fiscal considerations. Moreover, such credit restraints as the System can exert under today's conditions have inherent limitations. In combination we believe that they have been effective and salutary in helping to counteract inflationary forces.

Regulation of consumer credit has been instituted as an anti-inflationary emergency measure on three separate occasions; first by Executive Order in 1941 and twice subsequently by action of Congress. It has inherent limitations and defects as a means of credit restraint. It affects only one segment, though an increasingly important segment, of the credit structure. The present regulation is focused on consumer instalment credit because of its volatility and hence its possible unstabilizing effects on the

economy. This limits its application to roughly about half of the current outstanding total of 19 billion dollars of consumer credit. Unlike broad, general credit measures (open market operations, discount rates, and reserve requirements) Regulation W directly imposes specified terms upon individual transactions in the regulated area. Therefore, it has aroused widespread opposition, as the hearings before your Committees eloquently testify, especially from dealers in automobiles and other major durable goods and from some finance companies and other lenders. When civilian demand for the regulated articles greatly exceeds supply, the opposition is tempered because sales are readily made at the prescribed terms. When this demand abates, for whatever reason, the regulation appears to many to be the immediate cause.

We are in such a period, and it is natural that the regulation and we who now have the unpleasant task of administering it should seem to those who testified in your Committees to be needlessly thwarting business. The report of the Banking and Currency Committee of the House refers to us as "intractable" and as "unduly harsh and unyielding in administering consumer credit controls" The report of the Senate Committee admonishes us to be more "flexible," recalling that we have often made much of the virtue of flexibility in adjusting this regulation to changed economic conditions. Some of the witnesses before you concluded that what seemed to them to be our intransigence could only be accounted for because we live in an "ivory tower" remote from the real world. Many witnesses before both Committees have pointed to the accumulations of inventories of various articles and have contended that if we mean what we have said in our protestations of flexibility we should promptly relax the terms of the regulation with a view to facilitating disposal of these stocks of goods.

That this viewpoint appealed to the Senate Committee as reasonable is evident from the statement in its report that "the Board of Governors of the Federal Reserve System should be sufficiently flexible to permit relaxation or tightening of the regulations in accordance with the conditions prevailing in the respective segments of the economy

to which the regulations apply. Specifically, it is your Committee's view that relaxation of the control regulations should be promptly effected when it becomes evident that accumulations of inventories seriously threaten to impede production with resulting unemployment in the industry affected."

Accordingly, the Senate Committee introduced into the pending legislation "a statutory requirement that no more than one-third down payment and not less than 18 months for completion of deferred payments shall be prescribed by the Board of Governors of the Federal Reserve System for instalment purchases of automobiles. . . ."

The House Committee went still further by introducing into the bill pending before them statutory restrictions as follows: "new automobiles, one-third down, 18 months' maturity; used automobiles, one-fourth down, 18 months' maturity; household appliances (including phonographs, radios and television sets), 15 per cent down, 18 months' maturity; household furniture and floor coverings, 10 per cent down, 21 months' maturity; residential repairs, alterations and improvements, 10 per cent down, 36 months' maturity."

A further provision in the House bill, which would present insuperable administrative difficulties, would require "that the Board shall recognize freight costs on automobiles and make due allowance by extending amortization periods to equalize as nearly as practical monthly payments throughout the United States and its Territories."

It is apparent that a profound difference exists in the criteria by which this regulation is judged and administered. The Board has reviewed at length the many aspects of this matter. It seems to us that those who are so vigorously opposing the regulation in its entirety or in its present form are judging the regulation or its terms by one standard—while we, who have the problem of fixing terms and administering and enforcing them, are judging the regulation by an entirely different standard.

The introduction into the proposed bills by both Committees of statutory restrictions on terms, and more particularly the statement in the report of the Senate Committee that inventory accumulation should be the test for determining when to relax the terms of the regulation, reflect this basic difference in the yardsticks, so to speak, by which the regulation is being measured.

The Board freely admits that it has failed to impress sufficiently upon many who are directly af-

ected by the terms of the regulation that the principal yardstick by which we have continued to appraise the regulation measures its effect on the over-all supply of credit and the soundness of the credit structure. We have no other reason for being concerned with the regulation. The Reserve System's fundamental task, under the law, is that of influencing, so far as the means at its disposal permit, the availability of credit. In a period of general inflation the task calls for doing what we can to limit the availability of credit. Conversely, in a period of general deflation the task calls for making credit readily available. That is the objective of System policy with respect to the exercise of its broader, traditional means of affecting the supply of credit, such as open market operations, discount rates, and reserve requirements. Since the great bulk of our money supply is bank credit, and since the banking system creates new supplies of money when it extends credit, our concern with consumer instalment credit is its bearing upon the over-all supply of money.

The appropriateness of a given set of terms at any particular juncture is, of course, a matter of judgment on which opinions may honestly differ. In arriving at terms the Board tries to give consideration to all relevant factors, including the inventory situation. The ultimate test of the regulation, however, is its impact on the credit structure. By that test we think that the regulation has exerted a restraining influence that we believe it was intended to exert. This is evidenced by the fact that consumer instalment credit outstanding at the end of May is estimated at 12.9 billion dollars as contrasted with 13 billion on August 31, 1950, just prior to the reimposition of the regulation. In the comparable 1949-50 period, the outstanding volume of this type of credit increased by 2.1 billion dollars.

In striving to weigh all of the facts and factors involved in this controversial but comparatively subordinate means of affecting the credit supply, we have been unable to come to any other conclusion than that, judged by the yardstick of the supply of credit requisite for the defense effort and the civilian economy, we could not justify liberalizing the terms of this regulation at a time when upward pressures on prices, even though abated at present, threaten to re-emerge irrespective of Korean developments. Judging by the present size of the money supply and its potential expansion in volume

or velocity, or both, we do not feel that we could justify an action, even on the subordinate front of consumer instalment credit, that would announce, in effect, that we believe the inflationary danger is no longer present. We do not believe that we should, by such an action, encourage the general public to incur more consumer instalment debt which would be financed ultimately by further expansion of bank credit. This is not a type of credit which is directly essential for national defense.

If we are wrong in our appraisal of the longer term outlook we are erring on the side of safety. Whenever that appraisal changes, the same reasoning which leads us to believe that we should hold the line at this time would require immediate relaxation of existing terms or perhaps dropping of the regulation altogether. It is, as we have indicated, an emergency anti-inflationary measure. It is inappropriate to a period of general deflation. If our considered conclusion at this time were different we would feel that the policy of credit restraint should be replaced by one of ease with respect not only to Regulation W but also to open market policy, discount rates, and bank reserves, as well as stock market and real estate credit. Similarly, we would feel that the nationwide program for voluntary credit restraint was no longer in order. Our conclusion to the contrary seems to be borne out by both Senate and House Committee reports which make it clear that a program of general credit relaxation at this time would not be in the public interest.

These considerations, which govern our policy, seem far removed from the very real problems immediately confronting various trades subject to the regulation. However, what may appear to be conflicting interests are not, in fact, separable. If we failed in our obligation to do what we can to avert the ravages of inflation, and thus give those who would destroy our nation a cheap and easy victory, the businesses which sincerely feel discriminated against by this regulation would rightly condemn us.

We do not wish to exaggerate the importance of this regulation. We are not prepared to say at this time that even if the Congress decided to abolish it altogether the consequences would be grave. We have said, and we believe, that it is a desirable, supplementary measure of credit restraint in a time of inflationary danger. As an anti-inflationary

measure it would be meaningless, and better discarded, if it failed to restrain credit. We wish to emphasize that so long as the regulation is authorized by the Congress as a means of credit restraint we think we should administer it on the basis we have indicated.

A very different situation would be presented if the Congress were now to continue the regulation under different terms of reference. The criterion of inventory accumulation and the attempt to differentiate between segments of the economy affected by the regulation would, in our judgment, transform an instrument of credit restraint into one that would place the principal emphasis upon quite different considerations. We think they would be incompatible with the objectives of effective credit restraint if such a regulation is to contribute to that end in a period of intense inflationary pressures. The proposed statutory restrictions limit the extent to which terms of the regulation might be tightened but would not, of course, limit the easing of terms. If the restrictions did both we would view the regulation in the light of one to set national standards for this type of credit or to deal with what might be termed trade practices. In either case, it would be difficult to think of the regulation as a flexible instrument to supplement traditional central banking measures designed to adjust the credit supply to the changing requirements of the economy.

We feel very strongly that if this type of regulation is to be continued with terms conditioned, for example, upon inventory accumulation or employment in affected industries, it should be clearly understood that it is no longer related primarily to the end of credit restraint.

From the standpoint of restricting—it does not of course prohibit—consumer instalment credit, we question whether the present terms of the regulation are as serious a factor in the immediate problems confronting certain trades or financing institutions as their representatives and spokesmen no doubt sincerely believe. A relaxation of present terms, as would be specified in the bills before the Congress, would, of course, serve to test the validity of that assumption. Viewed from this narrower standpoint and disregarding the broader considerations of general credit policy, it might well be concluded that we should initiate the indicated relaxations. We cannot consistently take that course. It is our view that if the present terms are in fact as

CONSUMER CREDIT RESTRAINT AS AN ANTI-INFLATIONARY MEASURE

serious a sales deterrent as has been contended, then the statutory easing of the maturities by only three months, as proposed in S. 1717, would hardly be sufficient to bring the hoped for relief. Following this line of reasoning, we think it would be more logical to drop the regulation altogether, but we would not wish to be understood as favoring that action at this time.

Finally, we wish to emphasize that we would welcome an opportunity to discuss further with your Committees the question of the role that such a regulation should play in the present emergency. If it is to serve as a supplementary means of restraining overexpansion of credit, we would strongly urge the elimination of the proposed statutory limitations, regardless of where the administrative responsibility is lodged. If it is to be governed by other considerations, then we would like to have an opportunity to discuss with the Committees whether such a regulation should not be administered by some agency of Government whose functions are more nearly related to such considerations than are those of the Federal Reserve System.

The subject of the future of this regulation would not warrant such an extensive letter but for the fact that the Committees dealing with the legisla-

tion have been most seriously concerned about it, as we have, and the Board wished to set out fully and frankly its views and the considerations which govern them. Moreover, it is important to all those affected by the regulation, whether as sellers or buyers of goods or as financing institutions, to have these questions resolved as rapidly as possible consistent with the national interest. That is your aim, as it is ours.

In the course of debate in Congress on this subject it was stated that the action of the respective Committees constituted what was termed a "mandate" to relax the terms of the regulation. For this as well as other reasons we felt that we should communicate to the Committees the foregoing views of the Board as early as possible during the 31-day period for which the Congress extended the Act under which the present regulation is authorized. We earnestly wish at all times to help, not hinder, production for defense and for essential civilian requirements. It is hardly necessary for us to add that the Federal Reserve System, which Congress created and can abolish, will carry out to the best of its ability any mandate of the Congress.

Sincerely yours,

(Signed) Wm. McC. MARTIN, JR.

VOLUNTARY CREDIT RESTRAINT RELEASES

BULLETIN NUMBER 4 OF THE VOLUNTARY CREDIT RESTRAINT COMMITTEE LOANS ON REAL ESTATE

The Voluntary Credit Restraint Committee, at its meeting on June 6, 1951, discussed the application of the principles of the Voluntary Credit Restraint Program in the field of real estate credit and adopted the following statement:

Real estate credit transactions governed by Regulation X, which covers the permanent financing of most new construction and major additions or improvements to existing structures, are not normally within the area of influence of this Voluntary Program. Neither does the Program apply to FHA or VA loans or to other loans guaranteed or insured or authorized as to purpose by an agency of the United States Government. The Program does apply, however, to all other real estate credit transactions. Financing institutions extending such credit are urged to observe the principles and the spirit of the Program.

For the guidance of financing institutions in granting real estate credit encompassed by the Voluntary Program, the National Committee makes the following recommendations:

1. Loans on residential property (one- to four-family units). The Committee has been informed that most financing institutions are following conservative lending policies on existing residential properties (one- to four-family units). The Committee urges all financing institutions to follow such policies and in no case to make a loan on existing property in an amount which would cause the *total amount of credit outstanding* (primary and all other credit combined) with respect to the property or with respect to the transaction to exceed the limits which Regulation X imposes as to new construction.

2. Loans on agricultural property. While the Committee recognizes that in some instances a loan on agricultural property may be in effect a loan on residential property, the Committee feels that normally such a loan falls in the category of a loan on commercial property (see Section 3 below), and the lender should be guided by the recommenda-

tions of that section as to over-all credit limits and purposes.

3. Loans on residential property (more than four-family units) and on commercial property. Loans on residential property (more than four-family units) and loans on commercial property, such as office buildings, stores, hotels, motels, motor courts, restaurants, etc., should be screened as to purpose and the loan should not be made unless it is in harmony with the principles of the Program. If the loan is to be made in connection with a sale of commercial or residential property a determination by the financing institution that the sale and the sale price are bona fide may constitute a sufficient screening of the loan. The Committee conceives that it is not the function of the Voluntary Credit Restraint Program to make the transfer of real estate impossible or impracticable, but rather to reduce inflationary pressures by limiting the amount of additional credit created in the process of real estate transfer.

Financing institutions are urged to limit a loan, on any type of property described in this section, whether or not a sale is involved, to an amount which would not cause the *total amount of credit outstanding* with respect to the property or with respect to the transaction¹ to exceed 66 $\frac{2}{3}$ per cent of the fair value of the property.² Also, the Committee urges that financing institutions require an appropriate and substantial amortization of principal.

The Committee recognizes that hardship cases

¹ If the facts are not already known, the financing institution presumably will want to request the borrower to furnish information as to any other indebtedness or credit existing or contemplated in connection with the transaction.

² "Fair value" as used here means: 1. If the loan is to be made to finance the purchase of real property: the bona fide sale price, or the appraised value of the property securing the loan, whichever is lower; 2. In all other cases: the appraised value of the property securing the loan.

The appraised value should be determined in accordance with sound and established practice in the community. A good definition of "bona fide sale price" is given in Section 2(f) of Regulation X.

VOLUNTARY CREDIT RESTRAINT RELEASES

may arise where a $66\frac{2}{3}$ per cent loan limitation would not be sound or equitable. Such cases would include a loan to finance the sale of property to close an estate or to pay estate taxes, the refinancing of a maturing mortgage, or the sale of property of a bankrupt company. The Committee makes no recommendation in such cases.

4. **Loans on industrial property.** Loans on industrial property should be screened as to purpose whether or not the loan is to be made in connection with a sale of real property. In this instance, however, there appears to be no need for a percentage limitation on the amount of the loan, since

in the industrial field mortgage security usually is merely one of the factors considered by the lender in determining whether to make the loan and often bears comparatively little relation to the amount of the loan.

5. **Sale-lease back arrangements.** The Committee also urges financing institutions to recognize that in most instances a "sale-lease back" arrangement, whereby real property is purchased by a financing institution and leased to the vendor or his nominee, is a substitute for a form of financing and therefore comes within the Program and should be screened as to purpose.

STATEMENT OF VOLUNTARY CREDIT RESTRAINT COMMITTEE REGARDING CHANGES IN REGIONAL COMMITTEES, JUNE 15, 1951

The Board of Governors of the Federal Reserve System has appointed Mr. J. Lawrence Pagen, Vice President and Treasurer of Blyth & Co., Inc., New York, New York, an alternate member of the Voluntary Credit Restraint Committee to serve in the absence of Mr. Lee M. Limbert of the same firm.

The Voluntary Credit Restraint Committee announces the appointment of Mr. Otto N. Frenzel, President, Merchants National Bank of Indianapolis, Indianapolis, Indiana, as a member of the Seventh District Commercial Banking Voluntary Credit Restraint Committee to fill an existing vacancy.

To facilitate the work of the Program in the Seventh and Eighth Federal Reserve Districts, the Voluntary Credit Restraint Committee has approved the establishment of regional committees to serve the State of Iowa, the State of Michigan (excluding that portion of the State which lies within the Ninth Federal Reserve District), and the Little Rock Branch territory of the Federal Reserve Bank of St. Louis. Under this arrangement the Seventh and Eighth District Commercial Banking Committees will continue to serve all other areas within their respective Districts. The three new regional committees will have equal status with all other regional committees. The names of these Committees and the members thereof follow:

Michigan Regional Commercial Banking Voluntary Credit Restraint Committee

Donald F. Valley, *Chairman*, General Vice President, National Bank of Detroit, Detroit, Michigan

Milton J. Drake, Vice President, The Detroit Bank, Detroit, Michigan

Arthur J. Fushman, Vice President, The Manufacturers National Bank of Detroit, Detroit, Michigan

E. W. Potter, Executive Vice President, Citizens Commercial and Savings Bank, Flint, Michigan
Heber W. Curtis, Chairman of the Board, Old Kent Bank, Grand Rapids, Michigan

C. H. Kleinstuck, President, First National Bank & Trust Co., Kalamazoo, Michigan

H. J. Chalfont, Vice President, Federal Reserve Bank of Chicago, Detroit, Michigan

Iowa Regional Commercial Banking Voluntary Credit Restraint Committee

E. F. Buckley, *Chairman*, President, Central National Bank and Trust Co., Des Moines, Iowa

H. J. Stuhlmiller, President, State Savings Bank, Fontanelle, Iowa

C. L. Frederickson, President, Live Stock National Bank, Sioux City, Iowa

Frank C. Welch, President, Peoples Bank and Trust Company, Cedar Rapids, Iowa

W. H. Brenton, President, Brenton State Bank, Dallas Center, Iowa

Albert J. Robertson, Senior Vice President, Iowa-Des Moines National Bank, Des Moines, Iowa

V. O. Figge, President, Davenport Bank and Trust Co., Davenport, Iowa

Little Rock Regional Commercial Banking Voluntary Credit Restraint Committee

James H. Penick, *Chairman*, President, Worthen Bank and Trust Co., Little Rock, Arkansas

VOLUNTARY CREDIT RESTRAINT RELEASES

Harvey C. Couch, Jr., President, Union National Bank, Little Rock, Arkansas

A. E. McLean, President, The Commercial National Bank of Little Rock, Little Rock, Arkansas

J. V. Satterfield, Jr., President, Peoples National Bank, Little Rock, Arkansas

Henry O. Topf, President, The Twin City Bank, North Little Rock, Arkansas

C. M. Stewart, Vice President, Federal Reserve Bank of St. Louis, Little Rock, Arkansas

The following appointments and designations affecting the membership of regional committees also are announced:

First District Commercial Banking Voluntary Credit Restraint Committee

The following have been appointed alternate members of the Committee:

George E. Pierce, Senior Vice President, The National Shawmut Bank of Boston, Boston, Massachusetts

Roger C. Damon, Vice President, The First National Bank of Boston, Boston, Massachusetts

John N. Eaton, Vice President, Merchants National Bank of Boston, Boston, Massachusetts

Rupert C. Thompson, Jr., Executive Vice President, Providence Union National Bank and Trust Company, Providence, Rhode Island

Samuel S. Rodman, Vice President, The Hartford-Connecticut Trust Company, Hartford, Connecticut

Frederick J. Olson, Vice President, First Portland National Bank, Portland, Maine

Earle O. Latham, Vice President, Federal Reserve Bank of Boston, Boston, Massachusetts

Third District Commercial Banking Voluntary Credit Restraint Committee

The following have been appointed alternate members of the Committee:

E. L. Worstall, Vice President, Philadelphia National Bank, Philadelphia, Pennsylvania

Donald Horsey, President, First National Bank, Conshohocken, Pennsylvania

O. H. Perry Baldwin, President, Farmers Bank of the State of Delaware, Wilmington, Delaware

G. K. Morris, President, National Bank of Germantown & Trust Co., Philadelphia, Pennsylvania

D. S. Davis, Cashier and Executive Vice President, Wilkes-Barre Deposit & Savings Bank, Wilkes-Barre, Pennsylvania

E. F. Kirkman, President, Boardwalk National Bank, Atlantic City, New Jersey

N. G. Dash, Assistant Vice President, Federal Reserve Bank of Philadelphia, Philadelphia, Pennsylvania

Sixth District Commercial Banking Voluntary Credit Restraint Committee

D. B. Harris, President, Hamilton National Bank, Chattanooga, Tennessee, has been appointed a member of the Committee.

Seventh District Commercial Banking Voluntary Credit Restraint Committee

The following have been appointed alternate members of the Committee:

Walter M. Heymann, Vice President, The First National Bank of Chicago, Chicago, Illinois

Chris M. Smits, Vice President, The Continental Illinois National Bank and Trust Company of Chicago, Chicago, Illinois

Richard E. Pritchard, Vice President, Harris Trust and Savings Bank, Chicago, Illinois

William M. McKenzie, Executive Vice President, Commercial National Bank of Peoria, Peoria, Illinois

Edward R. Droppers, Vice President, First Wisconsin National Bank of Milwaukee, Milwaukee, Wisconsin

N. B. Dawes, Vice President, Federal Reserve Bank of Chicago, Chicago, Illinois

Eighth District Commercial Banking Voluntary Credit Restraint Committee

The following have been appointed alternate members of the Committee:

Albert Wagenfuehr, Chairman of the Executive Committee, The Boatmen's National Bank of St. Louis, St. Louis, Missouri

George W. Coleman, Economist, Mississippi Valley Trust Company, St. Louis, Missouri

Eleventh District Commercial Banking Voluntary Credit Restraint Committee

E. B. Austin, Vice President, Federal Reserve Bank of Dallas, Dallas, Texas, has been appointed an alternate member of the Committee.

VOLUNTARY CREDIT RESTRAINT RELEASES

Portland Regional Commercial Banking Voluntary Credit Restraint Committee

Arnold W. Groth, Vice President, The First National Bank of Portland, Portland, Oregon, has been appointed an alternate member of the Committee.

San Francisco Regional Commercial Banking Voluntary Credit Restraint Committee

F. A. Ferroggiaro, Senior Vice Chairman of the Board, Bank of America National Trust and Savings Association, San Francisco, California, has been designated as Vice Chairman of the Committee.

The following have been appointed alternate members of the Committee:

William H. Owen, Vice President, The Anglo California National Bank of San Francisco, San Francisco, California

Marsden S. Blois, Vice President, Bank of America National Trust and Savings Association, San Francisco, California

William M. Hale, Executive Vice President, American Trust Company, San Francisco, California

F. L. Greiner, Vice President, Wells Fargo Bank

& Union Trust Company, San Francisco, California

F. P. Gallot, Vice President, Crocker First National Bank of San Francisco, San Francisco, California

Alfred J. Mayman, Vice President, The Bank of California, N. A., San Francisco, California

H. F. Slade, Vice President, Federal Reserve Bank of San Francisco, San Francisco, California

Southwestern Insurance Voluntary Credit Restraint Committee

K. I. Fosdick, Treasurer, American National Insurance Co., Galveston, Texas, has been appointed a member of the Committee and designated as Chairman, replacing W. L. Vogler, Executive Vice President of that Company whose resignation as a member of this Committee has been accepted.

The following have been appointed members of the Committee:

F. Burr Betts, Vice President and Treasurer, Security Life and Accident Company, Denver, Colorado

Franz Hindermann, Vice President and Treasurer, Pan-American Life Insurance Company, New Orleans, Louisiana

FORMATION OF REGIONAL COMMITTEES FOR SAVINGS AND LOAN ASSOCIATIONS JUNE 22, 1951

The Voluntary Credit Restraint Program provides that subcommittees may be established for each type of financing institution participating in the Program, these committees to be available for consultation with individual financing institutions to assist them in determining the application of the Statement of Principles with respect to loans for which application has been made to such financing institutions. In order to provide such advisory service for savings and loan associations in the same manner as for banks, investment bankers, and life insurance companies, the Voluntary Credit Restraint Committee has approved the establishment of subcommittees representing those associations within each Federal Reserve District, and has appointed the following as members of the respective committees:

First District Savings and Loan Voluntary Credit Restraint Committee

Ralph R. Crosby, President, *Chairman*, Old Colony Co-operative Bank, 58 Weybosset Street, Providence 1, Rhode Island

Henry H. Pierce, President, Merchants Co-operative Bank, 24 School Street, Boston, Massachusetts

Frederick T. Backstrom, Executive Vice President, First Federal Savings and Loan Association of New Haven, 80 Elm Street, New Haven 3, Connecticut

Raymond P. Harold, President, Worcester Federal Savings and Loan Association, 22 Elm Street, Worcester, Massachusetts

O. A. Schlaikjer, Vice President and General Counsel, Federal Reserve Bank of Boston, Boston 6, Massachusetts

Second District Savings and Loan Voluntary Credit Restraint Committee

George L. Bliss, President, *Chairman*, Century Federal Savings and Loan Association, 441 Lexington Avenue, New York 17, New York

Ernest A. Minier, President, Carteret Savings and Loan Association, 866 Broad Street, Newark 2, New Jersey

VOLUNTARY CREDIT RESTRAINT RELEASES

Willis J. Almekinder, President, First Federal Savings and Loan Association of Rochester, 18 Franklin Street, Rochester 4, New York

E. Harold Schoonmaker, Executive Vice President, Tenafly Mutual Savings and Loan Association, 80 County Road, Tenafly, New Jersey

William F. Treiber, Vice President, Federal Reserve Bank of New York, New York 45, New York

Arthur Phelan, Vice President, Federal Reserve Bank of New York (alternate for Mr. Treiber)

Third District Savings and Loan Voluntary Credit Restraint Committee

James J. O'Malley, President, *Chairman*, First Federal Savings and Loan Association, 23 West Market Street, Wilkes-Barre, Pennsylvania

John H. Dempster, President, Quaker City Federal Savings and Loan Association, 20 South 15th Street, Philadelphia 2, Pennsylvania

Joseph A. O'Brien, President, Fidelity Mutual Building and Loan Association, 423 Market Street, Camden, New Jersey

Louis W. Marmorstein, President, First Federal Savings and Loan Association of South Philadelphia, 424-430 S. Fourth Street, Philadelphia 47, Pennsylvania

W. J. Davis, First Vice President, Federal Reserve Bank of Philadelphia, Philadelphia 1, Pennsylvania

Norman G. Dash, Assistant Vice President, Federal Reserve Bank of Philadelphia (alternate for Mr. Davis)

Fourth District Savings and Loan Voluntary Credit Restraint Committee

E. J. Rupert, President, *Chairman*, The Broadview Savings and Loan Company, 4221 Pearl Road, Cleveland, Ohio

C. Elwood Knapp, Executive Vice President, Friendship Federal Savings and Loan Association, 217 North Highland Avenue, Pittsburgh 6, Pennsylvania

Morris G. Taylor, Secretary-Treasurer, Dollar Federal Savings and Loan Association, S. E. Corner Third and High Streets, Hamilton, Ohio

C. C. Guthrie, President, Buckeye State Building and Loan Company, 36 East Gay Street, Columbus 15, Ohio

William H. Fletcher, First Vice President, Federal Reserve Bank of Cleveland, Cleveland 1, Ohio

Wilbur T. Blair, Vice President, Counsel, and Secretary, Federal Reserve Bank of Cleveland (alternate for Mr. Fletcher)

Fifth District Savings and Loan Voluntary Credit Restraint Committee

E. C. Baltz, President, *Chairman*, Perpetual Building Association, 500 Eleventh Street, N. W., Washington 4, D. C.

Marion M. Hewell, President, Fidelity Federal Savings and Loan Association, 12 W. McBee Avenue, Greenville, South Carolina

Henry P. Irr, President, Baltimore Federal Savings and Loan Association, Fayette & St. Paul Streets, Baltimore 2, Maryland

J. B. Bourne, President, Franklin Federal Savings and Loan Association, 616 East Franklin Street, Richmond, Virginia

N. L. Armistead, Vice President, Federal Reserve Bank of Richmond, Richmond 13, Virginia

Sixth District Savings and Loan Voluntary Credit Restraint Committee

J. D. McLamb, President, *Chairman*, First Federal Savings and Loan Association, 30 East Bryan Street, Savannah, Georgia

Frank Yeilding, President, Jefferson Federal Savings and Loan Association, 213 North 21st Street, Birmingham 3, Alabama

C. L. Clements, President, Chase Federal Savings and Loan Association, 1111 Lincoln Road, Miami Beach 39, Florida

Irving H. Schonberg, President, Union Savings and Loan Association, 353 Carondelet Street, New Orleans, Louisiana

V. K. Bowman, Vice President, Federal Reserve Bank of Atlanta, Atlanta 3, Georgia

Seventh District Savings and Loan Voluntary Credit Restraint Committee

Walter Gehrke, President, *Chairman*, First Federal Savings and Loan Association of Detroit, Griswold Street at Lafayette Boulevard, Detroit 26, Michigan

Ben F. Bohac, President, Talman Federal Savings and Loan Association, 5501 South Kedzie Avenue, Chicago 29, Illinois

Edward L. Johnson, Vice President, Bell Savings and Loan Association, 79 West Monroe Street, Chicago, Illinois

Fermor S. Cannon, President, Railroadmen's Federal Savings and Loan Association, 21 Virginia Avenue, Indianapolis 4, Indiana

VOLUNTARY CREDIT RESTRAINT RELEASES

A. L. Olson, Vice President, Federal Reserve Bank of Chicago, Chicago 90, Illinois

Eighth District Savings and Loan Voluntary Credit Restraint Committee

Roy M. Marr, President, *Chairman*, Leader Federal Savings and Loan Association, 158 Madison Avenue, Memphis 3, Tennessee

Gustav Flexner, Secretary-Treasurer, Greater Louisville First Federal Savings and Loan Association, 417 West Market Street, Louisville 2, Kentucky.

George S. Metcalfe, President, Roosevelt Federal Savings and Loan Association, 407 North Ninth Street, St. Louis, Missouri

W. P. Gulley, President, Pulaski Federal Savings and Loan Association, 201 West 2nd Street, Little Rock, Arkansas

Paul E. Schroeder, Vice President, Memphis Branch of the Federal Reserve Bank of St. Louis, Memphis 1, Tennessee

Ninth District Savings and Loan Voluntary Credit Restraint Committee

Roy W. Larsen, President, *Chairman*, Twin City Federal Savings and Loan Association, Corner Marquette Avenue and Eighth Street, Minneapolis 2, Minnesota

C. A. Williams, Executive Vice President, First Federal Savings and Loan Association of Fargo, 13 North Broadway, Fargo, North Dakota

P. C. Bulen, Chairman, First Federal Savings and Loan Association of Great Falls, 15 Fourth Street, North, Great Falls, Montana

Harry C. Lindquist, Executive Vice President, Minnesota Federal Savings and Loan Association, Minnesota at 4th, St. Paul, Minnesota

Maurice H. Strothman, Jr., Vice President, Federal Reserve Bank of Minneapolis, Minneapolis 2, Minnesota

Tenth District Savings and Loan Voluntary Credit Restraint Committee

Henry A. Bubb, President, *Chairman*, Capitol Federal Savings and Loan Association, 534 Kansas Avenue, Topeka, Kansas

C. R. Mitchell, Executive Vice President, First Federal Savings and Loan Association, 919 Walnut, Kansas City 6, Missouri

Louis W. Grant, President, Home Federal Savings and Loan Association, Third and Boston, Tulsa 3, Oklahoma

Kenneth King, President, Columbia Savings, Building and Loan Association, 209 16th Street, Denver 2, Colorado

Henry O. Koppang, First Vice President, Federal Reserve Bank of Kansas City, Kansas City 18, Missouri

Eleventh District Savings and Loan Voluntary Credit Restraint Committee

W. W. McAllister, President, *Chairman*, San Antonio Building and Loan Association, 401 Navarro at the River, San Antonio 5, Texas

E. E. Shelton, President, Dallas Federal Savings and Loan Association, 1411 Main Street, Dallas, Texas

Peyton L. Townsend, President, Metropolitan Building and Loan Association, 1400 Main Street, Dallas 1, Texas

C. Roy Smith, Executive Vice President, First Federal Savings and Loan Association, 116 East 4th Street, Clovis, New Mexico

H. R. DeMoss, Vice President, Federal Reserve Bank of Dallas, Dallas 13, Texas

Mac C. Smyth, Vice President, Federal Reserve Bank of Dallas (alternate for Mr. DeMoss)

Twelfth District Savings and Loan Voluntary Credit Restraint Committee

Thomas T. Taylor, Jr., President, *Chairman*, Prudential Federal Savings and Loan Association, 125 S. Main Street, Salt Lake City 1, Utah

Ben H. Hazen, President, Benj. Franklin Federal Savings and Loan Association, 517 S. W. Stark Street, Portland 4, Oregon

J. Howard Edgerton, President, California Federal Savings and Loan Association, 5680 Wilshire Boulevard, Los Angeles 36, California

Gerrit VanderEnde, President, Pacific First Federal Savings and Loan Association, 204 South 11th Street, Tacoma 1, Washington

E. R. Millard, Vice President, Federal Reserve Bank of San Francisco, San Francisco, 20, California

H. F. Slade, Vice President, Federal Reserve Bank of San Francisco (alternate for Mr. Millard)

VOLUNTARY CREDIT RESTRAINT RELEASES

FORMATION OF REGIONAL COMMITTEES FOR MUTUAL SAVINGS BANKS

JUNE 29, 1951

The National Voluntary Credit Restraint Committee has approved the establishment of regional committees to consult with and advise mutual savings banks in their respective territories concerning the application of the Statement of Principles of the Program to specific loan inquiries. Similar committees heretofore have been announced for commercial banks, insurance companies, investment bankers, and savings and loan associations.

The names of the mutual savings bank regional committees, the territories to be served by them, and their membership are shown below:

New England Mutual Savings Bank Voluntary Credit Restraint Committee

(Will serve States of Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont.)

Richard A. Booth, *Chairman*, President, Springfield Institution for Savings, Springfield, Massachusetts

N. Preston Breed, Vice Treasurer, Provident Institution for Savings, Boston, Massachusetts

J. Fred French, Vice President, Amoskeag Savings Bank, Manchester, New Hampshire

Hans C. Christensen, Vice President, Society for Savings, Hartford, Connecticut

O. A. Schlaikjer, Vice President and General Counsel, Federal Reserve Bank of Boston, Boston, Massachusetts

New York-New Jersey Mutual Savings Bank Voluntary Credit Restraint Committee

(Will serve States of New York and New Jersey.)

Joseph Kaiser, *Chairman*, Vice President, The Williamsburgh Savings Bank, Brooklyn, New York

Norman P. McGrory, Vice President, The Howard Savings Institution, Newark, New Jersey

Randolph H. Brownell, President, Union Square Savings Bank, New York, New York

Raymond F. Eisenhardt, Vice President, The Buffalo Savings Bank, Buffalo, New York

Arthur Phelan, Vice President, Federal Reserve Bank of New York, New York, New York

William F. Treiber, Vice President, Federal Reserve Bank of New York, New York, New York
(Alternate for Mr. Phelan)

Mid-Atlantic Mutual Savings Bank Voluntary Credit Restraint Committee

(Will serve States of Pennsylvania, Delaware, and Maryland.)

Donaldson Cresswell, *Chairman*, Vice President, The Philadelphia Savings Fund Society, Philadelphia, Pennsylvania

George B. Oates, President, The Dollar Savings Bank, Pittsburgh, Pennsylvania

Harry J. Landbeck, Vice President, Central Savings Bank of Baltimore, Baltimore, Maryland

Joseph Bringham, Vice President, Artisans' Savings Bank, Wilmington, Delaware

W. J. Davis, First Vice President, Federal Reserve Bank of Philadelphia, Philadelphia, Pennsylvania

Norman G. Dash, Assistant Vice President, Federal Reserve Bank of Philadelphia, Philadelphia, Pennsylvania (Alternate for Mr. Davis)

Mid-Western Mutual Savings Bank Voluntary Credit Restraint Committee

(Will serve States of Ohio, Indiana, Minnesota, and Wisconsin.)

Irving W. Distel, *Chairman*, Vice President, Society for Savings in the City of Cleveland, Cleveland, Ohio

Harry J. Fitzgerald, Secretary, The Peoples Savings Bank, Evansville, Indiana

George G. Cowie, Vice President, Farmers and Mechanics Savings Bank of Minneapolis, Minneapolis, Minnesota

William H. Fletcher, First Vice President, Federal Reserve Bank of Cleveland, Cleveland, Ohio

Wilbur T. Blair, Vice President, Counsel and Secretary, Federal Reserve Bank of Cleveland, Cleveland, Ohio (Alternate for Mr. Fletcher)

Due to the limited number of mutual savings banks located in the States of Oregon and Washington, the National Committee has decided against establishing a separate regional committee for that area. However, Mr. Dietrich Schmitz, President of the Washington Mutual Savings Bank, Seattle, Washington, has been appointed to the Seattle Regional Commercial Banking Voluntary Credit Restraint Committee, which will be prepared to assist savings banks in the Oregon-Washington area with respect to loan inquiries.

1951 SURVEY OF CONSUMER FINANCES

PART II. Purchases of Durable Goods and Houses in 1950 and Buying Plans for 1951¹

More consumers purchased automobiles, furniture, and major household appliances in 1950 than in any previous postwar year and aggregate expenditures for consumer durable goods reached new highs. The number of house purchasers and the aggregate amount of their expenditures almost regained 1948 levels after declining in 1949.

A larger proportion of the market for furniture and major household appliances consisted of spending units having incomes of \$5,000 or more in 1950 than in prior years. This increase reflected an increase in the proportion of spending units within this income group as well as an increase in the frequency of their purchases.

By early 1951 the proportion of spending units that planned to buy automobiles during the coming year had declined from a year earlier, but the proportion planning to purchase houses remained about the same. The proportion of spending units that intended to buy at least one item of furniture or a household appliance was as large as a year earlier, although prospective purchases of some items declined. In general, the degree of uncertainty with respect to buying plans was somewhat

greater at the beginning of this year than a year ago.

The findings given above were included in the brief outline of survey results published in the April and June issues of the *BULLETIN*. The present article presents a more detailed analysis of consumer purchases of houses and durable goods in 1950 and of intentions to purchase during 1951.²

CONSUMER PURCHASES IN 1950

International developments during the latter half of 1950 intensified demand, already at high levels, for houses, automobiles, household appliances, and furniture. Even before the invasion of South Korea, the American economy had shaken off the slight recession of 1949 and, by the second quarter

² The findings of the 1951 survey are indicative of the past and prospective activities of approximately 52 million consumer spending units, groups of persons living in the same dwelling and related by blood, marriage or adoption, who pool their incomes for major items of expense. The total number of spending units is estimated for Feb. 1, 1951, the approximate mid-point of the period during which interviews were being made by the field staff of the Survey Research Center.

In 1951, for the first time in the period in which the survey has operated, it appears that there was no increase in the number of spending units over the previous year. This may be largely accounted for by the increase in number of the armed forces, a portion of the national population which is excluded from the survey universe. This is substantiated by a reduction in the number of spending units headed by men less than 35 years of age.

Although the total number of spending units remained constant, the estimated number of families rose from approximately 45.2 to 45.9 million. Family units consist of all persons related by blood, marriage or adoption who live in the same dwelling unit. The increase in the number of families, even though the number of spending units remained constant, reflects the continued expansion of housing facilities and the continued high marriage rate. As a result of these factors, there is apparently less doubling up of related spending units in the same dwelling.

It should be noted that the estimate of 53 million spending units used in the initial article of the 1951 survey series has been revised downward in light of additional information obtained since its publication. Estimates of the number of spending units in recent years are subject to revision when final tabulations of the 1950 Census of Population are available.

For a more extended discussion of the definitions and methods used by the Survey of Consumer Finances, see "Methods of the Survey of Consumer Finances," Federal Reserve *BULLETIN*, July 1950, pp. 795-809.

¹ This is the second in a series of articles presenting the results of the 1951 Survey of Consumer Finances sponsored by the Board of Governors of the Federal Reserve System and conducted by the Survey Research Center of the University of Michigan. The first article in the series appeared in the June *BULLETIN* and covered the general financial position and economic outlook of consumers. Subsequent issues of the *BULLETIN* will contain articles analyzing changes in the distribution of incomes, in consumer saving patterns, and in holdings of nonliquid assets.

The present article was prepared by John Frechtling and Tynan Smith of the Consumer Credit and Finances Section of the Board's Division of Research and Statistics. The authors have necessarily maintained a close working relationship with the staff of the Survey Research Center at all stages of their work and their analysis of survey tabulations has had the benefit of many suggestions from the Center's staff, particularly John B. Lansing, Harold Guthrie, William Mooney, and Marion Walsh.

Data are based on the results of about 3,400 interviews taken in 66 sampling areas throughout the nation. The sample is representative of the entire population of the United States residing in private households. The following groups are omitted: (1) members of the armed forces and civilians living at military reservations; (2) residents in hospitals and in religious, educational, and penal institutions; and (3) the floating population, that is, people living in hotels, large boarding houses, and tourist camps.

of 1950, industrial production exceeded previous postwar levels.

The factors responsible for absorption of a record output of consumer goods may be grouped as being associated either with the character of product and basic characteristics of the population or with general financial conditions. The first group includes such factors as the suspension of production of certain goods during the war years, development of new types of goods and improvement of already existing classes of goods, and the very high rate of family formation during the war and postwar years. The financial factors affecting consumer demand include the pattern of credit terms and the amount of credit available at such terms, the stock of liquid assets available for supplementing spending from current income and, finally, prevailing price-income relationships.

The Surveys of Consumer Finances provide important insights into the roles played by these factors in influencing the demand for the various types of consumer durable goods. Different groups in the population may not be affected by these factors to the same degree; different methods of financing, for example, may be of varying importance to different groups of the population. While the present section is concerned primarily with consumer purchases during 1950, it will relate many tendencies in that year to trends indicated in previous surveys.

Automobiles. The influence of wartime stoppage of production has dominated the postwar automobile market. By the end of the war the number of passenger automobiles in use had fallen below the prewar level because of the lack of replacements for those lost through scrapping or accident and of the withdrawal of some cars from use during the war. By July 1947 the rapid resumption of production and reregistration of cars withdrawn from storage had raised registrations of passenger cars to 27.5 million, nearly the level of July 1941.³ Thereafter backlog demand, reflecting a substantial expansion in the adult population since

³ Data cited were compiled by R. L. Polk and Company, Detroit. They are not strictly comparable to survey estimates because they include passenger cars owned by governments, businesses, and members of the transient and institutional population who are not included in the survey universe. Since the estimate of the number of cars owned within the survey universe at the beginning of 1949 was about 90 per cent of estimated registrations on that date, it can be assumed that total registrations furnish a satisfactory index of the movement of the number of cars in the hands of consumers.

1941 and the predominance of older model cars in use, helped to maintain output and sales at extremely high levels.⁴ Continued full employment at high incomes, large holdings of liquid assets, and the availability of credit on favorable terms were financial factors contributing to extensive demand since the war.

The estimated number of spending units purchasing cars during 1950 which they still owned at the time of the survey interview was approximately 12.7 million. This exceeded the number of purchasers in 1949 by more than one million and was about two and one-half times as many as in 1946 (see Table 1). Of the 1950 purchasers, about 5.2 million bought new cars and 7.5 million bought used cars. Aggregate gross expenditures for automobiles reached a new high of almost 17 billion dollars. Expenditures for used automobiles leveled off at 5.2 billion, the same amount as in 1949, but expenditures for new cars rose to 11.7 billion. The average and median prices of new cars continued their steady postwar rise during 1950. In the case of used cars, these prices continued to decline from the peak in 1948.

Spending units with incomes of \$5,000 or more accounted for about 54 per cent of the new cars purchased in 1950 compared with 47 per cent in 1949, and those with incomes less than \$3,000 for 14 per cent in 1950 compared with 24 per cent in 1949 (see Table 2). These changes in the relative importance of the higher and lower income groups as buyers of new cars reflect both the movement of spending units into higher income groups and the failure of the lower groups to expand their rate of purchases in 1950 (see Table 3). In general, the distribution of new car buyers by income groups in 1950 returned to the pattern of 1948 following a year in which the share of the groups below \$3,000 had increased substantially. There was less change in the relative importance of higher income groups in the used car market. Spending units with incomes less than \$2,000 appear to have become more important as buyers of used cars since 1948 while spending units with incomes from \$2,000 to \$2,999 have become less important.

⁴ Technical changes such as improvement of highways and adoption of the all-steel body have probably accounted for a trend toward a longer effective car life. However, the impact of the war undoubtedly accounted for a much more rapid increase in the average age of cars than can be explained by this trend.

1951 SURVEY OF CONSUMER FINANCES

TABLE 1
CONSUMER INTENTIONS TO BUY AND ACTUAL PURCHASES OF HOUSES AND DURABLE GOODS¹

Type of purchase	Percentage of spending units		Estimated number of spending units (in millions)		Median expenditure ²		Average expenditure ²		Estimated total expenditures (in billions)	
	Planned purchases	Actual purchases	Planned purchases	Actual purchases ³	Planned purchases	Actual purchases	Planned purchases	Actual purchases	Planned purchases	Actual purchases
House:⁴										
1951 New	2.3		1.1		\$9,200		\$9,300		\$18.6	
Existing	1.8		0.9							
1950 New	4.0	1.7	1.9	0.8	7,500	\$8,500	7,900	\$9,400	21.3	\$20.7
Existing	1.7	2.9	0.8	1.4						
1949 New	2.9	1.3	1.3	0.6	7,000	5,920	8,200	7,040	18.5	11.2
Existing	2.1	2.2	1.0	1.0						
1948 New	2.6	1.7	1.1	0.8	6,600	7,800	7,400	9,000	15.0	21.3
Existing	2.0	3.5	0.9	1.6						
1947 New	3.3	1.4	1.4	0.6	5,100	6,000	6,300	7,100	15.8	15.5
Existing	2.6	3.6	1.1	1.6						
Automobile:⁴										
1951	7.1		3.7		(⁵)		(⁵)		5.8	
1950	12.4	24.5	6.4	12.7	(⁵)	1,420	(⁵)	1,340	9.3	16.9
1950 ⁷	14.6		7.6		(⁵)		(⁵)		10.0	
1949	13.0	21.6	6.6	11.4	(⁵)	1,400	(⁵)	1,330	10.5	15.1
1948	10.7	17.0	5.2	8.8	(⁵)	1,310	(⁵)	1,330	8.0	11.5
1947	11.7	14.9	5.5	7.3	(⁵)	1,210	(⁵)	1,250	7.1	9.2
1946	10.7	10.7	4.9	5.0	(⁵)	830	(⁵)	920	5.4	4.6
New automobile:										
1951	4.0		2.1		1,970		2,140		4.5	
1950	7.4	10.1	3.8	5.2	1,920	2,120	1,990	2,220	7.6	11.7
1950 ⁷	8.7		4.5		1,920		1,990		8.9	
1949	8.5	8.6	4.3	4.5	1,990	2,090	2,060	2,190	8.8	9.9
1948	7.6	6.1	3.7	3.2	1,800	2,090	1,860	2,130	6.9	6.6
1947	8.5	5.8	4.0	2.8	1,500	1,830	1,540	1,950	6.1	5.7
1946	8.3	3.3	3.8	1.5	(⁵)	1,500	(⁵)	1,620	(⁵)	2.3
Used automobile:										
1951	3.1		1.6		590		770		1.3	
1950	5.0	14.4	2.6	7.5	540	550	650	700	1.7	5.2
1950 ⁷	5.9		3.1		540		650		2.0	
1949	4.5	13.0	2.3	6.9	630	600	710	760	1.7	5.2
1948	3.1	10.9	1.5	5.6	600	770	710	880	1.1	4.9
1947	3.2	9.1	1.5	4.5	530	710	650	780	1.0	3.5
1946	2.4	7.4	1.1	3.5	(⁵)	540	(⁵)	630	(⁵)	2.3
Furniture and major household appliances:										
1951	21.7		11.3		300		360		4.1	
1950	24.4	41.9	12.7	21.8	290	280	390	350	5.0	7.6
1949	23.3	39.5	11.8	20.5	250	250	340	350	4.0	7.1
1948	21.8	39.2	10.7	19.8	240	250	340	370	3.6	7.3
1947	21.1	35.1	9.8	17.2	200	200	310	310	3.0	5.3
1946	28.0	28.3	12.9	13.2	200	180	320	310	4.1	4.1

¹ Planned purchases for year 1951 and actual purchases during 1950 were ascertained from interviews made during January-early March 1951. Similar information for previous years was obtained by surveys made early in 1950, 1949, 1948, 1947, and 1946. Planned purchases for a given year are based on reports of spending units that said they definitely or probably would buy during year and on a few reports that purchases had been made in given year prior to interview. For automobiles and houses, reports generally indicated whether a new or used model would be purchased; cases where consumers were undecided on this point are distributed equally between the two categories. Distribution of spending units by intention to buy in each of years 1946-51 is shown in Table 17.

² Refers to total expenditure before deduction of value of trade-ins or existing assets sold.

³ In the case of automobiles, figures in this column represent the proportion of all spending units that bought cars during the given year and still owned them at the time of interview.

Data on expenditure for automobiles refer (1) only to the most recent car purchase during the given year in the case of spending units that bought more than one car but owned only one at the time of interview and (2) only to the more expensive car purchase during the given year in the case of spending units that bought more than one car and owned two or more at the time of interview.

⁴ Refers to nonfarm houses and percentage of nonfarm spending units only. Farm operators are excluded from housing figures inasmuch as their purchases of housing are usually incidental to their purchases of farm land.

⁵ Data concerning plans to buy houses in 1951 and 1950 are not completely comparable with earlier data because of changes in coding procedures which tended to reduce somewhat the proportions of prospective buyers in 1950 and 1951 relative to earlier years. Nevertheless, a larger proportion of spending units appear to have been probable or definite buyers in 1950 than in 1949 and a smaller proportion in 1951 than in 1950. No change is indicated between 1950 and 1951 if spending units who were undecided about purchases are included. (See Table 17).

⁶ Includes both new and used automobiles.

⁷ Changes in coding procedures in the 1950 and 1951 surveys somewhat reduced the percentage of spending units in the "will probably buy" category. This italicized line gives adjusted data for 1950 which are comparable with earlier years.

⁸ Data not available.

Spending units headed by persons less than 25 years of age accounted for a smaller proportion of both the new and used cars purchased in 1950 than they had in either of the two preceding years (see Table 4). This decline for the youngest age group was greater than can be accounted for by the slight

decline in its relative importance in the civilian population as a result of the expansion of the armed forces. Many men in this age group who are still civilians may have been deterred from purchasing cars because of the possibility that they might soon be called into service.

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TABLE 2

INCOMES OF ACTUAL AND PROSPECTIVE BUYERS OF CONSUMER DURABLE GOODS

[Percentage distribution of spending units by income groups]

Type of purchase	Actual buyers								Prospective buyers ¹							
	Number of cases	All buyers	Under \$1,000	\$1,000-\$1,999	\$2,000-\$2,999	\$3,000-\$3,999	\$4,000-\$4,999	\$5,000 and over	Number of cases	All buyers	Under \$1,000	\$1,000-\$1,999	\$2,000-\$2,999	\$3,000-\$3,999	\$4,000-\$4,999	\$5,000 and over
Automobile:²																
1951.....									137	100	5	10	13	20	18	34
1950.....	874	100	4	11	17	21	16	31	444	100	4	11	16	20	16	33
1949.....	787	100	3	13	22	21	14	27	476	100	4	9	16	23	16	32
1948.....	628	100	3	8	20	24	17	28	438	100	3	7	19	20	17	34
1947.....	571	100	3	12	23	20	13	29	390	100	5	12	25	25	14	19
New automobile:																
1951.....									80	100	3	5	8	14	24	46
1950.....	415	100	1	3	10	16	16	54	284	100	3	8	12	14	17	46
1949.....	351	100	2	8	14	16	13	47	325	100	1	5	8	22	19	45
1948.....	256	100	1	1	9	18	17	54	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Used automobile:																
1951.....									57	100	7	17	18	29	10	19
1950.....	458	100	6	17	22	25	16	14	160	100	6	17	22	28	15	12
1949.....	436	100	4	15	28	25	15	13	151	100	7	17	30	23	11	12
1948.....	372	100	5	12	26	27	17	13	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Furniture and major household appliances:⁴																
1951.....									538	100	3	11	17	23	13	33
1950.....	1,490	100	4	14	15	24	15	28	885	100	5	12	19	25	15	24
1949.....	1,407	100	6	14	22	22	14	22	840	100	6	11	21	25	15	22
1948.....	1,408	100	5	14	22	23	15	21	797	100	4	15	23	22	14	22
1947.....	1,289	100	5	19	25	19	13	19	644	100	7	20	29	22	11	11
Television set:																
1950.....	445	100	2	5	10	23	21	39	250	100	3	6	10	26	20	35
1949.....	221	100	2	2	16	26	14	40	124	100	.....	2	6	21	23	48
1948.....	53	100	(*)	3	(*)	21	17	59	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)

Distribution of spending units	Number of cases	All spending units	Under \$1,000	\$1,000-\$1,999	\$2,000-\$2,999	\$3,000-\$3,999	\$4,000-\$4,999	\$5,000 and over
1950.....	3,415	100	13	17	19	19	12	20
1949.....	3,512	100	14	19	21	19	11	16
1948.....	3,510	100	12	18	23	20	12	15
1947.....	3,562	100	14	22	23	17	10	14
1946.....	3,057	100	17	23	25	17	8	10

¹ Includes those who had purchased in given year prior to interview, those who said they definitely would buy, and those who said they probably would buy. Number of cases sharply reduced in 1951 by omission of one-half of nonfarm sample. Because of small number of cases, the income distribution of prospective car buyers in 1951 should be used with caution.

² Includes both new and used automobiles.

³ Data not available.

⁴ Includes television sets.

⁵ No cases reported or less than one-half of 1 per cent.

NOTE.—Distributions of prospective buyers in 1951 and actual buyers in 1950 are related to distribution of income in 1950. Data for earlier years are similarly related. Table therefore reflects shifts in distribution of both buyers and income. It is necessary to keep in mind, as indicated in lower part of table, that from 1946 to 1948 there was a steady shift from lower to higher income brackets; in 1949 there was a temporary reversal of this tendency, but it was resumed in 1950.

The most striking change in the occupational distribution of car purchasers was the decline from 1948 and 1949 levels in the proportion of the new car market accounted for by the entrepreneurial groups—the farmers and the managers and self-employed. The lesser frequency with which these groups purchased new cars may have reflected unfavorable changes in incomes during the slight recession of early 1949, reduced need for cars because of very high rates of purchase in 1949, or the pur-

chase of used cars rather than new cars. Spending units headed by clerical and sales personnel or by skilled and semiskilled workmen accounted for almost one-half of the new car purchases in 1950 in contrast to somewhat more than one-third in 1949.

Expansion of the postwar automobile market has been characterized each year by a decline in the proportion of car purchasers who used only cash or cash and a trade-in (see Table 5). The number

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TABLE 3

ACTUAL BUYERS OF CONSUMER DURABLE GOODS WITHIN VARIOUS GROUPS

[Buyers as a percentage of spending units within group]

Group characteristic	New automobiles			Used automobiles			Furniture and major household appliances		
	1950	1949	1948	1950	1949	1948	1950	1949	1948
Money income before taxes:									
Under \$1,000.....	(1)	1	(1)	7	3	4	14	18	17
\$1,000-\$1,999.....	2	4	(1)	14	10	7	32	28	31
\$2,000-\$2,999.....	6	5	3	17	17	12	34	41	38
\$3,000-\$3,999.....	9	8	6	19	17	14	51	47	44
\$4,000-\$4,999.....	13	10	9	19	18	15	51	50	50
\$5,000-\$7,499.....	25	21	20	13	13	11	59	53	51
\$7,500 and over.....	40	33	24	4	6	6	65	55	60
Age of head of spending unit:									
18-24.....	3	7	3	18	22	18	36	35	35
25-34.....	12	10	7	21	18	17	49	52	53
35-44.....	13	11	7	18	15	13	50	49	48
45-54.....	14	9	8	12	11	7	43	38	38
55-64.....	8	8	5	8	7	4	38	27	29
65 and over.....	3	4	3	5	2	2	21	18	18
Occupation of head of spending unit:									
Professional and semiprofessional.....	21	16	11	10	11	8	48	49	44
Managerial and self-employed.....	17	19	13	12	9	9	51	44	47
Clerical and sales.....	16	10	7	12	11	9	42	35	38
Skilled and semiskilled.....	10	7	6	20	21	15	48	47	47
Unskilled.....	2	3	1	15	10	13	37	36	37
Farm operator.....	9	14	7	17	11	12	38	43	40
All other.....	4	3	2	9	9	5	28	26	20

¹ No cases reported or less than one-half of 1 per cent.

TABLE 4

AGE AND OCCUPATION OF ACTUAL BUYERS OF CONSUMER DURABLE GOODS¹

[Percentage distribution of spending units]

Group characteristic	All spending units (Buyers and non-buyers)			New automobiles			Used automobiles			Furniture and major household appliances		
	1950	1949	1948	1950	1949	1948	1950	1949	1948	1950	1949	1948
Age of head of spending unit:												
18-24.....	9	10	11	2	8	6	10	17	18	7	9	10
25-34.....	22	23	21	27	26	25	31	32	34	26	31	29
35-44.....	23	22	22	29	27	26	29	25	27	27	27	26
45-54.....	18	18	20	26	20	26	15	16	12	19	18	19
55-64.....	15	14	15	12	12	9	7	6	14	9	9	11
65 and over.....	13	12	11	4	6	5	5	2	3	7	5	5
Not ascertained.....	(2)	1	(2)	(2)	1	(2)	1	1	(2)	(2)	1	(2)
All cases.....	100	100	100	100	100	100	100	100	100	100	100	100
Occupation of head of spending unit:												
Professional and semiprofessional.....	6	7	7	12	12	13	4	6	5	7	8	8
Managerial and self-employed.....	13	12	12	21	26	26	11	8	10	15	13	14
Clerical and sales.....	13	13	14	20	15	16	11	11	12	13	12	14
Skilled and semiskilled.....	30	27	27	29	21	26	42	45	37	35	33	33
Unskilled and service.....	10	12	14	2	4	2	10	9	17	9	11	14
Farm operator.....	9	9	9	8	15	11	10	8	11	8	10	9
All other.....	19	20	17	8	7	6	12	13	8	13	13	8
All cases.....	100	100	100	100	100	100	100	100	100	100	100	100
Number of cases.....	3,415	3,512	3,510	400	351	254	415	436	371	1,490	1,407	1,408

¹ At time of interview early in year following purchase.

² No cases reported or less than one-half of 1 per cent.

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TABLE 5

ACTUAL AND PLANNED METHODS OF FINANCING PURCHASES OF HOUSES, AUTOMOBILES, FURNITURE, AND MAJOR HOUSEHOLD APPLIANCES

[Percentage distribution of buyers]

Method of financing	Actual financing				Planned financing ¹				
	1950	1949	1948	1947	1951	1950	1949	1948	1947
House: ²									
Full cash	15	17	22	16	(°)	(°)	17	20	13
Mortgage ⁴	84	83	74	84	(°)	(°)	61	67	74
Method not ascertained	1	(°)	4	(°)	(°)	(°)	22	13	13
All cases	100	100	100	100	(°)	(°)	100	100	100
Number of cases	166	107	163	171	(°)	(°)	159	135	170
Automobile: ⁶									
Full cash (including trade-in allowances)	47	50	59	65	44	43	52	54	54
Instalment credit and other borrowing (together with down payments in form of cash and trade-in allowances) ⁷	52	48	39	35	54	52	41	37	37
Method not ascertained	1	2	2	(°)	2	5	7	9	9
All cases	100	100	100	100	100	100	100	100	100
Number of cases	874	784	628	571	* 137	444	476	438	390
New automobile:									
Full cash (including trade-in allowances)	54	56	66	71	52	50	58	(°)	(°)
Instalment credit and other borrowing (together with down payments in form of cash and trade-in allowances) ⁷	46	43	33	29	46	46	37	(°)	(°)
Method not ascertained	(°)	1	1	(°)	2	4	5	(°)	(°)
All cases	100	100	100	100	100	100	100	(°)	(°)
Number of cases	415	351	256	264	* 80	284	325	(°)	(°)
Used automobile:									
Full cash (including trade-in allowances)	41	47	55	63	33	32	40	(°)	(°)
Instalment credit and other borrowing (together with down payments in form of cash and trade-in allowances) ⁷	57	52	42	37	64	62	50	(°)	(°)
Method not ascertained	2	1	3	(°)	3	6	10	(°)	(°)
All cases	100	100	100	100	100	100	100	(°)	(°)
Number of cases	458	433	372	307	* 57	160	151	(°)	(°)
Furniture and major household appliances:									
Full cash (including trade-in allowances)	49	46	51	57	(°)	(°)	45	49	56
Instalment credit and other borrowing (together with down payments in form of cash and trade-in allowances) ⁷	50	54	48	42	(°)	(°)	39	42	38
Method not ascertained	1	(°)	1	1	(°)	(°)	16	9	6
All cases	100	100	100	100	(°)	(°)	100	100	100
Number of cases	1,490	1,407	1,384	1,286	(°)	(°)	840	797	644

¹ Includes those who had bought in given year prior to being interviewed, those who said they definitely would buy, and those who said they probably would buy.

² Includes both new and existing nonfarm houses.

³ Data not available.

⁴ Data for 1947 are not completely comparable with data for other years because nonmortgage type borrowing was not included in 1947.

⁵ No cases reported or less than one-half of 1 per cent.

⁶ Includes both new and used automobiles.

⁷ In the 1951 and 1950 surveys, the question asked included a reference to "other borrowing." In earlier surveys these words were not included.

⁸ Number of cases sharply reduced in 1951 survey by omitting one-half of nonfarm sample.

of these purchasers increased but less rapidly than the total number of purchasers. As shown in the chart on page 7, this movement was more marked for used than for new car purchases.

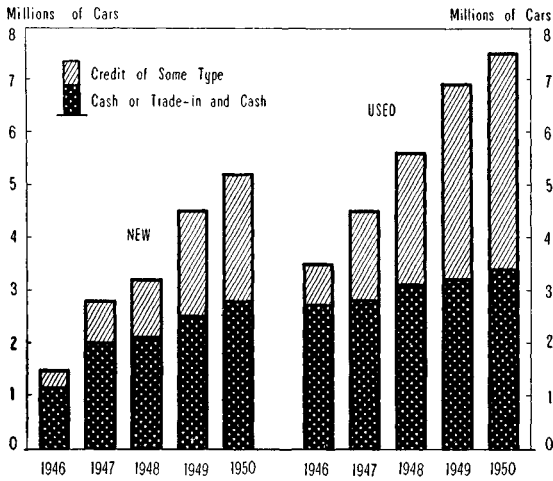
Classification of purchases by quarters appears to indicate that during the final quarter of 1950, after the regulation of consumer instalment credit had gone into effect, the use of credit became less im-

portant in making both new and used car purchases than it had been in previous months.

In 1950 about 45 per cent of the buyers of new cars and 55 per cent of the buyers of used cars financed their purchases in part by some form of credit. In the purchase of new cars, the practice was more frequent among spending units with 1950 incomes of less than \$5,000 (5 cases in 10)

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than among spending units with higher incomes (4 cases in 10). In buying used cars, almost 6 in 10 spending units with incomes of \$2,000 or more and a slightly smaller proportion of those with incomes below \$2,000 used credit.

When classified on the basis of car price, in 1950 the use of credit for new car purchases was more frequent for lower priced than for higher priced cars. Purchases involving credit included about 50 per cent of the cars costing less than \$2,000 and about 40 per cent of those costing \$2,500 or more. More striking differences appear among the used car price groups. About 40 per cent of the purchases amounting to less than \$500 involved credit, approximately 75 per cent of those in the price range \$500-\$999, and about 60 per cent of those in the price group of \$1,000 or more.

About two-fifths of the 1950 buyers of new cars who used credit financed their purchases for 24 months or more and another fifth for 18 to 23 months. There was no evidence of significant differences among income groups or among price groups in the duration of financing. About two-fifths of the used car purchasers using credit reported the duration of their financing to be 12 months or less, while about one-tenth reported a duration of 24 months or more. Longer maturities were most frequently reported by buyers of used cars priced at \$1,000 or more and by buyers having incomes of \$2,000 or more.

Of the new car buyers who used credit to help finance their purchases in 1950, about one-fourth made a down payment of one-third of the price

or less, about one-third reported a down payment of between one-third and one-half, and more than two-fifths made a down payment exceeding one-half of the purchase price. There appeared to be no significant difference in the down payments made within various price and income groups. In general, the down payment was a smaller proportion of the purchase price of used cars bought on credit than of new cars. About 1 in 2 of the used car buyers for credit made down payments equal to one-third or less of the purchase price, while 1 in 3 reported down payments of between one-third and one-half, and only 1 in 5 reported down payments of more than one-half. There was little difference in this distribution when classified according to price of car with the exception that used cars costing \$1,500 or more included a smaller proportion of relatively small down payments and a larger proportion of large down payments. Used car buyers with incomes of less than \$2,000 reported a larger proportion of relatively large down payments than did the other income groups.

Use of accumulated liquid assets was an important means of financing many purchases of cars in 1950, especially those involving a substantial net outlay (price of car minus trade-in or sale of existing car). Over one-third of the spending units whose net outlay for an automobile was \$1,300 or more reported that they had reduced their liquid assets \$500 or more. When asked the reason for their reduction of liquid assets, more than 4 in 10 of the spending units with incomes of more than \$2,000 and liquid asset reductions of \$500 or more reported the purchase of a car or some other type of durable good. In the lower income groups, which on the whole bought cars and other durable goods less frequently, only about 1 in 7 of the spending units reporting any reduction of liquid assets reported purchases of such goods as a reason for the reduction.

The relative importance of trade-ins and sales prior to purchase has remained fairly steady since 1948 (see Table 6). In each year, about four-fifths of the purchasers of new cars and slightly more than one-half of the purchasers of used cars either traded in or sold another car prior to buying the car owned at the time of the survey interview. During this period, however, the proportion of trade-ins increased relative to sales prior to pur-

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TABLE 6

TRADE-INS AND SALES IN CONNECTION WITH AUTOMOBILE PURCHASES

[Percentage distribution of spending units within groups]

Type of transaction	Buyers of new and used cars			Buyers of new cars			Buyers of used cars		
	1950	1949	1948	1950	1949	1948	1950	1949	1948
Traded in a car....	53	49	40	70	60	52	41	41	34
Sold a car.....	7	14	21	6	17	26	8	12	18
Neither.....	38	37	39	22	22	21	49	47	48
Not ascertained....	2	(1)	(1)	2	1	1	2	(1)	(1)
All cases.....	100	100	100	100	100	100	100	100	100
Number of cases...	858	787	628	400	351	256	458	436	372

¹ No cases reported or less than one-half of 1 per cent.

chase. For some time after the war it was possible for car buyers to obtain more for their old cars by selling them on the market than by turning them over to automobile dealers as trade-ins. This situation tended to disappear in 1949 and early 1950 as the supply of new cars increased relative to demand. In this period dealers returned to their prewar practice of giving more on trade-ins than the cars would bring on the market after allowing for the cost of repairs and selling expenses.

About 65 per cent of all families owned cars in early 1951. This compared with 56 per cent in early 1949 and about 58 per cent in late 1941 (see Table 7). Urban and rural families both shared in this increase in car ownership, the proportion of car owning rural families remaining somewhat above that of urban families. Frequency of automobile ownership increased during the past two years at all income levels, but grew most rapidly in the middle income quintile. When placed on a spending unit basis, the proportion of the population that owned automobiles increased from 51 per cent in 1949 to 60 per cent in 1951. Apparently there was also a slight increase in the frequency of ownership of two or more cars.

The distortion of the age distribution of automobiles as a result of the wartime cessation of production is very evident in comparing prewar and postwar data relating to cars owned by urban families (see Table 8). Cars more than seven years old were twice as great a proportion of all cars owned by urban families in 1951 as in 1941, notwithstanding a sharp decline since 1949. This was true in all income quintiles except the lowest.

With the passage of time the ownership of cars of any given model year tends to be transferred to the lower income groups (see Table 9). Thus

TABLE 7

AUTOMOBILE OWNERSHIP WITHIN RURAL AND URBAN FAMILY INCOME QUINTILES ¹

[Automobile owners as percentage of all families in group]

Families ranked by annual money income before taxes	All families			Rural families			Urban families		
	1951 ²	1949 ²	1941 ³	1951 ²	1949 ²	1941 ³	1951 ²	1949 ²	1941 ³
Highest fifth.....	87	79	85	95	89	90	85	77	84
Second.....	78	72	70	89	81	83	79	68	72
Third.....	73	55	59	76	63	73	67	54	59
Fourth.....	55	43	50	55	57	55	53	40	40
Lowest fifth.....	33	29	27	42	33	23	24	18	17
All cases.....	65	56	58	71	64	65	62	52	54

¹ Data for 1951 and 1949 were obtained in the Surveys of Consumer Finances. They relate to automobiles owned at time of interview and to income in previous year. Data for 1941 were estimated from information obtained in *Family Spending and Saving in Wartime* (Bureau of Labor Statistics Bulletin No. 822, April 1945) and *Rural Family Spending and Saving in Wartime* (U. S. Department of Agriculture, *Miscellaneous Publication No. 520*, June 1943).

The surveys covering 1951 and 1949 differ somewhat from the survey covering 1941 in definition of automobile ownership and family unit, in the universe covered, and in sampling methods.

The figures in this table cannot be used to measure precise changes in automobile ownership. The sampling errors of the differences (at the 95 per cent level of probability) for the proportion of car owners in each quintile of urban, rural, and all families are estimated to be 9-10, 10-11, and 6-7 percentage points, respectively. This estimate of sampling error takes only sampling variability into account. Reporting errors and differences in definitions and methodology are not taken into account. The 1941 definition of car ownership (ownership at any time during the year) makes for a somewhat higher frequency of ownership in 1941 relative to 1951 and 1949 (ownership at time of interview).

All families (including single-person families) were ranked by size of annual money income before taxes in 1950 and 1948, and then classified in fifths (quintiles). For 1941, the rankings were derived from an open-end distribution of families among various income size groups by a process of freehand graphic interpolation of cumulative frequency distributions. Urban and rural families were similarly ranked and classified. It is believed that the data show with reasonable accuracy the nature of certain changes in the pattern of ownership during this period.

² Ownership of an automobile at time of interview indicated by some member of the family.

³ Ownership in some period during 1941 of an automobile used wholly or partly as a family car. Excludes cars used exclusively for business purposes.

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TABLE 8
AGE OF AUTOMOBILES OWNED BY URBAN FAMILIES WITHIN INCOME QUINTILES¹
[Percentage distribution of cars owned by families within each income quintile²]

Age of automobile ³	All urban families			Highest fifth			Second fifth			Third fifth			Fourth fifth			Lowest fifth		
	Early 1951	Early 1949	End of 1941	Early 1951	Early 1949	End of 1941	Early 1951	Early 1949	End of 1941	Early 1951	Early 1949	End of 1941	Early 1951	Early 1949	End of 1941	Early 1951	Early 1949	End of 1941
3 years or less.....	44	29	42	67	53	68	51	29	44	34	18	29	24	10	19	12	9	9
1 year or less.....	22	13	19	38	24	36	25	12	15	15	8	12	10	5	4	5	3	9
1 to 3 years.....	22	16	23	29	29	32	26	17	29	19	10	17	14	5	15	7	6	0
More than 3 years....	56	71	58	33	47	32	49	71	56	66	82	71	76	90	81	88	91	91
3 to 7 years ⁴	16	0	40	15	0	25	15	0	46	17	0	52	16	0	45	18	0	24
More than 7 years...	40	71	18	18	47	7	34	71	10	49	82	19	60	90	36	70	91	67
All cases.....	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

¹ Data for early 1951 and 1949 were obtained in the 1951 and 1949 Surveys of Consumer Finances. They relate to latest model automobile owned at time of interview and to income in the previous year. Data for 1941 were estimated from information obtained in *Family Spending and Saving in Wartime* (Bureau of Labor Statistics *Bulletin No. 822*, April 1945).

² The surveys covering 1949 and 1951 differed somewhat from the survey covering 1941 in definition of automobile ownership and the family unit, in the universe covered, and in sampling methods.

The figures in this table cannot be used to measure precise changes in automobile ownership. However, it is believed that the data show with reasonable accuracy the nature of certain broad changes in the pattern of ownership during this period.

³ All urban families (including single-person families) were ranked by size of annual money income before taxes in 1950, 1948, and 1941, respectively, and then classified in fifths or quintiles. The rankings for 1941 were derived from the distribution of urban families among various income size groups.

⁴ Automobiles owned at time of interview in January-March 1951 were classified for age as follows: 1 year or less—1950 and 1951 models; 2 to 3 years—1948 and 1949 models; 4 to 7 years—1946 and 1947 models; more than 7 years, 1945 models and earlier.

Automobiles owned at time of interview in January-March 1949 were classified for age as follows: 1 year or less—1948 and 1949 models; 2 to 3 years—1946 and 1947 models and the very few 1945 models; 4 to 7 years—none because of cessation of production in the war period; more than 7 years—1942 models and earlier.

Automobiles owned at end of 1941 were classified for age as follows: 1 year or less—1941 and 1942 models; 2 to 3 years—1939 and 1940 models; 4 to 7 years—1935, 1936, 1937, and 1938 models; more than 7 years—1934 models and earlier. Only automobiles which were used wholly or partly as family cars were included; all cars used exclusively for business purposes were excluded.

⁵ An insignificant number of automobiles were in this age group as of early 1949 because of the cessation of production during the war.

TABLE 9
CHARACTERISTICS OF SPENDING UNITS OWNING VARIOUS MODELS OF AUTOMOBILES¹
[Percentage distribution of spending units]

Characteristic of spending unit	All models		Model year										
			1939 and earlier		1940-42 ²		1946-47 ²		1948-49		1950-51		
	Early 1951	Early 1949	Early 1951	Early 1949	Early 1951	Early 1949	Early 1951	Early 1949	Early 1951	Early 1949	Early 1951	Early 1949	
Money income before taxes: ³													
Under \$1,000.....	5	5	11	8	6	4	4	3	3	1	1	.....
\$1,000-\$1,999.....	11	11	17	16	14	8	9	5	7	1	3	.....
\$2,000-\$2,999.....	16	19	18	23	21	20	19	13	12	10	11	.....
\$3,000-\$3,999.....	22	23	28	27	26	23	21	15	17	19	16	.....
\$4,000-\$4,999.....	16	16	12	13	16	18	17	18	19	16	16	.....
\$5,000-\$7,499.....	20	16	12	10	14	18	19	19	25	34	31	.....
\$7,500 and over.....	10	10	2	3	3	9	11	27	17	19	22	.....
All cases.....	100	100	100	100	100	100	100	100	100	100	100	.....
Occupation of head of spending unit: ⁴													
Professional and semiprofessional.....	9	7	3	5	5	13	10	13	10	13	11	.....
Managerial and self-employed.....	17	17	10	10	10	16	19	31	25	24	23	.....
Clerical and sales.....	12	12	9	10	11	10	11	15	13	15	19	.....
Skilled and semiskilled.....	31	34	38	36	41	33	36	18	25	27	29	.....
Unskilled.....	10	7	10	14	11	8	4	4	4	4	2	.....
Farm operator.....	12	11	12	15	10	10	10	12	11	11	8	.....
All others ⁵	9	12	18	10	12	10	10	7	6	6	8	.....
All cases.....	100	100	100	100	100	100	100	100	100	100	100	.....

¹ Includes passenger cars and station wagons owned at the time of interview in January-March of designated year by a member of the spending unit; excludes trucks, tractors, motorcycles, and taxicabs.

² In the 1949 survey, 1945 models are included in the group 1946-47. In the 1951 survey, the few 1945 models in existence are included with 1940-1942 models.

³ Ownership is related to income in previous year.

⁴ In all distributions except those within 1949 occupational groups, where more than one car is owned by a spending unit, the additional cars are distributed according to their model years. Within 1949 occupational groups, only the most recent model has been distributed.

⁵ Includes unemployed and retired persons, students, housewives, and persons engaged in police, fire, and other protective services.

the proportion of 1946 and 1947 model cars owned by spending units with incomes of less than \$3,000 increased from about 21 per cent in early 1949 to 32 per cent in early 1951.

Furniture and major household appliances. Stocks of household appliances in the hands of consumers have increased rapidly over the past decade. Since there was a wartime stoppage of production of these items, the major part of this expansion was in the postwar years covered by the Surveys of Consumer Finances. Data relating to the stocks of various types of consumer durable goods are not available in the same detail as data pertaining to the stocks of automobiles, but the 1940 and 1950 Censuses of Housing do furnish some data indicating the magnitude of the movements of stocks of certain appliances.⁵ In 1950, 96 per cent of all dwelling units were found to have radios in contrast to 83 per cent in 1940. Dwelling units containing mechanical refrigerators rose from 15.1 million or 44 per cent of all dwelling units in 1940 to 33.5 million or 80 per cent in 1950. By April 1950, 5.1 million dwelling units had television sets.

Rapid expansion of ownership of television sets since the war exemplifies market response to an important new product. Ownership of radios underwent a similar rapid expansion in the twenties and the thirties, and ownership of refrigerators in the thirties and forties.

The proportion of spending units reporting the purchase of at least one item of furniture or household appliance continued its postwar rise in 1950 to approximately 42 per cent (see Table 1). The number of spending units making such purchases is estimated to have been about 21.8 million and their aggregate expenditure about 7.6 billion dollars. The average expenditure was about \$350 in 1950, the same as in 1949.

The increase in the total number of consumers

⁵ *Preliminary Report, 1950 Census of Housing, Series HC-5, No. 2*, Bureau of the Census, U. S. Department of Commerce. The universe covered by the Census of Housing differs somewhat from the universe of the Surveys of Consumer Finances. The basic unit, the dwelling unit, is in general defined as a group of rooms or a single room occupied or intended for occupancy as separate living quarters, by a family or other group of persons living together or by a person living alone. The number of dwelling units coincides with the number of primary spending units in the survey universe. Conceptually, the change in the reported stocks of durable goods present in dwelling units should differ from the total purchases of the survey population because the former includes changes through purchases by businesses owning apartments or building homes for sale complete with appliances.

buying some type of durable good did not result in an increase in sales of all types of goods. The proportion of spending units buying television sets doubled in 1950 as compared to 1949, but the proportion of the population buying radios declined (see Table 10). The proportion of spending units purchasing furniture also fell off somewhat. A significant increase in purchases was found for washing machines. No significant change was indicated in the proportion of the population buying refrigerators.

An important element in the demand for many types of household equipment is the distribution of spending units among those containing single persons and those consisting of married persons, especially those with young children. The increase in the marriage rate during the war and postwar periods over the rather low rate prevailing in the depressed thirties has increased the proportion of spending units in the groups which are especially active in the markets for appliances such as washing machines and refrigerators and for furniture.

It should be noted that the demand for television sets and, to a lesser extent, the demand for refrigerators are apparently not affected as much as furniture and washing machines by the age and family composition of the spending unit (see Table 11). The former two items, however, have been undergoing a period of rapid expansion because of their relative newness on the market. After ownership of these items has become more widespread, the market for these goods also will come to be dominated to a greater extent by the younger, recently married spending units.

An interesting side light on the general expansion of the refrigerator market is the fact that spending units having incomes of \$1,000 to \$1,999 reported purchasing a refrigerator more frequently than any income group except the topmost one. Farm operators, many of whom are in the low income groups, were especially active in buying refrigerators.

The most striking shift in the distribution of the buyers of furniture and household appliances in 1950 as compared to earlier postwar years was the increase to approximately 28 per cent in the proportion of buyers with incomes of \$5,000 or more (see Table 2). While increasing slowly from 1947, this proportion had been only 22 per cent in 1949. The increase in 1950 may be explained

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TABLE 10

ACTUAL AND PLANNED PURCHASES OF FURNITURE AND SPECIFIED HOUSEHOLD APPLIANCES¹

Type of purchase	Actual purchases ²					Planned purchases				
	1950	1949	1948	1947	1946	1951	1950	1949	1948	1947
Furniture:										
Percentage of spending units.....	12.6	14.1	15.3	14.0	13.5	8.2	9.6	8.4	8.6	7.7
Estimated number of spending units (in millions).....	6.5	7.3	7.7	6.8	6.3	4.2	5.0	4.2	4.2	3.7
Median expenditure.....	\$215	\$210	\$215	\$200	\$200	\$290	\$250	\$240	\$250	\$200
Radio:³										
Percentage of spending units.....	5.6	7.7	9.6	10.3	6.6	2.7	2.2	3.7	4.8	3.6
Estimated number of spending units (in millions).....	2.9	4.0	4.8	5.0	3.1	1.4	1.1	1.9	2.3	1.7
Median expenditure.....	\$45	\$55	\$70	\$60	\$50	\$100	\$100	\$90	\$120	\$100
Television set:										
Percentage of spending units.....	11.8	5.6	1.3	(4)	(4)	5.1	6.6	2.8	(4)	(4)
Estimated number of spending units (in millions).....	6.1	2.9	0.7	(4)	(4)	2.6	3.4	1.4	(4)	(4)
Median expenditure.....	\$300	\$330	\$465	(4)	(4)	\$250	\$260	\$340	(4)	(4)
Refrigerator:⁵										
Percentage of spending units.....	13.4	13.1	10.8	9.7	5.2	5.1	6.0	5.7	6.2	6.8
Estimated number of spending units (in millions).....	7.0	6.8	5.4	4.7	2.4	2.6	3.1	2.9	3.0	3.3
Median expenditure.....	\$270	\$260	\$260	\$240	\$190	\$290	\$245	\$240	\$240	\$200
Washing machine:										
Percentage of spending units.....	6.3	5.1	6.0	5.1	2.8	2.7	3.0	2.7	3.0	2.8
Estimated number of spending units (in millions).....	3.3	2.7	3.0	2.5	1.3	1.4	1.6	1.4	1.5	1.4
Median expenditure.....	\$175	\$145	(4)	(4)	\$120	\$200	\$165	(4)	(4)	\$120

¹ Planned purchases in 1951 and actual purchases in 1950 were ascertained from interviews made during January-early March 1951. Similar information for previous years was obtained by surveys made early in the respective years. In each case, the percentage of spending units expecting to buy includes those who had purchased in the given year prior to being interviewed, those who said they definitely would buy, and those who said they probably would buy.

² The fact that number of spending units who reported buying refrigerators during 1947-50 exceeded number of refrigerators produced in those years is indicative of active market for used refrigerators. In case of washing machines and radios, indicated purchases by spending units were less than production figures. This may be because a large number of purchases were made by buyers other than consumer spending units. It is also possible that some purchases of small washing machines and portable and table radios were not reported.

³ Radio purchases in 1950, 1949, and 1948 and prospective purchases in 1951, 1950, and 1949 are not completely comparable with earlier data because of the exclusion of television sets, which are now shown separately.

⁴ Data not available.

⁵ Actual refrigerator purchases in 1950 and 1949 and prospective purchases in 1951 and 1950 are not completely comparable with earlier data because of the addition of deep-freeze units.

TABLE 11

EFFECT OF FAMILY STATUS ON PURCHASES OF SELECTED DURABLE GOODS, 1950

(Purchasers as percentage of all spending units in specified groups)

Family status of spending unit	Item purchased							
	Non-farm house ¹	New automobile	Used automobile	Television set	Radio	Washing machine	Refrigerator	Furniture
Single person:								
Age 18-44.....	1	6	11	4	6	(2)	4	5
Age 45 and over.....	1	4	4	4	4	(2)	7	6
Married:²								
Age 18-44, no children under 18.....	4	17	20	16	8	8	16	25
Age 18-44, 1-2 children under 18.....	9	13	22	18	5	9	17	20
Age 18-44, 3 or more children under 18.....	7	8	24	14	8	14	20	14
Age 45 or over, no children under 18.....	4	11	9	12	5	5	16	10
Age 45 or over, 1 or more children under 18.....	5	13	13	14	6	7	15	11

¹ Nonfarm house purchasers as a percentage of nonfarm spending units.

² No cases reported or less than one-half of 1 per cent.

³ Age refers to person considered as head of spending unit.

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TABLE 12
METHOD OF FINANCING FURNITURE AND MAJOR HOUSEHOLD APPLIANCES, 1950
[Percentage distribution of spending units within income groups]

Method of financing	All spending units	1950 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
Cash for all items.....	20	7	12	14	21	21	35	55
Instalment credit for all items.....	17	5	17	16	25	24	15	7
Cash for some items, instalment credit for others.....	4	1	2	4	5	5	8	3
No items bought ¹	59	87	69	66	49	50	42	35
All cases.....	100	100	100	100	100	100	100	100
Number of cases.....	3,415	418	514	567	601	441	538	294

¹ Includes cases for which information concerning items purchased and method of financing was not ascertained. These cases account for about one-half of 1 per cent of all cases.

in part by the 4 per cent increase in the proportion of spending units in this group; in part, by the much greater increase in the relative frequency of purchases of these goods within the income groups of \$5,000 or more than within the lower income groups (see Table 3). The higher income groups may have been in a better position to engage in anticipatory buying after the invasion of South Korea.

Spending units headed by persons under 35 years of age were less important to the market for furniture and household appliances than they had been in 1948 and 1949. As in the case of automobiles, entrance into the armed forces and general uncertainty as to their position may account for the decline in importance of the younger groups as buyers of durable goods (see Table 4).

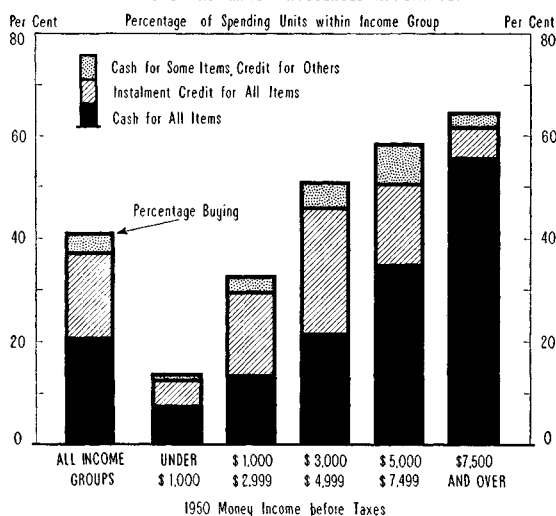
When buyers of durable goods are classified by occupation, the principal movements—other than those largely accounted for by changes in the relative numbers of the various occupational groups—are the decreased importance of the farm operator group and the increased share of the managerial and self-employed group. Farm operators purchased durable goods at a lower rate than in 1949, notwithstanding generally higher incomes. Since the primary impetus to the rise in income was the rapid increase in farm product prices in the fall, and since many farmers do not realize their income until late in the year, the stimulus of increased incomes operated only in a brief portion of the year and did not offset the effects of falling farm income in 1949 on their 1950 purchases.

In 1950 the trend shown in previous postwar years toward more extensive use of credit by purchasers of furniture and household appliances was reversed. About 50 per cent of the spending units

buying these items used credit in 1950 (see Table 5). This represented a decline from the 54 per cent in 1949 but was still above the 1947 proportion of 42 per cent. Among spending units having incomes of \$1,000 to \$4,999, the proportion of purchasers using credit for the purchase of at least one item was substantially greater than the proportion making only cash purchases. The reverse held for those having incomes of \$5,000 or more while in the lowest income group cash buyers and users of credit were about equal in number (see Table 12).

The progressive increase in the frequency of spending units using instalment credit from the lower income groups through the \$3,000-\$4,999 group indicates the close relation between the ability to obtain credit and the level of income (see the chart below). This relationship was not

CONSUMER USE OF CASH AND INSTALMENT CREDIT TO BUY FURNITURE AND MAJOR HOUSEHOLD APPLIANCES



apparent among spending units with incomes of \$5,000 or more, probably because they did not need to use credit as often as those with lower incomes. Although spending units with incomes of \$5,000 or more used credit less frequently than those with lower incomes, those that borrowed tended to borrow larger amounts. As a consequence the one-fifth of all spending units in this income group contained two-fifths of the borrowers of \$500 or more.

Use of credit for the purchase of furniture and household appliances was more frequent when the expenditures involved were large. About 30 per cent of the spending units whose purchases totaled less than \$100 used credit. Slightly over 50 per cent of the spending units whose expenditures ranged from \$100 to \$499 reported using credit for at least one of their purchases, and about 60 per cent of those making expenditures of \$500 to \$999.

Ability and willingness to draw on accumulated liquid assets was probably an important determinant of the method of financing the purchase of durable goods. The general importance of purchases of cars and durable goods as a reported reason for the reduction of liquid assets was noted above in the discussion of automobile purchases. More than 20 per cent of the spending units purchasing furniture and household appliances entirely for cash, but less than 10 per cent of the spending units using credit for all their purchases, reduced liquid assets by \$500 or more. Another finding as to the relation between methods of financing and liquid assets was that almost one-third of the spending units using credit in all their purchases reported that they did not hold any liquid assets at the beginning or end of 1950.

Television sets. Characteristics of purchasers of television sets and the methods which they used to finance their purchases are of particular interest because the industry has undergone such rapid expansion in the period covered by the surveys. In 1948, about 6 in 10 of the 700,000 purchasers had incomes of \$5,000 or more. Four in ten purchasers of television sets were in this income group in 1949 when estimated purchasers were 2.9 million and again in 1950 when estimated purchasers rose to 6.1 million units (see Table 2). The concentration of telecasting facilities in larger centers of population has resulted in a corresponding concentration of purchases. Thus metropolitan areas with 31 per cent of the survey's population accounted for

almost 60 per cent of 1950 television purchases. The 53 per cent of the spending units in cities and towns under 50,000 and in the open country accounted for about 25 per cent of all television purchases.

Prices of television sets reported by purchasers continued to fall in 1950 but the change in the median price from \$330 in 1949 to \$300 in 1950 was not as sharp as the \$135 decline between 1948 and 1949 (see Table 10).

About 45 per cent of the television purchasers reported the use of credit to finance their purchases and about 30 per cent borrowed more than three-quarters of the net price. Credit was used by about 25 per cent of the purchasers of television sets who had incomes of \$5,000 or more and by about 55 per cent of the purchasers having incomes less than \$5,000. There was little difference indicated in the proportion of purchases involving credit within various price groupings.

Purchase of nonfarm houses. The frequency of home ownership has risen in the postwar period as a result of record rates of new house construction and of the transfer of existing houses from rental status to owner occupancy. Early in 1951, according to survey findings, about 54 per cent of the nonfarm families reported owning their homes in comparison to 51 per cent early in 1950 and 49 per cent early in 1948 (see Table 13).⁶

On the basis of survey findings, it is estimated that about 2.2 million new and existing houses were purchased for owner occupancy during 1950 with an aggregate expenditure of about 20.7 billion dollars (see Table 1). Both average and median purchase price rose in 1950 and reached the highest level in the postwar period.⁷

⁶ The 1950 Census of Housing indicated that 53 per cent of all occupied nonfarm dwelling units were owner occupied as of Apr. 1, 1950. This is very close to the corresponding estimate derived from the 1950 Survey of Consumer Finances.

⁷ A more detailed discussion of house purchasers in late 1950 and early 1951 is given in the article on pp. 777-99 of this issue of the BULLETIN. That article presents the results of a special survey of the housing market which obtained information from a larger sample of house purchasers than was obtained by the 1951 Survey of Consumer Finances. Differences in the universe covered by each survey, in the choice of the basic sampling unit, in the treatment of certain financial details, and in the over-all scope of the questionnaire give rise to certain differences in the data obtained from the two surveys and make it difficult to make other than very broad comparisons.

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TABLE 13

 HOME-OWNING AND RENT-PAYING NONFARM FAMILIES WITHIN DIFFERENT GROUPS¹

[Percentage distribution of nonfarm family units within specified groups]

Group characteristic	Number of cases			Home-owning			Rent-paying			Neither		
	1951	1950	1948	1951	1950	1948	1951	1950	1948	1951	1950	1948
All nonfarm families.....	2,649	2,670	(?)	54	51	49	41	44	45	4	5	
Family income in preceding year (before taxes):												
Under \$1,000.....	225	268	(?)	50	43	47	36	41	34	14	16	19
\$1,000-\$1,999.....	319	372	(?)	46	35	44	45	56	49	9	9	7
\$2,000-\$2,999.....	352	472	(?)	44	47	43	51	49	51	5	4	6
\$3,000-\$3,999.....	450	538	(?)	50	50	50	47	48	48	3	2	2
\$4,000-\$4,999.....	372	363	(?)	59	55	50	38	43	47	3	2	3
\$5,000-\$7,499.....	557	392	(?)	61	65	52	38	33	46	1	2	2
\$7,500 and over.....	361	233	(?)	75	71	73	24	27	26	1	2	1
Occupation of head of family:												
Professional and semipro-												
fessional.....	235	254	(?)	50	41	47	45	52	43	5	7	10
Managerial and self-em-												
ployed.....	471	441	(?)	65	66	70	33	31	28	2	3	2
Clerical and sales.....	352	349	(?)	45	44	44	54	54	48	1	2	8
Skilled and semiskilled.....	804	765	(?)	55	55	46	43	43	50	2	2	4
Unskilled and service.....	218	294	(?)	37	36	34	47	49	49	15	16	17
Retired.....	208	176	(?)	70	69	64	26	25	31	4	6	5
Age of head of family:												
18-24.....	101	120	(?)	15	18	24	79	76	71	6	6	5
25-34.....	525	585	(?)	37	33	37	58	62	57	5	5	6
35-44.....	635	626	(?)	52	51	46	45	45	50	3	4	4
45-54.....	554	555	(?)	65	60	59	30	35	37	5	5	4
55-64.....	450	402	(?)	68	65	58	28	28	35	4	7	7
65 or more.....	368	354	(?)	65	65	64	30	30	29	5	5	7
Veteran status:												
No veteran of World War II in family.....	1,979	1,957	(?)	57	54	(?)	38	41	(?)	5	5	(?)
One or more veterans of World War II in family..	640	694	(?)	44	42	(?)	53	54	(?)	3	4	(?)

¹ In this table, families include single-person units. Comparable data for 1949 are given in the Federal Reserve BULLETIN for September 1949, Table 1, p. 1040.

² Data not available.

There has been little evidence of change in the postwar years in the proportion of houses bought entirely for cash and those financed in part by credit. The proportion of purchasers paying all cash has ranged between a sixth and a fifth. Although the proportion of purchasers using credit has not increased, successive relaxations of housing credit terms have tended to result in a lower average down payment so that the average ratio of credit to cash involved in house purchases has risen.

Since housing credit at favorable rates was in large supply through 1950, the most important limiting factor on sales was apparently the rate of production of houses. The persistence of an excess in the number of spending units planning to buy newly constructed houses during each of the postwar years over those actually buying would indicate, assuming that planned purchases conformed to consumers' ability to buy, that available supply had constantly restricted the volume of new house sales.

An increased frequency of house purchases in 1950 as compared to 1949 appears in practically all income, age, and veteran status groupings of nonfarm spending units (see Table 14). The frequencies of purchases within these various groups remained practically the same in 1950 as in 1948.

Spending units headed by persons between the ages of 25 and 44 accounted for about 60 per cent of the nonfarm home purchasers throughout the postwar period although they constituted only about 45 per cent of the population (see Table 15). The dominance of these age groups in the housing market can be explained largely by the higher rate of family formation with consequent requirements for enlarged housing facilities. The relatively large representation of spending units containing veterans among house purchasers—more than one-third as compared with only one-quarter of all nonfarm spending units—reflects the concentration of younger men in the veteran group and the high rate of family formation within this group.

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TABLE 14

ACTUAL AND PROSPECTIVE BUYERS OF NONFARM HOUSES
WITHIN VARIOUS GROUPS

[Buyers as a percentage of all nonfarm spending units within groups]

Group characteristic	Actual			Prospective ¹		
	1950	1949	1948	1951	1950	1949
All nonfarm spending units.	5	4	5	4	6	5
Age of head of spending unit:						
18-24.....	2	3	4	4	7	6
25-34.....	7	4	7	7	9	10
35-44.....	7	4	7	4	6	7
45-54.....	5	4	6	5	4	5
55-64.....	3	1	3	1	5	3
65 and over.....	2	(?)	1	1	1	2
Veteran status:						
Veteran of World War II in unit.....	7	5	7	7	11	7
No veteran of World War II in unit.....	4	3	5	3	4	4
Money income before taxes: ²						
Under \$1,000.....	1	1	2	(?)	4	1
\$1,000-\$1,999.....	2	1	2	3	2	3
\$2,000-\$2,999.....	5	2	4	4	6	4
\$3,000-\$3,999.....	7	5	6	4	7	7
\$4,000-\$4,999.....	5	5	7	4	9	6
\$5,000 and over.....	6	6	8	8	8	8

¹ Includes those who had bought in given year prior to interview, those who said they definitely would buy, and those who said they probably would buy. Data for 1950 and 1951 are not completely comparable with earlier data because of changes in coding procedures which tend to reduce somewhat the proportions of prospective buyers in 1950 and 1951 relative to 1949. Nevertheless, a larger proportion of spending units appear to have been prospective buyers in 1950 than in 1949, and a smaller proportion had definite plans for buying.

² No cases reported or less than one-half of 1 per cent.

³ Prospective purchases in 1951 and actual purchases in 1950 are related to 1950 income. Data for earlier years are similarly related.

During the 1949-50 period, spending units with incomes less than \$2,000, constituting 25 to 30 per cent of all nonfarm spending units, accounted for only about 10 per cent of the home purchases (see Table 16). This group includes a large proportion of the younger and the older people who are not active in the housing market. The groups with incomes between \$2,000 and \$3,999 accounted for roughly the same share of house purchases as their relative population weights or roughly 45 per cent. The higher income groups, of course, accounted for somewhat more than their proportionate share of home purchases.

While the estimated frequency of home-ownership among all nonfarm families has risen substantially during the postwar years, all groups in the population have not shared equally in this increase. In comparing data concerning ownership of homes in different years, it must be realized that age, income, and, to a lesser extent, occupational groups do not include the same family units from year to year. In general, the increase in the frequency of home-ownership has been more pronounced among families headed by persons between the ages of 35 and 65 than among the younger and older groups (see Table 13).

Classifications by the occupation of the head of the family or by family income do not indicate any definite trends in the frequency of home-

TABLE 15

ACTUAL AND PROSPECTIVE BUYERS OF NONFARM HOUSES, BY AGE AND VETERAN STATUS ¹

[Percentage distribution of nonfarm spending units]

Group characteristic	All nonfarm spending units			Actual buyers			Prospective buyers		
	1950	1949	1948	1950	1949	1948	1951	1950	1949
Age of head of spending unit:									
18-24.....	9	11	11	5	9	8	10	12	8
25-34.....	22	24	22	31	26	30	39	39	37
35-44.....	23	22	22	32	31	30	23	23	22
45-54.....	18	18	19	17	26	22	21	12	21
55 and over.....	28	25	26	15	7	10	7	13	11
Not ascertained.....	(?)	(?)	(?)	(?)	1	(?)	(?)	1	1
All cases.....	100	100	100	100	100	100	100	100	100
Veteran status:									
Veteran of World War II in unit.....	25	27	25	36	40	34	42	50	37
No veteran of World War II in unit.....	74	73	74	63	58	66	57	50	63
Not ascertained.....	1	(?)	1	1	2	(?)	1	(?)	(?)
All cases.....	100	100	100	100	100	100	100	100	100
Number of cases.....	3,027	3,102	3,082	166	107	163	122	176	159

¹ Includes new and existing nonfarm houses.

² No cases reported or less than one-half of 1 per cent.

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TABLE 16

INCOMES OF ACTUAL AND PROSPECTIVE BUYERS OF NONFARM HOUSES

[Percentage distribution of spending units]

Money income before taxes	1951	1950	1949	1948	1947
Actual buyers:					
Under \$1,000.....		3	4	5	4
\$1,000-\$1,999.....		7	8	6	13
\$2,000-\$2,999.....		19	15	22	22
\$3,000-\$3,999.....		31	28	24	24
\$4,000-\$4,999.....		14	16	18	19
\$5,000 and over.....		26	29	25	18
All cases.....		100	100	100	100
Number of cases.....		166	107	163	171
Prospective buyers:					
Under \$1,000.....	1	8	2	1	3
\$1,000-\$1,999.....	11	6	11	10	23
\$2,000-\$2,999.....	17	21	19	22	24
\$3,000-\$3,999.....	20	25	29	24	25
\$4,000-\$4,999.....	13	18	14	15	10
\$5,000 and over.....	38	22	25	28	15
All cases.....	100	100	100	100	100
Number of cases.....	122	176	159	135	170
All nonfarm spending units:					
Under \$1,000.....		11	12	9	12
\$1,000-\$1,999.....		17	19	17	22
\$2,000-\$2,999.....		19	22	24	23
\$3,000-\$3,999.....		20	19	22	18
\$4,000-\$4,999.....		13	12	12	10
\$5,000 and over.....		20	16	16	15
All cases.....		100	100	100	100
Number of cases.....		3,027	3,102	3,080	3,174

NOTE.—Distributions of prospective buyers in 1951 and actual buyers in 1950 are related to distribution of income in 1950. Data for earlier years are similarly related. Table therefore reflects shifts in distribution of both buyers and income. It is necessary to keep in mind, as indicated in lower part of table, that from 1947 to 1948 there was some shift from lower to higher income brackets; in 1949 there was a temporary reversal of this tendency, but it was resumed in 1950.

Purchasers of new and existing nonfarm houses are included in the distribution.

ownership from 1948 to 1951. The number of cases involved in most groupings is rather small and so any changes from year to year in the frequency of ownership are well within the sampling errors of differences. The data concerning home ownership, however, do provide a basis for evaluating the relative frequencies of home-ownership within various groupings during the postwar period.

CONSUMERS' BUYING PLANS

At the beginning of 1951, consumers planned to buy houses, furniture, and major household appliances with about the same frequency as at the beginning of the previous year. In contrast, fewer consumers planned to buy automobiles within the year in 1951 than in 1950. Those thinking of buying a house were less certain they would carry out their plans than had been the case in 1950.

At best, analysis of consumers' intentions to buy is a very complex undertaking. The increase noted above in the proportion of spending units that were undecided whether to buy houses during the coming year points up one of the most difficult aspects of this problem. A consumer's expression of intention to buy during the coming year is based on his forecast of prices, credit conditions, his own income, ease of obtaining the commodity, and similar aspects of the market and his personal situation.

In periods of rapid political and economic change, buying plans include a greater element of uncertainty. Recent developments such as wage adjustments and changes in the international situation, to mention only two, require that buying plans expressed in the survey interview be used cautiously at this time. Data regarding factors which affect the level of prospective purchases and information as to conditions which consumers report as affecting their buying plans may, however, be of some use in evaluating the future trend of consumer demand. In general, changes in rates of earnings, the feeling of being better or worse off, and evaluation of the present period as being a favorable or unfavorable one for the purchase of durable goods are factors associated with planning to purchase durable goods.

In large part the buying plans expressed at the time of the survey interview are probably carried out or altered by midyear. In the 1951 survey there was greater concentration of prospective buyers of television sets and refrigerators who indicated that their purchases would be made during the first half of the year than had been the case in the 1950 survey. It is noteworthy that the survey findings reported in the April issue of this BULLETIN were among the first indications of the softness developing in various durable goods markets since the spring of the year.

Automobiles. The relative frequency of spending units planning early in 1951 to buy automobiles during the course of the year fell sharply below the corresponding estimate for 1950 (see Table 17). While about 10 per cent had definite buying plans early in 1950, only 6 per cent planned with the same degree of certitude in early 1951. Inclusion of the group composed of spending units that were thinking of buying a car although they had not reached a definite decision does not alter the picture. On this basis the proportion of prospective purchasers fell from 18 per cent in 1950 to

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12 per cent in 1951. Plans to buy both new and used cars were subject to this movement.

The income distribution of prospective buyers changed little from 1950 and any differences were well within the range of sampling error (see Table 2).⁸

The median price of prospective new car purchases did not change significantly between early 1950 and early 1951 although an upward trend had been evident since 1946. In the case of used cars, however, the median prospective price moved sharply upward, perhaps because demand for post-war models increased relative to that for prewar models.

TABLE 17
CONSUMER ATTITUDES TOWARD PURCHASES OF HOUSES AND DURABLE GOODS
(Percentage distribution of spending units)

Attitude	1951	1950	1949	1948	1947	1946
House: ¹						
Will buy ²	3.1	4.4	3.1	3.4	3.8	(3)
Will probably buy or undecided	5.4	4.0	3.9	4.1	4.9	(3)
Will not buy	90.6	90.7	91.9	92.2	89.5	(3)
Not ascertained	0.9	0.9	1.1	0.3	1.8	(3)
All cases	100.0	100.0	100.0	100.0	100.0	(3)
New house ⁴	2.1	3.6	2.6	2.1	2.7	(3)
Existing house ⁴	1.6	1.5	1.9	1.6	2.3	(3)
Uncertain new or existing ⁵	0.4	0.7	0.5	0.9	0.9	(3)
Automobile:						
Will buy ²	5.6	10.1	9.0	7.3	8.0	8
Will probably buy or undecided	6.7	7.4	9.6	8.9	6.8	5
Will not buy	87.3	82.4	81.2	83.6	84.3	84
Not ascertained	0.5	0.1	0.2	0.2	0.9	3
All cases	100.0	100.0	100.0	100.0	100.0	100
Furniture and major household appliances:						
Will buy ²	20.0	19.4	17.2	16.3	14.5	22
Will probably buy or undecided	7.4	9.0	13.7	11.1	11.3	11
Will not buy	72.0	71.6	69.1	72.3	72.5	63
Not ascertained	0.6	(3)	(3)	0.3	0.7	4
All cases	100.0	100.0	100.0	100.0	100.0	100

¹ Includes plans for both new and existing nonfarm houses reported by nonfarm spending units only.

² Includes those who had purchased in given year prior to being interviewed.

³ Data not available.

⁴ Includes those who will buy and will probably buy.

⁵ No cases reported or less than one-half of 1 per cent.

As in the previous survey, about one-half of the prospective purchasers of new cars and about one-third of the prospective purchasers of used cars

⁸ Data regarding the characteristics of prospective purchasers, expected prices, and methods of finance are subject to greater sampling error this year because of the smaller number of cases involved and for this reason must be used cautiously.

intended to pay cash or cash plus a trade-in for their purchases (see Table 5). It is interesting to note that while the proportion of cash purchases of new cars did not vary between prospective and actual purchases in 1950 and 1949, in the case of used cars the proportion of cash purchases tended to be larger for actual than for prospective purchases.

Furniture and major household appliances. The proportion of spending units having definite plans to buy at least one household appliance or article of furniture during the course of the year was about the same in early 1951 as in early 1950. With respect to particular items covered by the survey, the number of prospective buyers of radios was greater in early 1951 than in early 1950; the number planning to purchase television sets was smaller; and there was no change for furniture, refrigerators, and washing machines (see Table 10).

There was a sharp increase (from about 10 per cent in 1950 to 30 per cent in 1951) in the proportion of those who, though fairly definite about their buying plans, were not able to estimate the price of their prospective purchases (see Table 18). This change can probably be explained by the greater difficulty in predicting expenditures when prices are expected to change than when prices are expected to be relatively stable. Early in 1949, when over half of the spending units expected prices to fall during the year, there was greater uncertainty about the amount of prospective expenditures than in 1950, when the existing price level was more generally expected to continue unchanged. The median amount of expected expenditures rose to about \$300 in 1951 from about \$290 in 1950. This continued a trend present since 1947.

The income distribution of prospective buyers of furniture and household appliances included a somewhat greater proportion of spending units with incomes of \$5,000 or more in 1951 than in previous years. This increase reflected primarily the general upward movement in the distribution of money incomes in 1950.

Houses. The proportion of spending units having definite plans to buy a house during the year was smaller early in 1951 than the previous year. Inclusion of spending units whose plans were less definite indicated no significant change in the potential demand for nonfarm homes (see Table 17). There was some indication of a shift in demand from new to existing houses.

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TABLE 18

PRICE CLASS OF ACTUAL AND PROSPECTIVE PURCHASES OF
HOUSES AND CONSUMER DURABLE GOODS

[Percentage distribution of buyers]

Price class	Actual purchasers			Prospective purchasers ¹			
	1950	1949	1948	1951	1950	1949	1948
House:²							
Under \$5,000.....	28	36	30	15	22	21	24
\$5,000-\$7,499.....	16	21	15	17	23	26	23
\$7,500-\$9,999.....	14	18	18	18	21	17	16
\$10,000 and over.....	42	24	33	43	28	30	24
Uncertain.....	(³)	1	4	7	6	6	13
All cases.....	100	100	100	100	100	100	100
Number of cases.....	166	107	163	122	176	159	135
New automobile:⁴							
Under \$1,500.....	1	1	6	(⁵)	4	(⁵)	(⁵)
\$1,500-\$1,999.....	38	35	36	(⁵)	50	(⁵)	(⁵)
\$2,000-\$2,499.....	33	37	35	(⁵)	29	(⁵)	(⁵)
\$2,500-\$2,999.....	21	22	18	(⁵)	14	(⁵)	(⁵)
\$3,000 and over.....	7	5	5	(⁵)	1	(⁵)	(⁵)
Uncertain.....	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)	(⁵)
All cases.....	100	100	100	(⁵)	100	(⁵)	(⁵)
Number of cases.....	415	356	256	(⁵)	284	(⁵)	(⁵)
Furniture and other household appliances:⁶							
Under \$100.....	13	18	20	8	8	13	15
\$100-\$199.....	14	19	19	11	16	15	18
\$200-\$299.....	24	21	17	16	24	17	19
\$300-\$499.....	27	22	22	21	24	21	20
\$500-\$999.....	17	14	13	11	12	12	10
\$1,000 and over.....	3	5	6	4	7	4	5
Uncertain.....	2	1	3	29	9	18	13
All cases.....	100	100	100	100	100	100	100
Number of cases.....	1,490	1,407	1,384	538	885	840	797

¹ Includes those who purchased in given year prior to being interviewed, those who said they definitely would buy, and those who said they probably would buy.

² Includes both new and existing nonfarm houses. The price distributions shown here contain a larger proportion of low priced, newly built houses than do the data reported in the article on pp. 777-99 of this BULLETIN. The difference appears to be due in part to differences in the universe to which the data apply and in part to the inclusion in the later article of an allowance for labor performed by the owners.

³ No cases reported or less than one-half of 1 per cent.

⁴ Prices were coded to nearest hundred dollars in the 1950 and earlier surveys. For these surveys, price brackets are: under \$1,450, \$1,450-\$1,949; \$1,950-\$2,449; \$2,450-\$2,949; and \$2,950 and over.

⁵ Data not available.

⁶ Prices refer to total value of such goods bought by a spending unit before allowances for trade-ins.

The acceptance of higher prices for housing in the current economic setting is apparent in the movements of the median (middlemost) and mean (average) prices which prospective house buyers expected to pay in 1951. The median price of

\$9,200 and the average price of \$9,300 were both significantly above the corresponding prices reported by prospective purchasers in 1950. These expected prices had moved upward in most previous postwar years.

The frequency of definite or fairly definite plans to buy a home changed little between early 1950 and early 1951 among spending units having incomes of \$5,000 or more. It declined, however, among spending units with incomes below \$5,000. As a result of these movements and of the 4 per cent increase in the proportion of spending units with incomes of \$5,000 or more, the share of the prospective market accounted for by this group rose from about 25 per cent in earlier years to over 35 per cent in 1951.

Prospective purchasers within age and veteran status groups were uniformly less frequent early in 1951 than in 1950 if only definite and probable plans to purchase homes are considered. Spending units including veterans among their members and spending units headed by persons aged 25 to 34 continued to account for a much larger proportion of prospective home buyers than of the total population. This pattern has been marked throughout the postwar period.

More than one-third of the prospective home buyers expected to make cash down payments of \$1,000 to \$2,999 and another 40 per cent expected to make cash payments of \$3,000 or more. Only one-eighth expected to make a cash expenditure of less than \$1,000. The expected down payments were in sharp contrast to the reported liquid asset positions of the prospective buyers. While 75 per cent expected to make cash down payments of \$1,000 or more, less than 40 per cent reported holding liquid assets totaling \$1,000 or more. In more than 15 per cent of the cases the spending units reported having no liquid assets even though planning to buy a home. Evidently, current income and sale of nonliquid assets were expected to furnish substantial portions of the down payment. About one-fourth of the prospective buyers already owned a home and one-half of these had equities of \$5,000 or more.

HOUSE PURCHASES IN THE FIVE MONTHS FOLLOWING THE INTRODUCTION OF REAL ESTATE CREDIT REGULATION¹

This article presents the findings of a nationwide survey of purchases for owner occupancy of 1- and 2-family nonfarm houses during the early period of regulation of residential real estate credit—the five months following October 12, 1950. The survey, which was conducted for the Board of Governors of the Federal Reserve System by National Analysts, Inc., provides data on characteristics of purchasers, prices of houses, sources of funds used, and characteristics of mortgages. All information was supplied on a voluntary basis.

Regulation of residential real estate credit under the authority of the Defense Production Act of 1950 was undertaken in an area where credit was already greatly influenced by Government activity. A substantial proportion of the home mortgages being made by private financing institutions, especially on new houses, were either insured by the Federal Housing Administration or guaranteed by the Veterans Administration, with the terms of lending determined in part by regulations of these agencies. Terms of such mortgages were tightened somewhat, effective July 19, 1950, when these agencies, in response to a request from the President, acted to restrict the availability of insured or guaranteed home mortgage credit. Comprehensive Federal regulation under the Defense Production Act to restrict the further expansion of residential real estate credit was introduced on October 12, 1950. The Board of Governors on that date, with concurrence of the Housing and Home

¹From the Board of Governors, general supervision of the survey has been under Ralph A. Young, Director of the Division of Research and Statistics, and Homer Jones, Chief, and Ramsay Wood of the Consumer Credit and Finances Section of the Division. The Division of Research and Statistics has had responsibility for planning the over-all content of the survey, analyzing the survey results, and preparing this article.

From National Analysts, Inc.—the agency which conducted the survey—the work was under the general direction of Arnold J. King, Managing Director. John F. Kofran had the responsibility for the detailed planning and supervision of the survey. Walter Monroe was head of the field staff, and Robert McMillan was in charge of the sampling.

The present article was prepared by James Lorie with the special assistance of Doris Warner of the Board's Division of Research and Statistics. Various staff members have contributed important technical suggestions in connection with the analysis and interpretation of survey results.

Finance Administrator, issued Regulation X stipulating minimum down payments and maximum maturities for conventional mortgages (that is, not insured or guaranteed) on new home construction, and the FHA and the VA, through the HHFA, further tightened the terms of insured and guaranteed mortgages on both new and existing houses.

While the present article is largely concerned with house purchase transactions following the adoption of these regulations, some comparisons are made with similar survey data for a pre-regulation period—the eighteen months preceding the Korean outbreak. Such comparisons are made possible through the cooperation of the Housing and Home Finance Agency and the Survey Research Center of the University of Michigan which made available to the Board's staff the results of a national survey sponsored by the HHFA and conducted by the Survey Research Center.² Although FHA insured and VA guaranteed mortgage credit was restricted somewhat beginning July 19, 1950, the period of regulation referred to in this article is the five months after October 12, 1950, the date when comprehensive real estate credit regulation became effective.

MAJOR FINDINGS

Comparison with house purchase market before credit regulation

1. Existing houses appear to have been somewhat more important, relative to new houses, in the house purchase market in the five months following the issuance of Regulation X and the accompanying FHA and VA regulations than in the eighteen months prior to the Korean outbreak. Survey results indicate that the ratio of existing to new house purchases was about 1.5 to 1 in the recent period compared with about 1.3 to 1 in the earlier period.

The increased inflationary pressures, the economic controls, and the greater uncertainties of the

²Although the sample designs and interviewing procedures of the HHFA and Federal Reserve surveys were similar, some significant differences exist. These differences are discussed in the Appendix to this article.

post-Korean economy appear to account for this shift in the house purchase market. Demand for housing was greatly stimulated and prices of both new and existing houses rose, with the advance being somewhat greater for new than for existing houses, according to current market information. Also, uncertainties as to costs and prices of new houses became greater. These price developments tended to deflect some purchasers from new to existing houses. Further, demand for home ownership by tenants was increased by the renewed prospects of housing shortages while prospects for rent controls encouraged owners, in the light of World War II experience, to sell to tenant occupants.

2. In both periods about five-sixths of all purchasers used mortgage credit, sometimes along with other borrowing. An additional very small proportion used borrowing not involving a mortgage and about 15 per cent incurred no debt in acquiring a house.

3. The proportion of purchasers using some liquid assets—that is, United States Government securities, deposits in bank accounts, shares in savings and loan associations, and currency—was greater in the early regulation period than in the pre-regulation period. The primary reasons for this change appear to be that a smaller proportion of purchasers after regulation obtained funds from the sale of a house, and that an increased proportion of purchasers made larger down payments under the more restrictive terms effective under the regulation of mortgage credit. Of particular importance with regard to this latter point is the fact that 100 per cent loans were no longer permitted by the VA under the July 19 and October 12 regulations.

4. While the early regulation period was one of advancing residential real estate prices for dwellings of a given size and quality, there was only a small change as compared with the pre-regulation period in the price distributions of either new or existing houses which were transferred. Prices of houses tend to bear a stable relationship to the incomes of purchasers. The income distributions of those purchasing houses in the two periods were not greatly different, despite the increase in incomes that occurred for the population generally. There is also reason to believe that buyers of houses downgraded somewhat the size and quality of their purchases.

Carry-over commitments

5. Because of the long period required to plan the construction and financing of residences and the frequently complex and contractual nature of the plans, it was necessary, in order to avoid disruption of the residential real estate market, to exempt from regulation all mortgage commitments made prior to the effective date of regulation. The real estate market was extremely active while Regulation X and its counterpart regulations were under consideration and a very large volume of exempt commitments was carried forward into the period of regulation. As a result, half of all new houses purchased with mortgages in the first five months of credit regulation were bought on terms more liberal than those permitted on nonexempt mortgages.

Pre-regulation commitments were of negligible importance for existing houses; only one-tenth of these were bought on the more liberal terms available before regulation. The relatively slight importance of carry-over commitments in the market for existing houses is attributable in part to exemption from regulation of the major portion of existing house purchases—those which are conventionally financed. In part it is attributable to the difference in the nature of the markets for new and existing houses. Builders—deriving their incomes from the sale of houses—are particularly alert to the economic advantage of securing FHA or VA commitments on the houses they have to sell. Since construction often takes several months, it is not surprising that on October 12, 1950 a large proportion of new houses in the process of construction were covered by pre-regulation commitments. Owners of existing houses, on the other hand, are often unfamiliar with the mechanics of securing or the advantages of having such commitments. Furthermore, these owners frequently cannot foresee their desire to sell. Largely for these reasons, a much smaller proportion of the existing than of the new houses coming on the market in the early period of regulation were covered by commitments.

6. The clearest picture of the part played in the housing market by carry-over commitments can be secured by focusing on new houses. Pre-regulation terms for mortgages on new houses were used with the greatest frequency in metropolitan areas, by veterans, and for houses costing \$7,500 to \$12,499 (see Table 1). About three-fifths

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TABLE I

NEW HOUSES PURCHASED IN PERIOD OCTOBER 12, 1950—
MARCH 15, 1951 ON PRE-REGULATION AND
REGULATION TERMS

[Percentage distribution within characteristic of
new house purchases]

Characteristic of new house purchases	Number of cases	All terms	Pre-regulation terms ¹	Regulation terms ²
All new house purchases...	354	100	49	51
Location of houses:				
Metropolitan area.....	237	100	58	42
Nonmetropolitan area...	117	100	31	69
Veteran and nonveteran purchasers: ³				
Veterans.....	226	100	59	41
Nonveterans.....	127	100	32	68
Price of house:				
Under \$7,500.....	61	100	37	63
\$7,500-\$9,999.....	96	100	58	42
\$10,000-\$12,499.....	112	100	60	40
\$12,500-\$14,999.....	30	100	44	56
\$15,000 and over.....	55	100	25	75

¹ Includes new houses purchased on more liberal terms than those prescribed by the regulations.
² Includes new houses purchased on terms which were available to purchasers not having pre-regulation financing commitments when Regulation X and companion credit regulations were issued.
³ Excludes 1 case for which veteran status of purchaser was not ascertained.

of the new house purchases in each of these categories involved such terms. These were the categories in which insured and guaranteed loans were most prevalent.

7. In assessing the impact on the housing market of the exhaustion of pre-regulation commitments, it is pertinent to consider what assets house purchasers had left after taking advantage of pre-regulation terms. About one-fourth of such purchasers had left liquid assets valued at \$1,000 or more after their purchase, and about one-tenth had liquid assets valued at \$2,000 or more. It would appear, therefore, that some proportion of these purchasers would probably have met stiffer terms if they had found it necessary.

Characteristics of house purchasers

8. In the five months after October 12, 1950, house purchasers in the middle income groups (in families with money income before taxes in 1950 between \$3,000 and \$7,499) accounted for about three-fourths of the new and two-thirds of the existing house purchases. (The proportion was about the same in the pre-Korean period.) The purchases of these income groups were concentrated in the middle price brackets, about 50 per cent of the purchases involving houses costing between

\$7,500 and \$12,499. It was within these price brackets that FHA insured and VA guaranteed mortgages were used most frequently, with the result that the middle income groups more commonly than others had the advantage of the relatively low interest rates, long maturities, and high loan-price ratios which are characteristic of such mortgages.

9. Veterans have been extremely important in the house purchase market in the entire postwar period. In the five months after October 12, 1950, they accounted for about half of all house purchases. In the new house market, where VA guaranteed financing usually was more easily obtained and where pre-regulation commitments were more frequent, veterans accounted for almost two-thirds of the purchases. In making their purchases veterans relied for funds more frequently on first mortgages and slightly less frequently on the prior sale of another house than did nonveterans. The mortgage terms of veterans were characterized by relatively low interest rates—five-sixths were written at rates of 5 per cent or less—long maturities, and high loan-price ratios. These characteristics reflect the fact that about 6 in 10 of the veteran mortgages involved Government insurance or guarantees as compared with 3 in 10 of nonveteran mortgages. Forty per cent of the mortgages of veterans were VA guaranteed.

Financial characteristics of house purchases

10. In the period October 1950-March 1951, the median price of new houses—\$10,400—was 15 per cent higher than the median price of existing houses—\$9,000. The distribution of purchases among the various price classes was much more even for existing than for new houses. The latter were heavily concentrated between \$7,500 and \$12,499—about 60 per cent of the new houses falling within this range.

11. Credit on the security of a first mortgage and liquid assets were by far the most frequently used sources of financing in the five months October 1950-March 1951. Five out of six house buyers obtained funds from these sources. Half of all buyers used no other source of funds to finance their purchases.

12. Of the sources other than first mortgages and liquid assets, the sale of another house was used most frequently, providing funds for about one-fourth of all purchases. Borrowing on security

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other than mortgages was a fairly important source of funds, being used by one-sixth of all house buyers. Second mortgages, the sale of assets other than a house, and gifts were used infrequently—none being used in as many as 10 per cent of the purchases.

13. Government insured or guaranteed financing continued to be of great importance in the five-month period ending in March 1951. About half or all houses purchased with mortgages involved an FHA insured or VA guaranteed loan. Such loans continued to be used more frequently in financing (a) new houses than in financing existing houses, (b) medium-price than low- or high-price houses, and (c) metropolitan than nonmetropolitan houses. About two-thirds of the mortgage-financed new house purchases involved a Government insured or guaranteed loan.

14. Reflecting in part the influence of Government activity in the housing market, and money rates generally, most first mortgages were written at interest rates of 4-5 per cent, with maturities of 15 years or more, and at loan-price ratios of 65 per cent or more. The more frequent use of insured or guaranteed loans in the financing of new house than of old house purchases largely accounts for the fact that mortgage terms on new houses were generally more liberal. For new houses purchased with mortgages, only 1 in 10 involved an interest rate of more than 5 per cent compared with 1 in 4 for existing houses, and over two-thirds of new house purchases were at loan-price ratios of 65 per cent or more compared with about half of existing houses.

15. Institutions engaged in the business of mortgage lending and seeking investment outlets for accumulated funds originated five-sixths of all first mortgages. Individuals accounted for the remaining one-sixth of first mortgage loans. In contrast, individuals originated two-thirds of the second mortgage loans, probably most often in connection with the sale of their own houses on which they were willing to take back a second mortgage. Another reason for the difference in the originators of first and second mortgages is the restriction in most States on the acceptance by lending institutions of junior liens as security for loans.

GENERAL COMMENT ON SURVEY METHODS

The survey data obtained directly from house purchasers provide detailed information on the

economic aspects of the residential real estate market that have heretofore not been available. Nevertheless, such surveys are themselves subject to limitations which must be kept in mind in interpreting their findings.

The Board's survey of the early regulation period is based on interviews with 1,368 purchasers of 1- or 2-family nonfarm houses for owner occupancy. The sample is a probability sample of deed recordings in 40 counties throughout the country of house purchases made after October 12, 1950 and recorded January 1-March 15, 1951. Some information, such as income, was obtained on a family-unit basis, that is, for all those living in the dwelling unit of the purchaser who are related by blood, marriage, or adoption.

After testing several alternative approaches, it was found that purchasers could be efficiently located only through deed recordings. The practical necessity of using deed recordings to locate an adequately large probability sample of house purchasers and the time lags between purchase and recording are the sources of the major limitations of the data. Only those purchases that were recorded—and for the Board's survey recorded fairly promptly—could be included. This procedure resulted in underrepresentation of new houses. To the extent that new houses differ from existing houses with respect to information obtained in the survey, distributions of all house purchases are distorted. In spite of this limitation—and others of less importance—certain findings are believed to add to our knowledge of the country's housing market.³

The data from the house purchases survey can be compared very broadly—but only very broadly—with the housing data from the Board's annual Survey of Consumer Finances. The sampling methods are necessarily different as are the basic definitions of income and price, reflecting differences in the basic purposes of the surveys.⁴ The surveys of house purchases represent a new application of the survey technique to an important area of economic research, and therefore the data must be interpreted with caution.

³A more detailed description of the methods of the Board's survey is in the Appendix. Also in the Appendix is a description of the HHFA survey which is broadly similar to that of the Board.

⁴For a description of the Survey of Consumer Finances, see "Methods of the Survey of Consumer Finances," Federal Reserve BULLETIN, July 1950, pp. 795-809.

HOUSE PURCHASES FOLLOWING INTRODUCTION OF REGULATION

COMPARISON WITH HOUSE PURCHASE MARKET PRIOR TO PERIOD OF CREDIT REGULATION

One change in the house purchase market that was becoming noticeable in the early months of residential real estate credit regulation was an increasing importance of existing houses relative to new houses. The tremendous volume of new construction during 1950 had been accompanied by an increasing proportion of new house transfers in that year as compared with preceding years. With the Korean outbreak and the imposition of controls over residential real estate credit, forces developed that brought about a reversal of this shift toward new houses. In the last months of 1950 and the first months of 1951—the period covered by the Board's survey—the ratio of existing to new house purchases was rising, according to data from the surveys as well as from other sources. Although data from the two surveys do not provide precise comparisons, they indicate—when adjusted to allow for the underrepresentation of new houses in the Board's survey—that the ratio of new to existing house purchases was about 1.3 to 1 in the pre-regulation period and about 1.5 to 1 in the early period of regulation.

The outbreak of Korean hostilities, the climate of inflationary pressures and control measures, and the greater uncertainty which that climate created largely accounts for the increased importance of existing houses. Potential buyers who had been planning home purchases, but were delaying because of expected price declines or for other reasons, entered the market for houses, both new and existing. Prices of new houses, however, rose more rapidly as construction costs increased, with a consequent deflection of some purchasers to existing houses. Another price factor favoring existing houses in some locations was the fact that many new houses were available for purchase before completion or for erection after the plan of a sample unit, with final prices subject to adjustment for increases in home construction costs. It is believed that many people preferred to buy an existing house at a firm price rather than an uncompleted house with an escalator provision in the purchase contract.

Another factor increasing purchases of existing houses was that many people who had been renting decided to buy before a potential housing shortage pushed up rents and prices further. Owners of these rented units, in the light of World War II and postwar rent control experience, were satisfied

to take advantage of price advances which had already occurred and to avoid risks of tighter rent controls which might come later. The tendency toward owner-occupancy and away from ownership of houses for tenant rental over the period covered by the surveys of house purchases continued a trend of recent years as shown by other data. In early 1950, according to Census data, which give results close to estimates from the Survey of Consumer Finances, 53 per cent of all occupied non-farm dwelling units were owner-occupied as compared with 41 per cent in 1940, according to Census data.

Finally, the regulation of real estate credit established in October 1950 affected primarily the financing of new houses, and resulted in a moderation of the competitive advantage previously available in new house financing. For the first time credit on all new houses whether conventionally financed or not was Federally regulated.

A second change in the housing market in the early period of real estate credit regulation was the increased frequency of financing with liquid assets. Approximately 8 in 10 of the purchasers in this period used liquid assets as compared with about 6 in 10 of the purchasers in the pre-regulation period (see Table 2). This shift is explained in part by the fact that a smaller proportion of purchasers borrowed the full purchase price of the

TABLE 2

SOURCES OF HOUSE PURCHASE FUNDS IN THE PRE- AND EARLY-REGULATION PERIODS ¹

(Percentage of house purchases using specified source of funds within specified period)

Source of funds	Pre-regulation period	Early-regulation period
First mortgage.....	84	83
Second mortgage.....	(2)	7
Other borrowing.....	14	16
Liquid assets ³	61	83
Sale of house.....	34	27
Other sources ⁴	5	3
Number of cases.....	985	1,368

¹ The pre-regulation period is January 1949-June 1950; the early-regulation period, October 12, 1950-March 15, 1951.

² Not available.

³ Includes U. S. Government bonds, deposits in bank accounts shares in savings and loan associations, and currency.

⁴ Includes gifts and nonliquid assets other than houses.

house. In the earlier period approximately 1 purchase in 9 was made by borrowing 100 per cent of the price of the house. In the later period this proportion dropped to 1 in 50, in part because the

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VA regulations as tightened on July 19 and October 12 eliminated 100 per cent loans and thus required an initial equity by the purchaser in any house involving a guaranteed mortgage. In part the shift also reflected the fact that a greater proportion of house purchasers in the earlier period obtained funds from the sale of a house. About 1 in 3 in the earlier period, as compared with 1 in 4 in the later period, sold a house just prior to their purchase.

Data from other sources indicate that construction costs and real estate prices increased sharply between the periods covered by the two surveys. In spite of this, there were only small differences in the price distributions and median prices of both new and existing houses bought in the two periods (see Table 3). The median price for new houses was \$10,000-\$10,400 and for existing houses \$9,000.

TABLE 3

PRICES OF NEW AND EXISTING HOUSES PURCHASED IN PRE- AND EARLY-REGULATION PERIODS¹

[Percentage distribution]

Period and price of house	All houses	New houses	Existing houses
Pre-regulation period:			
Under \$2,500.....	2	1	3
\$2,500-\$4,999.....	10	5	15
\$5,000-\$7,499.....	17	13	19
\$7,500-\$9,999.....	26	31	22
\$10,000-\$12,499.....	19	22	16
\$12,500-\$14,999.....	10	10	11
\$15,000-\$19,999.....	9	10	7
\$20,000 and over.....	7	8	7
All cases.....	100	100	100
Median price.....	\$9,500	\$9,960	\$9,000
Number of cases ²	958	413	545
Early-regulation period:			
Under \$2,500.....	4	2	5
\$2,500-\$4,999.....	11	3	14
\$5,000-\$7,499.....	17	12	19
\$7,500-\$9,999.....	22	27	19
\$10,000-\$12,499.....	21	32	17
\$12,500-\$14,999.....	11	8	12
\$15,000-\$19,999.....	9	8	10
\$20,000 and over.....	5	8	4
All cases.....	100	100	100
Median price.....	\$9,500	\$10,400	\$9,000
Number of cases.....	1,368	354	1,009

¹ The pre-regulation period is January 1949-June 1950; the early-regulation period, Oct. 12, 1950-Mar. 15, 1951.

Price of house represents cost including settlement charges, but excluding insurance and pre-paid taxes. Price of house is also adjusted to include value of owner's labor in building of own house. In the pre-regulation period the settlement costs and the value of the labor were probably not included.

A house whose first occupant was a respondent in the survey was considered to be new. Other houses were classified as existing houses.

² Excludes 27 cases in which price was not ascertained.

³ In 5 cases new-existing status was not ascertained.

It should be noted that house price data from the two surveys are not strictly comparable. Exclusion of rural nonfarm houses in the survey for the pre-regulation period resulted in an overstatement of the median price and the price distribution of house purchases in that period. Partially offsetting this, the price data for the early regulation period include in price both settlement costs and the value of the owner's own labor. When one takes account of these factors, survey findings appear to indicate only a small rise in the prices of houses coming on the market.

Evidence that prices of houses purchased increased only slightly over the period covered by the two surveys does not conflict with other findings that the prices of houses of given specifications did rise markedly. As indicated above, construction costs rose sharply between the periods under discussion and prices of existing houses of given specifications also increased. One explanation of the facts that construction costs and existing house prices increased while prices of houses transferred increased to a lesser extent is that there was stability in the money incomes of purchasers. Although personal incomes for the population rose during the two survey periods, the distribution of incomes of house purchasers did not change (see Table 4).⁵

The fact that the income distribution of those purchasing houses changed little when incomes generally were rising would also seem to indicate

TABLE 4

HOUSE PURCHASES BY INCOME GROUPS IN THE PRE- AND EARLY-REGULATION PERIODS¹

Income of house purchaser	Pre-regulation period		Early-regulation period	
	Percentage distribution	Median price	Percentage distribution	Median price
Under \$2,000.....	6	\$ 4,850	6	\$ 6,100
\$2,000-\$2,999.....	12	6,500	15	6,200
\$3,000-\$3,999.....	27	8,300	26	8,200
\$4,000-\$4,999.....	22	9,950	21	10,100
\$5,000-\$7,499.....	20	11,300	20	11,400
\$7,500-\$9,999.....	13	19,100	6	14,300
\$10,000 and over.....			6	18,400
All cases.....	100	\$ 9,500	100	\$ 9,500
Number of cases ²	948		1,338	

¹ The pre-regulation period is January 1949-June 1950; the early-regulation period, Oct. 12, 1950-Mar. 15, 1951.

² The pre-regulation period excludes 37 cases for which income was not ascertained; the early-regulation period excludes 30 cases.

⁵ This finding is confirmed by data from the Board's Surveys of Consumer Finances for 1950 and 1951.

HOUSE PURCHASES FOLLOWING INTRODUCTION OF REGULATION

that a larger proportion of the purchasers were in the lower segments of the population when ranked by size of income. Since the housing market seems to operate so as to maintain a fairly stable relationship between house price and income of purchaser, this suggests that in this period of great expansion in residential building activity the "product mix" in the new house market may have changed, with a greater proportion of the new houses being designed for sale to the lower income purchasers. There is also reason to believe that buyers downgraded somewhat the size or quality of the houses selected.

The same kind of adjustment may have taken place in the existing house market. Purchasers with relatively low incomes may have chosen to buy houses of lower quality.

In summary, it can be said that the mortgage-regulated housing market in the period October 1950-March 1951 was characterized by an increase in purchases of existing as compared with new houses, by little change in the price distribution of houses transferred, and by more frequent use of liquid assets in financing purchases.

HOUSE PURCHASERS

Income groups in the house purchase market

As has already been indicated, one of the most influential factors in the house purchase market is the income of purchasers. The measure of income

TABLE 5

DISTRIBUTION OF FAMILIES BY 1950 INCOMES
[Percentage distribution]

1950 money income of family before taxes	Nonfarm families		
	All families ¹	Home-owning families ¹	House purchasers during early-regulation period ²
Under \$2,000	24	22	6
\$2,000-\$2,999	15	13	15
\$3,000-\$3,999	19	17	26
\$4,000-\$4,999	14	15	21
\$5,000-\$7,499	19	20	20
\$7,500-\$9,999	5	7	6
\$10,000 and over	4	6	6
All cases	100	100	100
Number of cases ³	2,638	1,478	1,338

¹ From the Survey of Consumer Finances, 1951; home-owning families include those owning homes in early 1951.

² From the Board of Governors' House Purchase Survey; early-regulation period covers Oct. 12, 1950-Mar. 15, 1951.

³ Data exclude 5 cases in the all families group, 4 cases in the home-owning families group, and 30 cases in the house purchaser group for which income was not ascertained.

in the survey is the money income before taxes in 1950 of the family unit of the purchaser, that is, of those living in the household and related to the purchaser by blood, marriage, or adoption. Generally speaking, it is this income rather than that of the house purchaser alone which is involved in considerations relating to housing. In most cases, of course, the income of the purchaser is nearly the same as that of the family unit.

House purchasers in the early period of credit regulation had incomes larger than those of home-owning families or all nonfarm families generally. Nearly 7 in 10 of the house purchasers in this period had incomes of \$3,000-\$7,499 in 1950. This compares with 5 in 10 for all nonfarm families and for home owners, as indicated by the Survey of Consumer Finances. On the other hand, only 2 in 10 of the house purchasers in the 5-month period had incomes of less than \$3,000 compared with 3-4 in 10 for nonfarm home owners or all nonfarm families (see Table 5).

Prices. In the five months following the adoption of real estate credit regulation, the main difference in prices of new and existing houses purchased was the relatively great concentration of new houses in the \$7,500-\$12,499 range and the much greater proportion of existing houses below that range (see Table 3). As a result the median price of new houses was 15 per cent higher than that of existing houses. This difference in prices is associated with a difference in the income distributions of purchasers of new and existing houses (see Table 6).

TABLE 6

NEW AND EXISTING HOUSE PURCHASES BY INCOME GROUPS¹
OCTOBER 12, 1950—MARCH 15, 1951

Income of house purchaser	Percentage distribution			Median price		
	All houses	New houses	Existing houses	All houses	New houses	Existing houses
Under \$2,000	6	3	7	\$6,100	\$6,700	\$5,800
\$2,000-\$2,999	15	11	16	6,200	7,000	5,700
\$3,000-\$3,999	26	25	26	8,200	9,400	7,500
\$4,000-\$4,999	21	25	20	10,100	10,500	9,800
\$5,000-\$7,499	20	23	20	11,400	11,100	11,500
\$7,500-\$9,999	6	6	6	14,300	13,900	14,550
\$10,000 and over	6	7	5	18,400	21,100	18,350
All cases	100	100	100	\$9,500	\$10,400	\$9,000
Number of cases	2,138	345	988			

¹ Data exclude 30 cases for which income group was not ascertained.

² Includes 5 cases for which new-existing status was not ascertained.

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TABLE 7

PRICES OF HOUSES PURCHASED WITHIN DIFFERENT INCOME GROUPS
OCTOBER 12, 1950-MARCH 15, 1951
[Percentage distribution]

Price of house	All income groups	Income of house purchaser ¹						
		Under \$2,000	\$2,000-\$2,999	\$3,000-\$3,999	\$4,000-\$4,999	\$5,000-\$7,499	\$7,500-\$9,999	\$10,000 and over
Under \$7,500.....	32	66	63	43	21	14	7	5
\$7,500-\$9,999.....	22	14	22	27	26	19	10	12
\$10,000-\$12,499.....	21	12	7	19	34	28	19	4
\$12,500 and over.....	25	8	8	11	19	39	64	79
All cases.....	100	100	100	100	100	100	100	100
Number of cases.....	² 1,368	84	198	346	287	272	77	74

¹ Represents 1950 money income before taxes of the purchaser's family unit.
² All income groups includes 30 cases for which income was not ascertained.

Persons having annual incomes of less than \$3,000 purchased nearly one-fourth of the existing houses and only about one-seventh of the new houses, while purchasers with incomes between \$3,000 and \$7,499 accounted for about three-fourths of the new house purchases as compared with two-thirds of existing house purchases.

The close relation between the incomes of purchasers and the prices of the houses that they buy is, of course, to be expected. In the early regulation period, nearly 85 per cent of the pur-

chasers having annual incomes of less than \$3,000 bought houses costing less than \$10,000, as compared with about 50 per cent of the purchasers having incomes between \$3,000 and \$7,499 and less than 20 per cent of the purchasers having incomes of \$7,500 or more (see Table 7). This association between income and price reflects not only the part played by income in the consumer demand for housing, but also institutional factors affecting the availability of mortgage and other credit to persons with different incomes. The amount of the

TABLE 8

SOURCES OF HOUSE PURCHASE FUNDS WITHIN DIFFERENT INCOME GROUPS
OCTOBER 12, 1950-MARCH 15, 1951
[Percentage of house purchases using specified source of funds within specified income group]

Source of funds	All income groups	Income of house purchaser						
		Under \$2,000	\$2,000-\$2,999	\$3,000-\$3,999	\$4,000-\$4,999	\$5,000-\$7,499	\$7,500-\$9,999	\$10,000 and over
First mortgage.....	83	57	76	87	89	86	87	83
Second mortgage.....	7	6	8	6	8	8	7	4
Other borrowing.....	16	21	19	18	12	14	18	14
Other borrowing plus a mortgage or plus a mortgage and liquid assets.....	10	17	12	12	8	10	9	8
Liquid assets.....	83	70	76	82	84	89	94	94
Liquid assets only.....	8	23	8	7	5	8	6	10
Liquid assets plus a mortgage ¹	52	26	53	56	55	54	50	44
Sale of house.....	27	31	20	22	30	27	33	34
No mortgage on house purchased.....	6	17	9	3	5	5	5	3
Mortgage on house purchased.....	21	14	11	19	25	22	28	31
Other sources ²	3	2	4	4	3	5	3	4
Number of cases.....	³ 1,368	84	198	346	287	272	77	74

¹ Includes a few cases involving mortgage only.

² Includes gifts and nonliquid assets other than houses.

³ Includes 30 cases for which income was not ascertained.

NOTE.—Percentages for sources of funds add to more than 100 because many individuals use more than one source of funds to finance a house purchase. The subgroups show the most common combinations of sources of funds. These subgroups would add to 100 if the miscellaneous group which totals 5 per cent or less was shown.

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mortgage, together with the interest rate and maturity, determine monthly mortgage payments. Thus, the consideration of income by mortgagees in deciding the amount that it is safe to advance importantly affects the price which a purchaser using borrowed funds can pay for a house.

Sources of funds. Among income groups, the major differences in the sources of funds used for house purchases were the relatively less frequent use by the lowest income groups of first mortgages and liquid assets and the relatively frequent use by these groups of borrowing not involving a mortgage (see Table 8).

It may be noted that borrowing without a mortgage was even more closely related to liquid asset holdings than to income. Approximately one-third of the purchasers with less than \$1,000 in liquid assets before purchase used such borrowing as compared with about one-eighth of purchasers having \$1,000 or more of liquid assets.

About 83 per cent of all purchasers used first mortgages, and there were only small variations in this percentage among all income groups of \$3,000 or more. Among groups having incomes of less than \$3,000, however, only about 70 per cent of the purchasers used a mortgage. Liquid assets, too, were more frequently used by the higher income groups. About 75 per cent of the purchasers having incomes under \$3,000 used liquid assets as compared with about 85 per cent of those having incomes between \$3,000 and \$7,499 and 94 per cent of those having incomes of \$7,500 or more.

Borrowing without mortgage security was used by about one-sixth of all purchasers and was somewhat more frequent among the lowest income groups—about 1 in 5 using nonmortgage credit. Two-thirds of the purchasers who secured funds from such borrowing also borrowed on a mortgage. In some cases other borrowing may have taken the place of liquid assets in making required down payments.

Mortgage characteristics. Survey data confirm and provide more specific details for widely held impressions about the major factors influencing the terms of first mortgages. Three interrelated factors seem to account for most of the differences in interest rates, maturities, and mortgage-price ratios—namely, the type of mortgage obtained (FHA insured, VA guaranteed, or conventional), the price of the house purchased, and the income of the

purchaser.⁶ Data from the survey are too limited to permit a three-way classification of mortgage characteristics according to these factors. An analysis of mortgage terms which takes them into account, however, suggests the following generalizations:

(a) Insured or guaranteed mortgages typically involve lower interest rates, longer maturities, and higher mortgage-price ratios than do conventional mortgages.

FHA and VA mortgages, with maximum interest rates set by law, carried rates below 5 per cent, while about two-thirds of conventional mortgages were written at interest rates of 5 per cent or more. Almost one-fourth of conventional mortgages had maturities of 20 or more years compared with about four-fifths of both FHA and VA mortgages. And about 68 per cent of the FHA mortgages and 87 per cent of the VA mortgages,

⁶ Differences in mortgage characteristics by type of mortgage are determined in part by the provisions of Regulation X and FHA and VA regulations, especially the following:

Down payments. The October 12 regulation applies to loans on new structures not guaranteed or insured by the Government and insured and guaranteed loans on new and existing structures and provides minimum down payments ranging from 10 per cent for houses costing \$5,000 and under to 50 per cent for houses costing \$24,250 and over, with veteran preference in most cases of 10 percentage points.

Prior to October 12, *FHA insured mortgages* (under Title II, Section 203 of the National Housing Act) were limited as follows: up to July 19, 1951, a minimum down payment of 10 per cent for new and existing houses, except for new houses valued under \$11,000 on which the down payment was 5 per cent on the first \$7,000 and 30 per cent on the balance; July 19-October 11, an additional 5 percentage points was required on all down payments. *VA guaranteed mortgages* (under Title III, Section 501 of the Servicemen's Readjustment Act) required no down payment prior to July 19 when a 5 per cent initial equity was required.

FHA insured mortgages are also subject to a maximum loan limit of \$14,000; this was \$16,000 prior to July 19. No limit is set on amount of VA guaranteed mortgages, but the dollar amount of guarantee is limited, according to the loan-value ratio.

Maturities. The October 12 credit regulation (applying to loans on new structures not guaranteed or insured by the Government and insured and guaranteed loans on new and existing structures) provides maximum maturities of 20 years, except for new properties costing \$7,000 or less for which the maximum is 25 years, with amortization required.

Prior to October 12, the maximum maturity for FHA insured loans was 20 years on existing houses and 25 years on new houses, except for new houses costing \$7,000 or less for which the maximum was 30 years, with amortization required. VA guaranteed loans had a maximum maturity of 30 years on amortized loans.

Interest rates. FHA insured mortgages are subject to a maximum interest rate of 4¼ per cent and VA guaranteed mortgages to a maximum of 4 per cent.

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as compared with about 37 per cent of the conventional mortgages, had mortgage-price ratios of 65 per cent or more.

(b) Mortgages on low priced houses typically have shorter maturities and higher mortgage-price ratios than do those on high priced houses.

(c) Purchasers with high incomes usually pay lower interest rates than do purchasers with low incomes.

The foregoing general relationships can be illustrated, with reference to the incomes of purchasers, by the following examples of survey results. Non-insured or nonguaranteed financing, commonly designated conventional financing, was more important among the lowest and the highest income groups which purchased the lowest and the highest priced houses, respectively. The lower incidence of FHA or VA mortgages among the lowest income group and the inverse relationship between income and interest rates were associated with the fact that almost one-third of the lowest income group paid interest rates of 6 per cent or more as compared with one-sixth among the highest income group. Although insured or guaranteed mortgages were used relatively infrequently by the highest income group, the interest rates paid by the medium and highest income groups were similar (see Table 9).

The incidence of FHA or VA mortgages among various income groups, together with the fact that purchasers with high incomes seem to have obtained longer maturities than those with low incomes regardless of the type of their mortgages, accounts fairly well for the observed pattern of maturities among the mortgages of different income groups. Purchasers with low incomes obtained short maturities more frequently than did purchasers in the higher income groups, in part because lenders were less willing to incur the greater risk of long maturities with borrowers of low income.

Variations in mortgage-price ratios among income groups of house purchasers had a different pattern from variations in interest rates and maturities. Presumably, because of the greater marketability of low-priced houses throughout fluctuations in business conditions as well as the greater demand for relatively large loans by low income purchasers, lenders relatively frequently extended mortgages with high loan-price ratios on the low-priced houses typically purchased by the lowest income group. High loan-price mortgages were least frequent

TABLE 9

CHARACTERISTICS OF FIRST MORTGAGES WITHIN DIFFERENT INCOME GROUPS, OCTOBER 12, 1950—MARCH 15, 1951

[Percentage distribution]

Mortgage characteristic	All income groups ¹	Income of house purchaser				
		Under \$3,000	\$3,000-\$3,999	\$4,000-\$4,999	\$5,000-\$7,499	\$7,500 and over
Type of loan:						
FHA.....	20	19	16	21	29	15
VA.....	24	21	30	30	18	13
Conventional.....	56	60	54	49	53	72
All cases.....	100	100	100	100	100	100
Interest rate (per cent):						
Under 4.0.....	2	3	1	2	2	..
4.0.....	29	25	36	32	21	25
4.1-4.9.....	27	19	21	27	42	34
5.0.....	21	19	20	19	24	23
5.1-5.9.....	3	5	2	3	3	3
6.0.....	16	25	18	17	7	14
6.1 and over.....	2	4	2	(2)	1	1
All cases.....	100	100	100	100	100	100
Years to maturity: ²						
Less than 10.....	11	25	11	6	8	8
10-14.....	24	24	26	25	16	27
15-19.....	20	16	19	20	22	25
20-24.....	30	21	27	31	38	31
25 and over.....	13	11	14	17	14	8
No fixed maturity.....	2	3	3	1	2	1
All cases.....	100	100	100	100	100	100
Ratio of mortgage to house price (per cent):						
1-49.....	17	17	16	16	16	28
50-64.....	27	25	21	27	32	36
65-79.....	29	23	30	29	35	24
80-89.....	14	15	18	14	11	5
90-99.....	11	17	13	12	5	6
100.....	2	3	2	2	1	1
All cases.....	100	100	100	100	100	100
Monthly payment on mortgage:						
Less than \$30.....	5	15	8	2	1	1
\$30-\$39.....	13	27	15	11	6	1
\$40-\$49.....	14	19	17	17	9	2
\$50-\$59.....	22	18	29	25	21	5
\$60-\$69.....	17	6	15	23	20	17
\$70-\$79.....	10	3	7	13	14	19
\$80-\$99.....	9	6	4	5	14	23
\$100 and over.....	8	3	3	3	13	31
No regular payment.....	2	3	2	1	2	1
All cases.....	100	100	100	100	100	100
Number of cases.....	4 1,132	198	300	255	235	128

¹ Includes 16 cases for which income group was not ascertained.
² Less than one-half of 1 per cent.

³ Period referred to is from origination of mortgage to maturity.

⁴ Total number of cases for all income groups was 1,132; however, the different distributions exclude cases where mortgage characteristics were not ascertained, and the number of cases distributed by characteristics varied from 1,056 to 1,132.

among the mortgages of the highest income group, largely because of similar factors. The high mortgage-price ratios were also frequent among the

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middle-income purchasers who most frequently used insured or guaranteed mortgages. The same kind of variation among income groups is observable in ratios of total borrowing to price (see Table 10).

TABLE 10

RATIO OF TOTAL BORROWING TO HOUSE PRICE WITHIN DIFFERENT INCOME GROUPS, OCTOBER 12, 1950—MARCH 15, 1951¹

[Percentage distribution]

Ratio of total borrowing to house price (per cent)	All income groups	Income of house purchaser				
		Under \$3,000	\$3,000-\$3,999	\$4,000-\$4,999	\$5,000-\$7,499	\$7,500 and over
1-49.....	14	13	14	14	14	31
50-64.....	21	21	15	19	24	32
65-79.....	27	19	27	30	33	25
80-89.....	18	16	21	18	17	1
90-99.....	15	18	17	16	10	8
100.....	5	13	6	3	2	3
All cases...	100	100	100	100	100	100
Number of cases...	² 1,175	214	312	261	238	134

¹ Total borrowing includes first and second mortgages and all other borrowing; only persons who borrowed to finance their purchases are included.

² Includes 16 cases for which income was not ascertained.

As would be expected, the association between monthly payments, that is, interest plus amortization of principal, and income was close (see Table 9). About 75 per cent of the mortgages of purchasers with incomes of \$7,500 or more involved monthly payments of \$70 or more as compared with 25 per cent of the mortgages of purchasers having incomes between \$3,000 and \$7,499, and about 10 per cent of the mortgages of purchasers having incomes under \$3,000.

The small but perhaps surprising proportion of the lowest income groups who had monthly payments of \$80 or more may be partly explained by two facts. First, intra-family financial transactions resulting in unusual relationships between the financial obligations and the financial resources of the purchaser are probably more frequent in this income group. Second, many purchasers are only temporarily, perhaps very briefly, in the lowest income groups. Their average incomes may have been higher, or their incomes may be expected to increase.

House purchases of veterans

Veterans have been very active in the house purchase market during all of the postwar period.

During the early regulation period, families including one or more veterans accounted for about half of all house purchases and a somewhat larger proportion of the purchases of new houses. This importance of veterans in the housing market—especially the new house market—is not surprising in view of their large numbers, their general family status, and the Government's program of financial aid for veterans who desire to buy a house. In 1950, one-third of all nonfarm family units included one or more veterans of World War II. These veterans were concentrated in age groups most likely to establish households. Furthermore, veterans had special financial inducements to buy houses, since they generally had access to mortgage credit on unusually liberal terms, primarily as a result of the guarantee of house mortgages by the Veterans Administration. In fact, the very large volume of pre-regulation VA commitments for mortgages on new houses may explain in part the relatively great importance of veterans in the purchase of new houses during the period, October 1950-March 1951.

Prices. The median prices of houses purchased by veterans and by nonveterans were remarkably similar, \$9,650 and \$9,250, respectively (see Table 11). Although the medians were about the same, the price distributions of purchases by veterans and nonveterans differed somewhat in that the former concentrated their purchases to a slightly greater extent in the middle price range while a slightly larger proportion of nonveterans bought lower priced houses. Almost half of the veterans'

TABLE 11

PRICES OF HOUSES PURCHASED BY VETERANS AND NON VETERANS, OCTOBER 12, 1950—MARCH 15, 1951

[Percentage distribution]

Price of house	Veterans	Nonveterans
Under \$2,500.....	4	4
\$2,500-\$4,999.....	8	14
\$5,000-\$7,499.....	17	18
\$7,500-\$9,999.....	25	18
\$10,000-\$12,499.....	22	19
\$12,500-\$14,999.....	12	10
\$15,000-\$19,999.....	8	11
\$20,000 and over.....	4	6
All cases...	100	100
Median price.....	\$9,650	\$9,250
Number of cases ¹	706	660

¹ Excludes 2 cases for which veteran status of purchaser was not ascertained.

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houses cost between \$7,500 and \$12,499 as compared with about three-eighths of the houses bought by nonveterans.

Sources of funds. The major differences between the sources of funds of veterans and nonveterans was the greater importance in the former group of first mortgages and the lesser importance of funds from the sale of houses (see Table 12).

TABLE 12

SOURCES OF HOUSE PURCHASE FUNDS FOR VETERANS AND NONVETERANS, OCTOBER 12, 1950—MARCH 15, 1951
[Percentage of house purchases using specified source of funds within specified group]

Source of funds	Veterans	Non-veterans
First mortgage.....	91	74
Second mortgage...	6	8
Other borrowing.....	17	15
Other borrowing plus a mortgage or plus a mortgage and liquid assets.....	13	8
Liquid assets.....	83	84
Liquid assets only.....	4	13
Liquid assets plus a mortgage ¹	60	43
Sale of house.....	20	33
No mortgage on house purchased.....	2	10
Mortgage on house purchased.....	18	23
Other sources ²	4	3
Number of cases ³	706	660

¹ Includes a few cases involving a mortgage only.
² Includes gifts and nonliquid assets other than houses.
³ Excludes 2 cases for which veteran status was not ascertained.

About nine-tenths of the veterans used mortgages, and one-fifth sold houses to finance their purchases. The corresponding proportions for nonveterans were three-fourths and one-third. These differences result primarily from the relatively liberal terms available on VA guaranteed mortgages, the large volume of pre-regulation VA commitments outstanding, and the fact that veterans generally had accumulated fewer assets including houses. In fact, only 4 per cent of the veterans as compared with 13 per cent of the nonveterans had sufficient liquid assets to pay for their houses without incurring debt. About one-sixth of each group used borrowing not involving mortgages and five-sixths of each group used liquid assets.

Mortgage characteristics. In considering the differences between mortgages of veterans and of nonveterans, the most important fact is that 40 per cent of veterans' mortgages were VA guaranteed and 17 per cent were FHA insured as compared with 4 per cent and 24 per cent, respectively,

TABLE 13

CHARACTERISTICS OF FIRST MORTGAGES FOR VETERANS AND NONVETERANS, OCTOBER 12, 1950—MARCH 15, 1951
[Percentage distribution]

Mortgage characteristic	Veterans	Nonveterans
Type of loan:		
FHA.....	17	24
VA.....	40	4
Conventional.....	43	72
All cases.....	100	100
Interest rate (per cent):		
Under 4.0.....	2	1
4.0.....	41	12
4.1-4.9.....	24	33
5.0.....	18	25
5.1-5.9.....	2	5
6.0.....	11	22
6.1 and over.....	2	2
All cases.....	100	100
Years to maturity:		
Less than 10.....	9	14
10-14.....	18	31
15-19.....	20	21
20-24.....	33	25
25 and over.....	18	7
No fixed maturity.....	2	2
All cases.....	100	100
Ratio of mortgage to house price (per cent):		
1-49.....	13	23
50-64.....	22	34
65-79.....	28	30
80-89.....	18	9
90-99.....	17	3
100.....	2	1
All cases.....	100	100
Monthly payment on mortgage:		
Less than \$30.....	5	6
\$30-\$39.....	11	15
\$40-\$49.....	14	14
\$50-\$59.....	23	19
\$60-\$69.....	18	16
\$70-\$79.....	13	8
\$80-\$99.....	8	10
\$100 and over.....	6	10
No regular payment.....	2	2
All cases.....	100	100
Number of cases ¹	639	491

¹ Represents total number of cases in each group; however, the various distributions exclude cases where specific mortgage characteristics were not available. The number of cases with available data varied from 607 to 639 cases in the veteran group and from 447 to 491 cases in the nonveteran group.

of the mortgages of nonveterans (see Table 13).⁷ It is perhaps surprising that as many as 4 veterans in 10 did not take advantage of either FHA insurance or VA guarantees in their mortgage financing.

Largely as a result of this Government aid, veterans generally paid lower interest rates, had longer maturities, and obtained higher loan-price ratios

⁷ The VA mortgages of nonveterans were assumed in the purchase of existing houses on which VA mortgages were outstanding.

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on their mortgages than was the case for non-veterans. About two-thirds of veterans' mortgages were written at interest rates of less than 5 per cent as compared with less than half of the nonveterans' mortgages. Only 1 in 8 of the mortgages of veterans had rates of 6 per cent or more as compared with 1 in 4 of the mortgages of nonveterans. The relatively liberal terms for veterans were equally apparent in the patterns of mortgage maturities and mortgage-price ratios. About half the mortgages of veterans had maturities of 20 years or more as compared with less than a third of mortgages of non-veterans. Further, about three-eighths of veterans' mortgages were 80 per cent or more of the prices of the corresponding houses as compared with about one-eighth of the nonveterans' mortgages.

Occupational groups

The representation of various occupational groups in the purchase of houses in the early regulation period was consistent with their representation in the population. By far the most important group in the housing market were the skilled and semi-skilled workers who accounted for almost 2 purchases in 5. Most of the differences in prices paid by the various occupational groups, as shown in Table 14, are what would be expected on the basis of differences in incomes among these groups.

Sources of funds. Mortgages were used most frequently by the professional and semiprofessional and the clerical and sales groups and least frequently by the retired (see Table 15). Over 90

TABLE 14
PRICES OF HOUSES PURCHASED WITHIN OCCUPATION GROUPS
OCTOBER 12, 1950—MARCH 15, 1951
[Percentage distribution]

Price of house	All occupation groups	Occupation of purchaser						
		Professional and semi-professional	Managerial and self-employed	Clerical and sales	Skilled and semi-skilled	Unskilled and service	Retired	Other ¹
Under \$2,500.....	4	1	1	3	5	9	3	12
\$2,500-\$4,999.....	11	5	6	7	13	31	14	16
\$5,000-\$7,499.....	17	11	9	15	21	28	29	14
\$7,500-\$9,999.....	22	19	15	18	26	19	24	31
\$10,000-\$12,499.....	21	29	21	27	18	9	20	19
\$12,500-\$14,999.....	11	15	12	16	10	3	2	2
\$15,000-\$19,999.....	9	14	21	9	6	1	2	6
\$20,000 and over.....	5	6	15	5	1	..	6	..
All cases.....	100	100	100	100	100	100	100	100
Number of cases.....	² 1,368	143	241	240	527	71	64	71

¹ Includes protective service, farmers, unemployed, and students and housewives groups.

² Includes 11 cases for which occupation was not ascertained.

TABLE 15
SOURCES OF HOUSE PURCHASE FUNDS WITHIN DIFFERENT OCCUPATION GROUPS
OCTOBER 12, 1950—MARCH 15, 1951

[Percentage of house purchases using specified source of funds within specified occupation group]

Source of funds	All occupation groups	Occupation of house purchaser						
		Professional and semi-professional	Managerial and self-employed	Clerical and sales	Skilled and semi-skilled	Unskilled and service	Retired	Other ¹
First mortgage.....	83	93	80	92	85	78	32	76
Second mortgage.....	7	10	4	9	6	9	6	4
Other borrowing.....	16	18	17	15	16	18	1	17
Liquid assets.....	83	89	89	85	80	65	91	82
Sale of house.....	27	21	31	23	27	26	39	25
Other sources ²	3	2	6	7	5	3	2	2
Number of cases.....	³ 1,368	143	241	240	527	71	64	71

¹ Includes protective services, farmers, unemployed, and students and housewives groups.

² Includes gifts and nonliquid assets other than house.

³ Includes 11 cases for which occupation was not ascertained.

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per cent of the former groups and about 30 per cent of the latter group used mortgages. The relatively high frequency of mortgages within the professional and semiprofessional groups may reflect the fact that this group possessed relatively small asset holdings in relation to income, but because of relatively high incomes was generally able to obtain mortgage financing on favorable terms.

The low frequency of mortgages among the

retired is partially explained by the fact that relatively large asset holdings of the group were frequent according to the Survey of Consumer Finances; for example, 60 per cent of this group in early 1950 had a net worth of \$5,000 or more.⁸ It is also interesting to note that only 1 per cent of the retired used borrowing not involving mortgages

⁸ "Distribution of Assets, Liabilities and Net Worth of Consumers, Early 1950," Federal Reserve BULLETIN, December 1950, Table 3, p. 1588.

TABLE 16
CHARACTERISTICS OF FIRST MORTGAGES WITHIN DIFFERENT OCCUPATION GROUPS
OCTOBER 12, 1950-MARCH 15, 1951
[Percentage distribution]

Mortgage characteristic	All occupation groups ¹	Occupation of house purchaser					
		Professional and semi-professional	Managerial and self-employed	Clerical and sales	Skilled and semi-skilled	Unskilled and service	Other ²
Type of loan:							
FHA.....	20	23	20	27	19	10	10
VA.....	24	24	12	29	27	20	22
Conventional.....	56	53	68	44	54	70	68
All cases.....	100	100	100	100	100	100	100
Interest rate (per cent):							
Under 4.0.....	2	3	1	3	1	3	1
4.0.....	29	29	21	31	31	26	28
4.1-4.9.....	27	33	30	38	25	8	15
5.0.....	21	20	26	18	19	27	26
5.1-5.9.....	3	4	3	1	3	4	9
6.0.....	16	10	19	7	19	29	20
6.1 and over.....	2	1	..	2	2	3	1
All cases.....	100	100	100	100	100	100	100
Years to maturity:							
Less than 10.....	11	10	9	8	13	25	9
10-14.....	24	22	23	11	27	37	33
15-19.....	20	16	30	21	17	9	28
20-24.....	30	41	29	39	26	18	15
25 and over.....	13	10	8	19	14	9	13
No fixed maturity.....	2	1	1	2	3	2	2
All cases.....	100	100	100	100	100	100	100
Ratio of mortgage to house price (per cent):							
1-49.....	17	16	17	14	19	24	15
50-64.....	27	23	37	27	24	26	36
65-79.....	29	38	31	30	26	18	25
80-89.....	14	14	9	15	16	11	15
90-99.....	11	7	6	12	14	16	6
100.....	2	2	..	2	1	5	3
All cases.....	100	100	100	100	100	100	100
Monthly payment on mortgage:							
Less than \$30.....	5	2	2	4	8	18	10
\$30-\$39.....	13	7	6	10	15	32	18
\$40-\$49.....	14	4	10	10	20	18	14
\$50-\$59.....	22	23	16	23	22	24	21
\$60-\$69.....	17	22	16	19	16	1	15
\$70-\$79.....	10	14	17	15	5	3	11
\$80-\$99.....	9	16	13	11	6	3	6
\$100 and over.....	8	11	19	6	5	..	3
No regular payment.....	2	1	1	2	3	1	2
All cases.....	100	100	100	100	100	100	100
Number of cases.....	³ 1,132	133	193	220	448	56	73

¹ Includes 9 cases for which occupation group was not ascertained.

² Includes retired, protective service, farmers, unemployed, and students and housewives groups.

³ Total number of cases for all occupation groups was 1,132; however, the different distributions exclude cases where mortgage characteristics were not ascertained, and the number of cases distributed by characteristics varied from 1,056 to 1,132.

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as compared with 16 per cent of all purchasers. On the other hand, the retired group relied more frequently than other groups on the sale of houses; 39 per cent of retired persons sold houses as compared with 27 per cent of all purchasers.

Mortgage characteristics. Differences in mortgage characteristics among occupational groups can best be understood by reference to the incomes of these groups, the prices of the houses they purchased, and the types of mortgages secured. The professional and semiprofessional group had relatively large incomes, bought relatively high priced houses, and used insured or guaranteed mortgages with about the same relative frequency as all purchasers used such mortgages. This combination of circumstances appears to account for the slightly greater relative frequency among the mortgages of this group of low interest rates and long maturities. The pattern of mortgage-price ratios was about the same as for all house purchasers (see Table 16).

The managerial and self-employed group, which also had relatively large incomes and purchased relatively high priced houses, used conventional mortgages relatively frequently. Only about one-third of their mortgages were insured or guaranteed. This group had about the same pattern of interest rates and maturities as did all purchasers, but a larger proportion of them borrowed on relatively low mortgage-price ratios. For 54 per cent of the mortgages of this group, as compared with 44 per cent for all occupations, the loan-price ratios were less than 65 per cent.

The clerical and sales group used FHA or VA financing with relatively greater frequency than did any other groups and purchased slightly higher-than-average priced houses. Consequently, mortgages of clerical and sales personnel commonly had relatively low interest rates, long maturities, and about average loan-price ratios.

Unskilled and service workers used relatively few FHA or VA mortgages, had low incomes, and purchased low priced houses. This group paid relatively high interest rates, financed with relatively short maturities, and had slightly below average loan-price ratios.

CHARACTERISTICS OF HOUSE PURCHASES

Houses of different prices

Survey data indicate that in the early regulation period the median price of new houses was \$10,400

and of existing houses, \$9,000 (see Table 3). Consideration of the physical deterioration of houses and the changing desirability of neighborhoods as residential areas might lead one to expect a substantially greater difference in prices than the observed 15 per cent difference in median prices. A possible explanation is that the existing houses were on the average larger or of better quality. Generally speaking, current residential construction is more closely tailored to the smaller families which are now more typical and to the medium- and lower-price brackets where the down payments required on FHA insured and VA guaranteed financing are relatively small.

The difference in prices between metropolitan and nonmetropolitan areas was much greater than that between new and existing houses. The median price of metropolitan houses was \$10,500 as compared with a median of \$6,700 for nonmetropolitan houses (see Table 17). This difference is prob-

TABLE 17
PRICES OF HOUSES PURCHASED BY LOCATION OF HOUSE¹
OCTOBER 12, 1950—MARCH 15, 1951
[Percentage distribution]

Price of house	Metro- politan area	Nonmetro- politan area
Under \$2,500.....	1	10
\$2,500-\$4,999.....	7	19
\$5,000-\$7,499.....	13	26
\$7,500-\$9,999.....	22	20
\$10,000-\$12,499.....	25	13
\$12,500-\$14,999.....	13	7
\$15,000-\$19,999.....	12	3
\$20,000 and over.....	7	2
All cases.....	100	100
Median price.....	\$10,500	\$6,700
Number of cases.....	921	447

¹ A metropolitan area is one which includes a city of more than 50,000 persons, as designated by the U. S. Census.

ably to be explained largely by lower levels of incomes, construction costs, and land values in nonmetropolitan areas.

Sources of funds. Although mortgages were used in the purchase of about five-sixths of all houses in the five months following the introduction of real estate credit regulation, mortgage financing was used in only about two-thirds of the houses costing less than \$5,000 (see Table 18). (About 5 per cent of the new and 19 per cent of the existing houses were reported to cost less than this amount.) Borrowing without mortgage, on the

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TABLE 18

SOURCES OF HOUSE PURCHASE FUNDS WITHIN DIFFERENT PRICE GROUPS OF HOUSES

OCTOBER 12, 1950-MARCH 15, 1951

[Percentage of house purchases using specified source of funds within specified price group]

Source of funds	All price groups	Price of house							
		Under \$2,500	\$2,500-\$4,999	\$5,000-\$7,499	\$7,500-\$9,999	\$10,000-\$12,499	\$12,500-\$14,999	\$15,000-\$19,999	\$20,000 and over
First mortgage.....	83	44	77	80	88	85	85	90	82
Second mortgage...	7		6	7	9	7	5	11	3
Other borrowing.....	16	36	20	17	12	10	18	18	21
Other borrowing plus a mortgage or plus a mortgage and liquid assets.....	10	12	14	13	10	7	12	13	8
Liquid assets.....	83	75	75	78	82	88	89	90	93
Liquid assets only.....	8	31	16	10	6	6	4	6	5
Liquid assets plus a mortgage ¹	52	32	52	52	58	54	50	48	33
Sale of house.....	27	1	14	23	25	31	32	32	52
No mortgage on house purchased.....	6	1	4	7	5	7	8	3	11
Mortgage on house purchased.....	21	..	10	16	20	24	24	29	41
Other sources ²	3	..	5	3	3	4	4	3	11
Number of cases.....	1,368	55	150	236	297	286	148	127	69

¹ Includes a few cases involving a mortgage only.

² Includes gifts and nonliquid assets other than houses.

other hand, was relatively more frequent in the financing of these lower priced houses. The purchase of about one-fourth of these houses involved such borrowing as compared with one-sixth of all houses.

There seemed to be some direct relationship between the prices of houses purchased and the sources of funds other than borrowing, probably reflecting the effects of the previously discussed close association between prices and incomes. Funds from the prior sale of another house were used with the greatest frequency in the financing of higher priced houses. About 1 in 2 of the houses costing \$20,000 or more involved the prior sale of another house, compared with 1 in 3 of the houses costing between \$10,000 and \$19,999, 1 in 4 of the houses costing between \$5,000 and \$9,999, and only 1 in 10 costing less than \$5,000.

Liquid assets, too, were used with steadily increasing frequency as the prices of houses increased. About three-fourths of the very low priced houses involved some use of liquid assets as compared with over 90 per cent of the highest priced houses. However, liquid assets were the sole source of funds much more frequently for houses costing under \$7,500 than for the higher priced houses.

Mortgage characteristics. The relative importance of conventional as compared with VA guaranteed or FHA insured mortgages varied markedly

among different house price groups. Fifty-six per cent of all mortgages were conventional, but the proportion was lower for medium priced houses and higher for the lowest and highest priced groups (see Table 19). About 75 per cent of the mortgages on both houses costing \$15,000 or more and houses costing under \$5,000 were conventional. In contrast, only a little more than 40 per cent of the mortgages on houses priced between \$7,500 and \$12,499 were conventional. Within the latter price range a little more than one-fourth of the mortgages were insured by FHA and a little less than one-third were guaranteed by the VA.

As has been noted, mortgage characteristics seem to be largely determined by the type of mortgage, the price of the house, and the income of the purchaser. The medium- and higher-priced houses were mortgaged at low interest rates with much greater relative frequency than the low-priced houses. The low interest rates in the medium price brackets were probably primarily the result of the high frequency in these brackets of FHA and VA financing. About three-fifths of the mortgages on houses costing between \$7,500 and \$12,499 were insured or guaranteed and roughly two-thirds of the mortgages bore interest rates of under 5 per cent. The relatively low interest rates on the higher priced houses were probably in part a reflection of the relatively large incomes of the purchasers. Al-

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TABLE 19
CHARACTERISTICS OF FIRST MORTGAGES WITHIN DIFFERENT HOUSE PRICE GROUPS
OCTOBER 12, 1950-MARCH 15, 1951
[Percentage distribution]

Mortgage characteristic	All price groups	Price of house					
		Under \$5,000	\$5,000-\$7,499	\$7,500-\$9,999	\$10,000-\$12,499	\$12,500-\$14,999	\$15,000 and over
Type of loan:							
FHA.....	20	10	15	26	27	16	19
VA.....	24	11	26	31	30	29	8
Conventional.....	56	79	59	43	43	55	73
All cases.....	100	109	100	100	100	100	100
Interest rate (per cent):							
Under 4.0.....	2	2	4	(1)	1	2	1
4.0.....	29	13	31	32	33	35	22
4.1-4.9.....	27	8	16	27	37	33	42
5.0.....	21	24	20	24	15	23	23
5.1-5.9.....	3	3	4	3	4	1	2
6.0.....	16	42	25	11	10	6	9
6.1 and over.....	2	8	(1)	3	..	..	1
All cases...	100	100	100	100	100	100	100
Years to maturity:							
Less than 10.....	11	39	16	5	5	5	6
10-14.....	24	40	32	21	16	20	21
15-19.....	20	7	20	20	19	24	30
20-24.....	30	8	19	33	37	39	37
25 and over.....	13	1	11	20	22	11	5
No fixed maturity.....	2	5	2	1	1	1	1
All cases.....	100	100	100	100	100	100	100
Ratio of mortgage to house price (per cent):							
1-49.....	17	14	15	11	17	22	31
50-64.....	27	25	27	19	18	31	51
65-79.....	29	27	23	33	37	33	17
80-89.....	14	15	13	21	19	8	..
90-99.....	11	13	20	14	8	6	1
100.....	2	6	2	2	1	..	..
All cases.....	100	100	100	100	100	100	100
Monthly payment on mortgage:							
Less than \$30.....	5	34	6	1	1	1	..
\$30-\$39.....	13	35	34	5	4	5	1
\$40-\$49.....	14	15	28	22	7	3	3
\$50-\$59.....	22	7	21	44	21	10	6
\$60-\$69.....	17	2	4	18	36	19	11
\$70-\$79.....	10	..	2	3	18	25	18
\$80-\$89.....	9	1	1	3	8	28	23
\$100 and over.....	8	1	2	3	3	8	37
No regular payment.....	2	5	2	1	2	1	1
All cases...	100	100	100	100	100	100	100
Number of cases.....	² 1,132	139	190	261	245	126	171

¹ Less than one-half of 1 per cent.

² Total number of cases for all price groups was 1,132; however, the different distributions exclude cases where mortgage characteristics were not ascertained, and the number of cases distributed by characteristics varied from 1,056 to 1,132.

though only about one-third of the mortgages on the houses costing \$12,500 or more were insured or guaranteed, two-thirds of the mortgages were written at under 5 per cent. In sharp contrast were the mortgages on houses costing less than \$5,000. These mortgages were mostly conventional, the incomes of the purchasers were low, and consequently less than one-fourth of the mortgages bore less than 5 per cent interest.

The same factors—the proportion of FHA and VA mortgages and the income of the purchasers—

seem to explain much of the variation in maturities among price groups. The mortgages on medium priced houses had relatively long maturities—about half were 20 years or more—because of the high frequency of insured and guaranteed mortgages while the high priced houses also had long maturities, in part because of the income of the purchasers. Mortgages on houses costing under \$5,000, on the other hand, had relatively short maturities. Nearly four-fifths of the maturities in this group were less than 15 years, reflecting the low incidence

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of FHA and VA mortgages and the low incomes of the purchasers.

One of the most striking differences in mortgage characteristics among price groups was in the ratio of loan to price. On houses costing \$12,500 or more, only 7 per cent of the mortgages were equal to 80 per cent or more of the prices of the corresponding houses. For houses costing less than \$12,500, the relative frequency of high loan-price ratios was much greater. Over one-fourth of the houses costing between \$10,000 and \$12,499 and over one-third of the houses costing between \$7,500 and \$9,999 involved loan-price ratios of 80 per cent or more. The differences reflect in part the relatively liberal FHA mortgages available on medium- and lower-priced houses and the greater protection of VA guarantees on houses in these price ranges.

As would be expected, the amount of monthly payment increased regularly as the price of the house increased; the monthly payment on most houses costing less than \$5,000 was less than \$40, on houses costing \$7,500 to \$10,000 most payments were between \$40 and \$70, and on houses costing \$15,000 or over, most payments were \$70 and over.

New and existing houses

Sources of funds. Differences in sources of funds used to purchase new and existing houses, on the

TABLE 20

SOURCES OF HOUSE PURCHASE FUNDS FOR NEW AND EXISTING HOUSES, OCTOBER 12, 1950—MARCH 15, 1951

[Percentage of house purchases using specified source of funds within specified group]

Source of funds	New houses	Existing houses
First mortgage.....	87	81
Second mortgage.....	3	8
Other borrowing.....	15	16
Other borrowing plus a mortgage or plus a mortgage and liquid assets.....	11	11
Liquid assets.....	83	84
Liquid assets only.....	5	9
Liquid assets plus a mortgage ¹	58	49
Sale of house.....	23	28
No mortgage on house purchased.....	5	6
Mortgage on house purchased.....	18	22
Other sources ²	5	3
Number of cases ³	354	1,009

¹ Includes a few cases involving a mortgage only.

² Includes gifts and nonliquid assets other than houses.

³ Excludes 5 cases for which classification by new or existing was not ascertained.

whole, were not great. The lack of significant differences is understandable in the absence of very marked differences in the prices of new and existing houses or in the incomes of the purchasers. A somewhat larger proportion of the individuals purchasing existing houses either sold a house or had sufficient liquid assets to pay for their houses. As a consequence, purchasers of new houses used first mortgages slightly more frequently than did purchasers of existing houses. Another difference was the somewhat greater proportion of existing houses that involved second mortgages, 8 per cent as compared with 3 per cent for new houses, many of them probably taken by former owners in part payment for the house. About one-sixth of both new and existing house purchases involved borrowing without mortgage security (see Table 20).

Mortgage characteristics. A much greater proportion of the mortgages on new than on existing houses involved Government guarantees or insurance. This difference is largely attributable to the economic advantage ordinarily accruing to builders who secure, prior to completion of construction, commitments for FHA insurance or VA guarantee of mortgages of prospective purchasers. About 30 per cent of new house mortgages were FHA insured and 37 per cent were VA guaranteed as compared with 17 per cent and 19 per cent, respectively, for existing houses (see Table 21).

As a consequence, a much greater percentage of the mortgages on new than on existing houses were written at interest rates of less than 5 per cent, for maturities of 20 years or more, and for loan-price ratios of 80 per cent or more. About three-fourths of the mortgages on new houses involved these low interest rates as compared with about one-half of the mortgages on existing houses. About two-thirds of the mortgages on new houses had maturities of 20 years or more, as compared with about one-third of the mortgages on existing houses. Forty-five per cent of the new house mortgages were 80 per cent or more of the prices of the corresponding houses, as compared with 20 per cent of the mortgages on existing houses. In spite of these differences in mortgage characteristics of new and existing houses, the distributions of monthly payments were similar. Payments on both new and existing houses were concentrated between \$40 and \$69.

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TABLE 21

CHARACTERISTICS OF FIRST MORTGAGES FOR NEW AND EXISTING HOUSES, OCTOBER 12, 1950—MARCH 15, 1951

[Percentage distribution]

Mortgage characteristic	New houses	Existing houses
Type of loan:		
FHA.....	29	17
VA.....	37	19
Conventional.....	34	64
All cases.....	100	100
Interest rate (per cent):		
Under 4.0.....	2	2
4.0.....	38	25
4.1-4.9.....	38	24
5.0.....	11	25
5.1-5.9.....	2	18
6.0.....	8	4
6.1 and over.....	1	2
All cases.....	100	100
Years to maturity:		
Less than 10.....	5	14
10-14.....	12	28
15-19.....	15	22
20-24.....	33	28
25 and over.....	35	5
No fixed maturity.....	(1)	3
All cases.....	100	100
Ratio of mortgage to house price (per cent):		
1-49.....	11	20
50-64.....	19	30
65-79.....	25	30
80-89.....	19	12
90-99.....	25	6
100.....	1	2
All cases.....	100	100
Monthly payment on mortgage:		
Less than \$30.....	1	7
\$30-\$39.....	12	13
\$40-\$49.....	15	14
\$50-\$59.....	24	20
\$60-\$69.....	23	15
\$70-\$79.....	10	11
\$80-\$99.....	9	9
\$100 and over.....	6	9
No regular payment.....	(1)	2
All cases.....	100	100
Number of cases ²	306	822

¹ Less than one-half of 1 per cent.

² Represents total number of cases in each group; however, the various distributions exclude cases where specific mortgage characteristics were not available. The number of cases with available data varied from 299 to 306 cases in the new houses group and from 753 to 822 cases in the existing houses group.

Houses in metropolitan and nonmetropolitan areas

The differences between the prices of houses in metropolitan and nonmetropolitan areas and the methods of financing their purchases are striking. These differences derive from variations between metropolitan centers and small towns and rural areas in such factors as incomes, construction costs, and traditions among lending institutions.

Sources of funds. Fifteen per cent of the houses located in nonmetropolitan areas, as compared with

5 per cent in metropolitan areas, were fully paid for through the use of liquid assets only. One-third of the purchasers in nonmetropolitan areas who sold a house, as compared with one-sixth of such purchasers in metropolitan areas, received sufficient funds from the sale to eliminate the necessity of securing a mortgage on their present property. As a result, individuals who purchased houses in nonmetropolitan areas obtained funds considerably less frequently from first and second mortgages and from other borrowing than did individuals purchasing houses in metropolitan areas (see Table 22). Institutions were more important as originators of first mortgages on houses in metropolitan areas, accounting for 88 per cent of these mortgages as compared with 75 per cent of the mortgages on houses in nonmetropolitan areas.

TABLE 22

SOURCES OF HOUSE PURCHASE FUNDS BY LOCATION OF HOUSE

OCTOBER 12, 1950—MARCH 15, 1951

[Percentage of house purchases using specified source of funds within specified group]

Source of funds	Metropolitan area	Nonmetropolitan area
First mortgage.....	88	73
Second mortgage.....	9	7
Other borrowing.....	17	1
Other borrowing plus a mortgage or plus a mortgage and liquid assets.....	12	1
Liquid assets.....	84	83
Liquid assets only.....	5	15
Liquid assets plus a mortgage ¹	52	52
Sale of house.....	29	21
No mortgage on house purchased.....	5	7
Mortgage on house purchased.....	24	14
Other sources ²	4	4
Number of cases.....	921	447

¹ Includes a few cases involving a mortgage only.

² Includes gifts and nonliquid assets other than houses.

Mortgage characteristics. Government insured or guaranteed mortgages occurred with greater relative frequency in metropolitan areas. About one-half of the mortgages on houses located in metropolitan areas were guaranteed or insured, as compared with one-third in the nonmetropolitan areas (see Table 23). This probably reflects in part the fact that a larger percentage of the large housing developments are located in metropolitan areas where insurance or guarantee commitments

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TABLE 23

CHARACTERISTICS OF FIRST MORTGAGES BY LOCATION OF HOUSE, OCTOBER 12, 1950—MARCH 15, 1951

[Percentage distribution]

Mortgage characteristic	Metro-politan area	Nonmetro-politan area
Type of loan:		
FHA.....	23	13
VA.....	26	19
Conventional.....	51	68
All cases.....	100	100
Interest rate (per cent):		
Under 4.0.....	1	3
4.0.....	29	29
4.1-4.9.....	33	16
5.0.....	18	26
5.1-5.9.....	4	1
6.0.....	14	22
6.1 and over.....	1	3
All cases.....	100	100
Years to maturity:		
Less than 10.....	6	23
10-14.....	20	31
15-19.....	22	17
20-24.....	34	20
25 and over.....	17	5
No fixed maturity.....	1	4
All cases.....	100	100
Ratio of mortgage to house price (per cent):		
1-49.....	18	17
50-64.....	27	28
65-79.....	30	25
80-89.....	14	14
90-99.....	10	12
100.....	1	4
All cases.....	100	100
Monthly payment on mortgage:		
Less than \$30.....	4	12
\$30-\$39.....	10	20
\$40-\$49.....	12	18
\$50-\$59.....	21	20
\$60-\$69.....	19	11
\$70-\$79.....	13	5
\$80-\$99.....	11	4
\$100 and over.....	9	6
No regular payment.....	1	4
All cases.....	100	100
Number of cases ¹	808	324

¹ Represents total number of cases in each group; however, the various distributions exclude cases where specific mortgage characteristics were not available. The number of cases with available data varied from 745 to 808 cases in the metropolitan area group and from 311 to 324 cases in the nonmetropolitan area group.

have been arranged for in advance by the developer, and in part the somewhat lower frequency of individuals as mortgagees in metropolitan areas.

Relatively low interest rates and long maturities were more frequent in metropolitan than in nonmetropolitan areas, reflecting the greater incidence in metropolitan areas of VA or FHA mortgages and the generally low money rates in large centers. Whereas over 60 per cent of the mortgages on houses in metropolitan areas were at rates of less than 5 per cent, less than 50 per cent of those in nonmetropolitan areas involved such low interest rates. Similarly, one-half of the mortgages on houses in metropolitan areas had maturities of 20 years or more, as compared with one-fourth of the mortgages on houses in nonmetropolitan areas.

Despite differences in other mortgage terms, however, the distributions of mortgages by loan-price ratios were similar for houses located in metropolitan and nonmetropolitan areas. Over half of the mortgages in both kinds of areas were between 50 and 79 per cent of the price of the corresponding houses. As noted before, the metropolitan purchases more often involved FHA or VA financing as well as higher priced houses. These two factors seemed to be about offsetting in their effects on loan-price ratios, with the resulting similarity between metropolitan and nonmetropolitan areas with regard to this mortgage characteristic.

Another major difference in mortgage characteristics was in monthly payments. In nonmetropolitan areas where purchases more often involved low priced houses, monthly payments were more heavily concentrated in the lower payment brackets. One-third of the mortgages on nonmetropolitan houses involved monthly payments of less than \$40, as compared with one-seventh of the mortgages on metropolitan houses.

APPENDIX

METHODS OF SURVEYS OF HOUSE PURCHASES

Board of Governors' survey

This article is based largely on data from a survey sponsored by the Board of Governors of the Federal Reserve System and conducted by National Analysts, Inc., of Philadelphia. The data were

taken from interviews with 1,368 persons who purchased 1- or 2-family nonfarm houses for owner occupancy between October 12, 1950—the date upon which Regulation X and the companion regulations of the Veterans Administration and the Federal

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Housing Administration were issued—and March 15, 1951, and who recorded deeds to their purchases between January 1 and March 15, 1951.¹ The names of the purchasers were selected from the lists of deed recordings in 40 counties throughout the United States. The percentage distribution of purchases by months is indicated in the table.

Month of purchase ¹	All houses	New houses	Existing houses
1950—October	10	17	7
November	19	27	17
December	28	29	28
1951—January	24	14	27
February	17	11	19
March	2	2	2
Total	100	100	100
Number of cases ²	977	248	729

¹ The time of purchase was determined by the signing of a purchase contract.
² Total excludes 391 cases in the survey. These cases included some purchasers who did not sign contracts and some who did not remember the month of signing. Purchasers who did not sign purchase contracts were included if their settlement dates came after October 12, 1950. Purchasers who signed contracts were included if they remembered signing after October 12 but not the exact month.

Universe sampled. The sample was a probability sample selected from lists of deed recordings. Since the universe of deed recordings differs from the universe of house purchases, any interpretation of the data in this article must take account of these differences. The differences exist, in part, because some purchases are never recorded and because some are recorded only after a substantial lapse of time. Other exclusions from the universe of house purchases occur for other reasons.

A list of these exclusions and some comment on the effects are given below:

(1) Houses for which the delay between purchase and recording was relatively long. This is the most important exclusion since the sample was taken from recordings in the period January 1-March 15, 1951 and involving purchases made since October 12, 1950. About two-thirds of all the recordings made in the period and referring to new houses and about one-half of the recordings referring to existing houses involved purchases made prior to October 12, 1950. The exclusion of a greater proportion of new than of existing houses undoubtedly tended to lower somewhat the income

¹ An additional 135 interviews were taken with persons who purchased 1- or 2-family houses after October 12, 1950, for investment. These interviews were excluded from the tabulations so that the data obtained would be comparable with HHFA survey.

distribution of purchasers and of the reported prices of houses purchased, and to change somewhat the distribution of certain mortgage characteristics.

(2) Houses on lots which were purchased a substantial time before the houses were built. This exclusion probably affected a larger proportion of both the relatively high priced custom-built houses built by persons with relatively high incomes and the relatively low priced nonmetropolitan houses built by persons with relatively low incomes. The net effect of these exclusions is uncertain, but they probably increased the proportion of medium priced houses.

(3) Houses purchased with land contracts. Such exclusions probably had slight effect on the survey results. Land contracts are used on relatively low priced houses purchased by persons judged to be poor credit risks, and, if included, could be expected to lower very slightly the income and price distributions.

At the end of 1949 land contracts held by life insurance companies and savings and loan associations had a value about .05 per cent of that of mortgages held by such institutions. Since land contracts, on the average, run about one-fourth as long as mortgages, acquisitions of land contracts might be expected to be about .2 per cent of acquisitions of mortgages during any given time period. Acquisition of land contracts by individual investors is probably more frequent than by institutions, and their use by all groups is declining secularly. Although a conversion from data referring to values to data referring to frequencies is subject to error, it seems improbable that as many as 1 per cent of all purchases involve land contracts.

(4) Purchases based on squatters' rights. Such purchases are believed to be so much less frequent than those involving land contracts that the effect of their exclusion can be ignored.

(5) Purchases by persons not living in the county in which the recording was made. Exclusion of these persons was made to expedite the field work and is believed to be of small effect.

(6) Structures located in business sections and bought primarily for business purposes (e.g., stores with living quarters in rear or above).

Sampling plan. The sampling plan for this survey can be briefly described as a two-stage stratified probability sample. The probability of selection of the first stage sampling units (counties) was based

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on the number of nonfarm dwelling units within the counties. The second stage units (recordings of house purchases) were selected from recordings of all house purchases within the selected counties. For economy of time in field work, varying sampling rates were used in order to keep the number of interviews nearly equal among the counties.

Details of the sampling plan follow:

1. Selection of first stage units.

As stated above, the county was the unit in the first stage of sampling. All counties in the United States were first divided into two major groups—metropolitan area counties, as defined by the Bureau of the Census, and nonmetropolitan area counties.

The metropolitan area counties were grouped into 25 strata. The basis for grouping was size of area and geographic location. Roughly equal numbers of nonfarm dwelling units in each stratum were obtained. The nonmetropolitan area counties were grouped into 15 strata. The basis for grouping was geographic region and again the strata were made about equal with regard to the number of nonfarm dwelling units. After the strata were formed, one county was selected from each with a probability of selection equal to the ratio of its number of nonfarm dwelling units to the total number in the stratum. The number of interviews to be taken from any county was made proportional to the stratum total of nonfarm dwelling units from which the county was drawn. Each of the six largest metropolitan areas was a separate stratum and each was therefore automatically included.

2. Selection of second stage units.

The unit used in the second stage of sampling was the recording of the house purchase. A systematic random sample of these purchases was drawn from the records of the Registrars in the counties selected. The entry lists used for the Registrars' records contained the names of many recordings, both real estate and other, which were ineligible entries for purposes of this study. A form was devised for the interviewer to list the names selected from the Registrars' records by the specified sampling procedure. The lines on each individual form were numbered in a random order from 1 through 12. After listing the names from the entry lists the interviewer processed these sample names in the order in which they were numbered to determine which were eligible and which were not. Since all lines designated 1 in the random

numbering were processed first, then all lines 2, and so on, the interviewer could stop at the end of any sequence of numbered lines without having altered the known probabilities of including in the sample any name on the original list. This device was adopted since the work loads had to be controlled, because of the short time period for conducting the survey, since the sampling had to be done in the field, and since the sampling rate necessary to yield a specified number of house purchase interviews was not known in advance.

3. An approximation of the sampling errors is given below:

APPROXIMATE SAMPLING ERRORS OF SURVEY FINDINGS¹

Reported percentage	Number of cases								
	60	100	300	500	700	900	1100	1300	1500
	Percentage points								
50.....	23.5	18.0	10.5	8.0	7.0	6.0	5.5	5.0	4.5
30 or 70.....	21.5	16.5	9.5	7.5	6.5	5.5	5.0	4.5	4.5
25 or 75.....	20.5	15.5	9.0	7.0	6.0	5.0	5.0	4.5	4.0
20 or 80.....	19.0	14.5	8.5	6.5	5.5	5.0	4.5	4.0	3.5
15 or 85.....	17.0	13.0	7.5	6.0	5.0	4.5	4.0	3.5	3.5
10 or 90.....	14.0	11.0	6.5	5.0	4.0	3.5	3.5	3.0	3.0
5 or 95.....	10.0	8.0	4.5	3.5	3.0	2.5	2.5	2.0	2.0

¹ The chances are 95 in 100 that the proportion for the universe lies within a range equal to the reported percentage plus or minus the number of percentage points rounded to the nearest one-half per cent as shown in the table.

Survey of the Housing and Home Finance Agency and the Survey Research Center

The pre-regulation survey data used for certain time comparisons in this article were developed through a survey sponsored by the Housing and Home Finance Agency (HHFA) and conducted by the Survey Research Center of the University of Michigan. The survey was based upon personal interviews with 985 persons who recorded deeds for the purchase of 1- or 2-family nonfarm houses for owner-occupancy between January 1, 1949 and June 30, 1950. The sampling for that survey was completed in the fall of 1950 and the interviewing in December 1950. The Survey Research Center provided National Analysts, Inc., with information regarding its sampling experiences. The sampling methods of the two surveys were similar except for the following: (1) Exclusion from the HHFA survey of nonfarm house purchases in communities of less than 2,500 and in the open country. This exclusion probably results in a higher income distribution of purchasers and a higher price distribu-

tion of purchases in the HHFA than in the Board's survey. (2) The effect of the delay between purchase and recording was much smaller for the HHFA survey than for the Board survey, since fewer recorded purchases were excluded because of the time of purchase. However, the purchases to which the data refer were made somewhat earlier than the recordings, and this must be kept in mind in comparing the HHFA data with data in the Board's survey. (3) Exclusion from the HHFA survey of houses purchased by tenant occupants. The effect of this exclusion is to underrepresent existing houses very slightly.

The HHFA survey was concerned primarily with psychological and technological considerations involved in house purchases rather than with the financing of these purchases. The differences in the objectives make for some differences in interviewing methods. The effect of these differences on the data from the HHFA survey that were used in this article is probably small.

Basic survey definitions

1. *Price.* The price of the house in the Board's survey was considered to be equal to the sum of the following: (a) mortgage debt incurred, (b) other debt incurred to finance the purchase, (c) liquid assets used, (d) funds from the sale of other assets, including houses, and (e) the value of the purchaser's own labor in building the house. Funds used to pay settlement costs, other than insurance and prepaid taxes, were also included. In the HHFA survey, price probably excluded such settlement costs and item (e).

2. *Income.* Income data refer to the annual money income before taxes in 1950 of the purchaser's family which includes all persons living in the same dwelling unit who are related by blood, marriage, or adoption. In both studies, the income of the purchaser's family unit was determined by asking respondents to select from a list of brackets that which included the family's income. This practice is believed to result in underrepresentation of both the lowest and the highest incomes as compared with a longer procedure based upon direct questions concerning components of income.

3. *Houses.* A house in the surveys was a one- or two-family nonfarm residential structure purchased for owner occupancy. A house whose first occu-

pant was a respondent was considered to be new. Other houses were classified as existing houses.

4. *Liquid assets.* Liquid assets included U. S. Government securities, deposits in bank accounts, shares in savings and loan associations, and currency.

5. *Monthly mortgage payments.* These payments include interest and amortization of principal.

6. *Conventional mortgages.* Conventional mortgages were any mortgages not insured by the FHA or guaranteed by the VA.

7. *Veteran status.* A house purchaser was classified as a veteran if he or a member of his family was a veteran of World War II.

8. *Metropolitan and nonmetropolitan areas.* A metropolitan area consists generally of a city of more than 50,000 persons together with certain surrounding counties, as designated by the Census.

9. *House purchases under pre-regulation commitments.* Although all the purchases in the Board's survey were made after Regulation X and the companion FHA and VA regulations were issued, some of these purchases were made on the basis of pre-regulation commitments and therefore could involve terms more liberal than the regulations permit for other purchases. Efforts to discover which of the purchases were based on pre-regulation commitments by asking the respondent directly were fruitless because respondents generally did not know whether their purchases involved commitments or not. The classification was made, therefore, by comparing the terms of each mortgage with the terms required by Regulation X or by the FHA or VA credit regulations. If the purchase of a new house involved conventional mortgage financing, comparison was made with Regulation X terms; if a purchase of either a new or existing house involved FHA financing, comparison was made with FHA terms; if VA financing was used, comparison was made with VA terms. In each instance, if the purchase was made on terms more liberal than the regulation permits, the purchase was classed as made under pre-regulation commitments. Since conventionally financed mortgages on existing houses are exempt from Regulation X, this procedure resulted in automatically classifying all such purchases as under terms still available under the regulation.

INSTALMENT CREDIT TERMS BEFORE AND DURING REGULATION¹

A recent survey indicates that there was a general easing of instalment credit terms from the time regulation of maturities and down payments was discontinued in June 1949 to the time it was renewed in September 1950. For most commodities the regulatory terms established in September 1950 were as liberal as the average terms prevailing before Regulation W was reissued, or more so, while the terms established on October 16 were considerably more strict than the pre-regulation average.

Following the reinstatement of the Board's Regulation W in September 1950, changes in the down payment and maturity terms of instalment contracts varied appreciably among commodities. This was reflected in changes in the proportion of contracts at or near the regulatory limits and in average terms. These changes suggest that the maturity limitation was a more important restraint than the down payment requirement on instalment financing of automobiles and residential repairs, while the down payment limitation was the more important restraint in the case of television sets, radios, household appliances, and furniture.

In the pre-regulation period there was considerable variation in average credit terms among the 12 Federal Reserve Districts, but the effect of regulation was to bring about greater uniformity.

With the reinstatement of consumer credit regulation on September 18, 1950, it became desirable to ascertain the pattern of instalment credit terms existing prior to regulation so that ensuing changes could be noted. Data on terms of actual contracts covering all commodities subject to regulation were collected for three intervals: April 1-September 17, 1950, the period immediately preceding regulation; September 18-October 15, 1950, the initial period of regulation; and October 16, 1950-February 1,

1951, the period immediately following the tightening of requirements. Regulated commodities were classified according to the following groups: new automobiles; used automobiles; television sets, radios, and household appliances; furniture; and residential repairs, alterations, or improvements.

TREND OF TERMS, 1949-50

There was a general easing of instalment credit terms in the first half of 1949 as a result of the successive relaxation of the regulation then in force.² Some further easing occurred following the expiration of controls on June 30, 1949. Terms on instalment contracts for new cars, which had averaged 45.0 per cent of the purchase price for down payments and 19.6 months for maturities during the last three months of regulation, eased to 42.5 per cent and 20.9 months by mid-1950. At this time more than 10 per cent of the instalment contracts for new cars specified maturities longer than the former maximum limit of 24 months, and nearly 15 per cent specified down payments smaller than the former minimum of one-third.

A similar general tendency toward liberalization of instalment credit terms appears to have affected contracts for used cars, television sets, radios, and household appliances after discontinuance of regulation on June 30, 1949. As was the case with new cars, there was a reduction in average down payment and a general lengthening of average maturity.

EFFECT OF REGULATION ON INSTALMENT CREDIT TERMS

In the absence of consumer credit regulation, individuals are able, within the limits set by trade practices, to adjust their instalment purchase plans to meet their individual budget situations. The combination of down payment and monthly payment chosen by an instalment purchaser may or may not be the most stringent terms he could afford. Moreover, the terms chosen may or may not be the most liberal terms available; some may

¹ This article was prepared by Philip M. Webster of the Consumer Credit and Finances Section of the Board's Division of Research and Statistics. The basic data were obtained by the Regulation W departments of the Federal Reserve Banks in the course of their regular review of instalment contracts subject to Regulation W. Responsibility for initiating the investigation was shared by Dale M. Lewis, formerly with the Board's Division of Bank Operations and now with the Federal Reserve Bank of St. Louis, Francis R. Pawley of the Board's Division of Selective Credit Regulation, and Donald M. Fort and Philip M. Webster of the Board's Division of Research and Statistics.

² For a report on terms prevailing in the first half of 1949, see Milton Moss, "A Study of Instalment Credit Terms," *FEDERAL RESERVE BULLETIN*, December 1949, pp. 1442-49.

INSTALMENT CREDIT TERMS BEFORE AND DURING REGULATION

choose more stringent terms in order to minimize finance charges, limit the period of payment, or for other reasons. Some purchasers may make a larger down payment than necessary and take the longest maturity available in order to obtain the lowest possible level of monthly payments. Tables 1 and 2 show the wide variation in the terms of instal-

ment contracts during April 1-September 17, 1950, before the reinstatement of regulation.

Instalment credit regulations that specify maximum repayment periods and minimum down payments narrow the range of terms available to potential instalment purchasers, who for purposes of analysis may be considered in three broad groups.

TABLE 1
INSTALMENT CONTRACTS FOR CONSUMER DURABLE GOODS DURING THREE PERIODS, BY MATURITY AND DOWN PAYMENT
[Percentage distribution of contracts]

New Automobiles				Used Automobiles			
Maturity (in months) and down payment (as percentage of purchase price)	Apr. 1, 1950-Sept. 17, 1950	Sept. 18, 1950-Oct. 15, 1950	Oct. 16, 1950-Feb. 1, 1951	Maturity (in months) and down payment (as percentage of purchase price)	Apr. 1, 1950-Sept. 17, 1950	Sept. 18, 1950-Oct. 15, 1950	Oct. 16, 1950-Feb. 1, 1951
Maturity under contract:				Maturity under contract:			
12 or less.....	17.5	18.2	26.3	12 or less.....	43.1	43.4	49.5
13-15.....	3.7	10.7	72.9	13-15.....	8.1	13.7	50.0
16-18.....	15.7	16.4	0.2	16-18.....	22.4	18.5	0.3
19-21.....	4.5	54.7	0.6	19-21.....	5.3	24.4	0.2
22-24.....	47.8			22-24.....	19.4		
Over 24.....	10.8			Over 24.....	1.7		
Total.....	100.0	100.0	100.0	Total.....	100.0	100.0	100.0
Average maturity.....	20.9	18.0	14.0	Average maturity.....	16.2	15.3	13.0
Regulation W maximum.....		21.0	15.0	Regulation W maximum.....		21.0	15.0
Down payment under contract:				Down payment under contract:			
Less than 33 1/2.....	14.8			Less than 33 1/2.....	20.2		
33 1/2.....	27.5	30.6	24.1	33 1/2.....	32.2	38.8	36.3
34-39.....	16.4	20.7	17.0	34-39.....	20.3	26.9	26.4
40-49.....	14.9	17.2	17.7	40-49.....	12.2	16.1	16.3
50 or more.....	26.4	31.5	41.2	50 or more.....	15.1	18.2	21.0
Total.....	100.0	100.0	100.0	Total.....	100.0	100.0	100.0
Average down payment.....	42.5	46.2	49.3	Average down payment.....	38.0	41.9	42.8
Regulation W minimum.....		33 1/2	33 1/2	Regulation W minimum.....		33 1/2	33 1/2
Number of contracts.....	57,114	23,760	18,496	Number of contracts.....	79,201	34,434	33,774
Television Sets, Radios, and Household Appliances				Furniture			
Maturity under contract:				Maturity under contract:			
12 or less.....	29.8	40.0	44.0	12 or less.....	56.8	61.0	64.9
13-15.....	9.8	19.6	53.9	13-15.....	16.3	20.3	34.4
16-18.....	16.7	40.4	2.1	16-18.....	13.7	18.7	0.7
19-21.....	4.6			19-21.....	3.1		
22-24.....	35.7			22-24.....	9.1		
Over 24.....	3.4			Over 24.....	1.0		
Total.....	100.0	100.0	100.0	Total.....	100.0	100.0	100.0
Average maturity.....	18.2	14.5	13.2	Average maturity.....	14.2	13.0	12.3
Regulation W maximum.....		18.0	15.0	Regulation W maximum.....		18.0	15.0
Down payment under contract:				Down payment under contract:			
Less than 10.....	23.2	0.9	0.4	Less than 10.....	17.1	1.8	0.8
10-14.....	35.2	2.0	0.6	10-14.....	29.1	29.1	2.0
15-19.....	13.9	47.6	3.1	15-19.....	16.4	24.5	45.1
20-24.....	11.1	15.4	2.2	20-24.....	15.2	17.7	19.1
25.....	4.4	10.6	44.9	25.....	6.3	6.9	8.4
Over 25.....	12.2	23.5	48.8	Over 25.....	15.9	20.0	24.6
Total.....	100.0	100.0	100.0	Total.....	100.0	100.0	100.0
Average down payment.....	14.5	21.9	29.3	Average down payment.....	16.7	19.5	22.1
Regulation W minimum.....		15.0	25.0	Regulation W minimum.....		10.0	15.0
Number of contracts.....	106,499	41,673	36,456	Number of contracts.....	57,683	32,762	29,908

NOTE.—Following the reinstatement of Regulation W, a few instalment contracts carried terms more liberal than the regulatory limits. These terms represented violations in some cases and in others applied to credit exempt from regulation.

INSTALMENT CREDIT TERMS BEFORE AND DURING REGULATION

First, there are those who prefer and can afford to obtain credit on terms even more restrictive than the limits set by regulation. Secondly, there are those who prefer easier terms than those permitted but are not prevented from making credit purchases by the stricter terms. Finally, there are those who are temporarily unable to make instalment purchases under the limits specified by regulation.

The first group should not be affected by credit restrictions. The second group probably would accept the most liberal terms available under regulation, namely, the minimum down payment and the maximum maturity. The third group would be excluded from the instalment credit market until their individual financial positions had been strengthened by the accumulation of sufficient savings to meet the stricter terms.

Contracts at or near regulatory limits. Credit control tends to increase the proportion of contracts with terms at or near the regulatory limits more than it does the proportion of contracts with more stringent terms because of the acceptance of regulatory limits by purchasers who would prefer easier terms. This type of change appears to have been general with respect to maturities, as shown in Tables 1 and 2. For example, after the establish-

ment of a 21-month maximum maturity for automobiles on September 18, 1950, new car instalment contracts with maturities of 19-21 months were more than half of all contracts whereas before regulation there had been very few contracts in this maturity group. While there were increases in other maturity groups, they were much less marked. The increased importance of maturities at or near the regulatory maximum was more clearly defined for automobiles and for residential repairs, alterations, or improvements than for the television-appliance group or furniture.

In the case of down payments, the tendency for regulation to accentuate the increase in the proportion of contracts specifying the required minimum was apparent for the television-appliance group and, after required down payments were increased on October 16, for furniture. For automobiles and residential repairs, however, the increase was greatest among contracts with down payments in excess of the required minimum.

This increase in the proportion of contracts with down payments above the minimum for automobiles and residential repairs may have reflected the desire of some consumers to reduce monthly payments by making larger down payments than were required by regulation. For instance, a potential instalment buyer of a new car who would have to make larger monthly payments than he would find convenient if he contracted on the basis of the minimum permissible down payment, might decide to save for a while or draw on available liquid assets in order to make a down payment sufficiently large to leave a balance which he could conveniently pay within the maximum maturity allowed. It may also be that, in the case of instalment sales of automobiles, there was a shift to lower priced models, in which case a given amount of cash or trade-in would have resulted in a larger percentage down payment. Also, trade-in allowances probably increased in October-November 1950. Adjustments such as these would have caused a greater increase in the proportion of instalment contracts specifying down payments in excess of the minimum than in the proportion of contracts having down payments at the required minimum. The presence of factors that operated in this direction is suggested by the increase in the average down payment on automobile sales following the October 16, 1950 shortening of the maximum ma-

TABLE 2

INSTALMENT CONTRACTS FOR RESIDENTIAL REPAIRS, ALTERATIONS, OR IMPROVEMENTS DURING TWO PERIODS, BY MATURITY AND DOWN PAYMENT
[Percentage distribution of contracts]

Maturity (in months) and down payment (as percentage of contract price)	Apr. 1, 1950- Sept. 17, 1950	Sept. 18, 1950- Feb. 1, 1951 ¹
Maturity under contract:		
12 or less	22.5	29.4
13-18	12.5	18.3
19-24	13.9	8.9
25-30	8.4	42.7
31-36	38.9	0.7
Over 36	3.8	.....
Total	100.0	100.0
Average maturity	26.0	21.4
Regulation W maximum		30.0
Down payment under contract:		
None	24.4	0.9
1-9	11.5	0.6
10	29.3	40.5
Over 10	34.8	58.0
Total	100.0	100.0
Average down payment	10.5	15.7
Regulation W minimum		10.0
Number of contracts	6,686	5,086

¹ No change in regulatory limits since Sept. 18, 1950.

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turity even though the regulatory minimum down payment was unchanged.

These changes in maturity and down payment distributions for the different commodity groups indicate that shortening maturities has a more restrictive effect than increasing down payments for automobiles and residential repairs, while the reverse is true for television sets, radios, household appliances, and furniture.

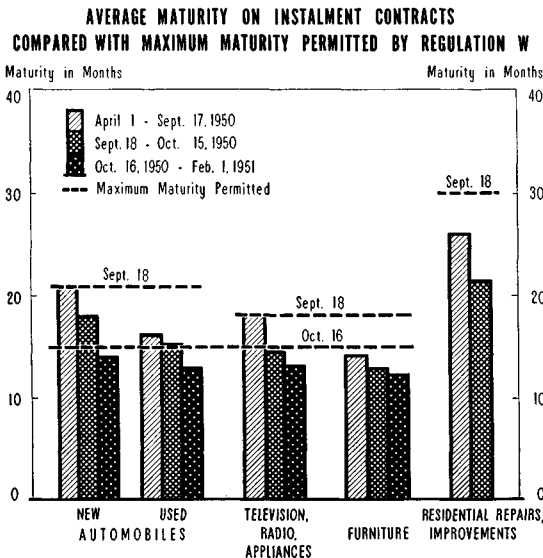
Average maturities. Maximum maturities established by regulation on September 18, 1950 for new automobiles, television sets, radios, and appliances were approximately the same as the respective average maturities under contracts written in the pre-regulation period, but the regulatory maxima for used cars, furniture, and residential repairs were considerably longer than the pre-regulation averages. During regulation, as is indi-

October 16 there were further reductions in average maturities for all types of regulated transactions. Contracts for new and used automobiles were affected in the greatest degree. Average maturities for new car instalment contracts written after October 16 were more than 30 per cent shorter than the average for contracts written in the period preceding regulation. The corresponding reduction for used-car contracts was 20 per cent. For television sets, radios, and household appliances, average maturities became more than 25 per cent shorter than in the pre-regulation period. The average repayment period was reduced less in furniture instalment contracts than in contracts for the other commodities covered by the regulation.

The difference between the average repayment periods for new and used automobiles was narrowed by the limitation of instalment credit terms. In mid-1950, shortly before the reinstatement of regulation, the average maturity was nearly five months shorter for used cars than for new cars. This differential was reduced to about three months during the initial period of regulation and to one month after maturity requirements were tightened on October 16. The narrowed differential indicates that shortening the permitted maturity to the same maximum for new and used automobiles tended to be somewhat more restrictive with respect to new cars than used cars. This follows from the fact that considerations of durability and resale value usually permit longer maturities for new cars than for used cars.

Average down payments. Comparison of average down payments before regulation with the regulatory minimum applied on September 18, 1950 indicates that the television-appliance group was the only one with a pre-regulation average below the initial requirement. Pre-regulation averages were substantially in excess of the minimum required for automobiles and furniture and approximately the same as the initial requirement for residential repairs. After regulation the average down payment increased more for the television-appliance group and for residential repairs than for the other commodity groups. It more than doubled for the television-appliance group between the pre-regulation period and the period following the first amendment to the regulation on October 16, 1950.

Average down payments have been a much larger proportion of purchase price for automobiles than for other regulated commodities, as is shown



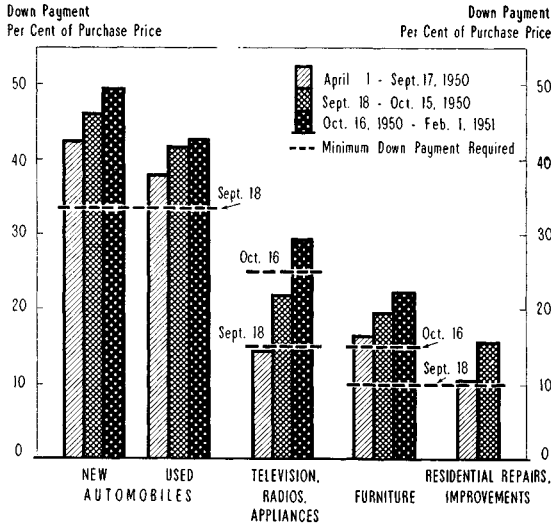
NOTE.—There was no change after Sept. 18, 1950 in the maximum maturity permitted for residential repairs, alterations, or improvements.

cated in the accompanying chart, there was less reduction in average maturities in the case of used cars and furniture than in the case of new cars and household appliances. There was a sharp decline in average maturity of contracts for residential repairs, notwithstanding the fact that the permitted maturity was longer than the pre-regulation average. This decline is explained by the elimination of maturities in excess of 30 months, which had been nearly 43 per cent of all residential repair contracts in the pre-regulation period.

Following the narrowing of regulatory limits on

INSTALMENT CREDIT TERMS BEFORE AND DURING REGULATION

AVERAGE DOWN PAYMENT ON INSTALMENT CONTRACTS
COMPARED WITH MINIMUM DOWN PAYMENT REQUIRED BY REGULATION W



NOTE.—There was no change after Sept. 18, 1950 in the minimum down payment required for automobile or for residential repairs, alterations, or improvements.

in the chart. The fact that this was particularly true during the pre-regulation period illustrates a basic difference in trade practices with respect to automobile sales and sales of other goods. The trade-in allowance, which the survey treated as part of the down payment, is more prevalent in automobile sales than in other instalment transactions.³

After the effective date of Regulation W, as shown in the chart, the average down payment for the television-appliance group was third largest among all regulated commodities whereas prior to regulation it had been fourth. The chart also shows an increase in average down payments for both new and used automobiles following the first amendment to Regulation W. As has been indicated before, this change may have reflected individual and trade adjustments to the shortening of maturities after terms were tightened in October.

RELATION OF DOWN PAYMENTS TO MATURITIES

Short repayment periods tend to be associated with large down payments, whether or not there is regulation of credit terms. As shown in Table 3, this tendency is evident for all commodities. In

³ Regulation W takes account of this difference in trade practices. It permits a trade-in allowance to be part of the down payment in the case of automobiles but specifies the cash payment of a percentage of the net price after deduction of trade-in allowances in the case of other goods.

the period April 1-September 17, 1950, for example, a down payment of more than one-third was specified in about 54 per cent of the used car instalment contracts with a maturity of 12 months or less and in only about 28 per cent of the contracts with a maturity exceeding 24 months. This general inverse relationship between down payment and maturity was also indicated by the earlier survey of instalment credit terms in 1949.⁴

Within each maturity classification, the percentage of contracts specifying down payments in excess of the regulatory minimum tended to increase noticeably following the reinstatement of regulatory limits on September 18, 1950, with the exception of the 16-18 month maturity group for furniture. For example, the proportion of used automobile contracts in the 16-18 month maturity group that had down payments exceeding the regulatory minimum increased from less than 47 per cent in

⁴ *Ibid.*, p. 1448.

TABLE 3

CONTRACTS WITH DOWN PAYMENTS LARGER THAN REGULATORY MINIMUM EFFECTIVE OCTOBER 16, 1950 AS PERCENTAGE OF ALL CONTRACTS IN EACH MATURITY GROUP, BY SELECTED COMMODITY GROUPS¹

Commodity group	Maturity (in months)					
	12 or less	13-15	16-18	19-21	22-24	Over 24
Apr. 1-Sept. 17, 1950, no regulatory limits						
New automobiles...	76.1	69.3	65.7	45.6	53.6	35.2
Used automobiles...	54.4	47.0	46.5	38.0	38.0	28.0
Television sets, radios, and household appliances...	24.9	12.5	8.9	5.1	4.7	5.5
Furniture.....	49.7	42.6	37.1	35.6	30.0	26.3
Sept. 18-Oct. 15, 1950, initial regulatory limits						
New automobiles...	84.1	73.6	70.4	63.4	.....	.....
Used automobiles...	67.0	62.0	59.9	51.6	.....	.....
Television sets, radios, and household appliances...	35.9	21.4	12.1	.....	.....	.....
Furniture.....	59.9	48.0	35.7	.....	.....	.....
Oct. 16, 1950-Feb. 1, 1951, amended regulatory limits						
New automobiles...	86.0	72.5	.....	.....	.....	.....
Used automobiles...	67.9	59.8	.....	.....	.....	.....
Television sets, radios, and household appliances...	56.7	43.7	.....	.....	.....	.....
Furniture.....	71.6	59.2	.....	.....	.....	.....

¹ Effective Oct. 16, 1950, minimum down payments for new and used automobiles were 33 1/3 per cent, for television sets, radios, and household appliances 25 per cent, and for furniture 15 per cent.

INSTALMENT CREDIT TERMS BEFORE AND DURING REGULATION

the pre-regulation period to nearly 60 per cent in the September 18-October 15 period. This probably reflects primarily the stronger asset position of persons who could afford to buy on the instalment plan following the reissuance of Regulation W, but it may also reflect increased trade-in allowances, a shift to lower priced models, and attempts to moderate the effect of the large monthly payments resulting from the shorter permitted maturities by increasing the down payment made at the time of purchase.

DISTRICT VARIATIONS IN INSTALMENT CREDIT TERMS

Average down payments and average maturities of instalment contracts for all commodities now

subject to consumer credit regulation varied considerably among the 12 Federal Reserve Districts before Regulation W was reinstated. As is shown in Table 4, in the pre-regulation period average maturities for new car instalment contracts ranged from a low of 17.7 months in the Minneapolis District to a high of 23.3 months in the San Francisco District. These variations reflected substantial differences in trade practices with respect to maturities. Thus, in the San Francisco District maturities in excess of 24 months were specified in about 37 per cent of all the instalment contracts for new cars written during the pre-regulation period whereas the corresponding percentage for

TABLE 4
AVERAGE TERMS OF INSTALMENT CONTRACTS FOR REGULATED COMMODITIES DURING THREE PERIODS
BY FEDERAL RESERVE DISTRICT

Commodity and average terms (maturity in months and down payment as percentage of purchase price)	All districts	Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
New automobiles—													
Apr. 1-Sept. 17, 1950:													
Maturity.....	20.9	20.1	21.2	22.5	21.7	20.1	20.9	20.1	20.4	17.7	21.5	20.4	23.3
Down payment.....	42.5	46.8	44.3	42.2	42.0	43.9	42.7	43.5	41.6	43.3	39.7	35.8	38.8
Sept. 18-Oct. 15, 1950:													
Maturity.....	18.0	17.7	18.1	19.1	17.7	18.3	18.1	17.9	17.6	15.5	17.2	18.2	18.7
Down payment.....	46.2	48.7	48.9	45.0	45.7	46.4	46.2	47.6	45.5	48.5	45.5	39.5	44.5
Oct. 16, 1950-Feb. 1, 1951:													
Maturity.....	14.0	13.7	13.9	14.0	14.2	14.0	14.1	13.9	14.0	13.7	13.8	14.4	14.1
Down payment.....	49.3	49.8	52.1	50.0	48.1	49.7	50.9	50.2	50.4	49.0	47.8	41.8	46.9
Used automobiles—													
Apr. 1-Sept. 17, 1950:													
Maturity.....	16.2	16.5	18.7	18.1	18.0	15.0	15.4	16.4	16.7	14.9	16.3	17.1	16.9
Down payment.....	38.0	38.9	39.9	36.2	35.7	40.5	37.4	39.3	35.7	38.5	34.5	33.4	37.1
Sept. 18-Oct. 15, 1950:													
Maturity.....	15.3	15.9	16.5	16.9	15.4	14.8	14.5	15.0	14.2	14.0	14.3	16.7	15.9
Down payment.....	41.9	45.5	43.5	40.9	41.3	43.8	41.4	42.4	42.4	44.2	41.7	37.7	41.2
Oct. 16, 1950-Feb. 1, 1951:													
Maturity.....	13.0	13.4	13.6	13.6	13.4	12.8	12.8	12.9	12.9	12.7	12.8	13.8	13.3
Down payment.....	42.8	46.0	44.4	43.1	41.7	44.0	42.8	42.6	40.8	44.5	42.2	38.2	42.9
Television sets, radios and household appliances—													
Apr. 1-Sept. 17, 1950:													
Maturity.....	18.2	17.6	18.4	16.9	16.0	17.5	18.8	16.3	16.6	16.4	18.6	18.6	19.9
Down payment.....	14.5	17.8	18.3	18.2	16.4	14.2	10.7	18.8	17.0	17.7	14.5	15.6	14.1
Sept. 18-Oct. 15, 1950:													
Maturity.....	14.5	14.7	15.1	14.8	13.7	14.5	14.4	13.9	14.3	14.0	14.0	14.9	15.5
Down payment.....	21.9	23.3	22.7	22.6	24.4	19.8	20.9	23.6	22.4	21.8	21.8	20.7	20.7
Oct. 16, 1950-Feb. 1, 1951:													
Maturity.....	13.2	13.4	13.4	13.3	13.1	13.0	13.3	12.8	13.1	12.9	12.9	13.5	13.8
Down payment.....	29.3	30.6	31.0	28.2	30.5	29.1	28.5	30.7	29.2	29.3	29.3	26.6	28.3
Furniture—													
Apr. 1-Sept. 17, 1950:													
Maturity.....	14.2	15.3	14.8	16.5	14.6	13.3	13.2	12.9	14.4	13.8	16.1	15.2	16.6
Down payment.....	16.7	18.9	20.9	20.0	17.4	15.2	12.3	21.2	16.8	18.9	15.6	17.6	17.7
Sept. 18-Oct. 15, 1950:													
Maturity.....	13.0	13.7	13.3	14.4	12.8	12.5	12.4	12.5	13.0	12.9	13.3	14.0	14.2
Down payment.....	19.5	21.0	21.8	18.8	22.1	17.3	16.7	22.4	19.5	20.1	19.0	17.7	19.4
Oct. 16, 1950-Feb. 1, 1951:													
Maturity.....	12.3	12.6	12.3	12.6	12.3	11.9	11.9	12.0	12.5	12.1	12.5	13.1	12.9
Down payment.....	22.1	22.9	24.2	21.4	22.9	21.0	19.4	24.9	21.7	22.2	21.7	20.5	22.1
Residential repairs, alterations or improvements—													
Apr. 1-Sept. 17, 1950:													
Maturity.....	26.0	16.2	27.3	31.9	28.5	26.3	22.3	27.9	26.0	14.5	31.0	22.5	22.0
Down payment.....	10.5	14.5	11.0	5.5	10.8	13.3	10.7	12.2	8.9	15.7	10.6	13.7	13.1
Sept. 18, 1950-Feb. 1, 1951:¹													
Maturity.....	21.4	15.4	24.8	25.2	25.6	20.8	19.5	20.5	22.0	14.0	21.9	22.0	17.9
Down payment.....	15.7	17.3	14.5	14.5	15.0	15.8	15.3	17.1	16.5	18.1	16.2	13.3	15.8

¹No change in regulatory terms since Sept. 18, 1950.

INSTALMENT CREDIT TERMS BEFORE AND DURING REGULATION

the nation as a whole was slightly less than 11 per cent.

While variations in average terms among the districts were evident for all commodity groups, no one district had the most liberal or the most stringent instalment credit terms for all goods. For example, the San Francisco District had the longest average maturity for new cars in the pre-regulation period, but the New York District had the most liberal average maturity for used cars. It appears that districts with average maturities longer than

those for the nation as a whole also tended to have average down payments smaller than the national average.

The general pattern of district variation in terms during the pre-regulation period tended to continue after credit regulation was imposed on September 18, 1950. After terms were tightened on October 16, 1950, although the district pattern was still evident, the range of variation narrowed substantially for maturities but changed little for down payments.

NEW POSTAL MONEY ORDER PROCEDURE

A new type of postal money order and collection procedure became effective July 1, 1951. The new procedure will greatly simplify the handling of postal money orders by banks as well as by the Post Office Department.

The new orders will be handled like checks and it is expected that a large volume of them will be cleared through the banking system. The new orders are not drawn on any particular post office and may be cashed at any post office or cleared through a bank within one year from date of issue. The post office fee for cashing an order at other than the office on which drawn, or at which issued, is not applicable to these orders.

The new type of orders, whether cashed at post offices or cashed at or deposited with banks, will ultimately be deposited with a Federal Reserve Bank or branch, which, after processing the orders, will charge them to the account of the Treasurer of the United States and turn them over to the regional accounting office of the Post Office Department in the Federal Reserve city of the district.

The new orders are printed on tabulating cards, pre-punched to designate a serial number and one of the twelve regions established by the Post Office Department and conforming generally to the Federal Reserve districts. Special punch-proof machines have been developed and installed at the Federal Reserve Banks and branches for handling these orders. These machines will in one operation: list the amount on tapes, punch the amount in the order, and automatically sort the orders according to the twelve Post Office regional accounting offices. Thereafter the accounting and auditing operations at the Post Office Department will be handled on punch card tabulating equipment.

The plan was developed by the Post Office Department, the Treasury, and the Comptroller General under the continuing program to improve accounting procedures in the Federal Government. Representatives of the American Bankers Association and the Federal Reserve cooperated with representatives of the three Government agencies in the development of the program.

ESTIMATED LIQUID ASSET HOLDINGS OF INDIVIDUALS AND BUSINESSES

The largest annual increase in liquid asset holdings during the postwar period took place in 1950. Individuals are estimated to have added 5.4 billion dollars to their holdings and businesses 3.0 billion, bringing their respective totals to 182.1 billion and 69.0 billion. In percentage terms the growth was larger for businesses than for individuals. Unincorporated businesses drew down their liquid assets for the fifth successive year but additions by corporations, especially large corporations, more than offset the decline in 1950.

Estimates of liquid asset holdings of individuals and businesses as of December 31, 1950, and for end-of-year and selected midyear dates from December 1939 to December 1950, are presented in the accompanying table. These estimates cover the principal assets which are most readily available or convertible for use and for which there are representative statistics of ownership. Currency and demand deposits are the basic forms of cash ordinarily used and, under existing practices, time deposits, shares of savings and loan associations, and United States Government securities are readily convertible into cash.

The volume of liquid asset holdings expanded sharply in the latter part of 1950 following the outbreak of fighting in Korea. This expansion reflected a marked increase in the volume of bank credit as a result of considerably greater demand for funds by businesses and individuals. Demand deposits rose in direct response to the increase in bank credit. Other types of liquid asset holdings expanded as the borrowed funds passed into the hands of owners who chose to put them into these forms of saving.

Corporate additions to liquid assets were large notwithstanding substantial investments in plant, equipment, and inventories. This expansion of liquid asset holdings reflected larger working capital needs, including the setting aside of funds in preparation for considerably larger Federal income tax payments.

An increase in the rate of individual saving in liquid form in 1950 reversed a downward trend that had persisted since the end of the war. For some years a relatively low rate of total personal saving, as measured by the Department of Commerce, in conjunction with a high rate of investment in nonliquid assets such as housing and farm and nonfarm businesses, had contributed to a declining rate of individual saving in liquid form. An increase in total personal saving in 1950 compared with 1949 was approximately matched by an increase in personal liquid saving.

In 1950, administrators of personal trust accounts placed approximately two-thirds of the net increase in the investments of these funds in liquid assets, primarily United States Government securities. The increase in "other" personal holdings of liquid assets was divided about equally between demand deposits and savings and loan shares.

The estimates presented in the accompanying table include liquid assets held by individuals (including farmers), unincorporated businesses, and corporations other than insurance companies. They do not include holdings by Federal, State, or local governments, Government agencies, foreigners, banks, savings and loan associations, insurance companies, or nonprofit associations. The estimates are approximations of amounts shown or implied in accounting records of the holders rather than those reported by banking and Treasury records, although they are derived primarily from bank and Treasury reports. The deposit estimates therefore differ somewhat from figures reported by banks and regularly published among banking statistics.

The basic classifications used and method of estimating are the same as those employed previously. Some small revisions have been made in the estimates for December 1948 and December 1949.¹

¹ See Federal Reserve BULLETINS for June 1945, February 1946, November 1946, September 1947, June 1948, July 1949, and August 1950 for previously published estimates.

ANNUAL REPORT OF THE NETHERLANDS BANK

Changes in methods of credit control instituted by the central bank of the Netherlands are described in the following extract from the official English edition of the Bank's Annual Report for the year 1950. A combination of reserve requirements and credit ceilings for individual banks has replaced the former system under which individual bank loans were submitted to the central bank for approval.

SUPERVISION OF THE CREDIT SYSTEM

The Netherlands Bank exercises supervision over the credit system by virtue of Article 9 of the Bank Act of 1948. The third paragraph of this article contains the stipulation that the Netherlands Bank has the supervision of the credit system, while it is determined in the fourth paragraph that this supervision be exercised in the interest of the solvency and liquidity of the credit institutions, and in the interest of a credit system based on sound and correct principles of banking. This means that the supervision has a private-economic as well as a social-economic purpose. The private-economic purpose aims at ensuring the solvency as well as the liquidity of the individual credit institutions.

The social-economic purpose is based on the first paragraph of Article 9 of the Bank Act, in which the Bank is charged with regulating the value of the Netherlands monetary unit in such a way as is deemed most conducive to the welfare of the country, and thereby stabilizing this value as far as possible. It has been the intention, from the beginning, to elaborate by law the supervision of the credit system with which the Bank was charged pursuant to the Bank Act of 1948. As was mentioned in the Bank's previous report, a preliminary draft for a draft bill to be submitted to parliament was prepared at the request of the Minister of Finance. This preliminary draft formed the basis for a draft bill regarding which the Bank Council was consulted in November 1950, and on which the Social Economic Council submitted its recommendations to the Government in February 1951.

In addition to the Bank Act of 1948, the supervision by the Netherlands Bank of the credit system is also based at present on Article 19 of the Deblocking Decree of 1945. Pursuant to this article, a license of the Netherlands Bank was re-

quired for every loan made by members of the organizations of commercial banks, agricultural credit banks, savings banks, and stockbrokers. By virtue of General License No. 40 of November 30, 1945, the Bank authorized members of the above mentioned organizations to extend loans for certain specified purposes, without a license, provided they did not exceed an amount of fl. 50,000. A license had to be obtained for all other loans granted.

As in previous years, supervision of the credit system was not limited to consideration of applications for licenses for the granting of credits, pursuant to Article 19 of the Deblocking Decree of 1945; to the institution of auditor's control over credit institutions; and to the perusal of data periodically submitted to the Bank. In addition, when necessary, consultations were held with the credit institutions concerned in order to effect an improvement of situations which were considered less desirable; during the year under review, there was a further increase in the number of these consultations. In most cases, the action of the Bank led to satisfactory results.

Increase in rate of discount. As of September 26, 1950, the Bank revised its rates of interest. The discount rates for bills of exchange and promissory notes which had been 2½ per cent and 3 per cent respectively since June 27, 1941, were increased by ½ percentage point; the interest on advances in current account and advances for one month, which had been 3½ per cent since August 29, 1939, remained unchanged.

The development of loans granted by banks to trade and industry, which showed an especially strong increase in the third quarter of 1950, was the reason for the increase in the rate of interest.

The causes for the expansion of the bank credit cannot be precisely determined quantitatively. There is no doubt that the liberalization of foreign trade, which opened up possibilities for trade and industry to raise stocks to a more normal level, and for retail trade to improve its assortments, played an important part. Secondly, the influence of the more acute foreign political tensions, especially since the beginning of hostilities in Korea, and the general price increase resulting therefrom, should be mentioned. Probably payments of tax arrears also played a part.

Although the expansion of bank credit can be said to have had its reasons and the total volume of commercial bank credit, compared to the pre-war situation, could by no means be called exces-

NOTE.—Only a part of Chapter V of the report is reprinted here. Other chapters review international economic conditions, economic and financial developments in the Netherlands, monetary equilibrium and the balance of payments, and the activities and organization of the Netherlands Bank.

sive, but on the contrary relatively small, the Bank nevertheless considered it not justified, in the course of September 1950, to delay further the imposition of restrictive measures. The private-economic justification of credits can detract nothing from the fact that the rise in the total volume has undoubtedly an inflationary character, and consequently exerts a direct influence on the balance-of-payments position. Moreover, the high degree of liquidity which characterises the Netherlands banking institutions at present, and which is still a result of the course of affairs which prevailed during the German occupation, had to be taken into account. On September 30, 1950, the 42 commercial banks and the agricultural credit banks together held Treasury paper amounting to approximately fl. 3,500 million, while their total credits on that date amounted to approximately fl. 1,850 million. In consequence, the possibility of converting Government paper into commercial credits, with all its accompanying inflationary potentialities, was very large.

It is clear, however, that with the great liquidity of the banking system, an increase in the rate of discount, in itself, could be little more than a shot in the dark, because in general, the banks were by no means in a position of having to appeal to the central bank, or even of having to take into account the possibility of such an appeal. In consequence, it was necessary to supplement the discount increase by measures intended to render the discount effective. As long as the implementing legislation of the supervision of the credit system referred to earlier had not been enacted, these measures, as well as the licensing control exercised thus far—which, however, could not be applied to influence the total volume of credits—had to be based on existing legal regulations.

When the discount increase was published, the Bank therefore also announced that, in order to promote the effectiveness of its interest policy, it had decided to recommend that the Minister of Finance authorize the Bank to revise its method of supervising the credit system under the Deblocking Decree of 1945.

Measures effective as of January 1, 1951. In order to render the discount rates effective, it was necessary to restrict the freedom of the banking institutions to expand their credits to trade and industry, which they were likely to do for private-economic reasons, under a simultaneous contraction of their portfolio of Treasury paper. A situation had to be created whereby the banks, in spite of their generally very ample liquidity, would nevertheless be forced to appeal to the Netherlands Bank in case of a further extension of credits beyond a certain defined limit. For this purpose, a certain ratio has been prescribed between the

liquidities maintained by the banks on the one hand, and the amount of deposits on the other, which ratio naturally results in a certain limitation of funds available for the granting of credits. If this limit is reached, it can be exceeded, provided an appeal is made to the Netherlands Bank for the amount in excess of the limit. Only those banks whose liquidity does not fulfill the minimum requirements (cover percentage of 40) are excluded from this facility.

It would have been desirable, in itself, if the prescribed cover ratio could have been the same for every bank. The extensive differences among the Netherlands banking institutions, and the very divergent positions of the various banks, made it impossible, however, to prescribe uniform percentages. Such a regulation would have had no effect at all upon the banks with very ample liquidity, but would have had an unreasonable repercussion on banks with less ample, but from a private-economic viewpoint, still adequate liquidity. It was also impracticable, at such short notice, to classify the banks into groups, within each of which the same percentage could apply. The principle of equality of treatment for all had to be established in this case by determining for all banks a position based upon the recent past, and by granting an equal degree of flexibility to all banks in proportion to this basic position.

Furthermore, in order to avoid forcing some banks to appeal to the Netherlands Bank immediately—which would have been unjust because credits granted before the publication of the new measures were entirely in accordance with the regulations effective until then—an alternative criterion was established by virtue of which the appeal to the Netherlands Bank was restricted to an amount dependent on the further increase of credits granted beyond a certain limit attained in the very recent past. Consequently, unless the aggregate of their liquid assets is less than 40 per cent of their deposits, the banks may always choose between two alternatives, enabling them, each one for itself, to exercise the option which is individually most favourable. The appeal which they must make to the Netherlands Bank is thus determined by either (a) the sum whereby the cover in liquid assets is below the prescribed minimum, or (b) the sum whereby the credit ceiling is exceeded.

With regard to the determination of the cover requirements, at first the fixing of certain cover percentages was considered, based on the actual cover ratio existing with each banking institution in the base period chosen. However, upon further consideration, it became apparent that this would encounter serious objections because the various banks would thus work with different cover ratios, and a change in the volume of deposits would have varying degrees of restraint for different banks. For

instance, one bank would then have been allowed to use 20 per cent and another perhaps 50 per cent of newly acquired deposits for the expansion of credits. For this reason the following form was chosen for the determination of the cover requirements; the aggregate of the cover must not drop below 90 per cent of the amount of cover in the base period, augmented or reduced by two-thirds of the sum of the newly gained or lost deposits since the base period.

The technical execution of the measures discussed above, was as follows: for the commercial banks and the agricultural credit banks, General License No. 40 of November 30, 1945, was withdrawn as of January 1, 1951. This license had been granted by the Bank on the basis of the De-blocking Decree of 1945; it authorized the commercial banks, agricultural credit banks, savings banks, and stockbrokers to grant credits for certain stipulated purposes for amounts aggregating not more than fl. 50,000 without the special license referred to in Article 19 of the De-blocking Decree being required.

General License No. 40 was replaced for the commercial banks and agricultural credit banks by General Licenses Nos. 40A through E.

General License No. 40A applies to commercial banks that submit complete monthly figures to the Bank before the 21st of each calendar month. This license authorizes holders to grant credits provided:

(a) the amount of the cover does not drop below 90 per cent of the average as of June 30, 1949 and December 31, 1949, augmented or reduced by two-thirds of the sum which was gained by or lost from the deposits with respect to the average position on the aforementioned dates, or

(b) the credits granted, as determined in the license, do not exceed a sum corresponding to 105 per cent of the position on September 30, 1950, or

(c) an appeal is made to the Netherlands Bank for the amount which exceeds the limits stipulated in (a) or (b), while

(d) in any case the requirement must be fulfilled that the amount of the cover in liquid assets is not less than 40 per cent of the deposits.

The appeal to the Netherlands Bank, referred to above, is regulated in such a way that only the figures at the end of each calendar month are binding, while the resultant appeal to the Bank must take place during the second calendar month thereafter.

General License No. 40B applies to the commercial banks who do not submit a completely filled-in return to the Netherlands Bank before the 21st of each calendar month. In principle, they must apply for a license for each loan; it is stipulated, however, that they may grant credits to one and

the same person not exceeding an aggregate of fl. 2,000, or whereby the debit position of one and the same person does not rise beyond the debit position of January 1, 1951.

Except by complying with the above mentioned rules, commercial banks can only grant credits or authorize disposals over outstanding credits after a license has been granted by our institution. Applications for such licenses are mostly received from banks with a cover percentage of less than 40. In these cases, a continuous license, valid for a period of six months, is generally granted on the condition that measures are taken to increase the cover percentage within a certain period and up to a certain level to be determined in each case. The character and the special situation of the bank making the application are taken into consideration as far as possible.

General Licenses Nos. 40C through E deal with the same regulations for the agricultural credit banks.

General License No. 40C applies to the two central agricultural credit banks, and is the same as General License No. 40A, the only difference being that the minimum cover percentage of 40 is not stipulated in this instance.

General License No. 40D, which applies to the agricultural credit banks affiliated with the two central banks mentioned above, contains certain modifications in view of the special character of these institutions. There are more than 1,300 agricultural credit banks of a divergent nature in this country, for which the granting of credits to industry and trade sometimes plays an important, and sometimes a negligible role. For this reason, it was decided not to determine the basis for the granting of the credits in question by means of cover regulations, but to bring the volume of credits directly into connection with the volume of deposits, including both the balances on current account as well as the savings accounts. The following options have been drawn up for these banks:

(a) maximum of debit balances equal to 10 per cent of deposits;

(b) maximum of debit balances equal to 105 per cent of their level as of September 30, 1950;

(c) maximum of debit balances equal to their level as of September 30, 1950, increased by one-third of the rise in deposits, compared to their position as of September 30, 1950.

An eventual appeal to the Netherlands Bank by the agricultural credit banks is made through the intermediary of the central agricultural credit banks.

Finally, General License No. 40E contains similar stipulations for the small number of agricultural credit banks not affiliated with the two aforementioned central agricultural banks.

LAW DEPARTMENT

Administrative interpretations of banking laws, new regulations issued by the Board of Governors, and other similar material

Legislation

Extension of Defense Production Act of 1950

By Act of Congress approved June 30, 1951, the Defense Production Act of 1950 which, among other things, contains authority for the guarantee of defense production loans, the control of consumer credit, and the regulation of real estate credit, and which would have expired June 30, 1951, was extended for an additional month. The text of the Act reads as follows:

PUBLIC LAW 69—82D CONGRESS

[CHAPTER 198—1ST SESSION]

[H. J. RES. 278]

JOINT RESOLUTION

To continue for a temporary period the Defense Production Act of 1950; the Housing and Rent Act of 1947, as amended; and for other purposes.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That section 716 (a) of the Defense Production Act of 1950 is hereby amended (1) by striking out "June 30, 1951" and inserting in lieu thereof "July 31, 1951", and (2) by striking out "July 1, 1951" and inserting in lieu thereof "August 1, 1951". Section 716 (b) of the Defense Production Act of 1950 is hereby amended by striking out "June 30, 1951" and inserting in lieu thereof "July 31, 1951". Notwithstanding any other provision of this resolution or any other provision of law, the authority conferred under the Defense Production Act of 1950, as amended, shall not be exercised during the period June 30, 1951, to July 31, 1951, inclusive, to place into effect, or permit to become effective, a price ceiling for any material or service lower than the ceiling in effect for such material or service on the date of the enactment of this resolution or to put into effect a ceiling for any material or service for which a ceiling is not in effect on the date of the enactment of this resolution, except that in the case of those agricultural commodities below parity which reach a parity price during the effective period of this resolution, ceilings may be put into effect in conformity with the provisions of section 402 (d) (3) of the Act.

SEC. 2. (a) Section 4 (e) of the Housing and Rent Act of 1947, as amended, is hereby amended by striking out "June 30, 1951" and inserting in lieu thereof "July 31, 1951".

(b) Section 204 (a) of the Housing and Rent Act of 1947, as amended, is hereby amended by striking out "June 30, 1951" and inserting in lieu thereof "July 31, 1951".

(c) Section 204 (f) of the Housing and Rent Act of 1947, as amended, is hereby amended by striking out "June 30, 1951" and inserting in lieu thereof "July 31, 1951".

SEC. 3. The Act of June 30, 1950 (Public Law 590, Eighty-first Congress) is hereby amended by striking out "July 1, 1951" and inserting in lieu thereof "August 1, 1951".

Approved June 30, 1951.

Rules of Procedure

Amendments

In order to make certain clarifying changes with respect to the issuance of subpoenas and the payment of fees to witnesses, the Board of Governors, effective June 28, 1951, amended subsections (j) and (k) of Rule III of the Rules of Practice for Formal Hearings, contained in Appendix A to the Rules of Procedure, so as to read as follows:

(j) Subpoenas requiring the attendance of witnesses from any place in the United States at any designated place of hearing, or requiring the production of documentary evidence, will be issued only by the Board, or such person as the Board may designate for this purpose, and as authorized by law. Application may be made either to the Secretary of the Board or to the person so designated by the Board. Such application must be in writing and must state, as definitely as practicable, the reasonable scope of the evidence sought (reasonably identifying any document desired) and the facts to be proved thereby, in sufficient detail to indicate the materiality and relevance thereof.

(k) Witnesses summoned by the Board at the request of the respondent or of counsel for the

Board will be paid the same fees and mileage that are paid to witnesses in the courts of the United States. Such payments as witnesses may be entitled to receive under this section shall be made by the party at whose instance the witnesses appear.

Real Estate Credit

Determination of Value of Residential Property

Inquiries have been received concerning the application of section 2(i)(2)(B) of Regulation X to a case where, through unforeseen delays, credit is extended more than one year after the acquisition of property.

A typical example might be as follows: On June 5, 1950, an individual purchased a lot. On December 5, 1950, a Registrant committed himself to provide permanent financing to the extent of the maximum loan value computed on the basis of *bona fide* estimated cost. Because of unforeseen delays, however, construction will not be completed until July 1951. The question raised is whether the Registrant must now base the maximum loan value on his appraisal rather than the estimated cost, or whether the commitment to extend credit may be considered an extension of credit.

The Board has ruled in other cases in the past that a commitment to extend credit cannot be considered an extension of credit. Therefore, it will be necessary in such cases for the Registrant to base his loan on an appraisal rather than an estimated cost.

Consumer Credit

Cooking Stoves and Ranges

The classification "Cooking stoves and ranges" does not include cooking equipment designed for commercial use in restaurants and hotels; nor does it include any cooking equipment with less than three heating surfaces.

This opinion supersedes the opinion published in the 1950 Federal Reserve BULLETIN at page 1620 on the same subject.

Free Merchandise and Rebates

An instalment vendor of a listed article is not prohibited by the regulation from giving a discount or rebate on the sales price of a listed article or from making a *bona fide* "free" gift of other merchandise to the buyer of a listed article. However, in the case of a cash discount or rebate, and also in the case of a "free" gift which allows the customer to make a selection among a variety of merchan-

dise or which is otherwise similar or equivalent to cash, the down payment to be obtained on the article must be net of the amount received by the purchaser from the vendor. In the case of other "free" gifts, the down payment must be obtained on the gross price of the listed article without any deduction for the "free" gift.

This opinion supersedes the opinion published in the 1950 Federal Reserve BULLETIN at page 1615 on the same subject.

Suction Cleaner Attachments

Questions have been raised concerning the status under Regulation W of certain devices or attachments frequently offered for sale and usable in connection with suction cleaners.

"Suction cleaners designed for household use," whether tank-type or upright brush-type, are articles listed in item 10 of Group B of the Supplement to the regulation. Devices or attachments which may be fitted to a suction cleaner power unit by means of a flexible hose, wand, or by other means, are "accessories" within the meaning of section 8(j)(7) of the regulation and must be included in the "cash price" of the listed article when sold in connection with the suction cleaner power unit. Such attachments include nozzles, sometimes equipped with bristles, adapted for cleaning rugs, furniture, floors, walls, draperies, radiators and the like.

To be so classified as "accessories" within section 8(j)(7), it is not necessary that the device or attachment be usable exclusively with the suction cleaner power unit or for cleaning in the more ordinary sense. It is sufficient that the device or attachment is usable in connection with the suction cleaner power unit. The fact that the device or attachment may be operated manually or with other power units is immaterial. Thus, attachments for scrubbing or polishing floors, vaporizing moth crystals, or spraying rugs, fabrics, etc., are likewise "accessories" within the meaning of section 8(j)(7). The same would be true, for example, of a garment bag equipped with a fitting to accommodate an attachment for vaporizing moth crystals, a self-winding extension cord device or attachment, and a device especially designed for holding or storing some or all of the attachments mentioned above.

The fact that some or all such devices or attachments may be available for purchase independently of the suction cleaner power unit also is immaterial, as is the fact that they may be priced separately.

CURRENT EVENTS AND ANNOUNCEMENTS

Resignation of Mr. Eccles as a Member of the Board of Governors

Mr. Marriner S. Eccles resigned as a member of the Board of Governors effective as of the close of business July 14, 1951, to return to his home and private interests in the West. Mr. Eccles was appointed to the Federal Reserve Board and designated as Governor effective November 15, 1934, becoming Chairman on August 23, 1935, upon passage of the Banking Act of 1935. He continued as Chairman through April 14, 1948. Mr. Eccles came to Washington in January 1934 as an Assistant to the Secretary of the Treasury, prior to which he had been engaged in banking and industry for more than twenty years.

Mr. Eccles' letter of resignation and the President's letter of acceptance follow:

June 20, 1951

My dear Mr. President:

It is now more than 17 years since I came to Washington to engage in a public service that I fully intended and expected would be of comparatively brief duration. A succession of events, including the war period and the special problems of its aftermath, led me to stay on. It has been a great honor and privilege to serve my country for so many years, but I now feel the time has arrived when I can and should return to my home and private business affairs in the West.

Accordingly, I am submitting herewith my resignation as a Member of the Board of Governors of the Federal Reserve System to be effective as of July 15, 1951.

Respectfully,

(Signed) MARRINER S. ECCLES

The President,
The White House.

The White House,
Washington, D. C.,
June 21, 1951.

My dear Mr. Eccles:

Because of the considerations which you urge in your letter of June twentieth, I feel that I have no recourse but to acquiesce in your wishes. Accordingly, I accept, effective at the close of business on Saturday July fourteenth next, your resignation as a Member of the Board of Governors of the Federal Reserve System.

I can understand how when you first came to Washington seventeen years ago you fully intended that your public service would be of comparatively brief duration. Incalculable forces have extended that service. In consenting to the relinquishment of your duties at this time may I wish you happiness and continued success as you return to your home and private business affairs in the West.

Very sincerely yours,

(Signed) HARRY S. TRUMAN

Honorable Marriner S. Eccles,
Member,
Board of Governors,
Federal Reserve System,
Washington, D. C.

Change in Board's Staff

Mr. H. Franklin Sprecher, Jr., formerly Administrative Assistant to the Vice President in Charge of Personnel at the Federal Reserve Bank of Minneapolis, was appointed Assistant Director of the Division of Personnel Administration and assumed his duties with the Board of Governors on July 2, 1951.

Mr. Sprecher had been associated with the Federal Reserve Bank of Minneapolis for approximately eighteen years, including several years of military service, having been employed shortly after his graduation from the University of Minnesota.

NATIONAL SUMMARY OF BUSINESS CONDITIONS

[Compiled June 27 and released for publication June 29]

Industrial production was maintained at earlier advanced levels in May and the first three weeks of June. In wholesale markets basic commodity prices declined further while prices of finished commodities generally changed little. Consumers prices in May advanced to a new high. Awards for defense construction rose sharply. Retail sales were maintained, following earlier declines. Up to early June bank loans to business declined somewhat, but subsequently a sharp rise occurred; defense loans have been increasing significantly.

INDUSTRIAL PRODUCTION

The Board's seasonally adjusted production index in May was maintained at the March-April level of 223 per cent of the 1935-39 average. In June, industrial production is expected to continue at about this rate, which is 12 per cent higher than a year ago.

Activity in durable goods industries has been stable since March, with industrial and military equipment expanding further, consumer goods declining, and most metals and building materials showing little change. Steel mill activity in May and June has continued at earlier record levels, and ingot output of about 52.5 million tons in the first half of this year has exceeded that in the first half of 1950 by 11 per cent. Passenger car assembly

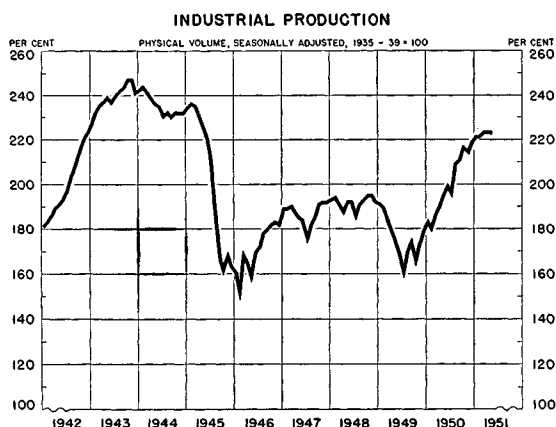
in May and June has been maintained close to the April rate of 500,000 cars per month, while output of most household durable goods has apparently declined considerably further.

Output of nondurable goods in May remained at the high April level. A slight gain for textiles reflected mainly termination of a labor dispute at cotton mills. Paperboard production reached a new record rate in May, but subsequently declined slightly. Chemicals production continued to expand. Meat production declined somewhat in May; in the first half of June, pork production increased while beef output dropped sharply.

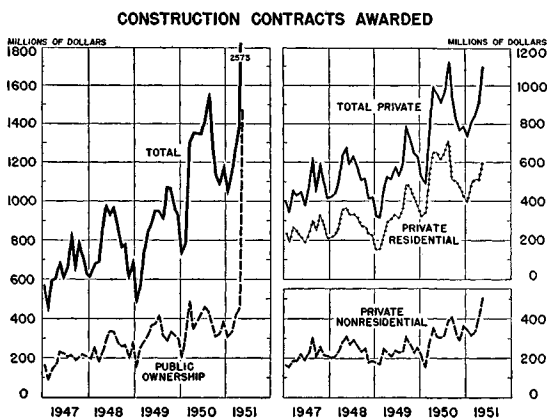
A further small gain in minerals output in May reflected mainly near-record volume of iron ore production for this season. In May and early June crude petroleum production was maintained at record levels and coal output continued at a reduced rate.

EMPLOYMENT

Employment in nonagricultural establishments in May, after allowances for seasonal influences, continued at the record April level. The average factory work week declined slightly, while average hourly earnings continued to rise. Unemployment declined somewhat further to 1.6 million, the lowest level since October 1945.



Federal Reserve index. Monthly figures, latest shown are for May.



F. W. Dodge Corporation data for 37 Eastern States. Monthly figures, latest shown are for May. May figures for "public ownership" and "total" include several large awards by Atomic Energy Commission totaling 980 million dollars.

NATIONAL SUMMARY OF BUSINESS CONDITIONS

CONSTRUCTION

Value of construction contract awards showed an unprecedented increase in May, reflecting primarily issuance of several large awards by the Atomic Energy Commission totaling almost one billion dollars. Awards for some other types of nonresidential construction also showed more than the usual seasonal rise. Nonfarm housing starts increased to 97,000 in May; this was more than one-third below the same month a year ago but about the same as in May 1949.

DISTRIBUTION

Value of retail sales, seasonally adjusted, was maintained in May, following a considerable decline from January to April. Sales of household durable goods decreased further, while sales of apparel and other soft goods increased somewhat. Sales by automotive dealers showed little change. In the first three weeks of June sales at department stores continued at about the May level; in New York City sales rose considerably in response to a "price war." Seasonally adjusted value of department store stocks at the end of May was about 30 per cent above year-ago levels, roughly the same as at the end of April.

COMMODITY PRICES

The general level of wholesale commodity prices has continued to change little since mid-May. Prices of such basic commodities as grains, fats

and oils, cotton gray goods, wool, and tin have declined further, and a 14-cent reduction in the price of rubber, to 52 cents per pound, has been announced effective July 1. Prices of finished goods generally have been maintained. Several manufacturers of carpets have reduced prices up to 11 per cent, less than the increases effected in April when ceilings were raised. Prices of hard floor coverings, in contrast, have been raised further.

Consumer prices rose .4 per cent in May. Prices of foods, which had declined slightly in April, rose .8 per cent to a new high.

BANK CREDIT AND THE MONEY SUPPLY

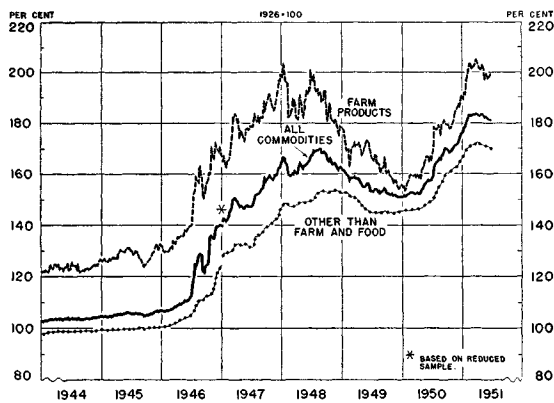
Business loans outstanding at banks in leading cities declined somewhat between mid-May and early June and rose thereafter. Loans to finance defense contracts and "defense supporting" activities, principally to metal manufacturers and public utilities, increased considerably. Seasonal decreases continued in some types of loans, particularly those to commodity dealers and processors of agricultural commodities.

Deposits and currency held by businesses and individuals increased somewhat in the first half of June following relatively little change in May. The rate of use of demand deposits at banks in leading cities outside New York remained high in May, but was slightly below that of April, the seasonally adjusted peak for recent years.

MONEY RATES AND SECURITY MARKETS

Common stock prices showed a moderate advance in early June but by the end of the third week had declined to a level slightly below that of May 31. Yields on high-grade corporate bonds increased moderately during the first three weeks of June. With easy money conditions prevailing, yields on Treasury bills and other short-term Government securities declined somewhat. On May 28 the Secretary of the Treasury announced the offering of a 9½-month 1⅞ per cent certificate of indebtedness to holders of the 2¾ per cent bonds previously called for redemption on June 15, and the 1¼ per cent Treasury notes maturing on July 1. Of the 10.1 billion dollars of maturing securities, about 9.5 billion were exchanged for the new certificates.

WHOLESALE COMMODITY PRICES



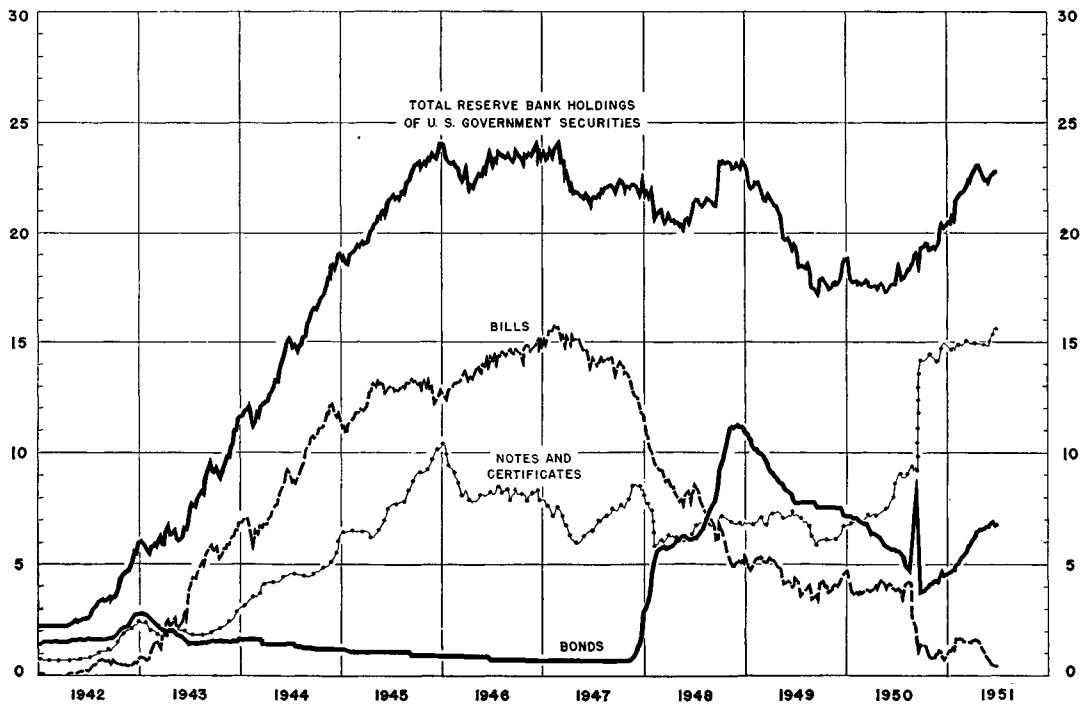
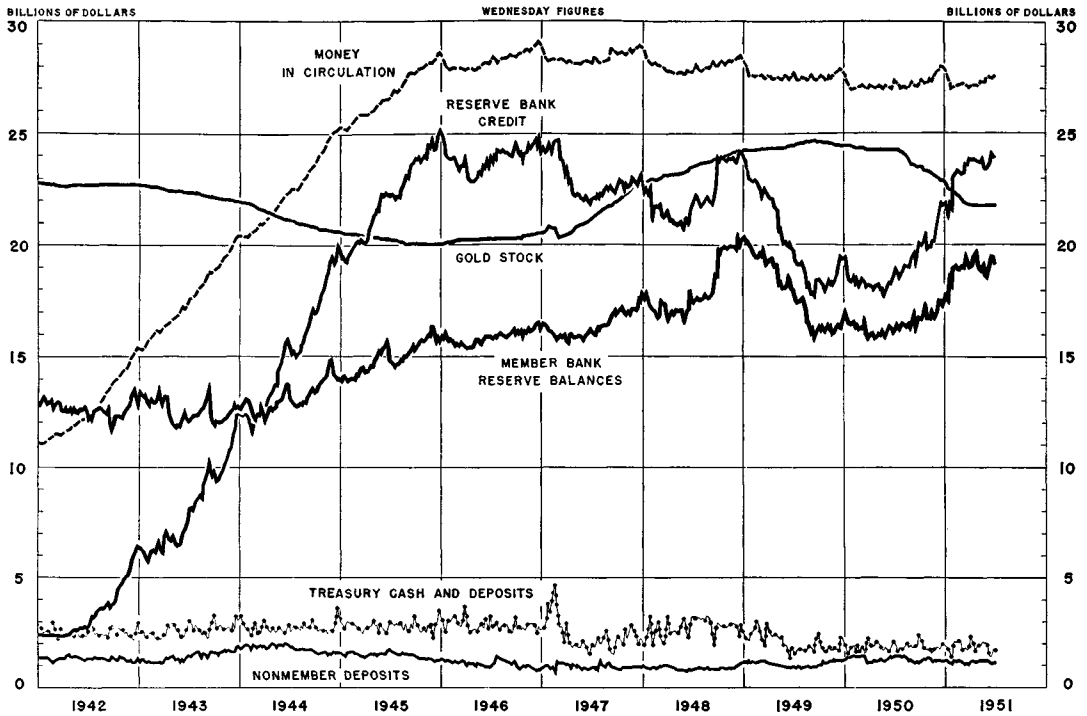
Bureau of Labor Statistics' index. Weekly figures, latest shown are for week ending June 26.

FINANCIAL, INDUSTRIAL, AND COMMERCIAL STATISTICS UNITED STATES

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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 June 27. See page 819.

FEDERAL RESERVE BANK DISCOUNT RATES
[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 on June 30	In effect beginning—	Previous rate
	Rate on June 30	In effect beginning—	Previous rate	Rate on June 30	In effect beginning—	Previous rate			
Boston.....	1½	Aug. 21, 1950	1½	2¼	Aug. 21, 1950	2	2¼	Jan. 14, 1948	2
New York.....	1½	Aug. 21, 1950	1½	2¼	Aug. 21, 1950	2	2¼	*Oct. 30, 1942	3¼
Philadelphia.....	1½	Aug. 25, 1950	1½	2¼	Aug. 25, 1950	2	2¼	Aug. 23, 1948	2
Cleveland.....	1½	Aug. 25, 1950	1½	2¼	Aug. 25, 1950	2	2¼	Aug. 25, 1950	2¼
Richmond.....	1½	Aug. 25, 1950	1½	2¼	Aug. 25, 1950	2	2¼	*Oct. 28, 1942	4
Atlanta.....	1½	Aug. 24, 1950	1½	2¼	Aug. 24, 1950	2	2¼	Aug. 24, 1950	2¼
Chicago.....	1½	Aug. 25, 1950	1½	2¼	Aug. 25, 1950	2	2¼	Aug. 13, 1948	2½
St. Louis.....	1½	Aug. 23, 1950	1½	2¼	Aug. 23, 1950	2	2¼	Jan. 12, 1948	2
Minneapolis.....	1½	Aug. 22, 1950	1½	2¼	Aug. 22, 1950	2	2¼	Aug. 23, 1948	2¼
Kansas City.....	1½	Aug. 25, 1950	1½	2¼	Aug. 25, 1950	2	2¼	Jan. 19, 1948	2
Dallas.....	1½	Aug. 25, 1950	1½	2¼	Aug. 25, 1950	2	2¼	Feb. 14, 1948	2
San Francisco.....	1½	Aug. 24, 1950	1½	2¼	Aug. 24, 1950	2	2¼	*Oct. 28, 1942	4

¹ Rates shown also apply to advances secured by obligations of Federal intermediate credit banks maturing within 6 months.

² Certain special rates to nonmember banks were in effect during the wartime period.

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 BUYING RATES ON ACCEPTANCES
[Per cent per annum]

Maturity	Rate on June 30	In effect beginning—	Previous rate
1–90 days.....	1½	Aug. 21, 1950	1½
91–120 days.....	1½	Aug. 21, 1950	1½
121–180 days.....	2	Aug. 21, 1950	1½

NOTE.—Minimum buying rates at the Federal Reserve Bank of New York on prime bankers' acceptances payable in dollars. 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.

FEES AND RATES ESTABLISHED UNDER REGULATION V ON LOANS GUARANTEED PURSUANT TO DEFENSE PRODUCTION ACT OF 1950 AND EXECUTIVE ORDER NO. 10161

[In effect June 30]

Fees Payable to Guaranteeing Agency by Financing Institution on Guaranteed Portion of Loan

Percentage of loan guaranteed	Guarantee fee (percentage of interest payable by borrower)	Percentage of any commitment fee charged borrower
70 or less.....	10	10
75.....	15	15
80.....	20	20
85.....	25	25
90.....	30	30
95.....	35	35
Over 95.....	40–50	40–50

Maximum Rates Financing Institutions May Charge Borrowers
[Per cent per annum]

Interest rate.....	5
Commitment rate.....	½

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

Maturities not exceeding five years

[In effect June 30. 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	Remaining portion	
Boston.....	2¼–5	½–1½	(*)	(*)	½–1¼
New York.....	2¼–5	½–1½	(*)	(*)	½–1¼
Philadelphia.....	2¼–5	½–1½	(*)	(*)	½–1¼
Cleveland.....	2¼–5	½–1½	(*)	(*)	½–1¼
Richmond.....	2¼–5	½–1½	(*)	(*)	½–1¼
Atlanta.....	2¼–5	½–1½	(*)	(*)	½–1¼
Chicago.....	2¼–5	½–1½	2¼–5	2¼–5	½–1¼
St. Louis.....	3–5	½–1½	1½–2¼	(*)	½–1¼
Minneapolis.....	2¼–5	½–1½	(*)	(*)	½–1¼
Kansas City.....	2¼–5	½–1½	(*)	(*)	½–1¼
Dallas.....	2¼–5	½–1½	(*)	(*)	½–1¼
San Francisco.....	2¼–5	½–1½	(*)	(*)	½–1¼

¹ Including loans made in participation with financing institutions.

² Rate charged borrower less commitment rate.

³ Rate charged borrower.

⁴ Rate charged borrower but not to exceed 1 per cent above the discount rate.

⁵ Charge of ¼ per cent is made on undisbursed portion of loan.

Back figures.—See *Banking and Monetary Statistics*, Table 118, pp. 446–447.

PRINCIPAL ASSETS AND LIABILITIES OF ALL FEDERAL RESERVE BANKS

[In thousands of dollars]

Item	Wednesday figures							End of month		
	1951							1951		1950
	June 27	June 20	June 13	June 6	May 30	May 23	May 16	June	May	June
Assets										
Gold certificates.....	19,868,402	19,878,904	19,883,902	19,882,903	19,879,902	19,883,905	19,880,901	19,859,402	19,878,903	22,459,430
Redemption fund for F. R. notes.....	649,839	639,361	637,601	626,248	627,764	626,850	630,441	654,874	628,764	522,648
Total gold certificate reserves.....	20,518,241	20,518,265	20,521,503	20,509,151	20,507,666	20,510,755	20,511,342	20,514,276	20,507,667	22,982,078
Other cash.....	306,351	313,057	300,222	291,010	307,232	328,583	325,381	309,201	298,842	213,642
Discounts and advances:										
For member banks.....	220,301	165,345	178,789	128,375	539,718	225,628	541,925	53,018	528,754	26,138
For nonmember banks, etc.....										17,000
Total discounts and advances.....	220,301	165,345	178,789	128,375	539,718	225,628	541,925	53,018	528,754	43,138
Industrial loans.....	5,450	5,379	5,488	5,150	5,170	4,989	4,990	5,697	5,188	2,693
U. S. Govt. securities:										
Bills.....	401,394	410,894	419,620	505,920	694,824	809,324	848,824	527,050	654,820	3,856,375
Certificates:										
Special.....										
Other.....	3,193,792	3,193,792						3,193,792		5,357,250
Notes.....	12,439,248	12,465,348	15,402,348	15,277,950	14,878,633	14,891,133	14,904,633	12,439,248	15,051,113	3,499,700
Bonds.....	6,808,802	6,735,837	6,936,209	6,869,587	6,719,079	6,713,029	6,643,679	6,822,102	6,803,479	5,617,900
Total U. S. Govt. securities.....	22,843,236	22,805,871	22,758,177	22,653,457	22,292,536	22,413,486	22,397,136	22,982,192	22,509,412	18,331,225
Other Reserve Bank credit outstanding.....	846,523	1,173,059	840,326	759,471	558,544	767,363	969,137	1,001,627	437,889	325,570
Total Reserve Bank credit outstanding.....	23,915,510	24,149,654	23,782,780	23,546,453	23,395,968	23,411,466	23,913,188	24,042,534	23,481,243	18,702,626
Liabilities										
Federal Reserve notes.....	23,434,218	23,322,105	23,335,074	23,335,150	23,293,883	23,107,048	23,151,242	23,630,168	23,331,677	22,920,933
Deposits:										
Member bank—reserve accounts.....	19,102,378	19,482,487	19,487,217	19,198,351	18,508,451	18,605,784	19,072,082	19,019,531	18,535,791	15,934,079
U. S. Treasurer—general account.....	417,674	433,235	128,683	139,232	619,732	765,091	745,395	317,009	665,888	949,936
Foreign.....	946,705	905,275	913,435	899,544	894,601	883,913	910,700	870,021	874,339	1,158,461
Other.....	191,633	193,676	182,482	201,790	321,870	316,798	303,251	391,421	305,239	273,025
Total deposits.....	20,658,390	21,014,673	20,711,817	20,438,917	20,344,654	20,571,586	21,031,428	20,597,982	20,381,257	18,315,501
Ratio of gold certificate reserves to deposit and F. R. note liabilities combined (per cent).....	46.5	46.3	46.6	46.9	47.0	47.0	46.4	46.4	46.9	55.7

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

(Callable Government securities classified according to nearest call date)

[In thousands of dollars]

	Total	Within 15 days	16 to 90 days	91 days to 1 year	Over 1 year to 5 years	Over 5 years to 10 years	Over 10 years
Discounts and advances:							
May 30.....	539,718	423,067	116,489	162			
June 6.....	128,375	103,886	24,327	162			
June 13.....	178,789	161,578	17,050	161			
June 20.....	165,345	152,301	12,929	115			
June 27.....	220,301	205,530	14,639	132			
Industrial loans:							
May 30.....	5,170	185	563	3,048	1,374		
June 6.....	5,150	188	807	2,794	1,361		
June 13.....	5,488	193	4,215	893	187		
June 20.....	5,379	634	345	2,932	1,468		
June 27.....	5,450	688	470	2,823	1,469		
U. S. Government securities:							
May 30.....	22,292,536	228,842	4,154,760	8,457,707	4,436,766	1,031,904	3,982,557
June 6.....	22,653,457	234,626	4,611,379	8,338,017	4,436,766	1,031,904	4,000,765
June 13.....	22,758,177	240,892	4,734,433	8,304,917	4,436,766	1,031,904	4,009,265
June 20.....	22,805,871	21,244	1,990,433	11,859,809	3,878,166	1,031,904	4,024,315
June 27.....	22,843,236	73,057	1,929,120	11,833,709	3,878,166	1,031,904	4,097,280

STATEMENT OF CONDITION OF THE FEDERAL RESERVE BANKS, BY WEEKS—Continued

FEDERAL RESERVE NOTES—FEDERAL RESERVE AGENTS' ACCOUNTS, BY WEEKS

[In thousands of dollars]

	Total	Boston	New York	Phila-delphia	Cleve-land	Rich-mond	At-lanta	Chicago	St. Louis	Minne-apolis	Kansas City	Dallas	San Francisco
F.R.notes outstanding (issued to Bank):													
May 30.....	24,214,150	1,482,683	5,443,409	1,734,837	2,197,427	1,630,609	1,362,479	4,596,240	1,114,705	617,005	941,315	676,062	2,417,379
June 6.....	24,274,261	1,483,062	5,456,515	1,739,416	2,204,127	1,628,856	1,365,298	4,611,272	1,113,750	618,231	943,267	679,190	2,431,277
June 13.....	24,313,442	1,474,921	5,460,697	1,745,324	2,220,042	1,643,371	1,368,811	4,609,993	1,111,490	617,150	942,173	679,919	2,439,551
June 20.....	24,371,796	1,482,576	5,476,877	1,755,879	2,225,343	1,638,980	1,368,554	4,614,385	1,110,757	617,653	938,783	677,698	2,464,311
June 27.....	24,476,678	1,497,009	5,495,841	1,763,826	2,239,492	1,645,094	1,364,063	4,626,931	1,116,364	618,800	945,076	692,422	2,471,760
Collateral held against notes outstanding:													
Gold certificates:													
May 30.....	12,244,000	350,000	4,470,000	730,000	775,000	450,000	510,000	2,620,000	250,000	150,000	280,000	159,000	1,500,000
June 6.....	12,284,000	350,000	4,470,000	740,000	785,000	450,000	510,000	2,640,000	250,000	150,000	280,000	159,000	1,500,000
June 13.....	12,184,000	350,000	4,470,000	660,000	745,000	450,000	510,000	2,660,000	250,000	150,000	280,000	159,000	1,500,000
June 20.....	12,184,000	350,000	4,470,000	660,000	745,000	450,000	510,000	2,660,000	250,000	150,000	280,000	159,000	1,500,000
June 27.....	11,984,000	350,000	4,470,000	660,000	745,000	450,000	510,000	2,460,000	250,000	150,000	280,000	159,000	1,500,000
Eligible paper:													
May 30.....	411,816	19,703	223,227	33,845	.....	21,750	.....	.....	21,075	37,655	35,620	.....	18,941
June 6.....	106,299	11,888	62,830	8,835	.....	3,080	.....	.....	2,430	6,725	8,415	.....	2,096
June 13.....	146,366	10,519	102,650	11,995	.....	3,880	.....	.....	3,650	2,925	8,561	.....	2,186
June 20.....	100,157	12,242	20,760	11,630	.....	5,180	.....	.....	10,150	19,275	10,234	.....	10,686
June 27.....	141,105	13,016	62,745	12,620	.....	6,330	.....	.....	11,150	15,810	18,023	.....	1,411
U. S. Govt. sec.:													
May 30.....	12,680,000	1,200,000	1,100,000	1,000,000	1,425,000	1,215,000	900,000	2,000,000	925,000	490,000	700,000	525,000	1,200,000
June 6.....	12,690,000	1,200,000	1,100,000	1,000,000	1,425,000	1,215,000	900,000	2,000,000	925,000	490,000	700,000	535,000	1,200,000
June 13.....	12,865,000	1,200,000	1,100,000	1,100,000	1,500,000	1,215,000	900,000	2,000,000	925,000	490,000	700,000	535,000	1,200,000
June 20.....	12,865,000	1,200,000	1,100,000	1,100,000	1,500,000	1,215,000	900,000	2,000,000	925,000	490,000	700,000	535,000	1,200,000
June 27.....	13,065,000	1,200,000	1,100,000	1,100,000	1,500,000	1,215,000	900,000	2,200,000	925,000	490,000	700,000	535,000	1,200,000
Total collateral:													
May 30.....	25,335,816	1,569,703	5,793,227	1,763,845	2,200,000	1,686,750	1,410,000	4,620,000	1,196,075	677,655	1,015,620	684,000	2,718,941
June 6.....	25,080,299	1,561,888	5,632,830	1,748,835	2,210,000	1,668,080	1,410,000	4,640,000	1,177,430	646,725	988,415	694,000	2,702,096
June 13.....	25,195,366	1,560,519	5,672,650	1,771,995	2,245,000	1,668,880	1,410,000	4,660,000	1,178,650	642,925	988,561	694,000	2,702,186
June 20.....	25,149,157	1,562,242	5,590,760	1,771,630	2,245,000	1,670,180	1,410,000	4,660,000	1,185,150	659,275	990,234	694,000	2,710,686
June 27.....	25,190,105	1,563,016	5,632,745	1,772,620	2,245,000	1,671,330	1,410,000	4,660,000	1,186,150	655,810	998,023	694,000	2,701,411

LOANS GUARANTEED THROUGH FEDERAL RESERVE BANKS UNDER REGULATION V, PURSUANT TO DEFENSE PRODUCTION ACT OF 1950 AND EXECUTIVE ORDER NO. 10161

[Amounts in thousands of dollars]

Date	Guaranteed loans authorized to date		Guaranteed loans outstanding		Additional amount available to borrowers under guarantee agreements outstanding
	Number	Amount	Total amount	Portion guaranteed	
1950					
Oct. 31...	3	1,000			
Nov. 30...	23	13,585	2,340	2,232	3,335
Dec. 31...	62	31,326	8,017	6,265	8,299
1951					
Jan. 31...	119	109,433	23,778	19,837	13,748
Feb. 28...	161	122,541	44,250	36,537	33,840
Mar. 31...	254	300,955	68,833	56,973	47,822
Apr. 30...	328	421,267	126,080	106,053	*185,001
May 31...	401	514,506	183,610	151,858	205,629

* Revised.

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, guarantees authorized but not completed, 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		Ap-proved but not completed ¹ (amount)	Loans out-standing ² (amount)	Commitments out-standing (amount)	Partici-pations of financ-ing insti-tutions out-standing (amount)
	Number	Amount				
1944	3,489	525,532	1,295	3,894	4,165	2,705
1945	3,511	544,961	320	1,995	1,644	1,086
1946	3,542	565,913	4,577	554	8,309	2,670
1947	3,574	586,726	945	1,387	7,434	4,869
1948	3,607	615,653	335	995	1,643	1,990
1949	3,649	629,326	539	2,178	2,288	2,947
1950						
May 31...	3,670	633,124	1,306	2,675	1,286	2,641
June 30...	3,677	638,015	4,416	2,779	1,352	2,731
July 31...	3,680	639,158	4,362	2,479	1,729	2,753
Aug. 31...	3,684	644,464	6,985	2,333	2,481	3,273
Sept. 30...	3,690	646,276	8,030	2,293	2,509	3,224
Oct. 31...	3,692	647,432	5,108	2,307	3,035	3,707
Nov. 30...	3,695	649,748	5,519	2,413	3,466	4,050
Dec. 30...	3,698	651,389	4,819	2,632	3,754	3,745
1951						
Jan. 31...	3,707	654,199	1,862	3,520	3,325	5,402
Feb. 28...	3,706	655,702	1,523	3,681	2,937	5,358
Mar. 31...	3,710	660,525	3,980	3,988	2,824	5,262
Apr. 30...	3,717	664,473	4,925	4,845	2,595	5,331
May 31...	3,721	667,988	3,578	5,255	3,643	5,999

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.

DEPOSITS, RESERVES, AND BORROWINGS OF MEMBER BANKS

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

	All member banks	Central reserve city banks		Re-reserve city banks	Country banks	All member banks	Central reserve city banks		Re-reserve city banks	Country banks	
		New York	Chi-cago				New York	Chi-cago			
		First half of May 1951					Second half of May 1951				
Gross demand deposits:											
Total.....	97,897	22,068	5,651	37,147	33,031	97,715	21,934	5,618	37,247	32,917	
Interbank.....	10,984	3,806	1,087	5,151	940	10,856	3,803	1,077	5,063	913	
Other.....	86,913	18,262	4,563	31,996	32,091	86,859	18,132	4,541	32,183	32,003	
Net demand deposits².....	86,188	20,362	5,107	32,308	28,411	85,987	20,157	5,043	32,289	28,498	
Demand deposits adjusted ³	76,275					76,200					
Time deposits ⁴	29,651	1,894	1,098	11,690	14,969	29,654	1,861	1,093	11,717	14,983	
Demand balances due from domestic banks...	5,433	34	110	1,704	3,585	5,326	37	117	1,751	3,421	
Reserves with Federal Reserve Banks:											
Total.....	18,970	4,984	1,286	7,295	5,406	18,819	4,946	1,269	7,270	5,334	
Required.....	18,331	5,000	1,292	7,163	4,876	18,275	4,949	1,276	7,161	4,889	
Excess.....	640	-17	-6	132	530	544	-3	-7	109	445	
Borrowings at Federal Reserve Banks.....	510	278	16	148	67	371	112	20	166	73	

¹ Averages of daily closing figures for reserves and borrowings and of daily opening figures for other items, 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 Demand deposits adjusted (demand deposits other than interbank and U. S. Government, less cash items reported as in process of collection) are estimated for all member banks, but not by class of bank.

⁴ Includes some interbank and U. S. Government time deposits; the amounts on call report dates are shown in the Member Bank Call Report.

MEMBER BANK RESERVES AND BORROWINGS

[Averages of daily figures. In millions of dollars]

Month, or week ending Wednesday	All member banks ¹	Central reserve city banks		Re-reserve city banks	Country banks
		New York	Chi-cago		
Total reserves held:					
1950—May.....	15,941	4,273	1,088	6,144	4,437
1951—April.....	19,324	5,328	1,274	7,347	5,374
May.....	18,892	4,964	1,277	7,282	5,369
May 16.....	18,965	4,935	1,285	7,317	5,428
May 23.....	18,956	4,959	1,277	7,297	5,423
May 30.....	18,686	4,930	1,258	7,256	5,241
June 6.....	19,095	5,087	1,287	7,353	5,368
June 13.....	19,278	5,172	1,282	7,402	5,423
June 20.....	19,662	5,423	1,307	7,472	5,460
Excess reserves:					
1950—May.....	704	14	-3	137	557
1951—April.....	833	158	-1	167	509
May.....	590	-10	-7	120	487
May 16.....	683	-9	1	145	546
May 23.....	650	13	-4	122	519
May 30.....	433	-27	-13	108	365
June 6.....	824	99	15	219	491
June 13.....	928	144	5	244	535
June 20.....	1,042	210	14	253	565
Borrowings at Federal Reserve Banks:					
1950—May.....	80	11	1	37	30
1951—April.....	161	23	6	69	64
May.....	438	193	18	157	70
May 16.....	560	309	32	143	76
May 23.....	247	76	.....	121	50
May 30.....	448	113	38	204	93
June 6.....	241	46	.....	121	74
June 13.....	132	16	.....	48	68
June 20.....	113	2	.....	48	63

¹ Preliminary.

² 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.

Back figures.—See Banking and Monetary Statistics, pp. 396-399.

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
1950				
March.....	18,613	9,325	10,944	5,642
April.....	18,639	9,373	10,873	5,666
May.....	18,689	9,392	10,839	5,668
1951				
March.....	20,610	9,303	11,477	5,620
April.....	20,549	9,307	11,365	5,638
May.....	20,670	9,315	11,375	5,661
By district, May 1951				
Boston.....	2,384	838	316	206
New York.....	3,780	2,275	1,111	1,057
Philadelphia.....	1,434	821	978	893
Cleveland.....	1,594	911	1,071	795
Richmond.....	1,290	454	786	445
Atlanta.....	1,961	498	608	188
Chicago.....	2,899	1,764	1,683	891
St. Louis.....	852	374	896	267
Minneapolis.....	665	317	698	406
Kansas City.....	790	132	1,434	196
Dallas.....	1,617	233	1,346	64
San Francisco.....	1,405	698	447	254

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

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 ³						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	5,853	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	28,868	20,420	1,404	1,048	65	2,110	6,275	9,119	8,850	2,548	5,070	428	782	5	17	3
1948	28,224	19,529	1,464	1,049	64	2,047	6,060	8,846	8,698	2,494	5,074	400	707	5	17	3
1949	27,600	19,025	1,484	1,066	62	2,004	5,897	8,512	8,578	2,435	5,056	382	689	4	11	3
1950—March	27,042	18,651	1,468	1,013	59	1,949	5,834	8,327	8,393	2,375	4,968	384	654	5	8	1
April	27,048	18,661	1,478	1,016	60	1,945	5,830	8,333	8,389	2,380	4,961	382	650	4	11	1
May	27,090	18,730	1,490	1,033	60	1,963	5,851	8,333	8,361	2,380	4,949	380	639	4	9	1
June	27,156	18,813	1,496	1,037	61	1,966	5,891	8,363	8,344	2,386	4,940	378	628	4	9	2
July	27,010	18,696	1,498	1,029	60	1,946	5,836	8,328	8,316	2,374	4,934	375	620	4	9	2
August	27,120	18,795	1,506	1,037	61	1,955	5,881	8,355	8,328	2,374	4,950	372	617	4	9	2
September	27,161	18,834	1,515	1,054	61	1,964	5,884	8,357	8,329	2,369	4,964	370	613	4	9	2
October	27,228	18,901	1,527	1,072	61	1,978	5,874	8,388	8,329	2,368	4,987	367	595	4	9	2
November	27,595	19,252	1,547	1,089	62	2,021	6,021	8,511	8,345	2,384	4,994	365	589	4	9	2
December	27,741	19,305	1,554	1,113	64	2,049	5,998	8,529	8,438	2,422	5,043	368	588	4	12	2
1951—January	27,048	18,694	1,530	1,056	61	1,943	5,791	8,313	8,356	2,393	5,002	366	583	4	9	3
February	27,188	18,861	1,535	1,057	61	1,959	5,880	8,369	8,329	2,385	4,986	365	581	4	9	2
March	27,119	18,845	1,542	1,059	61	1,953	5,881	8,348	8,275	2,369	4,955	362	576	4	8	1
April	27,278	19,023	1,551	1,073	62	1,973	5,943	8,422	8,257	2,371	4,941	360	573	4	8	1
May	27,519	19,260	1,568	1,087	63	1,995	6,024	8,523	8,259	2,382	4,938	357	570	4	8	1

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, May 31, 1951	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		May 31, 1951	Apr. 30, 1951	May 31, 1950
Gold	21,756	20,547	² 1,209					
Gold certificates	20,547			17,692	39	39	41	
Federal Reserve notes	24,226		43		1,009	23,173	22,966	22,694
Treasury currency—total	4,646	³ 2,333	41		299	4,306	4,272	4,355
Standard silver dollars	492	279	32		3	179	178	169
Silver bullion	2,054	2,054						
Silver certificates and Treasury notes of 1890	³ 2,333				237	2,096	2,078	2,180
Subsidiary silver coin	1,034		3		18	1,013	1,000	961
Minor coin	388		3		9	376	374	360
United States notes	347		3		28	316	314	322
Federal Reserve Bank notes	248		(⁴)		3	245	247	276
National Bank notes	83		(⁴)		1	82	82	87
Total—May 31, 1951	(⁴)	22,880	1,293	17,692	4,123	27,519		
Apr. 30, 1951	(⁴)	22,943	1,284	17,751	4,121		27,278	
May 31, 1950	(⁴)	25,338	1,309	20,183	3,777			27,090

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 are shown in table above, totals by weeks in table on p. 819, and seasonally adjusted figures in table on p. 829.
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 for explanation of these duplications. ⁵ Less than \$500,000.

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 period:			
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
1948.....	28,224		-644
1949.....	27,600		-624
1950.....	27,741		+141
Averages of daily figures:			
1950—May.....	27,022	27,212	-68
June.....	27,026	27,162	-50
July.....	27,117	27,171	-9
August.....	27,009	27,145	-26
September.....	27,154	27,208	+63
October.....	27,233	27,233	+25
November.....	27,380	27,298	+65
December.....	27,806	27,531	+233
1951—January.....	27,304	27,222	-309
February.....	27,145	27,145	-77
March.....	27,171	27,253	+108
April.....	27,179	27,398	+145
May.....	27,324	27,516	+118
June.....	27,548	27,686	+170

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 BULLETIN for September 1943, pp. 822-826. Because of an apparent change in the seasonal pattern around the year-end, adjustment factors have been revised somewhat for dates affected, beginning with December 1942.

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
1943—December....	1,788	1,843	10	1,716	118
1944—December....	2,342	2,411	8	2,252	152
1945—December....	2,933	3,022	6	2,837	179
1946—December....	3,284	3,387	6	3,182	200
1947—December....	3,417	3,525	6	3,308	212
1948—December....	3,330	3,449	7	3,244	198
1949—December....	3,188	3,312	7	3,118	187
1950—January.....	3,183	3,307	7	3,117	182
February.....	3,177	3,301	7	3,107	186
March.....	3,168	3,293	8	3,107	178
April.....	3,151	3,276	8	3,092	176
May.....	3,125	3,250	8	3,068	175
June.....	3,097	3,218	10	3,038	171
July.....	3,061	3,181	9	3,027	145
August.....	3,021	3,141	10	2,962	169
September.....	2,991	3,111	10	2,923	177
October.....	2,967	3,088	10	2,903	175
November.....	2,947	3,069	10	2,888	171
December....	2,924	3,045	11	2,868	166
1951—January.....	2,901	3,022	11	2,858	153
February.....	2,877	2,998	11	2,835	152
March.....	2,852	2,974	11	2,793	169
April.....	p2,825				
May.....	p2,807				

^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 DEBITS AND DEPOSIT TURNOVER

[Debits in millions of dollars]

Year or 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	New York City	Other reporting centers	New York City ²	Other leading cities ²	New York City ³	Other leading cities ³
1945.....	974,102	404,543	479,760	89,799	18.2	9.7	351,602	412,800	24.2	16.1
1946—old series ³	1,050,021	417,475	527,336	105,210	18.9	10.0	374,365	449,414	25.5	16.9
1946—new series ³							407,946	522,944	25.2	16.5
1947.....	1,125,074	405,929	599,639	119,506	21.0	11.9	400,468	598,445	24.1	18.0
1948.....	1,249,630	449,002	667,934	132,695	23.6	12.9	445,221	660,155	27.2	19.2
1949.....	1,231,053	452,897	648,976	129,179	24.1	12.4	447,150	639,772	28.2	18.7
1950.....	1,403,752	513,970	742,458	147,324	26.6	13.4	508,166	731,511	31.4	20.3
1950—May.....	112,095	41,463	58,838	11,793	25.9	12.7	40,037	57,382	29.7	19.2
June.....	119,399	43,781	63,332	12,286	27.0	13.4	42,294	61,607	30.7	20.2
July.....	110,573	38,757	59,752	12,064	24.6	13.2	40,657	59,703	31.0	20.3
August.....	128,383	50,067	65,423	12,893	29.2	13.2	48,320	64,015	33.8	19.9
September.....	123,222	44,910	65,197	13,116	27.9	14.2	46,400	65,330	34.2	21.5
October.....	125,784	43,837	68,137	13,811	26.4	14.2	43,159	66,547	30.7	20.9
November.....	123,541	43,740	66,392	13,409	28.1	14.9	41,167	64,687	31.4	21.7
December.....	139,542	52,590	72,845	14,106	31.2	15.3	53,150	73,253	37.2	23.0
1951—January.....	138,402	48,207	75,017	15,178	27.9	15.2	47,561	73,226	32.9	22.0
February.....	*114,061	39,067	*62,370	12,624	26.1	14.3	38,916	62,239	30.7	21.5
March.....	144,012	53,171	75,941	14,900	29.0	14.9	53,142	75,897	35.5	22.5
April.....	*128,447	45,477	69,421	*13,549	26.5	14.6	44,312	68,157	32.5	22.3
May.....	130,699	45,375	71,196	14,129	27.1	13.8	42,272	68,378	30.0	21.3

* Revised.

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

² Weekly reporting member bank series.

³ Statistics for banks in leading cities revised beginning July 3, 1946; for description of revision and for back figures see BULLETIN 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, 333 centers from December 1947 through December 1950, and for 342 centers beginning January 1951; 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.

**CONSOLIDATED CONDITION STATEMENT FOR BANKS AND THE MONETARY SYSTEM
ALL COMMERCIAL AND SAVINGS BANKS, FEDERAL RESERVE BANKS, POSTAL SAVINGS SYSTEM,
AND TREASURY CURRENCY FUNDS¹**

[Figures partly estimated except on call dates. In millions of dollars]

Date	Assets									Total assets, net— Total liabilities and capital, net	Liabilities and Capital	
	Gold	Treasury currency	Bank credit						Other securities		Total deposits and currency	Capital and misc. accounts, net
			Total	Loans, net	U. S. Government obligations							
					Total	Commercial and savings banks	Federal Reserve Banks	Other				
1929—June 29	4,037	2,019	58,642	41,082	5,741	5,409	216	26	11,819	64,698	55,776	8,922
1933—June 30	4,031	2,286	42,148	21,957	10,328	8,199	1,998	131	9,863	48,465	42,029	6,436
1939—Dec. 30	17,644	2,963	54,564	22,157	23,105	19,417	2,484	1,204	9,302	75,171	68,359	6,812
1941—Dec. 31	22,737	3,247	64,653	26,605	29,049	25,511	2,254	1,284	8,999	90,637	82,811	7,826
1945—Dec. 31	20,065	4,339	167,381	30,387	128,417	101,288	24,262	2,867	8,577	191,785	180,806	10,979
1946—Dec. 31	20,529	4,562	158,366	35,765	113,110	86,558	23,350	3,202	9,491	183,457	171,657	11,800
1947—June 30	21,266	4,552	156,297	38,373	107,873	82,679	21,872	3,322	10,051	182,115	169,234	12,882
Dec. 31	22,754	4,562	160,832	43,023	107,086	81,199	22,559	3,328	10,723	188,148	175,348	12,800
1948—June 30	23,532	4,565	157,958	45,299	101,451	76,774	21,366	3,311	11,208	186,055	172,857	13,200
Dec. 31	24,244	4,589	160,457	48,341	100,694	74,097	23,333	3,264	11,422	189,290	176,121	13,168
1949—June 30	24,466	4,597	156,491	47,148	97,428	74,877	19,343	3,208	11,915	185,554	171,602	13,952
Dec. 31	24,427	4,598	162,681	49,604	100,456	78,433	18,885	3,138	12,621	191,706	177,313	14,392
1950—May 31	24,200	4,600	162,600	51,000	98,100	77,700	17,400	3,100	13,500	191,400	176,700	14,700
June 30	24,231	4,607	164,348	51,999	98,709	77,320	18,331	3,058	13,640	193,186	178,568	14,618
July 26	24,200	4,600	164,300	53,100	97,500	76,400	18,000	3,000	13,800	193,100	178,200	14,900
Aug. 30	23,800	4,600	165,800	54,500	97,200	75,600	18,600	3,000	14,200	194,200	179,200	15,000
Sept. 27	23,500	4,600	166,800	56,300	96,000	73,800	19,400	2,900	14,500	194,900	179,900	14,900
Oct. 25	23,300	4,600	167,700	57,500	95,800	73,600	19,200	2,900	14,400	195,600	180,100	15,500
Nov. 29	23,000	4,600	168,700	59,100	95,200	72,700	19,600	2,900	14,500	196,400	181,000	15,300
Dec. 30	22,706	4,636	171,667	60,366	96,560	72,894	20,778	2,888	14,741	199,009	184,385	14,624
1951—Jan. 31 ^p	22,400	4,600	170,500	60,600	95,200	70,800	21,500	2,900	14,700	197,500	182,500	15,100
Feb. 28 ^p	22,100	4,600	170,700	61,500	94,500	69,800	21,900	2,900	14,800	197,500	182,600	14,800
Mar. 28 ^p	21,900	4,600	172,100	62,500	94,700	69,300	22,600	2,800	14,900	198,600	183,700	14,900
Apr. 25 ^p	21,800	4,600	172,100	62,600	94,600	68,900	22,900	2,800	15,000	198,600	183,600	15,000
May 30 ^p	21,800	4,600	171,300	62,900	93,500	68,400	22,300	2,800	14,900	197,700	182,900	14,800

Date	Deposits and Currency											
	Total	Foreign bank deposits, net	U. S. Government balances			Deposits adjusted and currency					Currency outside banks	
			Treasury cash	At commercial and savings banks	At Federal Reserve Banks	Total	Demand deposits ²	Time deposits ³				
								Total	Commercial banks	Mutual savings banks ⁴		Postal Savings System
1929—June 29	55,776	365	204	381	36	54,790	22,540	28,611	19,557	8,905	149	3,639
1933—June 30	42,029	50	264	852	35	40,828	14,411	21,656	10,849	9,621	1,186	4,761
1939—Dec. 30	68,359	1,217	2,409	846	634	63,253	29,793	27,059	15,258	10,523	1,278	6,401
1941—Dec. 31	82,811	1,498	2,215	1,895	867	76,336	38,992	27,729	15,884	10,532	1,313	9,615
1945—Dec. 31	180,806	2,141	2,287	24,608	977	150,793	75,851	48,452	30,135	15,385	2,932	26,490
1946—Dec. 31	171,657	1,885	2,272	3,103	393	164,004	83,314	53,960	33,808	16,869	3,283	26,730
1947—June 30	169,234	1,657	1,314	1,367	756	164,140	82,186	55,655	34,835	17,428	3,392	26,299
Dec. 31	171,657	1,682	1,336	1,452	870	170,008	87,121	56,411	35,249	17,746	3,416	26,476
1948—June 30	172,857	1,727	1,327	2,180	1,928	165,695	82,697	57,360	35,788	18,194	3,378	25,638
Dec. 31	176,121	2,103	1,325	2,451	1,123	169,119	85,520	57,520	35,804	18,387	3,329	26,079
1949—June 30	171,602	1,927	1,307	2,304	438	165,626	81,877	58,483	36,292	18,932	3,259	25,266
Dec. 31	177,313	2,150	1,312	3,249	821	169,781	85,750	58,616	36,146	19,273	3,197	25,415
1950—May 31	176,700	2,400	1,300	3,200	600	169,200	85,000	59,500	36,600	19,800	3,100	24,700
June 30	178,568	2,555	1,298	3,801	950	169,964	85,040	59,739	36,719	19,923	3,097	25,185
July 26	178,200	2,500	1,300	3,600	500	170,200	86,500	59,400	36,400	19,900	3,100	24,400
Aug. 30	179,200	2,400	1,300	3,800	700	171,000	87,400	59,100	36,200	19,800	3,000	24,500
Sept. 27	179,900	2,300	1,300	3,600	1,100	171,600	88,000	59,000	36,200	19,900	3,000	24,500
Oct. 25	180,100	2,500	1,300	3,100	400	172,800	89,200	59,000	36,200	19,900	3,000	24,600
Nov. 29	181,000	2,300	1,300	3,000	600	173,900	90,300	58,700	35,900	19,800	2,900	24,900
Dec. 30	184,385	2,518	1,293	2,989	668	176,917	92,272	59,247	36,314	20,010	2,923	25,398
1951—Jan. 31 ^p	182,500	2,400	1,300	2,800	800	175,200	91,600	59,000	36,100	20,000	2,900	24,600
Feb. 28 ^p	182,600	2,400	1,300	4,200	500	174,200	90,600	59,000	36,100	20,000	2,900	24,600
Mar. 28 ^p	183,700	2,400	1,300	6,400	1,100	172,500	89,000	59,100	36,200	20,100	2,800	24,400
Apr. 25 ^p	183,600	2,500	1,300	5,800	700	173,300	89,500	59,200	36,300	20,200	2,800	24,600
May 30 ^p	182,900	2,500	1,300	4,800	600	173,700	89,500	59,300	36,300	20,200	2,800	24,900

^p Preliminary.

¹ Treasury funds included are the gold account, Treasury currency account, and Exchange Stabilization Fund.

² Demand deposits other than interbank and U. S. Government, less cash items reported as in process of collection.

³ Excludes interbank time deposits; United States Treasurer's time deposits, open account; and deposits of Postal Savings System in banks.

⁴ Prior to June 30, 1947, includes a relatively small amount of demand deposits.

NOTE.—For description of statement and back figures, see BULLETIN for January 1948, pp. 24-32. The composition of a few items differs slightly from the description in the BULLETIN article; stock of Federal Reserve Banks held by member banks is included in "Other securities" and in "Capital accounts," and balances of the Postal Savings System and the Exchange Stabilization Fund with the U. S. Treasury are netted against miscellaneous accounts instead of against U. S. Government deposits and Treasury cash. Total deposits and currency shown in the monthly *Chart Book* excludes "Foreign bank deposits, net" and "Treasury cash." Except on call dates, figures are rounded to nearest 100 million dollars and may not add to the totals. See *Banking and Monetary Statistics*, Table 9, pp. 34-35, for back figures for deposits and currency.

**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 on which checks are drawn, and their branches and offices ¹		On par list						Not on par list (nonmember)	
			Total		Member		Nonmember			
			Banks	Branches and offices	Banks	Branches and offices	Banks	Branches and offices		
United States total:										
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
Dec. 31, 1948.....	14,072	4,333	12,061	4,015	6,912	3,197	5,149	818	2,011	318
Dec. 31, 1949.....	14,051	4,562	12,178	4,289	6,887	3,387	5,291	902	1,873	273
Dec. 31, 1950.....	14,015	4,824	12,162	4,534	6,868	3,589	5,294	945	1,853	290
May 31, 1951 ^p	14,009	4,924	12,169	4,632	6,860	3,673	5,309	959	1,840	292
By districts and by States										
May 31, 1951^p										
<i>District</i>										
Boston.....	474	346	474	346	325	272	149	74		
New York.....	863	970	863	970	744	898	119	72		
Philadelphia.....	835	167	835	167	638	128	197	39		
Cleveland.....	1,112	320	1,112	320	689	276	423	44		
Richmond.....	1,008	555	809	414	477	262	332	152	199	141
Atlanta.....	1,205	223	604	183	355	156	249	27	601	40
Chicago.....	2,487	625	2,487	625	1,008	269	1,479	356		
St. Louis.....	1,465	153	1,134	92	496	54	638	38	331	61
Minneapolis.....	1,275	112	678	71	476	28	202	43	597	41
Kansas City.....	1,760	17	1,751	17	755	9	996	8	9	
Dallas.....	1,031	62	928	53	631	35	297	18	103	9
San Francisco.....	494	1,374	494	1,374	266	1,286	228	88		
<i>State</i>										
Alabama.....	225	26	129	26	93	26	36		96	
Arizona.....	11	60	11	60	5	44	6	16		
Arkansas.....	231	20	109	5	68	2	41	3	122	15
California.....	192	984	192	984	119	934	73	50		
Colorado.....	149	4	149	4	93	3	56	1		
Connecticut.....	104	54	104	54	62	47	42	7		
Delaware.....	38	20	38	20	17	8	21	12		
District of Columbia.....	19	45	19	45	15	35	4	10		
Florida.....	193	6	133	5	75	5	58		60	1
Georgia.....	401	43	116	40	66	36	50	4	285	3
Idaho.....	43	56	43	56	24	51	19	5		
Illinois.....	888	2	886	2	510	2	376		2	
Indiana.....	484	113	484	113	238	59	246	54		
Iowa.....	661	164	661	164	161		500	164		
Kansas.....	610	1	608	1	215	1	393		2	
Kentucky.....	380	47	380	47	113	30	267	17		
Louisiana.....	166	78	62	55	47	48	15	7	104	23
Maine.....	62	71	62	71	38	37	24	34		
Maryland.....	163	122	163	122	77	80	86	42		
Massachusetts.....	176	179	176	179	140	161	36	18		
Michigan.....	438	246	438	246	231	190	207	56		
Minnesota.....	678	6	267	6	206	6	61		411	
Mississippi.....	201	68	41	14	31	7	10	7	160	54
Missouri.....	595	1	530	1	180	1	350		65	
Montana.....	110		110		84		26			
Nebraska.....	412	2	412	2	140	2	272			
Nevada.....	8	20	8	20	6	19	2	1		
New Hampshire.....	74	2	74	2	52	1	22	1		
New Jersey.....	320	167	320	167	275	151	45	16		
New Mexico.....	51	16	51	16	35	2	16	14		
New York.....	618	807	618	807	541	751	77	56		
North Carolina.....	209	222	99	87	54	47	45	40	110	135
North Dakota.....	150	22	62	6	42		20	6	88	16
Ohio.....	657	232	657	232	420	201	237	31		
Oklahoma.....	385	1	377	1	224	1	153		8	
Oregon.....	69	103	69	103	30	90	39	13		
Pennsylvania.....	962	202	962	202	732	175	230	27		
Rhode Island.....	14	51	14	51	8	39	6	12		
South Carolina.....	150	50	66	44	32	36	34	8	84	6
South Dakota.....	169	50	71	25	62	22	9	3	98	25
Tennessee.....	296	99	208	85	83	63	125	22	88	14
Texas.....	908	12	856	12	579	12	277		52	
Utah.....	55	24	55	24	31	22	24	2		
Vermont.....	69	11	69	11	40	2	29	9		
Virginia.....	312	116	308	116	203	64	105	52	4	
Washington.....	118	147	118	147	52	138	66	9		
West Virginia.....	180		179		108		71		1	
Wisconsin.....	552	152	552	152	164	22	388	130		
Wyoming.....	53		53		39		14			

^p Preliminary. ¹ Excludes mutual savings banks, on a few of which some checks are drawn.

² Branches and other additional offices at which deposits are received, checks paid, or money lent, including "banking facilities" at military reservations and other Government establishments (see BULLETIN for February 1951, p. 228, footnotes 10 and 12).

Back figures.—See *Banking and Monetary Statistics*, Table 15, pp. 54-55, and *Annual Reports*.

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			Others ²	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
1950—April.....	257	237	93	62	31	144	157	47	(³)	18	15
May.....	250	231	93	59	34	138	142	58	(³)	15	17
June.....	240	279	126	82	44	154	170	66	1	21	21
July.....	259	335	155	87	68	180	211	80	1	22	22
August.....	286	374	174	103	71	200	238	87	1	26	21
September.....	308	397	187	103	84	211	264	79	2	29	23
October.....	312	383	168	100	68	215	243	85	2	29	25
November.....	325	383	166	104	62	217	234	88	2	29	29
December.....	333	394	192	114	78	202	245	87	2	28	32
1951—January.....	356	453	202	126	76	251	286	100	2	36	29
February.....	369	470	201	121	79	270	304	99	2	36	29
March.....	381	479	198	122	76	279	314	106	2	30	26
April.....	387	456	170	119	52	285	288	111	2	24	31
May.....	364	417	143	108	35	274	259	102	1	.....	33

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

² None held by Federal Reserve Banks except on Mar. 31, 1951, and on Apr. 30, 1951, when their holdings were \$1,996,000 and \$178,000, respectively. ³ 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)
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.....	789	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.....	540	5	312	456	218	694	120	30	10	290
1947—June.....	552	6	333	395	223	650	162	24	9	271
December.....	578	7	315	393	240	612	176	23	15	273
1948—June.....	619	7	326	332	283	576	145	20	11	291
December.....	550	10	312	349	257	586	112	28	5	278
1949—June.....	681	5	419	280	493	528	129	20	9	260
December.....	881	5	400	306	523	633	159	26	15	271
1950—June.....	1,256	12	386	314	827	673	166	25	11	312
July.....	³ 1,208	.....	.....	.....	³ 755	³ 712	.....	.....	.....	.....
August.....	³ 1,231	.....	.....	.....	³ 752	³ 780	.....	.....	.....	.....
September.....	³ 1,284	.....	.....	.....	³ 751	³ 738	.....	.....	.....	.....
October.....	³ 1,351	.....	.....	.....	³ 759	³ 771	.....	.....	.....	.....
November.....	³ 1,360	.....	.....	.....	³ 774	³ 796	.....	.....	.....	.....
December.....	1,356	9	399	397	745	890	230	36	12	317
1951—January.....	³ 1,411	.....	.....	.....	³ 690	³ 948	.....	.....	.....	.....
February.....	³ 1,367	.....	.....	.....	³ 642	³ 953	.....	.....	.....	.....
March.....	³ 1,304	.....	.....	.....	³ 715	³ 918	.....	.....	.....	.....
April.....	³ 1,286	.....	.....	.....	³ 661	³ 879	.....	.....	.....	.....
May.....	³ 1,287	.....	.....	.....	³ 681	³ 855	.....	.....	.....	.....

¹ Excludes 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): March, 54; April, 45; May, 41.

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 securities (taxable)		
				3- month bills ³	9- to 12- month issues ⁴	3- to 5- year issues ⁵
1948 average.....	1.44	1.11	1.55	1.040	1.14	1.62
1949 average.....	1.48	1.12	1.63	1.102	1.14	1.43
1950 average.....	1.45	1.15	1.63	1.218	1.26	1.50
1950—June.....	1.31	1.06	1.63	1.174	1.23	1.47
July.....	1.31	1.06	1.63	1.172	1.23	1.45
August.....	1.44	1.16	1.63	1.211	1.26	1.45
September.....	1.66	1.31	1.63	1.315	1.33	1.55
October.....	1.73	1.31	1.63	1.329	1.40	1.65
November.....	1.69	1.31	1.63	1.364	1.47	1.62
December.....	1.72	1.31	1.63	1.367	1.46	1.64
1951—January.....	1.86	1.39	2.00	1.387	1.47	1.66
February.....	1.96	1.50	2.00	1.391	1.60	1.67
March.....	2.06	1.63	2.00	1.422	1.79	1.86
April.....	2.13	1.63	2.00	1.520	1.89	2.03
May.....	2.17	1.63	2.15	1.578	1.85	2.04
June.....	2.31	1.63	2.25	1.499	1.79	2.00
Week ending:						
June 2.....	2 1/8-2 1/4	1 5/8	2-2 1/2	1.600	1.85	2.02
June 9.....	2 1/4-2 3/8	1 5/8	2-2 1/2	1.555	1.79	2.00
June 16.....	2 1/4-2 3/8	1 5/8	2-2 1/2	1.467	1.76	1.98
June 23.....	2 1/4-2 3/8	1 5/8	2-2 1/2	1.445	1.78	2.01
June 30.....	2 1/4-2 3/8	1 5/8	2-2 1/2	1.527	1.82	2.02

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, Aug. 2, 1946-Aug. 16, 1948; 1.63 per cent, Aug. 17, 1948-Jan. 1, 1951. In 1951 changes have been made on the following dates: Jan. 2, 2.00; May 16, 2.25 per cent.
³ Rate on new issues within period.
⁴ Series includes certificates of indebtedness, when outstanding in proper maturity range, and selected note and bond issues.
⁵ Series includes notes and selected bond issues.
Back figures.—See *Banking and Monetary Statistics*, Tables 120-121, pp. 448-459, and BULLETIN for May 1945, pp. 483-490, and October 1947, pp. 1251-1253.

BANK RATES ON BUSINESS LOANS
AVERAGE OF RATES CHARGED ON SHORT-TERM LOANS TO BUSINESSES BY BANKS IN SELECTED CITIES
[Per cent per annum]

Area and period	All loans	Size of loan			
		\$1,000-\$10,000	\$10,000-\$100,000	\$100,000-\$200,000	\$200,000 and over
Annual averages:					
19 cities:					
1941.....	2.0	4.3	3.0	1.9	1.8
1942.....	2.2	4.4	3.2	2.2	2.0
1943.....	2.6	4.4	3.4	2.5	2.4
1944.....	2.4	4.3	3.3	2.6	2.2
1945.....	2.2	4.3	3.2	2.3	2.0
1946.....	2.1	4.2	3.1	2.2	1.7
1947.....	2.1	4.2	3.1	2.5	1.8
1948.....	2.5	4.4	3.5	2.8	2.2
1949.....	2.7	4.6	3.7	3.0	2.4
1950.....	2.7	4.5	3.6	3.0	2.4
Quarterly:					
19 cities:					
1950—Sept.....	2.63	4.51	3.63	2.95	2.34
Dec.....	2.84	4.60	3.73	3.10	2.57
1951—Mar.....	3.02	4.68	3.88	3.27	2.76
June.....	3.07	4.73	3.93	3.32	2.81
New York City:					
1950—Sept.....	2.32	4.06	3.33	2.72	2.15
Dec.....	2.51	4.17	3.44	2.80	2.35
1951—Mar.....	2.74	4.20	3.68	3.06	2.59
June.....	2.78	4.37	3.66	3.06	2.64
7 Northern and Eastern cities:					
1950—Sept.....	2.63	4.56	3.59	2.87	2.39
Dec.....	2.87	4.64	3.70	3.18	2.65
1951—Mar.....	3.02	4.74	3.86	3.23	2.81
June.....	3.04	4.68	3.90	3.28	2.83
11 Southern and Western cities:					
1950—Sept.....	3.13	4.71	3.83	3.15	2.67
Dec.....	3.28	4.78	3.91	3.21	2.90
1951—Mar.....	3.42	4.87	4.01	3.41	3.06
June.....	3.52	4.90	4.10	3.52	3.14

NOTE.—For description of series see BULLETIN for March 1949, pp. 228-237.

BOND YIELDS ¹
[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 or more				By ratings				By groups		
						Aaa	Aa	A	Baa	Industrial	Railroad	Public utility
Number of issues.....	1-5	1-8	15	9	120	30	30	30	30	40	40	40
1948 average.....	2.00	2.44	2.40	2.81	3.08	2.82	2.90	3.12	3.47	2.87	3.34	3.03
1949 average.....	1.71	2.31	2.21	2.65	2.96	2.66	2.75	3.00	3.42	2.74	3.24	2.90
1950 average.....	1.84	2.32	1.98	2.60	2.86	2.62	2.69	2.89	3.24	2.67	3.10	2.82
1950—June.....	1.83	2.33	2.09	2.59	2.87	2.62	2.69	2.90	3.28	2.66	3.15	2.81
July.....	1.83	2.34	2.09	2.61	2.90	2.65	2.72	2.92	3.32	2.69	3.19	2.83
August.....	1.82	2.33	1.90	2.58	2.85	2.61	2.67	2.87	3.23	2.66	3.08	2.80
September.....	1.89	2.36	1.88	2.62	2.86	2.64	2.71	2.88	3.21	2.68	3.07	2.84
October.....	1.94	2.38	1.82	2.65	2.88	2.67	2.72	2.91	3.22	2.70	3.09	2.85
November.....	1.95	2.38	1.79	2.66	2.88	2.67	2.72	2.92	3.22	2.70	3.08	2.86
December.....	1.97	2.39	1.77	2.66	2.88	2.67	2.72	2.91	3.20	2.70	3.07	2.87
1951—January.....	1.96	2.39	1.62	2.64	2.86	2.66	2.71	2.89	3.17	2.69	3.03	2.85
February.....	(*)	2.40	1.61	2.66	2.85	2.66	2.71	2.88	3.16	2.69	3.01	2.86
March.....		2.47	1.87	2.78	2.95	2.78	2.81	2.98	3.22	2.79	3.09	2.95
April.....		2.56	2.05	2.88	3.07	2.87	2.93	3.12	3.34	2.89	3.24	3.07
May.....		2.63	2.09	2.89	3.09	2.88	2.93	3.14	3.40	2.90	3.28	3.10
June.....		2.65	2.22	2.95	3.16	2.94	2.99	3.21	3.49	2.96	3.33	3.18
Week ending:												
June 2.....		2.63	2.12	2.90	3.10	2.89	2.94	3.16	3.42	2.91	3.29	3.11
June 9.....		2.64	2.19	2.90	3.11	2.90	2.94	3.16	3.44	2.92	3.29	3.11
June 16.....		2.64	2.20	2.93	3.14	2.92	2.96	3.19	3.47	2.95	3.32	3.14
June 23.....		2.65	2.23	2.97	3.18	2.96	3.02	3.22	3.50	2.98	3.35	3.20
June 30.....		2.66	2.26	3.03	3.21	2.99	3.05	3.26	3.54	3.00	3.37	3.26

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 a 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 and Aa groups from 10 to 5 issues. ⁵ Series discontinued.
Back figures.—See *Banking and Monetary Statistics*, Tables 128-129, pp. 468-474, and BULLETIN 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				Pre-ferred ⁶	Common (index, 1935-39 = 100)					
			High-grade	Medium-grade				Total	Industrial	Rail-road	Public utility		
				Total	Indus-trial	Rail-road							Public utility
Number of issues.....	1-8	15	12	14	5	5	4	15	416	365	20	31	.....
1948 average.....	100.84	125.3	98.7	92.1	96.3	85.4	95.2	168.7	124	131	115	96	1,144
1949 average.....	102.73	128.9	101.9	92.6	98.6	82.3	97.0	176.4	121	128	97	98	1,037
1950 average.....	102.53	133.4	(⁸)	(⁸)	(⁸)	(⁸)	(⁸)	181.8	146	156	117	107	2,012
1950—June.....	102.42	131.1						182.0	148	158	107	112	2,075
July.....	102.24	131.1						178.5	138	147	110	103	2,227
August.....	102.28	134.8						181.9	147	158	121	104	1,673
September.....	101.90	135.2						181.8	152	163	125	105	1,930
October.....	101.64	136.4						180.5	158	171	129	106	2,141
November.....	101.69	137.0						180.8	156	169	127	105	2,032
December.....	101.53	137.4						179.9	158	171	139	104	2,769
1951—January.....	101.56	140.5						180.9	169	183	153	109	2,974
February.....	101.44	140.8						180.9	175	190	159	111	2,104
March.....	100.28	135.5						174.9	170	184	149	111	1,549
April.....	98.93	131.9						170.4	172	187	149	110	1,517
May.....	97.90	131.1						168.9	174	189	148	111	1,630
June.....	97.62	128.6						167.9	172	187	142	110	1,305
Week ending:													
June 2.....	97.89	130.5						167.9	171	185	143	110	1,158
June 9.....	97.70	129.2						169.0	171	186	144	110	1,166
June 16.....	97.71	129.0						168.7	172	187	144	110	1,232
June 23.....	97.56	128.4						167.6	174	190	143	111	1,142
June 30.....	97.46	127.9						166.3	170	185	136	110	1,745

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 or more.
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.
⁸ Series discontinued beginning Apr. 1, 1950.

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

NEW SECURITY ISSUES

[In millions of dollars]

Year or month	Total (new and re-fund-ing)	For new capital							For refunding							For-foreign ²	
		Total (do-mestic and for-ign)	Domestic						Total (do-mestic and for-ign)	Domestic							
			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		
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.....	39,691	87,566	7,255	2,228	239	4,787	3,567	1,219	68	2,125	1,948	44	422	1,482	1,199	283	177
1948.....	10,220	9,085	9,076	2,604	294	6,177	5,269	908	10	1,135	1,135	82	768	284	257	28	.....
1949.....	9,753	8,160	8,131	2,803	233	5,095	4,125	971	29	1,593	1,492	104	943	445	393	52	101
1950.....	10,935	8,271	8,160	3,370	394	4,395	3,199	1,197	111	3,665	2,441	112	992	1,338	1,280	58	123
1950—April.....	744	580	575	170	23	382	204	178	5	164	164	6	65	93	85	9	.....
May.....	1,002	718	716	304	39	373	254	120	2	284	284	14	31	239	233	6	.....
June.....	1,293	965	957	334	18	605	437	169	8	328	328	20	35	273	273	.....	.....
July.....	589	513	510	204	8	297	221	77	3	76	76	1	53	22	22	.....	.....
August.....	794	555	523	265	.....	258	213	45	32	239	193	8	48	137	131	5	46
September.....	950	729	712	272	145	295	244	51	18	220	220	6	193	21	21	.....	.....
October.....	802	658	653	181	.....	472	272	200	5	144	144	3	63	78	77	1	.....
November.....	853	613	599	356	.....	244	201	43	14	240	240	14	150	75	67	8	.....
December.....	840	630	630	138	98	394	319	75	.....	210	210	28	79	103	91	12	.....
1951—January.....	517	439	436	154	41	242	192	50	3	77	77	19	45	13	11	2	.....
February.....	834	649	594	181	48	365	332	33	5	184	184	3	154	27	25	2	.....
March.....	1,229	1,019	1,001	158	48	795	641	154	17	211	180	10	88	82	52	30	31
April.....	1,064	920	918	228	29	660	433	227	2	144	144	4	61	80	24	55	.....

¹ Corrected.
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 These figures for 1947, 1950, and February 1951 include 244 million dollars, 100 million, and 50 million, respectively, of issues of the International Bank for Reconstruction and Development.

⁵ Includes the Shell Caribbean Petroleum Company issue of 250 million dollars, classified as "foreign" by the *Chronicle*.

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		
1938	2,155	2,110	681	504	177	1,206	1,119	87	215	7
1939	2,164	2,115	325	170	155	1,695	1,637	59	69	26
1940	2,677	2,615	569	424	145	1,854	1,726	128	174	19
1941	2,667	2,623	868	661	207	1,583	1,483	100	144	28
1942	1,062	1,043	474	287	187	396	366	30	138	35
1943	1,170	1,147	308	141	167	739	667	72	73	27
1944	3,202	3,142	657	252	405	2,389	2,038	351	49	47
1945	6,011	5,902	1,080	638	442	4,555	4,117	438	134	133
1946	6,900	6,757	3,279	2,115	1,164	2,868	2,392	476	379	231
1947	6,577	6,466	4,591	3,409	1,182	1,352	1,155	196	356	168
1948	7,078	6,959	5,929	4,221	1,708	307	240	67	488	234
1949	6,052	5,959	4,606	3,724	882	401	360	41	637	315
1950	6,292	6,194	3,987	3,029	958	1,224	1,095	129	651	332
1950—May	669	658	306	212	94	204	164	40	137	11
June	1,069	1,055	625	451	174	317	311	5	65	49
July	315	311	211	140	71	20	19	.....	20	60
August	407	402	225	189	36	138	132	6	17	23
September	416	408	306	248	58	33	28	5	32	37
October	561	550	312	255	57	89	62	27	129	20
November	393	387	268	193	75	76	63	13	28	15
December	553	546	376	269	107	74	72	2	71	25
1951—January	383	359	301	224	77	20	17	3	29	8
February	383	377	314	243	71	30	28	2	26	6
March	1,009	994	845	699	146	68	68	.....	53	28
April	688	674	534	445	88	62	10	52	33	46
May	592	584	564	411	152	6	2	4	5	11

PROPOSED USES OF PROCEEDS, BY MAJOR GROUPS OF ISSUERS⁴
 [In millions of dollars]

Year or month	Manufacturing ⁵			Commercial and miscellaneous ⁶			Railroad			Public utility ⁷			Communication ⁸			Real estate and financial		
	Total net proceeds ⁹	New money	Retirements ¹⁰	Total net proceeds ⁹	New money	Retirements ¹⁰	Total net proceeds ⁹	New money	Retirements ¹⁰	Total net proceeds ⁹	New money	Retirements ¹⁰	Total net proceeds ⁹	New money	Retirements ¹⁰	Total net proceeds ⁹	New money	Retirements ¹⁰
1938	831	469	226	.....	.....	.....	54	24	30	1,208	180	943	.....	.....	.....	16	8	7
1939	584	188	353	.....	.....	.....	182	85	97	1,246	43	1,157	.....	.....	.....	102	9	88
1940	961	167	738	.....	.....	.....	319	115	186	1,180	245	922	.....	.....	.....	155	42	9
1941	828	244	463	.....	.....	.....	361	253	108	1,340	317	993	.....	.....	.....	94	55	18
1942	527	293	89	.....	.....	.....	47	32	15	464	145	292	.....	.....	.....	4	4	.....
1943	497	228	199	.....	.....	.....	160	46	114	469	22	423	.....	.....	.....	21	13	4
1944	1,033	454	504	.....	.....	.....	602	102	500	1,400	40	1,343	.....	.....	.....	107	61	42
1945	1,969	811	1,010	.....	.....	.....	1,436	115	1,320	2,291	69	2,159	.....	.....	.....	206	85	65
1946	3,601	2,201	981	.....	.....	.....	704	129	571	2,129	785	1,252	.....	.....	.....	323	164	64
1947	2,686	1,974	353	.....	.....	.....	283	240	35	3,212	2,188	939	.....	.....	.....	286	189	24
1948	2,180	1,726	54	403	304	21	617	546	56	2,281	1,998	145	891	870	2	587	485	80
1949	1,391	851	44	338	229	28	456	441	11	2,615	2,140	234	567	505	49	593	440	35
1950	1,165	695	143	533	273	67	587	346	183	2,895	2,003	679	396	314	73	618	356	78
1950—May	186	80	7	29	19	1	69	39	30	331	129	165	13	13	.....	31	27	.....
June	169	109	36	45	20	11	74	15	40	575	385	161	64	3	60	127	92	8
July	68	50	3	72	22	3	13	13	.....	104	81	11	24	21	3	30	25	.....
August	42	20	5	40	19	8	42	38	4	233	121	107	6	6	.....	39	22	14
September	70	43	10	62	15	8	17	17	.....	223	205	11	7	5	.....	28	21	3
October	180	65	33	39	14	16	34	34	.....	228	164	33	23	15	7	46	20	.....
November	127	78	21	31	17	8	24	24	.....	174	126	45	9	6	.....	22	17	1
December	146	113	10	109	64	2	72	16	56	183	162	5	4	3	.....	32	18	1
1951—January	37	29	7	27	17	1	44	44	.....	133	126	6	2	2	.....	27	25	.....
February	63	53	2	27	20	5	26	8	18	220	200	4	2	2	.....	39	33	1
March	298	219	28	52	44	2	30	30	.....	172	115	37	423	421	.....	20	16	.....
April	333	257	55	26	11	3	20	20	.....	260	213	4	23	23	.....	12	9	.....
May	324	314	1	48	47	1	14	14	.....	167	164	.....	3	3	.....	28	21	3

¹ Estimates of new issues sold for cash in the United States.

² Gross proceeds are derived by multiplying principal amounts or number of units by offering price.

³ Estimated net proceeds are equal to estimated gross proceeds less cost of flotation, i.e., compensation to underwriters, agents, etc., and expenses.

⁴ Classifications for years 1938-47 are not precisely comparable with those beginning 1948, but they are believed to be sufficiently similar for broad comparisons. See also footnotes 5 through 8.

⁵ Prior to 1948 this group corresponds to that designated "Industrial" in the old classification.

⁷ Includes "Other transportation" for which separate figures are available beginning in 1948.

⁹ Includes issues for repayment of other debt and for other purposes not shown separately.

⁶ Included in "Manufacturing" prior to 1948.

⁸ Included in "Public utility" prior to 1948.

¹⁰ Retirement of securities only.

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.

SALES, PROFITS, AND DIVIDENDS OF LARGE CORPORATIONS
MANUFACTURING CORPORATIONS

[In millions of dollars]

Year or quarter	Assets of 10 million dollars and over (200 corporations)				Assets of 50 million dollars and over (82 corporations)				Assets of 10-50 million dollars (118 corporations)			
	Sales	Profits before taxes	Profits after taxes	Dividends	Sales	Profits before taxes	Profits after taxes	Dividends	Sales	Profits before taxes	Profits after taxes	Dividends
Annual												
1939.....	10,591	1,209	997	722	9,008	1,071	883	656	1,583	139	114	67
1940.....	13,006	1,844	1,273	856	11,138	1,638	1,127	772	1,869	206	146	83
1941.....	18,291	3,156	1,519	947	15,691	2,778	1,329	854	2,600	378	190	93
1942.....	21,771	3,395	1,220	760	18,544	2,876	1,056	672	3,227	519	164	88
1943.....	28,240	3,683	1,260	777	24,160	3,111	1,097	688	4,080	571	164	88
1944.....	30,348	3,531	1,255	848	25,851	2,982	1,091	755	4,497	549	164	93
1945.....	26,531	2,421	1,129	861	22,278	1,976	964	764	4,253	445	165	98
1946.....	21,327	2,033	1,202	943	17,416	1,573	932	804	3,912	460	271	139
1947.....	30,815	4,099	2,521	1,167	25,686	3,423	2,105	1,000	5,129	676	416	167
1948.....	36,955	5,315	3,310	1,403	31,238	4,593	2,860	1,210	5,717	721	450	192
1949.....	36,702	5,035	3,099	1,657	31,578	4,506	2,768	1,474	5,124	529	330	183
1950.....	43,950	7,891	4,050	2,237	37,704	6,994	3,561	2,013	6,246	897	489	224
Quarterly												
1949—1.....	9,363	1,326	808	343	8,056	1,187	723	303	1,307	139	84	40
2.....	9,369	1,196	726	354	8,115	1,077	653	312	1,254	119	73	42
3.....	9,420	1,312	799	331	8,148	1,183	717	292	1,273	129	82	39
4.....	8,550	1,201	766	629	7,259	1,059	675	567	1,291	142	91	62
1950—1 ¹	9,255	1,400	801	387	7,935	1,254	715	347	1,320	146	87	40
2.....	10,649	1,821	1,046	393	9,179	1,631	934	347	1,471	190	112	46
3 ¹	11,790	2,185	1,245	583	10,110	1,925	1,092	534	1,681	260	152	49
4 ¹	12,255	2,485	958	873	10,481	2,185	820	785	1,774	300	138	88
1951—1.....	12,655	2,221	898	467	10,768	1,929	780	420	1,887	292	117	47

PUBLIC UTILITY CORPORATIONS

[In millions of dollars]

Year or quarter	Railroad				Electric power				Telephone			
	Operating revenue	Profits before taxes	Profits after taxes	Dividends	Operating revenue	Profits before taxes	Profits after taxes	Dividends	Operating revenue	Profits before taxes	Profits after taxes	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	174
1946.....	7,628	271	287	235	3,815	964	638	458	1,992	277	200	171
1947.....	8,685	777	479	236	4,291	954	643	494	2,149	193	131	154
1948.....	9,672	1,148	699	289	4,830	983	657	493	2,541	269	183	181
1949.....	8,580	700	438	252	5,055	1,129	757	553	2,817	332	220	216
1950.....	9,473	1,385	783	312	5,431	1,303	824	619	3,178	565	341	281
Quarterly												
1949—1.....	2,147	119	58	69	1,317	316	206	123	670	62	42	50
2.....	2,226	183	115	55	1,226	272	180	135	695	75	50	51
3.....	2,140	174	104	50	1,224	260	175	140	711	84	55	54
4.....	2,066	224	161	78	1,288	281	196	156	742	112	73	61
1950—1.....	1,985	109	² 52	61	1,378	351	² 230	146	749	114	² 74	63
2.....	2,238	248	² 157	53	1,322	321	² 212	153	780	135	² 86	68
3.....	2,534	454	² 257	55	1,317	293	² 171	152	809	150	² 85	71
4.....	2,716	574	² 318	142	1,415	339	² 211	168	840	166	² 96	78
1951—1.....	2,440	229	103	100	1,500	413	229	157	860	169	93	78

¹ Certain Federal income tax accruals for the first six months of 1950, required by increases in normal and surtax rates and charged by many companies against third quarter profits, have been redistributed to the first and second quarters. Available information does not permit a similar redistribution of accruals charged against fourth quarter profits to cover 1950 liability for excess profits taxes.

² As reported.

NOTE.—Manufacturing corporations. Data are from published company reports, except sales for period beginning 1946, which are from reports of the Securities and Exchange Commission. For certain items, data for years 1939-44 are partly estimated. Assets are total assets as of the end of 1946.

Railroads. Figures are for Class I line-haul railroads (which account for 95 per cent of all railroad operations) and are obtained from reports of the Interstate Commerce Commission.

Electric power. Figures are for Class A and B electric utilities (which account for about 95 per cent of all electric power operations) and are obtained from reports of the Federal Power Commission, except that quarterly figures on operating revenue and profits before taxes are partly estimated by the Federal Reserve, to include affiliated nonelectric operations.

Telephone. Figures are for 30 large companies (which account for about 85 per cent of all telephone operations) and exclude American Telephone and Telegraph Company, the greater part of whose income consists of dividends received on stock holdings in the 30 companies. Data are obtained from the Federal Communications Commission, except for dividends, which are from published company reports.

All series. Profits before taxes refer to income after all charges and before Federal income taxes and dividends. For description of series and back figures, see pp. 662-666 of the BULLETIN for June 1949 (manufacturing); pp. 215-217 of the BULLETIN for March 1942 (public utilities); p. 1126 of the BULLETIN for November 1942 (telephone); and p. 908 of the BULLETIN for September 1944 (electric power).

SALES, PROFITS, AND DIVIDENDS OF LARGE MANUFACTURING CORPORATIONS, BY INDUSTRY

[In millions of dollars]

Industry	Annual			Quarterly								
	1948	1949	1950	1949				1950				1951
				1	2	3	4	1 ¹	2 ¹	3 ¹	4 ¹	
Nondurable goods industries												
Total (94 corps.): ²												
Sales.....	13,364	12,790	14,710	3,243	3,051	3,163	3,333	3,251	3,453	3,939	4,066	4,280
Profits before taxes.....	2,208	1,843	2,701	496	397	446	503	504	581	782	833	840
Profits after taxes.....	1,474	1,211	1,510	321	256	292	342	307	353	468	382	368
Dividends.....	656	708	887	146	166	147	249	166	175	213	333	198
Selected industries:												
Foods and kindred products (28 corps.):												
Sales.....	3,447	3,254	3,416	805	792	822	835	757	811	957	892	966
Profits before taxes.....	410	377	463	85	89	101	102	83	100	157	124	112
Profits after taxes.....	257	233	253	52	54	63	64	47	58	88	59	52
Dividends.....	135	134	141	30	31	29	44	31	33	34	44	31
Chemicals and allied products (26 corps.):												
Sales.....	3,563	3,562	4,456	896	860	896	910	952	1,049	1,192	1,263	1,345
Profits before taxes.....	655	673	1,114	170	140	174	189	205	247	311	351	364
Profits after taxes.....	408	403	560	100	83	105	115	117	141	176	127	134
Dividends.....	254	311	438	64	66	68	113	72	79	112	174	83
Petroleum refining (14 corps.):												
Sales.....	3,945	3,865	4,234	993	934	942	996	960	989	1,113	1,172	1,204
Profits before taxes.....	721	525	652	161	119	114	131	121	133	188	209	219
Profits after taxes.....	548	406	443	119	92	86	109	87	95	131	130	123
Dividends.....	172	172	205	31	47	31	63	42	42	44	77	57
Durable goods industries												
Total (106 corps.): ³												
Sales.....	23,591	23,914	29,240	6,120	6,320	6,257	5,217	6,004	7,196	7,851	8,188	8,375
Profits before taxes.....	3,107	3,192	5,191	830	799	866	697	896	1,240	1,403	1,652	1,381
Profits after taxes.....	1,836	1,888	2,540	487	470	508	424	494	693	777	576	530
Dividends.....	746	949	1,350	197	188	184	380	220	218	370	541	269
Selected industries:												
Primary metals and products (39 corps.):												
Sales.....	9,066	8,197	10,321	2,430	2,175	2,050	1,542	2,200	2,528	2,672	2,921	3,044
Profits before taxes.....	1,174	993	1,698	353	252	228	160	299	400	455	544	529
Profits after taxes.....	720	578	853	204	144	130	100	167	225	255	206	201
Dividends.....	270	285	377	71	64	61	89	66	73	80	157	88
Machinery (27 corps.):												
Sales.....	4,554	4,372	5,082	1,106	1,110	1,055	1,101	1,106	1,200	1,277	1,498	1,499
Profits before taxes.....	569	520	846	133	120	119	148	145	168	194	339	245
Profits after taxes.....	334	321	422	79	77	75	91	81	93	108	140	92
Dividends.....	126	136	206	33	32	31	41	49	37	38	83	42
Automobiles and equipment (15 corps.):												
Sales.....	8,093	9,577	11,805	2,151	2,601	2,707	2,118	2,283	2,975	3,355	3,192	3,268
Profits before taxes.....	1,131	1,473	2,306	298	376	462	337	398	596	656	656	509
Profits after taxes.....	639	861	1,089	177	218	267	200	215	330	358	186	196
Dividends.....	282	451	671	79	76	80	216	90	91	232	258	122

¹ Certain Federal income tax accruals for the first six months of 1950, required by increases in normal and surtax rates and charged by many companies against third quarter profits, have been redistributed to the first and second quarters. Available information does not permit a similar redistribution of accruals charged against fourth quarter profits to cover 1950 liability for excess profits taxes.

² Total includes 26 companies in nondurable goods groups not shown separately, as follows: textile mill products (10); paper and allied products (15); and miscellaneous (1).

³ Total includes 25 companies in durable goods groups not shown separately, as follows: building materials (12); transportation equipment other than automobile (6); and miscellaneous (7).

CORPORATE PROFITS, TAXES, AND DIVIDENDS

(Estimates of the Department of Commerce. Quarterly data at seasonally adjusted annual rates)

[In billions of dollars]

Year	Profits before taxes	Income taxes	Profits after taxes	Cash dividends	Undistributed profits	Quarter	Profits before taxes	Income taxes	Profits after taxes	Cash dividends	Undistributed profits
1939.....	6.5	1.5	5.0	3.8	1.2	1949—1.....	28.3	10.9	17.4	7.9	9.5
1940.....	9.3	2.9	6.4	4.0	2.4	2.....	26.4	10.0	16.4	7.7	8.7
1941.....	17.2	7.8	9.4	4.5	4.9	3.....	28.2	10.8	17.3	7.4	9.9
1942.....	21.1	11.7	9.4	4.3	5.1	4.....	27.6	10.6	16.9	8.2	8.7
1943.....	25.1	14.4	10.6	4.5	6.2						
1944.....	24.3	13.5	10.8	4.7	6.1	1950—1.....	29.2	13.2	16.0	8.1	7.9
1945.....	19.7	11.2	8.5	4.7	3.8	2.....	37.4	16.5	20.9	8.1	12.7
1946.....	23.5	9.6	13.9	5.8	8.1	3.....	46.4	20.6	25.8	9.4	16.5
1947.....	30.5	11.9	18.5	6.6	11.9	4.....	50.8	22.3	28.5	11.5	17.0
1948.....	33.9	13.0	20.9	7.5	13.4						
1949.....	27.6	10.6	17.0	7.8	9.2	1951—1 ¹	51.0	26.7	24.3	9.3	15.0
1950.....	41.0	18.2	22.8	9.4	13.4						

¹ Figures, except for cash dividends, are estimates of Council of Economic Advisers, based on preliminary data.

Source.—Same as for national income series.

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	Other assets	Bonds, notes, and debentures payable				Other liabilities
					U. S. Govt. securities	Other securities ²			Fully guaranteed by U. S.	Other			
All agencies:													
June 30, 1950.....	24,118	474	12,502	2,186	2,101	3,483	2,924	450	18	774	1,446	21,679	201
Sept. 30, 1950.....	24,102	598	12,769	1,739	2,112	3,478	2,931	476	19	1,108	970	21,791	214
Dec. 31, 1950.....	24,635	642	13,228	1,774	2,075	3,473	2,945	499	23	1,190	1,193	21,995	234
Mar. 31, 1951.....	25,104	715	13,496	1,764	2,162	3,467	2,951	549	19	1,247	1,234	22,337	268
<i>Classification by agency, Mar. 31, 1951</i>													
Department of Agriculture:													
Farm Credit Administration:													
Banks for cooperatives.....	404	22	332		43		(³)	6		116	1	264	22
Federal intermediate credit banks.....	697	13	633		45			6		624	6	67	
Production credit corporations.....	60	2			42	15		(³)			2	58	
Agricultural Marketing Act Revolving Fund.....	2		1					(³)				2	
Federal Farm Mortgage Corp.....	39	2	36					1	1		1	38	
Rural Electrification Administration.....	1,664	33	1,591				(³)	40			(³)	1,664	
Commodity Credit Corporation.....	2,656	9	755	1,565			112	215	(³)		474	2,182	
Farmers' Home Administration ⁴	606	127	452		1		(³)	26			3	602	
Federal Crop Insurance Corp.....	34	32						2			3	31	
Housing and Home Finance Agency:													
Home Loan Bank Board:													
Federal home loan banks.....	993	23	752		215		(³)	3		506	231	10	245
Federal Savings and Loan Insurance Corp.....	203	1		(³)	197			5			5	198	
Home Owners' Loan Corp.....	16	16				(³)		(³)	1	(³)	(³)	14	
Public Housing Administration ⁵	1,733	59	406	(³)			1,249	20			16	1,717	
Federal Housing Administration.....	374	40	21		251	(³)	1	61	17		182	175	
Office of the Administrator:													
Federal National Mortgage Association.....	1,538	(³)	1,525				(³)	13			2	1,536	
Other.....	74	10	19				40	5			1	73	
Reconstruction Finance Corporation:													
Assets held for U. S. Treasury ⁶:													
Other ⁷	771		1	137		3	589	40				771	
Other.....	898	11	776		(³)	64	1	47			78	820	
Export-Import Bank.....	2,283	(³)	2,267				(³)	15			62	2,221	
Federal Deposit Insurance Corp.....	1,382	3		(³)	1,367		(³)	12			118	1,263	
Tennessee Valley Authority.....	1,088	155	(³)	12			913	8			25	1,063	
All other ⁸	7,591	158	3,929	49	(³)	3,385	45	24			23	7,568	

CLASSIFICATION OF LOANS BY PURPOSE AND AGENCY

Purpose of loan	Mar. 31, 1951													Dec. 31, 1950, all agencies
	Fed. Farm Mort. Corp.	Fed. intermediate credit banks	Banks for co-operatives	Commodity Credit Corp.	Rural Electrification Adm.	Farmers' Home Adm.	Fed. National Mortgage Assn.	Public Housing Adm.	Fed. home loan banks	Reconstruction Finance Corp.	Export-Import Bank	All other	All agencies	
To aid agriculture.....	42	633	334	759	1,593	564	1,525	3		(³)	133	6	3,931	3,884
To aid home owners.....												60	1,721	1,528
To aid industry:														
Railroads.....										106		2	108	110
Other.....								(³)		416		57	473	458
To aid financial institutions:														
Banks.....										(³)		(³)	(³)	(³)
Other.....									752	8		8	760	824
Foreign loans.....										91	2,275	3,750	6,116	6,078
Other.....								404		56		105	564	531
Less: Reserve for losses.....	6	(³)	2	4	1	112		1		35	7	9	173	185
Total loans receivable (net)...	36	633	332	755	1,591	452	1,525	406	752	776	2,267	3,971	13,496	13,228

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

² Totals for each quarter include the United States' investment of 635 million dollars in stock of the International Bank for Reconstruction and Development and its subscription of 2,750 million to the International Monetary Fund.

³ Less than \$500,000. ⁴ Includes assets and liabilities of the Regional Agricultural Credit Corporation, which have been reported as "Disaster Loans, etc., Revolving Fund," since the dissolution of that Corporation pursuant to Public Law 38, 81st Congress.

⁵ Includes Farm Security Administration program, Homes Conversion program, Public War Housing program, Veterans' Re-use Housing program, and Public Housing Administration activities under the United States Housing Act, as amended.

⁶ Assets representing unrecovered costs to the Corporation in its national defense, war, and reconversion activities, which are held for the Treasury for liquidation purposes in accordance with provisions of Public Law 860, 80th Congress.

⁷ Includes figures for Smaller War Plants Corp. which is being liquidated by the Reconstruction Finance Corp.

⁸ Figures for one small agency are as of Feb. 28, 1951.

NOTE.—Statement includes figures for certain business-type activities of the U. S. Government. Comparability of the figures in recent years has been affected by (1) the adoption of a new reporting form and the substitution of quarterly for monthly reports beginning Sept. 30, 1944, and (2) the exclusion of figures for the U. S. Maritime Commission beginning Mar. 31, 1948. For back figures see earlier issues of the BULLETIN and *Banking and Monetary Statistics*, Table 152, p. 517.

INDUSTRIAL PRODUCTION, BY INDUSTRIES
(Adjusted for Seasonal Variation)

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

Industry	1950								1951				
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
Industrial Production—Total	195	199	196	209	211	216	215	218	221	221	*223	223	p223
Manufactures—Total	204	208	206	218	220	225	224	229	231	232	234	234	p233
Durable Manufactures	231	237	235	247	251	261	260	268	268	271	*278	*278	p277
Iron and Steel ¹	226	231	228	236	245	253	246	253	255	252	*262	264	263
Pig iron.....	222	221	223	219	223	225	211	216	224	217	228	231	234
Steel.....	273	271	264	265	275	286	272	280	288	281	298	301	301
Open hearth.....	206	202	201	198	203	209	198	207	212	206	217	218	217
Electric.....	755	763	710	744	792	835	803	802	827	815	879	891	897
Machinery	258	262	265	279	283	303	311	321	322	*328	*334	335	p334
Transportation Equipment	262	277	272	287	284	291	278	292	285	*304	*314	308	p309
Automobiles (including parts) (Aircraft; Railroad Equipment; Shipbuilding — Private and Government) ²	249	268	262	273	265	271	249	260	246	*262	*266	253	p250
Nonferrous Metals and Products	197	207	202	212	216	223	226	227	224	*217	*210	211	p211
Smelting and refining	208	219	208	212	209	217	221	218	219	222	225	225	p224
(Copper smelting; Lead refining; Zinc smelting; Aluminum; Magnesium; Tin) ²	192	202	199	212	219	225	228	230	226	*215	*203	205	p206
Fabricating	192	202	199	212	219	225	228	230	226	*215	*203	205	p206
(Copper products; Lead shipments; Zinc shipments; Aluminum products; Magnesium products; Tin consumption) ².....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Lumber and Products	158	155	151	165	166	166	169	173	171	169	169	170	p164
Lumber.....	149	144	140	151	150	150	155	162	162	156	156	162	158
Furniture.....	175	178	174	192	196	198	197	195	190	193	196	186	p175
Stone, Clay, and Glass Products	203	210	212	212	215	229	227	235	236	237	242	247	p236
Glass products.....	211	220	225	206	212	245	235	247	240	243	251	270	p244
Glass containers.....	223	234	244	215	225	262	247	265	257	261	269	292	275
Cement.....	210	214	208	214	206	214	214	232	238	245	252	243	231
Clay products.....	160	161	161	167	169	168	175	173	191	*186	*189	189	p185
Other stone and clay products ².....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Nondurable Manufactures	181	184	181	195	194	196	195	197	201	*201	199	198	p198
Textiles and Products	175	173	165	189	191	197	193	194	194	194	188	185	p187
Textile fabrics.....	158	156	146	172	171	178	173	173	174	176	171	165	p168
Cotton consumption.....	140	132	123	155	152	162	158	158	163	174	175	153	164
Rayon deliveries.....	347	348	361	366	380	374	381	397	392	390	374	*380	378
Nylon and silk consumption ².....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Wool textiles.....	157	161	134	172	171	180	164	160	156	144	*133	147	.....
Carpet wool consumption.....	216	205	135	210	204	228	204	201	180	181	169	138	.....
Apparel wool consumption.....	149	152	139	178	170	179	148	140	151	140	128	157	.....
Wool and worsted yarn.....	140	147	127	159	158	163	146	141	142	133	123	140	.....
Woolen yarn.....	127	134	117	144	137	142	122	121	121	119	111	116	.....
Worsted yarn.....	158	165	140	179	187	192	180	169	173	152	*140	174	.....
Woolen and worsted cloth.....	153	162	143	168	172	180	172	169	163	143	*130	158	.....
Leather and Products	101	105	101	120	124	115	109	108	115	122	118	106	p103
Leather tanning.....	95	102	91	108	111	106	108	106	107	112	105	98	.....
Cattle hide leathers.....	104	115	106	121	125	119	121	120	120	126	119	109	.....
Calf and kip leathers.....	75	79	56	83	91	84	89	84	77	88	80	84	.....
Goat and kid leathers.....	88	89	80	86	84	88	96	88	94	96	93	86	.....
Sheep and lamb leathers.....	81	86	76	101	104	94	81	87	98	92	83	69	.....
Shoes.....	106	107	107	128	133	121	110	109	121	128	127	112	.....
Manufactured Food Products	164	164	167	168	167	162	161	165	168	*166	168	168	p166
Wheat flour.....	107	106	113	116	103	100	107	116	128	119	110	108	p109
Cane sugar meltings ².....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Manufactured dairy products	150	153	152	150	148	145	143	141	142	142	146	147	148
Butter.....	85	87	85	80	78	75	72	70	73	71	72	74	72
Cheese.....	175	184	178	169	161	158	164	167	170	169	176	177	174
Canned and dried milk.....	155	165	167	169	158	150	142	131	131	135	152	156	164
Ice cream ².....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

^p Preliminary. ^r Revised.

¹ Methods used in compiling the iron and steel group index have been revised beginning October 1949. A description of the new methods may be obtained from the Division of Research and Statistics.

² 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	1950								1951				
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
<i>Manufactured Food Products—Continued</i>													
Meat packing.....	144	147	151	155	168	158	165	171	162	148	159	163	149
Pork and lard.....	161	165	169	175	196	188	195	202	188	171	194	208	181
Beef.....	142	141	146	145	153	138	148	155	152	141	139	134	134
Veal.....	98	108	114	121	120	107	108	104	93	88	82	79	79
Lamb and mutton.....	71	79	78	78	78	77	76	77	80	66	62	59	52
Other manufactured foods.....	173	173	175	176	174	171	168	172	176	176	178	178	p176
Processed fruits and vegetables.....	150	158	147	134	142	147	149	142	161	*158	176	*167	p162
Confectionery.....	131	133	146	158	146	125	125	147	148	138	127	128	.....
Other food products.....	186	184	187	190	187	184	181	184	185	*188	*188	p189	p188
<i>Alcoholic Beverages.....</i>													
Malt liquor.....	172	184	206	248	203	182	207	208	248	225	207	187	179
Whiskey.....	157	163	171	168	155	150	183	168	185	166	169	161	157
Other distilled spirits.....	93	95	84	111	146	157	178	157	155	135	150	118	117
Rectified liquors.....	363	417	611	934	549	308	235	463	716	658	677	706	560
	235	269	315	464	340	304	341	340	439	408	240	148	174
<i>Tobacco Products.....</i>													
Cigars.....	168	170	154	197	172	165	171	153	177	179	170	177	172
Cigarettes.....	93	106	96	126	120	124	127	89	101	107	100	104	105
Other tobacco products.....	237	233	212	269	229	215	227	215	248	249	238	248	239
	63	68	59	80	71	72	65	56	70	69	62	66	64
<i>Paper and Paper Products.....</i>													
Paper and pulp.....	180	185	173	191	194	202	201	197	204	207	208	214	p213
Pulp.....	173	177	166	181	185	193	191	189	192	197	198	204	.....
Groundwood pulp.....	199	205	202	211	213	228	220	218	220	228	229	241	.....
Soda pulp.....	99	109	119	124	133	127	109	125	117	119	116	116	.....
Sulphate pulp.....	119	120	110	115	114	96	92	92	94	98	94	100	.....
Sulphite pulp.....	363	373	372	381	382	427	414	402	412	430	438	461	.....
Paper.....	145	146	140	152	152	162	161	157	158	161	162	172	.....
Paperboard.....	168	173	161	177	180	188	186	184	188	193	193	198	196
Fine paper ²	211	213	198	228	232	238	240	229	247	245	248	253	256
Printing paper.....	167	172	156	174	180	187	183	188	181	192	189	194	190
Tissue and absorbent paper.....	166	171	182	183	185	207	196	202	206	205	208	223	208
Wrapping paper.....	158	167	151	155	156	164	163	165	159	172	171	171	171
Newsprint.....	112	115	117	116	116	117	112	117	117	120	119	119	121
Paperboard containers (same as Paperboard).....													
<i>Printing and Publishing.....</i>													
Newsprint consumption.....	166	170	162	169	172	179	174	175	170	177	176	183	178
Printing paper (same as shown under Paper).....	165	168	167	165	163	171	165	162	159	162	162	171	166
<i>Petroleum and Coal Products.....</i>													
Petroleum refining ²	216	222	229	238	243	251	253	263	272	269	269	256	p265
Gasoline.....	181	188	194	200	195	196	195	197	202	198	199	193	p204
Fuel oil.....	175	179	187	190	200	210	209	225	238	238	229	204	p206
Lubricating oil.....	143	152	154	174	177	184	187	188	192	179	190	189	.....
Kerosene.....	184	177	186	194	198	195	195	208	237	230	230	221	.....
Other petroleum products ²	175	177	176	176	178	183	178	182	187	183	184	185	.....
Coke.....	171	170	170	167	170	175	170	174	177	174	176	178	178
By-product coke.....	328	428	368	470	443	467	436	457	522	487	475	433	454
Beehive coke.....													
<i>Chemical Products.....</i>													
Paints.....	256	261	263	269	271	277	280	284	287	288	292	295	p297
Rayon.....	147	154	161	168	168	164	162	160	163	*168	*166	164	p158
Industrial chemicals.....	350	350	359	363	376	371	378	385	387	384	374	377	p377
Other chemical products ²	443	451	453	458	465	488	497	504	506	510	524	530	p536
<i>Rubber Products.....</i>													
.....	213	221	222	236	244	250	250	251	244	235	240	237	p237
<i>Minerals—Total.....</i>													
.....	145	151	144	159	163	166	160	157	164	158	158	164	p165
<i>Fuels.....</i>													
.....	148	155	148	162	167	170	165	163	169	163	163	167	p167
Coal.....	124	128	101	133	133	141	127	130	140	118	111	119	117
Bituminous coal.....	131	136	109	142	144	151	138	143	151	125	127	133	126
Anthracite.....	97	96	68	97	92	102	84	80	96	89	48	64	81
Crude petroleum.....	160	168	171	177	184	184	184	178	184	185	189	191	p192
<i>Metals.....</i>													
.....	125	130	124	136	141	141	130	126	130	131	127	p141	p152
Metals other than gold and silver.....	166	177	167	188	198	199	180	173	180	181	176	p199	p219
Iron ore.....													
(Copper; Lead; Zinc) ²													
Gold.....	66	63	62	60	59	59	59	57	57	55	56	.....	.....
Silver.....	76	77	73	85	73	73	70	77	78	80	77	.....	.....

For other footnotes see preceding page.

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	1950								1951				
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
Industrial Production—Total	195	200	198	212	216	220	215	216	216	217	219	221	<i>p</i> 223
Manufactures — Total	203	209	207	221	224	229	226	227	226	228	231	232	<i>p</i> 233
Durable Manufactures	232	238	237	249	253	263	260	266	264	268	<i>r</i> 276	278	<i>p</i> 278
Iron and Steel ¹	226	231	228	236	245	253	246	253	255	252	<i>r</i> 262	264	263
Pig iron	222	221	223	219	223	225	211	216	224	217	228	231	234
Steel	273	271	264	265	275	286	272	280	288	281	298	301	301
Open hearth	206	202	201	198	203	209	198	207	212	206	217	218	217
Electric	755	763	710	744	792	835	803	802	827	815	879	891	897
Machinery	258	262	265	279	283	303	311	321	322	<i>r</i> 328	<i>r</i> 334	335	<i>p</i> 334
Transportation Equipment	262	277	272	287	284	291	278	292	285	<i>r</i> 304	<i>r</i> 314	308	<i>p</i> 309
Automobiles (including parts) (Aircraft; Railroad equipment; Shipbuilding—Private and Government) ²	249	268	262	273	265	271	249	260	246	<i>r</i> 262	<i>r</i> 266	253	<i>p</i> 250
Nonferrous Metals and Products	197	206	202	212	216	223	226	227	224	<i>r</i> 217	<i>r</i> 210	211	<i>p</i> 211
Smelting and refining (Copper smelting; Lead refining; Zinc smelting; Aluminum; Magnesium; Tin) ²	208	218	207	212	209	217	221	219	220	222	225	225	<i>p</i> 224
Fabricating (Copper products; Lead shipments; Zinc shipments; Aluminum products; Magnesium products; Tin consumption) ²	192	202	199	212	219	225	228	230	226	<i>r</i> 215	<i>r</i> 203	205	<i>p</i> 206
Lumber and Products	162	166	161	177	179	176	168	158	153	154	160	170	<i>p</i> 168
Lumber	155	160	155	170	170	165	153	140	134	134	141	161	165
Furniture	175	178	174	192	196	198	197	195	190	193	196	186	<i>p</i> 175
Stone, Clay, and Glass Products	209	212	214	221	223	240	233	227	223	<i>r</i> 221	232	244	<i>p</i> 242
Glass products	222	218	217	212	215	251	237	233	236	237	<i>r</i> 251	270	<i>p</i> 257
Glass containers	238	232	234	223	229	269	250	246	251	253	269	292	257
Cement	221	229	229	242	239	249	231	211	193	186	207	231	242
Clay products	160	160	162	172	175	177	182	178	178	<i>r</i> 176	180	183	<i>p</i> 184
Other stone and clay products ²													
Nondurable Manufactures	180	184	182	198	201	201	197	196	196	196	194	195	<i>p</i> 196
Textiles and Products	175	173	165	189	191	197	193	194	194	194	188	185	<i>p</i> 187
Textile fabrics	158	156	146	172	171	178	173	173	174	176	171	165	<i>p</i> 168
Cotton consumption	140	132	123	155	152	162	158	158	163	174	175	153	164
Rayon deliveries	347	348	361	366	380	374	381	397	392	390	374	<i>r</i> 380	378
Nylon and silk consumption ²													
Wool textiles	157	161	134	172	171	180	164	160	156	144	<i>r</i> 133	147	
Carpet wool consumption	216	205	135	210	204	228	204	201	180	181	169	138	
Apparel wool consumption	149	152	139	178	170	179	148	140	151	140	128	157	
Woolen and worsted yarn	140	147	127	159	158	163	146	141	142	133	123	140	
Woolen yarn	127	134	117	144	137	142	122	121	121	119	111	116	
Worsted yarn	158	165	140	179	187	192	180	169	173	152	<i>r</i> 140	174	
Woolen and worsted cloth	153	162	143	168	172	180	172	169	163	143	<i>r</i> 130	158	
Leather and Products	101	104	99	119	123	115	111	107	116	125	118	106	<i>p</i> 103
Leather tanning	94	100	87	106	109	107	111	106	108	120	104	98	
Cattle hide leathers	104	111	100	117	122	120	126	120	123	136	119	109	
Calf and kip leathers	72	80	56	88	89	86	91	82	76	93	79	81	
Goat and kid leathers	86	90	79	84	85	88	93	89	94	100	92	89	
Sheep and lamb leathers	88	86	71	104	102	94	85	83	91	101	80	68	
Shoes	106	107	107	128	133	121	110	109	121	128	127	112	
Manufactured Food Products	157	164	178	191	192	175	164	162	155	149	149	153	<i>p</i> 159
Wheat flour	103	102	112	114	112	107	108	115	128	120	107	103	<i>p</i> 104
Cane sugar meltings ²													
Manufactured dairy products	199	226	223	217	173	132	103	99	90	101	120	153	196
Butter	109	120	104	87	74	64	55	55	61	63	65	75	93
Cheese	235	261	219	189	164	142	123	121	126	139	158	184	233
Canned and dried milk	215	228	193	174	145	122	102	101	106	121	149	176	228
Ice cream ²													

^p Preliminary.

^r Revised.

¹ Methods used in compiling the iron and steel group index have been revised beginning October 1949. A description of the new methods may be obtained from the Division of Research and Statistics.

² 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	1950									1951				
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	
<i>Manufactured Food Products—Continued</i>														
Meat packing.....	144	146	141	134	152	158	184	203	193	142	147	150	149	
Pork and lard.....	161	165	148	135	155	177	228	267	247	168	180	189	181	
Beef.....	142	138	147	147	165	151	154	155	155	129	127	126	134	
Veal.....	102	108	114	119	132	122	116	98	86	77	77	78	82	
Lamb and mutton.....	73	73	75	76	84	80	76	75	85	67	60	57	53	
Other manufactured foods.....	157	163	182	202	206	189	175	169	162	159	*158	158	p160	
Processed fruits and vegetables.....	98	122	191	254	276	190	137	111	105	100	97	102	p105	
Confectionery.....	101	99	120	171	189	164	147	148	152	139	118	106	.....
Other food products.....	182	185	190	194	191	193	190	188	178	*178	*180	181	p184	
<i>Alcoholic Beverages.....</i>														
Malt liquor.....	179	205	214	191	156	139	141	134	151	149	157	169	179	
Whiskey.....	93	95	84	111	146	157	178	157	155	135	150	118	117	
Other distilled spirits.....	218	258	354	504	753	798	493	509	466	394	440	424	336	
Rectified liquors.....	235	269	315	464	340	304	341	340	439	408	240	148	174	
<i>Tobacco Products.....</i>														
Cigars.....	93	106	96	126	120	124	127	89	101	107	100	104	105	
Cigarettes.....	237	245	223	283	245	224	231	198	248	234	222	231	239	
Other tobacco products.....	64	69	59	78	76	77	67	50	69	67	62	66	65	
<i>Paper and Paper Products.....</i>														
Paper and pulp.....	173	178	166	181	184	193	191	188	192	198	198	204	.....
Pulp.....	201	205	200	209	211	227	221	218	221	228	231	243	.....
Groundwood pulp.....	106	110	105	110	119	119	115	126	121	124	124	128	.....
Soda pulp.....	119	120	110	115	114	96	92	92	94	98	94	100	.....
Sulphate pulp.....	363	373	372	381	382	427	414	402	412	430	438	461	.....
Sulphite pulp.....	145	146	140	152	152	162	161	157	158	161	162	172	.....
Paper.....	168	173	160	177	180	188	186	184	188	194	193	198	196	
Paperboard.....	211	213	198	228	232	238	240	229	247	245	248	253	256	
Fine paper ².....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Printing paper.....	167	172	156	174	180	187	183	188	181	192	189	194	190	
Tissue and absorbent paper.....	166	174	174	183	185	209	196	196	204	214	208	225	208	
Wrapping paper.....	158	167	151	155	156	164	163	165	159	172	171	171	171	
Newsprint.....	113	116	115	115	116	117	113	114	117	120	119	121	122	
Paperboard containers (same as Paperboard).....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
<i>Printing and Publishing.....</i>														
Newsprint consumption.....	169	169	150	161	172	183	182	179	164	176	179	188	181	
Printing paper (same as shown under Paper).....	172	166	144	148	165	180	180	170	148	159	169	181	172	
<i>Petroleum and Coal Products.....</i>														
Petroleum refining ¹	216	222	229	238	243	251	253	263	272	269	269	256	p265	
Gasoline.....	181	188	194	200	195	196	195	197	202	198	199	193	p204	
Fuel oil.....	175	179	187	190	200	210	209	225	238	238	227	204	p206	
Lubricating oil.....	149	152	153	173	177	184	187	187	186	177	188	197	.....
Kerosene.....	186	166	173	187	196	195	201	214	241	241	235	226	.....
Other petroleum products ².....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Coke.....	175	177	176	176	178	183	178	182	187	183	184	185	186	
By-product coke.....	171	170	170	167	170	175	170	174	177	174	176	178	178	
Beehive coke.....	328	428	368	470	443	467	436	457	522	487	475	433	454	
<i>Chemical Products.....</i>														
Paints.....	255	258	259	265	272	282	284	288	288	291	296	297	p297	
Rayon.....	151	158	159	166	166	164	160	160	160	*166	*165	165	p162	
Industrial chemicals.....	350	350	359	363	376	371	378	385	387	384	374	377	p377	
Other chemical products ²	443	451	453	458	465	488	497	504	506	510	524	530	p536	
<i>Rubber Products.....</i>														
.....	213	221	222	236	244	250	250	251	244	235	240	237	p237	
<i>Minerals—Total.....</i>														
.....	147	155	149	163	168	169	159	153	159	153	153	162	p167	
<i>Fuels.....</i>														
.....	148	155	148	162	167	170	165	163	169	163	163	167	p167	
Coal.....	124	128	101	133	133	141	127	130	140	118	111	119	117	
Bituminous coal.....	131	136	109	142	144	151	138	143	151	125	127	133	126	
Anthracite.....	97	96	68	97	92	102	84	80	96	89	48	64	81	
Crude petroleum.....	160	168	171	177	184	184	184	178	184	185	189	191	p192	
<i>Metals.....</i>														
.....	140	155	158	170	171	161	124	93	94	94	92	p130	p168	
Metals other than gold and silver.....	197	224	227	244	244	227	166	115	118	121	118	p184	p250	
Iron ore.....	273	325	343	368	365	331	195	86	97	93	89	231	.....
(Copper; Lead; Zinc) ².....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Gold.....	57	59	61	65	68	69	66	59	55	50	49	.....	.....
Silver.....	75	74	72	83	74	73	70	77	78	81	80	.....	.....

For other footnotes see preceding page.

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.

FACTORY EMPLOYMENT, BY INDUSTRIES—Continued

[Unadjusted, estimates of Bureau of Labor Statistics; adjusted, Board of Governors. In thousands of persons]

Industry group or industry	1950								1951				
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
Nondurable goods	5,385	5,470	5,554	5,902	6,003	5,947	5,834	5,802	5,762	*5,815	*5,765	5,666	5,568
<i>Textile-mill Products</i>	1,162	1,174	1,160	1,224	1,255	1,264	1,262	1,258	1,257	1,269	1,227	1,217	1,190
Yarn and thread mills	143	146	147	154	159	161	161	160	162	164	162	160	.....
Broad-woven fabric mills	573	580	571	595	606	607	606	604	602	604	569	570	.....
Knitting mills	213	212	209	227	233	236	234	234	232	236	236	230	.....
<i>Apparel and Other Finished Textiles</i>	976	976	981	1,089	1,099	1,100	1,056	1,064	1,070	1,115	1,107	1,047	1,000
Men's and boys' suits, coats and overcoats	129	135	127	138	137	138	137	137	138	*141	*141	139	.....
Men's and boys' furnishings	239	238	232	252	254	254	253	251	251	259	263	262	.....
Women's and misses' outerwear	254	248	266	307	305	297	275	296	303	317	305	266	.....
<i>Leather and Leather Products</i>	335	343	351	370	372	367	360	359	364	*374	371	354	329
Footwear (except rubber)	218	224	230	237	237	230	226	229	234	239	237	226	.....
<i>Food and Kindred Products</i>	1,090	1,141	1,231	1,331	1,350	1,260	1,196	1,155	1,120	*1,099	*1,097	1,087	1,097
Meat products	227	232	235	236	236	240	244	254	251	238	233	229	.....
Dairy products	108	114	116	114	107	102	100	97	95	95	99	103	.....
Canning and preserving	127	151	223	302	324	226	171	143	132	*127	*125	129	.....
Bakery products	193	191	194	192	194	196	193	190	188	188	188	190	.....
Beverage industries	146	157	164	169	159	149	149	146	147	*145	147	144	.....
<i>Tobacco Manufactures</i>	76	75	75	82	89	89	84	83	80	80	78	76	75
<i>Paper and Allied Products</i>	392	399	396	410	418	421	427	428	423	423	424	427	426
Pulp, paper and paperboard mills	202	205	204	207	210	210	211	212	209	209	209	213	.....
<i>Printing, Publishing and Allied Industries</i>	498	500	499	504	510	514	515	518	510	510	*511	509	509
Newspapers	149	150	150	150	151	150	150	152	149	150	150	151	.....
Commercial printing	164	166	164	165	167	170	170	171	170	*170	*170	168	.....
<i>Chemicals and Allied Products</i>	485	482	479	491	506	523	521	524	526	532	*538	536	529
Industrial inorganic chemicals	53	54	51	49	50	56	57	57	57	58	59	59	.....
Industrial organic chemicals	148	150	152	155	158	159	160	162	163	163	167	168	.....
Drugs and medicines	61	62	63	63	65	66	66	67	67	69	69	70	.....
<i>Products of Petroleum and Coal</i>	177	181	182	193	189	190	191	191	190	191	192	194	191
Petroleum refining	136	138	139	147	145	147	148	147	147	*148	149	150	.....
<i>Rubber Products</i>	194	199	200	208	215	219	222	222	222	*222	220	219	219
Tires and inner tubes	86	88	88	90	92	92	93	92	91	91	88	88	.....

For footnotes see preceding page.

HOURS AND EARNINGS OF FACTORY EMPLOYEES

[Compiled by Bureau of Labor Statistics]

Industry group	Average weekly earnings (dollars per week)				Average hours worked (per week)				Average hourly earnings (dollars per hour)			
	1950	1951			1950	1951			1950	1951		
		May	Mar.	Apr.		May	May	Mar.		Apr.	May	May	Mar.	Apr.	May
Manufacturing—Total	57.54	*64.57	64.74	64.35	39.9	*41.1	41.0	40.6	1.442	*1.571	1.579	1.585
Durable goods	61.57	*69.26	69.76	69.39	40.8	*41.9	42.0	41.7	1.509	*1.653	1.661	1.664
Primary metal industries	65.57	*74.85	75.77	74.28	40.5	41.7	42.0	41.2	1.619	*1.795	1.804	1.803
Fabricated metal products	60.89	*69.51	69.51	69.10	40.7	42.1	42.0	41.8	1.496	*1.651	1.655	1.653
Machinery except electrical	65.09	*76.21	76.52	76.43	41.3	43.7	43.8	43.6	1.576	*1.744	1.747	1.753
Electrical machinery	59.28	*65.49	66.11	65.64	40.8	*41.4	41.5	41.1	1.453	*1.582	1.593	1.597
Transportation equipment	69.62	*75.58	74.58	74.48	41.0	*41.1	40.8	40.9	1.698	*1.839	1.828	1.821
Lumber and wood products	54.38	*55.78	59.82	60.36	40.7	*40.6	41.8	41.8	1.336	*1.374	1.431	1.444
Furniture and fixtures	51.50	*58.94	57.47	56.66	41.2	42.4	41.2	40.3	1.250	*1.390	1.395	1.406
Stone, clay, and glass products	57.28	*64.57	65.13	65.72	40.8	*41.9	42.1	42.1	1.404	*1.541	1.547	1.561
Instruments and related products	58.34	*67.72	67.92	68.14	40.4	*42.3	42.4	42.4	1.444	*1.601	1.602	1.607
Miscellaneous manufacturing industries	52.47	*58.41	58.07	57.47	40.3	41.6	41.3	40.7	1.302	*1.404	1.406	1.412
Ordnance and accessories	61.66	*72.59	71.60	73.85	40.7	*42.8	42.8	43.7	1.515	*1.696	1.673	1.690
Nondurable goods	52.83	*58.55	58.20	57.78	38.9	*40.1	39.7	39.2	1.358	*1.460	1.466	1.474
Textile-mill products	45.63	*53.34	52.81	51.29	37.9	40.5	39.8	38.8	1.204	*1.317	1.327	1.322
Apparel and other finished products	41.27	*47.15	45.04	43.86	35.7	*37.3	36.5	35.4	1.156	*1.264	1.234	1.239
Leather and leather products	41.56	*48.78	46.59	45.15	35.4	*38.5	36.4	35.3	1.174	*1.267	1.280	1.279
Food and kindred products	54.90	*59.31	59.66	60.15	41.0	*41.1	41.2	41.4	1.339	*1.443	1.448	1.453
Tobacco manufactures	39.67	*41.99	42.66	42.92	36.7	*36.8	36.9	37.1	1.081	*1.141	1.156	1.157
Paper and allied products	58.08	*66.25	66.27	65.66	42.3	*43.7	43.6	43.2	1.373	*1.516	1.520	1.520
Printing, publishing and allied products	72.64	*75.93	75.82	75.97	38.7	*39.0	38.9	38.9	1.877	*1.947	1.949	1.953
Chemicals and allied products	61.18	*67.79	67.88	68.06	41.2	*42.0	41.8	41.6	1.485	*1.614	1.624	1.636
Products of petroleum and coal	73.28	*78.53	81.13	81.11	40.6	*40.5	41.1	40.8	1.805	*1.939	1.974	1.988
Rubber products	64.52	*66.08	65.63	65.10	41.2	*40.1	39.8	39.6	1.566	*1.648	1.649	1.644

* Revised.

NOTE.—Data are for production and related workers. Figures for May 1951 are preliminary. Back data are available from the Bureau of Labor Statistics.

EMPLOYMENT IN NONAGRICULTURAL ESTABLISHMENTS, BY INDUSTRY DIVISION
 [Unadjusted, estimates of Bureau of Labor Statistics; adjusted, Board of Governors. In thousands of persons]

Year or month	Total	Manufacturing	Mining	Contract construction	Transportation and public utilities	Trade	Finance	Service	Federal, State, and local government
1943.....	42,042	17,381	917	1,567	3,619	7,189	1,401	3,919	6,049
1944.....	41,480	17,111	883	1,094	3,798	7,260	1,374	3,934	6,026
1945.....	40,069	15,302	826	1,132	3,872	7,522	1,394	4,055	5,967
1946.....	41,412	14,461	852	1,661	4,023	8,602	1,586	4,621	5,607
1947.....	43,371	15,247	943	1,982	4,122	9,196	1,641	4,786	5,454
1948.....	44,201	15,286	981	2,165	4,151	9,491	1,716	4,799	5,613
1949.....	43,006	14,146	932	2,156	3,977	9,438	1,763	4,782	5,811
1950.....	44,124	14,884	904	2,318	4,010	9,524	1,812	4,761	5,910
SEASONALLY ADJUSTED									
1950—May.....	43,578	14,629	941	2,223	3,888	9,459	1,803	4,766	5,869
June.....	44,010	14,802	943	2,299	3,995	9,532	1,809	4,778	5,852
July.....	44,259	14,977	915	2,366	4,021	9,556	1,804	4,769	5,851
August.....	44,914	15,333	942	2,434	4,073	9,651	1,819	4,779	5,883
September.....	45,196	15,444	942	2,454	4,119	9,650	1,836	4,768	5,983
October.....	45,408	15,606	937	2,506	4,138	9,630	1,839	4,733	6,019
November.....	45,501	15,635	937	2,521	4,126	9,620	1,838	4,747	6,077
December.....	45,605	15,692	938	2,452	4,125	9,692	1,846	4,741	6,119
1951—January.....	45,804	15,852	939	2,507	4,107	9,722	1,840	4,737	6,100
February.....	46,078	16,009	939	2,503	4,117	9,769	1,848	4,728	6,165
March.....	46,274	16,068	931	2,560	4,145	9,756	1,854	4,730	6,230
April.....	46,387	16,089	910	2,581	4,153	9,759	1,857	4,744	6,294
May.....	46,348	16,034	905	2,556	4,137	9,738	1,868	4,763	6,347
UNADJUSTED									
1950—May.....	43,311	14,413	940	2,245	3,885	9,326	1,812	4,790	5,900
June.....	43,945	14,666	946	2,414	4,023	9,411	1,827	4,826	5,832
July.....	44,096	14,777	922	2,532	4,062	9,390	1,831	4,841	5,741
August.....	45,080	15,450	950	2,629	4,120	9,474	1,837	4,827	5,793
September.....	45,684	15,685	946	2,626	4,139	9,641	1,827	4,816	6,004
October.....	45,898	15,827	939	2,631	4,132	9,752	1,821	4,757	6,039
November.....	45,873	15,765	938	2,571	4,123	9,896	1,820	4,723	6,037
December.....	46,595	15,789	937	2,403	4,125	10,443	1,828	4,694	6,376
1951—January.....	45,246	15,784	932	2,281	4,072	9,592	1,831	4,666	6,088
February.....	45,390	15,978	930	2,228	4,082	9,554	1,839	4,657	6,122
March.....	45,856	16,031	924	2,330	4,110	9,707	1,854	4,683	6,217
April.....	45,975	15,942	908	2,478	4,132	9,613	1,866	4,744	6,292
May.....	46,068	15,806	904	2,582	4,134	9,601	1,877	4,787	6,377

r Revised.

NOTE.—Data include all full- and part-time employees who worked during, or received pay for, the pay period ending nearest the 15th of the month. Proprietors, self-employed persons, domestic servants, unpaid family workers, and members of the armed forces are excluded. May 1951 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 civilian non-institutional population ¹	Civilian labor force				Unemployed	Not in the labor force
		Total	Employed ²				
			Total	In nonagricultural industries	In agriculture		
1943.....	94,640	55,540	54,470	45,390	9,080	1,070	39,100
1944.....	93,220	54,630	53,960	45,010	8,950	670	38,590
1945.....	94,090	53,860	52,820	44,240	8,580	1,040	40,230
1946.....	103,070	57,520	55,250	46,930	8,320	2,270	45,550
1947.....	106,018	60,168	58,027	49,761	8,266	2,142	45,550
1948.....	107,175	61,442	59,378	51,405	7,973	2,064	45,733
1949.....	108,156	62,105	58,710	50,684	8,026	3,395	46,051
1950.....	109,284	63,099	59,957	52,450	7,507	3,142	46,181
1950—May.....	109,288	62,788	59,731	51,669	8,062	3,057	46,500
June.....	109,392	64,866	61,482	52,436	9,046	3,384	44,526
July.....	109,491	64,427	61,214	52,774	8,440	3,213	45,064
August.....	109,587	64,867	62,367	54,207	8,160	2,500	44,718
September.....	109,577	63,567	61,226	53,415	7,811	2,341	46,010
October.....	109,407	63,704	61,764	53,273	8,491	1,940	45,704
November.....	109,293	63,512	61,271	53,721	7,551	2,240	45,782
December.....	109,193	62,538	60,308	54,075	6,234	2,229	46,657
1951—January.....	109,170	61,514	59,010	52,993	6,018	2,503	47,658
February.....	108,933	61,313	58,905	52,976	5,930	2,407	47,619
March.....	108,964	62,325	60,179	53,785	6,393	2,147	46,638
April.....	108,879	61,789	60,044	53,400	6,645	1,744	47,092
May.....	108,832	62,803	61,193	53,753	7,440	1,609	46,029

¹ The number of persons in the armed forces, previously included in the total noninstitutional population and total labor force items, is no longer available for reasons of security.

² Includes self-employed, unpaid family, and domestic service workers.

NOTE.—Details do not necessarily add to group totals. 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			
	1950	1951	1950	1951	1950	1951	1950	1951	1950	1951	1950	1951	1950	1951
January	730.9	1,043.2	343.5	420.9	37.7	128.4	60.6	121.1	63.5	84.6	73.5	126.8	152.1	161.3
February	779.5	1,140.5	361.5	531.1	27.9	116.2	58.3	101.8	58.0	81.0	121.4	132.2	152.5	178.2
March	1,300.2	1,267.5	574.7	574.6	161.5	122.7	88.6	78.8	96.3	128.4	154.3	139.4	224.9	223.6
April	1,350.5	1,375.0	674.8	590.8	119.2	174.3	106.8	106.3	97.0	103.5	125.6	133.9	227.0	266.1
May	1,347.6	2,573.0	674.6	661.1	83.7	1,274.9	96.4	60.6	100.2	123.2	128.3	175.3	264.5	278.0
June	1,345.5		628.1		69.3		97.7		128.3		148.7		273.4	
July	1,420.2		675.1		79.8		117.4		121.2		168.8		258.0	
August	1,548.9		754.1		128.8		137.9		113.1		161.2		253.8	
September	1,286.5		549.6		90.8		137.2		119.4		151.4		238.2	
October	1,135.8		529.9		93.6		104.5		86.3		142.5		179.1	
November	1,087.1		496.7		103.9		94.4		109.4		127.2		155.5	
December	1,168.4		478.6		146.1		108.9		87.2		148.2		199.5	
Year	14,501.1		6,741.0		1,142.3		1,208.5		1,179.8		1,651.0		2,578.4	

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		
	1949	1950	1951	1949	1950	1951	1949	1950	1951
Jan.	483	731	1,043	160	201	306	323	530	737
Feb.	568	780	1,141	252	285	332	317	495	808
Mar.	748	1,300	1,268	282	481	418	466	819	849
Apr.	846	1,350	1,375	319	354	456	527	996	919
May	885	1,348		369	389		517	959	
June	950	1,345		375	428		574	917	
July	948	1,420		410	460		537	960	
Aug.	911	1,549		316	438		595	1,111	
Sept.	1,072	1,287		289	364		783	922	
Oct.	1,062	1,136		332	308		730	828	
Nov.	958	1,087		316	320		642	767	
Dec.	929	1,168		299	381		630	787	
Year	10,359	14,501		3,718	4,409		6,641	10,092	

LOANS INSURED BY FEDERAL HOUSING ADMINISTRATION

[In millions of dollars]

Year or month	Total	Title I loans		Mortgages			
		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	Military housing (Title VIII) ³
1946	755	321	(⁴)	347	3	85	
1947	1,787	534	(⁴)	446		808	
1948	3,338	614	7	880		1,836	
1949	3,821	594	13	1,855	7	1,339	12
1950	4,342	694	7	2,466	21	1,031	123
1950—May	351	48		176	1	110	15
June	376	78		181	1	113	3
July	369	61		183	9	111	5
Aug.	414	69	(⁴)	217		122	6
Sept.	373	55	(⁴)	216	(⁴)	88	14
Oct.	379	82	(⁴)	241	3	43	10
Nov.	379	74	(⁴)	236	2	49	17
Dec.	349	54	(⁴)	204	5	63	23
1951—Jan.	330	63	1	225	(⁴)	28	13
Feb.	261	44	1	176	4	27	10
Mar.	294	50	2	180	3	32	28
Apr.	252	43	2	162	7	20	18
May	271	52	2	165	16	36	

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 Mortgages insured on new rental housing at or near military installations under Title VIII, approved Aug. 8, 1949.

⁴ Less than \$500,000.

⁵ Includes about 3 million dollars of Class 3 loans insured before expiration of this program Feb. 28, 1950, but tabulated after that date and not shown separately. Includes almost one million dollars of mortgages insured since August under new Sec. 8 small homes program.

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 DISTRICTS

[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	1951		1950
	May	Apr.	May
Boston	105,330	51,954	71,632
New York	287,641	203,685	237,676
Philadelphia	105,236	81,649	57,904
Cleveland	206,337	148,474	137,553
Richmond	743,910	160,898	129,857
Atlanta	163,735	143,661	163,445
Chicago	210,405	242,321	254,766
St. Louis	471,601	76,264	89,816
Minneapolis	55,751	49,804	51,149
Kansas City	62,630	67,548	54,001
Dallas	160,385	148,733	99,804
Total (11 districts)	2,572,961	1,374,991	1,347,603

INSURED FHA HOME MORTGAGES (TITLE II) HELD IN PORTFOLIO, BY CLASS OF INSTITUTION

[In millions of dollars]

End of month	Total	Commer- cial banks	Mut- ual sav- ings banks	Sav- ings and loan associ- ations	Insur- ance com- panies	Fedral agen- cies ¹	Other ²
1936—Dec.	365	228	8	56	41	5	27
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—Dec.	3,107	1,465	186	254	789	234	179
1942—Dec.	3,620	1,669	236	276	1,032	245	163
1943—Dec.	3,626	1,705	256	292	1,134	79	159
1944—Dec.	3,399	1,590	260	269	1,072	68	140
1945—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
1948—June	2,988	1,402	251	245	973	7	110
Dec.	3,237	1,429	265	269	1,113	9	152
1949—June	3,894	1,587	305	323	1,431	21	227
Dec.	4,751	1,771	378	416	1,828	52	305
1950—Dec.	6,695	2,205	693	603	2,712	60	421

¹ The RFC Mortgage Company, the Federal National Mortgage Association, the Federal Deposit Insurance Corporation, and the United States Housing Corporation.

² Includes 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.

MERCHANDISE EXPORTS AND IMPORTS

[In millions of dollars]

Month	Merchandise exports ¹					Merchandise imports ²					Excess of exports				
	1947	1948	1949	1950	1951	1947	1948	1949	1950	1951	1947	1948	1949	1950	1951
January	1,114	1,092	1,105	741	p972	531	547	590	623	p1,023	583	545	515	118	p-51
February	1,146	1,085	1,043	765	p1,076	437	589	567	600	p908	709	496	477	164	p167
March	1,326	1,139	1,189	861	p1,284	445	675	633	665	p1,099	882	464	557	196	p185
April	1,294	1,121	1,173	803	p1,374	512	532	535	585	p1,024	782	590	638	218	p350
May	1,414	1,103	1,095	829	p1,351	474	554	541	659	p1,018	940	549	554	170	p333
June	1,235	1,014	1,108	p878	.....	463	625	526	p687	.....	772	389	582	p191	.....
July	1,155	1,019	900	p2779	.....	450	564	457	p709	.....	705	456	444	p70	.....
August	1,145	992	885	p762	.....	400	606	491	p820	.....	745	386	394	p-59	.....
September	1,112	926	910	p911	.....	473	560	530	p861	.....	639	365	380	p50	.....
October	1,235	1,023	856	p906	.....	492	600	557	p922	.....	743	423	299	p-17	.....
November	1,141	823	842	p977	.....	455	554	593	p853	.....	687	269	249	p124	.....
December	1,114	1,318	945	p1,065	.....	603	720	605	p866	.....	511	598	340	p198	.....
Jan.-May	6,294	5,539	5,606	p3,998	p6,056	2,398	2,895	2,864	p3,133	p5,072	3,896	2,643	2,742	p865	p983

^p Preliminary.

¹ Includes both domestic and foreign merchandise. Beginning January 1948, recorded exports include shipments under the Army Civilian Supply Program for occupied areas. The average monthly value of such unrecorded shipments in 1947 was 75.9 million dollars.

² General imports including merchandise entered for immediate consumption and that entered for storage in bonded warehouses.

³ Includes 47.0 million dollars of Mutual Defense Assistance Program shipments which were excluded from the export statistics for April, May, and June.

Source.—Department of Commerce.

Back figures.—See BULLETIN for February 1951, p. 210; March 1947, p. 318; March 1943, p. 261; February 1940, p. 153; February 1937, p. 152; July 1933, p. 431; and January 1931, p. 18.

FREIGHT CARLOADINGS, BY CLASSES

[Index numbers, 1935-39 average = 100]

Year or month	Total	Coal	Coke	Grain	Live-stock	For-est prod-ucts	Ore	Misc-el-lane-ous	Mer-chan-dise l.c.l.
1939	101	98	102	107	96	100	110	101	97
1940	109	111	137	101	96	114	147	110	96
1941	130	123	168	112	91	139	183	136	100
1942	138	135	181	120	104	155	206	146	69
1943	137	138	186	146	117	141	192	145	63
1944	140	143	185	139	124	143	180	147	67
1945	135	134	172	151	125	129	169	142	69
1946	132	130	146	138	129	143	136	139	78
1947	143	147	182	150	107	153	181	148	75
1948	138	141	184	136	88	149	184	146	68
1949	116	100	145	142	77	123	151	127	57
1950	128	117	180	135	68	140	172	140	53
SEASONALLY ADJUSTED									
1950—May	122	119	181	127	66	134	122	133	51
June	127	116	192	130	61	144	179	138	52
July	126	105	195	135	61	148	186	140	51
August	135	126	194	139	60	155	190	147	56
September	134	135	201	128	72	148	198	142	55
October	136	135	206	159	75	146	184	145	54
November	136	126	198	166	72	157	184	146	53
December	140	129	194	158	72	162	199	151	52
1951—January	146	133	199	153	69	170	243	158	52
February	129	114	186	134	55	143	241	141	48
March	139	112	202	150	62	147	241	157	53
April	136	112	197	158	68	156	212	151	51
May	133	111	210	141	64	154	212	148	48
UNADJUSTED									
1950—May	125	119	179	112	59	139	217	135	51
June	131	116	188	133	51	150	277	142	52
July	130	105	190	162	48	149	298	141	51
August	140	126	186	150	57	163	285	149	56
September	145	135	198	143	95	160	298	154	57
October	147	135	201	159	116	154	262	158	56
November	139	126	198	162	90	154	188	152	54
December	130	129	204	148	70	145	62	142	50
1951—January	133	133	209	153	66	153	61	145	50
February	119	114	197	131	44	137	60	133	46
March	130	112	204	138	49	147	70	149	54
April	133	112	193	139	61	156	193	149	51
May	135	111	208	124	57	160	296	149	48

^r Revised.

NOTE.—For description and back data, see BULLETIN for June 1941, pp. 529-533. Based on daily average loadings. Basic data compiled by Association of American Railroads. Total index compiled by combining indexes for classes with weights derived from revenue data of the Interstate Commerce Commission.

REVENUES, EXPENSES, AND INCOME OF CLASS I RAILROADS

[In millions of dollars]

Year or month	Total operating revenues	Total expenses	Net operating income	Net income
1939	3,995	3,406	589	93
1940	4,297	3,614	682	189
1941	5,347	4,348	998	500
1942	7,466	5,982	1,485	873
1943	9,055	7,695	1,360	902
1944	9,437	8,331	1,106	667
1945	8,902	8,047	855	450
1946	7,628	7,009	620	287
1947	8,685	7,904	781	479
1948	9,672	8,670	1,002	699
1949	8,580	7,893	687	438
1950	p9,473	p8,434	p1,040	p783
SEASONALLY ADJUSTED				
1950—May	715	661	54	20
June	791	691	100	70
July	772	686	86	54
August	833	744	88	55
September	858	749	109	73
October	885	776	108	74
November	863	760	103	70
December	941	849	92	60
1951—January	863	766	98	66
February	783	742	41	11
March	854	783	71	p39
April	873	800	.....	41
UNADJUSTED				
1950—May	745	678	67	45
June	779	689	90	72
July	772	688	84	59
August	890	768	122	96
September	872	749	123	99
October	925	791	135	108
November	862	752	110	86
December	928	815	113	120
1951—January	849	771	78	55
February	716	697	19	-4
March	875	797	78	51
April	851	781	71	45

^p Preliminary.

NOTE.—Descriptive material and back figures may be obtained from the Division of Research and Statistics. Basic data compiled by the Interstate Commerce Commission. Annual figures include revisions not available monthly.

DEPARTMENT STORE STATISTICS

[Based on retail value figures]

SALES AND STOCKS, BY FEDERAL RESERVE DISTRICTS

[Index numbers, 1935-39 average = 100]

Year or month	United States	Federal Reserve district											
		Boston	New York	Philadel- phia	Cleveland	Rich- mond	At- lanta	Chi- cago	St. Louis	Minne- apolis	Kansas City	Dallas	San Fran- cisco
SALES¹													
1945.....	207	176	169	184	201	235	275	193	227	185	229	275	248
1946.....	264	221	220	235	257	292	344	250	292	247	287	352	311
1947.....	286	234	239	261	281	304	360	275	314	273	311	374	337
1948.....	302	239	249	284	303	321	386	290	335	288	325	404	353
1949.....	286	234	236	271	281	309	374	271	317	275	309	385	332
1950.....	304	240	244	288	303	325	401	291	331	289	329	417	354
SEASONALLY ADJUSTED													
1950—May.....	290	231	^r 228	270	299	^r 318	^r 389	277	330	268	^r 308	403	336
June.....	298	240	242	285	299	333	392	278	326	283	322	410	342
July.....	362	268	274	331	364	394	494	330	418	342	414	537	454
August.....	335	268	277	319	334	360	415	335	370	321	354	449	374
September.....	320	255	262	310	333	332	409	305	360	289	345	420	368
October.....	291	216	238	279	299	312	370	282	305	283	303	375	343
November.....	290	229	234	273	251	312	391	288	316	291	325	400	345
December.....	325	249	266	307	328	336	421	318	353	318	354	433	377
1951—January.....	362	303	291	342	395	369	450	349	363	325	395	475	421
February.....	326	251	263	321	333	341	419	322	327	324	346	439	375
March.....	291	217	230	283	286	297	413	290	298	249	321	414	336
April.....	302	233	252	286	323	326	399	282	320	287	314	402	^r 346
May.....	^p 301	^p 236	243	281	309	331	387	291	330	^p 278	^p 317	405	347
UNADJUSTED													
1950—May.....	^r 287	228	^r 224	275	296	^r 312	^r 377	280	323	273	305	391	319
June.....	281	230	230	271	281	307	345	278	293	272	296	353	321
July.....	283	185	192	239	284	285	386	271	326	276	339	429	387
August.....	281	198	202	239	290	288	373	278	318	287	326	399	352
September.....	331	263	267	313	337	356	426	320	363	321	363	454	374
October.....	308	239	259	299	317	333	388	296	326	319	328	405	343
November.....	355	287	302	363	313	387	453	357	398	338	376	472	387
December.....	534	436	450	525	538	584	708	495	540	476	556	711	627
1951—January.....	277	230	233	253	293	267	342	261	298	248	300	375	333
February.....	262	193	218	241	266	266	352	251	275	239	280	351	316
March.....	284	217	230	286	286	307	422	269	298	236	308	397	318
April.....	284	221	232	269	297	298	367	276	304	279	302	382	^r 320
May.....	^p 297	^p 233	238	286	306	325	375	293	323	^p 284	^p 313	393	329
STOCKS¹													
1945.....	166	153	160	150	156	198	188	159	166	165	158	190	183
1946.....	213	182	195	191	205	248	258	205	225	212	209	251	238
1947.....	255	202	225	220	243	289	306	246	274	266	259	320	300
1948.....	291	223	241	252	277	322	362	281	314	326	301	389	346
1949.....	270	210	223	233	256	301	339	260	296	299	276	362	323
1950.....	295	231	237	257	288	334	394	276	325	317	300	397	355
SEASONALLY ADJUSTED													
1950—May.....	285	228	^r 229	244	280	331	370	265	313	322	^r 296	380	338
June.....	276	215	222	244	265	338	359	258	299	304	287	375	324
July.....	269	198	218	241	252	329	360	252	283	286	271	374	322
August.....	284	213	226	259	265	334	405	267	295	302	286	406	334
September.....	309	227	243	275	296	345	438	288	325	323	306	431	389
October.....	329	249	258	283	313	363	456	313	365	353	330	456	403
November.....	332	262	266	282	350	357	448	309	374	345	335	446	395
December.....	329	264	263	286	351	349	461	297	381	335	330	430	389
1951—January.....	338	274	273	297	357	351	472	320	337	343	351	437	399
February.....	349	280	281	305	369	384	458	320	412	350	343	443	414
March.....	368	305	299	320	396	412	462	331	425	363	365	465	445
April.....	377	303	297	331	395	407	483	343	437	383	380	486	465
May.....	^p 365	290	290	318	380	398	480	339	403	^p 365	^p 372	486	438
UNADJUSTED													
1950—May.....	289	226	^r 232	249	283	337	366	268	313	323	^r 302	380	350
June.....	267	206	209	229	261	305	345	248	299	294	287	353	326
July.....	258	192	194	217	251	308	339	232	295	292	266	351	332
August.....	285	223	226	254	280	337	401	259	322	299	281	402	333
September.....	322	245	256	286	324	362	451	297	361	328	312	444	389
October.....	362	281	291	326	355	403	497	341	409	371	353	479	430
November.....	371	298	306	324	377	397	501	352	400	375	369	495	438
December.....	295	238	239	252	294	316	401	279	320	310	294	395	354
1951—January.....	303	243	240	258	313	322	424	288	290	316	319	406	363
February.....	334	264	273	299	343	374	463	311	371	336	336	434	389
March.....	374	296	306	336	392	425	485	344	413	378	373	493	436
April.....	386	297	306	^r 345	401	425	507	353	437	389	392	510	474
May.....	^p 369	287	294	325	383	405	476	342	403	^p 366	^p 379	486	454

^p Preliminary. ^r Revised.

¹ Figures for sales are the average per trading day, while those for stocks are as of the end of the month or the annual average.

NOTE.—For description and monthly indexes for back years for sales see BULLETIN for June 1944, pp. 542-561, and for stocks see BULLETIN for June 1946, pp. 588-612.

DEPARTMENT STORE STATISTICS—Continued
SALES AND STOCKS BY MAJOR DEPARTMENTS—Continued

Department	Number of stores reporting	Percentage 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 month)	April		Sales during period			Stocks at end of month		
		Apr. 1951	Four months 1951	Apr. 1951	1951	1950	1951		1950	1951		1950
							Apr.	Mar.		Apr.	Mar.		Apr.
BASEMENT STORE—total	198	-3	+10	+29	3.0	2.2	196	216	202	580	592	450
Domestics and blankets ⁴	138	+20	+30	+52	4.3	3.4						
Women's and misses' ready-to-wear	190	-7	+7	+19	2.1	1.7	200	234	214	426	439	358
Intimate apparel ⁴	166	+5	+15	+28	2.8	2.3						
Coats and suits ⁴	175	-12	+4	+6	1.1	1.0						
Dresses ⁴	173	0	+5	+1	1.4	1.4						
Blouses, skirts, and sportswear ⁴	153	-2	+4	+24	2.6	2.0						
Girls' wear ⁴	123	-26	+5	+19	2.7	1.7						
Infants' wear ⁴	121	-5	+10	+31	3.2	2.3						
Men's and boys' wear	157	-6	+10	+35	3.9	2.7	199	224	212	779	782	574
Men's wear ⁴	138	+2	+12	+36	3.9	2.9						
Men's clothing ⁴	95	+2	+11	+37	3.6	2.7						
Men's furnishings ⁴	116	+1	+11	+35	4.0	3.0						
Boys' wear ⁴	118	-29	+5	+30	3.8	2.1						
Homefurnishings	104	+17	+13	+46	3.6	2.9	208	179	177	742	796	513
Shoes	120	-9	+14	+23	4.4	3.3	158	198	173	692	680	565
NONMERCHANDISE—total ⁴	168	+2	+9	(⁵)	(⁵)	(⁵)						
Barber and beauty shop ⁴	73	+8	0	(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 BULLETIN for August 1946, pp. 856-858. 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. 861.

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 1950, sales and stocks at these stores accounted for almost 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, ORDERS, AND RECEIPTS
 AT 296 DEPARTMENT STORES¹**

[In millions of dollars]

Year or month	Reported data			Derived data ¹	
	Sales (total for month)	Stocks (end of month)	Out-standing orders (end of month)	Receipts (total for month)	New orders (total for month)
1942 average...	179	599	263	182	192
1943 average...	204	509	530	203	223
1944 average...	227	535	560	226	236
1945 average...	255	563	729	256	269
1946 average...	318	715	909	344	327
1947 average...	337	826	552	338	336
1948 average...	352	912	465	366	345
1949 average...	333	*862	350	*331	331
1950 average...	347	941	466	361	370
1950—May....	330	906	248	*306	*283
June....	317	833	369	244	365
July....	292	789	693	248	572
Aug....	331	918	755	460	522
Sept....	370	1,029	702	481	428
Oct....	361	1,169	593	501	392
Nov....	403	1,203	442	437	286
Dec....	616	957	412	370	340
1951—Jan....	337	994	658	374	620
Feb....	286	1,094	656	386	384
Mar....	347	1,218	467	471	*282
Apr....	313	*1,246	339	*341	*213
May....	*338	*1,195	*293	*287	*241

^p Preliminary.

^r Revised.

^c Corrected.

¹ These figures are not estimates for all department stores in the United States. Figures for sales, stocks, and outstanding orders are based on actual reports from the 296 stores. Receipts of goods are derived from the reported figures on sales and stocks. New orders are derived from estimates of receipts and reported figures on outstanding orders.

Back figures.—Division of Research and Statistics.

WEEKLY INDEX OF SALES

[Weeks ending on dates shown. 1935-39 average = 100]

Without seasonal adjustment							
1949		1950		1950		1951	
Aug. 6....	228	Aug. 5....	296	Feb. 4....	226	Feb. 3....	234
13....	218	12....	273	11....	238	10....	273
20....	252	19....	281	18....	231	17....	272
27....	252	26....	288	25....	221	24....	274
Sept. 3....	295	Sept. 2....	310	Mar. 4....	244	Mar. 3....	288
10....	273	9....	295	11....	253	10....	303
17....	315	16....	368	18....	264	17....	292
24....	292	23....	322	25....	279	24....	304
Oct. 1....	302	30....	320	Apr. 1....	301	31....	258
8....	297	Oct. 7....	325	8....	320	Apr. 7....	292
15....	290	14....	322	15....	254	14....	288
22....	296	21....	304	22....	279	21....	281
29....	298	28....	313	29....	285	28....	293
Nov. 5....	315	Nov. 4....	315	May 6....	301	May 5....	326
12....	318	11....	342	13....	308	12....	318
19....	342	18....	368	20....	275	19....	285
26....	330	25....	319	27....	282	26....	290
Dec. 3....	449	Dec. 2....	444	June 3....	261	June 2....	273
10....	542	9....	554	10....	302	9....	311
17....	584	16....	638	17....	302	16....	305
24....	541	23....	640	24....	250	23....	265
31....	197	30....	237	July 1....	263	30....	258
				8....	218	July 7....	219
				15....	265	14....	288
				22....	303	21....	288
				29....	295	28....	288
Jan. 7....	205	Jan. 6....	285				
14....	233	13....	305				
21....	230	20....	301				
28....	222	27....	278				

^r Revised.

NOTE.—For description of series and for back figures, see BULLETIN for September 1944, pp. 874-875.

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	1946	1947	1948*	1949*	1950*	1950*				1951*	
										1	2	3	4		
Gross national product	103.8	55.8	91.3	126.4	211.1	233.3	259.0	257.3	282.6	264.4	275.0	287.4	303.7	318.5	
Less: Capital consumption allowances.....	8.8	7.2	8.1	9.3	12.2	14.8	17.6	19.1	21.2	20.1	20.7	21.8	22.2	22.6	
Indirect business tax and related liabilities.....	7.0	7.1	9.4	11.3	17.3	18.7	20.4	21.7	23.8	22.3	23.3	25.3	24.3	25.9	
Business transfer payments.....	.6	.7	.5	.5	.6	.7	.7	.7	.8	.7	.7	.8	.8	.8	
Statistical discrepancy.....	-1.1	1.2	1.4	1.6	1.7	.3	-3.2	-8	-1.8	2.3	.4	-6.4	-3.4	.5	
Plus: Subsidies less current surplus of government enterprises.....	-1	(1)	.5	.1	.9	-1	.0	.0	.3	.2	.7	-1.1	.2	.8	
Equals: National income	87.4	39.6	72.5	103.8	180.3	198.7	223.5	216.7	239.0	219.3	230.6	245.8	260.1	269.4	
Less: Corporate profits and inventory valuation adjustment.....	10.3	-2.0	5.8	14.6	18.3	24.7	31.7	30.5	36.2	30.5	34.8	37.4	42.2	42.9	
Contributions for social insurance.....	.2	.3	2.1	2.8	6.0	5.7	5.2	5.7	7.0	6.6	6.8	7.0	7.4	8.3	
Excess of wage accruals over disbursements.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	
Plus: Government transfer payments.....	.9	1.5	2.5	2.6	10.9	11.1	10.5	11.6	14.3	21.0	14.2	11.0	11.1	11.5	
Net interest paid by government.....	1.0	1.2	1.2	1.3	4.4	4.4	4.5	4.6	4.7	4.7	4.7	4.7	4.7	4.8	
Dividends.....	5.8	2.1	3.8	4.5	5.8	6.6	7.2	7.6	9.2	7.8	8.4	9.4	11.1	8.8	
Business transfer payments.....	.6	.7	.5	.5	.6	.7	.7	.7	.8	.7	.7	.8	.8	.8	
Equals: Personal income	85.1	46.6	72.6	95.3	177.7	191.0	209.5	205.1	224.7	216.3	217.1	227.3	238.3	244.1	
Less: Personal tax and related payments.....	2.6	1.5	2.4	3.3	18.8	21.5	21.1	18.6	20.5	19.0	19.5	20.2	23.1	26.6	
Federal.....	1.3	.5	1.2	2.0	17.2	19.6	19.0	16.2	17.8	16.4	16.9	17.5	20.3	23.8	
State and local.....	1.4	1.0	1.2	1.3	1.6	1.9	2.1	2.5	2.7	2.6	2.7	2.7	2.7	2.8	
Equals: Disposable personal income	82.5	45.2	70.2	92.0	158.9	169.5	188.4	186.4	204.3	197.3	197.5	207.1	215.2	217.5	
Less: Personal consumption expenditures.....	78.8	46.3	67.5	82.3	146.9	165.6	177.9	180.2	193.6	184.7	188.7	202.5	198.4	208.2	
Equals: Personal saving	3.7	-1.2	2.7	9.8	12.0	3.9	10.5	6.3	10.7	12.5	8.9	4.6	16.8	9.3	

NATIONAL INCOME, BY DISTRIBUTIVE SHARES

	Annual totals										Seasonally adjusted annual rates by quarters				
	1929	1933	1939	1941	1946	1947	1948*	1949*	1950*	1950*				1951*	
										1	2	3	4		
National income	87.4	39.6	72.5	103.8	180.3	198.7	223.5	216.7	239.0	219.3	230.6	245.8	260.1	269.4	
Compensation of employees	50.8	29.3	47.8	64.3	117.1	128.0	140.2	139.9	153.3	142.2	148.6	157.3	165.2	172.1	
Wages and salaries ¹	50.2	28.8	45.7	61.7	111.2	122.1	134.4	133.4	145.8	135.2	141.3	149.7	157.2	163.6	
Private.....	45.2	23.7	37.5	51.5	90.6	104.8	115.7	113.0	123.6	114.3	120.1	127.2	132.7	137.1	
Military.....	.3	.3	.4	1.9	8.0	4.1	4.0	4.2	5.1	4.4	4.4	5.0	6.6	n.a.	
Government civilian.....	4.6	4.9	7.8	8.3	12.7	13.2	14.7	16.1	17.2	16.4	16.8	17.5	17.9	n.a.	
Supplements to wages and salaries.....	.6	.5	2.1	2.6	5.9	5.9	5.8	6.5	7.5	7.0	7.4	7.7	7.9	8.5	
Proprietors' and rental income ²	19.7	7.2	14.7	20.8	42.0	42.4	47.3	41.4	44.0	41.4	41.8	45.6	47.2	48.8	
Business and professional.....	8.3	2.9	6.8	9.6	20.6	19.8	22.1	20.9	22.3	21.1	21.9	23.2	23.0	24.1	
Farm.....	5.7	2.3	4.5	6.9	14.8	15.6	17.7	13.0	13.7	12.5	12.2	14.3	15.8	16.4	
Rental income of persons.....	5.8	2.0	3.5	4.3	6.6	7.1	7.5	7.5	8.0	7.8	7.8	8.1	8.4	8.3	
Corporate profits and inventory valuation adjustment	10.3	-2.0	5.8	14.6	18.3	24.7	31.7	30.5	36.2	30.5	34.8	37.4	42.2	42.9	
Corporate profits before tax.....	9.8	.2	6.5	17.2	23.5	30.5	33.8	28.3	41.4	31.9	37.5	45.7	50.3	51.8	
Corporate profits tax liability.....	1.4	.5	1.5	7.8	9.6	11.9	13.0	11.0	18.6	14.4	16.9	20.5	22.5	28.5	
Corporate profits after tax.....	8.4	-4	5.0	9.4	13.9	18.5	20.7	17.3	22.8	17.5	20.6	25.2	27.8	23.3	
Inventory valuation adjustment.....	.5	-2.1	-7	-2.6	-5.2	-5.8	-2.1	2.1	-5.1	-1.4	-2.7	-8.3	-8.2	-8.9	
Net interest	6.5	5.0	4.2	4.1	2.9	3.5	4.3	4.9	5.4	5.2	5.3	5.5	5.6	5.6	

n.a. Not available. * 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.—National Income Supplement for 1951 to the Survey of Current Business, Department of Commerce.

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	1946	1947	1948 ^r	1949 ^r	1950 ^r	1950 ^r				1951 ^r
										1	2	3	4	1
Gross national product	103.8	55.8	91.3	126.4	211.1	233.3	259.0	257.3	282.6	264.4	275.0	287.4	303.7	318.5
Personal consumption expenditures	78.8	46.3	67.5	82.3	146.9	165.6	177.9	180.2	193.6	184.7	188.7	202.5	198.4	208.2
Durable goods.....	9.4	3.5	6.7	9.8	16.6	21.4	22.9	23.9	29.2	26.3	26.6	34.3	29.4	31.5
Nondurable goods.....	37.7	22.3	35.3	44.0	85.8	95.1	100.9	98.7	102.3	98.4	100.4	105.5	104.9	111.5
Services.....	31.7	20.6	25.5	28.5	44.5	49.1	54.1	57.6	62.1	60.1	61.6	62.7	64.0	65.2
Gross private domestic investment	15.8	1.3	9.9	18.3	28.7	30.2	42.7	33.0	48.9	40.1	47.9	47.3	60.2	59.6
New construction ¹	7.8	1.1	4.9	6.8	10.3	13.9	17.7	17.2	22.1	20.1	21.4	23.5	23.3	23.9
Producers' durable equipment.....	6.4	1.8	4.6	7.7	12.3	17.1	19.9	19.0	22.5	18.9	21.4	24.5	25.0	26.5
Change in business inventories.....	1.6	-1.6	.4	3.9	6.1	-8.8	5.0	-3.2	4.3	1.1	5.2	-7.1	11.8	9.3
Net foreign investment.....	.8	.2	.9	1.1	4.6	8.9	1.9	.5	-2.3	-1.7	-1.6	-3.2	-2.7	-2.3
Government purchases of goods and services	8.5	8.0	13.1	24.7	30.9	28.6	36.6	43.6	42.5	41.3	40.1	40.8	47.8	52.9
Federal.....	1.3	2.0	5.2	16.9	20.9	15.8	21.0	25.5	22.8	22.0	20.9	21.2	27.3	31.9
War.....	1.3	2.0	1.3	13.8	21.2	17.1	21.7	25.9	23.1	22.2	21.1	21.4	27.5	32.1
Nonwar.....	(.2)	(.2)	(.2)	(.2)	(.2)	(.2)	(.2)	(.2)	(.2)	(.2)	(.2)	(.2)	(.2)	(.2)
Less: Government sales ²	(.2)	(.2)	(.2)	(.2)	(.2)	(.2)	(.2)	(.2)	(.2)	(.2)	(.2)	(.2)	(.2)	(.2)
State and local.....	7.2	5.9	7.9	7.8	10.0	12.8	15.6	18.1	19.7	19.3	19.2	19.7	20.4	21.1

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
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
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.....	122.7	80.7	81.9	39.1	18.0	8.6	16.1	1.2	.7	28.4	9.7	3.2	109.4
1943.....	150.3	103.6	105.4	49.0	20.1	9.5	26.8	1.8	.9	32.8	10.0	3.0	135.2
1944.....	165.9	114.9	117.1	50.4	22.7	10.5	33.5	2.2	1.3	35.5	10.6	3.6	150.5
1945.....	171.9	115.3	117.7	45.9	24.7	11.5	35.6	2.3	1.5	37.5	11.4	6.2	155.7
1946.....	177.7	109.2	111.3	46.1	30.9	13.7	20.6	2.0	1.9	42.0	13.2	11.4	158.8
1947.....	191.0	119.9	122.0	54.3	35.1	15.3	17.2	2.1	2.4	42.4	14.5	11.8	170.8
1948.....	209.5	132.1	134.3	60.2	38.8	16.6	18.7	2.2	2.8	47.3	16.0	11.3	187.1
1949.....	205.1	131.2	133.5	56.9	39.0	17.2	20.4	2.2	3.0	41.4	17.1	12.4	187.6
1950 ^r	224.7	142.9	145.8	63.5	41.4	18.7	22.3	2.9	3.5	44.0	19.3	15.1	206.6
1950—January.....	216.9	138.3	141.2	61.3	40.4	18.5	21.0	2.9	3.5	42.4	18.4	14.3	199.9
June.....	219.0	141.1	144.1	62.8	41.3	18.7	21.3	3.0	3.5	42.5	18.4	13.5	202.6
July.....	222.7	143.2	146.1	63.9	41.9	18.8	21.5	2.9	3.6	45.3	18.4	12.2	204.0
August.....	227.7	147.2	150.3	66.2	42.8	18.9	22.4	3.1	3.6	46.1	18.9	11.9	208.6
September.....	231.5	149.7	152.6	67.1	42.8	19.1	23.6	2.9	3.6	45.3	21.6	11.3	212.9
October.....	234.1	152.4	155.6	69.3	43.1	19.3	23.9	3.2	3.6	46.3	19.7	12.1	214.3
November.....	236.4	154.2	157.3	69.9	43.2	19.5	24.7	3.1	3.7	47.2	19.5	11.8	215.5
December.....	244.4	155.9	158.9	70.8	43.6	19.6	24.9	3.0	3.7	48.1	25.0	11.7	223.4
1951—January.....	243.6	158.0	161.6	71.7	44.3	19.9	25.7	3.6	3.7	50.5	18.8	12.6	221.4
February.....	243.3	160.0	163.4	72.4	44.5	19.8	26.7	3.4	3.8	48.2	19.2	12.1	222.9
March.....	245.5	162.2	165.9	73.7	44.9	20.0	27.3	3.7	3.8	47.7	19.7	12.1	225.2
April.....	249.0	164.8	168.2	75.0	45.3	20.1	27.8	3.4	3.8	48.1	20.2	12.1	227.8
May.....	249.5	164.1	167.8	74.4	45.0	20.2	28.2	3.7	3.8	48.7	20.2	12.7	228.1

^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.—Same as preceding page.

CONSUMER CREDIT STATISTICS
TOTAL CONSUMER CREDIT, BY MAJOR PARTS
 [Estimated amounts outstanding. In millions of dollars]

End of year or month	Total consumer credit	Instalment credit					Noninstalment credit			
		Total instalment credit	Sale credit			Loans ¹	Total noninstalment credit	Single-payment loans ²	Charge accounts	Service credit
			Total	Automobile	Other					
1939	7,031	4,424	2,792	1,267	1,525	1,632	2,607	530	1,544	533
1940	8,163	5,417	3,450	1,729	1,721	1,967	2,746	536	1,650	560
1941	8,826	5,887	3,744	1,942	1,802	2,143	2,939	565	1,764	610
1942	5,692	3,048	1,617	482	1,135	1,431	2,644	483	1,513	648
1943	4,600	2,001	882	175	707	1,119	2,599	414	1,498	687
1944	4,976	2,061	891	200	691	1,170	2,915	428	1,758	729
1945	5,627	2,364	942	227	715	1,422	3,263	510	1,981	772
1946	8,677	4,000	1,648	544	1,104	2,352	4,677	749	3,054	874
1947	11,862	6,434	3,086	1,151	1,935	3,348	5,428	896	3,612	920
1948	14,366	8,600	4,528	1,961	2,567	4,072	5,766	949	3,854	963
1949	16,809	10,890	6,240	3,144	3,096	4,650	5,919	1,018	3,909	992
1950	20,097	13,459	7,904	4,126	3,778	5,555	6,638	1,332	4,239	1,067
1950—April	16,639	11,322	6,511	3,470	3,041	4,811	5,317	1,067	3,241	1,009
May	17,077	11,667	6,733	3,600	3,133	4,934	5,410	1,092	3,290	1,028
June	17,651	12,105	6,995	3,790	3,205	5,110	5,546	1,116	3,392	1,038
July	18,295	12,598	7,343	3,994	3,349	5,255	5,697	1,133	3,527	1,037
August	18,842	13,009	7,613	4,107	3,506	5,396	5,833	1,157	3,636	1,040
September	19,329	13,344	7,858	4,213	3,645	5,486	5,985	1,197	3,741	1,047
October	19,398	13,389	7,879	4,227	3,652	5,510	6,009	1,250	3,703	1,056
November	19,405	13,306	7,805	4,175	3,630	5,501	6,099	1,298	3,739	1,062
December	20,097	13,459	7,904	4,126	3,778	5,555	6,638	1,332	4,239	1,067
1951—January	19,937	13,252	7,694	4,056	3,638	5,558	6,685	1,352	4,248	1,085
February	19,533	13,073	7,521	3,990	3,531	5,552	6,460	1,369	4,010	1,081
March	19,379	12,976	7,368	3,946	3,422	5,608	6,403	1,381	3,938	1,084
April ^p	19,123	12,905	7,270	3,934	3,336	5,635	6,218	1,392	3,744	1,082
May ^p	19,184	12,913	7,246	3,977	3,269	5,667	6,271	1,396	3,790	1,085

^p Preliminary.

¹ Includes repair and modernization loans insured by Federal Housing Administration.

² Noninstalment consumer loans (single-payment loans of commercial banks and pawnbrokers).

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	Commercial banks ¹	Small loan companies	Industrial banks ²	Industrial loan companies ²	Credit unions	Miscellaneous lenders	Insured repair and modernization loans ³	Commercial banks ¹	Small loan companies	Industrial banks ²	Industrial loan companies ²	Credit unions
1939	1,632	523	448	131	99	135	96	200	680	827	261	194	237
1940	1,967	692	498	132	104	174	99	268	1,017	912	255	198	297
1941	2,143	784	531	134	107	200	102	285	1,198	975	255	203	344
1942	1,431	426	417	89	72	130	91	206	792	784	182	146	236
1943	1,119	316	364	67	59	104	86	123	639	800	151	128	201
1944	1,170	357	384	68	60	100	88	113	749	869	155	139	198
1945	1,422	477	439	76	70	103	93	164	942	956	166	151	199
1946	2,352	956	597	117	98	153	109	322	1,793	1,231	231	210	286
1947	3,348	1,435	701	166	134	225	119	568	2,636	1,432	310	282	428
1948	4,072	1,709	817	204	160	312	131	739	3,069	1,534	375	318	577
1949	4,650	1,951	929	250	175	402	142	801	3,282	1,737	418	334	712
1950	5,555	2,431	1,084	291	203	525	157	864	3,875	1,946	481	358	894
1950—April	4,811	2,066	945	262	178	431	144	785	307	154	37	28	70
May	4,934	2,134	959	267	182	450	145	797	348	168	43	32	83
June	5,110	2,233	978	275	187	474	147	816	379	175	46	34	93
July	5,255	2,316	995	282	192	495	149	826	381	166	45	32	84
August	5,396	2,401	1,009	290	197	514	150	835	387	166	46	33	88
September	5,486	2,462	1,010	295	201	524	150	844	356	149	40	32	76
October	5,510	2,460	1,026	294	201	524	152	853	298	149	39	28	66
November	5,501	2,435	1,037	292	200	521	153	863	257	165	34	27	64
December	5,555	2,431	1,084	291	203	525	157	864	289	234	37	29	72
1951—January	5,558	2,438	1,090	289	202	518	158	863	326	162	39	28	67
February	5,552	2,441	1,094	286	202	515	158	856	296	158	35	27	64
March	5,608	2,476	1,112	286	204	517	160	853	368	207	43	33	79
April ^p	5,635	2,497	1,119	286	205	514	161	853	340	184	41	31	72
May ^p	5,667	2,504	1,131	288	207	518	162	857	358	198	44	33	82

^p Preliminary.

¹ 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 May amounted to 105 million dollars, and other loans made during May were 13 million.

² 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.

³ Includes only loans insured by Federal Housing Administration adjusted by Federal Reserve to exclude nonconsumer loans.

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
1940.....	1,721	439	599	302	110	271
1941.....	1,802	466	619	313	120	284
1942.....	1,135	252	440	188	76	179
1943.....	707	172	289	78	57	111
1944.....	691	183	293	50	56	109
1945.....	715	198	296	51	57	113
1946.....	1,104	337	386	118	89	174
1947.....	1,935	650	587	249	144	305
1948.....	2,567	874	750	387	152	404
1949.....	3,096	1,010	935	500	163	488
1950.....	3,778	1,245	1,029	710	794	
1950						
April.....	3,041	979	913	518	631	
May.....	3,133	1,011	935	537	650	
June.....	3,205	1,032	947	561	665	
July.....	3,349	1,081	976	597	695	
August.....	3,506	1,123	998	658	727	
September.....	3,645	1,159	1,028	702	756	
October.....	3,652	1,170	1,019	705	758	
November.....	3,630	1,172	1,003	702	753	
December.....	3,778	1,245	1,029	710	794	
1951						
January.....	3,638	1,201	982	694	761	
February.....	3,531	1,162	956	677	736	
March.....	3,422	1,133	924	655	710	
April ^p	3,336	1,103	905	636	692	
May ^p	3,269	1,084	890	617	678	

**CONSUMER INSTALMENT CREDITS OF COMMERCIAL
BANKS, BY TYPE OF CREDIT**

[Estimates. In millions of dollars]

Year or month	Total	Automobile retail		Other retail, purchased and direct	Repair and modernization loans ^{1,2}	Personal instalment cash loans
		Purchased	Direct loans			
Outstanding at end of period:						
1948.....	3,563	570	736	751	636	870
1949.....	4,416	854	915	922	781	944
1950.....	5,645	1,143	1,223	1,267	905	1,107
1950—April.....	4,688	953	992	983	780	980
May.....	4,862	992	1,035	1,028	804	1,003
June.....	5,084	1,050	1,096	1,064	834	1,040
July.....	5,291	1,110	1,158	1,112	851	1,060
August.....	5,493	1,143	1,217	1,178	872	1,083
September.....	5,685	1,177	1,251	1,258	891	1,108
October.....	5,726	1,180	1,254	1,282	905	1,105
November.....	5,661	1,159	1,234	1,261	907	1,100
December.....	5,645	1,143	1,223	1,267	905	1,107
1951—January.....	5,610	1,116	1,219	1,268	890	1,117
February.....	5,530	1,096	1,222	1,217	877	1,118
March.....	5,516	1,079	1,232	1,190	874	1,141
April ^p	5,490	1,072	1,242	1,153	875	1,148
May ^p	5,486	1,082	1,246	1,123	882	1,153
Volume extended during month:						
1950—April.....	607	130	141	129	52	155
May.....	721	148	164	163	74	172
June.....	768	165	184	154	82	183
July.....	789	174	191	167	80	177
August.....	799	157	190	187	82	183
September.....	782	152	174	211	75	170
October.....	647	123	132	166	71	155
November.....	517	91	101	124	55	146
December.....	562	94	117	141	48	162
1951—January.....	606	98	137	147	47	177
February.....	536	93	132	117	41	153
March.....	638	109	160	123	51	195
April ^p	625	118	153	125	56	173
May ^p	681	140	166	131	65	179

**CONSUMER INSTALMENT CREDITS OF INDUSTRIAL
BANKS, BY TYPE OF CREDIT**

[Estimates. In millions of dollars]

Year or month	Total	Retail instalment paper ²		Repair and modernization loans ^{1,2}	Personal instalment cash loans
		Automobile	Other		
Outstanding at end of period:					
1948.....	286.2	66.6	43.4	51.7	124.5
1949.....	343.2	93.6	63.1	55.4	131.1
1950.....	391.0	118.5	79.7	54.9	137.9
1950—April.....	355.0	102.6	68.9	52.8	130.7
May.....	361.8	105.6	70.7	53.5	132.0
June.....	371.0	111.9	71.9	54.2	133.0
July.....	380.4	115.8	73.4	54.9	136.3
August.....	389.8	119.4	76.2	55.5	138.7
September.....	396.4	121.9	79.3	56.1	139.1
October.....	395.6	121.5	80.3	56.1	137.7
November.....	392.9	120.6	79.9	55.7	136.7
December.....	391.0	118.5	79.7	54.9	137.9
1951—January.....	386.9	117.2	78.4	53.6	137.7
February.....	382.5	116.9	77.4	52.4	135.8
March.....	382.5	116.4	76.4	52.0	137.7
April ^p	382.7	116.5	75.3	51.8	139.1
May ^p	384.4	118.0	74.2	52.3	139.9
Volume extended during month:					
1950—April.....	43.1	12.7	8.8	3.0	18.6
May.....	48.9	13.9	9.6	4.2	21.2
June.....	51.1	15.7	8.9	4.3	22.2
July.....	50.5	16.2	8.9	3.9	21.5
August.....	52.7	15.4	11.0	4.1	22.2
September.....	47.2	13.7	10.5	3.9	19.1
October.....	43.5	11.3	9.6	3.9	18.7
November.....	37.2	8.7	7.6	3.0	17.9
December.....	40.3	9.1	8.0	2.6	20.6
1951—January.....	42.2	10.6	8.2	2.5	20.9
February.....	38.3	10.8	7.2	2.3	18.0
March.....	46.8	12.4	8.5	3.0	22.9
April ^p	44.9	13.1	7.8	3.3	20.7
May ^p	49.3	15.2	8.3	3.8	22.0

**CONSUMER INSTALMENT CREDITS OF INDUSTRIAL
LOAN COMPANIES, BY TYPE OF CREDIT**

[Estimates. In millions of dollars]

Year or month	Total	Retail instalment paper ²		Repair and modernization loans ^{1,2}	Personal instalment cash loans
		Automobile	Other		
Outstanding at end of period:					
1948.....	177.1	38.3	23.7	5.0	110.1
1949.....	194.7	43.5	31.4	6.5	113.3
1950.....	226.9	57.9	41.1	7.3	120.6
1950—April.....	198.7	47.5	31.6	6.4	113.2
May.....	202.8	49.5	32.7	6.7	113.9
June.....	208.7	52.3	34.3	6.9	115.2
July.....	214.3	54.8	35.9	7.2	116.4
August.....	219.9	55.9	39.2	7.3	117.5
September.....	223.8	57.2	41.1	7.4	118.1
October.....	224.0	57.4	41.7	7.3	117.6
November.....	223.3	57.3	40.9	7.3	117.8
December.....	226.9	57.9	41.1	7.3	120.6
1951—January.....	225.6	56.8	40.8	7.2	120.8
February.....	225.1	56.8	40.2	7.0	121.1
March.....	226.9	57.1	40.5	7.0	122.3
April ^p	228.1	57.8	40.0	6.9	123.4
May ^p	230.3	59.2	39.3	7.0	124.8
Volume extended during month:					
1950—April.....	29.2	6.9	3.9	0.4	18.0
May.....	33.1	7.9	4.8	0.5	19.9
June.....	35.4	8.9	5.3	0.5	20.7
July.....	34.8	9.1	5.7	0.5	19.5
August.....	35.5	8.1	7.3	0.5	19.6
September.....	32.8	7.5	6.0	0.4	18.9
October.....	29.3	6.8	4.9	0.4	17.2
November.....	27.4	6.1	3.8	0.4	17.1
December.....	30.4	6.3	3.9	0.3	19.9
1951—January.....	29.1	6.8	4.3	0.3	17.7
February.....	27.9	6.4	3.8	0.3	17.4
March.....	34.3	7.4	4.9	0.4	21.6
April ^p	32.4	7.4	4.4	0.4	20.2
May ^p	34.9	8.8	4.3	0.5	21.3

^p Preliminary. ¹ Includes not only loans insured by Federal Housing Administration but also noninsured loans.
² 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		
	May 1951 ^p	April 1951	Mar. 1951	May 1951 ^p	April 1951	Mar. 1951
	Net sales:					
Total.....	+9	-5	+8	-5	-3	+1
Cash sales.....	+11	-3	+1	+3	+7	+6
Credit sales:						
Instalment.....	+10	-5	+11	-12	-12	-8
Charge account.....	+4	-10	+6	+8	+14	+26
Accounts receivable, end of month:						
Total.....	-1	-2	-3	0	+4	+7
Instalment.....	-2	-2	-2	-2	0	+4
Collections during month:						
Total.....	+1	-7	+6	+11	+13	+15
Instalment.....	0	-7	+9	+4	+8	+6
Inventories, end of month, at retail value.	-3	+2	+7	+33	+37	+37

^p Preliminary.

RATIO OF COLLECTIONS TO ACCOUNTS RECEIVABLE¹

Year or month	Instalment accounts			Charge accounts
	Department stores	Furniture stores	Household appliance stores	Department stores
1950				
April.....	17	10	11	50
May.....	18	10	12	52
June.....	17	10	10	51
July.....	17	11	11	49
August.....	18	11	11	50
September.....	18	11	10	51
October.....	18	11	11	51
November.....	17	10	10	51
December.....	18	11	10	49
1951				
January.....	19	10	12	50
February.....	17	10	11	46
March.....	19	11	12	50
April.....	18	11	11	47
May ^p	18	11	12	49

^p Preliminary.

¹ Collections during month as percentage of accounts outstanding at beginning of month.

DEPARTMENT STORE SALES, ACCOUNTS RECEIVABLE, AND COLLECTIONS

Year or 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			
Averages of monthly data:											
1941.....	100	100	100	100	100	100	100	100	48	9	43
1942.....	114	131	82	102	78	91	103	110	56	6	38
1943.....	130	165	71	103	46	79	80	107	61	5	34
1944.....	145	188	66	112	38	84	70	112	64	4	32
1945.....	162	211	67	125	37	94	69	127	64	4	32
1946.....	202	242	101	176	50	138	91	168	59	4	37
1947.....	214	237	154	200	88	174	133	198	55	6	39
1948.....	225	236	192	219	142	198	181	222	52	7	41
1949.....	213	216	200	212	165	196	200	224	51	8	41
1950.....	220	213	*247	223	233	210	250	237	48	10	42
1950—											
April.....	203	201	215	204	212	190	226	210	49	9	42
May.....	*211	205	*227	*217	*216	194	231	222	48	9	43
June.....	203	199	207	208	219	194	230	226	48	9	43
July.....	184	173	259	181	230	184	229	216	47	12	41
August.....	210	196	292	209	241	191	250	212	46	12	42
September.....	234	217	306	238	256	210	269	221	46	12	42
October.....	229	216	269	236	260	216	283	244	47	10	43
November.....	257	249	248	268	259	233	278	251	48	9	43
December.....	387	389	343	395	276	314	294	256	50	8	42
1951—											
January.....	212	195	233	228	269	269	318	354	45	10	45
February.....	179	167	211	187	262	236	289	279	46	10	44
March.....	220	210	234	228	255	227	318	268	48	9	43
April.....	198	192	199	206	244	220	286	244	48	9	43
May ^p	217	209	205	229	235	223	278	245	48	8	44

^p Preliminary.

* Revised.

NOTE.—Data based on reports from a smaller group of stores than is included in the monthly index of sales shown on p. 861.

CURRENT STATISTICS FOR FEDERAL RESERVE CHART BOOK—Continued

	Chart book page	1951				Chart book page	1951			
		Mar.	Apr.	May ¹			Mar.	Apr.	May ¹	
MONTHLY FIGURES—Cont.				MONTHLY FIGURES—Cont.						
GOVERNMENT FINANCE—Cont.				PRODUCTION AND DISTRIBUTION						
Sales and redemptions of U. S. savings securities:				Industrial production: ⁴						
Savings notes:				Total (1935-39 = 100).....56, 57						
Sales.....	34	161	141	286	Points in total index:					
Redemptions.....	34	599	331	238	Durable manufactures..... 56					
Net sales or redemptions.....	34	-438	-190	+48	Nondurable manufactures..... 56					
Savings bonds:				Minerals..... 56						
All series:				Indexes (1935-39 = 100):						
Sales.....	34	359	310	296	Durable manufactures..... 57					
Redemptions.....	34	499	425	432	Nondurable manufactures..... 57					
Net sales or redemptions.....	34	-140	-115	-136	Minerals..... 57					
Series A-E:				Selected durable manufactures (1935-39 = 100):						
Sales.....	35	280	254	247	Nonferrous metals..... 58					
Redemptions.....	35	8400	8348	8347	Steel..... 58					
Net sales or redemptions.....	35	-120	-94	-100	Cement..... 58					
Series F and G:				Lumber..... 58						
Sales.....	35	79	56	49	Transportation equipment..... 58					
Redemptions.....	35	8100	877	886	Machinery..... 58					
Net sales or redemptions.....	35	-21	-21	-37	Selected nondurable manufactures (1935-39 = 100):					
				Apparel wool consumption..... 59						
				Cotton consumption..... 59						
				Paperboard..... 59						
				Newsprint consumption..... 59						
				Fuel oil..... 59						
				Gasoline..... 59						
				Industrial chemicals..... 59						
				Rayon..... 59						
Cash income and outgo:				Sales, inventories, and new orders:						
Cash income.....	36	8.49	2.96	4.15	Sales (bill. dollars): ⁴					
Cash outgo.....	36	4.22	4.14	5.15	Manufacturing, total..... 60					
Excess of cash income or outgo.....	36	+4.27	-1.18	-1.01	Durable..... 60					
				Nondurable..... 60						
				Wholesale, total..... 61						
				Durable..... 61						
				Nondurable..... 61						
				Retail, total..... 61						
				Durable..... 61						
				Nondurable..... 61						
				Inventories (bill. dollars): ⁴						
				Manufacturing, total..... 60						
				Durable..... 60						
				Nondurable..... 60						
				Trade:						
				Total..... 61						
				Durable..... 61						
				Nondurable..... 61						
				Wholesale..... 61						
				Retail..... 61						
				New orders (bill. dollars):						
				Manufacturing, total..... 60						
				Durable..... 60						
				Nondurable..... 60						
				Construction contracts (3 mo. moving avg., mill. dollars): ⁴						
				Total..... 62						
				Residential..... 62						
				Other..... 62						
				Value of construction activity (mill. dollars):						
				Total..... 63						
				Nonresidential: ⁶						
				Public..... 63						
				Private..... 63						
				Residential: ⁶						
				Public..... 63						
				Private..... 63						
				Residential construction:						
				Contracts awarded (mill. dollars):						
				Total..... 64						
				1- and 2-family dwellings..... 64						
				Other..... 64						
				Dwellings started (thous. units):						
				Nonfarm mortgage lending (mill. dollars):						
				Mortgages under \$20,000..... 65						
				FHA insured home loans..... 65						
				GI home loans..... 65						
				Freight carloadings: ⁴						
				Total (1935-39 = 100)..... 71						
				Groups (points in total index):						
				Miscellaneous..... 71						
				Coal..... 71						
				All other..... 71						

For footnotes see p. 875.

CURRENT STATISTICS FOR FEDERAL RESERVE CHART BOOK—Continued

	Chart book page	1951			Chart book page	1950	1951		
		Mar.	Apr.	May 1			Oct.-Dec.	Jan.-Mar.	Apr.-June
MONTHLY FIGURES—Cont.				QUARTERLY FIGURES—Cont.					
PRODUCTION AND DISTRIBUTION—Cont.				MONEY RATES, ETC.					
Department stores:				Bank rates on loans to business:					
Indexes (1935-39=100):⁴				All loans:					
Sales.....	72	291	302	301	19 cities.....	24	2.84	3.02	3.07
Stocks.....	72	368	377	365	New York City.....	24	2.51	2.74	2.78
296 stores:				7 Northern and Eastern cities... 24 2.87 3.02 3.04					
Sales (mill. dollars).....	73	347	*313	338	11 Southern and Western cities.. 24 3.28 3.42 3.52	Loans of \$1,000-\$10,000:			
Stocks (mill. dollars).....	73	1,218	*1,246	1,195	19 cities.....	24	4.60	4.68	4.73
Outstanding orders (mill. dollars)	73	467	*339	293	New York City.....	24	4.17	4.20	4.37
Ratios to sales (months' supply):				7 Northern and Eastern cities... 24 4.64 4.74 4.68					
Total commitments.....	73	4.9	*5.1	4.4	11 Southern and Western cities.. 24 4.78 4.87 4.90	Loans of \$10,000-\$100,000:			
Stocks.....	73	3.5	4.0	3.5	19 cities.....	24	3.73	3.88	3.93
PRICES				New York City..... 24 3.44 3.68 3.66					
Consumers' prices (1935-39=100):				7 Northern and Eastern cities... 24 3.70 3.86 3.90					
All items.....	74	184.5	184.6	185.4	11 Southern and Western cities.. 24 3.91 4.01 4.10	Loans of \$100,000-\$200,000:			
Food.....	74	226.2	225.7	227.4	19 cities.....	24	3.10	3.27	3.32
Apparel.....	74	203.1	203.6	204.0	New York City.....	24	2.80	3.06	3.06
Rent.....	74	134.7	135.1	135.4	7 Northern and Eastern cities... 24 3.18 3.23 3.28	11 Southern and Western cities.. 24 3.21 3.41 3.52			
Fuel, electricity, and refrigeration.	74	144.2	144.0	143.6	Loans of \$200,000 and over:				
Miscellaneous.....	74	164.3	164.6	165.0	19 cities.....	24	2.57	2.76	2.81
Wholesale prices (1926=100):				New York City..... 24 2.35 2.59 2.64					
Total.....	75	184.0	183.5	182.8	7 Northern and Eastern cities... 24 2.65 2.81 2.83	11 Southern and Western cities.. 24 2.90 3.06 3.14			
Farm products.....	75	203.8	202.5	199.6	Stock yields:				
Food.....	75	186.6	185.7	187.2	Earnings/price ratio, common	26	14.09	11.50
Other commodities.....	75	172.4	172.2	171.5	GOVERNMENT FINANCE				
Textile products.....	76	183.2	182.8	181.9	Budget receipts and expenditures of U. S. Treasury:				
Hides and leather products.....	76	*236.2	232.6	232.0	Expenditures, total.....	37	10.01	11.08	14.49
Chemicals and allied products....	76	146.4	144.3	142.8	National defense.....	37, 38	4.29	5.40	*7.06
Fuel and lighting materials.....	77	138.6	138.1	137.5	Veterans Administration.....	38	1.36	1.33	1.23
Building materials.....	77	228.5	228.5	227.8	International aid.....	38	.93	1.01	*1.67
Metals and metal products.....	77	188.8	189.0	188.8	Interest on debt.....	38	1.34	1.25	1.97
Miscellaneous.....	76	142.5	142.7	141.7	All other.....	38	1.99	2.00	*2.47
AGRICULTURE				Receipts:					
Prices paid and received by farmers (1910-14=100):				Net receipts.....					
Paid, etc.....				Individual income taxes.....					
Received.....				Corporate income, etc.....					
Cash farm income (mill. dollars):				Miscellaneous internal revenue..					
Total.....	81	2,123	2,137	*2,144	All other.....	38	.72	.88	.84
Livestock and products.....	81	1,548	1,623	*1,684	Tax refunds (deduct).....	38	.13	.69	1.11
Crops.....	81	523	465	*427	BUSINESS FINANCE				
INTERNATIONAL TRADE AND FINANCE				Current assets and liabilities of corporations:*					
Exports and imports (mill. dollars):				Current assets, total.....					
Exports.....	82	*1,284	*1,374	*1,351	Cash.....	39	150.5	155.3
Imports.....	82	*1,099	*1,024	*1,018	U. S. Govt. securities.....	39	26.9	26.2
Excess of exports or imports.....	82	*185	*350	*333	Inventories.....	39	19.9	20.4
Short-term liabilities to and claims on foreigners reported by banks (bill. dollars):				Receivables.....					
Total liabilities.....	83	*6.80	*6.76	Current liabilities, total.....	39	50.0	51.0
Official.....	83	*3.35	*3.29	Notes and accounts payable..	39	74.7	77.5
Invested in U. S. Treasury bills and certificates.....	83	*1.00	*.91	Federal income tax liabilities... 39 15.5 16.5	Net working capital.....			
Private.....	83	*3.45	*3.47	Net working capital.....	39	75.8	77.8
Claims on foreigners.....	83	*.92	*.90	LENDING INSTITUTIONS OTHER THAN COMMERCIAL BANKS				
Foreign exchange rates: See p. 893 of this BULLETIN.....	84, 85	Assets of savings institutions:				
QUARTERLY FIGURES				Corporate security issues:					
				Total (bill. dollars) *.....					
				New money, total (bill. dollars) *..					
				Type of security (bill. dollars):					
				Bonds.....					
				Preferred stock.....					
				Common stock.....					
				Use of proceeds (mill. dollars):					
				Plant and equipment:					
				All issuers.....					
				Public utility.....					
				Railroad.....					
				Industrial.....					
				Working capital:					
				All issuers.....					
				Public utility.....					
				Railroad.....					
				Industrial.....					
				Bonds (bill. dollars):*					
				Public.....					
				Private.....					

For footnotes, see p. 875.

CURRENT STATISTICS FOR FEDERAL RESERVE CHART BOOK—Continued

	Chart book page	1950	1951		Chart book page	1950	1951		
		Oct.-Dec.	Jan.-Mar.	Apr.-June		Oct.-Dec.	Jan.-Mar.	Apr.-June	
QUARTERLY FIGURES—Cont.		<i>In unit indicated</i>			QUARTERLY FIGURES—Cont.	<i>Annual rates in billions of dollars</i>			
BUSINESS FINANCE—Cont.					GROSS NATIONAL PRODUCT, ETC. ⁶				
Corporate profits, taxes, and dividends (annual rates, bill. dollars): ^{6 4}					Gross national product ⁴	48	†303.7	†318.5	
Profits before taxes.....	42	50.8	‡51.0	.....	Govt. purchases of goods and services.....	48	†47.8	†52.9
Profits after taxes (dividends and undistributed profits).....	42	28.5	‡24.3	.....	Personal consumption expenditures.....	48	†198.4	†208.2
Undistributed profits.....	42	17.0	‡15.0	.....	Durable goods.....	50	†29.4	†31.5
Corporate profits after taxes (quarterly totals):					Nondurable goods.....	50	†104.9	†111.5	
All corporations (bill. dollars) ⁶	43	7.0	.....	.....	Services.....	50	†64.0	†65.2
Large corporations, total (bill. dollars).....	43	1.6	1.3	.....	Private domestic and foreign investment.....	48	†57.5	†57.3
Manufacturing (mill. dollars):					Gross private domestic investment:				
Durable.....	43	576	530	.....	Producers' durable equipment.....	49	†25.0	†26.5
Nondurable.....	43	382	368	.....	New construction.....	49	†23.3	†23.9
Electric power and telephone (mill. dollars).....	43	307	322	.....	Change in business inventories.....	49	†11.8	†9.3
Railroads (mill. dollars).....	43	318	103	.....	Net foreign investment.....	49	†-2.7	†-2.3
Plant and equipment expenditures (bill. dollars): ^{6 6}					Personal income, consumption, and saving: ⁴				
All business.....	44	5.8	†5.2	6.4	Personal income.....	51	†238.3	†244.1	
Manufacturing and mining; railroads and utilities.....	44	4.3	†3.7	4.9	Disposable income.....	51	†215.2	†217.5	
Manufacturing and mining.....	44	3.0	†2.6	3.5	Consumption expenditures.....	51	†198.4	†208.2	
					Net personal saving.....	51	†16.8	†9.3	
CONSUMER FINANCE		<i>In billions of dollars</i>			SEMIANNUAL FIGURES				
Individual savings: ⁶					INSURED COMMERCIAL BANKS				
Gross savings.....	47	+14.3	+9.7	.....	Loans:			
Liquid savings.....	47	+2.6	+0.1	Commercial.....	11	16.94	16.81	21.78
Cash.....	47	+3.6	-1.9	Agricultural.....	11	2.96	2.82	2.82
U. S. Govt. securities.....	47	-0.7	+0.2	Real estate.....	11	11.41	12.27	13.39
Other securities.....	47	+0.0	+0.6	Consumer.....	11	6.00	6.89	7.63
Insurance.....	47	+2.3	+2.0	For purchasing securities:				
Debt liquidation.....	47	-2.6	-0.8	To brokers and dealers.....	11	1.75	1.86	1.79
					To others.....	11	0.86	0.91	1.04
					State and local government securities.....	11	6.40	7.24	7.93
					Other securities.....	11	3.57	3.72	4.18

⁶ Estimated. [†] Preliminary. [‡] Revised. ⁴ Corrected.

¹ For charts on pp. 22, 28, and 30, figures for a more recent period are available in the regular BULLETIN tables that show those series. Because the *Chart Book* is usually released for publication some time after the BULLETIN has gone to press, most weekly charts and several monthly charts include figures for a more recent date than are shown in this table.

² Figures for other than Wednesday dates are shown under the Wednesday included in the weekly period.

³ Deficiency of less than 5 million dollars.

⁴ Adjusted for seasonal variation.

⁵ Figures, except for cash dividends, are estimates of Council of Economic Advisers, based on preliminary data.

⁶ Expenditures anticipated by business during the third quarter of 1951 are (in billions of dollars): all business 6.4; manufacturing and mining, railroads and utilities, 4.9; manufacturing and mining, 3.5.

* Monthly issues of this edition of the *Chart Book* may be obtained at an annual subscription rate of \$6.00; individual copies of monthly issues at 60 cents each.

INTERNATIONAL FINANCIAL STATISTICS

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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

NET CAPITAL MOVEMENT TO UNITED STATES SINCE JANUARY 2, 1935

[Net movement from United States, (-). In millions of dollars]

TABLE 1.—TOTAL CAPITAL MOVEMENT, BY TYPES

From Jan. 2, 1935, through—	Total	Increase in foreign banking funds in U. S.			Increase in banking funds of international institutions in U. S.	Decrease in U. S. banking funds abroad	Foreign securities: Return of U. S. fund ²	Domestic securities: Inflow of foreign funds ²	Inflow in brokerage balances
		Total	Official ¹	Other					
1935—Dec. (Jan. 1, 1936)	1,440.7	631.5	38.0	593.5	.....	361.4	125.2	316.7	6.0
1936—Dec. 30	2,667.4	989.5	140.1	849.4	.....	431.5	316.2	917.4	12.9
1937—Dec. 29	3,501.1	1,259.3	334.7	924.6	.....	449.1	583.2	1,162.0	47.5
1938—Dec. (Jan. 4, 1939)	3,933.0	1,513.9	327.0	1,186.9	.....	510.1	641.8	1,219.7	47.6
1939—Dec. (Jan. 3, 1940)	5,112.8	2,522.4	634.1	1,888.3	.....	650.4	725.7	1,133.7	80.6
1940—Dec. (Jan. 1, 1941)	5,807.9	3,239.3	1,281.1	1,958.3	.....	775.1	803.8	888.7	100.9
1941—Dec. 31	5,354.1	2,979.6	1,177.1	1,802.6	.....	791.3	855.5	626.7	100.9
1942—Dec. 31 ³	5,980.2	3,465.5	1,557.2	1,908.3	.....	888.8	848.2	673.3	104.4
1943—Dec. 31	7,267.1	4,644.8	2,610.0	2,034.8	.....	877.6	925.9	701.1	117.8
1944—Dec. 31	7,728.4	4,865.2	2,624.9	2,240.3	.....	805.8	1,019.4	911.8	126.3
1945—Dec. 31	8,802.8	6,144.5	3,469.0	2,675.5	.....	742.7	972.8	798.7	144.1
1946—Dec. 31	8,009.5	5,272.3	2,333.6	2,938.7	453.8	427.2	1,237.9	464.5	153.7
1947—Dec. 31	8,343.7	4,120.3	1,121.8	2,998.5	2,242.0	186.5	1,276.9	375.5	142.4
1948—Dec. 31	8,569.1	5,119.5	2,126.0	2,993.6	1,844.3	116.8	1,182.1	183.3	123.1
1949—Dec. 31	8,763.5	5,226.0	2,197.8	3,028.2	1,637.8	307.6	1,209.9	238.5	123.7
1950—May 31	9,563.0	5,614.5	2,298.5	3,316.0	1,662.7	522.1	1,179.0	459.6	125.2
June 30	9,782.2	5,782.7	2,530.3	3,252.5	1,636.4	472.1	1,227.4	540.4	123.2
July 31	9,896.4	5,829.0	2,592.5	3,236.5	1,626.6	462.3	1,226.0	540.4	120.7
Aug. 31	10,128.9	6,000.8	2,522.3	3,478.5	1,612.4	445.6	1,172.7	774.7	122.7
Sept. 30	10,488.0	6,556.5	3,012.6	3,543.9	1,626.4	383.4	999.2	800.6	121.9
Oct. 31	10,733.5	6,773.9	3,257.7	3,516.2	1,647.2	292.7	1,062.5	833.0	124.3
Nov. 30	10,705.2	6,435.9	2,899.2	3,536.7	1,713.5	282.0	1,066.4	710.5	131.6
Dec. 31	10,509.4	6,178.2	2,712.4	3,465.8	1,702.3	234.8	1,064.5	719.9	131.7
1951—Jan. 31	10,434.0	6,081.9	2,667.5	3,414.4	1,615.5	266.2	1,064.2	717.5	130.5
Feb. 28 ^p	10,376.1	6,124.8	2,696.8	3,428.0	1,592.3	208.1	1,055.2	716.2	133.2
Mar. 31 ^p	10,303.6	6,061.9	2,634.8	3,427.1	1,600.1	211.3	1,012.9	719.5	121.9
Apr. 30 ^p	10,370.9	6,053.1	2,580.5	3,472.5	1,605.6	233.3	980.8	717.9	126.1

TABLE 2.—TOTAL CAPITAL MOVEMENT, BY COUNTRIES

From Jan. 2, 1935, through—	International institutions	Total	United Kingdom	France	Netherlands	Switzerland	Italy	Other Europe	Total Europe	Canada	Latin America	Asia	All other
1945—Dec. 31	.....	8,802.8	892.5	464.2	539.7	722.3	106.5	1,311.8	4,037.0	1,395.7	1,338.4	1,784.1	247.5
1946—Dec. 31	453.8	7,555.7	563.1	384.8	326.4	766.1	287.5	1,246.3	3,574.2	979.7	1,474.0	1,258.3	269.6
1947—Dec. 31	2,067.3	6,276.4	437.0	234.3	213.8	839.3	150.1	1,100.6	2,975.1	688.6	1,383.4	984.3	244.9
1948—Dec. 31	1,677.1	6,891.9	659.7	74.2	103.0	846.0	335.9	1,122.2	3,141.1	947.3	1,503.6	1,065.2	234.9
1949—Dec. 31	1,541.7	7,221.8	682.4	113.2	171.6	951.2	301.4	1,135.8	3,355.5	984.7	1,780.2	852.0	249.4
1950—May 31	1,627.9	7,935.0	943.0	156.2	210.6	989.0	267.6	1,243.9	3,810.3	1,016.9	1,855.7	1,023.7	228.4
June 30	1,617.2	8,165.0	1,055.5	188.6	215.6	1,000.4	270.6	1,268.1	3,998.9	1,064.8	1,842.4	1,030.7	228.3
July 31	1,608.3	8,288.1	1,048.0	163.4	236.9	1,006.2	268.3	1,293.9	4,016.8	1,093.2	1,914.0	1,019.7	244.5
Aug. 31	1,600.6	8,528.3	892.9	324.9	247.6	1,014.1	281.5	1,313.7	4,074.8	1,176.4	1,943.5	1,073.3	260.3
Sept. 30	1,614.8	8,873.2	805.7	338.5	249.3	1,013.8	306.2	1,366.1	4,079.6	1,346.2	2,037.0	1,156.1	254.3
Oct. 31	1,641.6	9,091.9	875.3	398.7	267.2	984.8	316.4	1,356.4	4,198.7	1,300.3	2,055.4	1,286.6	251.0
Nov. 30	1,709.1	8,996.1	796.5	386.4	274.8	979.8	308.8	1,336.4	4,082.7	1,286.8	2,008.9	1,333.5	284.3
Dec. 31	1,723.8	8,785.6	762.1	413.6	187.9	957.0	314.5	1,313.1	3,948.2	1,191.6	2,053.1	1,301.6	291.1
1951—Jan. 31	1,688.3	8,745.7	776.0	422.6	198.4	907.9	301.0	1,333.6	3,939.6	1,181.0	2,027.8	1,294.7	302.6
Feb. 28 ^p	1,665.3	8,710.8	756.1	405.0	205.7	899.8	313.9	1,324.4	3,904.9	1,150.3	2,019.9	1,326.9	308.9
Mar. 31 ^p	1,651.2	8,652.3	773.7	394.1	196.0	887.3	292.5	1,327.8	3,871.3	1,084.2	2,070.8	1,343.3	282.6
Apr. 30 ^p	1,671.5	8,699.4	791.4	427.8	128.6	910.5	286.5	1,338.3	3,883.1	1,043.2	2,178.0	1,305.8	289.3

^p Preliminary. ^r Revised.

¹ This category made up as follows: through Sept. 21, 1938, funds held by foreign central banks at the Federal Reserve Bank of New York and special deposit accounts held with the U. S. Treasury; beginning Sept. 28, 1938, also funds held at commercial banks in New York City by central banks maintaining accounts at the Federal Reserve Bank of New York; beginning July 17, 1940, also funds in accounts at the Federal Reserve Bank of New York which had been transferred from central bank to government names; beginning with the new series commencing with the month of July 1942, all funds held with banks and bankers in the United States by foreign central banks and by foreign central governments and their agencies (including official purchasing missions, trade and shipping missions, diplomatic and consular establishments, etc.), and also special deposit accounts held with the U. S. Treasury.

² Beginning with 1947, these figures include transactions of international institutions, which are shown separately in Tables 5 and 6. Securities of such institutions are included in foreign securities.

³ The weekly series of capital movement statistics reported through July 1, 1942, was replaced by a monthly series commencing with July 1942. Since the old series overlapped the new by one day, the cumulative figures were adjusted to represent the movement through June 30 only. This adjustment, however, is incomplete since it takes into account only certain significant movements known to have occurred on July 1. Subsequent figures are based upon new monthly series. For further explanation see BULLETIN for January 1943, p. 98.

NOTE.—Statistics reported by banks, bankers, brokers, and dealers. For full description of statistics see *Banking and Monetary Statistics*, pp. 558-560; for back figures through 1941 see Tables 161 and 162, pp. 574-637, in the same publication, and for those subsequent to 1941 see BULLETIN for February 1950, pp. 246-251. For revision of earlier figures to include movement in official Philippine accounts held with U. S. Treasury, see BULLETIN for July 1946, pp. 815-819. Certain of the figures in tables "Short-term Liabilities to and Claims on Foreigners Reported by Banks in the United States, by Countries" 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. 578-591, and BULLETIN for March 1951, p. 344; March 1947, pp. 338-339; and September 1945, pp. 967-971.

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 3.—INCREASE IN FOREIGN BANKING FUNDS IN U. S., BY COUNTRIES

From Jan. 2, 1935, through—	Inter-national institutions	Total	United Kingdom	France	Neth-erlands	Switz-er-land	Italy	Other Europe	Total Europe	Canada	Latin America	Asia	All other
1945—Dec. 31.....		6,144.5	646.4	229.9	265.0	286.3	50.1	745.8	2,223.4	1,414.2	924.9	1,369.1	212.9
1946—Dec. 31.....	453.8	5,272.3	397.6	165.8	208.2	359.0	247.6	687.2	2,065.5	823.9	983.3	1,135.7	263.9
1947—Dec. 31.....	2,242.0	4,120.3	264.9	87.6	126.7	432.8	132.8	576.6	1,621.4	301.6	1,095.0	877.3	224.9
1948—Dec. 31.....	1,844.3	5,119.5	485.0	112.6	106.1	525.3	313.2	574.8	2,117.1	667.2	1,165.4	971.2	198.6
1949—Dec. 31.....	1,637.8	5,226.0	513.0	91.4	153.9	563.3	283.3	553.7	2,158.7	761.1	1,315.1	780.4	210.7
1950—May 31.....	1,662.7	5,614.5	740.0	106.1	202.9	583.0	253.2	606.2	2,491.4	739.6	1,254.5	926.3	202.7
June 30.....	1,636.4	5,782.7	850.5	138.9	209.0	581.3	260.1	625.8	2,665.5	722.0	1,254.7	921.2	219.4
July 31.....	1,626.6	5,829.0	850.4	113.0	231.8	580.3	255.5	638.6	2,669.6	688.3	1,333.5	912.8	224.7
Aug. 31.....	1,612.4	6,000.8	866.8	185.9	240.5	589.7	263.5	653.0	2,629.4	819.6	1,348.1	966.2	237.5
Sept. 30.....	1,626.4	6,556.5	842.1	168.3	238.9	586.4	283.7	702.9	2,624.2	1,224.6	1,422.5	1,044.1	243.1
Oct. 31.....	1,647.2	6,773.9	758.5	209.5	258.4	558.8	288.9	696.6	2,770.5	1,119.8	1,448.1	1,182.2	253.3
Nov. 30.....	1,713.5	6,435.9	861.9	167.0	265.3	556.3	282.8	648.1	2,581.4	947.0	1,403.2	1,223.4	280.9
Dec. 31.....	1,702.3	6,178.2	859.3	180.0	177.0	537.1	294.4	624.3	2,412.1	791.1	1,491.4	1,198.0	285.7
1951—Jan. 31.....	1,615.5	6,081.9	875.9	189.2	186.9	493.8	288.3	638.5	2,372.6	779.2	1,460.1	1,188.5	281.5
Feb. 28 ^p	1,592.3	6,124.8	866.5	173.3	192.5	487.3	304.1	635.6	2,359.2	777.9	1,475.2	1,222.5	290.0
Mar. 31 ^p	1,600.1	6,061.9	884.0	143.4	182.0	476.6	285.2	639.8	2,311.0	715.9	1,523.6	1,231.4	280.0
Apr. 30 ^p	1,605.6	6,053.1	612.2	102.9	114.8	486.9	278.8	655.3	2,251.0	720.9	1,592.9	1,205.2	283.1

TABLE 4.—DECREASE IN U. S. BANKING FUNDS ABROAD, BY COUNTRIES

From Jan. 2, 1935, through—	Total	United Kingdom	France	Neth-erlands	Switz-er-land	Italy	Other Europe	Total Europe	Canada	Latin America	Asia	All other
1945—Dec. 31.....	742.7	266.6	78.0	-17.7	5.2	26.2	235.1	593.4	39.5	9.1	99.2	1.5
1946—Dec. 31.....	427.2	244.3	73.4	-132.3	-1.7	10.6	226.9	421.3	40.7	-58.8	29.9	-5.8
1947—Dec. 31.....	186.5	262.8	55.7	-30.5	1.1	5.5	190.9	485.5	65.4	-346.3	2.0	-20.1
1948—Dec. 31.....	116.8	267.5	-39.9	-32.7	1.2	10.8	203.5	410.3	53.0	-348.6	10.3	-8.3
1949—Dec. 31.....	307.6	254.8	27.2	13.4	4.3	4.0	211.3	515.0	55.3	-243.1	-10.6	-9.0
1950—May 31.....	522.1	264.8	58.1	14.2	.8	2.0	245.5	585.3	60.2	-122.5	28.4	-29.3
June 30.....	472.1	263.9	58.4	14.4	-1.0	-2.1	245.3	578.8	57.8	-155.7	41.2	-50.0
July 31.....	462.3	255.3	58.8	14.1	-1.6	2.2	248.8	575.7	46.8	-162.4	42.9	-40.6
Aug. 31.....	445.5	253.5	49.0	14.9	.5	5.2	248.7	570.9	22.6	-151.5	41.8	-38.2
Sept. 30.....	383.4	215.7	48.9	15.3	-1.8	9.5	247.0	534.5	-16.8	-129.7	44.6	-49.2
Oct. 31.....	292.7	152.5	48.8	13.8	-2.2	14.3	243.4	470.6	-10.2	-139.3	34.7	-63.1
Nov. 30.....	282.0	164.8	47.8	14.9	-3.3	12.1	236.5	472.8	-5.5	-165.8	38.5	-58.0
Dec. 31.....	234.8	190.5	47.7	15.2	-1.6	5.9	236.6	495.2	-32.9	-210.8	32.7	-49.4
1951—Jan. 31.....	266.2	208.4	48.1	14.8	-3.4	-1.8	232.9	499.0	-24.7	-206.2	32.3	-34.1
Feb. 28 ^p	208.1	194.4	47.1	15.0	-3.7	-3.7	229.4	478.5	-32.7	-231.2	30.0	-36.5
Mar. 31 ^p	211.3	196.3	48.4	15.0	-.9	-7.7	228.0	479.2	-17.4	-234.5	36.6	-52.6
Apr. 30 ^p	233.3	185.3	72.8	14.5	-2.7	-8.6	228.1	489.4	-24.7	-206.0	25.4	-50.7

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—	Inter-national institutions	Total	United Kingdom	France	Neth-erlands	Switz-er-land	Italy	Other Europe	Total Europe	Canada	Latin America	Asia	All other
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—Dec. 31.....	-249.3	1,526.2	94.9	47.1	-3.9	16.3	26.5	275.8	456.7	441.8	537.6	61.6	28.4
1948—Dec. 31.....	-249.3	1,431.3	84.9	42.9	-9.1	-19.0	26.5	287.2	413.3	339.7	578.3	63.2	36.9
1949—Dec. 31.....	-265.3	1,475.1	71.4	43.2	-9.3	.1	27.0	311.7	444.1	329.1	598.5	63.9	39.5
1950—May 31.....	-266.5	1,445.5	68.0	44.6	-15.0	14.2	27.4	316.1	455.3	270.5	609.8	64.2	45.7
June 30.....	-267.1	1,494.4	67.1	44.1	-14.2	16.8	27.4	316.1	457.2	303.2	620.8	64.2	49.0
July 31.....	-266.9	1,492.9	66.4	43.8	-13.6	15.1	27.4	316.5	455.7	300.3	623.5	64.2	49.4
Aug. 31.....	-266.9	1,439.6	66.2	43.6	-13.6	14.8	27.4	317.0	455.4	245.1	623.3	64.2	49.6
Sept. 30.....	-266.9	1,266.1	64.7	43.6	-13.2	18.4	27.4	317.2	458.1	70.9	622.3	65.1	49.7
Oct. 31.....	-268.9	1,331.3	64.5	43.0	-13.3	15.9	27.4	316.8	454.4	136.7	624.9	65.3	50.1
Nov. 30.....	-268.8	1,335.2	65.3	42.7	-13.8	17.6	27.4	316.9	456.1	137.1	626.5	65.3	50.2
Dec. 31.....	-268.8	1,333.3	65.3	42.0	-14.0	17.3	27.4	319.6	457.5	139.1	628.3	65.0	43.4
1951—Jan. 31.....	-269.4	1,333.6	64.4	40.3	-13.1	17.4	27.4	320.4	456.7	135.2	631.1	66.5	44.1
Feb. 28 ^p	-269.4	1,324.7	64.8	37.9	-12.8	17.2	27.4	322.0	456.4	124.7	632.3	66.7	44.5
Mar. 31 ^p	-318.1	1,331.0	63.8	35.7	-11.9	20.8	28.4	321.5	458.2	126.3	634.8	66.8	44.9
Apr. 30 ^p	-321.1	1,301.9	63.8	35.2	-11.7	22.9	28.4	323.9	462.5	89.3	636.1	66.9	47.0

^p Preliminary.

^r Revised.

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 6.—DOMESTIC SECURITIES: INFLOW OF FOREIGN FUNDS, BY COUNTRIES
(Net Purchases by Foreigners of U. S. Securities)

From Jan. 2, 1935, through—	International institutions	Total	United Kingdom	France	Netherlands	Switzerland	Italy	Other Europe	Total Europe	Canada	Latin America	Asia	All other
1946—Dec. 31.....	247.8	-194.9	74.9	207.0	337.9	2.1	57.3	484.3	-143.0	87.6	26.8	8.8	
1947—Dec. 31.....	74.5	-203.8	24.7	108.7	350.9	-15.0	43.1	308.7	-139.8	84.2	36.8	11.0	
1948—Dec. 31.....	82.1	-194.7	-58.1	29.5	311.0	-15.0	45.7	118.4	-132.3	94.4	13.6	7.2	
1949—Dec. 31.....	169.1	-173.9	-64.9	4.0	355.2	-13.4	47.9	154.9	-181.3	96.9	11.5	7.4	
1950—May 31.....	231.8	-146.5	-68.6	-3.0	364.0	-15.5	65.7	196.1	-74.8	101.6	-3.5	8.5	
June 30.....	247.8	-142.8	-69.0	-4.5	376.7	-15.3	70.8	216.0	-38.0	110.9	-5.2	8.9	
July 31.....	248.6	-141.6	-68.7	-6.0	383.9	-15.2	79.7	232.0	-37.4	109.9	-5.5	9.4	
Aug. 31.....	255.1	-140.5	30.6	-4.9	383.0	-15.1	85.0	338.0	-69.4	108.3	-5.9	9.5	
Sept. 30.....	255.3	-133.8	61.1	-2.9	385.4	-14.8	88.8	383.7	-47.3	109.2	-4.3	9.4	
Oct. 31.....	263.3	-117.0	81.1	-2.7	385.0	-14.6	89.7	421.5	-33.2	108.6	-3.1	9.5	
Nov. 30.....	264.4	-112.8	112.0	-3.1	382.4	-14.4	124.8	488.9	-186.8	128.7	-2.6	9.7	
Dec. 31.....	290.3	-109.9	127.9	-2.3	374.2	-14.2	121.7	497.4	-276.9	127.0	-3.8	10.1	
1951—Jan. 31.....	342.2	-89.9	128.9	-1.8	374.0	-13.9	131.2	528.6	-272.5	124.7	-2.2	9.9	
Feb. 28 ^p	342.4	-86.9	129.3	-1.9	373.1	-14.8	127.2	527.0	-261.2	124.3	-2.0	9.5	
Mar. 31 ^p	369.3	-87.3	149.6	-1.0	374.5	-14.2	127.9	549.5	-241.1	127.3	-1.1	9.3	
Apr. 30 ^p	387.0	-86.3	200.1	-1.0	381.2	-13.9	119.7	599.8	-239.8	136.2	-1.3	9.4	

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	All other
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—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—Dec. 31.....	123.1	17.0	16.7	9.3	27.5	.4	11.0	81.9	19.6	14.0	7.0	.6
1949—Dec. 31.....	123.7	17.1	16.2	9.6	28.4	.6	11.1	82.9	20.5	12.7	6.8	.8
1950—May 31.....	125.2	16.7	16.1	11.6	27.0	.5	10.3	82.2	21.6	12.3	8.4	.8
June 30.....	123.2	16.9	16.3	10.9	26.6	.5	10.1	81.2	19.9	11.7	9.3	1.0
July 31.....	120.7	17.5	16.5	10.6	28.4	.5	10.3	83.8	20.3	9.5	5.4	1.7
Aug. 31.....	122.7	16.9	15.8	10.7	27.1	.5	10.1	81.1	19.7	13.3	6.7	1.8
Sept. 30.....	121.9	17.0	16.6	11.2	25.4	.5	10.2	81.0	20.3	12.8	6.6	1.2
Oct. 31.....	124.3	16.7	16.3	11.0	27.3	.5	9.9	81.7	20.7	13.1	7.5	1.3
Nov. 30.....	131.6	17.2	16.9	11.4	26.8	.9	10.2	83.4	21.4	16.3	9.0	1.6
Dec. 31.....	131.7	16.9	16.1	12.0	29.0	1.0	10.9	86.0	17.5	17.2	9.8	1.4
1951—Jan. 31.....	130.5	17.2	16.1	11.7	26.1	.9	10.7	82.8	18.7	18.2	9.6	1.2
Feb. 28 ^p	133.2	17.3	17.5	11.9	25.9	1.0	10.2	83.8	19.1	19.3	9.7	1.3
Mar. 31 ^p	121.9	16.9	17.0	11.7	16.4	.8	10.5	73.4	18.2	19.6	9.6	1.0
Apr. 30 ^p	126.1	16.3	16.7	12.0	22.2	1.9	11.1	80.3	17.8	18.8	8.7	.4

SHORT-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY COUNTRIES

[Amounts outstanding, in millions of dollars]

LIABILITIES TO FOREIGNERS

Date	International institutions	Total foreign countries ¹		United Kingdom	France	Netherlands	Switzerland ³	Italy	Other Europe	Total Europe	Canada	Latin America	Asia	All other
		Official and private	Official											
1945—Dec. 31.....	6,883.1	4,179.3	707.7	310.0	281.6	304.2	70.4	909.1	2,583.0	1,522.2	1,046.4	1,549.7	181.8	
1946—Dec. 31.....	473.7	6,006.5	3,043.9	458.9	245.9	224.9	372.6	267.9	850.5	2,420.7	931.8	1,104.8	1,316.4	232.8
1947—Dec. 31.....	2,262.0	4,854.4	1,832.1	326.2	167.7	143.3	446.4	153.1	739.8	1,976.7	409.6	1,216.6	1,057.9	193.7
1948—Dec. 31.....	1,864.3	5,853.7	2,836.3	546.3	192.8	122.8	538.9	333.5	738.1	2,472.4	775.2	1,287.0	1,151.8	167.4
1949—Dec. 31.....	1,657.8	5,960.2	2,908.1	574.4	171.6	170.5	576.9	303.6	717.0	2,513.9	869.1	1,436.7	961.0	179.5
1950—May 31.....	1,682.6	6,348.7	3,008.8	801.4	186.2	219.5	596.6	273.5	769.5	2,846.6	847.5	1,376.1	1,106.9	171.5
June 30.....	1,656.4	6,516.9	3,240.6	911.8	219.0	225.6	594.9	280.4	789.1	3,020.8	829.9	1,376.2	1,101.8	188.2
July 31.....	1,646.5	6,563.2	3,302.8	911.8	193.1	248.4	593.9	275.8	801.9	3,024.9	796.3	1,455.0	1,093.4	193.5
Aug. 31.....	1,632.4	6,734.9	3,232.6	975.1	266.0	257.2	603.4	283.8	816.2	3,298.7	927.5	1,469.6	1,146.8	206.4
Sept. 30.....	1,646.4	6,790.7	3,722.9	970.3	248.4	255.5	600.0	304.0	866.2	3,297.5	927.5	1,544.0	1,224.7	211.9
Oct. 31.....	1,667.1	6,508.1	3,968.0	981.9	289.6	275.0	572.4	309.2	859.8	3,125.8	927.5	1,569.6	1,362.8	222.1
Nov. 30.....	1,733.4	6,170.1	3,609.5	972.3	247.2	281.9	569.9	303.1	811.3	3,293.7	927.5	1,524.8	1,404.0	249.7
Dec. 31.....	1,722.2	6,912.4	3,422.7	966.7	260.1	193.6	550.7	314.7	787.6	3,276.4	899.0	1,612.9	1,378.6	254.5
1951—Jan. 31.....	1,635.4	6,816.1	3,377.8	963.2	269.3	203.5	507.5	308.6	801.8	3,277.9	887.1	1,581.6	1,369.1	250.3
Feb. 28 ^p	1,612.2	6,858.9	3,407.1	962.8	253.4	209.1	500.9	324.4	798.8	3,214.5	885.9	1,596.7	1,403.1	258.8
Mar. 31 ^p	1,620.0	6,796.1	3,345.1	945.3	223.5	198.6	490.2	305.5	803.1	3,166.3	823.8	1,645.2	1,412.0	248.8
Apr. 30 ^p	1,625.6	6,787.3	3,290.8	973.6	183.1	131.4	500.6	299.1	818.6	3,166.2	828.8	1,714.5	1,385.8	251.9

^p Preliminary.

^r Revised.

¹ Amounts outstanding (in millions of dollars): foreign brokerage balances in U. S., 82.8; U. S. brokerage balances abroad, 33.6.

² Country breakdown is for "Official and private."

³ Beginning January 1950, excludes Bank for International Settlements, included in "International institutions" as of that date.

⁴ Beginning August, data include certain deposit balances and other items which have been held in specific trust accounts, but which have been excluded in the past from reported liabilities.

INTERNATIONAL CAPITAL TRANSACTIONS OF THE UNITED STATES—Continued

SHORT-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY COUNTRIES—Continued

[Amounts outstanding, in millions of dollars]

CLAIMS ON FOREIGNERS

Date	Total	United Kingdom	France	Netherlands	Switzerland	Italy	Other Europe	Total Europe	Canada	Latin America	Asia	All other
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—Dec. 31..	948.9	29.2	23.4	49.1	7.0	21.1	118.9	248.6	27.5	514.3	127.0	31.5
1948—Dec. 31..	1,018.7	24.5	119.0	51.4	6.9	15.8	106.3	323.8	39.8	516.6	118.8	19.7
1949—Dec. 31..	827.9	37.2	51.8	5.2	3.8	22.6	98.5	219.2	37.6	411.1	139.7	20.4
1950—May 31..	607.3	27.2	21.0	4.5	7.3	24.5	58.2	142.7	32.7	290.5	100.7	40.7
June 30..	657.3	28.1	20.7	4.2	9.1	28.7	58.4	149.2	35.1	323.7	87.8	61.4
July 31..	667.1	36.7	20.3	4.5	9.7	26.4	54.9	152.3	46.1	330.4	86.2	52.0
Aug. 31..	683.8	38.5	30.1	3.7	8.6	21.3	54.9	157.1	70.3	319.5	87.3	49.6
Sept. 30..	745.9	76.3	30.2	3.3	9.9	17.1	56.7	193.5	109.7	297.7	84.4	60.6
Oct. 31..	836.7	139.5	30.3	4.8	10.3	12.3	60.3	257.4	103.0	307.3	94.3	74.5
Nov. 30..	847.4	127.2	31.2	3.7	11.4	14.5	67.2	255.2	98.4	333.8	90.6	69.4
Dec. 31..	894.5	101.5	31.4	3.4	8.7	20.7	67.1	232.8	125.8	378.8	96.3	60.8
1951—Jan. 31..	863.1	83.6	31.0	3.9	11.5	28.3	70.8	229.0	117.6	374.2	96.8	45.5
Feb. 28 ^p ..	921.2	97.6	31.9	3.7	11.8	30.3	74.2	249.5	125.6	399.1	99.1	47.9
Mar. 31 ^p ..	918.0	95.7	30.6	3.6	9.0	34.3	75.6	248.8	110.3	402.5	92.4	64.0
Apr. 30 ^p ..	896.0	106.7	6.3	4.2	10.8	35.2	75.5	238.6	117.6	374.0	103.7	62.1

CLAIMS ON FOREIGNERS—SUPPLEMENTARY DATA

Other Europe

Date	Other Europe	Austria	Belgium	Czechoslovakia	Denmark	Finland	Germany	Greece	Norway	Poland	Portugal	Rumania	Spain	Sweden	USSR	Yugoslavia	All other ¹
1945—Dec. 31..	74.6	.....	.6	.....	(²)	(²)	33.9	.7	31.6	.....	.5	.1	1.6	.9	(²)	(²)	4.8
1946—Dec. 31..	82.8	.....	7.5	.....	.5	6.2	30.4	12.4	3.3	.....	1.0	.1	7.2	4.9	(²)	(²)	9.5
1947—Dec. 31..	118.9	.....	15.0	.....	2.2	8.0	30.5	10.6	9.2	.....	1.1	(²)	.9	5.4	.1	(²)	35.9
1948—Dec. 31..	106.3	.....	21.4	.....	.6	3.4	30.5	1.2	8.4	.....	.7	(²)	2.9	1.4	(²)	6.0	29.8
1949—Dec. 31..	98.5	.....	19.3	.....	.4	8.2	30.0	.7	7.4	.....	.5	7.0	7.0	2.3	(²)	(²)	15.6
1950—May 31..	58.2	.1	11.7	.3	1.1	2.4	25.2	.3	1.2	.1	.9	(²)	4.4	2.8	(²)	3.2	4.6
June 30..	58.4	.2	12.2	.1	1.5	3.4	25.1	.1	1.2	(²)	.5	(²)	3.7	3.1	(²)	2.4	4.7
July 31..	54.9	(²)	12.1	(²)	2.2	1.6	25.1	.1	1.3	.1	.5	(²)	3.3	3.8	(²)	.2	4.5
Aug. 31..	54.9	(²)	14.6	(²)	1.8	1.9	25.1	.1	.9	.1	.4	(²)	2.2	3.1	(²)	.....	4.4
Sept. 30..	56.7	(²)	14.6	(²)	2.0	2.7	25.2	.1	.9	.1	.4	(²)	3.3	3.0	(²)	.....	4.3
Oct. 31..	60.3	.1	17.6	.1	3.3	2.0	25.3	.3	1.4	(²)	.3	(²)	1.3	4.6	(²)	(²)	3.9
Nov. 30..	67.2	.1	21.3	(²)	4.4	2.2	25.5	.1	1.4	.1	.5	.1	1.3	6.4	.....	.....	3.8
Dec. 31..	67.1	.2	21.5	(²)	3.2	2.2	25.4	.2	1.4	(²)	.5	(²)	1.6	6.9	(²)	.....	3.9
1951—Jan. 31..	70.8	(²)	22.0	.1	2.6	2.7	25.3	.2	1.7	(²)	.5	(²)	1.7	10.0	(²)	(²)	4.0
Feb. 28 ^p ..	74.2	.2	24.9	.1	2.5	3.5	25.6	.1	1.9	(²)	.6	(²)	1.2	9.4	(²)	.....	4.2
Mar. 31 ^p ..	75.6	.2	23.4	.1	3.9	4.0	25.9	.1	2.1	(²)	.5	(²)	1.3	9.5	.1	(²)	4.3
Apr. 30 ^p ..	75.5	(²)	21.9	.3	6.7	3.3	25.9	.1	1.8	(²)	.7	(²)	2.0	8.6	.1	.....	4.2

Latin America

Date	Latin America	Argentina	Bolivia	Brazil	Chile	Colombia	Cuba	Dominican Republic	Guatemala	Mexico	Netherlands West Indies and Surinam	Peru	Republic of Panama	El Salvador	Uruguay	Venezuela	Other Latin America ³
1945—Dec. 31..	158.9	21.0	1.3	24.7	6.6	16.8	33.3	.....	.....	11.0	.5	1.9	1.1	.....	.....	6.1	34.7
1946—Dec. 31..	226.8	41.8	2.3	49.8	14.6	26.4	25.7	.....	.....	25.5	.8	3.7	1.3	.....	.....	8.7	26.2
1947—Dec. 31..	514.3	65.2	2.0	165.8	27.8	32.6	108.6	.....	.....	52.2	1.1	4.3	4.7	.....	.....	15.3	34.5
1948—Dec. 31..	516.6	72.4	2.7	165.4	15.2	32.6	83.1	.....	.....	73.8	1.5	4.4	4.6	.....	.....	26.0	34.7
1949—Dec. 31..	411.1	53.6	2.3	136.9	15.5	21.1	27.5	.....	.....	73.0	1.3	5.8	5.3	.....	.....	25.6	43.1
1950—May 31..	290.5	43.1	7.7	58.8	5.2	31.8	21.4	1.6	2.2	44.9	1.1	8.5	5.0	3.8	8.0	26.3	21.0
June 30..	323.7	42.8	7.6	67.0	4.7	33.5	29.7	1.2	1.8	45.8	1.0	9.9	4.7	3.3	6.9	25.8	18.1
July 31..	330.4	37.9	7.7	74.0	3.5	35.8	27.7	1.4	1.9	50.5	1.2	9.5	4.5	2.6	6.7	25.4	17.4
Aug. 31..	319.5	40.6	6.3	59.9	4.6	35.1	26.5	1.5	1.6	45.5	1.2	9.7	3.9	2.5	7.7	36.2	16.8
Sept. 30..	297.7	40.5	6.1	63.9	3.3	36.2	26.4	1.5	1.6	44.9	1.1	10.5	4.0	2.7	6.0	24.4	14.6
Oct. 31..	307.3	40.5	8.4	63.3	3.4	40.9	33.9	1.5	1.7	44.2	1.1	8.6	4.1	3.9	6.2	31.5	14.3
Nov. 30..	333.8	43.0	8.4	68.7	3.8	39.9	30.6	1.7	2.1	47.4	1.3	8.4	3.5	5.5	8.1	46.8	14.8
Dec. 31..	378.8	45.9	8.7	78.0	6.8	42.5	27.6	1.9	2.6	70.6	1.3	11.0	3.1	6.8	8.0	49.4	14.6
1951—Jan. 31..	374.2	25.2	7.4	76.2	6.0	39.1	31.6	1.9	2.8	77.7	1.1	14.3	2.8	7.7	5.3	61.7	13.5
Feb. 28 ^p ..	399.1	25.2	5.5	77.3	5.3	38.6	36.9	1.9	2.7	75.7	1.2	11.6	2.6	5.9	9.9	85.8	13.2
Mar. 31 ^p ..	402.5	17.8	5.5	85.4	6.9	36.4	46.7	1.9	2.8	64.8	1.1	13.5	2.8	4.6	7.6	91.5	13.2
Apr. 30 ^p ..	374.0	10.9	6.3	80.5	9.6	51.6	44.2	1.8	2.7	58.5	1.4	13.8	2.8	3.4	7.8	65.9	13.0

^p Preliminary.

¹ Beginning January 1950, excludes Austria, Czechoslovakia, and Poland, reported separately as of that date.

² Less than \$50,000.

³ Beginning January 1950, excludes Dominican Republic, Guatemala, El Salvador, and Uruguay, reported separately as of that date.

INTERNATIONAL CAPITAL TRANSACTIONS OF THE UNITED STATES—Continued
SHORT-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES,
BY COUNTRIES—Continued
 [Amounts outstanding, in millions of dollars]

CLAIMS ON FOREIGNERS—SUPPLEMENTARY DATA
 Asia and All Other

Date	Asia	Formosa and China Mainland	Hong Kong	India	Indonesia	Iran	Israel	Japan	Philippine Republic	Thailand	Turkey	Other Asia ¹	All other	Australia	Belgian Congo	Egypt and Anglo-Egyptian Sudan	Union of South Africa	Other ²
1945—Dec. 31..	29.9	1.0	.8	7.5	1.4	.....	.....	.5	13.8	.....	2.0	2.8	9.9	1.7	.....	.3	4.7	3.3
1946—Dec. 31..	99.2	53.9	5.9	12.0	1.0	.....	.....	.2	20.2	.....	1.4	4.6	17.2	3.4	.....	.4	10.1	3.3
1947—Dec. 31..	127.0	40.8	2.6	29.6	.5	.....	.....	.9	27.4	.....	17.7	7.5	31.5	9.0	.....	.1	14.4	8.0
1948—Dec. 31..	118.8	24.2	3.4	20.4	1.9	.....	.....	.....	15.9	37.3	.....	1.4	14.3	19.7	4.7	.....	4	7.9
1949—Dec. 31..	139.7	16.6	3.7	17.4	.2	.....	.....	.....	14.1	23.2	.....	14.3	50.3	20.4	7.9	.....	.2	4.5
1950—May 31..	100.7	19.2	4.1	24.0	.1	12.5	13.3	.9	14.4	.7	.7	10.9	40.7	20.8	3.6	.1	12.3	3.9
June 30..	87.8	17.6	3.3	20.5	.2	13.0	7.8	.9	12.5	.6	.7	10.7	61.4	40.7	3.8	.1	11.7	5.0
July 31..	86.2	20.1	4.1	18.7	.1	11.5	11.2	1.1	9.6	1.2	.9	7.7	52.0	35.2	3.9	.1	7.5	5.3
Aug. 31..	87.3	22.4	5.1	15.6	.1	10.4	14.5	1.4	8.0	1.5	.8	7.6	49.6	33.9	4.0	.1	6.8	4.8
Sept. 30..	84.4	21.6	3.7	14.7	.1	8.0	15.2	5.2	6.2	1.5	.8	7.5	60.6	44.5	3.9	.1	7.3	4.8
Oct. 31..	94.3	23.7	4.0	15.2	.1	7.6	16.3	8.1	7.0	1.5	.9	10.0	74.5	56.5	4.4	.1	8.1	5.4
Nov. 30..	90.6	18.3	4.3	14.7	.2	7.1	16.4	10.9	4.6	1.8	.7	11.6	69.4	49.5	4.4	.1	8.1	7.3
Dec. 31..	96.3	18.2	3.0	16.2	.2	6.6	18.9	12.1	4.9	1.5	.9	13.9	60.8	40.8	4.4	.3	8.1	7.2
1951—Jan. 31..	96.8	15.6	3.0	16.5	.3	6.1	22.6	8.6	5.6	1.6	1.3	15.7	45.5	28.3	4.7	.3	5.1	7.0
Feb. 28 ^p ..	99.1	15.0	2.8	18.2	.2	6.2	24.1	7.7	4.4	1.4	1.7	17.4	47.9	29.2	5.4	.3	6.3	6.6
Mar. 31 ^p ..	92.4	13.0	2.3	16.7	.1	7.5	21.4	8.4	9.0	2.9	1.4	9.7	64.0	44.9	5.0	.3	7.0	6.8
Apr. 30 ^p ..	103.7	12.8	4.2	18.4	.2	7.9	29.8	6.8	6.5	4.0	1.5	11.6	62.1	41.5	5.2	.3	8.5	6.6

^p Preliminary.
¹ Beginning January 1948, includes Pakistan, Burma, and Ceylon, previously included with India. Beginning January 1950, excludes Iran, Israel, and Thailand, reported separately as of that date.
² Beginning January 1950, excludes Belgian Congo, reported separately as of that date.

GOLD PRODUCTION
 OUTSIDE U. S. S. R.
 [In millions of dollars]

Year or month	Estimated world production outside U.S.S.R. ¹	Production reported monthly												
		Total reported monthly	Africa				North and South America					Other		
			South Africa	Rhodesia	West Africa ²	Belgian Congo ³	United States ⁴	Canada	Mexico	Colombia	Chile	Nicaragua ⁵	Australia	India ⁶
<i>\$1 = 15¹/₁₆ grains of gold ⁹/₁₀ fine; i. e., an ounce of fine gold = \$35.</i>														
1941.....	1,265.6	1,110.4	504.3	27.8	32.4	19.6	209.2	187.1	28.0	23.0	9.3	7.5	52.4	10.0
1942.....	1,125.7	982.1	494.4	26.6	29.2	18.0	131.0	169.4	28.0	20.9	6.4	8.6	40.4	9.1
1943.....	871.5	774.1	448.2	23.0	19.7	15.8	48.8	127.8	22.1	19.8	6.1	7.7	26.3	8.8
1944.....	777.0	701.5	429.8	20.7	18.4	12.7	35.8	102.3	17.8	19.4	7.1	7.9	23.0	6.6
1945.....	738.5	683.0	427.9	19.9	18.9	12.1	32.5	94.4	17.5	17.7	6.3	7.0	23.0	5.9
1946.....	756.0	697.0	417.6	19.1	20.5	11.6	51.2	99.1	14.7	15.3	8.1	6.4	28.9	4.6
1947.....	766.5	705.5	392.0	18.3	19.3	10.8	75.8	107.5	16.3	13.4	5.9	7.4	32.8	6.1
1948.....	794.5	728.1	405.5	18.0	23.4	11.1	70.9	123.5	12.9	11.7	5.7	7.8	31.2	6.5
1949.....	826.0	753.2	409.7	18.5	23.1	12.9	67.3	144.2	14.2	12.6	6.3	7.7	31.3	5.7
1950.....	.....	779.5	408.2	17.9	23.2	12.0	83.1	155.7	14.3	13.3	7.2	8.0	29.9	6.7
1950—Apr.....	.....	63.2	33.3	1.5	1.9	1.0	6.7	12.9	.7	1.0	.8	.7	2.2	.6
May.....	.....	65.9	35.5	1.5	2.0	1.0	6.8	13.1	.8	.9	.9	.6	2.4	.5
June.....	.....	66.2	34.6	1.5	1.9	1.0	6.6	12.9	1.5	1.0	.6	.7	3.3	.6
July.....	.....	64.9	34.6	1.5	1.9	1.0	7.1	12.9	.8	1.1	.6	.7	2.2	.6
Aug.....	.....	67.4	34.9	1.5	1.9	1.1	7.9	13.2	1.5	1.1	.5	.7	2.5	.6
Sept.....	.....	65.6	34.0	1.5	2.0	1.0	7.8	12.8	1.1	1.1	.5	.7	2.5	.6
Oct.....	.....	67.0	33.9	1.5	1.9	1.0	8.2	13.2	1.4	1.2	.8	.6	2.8	.6
Nov.....	.....	65.6	33.3	1.5	1.9	.9	7.5	13.3	1.1	1.3	.6	.6	2.8	.7
Dec.....	.....	63.3	32.9	1.4	2.0	.9	7.0	13.4	.9	.8	.7	.6	2.3	.5
1951—Jan.....	.....	.....	33.4	1.4	2.0	.9	5.9	13.1	.....	1.4	.....	.6	2.5	.5
Feb.....	.....	.....	31.1	1.4	2.1	1.0	5.2	12.1	.....	.7	.....	.7	2.4	.6
Mar.....	.....	.....	33.4	.....	2.0	1.1	5.8	13.0	.....	1.5	.....	.7	.....	.6
Apr.....	.....	.....	33.2	.....	2.0	1.0	5.5	12.7	.....	.....	.....	.8	.....	.7

Gold production in U. S. S. R.: No regular Government statistics on gold production in U.S.S.R. are available, but data of percentage changes irregularly given out by officials of the gold mining industry, together with certain direct figures for past years, afford a basis for estimating annual production as follows: 1934, 135 million dollars; 1935, 158 million; 1936, 187 million; 1937, 185 million; and 1938, 180 million.
¹ Estimates of United States Bureau of Mines.
² Beginning 1942, figures reported by American Bureau of Metal Statistics. Beginning 1944, they are for Gold Coast only.
³ Reported by American Bureau of Metal Statistics.
⁴ Includes Philippine production received in United States through 1945. Yearly figures through 1949 are estimates of United States Mint. Figures for 1950 and 1951 are estimates of American Bureau of Metal Statistics.
⁵ Gold exports reported by the Banco Nacional de Nicaragua, which states that they represent approximately 90 per cent of total production.
 NOTE.—For explanation of table and sources, see BULLETIN for June 1948, p. 731, and Banking and Monetary Statistics, p. 524. For annual estimates compiled by the United States Mint for these and other countries in the period 1910–1941, see Banking and Monetary Statistics, pp. 542–543.

REPORTED GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS

[In millions of dollars]

End of month	Estimated total world (excl. U.S.S.R.) ¹	United States		Argentina ²	Belgium	Bolivia	Brazil	Canada ⁴	Chile	Co-lombia	Cuba	Denmark	Ecuador
		Treasury	Total ²										
1945—Dec.	33,770	20,065	20,083	1,197	716	22	354	361	82	127	191	38	21
1946—Dec.	34,120	20,529	20,706	1,072	735	22	354	543	65	145	226	38	21
1947—Dec.	34,550	22,754	22,868	322	597	23	354	294	45	83	279	32	20
1948—Dec.	34,930	24,244	24,399	143	624	23	317	408	43	51	289	32	21
1949—Dec.	35,410	24,427	24,563	216	698	23	317	496	40	52	299	32	21
1950—June	35,730	24,231	24,331	216	663	23	317	521	40	68	299	31	19
July ....	.....	24,136	24,239	216	651	23	317	531	40	69	299	31	19
Aug. ....	.....	23,627	23,745	216	643	23	317	545	40	70	291	31	19
Sept.	35,800	23,483	23,591	216	599	23	317	554	40	71	291	31	19
Oct. ....	.....	23,249	23,349	216	592	23	317	568	40	72	291	31	19
Nov. ....	.....	23,037	23,153	216	581	23	317	578	40	73	271	31	19
Dec.	35,820	22,706	22,820	216	587	23	317	590	40	74	271	31	19
1951—Jan. ....	.....	22,392	22,461	216	591	.....	317	606	45	75	271	31	19
Feb. ....	.....	22,086	22,162	288	604	.....	317	617	45	76	271	31	19
Mar.	35,770	21,806	21,927	288	589	.....	317	618	45	63	271	31	22
Apr. ....	.....	21,805	21,900	288	609	.....	317	.....	45	.....	271	31	22
May. ....	.....	21,756	21,861	.....	589	.....	.....	.....	.....	.....	271	31	22

End of month	Egypt ⁵	France ⁶	Guatemala	India	Iran ⁷	Italy	Java	Mexico	Netherlands	New Zealand	Norway	Pakistan	Peru
1945—Dec.	52	1,090	28	274	131	24	.....	294	270	23	80	.....	28
1946—Dec.	53	796	28	274	127	28	.....	201	181	265	23	91	24
1947—Dec.	53	548	27	274	142	58	.....	180	100	231	23	72	20
1948—Dec.	53	548	27	256	140	96	.....	42	166	23	52	14	20
1949—Dec.	53	523	27	247	140	252	178	52	195	27	51	27	28
1950—June	53	523	27	247	140	252	178	71	231	28	50	27	28
July	53	523	27	247	140	252	178	73	231	28	50	27	28
Aug.	53	523	27	247	140	252	178	113	231	28	50	27	28
Sept.	53	523	27	247	140	252	188	115	231	29	50	27	28
Oct.	53	523	27	247	140	252	188	116	231	29	50	27	28
Nov.	53	523	27	247	140	252	188	133	231	29	50	27	28
Dec.	97	523	27	247	140	252	208	208	311	29	50	27	31
1951—Jan.	97	523	27	247	139	252	228	281	311	30	50	27	31
Feb.	102	523	27	247	139	252	228	281	311	30	50	27	31
Mar.	117	523	27	247	139	252	228	.....	311	30	50	27	46
Apr. ....	.....	548	27	247	138	252	229	.....	311	30	50	27	46
May. ....	.....	548	27	247	138	252	229	.....	311	33	.....	.....	.....

End of month	Portugal	El Salvador	South Africa	Spain	Sweden	Switzerland	Thailand	Turkey	United Kingdom	Uruguay	Venezuela	International Monetary Fund	Bank for International Settlements
1945—Dec. ....	.....	13	914	110	482	1,342	43	241	2,476	195	202	.....	39
1946—Dec.	433	12	939	111	381	1,430	34	237	2,696	200	215	15	32
1947—Dec.	310	15	762	111	105	1,356	34	170	2,079	175	215	1,356	30
1948—Dec.	236	15	183	111	81	1,387	34	162	1,856	164	323	1,436	36
1949—Dec.	178	17	128	85	70	1,504	118	154	1,688	178	373	1,451	68
1950—June	177	20	177	61	71	1,559	118	149	2,422	189	373	1,460	108
July	177	20	179	61	71	1,550	118	138	.....	196	373	1,464	128
Aug.	177	20	180	61	71	1,537	118	146	.....	208	373	1,494	125
Sept.	177	20	179	61	87	1,529	118	146	2,756	217	373	1,494	145
Oct.	177	20	183	61	91	1,520	118	150	.....	217	373	1,494	149
Nov.	177	23	187	61	90	1,508	118	150	.....	217	373	1,494	159
Dec.	192	23	197	61	90	1,470	118	150	3,300	236	373	1,495	167
1951—Jan.	197	23	202	61	93	1,474	118	150	.....	260	373	1,495	140
Feb.	197	23	208	61	108	1,482	118	150	.....	287	373	1,495	125
Mar.	202	23	205	61	114	1,448	118	150	3,758	295	373	1,495	119
Apr.	212	23	210	.....	124	1,444	118	150	.....	295	373	1,495	161
May. ....	.....	23	.....	.....	129	.....	.....	150	.....	.....	.....	.....	153

^p Preliminary.

¹ Includes reported gold holdings of central banks and governments and international institutions, unpublished holdings of various central banks and governments, estimated holdings of British Exchange Equalization Account based on figures shown below under United Kingdom, and estimated official holdings of countries from which no reports are received.

² Includes gold in Exchange Stabilization Fund. Gold in active portion of this Fund is not included in regular statistics on gold stock (Treasury gold) used in the Federal Reserve statement "Member Bank Reserves, Reserve Bank Credit, and Related Items" and in the Treasury statement "United States Money, Outstanding and in Circulation, by Kinds."

³ Through 1947 estimated dollar values derived by converting gold at home in amounts up to 1,224.4 million pesos at the rate of 3.0365 pesos per U. S. dollar and all other gold at the rate of 3.5447 pesos per U. S. dollar; beginning 1948 total gold holdings converted at the rate of 3.0365 pesos per U. S. dollar.

⁴ Figures as reported by Foreign Exchange Control Board and Minister of Finance.

⁵ Beginning December 1950 includes gold holdings of issue and banking departments of the National Bank of Egypt; prior to that represents holdings of issue department only.

⁶ Represents gold holdings of Bank of France (holdings of French Exchange Stabilization Fund are not included).

⁷ Beginning December 1947 includes gold holdings of issue and banking departments of Bank Melli Iran; prior to that represents holdings of issue department only.

⁸ Figures are for following dates: 1946—Mar. 31, and 1947—Mar. 31.

⁹ Exchange Equalization Account holdings of gold, U. S. and Canadian dollars, as reported by British Government. (Gold reserves of Bank of England have remained unchanged at 1 million dollars since 1939, when Bank's holdings were transferred to Exchange Equalization Account.)

NOTE.—For description of figures, including details regarding special internal gold transfers affecting the reported data, see *Banking and Monetary Statistics*, pp. 524-535; for back figures through 1941 see Table 160, p. 526 and pp. 544-555, in the same publication and for those subsequent to 1941 see BULLETIN for April 1951, p. 464; February 1950, p. 252; and November 1947, p. 1433. For revised back figures for Argentina and Canada, see BULLETIN for January 1949, p. 86, and February 1949, p. 196, respectively.

NET GOLD PURCHASES BY THE UNITED STATES, BY COUNTRIES

[Negative figures indicate net sales by the United States]

(In millions of dollars at \$35 per fine troy ounce)

Year or quarter	Total	United Kingdom	Belgium	France	Netherlands	Portugal	Sweden	Switzerland	Other Europe ¹	Canada	Argentina	Cuba	Mexico
1945	-452.9		31.1	278.5		-47.9		-86.8	-7.4	36.8	-224.9	-85.0	-23.8
1946	721.3	-2	14.2			-10.0	80.2	-29.9	27.3	337.9	153.2	-30.0	36.9
1947	2,864.4	406.9	222.8	264.6	130.8	116.0	238.0	10.0	86.6	311.2	727.5	-65.0	45.4
1948	1,510.0	734.3	69.8	15.8	40.7	63.0	3.0		5.8		114.1	-10.0	61.6
1949	193.3	446.3	-41.0		-23.5	14.0		-40.0	² -159.9	3.4	-49.9	-10.0	-16.1
1950	-1,730.3	-1,020.0	-55.0	-84.8	-79.8	-15.0	-22.9	-38.0	-68.3	-100.0		28.2	-118.2
1949													
Jan.-Mar.	68.8		-12.5		10.4	10.5		-5.0	-13.7	3.4			2.3
Apr.-June	173.9	162.4	-31.0					-10.0	-11.2				7.9
July-Sept.	101.5	283.9				3.5		-20.0	² -119.1			-10.0	-11.3
Oct.-Dec.	-151.0		2.5		-33.9			-5.0	-15.9		-49.9		-15.0
1950													
Jan.-Mar.	-202.5	-80.0	-35.0					-13.0	-12.4				-15.8
Apr.-June	-31.7		-20.0				-3.0		-11.9				
July-Sept.	-732.2	-580.0		-28.5			-16.0	-25.0	3.4			8.2	-40.5
Oct.-Dec.	-763.8	-360.0		-56.3	-79.8	-15.0	-4.0		-47.4	-100.0		20.0	-61.9
1951													
Jan.-Mar.	-880.1	-400.0	-12.3	-91.7	-4.5	-10.0	-15.0	-15.0	-44.3		-49.9		-124.4
Apr.-June	-57.0	-80.0	2.0			-15.0			-11.2	-10.0			64.1

NET GOLD PURCHASES BY THE UNITED STATES, BY COUNTRIES—Continued

[Negative figures indicate net sales by the United States]

(In millions of dollars at \$35 per fine troy ounce)

Year or quarter	Uruguay	Venezuela	Other Latin America	Asia and Oceania	Union of South Africa	All other
1945	-37.9	-73.1	-27.8	³ -188.3		3.7
1946	-4.9	-9.2	25.0	13.7	94.3	22.9
1947	25.1	-3.7	79.1	1.0	256.0	11.9
1948	10.7	-108.0	13.4	-4.1	498.6	6.9
1949	-14.4	-50.0	-7.5	-52.1	195.7	-1.6
1950	-64.8		-17.6	-39.2	13.1	-47.8
1949						
Jan.-Mar.			3.6	-2.3	72.0	.1
Apr.-June	3.0		3.7	-6.6	55.6	.1
July-Sept.	-16.5	-50.0	-2.9	-2.2	48.1	-2.0
Oct.-Dec.	-1.0		-11.9	-41.0	19.9	.2
1950						
Jan.-Mar.	-12.0		-10.5	-.8	3.9	-27.0
Apr.-June	-2.0		-1.0		9.2	-3.0
July-Sept.	-23.9		-1	-14.9		-14.8
Oct.-Dec.	-26.9		-6.0	-23.6		-3.0
1951						
Jan.-Mar.	-50.9		-11.7	-22.6		-28.0
Apr.-June	15.0	-.9	-5.0	-3.8	12.7	-25.0

¹ Includes Bank for International Settlements.

² Includes sale of 114.3 million dollars of gold to Italy.

³ Includes sales of 185.3 million dollars of gold to China.

NOTE.—This series replaces the series on "Net Gold Imports to United States, by Countries," published previously.

ANALYSIS OF CHANGES IN GOLD STOCK OF UNITED STATES

[In millions of dollars]

Period	Gold stock at end of period		Increase in total gold stock	Net gold import or export (-)	Earmarked gold: decrease or increase (-)	Domestic gold production ²
	Treasury	Total ¹				
1942	22,726	22,739	-23.0	315.7	-458.4	125.4
1943	21,938	21,981	-757.9	68.9	-803.6	48.3
1944	20,619	20,631	-1,349.8	-845.4	-459.8	35.8
1945	20,065	20,083	-547.8	-106.3	-356.7	32.0
1946	20,529	20,706	623.1	311.5	465.4	51.2
1947	22,754	22,868	² 2,162.1	1,866.3	210.0	75.8
1948	24,244	24,399	1,530.4	1,680.4	-159.2	70.9
1949	24,427	24,563	164.6	686.5	-495.7	67.3
1950	22,706	22,820	-1,743.3	-371.3	-1,352.4	83.1
1950						
June	24,231	24,331	-9.0	10.0	-17.6	6.6
July	24,136	24,239	-91.1	-1.5	-90.0	7.1
Aug.	23,627	23,745	-494.4	-42.2	-431.4	7.9
Sept.	23,483	23,591	-153.9	-96.5	-65.9	7.8
Oct.	23,249	23,349	-242.5	-93.4	-146.2	8.2
Nov.	23,037	23,153	-195.5	-158.6	-35.3	7.5
Dec.	22,706	22,820	-333.2	-93.0	-237.9	7.0
1951						
Jan.	22,392	22,461	-358.8	-60.6	-248.5	5.9
Feb.	22,086	22,162	-298.7	-107.9	-184.4	5.2
Mar.	21,806	21,927	-235.4	-123.5	-111.2	5.8
Apr.	21,805	21,900	-27.3	-110.6	101.9	5.5
May	21,756	21,861	-38.5	-41.0	-12.9	(⁴)
June	² 21,756	² 21,871	¹ 10.4	(⁴)	⁵ 46.3	(⁴)

¹ Preliminary. ² See footnote 2 on opposite page.

² Yearly figures through 1949 are estimates of United States Mint. Figures for 1950 and 1951 are estimates of American Bureau of Metal Statistics.

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 6,034.6 million dollars on June 30, 1951. Gold under earmark is not included in the gold stock of the United States.

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

CENTRAL BANKS—Continued

Bank of Canada (Figures in millions of Canadian dollars)	Assets					Liabilities				
	Gold	Sterling and United States dollars	Dominion and provin- cial 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—Dec. 31		2.0	1,022.0	858.5	43.7	1,211.4	536.2	68.8	67.5	42.4
1948—Dec. 31		.4	1,233.7	779.1	45.4	1,289.1	547.3	98.1	81.0	43.1
1949—Dec. 31		74.1	1,781.4	227.8	42.5	1,307.4	541.7	30.7	126.9	119.2
1950—June 30		84.1	1,436.7	622.0	58.8	1,275.8	544.5	35.3	215.8	130.1
July 31		89.1	1,431.0	638.7	65.7	1,294.2	552.8	19.6	228.9	129.0
Aug. 31		161.4	1,420.4	569.2	113.9	1,303.8	568.2	16.7	233.1	143.1
Sept. 30		212.2	1,406.1	444.6	219.7	1,318.4	555.8	22.0	258.2	128.2
Oct. 31		152.2	1,381.4	435.7	440.0	1,321.8	621.7	39.0	235.2	191.6
Nov. 30		127.2	1,170.0	662.0	415.5	1,323.5	578.9	45.3	221.0	206.0
Dec. 30		111.4	1,229.3	712.5	297.1	1,367.4	578.6	24.7	207.1	172.6
1951—Jan. 31		117.9	1,171.0	731.5	273.7	1,294.4	537.6	68.3	204.4	189.3
Feb. 28		117.3	1,165.4	757.0	249.0	1,295.4	550.5	69.5	204.6	168.7
Mar. 31		80.0	1,341.9	673.7	171.1	1,319.5	552.9	70.5	206.7	117.2
Apr. 30		128.8	1,327.6	722.5	168.8	1,323.0	556.1	56.9	215.1	196.6
May 31		125.2	1,313.7	777.3	117.9	1,337.5	530.1	76.2	221.5	168.7

Bank of France (Figures in millions of francs)	Assets							Liabilities					
	Gold	Foreign ex- change	Domestic bills			Advances to Government ⁵		Other assets ⁶	Note circula- tion	Deposits ⁴			Other liabi- lities and capital
			Open market ⁵	Special	Other	Current	Other			Government	ECA	Other	
1938—Dec. 29	87,265	821	1,892	1,797	7,880		30,627	14,028	110,935	5,061		25,595	2,718
1939—Dec. 28	97,267	112	5,818	2,345	5,149		14,200	30,473	15,549	1,914		14,751	2,925
1940—Dec. 26	84,616	42	7,802	661	3,646		63,900	112,317	18,571	218,383	984	27,202	44,986
1941—Dec. 31	84,598	38	6,812	12	4,517		69,500	182,507	17,424	270,144	1,517	25,272	68,474
1942—Dec. 31	84,598	37	8,420	169	5,368		68,250	250,965	16,990	382,774	770	29,935	21,318
1943—Dec. 30	84,598	37	9,518	29	7,543		64,400	366,973	16,601	500,386	578	33,137	15,596
1944—Dec. 28	75,151	42	12,170	48	18,592		15,850	475,447	20,892	572,510	748	37,855	7,078
1945—Dec. 27	129,817	68	17,980	303	25,548			445,447	24,734	570,006	12,048	57,755	4,087
1946—Dec. 26	94,817	7	37,618	3,135	76,254		67,900	480,447	33,133	721,865	765	63,468	7,213
1947—Dec. 31	65,225	12	67,395	64	117,826		147,400	558,039	59,024	920,831	733	82,479	10,942
1948—Dec. 30	65,225	30	97,447	8,577	238,576		150,900	558,039	57,622	987,621	806	171,783	16,206
1949—Dec. 29	62,274	61,943	137,689	28,548	335,727		157,900	560,990	112,658	1,278,211	1,168	158,973	19,377
1950—June 29	62,274	116,652	128,939	18,507	368,694		166,600	560,990	116,833	1,382,479	62	8,496	126,978
July 27	62,274	146,146	144,523	12,709	373,930		161,600	560,990	128,695	1,413,718	80	22,806	129,954
Aug. 31	182,785	144,242	149,702	3,590	362,358		163,600	481,039	137,978	1,455,008	75	12,778	134,709
Sept. 28	182,785	173,725	119,556	14,572	377,531		163,900	481,039	132,972	1,467,425	94	11,928	144,909
Oct. 26	182,785	140,735	115,122	25,035	371,010		162,600	481,039	197,555	1,466,623	73	8,739	171,836
Nov. 30	182,785	146,783	150,674	32,047	297,884		155,900	481,039	222,277	1,502,770	83	7,613	137,038
Dec. 28	182,785	162,017	136,947	34,081	393,054		158,900	481,039	212,822	1,560,561	70	15,058	161,720
1951—Jan. 25	182,785	172,719	131,554	35,907	373,922		159,800	481,039	197,815	1,535,688	74	16,772	154,980
Feb. 22	182,785	185,735	122,549	32,158	383,170		159,000	481,039	213,535	1,541,910	18	30,205	160,976
Mar. 29	182,785	193,622	133,959	29,194	389,147		154,800	481,039	223,295	1,576,231	75	39,588	149,431
Apr. 26	191,447	173,566	141,921	23,821	427,135		159,700	481,039	235,063	1,597,678	98	46,941	160,530
May 31	191,447	169,035	215,539	17,539	341,766		158,700	481,039	259,474	1,632,018	83	17,636	160,143

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 For explanation of these items, see BULLETIN for January 1950, p. 117, footnote 6.

⁶ Beginning January 1950, when the Bank of France modified the form of presentation of its statement, the figures under this heading are not strictly comparable with those shown for earlier dates.

⁷ Includes the following amounts (in millions of francs) for account of the Central Administration of the Reichskreditkassen: 1940, 41,400; 1941, 64,580; 1942, 16,857; 1943, 10,724.

⁸ On Aug. 16, 1950, gold reserve revalued on the basis of 393,396.50 francs per kilogram of fine gold compared with the former rate of 134,027.90 francs, which had been in effect since Dec. 26, 1945. For details on devaluations and other changes in the gold holdings of the Bank of France, see BULLETIN for September 1950, pp. 1132 and 1261; June 1949, p. 747; May 1948, p. 601; May 1940, pp. 406-407; January 1939, p. 29; September 1937, p. 853; and November 1936, pp. 878-880.

⁹ Includes advance to Stabilization Fund, amounting to 144.9 billion francs on May 31.

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)	1951			1950	Central Bank (Figures as of last report date of month)	1951			1950
	May	Apr.	Mar.	May		May	Apr.	Mar.	May
Central Bank of the Argentine Republic (millions of pesos):					Bank of the Republic of Colombia—Cont.				
Gold reported separately.....		874	874	656	Loans and discounts.....	227,835	207,292	252,792	225,175
Other gold and foreign exchange.....	2,408	2,305	1,538	1,538	Government loans and securities.....	134,775	135,981	136,414	141,854
Government securities.....	1,861	1,986	1,853	1,853	Other assets.....	83,256	69,785	65,771	57,140
Rediscounts and loans to banks.....	36,129	35,429	29,964	29,964	Note circulation.....	392,815	385,186	378,488	406,215
Other assets.....	261	317	230	230	Deposits.....	232,465	220,390	220,913	172,925
Currency circulation.....	13,814	13,601	10,555	10,555	Other liabilities and capital.....	56,296	53,621	53,007	50,903
Deposits—Nationalized.....	24,706	24,456	21,303	21,303	Central Bank of Costa Rica (thousands of colones):				
Other sight obligations.....	628	525	496	496	Gold.....	11,511	11,511	11,542	11,542
Other liabilities and capital.....	2,386	2,329	1,887	1,887	Foreign exchange.....	12,866	10,776	42,541	25,332
Commonwealth Bank of Australia (thousands of pounds):					Net claim on Int'l. Fund ²	7,029	7,029	7,019	7,019
Gold and foreign exchange.....			661,673	488,933	Loans and discounts.....	89,839	88,911	90,576	89,665
Checks and bills of other banks.....			7,232	5,803	Securities.....	10,621	11,321	19,404	22,023
Securities (incl. Government and Treasury bills).....			404,992	354,985	Other assets.....	16,673	17,227	14,275	18,088
Other assets.....			80,233	86,452	Note circulation.....	103,777	102,586	112,445	103,705
Note circulation.....			270,270	229,063	Demand deposits.....	32,909	32,858	63,249	59,369
Deposits of Trading Banks:					Other liabilities and capital.....	11,853	11,331	9,663	10,595
Special.....			558,920	462,470	National Bank of Cuba (thousands of pesos):				
Other.....			44,817	26,538	Gold.....	270,562	270,561	270,561	298,719
Other liabilities and capital.....			280,122	218,101	Foreign exchange (net).....	96,033	77,586	77,586	67,199
Austrian National Bank (millions of schillings):					Foreign exchange (Stabilization Fund).....	96,684	61,366	61,366	15,644
Gold.....	51	51	51	50	Silver.....	40,988	47,188	47,188	79,998
Foreign exchange.....	288	255	414	155	Net claim on Int'l. Fund ³	12,507	12,507	12,507	12,507
Loans and discounts.....	4,348	3,957	3,928	2,210	Loans and discounts.....	1,879	3,010	3,010	1,052
Claim against Government.....	4,445	4,426	4,767	6,002	Credits to Government.....	11,845	12,231	12,231	.....
Other assets.....	39	39	40	38	Other assets.....	30,971	28,701	28,701	9,402
Note circulation.....	6,406	6,254	6,089	5,684	Note circulation.....	374,674	355,473	355,473	420,929
Deposits—Banks.....	150	165	234	194	Deposits.....	180,152	150,849	150,849	58,546
Other.....	551	469	770	1,071	Other liabilities and capital.....	6,643	6,828	6,828	5,044
Blocked.....	2,064	1,840	2,106	1,505	National Bank of Czechoslovakia ⁴				
National Bank of Belgium (millions of francs):					National Bank of Denmark (millions of kroner):				
Gold ¹	29,433	30,462	29,471	29,716	Gold.....	69	69	69	69
Foreign claims and balances (net).....	8,318	7,566	8,026	7,316	Foreign exchange.....	435	389	368	378
Loans and discounts.....	11,151	10,673	11,113	4,840	Contributions to Int'l. Bank.....	6	6	6	6
Consolidated Government debt.....	34,860	34,860	34,860	34,939	Loans and discounts.....	94	85	84	26
Government securities.....	3,603	2,553	3,190	7,001	Securities.....	148	116	112	124
Other assets.....	3,869	3,729	3,932	4,924	Govt. compensation account.....	3,966	3,969	3,974	4,650
Note circulation.....	86,781	85,138	85,010	84,794	Other assets.....	461	490	437	218
Deposits—Demand.....	2,005	1,853	2,873	1,712	Note circulation.....	1,593	1,600	1,610	1,544
ECA.....	140	46	10	173	Deposits—Government.....	1,769	1,727	1,776	1,809
Other liabilities and capital.....	2,307	2,807	2,700	2,057	Other.....	1,632	1,612	1,481	1,970
Central Bank of Bolivia—Monetary dept. (millions of bolivianos):					Other liabilities and capital.....	184	186	184	148
Gold at home and abroad ²			1,370	956	Central Bank of the Dominican Republic (thousands of dollars):				
Foreign exchange.....			524	287	Gold.....	6,056	6,045	6,045	4,045
Loans and discounts.....			1,931	1,377	Foreign exchange (net).....	18,487	17,560	16,629	13,292
Government securities.....			734	740	Net claim on Int'l. Fund ³	1,250	1,250	1,250	1,250
Other assets.....			135	109	Paid-in capital—Int'l. Bank.....	40	40	40	40
Note circulation.....			3,432	2,700	Loans and discounts.....	78	156	131	211
Deposits.....			235	424	Government securities.....	6,217	6,217	6,217	5,377
Other liabilities and capital.....			1,029	346	Other assets.....	1,081	1,105	1,065	667
Central Bank of Ceylon (thousands of rupees):					Note circulation.....	25,290	24,552	24,483	19,984
Foreign exchange.....	679,132	650,436	643,863	.....	Demand deposits.....	7,173	7,090	6,172	4,617
Paid-in capital—Int'l. Bank.....	1,116	1,116	1,116	.....	Other liabilities and capital.....	747	732	721	281
Government securities.....			.....	.....	Central Bank of Ecuador (thousands of sucres):				
Other assets.....	852	705	1,438	.....	Gold ⁵	334,511	334,416	334,315	266,849
Currency in circulation.....	400,308	394,197	395,259	.....	Foreign exchange (net) ⁶	143,577	144,957	136,932	—15,025
Deposits—Government.....	62,015	33,498	40,363	.....	Net claim on Int'l. Fund ³	18,757	18,757	18,757	16,881
Banks.....	187,824	194,131	181,883	.....	Credits—Government.....	214,156	209,948	211,928	263,102
Other liabilities and capital.....	30,952	30,431	28,912	.....	Other.....	123,530	98,749	93,303	122,380
Central Bank of Chile (millions of pesos):					Other assets.....	174,547	176,452	168,783	124,382
Gold.....		1,430	1,357	1,240	Note circulation.....	480,678	475,181	470,606	380,394
Foreign exchange (net).....		310	284	110	Demand deposits—Private banks.....	140,231	145,563	139,626	113,884
Net claim on Int'l. Fund ²		1	1	1	Other.....	128,305	105,675	114,879	129,138
Discounts for member banks.....		1,042	1,710	2,002	Other liabilities and capital.....	259,864	256,860	238,906	155,152
Loans to Government.....		680	680	688	National Bank of Egypt (thousands of pounds):				
Other loans and discounts.....		5,461	4,241	2,756	Gold ⁶			28,662	6,376
Other assets.....		2,429	2,351	1,758	Foreign exchange.....			13,237	15,479
Note circulation.....		7,374	6,997	5,762	Loans and discounts.....			22,679	5,325
Deposits—Bank.....		1,737	1,462	1,328	British, Egyptian, and other Government securities.....			337,374	314,211
Other.....		425	366	354	Other assets.....			40,078	46,115
Other liabilities and capital.....		1,818	1,799	1,112	Note circulation.....			182,754	155,737
Bank of the Republic of Colombia (thousands of pesos):					Deposits—Government.....			125,774	88,873
Gold and foreign exchange.....	209,960	220,389	171,682	180,135	Other.....			124,286	134,446
Net claim on Int'l. Fund ²	24,369	24,369	24,369	24,368	Other liabilities and capital.....			9,216	8,450
Paid-in capital—Int'l. Bank.....	1,381	1,381	1,380	1,371					

* Latest month available.

¹ On Aug. 17, 1950, gold reserve revalued from .0202765 to .0177734 grams of fine gold per franc.

² It is understood that, beginning June 1950, gold reserves have been revalued at a rate of 60 bolivianos per dollar.

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 For last available report (March 1950), see BULLETIN for September 1950, p. 1262.

⁵ In December 1950, gold and foreign exchange holdings revalued from 13.50 to 15.00 sucres per dollar.

⁶ Beginning December 1950, includes gold in Banking Department, previously shown under "Other assets."

NOTE.—For details relating to individual items in certain bank statements, see BULLETIN for January 1951, p. 112; and January 1950, p. 118.

CENTRAL BANKS—Continued

Central Bank (Figures as of last report date of month)	1951			1950	Central Bank (Figures as of last report date of month)	1951			1950
	May	Apr.	Mar.	May		May	Apr.	Mar.	May
Central Reserve Bank of El Salvador (thousands of colones):					Bank of Italy (billions of lire):				
Gold.....	57,249	57,319	57,380	50,431	Gold.....	4	4	4	4
Foreign exchange (net).....	91,789	87,949	83,780	64,114	Foreign exchange.....	29	29	29	24
Net claim on Int'l Fund ¹	1,565	1,565	1,565	1,565	Advances to Treasury.....	590	590	590	654
Loans and discounts.....	918	2,290	1,807	562	Loans and discounts.....	273	286	275	180
Government debt and securities.....	4,906	5,231	4,950	5,054	Government securities.....	215	205	197	200
Other assets.....	1,283	1,228	1,211	1,658	Other assets.....	513	509	505	536
Note circulation.....	78,453	81,392	84,951	66,142	Bank of Italy notes.....	1,068	1,075	1,088	968
Deposits.....	72,761	67,722	59,413	51,277	Allied military notes.....					3	3	6
Other liabilities and capital.....	6,496	6,468	6,329	5,965	Deposits—Government.....	176	166	128	174
					Demand.....	67	69	69	132
State Bank of Ethiopia ²					Other.....	252	251	250	271
Bank of Finland (millions of markkaa):					Other liabilities and capital.....	60	61	62	48
Gold.....	4,475	3,353	3,120	1,787	Bank of Japan (millions of yen):				
Foreign assets (net).....	890	-1,929	-909	-2,300	Cash and bullion.....		1,010	1,024	1,465
Clearings (net).....	-347	893	676	-134	Advances to Government.....		42,645	50,095	70,226
Loans and discounts.....	40,285	39,452	39,810	39,663	Loans and discounts.....		386,259	408,149	131,874
Securities.....	962	961	962	1,080	Government securities.....		125,003	136,855	138,772
Other assets.....	6,551	7,142	6,253	1,191	Other assets.....		37,771	39,858	30,150
Note circulation.....	39,055	38,329	37,447	30,326	Note circulation.....		410,015	396,307	310,405
Deposits.....	1,648	745	2,279	1,799	Deposits—Government.....		138,672	190,666	35,493
Other liabilities and capital.....	12,114	10,799	10,185	9,163	Other.....		21,958	28,360	17,032
					Other liabilities.....		22,043	20,648	9,558
Bank of German States (millions of German marks):					The Java Bank (millions of guilders):				
Foreign exchange.....	1,678	1,367	1,166	912	Gold ⁴	871	871	866	675
Loans and discounts.....	4,370	4,195	4,699	3,492	Foreign exchange (net).....		621	409	354
Loans to Government.....	9,324	9,325	9,148	8,717	Loans and discounts.....		426	244	175
Other assets.....	1,421	1,387	1,437	1,137	Advances to Government.....		1,999	2,275	2,501
Note circulation.....	7,867	7,960	7,781	7,793	Other assets.....		529	360	336
Deposits—Government.....	2,430	2,392	2,381	1,169	Note circulation.....		2,770	2,691	2,614
Banks.....	1,813	1,588	1,678	1,087	Deposits.....		978	823	962
Other.....	1,315	790	900	463	Other liabilities and capital.....		696	644	656
Other liabilities and capital.....	3,368	3,545	3,710	3,746	Bank of Mexico (millions of pesos):				
					Monetary reserve ⁵	1,093	1,113	1,191	772
Bank of Greece (billions of drachmae):					“Authorized” holdings of securities, etc.....	2,935	3,088	3,317	2,421
Gold and foreign exchange (net).....		523	530	405	Bills and discounts.....	356	279	277	182
Loans and discounts.....		199	204	147	Other assets.....	490	479	493	329
Advances—Government.....		5,856	5,692	3,967	Note circulation.....	2,732	2,753	2,787	2,194
Other.....		2,996	2,811	2,122	Demand liabilities.....	1,639	1,699	1,978	893
Other assets.....		1,466	1,484	780	Other liabilities and capital.....	502	507	512	617
Note circulation.....		1,900	1,578	1,651	Netherlands Bank (millions of guilders):				
Deposits—Government.....		924	1,051	467	Gold ⁶	1,177	1,175	1,175	871
Reconstruction and relief accts.....		3,970	3,730	2,036	Silver (including subsidiary coin).....	17	17	18	13
Other.....		1,746	1,737	860	Foreign assets (net).....	154	250	472	1,015
Other liabilities and capital.....		2,500	2,625	2,408	Loans and discounts.....	170	97	103	147
					Govt. debt and securities.....	3,178	3,000	3,000	2,850
Bank of Guatemala (thousands of quetzales):					Other assets.....	591	628	647	854
Gold.....	27,229	27,229	27,229	27,229	Note circulation—Old.....	50	51	53	64
Foreign exchange.....	14,925	15,323	8,861	8,861	New.....	2,709	2,682	2,761	2,917
Gold contribution to Int'l Fund.....	1,250	1,250	1,250	1,250	Deposits—Government.....		20	82	409
Rediscounts and advances.....	4,974	4,203	5,524	5,524	Blocked.....				72
Other assets.....	19,387	19,386	18,478	18,478	ECA.....	1,470	1,428	1,386	795
Circulation—Notes.....	36,596	37,803	34,465	34,465	Other.....	656	594	734	71,035
Coin.....	3,296	3,319	3,145	3,145	Other liabilities and capital.....	401	401	399	529
Deposits—Government.....	3,065	1,735	1,857	1,857	Reserve Bank of New Zealand (thousands of pounds):				
Banks.....	10,700	11,561	11,323	11,323	Gold.....	5,071	4,959	4,932	4,224
Other liabilities and capital.....	14,110	12,974	10,552	10,552	Foreign exchange reserve.....	73,971	65,459	61,319	59,309
					Loans and discounts.....	6,832	7,270	7,217	5,291
National Bank of Hungary ³					Advances to State or State undertakings.....	56,537	59,607	60,372	59,254
Reserve Bank of India (millions of rupees):					Investments.....	10,974	15,974	27,974	27,658
Issue department:					Other assets.....	4,653	4,487	4,983	71,471
Gold at home and abroad.....		400	400	400	Note circulation.....	58,413	58,675	58,418	53,893
Sterling securities.....		6,882	6,782	6,382	Demand deposits.....	92,403	92,013	101,440	96,605
Indian Govt. securities.....		5,016	4,866	4,717	Other liabilities and capital.....	7,222	7,069	6,939	6,710
Rupee coin.....		584	543	550	Bank of Norway (millions of kroner):				
Note circulation.....		12,809	12,474	11,817	Gold.....		243	243	244
Banking department:					Foreign assets (net).....		198	208	287
Notes of issue department.....		72	117	231	Clearing accounts (net).....		-25	-66	-100
Balances abroad.....		1,922	2,060	1,937	Loans and discounts.....		50	47	40
Bills discounted.....		123	82	32	Securities.....		46	46	47
Loans to Government.....		67	16	14	Occupation account (net).....		6,202	6,202	7,112
Other assets.....		1,213	1,256	742	Other assets.....		110	95	67
Deposits.....		3,056	3,200	2,652	Note circulation.....		2,314	2,308	2,187
Other liabilities and capital.....		341	331	303	Deposits—Government.....		2,039	2,104	2,017
					Banks.....		979	977	1,444
Central Bank of Ireland (thousands of pounds):					Blocked.....				555
Gold.....	2,646	2,646	2,646	2,646	ECA.....		667	642	776
Sterling funds.....	49,351	49,993	51,364	47,380	Other liabilities and capital.....		825	744	719
Note circulation.....	51,997	52,639	54,010	50,026					

^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 (July 1950), see BULLETIN for December 1950, p. 1699.

³ For last available report (February 1950), see BULLETIN for September 1950, p. 1263.

⁴ Gold revalued on Jan. 18, 1950, from .334987 to .233861 grams of fine gold per guilder.

⁵ Includes gold, silver, and foreign exchange forming required reserve (25 per cent) against notes and other demand liabilities.

⁶ Gold revalued on Sept. 19, 1949, from .334987 to .233861 grams of fine gold per guilder.

NOTE.—For details relating to individual items in certain bank statements, see BULLETIN for January 1951, p. 113.

CENTRAL BANKS—Continued

Central Bank (Figures as of last report date of month)	1951			1950	Central Bank (Figures as of last report date of month)	1951			1950
	May	Apr.	Mar.	May		May	Apr.	Mar.	May
State Bank of Pakistan (millions of rupees):					Bank of Spain—Cont.				
Issue department:					Other assets	22,979	22,625	4,129	
Gold at home and abroad	44	44	44	44	Note circulation	30,926	30,862	27,302	
Sterling securities	852	852	795	795	Deposits—Government	1,220	1,509	629	
Pakistan Govt. securities	753	752	361	361	Other	3,837	3,602	2,737	
Govt. of India securities	138	139	154	154	Other liabilities and capital	19,230	18,814	531	
India currency	300	300	432	432	Bank of Sweden (millions of kronor):				
Rupee coin	42	43	58	58	Gold	285	273	250	158
Notes in circulation	2,047	2,091	1,763	1,763	Foreign assets (net)	279	350	514	997
Banking department:					Swedish Govt. securities and advances to National Debt Office ¹	3,778	3,596	3,556	2,789
Notes of issue department	82	38	82	82	Other domestic bills and advances	241	201	178	170
Balances abroad	655	664	284	284	Other assets	514	493	452	325
Bills discounted	52	52	102	102	Note circulation	3,407	3,458	3,355	3,092
Loans to Government	2	1	1	1	Demand deposits—Government	688	456	731	442
Other assets	313	386	376	376	Other	422	405	288	303
Deposits	1,015	1,055	760	760	Other liabilities and capital	580	593	575	601
Other liabilities and capital	88	86	83	83	Swiss National Bank (millions of francs):				
Bank of Paraguay—Monetary dept. (thousands of guaranies):					Gold	6,031	5,968	5,989	6,239
Gold	1,165	1,165	1,165	600	Foreign exchange	230	244	248	298
Foreign exchange (net)	82,300	69,542	65,020	4,845	Loans and discounts	194	196	195	90
Net claim on Int'l. Fund ²	-2,377	-2,377	5,256	2,710	Other assets	78	76	80	74
Paid-in capital—Int'l. Bank	-1,001	-1,001	-260	-195	Note circulation	4,398	4,424	4,420	4,243
Loans and discounts	139,873	134,929	132,362	120,593	Other sight liabilities	1,937	1,862	1,897	2,062
Government loans and securities	24,256	24,257	15,904	8,282	Other liabilities and capital	198	198	195	397
Other assets	20,259	15,578	5,854	19,853	Central Bank of the Republic of Turkey (millions of pounds):				
Note and coin issue	173,823	165,493	144,288	115,338	Gold	419	419	419	432
Demand deposits	58,168	51,752	61,905	35,254	Foreign exchange and foreign clearings	149	169	172	93
Other liabilities and capital	32,484	24,849	19,107	6,095	Loans and discounts	1,173	1,144	1,128	921
Central Reserve Bank of Peru (millions of soles):					Securities	15	17	19	38
Gold and foreign exchange ³	762	713	273	273	Other assets	84	82	97	76
Net claim on Int'l. Fund ²	20	20	20	20	Note circulation	962	971	975	879
Contribution to Int'l. Bank	2	2	2	2	Deposits—Gold	153	153	153	153
Loans and discounts to banks	219	225	182	182	Other	568	543	532	362
Loans to Government	671	672	706	706	Other liabilities and capital	158	163	174	166
Other assets	90	105	210	210	Bank of the Republic of Uruguay (thousands of pesos):				
Note circulation	1,141	1,119	926	926	Gold	447,376	447,376	279,839	
Deposits	470	450	142	142	Silver	10,713	10,858	11,723	
Other liabilities and capital	154	169	326	326	Paid-in capital—Int'l. Bank	318	318	312	
Central Bank of the Philippines (thousands of pesos):					Advances to State and government bodies	149,417	151,009	152,557	
Gold	9,787	9,030	8,597	4,449	Other loans and discounts	268,401	260,330	266,237	
Foreign exchange	551,540	574,068	570,522	445,983	Other assets	329,874	351,950	279,959	
Net claim on Int'l. Fund ²	29,504	29,501	29,503	7,502	Note circulation	368,122	367,389	290,475	
Loans	18,645	47,338	55,863	48,017	Deposits—Government	101,301	98,487	95,889	
Domestic securities	234,959	163,197	163,088	123,817	Other	329,163	339,361	284,469	
Other assets	174,400	175,626	170,980	152,384	Other liabilities and capital	407,513	416,604	319,785	
Note circulation	656,523	671,052	664,360	534,567	Central Bank of Venezuela (millions of bolívares):				
Demand deposits	203,478	173,224	194,212	134,546	Gold	1,141	1,141	1,041	
Other liabilities and capital	158,833	154,483	139,981	113,040	Foreign exchange (net)	-116	-72	55	
Bank of Portugal (millions of escudos):					Other assets	117	85	66	
Gold	3,796	3,737	3,138	3,138	Note circulation—Central Bank	745	755	758	
Foreign exchange (net)	10,656	10,621	8,992	8,992	National banks	206	311	152	
Loans and discounts	562	554	497	497	Other liabilities and capital	190	88	251	
Advances to Government	1,246	1,244	1,247	1,247	Bank for International Settlements (thousands of Swiss gold francs):				
Other assets	554	562	467	467	Gold in bars	468,492	491,935	363,849	305,018
Note circulation	8,147	8,212	7,749	7,749	Cash on hand and with banks	36,432	73,104	70,635	47,975
Demand deposits—Government	735	643	245	245	Sight funds at interest	4,405	4,419	4,412	2,930
ECA	299	299	107	107	Rediscountable bills and acceptances (at cost)	114,991	145,143	174,981	181,286
Other	5,337	5,212	3,894	3,894	Time funds at interest	35,254	32,327	33,952	37,549
Other liabilities and capital	2,295	2,351	2,346	2,346	Sundry bills and investments	265,084	274,159	308,003	223,788
South African Reserve Bank (thousands of pounds):					Funds invested in Germany	297,201	297,201	297,201	297,201
Gold	74,470	72,704	62,991	62,991	Other assets	9,666	6,812	1,359	1,500
Foreign bills	91,426	95,077	84,505	84,505	Demand deposits (gold)	98,123	59,010	178,649	150,231
Other bills and loans	7,040	7,092	8,388	8,388	Short-term deposits:				
Other assets	24,462	31,483	36,339	36,339	Central banks—Own account	619,981	746,325	558,588	437,195
Note circulation	76,283	75,654	68,140	68,140	Other	18,874	25,771	23,809	22,065
Deposits	107,976	116,311	103,021	103,021	Long-term deposits: Special	228,909	228,909	228,909	228,909
Other liabilities and capital	13,138	14,391	21,064	21,064	Other liabilities and capital	265,639	265,064	264,437	258,847
Bank of Spain (millions of pesetas):									
Gold	669	669	668	668					
Silver	378	378	446	446					
Government loans and securities	15,813	15,735	15,737	15,737					
Other loans and discounts	15,374	15,381	10,218	10,218					

¹ Corrected.

² As of Mar. 5, 1951, gold revalued from .287595 to .148112 grams of fine gold per guarani.

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 In November 1949, part of the gold and foreign exchange holdings of the bank were revalued.

⁵ On Dec. 31, 1949, gold revalued from 172 to 248 shillings per fine ounce.

⁶ Includes small amount of non-Government bonds.

NOTE.—For details relating to individual items in certain bank statements, see BULLETIN for January 1950, p. 120.

MONEY RATES IN FOREIGN COUNTRIES

DISCOUNT RATES OF CENTRAL BANKS

[Per cent per annum]

Date effective	Central bank of—							Central bank of—	Rate May 31	Date effective	Central bank of—	Rate May 31	Date effective
	United Kingdom	France	Germany	Belgium	Netherlands	Sweden	Switzerland						
In effect Dec. 31, 1939.....	2	2	4	2½	3	3	1½	Albania.....	5½	Mar. 21, 1940	Italy.....	4	Apr. 6, 1950
Jan. 25, 1940.....				2				Argentina.....	3½	Mar. 1, 1936	Japan.....	5.11	July 5, 1948
Apr. 9.....			3½					Austria.....	3½	Aug. 3, 1945	Java.....	3	Jan. 14, 1937
May 17.....								Belgium.....	3¾	Sept. 11, 1950	Latvia.....	5	Feb. 17, 1940
Mar. 17, 1941.....		1¾						Bolivia.....	6	Sept. 30, 1950	Lithuania.....	6	July 15, 1939
May 29.....													
June 27.....					2½								
Jan. 16, 1945.....				1½				Canada.....	2	Oct. 17, 1950	Mexico.....	4½	June 4, 1942
Jan. 20.....		1½						Chile.....	4½	June 13, 1935	Netherlands.....	4	Apr. 17, 1951
Feb. 9.....								Colombia.....	4	July 18, 1933	New Zealand.....	1½	July 26, 1941
Nov. 7, 1946.....				2½				Costa Rica.....	4	Feb. 1, 1950	Norway.....	2½	Jan. 9, 1946
Dec. 19.....				3									
Jan. 10, 1947.....		1¾											
Aug. 27.....				3½				Denmark.....	5	Nov. 2, 1950	Peru.....	6	Nov. 13, 1947
Oct. 9.....		2½ & 3						Ecuador.....	10	May 13, 1948	Portugal.....	2½	Jan. 12, 1944
June 28, 1948.....			1-5					El Salvador.....	3	Mar. 22, 1950	South Africa.....	3½	Oct. 13, 1949
Sept. 6.....		3½ & 4						Estonia.....	4½	Oct. 1, 1935	Spain.....	4	Mar. 18, 1949
Oct. 1.....		3						Finland.....	7¾	Nov. 3, 1950	Sweden.....	3	Dec. 1, 1950
May 27, 1949.....			1-4½										
July 14.....			1-4										
Oct. 6.....				3½									
June 8, 1950.....		2½						France.....	2½	June 8, 1950	Switzerland.....	1½	Nov. 26, 1936
Sept. 11.....				3¾				Germany.....	1-6	Oct. 27, 1950	Turkey.....	3	Feb. 26, 1951
Sept. 26.....					3			Greece.....	12	July 12, 1948	United Kingdom.....	2	Oct. 26, 1939
Oct. 27.....			1-6					India.....	3	Nov. 28, 1935	U. S. S. R.....	4	July 1, 1936
Dec. 1.....						3		Ireland.....	2½	Nov. 23, 1943			
Apr. 17, 1951.....					4								
In effect May 31, 1951.....	2	2½	1-6	3¾	4	3	1½						

¹ The lower rate applies to the Bank deutscher Laender, and the higher rate applies to the Land Central banks.

NOTE.—Changes since May 31: None.

OPEN-MARKET RATES

[Per cent per annum]

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
1942—April.....	.54	1.03	1.01	1.00	½	1.74			3-5½	1.25
1943—April.....	.50	1.03	1.01	1.03	½	1.66			3-5½	1.25
1944—April.....	.39	1.03	1.01	1.13	½	1.73			3-5½	1.25
1945—April.....	.37	1.03	1.01	1.00	½	1.47			2½-5	1.25
1946—April.....	.37	.53	.51	.63	½	1.25	.90	.50	2½-4½	1.25
1947—April.....	.41	.53	.51	.63	½	1.41	1.59	1.11	2½-4½	1.25
1948—April.....	.41	.56	.51	.63	½	2.00	1.38	.93	2½-4½	1.50
1949—April.....	.49	.58	.51	.63	½	2.12	1.29	1.24	2½-4½	1.63
1950—April.....	.51	.69	.51	.63	½	2.64	1.44	1.25	2½-4½	1.50
1950—May.....	.51	.69	.51	.63	½	2.68	1.45	1.03	2½-4½	1.50
June.....	.51	.69	.51	.63	½	2.52	1.44	.81	2½-4½	1.50
July.....	.51	.69	.51	.63	½	2.59	1.57	1.10	2½-4½	1.50
August.....	.55	.69	.51	.63	½	2.35	1.44	.95	2½-4½	1.50
September.....	.62	.69	.52	.63	½	2.22	1.33	.91	2½-4½	1.50
October.....	.62	.69	.51	.63	½	2.28	1.27	.88	2½-4½	1.50
November.....	.62	.69	.51	.63	½	2.19	1.20	.88	2½-4½	1.50
December.....	.63	.69	.51	.63	½	2.41	1.40	1.09	3-5	1.50
1951—January.....	.63	.69	.51	.63	½	2.45	1.31	.83	3-5	1.50
February.....	.73	.69	.51	.63	½	2.42	1.55	1.00	3-5	1.50
March.....	.76	.69	.51	.63	½	2.45	1.46	1.23	3-5	1.50
April.....	.76	.69	.51	.63	½	2.60	1.55	1.24	3-5	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	
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—December.....	502	480	793	1,288	1,483	1,219	567	5,935	3,962	1,972	396
1948—December.....	502	485	741	1,397	1,478	1,396	621	6,200	4,159	2,041	420
1949—December.....	532	571	1,109	793	1,512	1,534	579	6,202	4,161	2,041	427
1950—May.....	482	538	1,197	364	1,503	1,648	554	5,847	3,870	1,976	439
June.....	482	544	1,338	297	1,498	1,665	611	6,000	3,965	2,035	434
July.....	501	557	1,400	321	1,496	1,591	529	5,956	3,935	2,021	440
August.....	504	544	1,336	368	1,499	1,610	554	5,968	3,941	2,027	447
September.....	492	543	1,358	435	1,501	1,610	557	6,028	3,969	2,059	468
October.....	509	557	1,414	496	1,505	1,608	616	6,204	4,105	2,099	501
November.....	502	548	1,445	478	1,514	1,625	660	6,251	4,109	2,142	522
December.....	540	592	1,408	456	1,528	1,660	735	6,368	4,262	2,106	550
1951—January.....	530	559	1,470	383	1,529	1,656	697	6,260	4,181	2,078	564
February.....	496	531	1,343	291	1,544	1,714	719	6,041	3,994	2,047	596
March.....	489	537	1,313	234	1,552	1,766	770	6,037	3,987	2,049	625
April.....	520	559	1,300	295	1,554	1,775	760	6,130	4,055	2,075	632

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	
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—December.....	731	105	1,999	106	3,874	1,159	18	6,412	2,671	3,740	1,544
1948—December.....	749	101	2,148	144	4,268	1,169	16	7,027	2,970	4,057	1,537
1949—December.....	765	133	2,271	146	4,345	1,058	14	7,227	2,794	4,433	1,477
1950—May.....	759	105	2,352	198	4,408	1,091	(³)	7,417	2,860	4,557	1,495
June.....	712	145	2,408	227	4,276	1,182	(³)	7,447	2,909	4,538	1,503
July.....	767	94	2,385	222	4,240	1,089	(³)	7,288	2,759	4,529	1,508
August.....	802	99	2,393	218	4,478	1,113	(³)	7,573	3,030	4,543	1,529
September.....	748	101	2,473	225	4,437	1,178	(³)	7,597	3,015	4,582	1,565
October.....	847	115	2,565	189	4,349	1,258	(³)	7,740	3,180	4,559	1,583
November.....	797	164	2,737	177	4,280	1,293	(³)	7,819	3,276	4,543	1,630
December.....	824	134	2,776	171	4,286	1,304	(³)	7,828	3,270	4,558	1,667
1951—January.....	774	118	2,795	175	4,248	1,270	(³)	7,748	3,171	4,577	1,631
February.....	770	109	2,872	176	4,093	1,334	(³)	7,675	3,057	4,618	1,678
March.....	753	94	3,008	178	3,986	1,266	(³)	7,624	3,010	4,614	1,660
April.....	774	87	3,046	160	3,924	1,413	(³)	7,684	3,086	4,598	1,720

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		
1945—December.....	14,733	14,128	155,472	36,621	4,783	215,615	213,592	2,023	2,904	7,218
1946—December.....	18,007	18,940	195,223	65,170	17,445	291,945	290,055	1,890	15,694	7,145
1947—December.....	22,590	19,378	219,386	86,875	27,409	341,547	338,090	3,457	25,175	8,916
1948—December.....	45,397	35,633	354,245	126,246	34,030	552,221	545,538	6,683	30,638	12,691
1949—December.....	40,937	42,311	426,690	129,501	29,843	627,266	619,204	8,062	26,355	15,662
1950—April.....	44,808	43,843	452,864	126,752	40,506	652,570	639,878	12,692	31,449	24,752
May.....	43,584	44,346	433,079	134,195	44,993	640,351	626,925	13,427	32,992	26,853
June.....	41,283	43,618	442,411	133,848	48,126	648,191	633,952	14,240	32,030	29,065
July.....	47,231	43,599	433,118	141,239	46,610	647,507	636,010	11,497	31,492	32,798
August.....	41,572	51,670	440,122	135,192	46,982	650,559	638,875	11,684	29,971	35,008
September.....	42,893	48,797	484,136	131,192	48,609	687,444	674,592	12,853	30,682	37,502
October.....	39,519	50,793	484,658	136,334	49,077	689,545	674,169	15,376	29,208	41,628
November.....	38,030	52,709	460,639	146,408	49,479	676,636	660,106	16,530	27,555	43,073
December.....	48,065	52,853	527,095	134,296	53,651	742,225	723,607	18,618	28,248	45,486
1951—January.....	39,769	56,952	477,003	153,502	31,549	709,469	691,231	18,238	26,599	22,707
February.....	41,435	60,293	477,766	154,660	33,367	720,710	701,935	18,775	27,252	19,560
March.....	42,469	62,610	499,550	150,919	38,351	741,484	721,791	19,693	29,739	22,676

¹ Preliminary.

² 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 give end-of-month data.

³ Represent six-month loans to the Treasury at 1½ per cent through Oct. 20, 1945, and at ½ per cent thereafter.

⁴ Less than \$500,000.

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 ¹ (peso)			Aus- tralia (pound)	Belgium (franc)		Brazil (cruzeiro)		Canada (dollar)		Ceylon (rupee)
	Basic	Prefer- ential	Free			"Bank notes" account	Official	Free	Official	Free	
1946	29.773			321.34	2.2829		6.0602		95.198	93.288	
1947	29.773			321.00	2.2817		5.4403		100.000	91.999	
1948	29.773			321.22	2.2816		5.4406		100.000	91.691	
1949	29.774			293.80	2.2009	2.1407	5.4406		97.491	92.881	27.839
1950	26.571	² 13.333	³ 8.289	223.15	1.9908	⁴ 1.9722	5.4406		⁵ 90.909	91.474	20.850
1950—July	29.778		³ 11.100	223.16	1.9835		5.4406		90.909	90.766	20.851
1950—August	29.778		11.100	223.16	1.9837		5.4406		90.909	90.844	20.850
1950—September	20.000	13.333	7.205	223.16	1.9838		5.4406		90.909	90.844	20.850
1950—October	20.000	13.333	7.291	223.16	1.9876	⁴ 1.9702	5.4406			94.854	20.850
1950—November	20.000	13.333	7.147	223.16	1.9876	1.9737	5.4406			96.044	20.850
1950—December	20.000	13.333	6.924	223.10	1.9983	1.9720	5.4406			94.913	20.850
1951—January	20.000	13.333	7.102	223.09	1.9945	1.9549	5.4406			95.002	20.850
1951—February	20.000	13.333	7.138	223.16	1.9883	1.9774	5.4406			95.271	20.850
1951—March	20.000	13.333	7.124	223.16	1.9843	1.9306	5.4406			95.420	20.850
1951—April	20.000	13.333	7.143	223.16	1.9830	1.9491	5.4406			94.353	20.850
1951—May	20.000	13.333	7.096	223.16	1.9833	1.9501	5.4406			93.998	20.850
1951—June	20.000	13.333	7.071	223.16	1.9845	1.9568	5.4406			93.484	20.850

Year or month	Colom- bia (peso)	Czecho- slovakia (koruna)	Den- mark (krone)	France (franc)		Germany (deutsche mark)	India (rupee)	Mexico (peso)	Neth- erlands (guilder)	New Zealand (pound)	Norway (krone)
				Official	Free						
1946	57.020	2.0060	20.876		8409		30.155	20.581	37.813	322.63	20.176
1947	57.001	2.0060	20.864		8407		30.164	20.577	37.760	322.29	20.160
1948	57.006	2.0060	20.857		4929	3240	30.169	18.860	37.668	350.48	20.159
1949		2.0060	19.117		4671	3017	27.706	12.620	34.528	365.07	18.481
1950		2.0060	14.494			2858	⁶ 23.838	20.870	26.252	277.28	14.015
1950—July		2.0060	14.494			2856	23.838	20.871	11.571	26.252	277.29
1950—August		2.0060	14.494			2854	23.838	20.870	11.573	26.236	277.29
1950—September		2.0060	14.494			2855	23.838	20.870	11.572	26.237	277.29
1950—October		2.0060	14.494			2856	23.838	20.870	11.571	26.235	277.29
1950—November		2.0060	14.494			2856	23.838	20.870	11.571	26.232	277.29
1950—December		2.0060	14.494			2856	23.838	20.870	11.572	26.240	277.22
1951—January		2.0060	14.494			2856	23.838	20.870	11.567	26.239	277.21
1951—February		2.0060	14.494			2856	23.838	20.870	11.562	26.241	277.29
1951—March		2.0060	14.494			2856	23.838	20.870	11.561	26.260	277.29
1951—April		2.0060	14.494			2856	23.838	20.870	11.561	26.241	277.29
1951—May		2.0060	14.493			2856	23.838	20.870	11.561	26.243	277.29
1951—June		2.0060	14.484			2855	23.838	20.870	11.561	26.279	277.29

Year or month	Philip- pine Republic (peso)	Portu- gal (escudo)	South Africa (pound)	Spain (peseta)	Straits Settle- ments (dollar)	Swe- den (krona)	Switz- erland (franc)	United King- dom (pound)	Uruguay (peso)	
1946		4.0501	400.50	9.132		25.859	23.363	403.28	65.830	56.280
1947		4.0273	400.74	9.132		27.824	23.363	402.86	65.830	56.239
1948		4.0183	400.75	9.132		27.824	23.363	403.13	65.830	56.182
1949	49.723	3.8800	366.62		42.973	25.480	23.314	368.72	65.830	56.180
1950	49.621	3.4704	278.38		32.788	19.332	23.136	280.07	65.833	56.180
1950—July	49.625	3.4539	278.38		32.818	19.333	23.047	280.07	65.833	56.180
1950—August	49.625	3.4498	278.38		32.825	19.332	23.012	280.07	65.833	56.180
1950—September	49.625	3.4842	278.38		32.825	19.331	22.959	280.07	65.833	56.180
1950—October	49.625	3.4898	278.38		32.838	19.332	22.942	280.07	65.833	56.180
1950—November	49.625	3.4791	278.38		32.850	19.332	22.946	280.07	65.833	56.180
1950—December	49.625	3.4838	278.38		32.850	19.327	23.201	279.99	65.833	56.180
1951—January	49.625	3.4764	278.38		32.850	19.327	23.304	279.97	65.833	56.180
1951—February	49.625	3.4679	278.38		32.850	19.327	23.265	280.07	65.833	56.180
1951—March	49.627	3.4766	278.38		32.850	19.327	23.177	280.07	65.833	56.180
1951—April	49.643	3.4799	278.38		32.850	19.327	23.133	280.07	65.833	56.180
1951—May	49.643	3.4826	278.38		32.850	19.327	23.100	280.06	65.833	56.180
1951—June	49.644	3.4880	278.38		32.850	19.327	23.018	280.07	65.833	56.180

¹ In addition to the rates shown, three other rates were certified from Jan. 1 through Aug. 28, 1950. The 1950 averages for these rates are as follows (in cents per peso): Preferential "A"—20.695, Preferential "B"—17.456, and "Special"—13.896.

² Based on quotations beginning Sept. 1, 1950.

³ Based on quotations beginning July 13, 1950.

⁴ Based on quotations beginning Oct. 11, 1950.

⁵ Based on quotations through Sept. 30, 1950; official rate abolished after that date.

⁶ Based on quotations beginning June 22, 1950.

NOTE.—For back figures, see *Banking and Monetary Statistics*, Table 173, pp. 662-682. For description of statistics, see pp. 572-573 in same publication, and for further information concerning rates and averages for previous years, see BULLETIN for October 1950, p. 1419; January 1950, p. 123; October 1949, p. 1291; January 1949, p. 101; July 1947, p. 933; and February 1944, p. 209.

PRICE MOVEMENTS IN PRINCIPAL COUNTRIES
WHOLESALE PRICES—ALL COMMODITIES

[Index numbers]

Year or month	United States	Canada ¹	Mexico	United Kingdom	France ²	Italy	Japan	Netherlands	Sweden	Switzerland
	(1926 = 100)	(1935-39 = 100)	(1939 = 100)	(1930 = 100)	(1949 = 100)	(1938 = 100)	(1934-36 average = 1)	(July 1938-June 1939 = 100)	(1935 = 100)	(Aug. 1939 = 100)
1926.....	100	130	.....	³ 124	.....	.....	.....	150	⁴ 126	⁴ 135
1940.....	79	108	103	137	7	121	2	131	146	133
1941.....	87	117	110	153	9	136	2	150	172	171
1942.....	99	123	121	159	10	153	2	157	189	195
1943.....	103	128	146	163	12	.....	2	160	196	203
1944.....	104	131	179	166	14	.....	2	164	196	207
1945.....	106	132	199	169	20	.....	4	181	194	205
1946.....	121	139	229	175	34	.....	16	251	186	200
1947.....	152	164	242	192	52	5,159	48	271	199	208
1948.....	165	194	260	219	89	5,443	128	281	214	217
1949.....	155	199	285	230	100	5,170	209	296	216	206
1950.....	162	211	311	262	108	4,905	246	.....	227	203
1950—May.....	156	205	307	255	104	4,695	228	315	221	197
June.....	157	209	304	257	103	4,671	229	317	223	196
July.....	163	212	307	260	106	4,694	242	317	224	199
August.....	166	216	312	264	107	4,913	254	.....	225	205
September.....	170	223	321	272	112	5,088	260	.....	228	209
October.....	169	220	326	280	113	5,176	269	.....	230	213
November.....	172	222	332	289	117	5,279	277	.....	244	216
December.....	175	225	335	292	121	5,424	281	.....	253	218
1951—January.....	180	232	344	300	123	5,671	296	.....	^p 267	226
February.....	184	239	359	306	130	^p 5,760	311	.....	274	230
March.....	184	242	375	314	134	^p 5,739	328	.....	^p 287	231
April.....	184	242	385	319	^p 141	.....	.....	.....	^p 297	231
May.....	183	242	394	320	^p 141	.....	.....	.....	.....	^p 231

^p Preliminary.

^r Revised.

¹ This index replaces the one previously shown. It contains 604 items as compared with 589 in the old index. A detailed description of this index is given in "Dominion Bureau of Statistics Reference Paper No. 24, 1951," which may be purchased from the Bureau.

² This index replaces the one previously shown. It consists of 319 items as compared with 135 in the old index. A brief description of the index may be found in "Bulletin Hebdomadaire de Statistique," Feb. 3, 1951. Yearly averages prior to 1949 were derived from the old index.

³ Approximate figure, derived from old index (1913 = 100).

⁴ Approximate figure, derived from old index (July 1914 = 100).

Sources.—See BULLETIN for January 1950, p. 124; June 1949, p. 754; 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 ¹ (1935-39 = 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	144	129	133	.....	.....	.....	.....	.....
1940.....	68	71	83	96	104	110	133	138	121	163	126
1941.....	82	83	89	107	115	119	146	156	140	177	148
1942.....	106	100	96	127	124	124	158	160	157	175	154
1943.....	123	107	97	145	132	127	160	164	157	174	159
1944.....	123	105	99	155	135	129	158	170	159	179	163
1945.....	128	106	100	165	137	130	158	175	172	193	184
1946.....	149	131	110	177	141	138	158	184	200	282	261
1947.....	181	169	135	190	165	162	165	207	214	328	276
1948.....	188	179	151	230	198	192	181	242	231	342	283
1949.....	166	161	147	226	199	199	197	249	243	370	297
1950.....	170	166	153	233	213	211	221	286	.....	.....	.....
1950—May.....	165	160	148	234	207	204	224	272	276	386	312
June.....	166	162	149	243	215	207	223	276	285	388	312
July.....	176	171	152	247	219	209	222	282	.....	.....	.....
August.....	178	175	156	236	221	214	217	291	.....	.....	.....
September.....	180	177	159	235	226	222	220	303	.....	.....	.....
October.....	178	173	162	229	220	221	226	311	.....	.....	.....
November.....	184	175	164	230	222	223	229	325	.....	.....	.....
December.....	187	179	167	235	225	226	228	331	.....	.....	.....
1951—January.....	194	182	170	242	231	234	228	345	.....	.....	.....
February.....	203	188	172	254	237	240	227	356	.....	.....	.....
March.....	204	187	172	264	239	244	226	370	.....	.....	.....
April.....	203	186	172	257	239	245	236	370	.....	.....	.....
May.....	200	187	172	257	239	244	242	^p 368	.....	.....	.....

^p Preliminary.

¹ This index replaces the one previously shown. A detailed description of this index is given in "Dominion Bureau of Statistics Reference Paper No. 24, 1951," which may be purchased from the Bureau.

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 ¹ (1935-39 =100)	Canada (1935-39 =100)	United Kingdom (June 17, 1947 =100)	France ² (1949 =100)	Netherlands (1938-39 =100)	Switzerland (Aug. 1939 =100)	Year or month	United States ¹ (1935-39 =100)	Canada (1935-39 =100)	United Kingdom (June 17, 1947 =100)	France ² (1949 =100)	Netherlands (1938-39 =100)	Switzerland (Aug. 1939 =100)
1942.....	124	127	161	10	.....	153	1942.....	117	117	200	10	.....	141
1943.....	138	131	166	12	.....	161	1943.....	124	118	199	12	.....	148
1944.....	136	131	168	15	.....	164	1944.....	126	119	201	16	.....	151
1945.....	139	133	170	21	.....	164	1945.....	128	119	203	22	.....	153
1946.....	160	140	169	36	193	160	1946.....	139	124	204	35	192	152
1947.....	194	160	101	57	211	170	1947.....	159	136	101	57	199	158
1948.....	210	196	108	92	228	176	1948.....	171	155	108	90	206	163
1949.....	202	203	114	100	249	174	1949.....	169	161	111	100	219	162
1950.....	205	211	123	111	277	176	1950.....	172	167	114	111	240	159
1950-May.....	200	205	125	108	274	174	1950-May.....	169	164	114	.....	237	158
June.....	203	209	123	105	284	175	June.....	170	165	114	107	241	158
July.....	208	214	122	105	278	175	July.....	172	168	114	.....	240	158
August.....	210	217	121	109	275	178	August.....	173	169	113	.....	239	159
September.....	210	219	122	113	276	179	September.....	175	170	114	113	243	160
October.....	211	220	125	116	286	180	October.....	176	171	115	.....	248	161
November.....	211	219	125	117	286	180	November.....	176	171	116	.....	249	161
December.....	216	219	125	118	286	180	December.....	179	171	116	117	249	161
1951-January.....	222	220	127	120	.....	179	1951-January.....	182	173	117	119	.....	162
February.....	226	224	127	121	.....	178	February.....	184	175	118	121	.....	163
March.....	226	234	128	123	.....	178	March.....	185	180	119	124	.....	163
April.....	226	238	131	125	.....	178	April.....	185	182	121	126	.....	165
May.....	227	235	.....	.....	.....	179	May.....	185	182	.....	.....	.....	166

^p Preliminary.
¹ Adjusted series, beginning January 1950, reflecting allowances for rents of new housing units and interim revision of series and weights.
² These indexes replace the ones previously shown. The consumer price index consists of 213 items (34 in the old index), of which 41 articles comprise the index for retail food prices (exclusive of fresh fruits and vegetables), as compared with 29 in the old index. The general index for 1950 is published only on a quarterly basis. For a detailed description of the new indexes, see "Bulletin Mensuel de Statistique," Supplements October-December 1950, pp. 376-401 and January-March 1951, pp. 25-39. Annual averages prior to 1949 were derived from the old indexes.
 Sources.—See BULLETIN for October 1950, p. 1421; January 1950, p. 125; 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 (high grade) (1935-39 =100)	Canada (1935-39 =100)	United Kingdom (December 1921 =100)	France ¹ (1949 =100)	Netherlands	United States (1935-39 =100)	Canada (1935-39 =100)	United Kingdom (1926 =100)	France (December 1938 =100)	Netherlands (1938 =100)
Number of issues...	12	(²)	87	60	14	416	105	278	295	27
1943.....	120.3	102.6	127.8	133.3	.....	91.9	83.5	84.5	.....	.....
1944.....	120.9	103.0	127.5	136.8	.....	99.8	83.8	88.6	.....	.....
1945.....	122.1	105.2	128.3	138.3	.....	121.5	99.6	92.4	.....	.....
1946.....	123.3	117.2	132.1	131.5	109.0	139.9	115.7	96.2	875	.....
1947.....	103.2	118.5	130.8	120.0	105.6	123.0	106.0	94.6	1,149	202.2
1948.....	98.7	105.0	129.9	106.4	107.1	124.4	112.5	92.0	1,262	211.2
1949.....	101.9	107.6	126.5	100.0	106.8	121.4	109.4	87.6	1,129	195.3
1950.....	.....	109.6	121.2	99.8	106.7	146.4	131.6	90.0	1,030	193.2
1950-June.....	110.9	121.6	121.6	99.9	108.0	147.7	130.9	90.9	1,056	190.8
July.....	109.9	120.7	120.7	98.5	106.3	138.2	124.3	88.7	961	170.0
August.....	110.5	120.8	120.8	99.3	105.0	147.2	135.7	89.0	1,020	188.0
September.....	111.4	122.7	122.7	100.1	103.7	151.7	141.5	91.3	1,080	194.9
October.....	108.7	124.2	124.2	98.5	104.3	157.8	145.4	92.5	1,035	197.8
November.....	106.5	124.1	124.1	99.8	104.6	156.1	144.5	92.9	1,029	198.0
December.....	103.4	121.9	121.9	99.4	101.5	158.4	146.3	92.1	944	194.4
1951-January.....	102.1	122.4	122.4	99.7	99.4	168.6	153.8	94.7	1,031	201.3
February.....	102.1	121.1	121.1	99.6	97.4	174.7	166.5	96.8	1,144	205.2
March.....	95.6	120.2	120.2	100.1	96.6	170.3	162.9	96.2	1,159	204.0
April.....	95.3	119.8	119.8	99.2	93.1	172.3	165.6	96.0	1,169	199.1
May.....	95.3	118.3	118.3	100.4	86.9	173.9	164.0	99.7	1,172	195.0

^p Preliminary.
¹ This index replaces the one previously shown. It is based on 60 issues as compared with 50 in the former index. For a detailed description of the construction of this index, see "Bulletin Mensuel de Statistique," Supplements, July-September 1950, pp. 318-330 and October-December 1950, pp. 402-403. Yearly averages prior to 1949 are derived from old index.
 NOTE.—For sources and description of statistics, see BULLETIN for March 1951, p. 357; 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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¹ A more complete list, including periodical releases and reprints, appeared on pp. 734-37 of the June 1951 BULLETIN.

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DEBITS AND CLEARINGS STATISTICS, THEIR BACKGROUND AND INTERPRETATION. October 1947. 50 pages. 25 cents per copy; in quantities of 10 or more copies for single shipment, 15 cents each.

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A STATISTICAL STUDY OF REGULATION V LOANS. September 1950. 74 pages. 25 cents per copy; in quantities of 10 or more copies for single shipment, 15 cents each.

REGULATIONS OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM. Individual regulations with amendments.

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REPRINTS

(From Federal Reserve Bulletin unless preceded by an asterisk)

- A STUDY OF INSTALMENT CREDIT TERMS, by Milton Moss. December 1949. 8 pages.
- FRENCH EXCHANGE STABILIZATION FUND, by Robert Solomon. January 1950. 5 pages.
- INSURANCE OF COMMERCIAL BANK DEPOSITS. February 1950. 5 pages.
- STAFF STUDY ON ASSESSMENTS AND COVERAGE FOR DEPOSIT INSURANCE. February 1950. 15 pages.
- INDUSTRIAL DIFFERENCES IN LARGE CORPORATION FINANCING IN 1949, by Eleanor J. Stockwell. June 1950. 6 pages. (Also, similar survey by Charles H. Schmidt. June 1949. 8 pages.)
- RETAIL CREDIT SURVEY—1949. From June 1950 BULLETIN with supplementary information for nine separate trades. 37 pages.
- STATEMENT ON PROPOSED SMALL BUSINESS LEGISLATION. Presented by Thomas B. McCabe, Chairman, Board of Governors of the Federal Reserve System, before the Senate Committee on Banking and Currency, June 27, 1950. July 1950. 8 pages.
- BRANCH BANKING IN THE UNITED STATES, 1939 and 1949. July 1950. 16 pages.
- DEFENSE LOAN POLICY. An announcement adopted jointly by National and State Supervisors of banks and other lending institutions. August 4, 1950. August 1950. 1 page.
- REVISED ESTIMATES OF CONSUMER CREDIT. November 1950. 2 pages.
- MEASUREMENT OF CONSUMER CREDIT. Address by Ralph A. Young and Homer Jones before the University of Illinois Consumer Credit Conference, Chicago, Illinois, October 5, 1950. November 1950. 9 pages.

THE INTERNATIONAL MOVEMENT OF GOLD AND DOLLARS IN 1950. March 1951. 10 pages.

STATEMENT BY CHAIRMAN MARTIN ON HIS TAKING OATH OF OFFICE, APRIL 2, 1951. April 1951. 1 page.

1951 SURVEY OF CONSUMER FINANCES—SELECTED PRELIMINARY RESULTS. April 1951. 4 pages. PART I. THE ECONOMIC OUTLOOK AND LIQUID ASSET POSITION OF CONSUMERS. June 1951. 18 pages. PART II. PURCHASES OF HOUSES AND DURABLE GOODS IN 1949 AND BUYING PLANS FOR 1951. July 1951. 18 pages. (Other articles on the 1951 survey will appear in subsequent issues of the BULLETIN. Also, similar survey for 1946 from June-September 1946 BULLETINS, 28 pages; for 1947 from June-August and October 1947 BULLETINS, 48 pages; for 1948 from June-September and November 1948 BULLETINS, 70 pages; for 1949 from June-November 1949 and January 1950 BULLETINS, 124 pages; for 1950 from April and June-December 1950 BULLETINS, 106 pages, which includes THE METHODS OF THE SURVEY OF CONSUMER FINANCES.)

* THE TREASURY—CENTRAL BANK RELATIONSHIP IN FOREIGN COUNTRIES—PROCEDURES AND TECHNIQUES. November 1950. April 1951. 19 pages.

* PROGRAM FOR VOLUNTARY CREDIT RESTRAINT. As amended to April 20, 1951. 4 pages.

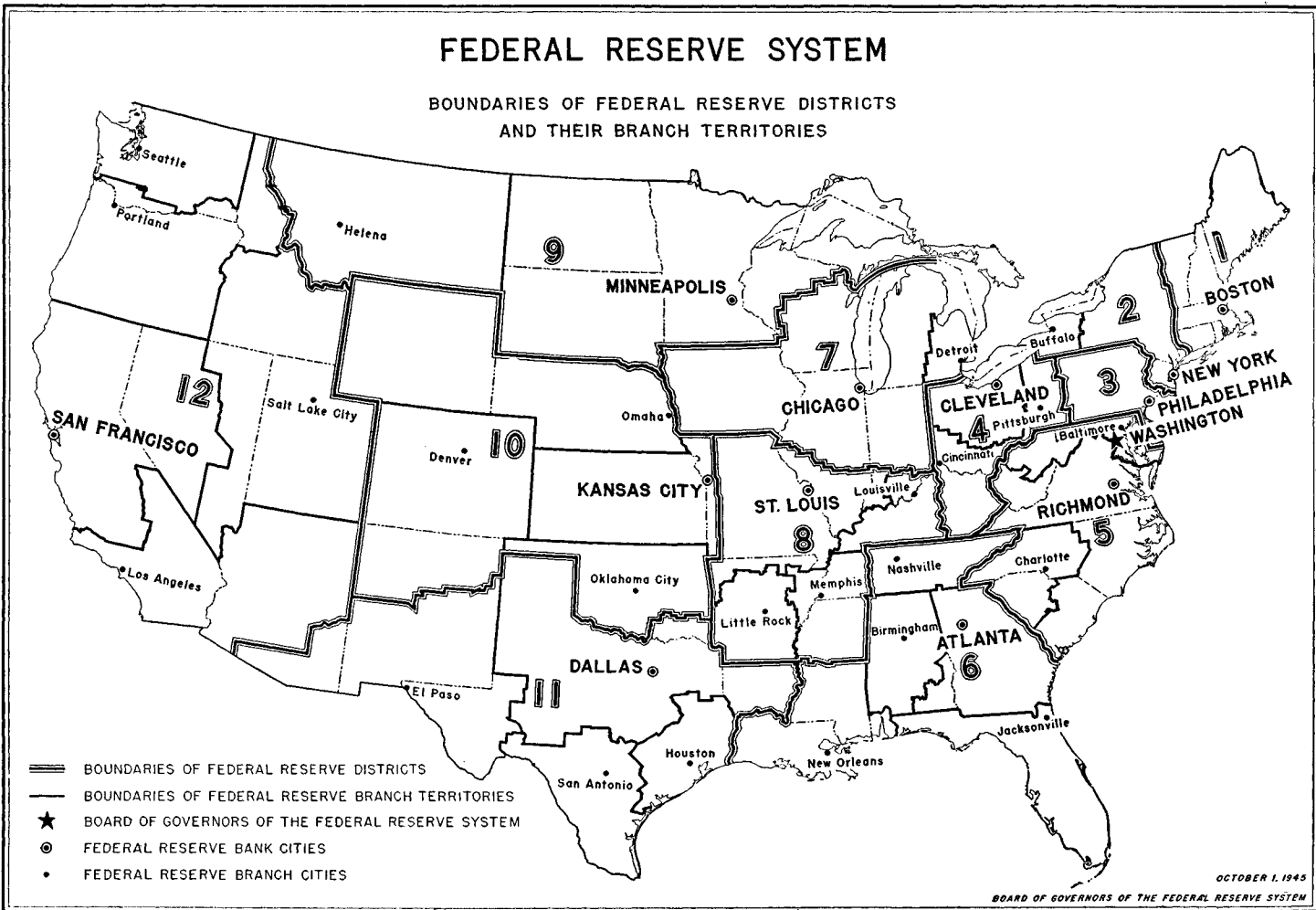
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OCTOBER 1, 1945

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